

Beyond is Deniz ›

Integrated Annual Report 2023



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 **ENBD**

Beyond is Deniz ›

DenizBank 

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We have made substantial investments in R&D and innovation since our establishment. We are working with all our strength to develop the technologies of the future and to move our Bank and our sector forward with our agile corporate culture. With a belief in the power of ecosystem banking and leveraging the capabilities of diverse sectors, we focus on meeting customer needs with a comprehensive approach.

Energy, agriculture, tourism, healthcare, sports, municipalities, maritime, and infrastructure are our niche sectors and the cornerstones of our domestic economy. We support these niche sectors and our SMEs with comprehensive financing mechanisms while taking heed of the environmental impacts of our operations.

We will continue to shape the future of our sector resolutely with our deep-seated experience, a vision that combines expertise in finance and technology, and our environmentally friendly approach.

for the
beyond

carbon-free future

We put our decarbonization goal at the center of our activities and we reduce our emissions based on science-based methodologies. Within this vision, we became the first bank in Türkiye to be a member of the Partnership for Carbon Accounting Financials (PCAF), the international initiative of financial institutions worldwide for measuring carbon emissions. We will continue to operate in accordance with global standards to minimize the environmental and social risks stemming from our activities and to contribute to Türkiye's transition to a green economy.

Total carbon emissions from our operations

62.3 Thousand Tons





for the
beyond

productive future

In accordance with our vision of transitioning to a low-carbon economy, we released our Sustainable Finance Framework in line with the guidelines published by the International Capital Markets Association (ICMA), the Loan Market Association (LMA), and the European Union. Our Bank established its belief in the importance of agriculture for the country's future more than 20 years ago, participated in the financing of this sector, and became the first bank in Türkiye to include the "Agriculture and Food Security" heading under social projects in its Sustainable Finance Framework.

Agricultural Banking

37% Leader among private sector banks



for the
beyond

efficient future

We renewed our sustainability-linked syndicated loan at a rollover rate of 134% and raised it to USD 845 million. This facility was procured for ensuring the continuity of production in the earthquake region and financing renewable energy investments. This represents the most broadly participated syndicated loan in the second half of 2023.

Total sustainability and earthquake support financing

USD 2.3 Billion



*for the
beyond*

conscious future

We conducted 12 panels and shared our sustainability commitments with the world at the COP28 United Nations (UN) Climate Change Conference, which was organized with the partnership of our shareholder Emirates NBD. We demonstrated our climate consciousness once again with our support for Erguvan, which develops technological solutions for emissions management.

Market valuation of our Erguvan investment

USD 7.33 Million

for the
beyond

innovative future

We established NEO Elektronik A.Ş., a joint venture that will develop fintech products in the supplier financing space, with our next generation subsidiary NEOHUB and the cash management optimization startup Fon Radar. This represents a step toward the progress of the sector in the supplier and bill financing segment, which is crucial for our SME customers. We aimed to bring an innovative approach to Türkiye's startup ecosystem with our company, which also represents an important indicator of our collaborative culture.

NEOHUB

**Leadership for innovative startups with financial
expertise and technological competence**

About the Report

The 2023 Integrated Annual Report is DenizBank's first integrated annual report, prepared to present the financial and non-financial performance within the framework of the Bank's strategies and the value created for all stakeholders through its integrated business model.

REPORT PERIOD AND SCOPE

Covering the period from 1 January 2023 to 31 December 2023, the report provides a comprehensive understanding of the Bank's financial performance and its environmental, social, and governance (ESG) performance. It includes consolidated and non-consolidated financial statements, as well as independent auditor reports, encompassing DenizBank's operations in Türkiye and overseas.

The activities of the Bank's subsidiaries are outside the reporting scope, but a brief summary of their performance is provided in the report (Our Subsidiaries and 2023 Activities).

REPORT CONTENT

The report encompasses DenizBank's integrated business model that creates value for all stakeholders, covering risk and opportunity management, future strategies, stakeholder communication, and performance indicators in financial, environmental, and social areas. It also discusses priority issues identified with the participation of DenizBank's stakeholders, the management approach shaped by sectoral and global trends, and the financial and non-financial performance and goals. The report provides current information on the Bank's approach, focusing on sustainable and shareable value creation by addressing both financial and non-financial capital elements.

COMPLIANCE AND REGULATION

DenizBank's 2023 Integrated Annual Report complies with the minimum requirements of the Banking Regulation and Supervision Agency (BDDK) and the Capital Markets Board (CMB) in their regulations regarding annual reports and financial reporting. Prepared in accordance with the Value Reporting Foundation (VRF) and Integrated Reporting Framework and the GRI Standards, it is presented to stakeholders.

AUDIT

Financial information in the report is audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Independent Auditor's Report on

Annual Report). Selected non-financial indicators undergo a limited assurance audit in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Assurance Engagements Other Than Audits or Reviews of Historical Financial Information) standards by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (Independent Assurance Report).

FEEDBACK

Any opinions or suggestions regarding the report can be sent to investorrelations@denizbank.com and sustainability@denizbank.com



DenizBank Financial Services Group (DFSG)

BANKING SERVICES

- DenizBank
- DenizBank AG (Austria)
- DenizBank Moscow (Russian Federation)
- EuroDeniz International Banking Unit Ltd. (TRNC)

INFORMATION TECHNOLOGIES SERVICES

- Intertech
- Ekspres IT

FINANCIAL TECHNOLOGIES SERVICES

- NEOHUB
- fastPay Electronic Money and Payment Services

LEASING, FACTORING

- DenizLeasing
- DenizFactoring

INVESTMENT ACTIVITIES

- DenizInvest Securities
- DenizAsset Management

OTHER SERVICES

- Bantaş
- Acık Deniz Radio-TV

CULTURAL SERVICES

- DenizKültür

REAL ESTATE INVESTMENT TRUST

- Deniz Real Estate Investment Trust

Message from the Chairman

DenizBank delivered another successful performance in 2023 through active balance sheet management.



In line with our sustainability goals, we secured long-term funding from international institutions to support green-economy projects, women entrepreneurs with limited access to finance, and the agriculture sector, all of which are strategically important.

Total Capital
TL 118.0 billion

Net Profit
TL 28.1 billion

► *Behind all of DenizBank's achievements lies the dedication of our colleagues and the trust placed in us by our customers and stakeholders.*

To our valued stakeholders, customers, and business partners,

The Turkish economy remained resilient in 2023 despite the devastating earthquake in February. DenizBank, played an integral role in the recovery and reconstruction initiatives by providing uninterrupted banking services and maintaining strong support to key sectors including small and medium sized enterprises, agriculture, and tourism. ENBD Group made an immediate TL 350 million donation to the relief efforts.

Despite facing disruption from the earthquakes and other challenges such as inflation, Türkiye's economy grew strongly, with the Organisation for Economic Corporation and Development projecting 4.5% Real GDP growth in 2023 and the International Monetary Fund projecting Türkiye to be the 17th largest economy globally in 2024.

DenizBank delivered an excellent financial performance in 2023 as profit increased by 62% year-over-year to reach TL 28.1 billion, helping propel the total capital to over TL 118 billion. In line with our sustainability goals, we secured long-term funding

from international institutions to support green-economy projects, women entrepreneurs with limited access to finance, and the agriculture sector, all of which we consider strategically important. While working to enhance the entrepreneurial environment in Türkiye, we also supported climate-sensitive start-ups.

We were delighted to showcase our initiatives and credentials at the United Nations Climate Change Conference (COP28) held in Dubai in November and December 2023, where Emirates NBD was also the Principal Banking Partner.

Behind all of DenizBank's achievements lies the dedication of our colleagues and the trust placed in us by our customers and stakeholders. I thank all our stakeholders who support our Bank and sincerely congratulate the 100th anniversary of the Republic of Türkiye.

Sincerely,

Hesham Abdulla Al Qassim
Chairman of the Board

Message from the CEO

2023 was extremely important for our country and our institution as we commemorated the 100th anniversary of our Republic.



We maintained our earthquake mobilization, which we started in 2023, throughout the year with financial support for farmers, SMEs and all citizens that were affected by this disaster; and we are continuing to do so.

Assets

TL 1,173 billion

Deposits

TL 738 billion

➤ *At the global level, 2023 became a year that the effects of ongoing inflation and tight monetary policies implemented according to this, and geopolitical developments on growth combined.*

Esteemed stakeholders,

We started 2023 with the disastrous earthquake epicentered in Kahramanmaraş that deeply saddened all of us as a nation. As DenizBank, we also lost three colleagues, **Büşra Atlı, Hüseyin Yıldırım** and **Nejat Akyürek**, in this devastating event. I pray for mercy on the souls of our deceased friends as well as all people who lost their lives.

Starting moments after the earthquake struck, our country exhibited an extraordinarily strong solidarity to lessen the effects of the devastating destruction. We also sprang into action with a quick organization through our Head Office and field staff to meet the basic needs of our employees and our citizens in the region. We maintained this mobilization throughout the year with financial support for farmers, SMEs and all citizens that were affected by this disaster, as well as the scholarship program which we carried out in partnership with TED with the understanding of the importance of the continuity of education; and we are continuing to do so.

Fight against inflation in the world and in Türkiye

At the global level, 2023 became a year that the effects of ongoing inflation and tight monetary policies implemented according to this, and geopolitical developments on growth combined.

In Türkiye, the expansionary economic policy set which was initiated in 2022 to support exports and production was maintained

until the second quarter of 2023. The rapidly rising inflation rate and current account deficit necessitated a change in this policy set and the Central Bank began raising interest rates in June after a long time. In addition to the monetary tightening, we are also observing continued simplification steps in the macroprudential policies.

Maintaining our growth with strong financials

As DenizBank, we maintained our prudent financial growth in terms of assets, loans, and deposits during this period. Our assets stand at TL 1,172.9 billion on a consolidated basis and TL 1,007.7 billion on an unconsolidated basis.

Our Bank has been creating resources in various areas that contributes to the economic progress of the Turkish Republic of Northern Cyprus (TRNC) for a long time. As an important development in 2023, DenizBank expanded its international network by establishing the TRNC Country Directorate and opening Girne Branch to provide uninterrupted and accessible banking service in the TRNC.

TL time deposits, which increased as savings turned to Turkish Lira, led our total customer deposit to reach TL 737.9 billion on a consolidated basis and TL 595.1 billion on an unconsolidated basis. We attained these accomplishments with a total of 655 branches, consisting of our branch network covering 81 provinces in Türkiye, our branches in Bahrain and Girne, and 14 overseas subsidiary branches, and a customer base that grew 7% in the last year.

Message from the CEO

We provided USD 2.3 billion sustainability and earthquake support financing to Türkiye's economy in 2023 under Emirates NBD Group's ownership.

Cash Loans

TL 570 billion

Non-cash Loans

TL 154 billion

➤ *As a bank wholeheartedly committed to the Republic's gains, we believe that the real inheritance that we can leave to the young generations, who will embrace our company and take what we do even higher, is the high sense of responsibility, that we will undertake for the future of both our country and the world.*

Continuing to make its resources available to the economy in 2023, our Bank increased its consolidated cash loans to TL 570.0 billion, unconsolidated cash loans to TL 465.6 billion, and consolidated total cash and non-cash loans to TL 724.0 billion. Our consolidated and unconsolidated shareholders' equity reached TL 90.4 billion and TL 89.8 billion, respectively. Our consolidated and unconsolidated shareholders' equity including subordinated loans rose to TL 113.5 billion and TL 112.9 billion, respectively. We posted a net profit of TL 28.1 billion on a consolidated basis and TL 27.9 billion on an unconsolidated basis in 2023.

Continuing to provide resources to Türkiye's economy

We conducted extensive efforts to procure resources from overseas markets in line with our sustainability goals in 2023. We provided USD 2.3 billion sustainability and earthquake support financing to Türkiye's economy in 2023 under Emirates NBD Group's ownership.

- Under our securitization program, we obtained USD 610 million overseas funding with a maturity of up to seven years to support green economy projects, women entrepreneurs who have limited access to financing, and the agriculture sector, a strategic sector for DenizBank, as well as support for individuals and businesses that were affected by the Kahramanmaraş-epicentered earthquakes.

- We renewed our syndicated loan associated with sustainability performance goals in June at a 117% rollover rate with an additional source of funding and created USD 530 million from international resources. Subsequently, we renewed our other sustainability-linked syndicated loan in November at a rollover rate of 134% and raised it to USD 845 million. This represents the most widely participated syndicated loan in the second half of 2023, attracting 48 participants from 22 countries.
- We obtained a USD 109 million fresh resources from the European Bank for Reconstruction and Development (EBRD) within the scope of the Disaster Response Framework for Türkiye to meet the priority needs of the population in the regions affected by the earthquake, to restructure the existing loans, and to preserve the human capital which is essential for development.
- We secured a USD 118 million resource from the International Finance Corporation (IFC); Proparco, a subsidiary of the Agence Française de Développement; and the European Fund for Southeast Europe (EFSE) to support individuals affected by the earthquake and the development of the agriculture sector in the region.
- In addition to all these, we completed a USD 285 million Murabaha syndication, the first among the conventional commercial banks in Türkiye, to be utilized for projects with environmental and social development impacts.

Sustainability is our top agenda item

We took important steps in the past year toward making our initiatives more systematic and structural in four major categories – identification of practices based on our sustainability strategy, key performance indicators for our managers, risks and opportunities arising from climate change, and creation of the decarbonization roadmap – with the goal of managing our sustainability initiatives and decarbonization strategy according to international, science-based methodologies.

We solidified this approach by investing in Erguvan, a climate and finance technologies startup, based on a valuation of USD 7.33 million as part of the strategic partnership between our investment fund Deniz Ventures and Emirates NBD in the entrepreneurship space. We took pride in contributing to the decarbonization efforts in Türkiye by investing in Erguvan, a digital infrastructure service provider to financial institutions in the management of climate change-driven impacts and risks.

As another major development, we became the first Turkish bank to be a member of the Partnership for Carbon Accounting Financials (PCAF), the international initiative formed by financial institutions worldwide for measuring carbon emissions and bringing their portfolios into compliance with the net zero goals in line with the Paris Climate Accord. In addition, in accordance with our vision of transitioning to a low-carbon economy and in line with the guidelines published by the International Capital Markets Association (ICMA) and the Loan Market Association (LMA), we released our Sustainable Finance Framework which includes the "Agriculture and Food Security" heading under social projects for the first time in Türkiye.

In addition to our pioneering steps in the sustainability space, we also had the pleasure of being recognized as the "Bank of the Year in Türkiye in 2023" at The Banker's Bank of the Year Awards as a result of our investment in Erguvan, and our "Deniz'den Toprağa" application which is an extraordinarily important innovation geared to the agriculture sector.

Working out of love for our country

2023 was extremely important for our country and our institution as we commemorated the 100th anniversary of our Republic. As a bank wholeheartedly committed to the Republic's gains, we believe that the real inheritance that we can leave to the young generations, who will embrace our company and take what we do even higher, is the high sense of responsibility, that we will undertake for the future of both our country and the world. We see our profession as our mission. For this reason, we have been acting with love for our country since our establishment. We are working with all our strength to make banking accessible to everyone through our financial models as well as our technology and innovation; to ensure that our farmers, SMEs, tourism professionals, and all other niche sectors which we support maintain their contributions to the economy; and to enrich the entrepreneurship ecosystem. We will continue to do so.

I would like to express my gratitude and respect to our stakeholders and customers for sharing our vision and always standing with us.

Hakan Ateş
CEO

➤ *We also had the pleasure of being recognized as the "Bank of the Year in Türkiye in 2023" at The Banker's Bank of the Year Awards as a result of our investment in Erguvan, and our "Deniz'den Toprağa" application which is an extraordinarily important innovation geared to the agriculture sector.*

Our 2023 Performance in Numbers

DenizBank increased its consolidated assets by 88% to TL 1,173 billion.

Financial Performance



⁽¹⁾ Includes factoring and leasing receivables, Net.
⁽²⁾ Excludes banks deposits.
⁽³⁾ Net amount.

Our 2023 Performance in Numbers

DenizBank, provides uninterrupted service to 18.6 million customers with its 14,975 domestic employees in 2023.

Operational Performance

Total Number of Employees
(Domestic - Official)
14,975

Total Number
of Active ATMs
3,080

Number of Active
MobilDeniz Users
5.1 million

Total
Customers
18.6 million

Number of Credit Cards
with Bonus Features
6.4 million

Usage Rate of Active
Customers on MobilDeniz
79%

Number of Domestic
Branches
639



Environmental Performance

GHG Emissions (tCO₂e)
Scope 1
13,085 tCO₂e

Scope 2
22,614 tCO₂e

Scope 3
26,598 tCO₂e

Purchased Electricity
Consumption
51,396 MWh

Water
Consumption
208,850 m³

Paper
Consumption
679 tons

Quantity of Paper Waste Collected, Recycled,
Recovered Sent for Disposal
48 tons



Social Performance

Recruits in 2023
(Full time employee)
3,072

Students who completed
"Deniz'in İncileri Plus"
Internship Program
80

Deniz Academy YouTube
Channel Views
4.2 million

Students who completed
"Deniz'in İncileri"
Internship Program
220

Total Training Hours
given in 2023
880 K hours

Total Donations
in 2023
TL 46,028 thousand

About DenizBank

DenizBank has a broad service network reaching all parts of society in Türkiye.

Branches
641

DenizBank has 641 branches in Türkiye, Girne and Bahrain, in addition to 14 branch locations of DenizBank AG, its subsidiary based in Vienna.

In 1997, DenizBank was acquired by Zorlu Holding via a banking license from the Privatization Administration. Recording three shareholder changes and performing a public offering during its short history of 25 years, the Bank was acquired in October 2006 by Dexia, a leading European financial group. Subsequently, as the biggest one-time investment made by Russia in Türkiye, DenizBank started to operate under Sberbank, one of the world's biggest banks, as of 28 September 2012. Most recently, the Bank's ownership was transferred to Emirates NBD, a leading Banking Group in the MENAT region, as of 31 July 2019.

"Financial supermarket" era in banking
As part of corporate identity efforts, DenizBank implemented a "Back-to-Life" program that included recruitment and new branch openings with its five-year strategic plan in 1997. To this end, DenizBank acquired some of the bank branches under the control of Saving Deposit Insurance Fund and included Tarihbank to the Group at year-end 2002. During this period, DenizBank acquired banks in Austria and Russia in addition to its factoring, financial leasing, investment and portfolio management companies to complement its existing banking products and services. As a result, DenizBank Financial Services Group (DFSG) created a "financial supermarket" providing a wide variety of financial services under a single umbrella in 2003. DenizBank also took over the Retail Banking Department of Citibank as of 1 July 2013 together with its more than 600 thousand customers and 1,400 employees.

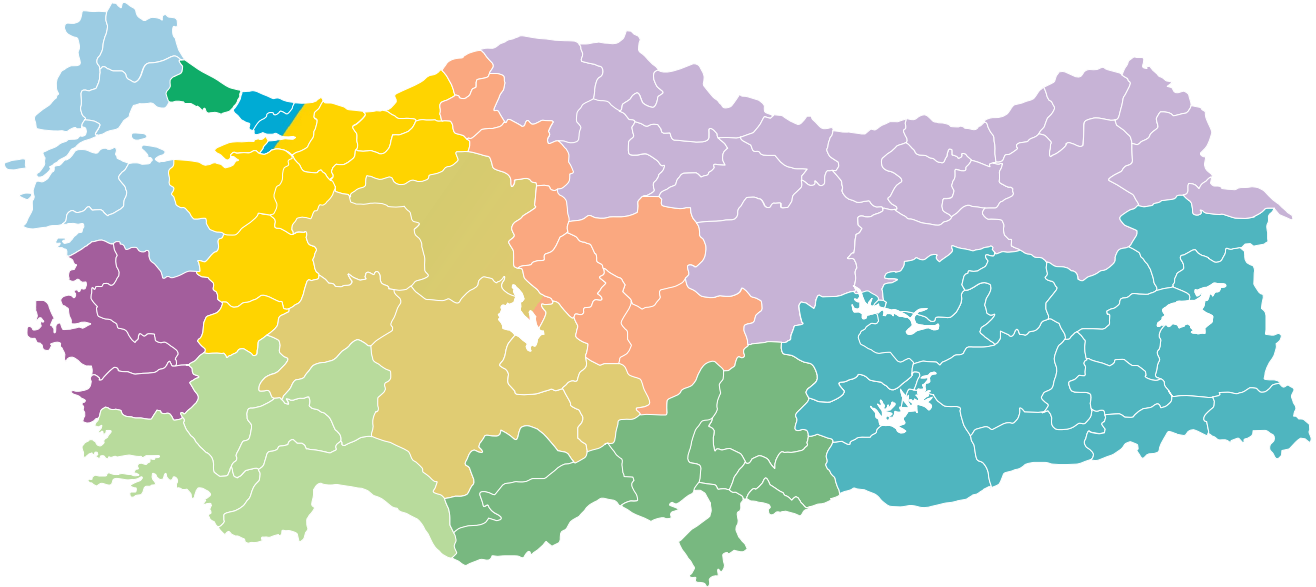
Making substantial investments in technology, R&D, and innovation since its founding, DenizBank established the first Digital Banking Department in Türkiye in 2012, appointed the first Chief Digital Officer (CDO) in the sector, the Bank was named the "Most Innovative Bank in the World" multiple times in the USA and Europe, and in July 2021, the Bank established its new age subsidiary NEOHUB in order to provide network and experience-oriented support to the entrepreneurship environment in Türkiye.

The bank working for development and sustainable future
Working with the principle of serving its home country, the Bank is committed to meeting the needs of SMEs, who are at the heart of the nation's economy, as well as health, sports, municipalities, maritime, tourism, energy, education, infrastructure and agriculture, and creates financing models that set an example for the sector in the majority of these areas. It also aims to create a sustainable legacy that is sensitive to development in every aspect.
Moreover, being aware of the role played by the financial sector in the green transformation process, DenizBank offers banking services with an approach that considers the future of the planet and the protection of natural resources, and integrates its sustainability approach into all of its business processes under the guidance of the Sustainability Committee it established in 2021.

Besides its flagship banking institution, DenizBank Financial Services Group includes six domestic and three international financial subsidiaries, six domestic non-financial subsidiaries and one branch each in Bahrain and Girne. DenizInvest Securities, Deniz REIT, DenizAsset Management, DenizLeasing, DenizFactoring, fastPay, Intertech, NEOHUB, DenizKültür, Ekspres, Açık Deniz Radyo-TV and Bantaş are the domestic subsidiaries of the Group, and EuroDeniz, DenizBank AG and DenizBank Moscow are the foreign subsidiaries. With a broad service network reaching all parts of society in Türkiye, DenizBank has 641 branches in Türkiye, Girne and Bahrain, in addition to 14 branch locations of DenizBank AG, its subsidiary based in Vienna. The Group operates in EU countries via DenizBank AG, while DenizBank Moscow serves customers abroad that have trade relations with Russia.



Our Branches



Region	Number of Branches
Mediterranean	60
Europe 1	44
Europe 2	46
Capital 1	49
Capital 2	57

Region	Number of Branches
Çukurova	50
Aegean	74
South East Anatolia	43
Istanbul Anatolia	55
Black Sea	59

Region	Number of Branches
Marmara	53
Thrace	44
Other*	7
Total	641

* Branches that are not affiliated with the regions

About Emirates NBD

Emirates NBD is a leading banking group in the MENAT region with a presence in 13 countries, serving over 9 million active customers.

Emirates NBD (DFM: Emirates NBD) is a leading banking group in the MENAT (Middle East, North Africa and Türkiye) region with a presence in 13 countries, serving over 9 million active customers. As at 31 December 2023, total assets were AED 863 billion, (equivalent to approx. USD 235 billion). The Group has operations in the UAE, Egypt, India, Türkiye, the Kingdom of Saudi Arabia, Singapore, the United Kingdom, Austria, Germany, Russia and Bahrain and representative offices in China and Indonesia with a total of 850 branches and 4,431 ATMs / SDMs. Emirates NBD is the leading financial services brand in the UAE with a brand value of USD 3.89 billion.

Emirates NBD Group serves its customers (individuals, businesses, governments, and institutions) and helps them realise their financial objectives through a range of banking products and services including retail banking, corporate and institutional banking, Islamic banking, investment banking, private banking, asset management, global markets and treasury, and brokerage operations. The Group is a key participant in the global digital banking sector with 97% of all financial transactions and requests conducted outside of its branches. The Group also operates Liv, the lifestyle digital bank by Emirates NBD, with close to half a million users, and continues to be the fastest-growing bank in the region.

Emirates NBD contributes to the construction of a sustainable future as an active participant and supporter of the UAE's main development and sustainability initiatives, including financial wellness and the inclusion of people of determination. Emirates NBD is committed to supporting the UAE's Year of Sustainability as Principal Banking Partner of COP28 and an early supporter to the Dubai Can sustainability initiative, a city-wide initiative aimed to reduce use of single-use plastic bottled water.

A presence in

13

countries

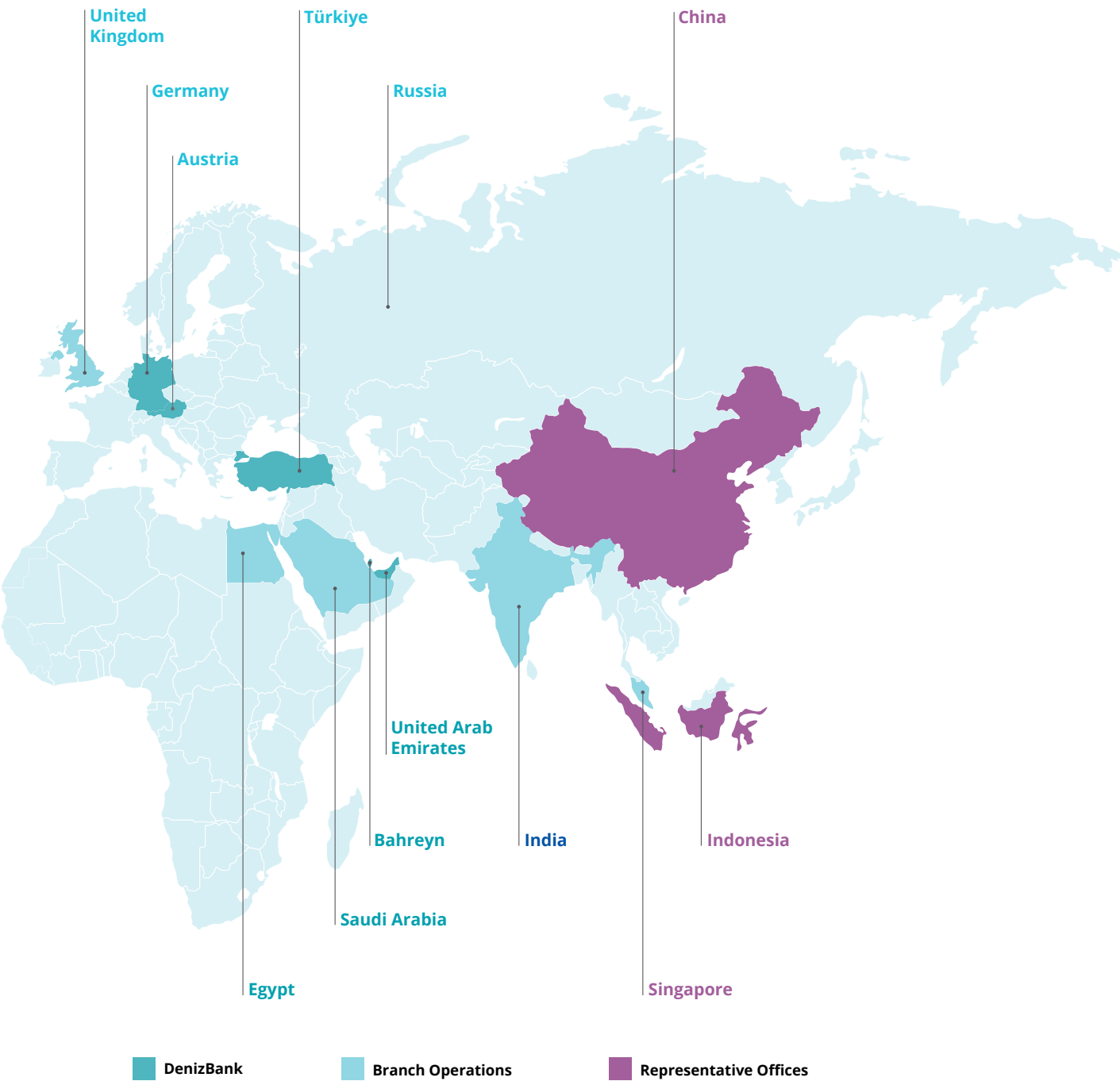
Serving over

9

million active customers

850

Branches



Our Mission and Vision

DenizBank's Mission,

is to become a bank that maximizes employee, customer and shareholder satisfaction with its position, image and corporate characteristics in the market by adopting a "supermarket approach" to financial services.

DenizBank's Vision,

is becoming one of the five largest banks in Türkiye and the foremost financial institution in the region defined as the Middle East, Balkans, Caucasus and Commonwealth of Independent States countries through sustained and profitable growth.

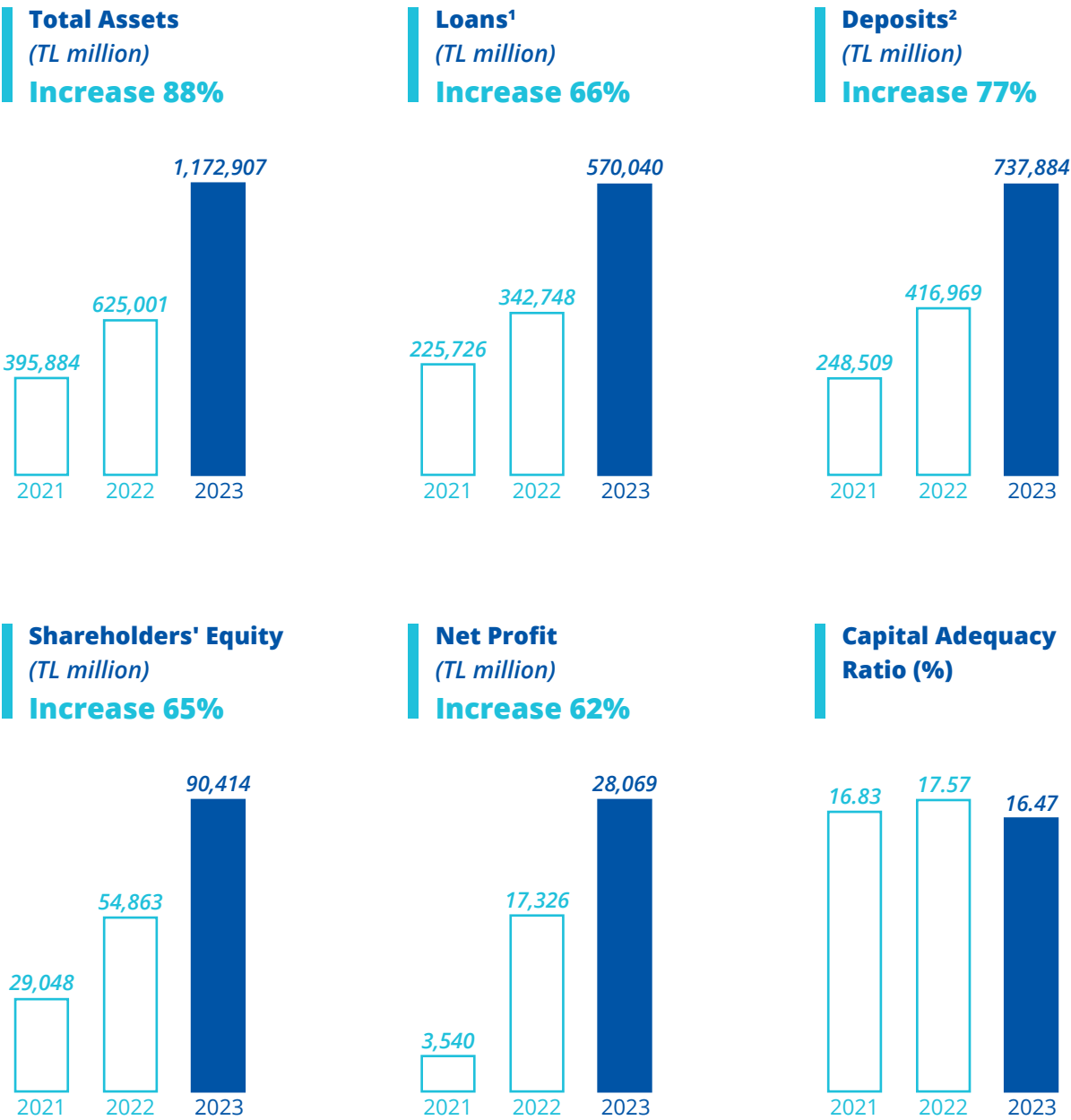
DenizBank's Sustainability Vision,

A bank for all and beyond.... Facilitating sustainability transformation with innovative finance



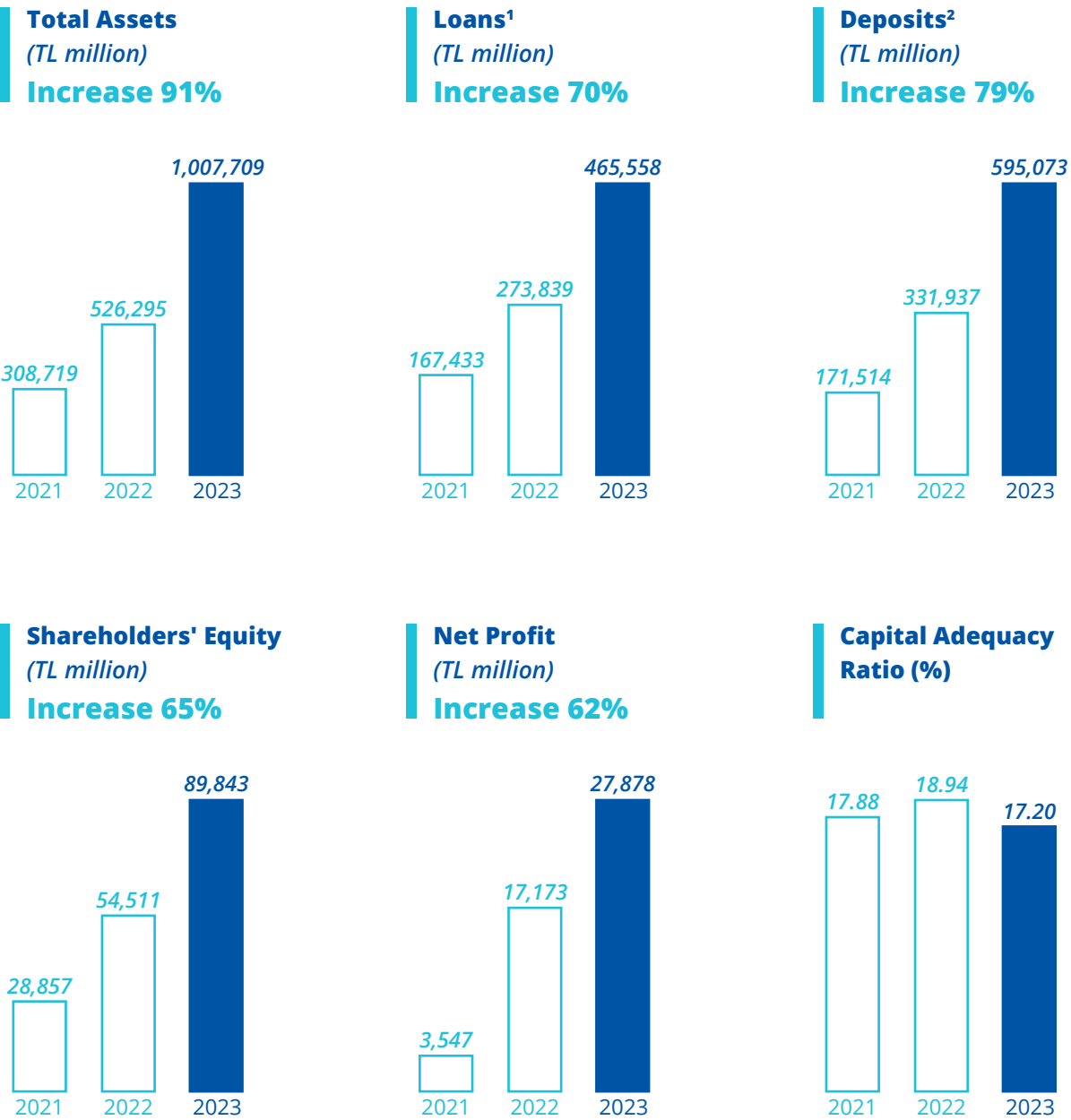
Financial Highlights

Consolidated



¹ Includes factoring and leasing receivables, Net.
² Excludes banks deposits.

Unconsolidated



¹ Net amount.
² Excludes banks deposits.

DenizBank Timeline from its Establishment until Today

In 2023, DenizBank set its Sustainability Vision: “A bank for all and beyond.... Facilitating sustainability transformation with innovative finance.”

2017

- In September 1997, DenizBank started its banking operations with a banking license obtained from the Privatization Administration through a tender.
- First 13 branches were opened.
- It became the first bank which was entitled to the ISO-9001 certificate within the year it is established.

1998

- DenizInvest, DenizLeasing and DenizFactoring started their operations.

1999

- DenizBank Açık Deniz online banking was launched.

2000

- DenizBank secured its first syndicated loan.
- Call Center started its operations.

2001

- DenizBank emerged stronger from the 2001 crisis, which took its toll in the entire banking sector.
- At the end of the year, DenizBank acquired 82 branches of banks transferred to the Savings Deposit Insurance Fund (SDIF). As unemployment was rising in the banking sector due to the crisis, 1,700 professional bankers were transferred to DenizBank, thanks to which they could remain in the sector.

2002

- In December 2002, DenizBank acquired all shares of Tarışbank, including 100% paid-in capital of Tarış Menkul Değerler, a brokerage company. DenizBank's journey in agriculture sector started with the acquisition of Tarışbank, at a time when no private banks had entered into this sector, which created the basis of today's agricultural banking.

- In July 2002, DenizBank purchased 100% shares of Intertech Bilgi İşlem ve Pazarlama Ticaret A.Ş., which would become the technological base of the Bank.
- In September 2002, DenizBank acquired 99.99% shares of Esbank AG Wien (the name was changed to DenizBank AG in 2003), which was a commercial bank operating in Vienna (Austria). Today, DenizBank AG continues its operations as the biggest foreign subsidiary of a Turkish bank.

2003

- In June 2003, all shares of CJSC İktisat Bank, a bank in Moscow, were acquired.
- DenizBank Financial Services Group was established to create a financial supermarket that offers various financial services under the same roof.

2004

- On 24 September 2004, 25% of DenizBank's capital was publicly offered with a 5 times record demand and was listed on Istanbul Stock Exchange. The public offering was a turning point in the Turkish capital markets, which had remained stagnant after the crisis.
- In December 2004, DenizBank established DenizKültür, which brings many works of culture and arts to art-lovers for years.
- As a first in agricultural banking, “Producer Card”, which was developed by DenizBank, was launched, as the biggest supporter of farmers.

2005

- DenizBank took its first big step in technology by obtaining the permit to use the digital banking operating system which was still under development by Microsoft.

2006

- On 17 October 2006, DenizBank's shares were transferred to Dexia, the Franco-Belgian banking giant in Europe, with a record multiplier of 4.7, and Dexia became the shareholder of the bank.

2007

- In March 2007, DenizBank acquired 99.6% shares of Global Hayat Sigorta A.Ş. In August 2007, the name was changed to DenizHayat Sigorta (Deniz Hayat), and in November 2008, the name was changed to DenizEmeklilik (Emeklilik ve Hayat A.Ş.) after obtaining the pension company license.

2008

- DenizBank's training centre, Deniz Academy became operational.
- The integrated banking platform “Inter-Next” was launched with the cooperation of Intertech and Microsoft.

2009

- In June 2009, DenizLeasing established Pupa Gayrimenkul Kiralama ve Yönetimi Hizmetleri A.Ş. to invest mainly in real estate, real estate projects and real estate-related rights.

2010

- The new generation banking platform “inter-Next” developed by Intertech, a subsidiary of DenizBank Financial Services Group, received the Computerworld Honors Program Award which is considered as the Oscar of the IT world.

2011

- On 3 October 2011, DenizBank agreed to sell its 99.9% shares in DenizEmeklilik to American Life Hayat Sigorta A.Ş. (MetLife) for EUR 161.9 million.
- A rare structure in the finance structure, DenizTV was founded and became the bank's television network that enhances the efficiency in training and internal communication.

2012

- On 28 September 2012, Sberbank acquired 99.85% shares of DenizBank from Dexia for a consideration of USD 3.5 billion.

2013

- On 1 July 2013, Citibank Türkiye's retail business line, consisting of over 600,000 customers, TL 1.2 billion loans/receivables and TL 1.6 billion deposits, was transferred to DenizBank with approximately 1,400 employees, including retail banking branches.

2014

- DenizBank was named “Most Innovative Bank of the Year” in 2014 BAI Banking Innovation Awards given by USA based Bank Administration Institute (BAI) and American Bankers Association (ABA), two of the most respected institutions across the world in banking management field of financial services sector.

2015

- DenizBank was crowned with “Global Innovator” award given by management consultancy company Accenture and European Financial Management Association (EFMA), in the most prestigious category in 2015 Innovation Awards considered by international financial circles as one of the most prestigious award platforms having more than 3,000 bank and finance institution members in 130 countries of the world.

2016

- DenizBank was once again selected as “Most Innovative Bank of the Year” by BAI. Thus, the bank was at the top in the last three years in a row with the awards that it received in digital field.

2017

- DenizBank was the only private bank that took action in the “Nefes Credit” project executed jointly by TOBB (Union of Chambers and Commodity Exchanges of Türkiye) and KGF (Credit Guarantee Fund).

2018

- Given the significance of big data in finding rapid solutions to customers' needs, Data Science Programme was initiated – a first in the sector in terms of the size of the team and the contents of the module.

2019

- On July 31, 2019, Emirates NBD acquired 99.85% shares of DenizBank from Sberbank. Despite challenging market conditions, DenizBank shares changed hands for the 3rd time with almost 1 multiplier, for TL 15.48 billion.
- According to the provisions of CMB's Communiqué on Squeeze-Out and Sell-Out Rights (II-27.2), Emirates NBD had the right to sell the shares of other shareholders of the Bank to Emirates NBD. Shares of those shareholders who exercised their right to sell were purchased, and within the scope of the same Communiqué, the squeeze-out right was exercised for the remaining shareholders. As a result, Emirates NBD's ownership rate in DenizBank reached 100%. Afterwards, DenizBank shares were delisted from the Stock Exchange as of 16 December 2019.

2020

- To gather innovation works under one roof, DenizBank created Deniz Aquarium, where the focus is on producing the future technologies and agile business models.

2021

- In July 2021, the Bank established the new fintech company NEOHUB to contribute to the entrepreneurial ecosystem in Türkiye, with the understanding of “ecosystem banking”. Deniz Aquarium, Deniz Ventures and fastPay were merged under NEOHUB to provide a one-stop solution for start-ups in Türkiye.
- Sustainability Committee was established under the chairmanship of DenizBank's CEO and the first committee meeting was held on 1 December 2021

2022

- Intertech, the technology partner of DenizBank, introduced Türkiye's first and only financial cloud platform, inter-Cloud, which is approved by the Banking Regulation and Supervision Agency (BRSA), to the entire financial sector and start-up ecosystem.
- DenizBank realized its first repo transaction, which included Environmental, Social and Governance (ESG)-related sustainability criteria, with the London-based financial institution Standard Chartered Bank.
- DenizBank calculated and verified its carbon footprint value for 2022 to start on a healthy decarbonization journey.

2023

- DenizBank set its Sustainability Vision: “A bank for all and beyond.... Facilitating sustainability transformation with innovative finance”.
- DenizBank established the Sustainable Finance Framework and became the first Turkish bank to include the “Agriculture and Food Safety” category under its Social Projects. The Bank received a second party opinion from the company ISS Corporate Solutions for the framework and published it on the Bank's website.
- During the 2022 fiscal period, climate change and water security reporting was made to the Carbon Disclosure Project (CDP) platform.
- DenizBank became a signatory of the Integrated Reporting Türkiye Network (ERTA).
- DenizBank became a member of the Business Council for Sustainable Development (BCSD Türkiye).
- DenizBank became a signatory of the UN Global Compact.
- DenizBank became the first Turkish Bank to become a member of PCAF (Partnership for Carbon Accounting Financials).



Our Awards and Achievements

2023 has been a year full of rewards for DenizBank, Intertech and NEOHUB.



Bank of the Year 2023 Türkiye Award

As a result of its investments in the field of sustainability and technology, DenizBank was crowned with the Bank of the Year 2023 Türkiye Award by The Banker in the field of technology thanks to its (i) technology infrastructure project Risk Insight Map-RAROC, in the field of sustainability with (ii) the climate and financial technologies initiative Erguvan, which is a strategic joint venture established by Deniz Ventures with Emirates NBD, and with (iii) the application Deniz'den Toprağa, the infrastructure of which was developed by NEOHUB.

Excellence in Terms of ESG Integration Award

DenizBank was deemed worthy of the "Excellence in terms of ESG Integration Award" at the 2023 Arab Banking Excellence and Achievement Awards organized for the ninth time by the World Union of Arab Bankers (WUAB).



PSM Awards

Golden Award for Super Limit

DenizBank received the golden award in the most innovative product/project category with its Super Limit product, which is included in the mobile banking application and allows customers to list all the limits they can use within seconds.

Silver PSM Awards

DenizBank won the Silver PSM Awards in collaboration with TED in the Social Responsibility category, with its DenizKartım Gamification (Captain's Duty) project in the Best Promotion and Marketing Success category, and with its DenizKartım & turna.com End-to-End Experience Integration projects in the Innovative Customer Interaction and Experience category.



MMA Smarties Awards

MMA Smarties Silver Awards

DenizBank won the Silver Award in the category of "MMA Smarties Creator Economy" with the communication project it realized together with TikTok creators within the scope of the cash advance with instalments campaign, while NEOHUB received the Silver Award in the category of "User Experience and Design" with its "New Era in Marketing and UX" project, which increased click rates of fastPay by 65%.

Smarties Silver Award at MMA Smarties EMEA

Neohub received the Silver award at MMA Smarties EMEA with its project where it proved how it can increase user experience by combining AI, Neuromarketing and Digital Marketing for Smarties.



The Martech Awards - "Best Marketing Automation" Award at Smarties

DenizBank and NEOHUB were awarded the "Best Marketing Automation" Award at the gala and award night organized within the scope of the 6th Smarties Innovation and Creativity Days organized by MMA (Mobile Marketing Association) with the aim of shaping the future of marketing.



Advertising and communication awards

At MediaCat Felis Awards, DenizBank won the achievement award with its work in the field of advertising and media, in the category of Corporate Image with our DenizBank First Screenplay First Movie commercial, which was produced in cooperation with TÜRSAK and received the achievement award in the category of Community Management category in Social Media with our DenizBank Tiktok account.

In the category of Film-TV&Cinema/Media, Broadcasting, Digital Platforms & Culture-Arts; Felis awards were followed by "Crystal Apple Award"; MMA Smarties "Real Time Marketing Silver Award"; "Culture and Arts Sponsorship Award" with our First Screenplay First Movie commercial at the Istanbul Marketing Awards, and "PSM Award", respectively.



CX Awards Turkey

DenizBank, at the 6th CX Awards Turkey; won the Social Responsibility Special Award for facilitating banking transactions for hearing-impaired customers with the Do Without Going to the Branch feature added to MobilDeniz, and the Employee Experience Great Thought Award with its artificial intelligence-supported bot SorBi.

Four awards to INTERTECH

Intertech was granted the "Special Award for Contribution to the Turkish Economy - Finance Banking Sector Software Category Winner", "Sectoral Software Category Winner of the Year" and "Türkiye-Based Manufacturer Category Winner of the Year" awards at Bilişim 500 (TOP 500 IT COMPANIES) and the "Hosting Project of the Year Award" by its business partner NGN, one of Türkiye's leading companies, for its financial cloud platform inter-Cloud.

World Economy

The Federal Reserve (Fed) raised its policy rate by a total of 525 basis points to a range of 5.25%-5.50%, the highest rate hike in the last 22 years.

In 2023, the global economy continued to slow down as expected amid economic challenges. The fight against inflation, which began in 2022, continued in 2023 and showed the first positive results in the second half of the year.

As part of the fight against inflation, interest rate hikes reached high levels. The Federal Reserve (Fed) raised its policy rate by a total of 525 basis points to a range of 5.25%-5.50%, the highest rate hike in the last 22 years. The European Central Bank (ECB) followed the Fed with a rate hike of 450 basis points, raising its policy rate to 4%. This was also the highest interest rate hike in the history of the Eurozone.

Thanks to these policies, the supply chain continued to normalize, commodity prices stopped rising, and prices flattened out. All this led to a significant slowdown in inflation. In the United States of America (USA), CPI inflation fell from a peak of 9.1% in mid-2022 to 3.4% in 2023, while in the Eurozone, inflation declined from 10.6% in late 2022 to 2.9% by the end of 2023.

Although a positive process has begun, inflation is still far from the target of 2%. In addition to all this, geopolitical developments in many parts of the world in 2024: The hot war in Eastern Europe, the Israel and Hamas conflict, the heartbreaking humanitarian situation in Palestine in its aftermath,

the Taiwan rivalry between the USA and China in Asia and the Pacific, protectionist economic measures and the negative effects of inflation show us that the challenges continue. The reports published by the IMF show that global growth in the coming period will lag behind that of previous periods.



Banking Sector and DenizBank in 2023

DenizBank continues to support niche sectors to mitigate the effects of the Kahramanmaraş earthquake on February 6 and contribute to economic development, with maximum compliance with the policies implemented.

DenizBank strives to maintain its profitability through strong non-interest income and loan collection, with a focus on maintaining asset quality. The Bank aims to shape its branching plan in line with the transformation in its business within the framework of customer value management, digital banking, and optimization strategies. In this context, the Bank strives to make its branches more effective and efficient by combining customer-oriented approaches and digitalization strategies. Continuing to provide the financial solutions that its customers need for their sustainability transformation, DenizBank continues to comply with its commitments on sustainability.

DenizBank continues to support niche sectors to mitigate the effects of the Kahramanmaraş earthquake on February 6 and contribute to economic development, with maximum compliance with the policies implemented. Playing an active role financially, DenizBank pursued a prudent growth strategy in loans and deposits and reached its assets to TL 1,172.9 billion, increasing by 88% on a consolidated basis in 2023.

DenizBank's consolidated net profit increased by 62%

The increase in TL deposits along with the increase in savings directed towards Turkish lira was instrumental in DenizBank's consolidated increase in total customer deposits by 77% to TL 737.9

billion. The resources collected continued to be provided into the economy, and consolidated cash loan volume increased by 66% to TL 570.0 billion, while total cash and non-cash loan volume reached TL 724.0 billion. DenizBank demonstrated a sustainable increase in profitability and increased its consolidated net profit by 62% to TL 28.1 billion in 2023.

In the coming period, DenizBank will maintain its measures to stabilize loan growth and encourage the transition to the Turkish lira on the deposit side, together with selective loan and quantity-based tightening steps to secure financial stability and strengthen the monetary transmission mechanism.

DenizBank has been operating as an institution with the largest and most functional API set in open banking. At the same time, initiatives such as Deniz Aquarium Innovation Center and NEOHUB are among the sector-leading technological investments. Believing that the human element should advance together with technology, DenizBank quickly embraces the benefits of digitalization and uses services such as remote customer acquisition as efficiently as possible.

DenizBank closely follows the numerous innovations that take place every year in areas such as artificial intelligence (AI), the robotics industry and open banking. It believes that these innovations will transform banks into more interactive, faster, and customer-oriented structures and financial technology companies with banking licenses. With the legalization of the open banking concept, DenizBank has considered that the capabilities of banks can be opened to the outside world through the technology called API. For the last three years,

What Happened at DenizBank in One Year?

JANUARY 2023

- DenizBank became a signatory of Integrated Reporting Türkiye Network (ERTA) and a member of the Business Council for Sustainable Development (BCSD Türkiye).

FEBRUARY 2023

- DenizBank lost three colleagues and three branches in the earthquake. During this time, DenizBank has used all available resources to support its staff, customers, and the communities affected by the earthquake. ENBD Group contributed TL 350 million to earthquake donation efforts.

MARCH 2023

- Supporting the development of sports in all branches with a social responsibility vision, DenizBank extended the main sponsorship of National Football Teams, which was launched in 2020 in cooperation with the Turkish Football Federation (TFF), for another 3 years. In the new phase of cooperation, the main sponsorship rights of the e-National Football Team were also included in the agreement with the Men's and Women's Senior National Teams in order to support the e-Football industry, where interest is growing rapidly.

APRIL 2023

- DenizBank calculated its carbon footprint for 2022 for the first time. With the carbon footprint inventory and management system it established and implemented in all its units, it calculated Scope 1, Scope 2 and Scope 3 emissions in detail and received the independent assurance report.

- Türkiye's first digital wallet fastPay and smart city technologies brand Asis Elektronik launched the Prepaid Urban Card and Mobile Wallet Application, which transforms contactless cards used in public transportation into EMV-based open platform city cards.

MAY 2023

- NEOHUB, DenizBank's next-generation subsidiary, launched NEO Elektronik A.Ş., the first joint venture company of the ecosystem to develop fintech products in the field of Supplier Financing System with Fon Radar, a cash management optimization initiative.
- As part of the securitization program based on foreign remittance flows, DenizBank secured USD 610 million from 12 different foreign investors, including the International Finance Corporation (IFC), the European Bank for Reconstruction and Development (EBRD), and Proparco, a subsidiary of Agence Française de Développement, with a maturity of up to 7 years, to support the financing of green economy projects in the areas of energy efficiency, renewable energy, and combating climate change, women entrepreneurs with limited access to finance, and the agricultural sector, as well as support for individuals and businesses affected by disasters.

- DenizBank and Turkish Education Association (TED), one of Türkiye's oldest educational institutions, launched the Disaster Scholarship Program for children who lost their parents in the Kahramanmaraş earthquake on 6 February 2023. As part of the 19-year collaboration between two institutions, in addition to the 100 students already receiving a scholarship, 100 children of primary and secondary school age affected by the earthquake will be provided with a scholarship covering their entire education for 8 years.

- The awards of "6th DenizBank First Script First Movie Contest" held by DenizBank and Turkish Foundation of Cinema and Audio-visual Culture (TÜRSAK) found their owners.
- The exclusive agency agreement between DenizBank and AXA Sigorta, which has been in effect for 12 years, was extended until 2031. Sales, marketing and distribution of AXA Sigorta's non-life insurance products will continue through DenizBank's sales and distribution networks, which serve millions of customers throughout Türkiye.

JUNE 2023

- DenizBank raised USD 530 million in three tranches, including Chinese yuan, to support farmers and SMEs in the disaster zone, women-owned businesses' access to finance, and renewable energy investments. The syndicated loan, which included sustainability performance targets, was extended by 117% with an additional increase in funding.
- DenizBank started to integrate the Sustainability Strategy into all business processes and to strengthen its sustainability infrastructure. The main topics were defining the key structure of the Sustainability Strategy and KPIs for senior management, creating a roadmap for the decarbonization strategy, identifying risks and opportunities arising from climate change, and adapting them to the business processes.
- DenizBank became a signatory of UN Global Compact Türkiye.

Innovations/trends in artificial intelligence, robotics industries, and open banking

What Happened at DenizBank in One Year?

Ankara's business and art world showed great interest in the events organized by DenizBank to mark the 100th anniversary of the Republic's foundation.

JULY 2023

- Reports on climate change and water security were submitted to the Carbon Disclosure Project (CDP) platform as part of the 2022 fiscal period.

AUGUST 2023

- Deniz Ventures, DenizBank's investment fund supporting the innovation and start-up ecosystem in Türkiye, invested in Erguvan, a climate and financial technology initiative, as part of its strategic entrepreneurship partnership with Emirates NBD, at a valuation of USD 7.33 million.
- Considering support to culture and arts as an investment in the future and saying "Yes to Arts" from day one, DenizBank undertook the main sponsorship of DenizBank VoiceUp A Capella Festival organized as a first in Türkiye with the aim of popularizing acapella music performed without the use of instruments other than choir and human voice. The festival took place from 22 to 27 August 2023 and was attended by 550 musicians, 40 choirs and vocal groups from 25 countries from the Netherlands to Uruguay, Türkiye to Denmark.
- In line with its sustainability goals, Deniz Asset Management launched the ESG Sustainability Hedge Fund, the first in Türkiye to invest in funds with companies that focus on reducing their carbon footprint.

SEPTEMBER 2023

- DenizBank secured USD 109 million of fresh funding from the European Bank for Reconstruction and Development (EBRD) to support the development process in the regions affected by the earthquake and to meet their financing needs.
- DenizBank signed the first murabaha syndication in Türkiye in which a conventional commercial bank was the borrower. The

financing was realized in the amount of USD 285 million with a maturity of 1 year.

- DenizBank launched the TRNC Country Directorate and Girne Branch to provide uninterrupted and accessible banking services in the Turkish Republic of Northern Cyprus.
- DenizBank defined its Sustainability Vision.

OCTOBER 2023

- DenizBank became the first Turkish bank to become a member of Partnership for Carbon Accounting Financials (PCAF), an international initiative established by financial institutions worldwide to measure their carbon emissions and align their portfolios with the net zero targets in line with the Paris Climate Agreement.
- DenizBank opened the 100th year of Our Republic Concerts organized for the 100th anniversary of the founding of the Republic with a brilliant performance at CSO ADA, the culture and arts center of the capital Ankara, on the evening of October 23. The concert, which featured artists from the State Opera and Ballet, the Istanbul State Symphony Orchestra and the Ankara State Polyphonic Choir, met with great interest in Ankara's business and art world.

NOVEMBER 2023

- DenizBank rolled-over its syndicated loan and raised USD 845 million with a rollover ratio of 134%. With 48 participants from 22 countries, the transaction was the most widely participated syndicated loan in the second half of this year. The transaction included the financing of farmers in the disaster area and investments in renewable energies as sustainability performance targets.

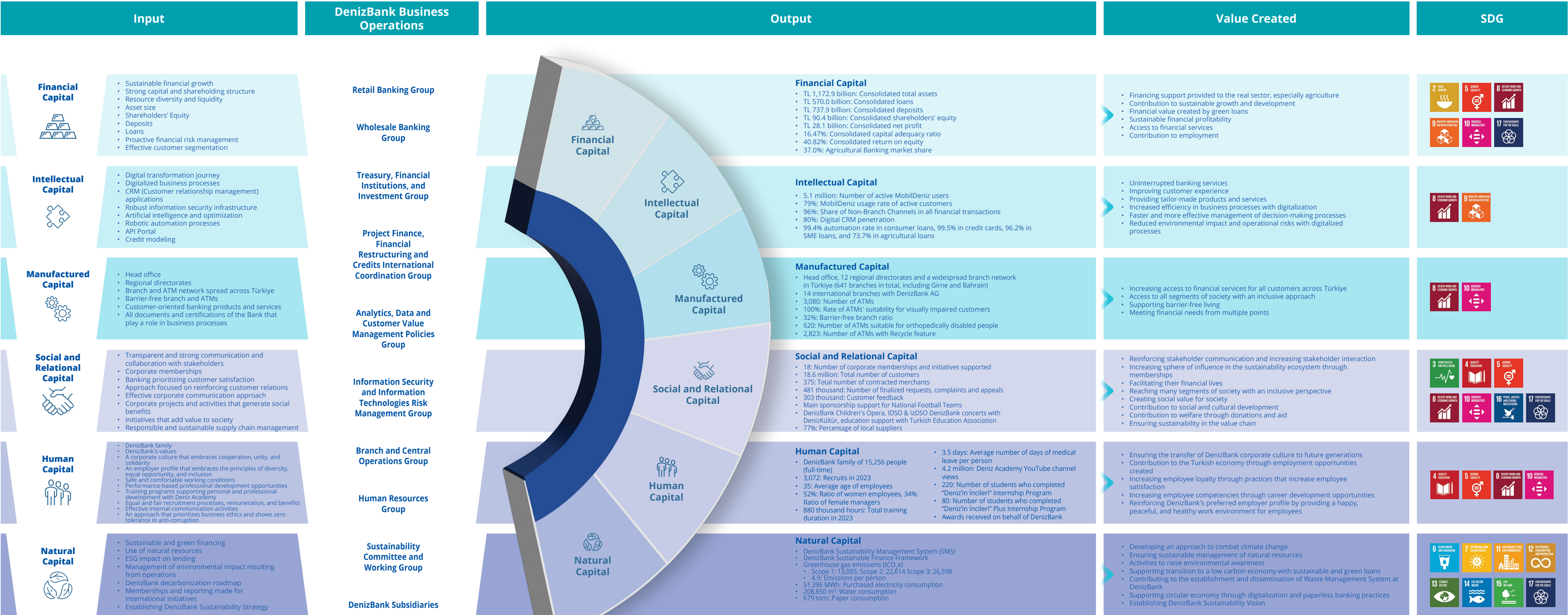
DECEMBER 2023

- DenizBank secured USD 118 million from the International Finance Corporation (IFC), Proparco, a subsidiary of Agence Française de Développement, and the European Fund for Southeast Europe (EFSE) to support the people affected by the Kahramanmaraş earthquakes and the development of the agricultural sector in the region. The funding will be used for keeping the agricultural workforce in the region which will help continue production and improve living conditions.
- DenizBank prepared its Sustainable Finance Framework. A second party opinion was obtained from ISS Corporate Solutions for the framework and published on the Bank's website.
- The 2nd Sustainability Report, prepared in accordance with GRI Standards for the 2022 fiscal period, has been published.
- DenizBank concretized its sustainability commitment with its initiatives at COP28 by taking part in the COP28 United Nations (UN) Climate Change Conference organized in partnership with its main shareholder Emirates NBD. In line with its sustainability strategy, DenizBank organized 12 panels addressing the hot topics of the agenda at COP28.
- With Erguvan, in which DenizBank made a venture capital investment through Deniz Ventures, DenizBank introduced the AZALT platform, a carbon footprint analysis platform. The launch of NEOHUB, DenizBank's next-generation digital-focused subsidiary, and TRUK Accelerator, an international startup accelerator program that aims to support sustainability-focused startups to enter the global market in cooperation with Oxentia, Oxford Global Consulting Company, was held.

2023 SECTOR MARKET SHARES

<div><div>TL Time Deposits (Among private banks)</div><div>9.2%</div><div><div>DenizBank</div><div>9.2%</div><div>Other</div><div>90.8%</div></div></div>	<div><div>FX-Protected Deposits (KKM)</div><div>7.5%</div><div><div>DenizBank</div><div>7.5%</div><div>Other</div><div>92.5%</div></div></div>	<div><div>Cash Loans</div><div>4.8%</div><div><div>DenizBank</div><div>4.8%</div><div>Other</div><div>95.2%</div></div></div>
<div><div>General Purpose Loans Volume</div><div>6.3%</div><div><div>DenizBank</div><div>6.3%</div><div>Other</div><div>93.7%</div></div></div>	<div><div>Digital Loans</div><div>8.4%</div><div><div>DenizBank</div><div>8.4%</div><div>Other</div><div>91.6%</div></div></div>	<div><div>Number of Branches</div><div>6.8%</div><div><div>DenizBank</div><div>6.8%</div><div>Other</div><div>93.2%</div></div></div>
<div><div>Total Number of Credit Cards</div><div>6.3%</div><div><div>DenizBank</div><div>6.3%</div><div>Other</div><div>93.7%</div></div></div>	<div><div>Agricultural Banking (Leader among private banks)</div><div>37.0%</div><div><div>DenizBank</div><div>37.0%</div><div>Other</div><div>63.0%</div></div></div>	<div><div>Syndicated Loan Balance</div><div>13.0%</div><div><div>DenizBank</div><div>13.0%</div><div>Other</div><div>87.0%</div></div></div>

DenizBank’s Value Creation Model



Working with the vision of becoming one of the top five banks in Türkiye and the strongest partner of the international financial environment in our region through sustainable and profitable growth, DenizBank monitors the interaction of financial and non-financial capital elements through concrete indicators in order to measure the value it creates in economic, environmental, and social dimensions.

In its **"Value Creation Model,"** DenizBank summarizes how it creates value for all its stakeholders in 2023 through financial, intellectual, manufactured, social and relationship, as well as human and natural capital elements.

Our Sustainability Approach

Within the framework of its sustainability vision, DenizBank acts with the responsibility of leaving a livable world for future generations.

➤ *In parallel with Türkiye's decarbonization commitments, DenizBank develops financial products and support mechanisms by taking into account the needs and expectations of its stakeholders in its sustainability-oriented activities.*

DenizBank has been acting with a responsible banking approach since its foundation and in this context, DenizBank carries out many activities in order to secure the future of its stakeholders, create value for them, and contribute to them. In addition to its environmental and social responsibilities, DenizBank also aims for a high level of financial success for sustainable banking.

Banking activities built according to ESG criteria

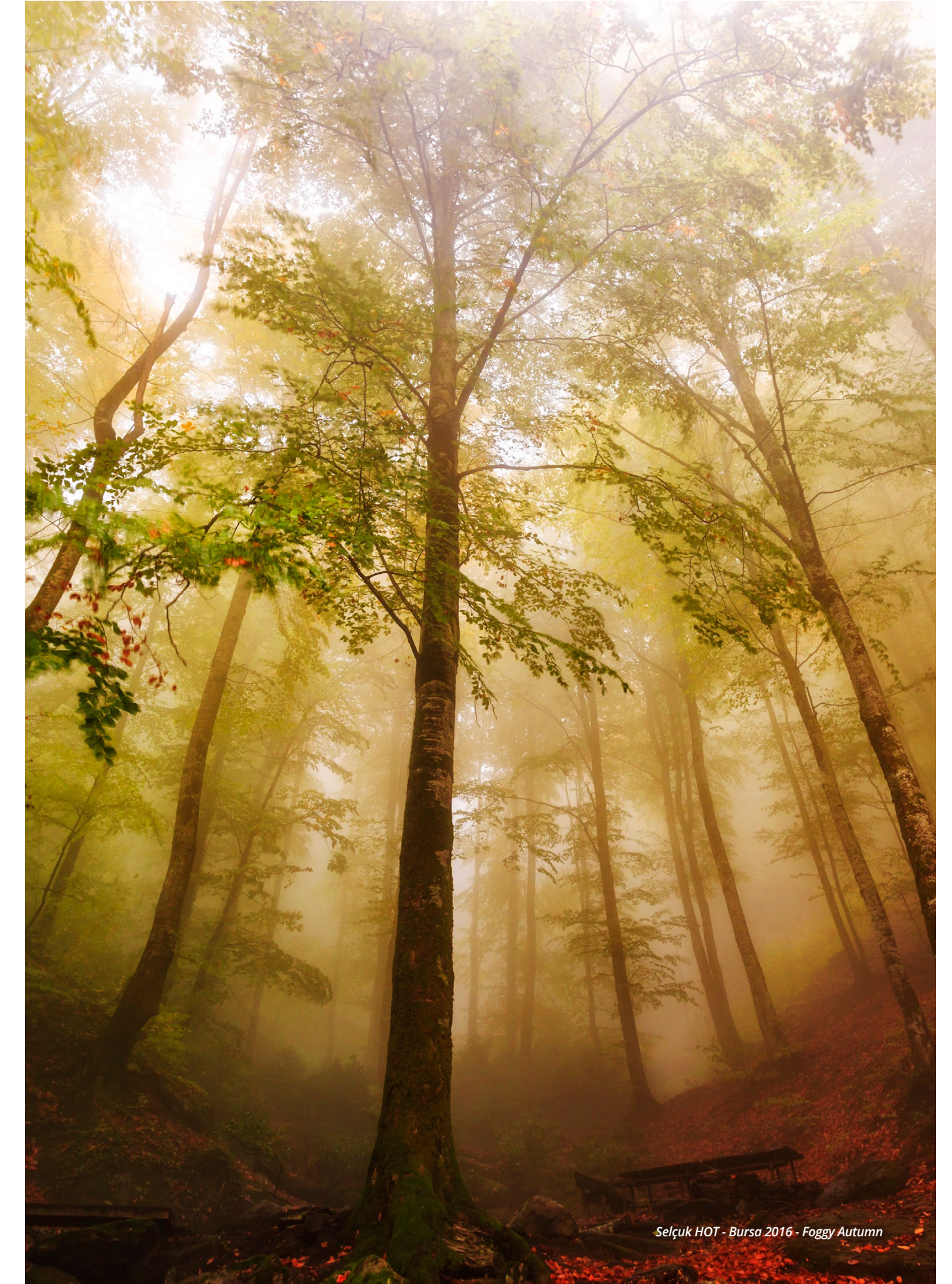
Within the framework of its sustainability vision, DenizBank acts with the responsibility of leaving a livable world for future generations. The Bank continuously updates its sustainability approach to improve its ESG performance by taking advantage of its advanced digitalization and innovation reflexes.

The banking sector has the potential for direct or indirect impact in fighting climate change within its sphere of influence. With the sustainability perspective integrated into its business processes, DenizBank shapes its processes so that its customers become more resilient and aware of the risks and opportunities arising from climate change. The Bank aims to improve and develop its performance within the scope of its sustainability policy and procedures in the coming years as well.

Contribution to social development

In parallel with Türkiye's decarbonization commitments, DenizBank develops financial products and support mechanisms by taking into account the needs and expectations of its stakeholders in its sustainability-oriented activities. It thus contributes to its stakeholders to make sustainable choices for social development by considering potentials and equal opportunities.

Offering loans with high sustainability impact to its stakeholders through funds obtained from international development organizations, DenizBank aims to contribute to Türkiye's green transformation process and provide resources for sustainable projects. Having strong correspondent relationships based on long-term mutual trust, DenizBank has been providing sustainability themed financing from international financial institutions for many years and also conducting syndication transactions related to sustainability since 2021.



Selçuk HOT - Bursa 2016 - Foggy Autumn

Our Sustainability Strategy

DenizBank started its sustainability journey by focusing on the expectations and needs of its stakeholders.

DenizBank decided to strengthen its sustainability infrastructure and transform its business model, services, and operations based on the Sustainability Strategy. In this context, the focus was on determining the key structure of the Sustainability Strategy and senior management performance indicators. In addition, studies were initiated to develop a decarbonization strategy roadmap, identify risks and opportunities arising from climate change, and integrate physical and transition risks that DenizBank and its customers may be exposed to into all business processes.

With these three main interventions (studies), DenizBank and its value chain will be analyzed in detail, aiming to lay the foundations of medium-long term transformation.

The working areas are as follows:
1-Establishment of Sustainability Strategy,
2-Designing a science-based net-zero journey (decarbonization strategy),
3-Evaluation of climate risks and opportunities.

1- Establishment of Sustainability Strategy

Sustainability Strategy studies were designed as a working process to identify the priority areas that would create value in the long term, which was one of the cornerstones of the sustainability journey, to reveal the areas of value and to set performance targets including senior management.

Stakeholder Analysis Process:

DenizBank started its sustainability journey by focusing on the expectations and needs of stakeholders and followed a process that included stakeholder participation with the belief that activities would be carried further with open communication and cooperation principles adopted and the feedback to be received.

In this context, the Bank acted in accordance with the AA1000 Stakeholder Engagement Standard when determining its sustainability priorities and carried out an inclusive process to involve its stakeholders in the value chain. Together with stakeholder analysis, which was an important step in shaping sustainability goals, and various other analyses, DenizBank identified the sustainability issues where it could create positive environmental and social impacts by placing them on a two-dimensional materiality matrix.

In the sustainability process, DenizBank categorized its stakeholders into three main impact areas.

- Employees, customers, business partners and suppliers, as well as the main shareholder were considered as stakeholder groups with direct economic impact,
- Subsidiaries, financial institutions, and auditors as stakeholder groups with indirect impact,
- International organizations, media, civil society organizations, and initiatives as stakeholder groups that create new opportunities and insights.

You can find detailed information on stakeholder groups and communication with stakeholders in our [Stakeholder Map and Communication with Stakeholders](#) section.



Before conducting the stakeholder analysis survey, a literature review was conducted analyzing international sectoral trends and standards. Then, a long list of material topics including sustainability areas where DenizBank could have an impact was created. With this long list of topics, stakeholders provided feedback through a questionnaire.

Our Sustainability Strategy

Materiality Matrix: Stakeholder surveys' materiality matrix constitutes a part of the process in which each topic in the long list is evaluated within the framework of certain criteria. The basic methodology of the matrix is to provide inputs by assigning different weights to the X and Y axes for each criterion.

The matrix structure, in addition to stakeholder analysis, contributes to the evaluation process with the following topics:

- External Trend Analysis
- Manager Interviews
- Impact Analysis (Financial, Environmental and Social)
- Company Strategy

According to the results of the evaluation, a more effective management approach was enabled by grouping topics according to their materiality levels, and the matrix has been prepared with a three-tier categorization as very highly material, highly material and material in order to better manage the topics.

Importance to Stakeholders



Very Highly Material Topics

1. Environmental Impact Financing
2. Responsible Services and Products
3. Sustainable Finance
4. Portfolio Compliance
5. Access to Financial Services
6. Talent Attraction and Retention
7. Digitalization and Innovation

Highly Material Topics

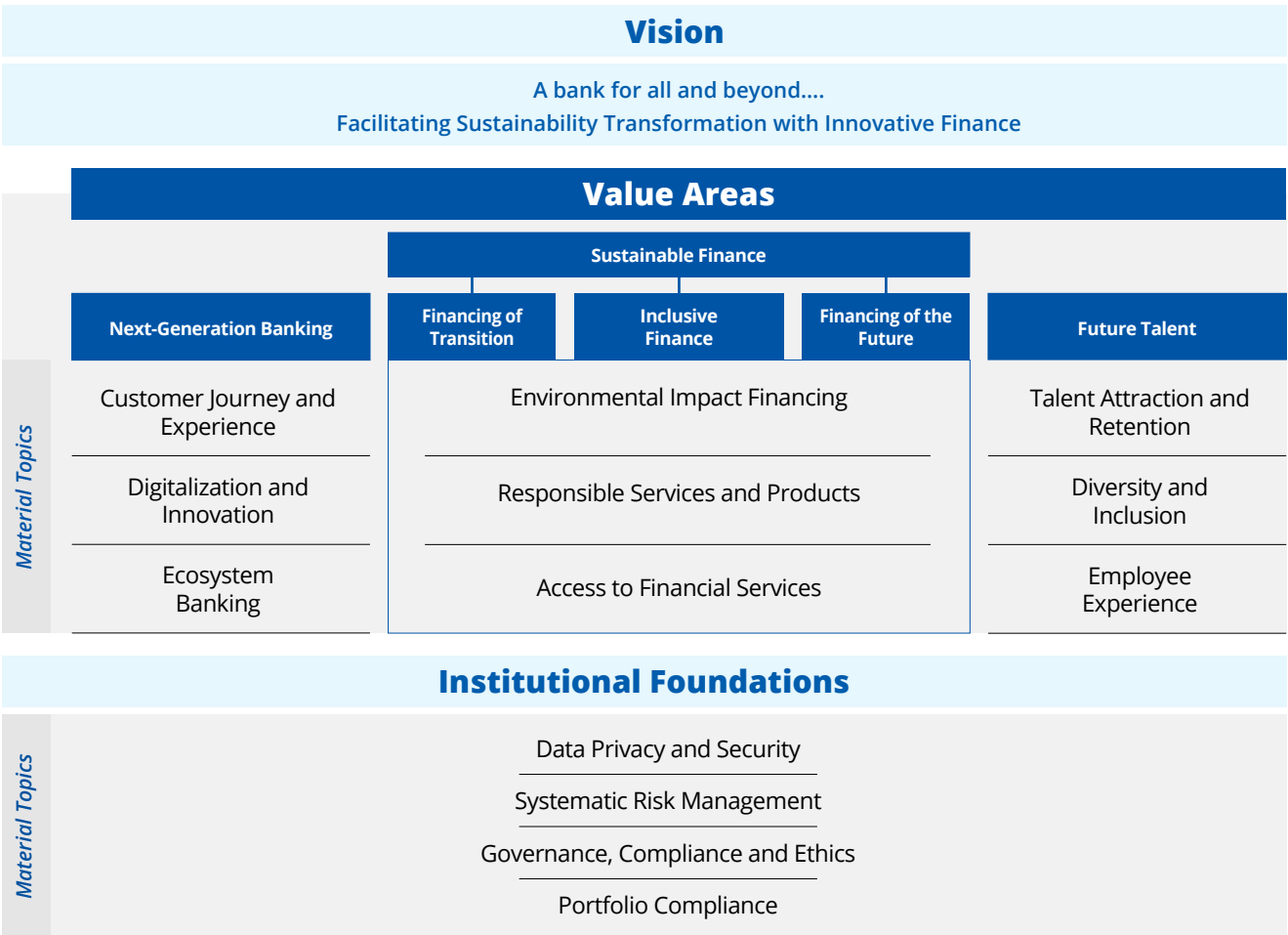
8. Data Privacy and Security
9. Customer Journey and Experience
10. Operational Impact
11. Diversity and Inclusion
12. Integrating ESG Criteria in Loans
13. Community Investments
14. Employee Experience
15. Systemic Risk Management
16. Human Capital Development
17. Ecosystem Banking
18. Governance, Compliance and Ethics
19. Stakeholder Engagement

Material Topics

20. Financial Protection
21. Phygital Banking
22. Responsible Procurement
23. Open Banking

➤ A material topics list was created, comprising the sustainability areas where DenizBank could create impact, and stakeholders provided feedback via a questionnaire.

Our Sustainability Strategy



With identification of material topics, external trend analyses, manager interviews, financial, environmental and social impact analyses, DenizBank determined its sustainability vision and value areas within the framework of the Bank's vision, mission and strategy by taking into account the needs and expectations of stakeholders.

The value areas emerged as part of the Sustainability Strategy Framework are identified as Sustainable Finance, Next-Generation Banking and Future Talent.

DenizBank started to work on strengthening its sustainability infrastructure by incorporating the Sustainability Strategy into all business processes, determining the basic building blocks of the Sustainability Strategy and senior management KPIs within this framework, creating the decarbonization strategy roadmap, identifying the risks and opportunities arising from climate change, and integrating the physical and transition risks arising from climate change into all processes.

DenizBank Sustainability Strategy Framework includes:

- Our Value Areas in the value chain from society to the global economy touched by our products and services and our Material Topics in these areas,
- The development of our Value Areas in a measurable way with goals and actions to be extended over the short, medium and long term,

and which Institutional Foundations must be sustained in order to effectively implement the Sustainability Strategy.

Our Value Areas

Sustainable Finance
While directing its financing flows in the light of the transforming world and the realities of the future, DenizBank builds on the "Sustainable Finance" value area. This value area takes into account the sectors and geographies in which DenizBank operates, considering the 2030-50-100 targets based on global scientific calendars. At the same time, it aims to develop appropriate responses to sectoral and geographical dynamics by thoroughly analyzing the risks and opportunities that may arise in the future.

In line with this aim, DenizBank addresses the financing of the transition process of sectors that are difficult to transform and cut the economy horizontally under the headings of "Financing of Transition," "Inclusive Finance" and "Financing of the Future." In this scope, the Bank takes steps to finance the needs of the future with fully "green" and "sustainable" approaches. In this context, by focusing on financing areas targeting social inclusiveness, DenizBank appeals to large masses and offers various financial services to its customers.

DenizBank prepared the "Sustainable Finance Framework" in order to strengthen this discourse and continue to expand its sustainable finance product range and sustainability-based funding portfolio by systematically contributing to green transformation and social welfare, thus increasing its positive environmental and social impact.

The Framework was prepared in accordance with the current Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines published by the International Capital Markets Association (ICMA) and the Green Loan Principles published by the Loan Market Association. ISS Corporate Solutions provided a second-party opinion for the framework.



Next-Generation Banking
One of the main value areas underlying DenizBank's transformation is "Next-Generation Banking" practices. In this scope, the Bank's prioritized targets include developing innovative products and services, delivering their sustainability impact to a wider customer base, and improving customers' banking product and service experiences.

The Bank pursues strategies to increase the total benefit of the ecosystem by prioritizing different sectors (e.g. agriculture, tourism). In this context, Ecosystem Banking is one of the Bank's material topics.

The Bank aims to support society's access to financial services through facilitating and privileged financial services offered to SMEs, students, entrepreneurs, pensioners, women entrepreneurs, and women business owners. The Bank strives to facilitate this support and enrich the customer experience by utilizing various instruments such as its advanced digital technology infrastructure and innovation areas, as well as its branch and ATM network.

Future Talent
An important issue that poses both risks and opportunities for DenizBank and the sector is the issue of future employment. Next-generation talents are one of the cornerstones of the transformation required for the goal of sustainability and passing beyond it.

The recruitment of new talents and the retention of existing talents will facilitate DenizBank's achievement of the targets set in other strategy areas. It is important to involve employees in decision-making mechanisms based on their experiences and feedback in order to reduce unwanted losses, increase employee satisfaction, and strengthen loyalty.

The steps to be taken in this context are among the prioritized targets in this process. With the implementation of these steps, DenizBank aims to make its employees more competent in their business activities in the medium term and to achieve higher business outcomes in the long term.

Sustainability activities under the three value areas identified will be carried out in a performance-oriented manner. In this scope, efforts were started to identify key performance indicators and targets.

Our Sustainability Strategy

2. Designing a Science-Based Net-Zero Journey (Decarbonization Strategy)

DenizBank established a carbon footprint calculation system in order to measure the emissions arising from its operations. Within this framework, DenizBank determined strategies focused on emission reduction through inventory studies for emission calculation and started automation investments first to increase energy efficiency in its buildings. In addition, aiming to reduce Scope 2 emissions and to achieve zero emissions in the future, DenizBank began efforts to establish a solar power plant to cover its own consumption and completed the legal procedures for the project. With these steps, DenizBank takes important steps towards reducing its environmental impact and adopting a sustainable business model.

First Turkish bank to become a member of PCAF

In addition to emission reduction of its activities in its decarbonization targeted efforts, the Bank created a roadmap to establish the Carbon Management System aiming to effectively manage the whole process by calculating emissions related to its portfolio with science-based methodologies. DenizBank took an important step to publicly share its decarbonization strategy and targets through science-based methodologies and became the first Turkish bank to become a member of PCAF (Partnership for Carbon Accounting Financials), an international initiative established by financial institutions worldwide to measure their carbon emissions and align their portfolios with net zero targets in line with the Paris Climate Agreement. The Bank will calculate and report financed emissions in accordance with the PCAF methodology.

3. Evaluation of Climate Risks and Opportunities

While measuring the emissions of its portfolio on its decarbonization journey, DenizBank will define the potential impacts of risks and opportunities arising from climate change on its portfolio in different climate scenarios (+1.5 °C- +4 °C), prepare a heat map for its portfolio, identify risks and opportunities together with the focus teams, and reveal the impact of physical and transition risks on the portfolio.

Sustainability-oriented efforts

DenizBank took important steps towards the goal of fully integrating the sustainability perspective into all business processes in 2023. It focused on sustainability transformation efforts to strengthen its sectoral position.

Various projects are carried out within the scope of Türkiye's Green Deal Action Plan. The actions planned within the framework of the Sustainable Banking Strategic Plan (2022-2025), which is currently being implemented, are expected to be of great importance in 2024 and beyond. DenizBank follows the developments and plays an active role in the process by taking part in working groups in cooperation with regulators and associations.

Following future guidance and obligations, the difficulty of having sufficient organizational capacity within the Bank in a short period of time may pose a potential risk for DenizBank. However, DenizBank aims to train sustainability experts under each unit in order to avoid this risk.

DenizBank assesses the impacts of climate change risks and opportunities on its loan portfolio. In this context, it focuses on monitoring and infrastructure studies to assess climate change risks and opportunities from a financial perspective.

The Bank started working on transferring carbon footprint management to a digital infrastructure together with Erguvan, a climate and finance technologies initiative.

Providing comprehensive banking services to its customers in every province of Türkiye, DenizBank established a Waste Management System in all its service units including Head Office, Regional Directorates and all branches, and applied for Zero Waste certificates.

This year's meeting of the Conference of Parties 28 (COP28) was held in Dubai between November 30 and December 12 under the main banking sponsorship of Emirates NBD. Thanks to the main banking sponsor Emirates NBD, DenizBank had the opportunity to implement a comprehensive program within the scope of COP28. The Bank had the opportunity to host panelists from 17 different institutions and companies such as the Turkish Ministry of Treasury and Finance, IFC, EBRD, JPM, ING, BNPP, PCAF in 12 different panels.

Sustainability Journey

DenizBank considers sustainability to be a comprehensive and long-term journey and meticulously monitors Environmental, Social and Governance (ESG) elements in all its operations.

While creating the details of its sustainability journey, DenizBank demonstrates its strong commitment to formulating a strategy, being net zero, and managing its non-financial risks through responsible banking practices.

It also monitors the results of ESG elements it incorporates into its policies, business processes, and strategies with a holistic approach through audit and control mechanisms.



Sustainability Journey

DENİZBANK'S ESG PERFORMANCE AND FUTURE TARGETS FOR 2023

Environmental



Performance

- Corporate carbon footprint measurement and verification (Scope 1, 2 and 3)
- Active contribution to the Sustainable Development Goals (SDGs)
- Policy on Management of Environmental and Social Impacts in Lending Processes
- Environmental and Social Impact Assessment (ESIA) model
- Panels held in the COP28 organization

Targets

- Establishing an optimal net zero strategy with measurements of direct and indirect emissions
 - Measuring corporate water and plastic footprint
 - Waste Management System installation
 - Calculating emissions of the portfolio using science-based targets
 - Identifying risks and opportunities arising from climate change in portfolio detail
- Increasing the number of SDGs contributed directly or indirectly and/or developing more projects and applications for existing SDGs
- Keeping policies and business models up to date and revising them when necessary
- Applying ESIA methodology also to other loans types except consumer loans, digitalizing the entire application
- Increasing the share of digital banking in operations by accelerating R&D and innovation efforts
- Systematic flagging of the Bank's loan portfolio for green asset ratio calculation, sustainable finance framework, and other requirements

Social



Performance

- Training and dissemination
 - Raising employee awareness on ESG
 - In-bank trainings
 - E-learning materials
 - ESG workshops
- Support for arts, culture and education, volunteering initiatives, sponsorships, CSO memberships
- Review of the Ethical Principles Policy
- ISO: 10002-2014 Customer Satisfaction Quality Certificate
- Code of Conduct for Suppliers

Targets

- Maintaining and developing systematic training activities
- Training sustainability experts who will be responsible for sustainability at each unit of the Bank
- Further expanding project areas that add value to the environment and society
- Keeping the policy up to date and revising it when necessary
- Maintaining internal audit activities within the framework of customer satisfaction continuity
- Continuing efforts to monitor and support suppliers' compliance with environmental and social legislation

Governance



Performance

- Sustainability Committee activities
- Governance policies
 - Environmental and social risk categorization mechanism
 - Integration of ESG topics into credit policies
 - Integration of social and environmental topics into agreements/collaborations
 - Sustainability reporting
 - CDP climate change and water security reports

Stakeholder analysis and material topics

- Identification of stakeholders
- Understanding needs and perspectives and grouping them by impact
- Determining priorities in line with the analysis results
- Effective communication strategies with key stakeholder groups

Financial inclusion

- Barrier-free banking
- Support for women-owned businesses
- Pensioner banking
- "Producer Card" in agricultural banking
- Special products and services for SMEs

Financing alternatives with ESG content

- Sustainability-related syndicated transactions
- Finalizing the preparation for the Sustainable Finance Framework

Targets

- Preparing and implementing a strategic plan that will integrate the sustainability strategy as well as risks and opportunities into business processes, creating annual action plans that include key performance indicators for sustainability activities
- Establishing a new systematic structure for data collection and due diligence processes for reporting and Sustainability Management System (SMS)
- Increasing the number of products and services for disadvantaged/privileged groups
- Contributing to the transition to a low-carbon economy by prioritizing green and sustainable projects
- Setting sustainability-related senior management performance targets



Our Sustainability Organization

DenizBank Sustainability Organization structure consists of the Board of Directors, Sustainability Committee, Sustainability Coordination Department, and Sustainability Working Group.

Sustainability Committee is a senior management committee responsible for the implementation and development of the Sustainability Strategy defined in line with DenizBank's policies and procedures and for monitoring the sustainability performance.

Board of Directors

It convenes with the Sustainability Committee at least once a year on a sustainability agenda.

Sustainability Committee

Sustainability Committee is a senior management committee responsible for the implementation and development of the Sustainability Strategy defined in line with DenizBank's policies and procedures and for monitoring the sustainability performance. The Sustainability Committee consists of 9 members: 5 Board Members including the CEO and 4 Executive Vice Presidents. The Committee provides integrated senior governance in all sustainability-related activities of the Bank, including environmental and social risk management and climate change management.

The Committee meets with the Board of Directors once a year

The Sustainability Committee, chaired by the CEO, convenes at least four times a year to assess whether the Sustainability Management System (SMS) is being implemented effectively and to review sustainability targets within the framework of the duties and responsibilities determined. In addition, the Committee meets with the Board of Directors once a year and informs the Board of Directors about the activities of the Committee through the reports presented.

The Committee's duties include reviewing and updating sustainability policies if necessary, assessing the risks and opportunities arising from climate change and making decisions accordingly. The Sustainability Committee, which also monitors the sustainability performance of the units, convened 4 times in total in 2023. The Committee submitted an evaluation report to the Board of Directors regarding its activities in 2023.

The decision taken by the Sustainability Committee to determine key performance indicators (KPIs) for relevant senior executives within the scope of SMS in 2023 is a clear indication of DenizBank's commitment to sustainability efforts and that it is embraced at the highest level.

Sustainability Committee Members

Name Surname	Title	Member Description
Hakan ATEŞ	Chairman	Executive Member-President, CEO
Tanju KAYA	Member	Executive Member
Derya KUMRU	Member	Executive Member
Burcu ÇALIKLI	Member	Executive Member
Björn LENZMANN	Member	Non-Executive Member
Ruslan ABİL	Member	Executive Vice President
Bora BÖCÜGÖZ	Member	Executive Vice President
Savaş ÇITAK	Member	Executive Vice President
Verda Beril YÜZER OĞUZ	Member and Committee General Secretariat	Executive Vice President

Sustainability Coordination Department

DenizBank's Sustainability Coordination Department operates within the framework of the Bank's vision, mission, and sustainability strategy. This department coordinates all sustainability efforts by involving internal and external stakeholders. It works with an approach that aims to protect the interests of society and the Bank, taking into account environmental, social and governance dimensions. This approach, which prioritizes the Sustainable Development Goals, aims to reduce environmental impacts and support social and economic sustainability. The Sustainability Coordination Department plays a strategic role, interacting with stakeholders and contributing to sustainable financial performance by fulfilling the Bank's social responsibility.

The Department successfully established the Sustainability Management System (SMS) and has been working in coordination with the relevant business units to integrate this system into DenizBank's business processes and to continuously improve it, to support the competencies of employees through continuous training and to strengthen sustainability-oriented awareness. In addition,

it collaborates with supranational financial institutions in order to make the best use of their experiences and guidance.

Sustainability Working Group

Plans are made with working groups including the relevant business units for the efforts to be made in line with the decisions taken by the Sustainability Committee, and the results are reported to the Committee.

DenizBank's Sustainability Coordination Department works with an approach that aims to protect the interests of society and the Bank, taking into account environmental, social and governance dimensions.



Contributed Sustainable Development Goals

SDG	2 ZERO HUNGER	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	17 PARTNERSHIPS FOR THE GOALS
Activities in which DenizBank Directly Contributes to SDGs	<ul style="list-style-type: none"> • Agricultural Banking Group 	<ul style="list-style-type: none"> • Deniz Academy and Talent Management 	<ul style="list-style-type: none"> • Sustainability Journey... • Diversity, Inclusion and Equal Opportunity 	<ul style="list-style-type: none"> • Water Management 	<ul style="list-style-type: none"> • Energy and Emission Management 	<ul style="list-style-type: none"> • Banking Services • Retail Banking Group • Wholesale Banking Group • Treasury, Financial Institutions, and Investment Group • Project Finance, Financial Restructuring and Credits International Coordination Group • Customer Experience and Satisfaction • Foreign Banking Operations 	<ul style="list-style-type: none"> • Analytics, Data and Customer Value Management Policies Group • Information Security and Information Technologies Risk Management Group 	<ul style="list-style-type: none"> • Branch and Central Operations Group • Diversity, Inclusion and Equal Opportunity • Corporate Social Responsibility: • Intertech • NEOHUB • fastPay Elektronik Para ve Ödeme Hizmetleri A.Ş. 	<ul style="list-style-type: none"> • Project Finance, Financial Restructuring and Credits International Coordination Group 	<ul style="list-style-type: none"> • Responsible Supply Chain Management • Energy and Emission Management • Water Management • Waste Management 	<ul style="list-style-type: none"> • Environment Management and Combating Climate Change • Energy and Emission Management 	<ul style="list-style-type: none"> • Water Management 	<ul style="list-style-type: none"> • Our Corporate Memberships and Initiatives We Support

Sustainability Risks and Trends Management

Physical Risks

CATEGORY	PHYSICAL RISKS	DESCRIPTION	RELEVANT SECTION DESCRIBING DENİZBANK'S ACTIONS
Environmental	Climate Change and Weather Events	Events associated with climate change, such as increased temperature, extreme precipitation, drought, hurricanes, and flooding, can pose physical risks to organizations. For example, the risk of facilities being exposed to flooding or fires.	Our Sustainability Strategy Environment Management and Combating Climate Change
	Weather Conditions and Climate Change Adaptation	Factors associated with climate change, such as increasing temperature, extreme weather events, sea level rise, can affect organizations' business processes, infrastructure, and supply chains.	Our Sustainability Strategy Environment Management and Combating Climate Change
	Decrease of Water Resources	Decreasing water resources is a significant physical risk, especially for water-intensive industries. Water scarcity can affect production processes and negatively affect water-dependent organizations.	Water Management
	Energy Efficiency and Sustainable Energy	Insufficient energy efficiency and difficulties in transitioning to sustainable energy sources can increase dependence on energy sources and enlarge the carbon footprint.	Energy and Emissions Management
	Carbon Footprint and Carbon Market Risks	Factors such as regulations arising from carbon emissions, carbon trading, and carbon pricing can affect an organization's carbon footprint management and financial conditions.	Our Sustainability Strategy Environment Management and Combating Climate Change Energy and Emissions Management
	Food Security and Agriculture-Related Risks	Factors such as climate change, water scarcity, soil erosion, and increased pests can negatively impact food production and security.	Agricultural Banking Group
	Discrimination and Social Injustice	Unequal distribution of environmental impacts can increase risks of discrimination and social injustice.	Diversity, Inclusion and Equal Opportunity
Social	Social and Communal Risks	In relation to sustainability, factors such as the expectations and demands of communities and employees, social media engagement, and public pressure can impact organizations.	Human Resources
	Eco-System Deterioration	Deterioration of natural ecosystems as a result of human activities can lead to a loss of biodiversity and a reduction in ecosystem services. This can affect agriculture, fisheries, and other industries.	Agricultural Banking Group
Economic	Political Instability and Trade Barriers	Factors such as political conflicts, trade barriers among countries, and customs duties can make supply chain flow difficult.	World Economy Turkish Economy Responsible Supply Chain Management
	Local and Global Market Fluctuations	Price fluctuations can affect supply chain costs and challenge businesses that depend on certain markets.	World Economy Turkish Economy Banking Sector in 2023 and DenizBank's Position
	High Energy Costs and Resource Constraints	Fluctuations in energy costs, energy resource constraints, and energy supply reliability can affect the operational costs of organizations.	World Economy Turkish Economy Energy and Emissions Management

Transition Risks

CATEGORY	PHYSICAL RISKS	DESCRIPTION	RELEVANT SECTION DESCRIBING DENİZBANK'S ACTIONS
Environmental	Change of Sustainability Reporting Standard	Changing or updating international sustainability reporting standards may cause organizations to have difficulty in ensuring reporting compliance.	About the Report Our Sustainability Strategy
	Risk of Carbon Emission Measurement Limitation	With the carbon emission measurement requirement, countries and regions may set carbon limitations and emission reduction targets covering specific industries, companies, or sectors. This can result in financial and legal risks for companies that do not make efforts to comply with the relevant regulations. The Carbon Border Adjustment Mechanism regulation will enter into force on October 1, 2023, limited to the reporting obligation.	Our Sustainability Strategy Environment Management and Combating Climate Change Energy and Emissions Management
	Human Resources and Talent Shortage	Finding staff with sustainability-related expertise and skills and having sufficient human resources to implement sustainability strategies can be challenging.	Human Resources
Economic	Cost Increases	The transition process often involves the adoption of new technologies, sustainable materials, or production methods. These changes may initially cause investment and cost increases.	Our Sustainability Strategy
	Cybersecurity Threats	The digitalization of sustainability strategies can increase cybersecurity risks. This includes threats such as data breaches, information leaks, or cyber-attacks.	Information Security and Information Technologies Risk Management Group
	Stakeholder Expectations	Different stakeholder groups (investors, customers, employees, society) may have different expectations and demands.	Our Stakeholder Map and Communication with Stakeholders
	Supply Chain Security	Finding sustainability-aligned suppliers and securing this supply chain can be challenging.	Responsible Supply Chain Management

Sustainability Risks and Trends Management

Trends

CATEGORY	PHYSICAL RISKS	DESCRIPTION	RELEVANT SECTION DESCRIBING DENİZBANK'S ACTIONS
Environmental	Green Energy Use	Companies are turning to various strategies to increase the use of renewable energy and reduce their carbon footprint. They tend to invest in green energy projects and promote sustainable energy use.	Our Sustainability Strategy Environment Management and Combating Climate Change Energy and Emissions Management
	Circular Economy and Waste Reduction	Circular economy principles are increasingly being used to more efficiently improve resources and reduce waste. Strategies focusing on recycling, reuse, and waste reduction are becoming widespread.	Waste Management
	Water Management and Efficient Use	Companies tend to use water resources effectively and sustainably, reduce water consumption and adopt water management strategies.	Water Management
	Carbon Footprint	Companies assess their carbon impact from a broad perspective, taking into account not only the carbon footprint of the business, but also the carbon emissions generated during the supply chain and the use of products.	Our Sustainability Strategy Environment Management and Combating Climate Change Energy and Emissions Management
	"Zero Carbon" Company Targets	Companies, industries, and countries are focusing on reducing their carbon footprint by setting zero net carbon targets. Efforts to reduce carbon emissions are an important trend to increase sustainability.	Our Sustainability Strategy Environment Management and Combating Climate Change Energy and Emissions Management
Social	Employee Health and Wellbeing	Companies are implementing programs and policies that support employees' physical and mental wellbeing and are focusing on ensuring employees' work-life balance. Healthy working conditions, ergonomic office arrangements, and mental health supports are part of this trend.	Human Resources Occupational Health and Safety
	Training and Awareness Raising	Training programs and campaigns are gaining importance to raise awareness on sustainability topics. Companies are increasing their efforts to raise awareness in both employees and consumers on sustainability topics.	Deniz Academy and Talent Management
	Entrepreneurship and Social Innovation	Sustainability-focused entrepreneurship and social innovation enable the emergence of new models and solutions in the business world. This contributes to the creation of business models that consider environmental and social impacts.	Our Corporate Memberships and Initiatives We Support Our Subsidiaries and Activities in 2023
Economic	Environmental Taxonomy and Green Finance	The financial sector aims to reduce environmental impact by promoting sustainable investments through environmental taxonomy and green finance instruments.	Our Sustainability Strategy Corporate and Commercial Banking Group
	Carbon Markets and Trading	Carbon markets and trading offer an important opportunity to fight climate change and reduce greenhouse gas emissions. These markets enable the buying and selling of financial instruments such as carbon credits or emission permits used to limit or reduce greenhouse gas emissions.	Our Sustainability Strategy Environment Management and Combating Climate Change Energy and Emissions Management
	Global Collaboration and Stakeholder Engagement	Solutions to global challenges require global collaboration and stakeholder engagement for sustainability. Greater collaboration and stakeholder engagement between businesses, governments, civil society, and academia underpins this trend.	Our Stakeholder Map and Communication with Stakeholders Our Corporate Memberships and Initiatives We Support

GRI 2-16, 2-22, 201-2, 3-3



*for the
beyond*

Financial Capital

In an effort to meet all financial needs of our customers with a comprehensive approach, we organize our financial capital under four main segments: "Retail Banking Group," "Wholesale banking Group," "Treasury, Financial Institutions and Investment Group," and "Project Finance, Financial Restructuring and Credits International Coordination Group."



Banking Services

Adopting a customer-oriented service approach, DenizBank has structured its activities to meet all financial needs of its customers according to specific segments.

Customer segmentation is managed under two main groups: Retail Banking and Wholesale Banking.

DENİZBANK CUSTOMER SEGMENTATION

Adopting a customer-oriented service approach, DenizBank has structured its activities to meet all financial needs of its customers according to specific segments. This segmentation is managed under two main groups: Retail Banking and Wholesale Banking.

Retail Banking Group

Personal and Private Banking Group

Personal Banking serves individuals, self-employed professionals, owners and partners of corporate and commercial segment companies and Micro Segment customers with an annual turnover of up to TL 1 million.

Private Banking serves upper retail segment clients and companies with liquid net worth of at least TL 5 million.

Wholesale Banking Group

Corporate and Commercial Banking Group

Corporate Banking is the segment that serves all companies with an annual turnover of at least TL 250 million, as well as the groups to which these companies belong.

Commercial Banking serves companies with annual sales turnover between TL 125-250 million that do not fall within the scope of the Corporate Banking segment.

SME Banking, Agricultural Banking and Public Finance Group

SME Banking serves firms and sole proprietorships with an annual turnover less than TL 250 million, as well as the owners and partners of businesses (from TL 125 million to TL 250 million is the common area with Commercial Banking).

Public Finance Banking serves local public administrations, their subsidiaries and economic enterprises, as well as state economic enterprises, their establishments and subsidiaries, and all other enterprises in which the public or public companies hold at least a 50% stake.

Agricultural Banking covers producers with farmer certification who earn a living from agricultural activities as well as agricultural organizations with legal entity and agribusinesses.



Banking Services



Retail Banking Group

DenizBank shapes its personal and private banking activities around the goal of becoming the most preferred financial solution partner of its customers.

➤ *Aiming to build a strong customer base also in 2023, DenizBank adopted an innovative, digitalization-oriented strategy that understands customer expectations and continued to work on products, services and infrastructure in line with these strategies.*

The Retail Banking Group is structured into three areas offering special products and services to customers:

- Personal and Private Banking
- Digital Transformation and Non-Branch Channels
- Payment Systems



PERSONAL AND PRIVATE BANKING GROUP

DenizBank, which shapes its personal and private banking activities around the aim of becoming the most preferred financial solution partner of its customers, uses its digital transformation strategy extensively in this process.

Banking regulations changed significantly in 2023, and DenizBank adapted quickly to the new practices introduced by regulatory agencies. DenizBank created pricing strategies in line with the interest rate and growth constraints imposed by the Central Bank of the Republic of Türkiye and many regulations were amended.

In line with the CBRT's expectations, DenizBank fully complied with the targets set for deepening in DDM (FX-protected accounts converted from) in the first half of the year and for gradual exit from the product and return to TL in the second half of the year. As part of the changing strategies, DenizBank quickly adapted to any legislative changes communicated by the CBRT and directed all branches to take action accordingly.

The Bank kept and will continue to keep the motivation of the field at a high level by organizing campaigns to encourage the realization of the targets.

Innovative, digitalization-oriented strategy

Aiming to build a strong customer base also in 2023, DenizBank adopted an innovative, digitalization-oriented strategy that understands customer expectations and continued to work on products, services and infrastructure in line with these strategies.

In addition to the strength of its branch network, using non-branch channels effectively, DenizBank continues its efforts to acquire new customers. Its target-oriented marketing strategies and its strength in digital channels play a decisive role in increasing customer numbers. As of year-end 2023, the total number of active personal banking customers was 5.4 million.

Seven out of 10 general purpose loans are being utilized through digital channels

Due to the impact of high inflation on demand, the volume of general purpose loan utilization and average loan amounts increased across the entire sector, including DenizBank. DenizBank continued to grow by focusing on general purpose loans, one of the leading products of personal banking, and its market share in general purpose loans reached 6.3%. Digital transformation has the most significant impact on general purpose loans. Currently, 7 out of 10 general purpose loans utilized through digital channels in the sector are provided through digital platforms.

Through its efforts to develop deposits in 2023, DenizBank successfully attracted new customers and increased the volume of deposits from existing customers. DenizBank's market share increased from 7.0% in 2022 to 9.2% in 2023, especially in TL time deposits.

As of the end of 2023, DenizBank's unconsolidated customer deposits reached TL 595 billion, increasing by 79% compared to the end of 2022. Unconsolidated savings deposits increased by 90% to TL 421 billion over the same period.

The Bank endeavored to comply with the changing targets in the TL share calculation in the regulations and successfully achieved the CBRT's periodic Liraization targets. In this context, the Bank increased its TL/Total deposits share of real persons from 19.30% to 34.82% as of December 29.

The first bank of choice for retirees

DenizBank continues its activities with a mission to improve the lives of retirees, who, through years of productive service, have played an important role in building Türkiye's future. By providing retirees with services that go beyond their expectations, DenizBank is determined to show itself as the bank

that best understands their needs and is therefore preferred by retirees.

DenizBank has closely followed its retired customers since 2010, and it was the first bank to extend them privilege banking services. One out of 4 EYT beneficiaries (Retirement Age Victims) who are entitled to retirement within the scope of the EYT regulation that entered into force in 2023 preferred DenizBank, thus it has become the pension bank of 1 million retirees.

DenizBank aims to increase the financial comfort of pensioners with its privileged banking services. In this scope, DenizBank offers a range of privileged services such as special discounted interest rates on general purpose, vehicle and home loans, favorable interest rates for savings deposits, priority transactions at branches and contact centers, free EFT and transfer transactions with mobile and internet banking, and discounts on safe deposit box transactions.

DenizBank offers advantages such as shopping installments and earning bonuses with the Retired Bonus credit card specially developed for retirees in Türkiye. Furthermore, Retired Bonus cardholders can benefit from extra discounts on theater and pharmacy expenses as well as discounts on their bills in periodic campaigns.

To support retirees' social lives as well as their financial needs DenizBank plays an active role through its social media channels. Through DenizBank's Facebook page, retirees can easily access a wide variety of practical information, including healthy-living content vetted by experts, recipes, and competitions.

In 2024, DenizBank will continue to develop financial solutions for its retiree customers as well as projects that will enable them to spend their social lives more comfortably and enjoyably, making a difference in the sector.

Retail Banking Group

By focusing on digital transformation projects, DenizBank aims to expand its non-credit related discretionary insurance products and respond quickly to customer needs through every channel.

➤ *As a result of these innovative practices in Bancassurance, DenizBank generated approximately TL 2 billion insurance income in 2023.*

Continuing to support women entrepreneurs

As part of its sustainability activities and in line with its principles, DenizBank has adopted the mission of reinforcing the role of women entrepreneurs in the business world in 2023. Therefore, DenizBank created a service package and continued to support women entrepreneurs with financial solutions. DenizBank's primary goals are to support women entrepreneurs and ensure that enterprises with a sustainable growth trend are included in the sector. In 2024, it will continue to support women's businesses with an expanded content.

A wide range of products offered in bancassurance

DenizBank started to operate in the field of Bancassurance in 2004 and since then continues to provide services to its customers in a wide range in line with the sector trends.

In this scope, DenizBank renewed its exclusive agency agreements individually with both business partners until 2031: for Life Insurance and Private Pension with MetLife Emeklilik ve Hayat A.Ş. and for Elementary Insurance with AXA Sigorta.

Considering the changes in customer needs in the 2023 operating period, DenizBank designed insurance processes and developed different solutions according to customers' banking transactions and channel usage habits, so that the right product is offered to the right customer through the right channel. In this context, the Bank strengthened its credit life insurance coverage, offered age- and occupation-differentiated unemployment insurance, critical-illness insurance, and various other types of coverage. And the Bank maintained its high penetration rates in insurance products linked to credit products to meet its customers' needs for protection in 2023 as well.

New insurance options at MobilDeniz

By focusing on digital transformation projects, DenizBank aims to expand its non-credit related discretionary insurance products and respond quickly to customer needs through every channel. A structure combining product diversity and after-sales services with new insurance options was added to MobilDeniz. Here, Digital Assurance Insurance, Safe Mobile Transaction Insurance, ATM Protection Insurance, and Card Protection Insurance products were offered for sale in 2023.



As a result of these innovative practices in Bancassurance, DenizBank generated approximately TL 2 billion insurance income in 2023.

In the coming period, DenizBank will maintain its digital transformation projects. It intends to diversify alternative sales channels, enrich insurance and pension products, and enhance customer experience by integrating products into all sales channels.

655 branches in Türkiye and the world

DenizBank merged 34 branches in 2023 within the framework of optimization efforts and opened 4 new branches in the same period. By the end of 2023, the Bank had 639 branches across Türkiye and reached 655 branches in total, including Bahrain and Girne branches and 14 subsidiary branches abroad.

DenizBank's branch market share in the Turkish banking sector was 6.8% at the end of 2023. In 2023, the Bank decommissioned 130 ATMs and installed 130 new ATMs, bringing the total number of active ATMs to 3,080 by the end of 2023.

Adopting the slogan "Three Banks, One ATM," QNB Finansbank, TEB, and DenizBank continued their ATM network sharing collaboration in 2023 as well. Under this agreement, customers of the three banks were offered the opportunity to perform three financial transactions free of charge per month from the ATMs of the other two banks, as well as the opportunity to perform unlimited non-financial transactions free of charge.

In line with its customer-oriented banking strategy, DenizBank continues to create innovative branch and ATM concepts that appeal to different customer segments. At the same time,

DenizBank focuses on enhancing customer experience through branch and ATM transformations aimed at physical improvements for disabled customers.

The percentage of DenizBank's branches suitable for disabled-friendly banking rose from 30% in 2022 to 32% in 2023, while accessibility of ATMs for individuals with physical disabilities, which was 20%, remained at the same level. Service for customers with visual impairments continued to be available at all ATMs. In 2023, daily ATM withdrawal limits were increased according to customer segments in line with inflation.

In 2023, DenizBank used its mobile app and social media accounts to conduct information campaigns aimed at expanding the use of QR codes for withdrawals and deposits made at ATMs. These efforts led to an increased use of QR codes by 4% for ATM withdrawals and deposits.

Products and services easily accessible through all channels

DenizBank continues to work with the understanding that its customers expect quick solutions to their ever-changing financial needs, including the need for more accessible banking services.

Post-pandemic experiences have demonstrated that the habits of customers can change and therefore, providing customers with uninterrupted and seamless service is a priority for DenizBank. By creating the opportunity of all transactions in branches to be carried out also through non-branch channels and making products and services accessible 24/7, DenizBank has a great advantage in terms of customer retention.

As a result of investments, especially those actions taken during the pandemic, the rate of transactions performed through non-branch channels increased significantly. In 2023, 90% of consumer loans were extended through non-branch channels, and the share of personal card sales reached 83%.

Retail Banking Group

DenizBank's Private Banking Group achieved impressive success, reaching an asset size of TL 480 billion as of the end of 2023.

➤ *DenizBank's customers have a high rate of digital adaptation. Customers quickly adapted to using bank services without going to a branch. As a result, the share of accounts opened through digital channels realized at 30%.*

DenizBank places great importance on its remote customer acquisition project. Significant successes were achieved in customer experience thanks to shortened transaction times and simplified screens. DenizBank's customers have a high rate of digital adaptation. Customers quickly adapted to using bank services without going to a branch. As a result, the share of accounts opened through digital channels realized at 30%.

The partner that leads its customers to financial success: Affluent Banking

In 2023, DenizBank's Affluent Banking continued to offer its customers a privileged banking experience, with products tailored to their specific needs.

With its renewed criteria, creating a more asset- and investment-oriented customer base, through personal advisors, all experts in their own fields, and various non-branch channels, the Bank assisted its customers in reaching their financial goals and realizing their plans for the future. In this way, DenizBank's Affluent Banking continued its mission to be a partner that goes beyond providing its customers with financial services, helping them achieve financial success with an approach sensitive to their specific needs.

The "AfiliDeniz" Communication Line provides customers with Affluent Banking services via telephone and video calling, so there is no need for customers to visit branches. It also enables them to quickly perform their transactions in a prioritized manner. Within this service, through the Communication Line the customers' increasing tendency towards digital and alternative channels were met. The Bank also provided one-to-one portfolio management services through its Contact Center, increasing customer satisfaction.

DenizBank Affluent Banking offers its customers not only financial services but experiences coloring their daily lives. DenizBank Black Card holders are privileged to benefit from special discounts on cosmetics, cinema, hotel, travel, and restaurant expenses.

Assistance services, which are among DenizBank Black Card privileges, provide customers with various assistance services to make their daily lives easier. In this way, customers can continue their lives safely and comfortably with the support they may need at any time.

Professionals including lawyers, doctors, dentists, financial advisors, notaries, pilots, and others can benefit from DenizBank's Affluent Banking products and services. Keeping a close eye on its customer needs allows Affluent Banking to quickly adapt to changing trends by diversifying its products and services accordingly.

Affluent Banking continued to collaborate with 53 professional associations in Türkiye, including chambers of physicians, dentists, certified public accountants and notaries, as well as 40 bar associations and to exclusively offer free E-SMM application to its customers in 2023 as well. In addition, DenizBank provided solutions to the financial needs of customers in these professional groups with specialized loan products to meet their cash needs.

DenizBank not only produced financial solutions for Affluent Banking customers, but also organized various social and cultural events in 2023 to touch different areas of their lives. Through brand partnerships, customers were offered discounted and advantageous experiences.

Private Banking and Investment Sales Group

DenizBank's Private Banking service focuses on customers whose total financial assets exceed TL 5 million. Serving over 12 thousand active customers as of the year-end 2023, Private Banking offers personalized and versatile solutions and services. DenizBank has the largest private banking network in Türkiye with a total of 19 Private Banking service points, including 5 in Istanbul and 14 outside Istanbul. These service points are located in Istanbul, Ankara, Izmir, Antalya, Bursa, Adana, Tekirdağ, Kayseri, Samsun, Bodrum, Izmit, Konya, and Diyarbakir. The service points in Kayseri, Samsun, Bodrum, Konya, Izmit, Konya, and Diyarbakir have made a significant competitive difference with their innovative approaches in the sector.

The Private Banking Group achieved impressive success, reaching an asset size of TL 480 billion as of the end of 2023. Working in full harmony and cooperation with other business lines, the Group's 77 portfolio managers and 161 investment advisors are able to offer its customers a variety of advantages and privileges in connection with DenizBank Financial Services Group products and services.

Private Banking offers its customers a comprehensive financial experience through a wide range of Deniz Asset Management mutual funds, DenizInvest's wealth of organized markets and DenizBank investment products. This wide range of products and services increased the size of non-deposit assets by 40% in 2023, offering customers more choice.

The size of the Private Banking fund increased by TL 65 billion year-on-year to TL 92 billion. Private hedge funds provided customers with private wealth management opportunities. With 7 new private funds created in 2023, the total number of funds managed by the Group increased to 44.

In addition to DenizBank Private and TAV Passport credit cards offered with the slogan "An exclusive world, just for you," more opportunities and privileges were offered with the "Metal Card," specially designed for Private Banking customers.

By developing personalized solutions with its expert staff, the Private Banking Group plans to increase the value of its assets, improve its service quality, and offer personalized solutions in line with the needs and expectations of its customers in 2024. The Group aims to maintain and strengthen customer satisfaction through special events and other non-banking services.



Retail Banking Group

DenizBank realized 96% of its financial transactions through digital and non-branch channels in 2023.

➤ *In line with its goal of radically improving customer experience, DenizBank played a pioneering role in instantly offering financial solutions tailored to the needs of its customers, starting from account opening within minutes immediately after becoming a customer.*

DIGITAL TRANSFORMATION AND NON-BRANCH CHANNELS GROUP

Achieved success rate in the digital field

The banking sector is rapidly adapting to digitalization trends and taking significant steps to perfect the customer experience and streamline business processes. Artificial intelligence and data analytics are used to better understand customer demands and provide customized services, while advanced technologies offer new capabilities to enhance business processes. Mobile banking applications provide customers with anytime, anywhere access and at the same time increase the sector's credibility by focusing on financial data security. These dynamic trends are moving the banking sector towards a more competitive, fast, and innovative future.

The "Remote Customer" process launched in 2021 has become a milestone among financial institutions. In line with its goal of radically improving customer experience, DenizBank played a pioneering role in instantly offering financial solutions tailored to the needs of its customers, starting from account opening within minutes immediately after becoming a customer. Developed in early 2023, the Super Limit product was awarded in the most innovative product category at the national level. This innovative process continues with the vision of offering a complete digital experience to corporate customers in addition to individual customers.



Last year, the Bank introduced "Open Banking," an important step in shaping the digital transformation trends of the financial sector. This approach offered a perspective that shaped the future of banking and enabled the Bank to step into a new competitive field for customer acquisition. DenizBank is determined to be a strong player in the Open Banking sector, as it is guided by the same question from its very first day of operation: "What does the customer want?" Continuously updating developments in the Open Banking field to offer the highest level of experience to millions of its customers, DenizBank continues to stand by its customers with increasing its efforts in digitalization. Standing out with its digital achievements, DenizBank further strengthened its position as one of the leading players in the sector, including Open Banking.

Digital transformation projects realized in non-branch channels

DenizBank looks at digitalization not as a strategy but as a fundamental element corporate culture and stands out with its rich and diverse digital solutions in providing services to customers. Starting from customer acquisition, the Bank aims to provide the highest level of experience to its customers at every moment of need and has managed a broad view of digital transformation, which it has made a central component of its strategy for growth.

In addition to digital banking channels, DenizBank achieved significant success with its digital transformation projects in non-branch channels. In 2023, six out of every 10 new customers were acquired through digital and non-branch channels. While 90% of consumer loans were extended through digital and non-branch channels, almost all investment

accounts were opened through these channels. At this point, the human factor of non-branch channels combined with the power of digital has been an important support point in DenizBank's digitalization process.

In 2023, DenizBank realized 96% of approximately 50 million monthly financial transactions through digital and non-branch channels. In the coming period, the Bank will continue to offer digital solutions that meet the ever-changing needs of its customers and maintain its pioneering role in digitalization.

Opening an account without going to a branch

With digital transformation advancing rapidly, the banking sector stands out as one of the important intersections of sustainability and ESG factors. DenizBank considers digital developments as a focal point not only to optimize business processes but also to support its sustainability targets and minimize its environmental impact.

As part of its "Remote Customer Acquisition" activities, DenizBank made it possible to open an account without physically going to the Bank. It completed digitalization procedures related to transactions that, for legal or security reasons, required customers to visit a branch in person. These transactions can now be completed securely from the comfort of home through videocalls conducted using MobilDeniz's "Do Without Going to the Branch."

The Bank's activities in the digital environment and the "Digital Slip" solution launched in 2023 are important steps in terms of sustainability since paper use is reduced.

DenizBank's sustainable banking approach also includes a management approach that embraces ethical and social responsibility values. Within the scope of ESG, DenizBank develops various and numerous products and services for disadvantaged groups.

The Bank ensures financial inclusion by providing video call services in sign language for individuals with hearing impairments who contact the Communication Center using "Remote Customer Acquisition" and the "Do Without Going to the Branch" app. Contact Center customer representatives fluent in sign language are also available to provide video call assistance to customers with hearing impairments during in-person transactions conducted at Bank branches. By letting customers over age 60 talk directly to a customer representative at the Contact Center, DenizBank ensures that customers who might find it difficult to visit a branch in person are given quick access to all banking services.

In the area of human resources, which makes up part of the social components of ESG, the Non-Branch Channels Group is DenizBank's largest business line in terms of employment, with over 2,500 individuals working within the Group.

Women employees account for a large share of the Group's human resources, representing 51% of all managers in the Group as well as 72% of Contact Center staff, 45% of Mobile Sales staff, and 78% of Telephone Sales staff.

Retail Banking Group

In line with its sustainability targets, DenizBank provided its customers with the opportunity to reduce their carbon footprint through the digital slip option.

➤ *DenizBank believes in the importance of creating long-term value for both society and the environment and is determined to create a positive impact in the sector in line with this mission.*

Awareness created with the "I'm In" project

The "I'M IN" project realized with the mission of bringing women's power into the economy and increasing women's employment, the Telephone Banking group offered 31 housewives who had interrupted their working life or postponed their banking career the opportunity to work part-time at home. DenizBank is proud of the fact that this unique practice is a first in the sector and that other representatives of the sector are turning to similar initiatives thanks to the awareness this project created.

In this context, integrating its sustainability principles into its business strategies, DenizBank believes in the importance of creating long-term value for both society and the environment and is determined to create a positive impact in the sector in line with this mission.



PAYMENT SYSTEMS GROUP

Card Product Management

As of year-end 2023, DenizBank's debit cards totaled 8.5 million and credit cards totaled 7.2 million, including 5.6 million retail and 1.6 million commercial cards. As a result, DenizBank achieved a market share of 3.0% in debit cards and 6.3% in credit cards.

Aesthetics, special services and advantages in DenizBank cards

With its vertical cards, which introduced an innovative approach to credit card design the previous year, DenizBank Payment Systems Group caught everyone's attention in the banking sector and established itself as the sector trendsetter. DenizBank cards stand out not just for their aesthetics but also for their functionality and practicality, and they offer discounts with varying advantages for each customer. Last year, DenizBank added the Metal Card into its extensive card portfolio. Metal Card, the newest and most prestigious product prepared for a small number of selected customers with its uniquely framed kit, also offers its holders very privileged services.

The prestige of traveling with Deniz

In addition to the airport privileges offered in upper segment products, "Traveling with Deniz" application enables customers to organize their travels faster and more comfortably and it became one of the most prestigious travel applications in the short time after it was launched. The application, which non-DenizBank customers can also use, has offered users the best hotel and restaurant discounts in the sector. In addition to the advantages of this practical application, DenizBank customers began to multiply their shopping points by five times when making transactions through Traveling with Deniz.

Easy banking with new digital products

DenizBank has switched to Troy, Türkiye's first and only domestic payment system, through its Gold product and continues to work in this direction for its other products. The DenizKartım mobile application, especially designed for the Bank's credit and debit cards, offers a series of advantages to users. In this scope, users can participate in specially designed bonus and installment campaigns and be informed about discounts and privileges. At the same time, they can easily perform different transactions with a single click, such as limit increase, virtual card creation, and additional card creation.

In line with its sustainability targets, DenizBank provided its customers with the opportunity to reduce their carbon footprint through the digital slip option. The digital slip application aims to minimize physical waste and paper usage. Furthermore, fast and contactless payment comfort with QR code is another digital innovation that DenizBank customers started to use.

Contracted Merchant Relations

Continued digitalization

Also in 2023, DenizBank continued to invest in digital transformation and technology and improved its relations with contracted merchants within the scope of sustainability.

In 2023, DenizBank's total contracted merchant turnover reached TL 344.5 billion. As of year-end, the Bank's share of the contracted merchant market was 4.0% as measured by total turnover and 5.1% as measured by transaction numbers.

➤ *As of year-end 2023, DenizBank's debit cards totaled 8.5 million and credit cards totaled 7.2 million.*

With the activities conducted in the area of contracted member merchant relations in 2023 DenizBank became the first bank in Türkiye to enable collection at IBB Deniz Taxi with the Istanbul Pay payment application realized with Belbim as part of the strategy of making social life easier through payments. Moreover, investments continued for POSum Cepte, which enabled card payments using a bank's existing mobile application for the first time in Türkiye. The aim is to enrich the digital experience of contracted merchants by adding new functions to POSum Cepte that will enhance the payment acceptance experience. POS sales were launched at the newly opened Girne Branch and the project of receiving payments with TR QR Code at POSs was expanded.

DenizBank aims to develop sustainable, technological and rational payment system solutions in line with the requirements of the age and offer them to its customers in the coming period as well.

Wholesale Banking Group

DenizBank succeeded in increasing its share in exporters and industrialists, one of the priority groups targeted for growth in the Corporate and Commercial Banking business line.

➤ *In 2023, the Corporate and Commercial Banking Group initiated work on loan packages for 927 new customers to increase new customer acquisition and create a diversified customer portfolio.*

Wholesale Banking activities at DenizBank are carried out by:

- Corporate and Commercial Banking Group
- SME Banking and Public Finance Group
- Agricultural Banking Group

within the framework of an effective cooperation.



CORPORATE AND COMMERCIAL BANKING GROUP

A year of global uncertainties

In 2023, the pandemic-induced supply chain issues and the impact of the Russia-Ukraine War, along with macroeconomic developments such as rising energy costs in many countries, led to high inflation globally. This challenging inflationary pressure has become further complicated by the growing likelihood that global geopolitical tensions could escalate into hot conflicts. The past year has therefore been a period of great uncertainty and challenges.

Countries around the world have responded to these challenging economic conditions by adopting various economic measures and adjusting their fiscal policies to fight global inflation.

In this period, Türkiye aimed to minimize the impacts of inflation, which increased due to domestic and external factors, through the policies and practices adopted within the Turkish Economic Model. This model also aims to achieve sustainable economic growth by adopting a value-added production approach, focused on promoting exports and increasing employment.

The Central Bank of the Republic of Türkiye (CBRT) has adopted certain policies to achieve the inflation target set by the country's economic management. When the CBRT announced its Monetary Policy and Liraization strategies, it emphasized the Support for Conversion to Turkish Lira Deposit and Participation Accounts and the Turkish Economic Model practices. During this period, the measures taken by the economic management to fight inflation emphasize Türkiye's efforts to ensure its economic stability.

Meanwhile, banks have shaped their sales and marketing strategies in parallel with the macroprudential measures to ensure that loan utilization has been tailored to prioritized customer segments. These adjustments had a pronounced impact especially on the Corporate and Commercial Banking business line, as the customer segments operating in this sector are considered to be among the groups most affected by these macroprudential measures. The CBRT offered banks a wider range of funding opportunities through a new deposit product, the FX-Protected Deposit, which is indexed to the policy rate and has a longer maturity than market practices. At the same time, however, macroprudential measures taken to maintain a loan flow consistent with business activity led to the introduction of loan restrictions. These restrictions exerted a price-oriented pressure on Turkish lira-denominated loan portfolios in particular.

Successful strategies for the customer segment with growing export volumes

These policies and practices made it necessary for exporting firms, especially those with growing export volumes, to enhance their relations with financial institutions to meet their working capital loan needs. In this context, the tightening effect on loan growth made it more difficult to access TL denominated loans and created the need for companies to increase the number of financial institutions in their portfolios.

In this period, DenizBank succeeded in increasing its share in exporters and industrialists, one of the priority groups targeted for growth in the Corporate and Commercial Banking business line, thanks to the strong infrastructure built within the framework of its existing strategies. This shows that the Bank is following successful strategies for the customer segment with growing export volumes and has effectively adapted to the changing financial dynamics in the sector.

The Group's 6 main strategies and priorities

DenizBank has developed 6 main strategies for achieving its goals in the sphere of wholesale banking.

Selective Asset Development: In line with this strategy, in 2023, the Corporate and Commercial Banking Group initiated work on loan packages for 927 new customers to increase new customer acquisition and create a diversified customer portfolio. Of these new customers, 442 are export and industrial customers in line with the Bank's strategy to expand its foreign trade customer portfolio.

The Corporate and Commercial Banking Group also emphasizes the use of external resources as well as the active use of the Bank's internal resources for sustainability-themed investments. In addition to utilizing external sources such as CBRT rediscounted loans and EximBank loans, the Group also participated in the "Vade(SİZ) Export Credit Package," which was launched with the joint protocol of the Türkiye Exporters Assembly and the Banks, and took an active role in supporting exporter companies. With its ongoing prioritization of TL current accounts in terms of resource utilization, the Group takes care to provide cash flow at least as much as its share for the loans it extends.

Concentration on Fees and Commission Income: Within the framework of this strategy, the Corporate and Commercial Banking Group is focused on non-cash loans, which are its main source of commissions. In addition, the Group aims to increase its non-risk income with products such as insurance and POS as well as the commissions identified in the commercial commission communiqué.

Wholesale Banking Group

The merger of the Corporate and Commercial, Public Finance, SME and Agricultural Banking business lines under the umbrella of the Wholesale Banking Group has created a high level of synergy in achieving common goals.

➤ *The synergy created by information sharing among groups, cross-product sales and marketing, and the consolidation of strengths in the field will allow DenizBank to maintain its highly successful performance.*

Collection of Non-performing Loans and Provisions: The Corporate and Commercial Banking Group tracks early warning signs to manage customer risks appropriately. Within this context, the Group plans to maintain manageable NPL and risk-cost ratios by monitoring customers' short positions, ratings, collateral, financial risks, and market positions. It also works to reduce provision amounts, and looks out for structuring opportunities with a proactive approach.

Synergy: The Corporate and Commercial Banking Group adopts a portal approach that aims to enhance cooperation between the Private Banking Group, DenizInvest, and DenizAsset Management. In this context, the Group manages the accounts of real persons who are the shareholders of its corporate customers through the Private Banking Group. Thus, when active marketing by Private Banking creates demand, the Group directs the assets of these real persons to DenizInvest and DenizAsset Management.

In addition, the Corporate and Commercial Banking Group cooperates with DenizInvest in brokering potential public offerings and bond issuances for customers by setting up customized funds through DenizAsset Management. Furthermore, the Group acts as a bridge between its corporate customers and the Personal Banking

Group's salary payments, Agricultural Banking Group's cash payments, and the SME Banking Group's cash management products. Along with all these activities, the Group encourages subsidiary services to contribute to the DFSG ecosystem.

Resource Acquisition: Besides its lending activities, the Corporate and Commercial Banking Group is also included in the Bank's strategy for deposits through the synergy created between corporate and commercial branches, the Private Banking Group, the Personal Banking Group, the Treasury Group, and DenizAsset Management.

Foreign Trade: The Corporate and Commercial Banking Group creates cross-selling opportunities by mediating its customers' foreign trade transactions and helps to achieve the targets committed within the scope of syndication and securitization with the MT103 messages created through these transactions.

A performance on target
DenizBank's Corporate and Commercial Banking Group serves 14,390 customers through 210 customer representatives and 23 branches located in 11 major cities.

As of year-end 2023, the total value of cash and non-cash loans reached TL 400 billion, while its deposits were valued at TL 199 billion, representing a 56% increase in TL cash loans, a 58% increase in TL demand deposits, and a 82% increase in total deposits.



The Corporate and Commercial Banking Group's non-performing loan ratio improved significantly, while its market share in cash and non-cash loans remained steady at 5.0% and 4.1%, respectively.

Strength arising from the merger

DenizBank's organizational structure was changed in 2022 in line with a decision by the Board of Directors regarding group segmentation. As a result, the Corporate and Commercial Banking, the Public Finance, the SME Banking, and the Agricultural Banking Groups were brought together under the umbrella of the Wholesale Banking Group. This strategic merger was realized within a framework designed to achieve common goals and created a high level of synergy within the Deniz Financial Services Group (DFSG).

With this organizational change, the aim was to establish a common ecosystem between the Corporate and Commercial Banking Group, which serves Türkiye's leading manufacturing and industrial organizations; the SME Banking Group, which forms and feeds the foundation of the national economy; and the Agricultural Banking Group, which includes agricultural activities of strategic importance.

The synergy created by information sharing among groups, cross-product sales and marketing, and the consolidation of strengths in the field will allow DenizBank to maintain its highly successful performance. This strategic merger highlights the Company's commitment to providing a strong and integrated financial service.

Strong support for key sectors

In view of the net foreign currency inflows they create, the maritime and tourism sectors hold great importance in terms of financing Türkiye's foreign trade deficit. Recognizing this, the Corporate and Commercial Banking Group considers the support it provides to the maritime and tourism sectors as a national duty and accepts mediating the financing of these sectors as an important mission.

The Corporate and Commercial Banking Group considers the maritime and tourism sectors as a holistic ecosystem and provides various services to meet the financial needs of all stakeholders such as tour operators, agencies, hotels and their suppliers operating in the tourism sector as well as shipyards, ship-owners and suppliers in the maritime sector.

In addition to its direct financing of these sectors, the Group also plays an active role in the financing of sector-related investments. For example, within the tourism sector, DenizBank transferred USD 2 billion to strategic projects such as Istanbul Airport, Northern Marmara Highway, TAV Bodrum and Izmir Airports, Ankara High Speed Train Station, Yavuz Sultan Selim Bridge, Antalya and Gazipaşa Airports.

DenizBank also provided financing of USD 620 million for investments in the Turkish Republic of Northern Cyprus (TRNC). In addition to its tourism investments, which include financing 65% of the total bed capacity of the TRNC's 5-star hotels, the TRNC Ercan Airport and the Cyprus Peace Water projects are among the important projects of the Bank.

Wholesale Banking Group

The Corporate and Commercial Banking Group plays an important role in spreading the value chain to the base for building a sustainable future.

➤ *DenizBank supports sustainable investments with an approach centered on social development and equal opportunities while implementing a strategy to reduce negative environmental and social impacts.*

Intermediary for salary payments of nearly 250 thousand personnel

The Corporate and Commercial Banking Group considers potential synergies with the Bank's other business lines in each loan it extends. With the aim of maximizing its share of the cash flow from companies it considers productive, the Group strives to ensure that transactions such as personnel salary payments, private health insurance, and Private Pension System (BES) are handled through DenizBank, starting with long-term loans. In this context, DenizBank mediates the salary payments of approximately 250 thousand employees.

Furthermore, the Corporate and Commercial Banking Group secures account services from the Personal Banking and Private Banking groups for real person shareholders of its customers and increases inter-group cooperation by actively marketing DenizInvest and DenizAsset Management products.

In addition to these activities, the Group offers special campaigns and opportunities to personal banking customers through sponsorship and brand rights collaborations. One of the most successful examples of the synergy created between the Corporate and Commercial Banking and the Personal Banking groups is the Fan Card product designed for Türkiye's leading sport clubs.

Resources for Türkiye's sustainability and green transformation

With the awareness that a large portion of our country's exports are directed to the European Union, it is a fact that the sustainability roadmap announced by the European Union comprises important sanctions covering the supply chain starting from our exporting customers.

The economic model implemented aiming to reduce Türkiye's current account deficit has become an important driving force in the economic development of our country for exporters and entrepreneurs focusing on foreign currency earning activities. The private sector's adaptation to sustainability-themed transformation and achieving international standards will play a key role in maintaining and even increasing our share in global trade. In this context, sustainability and compliance with international norms are of critical importance for the business world to increase competitive advantage and secure future economic success.

DenizBank supports sustainable investments with an approach centered on social development and equal opportunities while implementing a strategy to reduce negative environmental and social impacts. The Corporate and Commercial Banking Group directs

DenizBank's strategies in line with the sectors and criteria defined within the Sustainable Finance Framework. The sustainable finance principles adopted by DenizBank include steps to increase the general welfare of society and focuses on minimizing negative environmental and social impacts. In this context, the Bank contributes to both economic development as well as environmental and social sustainability by directing the financing resources provided to its customers in line with sustainability criteria.

The Corporate and Commercial Banking Group considers sustainability as an important issue and believes that this issue should spread rapidly and even reach individual users with the support of corporate companies and financial institutions, as well as the policies implemented and to be implemented in the future by public authorities.

It is noteworthy that international companies have started to include clauses in their contracts for goods purchased from Türkiye that require sustainability-themed investments to be realized within a certain period of time. These companies emphasize that they will stop purchasing goods from suppliers that are not part of the sustainable transformation.

Private sector companies need to rapidly implement sustainability-themed investments, which have become critical at the global level. Otherwise, they will inevitably face the risk of losing their competitive advantage and incurring higher costs instead of financing costs.

In this context, the Corporate and Commercial Banking Group believes that it is beneficial to evaluate sustainability-themed/related investments not only in terms of cost management, but also in terms of integrating into global trade, creating competitive advantage for our country and the private sector, and reducing energy costs. This approach is believed to make a significant contribution to both economic and environmental sustainability.

Continuing to provide financing for renewable energy

The Corporate and Commercial Banking Group attaches great importance to supporting investments in domestic solar panel production factories and power plants that incorporate domestically produced panels. In this context, the Group facilitated USD 115 million loan limit for a 1,348 MW Solar Power Plant (DenizBank share: 168.5 MW) built with panels produced at a Solar Panel Factory with an annual production capacity of 500 MW.

The Corporate and Commercial Banking Group provided financing for a project with an installed capacity of over 200 MW and a contract value of approximately USD 230 million with the DFSG subsidiary DenizLeasing, which plays an important role especially in financing SPP investments. In 2023, transactions amounting to USD 28 million with a size of 41.17 MW were realized.

In this context, the Group meets short and medium term loan requests for cash and non-cash working capital needs of investments. In addition, the Group will continue to support similar projects in the future, should they arise.

The Corporate and Commercial Banking Group actively utilizes resources obtained from International Financial Institutions to finance projects. In 2023, USD 54 million of the loans obtained from International Financial Institutions was used to finance the investments of the Group's customers. The total installed capacity of renewable energy projects that DenizBank contributed with financing reached 876 MW. DenizBank will continue to make these resources available to its customers in order to effectively contribute to sustainability-themed transformation in 2024 as well.

Sustainability becomes a corporate culture

The Corporate and Commercial Banking Group plays an important role in spreading the value chain to the base for building a sustainable future.

Proud to support Türkiye's sustainability and green energy transformation, the Group is determined to implement innovative practices, expand its range of services and products, and increase its share in the sector in the future.

Wholesale Banking Group

DenizBank does not consider SMEs' fast and easy access to financing as a commercial operation only, but acknowledges it as an important responsibility for social development.

➤ *By digitalizing all its banking solutions, DenizBank plays a bridge role in both catching up with the changing world and introducing its customers to the digital world.*

SME BANKING AND PUBLIC FINANCE GROUP

DenizBank SME Banking and Public Finance Group, which was established to meet all kinds of financing needs and demands of small and medium-sized enterprises (SMEs) with annual turnovers between TL 1 and 250 million and which are the cornerstones not only of Türkiye but also of many economies around the world, is expanding its service and product range day by day. The Group closely follows global and local developments and takes innovative steps by identifying the needs of SMEs before they do.

SMEs are the locomotive of the economy

SMEs are viewed as the driving force behind economic and social development in Türkiye and the entire developing world. SMEs

constitute 99% of the approximately 4 million enterprises in Türkiye and provide approximately 71% of total employment. SMEs are also the locomotive of the national economy in terms of exports, imports, turnover, production value, and factor cost.

Despite their importance, SMEs' share of cash loans hovers around 27%, and the total cash loan size of the SME sector was calculated as TL 3,176 billion as of December 2023. In this respect, their share of loans remains quite low compared to their contribution to the economy.

It is obvious that SMEs, which play an important role in Türkiye's manufacturing industry and account for 91% of Türkiye's exports, need to be provided with financial support in order to keep up with technological developments in the world, to start sustainability efforts, and to compete with the world in every field.



On-site service for SMEs

DenizBank does not consider SMEs' fast and easy access to financing as a commercial operation only, but acknowledges it as an important responsibility for social development.

With more than 500 branches spread across the country, the Bank directly reaches out to SMEs locally to stay in touch with them and develops the most appropriate services and products for them through various support functions, primarily at the Head Office. In addition to all these, 41 Large Enterprise Branches (BİŞ), which serve in industrial cities, offer customized one-to-one services to medium-sized SMEs in regions with a high concentration of SMEs. SME Banking serves approximately 350 thousand active customers with over 1,000 portfolio managers in total.

The Group's structure is constantly being updated and new approaches are being implemented to improve service quality and help SMEs meet their needs faster and more easily. In this context, "on-site service" is highlighted. Together with the branches and through portfolio managers' visits, this service monitors customers' needs, such as loan cash management, foreign trade transactions, and treasury products, at the SMEs' own premises.

Prioritizing the changing needs in today's conditions where high inflation is on the agenda, DenizBank provides supplier SME customers with liquidity when needed offering the Supplier Financing System product. This product discounts their receivables arising from their sales to buyer companies. The Bank aims to increase the number of customers for this product in the coming years.

SME customers are also supported with cash management products for collection and payment systems and cash financing products such as commercial credit cards/POS, as well as widely used commercial cash loan products.

TL 129 billion in resources for SMEs

As a result of all these efforts, the amount of resources DenizBank transferred to SMEs amounted to TL 129 billion as of year-end, and cash loans, which increased by 52% compared to the previous year, reached TL 89 billion. As of December 2023, the Bank had a 10.5% market share in terms of number of checkbooks, a product widely used by SMEs, and DenizBank became the leader among private banks. The SME Banking Group, which considerably facilitates access to financing for tradespeople with its SME Card product and Swift Loan service, always prioritizes customer satisfaction. A first in the sector, the SME Card meets the short- and medium-term financing needs of SMEs with a single card that features a single limit for commercial credit cards and commercial loan services as well as overdraft-account services.

Ahead of the competition with digital services

Digital developments and applications enable small and medium-sized enterprises to offer their products and services across borders and around the world. SMEs that can use digital channels effectively in collections and payments stand out in the competition. By digitalizing all its banking solutions, DenizBank plays a bridge role in both catching up with the changing world and introducing its customers to the digital world. In this context, the Group designs its products and services with an eye towards the future and continues to create end-to-end digital solutions for its customers' project, loan, and financing needs.

In 2023, efforts were accelerated to be able to provide products such as letters of guarantee and revolving loans for sole proprietorships and SMEs through digital channels. The digital robot, a first in the sector, started to be used effectively in the evaluation stages of loan proposals. By allowing field teams to access digital robotics through "KOBI-TEK," branches were able to speed up their responses to customers' loan requests.

Transaction without wet signature

Thanks to the Legal Digital Approval, which was launched as a pioneering step for SME customers, many documents requiring wet signatures are now accessible through MobilDeniz or DenizKartım applications. In 2023, 10% or more of the total number of transactions were finalized with Legal Digital Approval. This ratio will continue to increase in 2024 with the digitalization of SME Banking products and services. Also with innovative mobile applications such as "Send Checks to Deniz," SMEs are now able to learn the value of their post-paid checks and quickly access cash without the need to visit a branch.

The scope of digital services offered through the MobilDeniz channel was further expanded and extended for SMEs in 2023. While an average of 60% of active SME customers carried out their transactions via MobilDeniz in 2022, this number rose to 85% in 2023 and is increasing every day. In addition, an average of 100 thousand corporate customers are served daily through MobilDeniz and Internet Banking channels.

Under-the-mattress is in the system with DenizBank!

Bringing financial assets outside the financial system into the economy is one of the most critical issues, especially for developing countries. DenizBank has mediated more than 15 tons of gold to be taken out from under-the-mattress and converted into deposits so far with its activities since 2012 on this very important issue.

Providing gold banking services by inviting experts from its project partner, the İstanbul Gold Refinery, and customers to its branches, the Bank joined KAD-SİS (Gold Valuation System) together with 6 public banks and 4 private banks and thus became able to provide services in all provinces of Türkiye at the same time.

Wholesale Banking Group

DenizBank provides above-standard services to SMEs in sustainable energy financing.

➤ *DenizBank broke new ground in Turkish banking history by targeting public finance as one of its strategic business areas.*

Public banking became a strategic business line

DenizBank broke new ground in Turkish banking history by targeting public finance as one of its strategic business areas. The Public Finance Department, which was established in this context, provides financing for many projects of its target group comprising local administrations, their affiliates, and economic enterprises, as well as state economic enterprises, their entities, and subsidiaries.

The Public Finance Department provides a full range of banking services to local administrations with its specialized and highly-experienced staff at the Head Office, regional offices, and branches. As of year-end 2023, the Bank provides collection services for tax, water bills, etc. for nearly 130 municipalities.

International support at DenizBank

The Foreign Trade Package, which enables SMEs that want to grow by expanding abroad to receive all the financial solutions they need in a fast, secure and most importantly digital way, provides SMEs with a safe harbor in international trade.

Opportunities presented in this context include internet banking for cash and cash-against-goods import transactions, special currency exchange rates for export customers, end-to-end tracking of domestic and international money transfers through SWIFT GPI (outbound tracking), and online IBKB and cash commitment closings.

Financial support for sustainable transformation

Enabling sustainable transformation with financial support not only increases the efficiency of SMEs led by renewable energy, but also creates a foundation that allows them to comply with international standards. Compliance with a range of regulations and certifications, starting with green certification, enables businesses to contribute to a sustainable economy.

DenizBank provides above-standard services to SMEs in sustainable energy financing. Through the GEF (Green Economy Financing Facility) fund obtained from the European Bank for Reconstruction and Development, the Bank finances renewable energy and energy efficiency investments of public and private sector customers.

The Bank directly contributes to environmental sustainability areas such as textile machinery and tractor purchases, cold storage constructions, waste management, energy efficiency, and raw material and water efficiency. DenizBank supports the United Nations Sustainable Development Goals by serving in areas such as accessible and clean energy, clean water and sanitation, industry, innovation, and infrastructure.

DenizBank prioritizes allocating the funding received and to be received from various organizations such as IFC, EFSE, GGF, World Bank, and Proparco to all customers, especially SMEs, primarily in line with the objective of supporting the fight against climate change.

The Bank also continues to stand by SMEs as a partner in the ihracatı Geliştirme A.Ş. (İGE), which was established to support exporting SMEs' access to finance.

Finance and training support for women-owned businesses

DenizBank believes in the necessity of behavioral change and action beyond awareness in achieving gender equality. The Bank considers this field as one of the vital areas for Türkiye's future and monitors developments in the sector through its internal Women's Working Group. The Women's Working Group also evaluates activities and organizations with a broad perspective including business partnerships, practices, and opportunities in different sectors.

Under the heading of Gender Equality, which is among the UN Sustainable Development Goals, DenizBank continues its efforts to provide financial support to women businesses as well as to increase their knowledge and financial literacy in the areas they need.

In order to contribute to our country on this important issue and to support the majority-women-owned enterprises among its customers, DenizBank obtained funding from the European Bank for Reconstruction and Development (EBRD). DenizBank is proud to be the "First Bank" in the sector to sign the TurWIB protocol with the Credit Guarantee Fund (KGF) valid until 31.12.2025. In this context, TL 650 million KGF TurWIB loan was utilized including 2023. Having targeted a loan disbursement of TL 500 million in the first phase, DenizBank realized its target by reaching more than TL 7 billion in loan disbursement to Women SME companies since 2022.

In addition to financial support, DenizBank provides trainings to women businesses in areas such as

digital marketing, e-commerce, and strategic growth and contributes to the development of the women entrepreneurship ecosystem. Hundreds of guests attended the "Women Entrepreneurs in Economic Growth and Development" Webinar held under the consultancy of Frankfurt School within the framework of the European Bank for Reconstruction and Development's (EBRD) Financing and Advisory Support Program for Women in Business. The webinar focused on support tools and benefits that DenizBank developed to assist women facing economic growth and development challenges.

The second Webinar series held under the title of "Women Entrepreneurs at the Heart of Digital Transformation," provided consultancy support for the digitalization processes of women businesses and explained the Bank's digital services for women business owners. A similar content was presented to the guests at the seminar

titled "The Key to Growing Your Business: I am the Leader of My Own Life," organized under the consultancy of Frankfurt School and hosted by TOBB Izmir Women Entrepreneurs Board.

Women managers and leaders programs

In addition to external efforts to empower women in the business world, internal efforts were also accelerated in 2023. In this context, DenizBank participated in Frankfurt School of Finance & Management's a week-long program, "International Leadership Academy," which is specially organized every year for senior professionals from banks and private sector to improve their management and leadership skills. 13 women executives attended the Academy, where they received managerial training on leadership, team building, intercultural communication and negotiation, employee loyalty, and motivation.



Wholesale Banking Group

DenizBank offers its customers the most appropriate product for their needs at the most appropriate moment by using its diverse infrastructure, which includes digitalization and agricultural-specific technological developments, through its branches and non-branch channels.

In addition to its branches, DenizBank provides agricultural banking services covering 31 thousand (82%) of the 38 thousand villages in Türkiye with its regional officers and mobile teams located in 9 regions.

AGRICULTURAL BANKING GROUP

DenizBank is the first private sector bank in Türkiye to step into the agricultural sector and continue to provide uninterrupted services. The development, growth, and global competitiveness of the agricultural sector are among the Bank's primary objectives.

The agricultural economic system must always continue

Developments in recent years have frequently revealed the existence of important features that distinguish agriculture from other sectors and make agricultural finance unique. These features often become clear during periods of unfavorable circumstances such as droughts and wars, so it is difficult to recognize the importance of the agricultural sector in daily life.

The strategic importance of the agricultural sector is further emphasized by the necessity to have access to all kinds of food every day, even every meal, in order to survive. The recent Russia-Ukraine war is one of the most striking examples of this. The functioning of the agricultural economic system and its ability to function without interruption for any reason are crucial for the continuation of humanity.

The agricultural sector in Türkiye has a structure consisting mainly of small businesses in order to meet the high demand for food. Therefore, it is struggling to grow. This lowers savings rates even further, which are already low under general economic conditions. The low overall savings rate in the Turkish economy becomes an even more radical problem for the agricultural sector.



Hanifi KOÇ - Konya 2022 - Harvester

The importance of sustainable growth in the agricultural sector

The low level of agricultural profits per agricultural enterprise makes it difficult for many agricultural enterprises to make investments to boost productivity while also providing a living for the farmer and his/her family. Therefore, access to financing from banks to achieve growth in the sector is not only an important factor but also a necessity.

In order for the agricultural sector to achieve sustainable growth, the conditions for effective and continuous access to agricultural financing facilities need to be improved. This will enable enterprises operating in the sector to access a wider financial support network, thereby increasing their productivity and their potential to achieve sustainable growth.

The first private bank to conduct agricultural banking

When DenizBank stepped into agricultural banking in 2002, it encountered a sector where only 3 banks in Türkiye provided agricultural loans and the total loan size was TL 700 million. However, today, nearly 15 banks have made great progress by providing over TL 600 billion to the agricultural sector.

DenizBank entered the agricultural sector in 2002 by acquiring Tarıřbank, with a history going back nearly 100 years. By leveraging this knowledge, DenizBank was able to significantly increase the total amount of financing offered to farmers as well as the number of farmers with access to financing.

The Bank provided a total loan size of nearly TL 37 billion to the agricultural sector. All the Bank's loan products are designed to be easily accessible and offer harvest terms and payment periods geared towards specific agricultural or animal production. This financial contribution of DenizBank to the agricultural sector enables farmers in the sector to use loans more effectively and increase their production.

Over the past two years, with the growth in government subsidies, state banks have come to dominate the agricultural banking sector. Among private banks, however, DenizBank is the leader in agricultural banking, with a 37% market share.

DenizBank's greatest strength lies in its special infrastructure, which has the capacity to calculate both business and investment loan limits for over 300 agricultural products grown in Türkiye in a matter of seconds. Thanks to years of accumulated data on payment habits, product details, and customer demands, this infrastructure offers producers the opportunity to quickly access the financial resources they require with only minimal documents and procedures.

DenizBank offers its customers the most appropriate product for their needs at the most appropriate moment by using its diverse infrastructure, which includes digitalization and agricultural-specific technological developments, through its branches and non-branches. Considering the continuity of financing as critical as its quality, suitability to the needs and alignment with the periods of income generation, the Bank has provided uninterrupted support to the sector for more than 20 years and has adopted continuity as one of the key elements of its strategy.

Organizational structure created specifically for agriculture

DenizBank, the first private bank to manage an Agricultural Banking organization, aims to embrace and strengthen the agricultural sector from the general managerial level down, every level of its organization.

As of 2023, DenizBank launched the Rural Branch concept, a first in Türkiye. Under this concept, all portfolio managers in the relevant branches were appointed as dynamic portfolio managers. They manage retail, SME, and agricultural transactions without exception, regardless of business line. In this way, branches in regions with agricultural production at the center, overseen by the agricultural

banking business line, adopt a working method that allows them to produce more effective and customer-oriented solutions from a single location.

290 agricultural branches in 9 different geographical regions

Today, DenizBank has 290 agricultural branches offering services in nine geographical regions. The majority of personnel employed by these branches and regional directorates are either agricultural engineers or children of farming families. In addition to bringing services directly to the places where agricultural producers are located, through these branches, DenizBank is contributing to human capital development and regional employment.

In addition to its branches, DenizBank provides agricultural banking services covering 31 thousand (82%) of the 38 thousand villages in Türkiye with its regional officers and mobile teams deployed in 9 regions. The Bank has enriched this extensive service network specially designed for the agricultural sector by using alternative channels when necessary to reach farmers more effectively.

Due to the nature of the agricultural sector, farmers are geographically dispersed over a wide area, and bank branches need to be structured accordingly. DenizBank has branches in 41 districts in Türkiye that are otherwise served by state banks only, and 16 of these branches are in districts located along Türkiye's international borders. This is an indication of the special importance DenizBank places on agriculture.

A digital cooperative with 550 thousand people: Producer Card

Since 2002, DenizBank has focused on developing practical solutions for the needs of producers and production through processes that offer quick and easy access to financing. With this in mind and one of the greatest financial innovations in the agricultural sector, Producer Card is actively used by more than 550 thousand farmers today.

Wholesale Banking Group

The Farmer Registration System (ÇKS) pioneered by DenizBank stands out as a first among private banks in the sector.

➤ *With more than 46 thousand active users, "Deniz'den Toprağa" application has been instrumental in answering nearly 30 thousand questions online since 2017 and has enabled satellite tracking of over 25 thousand fields.*

Unlike other cards, the Producer Card aims to finance production, not consumption. It offers farmers the flexibility to make payments once a year at the time they earn their income. This seemingly simple but groundbreaking innovation in agricultural financing is the product of years of R&D effort.

With a Producer Card, a farmer can obtain all the basic inputs required from pre-production to post-harvest, including fertilizer, feed, seeds, fuel and agrochemicals and they can wait until after they earn their income to pay off their debts. In addition, farmers to meet their cash needs through instant cash advances or installment loans with a 3-year repayment term.

Other advantages of the Producer Card include the ability of users to schedule invoices and SGK payments to pay their debts in full at the time of harvest and to benefit from interest-free period advantages thanks to DenizBank's agreements with large companies. In this context, the Producer Card ecosystem can be thought of as a digital cooperative of 550 thousand people.

"Deniz'den Toprağa" application for all agricultural sector stakeholders

With its organizational structure and technical capacity, DenizBank is capable of serving producers at every point of agriculture. DenizBank has radically changed the way of doing business in the agricultural sector by using branches, field teams, tablets, mobile applications and alternative channels, especially in districts with a population mostly below 15 thousand.

DenizBank offers a wide set of transactions in agricultural consultancy and financing fields to producers through mobile applications. "Deniz'den Toprağa" is the most advanced mobile agricultural application in the sector, offering a range of features such as field and crop-specific agricultural production recommendations, the opportunity to ask questions to engineers, satellite field tracking, weather forecasts, news, market prices, and agriculture-specific banking functions. Used by more than 280 thousand producers, this application is offered free of charge to all agricultural sector stakeholders, whether they are Bank customers or not.

With more than 46 thousand active users, "Deniz'den Toprağa" has been instrumental in answering nearly 30 thousand questions online since its first version was launched in 2017 and has enabled satellite tracking

of over 25 thousand fields. Through the application, producers received many notifications such as cultivation recommendations, meteorological developments, important news, and many similar notifications. DenizBank also offers producers the most basic financial products such as Producer Card application and delivery, installment loans, cash advances, and consumer loan applications via MobilDeniz without the need to visit a branch. In 2023, around TL 1.1 billion of Producer Card installment loans and TL 1.15 billion of cash advance transactions were made through this channel.

Loan and scoring process that can be managed with its own resources

DenizBank developed unique solutions for calculating loan limits and creating financial ratios in the agricultural sector, an area where a rural population with limited ability to establish collateral earns income at only one specific time of year and is unable to maintain a balance sheet. The Farmer Registration System (ÇKS) pioneered by DenizBank stands out as a first among private banks in the sector. This system enables access to information on what, where, and how much of a product was produced by logging in with the national citizenship identification number. This data uploaded to the system is evaluated within the framework of a certain methodology and the score of the producer requesting a loan is calculated.

The scoring process in DenizBank's Agricultural Banking has a multi-factor structure starting from the most basic level such as information on the farmer's agricultural activity, production area, production method, production type and extending to the credit limit and non-income solvency factors. Through its R&D team, the Bank calculates basic loan data such as working capital, annual solvency, and net free profit that can be directed to loan repayment based on farming-related data.



Adem TÜRKEL -İstanbul 2022 - Watermelon Harvest

This process considers not only product information and production area, but also a wide range of data such as the region of cultivation, cultivation technique, equipment used, and certification information on production. The process is completed with the collective scoring work of the analytical teams and the final loan decision of the allocation team.

The most important characteristic that distinguishes DenizBank from its competitors is its ability to manage this entire process through its own know-how, R&D infrastructure, and its own resources.

Fast cash support to farmers with TMO (Turkish Grain Board) loan

DenizBank makes great efforts in technological integration and digital transformation, which are especially important for farmers. The digital platform "Deniz'den Toprağa" launched within this context is a platform that offers rich content consultancy services in agriculture with its website, Facebook page, Instagram account, and mobile application.

DenizBank's Start-up Loan provides financing support to companies producing new technologies and service-based solutions in the agriculture sector as well as start-ups starting to operate in this field. In addition, through the Agricultural Technologies Loan product, producers are provided with the opportunity to purchase equipment such as sensors, tracking devices, drone applications, satellite tracking systems, and related services with a 3-year term loan.

With the TMO loan, a new product offered in 2023, DenizBank enabled farmers who delivered their crops to the Turkish Grain Board to meet their cash needs immediately without waiting for product payments. Farmers can thus easily meet their cash needs without waiting for maturity dates.

DenizBank attaches special importance to providing producers with financing services integrated into the purchasing process, wherever they want to receive services. In this context, DenizBank expanded the Türk Traktör Finance service, which it initiated to offer instant loans at Türk Traktör dealers, to the "Dealer Lending" process in cooperation with various stakeholders in the sector.

Wholesale Banking Group

DenizBank not only finances animal husbandry, but also offers additional products and activities to support sectoral efficiency and sustainability.

➤ *Equipped with agriculture-specific R&D teams and scoring infrastructure, DenizBank considers the provision of financing that is suitable for the income calendar of farmers and that fully meets their needs as the most critical part of this issue.*

DenizBank offers instant loan application and utilization service at the time of shopping in many agricultural input sales businesses. In this way, by functionalizing each agricultural dealer as a bank branch, DenizBank provided producers with the opportunity to make effortless transactions. By offering a fast and effective financing solution during shopping, the Bank aims to provide producers with an easier and smoother shopping experience.

Solutions developed within the framework of economic sustainability

DenizBank's sustainable agriculture manifesto is basically summarized under three main headings: Economic, social and ecological sustainability. The Bank believes that these concepts have more points of intertwining than points of divergence.

In terms of economic sustainability, the agricultural sector still lags behind other sectors when it comes to access to financing. Therefore, the uncertainties of agriculture are as important a factor for financing institutions as the sector's own structural problems.

Equipped with agriculture-specific R&D teams and scoring infrastructure, DenizBank considers the provision of financing that is suitable for the income calendar of farmers and that fully meets their needs as the most critical part of this issue. The Bank offers farmers easier access to financing

with solutions developed exclusively for the agricultural sector within the framework of economic sustainability.

One of the fundamental conditions for a business to be economically sustainable is its sustained profitability. Although factors such as climate, natural resources, marketing and sales channels are encountered in this process, the ability of farmers to produce their products at the lowest cost and sell them at the highest price is of great importance for the continuity of the business. Furthermore, considering the increasing average age of farmers in the agricultural sector, reaching a certain level of profitability is an important factor that facilitates the transfer and sustainability of the business to future generations.

By supplementing correct and uninterrupted financial support with a team of agricultural engineers and children of farming families deployed to provide consultations in the field, along with digital channels for providing sectoral information and consultancy services, DenizBank has positioned itself well beyond other financial institutions in terms of support for farmers. With this approach, DenizBank also contributes to the sustainability of agricultural enterprises.

Participation in agricultural events all around Türkiye

Farmers in Türkiye belong to a geographically dispersed occupational group whose work or location make frequent travel to district centers

difficult. For this reason, DenizBank attaches importance to physical meetings, the number of which decreased during the pandemic but has increased again today.

In this context, applications for the 13th Agriculture, Forest and People Photography Contest organized in cooperation with DenizBank and the Ministry of Agriculture and Forestry ended on January 30, 2023. The contest was organized in the categories of "General," "Farmer," "Student," "Employees of the Ministry of Agriculture and Forestry," "DenizBank Employees," and this year's theme "Just Produce." War photographer and documentary producer Coşkun Aral and the International Federation of Photographic Art (FIAP) member and photographer Reha Bilir took part in the selection committee as the Jury's Guest of Honor. On 29 March 2023, the selection committee determined the award-winning and exhibition-worthy works. One thousand 210 participants participated in the contest with a total of 6,635 works. While the selection committee deemed 8 works worthy of an award, 120 works were selected for exhibition and album work. The award ceremony of the 13th Agriculture, Forestry and People Photography Contest was held on 3 October 2023 at the Presidential Symphony Orchestra Ada Ankara campus and the ceremony was attended by İbrahim Yumaklı, Minister of Agriculture and Forestry, Mehmet Nuri Ersoy, Minister of Culture and Tourism, and Prof. Dr. Vahit Kirişçi, Chairman of the Agriculture, Forestry and Rural Affairs Commission of TBMM.

DenizBank continues to participate in agricultural fairs, festivals, and commemorative celebrations that are held annually across Türkiye in different provinces like Konya, Bursa, Antalya, İzmir, Adana, Şanlıurfa, Diyarbakır, and Tekirdağ.

In addition to these special events, the Bank attends various panels and speaking opportunities, and is pleased with its reputation as a trusted institution and consultant in the area of agricultural finance.

Supports realized for the sustainability of animal husbandry

The livestock sector, which accounts for 55% of total agricultural production value, should be considered as an important component of agricultural financing. This sector is inextricably linked to agriculture, not only because of its size and popularity, but also because animal husbandry accounts for a considerable proportion of agricultural enterprises. For example, 60% of enterprises engaged in plant production are also involved in some form of animal husbandry, whereas enterprises engaged solely in livestock production represent less than 1% of all agricultural enterprises.

DenizBank not only finances animal husbandry, but also offers additional products and activities to support sectoral efficiency and sustainability. The Bank's project teams are available to consult with and prepare feasibility studies for customers interested in investing in livestock. These teams include agricultural engineers as well as specialists such as mechanical engineers who evaluate the suitability for the enterprise and civil engineers who provide guidance on construction works.

DenizBank also supports sector-specific projects. For example, within the scope of the "Buzagılar Ölmesin" project, DenizBank provided calf huts to farmers to reduce calf losses and offered zero interest loan support in the same project.

Bringing start-ups together with sector stakeholders and business partners

DenizBank will continue many of the activities it carried out with sector stakeholders in the past years in cooperation with NEOHUB, a subsidiary of DFSG, which is still in its infancy to realize its future projects.

Together with NEOHUB, a fintech accelerator company, the Bank carries out important activities in agriculture, one of the 9 critical sectors identified. DenizBank focuses on the growth of startups producing next-generation technologies and services by supporting them with both investment

and commercial consultancy. It also offers financing resources for the procurement of these technologies by farmers and these resources have advantageous rates with 3-year maturities.

Along with the two startups currently included in the accelerator program, DenizBank continues to meet with many more startups to collaborate and provide mentorship. In addition, by bringing these startups together with industry stakeholders and business partners, DenizBank supports their commercial development and helps their products reach large farmer masses.

Awareness raising activities on financial literacy

Accurately calculating the financing needs of agricultural or animal products constitutes the initial and most important stage of financial literacy. Well-equipped and conscious producers will have direct access to the financing they need and will not have to search for additional resources or fall into payment difficulties by borrowing more than necessary.

DenizBank considers accurate determination of limits and continuous updating of needs as critical issues. The Bank is able to monitor and quickly update credit and R&D processes in-house.

Furthermore, DenizBank periodically conducts various awareness raising activities on financial literacy in cooperation with various institutions. In this context, a special study conducted with the Financial Literacy and Inclusion Association (FODER) focused on increasing the savings of producers and helping them manage their budgets effectively.

DenizBank values any work done for the producer segment, which earns an income once a year, allocates this income to expenses spread out throughout the year, and generally does not keep official records. The Bank will continue its efforts to allocate financial products with convenient payment terms that will help enterprises grow and become more profitable in the coming periods.

Treasury, Financial Institutions and Investment Group

Targets subject to regulation were successfully completed with the support of field teams and security liabilities were effectively managed in 2023 in line with the decisions of the Asset-Liability Committee.

➤ *DenizBank's TL and foreign currency securities portfolio expanded in line with the balance sheet growth rate in 2023.*

DenizBank's Treasury and Financial Institutions Group carries out the activities in the following areas acting as a central function, within the framework of effective cooperation with the Bank's other business lines:

- Treasury
- Financial Institutions
- Investment Group



TREASURY GROUP

The Treasury Group has structured its activities in four sub-groups.

Treasury Marketing and Pricing

Pricing and marketing of Treasury products to customers through branches and alternative distribution channels and managing positions resulting from transactions constitute the main field of activity of the Group.

The Group consists of four parts:

The Foreign Exchange and Precious Metal Transactions Department's

main task is to support the Bank's branch channel in foreign exchange and precious metal transactions. The department not only trains branches on Treasury transactions, but also increases the competitiveness of branches with pricing.

In addition to the services offered to the branches, other duties of the Department include daily monitoring and managing the FX/precious metal positions of the Bank as a result of customer transactions and performing transactions on the OTC and organized markets; responding to loan pricing from the relevant business lines in line with the spreads set based on the decisions by the Asset-Liability Committee; responding to requests for quotations for IRS and XCCY swap transactions; and making customer visits in coordination with the branches and Treasury Sales Units. The Department carries out all these activities in line with the principle of sustainable profitability, rather than instant earnings.

The **Securities Department** makes the pricing of Eurobonds, Treasury Bills, Government Bonds, Private Sector Bills/Bonds, Repo and similar fixed income securities in the primary and secondary markets for Financial Institutions, Treasury Sales Unit, Private Banking, other branches and digital channels and performs brokerage transactions in organized markets for these products. Within the scope of the management of the positions formed within this framework, the Department

carries out purchase/sales transactions in the over-the-counter and BIST markets.

In 2023, the Department, especially together with Private Banking and Deniz Asset Management, worked simultaneously with the field and met the needs of customers and branches, aiming to protect the interests of the Bank. Besides, various projects are being carried out to manage securities transactions more effectively in the field. In this context, improvements required by branch screens and digital channels were made and processes are ongoing.

The Securities Department aims to increase the existing synergy by sharing its knowledge and experience with the field in 2024. It will continue its efforts to develop and improve the system by following the developments in the field, including digital banking, and the practices of competing banks.

The **Derivative Transactions Department** provides the fastest and most competitive response to requests for quotations on FX, commodity and precious metal options and interest rate swaps submitted via the Treasury Sales and Private Banking Centers. This department is also responsible for the management of the option portfolio resulting from foreign currency option transactions made by customers within the limits set by the Risk Management Department.

For the management of portfolio risks arising from customer or interbank option transactions, necessary option, spot, futures, and swap transactions are carried out in over-the-counter and organized markets. In addition, this department also monitors the interest rate position resulting from customer forward transactions and performs the necessary hedging transactions.

In 2023, the scope of precious metal option transactions was expanded, especially silver transactions were added and the diversity of instruments on the commodity derivatives side was increased. And in 2024, it is planned to expand especially the scope of commodity derivatives in line with customer hedging or speculative transaction needs.

The **Debt Securities Markets Department** played an important role in the realization of DenizBank Financial Services Group's bond and bill issuances, which reached a nominal volume of TL 10.4 billion in 2023, by managing interdepartmental coordination and institutional investor relations.

Fixed Income Securities and Money Markets

The **Fixed Income Securities (FIS) Department's** responsibilities include managing DenizBank Bank Bonds/Bills Portfolio in line with the targets set by the Asset-Liability Committee and supporting the Asset-Liability Committee in minimizing the interest rate risk of the Bank's balance sheet. The Department is also responsible for fully fulfilling the rights and obligations stemming from the Primary Dealer System of the Ministry of Treasury and Finance and maintaining relations with the relevant institutions. DenizBank's TL and foreign currency securities portfolio expanded in line with the balance sheet growth rate in 2023.

Targets subject to regulation were successfully completed with the support of field teams and security liabilities were effectively managed in 2023 in line with the decisions of the Asset-Liability Committee.

The **Money Markets Department** monitors all of DenizBank's cash flows in foreign currency and Turkish lira and meets the short-term funding and cash surplus placement requirements. In line with the Bank's needs and limits determined, the Department trades from the Turkish Lira Money Markets, CBRT Interbank Money Market, Interbank Money Market (OTC Market), Interbank Swap Market, Takasbank Money Market, BIST Repo/Reverse Repo Market, and markets to be established in the future in return for securities, taking into account the most appropriate cost and maturity structure.

In addition to this, it is responsible for utilizing the Bank's surplus funds in the most appropriate manner in the markets mentioned above and under the same conditions.

Treasury, Financial Institutions and Investment Group

DenizBank has a long history and strong experience in syndicated loans.

➤ *The Treasury Sales Department utilizes its experience and expertise in derivative products to successfully manage customer risks.*

In 2023, the Bank successfully managed the TL and Foreign Currency composition of total liquidity and ensured the optimum utilization of deficient and/or excess liquidity on a daily basis according to changing conditions.

■ Treasury Sales Department

The function of the Department is to provide coordination between the branches and the Treasury Group and to increase the volume of transactions in financial products. By communicating directly with the customer base it reaches through branches, the Department offers treasury products, provides active sales and pricing services related to capital markets, and informs customers about balance sheet management and possible financial risks.

Adopting an approach focused on permanent and continuous interaction with customers and branch personnel, the Department plays an important role in determining sales strategies and targets by focusing on treasury products such as foreign exchange, precious metals, foreign exchange/interest/commodity derivatives, bonds, bills and eurobonds.

The Treasury Sales Department also develops new and qualified Treasury products and ensures that these products are sold through branches. The Department collaborates with other departments to provide

customers with easier and more reliable banking services by promoting the digitalization of transactions, especially treasury products.

Working in harmony with the Private Banking Group, the Department visits potential customers to expand the customer base and increase the share of transactions. Achieving its 2023 targets, the Treasury Sales Department contributed not only to DenizBank's non-interest income with this performance but also continued its efforts to support the real sector.

In 2024, DenizBank will continue to serve customers through the products and solutions offered in Private Banking by maintaining its management and working approach in line with modern banking standards.

The Treasury Sales Department utilizes its experience and expertise in derivative products to successfully manage customer risks. Moreover, online trainings on treasury products are provided to various business lines, especially portfolio managers and branches.

■ Subsidiaries Treasury Department

The Department maintains relations with foreign banks and financial institutions. It is responsible for liquidity management and optimum funding in line with the management decisions and instructions of the subsidiaries and current limits.

The Department provides TL and foreign currency liquidity obtained through domestic and foreign banks, Takasbank, bond issuances and derivative transactions and also carries out risk management activities. The foreign exchange position of companies is effectively managed within the framework of management decisions and limits determined. While acting in accordance with the Bank's policies, it aims to achieve minimum costs to make the maximum contribution for the subsidiaries to achieve their targets for 2024.

■ Goals for 2024 and the future

DenizBank Treasury Group will continue to provide the best service to its customers in all treasury products with the support of digital banking applications by maximizing synergy and cooperation with the field. At the same time, effective liquidity management and bill/bond portfolio management will be maintained in the light of the Asset-Liability Committee decisions, and the highly successful Treasury and Ministry of Finance Market Making activities will be continued.

FINANCIAL INSTITUTIONS GROUP

DenizBank offers fast and high quality international banking transactions on a local and global scale with its extensive service network of domestic branches and foreign correspondent banks.

■ Correspondent Relations

Sustainable foreign trade finance products

DenizBank has an extensive correspondent network to meet the demands and expectations of its customers engaged in foreign trade activities. This network includes 701 banks located in 108 countries and ensures the capacity to provide safe and efficient services. The Bank's large correspondent bank network is constantly changing and developing in line with customer demands, the conjuncture, and the trends of global economy.

DenizBank diversified its borrowing portfolio in 2023, met the external guarantee demands of its customers operating worldwide, and supported foreign trade transactions. The Bank's bilateral borrowing portfolio also includes sustainable foreign trade finance products, which provides resource diversity.

DenizBank diversifies its correspondent bank network to meet customer needs in new markets entered by exporters and provides support to customers seeking protection from country risk in these markets and aiming to increase their exports.

Within the scope of its agreements with export insurance organizations and EximBanks located all over the world, DenizBank continues to meet the long-term financing needs of its customers. With its strong correspondent network and large product range, the Bank offers its customers the opportunity to pay in 134 different currencies.

Leading bank in syndicated loan size

DenizBank has a long history and strong experience in syndicated loans. By the end of 2023, the Bank increased its total loan balance in the syndication market to USD 1.7 billion, and its market share reached 13%. The bank has the highest total size of syndicated loans in the sector. The sustainability-related syndication transaction realized in June amounted to USD 530 million with a 117% renewal rate and consisted of 3 tranches including Chinese yuan.

In September, DenizBank signed the first murabaha syndication in Türkiye in which a conventional commercial bank was the borrower. The financing was realized in the amount of USD 285 million with a maturity of 1 year. Another sustainability-related financing transaction of DenizBank in 2023 is the syndicated loan signed in November, consisting of two tranches amounting to USD 845 million with the participation of 48 banks from 22 countries.



Treasury, Financial Institutions and Investment Group

By measuring potential country and counterparty risks, DenizBank offers access to a wide geography with products tailored to the demands of Turkish business people.

➤ *DenizBank secured USD 330 million from abroad through the DPR program and bilateral agreements for the development of the earthquake region and meeting the long-term financing needs of individuals and enterprises.*

Financial Institutions Credit Analysis

Risk assessments of countries and correspondent banks

DenizBank Financial Institutions Credit Analysis Department conducts risk assessments of countries and correspondent banks in line with the needs of customers, the Bank's subsidiaries, and the Treasury Group by coordinating the relevant teams in loan allocation processes.

By measuring potential country and counterparty risks, DenizBank offers access to a wide geography with products tailored to the demands of Turkish business people. As of year-end 2023, the Bank's active financial institutions and country loan portfolio consisted of 332 banks and non-bank financial institutions and 20 central governments in 60 different countries.

Country analyses make evaluations made by taking into account the developments in the global and national economy during the year as well as the potential for trade cooperation between Türkiye and the country in question. In bank analysis, limit allocation decisions are made based on current and historical financial indicators, main shareholder support, and business model.

In addition, the Department continued to work on the necessary improvements following the infrastructure project transition.

This project enables simultaneous monitoring of the limits and risks of the financial institutions it leads through the system. The department also contributed to reducing operational risks in limit processes.

And in 2024, yearly limit revisions will be carried out, new limits will continue to be set, and limit increases will be implemented in accordance with the needs of business units.

Structured Finance

Alternative sources of financing created through strong relationships

Operating within DenizBank's Financial Institutions Group, Structured Finance Department's main responsibilities include managing the financing procurement processes for DenizBank Financial Services Group's medium and long-term borrowing needs and ensuring coordination with internal departments. Within this framework, the Bank diversifies the resource structure of its balance sheet with the resources obtained from abroad while at the same time extending the maturity structure.

In 2023, as in previous years, the Department strengthened its relations with domestic and international banks, investment institutions, development- and investment-oriented international and supranational financial institutions. It also continued to create alternative funding sources, bringing resources to Türkiye from abroad.

In May 2023, DenizBank obtained financing amounting to USD 610 million in total from 12 different investors with a maturity of up to 7 years coordinated by Emirates NBD Capital Limited (EMCAP) under the Diversified Payment Rights (DPR) securitization program with the sustainability target. Said supranational investors include the International Finance Corporation (IFC) with USD 125 million, the European Bank for Reconstruction and Development (EBRD) and Clean Technology Fund (CTF) totaling USD 143.2 million, and Proparco, a subsidiary of Agence Française de Développement (AFD) with USD 70 million. These funds will be used for various purposes such as energy efficiency, renewable energy, elimination of climate change risks, supporting women enterprises with limited access to finance, financing the agricultural sector, which is of strategic importance to DenizBank, supporting individuals and businesses affected by the earthquake disaster that occurred on 6 February 2023, and financing Turkish companies that will participate in the recovery and reconstruction efforts of the region. Together with this transaction, DenizBank has provided approximately USD 3.1 billion of funding to date, including closed loans and issuances, within the framework of the Diversified Payment Rights (DPR) Securitization program established in 2005.

Moreover, within the framework of the EMTN (Euro Medium Term Notes) program, which was established in 2020 and under foreign bonds are issued, approximately USD 1.5 billion has been issued to date, including approximately USD 810 million in 2023 with issuances in various currencies with an average maturity of more than one year throughout 2023.

Financing support for the earthquake region

In addition to the USD 60 million funding obtained from EBRD within the scope of DPR program, DenizBank secured USD 109 million from EBRD in September in order to mitigate the impacts of the Kahramanmaraş-centered earthquake disaster that occurred on 6 February 2023. This funding was provided as part of the Türkiye Disaster Response Framework established by the EBRD, with the objectives of providing financing to individuals and businesses directly affected by the earthquake, meeting the basic needs of the region's population, restructuring existing loans, and preserving the human capital essential for development.

In December, in coordination with the IFC, a total of USD 118 million was secured from the IFC, Proparco, and the European Fund for Southeast Europe (EFSE). This financing aims to contribute to the recovery and economic empowerment of individuals affected by the earthquake disaster as well as farmers in the earthquake zone, where a significant portion of Türkiye's agricultural land and crop production is located, and micro and small enterprises contributing to agricultural production.

In this context, DenizBank secured USD 330 million from abroad through the DPR program and bilateral agreements for the development of the earthquake region and meeting the long-term financing needs of individuals and enterprises.

Loans obtained from international financial institutions

DenizBank obtained long-term funds from the European Bank for Reconstruction and Development (EBRD), European Fund for Southeast Europe (EFSE), Green Growth Fund (GGF), International Finance Corporation (IFC), Proparco, and from the World Bank (IBRD) through Industrial Development Bank of Türkiye (TSKB) and Development Investment Bank of Türkiye (TKYB) for various disbursement purposes. The Bank lends these funds for promoting energy efficiency, renewable energy and resource efficiency; supporting rural development, agriculture, production, and the real sector; maintaining employment, strengthening micro enterprises and women entrepreneurship, as well as meeting financing needs of SMEs, which are the locomotive of the Turkish economy, by long-term and cost-effective resources.

In 2024 and beyond, DenizBank will continue to strengthen and deepen its relations with domestic and international banks, investment institutions, development- and investment-oriented international and supranational financial institutions in order to bring fresh resources to Türkiye from abroad, diversify the resource structure in its balance sheet, and support the sectors and initiatives listed above.

Sustainability Coordination

The center of sustainability efforts with its responsible banking approach...

DenizBank's Sustainability Coordination Department operates under the Financial Institutions Group. All coordination of sustainability activities at the Bank, particularly the Sustainability Committee, is provided by the Department. The work and duties of the Department are detailed under the headings Sustainability Strategy and Our Sustainability Organization.

Treasury, Financial Institutions and Investment Group

In 2023, DenizInvest accelerated its efforts, with a particular focus on digitalization, to add value to capital markets and increase financial literacy.

➤ *Through alternative trading channels such as MobilDeniz and DenizTrader Pro, 98% of investors' orders were digitalized.*

INVESTMENT GROUP

DenizBank Financial Services Group has an organization to meet investment product needs from a single point. Private Banking Investment Centers provide services from equities to futures, from mutual funds to other over-the-counter products.

An eventful year has passed for capital markets

The earthquake, considered to be the disaster of the century, and the two-round presidential election formed the basis of pricing in capital markets in the first half of the year. The messages of the new post-election economic administration and the sharp turnaround in monetary policy lowered the country credit risk premium and increased the interest of non-resident investors in securities again. The new IPOs of companies joining Borsa Istanbul attracted interest throughout the year. Following the Capital Markets Board's (CMB) communiqué amendment in March, the total number of open accounts exceeded 8 million. In the last quarter of the year, pricing dynamics in the financial climate were closely monitored, with heightened geopolitical risk factored in and alternative yields rising.

In 2023, DenizInvest accelerated its efforts, with a particular focus on digitalization, to add value to capital markets and increase financial literacy. These efforts helped savers make more efficient use of their savings and facilitated their access to capital markets. The account opening process, which can be completed in a few minutes via MobilDeniz, has accelerated the number of accounts, especially in IPOs led by the Bank.

Thanks to its strengthened technical infrastructure, DenizInvest took important steps to prevent potential problems regarding order transmission. Through alternative trading channels such as MobilDeniz and DenizTrader Pro, 98% of investors' orders were digitalized. In addition, its large and experienced research and investment advisory staff guided and will continue to guide investors. Ranking fourth in equity market transaction volume, DenizInvest will continue its pioneering work on algorithmic transactions.



Successful intermediation activities in domestic and global markets

The Investment Group successfully continued its intermediation activities in both domestic and global markets with the investment advisors' one-on-one efforts in the field and mobile applications catering to every need.

While the majority of investors traded in search of real returns on their assets, other investors used DenizBank's transaction channels to manage the financial risks posed by their balance sheets.

DenizInvest aims to maintain its current market share in all financial markets in which it conducts short-term intermediation activities and to rank higher. To achieve this goal, investor needs and preferences are meticulously analyzed and user-friendly interfaces are created. These channels will continue to be shared with DenizBank Financial Services Group's Wholesale and Retail Banking customers and to be delivered to wider audiences.

➤ *The Investment Group successfully continued its intermediation activities in both domestic and global markets with the investment advisors' one-on-one efforts in the field and mobile applications catering to every need.*

Project Finance, Financial Restructuring and Credits International Coordination Group

DenizBank offers a wide range of financing to support businesses in many sectors for the development of the Turkish economy.

➤ *DenizBank increased its efforts in the identification and financing of renewable energy investments especially after COP28.*



At DenizBank, the field of activity of the Project Finance business line covers the financing of projects that make a significant contribution to the development of the Turkish economy, require a large amount of investment, and therefore need medium and long-term financing support. The Bank defines project finance as transactions that are over USD 10 million, have a long-term maturity, and pay off their own loans with their own revenues.

In Türkiye, 48% of the projects covered by project finance are related to energy production and distribution, and 25% are related to infrastructure investments such as highways, bridges, and airports. The rest is generic business such as acquisitions and mergers.

DenizBank offers a wide range of financing to support businesses in many sectors for the development of the Turkish economy. The Bank, in addition to financing priority sectors such as telecommunications, energy, infrastructure, health, education, tourism, and maritime, also meets long-term needs such as new investment (greenfield), capacity increase investment (brownfield), public finance-PPP (Public-Private Partnership), privatization, and acquisition financing, working capital financing, financial restructuring, and refinancing.

Financing of infrastructure projects is particularly important for DenizBank and financing is provided to projects such as airports, electricity distribution projects, highway and bridge projects in order to make maximum contribution to Türkiye's economic development. The Bank continued to finance infrastructure projects in 2023. In 2023, the Bank focused on financing the energy sector, especially with the increase in demand for renewable energy investments.

EUR 1 billion funding for airport projects

In the last 10-15 years, DenizBank has provided long-term financing to hundreds of projects amounting to approximately USD 1.7 billion.

DenizBank has a high level of efficiency in Türkiye's infrastructure investments. The Bank has gained a expertise, especially in financing of airport investments, and has allocated EUR 1 billion to the sector, including EUR 634 million to the Istanbul Airport project, EUR 154 million to Milas-Bodrum Airport project, EUR 900 million in total to Izmir Adnan Menderes Airport, Istanbul Atatürk Airport, Antalya Airport, and Gazipaşa-Alanya Airport projects, as well as EUR 100 million to TRNC's only airport project.

While DenizBank was the private bank that allocated the highest limit to the Istanbul Airport project, it has undertaken the financing of the Milas-Bodrum Airport, Ankara High Speed Train Station, and Ercan Airport projects on its own, proving to be one of the leading institutions in infrastructure financing.

Renewable energy portfolio volume on the rise

The reflection on Türkiye of increasing sustainability investments on a global scale in order to reach the 2050 net zero targets following COP27 has led to a focus on the increase in renewable energy projects. DenizBank increased its efforts in the identification and financing of renewable energy investments especially after COP28. This trend is expected to be reflected in the 2024 portfolio, with an increase in the volume of renewable energy.

The financing need problem, which was persisting for some time with the resources provided by financial institutions, significantly decreased

thanks to the decline in the renewable energy sector and this led to a significant increase in renewable energy investments. During this time, DenizBank played an active stakeholder role and became a successful part of the process by offering various financing alternatives with accessible resources to customers' financing needs. In 2023, in a period when early repayments were realized and there were no repayment problems, the project finance portfolio managed by the Bank reached a volume of approximately USD 6.6 billion.

DenizBank's support for sustainable energy projects

DenizBank continued to support the energy sector in 2023 with the financing provided for electricity distribution, renewable energy, natural gas distribution, and wholesale projects. The Bank has mediated the commissioning of 6,500 MW of installed power in total and provided USD 1.1 billion in financing support to renewable energy projects to date. DenizBank is the private Turkish bank that made the highest contribution of USD 100 million to the total financing of USD 812 million with a maturity of 12 years provided for the Karapınar Solar Power Plant project, which is expected to become the largest solar power plant in Europe when completed. The loan disbursements for the project started in 2022 and the project was completed in 2023.

In 2022, DenizBank took part as the only bank in the financing of a mixed-use project carried out in the most valuable region of Istanbul. In 2023, DenizBank launched this project, which was partially opened for use for world-famous international organizations, festivals and art events, as one of its first projects where it carried out environmental and social monitoring processes and evaluated it from a sustainability perspective.

Project Finance, Financial Restructuring and Credits International Coordination Group

In 2022, DenizBank took part as the only bank in the financing of a mixed-use project carried out in the most valuable region of Istanbul.

➤ *In 2023, DenizBank financed over USD 12 million worth of renewable energy projects, emphasizing its leadership and commitment to a sustainable future.*

The Bank has been financing renewable energy projects for 10-15 years, especially solar energy in recent years, in order to contribute to green transformation and Türkiye's 2053 targets within the framework of sustainability policies. In 2023, DenizBank financed over USD 12 million worth of renewable energy projects, emphasizing its leadership and commitment to a sustainable future.

New methodology for reviewing projects in terms of ESG

In its project finance assessments, DenizBank meticulously addresses environmental and social issues, as well as the potential risks and opportunities associated with them. In line with its sustainability strategy, the Bank reviewed its current practices and introduced a number of new methods to improve and develop its evaluation processes.

Among the main activities carried out by the Bank in this framework in 2023 are the following:

- Project financing loans are flagged in the Bank's system so that projects can be assessed in accordance with the ESG methodology. This ensures that all projects that will include financing transactions are subject to ESG Risk Assessment. The process is being developed with the IT project and the project is expected to be completed in 2024.
- An environmental and social monitoring plan in line with the environmental and social risk category was created for both the consortium loans with DenizBank involvement and each project in the Project Finance portfolio since 2022, and its traceability was increased by the Environmental and Social Risk Assessment Specialist employed.

- Monitoring and mitigating the environmental and social impacts of the projects financed since 2022 is among the important objectives of Project Finance. The Environmental and Social Risk Assessment Specialist hired to achieve this objective conducted 7 field visits to 5 project sites, mainly high-risk projects. Through these visits, the current situation of the companies regarding the ES action plans prepared by authorized consultants to mitigate the environmental and social risks of the projects was observed on site, and the Bank played a supportive role in taking necessary actions. DenizBank monitors our environmental and social impact within the scope of the projects it finances and takes actions to reduce it.
- Since 2022, ES commitments are added to the signed loan agreements in project finance transactions taking into account national legislation, regulations, and criteria of international financial institutions.

In 2024, DenizBank aims to maintain its leading position in project finance by supporting growth in energy, infrastructure, transportation, health, and education sectors. The Bank strives to meet the needs of its customers for capacity increases and export financing and continues to provide financing to projects in these areas. And in parallel with global trends, DenizBank aims to play an active role in financing of especially solar power plants (SPP) and wind power plants (WPP) with storage capabilities, capacity increases, renewable energy hybrid investments, Renewable Energy Resource Areas (YEKA) projects, and renewable energy projects based on self-consumption. The Bank will be an intermediary for renewable energy investments by utilizing international financial institutions and long-term project financing. With these steps, DenizBank will continue to support environmental and economic sustainability by increasing its support for sustainable energy projects.

DenizBank aims to reduce emissions from financed activities by expanding its renewable energy portfolio volume in project finance transactions.

➤ *DenizBank monitors environmental and social impacts of the loans it finances and takes actions to reduce negative impacts.*



*for the
beyond*

Intellectual Capital

We consider data as one of our most important investment areas and resources from the perspective of efficiency, speed and value creation for the customer. In an effort to protect the integrity, scope and security of data, we segment our intellectual capital into two distinct categories: "Analytics, Data and Customer Value Management Policies Group," and "Information Security and Information Technologies Risk Management Group."



Analytics, Data and Customer Value Management Policies Group

CRM applications are important for enhancing customer loyalty, increasing customer satisfaction, and leveraging cross-selling opportunities.

➤ *At DenizBank, various analysis and targeting studies were conducted to increase digital penetration among active customers in the field of digital CRM to 80% in 2023.*

BUSINESS ANALYTICS AND CRM

In the banking sector, business analytics and Customer Relationship Management (CRM) applications play a critical role in increasing the competitive advantage of financial institutions and improving the customer experience. Business analytics helps banks analyze large data sets and make strategic decisions in critical areas, such as risk management, credit assessment and customer demands. This enables banks to indirectly reduce costs and raise their operational efficiency and reliability.

In the sector, CRM applications are important for enhancing customer loyalty, increasing customer satisfaction, and leveraging cross-selling opportunities. The integrated use of business analytics and CRM allows banks to provide a superior service to customers by creating a more efficient and competitive structure.

Placing customer satisfaction at the center of the Bank's operations, DenizBank launched many important initiatives in 2023 in this context:

- Delivered analytical support to sustainability projects, KPMG audits, and FI teams.
- Carried out various activities targeting the earthquake zone, agricultural customers, young entrepreneurs under 30, and women entrepreneurs.

- Conducted market analysis and strategic positioning studies for the existing POS product and the new FASTPOS product to be launched in order to expand the payment systems network.
- Introduced Producer Card RFM segmentation for Agricultural Banking, thus enabling the agriculture business line to perform segment-based sales, marketing, and communication.
- Conducted simulation studies for efficient portfolio management and established a "Dynamic Portfolio" structure based on the results obtained. The Bank's customers were re-segmented for this structure that can serve all types of customers. In addition, as a result of these simulations, it was decided to assign individual consultants to the Commercial Center and Large Enterprise branches, and the ownership structure of existing companies was analyzed with the information from both the Bank's records and KKB (Credit Bureau of Türkiye) queries.

Digital CRM

Continuously improving its digital infrastructure equipped with emerging technologies in line with contemporary requirements, DenizBank conducted various analyses and targeting studies in order to increase the digital penetration of active customers in digital CRM to 80% in 2023.

Business Analytics

DenizBank accelerated its work on business analytics. In addition to updating product activity criteria to increase customer efficiency in the inflationary environment prevailing in 2023, the Bank made 2.2 million potential (non-Bank customers) companies accessible to all users under the Kutup Yıldızı (Pole Star) project which focuses on the Bank's profitability and targets. Furthermore, within the scope of the PDPL Data disposal project of the DenizBank Data Protection team, 10-year transaction movements of 17 million accounts were checked and the disposal of the correct accounts was supported. Efforts were also undertaken to improve customer data quality.

Business Intelligence and Report Management

Business Intelligence and Report Management significantly enhance the productivity of DenizBank business units by meeting their reporting and data needs with information technology solutions, thus automating their data access processes. In 2023, the Business Intelligence and Report Management team achieved a number of significant successes. The team firstly undertook all business intelligence solutions projects and report/data provision responsibilities independently and completed more than 1,800 requests within the specified deadlines. As a result of the efforts to automate data access processes, the manual workload of business units in data access processes was eliminated.

The Business Intelligence and Report Management team continued to develop a web-based report platform application that includes reports used extensively in the field, launched new report modules, and provided solutions to feedback and issues related to reports on this platform. Assuming responsibilities such as additional development, maintenance, and debugging of more than 1,000 BI reports published in the existing BI report service, the team keeps successfully carrying out the process



of resolving technical issues related to the service and directing them to the relevant IT teams when necessary. Moreover, the project aiming to reduce reporting processes with machine learning algorithms got started in 2023. The activities for implementing the project will continue in the coming year.

Retail Analytics, Artificial Intelligence and Optimization

In 2023, DenizBank introduced many projects completed in the field of Retail Analytics and Strategy. In this context;

- Targeted groups through potential profitability analytical models for the Victims of Delayed Pension Age (EYT) and other retirees were identified by conducting potential profitability models with a distinction between active and inactive groups in order to determine those that would generate more profitability and were shared with the business unit. Accordingly, the support was given to create a more profitable pension portfolio than in the past.
- For branch targeting, categorization support was provided in some stores in the role of activities based on product and representative roles.
- A general segmentation for investment and asset clients was performed and the technical

improvements required for the system infrastructure in this context were planned. Communication strategies in investment will be shaped accordingly.

- The potential investor model was completed and potential investor customers, as well as potential affluent and private customers were shared with business units for targeting purposes.
- Analytical feasibility studies were renewed to ensure that the right offers are made for the acquisition of salary customers.
- The AI natural language processing categorization study was completed with BERT+DenizBank data modeling via the texts of complaints and requests received by Customer Satisfaction. As a result, category assignment, which was carried out by 5 people by reading, can now be done by machine.
- The models for 4 sales models for credit cards under payment systems were renewed. The continuity of sales, especially in the Telesales channel was ensured.
- A general inclusive life insurance model for Bancassurance was developed.
- Overdraft account and installment overdraft account tendency models were updated.
- The automatic bill payment tendency model was updated.

Analytics, Data and Customer Value Management Policies Group

The Field Communication and Performance Monitoring Department has been operating as a newly established organization under the Analytics, Data, and Customer Value Management Group.

➤ *Within the scope of the Branch Optimization study, a scorecard model was designed in the light of the branches' own data and the potential data of their hinterlands.*

- The analytical models that measure the probability of activation in the next three months at the time of the conversation with the customer for card sales were updated in 2023. It is planned to be included in the system with the project.
- A master segmentation study to plan the communications of active card customers was conducted. Technical development is awaited for its deployment in the system. Also, a dashboard platform was developed and the tracking of basic metrics of the card was added to this dashboard.
- The channel segmentation was updated.
- The business units were supported with various feasibility studies and analyses, such as Motor Vehicles Tax Analysis, automatic bill payment analysis, retention analysis, limit increase-targeted group inferences, new customer opening channel-based installment cash advance/general purpose loan campaigns impact analysis, Q-matic to ATM referral analysis, ATM minimum amount change analysis, a101-retired-Turkcell customers profitability reviews, transfer credit studies, black & private card analyses, card activation analyses, analyses and feasibility studies regarding contracted dealers (Mediamarkt, Hepsiburada, Hayhay, Gazdata, etc.), automatic bill payment insurance lifetime updates, card renewal analyses, upsell targeted strategies and analyses, triple product analysis, analyses regarding the effects of earthquake.

- Data studies for open banking were bolstered up. Feasibility studies for service banking were conducted.
- The Cash Balance Dashboard for Cash Balance Management, which, unlike PowerBI reports, allows monitoring the benchmark with other Banks and general figures for Cash Balance was developed.
- In terms of Recycle ATMs with high deposits, the ATMs with which money can be collected on a daily basis were introduced, taking into account the cost and SCH.
- A Fraud Dashboard where the figures related to fraud scenarios can be monitored in detail was developed.
- The Fraud Management team was supported with various analytical studies throughout the year and made improvements in rule-based fraud scenarios.
- A machine learning model for the detection of fraudulent transactions in credit cards was advanced.

Field Communication and Performance Tracking

As of June 2022, the Field Communication and Performance Monitoring Department has been operating as a newly established organization under the Analytics, Data, and Customer Value Management Group. The main functions of the Department include contributing to branch target and budget studies from an analytical perspective, conducting location and competition analyses in branch target studies, incorporating the concept of "potential" into target studies, supporting the modeling of report cards that monitor the sales

performance of branch personnel, modeling studies for branch manager scorecards, managing branch segmentation studies, studying on branch performance measurement methodologies, sharing them with business lines and human resources, and their management and follow-up.

Since the Field Communication and Performance Monitoring Department started to operate, both the KPIs and KPI weights of the Branch Manager Scorecard structure were completely revised. In the first quarter of 2024, the performance results for 2023 are planned to be shared with the executive board. Business lines contributed to the Model Studies with PM Scorecard Potential Analyses. Collaboration was made with the Individual Analytics Department to determine the model that will reveal maximum performance by adding potential dynamics to the scorecard models of branch employees. An agreement was reached on scorecard models for Retail Banking, Agricultural Banking, and Dynamic branches.

The Net Off project was implemented to display target realizations on the scorecards and report cards of branch employees. Net off h/g volume and h/g were added to the dashboard scorecard monitoring screens and scorecards of the branches. In 2024, the Scorecard results will also be evaluated from the perspective of net off methodology and an analysis will be made that both methods (current, net off) provide the most rational results in measurements. With the introduction of the net off h/g concept into our lives, the milestone volumes of branches (December closing average) have gained importance, and it has become therefore necessary to make milestone transfers while making target transfers in PM and customer transfers between business lines/branches. Based on this need, milestone and target cycle screens were designed for the use of Regions. The practice of Regions to send financial data in Excel format to the financial affairs group was discontinued. It was decided to monitor and manage the transfer processes through the designed screens. In 2024, a project will be initiated for the integrated operation of customer transfer and target transfer screens.

Within the scope of the Branch Optimization study, a scorecard model was designed in the light of the branches' own data and the potential data of their hinterlands. Within the framework of this study addressing branches in a multidimensional manner, score points were calculated and communicated to Executive Vice Presidents. This study was presented to the executive board in 2023 in agreement with the Regional Directors. It was decided to consolidate some branches with different branches for optimization. In addition, within the framework of the branch segmentation concept, training meetings were organized with branch managers for a few times together with Deniz Academy. Simulations were shared quarterly. It is planned to share monthly projections in 2024. Simulations and analyses will be prepared for branches to upgrade their road maps and segments.

A workshop will be held with the field teams at the beginning of 2024 to develop a new branch manager reporting module, and based on the workshop outputs and feedback received, a design will be made so that branch managers can access the data they need in the most up-to-date format under a single roof.

➤ *Within the framework of the branch segmentation concept, training meetings were organized with branch managers for a few times together with Deniz Academy.*



Elmas CUMRU - Trabzon 2019 - Blue Flowers

Analytics, Data and Customer Value Management Policies Group

DenizBank aimed to increase its effectiveness on digital platforms and strengthened its digitalization strategy.

The customer application score, credit rule set, and income prediction model were revised in 2023 to provide more accurate customer selection and appropriate limit recommendations.

CREDIT POLICIES, ANALYTICAL AND DECISION SYSTEMS

Credit Policies, Analytical and Decision Systems

The Bank achieved growth through expanding its customer base and raising its market share in credit product extension within the sector. Meanwhile, effective measures and model developments were implemented throughout the year in order to ensure healthy growth and reduce the ratio of transfer to legal follow-up. Process improvements and risk prevention actions aimed at achieving a standardized structure across all channels were key focal points for the Bank.

Digitalization continued to be among the Bank's strategic priorities in 2023. In this framework, various activities were undertaken throughout the year to enable customers to open accounts without visiting a branch and to access more credit products through digital channels. With these efforts, the Bank aimed to increase its effectiveness on digital platforms and strengthened its digitalization strategy.

The customer application score, credit rule set, and income prediction model were revised in 2023 to provide more accurate customer selection and appropriate limit recommendations. In this context, automation rates were significantly heightened, reaching 99.4% for retail loans, 99.5% for credit cards, 96.2% for SME loans, and 73.7% for agricultural loans.

The credit card segmentation model was updated, portfolio limits were increased as part of the limit increase programs, and the number of manually evaluated transactions was reduced. In addition, limit increase and revision processes were carefully designed to meet the urgent needs of customers. In this way, the Bank aims to significantly enhance customer satisfaction and optimize risk management.

Within the scope of the regulations published by the legal authorities, rule sets and processes were made compatible with the identified regulations.

Tests and simulations were conducted to correctly integrate credit rule sets and limit setting rules, and all updates were rechecked and supported with reports after system integration.

We supported the development activities of the Sustainability Management System.

Collection Policies and Analytics

In 2023, amidst the earthquake disaster, the Bank provided support to customers in the affected region by offering various payment facilities. The debts of the customers, who lost their lives in the disaster, to DenizBank were completely written off. The loan payments of customers affected by the disaster were postponed for 6 months without interest. In addition, outstanding debts can be restructured on a long-term basis for

up to 48 months without interest rate increases and without being subject to maturity limits. As part of such support measures, IT developments were made and branches in the earthquake region provided a more flexible financial solution by offering special campaign codes and restructuring conditions to their customers.

Performance indicators for all collections were transferred to the reporting platform, enabling their continuous monitoring. Besides, additions were incorporated into these reports throughout 2023, ensuring comprehensive oversight of the entire collection process from all perspectives.

Scorecards for self-healing and shifting to the next delay band on the live side and for collectability on the legal follow-up side were introduced. Asset sale and write-off teams were supported in terms of providing data, and the newly introduced scorecards were employed for customer selection. Furthermore, peer banks' restructuring, close monitoring, and legal follow-up portfolios were analyzed comparatively. These measures contribute to the management of the Bank's operational processes more effectively and to better assessment of risks.

Credit Modeling

New models were developed to provide added value to the Bank to monitor existing models and take necessary actions by analyzing their results while providing suggestions to business teams on issues such as segmentation and pricing and using more up-to-date technologies to improve performance. In this context, model development studies were carried out for the Personal Behavior, Personal Application, and SME Application portfolios in 2023. These initiatives enable the Bank to achieve an advanced level of performance in data analysis and technology utilization.

Personal Behavior Models

Personal Behavior models were developed as a total of six models by using two different model techniques for three different products, namely Consumer Loan, Credit Card, and Overdraft (OD) Account behavior models.

Personal Application Models

In 2023, with the positive contribution of the finalized Continuous Learning Datamart project, the individual variable data available in this datamart was used and re-modeled with the XGB technique in the current period. In the Personal Application models, the existing 8-segmentation structure was maintained, the models for the relevant segments were renewed with recent data using continuous learning datamart variables, and a significant increase in the performance of the models compared to the current situation was achieved.

SME Application Model

Since the performance of the existing SME Application model remained in the yellow area in the last periodic validation study and it was developed with the traditional method, redevelopment studies for the model were initiated. In this context, studies on model target group selection and data creation, target variable assignment, new variable creation from different sources, segmentation selection, and modeling were carried out with the XGB technique. As a performance metric for the models, the GINI metric, one of the best practices in the sector, is used.

The most recent GINI performance values of the models currently developed and used in the bank are as follows:

Corporate Default Rate: For Corporate Commercial customers, a comprehensive rating system that evaluates customer risk 360 degrees with models enriched based on both internal and external data sources using an advanced segmentation approach tailored to the needs of business units is used. For close monitoring of the modeling system, we have a monitoring project comprised by performance and stability tests. In this way, it is possible to early detect possible malfunctions in the models and take action. The segmental GINI values of the final ratings, one of the first outputs of the Monitoring project, are 56%, 53%, 51%, 31%, 47% and 50%.

SME Behavior: The SME behavior model consists of four segments. The model development period GINI performance values for the segments are 58%, 51%, 58% and 63%. For all segments, model performance is 59%.

SME Application: The customer-based SME behavior model consists of four segments. The most recent GINI performance results for the SME Application model segments for which performance and stability analyses are continuously monitored within the scope of the Monitoring project are 43%, 43%, 28%, and 30% respectively. For all segments, model performance is 38%. As mentioned earlier, the re-development activities for the SME Application model were carried out in 2023. In 2024, deployment of the new model in the Bank is planned.

Analytics, Data and Customer Value Management Policies Group

All internal information are consolidated and made available to all employees through the DenizPortal internal page which maximizes information sharing among all DenizBank employees.

➤ *Due to the concentration finding in some rating bands for the customer-based Agriculture Behavior model, different model improvement studies were carried out in 2023 in order to eliminate this concentration.*

Personal Application: Customer-based personal application models consist of eight segments. The most recent GINI performance results for the Personal Application model segments for which performance and stability analyses are continuously monitored within the scope of the Monitoring project are 43%, 14%, 36%, 44%, 19%, 31%, 20%, and 30%, respectively. For all segments, model performance is 41%. As mentioned earlier, the Personal Application models were re-developed in 2023. In 2024, the new models are planned to be deployed in the Bank.

Personal Behavior: There are five product-based models; Credit Card, Vehicle Loan, Housing Loan, Consumer Loan, and OD Account. The GINI performance results for the model development period are 72%, 82%, 86%, 73%, and 71%, respectively. As mentioned earlier, the Personal Behavior Models were re-developed in 2023. In 2024, the new models are planned to be deployed in the Bank.

Agriculture Application: The Agriculture Application model consists of two segments. The GINI values for the model development period are 70% and 73%.

Agriculture Behavior: Due to the concentration finding in some rating bands for the customer-based Agriculture Behavior model, different model improvement studies were carried out in 2023 in order to eliminate this concentration. The GINI performance results of the two models utilizing logistic regression and XGB techniques correspond to 72% and 73%, respectively. The validation process of the models is ongoing.

Check Scoring: The customer-based check scoring model is used for scoring checks to be taken as collateral for the Bank and Factoring and consists of two segments. The GINI performances for the model development period are 79% and 49%. Within the scope of the Monitoring project, regular rating-based periodic reports on return rates and bounce rates are issued for check and factoring models.

ORGANIZATION AND AUTHORIZATION MANAGEMENT

The Organization and Authorization Management Department undertakes activities in various areas in line with DenizBank's strategic goals. In this context, the Bank manages the permanent staff planning of Branch and Central Operations personnel, defines authorizations, roles, and parameters within the framework of the Bank's security procedures, and focuses on taking quick and accurate action upon customer complaints. It also carries out efforts to digitize the Bank's account opening transactions in compliance with legislation and competition and prepares the MASAK and Kredi Kayıt Bürosu (Credit Bureau of Türkiye) reports in an accurate and complete manner. These efforts are aimed at improving the Bank's operational processes, increasing customer satisfaction and ensuring compliance.

The main activities of the Department within this scope are as follows:

- Conducting permanent staff plans in order to determine the workforce of the Bank,
- Carrying out resource utilization rate studies for Central Operations teams,
- Managing customer complaints sent to the Bank through various channels and ensuring timely response,
- Making system authorizations in accordance with the employee profile and the Bank's security policies,
- Defining parameters in accordance

with the legislation and the Bank's strategy,

- Ensuring that customers' account opening processes are carried out in line with the legislation and contributing to their digitization, supporting the collection and storage of accurate and complete customer demographic information,
- Managing the bank portal, periodically updating the information on it,
- Ensuring that legal reports under its responsibility are submitted on time and in full, and making the necessary systematic improvements for this purpose.

All internal information are consolidated and made available to all employees through the DenizPortal internal page which maximizes information sharing among all DenizBank employees.

As part of its enterprise resource planning initiatives, DenizBank kicked off calculation and modeling efforts for permanent staff and capacity utilization rates for the Branch Operations and Portfolio Management staff and Central Operations departments. In this context, work is underway to measure transaction standard times, which will form the basis of both permanent staff and capacity utilization rate calculations. Through these efforts, the Bank aims to manage its operational processes more effectively, utilize its resources more efficiently, and create a structure fitted to its strategic goals.

The Authorization Management Department manages password/ authorization definitions, their revocation, and authorization changes for all programs used by the Bank and its subsidiaries. Also, the Parameter Management department performs the definition, modification, and testing of parameters for all business lines and channels, except pricing, in line with legal regulations and system changes. The department, organized to provide 24/7 support for the requirement to operate without interruption during the pandemic period, maintains this practice. In this way, operational continuity during the pandemic period is ensured by raising the security and efficiency of the Bank's processes.

DenizBank's Customer Satisfaction Department examines every piece of customer feedback received across all channels and products. The Department works to increase positive feedback and prevent negative feedback by analyzing root causes.

Information Security and Information Technologies Risk Management Group

The most important objectives of DenizBank is to ensure the "security" of information in terms of integrity, accessibility, and being accessible only by the required persons.

➤ *DenizBank Information Security Governance Team identifies potential threats related to information by determining the value of information and its impact on business processes through the IT Risk Management Strategy.*

Information is the ultimate power for individuals, organizations, and societies, enabling them to make more effective decisions when processed correctly. Accordingly, the most important objectives of DenizBank is to ensure the "security" of information in terms of integrity, accessibility, and being accessible only by the required persons.

Today, with the quick adoption of new technologies, information security threats are evolving. To prevent these threats from causing damage to the organization, it is a critical necessity to create an effective information and cyber security management system. This system must provide resilience and agility by properly and efficiently integrating people, process, and technology. Factors, such as updating security strategies frequently, implementing training programs effectively, monitoring security vulnerabilities continuously, and keeping the technological infrastructure up to date, are vital to protect information security. In this context, organizations should create a secure business environment by adopting a proactive approach against cyber security risks.

Solutions compliant with data protection legislation

With the developments in technology, our Bank has expanded its data protection efforts to cover new niche areas (Open Banking, Service Model Banking, Artificial Intelligence

studies, etc.), and developed solutions compliant with data protection legislation. As part of the "privacy by design" principle, all new projects opened across the Bank were examined at the development stage in an integrated manner, and structures compliant with data protection legislation were established. In addition, a large-scale project was carried out to centralize and standardize PDPL documentation.

The goal of continuously improving the level of security

Security awareness that has become a part of corporate culture, simplified and understandable processes, effective identity management, a multi-layered security structure against current threats, and a governance framework focused on continuous improvement are the key features of cyber security structures. This approach makes security a way of life and ensures that employees and the organization consciously fulfill their responsibilities related to security. On the other hand, simplified processes and effective identity management increase the applicability of security measures, while the multi-layered security structure offers more effective protection against various threats. The governance framework assesses the effectiveness of security policies and measures through continuous measurement and internal and external evaluation processes, aiming at continuously improving the level of security.

Today, information is an extremely valuable commodity. For this reason, effective management of information-based risks stands out as a critical activity. DenizBank Information Security Governance Team identifies potential threats related to information by determining the value of information and its impact on business processes through the IT Risk Management Strategy. The team's responsibilities include identifying appropriate control strategies and actions to reduce risks to an acceptable level, regularly monitoring risks, and raising employee awareness of information security. This strategic approach reinforces the goals of protecting information assets and minimizing corporate risks.

Automated flows that allow actions to be taken in systems

In addition, we established an incident management process, which is periodically tested for effective operation, enabling us to respond quickly to information security incidents. We strive to create a sustainable infrastructure by identifying deficiencies through independent assessments made by third parties with a continuous improvement perspective.

DenizBank closely monitors latest technologies in order to protect its information assets effectively. By adopting next-generation security practices, the Bank improved automated response processes to cyber threats and enhanced its ability to respond quickly to alerts. The Bank completed the automation of vulnerability management processes and established a structure that automatically closes security gaps after system updates. The Bank created automated flows to ensure that action is taken in the systems by quickly evaluating the threat intelligence it obtains. Besides, with the popularization of digital customer acquisition processes, it began to integrate new technologies by utilizing effective authentication methods in the fight against fraud.



Innovative and sustainable security technologies

DenizBank's information security mission has been determined as follows in line with the Bank's goal of "developing and digitizing high quality products and services";

- Building a resilient security culture and environment with the awareness of information security leadership,
- Creating an ever more secure information security architecture,
- Developing an agile and flexible cyber ecosystem,
- Establishing close and strong relationships with internal and external stakeholders and acting as a single team,
- Minimizing risks with the goal of full compliance with the legislation.

Key success factors include the Bank's use of innovative and sustainable security technologies to support its business strategies by enhancing the capabilities that distinguish it from its competitors and protecting customer data.

DenizBank carries out comprehensive projects in the areas of information security, data protection, fraud prevention, and business continuity that will raise maturity level of its information security to the targeted level.

In this context, in 2023, the Bank;

- Focused on improving vulnerability management processes and implemented improvements to close its security gaps faster and more effectively.
- Completed additional data masking projects for the protection of personal data.
- Concentrated on data security and began to conduct additional controls for identifying sensitive data and classifying data.
- Established new processes to enhance threat modeling capabilities.
- Made additional technology investments to improve cyber security monitoring systems and processes. Completed infrastructure improvements that will enable faster and more efficient analysis of the data collected and processed in monitoring processes.
- Positioned assessments, tests, and drills as the most significant verification mechanism, especially by ensuring that security and business continuity issues are addressed together.
- Increased resources and capacity to prevent threats that may lead to business interruption through operational resilience programs.
- Carried out activities to protect personal and confidential data both for the further development of existing practices and new projects as part of compliance with the relevant legislation, and implemented programs to raise awareness in this regard.

Information Security and Information Technologies Risk Management Group

DenizBank's information security maturity level is assessed and verified by independent audit firms every year.

➤ *With more than 500 interfaces included in the "API Portal" established by DenizBank, banking services can be delivered to customers by different interface providers.*

Security criteria in Service Model Banking

DenizBank continues to be one of the leading institutions in Service Model Banking by utilizing the experience gained through the Open Banking model. With more than 500 interfaces included in the "API Portal" the Bank has established, banking services can be delivered to customers by also different interface providers. With this innovative approach, the Bank aims to provide customers with fast and interactive access to banking services through various channels and to assume a leading role in digital banking.

Security maintains its importance as one of the key criteria of Service Model Banking. In this context, DenizBank Information Security Policies apply

guidelines and rules on secure access, confidentiality and integrity of accessed data, authentication, and carrying out transactions in accordance with the principles of non-repudiation. It also provides the interface providers with the necessary support and guidance to fulfill their security obligations.

High information-security maturity level

The average information security maturity level for the financial sector is calculated at a value ranging between 3.2 and 3.6.

DenizBank's information security maturity level is assessed and verified by independent audit firms every year. Work is underway in line with the plans prepared to raise the level even higher.



Joint synergy grounds of DenizBank and Intertech

With the "Cyber Security Governance" structure created by DenizBank and Intertech, a common synergy area was established by ensuring the unity of people, process, and technology.

Within the scope of cyber security management services provided by Intertech;

- Security risks of new steps to be taken as part of DenizBank's digitization target are minimized.
- Architectural requirements are fulfilled in line with the information security policies.
- Necessary technical measures and tightened controls are implemented to ensure the security of customer secrets, bank secrets, and personal data.
- Identification and elimination of security gaps are monitored.
- Necessary infrastructure and resources are allocated for the effective performance of information security monitoring activities.
- Over 35 security applications are managed to guarantee the security of the different layers and the different assets in these layers.

Certificates on Information Security held by Intertech: PCIDSS, ISO 27001, ISO 22301

Training

In 2023, DenizBank organized a series of training courses with different contents. Initially, a mandatory training assignment was organized through Deniz Academy to raise awareness across the Bank. In addition, basic information security training continued during the orientation process for new Sailors. In these training courses, DenizBank's information security approach was explained and the issues that employees should pay attention to in their private lives were addressed. "What is Information Risk Management?" training was designed especially for Captains and played an important role in the development of the risk culture of the teams. In addition to such training, a "Cyber Resilience" talk was organized with prominent speakers during cyber security awareness month.

Information Security and Information Technologies Risk Management Group in 2023

In 2023, DenizBank Information Security and Information Technologies Risk Management Group assumed an active role in many areas, such as increasing end-to-end awareness across the organization, implementing innovative cyber security solutions, effectively managing third-party risks, and analyzing and improving current and future processes/projects. In addition to evaluating the security status of existing projects and applications, it has also contributed to the newly initiated and commissioned projects by providing improvement suggestions to ensure that the processes can be executed more securely.

It carried out activities to clarify requests and ensure compliance by cooperating with business lines on issues closely related to information security. In this context, internal processes were reviewed and organized to ensure more effective information security communication across DenizBank Financial Services Group. The Group reached a certain point of standardization in this regard by combining business continuity analysis, testing, and planning processes through a common application. It has also begun to function as a center of planning and coordination.

Focus on Safety: Human

DenizBank raised the number of training and awareness activities in order to integrate business continuity into the organizational culture. In this framework, the variety of online training and information messages increased, and business impact analysis and test studies were regarded as training opportunities. With the effective use of the malware blocking tool, it is aimed to reduce customer losses due to fraud experienced in mobile banking transactions. Especially against social engineering attacks, it was aimed to raise awareness of customers against fraud through announcements made on social media platforms.

Big data platform for security monitoring was launched, enabling faster and more effective detection of increasingly sophisticated threats and risks. Security drills and attack simulations were conducted to enrich the inventory of preventive and detection controls. A governance, risk, and compliance platform integrated with corporate processes was implemented and proactive monitoring of risks was ensured.

for the
beyond

Manufactured Capital

We position our manufactured capital under the “Branch and Central Operations Group” and conduct important initiatives within this scope with the goal of increasing the quality of our products and services, ensuring the durability and sustainability of the operational process between the branches, and reaching more customers through the utilization of advanced technologies.



Branch and Central Operations Group

DenizBank implements important projects and activities in order to bring its products and services to more people day by day.

➤ *In 2023, both Regional Operations and Head Office Operations teams paid 2,500 visits to branches and identified the areas for improvement.*

Our unchanging strategic goal: Quality service

DenizBank implements important projects and activities, which are at the heart of a responsible banking approach, in order to bring its products and services to more people day by day. The Bank's strategic goals include further increasing efficiency in operational transactions, reducing the operational workload on branches to provide better quality service to customers, thereby raising customer satisfaction, and utilizing state-of-the-art technology in favor of the institution and customers.

The Branch and Central Operations Group focuses on improving operational processes and creating competitive, effective, and efficient ways of doing business through the activities that support the Bank's strategy.

The vision of the Branch and Central Operations Group is structured under the main headings of Efficiency and Cost Management, Digitization and Process Improvement, Risk Management, and Employee Development.

As well as achieving high levels of customer satisfaction with its main objectives within the framework of this vision, the Group continued to work to ensure that both internal customers within the Bank's organization and external customers to whom services are provided receive uninterrupted, fast, and high-quality services. The most

significant indicators include the service level (SLA) of the services offered to customers, error and return rates in transactions, performance and capacity utilization rates, uninterrupted service levels, and customer satisfaction results. The Group monitors these indicators and identifies their areas for improvement.

Our efforts shaped with a focus on customer satisfaction

In 2023, both Regional Operations and Head Office Operations teams paid 2,500 visits to branches and identified the areas for improvement. Internal Customer Satisfaction surveys were conducted at branches twice a year.

The improvements commissioned in this context are as follows:

- The measurement process was carried out by defining SLA (Service Level Agreement-Service Time) for all operation steps in workflows. SLA compliance rates are published on DenizPortal by flow, step, department, and person.
- CBRT Rediscount loan applications, which were performed manually, were included in the flow. Thus, limit/contract adequacy system control is ensured. In addition, a healthy flow/step tracking was achieved.
- With the improvements made in archive processes, documents sent to the archive can be requested and tracked from a single screen, thereby ensuring efficiency in operational transactions and reducing the workload of branches.

- Through the Legal Follow-up System (LFS), expense documents related to the payments made by the Bank's personnel or contracted lawyers to courts and enforcement offices in relation to lawsuits have started to be uploaded to the system as images. An average of 600 thousand documents are scanned into the system annually, resulting in an 80% improvement in the rate of physical delivery by cargo and operation in a paperless environment.
- The automatic removal of foreclosure blockages has been improved and foreclosures received from enforcement offices via the National Electronic Notification System (UETS) have started to be removed 100% online, eliminating the need for manual intervention.

- The RPA was started to be used in agricultural data entry.
- The manual process for letters of guarantee obtained from other banks to be submitted to lawsuits and courts was transferred to the LFS system. An annual average of 4,000 letters of guarantee, which were requested and monitored manually, can now be monitored through the system.

- For more effective execution and decentralized supervision of the "Separation of Duties" principle, the "Branch Operations" positions were subordinated directly to the Operations Managers in the Regions in a managerial sense, and to the Branch Manager and the Executive Vice President of Operations in the matrix, aiming at minimizing operational risks on the one hand, and maintaining high service quality standards on the other.
- In 2023, Branch Operations staff received technical, regulatory, and product-based training, as well as risk-based training. With the participation of the CEO, Human Resources, Compliance and Internal Control, Internal Audit, and Operations Management, training courses on risk-based topics with the theme of "Being a Branch Operations Manager at DenizBank" were held for all operations staff, including the tellers.



- To better manage operational risk, the Bank issued a training guide on each reconciliation subject and developed training videos for staff members. Values and assets reconciliation continued to be carried out in all branches with central guidance.
- Customers experiencing money jams at off-site ATMs were identified and provided with a quick solution.
- By keeping the optimum amount of cash in off-site ATMs and branch vaults according to the ATM usage trend, the Bank has achieved the best position among banks in Cash Balance management.
- The transition to the new Service Management System of Bantaş, the CIT (Cash in Transfer) and CP (Cash Process) service partner was supported, and swift action was taken on the Bank's side to prevent any business interruptions.
- End-to-end automation was achieved for customers' Tefas investment transactions through digital integration of account openings of customers of asset management companies, to which custody services are provided.

We took rapid action in earthquake-affected regions to ensure business continuity and prevent victimization of customers

A series of measures were taken through regional coordination to ensure business continuity in branches affected by the earthquake that struck in February 2023. Safe deposit boxes, main vaults, assets, documents, and equipment in branches affected or rendered unusable by the earthquake were evacuated to safe areas and transferred. Necessary actions were taken to ensure that cards in the region could only be used by their owners, all cards were closed for use without a password and opened for contactless use after password verification. To prevent card victimization of customers, instant cards were quickly dispatched to the region. Necessary actions were taken in the number of installments and debt postponements within the framework of legal regulations. In addition, in the aftermath of the earthquake, measures were taken to increase both the number of personnel and the diversity of operations at the Emergency Center in Ankara. These steps reflect DenizBank's efforts to maintain customer satisfaction and ensure operational continuity.

Branch and Central Operations Group

Observing sustainability meticulously in its operations, Branch and Central Operations Group contributes significantly to the reduction of DenizBank's environmental footprint.

➤ *In line with the Bank's technological renewal strategies, 550 ATMs were purchased to replace ATMs used for over 10 years and all non-Recycle ATMs.*

DenizBank also makes a difference in card payment systems

The Branch and Central Operations Group makes significant contributions to integration of the innovations in DenizBank Card Payment Systems into the services customers receive. In particular, significant efforts were made to better monitor, guide, and accelerate the services received from field companies, and field performance was accelerated.

With the encouragement of BKM (Interbank Card Center) members, the TROY card issuance project was launched. In this process, TROY BINs (Bank Identification Number) were allocated by BKM, certification processes were carried out, and product definitions were made within the framework of the products determined by the credit card marketing teams. 13,000 TROY cards were sent to customers. The sectoral effects of the chip crisis continued this year. Thanks to the 3-year card purchase agreement concluded with Plastkart, measures were taken against unforeseen supply problems this year and the next two years, and unlike some other banks, the demands of our business lines for all card products were met.

In line with the Bank's technological renewal strategies, 550 ATMs were purchased to replace the ATMs used for over 10 years and all non-Recycle ATMs. In 2024, new ATMs are planned to be installed, thereby ensuring that all ATMs will be Recycle. The EMV 3D Secure application, which offers a more secure payment infrastructure to e-commerce merchants and cardholders, was upgraded and launched for Amex cards as well. Within the framework of the agreement concluded with DenizBank AG, the Foreign Card Operations team was established and German-speaking personnel were recruited to be trained in Clearing and Settlement, Chargeback, and Card Services Analysis. These personnel reached an intermediate level in business knowledge and daily operations. They continue to be trained to achieve a level of specialization. System improvements were completed and Friends&Family Production entered the pilot phase.

The facility for customers to pay with a QR code in mobile applications and terminals, including BKM TechPOS and VPOSS, was expanded by 72%. It will reach 90% by February 2024. Within the scope of the POSum Cepte (POS in My Pocket) application, utilization of mobile devices as POS terminals was generalized with new vendors, thus ensuring efficient management of POS stocks.

Operational processes are carried out automatically

As digitization has become widespread around the world, the main objectives of banks now include automating operational processes and minimizing employee intervention. The Branch and Central Operations Group also ensured that DenizBank made significant gains in 2023 with its efforts in this context.

- By establishing Cash Counting Centers within Central Operations, the operational workload of our branches has been reduced and high-value cash customer transactions have started to be concluded promptly in a secure environment.
- The new artificial intelligence platform "Şubebot" application, an alternative to the call system used for consultancy services provided to branches on procedures and operations related to banking transactions, was opened to Branch Operations staff on a pilot basis. Approximately 30% of operation calls were started to be answered with the chatbot application "Şubebot."
- The Bank continued to provide technical consultancy and operational support to dealers, institutions, and schools with which the Bank has agreements.
- It was ensured that interest calculations and interim payments of SOFR-indexed repos, carried out manually in the system by the Fixed Income Securities department in foreign markets, are made through the system.
- It was made possible to send orders to Deniz Asset Management funds after 16.00, which is fund's EOD.

Card Payment Operations

In 2023, within the scope of the Green Reconciliation Action Plan, Açık Deniz Online Banking registration, Açık Deniz customer transactions, and authorization change flows were digitized. This resulted in a 24% reduction in calls.

During the reporting period, the Bank automated the process of Chargeback appeals received at the Bank's workplaces, reducing the operational

workload and shortening response times. In addition, security measures against fraud attempts through unauthorized software updates were enhanced by installing the cloud-based Cross Strike application on ATMs.

Full compliance with numerous regulatory changes in 2023

In 2023, the Branch and Central Operations Group carried out joint project activities with the Bank's business units in order to harmonize all processes and documents with the legal changes made especially in loans and foreign currency transactions.

In this context, within the framework of the Regulation on Real Estate Acquisition by Foreign Nationals and Implementation of the Turkish Citizenship Law, as stated in Article 13 of the Capital Movements Circular, requests for citizenship applications were met, the amount of foreign currency used in the transaction was sold to the CBRT and reported daily.

It became possible to report the following high-frequency transactions to the CBRT daily:

- EFT/Remittance transactions over TL 10 million sent from a resident customer to a non-resident customer (with payment category details)
- All foreign currency and TL-denominated Swift payments from domestic customers to international customers were processed in compliance with payment category details and regulations.
- Within the scope of the Circular on Invisible Transactions, if FX acquired from FX-generating services/transactions were sold to banks, a minimum of 40% of these FX were sold to the CBRT, and these transactions were reported daily.
- Necessary monitoring procedures were triggered before the CMB and MKK (Capital Markets Board and Central Securities Depository & Trade Repository of Türkiye) to allow foreign nationals to apply for citizenship with fund blockage by buying Real Estate Funds after the sale of FX to the CBRT.

Within the scope of legal changes in Card Payment systems;

- 8-digit BIN was complied with.
- The process for Disaster Recovery Center (DRC) integration with Takasnet and BKM was improved to ensure business continuity.

Training activities carried out in 2023

DenizBank's Branch and Central Operations Group continued its training activities for its employees in 2023. "Competency Development" training was initiated to improve the technical knowledge and competencies of operations staff in branches in order to increase their compliance with changing regulations and applications. These training courses will be included in the planning each year as two main packages per year. In addition, an 8-hour call conference was organized with Regional Operations Managers on the effective monitoring of new applications in the field and changing legislation. Foreign Trade training sessions were organized for the operation staff of five regional branches and they are scheduled to be completed in 2024. Leadership training sessions were also organized for operations managers. These training initiatives aim to ensure that operations staff have up-to-date knowledge, adapt quickly to changing regulations, and support them to work effectively.

Contribution to digitization and environmental footprint improvement

Observing sustainability meticulously in its operations, Branch and Central Operations Group contributes significantly to the reduction of DenizBank's environmental footprint.

Thanks to digitization and automation efforts, the number of daily transactions per person in the operations teams has increased by 51% in the last 3 years. However, this increase has been tolerated by technology. As of year-end, 51% of all transactions were conducted via non-branch channels, with 43% being automated. Digitization was effectively utilized and STP (Segmentation, Targeting, and Positioning) processes were widely used.

Branch and Central Operations Group

With its inclusion in the digital customer acquisition process, the physical printing of 204,618 cards at account openings was saved.

In 2023:

- The foreign currency payments module was created on MobilDeniz, the function of adding documents to AçıkDeniz Swift transactions and the MOB control function were introduced, and the follow-up flow process for transactions requiring documents in the Collective Payment System made it possible to complete 48% of foreign currency payment transactions in digital environment.
- Export Proceeds Acceptance Document ("EPAD") and Advance Commitment closing transactions were started to be carried out through Internet Banking.
- In order to support the companies in converting their foreign-based FX into Turkish Lira, screen integration for providing 2% premium to exporters was completed in a very short period.
- DenizBank became the first bank to offer a 2% premium for EPAD and Service FX Purchase Documents issued within the scope of the Rediscount Credit by quickly establishing the procedure and setting up the system.
- The Swift GPI (Global Payment Initiative) application, which allows customers to track their foreign currency transfers end-to-end, was launched.
- Contracts and transaction instructions for derivative products, previously received in hard copy, began to be received with digital approval, resulting in the digitization of an average of 6,500 transactions per month.
- The module for payments made in foreign currencies via Internet Banking was developed to cover all products.
- With its inclusion in the digital customer acquisition process, the physical printing of 204,618 cards at account openings was saved. Environmental and financial savings thus were achieved.
- Customers were allowed to monitor their CUSTODY portfolios via MobilDeniz.
- Account investigation municipality response letters were started to be sent via Registered Electronic Mail (REM).
- Our Bank's systems are now integrated with all platforms that use digital letters of guarantee. 27% of letters of guarantee are issued digitally.
- With the robots used in the processes, 110 hours were gained daily in 12 processes.
- In 2023, a PoC (Proof of Concept) study for instruction comprehension with artificial intelligence was initiated and is still ongoing. Using e-statements and digital approvals in processes, approximately 1,600 trees are preserved from being cut down monthly, thereby conserving natural resources.
- Plastic and chip waste was reduced by extending card expiry terms to 10 years, improving their renewal criteria, and introducing digital debit cards.
- By expanding the POSum Cepte application, mobile phones were used widely as POS terminals, generating less paper (slip production), plastic, and electronic waste.
- The Digital Slip application was introduced to the production environment, enabling card and merchant customers to perform their transactions without receiving paper slips and to receive their documents electronically.
- Customers were allowed to open an account and become an internet banking user on MobilDeniz via the "become a customer" step without visiting a branch. Paperless and eco-friendly banking practices, such as digital customer acquisition, which do not require branch visit, were promoted.
- By encouraging instant name printing on cards, there was a 50% increase in the number of names printed compared to the previous year, leading to substantial savings on courier services. In addition, the consumption of fossil fuels has been significantly avoided.
- Also, 118,000 printed statements were converted to e-statements, saving a significant amount of paper, reducing postal and transportation costs, and consequently reducing carbon emissions.
- With the hybrid working model, a 50% rotational office-based working pattern was adopted.

Branches and ATMs

In 2023, DenizBank completed four branch openings and 34 branch consolidation operations. The Bank has a market share of 6.8% in the sector with 641 branches.

Thanks to its branches and ATM network throughout Türkiye, DenizBank offers its customers the opportunity to experience the innovations and conveniences offered by its state-of-the-art digital infrastructure.

The earthquake struck Kahramanmaraş in February 2023, affecting 11 provinces and causing damage to the extent that banking operations could not be maintained. In order to provide uninterrupted service to customers, container and prefabricated branches were opened to replace branches that were unable to provide service. Furthermore, mobile branches were deployed in earthquake-affected regions where conventional branches were damaged, thereby ensuring continued service to customers. With these immediate measures, the Bank sought to offer support to earthquake victims while also ensuring the continuity of services.

In 2023, DenizBank completed four branch openings and 34 branch consolidation operations. The Bank has a market share of 6.8% in the sector with 641 branches. It also has a market share of 5.8% with 3,080 ATMs. All ATMs are suitable for visually impaired customers. Besides, 620 ATMs are designed for the customers with physical disabilities. The number of ATMs with Recycle function increased by 28 to 2,823 with newly installed and replaced ATMs.

The sector's total number of branches fell by 1.5% from the year-end 2022 figure of 9,601 to 9,459 as of year-end 2023. On the ATM side, the number of ATMs in the sector grew by 1.7% from the year-end 2022 figure of 52,030 to 52,891 as of year-end 2023.



Branches and ATMs

Improvement and development activities are carried out in all channels to allow customers with disabilities to easily access products and services.

Ratio of Accessible Branches 32%

The ratio of DenizBank's branches suitable for accessible banking increased from the 2022 figure of 30% to 32% in 2023, while the ratio of ATMs suitable for the people with physical disabilities remained the same at 20%.

ACCESSIBLE BANKING

DenizBank develops various and numerous products and services for disadvantaged groups within the scope of ESG.

Improvement and development activities are carried out in all channels to allow customers with disabilities to easily access products and services. In these efforts, the criteria in Law No. 5378 on Disabled People which regulate the rules and procedures about adapting banking services to access and use of customers with disabilities, and the Regulation on the Accessibility of Banking Services, dated 1 January 2017, are observed.

In line with its customer-oriented banking strategy, DenizBank continued to create innovative branch and ATM concepts that appeal to different customer segments and carried out branch and ATM transformations with practices aimed at improving physical conditions for the customers with disabilities.

In this context, the ratio of the Bank's branches suitable for accessible banking increased from the 2022 figure of 30% to 32% in 2023, while the ratio of ATMs suitable for the people with physical disabilities remained the same at 20%. Customers with visual impairment continued to receive services at all ATMs.

Works at Branches

Within the scope of Accessible Banking activities, numerous innovations were introduced at DenizBank branches in 2023. The signboards, plates, and warnings are of sufficient size and are adequately illuminated at branches. In addition, the use of green and red colors together is avoided and braille letters are included in the signboards.

Furthermore;

- Anti-slip tapes are placed on the gates and stairs of branches,
- Introductory signboards with Braille letters were hung on the gate and closest booth of the branch,
- Perceivable surfaces are used on indoor and outdoor walls,
- Emergency warning and communication buttons were affixed next to the gate of the branch,
- Emergency voice equipment connected to the central alarm system was installed,
- In the newly-rented premises, a disabled access ramp was built depending on the pavement width during the construction works,
- Accessible toilet that fully meets the disability standards was built on ground floors,
- One of the ATMs installed in branches that have a disabled ramp or are suitable for the construction of a disabled ramp was made ready for utilization of wheelchair users.

Works for ATMs

- Existing ATMs were redesigned to facilitate the use of services by customers with disabilities, and new ATMs were installed in a way suitable for persons with disabilities if environmental conditions were favorable.
- In ATMs prepared for the customers with disabilities, the adequacy of signage and lighting and the level of height are taken into consideration.
- ATM screens were chosen to ensure that image quality will always be high and will not become invisible. ATM control keys were positioned in accordance with the telephone standard.
- The withdrawal, deposit, card, and receipt slots, as well as the headset jack, are designed in such a manner that customers with disabilities can easily and safely access and use them.
- Customers who present their disability status to the Bank were allowed to make balance inquiries, cash withdrawals, cash deposits, credit card debt inquiries, and credit card debt payments at all ATMs installed in the country without additional costs and charges.
- Voice menu service is provided on the ATMs. This menu is easy to use and the volume on the headphones can be adjusted by the customer.

DenizBank also provides financial inclusion by offering sign language video call service to hearing-impaired citizens who call the Contact Center in the "Remote Customer Acquisition" and "Do without Visiting the Branch" processes. The Bank's Communication Center customer representatives, who know sign language, also make video calls with hearing-impaired customers visiting the branches and assist them with their transactions at the branch.



*for the
beyond*

Social and Relational Capital



















As DenizBank, our social and relational capital consists of all communication processes with internal and external stakeholders under the headings of "Stakeholder Map and Stakeholders Relations," "Corporate Memberships and Supported Initiatives," "Customer Experience and Satisfaction," "Responsible Supply Chain Management," and "Corporate Social Responsibility."



Our Stakeholder Map and Communication with Stakeholders

Stakeholder Group	Communication Method	Communication Frequency
Employees	Internal releases/communication platforms One-to-one meetings Performance evaluation meetings Meetings Employee loyalty survey	Ongoing - Occasional - As needed - Periodic
Suppliers	One-to-one meetings Meetings Project-based activities Shares by mail	Annual - Project-based - Periodic - Occasional - As needed
Media	Press releases Press bulletins One-to-one meetings Meetings Projects	Ongoing - Occasional - Project-based
SCOs	Memberships Meetings	Annual - Periodic
International Organizations	One-to-one meetings Meetings Shares by mail	Periodic - Annual - Seasonal / Occasionally - As needed
Subsidiaries	One-to-one meetings Meetings Shares by mail	Ongoing - Periodic - Annual - Project-based - Occasional - As needed
Financial Institutions	Corporate web page Social media channels Press releases Press bulletins One-to-one meetings Meetings Projects Bank reports/presentations Fairs/conferences	Ongoing
Initiatives	One-to-one meetings Meetings Fairs/conferences	Ongoing
Supervisors	One-to-one meetings Meetings Fairs/conferences	Periodic/Seasonal - Quarterly - Occasional - As needed - Ongoing
Main Shareholder	One-to-one meetings Meetings Shares by mail	Ongoing - Occasional
Customers	Banking channels (branches, ATMs, internet branches, call centers, and mobile banking channels) Customer relations representative Meetings Surveys Corporate web page Social media Corporate TV channels	Ongoing

Our Corporate Memberships and Initiatives We Support

 United Nations Global Compact (UNGC)	 Integrated Reporting Türkiye Network (ERTA)	 Business Council for Sustainable Development Türkiye (BCSD Türkiye)	 Carbon Disclosure Project (CDP)	 Corporate Communications Professionals Association (KiD)
 The Banks Association of Türkiye (TBB)	 Turkish Capital Markets Association (TCMA)	 Credit Scoring Bureau (KKB)	 Credit Guarantee Fund (KGF)	 İhracatı Geliştirme A.Ş. (IGE)
 Association of Listed Company Managers (KOTEDER)	 Turkish Industry and Business Association (TÜSİAD)	 Foreign Economic Relations Board (DEİK)	 International Monetary Fund (IMF)	 International Finance Facility (IFF)
 The Partnership of Carbon Accounting Financials (PCAF)	 International Investors Association (YASED)	 Turkish Tourism Investors Association (TTYD)		

Customer Experience and Management

Adopting a customer-oriented service approach, DenizBank aims to offer the best experience to its customers and respond effectively to their needs.

➤ *DenizBank meticulously evaluates all kinds of information, complaints, requests, and suggestions received from its customers in order to understand their needs and expectations correctly and to find solutions.*

DenizBank shapes its strategy to ensure customer satisfaction around the motto "customer first" and believes in the importance of creating financial value for its customers as well as making a difference in service. With this understanding, adopting a customer-oriented service approach, the Bank aims to offer the best experience to its customers and respond effectively to their needs.

DenizBank adopts an approach of providing services to customers based on the principles of honesty, transparency, and fairness. It acts within the framework of the principles and methods determined to gain customer trust and make it permanent. All Bank employees are expected within the scope of their duties to respond quickly to customer requests, fulfill their promises, take personal responsibility for the results of their work, pay attention to confidentiality, provide accurate information to customers, and inform them about potential risks.

In this way, DenizBank aims to increase customer satisfaction and build long-term customer relationships by providing them with quality and reliable service.

DenizBank establishes an open and active communication with its stakeholders including customers, employees, business partners, shareholders, and investors. The Bank provides its stakeholders with complete, accurate, and consistent information about its operations. It follows a transparent communication policy by observing the principles of orderliness, consistency, efficiency, accuracy, integrity, and comparability in its information disclosures. These principles reflect DenizBank's commitment to raising its corporate transparency with the aim of providing a reliable and comprehensive flow of information to its stakeholders.

Service above customer expectations

DenizBank meticulously evaluates all kinds of information, complaints, requests, and suggestions received from its customers in order to understand their needs and expectations correctly and to find solutions. It does not only use such information to render better service to customers, but also regards it as an important opportunity to improve its business processes. DenizBank steadily strives to grade up its way of doing business and enhance customer satisfaction by assessing customer feedback. Customer feedback is recognized as a vital instrument that contributes to the Bank's mission of enhancing service quality and guarantees customer satisfaction.

DenizBank's Customer Satisfaction Department operates in line with its strategic targets by handling each customer feedback diligently. It analyzes incoming complaints with a solution-oriented approach in order to turn them into satisfaction. Customer reports received by the Bank through various channels are examined in detail and customers are informed verbally or in writing about the actions to be taken within 72 hours at the latest. This process represents a rigorous approach to increase customer satisfaction, solve problems, and strengthen communication.

In 2023, the Customer Satisfaction team finalized a total of 481,653 complaints, requests, and objections. An analysis of 2023 reports shows that the average resolution time was 8.63 days. Complaints are responded within the legal response time.

DenizBank monitors its activities in line with its vision of being the "Voice of Customer" within the framework of "ISO: 10002-2014 Customer Satisfaction Quality Certificate" standards. It collects immediate feedback on the moment of the experience by sending post-service surveys before the impact of the experience that customers have in the channels they receive service quickly diminishes.

DenizBank develops ways to perfect customer experience in all products and services it offers. In order to achieve this goal, DenizBank utilizes its strong analytical competencies to make every moment of its customers' contact with the Bank more meaningful. The Bank's main objective is to offer the right product to the right customer at the right time, creating meaningful solutions for them and providing a smooth experience. This strategy aims to increase customer satisfaction and build long-term customer relationships by providing more effective and customized services to customers.

DenizBank regularly conducts research to measure the experience of customers and its performance in meeting their expectations and to identify areas of strength and improvement.

The Bank continued to monitor experience (NPS, CSAT, CES) measurements through the Customer Experience Management Platform launched in 2022.

Immediate feedback at the moment of the experience was collected via post-service surveys before the impact of the experience that customers have in the channels they receive service diminishes.

Enriching feedback channels

In 2023, DenizBank added two new channels to its feedback collection channels. The Bank collected feedback on 43 new transactions in existing channels and enriched its measurements. Within this year, a

total of 303 thousand feedbacks were received. In addition, 13 different ad-hoc surveys were conducted to obtain the opinions of DenizBank customers on various issues, such as their needs and expectations, satisfaction levels, and product usage habits.

Using NPS measurement and customer feedback, the root causes of negative points in customer journeys were analyzed in detail, and the results and solutions were shared with the relevant product/channel teams.

A "Customer Experience" library consisting of 16 interactive videos was created to explain how customers' perceptions of the Bank are formed and how different elements of the experience can be managed to improve customer experience.

Thanks to the customer experience strategy developed with a customer-oriented perspective, Net Promoter Score increased by 1.6 points year-on-year.



Responsible Supply Chain Management

DenizBank considers integrating environmental and social issues and ethical principles into its supply chain as one of its fundamental obligations.

➤ *Expecting its suppliers to exhibit environmental protection approaches, DenizBank requires suppliers with whom it establishes business relations to commit to responsible usage of natural resources and to support the spread of eco-friendly technologies.*

DenizBank encourages its suppliers, which are among its stakeholders, to internalize sustainability and considers integrating environmental and social issues and ethical principles into the supply chain as one of its fundamental obligations.

The basis of DenizBank's responsible supply chain management approach is to act fairly and respectfully and fulfill obligations on time. The Bank cares about its relations with the companies with which it does business and considers integrating the supply chain with ethical, social, and environmental factors as one of its main responsibilities. For this reason, Code of Conduct for Suppliers sets out the minimum standards of ethical, social, and environmental behavior that it expects suppliers of products and services to comply with.

DenizBank acts in compliance with international trade laws and expects its suppliers to comply with all relevant international trade laws and regulations. Accordingly, suppliers are required to avoid using forced labor, employing child labor, violating the rights of employees, demanding more than 55 hours of overtime per week and making discrimination among employees, and to determine compensation and remuneration under applicable labor legislation, to recognize the right to organize and collective bargaining rights of employees in accordance with the laws. In addition, the supplier is expected to know that it must create, record, and

store all business-related information accurately and in full compliance with applicable legal and regulatory requirements, and to be honest and straightforward in its communications with regulatory representatives and government officials.

Expecting its suppliers to exhibit environmental protection approaches, DenizBank requires suppliers with whom it establishes business relations to commit to responsible usage of natural resources and to support the spread of eco-friendly technologies.

Suppliers providing products and services to the Bank agree to comply with the "Code of Conduct for Suppliers." These rules have been developed in accordance with the International Convention on Human Rights and the human rights requirements set by the Organization for Economic Cooperation and Development (OECD) and the International Labor Organization (ILO). The Bank aims to ensure that all stakeholders in the supply chain comply with these ethical rules and operate within a sustainable business ethics framework.

In this context, suppliers are expected to unconditionally comply with the rules of business ethics under their own working conditions, to inform all employees of the rules of business ethics, to ensure that employees attach the necessary attention to and comply with these rules, and to ensure that the rules of business ethics are always accessible to their employees.

Code of Conduct for Suppliers

DenizBank Financial Services Group was established to provide various financial and technological services together with DenizBank A.Ş. under the same roof and this [Code of Conduct for Suppliers](#) refers to all legal entities within DFSG as of the signature date.

DFSG behaves fairly and respectfully and takes the necessary care to fulfill our obligations in a timely manner. DFSG cares about its relations with the companies with which it does business and considers integrating the supply chain with ethical, social, and environmental factors as one of its main responsibilities. For this reason, Code of Conduct for Suppliers sets out the minimum standards of ethical, social, and environmental behavior that we expect our suppliers of products and services to comply with.

Therefore, as a requirement of our responsible purchasing policy, we expect from our suppliers:

- To comply with the rules of business ethics unconditionally under their own working conditions,
- To inform all employees of the rules of business ethics and to ensure that employees pay due attention to and comply with these rules,
- To ensure that the Code of Conduct for Suppliers is always accessible to employees.

Every supplier working with DenizBank Financial Services Group has the right to access Code of Conduct for Suppliers through our website. This code of ethics is part of each call for offers/tenders issued by DFSG. We ask all our suppliers to read and understand this Code of Conduct for Suppliers, to act in accordance with the principles and values set out in this Code, and to ensure that they are complied with by their potential subcontractors and suppliers and they confirm this in writing.



Corporate Social Responsibility

DenizBank's social responsibility activities focus on issues promoting social development, such as education, arts, environment, gender equality, and sports.

Since the day it was founded, DenizBank has been working with the principle of service to its homeland; it acts with the goal of putting its shoulder to the wheel in every field that will advance the country. The Bank's social responsibility activities focus on issues that promote social development, such as education, arts, environment, gender equality, and sports. In 2023, the Bank has targeted the SDGs of quality education, economic growth, and gender equality, focusing on sustainability.

Our 2023 Initiatives Adding Value to Society

- > Istanbul State Symphony Orchestra (IDSO) DenizBank Concerts
- > International Puppet Festival
- > DenizBank First Screenplay First Movie Competition in cooperation with TÜRSAK (Turkish Cinema and Audiovisual Culture Foundation)
- > DenizBank Children's Opera
- > Support for the İMECE project implemented by the Community Services Foundation of Türkiye (TOVAK) for the repair of primary schools in need
- > Support to education together with Turkish Education Association
- > Özgen Berkol Doğan Science Fiction Festival
- > Support projects developed at the Güzel Ordu Culture and Arts Association to contribute to girls' art education

DENİZKÜLTÜR

DenizKültür, DenizBank's subsidiary established in 2004 to embrace artists and artistic productions, is engaged in valuable collaborations in performing arts and fine arts, such as classical music, opera, literature, theater, painting, ballet, cinema, as well as publishing in many fields, especially historical research, art, and literature, including travel books.

DenizKültür's activities include publishing books on science, art, and literature, production of audio and visual cultural materials, performing arts events, collection/exhibition activities for plastic arts and handicrafts, organization of campaigns in line with the social mission, and other cultural activities that will develop with ideas.

Culture and arts activities undertaken by DenizBank in 2023:

DenizBank Children's Opera

DenizBank Children's Opera aims to cultivate the love for culture and the arts in the hearts of children from an early age.

DenizBank First Screenplay First Movie Competition

Organized for the seventh time in 2023, DenizBank First Screenplay First Movie Competition is a platform that supports screenwriting, which forms the backbone of the art of cinema, and facilitates the contribution of qualified screenplays and films to Turkish cinema.

DenizBank VoiceUp A Capella Festival

Organized as a first in Türkiye to popularize acapella music performed without the use of instruments other than choirs and human voices, DenizBank VoiceUp A Capella Festival hosted 550 musicians, 40 choirs, and vocal groups from 25 countries, ranging from the Netherlands to Uruguay, from Türkiye to Denmark.

100th Anniversary of our Republic Concerts

The 100th Anniversary of our Republic Concerts kicked off on October 23rd with a spectacular performance at the CSO (Presidential Symphony Orchestra) Ada, the cultural and artistic center of the Capital Ankara. In the concerts conducted by Conductor Rengim Gökmen, State Opera and Ballet, Ankara State Polyphonic Choir and Istanbul State Symphony Orchestra, which has been supported by DenizBank for almost 20 years, veteran pianist Gülsin Onay, violin virtuoso Cihat Aşkın, three Tenors Şenol Talınlı, Aykut Çınar and Ayhan Uştuk, as well as Selva Erdener, Ezgi Karakaya, Görkem Ezgi Yıldırım, Burcu Hancı, Arya Su Gülenç, Atahan Dinç and many other important values raised by the Republic took the stage.

GaleriDeniz Exhibitions

Birlikte Geleceğe (Together to the Future)

Curated by Deha Çun, "Birlikte Geleceğe" (Together to the Future), an exhibition of sculpture and painting, brought together 80 works by 45 young artists.

Sanatın Dili (Language of Art)

Curated by Evren Başık, Sanatın Dili (Language of Art), an exhibition of sculpture and painting, brought together 36 works by 16 different artists.

İyilik İçin Sanat (Art for Good)

Mentored by Prof. Dr. Nedret Sekban and Aslı Özok, nine young artists who completed Atölye Pasaj, the production program of the Art for Good Association, presented their 60 works to art lovers for the first time at GaleriDeniz. DenizBank supported the production phase of the works in the exhibition by reserving guest workshops for young graduates of fine arts faculties for one year in order to enable them to continue their works with ease.

Singing Sea

The works by artists Emrah Önal, Furkan Depeli, Ozan Dursun, Sıtkı Eryılmaz, and Umut Can were exhibited under the organization of Hakan Körpi curated by Dr. Gizem Pamukçu.

Cumhuriyetin Yüzü (Face of the Republic)

Organized by İnci Aytaç, "Cumhuriyetin Yüzü" (Face of the Republic) exhibition brought together 21 works by painter Emirhan Bıçakçı, all of which were portraits of Ghazi Mustafa Kemal Atatürk.

DenizBank stands by sports and athletes

In addition to supporting culture and arts, DenizBank places great importance on raising successful athletes of the future, especially on allocating resources to Olympic sports branches. It extended the main sponsorship of National Football Teams, which was initiated in cooperation with the Turkish Football Federation (TFF), for another 3 years in 2023. In the new period, in addition to Men's and Women's National A football teams, eNational Football Team main sponsorship rights were included in the agreement in order to support the eFootball industry.

In 2023, DenizBank extended the main sponsorship of National Football Teams, which was initiated in cooperation with the Turkish Football Federation (TFF), for another three-year period.

Donations during the year

NAME OF INSTITUTION	AMOUNT-TL
TURKISH POLICE FORCE STRENGTHENING FOUNDATION	33,783,795
TURKISH EDUCATION FOUNDATION	11,300,000
EUOMOS ANTIQUE CITY EXCAVATION SITE DIRECTORATE	472,000
ISTANBUL COURTHOUSE	172,005
TURKISH JAPANESE FOUNDATION	150,000
METU DEVELOPMENT FOUNDATION	50,000
TOHUM TÜRKİYE AUTISM AND EARLY DIAGNOSIS FOUNDATION	50,000
ISTANBUL UNIVERSITY DEVELOPMENT FOUNDATION	30,000
AKUT - SEARCH AND RESCUE ASSOCIATION	15,000
TURKISH EDUCATION FOUNDATION	4,850
TOTAL	46,027,650



*for the
beyond*

Human Capital

In an effort to enhance the satisfaction, productivity, and contributions of our human capital, which constitutes our most valuable resource, we conduct our initiatives in this area under the "Human Resources" and "Occupational Health and Safety" headings. We conduct our operations under the guidance of our principles of transparency, participation, efficiency, and compliance with banking ethics.



Human Resources

DenizBank acts on the principle that the main basis for ensuring unconditional customer satisfaction lies in the policy of the right person for the right job.

➤ *DenizBank establishes its remuneration management system policy in a fair and reliable manner that encourages and rewards success and excellence and aligns with the market and prevailing conditions.*

DenizBank's Human Resources team recognizes that the main basis of ensuring unconditional customer satisfaction lies in the policy of the right person for the right job. The Bank implements a modern human resources management system in line with the principles of transparency, participation, efficiency and compliance with banking ethics. This system is shaped by the values that come from ENBD and constitute the corporate culture. The main objectives of the Bank's Human Resources Policy include recruiting employees who have team spirit, listen to customers, take responsibility, are development-oriented, think beyond originality, push their limits, create new opportunities, and influence and inspire their surroundings.

DenizBank Human Resources Policy

Within the framework of its Human Resources policy, DenizBank recognizes respect for people as the first condition for success and adopts it as one of its fundamental elements to provide a peaceful professional environment and physical working conditions where all employees can use and develop their talents and skills. In this context, information on in-house vacancies is first made available to existing employees and in-house opportunities are created for those who seek to explore career paths in alternate fields. Announcements are

open to all employees, and employees who meet the criteria can submit their requests to Human Resources processes. The main goal is to provide every employee with a fair and equal career opportunity. The Human Resources policy aims to provide a fair and peaceful working environment without any discrimination on the basis of language, religion, gender, ethnic origin, disability, marital status, age or other discriminatory factors.

DenizBank Remuneration Policies

DenizBank establishes its remuneration management system policy in a fair and reliable manner that encourages and rewards success and excellence and aligns with the market and prevailing conditions. This policy is implemented within the scope of equal opportunity policies. The remuneration policies are set in line with the principles and standards of merit and equality within the framework of international norms and legal regulations. They are in harmony with the Bank's ethical values, strategic goals, and internal balance.

"Fair and reliable remuneration management," one of the fundamental Human Resources policies and principles, aims to encourage and reward success and to provide employees with a fair wage and other benefits based on market conditions. This policy aims to create a fair working environment in the Bank and increase employee motivation.

New options to ensure sustainability of business processes

For DenizBank, 2023 was a year in which existing practices were further developed with an eye to the preferences and expectations of both employees and candidates, along with changing living conditions. The working model was reorganized, considering the opinions of the employees. In this regard, the options that ensure the sustainability of business processes through the implementation of work-from-home or work-from-office working models were offered to employees within the Bank. Considering the earthquake risk in Istanbul, a new working location will be opened in Ankara to back up Head Office departments in Istanbul to ensure business continuity. In the coming days, this process of change and transformation will continue to progress in line with the feedback from employees.

DenizBank implemented significant sustainable human resources projects in 2023. DenizBank Financial Services Group initiated its processes in 2023 in order to reduce its carbon footprint in its Human Resources projects re-designed on the sustainability axis.

In this context, the content of the welcome kit given to new employees in the first weeks of their employment was changed in order to reduce paper use. The contents of the package were reorganized with the products that both meet the needs of employees and mitigate the Bank's carbon footprint. Furthermore, the content of each document given to new employees to familiarize them with the corporate culture and current ways of doing business were digitized. In this application called Journey, employees were informed through digital documents in an end-to-end process ranging from human resources contact information to its practices.



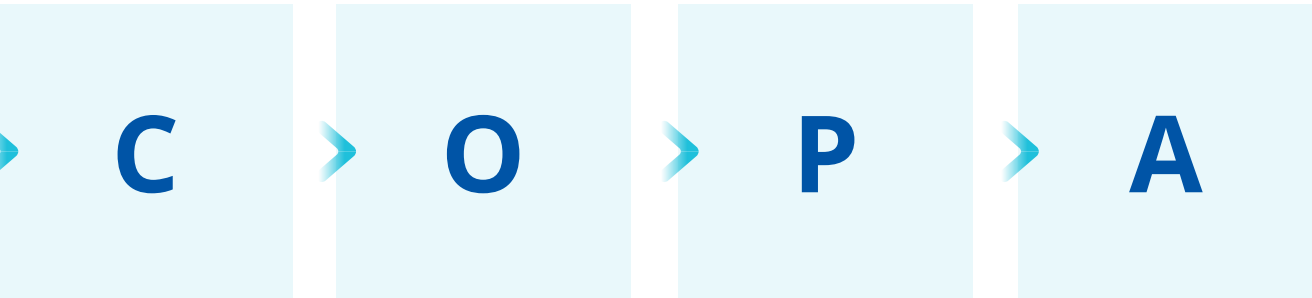
Sustainable Human Resources Projects

- > Training for SME RMs by Erguvan Sustainability Company
- > Coursera-DenizBank Sustainability
- > International Leadership Academy
- > TCMA (Turkish Capital Markets Association) - Sustainability Expertise Certificate Program
- > Sustainability 101 E-Training for all bank employees
- > Deniz Academy YouTube Channel - Women and Sustainability Broadcasts

Human Resources

In 2023, experienced and new graduates were recruited, and internship programs were provided to students in order to bring young talents to the banking sector and DenizBank.

Our values



Collaboration: We forge ahead together

- We connect people, teams and geographies.
- We respect our teammates and welcome participation.
- We listen to our customers to meet their needs in the best possible way.
- We contribute to positive team spirit.

Ownership: We take responsibility

- We assume responsibilities for ourselves, our team, and our relationships with customers.
- We take care of them to the end.
- We challenge when necessary.
- We contribute to positive team spirit.

Passion: We pace ourselves

- We think of the next step.
- We take action to improve products and services.
- We push the boundaries to determine what comes next.
- We do our job with passion.

Action: We are Resourceful and Creative

- We think creatively.
- We find opportunities to grow our business.
- We make the best use of what we have.
- We develop our skills for new opportunities.

Activities in 2023

In this year, experienced and new graduates were recruited, and internship programs were provided to students in order to bring young talents to the banking sector and DenizBank.

Instead of trying to eliminate the inequalities between our female and male employees arising from their social status with positive discrimination, we created equal opportunities for both parties through our efforts.

"Corporate MBA" and "Executive MBA" programs, which also offer business and human resources management training, continued for the development of our employees.

The Data Science Program went on also this year with different career and talent programs. Besides, the Banker to Developer program was organized for the first time this year for our employees who want to continue their careers as "Software Engineers" within Intertech, our subsidiary.

Promotion evaluations were carried out twice a year for promotions to sub-manager titles. Furthermore, the management evaluation processes continued within the scope of the career planning of our employees with the title of assistant manager. In technical exam, the success of our employees recommended for promotion to Branch Manager, was taken as a basis also this year.

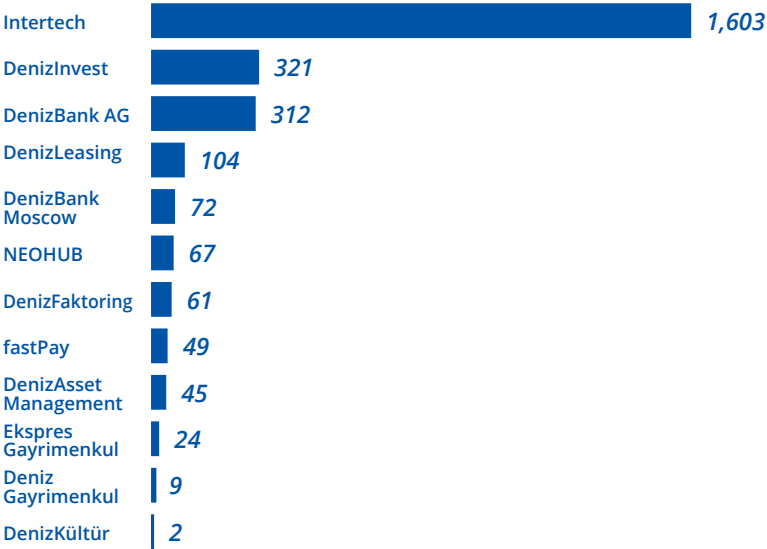
SOLO:
12,600 employees

DFSG:
15,256 employees

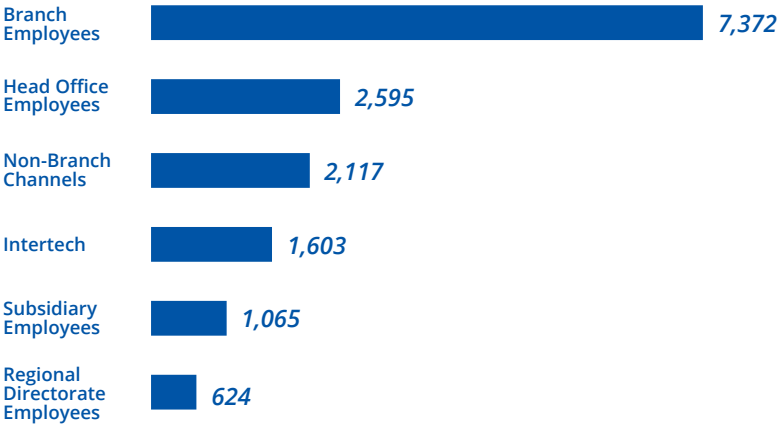
DenizBank implements a modern human resources management system in line with the principles of transparency, participation, efficiency and compliance with banking ethics.

EMPLOYEE PROFILE⁽¹⁾

Number of Employees by Company



Details on the Number of DenizBank Solo Employees



⁽¹⁾ Full-time employee data.

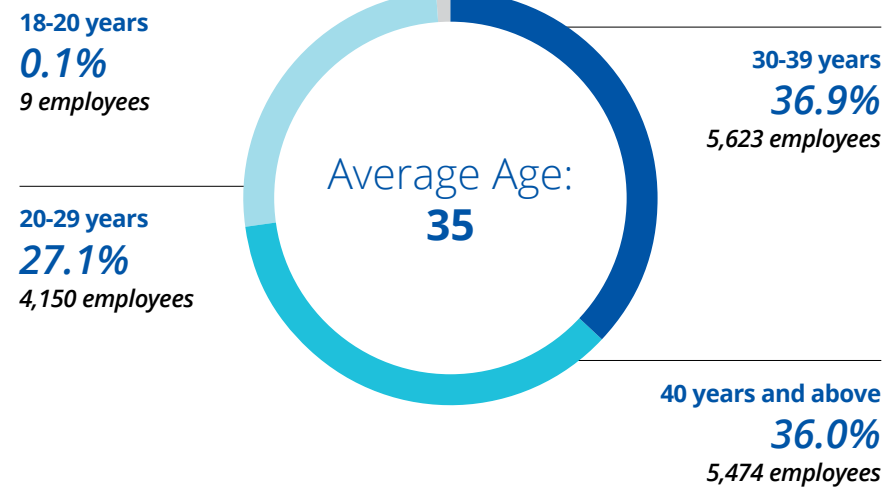
Human Resources

DenizBank acts with the principle of gender equality in the employment opportunities it provides by supporting women's participation in business life.

As of the year-end 2023, 52% of DenizBank employees were female. The Bank plays an exemplary role in the sector with this support for the participation of women in labor force.

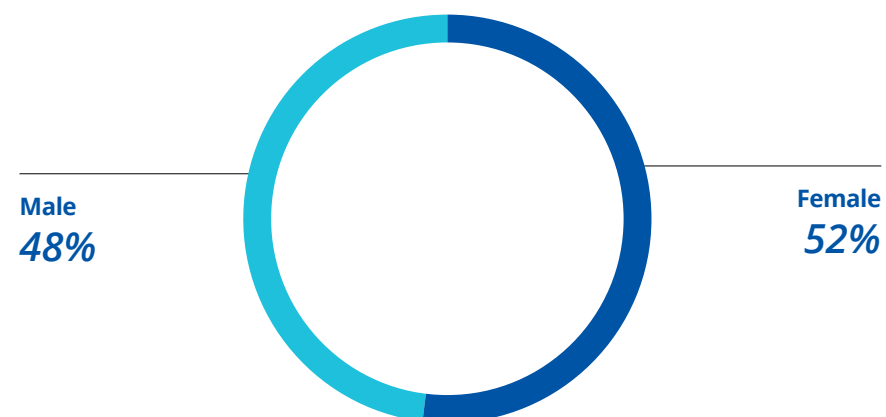
AGE DISTRIBUTION

(Including Overseas Employees)



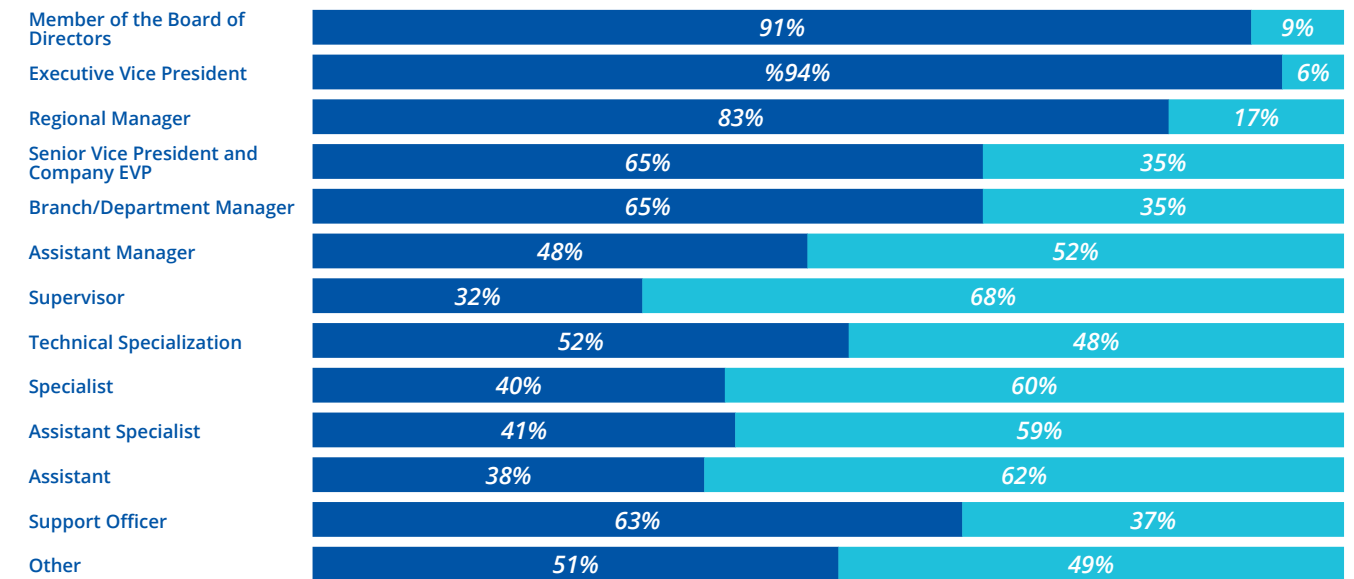
GENDER DISTRIBUTION

(Including Overseas Employees)

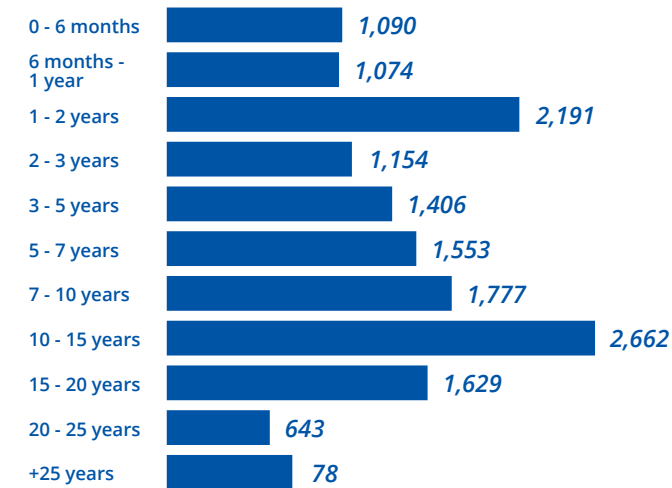


FTE by Gender⁽¹⁾

MALE FEMALE

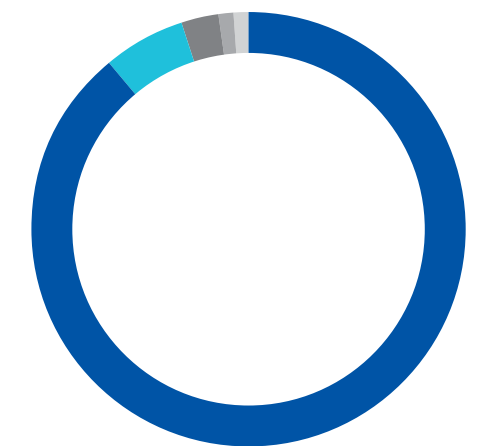


FTE by Seniority ⁽¹⁾



Average Seniority
7.1 years

Employees by Contract Type



Recruitment
3,072 people

Permanent Staff 13,652 (89%)
Contracted Staff 964 (6%)
Other 461 (3%)
Permanent Staff-Special Service Contract 102 (1%)
Fixed Term Contract 77 (1%)

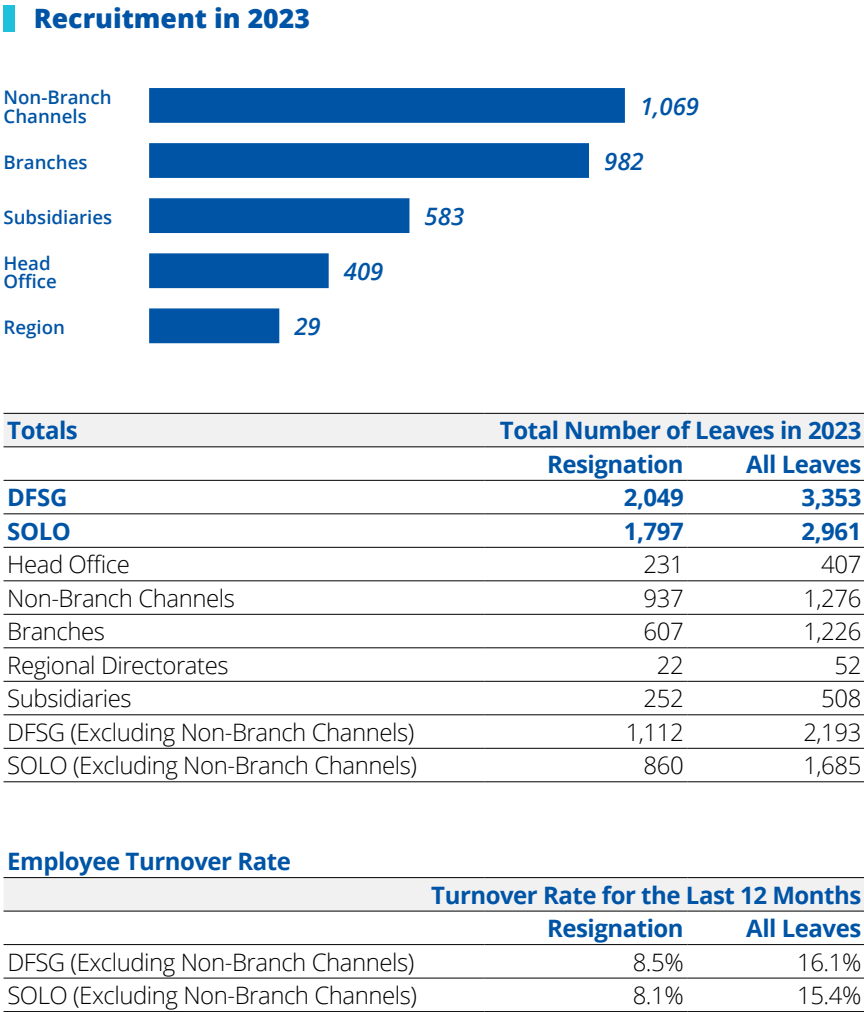
⁽¹⁾ Full-time employee

Human Resources

Adopting the power of dynamism in human capital, DenizBank recruits young talents who will be the bankers of the future.

➤ DenizBank aims to reduce the employee turnover rate every year by boosting employee satisfaction and loyalty.

Disabled Employees
3% with 399 employees with disabilities



DENIZ ACADEMY AND TALENT MANAGEMENT

Launched with the aim of adapting DenizBank's new recruits to the corporate culture as good sailors and preparing experienced employees for different roles by further increasing their competencies in line with their performance and potential, Deniz Academy carried out many productive activities, training courses and programs in 2023.

Throughout 2023, Deniz Academy reached all of its employees. In total, 10 people/day per person and 880 thousand hours of training were provided, 64% of which was online training. With this result, DenizBank became one of the corporate academies providing the highest number of training courses in the sector.

TRAINING BANKERS

Basic Development Program
These training programs are designed to train new employees as bankers and are divided according to business lines. In 2023, 1,800 employees were trained by Deniz Academy within 90 programs.

Above-Specialist Portfolio Development Programs
These are experienced portfolio training courses where employees who have come from different business lines based on the career opportunities offered by the Bank or experienced bankers who joined the DenizBank family from other banks meet and products, screens, business lines and processes are explained. In 2023, 417 employees completed 27 above-specialist programs.

TRAINING CAPTAINS

Assistant Manager Development Program
The "Development Center" practice implemented by Human Resources with the aim of identifying the strengths and improvement areas of employees in the managerial process, and the subsequent "Assistant Manager Development Program" were also executed in 2023.

The program consists of 3 modules and takes 5 days. Two separate sub-programs were designed for Head Office and branch employees. Both training courses and follow-up presentations are also held on the online platform. A total of 116 assistant managers completed the Assistant Manager Development Program in 2023.

Assistant Manager Technical Development Program-BOOTCAMP
Based on the "Everyone is a Talent at Deniz" approach, creating a climate where all employees can realize their potential and planning their career and development processes in line with their potential constitute the basis of talent management activities. With this approach, the "Technical Exam" was started to be held under the "Journey to Captaincy Program" designed for employees who serve as "Assistant Manager" and are candidates for the title "Branch Captain." A total of 330 assistant managers completed the Bootcamp program in 2023.

The Assistant Manager Technical Development Program-BOOTCAMP program was executed to improve the technical and managerial skills of Branch Captain candidates and prepare them for captaincy.

New Captains Club
It is a 13-day leadership and development program comprised by three modules and is attended by new Branch Managers, Regional Sales Managers, and Regional Operations Department Managers who were appointed after the Assistant Manager Development and Assistant Manager Technical Development Programs. It stands out as the longest ongoing leadership and development program in the sector. In 2023, a total of 94 branch captains and sales managers participated in the New Captains Club program.

Leadership School
Deniz Academy provides leadership training to newly promoted department and group managers within the Bank. The designed training addresses changing needs and global trends. The 6-month program includes in-class training sessions, practical work, digital learning resources and mentoring support.

The program aims to ensure that employees participating in this program become leaders who inspire and make an impact in the organization, become ready to manage larger teams and collaborations, and contribute to their roles by taking initiatives to start innovation in the Bank and managing change. In 2023, a total of 33 captains participated in the Leadership 101 and 201 programs.

Human Resources

In 2023, 3,072 employees participated in the new sailor orientation program.

With the development of technology and digitization, various certificate programs are prepared to be ready for the competencies of the future and to contribute to employees acquiring different areas of expertise.

SCALING UP THE CULTURE

New Sailor Orientation

All new employees first complete orientation programs. This program consists of two phases. Branch employees first receive on-the-job orientation from experienced employees at a different branch during their first week of employment. Secondly, before the end of their first month, they participate in a 4-day orientation program, which includes mandatory training sessions, attended by Head Office employees together with all business lines. In 2023, a total of 3,072 employees participated in the new sailor orientation program.

TRANSFORMING THE WORKFORCE

Data Science School

Numerous employees have graduated from this program of Deniz Academy, which aims to provide the necessary basic computer and mathematics/statistics knowledge, the ability to apply big data technologies to problems in different fields, to gain the ability to conduct research, and to teach the research topics brought by the latest developments in the field of data science.

During the program, in addition to face-to-face and online training courses, participants have the opportunity to learn from online resources (Coursera) and by experiencing each other's learning areas, which will support their individual development. The Data Science School, which has been working on the development and customization of the training program since its foundation, was shaped by expanding within the framework of the 2023 academic period.

Experienced data scientists were assigned as mentors for those recruited in 2023. Seminars and ecosystem meetings are organized every month where all data scientists can come together and share knowledge. In 2023, a total of 41 employees participated in the Data Science School programs.

PMO (Project Management Office) Programs

It is the general name of the Competency Development program, consisting of more than one stage to develop the technical and leadership skills of Project Management teams. The stages include evaluation processes, technical and competency development training, and foreign language training. A total of 44 employees attended PMO programs in 2023.

Entrepreneurship Certificate Program

With the development of technology and digitization, various certificate programs are prepared to be ready for the competencies of the future and to contribute to employees acquiring different areas of expertise. The Entrepreneurship Certificate Program is available to all employees, ranging from those within the Bank's subsidiaries to the Head Office teams, as well as from branches to regional directorates. Projects are developed with the employees who have moved to the last stage of the program, which is carried out in two phases through both face-to-face and online training. In addition, Demo Day, where project presentations are made to the managers of the relevant business line, stands out as an important part of the certificate program. In 2023, a total of 362 employees attended the Entrepreneurship Certificate Program.

Data Literacy Certificate Program

This certificate program is designed for Head Office employees only. In this program, which divides the training into modules, participants are divided into 101, 201, and 301 classes according to their level of knowledge. Participants, who have completed the assignment training, are invited to the classroom training. The program covers the topics such as "what is data," "data types," "understanding tables," and "visualization," depending on the level of knowledge. For example, while basic data topics are covered through Excel in the 101 class, Excel and SQL are taught at an introductory level in the 201 class, and more in-depth content through SQL in the 301 class. In 2023, 27 employees were entitled to receive certificates as part of the Data Literacy Certificate Program.



Coursera

Nowadays, in-person learning has become a more convenient alternative due to the advancements in online training, technology and methodology, and demand for the skills that are not acquired through traditional channels. Therefore, the Coursera accounts are defined for employees. A total of 330 employees participated in Coursera training in 2023. This number is planned to reach 1,250 in 2024.

English Exam Practice

DenizBank has a "Language Compensation" practice to encourage foreign language development of its employees. In this context, the initial participation fee for TOEFL and IELTS exams is covered by the Bank. Deniz Academy is responsible for selecting the company where the relevant exam will be held, determining the employees who will take the exam, preparing the technical infrastructure for the exam, and sharing the results with the Human Resources teams. In 2023, a total of 1,230 employees participated in this exam.

CONTRIBUTION TO BUSINESS OUTCOMES

Investment School (Investment Products and Strategies-Manager and Below)

The "Investment School" training, which started at the end of 2022, is a training program progressing in parallel with the Bank's Investment Banking strategy, in which more than 2,800 Retail, SME, Agriculture, and Commercial portfolio and sales managers received training in 2023. The training was given first to more than 600 branch managers and then the remaining were trained by 54 branch managers, who were selected as a result of an exam held for branch managers and trained as trainers.

Dynamic RM Training Programs

In order to optimize the training processes of Sales Managers and Relationship Managers working in branches within the scope of Dynamic RM, their educational background is evaluated at first. Training is carried out by identifying the employees who have not received the Overview of Agriculture, Legal Entity Customers in Agriculture, and KBI and Allocation training courses. In 2023, 262 employees attended such training.

Human Resources

DenizBank employs fair and transparent recruitment procedures in order to create a highly loyal, productive, and successful human resource, become a preferred brand in its sector, and acquire the most valuable talents for the Bank.

➤ *In 2023, Deniz Academy YouTube channel reached 150 thousand subscribers with more than 4 million views. Offering over 350 videos and 150 shorts (short videos), the channel delivers educational content on youth, life, and professional topics through the contributions of 168 content creators, with 35% of them being internal trainers.*

Credit School

Credit and Allocation teams serving at the Head Office and Credit Regional Directorates are provided with 4-module "Credit Process Management, Financial Analysis, Early Warning Signals, and Collateralization" training courses under the Credit School. The training on Collateralization, one of the Bank's top priorities, is one of the primary Credit School training courses given to employees working in sales and operation positions at branches. As part of the Credit School, branch managers also organize "Sector-Based Credit Talks" to refresh the knowledge of participants on credits and ensure that they keep abreast of the current agenda. In 2023, 938 employees participated in this training category.

CONTRIBUTION TO COMMUNITY

Deniz Academy YouTube Channel

In 2023, Deniz Academy YouTube channel reached 150 thousand subscribers with more than 4 million views. Offering over 350 videos and 150 shorts, the channel delivers educational content on youth, life, and professional topics through the contributions of 168 content creators, with 35% of them being internal trainers.

Talent Management

DenizBank applies fair and transparent recruitment procedures in order to create a highly loyal, productive, and successful human resource, become a preferred brand in its sector, and acquire the most valuable talents for the Bank. In 2023, DenizBank Financial Services Group (DFSG), serving in 655 branches with 15,256 employees in the country and abroad, adopts the principle of providing equal opportunities to its employees, training today's and future managers within its organization, and prioritizing in-house human resources in career opportunities.

The Bank aims to recruit its executives predominantly from within its own organization. Based on the "Everyone at Deniz is a Talent" approach, the "Journey to Captaincy Program" processes continued in 2023 in order to create a climate where all employees can fulfill their potential and plan their career and development processes in line with their potential. In this context, 1,264 branch captain candidates were included in the "Technical Exam" practice.

In 2023, a total of 1,951 employees were promoted to managerial and lower-managerial positions, and 86% of the managerial appointments were made among existing employees. During the year, 2,668 employees were transferred horizontally and vertically in line with their career maps, and the positions of 2,558 employees were changed.

FORA Team Leadership is an activity where Non-Branch Channels Group (Mobile Sales, Call Center, Telemarketing & Collection) employees participate on their journey to be assigned as Team Leaders. In 2023, 36 DenizBank employees completed their journeys and were assigned as Team Leaders. The PRUVA process, a one-month training and evaluation program for Non-Branch Channels Group employees during their transition to branch sales positions, aims to prepare employees for their new duties by taking advantage of the knowledge, background, and experience of journey guides assigned within the branch. In 2023, 46 employees were appointed to their new roles after successfully completing the process.

In 2023, one-on-one interviews were held with employees, and feedback was received from relevant employees and managers on the issues they raised. In this context, actions were taken to address the issues raised in interviews conducted face-to-face and through online platforms with 6,405 employees.

In 2023, DenizBank offered internship opportunities to 1,196 students in order to acquire young talents for the banking sector and the Bank.

3,795 students applied to the Pearls of the Sea Plus Internship Program for university senior students, and 80 students were offered internship opportunities for six months, three working days a week. In addition, 220 students completed their internships in the Pearls of the Sea Internship Program designed for 2nd and 3rd-year university students, and 800 students completed their internships in the Overseas Internship Program conducted online for 1st-year university students. In addition, 96 students were accepted to the First Step at Sea Internship Program planned for senior students of the Vocational High School of Commerce.

During the internship period, process evaluations are made by meeting with the students. Students who completed the Pearls of the Sea Plus Program were considered in line with the Bank's needs, and 33 interns were hired. Two interns who completed the Pearls of Deniz Plus Internship Program and were successful in exams and case studies completed their internship at DenizBank AG in Vienna.

Enabling its employees to explore new fields in line with their interests and competencies through various career and talent programs, the Bank launched the 6th "Data Science Program." Bank employees with strong analytical skills who wish to continue their duties in this field, were included in the online/face-to-face training

organized in cooperation with Deniz Academy and TED University after the technical exam and interview stages. During this period, 12 employees were reassigned as Data Scientists, and 29 Junior and Senior Data Scientists were recruited and participated in the program.

A total of 22 employees who wanted to continue their career journey as software engineers were included in the "Banker to Developer Program." In the 10th "Corporate MBA" program organized in cooperation with DenizBank and Bahçeşehir University, 23 Bank employees selected after the exam and interview stages participated in face-to-face and online courses at Bahçeşehir University campus.



Human Resources

Believing in the importance of diversity and inclusion, DenizBank offers decent working conditions to all employees without discrimination based on language, religion, race and gender.

➤ DenizBank aims to fully comply with the fundamental principles set out in international human rights documents, such as the UN Universal Declaration of Human Rights, the Convention for the Protection of Human Rights and Fundamental Freedoms, and International Labor Organization Declarations and Conventions.

DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY

Full compliance with fundamental principles of human rights

DenizBank aims to fully comply with the fundamental principles set out in international human rights documents, such as the UN Universal Declaration of Human Rights, the Convention for the Protection of Human Rights and Fundamental Freedoms, and International Labor Organization Declarations and Conventions. The Bank operates in full compliance with the legal framework and legislation governing human rights and labor in Türkiye.

Believing in the importance of diversity and inclusion, the Bank offers decent working conditions to all employees without discrimination based on language, religion, race, and gender. In line with its corporate values and culture, it guides all human resources practices in accordance with the principle of social diversity and equality.

DenizBank contributes to the achievement of personal and professional goals of its employees through performance, development, and feedback programs.

Human resources management that prioritizes transparency, trust, respect, and justice

In line with DenizBank's management approach that respects human rights, offers equal opportunities, and is based on mutual trust and communication, its human resources policies, which are prepared to enable its employees to fulfill their duties in the best way possible, are based on the principles summarized below:

- To provide all employees with a professional environment and conditions in which they can use and develop their talents and skills without any discrimination between individuals,
- To deliver adequate wages and other benefits under today's market conditions,
- To support employees in managing their careers through training and internship opportunities that will contribute to their development and increase their success,
- To promote employees who fulfill the requirements of a higher position within the framework of their career plans,
- To prepare the ground for new ideas and find solutions to problems in mutual trust, understanding, and communication,
- To establish systems that encourage and reward success and excellence.

The Bank's policies, principles, and approaches regarding human resources are published on the "DenizPortal" intranet, which is easily accessible by all employees through procedures and process instructions.

All employees of DenizBank and its subsidiaries must comply with ethical principles. In case of differences between domestic legislation and principles, domestic legislation prevails.

BUSINESS ETHICS

Ethical Principles Policy

The Ethical Principles Policy determined and disclosed to the public by DenizBank includes behavioral standards related to laws, internal policies, mission, and values. The Principles apply to all employees as well as the Board members and Executive Committee members.

All employees of DenizBank and its subsidiaries must comply with ethical principles. In case of differences between domestic legislation and principles, domestic legislation prevails.

- Within the scope of DenizBank's business ethics principles, all employees must;
- Comply with legal regulations. Be able to recognize when a legal requirement is not being fulfilled or when asked to take action contrary to internal regulations and inform his/her immediate supervisor or refer the matter to the reporting channels available for ethical issues.
 - Be aware of ethical principles and follow the rules while performing their duties, and avoid inappropriate behaviors.
 - Understand the rules in regulatory documents and know which document they should refer to if necessary. Act in accordance with the internal regulations related to their duty.

- Treat coworkers with respect and help new employees.
- Complete their tasks accurately and on time, aim to find the most appropriate solution, and be aware of their responsibilities.
- Admit their mistakes and inform their managers and colleagues to minimize possible negative consequences.
- Assist the Bank's management in reviewing transactions that violate the Principles.

DenizBank launched the "Ethics Hotline" to enable employees to safely and confidentially report any actions, such as embezzlement, misconduct, bribery, and corruption that may damage the Bank's reputation and cause conflicts of interest and financial losses. Notifications can be made directly to the Compliance Officer via any communication method including telephone, e-mail, and the Bank's internal portal.

Employees are encouraged to seek assistance from their immediate manager or the Ethics Hotline in case of any hesitation regarding the application of the principles or doubts as to whether the principles are complied with.

Insider trading and market manipulation

It is against the law for employees, who have the opportunity to learn any information about the Bank before it is disclosed to the public, to use this information for their own or a third party's benefit.

All employees are obliged to comply with the following rules regarding insider trading and market manipulation:

- Investments should not be made in the financial instruments of companies about which inside information has been obtained, and others should not be advised to make such investments.
- Inside information should not be shared with anyone outside the Bank, including family members, before it is officially disclosed to the public.
- Inside information should be communicated to other employees of the Bank only in accordance with the relevant regulations.
- Transactions aimed at manipulating market prices should not be carried out, and false or inconsistent information should not be provided.
- Personal investments in financial instruments must comply with the Bank's relevant policies and procedures.

Human Resources

DenizBank is committed to full compliance with national and international legal regulations and ethical and professional principles to prevent bribery and corruption.

➤ *DenizBank developed systems for all employees to confirm their acknowledgment and understanding of the Anti-Corruption Policy provisions, as well as to facilitate necessary reporting in this regard.*

ANTI-CORRUPTION

DenizBank has established "DenizBank Anti-Corruption Policy" within the framework of relevant laws, current legislation, business principles, and best practices.

DenizBank is committed to full compliance with national and international legal regulations and ethical and professional principles to prevent bribery and corruption. The Bank maintains the highest standards in its services and activities in line with the principles of honesty, transparency, accountability, and impartiality.

DenizBank defined its duties, responsibilities, and objectives, as well as the basic principles of the system in relation to anti-corruption.

Within the scope of the Anti-Corruption Policy, the Bank promises to;

- Comply with laws and regulations, universal rules of law, and ethical principles,
- Develop an anti-corruption culture among its employees and natural persons/legal entities that are/ are not its customers through information and training,
- Make controls related to the implementation of policies and procedures,
- Take necessary measures by developing actions to identify and limit corruption activities.

The Policy, approved by DenizBank's Board of Directors, establishes a general methodology in this respect and enables the Bank and its subsidiaries to apply the same approach.

DenizBank developed systems for all employees to confirm their acknowledgment and understanding of the Anti-Corruption Policy provisions, as well as to facilitate necessary reporting in this regard.

Furthermore, for the purpose of ensuring sustainability and raising employee awareness in practice, in-class and systematic training sessions are provided to employees on the Policy provisions and anti-corruption issues, and announcements are made at regular intervals.

In case of violation of the Anti-Corruption Policy, depending on the nature of the incident, disciplinary penalties/judicial sanctions may be imposed, which may lead to termination of employment in accordance with the relevant Turkish laws and Bank practices.

In addition to employees; suppliers, contractors, customers, and other third parties must also fully comply with the principles of the Anti-Corruption Policy and other relevant regulations. In this context, relevant provisions are included in documents, such as contracts, agreements, and protocols concluded with counterparties.

DenizBank Financial Services Group celebrated its 25th anniversary in 2022 and said, "Beyond is Deniz." In this context, all communication channels have were updated under the umbrella of "Beyond is Deniz."

INTERNAL COMMUNICATION ACTIVITIES

DenizBank Financial Services Group celebrated its 25th anniversary in 2022 and said, "Beyond is Deniz." In this context, all communication channels have were updated under the umbrella of "Beyond is Deniz." As part of the new project, internal communication channels were expanded and employees' special days were celebrated via the Human Resources e-mail address. These communications, presented to the entire organization on both general and special occasions, were supported with communication designs specific to certain employee groups in processes involving specific situations.

In the period covering the whole year, special days were celebrated with the activities which also involve employees. Especially in January, New Year's celebrations were marked by an atmosphere that was replete with decorations and organizations at the Head Office building.

In February 2023, the catastrophe, caused by the earthquakes that centered in Kahramanmaraş, shocked the entire country and deeply saddened us. Upon receiving the news of this painful event, all employees in the Human Resources team immediately called their colleagues working in the earthquake zone and assessed the emergency assistance situation. In line with the feedback from employees, basic needs were quickly provided and communication with employees was maintained throughout the process.

As part of April 23rd National Sovereignty and Children's Day, the needs of children in the earthquake zone were met as part of the "From Me to You" project where all employees within the organization attended.

2023 has been a year of great importance for our country and DenizBank. This year, under the slogan "One heart, one color on the 100th anniversary of our Republic," DenizBank's shared spaces and lobby were decorated with special ornaments to reflect the enthusiasm about the Republic. Every employee who entered the Head Office building experienced this energy with live music and common ground. In addition, as part of the 100th anniversary celebrations, we participated in the Istanbul Marathon on behalf of the Turkish Education Association, reinforcing this special atmosphere further.

The practices aimed at increasing employee motivation included distribution of tickets to DenizBank employees for the concerts by the Istanbul State Symphony Orchestra (IDSO) with announcements made every week. In the theater events organized in certain periods, announcements were made in the same way and all employees were informed.

In 2023, we also attached importance to sports activities within the organization by launching two clubs, namely the DenizBank Volleyball team and Women's Basketball team, which are open to the participation of all employees.

In addition, organizations and activities implemented to contribute to the personal development of employees and increase their motivation include Leasing Day, Treasury Day, NCC (New Captains Club), Pearson English Exam, Leadership at Deniz 101-201, Entrepreneurship Certificate Program, Data Literacy Certificate Program, BAU MBA, Pruva Process, Elective Leadership, PMO.



Occupational Health and Safety

DenizBank provides a safe and healthy working environment, fulfills national and international legal requirements in its processes, and follows them through its activities.

➤ *In 2023, the occupational health and safety awareness of 600 employees was reinforced through face-to-face training and e-learning given to DenizBank employees, and 224 hours of face-to-face occupational health and safety training was provided to the personnel.*

DenizBank cares about the health and safety of all its employees and business partners. Within the scope of the Occupational Health and Safety (OHS) Policy, it provides a safe and healthy working environment, fulfills national and international legal requirements in its processes, and follows them through its activities.

Occupational safety specialists and workplace physicians work, focusing on people and culture at the Head Office buildings. Monthly field inspections are carried out and regulatory and preventive action reports are prepared. The OHS Board holds quarterly meetings to monitor the processes. The Employer's Representative, OHS Specialist, Occupational Physician, HR/Social Affairs Representative, Employee Representative, and other employees participate in these meetings. Various issues, such as accidents, training, audits, and the details of actions to be taken, are discussed in presentations. The priority in all work environments against the negative effects of factors that threaten occupational safety and human health is to identify risks and eliminate them at the source. Identified risks are graded using the Fine Kinney Method and control measures are decided. Risk Assessment and Emergency Plans are created based on the analysis of hazards and risks, and each occupational accident is followed up and updated in the risk assessment. Annual training and work plans are prepared and implemented.

In cases such as near misses, dangerous situations, and occupational accidents, root cause analysis is performed in accordance with the Accident/incident investigation procedure in the Bank's OHS Implementation Principles, and fast and effective solutions are determined and implemented. Face-to-face and online OHS training sessions are provided at Deniz Academy on a regular basis. In order to protect the health of employees, their suitability for the job they will perform is evaluated by workplace physicians through an admission examination during the recruitment phase. Employees undergo periodic health screenings conducted by workplace physicians to ensure continuity. Furthermore, dietitian and sports instructor services are provided free of charge to ensure the well-being, fitness, and psychosocial well-being of employees.

DenizBank regards its employees' access to a safe work environment and healthy working conditions as an important responsibility. The Bank adopts comprehensive Occupational Health and Safety (OHS) management to prevent all kinds of accidents, losses, and occupational diseases that may occur during work. Potential accident scenarios are identified, and preventive measures are taken. Developments such as accidents, training, audits, and actions to be taken are documented in detail within the Occupational Health and Safety Board Meeting Minutes to be submitted to the DenizBank Board of Directors quarterly.

Monthly audits are conducted on the Bank's Exterior Facades, General Floor, Podium Floors, Parking Lot, Dining Hall, and Deniz Bazaar floor to determine the risks in the area and to report the measures that need to be taken against major risks that may arise to the authorized units regularly.

Necessary training is provided to the personnel before and after the occupational accident. Throughout the year, Annual Work Plan, Annual Training Plan, Annual Evaluation Report, Emergency Plan, and Risk Assessment Report are prepared.

DenizBank operates with 15,256 employees covered by its occupational health and safety system. Thanks to the Bank's field of activity and systematic efforts in occupational health and safety, there are no serious incidents such as occupational diseases or fatal work accidents. Occupational accidents, on the other hand, are very rare. In 2023, 51 occupational accidents were reported, while the total leave time (days lost) used by 6,175 employees who received medical reports was 53,805 calendar days. If we divide this figure by the number of employees, the figure indicates that the average sick leave day per employee is 3.5.

Improvements were also made in the near miss and occupational accident processes to enhance the learning experience from each incident, including near misses, to capture development opportunities by completing root cause analyses of incidents, and to strengthen the communication flow during the incident. Each occupational accident was investigated, and necessary corrective actions were taken.

In addition, accident frequency rate, accident severity rate, number of occupational diseases, occupational disease rate, vehicle accident rate, sports accidents, total OHS training hours, examinations and health screenings conducted within the scope of OHS, and records of near misses

and dangerous situations are regularly monitored. In this context, OHS priorities are defined. The Bank sets three- and five-year targets in line with the developments in the monitored indicators.

Training courses delivered within the scope of Occupational Health and Safety

- Occupational health and safety training for new employees as well as for existing employees who require training update,
- Training on information about labor legislation, legal rights and responsibilities of employees, workplace cleaning and order, and legal consequences arising from occupational diseases,
- Training on the causes of occupational diseases, application of disease prevention techniques, chemical, physical, and ergonomic risk factors, manual lifting and handling, glare, explosion, fire, and fire protection, safe use of work equipment, working with screened tools, electrical hazards,

- risks and precautions, causes of occupational accidents, and application of protection principles and techniques,
- Training on safety and health signs, use of personal protective equipment, general rules of occupational health and safety and safety culture, evacuation and rescue, what to do in case of an earthquake, and occupational health and safety in remote/home working,
 - Training on emergency measures and response methods taken in the workplace and workplace safety policy,
 - Post-work accident training for staff who have had an occupational accident,
 - Newly appointed employee representatives and employer representatives are trained.

In 2023, the occupational health and safety awareness of 600 employees was reinforced through face-to-face training and e-learning given to DenizBank employees, and 224 hours of face-to-face occupational health and safety training was provided to the personnel.



*for the
beyond*

Natural Capital

We integrate sustainability with all of our processes out of respect for the importance of preserving our planet and our natural resources, and leaving an habitable world to the future generations. We position our natural capital under the headings of "Environmental Management and Combating Climate Change," "Energy and Emissions Management," "Water Management," and "Waste Management."



Environmental Management and Combating Climate Change

In 2023, DenizBank continued to undertake crucial activities on combating climate change.

➤ *DenizBank started to work with Erguvan, a climate and finance technology initiative, to systematically calculate the carbon footprint of its operations and offer this service to its customers.*

Environmental management is a discipline aiming to reduce environmental pollution and protect ecosystems by sustainably using natural resources. In this context, responsible behaviors of industries, governments, and individuals come to the forefront. The key components of environmental management are the companies reducing their environmental impact, minimizing waste, and increasing energy efficiency. The governments, in turn, should promote sustainable development through environmental policies and regulations.

Global cooperation is required to tackle the adverse impacts caused by climate change, such as temperature increases, extreme weather events, and sea level rise. Measures such as transition to clean energy sources, efforts to reduce carbon emissions, protection of forests, and sustainable agricultural practices are effective steps in combating climate change.

In 2023, DenizBank continued to undertake crucial activities on combating climate change. The Bank maintains its efforts to incorporate its sustainability strategy into all business processes and to strengthen its sustainable infrastructure. In this context, DenizBank strives to implement many activities ranging from determining KPIs with the senior management to developing a decarbonization strategy roadmap, from identifying risks and opportunities due to climate change to integrating physical and transition risks that DenizBank customers will be exposed to into all processes.

DenizBank has three policies and seven procedures set under the Sustainable Management System (SMS). The Sustainability Policy, Direct Environmental and Social Impacts Policy, Policy on Environmental and Social Impacts on Lending Processes, as well as Exclusion List, are disclosed to the public on the Bank's website.

Our Journey to Reduce Our Carbon Footprint Continues...

Carbon Management

- We have created our roadmap to establish a Carbon Management System.
- In cooperation with Erguvan, we are moving carbon footprint management to digital infrastructure.
- We install SPP for our own consumption.

Waste Management

- We installed Waste Management System in all of our service units.
- We applied for the Zero Waste Certificate for all locations.

Science-based Goals

- Within the scope of the Carbon Disclosure Project (CDP), we disclosed our "Climate Change" and "Water Security" approach for the first time.
- In 2024, we will calculate our portfolio emissions with science-based methodologies.

The Bank calculated its emissions from its operations and published them for the first time in 2023. In addition to its decarbonization-targeted activities, it created a roadmap to establish a Carbon Management System in order to calculate the emissions related to its portfolio and manage this process, taking a firm step to share its strategy/ targets for decarbonization through science-based methodologies with the public. It aims to complete its activities on decarbonization strategy in 2024.



DenizBank started to work with Erguvan, a climate and finance technology initiative, to systematically calculate the carbon footprint of its operations and offer this service to its customers.

Providing comprehensive banking services to its customers in every province of Türkiye, DenizBank established a Waste Management System in its service units including the Head Office, Regional Directorates, and all branches, and started to apply for Zero Waste certificates.

In 2023, DenizBank made "Climate Change" and "Water Security" disclosures under the Carbon Disclosure Project (CDP), which is one of the platforms for combating climate change on a global scale. With regard to the disclosures, its Climate Change score is C and its Water Security score is B-.

Energy and Emission Management

DenizBank Head Office building features being the first project in Europe certificated at LEED v4 Gold level.

DenizBank acts with the awareness of its responsibilities in combating climate change, engaging in activities to include renewable energy sources more in its processes.

Today, climate change has become a global threat and the financial sector plays an important role in solving this problem. The banking sector goes beyond the mere aim of ensuring economic growth and financial stability, focusing on sustainability and climate-friendly practices and, in this context, attaching importance to energy and emission management.

Various mechanisms have been developed to invest in and support projects aimed at minimizing environmental impacts through green loans, sustainable bonds, and similar financial instruments. In addition, the sector assumes an exemplary role by making commitments to increase energy efficiency and reduce its carbon footprint in its operations. Investing in renewable energy sources and strategies to monitor and reduce energy consumption are effective tools to achieve sustainability goals in the banking sector.

It focuses on climate risk management to anticipate and mitigate financial risks related to climate change. In this context, it takes steps, such as assessing the potential impacts of climate change on financial portfolios, developing strategies to cope with risks, and offering climate-friendly financial products to customers.

We mainstream environmental sustainability across our entire value chain
DenizBank acts with the awareness of its responsibilities in combating climate change, engaging in activities to include renewable energy sources more in its processes. It implements sustainable projects to reduce emissions from its operations. In order to raise awareness among its customers and stakeholders, it organizes many awareness-raising organizations, ranging from training programs to campaigns.

DenizBank monitors its environmental impacts under two categories: direct and indirect. The Bank manages the direct impact of its operations in accordance with sustainability-related policies (Direct Environmental and Social Impacts Policy/ <https://www.denizbank.com/en/investor-relations/sustainability>) as well as national and international laws, legislation, regulations, and best practices.

DenizBank Head Office building features being the first project in Europe certificated at LEED v4 Gold level. Diesel vehicles in the Bank's fleet were replaced by eco-friendly hybrid vehicles.

In order to reduce the consumption of natural resources, mitigation strategies were established, and automation investments were initiated to increase energy efficiency, primarily in the Bank's buildings. Furthermore, legal processes have been completed for the establishment of a solar power plant to meet its own consumption, with the aim of initially reducing and then completely eliminating Scope 2 emissions. Planning to meet its immediate self-consumption with the power plant's production, the Bank is conducting long-term studies on meeting the rest of its energy needs from renewable energy sources.

In the first phase of DenizBank's environmental impact disclosure journey, Scope 1, 2, and 3 greenhouse gas emissions for 2023 were calculated and passed the independent limited assurance audit.

Scope 1 emissions (tons CO₂e)
13,085
Company vehicles (unleaded and diesel gasoline), fossil fuels, natural gas, fuel oil, coal, diesel for heating, diesel for generator, LPG

Scope 2 emissions (tons CO₂e)
22,614
Electricity supplied from the national grid

Scope 3 emissions (tons CO₂e)
26,598*
Purchased services, waste from operations, business travels, employee expenses (shuttle service, remote working, meal card, etc.)

*Emissions from electronic uses were included in the 2023 Scope 3 emissions. Reductions in Scope 3 emissions were achieved despite the expansion of the scope.

Effective processes for managing indirect environmental impacts
DenizBank monitors the lending processes with an effective environmental and social risk management system.

DenizBank monitors the lending processes, one of the leading elements of its indirect environmental impacts, through an effective environmental and social risk management system. Credit requests are assessed with an eye to environmental and social factors in addition to economic ones within the framework of the Bank's credit policies, and the Environmental and Social Impact Assessment (ESIA) model is applied in this process. As a result of the evaluation, final risk scores are defined for the projects classified as low, medium, and high risk.

E&S Risk Assessment
The environmental and social assessment system for projects of USD 10 million and above to be financed within the scope of project finance is carried out by the Project Finance department as well as for all agricultural commercial customers and loans for all segments (limited to loans obtained from international financial institutions), the assessment is conducted by Agricultural Loans R&D and Loans Sustainability Management department.

It is aimed to fully systematize the structure in 2024 and apply it to all loans (except retail loans).

DenizBank performs various activities to raise the share of financing of investments having positive environmental impact in its loan portfolio by focusing on carbon emission reduction. These efforts aim to minimize environmental and social negative impacts by complying with sustainability principles. In this context, a Sustainable Finance Framework was prepared. A second-party opinion on the Framework was obtained from ISS Corporate Solutions and published on the Bank's website. Under the Sustainable Finance Framework, in addition to green and sustainable debt instruments, social debt instruments that create positive social impact can also be issued to finance projects that promote the transition to a low-carbon and climate change-resilient economy.



Water Management

DenizBank monitors its indirect impacts on water, a natural resource, through the operations of the customer portfolio it finances and manages them effectively within the scope of the "Policy on the Management of Environmental and Social Impacts in Lending Processes."

➤ *With the awareness of the high water dependency of agricultural activities in Türkiye, DenizBank has made agriculture one of its strategic focal points by anticipating the problems that may arise in water supply due to the impact of climate change in its medium-term strategies.*

Banks have been financing various projects and playing an active role in supporting the effective management and sustainable use of water resources. Water management projects generally aim to ensure the efficient use of water and sustainable management of resources in areas such as agriculture, energy, industry, and urban planning.

The sector encourages the development of projects related to water management by offering loans and financing opportunities. These incentives not only ensure the sustainability of water resources, but also provide multiple benefits by supporting economic development and social welfare.

DenizBank significantly limits the direct use of water in its business processes. Water is consumed in order to meet the safe and clean water needs of its employees, and a limited amount of water is used in cleaning works and landscaping.

We perform water quality control at certain intervals

As part of its commitment to protecting employee health, municipal water is filtered for drinking purposes and made available via water dispensers at all working areas. This measure was taken to ensure hygiene conditions and to maintain a safe working environment

where employees can work. In addition, DenizBank periodically sends water samples to accredited laboratories to control water quality to determine whether they comply with the relevant national legislation (Regulation on Water Intended for Human Consumption). Relevant controls aim to continuously monitor and improve the compliance of water with health standards.

DenizBank implements a recyclable gray water collection and reuse system in the Head Office building. This system is designed to collect rainwater, drainage water, and wastewater from dispensers and collect it in tanks to be reused for watering green areas and in tanks.

Wastewater from our buildings is discharged into the sewage system of the municipalities.

The Bank records and regularly monitors the amount of municipal water consumed for employee utilization and cleaning purposes at all its facilities, as well as water discharges, through monthly water bills issued by the relevant municipalities. In 2023, the Bank's total municipal water consumption corresponded to 208,850 m³.

Our training activities for responsible use of water

DenizBank monitors its indirect impacts on water, a natural resource, through the operations of the customer portfolio it finances and manages them effectively within the scope of the "Policy on Environmental and Social Impacts on Lending."

The agriculture sector, where the Bank is particularly specialized, stands out among niche sectors. With the awareness of the high water dependency of agricultural activities in Türkiye, DenizBank has made agriculture one of its strategic focal points by anticipating the problems that may arise in water supply due to the impact of climate change in its medium-term strategies.

In this context, it designs financial products to enhance food security with a focus on irrigated farming. It also provides financial support to projects aiming to improve and increase the efficiency of irrigation systems, modern water use techniques, and infrastructure development. Activities to train and encourage farmers in the responsible use of water are also undertaken.

DenizBank ensures that all investments it finances comply with all applicable national laws and regulations. In this framework, it aims to fully comply with relevant environmental regulations and standards for the protection of water resources.



Waste Management

DenizBank established a Waste Management System in all service units, including the Head Office, Regional Directorates and all branches.

➤ *In 2023, the amount of paper waste collected at DenizBank service units and sent for recycling, recovery, and disposal amounted to 48 tons.*

Today, waste management plays a critical role in ensuring environmental sustainability and efficient use of resources. Rapidly growing population and consumption habits have significantly increased waste generation. In this context, the objective of waste management is to ensure that wastes are properly collected as well as utilized, reduced, or rendered harmless through methods such as recycling, composting, and energy generation. This process stands out as an important tool to prevent environmental pollution, protect natural resources, and save energy, making waste management an important element that plays a key role in the transition to a sustainable future.

Zero Waste certification process is maintained in all of our locations

DenizBank established a Waste Management System in all service units, including the Head Office, Regional Directorates and all branches.

In 2023, the quantities of paper, medical waste, household waste, metal waste, plastic waste, machine oil, and electronic waste collected from DenizBank service units and sent for recycling, recovery, and disposal were reported.

By entering the generated waste into the system of the Ministry of Environment, Urbanization, and Climate Change, waste quantities can be systematically monitored. Actions to reduce the amount of waste will then be identified.



Foreign Banking Operations

DenizBank AG provides customer-oriented, high-quality service with its 350 employees, 11 branches in Austria, 3 branches in Germany, a widespread ATM network, and an advanced technology-driven Call Center.

➤ *Despite the tightening financial environment that has maintained its stable line, DenizBank AG, a part of the DenizBank Financial Services Group (DFSG), has maintained its priorities for over 20 years. With the support of its expert team and main shareholder, it has provided significant support to the economy by continuing to offer high quality financial products to its customers.*

DENIZBANK AG

DenizBank AG was established in Vienna in 1996 and acquired by DenizBank in 2002. DenizBank AG provides customer-oriented, high-quality service with its 350 employees, 11 branches in Austria, 3 branches in Germany, a widespread ATM network, and an advanced technology-driven Call Center.

Providing a wide range of deposit and loan products to retail and commercial customers, DenizBank AG diversifies its product range in line with market needs and emerging opportunities.

While offering wire transfer services to Türkiye for many Turkish citizens living abroad, the Bank continuously enhances its deposit and current account products offered to its customers, the majority of whom are Austrian and German citizens. In addition to facilitating the sale of Santander consumer loans in Austria, the Bank maintains its business partnerships with Wüstenrot in building savings and MoneyGram in global money transfer transactions.

The bank provides financial support to its legal customers through products such as investment and project financing, and import and export transactions, and focuses on companies with commercial ties to the European Union, particularly Türkiye, Germany, and Austria.

High performance achieved through strong capital structure and liquidity position

After experiencing significant growth last year, the Eurozone economy lost momentum in 2023 as activity growth decelerated due to the post-pandemic reopening and the easing of supply tightness. Despite the decline in energy prices, the persistent inflation and the European Central Bank's (ECB) tightened monetary policy to combat price increases have increased the cost of consumer spending and business expansion loans, putting pressure on economic growth.

For over 20 years, DenizBank AG has maintained its stable line and sustained its priorities as a part of DFSG despite the tightening financial environment. With the support of its expert staff and main shareholder, DenizBank AG continued to offer high-quality financial products to its customers and provided significant support to the economy.



Maintaining its position as the largest Turkish bank operating abroad in terms of assets thanks to its robust business model, DenizBank AG achieved strong financial results in 2023, increasing its net profit by a remarkable 101% compared to the previous year. With its total assets of EUR 5.6 billion and shareholders' equity of EUR 1.3 billion at year-end, DenizBank AG successfully continued its operations in 2023 with its strong capital structure and liquidity position.

Increase in customer acquisition through digital channels

In line with its digitalization strategy, DenizBank AG has implemented projects aimed at the enhancement and effectively utilizing digital channels over the past two years and has continued to add value to the lives of its customers.

The digitalization strategy pursued in anticipation of the future of banking has proven its validity with the developments in recent years, where technology and innovation-oriented gains have become more important. In line with this approach, DenizBank AG conducted communication campaigns in line with the changing needs of customers and increased customer acquisition through digital channels by emphasizing the advantages of Internet Banking and DenizMobil app.

Thanks to the screen developments in DenizMobil app and newly added features such as "Scan & Pay," customers were offered the opportunity to carry out their banking transactions anywhere they desired. In addition, with the renewed website and Internet Banking, customers were offered the opportunity to carry out their transactions through a user-friendly interface.

In addition to digital channels, process improvements have been made for accounts opened through branches to ensure the highest level of customer satisfaction, thereby enhancing the quality of service. In the coming term, the Bank aims to increase the number of digital users by renewing and modernizing the digital account opening processes. Following the launch of the Debit Card product "Debit Mastercard," the focus will be on increasing current account openings and the usage rate of digital channels.

Foreign Banking Operations

DenizBank AG acknowledges sustainability and ESG (Environmental, Social, Governance) as an integral part of its corporate strategy.

DenizBank AG, continued to offer new products and services that add value to customers' lives by working on the development and effective use of digital channels in the last two years under its digitalization strategy.

Staff from 22 countries, speaking 18 different languages

DenizBank AG acknowledges sustainability and ESG (Environmental, Social, Governance) as an integral part of its corporate strategy. In this regard, the Bank is conducting efforts to increase employee awareness and foster a sense of responsibility regarding sustainability.

Paying great attention to equal opportunities in employment and following a well-balanced gender policy, DenizBank AG employs staff from 22 countries who speak 18 languages, with 54% of its employees being female. The Bank refuses to tolerate any form of discrimination based on race, gender, age, religion, philosophical or political views.

DenizBank AG has implemented a system of sorting and recycling waste for a sustainable future and prioritized reducing the consumption of paper, water, and energy.

Looking ahead...

It is expected that 2024 will be a year in which the monetary tightening will harm economic activity for longer than anticipated, firms and households may struggle to adjust to the high-interest rate environment, and a strong recovery is unlikely. Higher real incomes, reduced supply chain pressures, and resilient labor markets will support a gradual recovery in economic activity. In line with these projections, DenizBank AG will continue to adhere to its selective and disciplined credit culture, closely monitoring the sectors and companies that may be affected by the economic slowdown and maintaining high-quality assets through effective risk management practices.

DenizBank AG will actively participate in financing imports of investment goods such as machinery, equipment, and tools and foreign trade transactions of enterprises through export credit agencies (ECA Credits) in the forthcoming periods. The Bank has also begun to offer loan products to finance businesses trading commodities traded on international markets and aims to strengthen its "commodity trading and financing" activities in the upcoming year.

In line with the business model transformation and asset diversification strategy, the LIV digital banking application is set to be launched for retail banking customers in Germany next year. Through the application, the Bank will offer its customers the best lifestyle-oriented banking experience with its credit card product with the "buy now, pay later" feature, while offering them the opportunity to benefit from advantageous offers and campaigns.

DenizBank AG continues to create a positive customer experience and synergy in full harmony and cooperation with the business lines within DenizBank Financial Services Group (DFSG) and continues to acquire new customers in both directions.

Furthermore, the Group closely monitors its sustainability goals while mapping out how to finance investments in renewable energy usage, energy transformation, and sustainability projects to promote environmental awareness and improve capital efficiency.

DENİZBANK MOSCOW

Competence in offering a wide range of financial products, services, and applications

DenizBank Moscow was established in 2003 following the acquisition of İktisat Bank Moscow. As the center of DenizBank Financial Services Group (DFSG) in Russia and the Commonwealth of Independent States, the Bank primarily provides financial services to the Turkish business sector operating in this region.

DenizBank Moscow possesses the capability and capacity to offer all financial products, services, and applications within the scope of DFSG to its customers. The Bank's entire loan portfolio consists of Turkish corporate clients with investments in Russia and stable operations since the early 2000s. There is no significant adverse expectation in the credit portfolio. With its stable loan volume and non-interest service income through the years, DBM aims to achieve a profitable and effective outcome in 2024.

Leader in the Turkish niche market

As of the end of 2023, DenizBank Moscow's net profit for the period was USD 29 million and total shareholders' equity was USD 79 million.

DenizBank Moscow maintains its leadership in the Turkish niche market with USD 529 million in assets and USD 82 million in cash and non-cash loans.

EURODENİZ INTERNATIONAL BANKING UNIT (IBU) LTD

EuroDeniz IBU was acquired by DenizBank from SDIF in 2002. With the establishment of the TRNC Country Directorate, the liquidation process of the bank was initiated.

CYPRUS COUNTRY DIRECTORATE AND GİRNE BRANCH

Providing financial assistance of over USD 600 million to transportation, infrastructure, and tourism projects that are of great importance for the development of the Turkish Republic of Northern Cyprus (TRNC), DenizBank has launched Cyprus Country Directorate and Girne Branch to offer uninterrupted and accessible banking services to its customers. Providing a distinguished banking experience to its customers with its alternative investment and financing options and innovative solutions for all segments of customers, DenizBank aims to add value to the customers' lives through the expert staff assigned at TRNC Girne Branch in line with its vision. The Bank provides its customers with convenient access to all banking products through non-branch channels such as ATMs, online banking, mobile banking, and contact centers.



Investment Group

DenizInvest increased the number of accounts to over 1 million in 2023 thanks to the growing interest in capital markets.

➤ *DenizAsset Management, established 18 new funds in 2023, offering the opportunity to invest in dividend-paying closed-end foreign exchange funds that offer monthly cash management while making export companies, participation stocks, and sustainability ESG themes accessible to its clients.*

DENİZINVEST

DenizInvest continues its operations at 33 service points. A total of 18 of the service points have "Private Investment Centre" status and offer personalized service in all capital market products. Additionally, a total of three more service points, one of which will be a Private Investment Center, will commence operations in the year 2024.

DenizInvest increased the number of accounts to over 1 million in 2023 thanks to the growing interest in capital markets. DenizInvest's MobilDeniz and DenizTrader Pro, which are constantly renewed transaction channels that meet investor needs, have increased the number of active accounts, while convenient account opening through digital channels and three public offerings led by DenizInvest accelerated the opening of 602,000 new investment accounts. The daily number of traders, which was 22,850 in December 2022, rose to 60,282 in December 2023. Borsa Istanbul's equity market volume market share increased by 20 basis points compared to the previous year, reaching 5.3%.

In the year ahead, DenizInvest aims to increase the number of its accounts and market share with its innovative financial solutions. The Bank will focus on investment advisory activities at its service points within this scope. Technological capacity increases will continue to be implemented promptly, if necessary, in the process of order transmission over digital channels. Robust capital and alternative funding sources in equity loans will positively differentiate DenizInvest in the coming year.

DENİZASSET MANAGEMENT

In 2023, DenizAsset Management further expanded its product range, intending to offer products that meet the updated needs of its investors.

DenizAsset Management manages 92 mutual funds and 16 pension investment funds, providing investors with both high performance and consistent returns. Boasting a well-experienced team of professionals, DenizAsset Management plays an active role in capital markets with world-class services that include mutual funds, pension funds, and portfolio management.

DenizAsset Management, established 18 new funds in 2023, offering the opportunity to invest in dividend-paying closed-end foreign exchange funds that offer monthly cash management while making export companies, participation stocks, and sustainability ESG themes accessible to its clients.

Investment demands in foreign currency are met by the Company through foreign currency hedge funds. With funds investing in short-term US dollar and Euro currencies, investors are allowed to manage their cash and earn targeted returns on their foreign currency deposits. A total of 44 private funds, including 7 private funds, were established to deepen the wealth of high-asset investors.

In 2023, DenizAsset Management's mutual fund size, which stood at TL 33 billion at the end of 2022, grew by 246% to TL 115 billion with the contribution of newly established funds. The Company raised its mutual funds market share from 4.8% to 7.5%, significantly outperforming the sector total of 130%.

Sustainability and ESG (Environmental Social Governance) themed investment funds

In 2022, DenizAsset Management launched two funds, one investing in the partnership shares of companies included in the BIST Sustainability Index and the other investing in sustainability and ESG-themed domestic and foreign mutual funds and exchange-traded fund units, in addition to an ESG hedge fund investing in carbon contracts in 2023.

The Company seeks to direct more investments to companies that take sustainability and ESG criteria in their operations and to raise investor awareness on this matter through these newly established funds.

In 2024, DenizAsset Management seeks to be among the top five asset management companies in the sector by continuing to serve its investors in line with the same management approach and risk management framework.



Information Technology (IT) Services

In its 36th year of operation in 2023, Intertech continued to make a difference in the sector by focusing on people, innovation, quality, and customers.

In 2023, Intertech initiated a major platform transformation process and turned its direction to the future's business models in line with the needs and expectations of the sector.

INTERTECH

Agile and dynamic corporate culture

Since 2002, Intertech, a company established to meet the information technology needs of the finance sector, has been operating under the roof of DenizBank Financial Services Group (DFSG) and has been providing innovative and effective solutions with superior service quality to 51 institutions in 12 countries.

In its 36th year of operation in 2023, Intertech continued to make a difference in its sector by focusing on people, innovation, quality, and customers. Closing 2023 feeling the justified pride of achieving its targets in all items, the Company's competitive advantage gained through products and services developed thanks to new generation technologies played an important role in this success.

The systems of Intertech that are in line with the rapidly changing nature of the finance sector, as well as its agile and dynamic corporate culture and specialized staff, have been the main factors in the highest level of performance.

Major platform transformation process

In 2023, Intertech initiated a major platform transformation process and turned its direction to the future's business models in line with the needs and expectations of the sector. It is estimated that the transformation of Intertech, which aims to have a significant share in the market with its Service Banking business model, is expected to take 3 years, and that 180,000 staff/day of human resources and financial investment of approximately USD 100 million will be allocated for this journey. By the end of 2026, the platform will be offered to the whole world by Intertech, especially in the Emirates NBD geography and Europe, according to the transformation process plan in line with new-generation technologies and business models. The first steps have also been initiated for the export of existing Intertech products to ENBD in 2023. As of next year, ENBD will start using Intertech's inter-ATM software in its ATMs.

As of December 2023, Intertech reached a sales volume of TL 2.9 billion and had a net profit of TL 1 billion. In addition to a 33% net profit margin, its nominal asset size was TL 2.7 billion.

The number of business partners in the ecosystem increased to 57

The first and only financial cloud platform approved by the BRSA, Intertech continues to bring vitality to the sector via inter-Cloud. With the approval of the application made to the Central Bank of the Republic of Türkiye (CBRT), inter-Cloud became the first and only platform to offer community cloud services to Payment and Electronic Money Institutions subject to the CBRT legislation.

To create the most powerful cloud ecosystem, Intertech has been carrying out various technology collaborations. In 2023, the NGN partnership was continued and efforts to extend inter-Cloud to all financial institutions with its seamless accessibility and high efficiency features gained momentum. The total number of business partners in Intertech's inter-API Open Banking-Innovation Fintech and sales-oriented business partners ecosystems increased to 57. In 2023, the Company reached a total volume of TL 97 million through the ecosystem.

Under the framework of its ecosystem strategy, which focuses on efficient resource and cost management, Intertech actively offers its customers various solutions developed by its business partners operating in its field of expertise. To make the systems of its customers more efficient and to enrich them with value-added solutions, the Company carefully manages all integration, sales, and invoicing processes. Furthermore, the necessary processes for positioning the solutions of ecosystem partners on inter-Cloud are successfully carried out in cooperation with business partners and customers.

Moreover, Intertech aims to increase sales volume and commission revenues by including domestic and global fintechs in its business partner ecosystem who wish to launch their services to banks on inter-Cloud in line with its strategy to grow inter-Cloud.

The Company aims to achieve cost optimization in business partner solutions with the more efficient and flexible infrastructure that the cloud environment will provide, as well as easier and more effective emergency management for banks and financial institutions.

Intertech predicts that partner solutions to be positioned in the inter-Cloud will facilitate the reach of potential customers and provide revenue-generating growth in the ecosystem.

The Solution Partners Ecosystem, which is positioned as a natural extension of human resources, is Intertech's biggest supporter in project development activities. In 2022, the Solution Partners Ecosystem consisted of 46 companies, and as of the end of 2023, it continued its activities with 37 companies possessing the competencies and software development standards determined by Intertech.

Solution Partners, which create an additional workforce of more than 30% of the total resource in addition to Intertech's internal development resource, contributes to an increase in the strategic project focus of the internal resource while responding to customer needs fully and on time.

Transformation efforts focused on maintaining market leadership

Intertech continues its transformation efforts focused on increasing the satisfaction of its customers and employees and maintaining its market leadership. The company implements world-class standards and produces value-oriented results with its integrated and consistent transformation approach in the areas of agility, analysis, software, testing, UI/UX, and Devops.

Intertech has multiplied the success stories of its transformation journey in 2023, and developed a culture of trial and error, produced innovative products, and added value to both

its products and its customers with short-term deliveries. Throughout the year, the Company started to adapt its organizational structure and performance system following agile principles.

As a result of the transformation efforts, the Company's success rates in business continuity, delivery speed, fulfillment of commitments, and customer and employee satisfaction have increased, while error rates have been reduced.

The Company continues to update its road map through the measurements it carries out in all areas and sector comparisons conducted by independent organizations.

In 2024, Intertech intends to continue development programs for agile roles, internal dissemination of technological developments that will provide a competitive advantage to its products, support innovation, and startups to produce quality business results in all areas.

Corporate social responsibility: Intertech's top priority

Standing out for its achievements in the field of technology, Intertech made a name for itself with various social responsibility projects in 2023 and has strengthened the goal of making a difference by contributing to society.

By not limiting the way of doing business only to commercial success, Intertech has prioritized adding more value to society through comprehensive social responsibility projects. The Company's social responsibility approach aims to create an impact on both environmental and social issues through various projects.

The Company continued its efforts under four main topics (children and society, health, and environment, education, and animal rights) through CSOs and individual projects with the coordination of the Social Responsibility Committee between 2015 and 2023 at the same pace.

Information Technology (IT) Services

Continuously increasing the number of female employees, Intertech offers female employees an ecosystem where they can be equally evaluated in every part of the employment spectrum.

➤ *Intertech took major steps in 2023 to take over banking systems that focus on the banking of the future and meet the needs of the sector and the economy and shaped its R&D activities, platform transformation process, inter-Cloud investments, and FinTech business partner ecosystem activities in this direction.*

With the Abilitypool Platform, which was launched in the first days of 2023, Intertech included sustainability in its fields of activity. The Company aims to contribute to society, the environment and produce solutions to social problems together voluntarily under the slogan "Together for the Greater Good."

With reskill & upskill programs prepared for the development of existing competencies and the acquisition of new competencies, Intertech contributes to the career journey of its employees. The Workintech collaboration, one of the most prominent examples of reskill & upskill programs in 2023, created an opportunity for young talents to learn software, a subject outside their discipline. Within the scope of Workintech, which also aims to contribute to employment and reduce the software talent deficit in Türkiye, young talents from different disciplines are included in a 6-month program.

The company also has a software developer training program for analysts. Through its technical program, Intertech brings talents who work as analysts within the company but would like to strengthen their software competencies and turn to the software industry.

Intertech opposes all discrimination as part of its sustainability approach and corporate policies, and considers gender equality as an absolute must for a sustainable future.

There is no place for discriminatory and masculine expressions in the corporate language

Continuously increasing the number of female employees, the Company offers the female employees an ecosystem where they can be equally evaluated in every part of the employment spectrum. Opposing promotion discrimination, Intertech believes that the presence of women in decision-making positions is a necessity in the business world. In order to strengthen the presence of women in the technology sector, the company continues to work with Wtech (Women in Technology Association). Intertech aims to raise awareness by bringing together its employees and women who can serve as role models for gender equality at various events.

Intertech's senior management consists of 29% female executives.

By eliminating discriminatory and masculine language from the corporate culture, Intertech has made inclusive language an essential part of the corporate culture. One of the examples of this fundamental approach is the fact that the concept of "man/day" which is the most fundamental term of the software world and has been used in the entire sector for years, is used as "person/day" in all internal/external platforms.

Intertech has also been campaigning against age discrimination. To prevent discrimination against young people due to their inexperience in professional knowledge and skills for a sustainable business environment, The Company launched the FirstTech Online Part-Time program for first-year university students, InternTech for university students who wish to carry out compulsory internships, and StartTech Online Part-Time program for senior students who wish to jump-start their careers. Independent of the hierarchical structure and built on the principle of mutual teaching and development, the MentorTech-Reverse Mentoring Program brings together young Intertech employees and senior management.

Intertech believes in the direct contribution of diversity and inclusion to the sustainable success of the company and values the diversity of backgrounds, experiences and perspectives of its employees. The Company organizes regular events to raise awareness of the importance of diversity and inclusion in promoting innovation and growth. Intertech employs an individual with Down Syndrome within the inter-academy in addition to corporate activities for individuals with special needs, and continues to cooperate with the Down Syndrome Association in the "Herkesin Yeri Var" (Everyone Has a Place) project.

Operations in 2023

Intertech took major steps in 2023 to take over banking systems that focus on the banking of the future and meet the needs of the sector and the economy and shaped its R&D activities, platform transformation process, inter-Cloud investments, and FinTech business partner ecosystem activities in this direction. As the importance of fast and secure access to banking products in digital environments for individuals and institutions has increased exponentially in the world today, the process of commissioning technologies for Intertech's new business models was initiated with high-quality standards.



In 2023, Intertech's achievements were recognized on different platforms. Intertech was honored to receive the "Special Award for Contribution to the Turkish Economy-Finance Banking Sector Software Category Winner," "Sectoral Software of the Year Category Winner" and "Türkiye-Based Manufacturer of the Year Category Winner" awards at the Informatics 500 Awards Ceremony in August 2023. In October 2023, Intertech was awarded the Hosting Project of the Year Award by its business partner NGN, one of Türkiye's leading companies, for its financial cloud platform inter-Cloud. In the following years, Intertech aims to bring new package services to the finance sector, including machine learning and artificial intelligence services through inter-Cloud.

Goals for 2024 and the future

In the upcoming period, through its main shareholder ENBD, Intertech aims to develop operations in the Middle East with its various products, especially inter-ATM and aims to expand into new foreign markets with the technological advantage that will be brought by the platform transformation process initiated in 2023. Targeting to find a wide place in the Middle East and European markets after the 3-year transformation process with the products to be restructured, the Company aims to become a leading actor in the banking sector in the development of cloud-based and artificial intelligence-supported technologies.

Leasing and Factoring Services

For many years, DenizFactoring has been providing its services as a member of the world's and Türkiye's most reputable factoring institutions.

➤ Among DenizFactoring's most widely used apps in 2023 was the "Deniz'e Çek Gönder" mobile app, which carried factoring transactions to mobile devices.

DENİZFACTORING

Operating primarily to provide guarantee, collection, and financing services to its customers, DenizFactoring leads the factoring sector with its Classic Factoring, Collection Management System, Supplier Financing Application, Public Factoring, and Export Factoring products. The Company continues to lead the sector with the "Deniz'e Çek Gönder" app on the Digital Factoring side.

For many years, DenizFactoring has been providing its services as a member of the world's and Türkiye's most reputable factoring institutions. Among these memberships are Factors Chain International (FCI), the world's most important international factoring organization, which has been in existence since 2001; FCI Full Member status, which has been in existence since 2004, due to the FCI's recognition of the size of the transaction volume and service quality; and the Association of Financial Institutions (Association of Financial Leasing, Factoring, and Financing Companies), which started in 2013.

Through the fast and easy-to-use DFSG portal, DenizFactoring provides high-quality service to its customers through its competent and equipped team at the Head Office, and it is supported by DenizBank's branch employees within the legal framework. As a leader in digitalization in its sector, DenizFactoring continues to lead the way through innovative practices that enable its customers to carry out factoring transactions with ease and confidence.

"Deniz'e Çek Gönder" app offers many conveniences

In 2023, one of DenizFactoring's most widely used applications was the "Deniz'e Çek Gönder" mobile app, which made factoring transactions available on mobile devices. The application allows customers to access the cash equivalent of their postpaid checks through digital channels 24/7 and access cash from the nearest DenizBank branch without having to wait for the due date of their postpaid checks. With the development made in 2023, "login" and digital approval structures were introduced to "Deniz'e Çek Gönder."

DenizFactoring is one of the most preferred companies among young people with its internship programs. It contributes to the conscious advancement of young people on their career paths through internship programs that are frequently organized, and to accommodate new graduates or inexperienced young people into the business world and to be a pioneer on their career paths. The company also prioritizes young entrepreneurs and start-up IT companies in meeting technological needs through its collaboration with NEOHUB.

7.9% market share in factoring receivables

DenizFactoring's factoring receivables increased by 96% from TL 7.9 billion at the end of 2022 to TL 15.6 billion by the end of 2023. Factoring receivables market share increased from 6.2% in December 2022 to 7.9% as of end-December 2023. In December 2022, DenizFactoring's transaction volume was TL 19.6 billion; as of December 2023, it increased by 136% to TL 46.2 billion. 91% of this amount consists of domestic factoring transactions and the remaining 9% consists of international factoring transactions. In 2023, 298 thousand applications were received from over 38 thousand companies and sales services worth TL 9.5 billion were provided in a completely digital environment.

DenizFactoring closely follows customer needs in the rapidly digitalizing finance world. In the coming period, DenizFactoring aims to transfer the processes that require ink signatures such as contracts/ instructions in the transactions carried out through the "Deniz'e Çek Gönder" app to the digital environment. It also aims to enable Legal Entities to log in.

DENİZLEASING

Active role in the use of renewable energy

DenizLeasing prioritizes the investments made to utilize the resources of our country and to make the limited resources sustainable as its most fundamental strategy. The Company has been actively present in all aspects of renewable energy, providing technical, legal, and operational support as well as financing to companies seeking to invest in energy.

Considering the developments that harmed the market, DenizLeasing developed the "My Capital My Vehicle" product, which is a model where the customer sells his/her vehicle to DenizFilo for its value and subsequently leases the same vehicle. The Company has met the cash needs of its customers with this product without cost or credit and enabled them to continue their commercial activities without interruption. The Company has also managed to overcome the supply problem in the sector with minimal damage by adding new vehicles to its fleet.

Growing market share in the leasing market

In 2023, DenizLeasing focused on machinery/equipment financing of exporter companies, mainly in the manufacturing and construction sectors and energy projects, and expanded its market share with an 8.3% share of new transactions in the financial leasing market.

With the decision of its main shareholder DenizBank in 2023, the Company increased its capital from TL 317 million to TL 3.45 billion. In this respect, the Company has increased its market share in the sector through new transactions with its 10 times stronger capital.

DenizLeasing reached a net lease receivable of TL 11 billion as per end-December 2023 data and achieved 38% growth compared to year-end 2022 data. The net profit tripled compared to 2022 and was realized as TL 2.5 billion. 10,000 active vehicles have been reached on the fleet side.

The Company reached a new sales volume of 1,165 units, amounting to USD 410 million in 2023. While 58% of the transaction volume was obtained from the Corporate and Commercial business lines, 37% was obtained from the SME business line.

With the strong contribution of DenizBank's customer portfolio in the agricultural segment, DenizLeasing expanded its business volume in equipment financing that supports agricultural production such as harvesters and cotton picker machines, and increased its market share to 10%.

In 2024, DenizLeasing will continue to contribute to the growth of exports by supporting SMEs, and creating solutions to facilitate the operational processes of companies with DenizFilo.

Sustainability investments, which are becoming increasingly important

Due to geopolitical and economic developments, the demand for renewable energy has increased both at home and abroad, and environmentally sensitive and sustainable investments have gained importance. Within the scope of sustainability activities, DenizLeasing aims to increase its energy share by financing renewable energy resources. The Company prioritizes investments made for sustaining limited resources, participates in all projects that require investment in this field, and offers solutions in line with the investment's cash flow.

Leasing and Factoring Services

Ranking 7th in the sector with its current lease receivables, DenizLeasing aims to be among the top 5 companies in the sector by increasing its market share to 10% in 2024.

➤ *In 2023, a new transaction volume of USD 38 million was created for 18 clients in the financing of renewable energy. 76% of these transactions consisted of Field SPP transactions, 15% of Rooftop SPP, and 9% of WPP investments.*

DenizLeasing provides financing support for all companies planning to control their electricity supply, particularly those operating in the fields of industrial, commercial, and agricultural irrigation, to create a low-cost and local electricity source.

Within this scope, DenizLeasing recommends converting some of the company's vehicles into electric vehicles for investors who will start generating their solar electricity using the financing provided by DenizLeasing. In collaboration with DenizFilo, the Company plans on continuing to offer suggestions for planning and financing all aspects of this transformation, from charging stations to storage, energy efficiency, and sustainability practices.

A new transaction volume of USD 38 million was created for 18 customers in the financing of renewable energy in 2023. 76% of these transactions consisted of Field SPP transactions, 15% of Roof SPP and 9% of WPP investments. Financing was provided for 56 MW (DC) installed capacity in 2023, and the total installed capacity financed reached 292 MW (DC).

DenizLeasing increased its volume especially in the fields of real estate and passenger car leasing in 2023 and launched fleet solutions packages for exporters and customers with collection checks within the scope of their synergy with DenizBank. As always, the Bank has acted in line with the financing needs of producers and exporters, making great contributions to the economy.

Goals for 2024 and the future
Ranking 7th in the sector with its current lease receivables, DenizLeasing aims to be among the top 5 companies in the sector by increasing its market share to 10% in 2024. The Company aims to grow with the contribution of capital increase for leasing and fleet while increasing the number of active vehicles to 11,000. In 2024, as in every year, the company will continue to make breakthroughs for the sake of sustainability in the fields it finances and will adopt it as a priority to contribute to the future of our country in this direction.

Real Estate Investment Trust

Providing regular rental income and operating in different sectors, DenizREIT's commercial property portfolio is located in Istanbul, Bodrum, Sarigerme, and Ankara.

➤ *No loans or bonds were borrowed by DenizREIT in 2023, and all of its investments were funded from its shareholders' equity with the help of its strong financial structure. Furthermore, trade payables also decreased compared to the previous year.*

DENİZ REAL ESTATE INVESTMENT TRUST (DENİZREİT)

As an affiliate of Deniz Yatırım Menkul Kıymetler A.Ş., DenizREIT joined DenizBank Financial Services Group (DFSG) at the end of 2001 with the trade name Deniz Yatırım Ortaklığı A.Ş. On December 20, 2013, the Company transformed into a real estate investment trust and changed its trade name to Deniz Gayrimenkul Yatırım Ortaklığı A.Ş. (DenizREIT).

On June 11, 2014, DenizREIT merged with Pupa Gayrimenkul Kiralama ve Yönetim Hizmetleri A.Ş. (Pupa), a subsidiary of DFSG, which was fully acquired on December 31, 2013, and formed its commercial real estate portfolio.

The Company's main activity is to invest in real estate, capital market instruments based on real estate, real estate projects, real estate-based rights, and capital market instruments, to create and develop a real estate portfolio.

Providing regular rental income and operating in different sectors, DenizREIT's commercial property portfolio is located in Istanbul, Bodrum, Sarigerme, and Ankara.

In the Real Estate Investment Trust Sector, the Company has 47 companies, 6 of which are of bank origin.

A very productive year in financial terms

In 2023, DenizREIT's total assets increased by 38% compared to 2022. The most significant components of the increase are Financial Investments and Investment Properties.

No loans or bonds were borrowed in 2023 and all investments were funded from shareholders' equity with the help of the Company's strong financial structure. Furthermore, trade payables also decreased compared to the previous year.

The financial effects of a very productive 2023 are seen in the revenue item. The decrease in demand in the housing sector led to a decline in unit sales. This resulted in a 12% decrease in the Company's revenue balance compared to the previous year.

Despite the decrease happened in revenue, the Company's total amount from rental income increased. DenizREIT's net rental income in 2023 increased by 27% in parallel with inflation. The decrease in the speed of increase is due to the sale of 25 units of the Company's independent units located in Ankara in the current period.

Compared to the previous period, gross profit decreased by 22% due to the decrease in the Company's revenue. However, EBITDA and net profit for the period increased by 28% in 2023. In 2023, the Company's shareholders' equity increased by 59% in parallel with the increase in net profit for the period.

Real Estate Investment Trust

DenizREIT aims to make environmentally friendly tourism investments that prioritize customer needs, recognizing that the tourism sector is the most important foreign currency-earning sector for the country.

➤ *In 2024, DenizREIT is confident that the difficulties and dilemmas faced by the sector will be resolved with the new legal regulations and the normalization expected to take place, especially after the local elections.*

DenizREIT
Operational
Indicators

- EBITDA and Net Period Profit Increase
28%
- Increase of Total Assets
38%
- Increase of Shareholders' Equity
59%

Projects that prioritize the environment and people

As DenizBank embraces the common problems of humanity and the planet for a livable future and emphasizes the importance of acting together, DenizREIT has internalized the concept of sustainability in line with its responsible banking approach, raised awareness among its employees, and reflected this concept to its operations. Within this scope, the Company continued to work on projects giving priority to the environment and the people in 2023.

In 2022, DenizREIT established a Sustainability Committee, consisting of 4 people and will operate under the management of the General Manager of the Company. The Committee will meet biannually with an agenda including sustainability and ESG (environmental, social, managerial) issues, determine the Company's strategies in these areas, and evaluate key performance indicators.

In 2023, DenizREIT started to develop its 2023 Sustainability Report in the same year and plans to complete the report in 2024 to be published on the Public Disclosure Platform.

The Company has also identified "2030 Environmental Sustainability Goals," including energy and water usage reduction and recycling efforts, and "2030 Social Sustainability Goals," which include human resources demographics and training and has started to implement the relevant actions.

Looking ahead...

In 2024, DenizREIT is confident that the difficulties and dilemmas faced by the sector will be resolved with the new legal regulations and the normalization expected to take place, especially after the local elections. The company aims to develop high-quality housing projects in Istanbul, with the view that a possible supply-demand balance will create a positive atmosphere in the sector. In 2023, the company received the "Sign of the City" award for the best urban regeneration with the Le Chic Tarabya project. The company's investment targets for the coming period include new urban transformation projects in Istanbul with the strong experience and knowledge gained from past projects.

DenizREIT aims to make environmentally friendly tourism investments that prioritize customer needs, recognizing that the tourism sector is the most important foreign currency-earning sector for the country. Within this scope, the Company continues its tourism investments by purchasing lodging land in addition to the hotel project to be developed in the Sarigerme region of Muğla province in 2023.

All planned future investments will be financed by the revenues generated from the sale of the Company's investment properties, which are included in the Company's investment properties and have a relatively lower rate of return in the portfolio.

Financial Technology Services

Global scalability has made the startups in the fintech sector the focus of investors.

➤ *In Türkiye today, there are more than 170 Venture Capital Investment Funds and tens of thousands of startups are seeking funding. In this regard, it is vital to bring the right venture together with the right venture capital and to ensure scalability.*

Venture fund and fintech sectors

Startups are expected to drive more positive change in business and the global ecosystem, with advances in technology, artificial intelligence, and sustainability. Through their talent pools and agile approaches, these startups directly and rapidly contribute positively to various dynamics.

These startups require further technology and sustainability-oriented development to ensure their sustainable growth. Venture capital is among the most important structures that meet this need, both by providing financial support and by aiming to scale the business models of startups.

In Türkiye today, there are more than 170 Venture Capital Investment Funds and tens of thousands of startups are seeking funding. In this regard, it is vital to bring the right venture together with the right venture capital and to ensure scalability.

Venture capital structures prioritize screening and exploration as they recognize the importance of finding the right venture. However, focusing on market capture and global scale is essential for success and effective use of capital.

The fintech sector plays a key role in the entrepreneurial ecosystem, offering many fast and agile services such as payment infrastructure providers, digital wallets, e-money institutions, personal finance management applications, and commerce applications.

As financial inclusion and financial literacy increase, individuals tend to take more control over their financial arrangements. This is why startups in financial control, access to finance, and financial management are preferred for individuals and businesses.

Global scalability has made the startups in the fintech sector the focus of investors. Startups with a competing advantage encounter high investor interest as they have the potential to succeed in market positioning and promotion.

This interest leads to an increase in venture valuation and investment amounts. Moreover, fintech startups can reach end-users more effectively by integrating with many companies and startups in different sectors.

The embedded banking model contributes to the expansion and inclusiveness of the banking and fintech ecosystem to mainstream users. As a result, a situation emerges where fintech and banking ecosystems evolve, but startups with the right strategy and speed will survive and scale in the sector.

Financial Technology Services

In 2023, NEOHUB continued to produce innovative financial technology solutions and develop new sustainability-based business models by demonstrating a successful performance.

➤ *NEOHUB aims to bring strong and innovative ventures to Türkiye and the neighboring region by carrying out "venture builder" activities with its business development, sales, marketing, and software development functions within the business unit.*

NEOHUB

One of DenizBank Financial Services Group's organizations in the field of technology, NEOHUB started its operations in July 2021 as a 100% subsidiary of InterTech. The company leads the new generation of startups by combining financial expertise and technological competence.

NEOHUB aims to bring strong and innovative ventures to Türkiye and the neighboring region by carrying out "venture builder" activities with its business development, sales, marketing, and software development functions within the business unit. As a hybrid company focusing on technology and business model development, NEOHUB engages with the startup ecosystem and realizes the export of commercial knowledge that supports sustainable growth in the financial ecosystem.

Innovative financial technology solutions

In 2023, NEOHUB continued to produce innovative financial technology solutions and develop new sustainability-based business models by demonstrating a successful performance.

Farmolog:

Supported within the scope of NEOHUB Startup Acceleration Program, Farmolog startup carries out a joint study with Agricultural Banking on sustainability-based credit products to digitalize agricultural production processes and provide supply chain traceability solutions.

Ruuf:

NEOHUB's other accelerator startup, Ruuf, bridges the journey to homeownership by offering fragmented purchase opportunities for those who have difficulty or are unable to get a home loan. Ruuf aims to upgrade the standards of people's lives, meet housing needs, and increase social welfare. This aim directly contributes to the scope of "Sustainable Cities and Communities," which is the 17th article of the UN Sustainable Development Goals.

Mercan:

NEOHUB's Virtual Shopping Mall application, Mercan, offers users a unique virtual shopping experience. Members of Mercan can access brands for shopping, channels for playing games, socializing or earning money, and health apps. With the Fastpass payment infrastructure, users can register and store their credit cards in Mercan and complete the payment process with their registered cards without wasting time while shopping.

Sustainability and ESG-oriented value creation

NEOHUB continues to create value around sustainability and ESG (Environmental, Social, and Governance). In addition to working closely with start-ups, DFSG supports its employees with high-quality training programs and consulting services. NEOHUB's In-House Entrepreneurship and Innovation Program, called Fikir Limanı (Idea Harbor), aims to bring new ideas and projects to life with the Venture Acceleration Program under its open call. The Company also pioneers

the Entrepreneurship Certificate Program tailored for DenizBank employees to lay the foundations of entrepreneurship. All these ongoing activities not only lay the groundwork for sustainability and ESG efforts, but also contribute to the direct production of projects in this context.

NEOHUB closed 2023 with revenues of TL 104 million and net profit of TL 46 million.

As of the reporting period, NEOHUB launched the "TRUK International Startup Acceleration Program" in cooperation with Oxentia to support sustainability-focused startups. By launching the TRUK Program at the COP28 (United Nations Climate Change Conference) event held in Dubai at the end of 2023, NEOHUB and Oxentia announced that they will provide all the necessary support for sustainability-oriented startups to open up to global markets at a global event. This program aims to provide comprehensive support for startups in sustainable innovation and entrepreneurship. The program offers valuable resources including mentoring, networking, global training, and tailored consulting.

Through this program, NEOHUB creates value in the sustainability field by providing Turkish entrepreneurs with opportunities on an international platform and enabling them to be globally recognized. The program aims to guide sustainability-oriented startups and ensure their success through many elements of support. At the same time, the cooperation between Türkiye and the UK contributes to NEOHUB's goal of expanding its activities in the sustainability on a global level. This comprehensive support program is in line with NEOHUB's vision of creating value around sustainability.

As part of a strategic partnership with Emirates NBD, Deniz Ventures has invested in climate and finance technology startup Erguvan at a valuation of USD 7.33 million. Founded in 2022, Erguvan includes projects such as Erguvan Marketplace, Türkiye's first environmental commodities marketplace, and Erguvan Climate

Action Platform, which provides digital platforms for financial institutions and corporations to manage their climate change impacts.

This strategic investment is a step that aims to increase Türkiye's global competitiveness in the sustainability field. With its effective solutions, Erguvan aims to play an effective role in combating climate change by offering sustainable digital solutions to the financial sector and the corporate world. In this regard, the investment of Deniz Ventures can be considered a strategic step to strengthen Türkiye's leadership in the sustainability field and provide a competitive advantage at the global level.

NEOHUB has also entered into a strategic partnership with an 8.3% stake in the Izmir Agriculture Technology Center (ITTM) which was developed under Izmir Commodity Exchange (ITB). The transaction was implemented as part of the Company's vision to support technological innovation in the agriculture sector and contribute to sustainable startups.

NEOHUB's operations in 2023

TRUK Program

In 2023, NEOHUB laid the foundations of TRUK International Startup Acceleration Program to make significant contributions to Türkiye's sustainable entrepreneurship ecosystem. This program aims to bring successful sustainability-focused startups into the international market by providing them with a strong support system including mentorship, financing, networking opportunities, global training, and specialized consultancy.

Erguvan Investment

In 2023, NEOHUB invested a significant amount in Erguvan, which operates in financial technologies and climate change. The investment was a collaboration between Deniz Ventures and Emirates NBD and supported Erguvan's vision to provide digital solutions for financial institutions and corporations to address climate change impacts.

ITTM Partnership

As one of the partners of the company that will manage the Izmir Agriculture Technology Center (ITTM) developed by Izmir Commodity Exchange (ITB), NEOHUB established the partnership to support the technological transformation in the agricultural sector and contribute to sustainability goals. Within this scope, it successfully acquired 8.3% of the shares.

COP28 Participation

At the end of 2023, NEOHUB actively participated in the COP28 (United Nations Climate Change Conference). In various panels organized within the scope of the event, NEOHUB has contributed to the sector by sharing expertise in sustainability, financial technologies, and entrepreneurship. Furthermore, it has organized panels and shared important insights on sustainable innovation and entrepreneurship. This event highlights NEOHUB's leading role in global climate action and sustainable development.

During COP28, the topics and contents of the panels, in which the founders of the Erguvan startups and Oxentia company executives took part, are as follows;

- Investing in Tomorrow: The Intersection of Finance and Climate Innovation

A panel organized to explore the interplay between "Shaping the Future of Banking" and "The Green Investment Landscape" discussed how strategic financial investments in climate technologies shape a more sustainable and resilient future for the banking sector.

- Building the New Economy: The Importance of Climate Tech and Innovative Solutions to Shape the Future of Finance Globally

An illuminating panel explored the dynamic intersection between finance, innovation, and sustainability, and discussed how climate technologies and innovative solutions are shaping the global future of finance.

Financial Technology Services

By collaborating with leading entrepreneurs in sustainability, NEOHUB aims to develop effective solutions on a global scale.

➤ *As the announcement and signing ceremony of the NEOHUB-Oxentia collaboration, the "TRUK Accelerator" event is part of a panel discussion aimed to explore sustainable innovation and entrepreneurship. The panel aims to enlighten entrepreneurs on the contribution of accelerator programs focused on sustainability to growth and impact.*

- NEOHUB-Oxentia Partnership: "TRUK Accelerator"

An announcement and signing ceremony of the NEOHUB-Oxentia collaboration, this event is part of a panel discussion for exploring sustainable innovation and entrepreneurship. The panel aims to enlighten entrepreneurs on the contribution of accelerator programs focused on sustainability to growth and impact.

- Innovation Solutions in Agri-tech Ecosystem

This panel provided insights into the latest trends in agri-tech, explored how ecosystem players are driving innovation in agriculture, and how to connect with industry experts and like-minded professionals.

- The Digital Transformation of Agriculture at DenizBank

In the panel, digital transformation of agriculture was explored in DenizBank. The participants had the opportunity to learn about technological advances in agricultural technologies and how digitalization is revolutionizing agricultural practices.

Open Banking and Fintech Payment Institutions

DenizBank became one of the first 10 banks integrated into BKM (Interbank Card Center) process in Open Banking. With the API Portal, the infrastructure created by the software team within NEOHUB, banking services, and product services are provided to bank customers, payment and electronic money institutions, and fintechs including integrators. At the same time, within the scope of new-generation digital trends, digital task management and collaboration platforms are provided to increase business efficiency. The Bank's products and services are offered to third parties through agreements with Electronic Money and Bill Payment Institutions within the scope of new projects and licenses. New collaborations were made with Türkiye's largest invoice-generating institutions and payment organizations. Sector leadership was maintained in this area as well.

Deniz'den Toprağa (From Deniz to Soil) App

In 2023, the app was renewed by NEOHUB Software teams, and Digital On Boarding and agricultural customer acquisition were included in the Deniz'den Toprağa (From Deniz to Soil) app for the first time in Türkiye. The app offers special outputs for agricultural customers with the integration of Land Registry Cadastre, such as marking and satellite images of the relevant agricultural area, Shop SDK, Radar-cloud and precipitation tracking, traceability of fertilizer and feed prices, as well as banking transactions.

Deniz Aquarium

Deniz Aquarium was named one of the best innovation laboratories in the Global's Finance list. Deniz Aquarium launched the Venture Interaction Program in 2023 to expand the scope of DFSG collaborations with startups. During the 3 months before the Acceleration Program, the startups and all cooperation opportunities were evaluated in advance and efforts were made with the relevant business lines and subsidiaries.

NEOHUB has been one of the implementing organizations within the scope of TÜBİTAK 1512 BIGG program in the consortium established with Farklabs and Eczacıbaşı.

Awards Received

- Received Silver award at MMA Smarties for Smarties in EMEA with the case proving how user experience can be enhanced by combining AI, Neuromarketing, and Digital Marketing.
- Best Marketing Automation award was received at the Martech Awards.
- "Deniz'den Toprağa" (From Deniz to Soil) app, which was renewed in the new product category, won many awards at The Banker for its pioneering steps in Erguvan and Sustainability.



Financial Technology Services

By collaborating with leading entrepreneurs in sustainability, NEOHUB aims to develop effective solutions on a global scale.

➤ *In 2024, NEOHUB intends to give new momentum to innovation and integration processes in the sector.*

NEOHUB's goals for 2024 and the future

One of NEOHUB's most important future goals has been determined as globalization. Within this scope, cooperation efforts will be carried out with partners such as Google and Microsoft to contribute to startups. Furthermore, an acceleration program will be implemented with the support of partnerships with a focus on Web 3 and the entrepreneurship ecosystem in the related field will be supported.

It aims to contribute to globally effective projects by establishing strategic collaborations at the international level. It is planned to establish partnerships with international organizations that offer innovative and sustainable solutions and to carry out effective work at the global level.

It is aimed to support projects that reduce environmental impact and provide social benefits by collaborating with sustainability-oriented startups. In this direction, NEOHUB aims to develop globally effective solutions by collaborating with leading entrepreneurs in the sustainability field.

It plans to support the leading companies of the future by expanding its investment portfolio towards new startups focused on artificial intelligence and sustainability. Within this context, it aims to focus on projects with a particular emphasis on environmentally friendly and sustainable technologies.

NEOHUB will pioneer digital transformation in the financial sector by creating innovative and strategic collaborations in Banking as a Service (BaaS) with embedded banking. In 2024, this move will give new momentum to the innovation and integration processes in the sector.

In addition, since its establishment, NEOHUB has been working with the vision of being a factory that produces different business models and aims to design new technologies for the banking system for the future and to introduce these to the entire sector. With the same vision, the Company will closely follow the innovative developments in the digital asset landscape and ensure that digital assets, which are attracting great interest, are utilized effectively and managed with smart solutions. With NEOHUB Bulut Teknolojileri A.Ş. subsidiary, DenizBank aims to ensure the management of various digital assets by using innovative and reliable technologies in the sector and to make the platform available for all users as soon as possible with a high-security feature and a distinctive service approach.

fastPay was designed as Türkiye's first digital wallet application. Its growth goals and mission include making the society more environmentally friendly and sensitive and making the situation sustainable.

FASTPAY ELECTRONIC MONEY AND PAYMENT SERVICES INC.

In today's world where eco-friendly approaches are very in demand due to digital transformation, fastPay's growth goals and mission are to make society more environmentally friendly and sensitive and to make this situation sustainable.

fastPay A.Ş. benefits from the best international practices and continues to invest in sustainable business models. In addition to being secure and easily accessible, these models offer products and services whenever and wherever while aiming to grow through collaborations and provide equal opportunities to users.

In 2012, DenizBank launched fastPay Mobile Wallet Application, designed as Türkiye's first digital wallet application to make life easier with fully digital processes, with the vision of the liberalization of access to financial services and enabling users who do not have a bank membership to meet their financial needs easily. With the takeover on 12 January 2023, fastPay Mobile Wallet Application continues to make life easier for its users under the roof of fastPay A.Ş. with its renewed front face, new features such as virtual card, Metropolkart cooperation and fully digital processes.

On the payment acceptance side, fastPay A.Ş. offers products such as POS, link payment, repeated payment, alternative payment through a single contract, and integration to fastPOS

member merchants to support installment functions for all installment card programs as well as single withdrawals.

The year 2023 has been a successful and productive year in which the strategic road map was created, the organization was strengthened, necessary investment decisions were taken, and joint projects were initiated with the main shareholder DenizBank.

The first important step in 2023 was the handover of fastPay Mobile Wallet Application to fastPay Elektronik Para ve Ödeme Hizmetleri A.Ş. (fastPay A.Ş.), a fully owned subsidiary of DenizBank, together with its existing users and other elements on 12 January 2023, which enabled the actual kick-off of electronic money activities within the scope of the license.

Another important development in 2023 was the launch of the first project on the Wallet as a Service (WaaS) front, which plays an important role in fastPay's growth strategy, by completing the infrastructure procurement and installation processes.

fastPay A.Ş. closed 2023 with a total of 330 thousand users, 2.9 million financial transactions with TL 1.7 billion transaction volume on mobile wallet, and TL 3.9 billion transaction volume on fastPOS and continued to move confidently in line with its growth targets.

On 27 April 2023, fastPay A.Ş. signed the first business cooperation agreement for the "Service Model Wallet" project, for which it completed the preparatory work in 2022, with Asis Electronic, which provides service with 15 million closed-circuit transportation cards in 55 municipalities in 44 cities in Türkiye, and started the project activities. The project is set to be commissioned in the first half of 2024.

Within the scope of this project, the Company aims to introduce new payment service products that will provide easy payment and various opportunities in many parts of the city, facilitating everyone's access to secure, low-cost, and sustainable transportation systems.

Another project fastPay A.Ş. started to work on in September 2023 is the sales and marketing of fastPOS products, which can offer single withdrawal as well as installments to all installment card programs within the scope of its payment service provider license, together with DenizBank POS products through DenizBank's physical and digital channels. In line with sustainability goals, all processes in the project are designed end-to-end digitally in an environmentally friendly manner without paper consumption.

With the implementation of the project in the first quarter of 2024, merchants will no longer be required to carry out the settlement and settlement processes with a separate institution for each card program and will be able to receive services from fastPay A.Ş. in an integrated manner with a single integration, pricing, and settlement.

Cultural Services

Through its activities in education, culture, arts, and sports, DenizKültür contributes to the fulfillment of the corporate and social mission of DenizBank Financial Services Group.

➤ *DenizKültür was established in 2004 to organize various cultural activities, especially scientific research, art, and literature, and support similar activities.*

DENİZKÜLTÜR

DenizKültür was established in 2004 to organize various cultural activities, especially scientific research, art, and literature, and support similar activities.

Through its activities in education, culture, arts, and sports, DenizKültür contributes to the fulfillment of the corporate and social mission of DenizBank Financial Services Group.

Activities of DenizKültür include;

- Publishing books on science, arts, and literature,
- Producing audiovisual cultural materials,
- Staging arts events,
- Organizing collection/exhibition projects geared towards the plastic arts and handicrafts,
- Organizing campaigns in line with the social mission,
- Other cultural activities to be developed

Productions and Publications in 2023

"Denizdeki Hayalet" (Ghost in the Sea) Book

The script of Yurdağül Şahin, who received the third prize for First Screenplay in the 4th DenizBank First Screenplay First Movie competition, is penned as the book "Denizdeki Hayalet" (Ghost in the Sea). The book aims to raise awareness of peer bullying and environmental pollution and to develop environmental awareness in our children, whom we will entrust in the future. The novel "Denizdeki Hayalet" (Ghost in the Sea) was found suitable for the interests, needs, and developmental characteristics of children aged 8+ by Child Development Specialist Prof. Mesude Atay.

Basic Techniques for Orchestral Conducting Book

Written by Prof. Rengim Gökmen, one of the most important orchestra conductors of Türkiye, the book "Basic Techniques of Orchestral Conducting" has been presented to readers who want to become an orchestra conductor, who are studying in this department, and who are interested in orchestra conducting on the sustainability of harmony, cooperation, trust and teamwork. The theoretical chapters are supported by visual expression with QR codes in the book content so that the information can be easily absorbed. The technical book, which makes a difference in Türkiye and the world with all these features, is presented to the readers.

Istanbul State Symphony Orchestra (IDSO)

Istanbul State Symphony Orchestra was sponsored for the 2023-2024 season. Presenting magnificent concerts with world-renowned soloists and conductors, IDSO will take the stage at AKM every Friday for 34 weeks. In addition, concerts were held on special occasions such as the Victory of Gallipoli, the Commemoration of Atatürk on May 19, the 100th Anniversary of the Republic, and November 10th.

Izmir State Symphony Orchestra (IZDSO)

During the 2023-2024 season, unique works will be performed for 32 weeks by the world's and Türkiye's most prominent conductors and soloists. At the same time, young reputable soloists in Türkiye and abroad will also take the stage. IZDSO will also organize educational concerts throughout the year in addition to its periodic Friday concerts.

"Wolfie Harikalar Operasında" (Wolfie in Wonderland Opera)

The children's opera "Wolfie Harikalar Operasında" (Wolfie at the Opera of Wonders) was staged at Zorlu PSM and Süreyya Opera throughout the year. A highly dynamic work that tells the adventure of the Director, who lands in a place with no time, to put his opera work into practice.

2023 Bodrum Opus Music Festival

On September 1st-8th, the Opus Music Festival took place with a program consisting of every field of music. Concerts were organized, including Balkan Orchestra with İsmail Lumanovski as soloist, 100th Anniversary of the Republic Rock Concert with Flört, Zeki Müren Commemoration Concert with Bekir Ünlüataer, Aşık Veysel Commemoration Concert with Coşkun Kandemir, and Yansılar Concert. On September 9th, a spectacular closing concert was also held at the Bodrum Castle with the Türk Yıldızları Symphony Orchestra and soloists Soprano Burcu Hancı, Jülide Özçelik, Burak Bilgili, and Tenor Şenol Talınlı conducted by Murat Cem Orhan.

6th TÜRSAK DenizBank First Screenplay First Film Competition

DenizBank First Script First Film Competition is a platform that supports the future of the film industry through competitions organized in storytelling and script writing categories and facilitates the contribution of high-quality scripts and films to Turkish cinema.

DenizBank Voice Up Acapella Festival

Türkiye's first vocal music festival has brought the world's most renowned names in a cappella music together, intending to turn Istanbul into one of the world's leading polyphonic music centers. With the participation of 600 artists from 23 countries and 25 expert conductors, 3 grand morning workshops, 16 workshops, panels, and concerts were held at the most beautiful venues of Istanbul. This event has aimed to contribute to the recognition of a cappella music and to the exchange of knowledge and inspiration. Within the scope of the festival, events were organized with developmental workshops by world-famous chefs Panda Van Proosdij, Basilio Astules, and Morten Kjaer.

Gümüşlük Classical Music Festival

The first and oldest international festival in Bodrum, "Gümüşlük Festival" was organized with approximately 20 concerts with international artists.

Black Week

The festival, which has brought crime fiction fans together for the past 9 years, is Türkiye's first and only crime fiction literature festival. Organized on 21-23 November 2023 at Pera Palace Hotel and Goethe Institut, the festival featured internationally renowned crime fiction authors such as Petros Markaris, Dimitris Mamaloukas, and Vassilis Danellis from Greece, Wolfgang Schorlau from Germany, as well as Ahmet Ümit, Murat Menteş, Doğu Yücel, Alper Canigüz, Elçin Poyrazlar, Algan Sezgintüredi, Aslı Perker, Tuna Kiremitçi, and Işıl Işık.

GaleriDeniz Exhibitions

Soon Forgotten-Yakında Unutulur Exhibition

A group exhibition curated by Hakan Körpi displayed at the DenizBank Head Office building GaleriDeniz between 11 January-30 January 2023. "Yakında Unutulur" (Soon Forgotten) Exhibition featured the works of Ülkü Yılmaz, Esra Şatıroğlu, Elifko, Elif Tutka, Recep Batuk, Sevtap Yılmaz, Bahri Genç, Cansu Kahraman, and Sinan Dağ.

"Bir Fantastik Eğilim" (A Fantastic Tendency) Exhibition

From 3 February to 27 February 2023, 37 works by Seda Sevinç were exhibited at GaleriDeniz, DenizBank Head Office building.

Bazaart Exhibition

Between 15 March and 7 April 2023, an exhibition called "Her Eve Bir Sanat" (Art for Each Home) displayed at GaleriDeniz, DenizBank Head Office building. The works of 71 artists, including students and alumni of the Faculty of Fine Arts, were exhibited as part of the Bazaart Project.

"Pasajda Bir Yıl" (A Year in the Passage) Exhibition

Between 14 April and 14 August 2023, DenizBank Head Office building GaleriDeniz hosted the exhibition "Pasajda Bir Yıl" (A Year in the Passage) within the scope of Art for Goodness. The artworks of Elif Akçay, Elif Aktaş, Emel Ezal, Fatih Şimşek, Loya Kader Öztürkmen, Serap Can, Yonca Karaarslan created in the workshops provided by DenizBank for a year were exhibited.

"Deniz'de Buluşma" (Meeting at Deniz) Exhibition

Between 25 August and 24 September 2023, 29 artworks by Akın Ekici and Murat Kurt were exhibited at GaleriDeniz, DenizBank Head Office building with the organization of Hakan Körpi.

Singing Sea Exhibition

Between 25 August and 7 November 2023, a group sculpture exhibition curated by Gizem Pamukçu was featured outside the DenizBank Head Office building. In the exhibition, the works of Emre Önal, Furkan Depeli, Ozan Dursun, Sıtkı Eryılmaz, Umutcan, who are alumni and postgraduate students of Marmara University, were included.

Cultural Services

As part of the Special DenizBank Concerts for the 100th Anniversary of our Republic, on 23 October, the concert was held at CSO Ada Ankara under the conduction of Conductor Rengim Gökmen featuring the performances of valuable artists.

➤ An exhibition consisting of 24 portraits of Atatürk by the artist Emirhan Bıçakcı, curated by İnci Aytaç, was held between 28 October and 12 November at DenizBank Office Building GaleriDeniz, specially for the 100th anniversary.

"Sanatın Dili" (Language of Art) Exhibition

A group exhibition of sculptures and paintings by 16 artists curated by Evren Başık was held at GaleriDeniz, DenizBank Head Office building between 27 September and 13 October 2023.

"Cumhuriyetin Yüzü" (Face of the Republic) Exhibition

An exhibition consisting of 24 portraits of Atatürk by the artist Emirhan Bıçakcı, curated by İnci Aytaç, was held between 28 October and 12 November at DenizBank Head Office building GaleriDeniz, specially for the 100th anniversary of the Republic.

"Birlikte Geleceğe" (Together to the Future) Exhibition

An exhibition curated by Deha Çun at GaleriDeniz, DenizBank Head Office building, between 14 November and 3 December, featuring the works of a total of 45 artists including undergraduate, graduate students, and recent graduates who had previously participated in Bazaart exhibition but were not selected in the applications.

"Bir Arada" (Together) Exhibition

Between 7 December and 4 January, a group exhibition with the paintings and sculptures of 15 young artists will be on display at GaleriDeniz, DenizBank Head Office building.

Conversation in the Gallery

Aslı Özok, who has made an impact all over the world with her artworks and sculptures, held a conversation that will inspire young artists and organizations that want to support them. Art talks, in which the artists met art lovers were also organized.

Classics at Deniz

With the narration of Serhan Bali, the editor-in-chief of Andante "Türkiye's Classical Music Magazine," the history of classical music was narrated chronologically. In addition to Türkiye's leading artists, young talents of our classical music scene also gave special performances at special venues selected following the content of the chapter.



Series of Talents

Ayşe Cemre Ağırçöl Session

To introduce pianist Ayşe Cemre Ağırçöl, a student of Mozarteum University Pre-College Piano Department, which is one of the most prestigious and prominent music schools in the world, and the student of Salzburg Mozart Musikgymnasium, filming was held at Gallery Deniz on the occasion of the 23rd April National Sovereignty and Children's Day.

Naz İrem Türkmen Session

Naz İrem Türkmen, an internationally successful violinist who is a student of Sonja Korkeala in the Violin Department of Munich Conservatory, and has the support of the world-famous pianists Güher and Süher Pekinel has been filmed at Gallery Deniz on the occasion of 19th May Youth and Sports Day.

Filming of Can Saraç

To introduce our young artist, pianist Can Saraç, the winner of the Michelangeli Award at the Piano Academy Eppan piano competition in Italy and the first prize winner among 6 finalists at the Eppan Piano Academy, filming was organized at Gallery Deniz.

100th Anniversary of the Republic Concert

Within the scope of DenizBank Concerts Special for the 100th Anniversary of our Republic, the Presidential Symphony Orchestra (CSO) was held in Ada Ankara on October 23, with the performances of valuable artists under the direction of Conductor Rengim Gökmen.

Masterclass

In Gallery Deniz, masterclasses with world-famous cellist Maximillian Hornung and instructor Peder Karlsson were held with many participants.

Board of Directors

Name Surname	Title	Executive/ Non-executive/ Independent Member	Education	Professional Experience (Years)	DenizBank titles held in the last five years	Other non-DFSG titles currently held	% of Shares
Hesham Abdulla Al Qassim	Chairman of the Board of Directors, Credit Committee Reserve Member	Non-executive	Master's Degree	28	Chairman of the Board of Directors, Credit Committee Reserve Member, Remuneration Committee Member	Emirates NBD Bank PJSC- Vice Chairman and Managing Director, wasl Asset Management Group- Vice Chairman and CEO, Emirates Islamic Bank PJSC- Chairman, Emirates NBD Egypt SAE-Chairman, Dubai Sports Corporation- Chairman, Dubai Autism Centre- Chairman, Emirates Telecommunication Corporation (Etisalat)-Board Member, International Humanitarian City-Board Member, Dubai International Financial Centre (DIFC) Authority-Board Member, DIFC Investments LLC-Board Member, Itissalat Al-Maghrib (IAM) Maroc Telecom-Board Member, International Cooperation Council France UAE ("CCI France UAE")- Chairman, Member of the Board of Trustees for the "1 Billion Meals Endowment" initiative, which falls under the umbrella of Mohammed bin Rashid Al Maktoum Global Initiatives.	-
Shayne Keith Nelson	Vice Chairman of the Board of Directors, Corporate Governance and Nomination Committee Member, Remuneration Committee Member	Non-executive	Bachelor's Degree (not completed)	39	Member of the Board of Directors, Corporate Governance and Nomination Committee Member	Emirates NBD Bank PJSC- Group CEO, Emirates Islamic PJSC-Board Member, Emirates NBD Capital Ltd.- Board Member, Emirates NBD Capital PSC- Board Member, Tanfeeth LLC-Board Member, Marsh Emirates Insurance Brokers LLC-Board Member, International Monetary Conference-Board Member, the University of Wollongong-Member of the Advisory Board, Member of the International Cooperation Council France UAE (CCI France UAE)	-
Hakan Ateş	Member of the Board of Directors, President and CEO, Credit Committee Member	Executive	Bachelor's Degree	42	Member of the Board of Directors, President and CEO, Credit Committee Member	Emirates NBD Egypt SAE-Board Member, Member of TED University's Board of Trustees, Member of TED Ankara College Association Board of Directors, Member of THK University's Board of Trustees, Member of MetLife's Board of Directors, Member of TED Istanbul College Foundation's Board of Trustees, Full Member of Board of Turkish Tourism Investors Association's Board of Directors	-
Ahmed Mohammed Aqil Qassim Al Qassim	Member of the Board of Directors, Audit and Risk Committee Member	Independent Member	Master's Degree	20	Vice Chairman of the Board of Directors, Member of the Board of Directors, Audit and Risk Committee Member	Emirates NBD Bank PJSC- Group Head of Wholesale Banking	0.00000002%
Aazar Ali Khwaja	Member of the Board of Directors, Credit Committee Reserve Member	Non-Executive	Master's Degree	34	Member of the Board of Directors, Credit Committee Reserve Member	Emirates NBD Bank PJSC -Group Head International & Advisor to Group CEO for DenizBank	-
Bjorn Lenzmann	Member of the Board of Directors, Chairman of Audit and Risk Committee	Non-Executive	Ph.D.	27	Member of the Board of Directors, Audit and Risk Committee Member	-	-
Burcu Çalıkılı	Member of the Board of Directors, Credit Committee Member	Executive	Master's Degree	31	Member of the Board of Directors, Credit Committee Member	-	-
Derya Kumru	Member of the Board of Directors, Credit Committee Member	Executive	Ph.D.	37	Member of the Board of Directors, Credit Committee Member	-	-
Tanju Kaya	Member of the Board of Directors, Corporate Governance and Nomination Committee Member	Executive	Bachelor's Degree	37	Member of the Board of Directors, Corporate Governance and Nomination Committee Member, Chairman of DFSG Investment Companies Executive Board	-	-



HESHAM ABDULLA AL QASSIM
Chairman of the Board of Directors
Mr. Hesham Abdulla Al Qassim is the Vice Chairman and Managing Director of Emirates NBD Bank P.J.S.C., the Chairman of Emirates Islamic Bank P.J.S.C., one of the leading Islamic banks in the region, Emirates NBD Egypt, and DenizBank A.Ş. Türkiye; both subsidiaries of Emirates NBD. Mr. Al Qassim is also the Vice Chairman and Chief Executive Officer of wasl Asset Management Group and is responsible for leading its transformation into a world-class asset management company. He has more than 20 years experience in the banking sector.

Mr. Al Qassim is also the Chairman of Dubai Sports Corporation and Dubai Autism Centre. His other board memberships include Dubai International Financial Centre (DIFC) Authority, Emirates Telecommunications Corporation (Etisalat), DIFC Investments LLC., Itissalat Al-Maghrib (IAM) Maroc Telecom, as well as the International Humanitarian City. Mr. Al Qassim is also a member of the International Cooperation Council France UAE ("CCI France UAE"). He is also a member of the Board of Trustees for the "1 Billion Meals Endowment" initiative, which falls under the umbrella of Mohammed bin Rashid Al Maktoum Global Initiatives.

His professional and vocational qualifications include a Bachelor's degree in Banking and Finance and a Master's degree in International Business Management and in Executive Leadership Development.



SHAYNE KEITH NELSON
Vice Chairman of the Board of Directors
Shayne Nelson is a member of the Board of Directors for Emirates Islamic, Emirates NBD Capital Ltd., Emirates NBD Capital PSC, Tanfeeth, International Monetary Conference, Marsh Emirates Insurance Brokers, a member of the Advisory Board to the University of Wollongong in Dubai and a member of the International Cooperation Council France UAE (CCI France UAE).

Prior to joining Emirates NBD, he served in Singapore as the Chief Executive Officer of Standard Chartered Private Bank for three years. He was also the Chairman of Standard Chartered Saadiq Islamic Advisory Board and a Board member of Standard Chartered Bank (China) Ltd.

Shayne's other previous high-profile positions in the banking arena include Regional CEO of Standard Chartered Bank Middle East and North Africa for five years based in Dubai (2006-2010), Chairman of Standard Chartered (Pakistan) Limited, and Chairman of the Banking Advisory Council to the Board of the Dubai International Financial Center.

He also held the position of Chief Executive Officer and Managing Director of Standard Chartered Bank, Malaysia Berhad based in Kuala Lumpur.

Shayne's solid experience, across various functions and geographies, is a testament to his diverse background within banking. Earlier in his career, his positions included Standard Chartered Chief Risk Officer for Wholesale Banking based in Singapore, Regional Head of Corporate and Institutional Banking Audit for the Asia Pacific Region and India, as well as Regional Head of Credit in Hong Kong, China and North East Asia, with the latter two positions based in Hong Kong. He was also the Head of Corporate and Institutional Banking for Westpac Banking Corporation for Western Australia based in Perth.

A Graduate Member of the Australian Institute of Company Directors, Shayne is also an Associate Fellow of the Australian Institute of Managers. Shayne is married to Siti Mariana Abdullah, a Malaysian citizen, and has two children. In his leisure time, he enjoys playing golf and spending time with his family. He is also a passionate fisherman, for which he holds a world record.



HAKAN ATEŞ
Member of the Board of Directors, President and CEO
Mr. Ateş was born in 1959 and graduated from Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Business Administration after completing his studies at TED Ankara College. He started his banking career in 1981 as an Internal Auditor at İşbank. After serving at various Interbank units from 1986 to 1993, he worked as a Branch Manager at Elmadağ, Şişli, Bakırköy, İzmir and Central Branches. He established Interbank's Cash Management System and was promoted in 1993 to Executive Vice President in charge of Central Operations. Mr. Ateş worked as Executive Vice President in charge of Financial Affairs and Operations at Bank Ekspres between the years of 1994 and 1996 and led the bank's restructuring project under the consultation of Bank of America. He established Garanti Bank Moscow in Russia and worked as CEO for one year starting from June 1996. He has continued his duties as the President & CEO at DenizBank, where he started in June 1997 as the Founder President.

During his management tenure, DenizBank shares were offered to public in October 2004 where 5.5 times oversubscription was recorded. His management also ran the process of selling Zorlu Holding-owned DenizBank shares to Dexia S.A. in May 2006 for USD 3,250 billion with 4.7 times its book value which is a record in Türkiye, the sales process of 99.85% of DenizBank shares owned by Dexia Group to Sberbank 6 years later in June 2012 for USD 3.6 billion with 1.33 times its book value as well as the sales process of 99.85% of DenizBank shares owned by Sberbank to Emirates NBD for TL 15.48 billion and 1.0 multiplier despite challenging market conditions. In addition, the transfer of Deniz Emeklilik for Euro 256 million with 10 times its book value with a 15-year sales agreement in 2011 and taking over the Retail Banking of Citi Türkiye with about 1,500 employees in 2013 also took place under the management of Mr. Ateş.

Serving as the Chairman of the Board of Directors at DenizBank subsidiaries Deniz Yatırım Menkul Kıymetler A.Ş., Intertech Bilgi İşlem ve Pazarlama Ticaret A.Ş., DenizBank AG and Neohub Teknoloji Yazılım Pazarlama ve Danışmanlık A.Ş., Hakan Ateş also assumes the duty of Member of Board of Directors at Emirates NBD Egypt as of September, 2020. Granted the "Those who Add Value to Türkiye" Award presented by Bahçeşehir University in 2015, Ateş is with two children and speaks fluent English.

Board of Directors



AHMED MOHAMMED AQIL QASSIM AL QASSIM
Member of the Board of Directors

A seasoned banking and management professional with more than 19 years of experience in commercial and investment banking, Ahmed Al Qassim is Emirates NBD Group Head of Wholesale Banking.

During his tenure, Ahmed has championed the adoption of digital innovation, artificial intelligence and unmatched customer experience to enhance the group's corporate banking proposition. He has led product development and implementation of award-winning Trade and Supply Chain finance, Cash Management and Islamic banking solutions while driving higher levels of lending to the group's Wholesale Banking client base across nine countries.

Previously, Ahmed was Chief Executive Officer of Emirates NBD Capital, the investment banking arm of Emirates NBD, followed by General Manager of Corporate Banking at Emirates NBD where he managed the successful transformation of the respective units, building on capabilities, creating synergies in cross-functional teams and inculcating the principles of risk management while remaining relevant to the client. Prior to joining Emirates NBD, Ahmed was the Chief Executive Officer of Dubai Group, a Dubai Holding subsidiary, and has also held senior roles at General Electric and Mubadala - GE Capital.

He has previously served on the boards of the following companies: Bank Muscat, Shuaa Capital, EFG-Hermes and Sun Hung Kai & Co. Limited, and is a member of Emirates NBD's Executive Committee. Ahmed holds a Bachelor's degree in Engineering Management from Higher Colleges of Technology in the United Arab Emirates and a Master of Business Administration degree from the University of Victoria in Canada. He has also completed the Advanced Management Program from University of Pennsylvania in the United States.



AAZAR ALI KHWAJA
Member of the Board of Directors

Aazar Khwaja is ENBD Group Head of International Advisor to Group CEO for DenizBank. Having served within the ENBD Group since September 2012, Khwaja has over 25 years of experience in treasury and global markets across a number of geographies.

Aazar joined ENBD in 2012 as Group Treasurer and Head of Global Banking and Markets. Prior to joining ENBD, he was the Regional Treasurer for Emerging Markets/Africa with Barclays Bank PLC, during which he also served as Chairman of Barclays' regional Assets and Liabilities Management Committee.

His previously served as Managing Director and Head of Markets in Citigroup's Central and Eastern European division, Group Treasurer for Saudi Hollandi (ABN AMRO) Bank in the Kingdom of Saudi Arabia, Managing Director of Treasury for ABN AMRO/K&H Bank in Hungary, General Manager of Treasury for ABN AMRO in Romania, as well as Country Treasurer for Citibank NA in Pakistan. Aazar holds a Bachelor of Commerce from the University of Karachi, a Master of Business Administration with the Institute of Business Administration, Pakistan and a Corporate Governance International Directors Program qualification from INSEAD, France.



BJORNN LENZMANN
Member of the Board of Directors

Dr. Lenzmann graduated from TU Dortmund University with a diploma in Physics and achieved his PHD in 2001 and has 20 years of international experience in risk management, advisory and data analytics in developed and emerging markets. Starting his career as a Research Assistant at the University of Dortmund in 1996 he subsequently worked for Commerzbank leading the Operational Risk Quantification Team from 2001 to 2005 and, as a Senior Market Risk Manager. He worked with KPMG as Associate Director from 2006 to 2008.

Dr. Lenzmann joined Emirates NBD in 2008 as Vice President, Head of Operational Risk before taking on the role of Senior Vice President and Group Head of Operational Risk in August 2010, responsible for operational risk, cyber risk management, business continuity management, reputational risk and outsourcing, fraud prevention and investigations in addition to mergers and digital banking. Dr. Lenzmann is a Member of the Board of Directors and Audit and Risk Committee at DenizBank since March 2021. Dr. Lenzmann has a proven track record of enterprise-wide transformation of operational risk, enterprise risk, market risk, credit risk frameworks and methodologies. He is highly experienced in leading multinational and cross functional teams across Europe, the Middle East and Asia. During his career he has successfully established risk management frameworks for Retail Banking, Wealth Management, Private Banking, Corporate Banking, Capital Markets, Treasury, Digital Banking, Insurance, Asset Management, Financial Brokerage and Payment Services.



BURCU ÇALIKLI
Member of the Board of Directors

Born in 1969, Çaliklı received her bachelor's degree from Middle East Technical University, Department of Statistics in 1992 and completed her MBA studies at Koç University in 2000. Starting her career in 1992 as Partner at Retsam Ltd. Şti., Çaliklı later served as Auditor at Dışbank between the years of 1995 and 1997, Corporate Credits Analyst and Market Risk Manager at Citibank A.Ş. between the years of 1997 and 2002. Continuing her works in retail credits from 2002 to 2009, Çaliklı then assumed the duty of Consumer Credits Country Head at Citibank A.Ş. She served as Head of Risk Management Center at TFKB from 2009 to 2014, Head of Corporate Credits at First Abu Dhabi Bank from 2014 to 2018, Chief Credit Officer at Commercial Bank of Dubai from 2018 to 2021 before she assumed the role of Senior Risk Advisor at Emirates NBD in 2021. Çaliklı has been nominated as DenizBank Board Member as of January 2022.



DERYA KUMRU
Member of the Board of Directors

Mr. Kumru was born in 1964. He graduated from Ankara University, Faculty of Political Sciences and obtained an M.A. and Ph.D. in Economics from Istanbul University, Institute of Social Sciences. Between 1987 and 1999, he held several positions at Esbank T.A.Ş. and was appointed Executive Vice President in 1998. Mr. Kumru joined DenizBank Financial Services Group in 1999. After serving as Executive Vice President in charge of DenizBank A.Ş. Corporate Banking Marketing Group and General Manager at DenizLeasing and DenizFactoring, he was appointed General Manager of DenizBank Moscow in 2004. From 2009 to 2011, Mr. Kumru served as Executive Vice President in charge of Corporate and Commercial Banking, Public and Project Finance and International Subsidiaries Group at DenizBank A.Ş. From 2011 until 2012, he assumed the title of Executive Vice President in charge of the Wholesale Banking Group at DenizBank A.Ş. Derya Kumru has served as a Member of the Board of Directors at DenizBank A.Ş. since December 2012 and he has assumed the functions of Project Finance, Financial Restructuring and Credit Follow up and Risk Monitoring Groups, as of March 2021.



TANJU KAYA
Member of the Board of Directors

Born in 1964, Mr. Kaya graduated from Gazi University, Faculty of Economics and Administrative Sciences, Department of Public Administration in 1985. Starting his banking career at Pamukbank in 1986, he held several positions at TEB, Marmara Bank and Alternatif Bank, respectively. He worked as Branch Manager at Bank Eksiş between the years of 1994 and 1997. Joining DenizBank A.Ş. in 1997 as Ankara Branch Manager, he then served as the Central Anatolia Regional Manager in 2002 and 2003, and later as the Executive Vice President in charge of Administrative Services Group from 2003 to 2016 at the bank. Having served as the Executive Vice President in charge of Administrative Services and Investment Group at DenizBank A.Ş. and Chairman of the Executive Board of DFSG Investment Group between June 2016 and 2020, Kaya has continued his duty as the Board Member in charge of his present functions from June 2020 to July 2021. As of July 2021, he has been serving as the Board Member in charge of Administrative Services Group.

Executive Board



HAKAN ATEŞ
CEO

CONTROL FUNCTIONS GROUP



Björn Lenzmann
Member of the Board of
Directors, Chief Risk Officer

CREDIT RISK GROUP



Burcu Çalıklı
Member of the Board of
Directors and Management
Board, Chief Credit Risk Officer

WORKOUT GROUP



Derya Kumru
Member of the Board of
Directors and Management
Board

SALES FUNCTION GROUPS



Ayşenur Hıçkırık
Retail Banking Group EVP,
Member of the Management
Board



Mehmet Aydoğdu
Wholesale Banking Group
EVP, Member of the
Management Board

TREASURY AND INVESTMENT BANKING



Bora Bötüğüz
Treasury, Financial Institutions and
Investment Group EVP, Member of
the Management Board



Cem Demirağ
Head of Internal Control Unit
and Compliance



Selim Efe Teoman
Credits Group EVP



Savaş Çıtak
Project Financing, Financial
Restructuring and Credits
International Coordination Group EVP



Oğuzhan Özark
Personal and Private Banking
Group EVP



Engin Eskiduman
SME Banking, Agricultural
Banking and Public Finance
Group EVP



Cem Öneng
Deniz Asset Management
General Manager



Ramazan Işık
Head of Internal Audit



**Kishore Swayamberdutt
Bhatt**
Credits Allocation Group EVP,
Chief Credit Officer



Serkan Boran
Workout Group EVP



Halit Cihan Tunçbilek
Payment Systems Group EVP



Hacı Mehmet Ofıaz
Corporate and Commercial
Banking Group EVP



Hüseyin Melih Akosman
DenizInvest Securities
General Manager



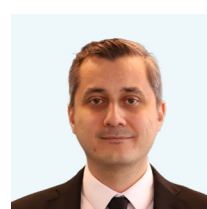
Sinan Yılmaz
Head of Risk Management
Group



Ali Rıza Aydın
Information Security and
Information Technologies
Risk Management Group EVP



Verda Beril Yüzer Oğuz
Financial Institutions and
Sustainability Coordination
Group EVP



Okan Aksu
Treasury Group EVP

SUPPORT FUNCTION GROUPS



Tanju Kaya
Member of the Board of
Directors and Management
Board



Ruslan Abil
Financial Affairs Group
EVP, CFO, Member of the
Management Board



Ali Murat Dizdar
Chief Legal Counsel, EVP,
Member of the Management
Board



Yavuz Elkin
Human Resources and Deniz
Academy Group EVP



Rasim Orman
Secretariat General and
Litigations Group EVP



Mehmet Çitil
Deniz Real Estate Investment
Trust General Manager

DIRECT REPORTERS



Hayri Cansever
DenizBank AG General
Manager



Oğuz Yalçın
DenizBank Moscow General
Manager



Mustafa Özel
Branch and Central
Operations Group EVP



Ömer Uyar
Intertech General Manager



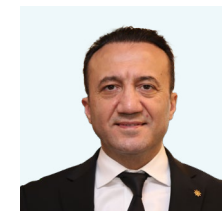
Okan Çetinkaya
Analytics, Data and Customer
Value Management Policies
Group EVP



Gürhan Çam
NEOHUB General Manager



Burak Koçak
Deniz Leasing General
Manager



Murat Kulaksız
NEOHUB General Manager



Umut Özdoğan
Information Systems Group
EVP

Executive Board

HAKAN ATEŞ
President, CEO and Member of the Board of Directors

Mr. Ateş was born in 1959 and graduated from Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Business Administration. He began his banking career in 1981 as an Internal Auditor at İşbank. He continues to serve as Board Member, President and CEO at DenizBank, since joining the Bank in June 1997 as Founder and CEO.

AAZAR ALİ KHWAJA
Member of the Board of Directors

Mr. Khwaja was born in 1967 and holds a bachelor's degree in Commerce from the University of Karachi, an MBA from the Pakistan Institute of Management and a Corporate Governance International Executives Program qualification from INSEAD France. Khwaja, who has been working within ENBD Group since September 2012, joined DenizBank in 2023.

BJORN LENZMANN
Member of the Board of Directors, Chief Risk Officer - Member of the Management Board

Mr. Lenzmann was born in 1971 and graduated from TU Dortmund University, with a degree in Physics; he also holds PhD in Physics. He began his career in 1996 and joined DenizBank in 2021.

BURCU ÇALIKLI
Member of the Board of Directors, Chief Credit Risk Officer - Member of the Management Board

Ms. Çalıkılı was born in 1969 and graduated from Middle East Technical University, Department of Statistics; she also holds an MBA from Koç University. She began her banking career in 1995 and joined DenizBank in 2022.

DERYA KUMRU
Member of the Board of Directors - Member of the Management Board

Mr. Kumru was born in 1964 and graduated from Ankara University, with a degree in Political Science; he also holds an M.A. and Ph.D. in Economics degree from İstanbul University. He began his banking career in 1987 and joined DenizBank in 1999.

TANJU KAYA
Member of the Board of Directors - Member of the Management Board

Mr. Kaya was born in 1964 and graduated from Gazi University, Faculty of Economics and Administrative Sciences, Department of Public Administration. He began his banking career in 1986 and joined DenizBank in 1997.

ALİ MURAT DİZDAR
Chief Legal Advisor - Member of the Management Board

Mr. Dizdar was born in 1960 and graduated from İstanbul University, Faculty of Law; he holds an MA in Private Law from the same institution. He began his career in 1982 and joined DenizBank in 2002.

AYŞENUR HIÇKIRAN
Retail Banking Group, Executive Vice President - Member of the Management Board

Ms. Hıçkiran was born in 1969 and graduated from Ege University, Faculty of Letters, Department of English Language and Literature. She began her banking career in 1996 and joined DenizBank in 2013.

BORA BÖCÜGÖZ
Treasury, Financial Institutions and Investment Group, Executive Vice President - Member of the Management Board

Mr. Bökügöz was born in 1967 and graduated from Boğaziçi University, Faculty of Economics and Administrative Sciences, Department of Business Administration in 1989. He started his banking career in 1989 and joined DenizBank in 2002.

MEHMET AYDOĞDU
Wholesale Banking Group, Executive Vice President - Member of the Management Board

Mr. Aydoğdu was born in 1968 and graduated from Dokuz Eylül University, Faculty of Economics and Administrative Sciences, Department of Economics. He began his banking career in 1996 and joined DenizBank Financial Services Group in 2002.

RUSLAN ABİL
Financial Affairs Group, Executive Vice President, Chief Financial Officer - Member of the Management Board

Mr. Abil was born in 1975 and graduated from Middle East Technical University, Department of International Relations. He began his professional career in 1997 and joined DenizBank in 2013.

ALİ RIZA AYDIN
Information Security and Information Technologies Risk Management Group, Executive Vice President

Mr. Aydın was born in 1972 and graduated from Hacettepe University, Department of Computer Sciences Engineering. He began his career in 1994 and joined DenizBank in 2012.

CEM DEMİRAĞ
Head of Internal Control Center and Compliance

Mr. Demirağ was born in 1968 and graduated from Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Public Administration. He began his professional career in 1991 and joined DenizBank in 2010.

HACİ MEHMET OFLAZ
Corporate and Commercial Banking Group, Executive Vice President

Mr. Ofıaz was born in 1981 and completed his undergraduate studies in 2004 at Dokuz Eylül University, Faculty of Science and Letters, Department of Statistics (English), and received his master's degree in 2019 from Galatasaray University, Institute of Social Sciences, Department of Financial Economics. He began his professional career in 2005 and joined DenizBank in 2013.

ENGİN ESKİDUMAN
SME Banking, Agricultural Banking and Public Finance Group, Executive Vice President

Mr. Eskiduman was born in 1973 and graduated from Faculty of Economics and Administrative Sciences, Department of Economics. He began his banking career in 1998 and joined DenizBank in 2002.

HALİT CİHAN TUNÇBİLEK
Payments Systems Group, Executive Vice President

Mr. Tunçbilek was born in 1963 and graduated from Boğaziçi University, Department of Industrial Engineering; he also holds master's degree and PhD in Industrial Systems from Virginia Tech University. He began his banking career in 1995 and joined DenizBank in 2013.

KISHORE SWAYAMBERDUTT BHATT
Credits Allocation Group, Executive Vice President

Mr. Bhatt was born in 1962 and graduated from Garhwal University Faculty of Science; he also holds master's degree in history. He began his banking career in 1988 and joined DenizBank in 2021.

MUSTAFA OKAN ÇETİNKAYA
Analytic, Data and Customer Value Management Policies Group, Executive Vice President

Mr. Çetinkaya was born in 1973 and graduated from Ege University Faculty of Literature; he also holds an MBA from Özyeğın University. He began his professional career in 1999 and joined DenizBank in 2016.

MUSTAFA ÖZEL
Branch and Central Operations Group, Executive Vice President

Mr. Özel was born in 1966 and graduated from Hacettepe University, Faculty of Economics and Administrative Sciences, Department of Public Administration. He began his banking career in 1988 and joined DenizBank in 1997.

OĞUZHAN ÖZARK
Personal and Private Banking Group, Executive Vice President

Mr. Özark was born in 1976 and graduated from İstanbul Technical University, Department of Mathematical Engineering. He began his banking career in 1997 and joined DenizBank in 2004.

OKAN AKSU
Treasury Group, Executive Vice President

Mr. Aksu was born in 1982 and graduated from Bilkent University, Department of Economics; he holds master's degree in Economics and Finance from İstanbul Bilgi University. He began his banking career in 2003 in DenizBank and rejoined DenizBank in 2015.

RAMAZAN IŞIK
Head of Internal Audit

Mr. Işık was born in 1977 and graduated from Middle East Technical University, Department of Economics. He also completed his MBA degree in Yeditepe University. He began his banking and internal audit career in 1999 and joined DenizBank in 2013.

RASİM ORMAN
Secretariat General and Litigations Group, Executive Vice President

Mr. Orman was born in 1970 and received his undergraduate degree from Marmara University, Faculty of Law in 1997 and his postgraduate degree in Private Law from the Social Sciences Institute of the same university in 2003. He started his career at Esbank T.A.Ş. as Junior Auditor in 1997 and joined DenizBank in 2002.

SAVAŞ ÇITAK
Project Financing, Financial Restructuring and Credits International Coordination Group, Executive Vice President

Mr. Çıtak was born in 1977 and graduated from Marmara University, Faculty of Engineering; he also holds an MBA from Sabancı University. He began his professional career in 1999 and joined DenizBank in 2003.

SELİM EFE TEOMAN
Credits Group, Executive Vice President

Mr. Teoman was born in 1970 and graduated from Hacettepe University, Faculty of Economic and Administrative Sciences, Department of Economics. He began his banking career in 1994 and joined DenizBank in 2003.

SERKAN BORAN
Workout Group, Executive Vice President

Mr. Boran was born in 1973 and received his undergraduate degree in Geological Engineering from Hacettepe University, Faculty of Engineering in 1997, and his MBA from Yeditepe University, Institute of Social Sciences in 2009. He began his banking career as Associate- Customer Representative at DenizBank in 1998.

SİNAN YILMAZ
Head of Risk Management Group

Mr. Yılmaz was born in 1974 and graduated from İstanbul Technical University, Department of Management Engineering. He began his banking career in 1998 at DenizBank.

UMUT ÖZDOĞAN
Information Systems Group, Executive Vice President

Mr. Özdoğan was born in 1976 and graduated from Marmara University, Business Administration in English; he also holds an MBA from Yeditepe University. He began his banking career in 1999 at DenizBank.

VERDA BERİL YÜZER OĞUZ
Financial Institutions and Sustainability Coordination Group, Executive Vice President

Ms. Oğuz was born in 1975 and graduated from Marmara University, Department of International Relations. She began her banking career in 1997 and joined DenizBank in 2010.

YAVUZ ELKİN
Human Resources and Deniz Academy, Executive Vice President

Mr. Elkin was born in 1971 and graduated from Marmara University, Department of Business Administration in English. He started his banking career in 1993 and joined DenizBank in 2004.

BURAK KOÇAK
DenizLeasing General Manager

Mr. Koçak was born in 1970 and graduated from Dokuz Eylül University, Department of Econometrics. He started his professional career in 1996 and joined DenizBank in 2006.

CEMİL CEM ÖNENÇ
DenizAsset Management, General Manager

Mr. Önenç was born in 1971 and graduated from Yıldız Technical University, Department of Mechanical Engineering. He holds an MBA from New York's Pace University, an MA and a Ph.D. in Banking from Marmara University. He began his professional career in 1997 at DenizBank.

GÜRHAN ÇAM
NEOHUB, General Manager

Mr. Çam was born in 1980 and graduated from İstanbul University, Department of Management Engineering; he also holds a master's degree in Strategic Marketing and Brand Management from Bahçeşehir University. He began his banking career in 2002 and joined DenizBank Financial Services Group in 2004.

HAYRİ CANSEVER
DenizBank AG, General Manager

Mr. Cansever was born in 1974 and graduated from İstanbul Technical University, Department of Mechanical Engineering; he also holds an MBA in Banking and Finance from Yeditepe University. He began his banking career in 1998 at DenizBank Financial Services Group.

HÜSEYİN MELİH AKOSMAN
DenizInvest Securities, General Manager and Board Member

Mr. Akosman was born in 1971 and graduated from Marmara University, Faculty of Economics and Administrative Sciences, Department of Business Administration; he also holds an MBA from Loyola University, Faculty of Economics and Administrative Sciences. He began his professional career in 1991 and joined DenizBank Financial Services Group in 2004.

MEHMET ÇİTİL
Deniz Real Estate Investment Trust, General Manager

Mr. Çitil was born in 1966 and graduated from İstanbul Technical University, Department of Architecture; he also holds an MBA from İstanbul University, Faculty of Economics and Administrative Sciences and has a CMB Residential Real Estate Appraisal License. He began his banking career in 1988 and joined DenizBank in 1997.

MURAT KULAKSIZ
Deniz Factoring, General Manager

Mr. Kulaksız was born in 1972 and graduated from Çukurova University, Faculty of Economics and Administrative Sciences, Department of Business Administration. He began his banking career in 1998 and joined DenizBank in 2003.

OĞUZ YALÇIN
DenizBank Moscow, General Manager

Mr. Yalçın was born in 1975 and graduated from Boğaziçi University, Faculty of Economic and Administrative Sciences, Department of Political Sciences and International Relations. He began his banking career in 1998 and joined DenizBank in 2002.

ÖMER UYAR
Intertech, General Manager

Mr. Uyar was born in 1977 and graduated from İstanbul Technical University, Department of Control and Computer Engineering. He began his professional career in 1996 at İTÜ IT Department and joined DenizBank in 2000. He has been serving as General Manager of Intertech since 2012.

Executive Management

Title	Name Surname	Duty	Education	Professional Experience (Years)
CEO	Hakan Ateş	CEO	Bachelor's Degree	42
	Ali Murat Dizdar	Chief Legal Advisor-Member of the Management Board	Master's Degree	40
Executive Vice Presidents	Ayşenur Hıçkiran	Retail Banking Group EVP-Member of the Management Board	Bachelor's Degree	29
	Bora Böcügöz	Treasury, Financial Institutions and Investment Group EVP-Member of the Management Board	Bachelor's Degree	35
	Mehmet Aydoğdu	Wholesale Banking Group EVP- Member of the Management Board	Bachelor's Degree	28
	Ruslan Abil	Financial Affairs Group EVP-Member of the Management Board	Bachelor's Degree	26
	Ali Rıza Aydın	Information Security and Information Technologies Risk Management Group EVP	Master's Degree	29
	Engin Eskiduman	SME Banking, Agricultural Banking and Public Finance Group-EVP	Bachelor's Degree	25
	Hacı Mehmet Ofıaz	Corporate and Commercial Banking Group-EVP	Bachelor's Degree	18
	Halit Cihan Tunçbilek	Payment Systems Group-EVP	Ph.D.	28
	Kishore Swayamberdutt Bhatt	Credit Allocation Group-EVP, CCO	Master's Degree	35
	Mustafa Okan Çetinkaya	Analytic, Data and Customer Value Management Policies Group-EVP	Master's Degree	24
	Mustafa Özel	Branch and Central Operations Group-EVP	Bachelor's Degree	35
	Oğuzhan Özark	Personal and Private Banking Group-EVP	Bachelor's Degree	25
	Okan Aksu	Treasury Group-EVP	Master's Degree	20
	Savaş Çıtak	Project Financing, Financial Restructuring and Credits International Coordination Group-EVP	Master's Degree	24
	Selim Efe Teoman	Credits Group-EVP	Bachelor's Degree	29
	Serkan Boran	Workout Group-EVP	Master's Degree	25
	Umut Özdoğan	Information Systems Group-EVP	Master's Degree	24
	Verda Beril Yüzer Oğuz	Financial Institutions and Sustainability Coordination Group-EVP	Bachelor's Degree	26
	Yavuz Elkin	Human Resources and Deniz Academy Group-EVP	Bachelor's Degree	30
Secretary General	Rasim Orman	Secretariat General and Litigations Group-EVP	Master's Degree	26
Internal Systems	Cem Demirağ	Head of Internal Control Center and Compliance	Bachelor's Degree	35
	Ramazan Işık	Head of Internal Audit	Master's Degree	24
	Sinan Yılmaz	Head of Risk Management Group	Bachelor's Degree	25

Committees

Committee	Name Surname	Title	Education	Professional Experience (Years)
Audit and Risk Committee	Ahmed Mohammed Aqil Qassim AL QASSIM	Member	Master's Degree	20
	Bjorn LENZMANN	Chairman	Ph.D.	27
Corporate Governance and Nomination Committee	Shayne Keith NELSON	Member	Bachelor's Degree	39
	Tanju KAYA	Member	Bachelor's Degree	37
Remuneration Committee	Hesham Abdulla AL QASSIM	Member	Master's Degree	28
	Shayne Keith NELSON	Member	Bachelor's Degree	39
Credit Committee	Hakan ATEŞ	Member	Bachelor's Degree	42
	Derya KUMRU	Member	Ph.D.	37
	Burcu ÇALIKLI	Member	Master's Degree	31
	Hesham Abdulla AL QASSIM	Reserve Member	Master's Degree	28
	Aazar Ali KHWAJA	Reserve Member	Bachelor's Degree	34
	Hakan ATEŞ	Chairman	Bachelor's Degree	42
Sustainability Committee	Tanju KAYA	Member	Bachelor's Degree	37
	Bjorn LENZMANN	Member	Ph.D.	27
	Derya KUMRU	Member	Ph.D.	37
	Burcu ÇALIKLI	Member	Master's Degree	31
	Ruslan ABİL	Member	Bachelor's Degree	26
	Bora BÖCÜGÖZ	Member	Bachelor's Degree	35
	Savaş ÇITAK	Member	Master's Degree	24
	Verda Beril YÜZER OĞUZ	Member & Committee General Secretariat	Bachelor's Degree	26

Committee Meetings
Committee members fully and regularly attended all meetings held during the reporting period.

- Other Committees**
- Management Board
 - Executive Committee
 - Assets and Liabilities Committee
 - Executive Credit Risk Committee
 - Disciplinary Committee
 - Compliance Committee
 - Operational and Information Risk Committee
 - Rating Committee
 - Strategy Information and Steering Committee
 - Information Security Committee
 - Purchasing Committee
 - Communication Committee
 - Promotions Committee

Corporate Governance and Policies

Strong corporate governance mechanisms

DenizBank's corporate governance approach is grounded on the principles of transparency, equality, responsibility, and accountability. The Bank carries out its activities following the Banking Legislation, Turkish Commercial Code and related regulations as well as national and international practices.

Recognizing the importance of corporate governance practices as much as financial performance, DenizBank voluntarily works to ensure maximum compliance with the Corporate Governance Principles published by the Capital Markets Board (CMB) and continues to strengthen its corporate governance mechanisms along the way.

The Bank strictly complies with the principles in the regulation of its relations with its stakeholders and the determination of the duties, authorities and responsibilities of the Board of Directors and the management teams reporting to the Board.

At DenizBank, the monitoring and development of practices related to Corporate Governance Principles is carried out by the Corporate Governance and Nomination Committee, consisting of non-executive members of the Board of Directors.

The Corporate Governance Principles Compliance Statement and the Bank's policies are available at "<https://www.denizbank.com/en/investor-relations/corporate-governance>"

Strategic and comprehensive sustainability management

DenizBank has internalized and expanded the responsible banking approach that puts the environment, people, and society first throughout its entire organization, starting from the highest level.

The Bank aims to lead the sustainable transformation in the sector by investing in innovation and technology to develop impact-oriented and sustainable products and services.

To create long-term value in economic, environmental and social areas, DenizBank has established a Sustainability Management System shaped by a strategic and integrated approach. The system has the necessary infrastructure to measure, manage, and monitor the Bank's direct and indirect environmental and social impacts.

The Sustainability Committee is responsible for developing DenizBank's sustainability strategy and monitoring the sustainability performance. The Sustainability Committee, which is a high-level management committee, identifies sustainability principles in line with the determined policies and ensures that these principles are sensitively integrated into the Bank's business strategies.

Policies

DenizBank considers the proper management of its impact on the environment and society as the main criteria in its policies and practices that reflect its approach to corporate governance and sustainability.

DenizBank has established its corporate policies within the framework of the applicable laws and regulations and internal strategies and procedures and disclosed them on its website. The Bank attaches great importance to ensuring full compliance with the corporate governance principles in its value chain and the correct implementation of these principles through the determined policies.

Furthermore, DenizBank is committed to comply with these policies and to transparently monitor, measure, and disclose its performance to better meet the expectations of its local and international stakeholders.

DenizBank's governance policies

- Remuneration Policy
- Disclosure Policy
- Human Resources Policy
- Dividend Distribution Policy
- Corporate Social Responsibility Policy
- Anti-Corruption Policy
- Ethical Principles Policy
- Code of Conduct for Suppliers
- Sustainability Policy
- Direct Environmental and Social Impacts Management Policy
- Policy on the Management of Environmental and Social Impacts in Lending Processes

For DenizBank policies please click [here](#).

DenizBank A.Ş. Corporate Governance Compliance Statement

Prior to its IPO, DenizBank voluntarily published the "Corporate Governance Report" in line with international principles and sectorial practices, which was firstly approved at the Board of Directors Meeting dated 16 September 2004. DenizBank considers Corporate Governance Principles as a dynamic concept that requires permanent amelioration and works to enhance its operations in this spirit.

DenizBank operates with a management approach built on the principles of transparency, equality, responsibility and accountability, and depends on the corporate governance provisions outlined in the Banking Legislation, Turkish Commercial Law and other related regulations as regards the management of relations with shareholders, as well as the determination of the duties, authorities and responsibilities of the Board of Directors and the management tiers that report to the Board. The Bank takes care to ensure the full compliance with the national and international principles.

The follow-up and developing of principle-related applications are conducted by the Corporate Governance and Nomination Committee, which consists of non-executive Board Members. The Committee is responsible for following up the Bank's compliance with Corporate Governance Principles.

Following the transparency principle of the Corporate Governance Principles, DenizBank has created an effective and periodically updated website to provide information in a timely, accurate, complete, understandable, impartial, easily accessible, and equally informative way to help the relevant people and institutions to make decisions. The Bank's website address is "www.denizbank.com". The Bank's website is actively used to make it easier for shareholders, depositors, customers, investors and other stakeholders to obtain information.

DenizBank updates its annual report, website, and other information channels within the framework of compliance with the principles and makes them at the disposal of all stakeholders. All stakeholders are able to access to comprehensive information through these channels and keep themselves informed about the latest developments and activities.

Sustainability Principles Compliance Report

		Compliance Status				Description	Related Chapters in the Report or Other References
		Yes	No	Partially	Not Applicable		
A. General Principles							
A1. Strategy, Policy, and Objectives							
A1.1	The Board of Directors of the corporation has identified priority environmental, social, and corporate governance (ESG) issues, risks, and opportunities.	×					Our Sustainability Strategy Sustainability Risks and Trends Management
	ESG policies (e.g. Environmental Policy, Energy Policy, Human Rights and Employee Policy, etc.) have been established and disclosed by the Board of Directors of the Corporation.	×					Corporate Governance and Policies
A1.2	The short- and long-term goals determined within the scope of the ESG policies have been disclosed.	×					Sustainability Journey
A2. Implementation/Monitoring							
A2.1	The committees and/or units responsible for the implementation of ESG policies and the highest-level responsible persons and their duties in the corporation related to ESG issues have been determined and disclosed.	×					Committees
	The responsible committee and/or unit reports the activities carried out within the scope of the policies to the board of directors at least once a year.	×					Committees
A2.2	Implementation and action plans have been created and disclosed in line with the ESG objectives.	×					Sustainability Journey
A2.3	ESG Key Performance Indicators (KPIs) and the level of achievement to these indicators on a year-by-year basis have been disclosed.	×					Our 2023 Performance in Numbers Performance Indicators
A2.4	Activities aimed to improve the sustainability performance of business processes or products and services have been disclosed.	×					Our Financial Capital
							Our Intellectual Capital
							Our Manufactured Capital
							Our Social and Relational Capital
							Our Human Capital
							Our Natural Capital

		Compliance Status				Description	Related Chapters in the Report or Other References
		Yes	No	Partially	Not Applicable		
A3. Reporting							
A3.1	In the annual reports, information about the sustainability performance, goals, and actions of the corporation is provided in an understandable, accurate, and adequate manner.	×					Our 2023 Performance in Numbers Performance Indicators
A3.2	The Corporation has disclosed information on its activities related to the United Nations (UN) 2030 Sustainable Development Goals.	×					
A3.3	The lawsuits filed and/or finalized in ESG issues, which are important in terms of ESG policies and/or will significantly affect the activities, have been disclosed.	×				There are no lawsuits filed against and/or concluded in ESG issues, which are important in terms of ESG policies and/or which may significantly affect the activities.	-
A4. Verification							
A4.1	The ESG Key Performance measurements of the Corporation have been verified by an independent third party and disclosed to the public.	×					Independent Assurance Report
B. Environmental Principles							
B1	The Corporation has disclosed the policies and practices in environmental management, action plans, and environmental management systems (referred to as ISO 14001).	×					Our Sustainability Organization Our Natural Capital
B2	Restrictions related to the scope of the report, reporting period, reporting date, reporting conditions of the environmental reports prepared to provide information about environmental management have been disclosed.	×					Our Natural Capital
B3	Included in A2.1.						
B4	The environmental targets included in the rewarding criteria within the scope of performance incentive systems based on stakeholders (such as board members, managers and employees) have been disclosed.			×		Under planning.	-
B5	The way that environmental problems identified as a priority are integrated into business goals and strategies has been disclosed.	×					Our Sustainability Strategy Sustainability Journey
B6	Included in A2.4.						
B7	The way that environmental issues are managed and integrated into business goals and strategies to include suppliers and customers throughout the corporation value chain, including the operation process, has been disclosed.	×					Our Sustainability Strategy Sustainability Journey

Sustainability Principles Compliance Report

		Compliance Status				Description	Related Chapters in the Report or Other References
		Yes	No	Partially	Not Applicable		
B8	Whether the Corporation is involved in the policymaking processes of the relevant organizations and non-governmental organizations on the environmental issues and the cooperations with these institutions and organizations have been disclosed.	×					Corporate Memberships and Initiatives We Support
B9	In the light of environmental indicators [Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect)), air quality, energy management, water and wastewater management, waste management, biodiversity impacts], information on environmental impacts is disclosed in a periodically comparable manner.	×					Energy and Emission Management Performance Indicators
B10	Standards, protocols, methodologies, and reference year details used to collect and calculate data are disclosed.	×					Reporting Guidelines
B11	The increase or decrease of environmental indicators for the reporting year compared to previous years is disclosed.	×					Performance Indicators
B12	Short- and long-term goals have been set to reduce environmental impacts, and these goals and the progress based on these goals and the goals set in the past years have been disclosed.	×					Sustainability Journey Energy and Emission Management
B13	The strategy to combat the climate crisis has been established, and the planned actions have been disclosed.	×					Our Sustainability Strategy Environmental Management and Combating Climate Change
B14	Programs or procedures to prevent the potential negative impact of products and/or services on the environment or to minimize these effects have been created and disclosed.	×					Our Sustainability Strategy Our Natural Capital
	Actions have been taken to reduce the greenhouse gas emissions of third parties (e.g. suppliers, subcontractors, dealers, etc.) and these actions have been disclosed.			×			Energy and Emission Management

		Compliance Status				Description	Related Chapters in the Report or Other References
		Yes	No	Partially	Not Applicable		
B15	The environmental benefits/gains and cost savings provided by initiatives and projects to reduce environmental impacts have been disclosed.			×			Energy and Emission Management
B16	Energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) data have been disclosed as Scope-1 and Scope-2.	×					Energy and Emission Management
B17	A public disclosure has been made regarding the electricity, heat, steam, and cooling produced in the reporting year.	×					Energy and Emission Management Performance Indicators
B18	Activities have been carried out to increase renewable energy use and transition to zero or low-carbon electricity, and information about these activities has been disclosed.	×					Energy and Emission Management
B19	Renewable energy generation and usage data have been disclosed.			×			Energy and Emission Management
B20	Energy efficiency projects have been carried out and the amount of energy consumption and emission reduction achieved through energy efficiency projects has been disclosed.			×			Energy and Emission Management
B21	Water consumption, the amounts of water taken, recycled, and discharged from underground or above ground, if any, and the sources and procedures thereof have been disclosed.	×					Water Management
B22	It has been disclosed whether the operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade, or Carbon Tax).				×	Carbon pricing is not implemented. Our operations and activities are not included in a carbon pricing system.	-
B23	The information about carbon credits accumulated or purchased during the reporting period was disclosed.				×	This information is not reported as there is no purchase/sale of carbon credits.	-
B24	If carbon pricing is applied within the corporation, its details would have been disclosed.				×	This information is not reported since it is not applied.	-

Sustainability Principles Compliance Report

		Compliance Status				Description	Related Chapters in the Report or Other References
		Yes	No	Partially	Not Applicable		
B25	The platforms on which the Corporation reveals its environment-related information have been disclosed.	×					Environmental Management and Combating Climate Change
C. Social Principles							
C1. Human Rights and Employee Rights							
C1.1	A Corporate Human Rights and Employee Rights Policy has been established to cover the Universal Declaration of Human Rights, the ILO Conventions ratified by Türkiye, and other relevant legislation, the responsible persons related to the implementation of the policy have been determined, and the persons responsible for the policy have been disclosed.	×					Human Resources
C1.2	Taking into account supply and value chain effects, fair labor, improvement of working standards, women's employment, and inclusion issues (for example, there is no discrimination on issues such as gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, trade union activities, political opinion, disability, social and cultural differences, etc.) have been included in the employee rights policy.	×					Human Resources
C1.3	Measures implemented across the value chain to protect the rights of, or to ensure equal opportunities for, minorities or people susceptible to specific economic, environmental, and social factors (people with low income, women, etc.) have been disclosed.	×					Human Resources
C1.4	Developments concerning preventive and corrective practices against discrimination, inequality, human rights violations, forced labor, and child labor have been disclosed.	×					Human Resources
C1.5	Investments in employees (training, development policies), compensation, fringe benefits, right to a union, work/life balance solutions, and skills management are included in its policy concerning employee rights.	×					Human Resources
	The mechanisms concerning the resolution of employee complaints and disputes have been established, and the dispute resolution processes have been determined.	×					Human Resources
	The activities carried out during the reported period to ensure employee satisfaction have been disclosed.	×					Human Resources

		Compliance Status				Description	Related Chapters in the Report or Other References
		Yes	No	Partially	Not Applicable		
C1.6	Occupational health and safety policies have been developed and disclosed.	×					Occupational Health and Safety
	The measures implemented to protect health and prevent occupational accidents and accident statistics have been disclosed.	×					Occupational Health and Safety
C1.7	Personal data protection and safety policies have been established and disclosed.	×					Information Security and Information Technologies Risk Human Resources
C1.8	Ethical policy has been established and disclosed	×					Corporate Governance and Policies
C1.9	Discloses its activities as part of social investment, social responsibility, financial inclusion, and access to finance.	×					Corporate Social Responsibility
C1.10	Informational meetings and training programs for employees on ESG policies and practices have been organized.	×					Human Resources
C2. Stakeholders, International Standards and Initiatives							
C2.1	The customer satisfaction policy regarding handling and solving customer complaints has been established and disclosed.	×					Customer Experience and Management
C2.2	Information about the communication conducted with stakeholders (which stakeholder, subject, and frequency) has been disclosed.	×					Our Stakeholder Map and Communication with Stakeholders
C2.3	The international reporting standards adopted in the reporting have been disclosed.	×					About the Report
							GRI Content Index
C2.4	The principles adopted about sustainability and the international organizations, committees, and principles of which the Corporation is a signatory or member have been disclosed.	×					UNGC Index
							Corporate Memberships and Initiatives We Support
C2.5	Improvements have been made and studies have been carried out to be included in the sustainability indexes of Borsa Istanbul and/or international index providers.		×				
D. Corporate Governance Principles							
D1	In determining the measures and strategies in the field of sustainability, stakeholders' opinions have been sought.	×					Our Sustainability Strategy
D2	The works on social responsibility projects, related events, and training programs to raise awareness of sustainability and its importance have been carried out.	×					Our Stakeholder Map and Communication with Stakeholders
							Corporate Social Responsibility

Bank’s Transactions with its Risk Group

DenizBank carries out various banking transactions with its risk group (related parties) and these transactions are carried out for commercial purposes and at market prices. The shares of the transactions carried out with the risk group within the Bank’s financials are as follows:

% - Consolidated	31.12.2022	31.12.2023
Share in cash loans and other receivables	0.08%	0.16%
Share in deposits and borrowings	6.78%	9.29%
Share in non-cash loans	0.22%	0.23%

% - Unconsolidated	31.12.2022	31.12.2023
Share in cash loans and other receivables	2.57%	2.13%
Share in deposits and borrowings	8.42%	12.02%
Share in non-cash loans	0.51%	0.47%

Detailed information is available in Notes to the Independently Audited Financial Statements Section Five - Article VII.

Amendments to the Articles of Association

There is no amendment to Articles of Association in 2023.

Donations Made During the Year

INSTITUTION NAME	AMOUNT - TL
TÜRK POLİS TEŞKİLATINI GÜÇLENDİRME VAKFI	33,783,795.00
TÜRK EĞİTİM DERNEĞİ	11,300,000.00
EUROMOS ANTİK KENTİ KAZI BAŞKANLIĞI	472,000.00
İSTANBUL ADLİYESİ	172,005.41
TÜRK JAPON VAKFI	150,000.00
ODTÜ GELİŞTİRME VAKFI	50,000.00
TOHUM TÜRKİYE OTİZM VE ERKEN TANI VAKFI	50,000.00
İSTANBUL ÜNİVERSİTESİ GELİŞTİRME VAKFI	30,000.00
AKUT- ARAMA KURTARMA DERNEĞİ	15,000.00
TÜRK EĞİTİM VAKFI	4,850.00
TOTAL	46,027,650.41

Support Services

SUPPORT SERVICES PROVIDERS	BUSINESS LINE
IRON MOUNTAIN ARŞİVLEME HİZMETLERİ A.Ş.	ARCHIVE SERVICES
REISSWOLF DOKÜMAN YÖNETİMİ HİZMETLERİ ANONİM ŞİRKETİ	
ACTIVE BİLGİSAYAR HİZ. VE TİC. LTD. ŞTİ.	
INTERTECH BİLGİ İŞLEM VE PAZARLAMA TİCARET A.Ş.	
FİNEKSUS BİLİŞİM ÇÖZÜMLERİ TİC. A.Ş.	
VERİFONE ELEKTRONİK VE DANIŞMANLIK LTD. ŞTİ.	
BİLİN YAZILIM VE BİLİŞİM DANIŞMANLIĞI A.Ş.	
SUPERONLINE İLETİŞİM HİZMETLERİ A.Ş.	
İNFINA YAZILIM A.Ş.	
VERİ BİLGİ MERKEZİ BİLİŞİM HİZMETLERİ LİMİTED ŞİRKETİ (VBM)	
ÜÇGEN OTOMASYON ELEKTRİK ELEKTRONİK BİLİŞİM SAN VE TİC. LTD.	INFORMATION SYSTEMS
SİSTAŞ SAYISAL İLETİŞİM SAN. VE TİC. A.Ş.	
CYBERWISE SİBER GÜVENLİK TİC. A.Ş. (BİZNET BİLİŞİM)	
BGA BİLGİ GÜVENLİĞİ A.Ş.	
VESLABS BİLİŞİM TEKNOLOJİLERİ TİC. A.Ş.	
PİTON BİLGİSAYAR TEKNOLOJİLERİ EĞİTİM VE DANIŞMANLIK LTD. ŞTİ	
32BIT BİLGİSAYAR HİZMETLERİ SAN VE TİC. LTD. ŞTİ.	
EKON YAZILIM VE TEKNOLOJİ A.Ş.	
MOBVEN TEKNOLOJİ A.Ş.	
BPS YAZILIM VE DANIŞMANLIK HİZMETLERİ LİMİTED ŞİRKETİ	
ASSİSTA VDI DESTEK HİZMETLERİ	INFORMATION SYSTEMS / OPERATIONAL SERVICES
NEOHUB TEKNOLOJİ YAZILIM PAZARLAMA VE DANIŞMANLIK ANONİM ŞİRKETİ	
VERISOFT	
KPMG	
BPS YAZILIM VE DANIŞMANLIK HİZMETLERİ LTD. ŞTİ	
DGPAYS BİLİŞİM HİZMETLERİ ANONİM ŞİRKETİ	
INGENİCO ÖDEME SİS. ÇÖZÜMLERİ A.Ş.	
MT VERA -KARBİL YAZILIM VE BİLİŞİM TEKN. TİC. A.Ş.	
MT BİLGİ TEKNOLOJİLERİ VE DIŞ TİC. A.Ş.	
HUGİN YAZILIM TEKNOLOJİLERİ A.Ş.	
R2 ELEKTRİK ELEKTRONİK VE BİLGİSAYAR TEKNOLOJİLERİ GIDA VE İHTİYAÇ MADDELERİ SAN. VE TİC. AŞ.	CALL CENTER / MARKETING
WEBHELP ÇAĞRI MERKEZİ VE MÜŞTERİ HİZMETLERİ A.Ş.	
CPP SİGORTA ARACILIK HİZMETLERİ A.Ş.	
CMC	
ASSİST	
GLOBAL BİLGİ PAZARLAMA DANIŞMANLIK VE ÇAĞRI SERVİSİ HİZMETLERİ A.Ş.	

SUPPORT SERVICES PROVIDERS	BUSINESS LINE
BANTAŞ NAKİT VE KIYMETLİ MAL TAŞIMA VE GÜVENLİK HİZMETLERİ A.Ş.	SECURITY
BRINK'S GÜVENLİK HİZMETLERİ A.Ş.	
SAFEPOINT GÜVENLİK SİSTEMLERİ ANONİM ŞİRKETİ	
LOOMIS GÜVENLİK HİZMETLERİ A.Ş.	
SECURITEAM	
MTM HOLOGRAFI GÜVENLİKLİ BASIM VE BİLİŞİM TEKNOLOJİLERİ SAN. VE TİC. A.Ş	
KURYE-NET MOTORLU KURyecİLİK VE DAĞITIM HİZMETLERİ A.Ş.	
E-KART ELEKTRONİK KART SİSTEMLERİ SAN. VE TİC. A.Ş.	
PLASTİK KART AKILLI KART İLETİŞİM SİS. SAN. VE TİC. A.Ş.	
AUSTRIA CARD TURKEY KART OPERASYONLARI A.Ş.	
ETİSAN PROJE BİLGİ VE YAZILIM TEKNOLOJİLERİ SAN. TİC. A.Ş.	OPERATIONAL SERVICES
İSTANBUL ALTIN RAFİNERİSİ A.Ş.	
BBS DANIŞMANLIK GAYRİMENKUL VE EĞİTİM A.Ş.	
FU GAYRİMENKUL YATIRIM DANIŞMANLIK A.Ş.	
TAGAR TAPU GARANTİ HİZMETLERİ A.Ş.	
AVİ GAYRİMENKUL YATIRIM DEĞERLEME VE DANIŞMANLIK A.Ş.	
İPOTEKA GAYRİMENKUL YATIRIM DANIŞMANLIK A.Ş.	
SİSTEM KURYE HİZMETLERİ TAŞIMACILIK TİC. LTD. ŞTİ.	
CANKURT İŞ SAĞLIĞI VE GÜVENLİĞİ HİZMETLERİ ORTAK SAĞLIK VE GÜVENLİK TİCARET LTD. ŞTİ.	
HOBİM ARŞİVLEME VE BASIM HİZMETLERİ ANONİM ŞİRKETİ	
DGPAYS BİLİŞİM HİZMETLERİ ANONİM ŞİRKETİ	
MEDIAMARKT	
D FAST DAGITIM HİZMETLERİ VE LOJİSTİK ANONİM ŞİRKETİ (HEPSİEXPRESS)	
DENİZBANK AG	
CREDE DANIŞMANLIK VE DIŞ TİC. A.Ş.	
PAX TEKNOLOJİ VE PAZARLAMA A.Ş.	
YKM	
FİGO TİCARİ BİLGİ VE UYGULAMA PLATFORMU A.Ş.	
WYSEYE TEKNOLOJİ A.Ş.	
NEO ELEKTRONİK TİCARET BİLİŞİM TEKNOLOJİLERİ YAZILIM VE DANIŞMANLIK A.Ş.	
628 Marketing and Online Shopping Loans Disbursement	
358 Agricultural Banking Marketing and Online Shopping Loans Disbursement	
46 School Collection System Loans Disbursement	

Shareholding Structure, Paid-in Capital and Changes, Shares Held by Management

DenizBank's shareholding structure, and the shares held by ultimate controlling real person(s) as of 31 December 2023 are presented in the table. DenizBank's shareholding structure does not contain any cross-shareholdings.

Shares Held by Management

Executives from ENBD group; Marwan Hadi, Ahmed Al Qassim, Salah Amin ve Mohammad Albastaki own 1 share each.

DenizBank A.Ş. Shareholding Structure – 31.12.2023

Shareholders	Nominal Value (TL)	Share %
Emirates NBD Bank P.J.S.C.	5,696,099,996	99.99999988%
Investment Corporation of Dubai		40.9160%
DH 7 LLC		14.8417%
Capital Assets LLC		5.3290%
Free Float		38.9131%
Others	4	0.00000007%
TOTAL	5,696,100,000	%100.00

Changes in the Management, Shareholding Structure and Activities of DFSG Companies

In accordance with the decision of our Board of Directors dated 2 January 2023, it has been decided to accept the resignation of Jonathan Edward MORRIS from the member of Board of Directors dated 31 December 2022, and due to the resignation of Jonathan Edward MORRIS to appoint Aazar Ali KHWAJA as the member of the Board of Directors in order to take up duty until the first General Assembly and the appointment was approved in Ordinary General Assembly held on 23 March 2023.

In accordance with the decision of the Bank's Board of Directors dated on 12 May 2022, it was decided to sign a transfer agreement for the fastPay Application, including existing fastPay users and other elements in the Bank's inventory, to Fastpay Electronic Money and Payment Services Inc. for a value of 32,785,798.90 TL, as determined by the "Securities Valuation Report" with file number 2021/480 of Istanbul 8th Commercial Court. The Transfer Agreement for the fastPay Mobile Wallet Application was signed on May 12, 2022, within the scope of this decision. The transfer of the fastPay Application to Fastpay Electronic Money and Payment Services Inc. was completed as of 12 January 2023.

In accordance with the decision of the Bank's Board of Directors dated 18 January 2023, it was decided to appoint Bank Board Member Aazar Ali KHWAJA, who took the oath of office on 18 January 2023, as the Reserve Member of the Credit Committee.

The Bank received approval from the Banking Regulation and Supervision Agency on 28 June 2022, to establish a branch in the Turkish Republic of Northern Cyprus (TRNC) and with the decision of Bank's Board of Directors on 30 June 2022, it was decided to open a branch to operate as a Branch bank under the TRNC Banking Law. In line with this decision, an official application for branch opening was submitted to the Central Bank of TRNC on 5 August 2022. The Central Bank of TRNC granted permission to the

Bank to open a branch in TRNC, and this decision was published in the TRNC Official Gazette on 17 February 2023. Within the scope of the Bank's application on 12 May 2023, following the approval, it was decided to grant operational permission to the Bank in TRNC, and the decision was published in the TRNC Official Gazette on 27 July 2023. The opening of the TRNC Country Manager's office and Kyrenia Branch, which started their operations as of 11 August 2023, took place on 22 September 2023.

In accordance with the decision of the Bank's Board of Directors on 23 May 2023, within the framework of increasing the capital of its subsidiary, DenizFaktoring Inc., from TL 137,600,000 to TL 2,490,000,000 TL, it was decided the Bank to participate in the entire amount of the cash increase amounting to 2,000,000,000 TL and the capital payment was made. Additionally, with the same decision, within the framework of increasing the capital of its subsidiary, DenizLeasing Inc., from TL 317,000,000 to TL 3,450,000,000, it was decided the Bank to participate in the entire amount of the cash increase amounting to TL 2,000,000,000, and the capital payment was made.

In accordance with the decision of the Bank's Board of Directors dated 14 September 2023, it has been decided to transfer the 70.58% shares of our 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 our Bank, to our subsidiary Deniz Finansal Kiralama A.Ş.. Following the decision, the Share Transfer Agreement was signed on 15 September 2023 and the share transfer was completed.

In accordance with the decision of the Bank's Board of Directors on 19 September 2023, it was 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 at a price to be determined according to the rule set specified in the Borsa Istanbul Wholesale Buying and Selling Transactions Procedure, and to 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. The necessary approval was granted in accordance with the decision of the Banking Regulation and Supervision Board dated 2 November 2023. An application was made to the Capital Markets Board regarding the transaction and the approval process is ongoing.

The bank's subsidiary, Eurodeniz International Banking Unit Ltd., applied to the Central Bank of TRNC (Turkish Republic of Northern Cyprus) for the cancellation of its operating permit, and its operating permit was canceled with the publication of the approval decision in the Official Gazette of TRNC dated 18 December 2023. After the cancellation of the operating permit, an application was made to the TRNC Official Receiving Officer and Registrar's Office regarding the fact that the company had no assets and liabilities, no debts to third parties, and was inactive, and that the deregistration procedures had begun. Until the process is completed, it is classified under the discontinued operations lines in the Bank's financial statements. The registration process continues.

Important Events Occurred After the End of the Operating Year

Following the revision of the Outlook on Türkiye's Credit Rating to Positive from Stable and upgrade Türkiye's foreign currency country ceiling from B3 to B2 on 12 January 2024, Moody's has upgraded DenizBank's long-term foreign currency deposit rating and long-term foreign currency counterparty risk rating (CRR) from B3 to B2 and revised the Outlooks to Positive from Stable on 17 January 2024. Moody's affirmed DenizBank's local currency deposit rating at B1, Adjusted Baseline Credit Assessment (Adjusted BCA) at b1 and the Baseline Credit Assessment (BCA) at caa1. Current rating notes are as follows:

Moody's*	
Outlook	Positive
Long Term Foreign Currency Deposit	B2
Short Term Foreign Currency Deposit	Not Prime
Long Term Local Currency Deposit	B1
Short Term Local Currency Deposit	Not Prime
Baseline Credit Assessment (BCA)	caa1
Adjusted Baseline Credit Assessment (Adjusted BCA)	b1

* As of 17.01.2024

The liquidation process of the Bank's subsidiary Eurodeniz International Banking Unit Ltd., which started on 18 December 2023 and is continuing with the registration application, will be completed with a letter received from the TRNC Official Receiving Officer and Registrar Office regarding deregistration.

In accordance with the decision of the Bank's Board of Directors dated 6 February 2024, regarding the amendment of Article 30 of the Bank's Articles of Association titled "Issuance of Borrowing Instruments and Other Securities" as below, the approvals of the Banking Regulation and Supervision Agency and the Republic of Türkiye Ministry of Trade was completed and the amendment to the articles of association will be approved at the Ordinary General Assembly meeting.

DENİZBANK A.Ş.
ARTICLES OF ASSOCIATION AMENDMENT PROPOSAL

FORMER TEXT	NEW TEXT
ISSUANCE OF BORROWING INSTRUMENTS AND OTHER SECURITIES	ISSUANCE OF BORROWING INSTRUMENTS AND OTHER SECURITIES
Article 30 – The Bank shall issue domestically and/or internationally all kinds of bills, promissory notes, bonds, notes, commercial papers, debentures, participation dividend certificates, profit and loss sharing certificates, asset-backed securities, mortgage-backed securities and other financial instruments, with or without security, that are recognized by the CMB as the borrowing instruments, securities, and/ or other debt instruments, based on the decision of the Board of Directors and in compliance with the Capital Market Law, the Banking Law and other relevant Turkish laws and regulations.	Article 30 – The Bank shall issue domestically and/or internationally all kinds of commercial papers, promissory notes, bonds, commercial bills, debentures, participation dividend certificates, asset-backed securities, mortgage-backed securities and other financial instruments that are recognized by the CMB as borrowing instruments and/or other borrowing instruments, with or without security, with the decision of the Board of Directors and in compliance with the Capital Market Law, the Banking Law and other relevant Turkish legislation.

Summary Report of the Board of Directors Presented to the General Assembly

Dear Shareholders,

While at the global level, 2023 became a year that the effects of ongoing inflation and tight monetary policies implemented according to this, and geopolitical developments on growth combined, for our country the year started with an earthquake disaster which was one of the most painful events in our history.

DenizBank sent in-kind and cash assistance to the region since day one, which was followed by obtaining resources from international institutions throughout the year with the goal of supporting access to financing in the regions affected by the earthquake, particularly by the agriculture sector, farmers, SMEs, and women-owned enterprises.

DenizBank posted strong financial results thanks to active balance sheet management in 2023 despite these challenging conditions.

DenizBank's consolidated assets reached TL 1,172.9 billion in 2023 with an increase of 88% on the previous year, and TL 1,007.7 billion with an increase of 91% on an unconsolidated basis. DenizBank's consolidated shareholders' equity grew by 65% reaching TL 90.4 billion, with a consolidated capital adequacy ratio of 16.47%. On an unconsolidated basis, its shareholders' equity reached TL 89.8 billion while the capital adequacy ratio stood at 17.20%.

After continuing through the first half of 2023, the expansionary economic policy set was revised and replaced by monetary tightening due to rapidly rising inflation rate and current account deficit in the second half of the year. The Central Bank maintained its “Liraization Strategy” all year.

Our TL-denominated time deposits increased as savings began channeling to the Turkish Lira, as a result of which total customer deposits increased by 77% to TL 737.9 billion on a consolidated basis, and 79% to TL 595.1 billion on an unconsolidated basis.

Continuing to integrate a sustainability perspective into all business processes resolutely, DenizBank maintained its focus on reducing the indirect impacts on the environment and on social life through its lending. Our Bank provided more than USD 2 billion fresh resources to Türkiye's economy, including funding for green economy projects, women entrepreneurs who typically have limited access to financing, and the agriculture, a strategic sector for DenizBank, as well as support for individuals and businesses that were affected by the earthquake.

As a result of these facilities, our Bank increased its net loans to TL 570.0 billion with a 66% increase on the previous year on a consolidated basis, and to TL 465.6 billion with a 70% increase on the previous year on an unconsolidated basis.

DenizBank realized a loan/deposit ratio of 77% and 78% on a consolidated and unconsolidated basis, respectively.

In 2023, our Bank reported a net profit of TL 28.1 billion on a consolidated basis and TL 27.9 billion on an unconsolidated basis. DenizBank's net interest income increased by 25% on a consolidated basis and by 10% on an unconsolidated basis when compared to the previous year. Our Bank's net fees, commissions, and banking service revenues increased by 130% on a consolidated basis and by 133% on an unconsolidated basis with a high performance that paralleled the performance of the overall sector. Within this frame, DenizBank's total operating income increased by 42% and 31% on a consolidated and unconsolidated basis, respectively.

DenizBank finished 2023 with a total of 655 branches, consisting of 639 branches in Türkiye, a branch each in Bahrain and Girne, and 14 overseas subsidiary branches, and more than 15 thousand employees in the Deniz Financial Services Group. The Bank's customer count reached 18.6 million with a 7% increase.

As a reflection of successful financial results, DFSG employees were paid an average of 2.75 monthly salaries as performance bonuses.

DenizBank took important steps in 2023 toward making its sustainability related initiatives more systematic and structural, with the goal of managing its sustainability initiatives and decarbonization strategy according to international, science-based methodologies. Within this scope, it became the first Turkish bank to be a member of the international initiative Partnership for Carbon Accounting Financials (PCAF). In addition, in accordance with its vision of transitioning to a low-carbon economy and in line with the guidelines published by the International Capital Markets Association (ICMA) and the Loan Market Association (LMA), it released its Sustainable Finance Framework which includes the “Agriculture and Food Security” heading under social projects for the first time in Türkiye. While aiming to improve the entrepreneurship environment in Türkiye, it supported startups which are sensitive to climate-related risks.

In addition to its pioneering steps in the sustainability space, it was recognized as the “Bank of the Year in Türkiye in 2023” at The Banker's Bank of the Year Awards as a result of its investment in Erguvan, a digital infrastructure service provider to financial institutions in the management of climate change-driven impacts and risks, and the “Deniz'den Toprağa” application which is an important innovation geared to the agriculture sector.

In this year when we celebrate the 100th anniversary of the Republic, DenizBank adopted "Beyond is Deniz" as its communication motto. It will strive to remain steadfast to the principle of responsible banking, make banking accessible to everyone through its financial models as well as its technology and innovation, and enrich the entrepreneurship ecosystem in line with its corporate values which it embraced as part of the ENBD family and with full support of ENBD.

We would like to express our gratitude to our main shareholder, employees, customers, and all our social stakeholders for their unwavering support during the 2023 operating year.

Board of Directors

Dividend Distribution Policy

After deducting any sums to be paid or set aside by the Bank from the income calculated as at the end of the accounting period, such as the general expenditures and other depreciation costs, as well as the taxes, the remainder shall be the net profit. After deducting the losses for previous year, if any, the net profit shall be distributed as follows:

- 1) A portion of 5% (five percent) of this sum shall be set aside as general statutory reserves until it reaches twenty percent of the paid-in capital.
- 2) After reaching the limit referred to in the first paragraph:
 - a) A portion of the premium provided due to issue of new shares that is not spent for issue expenses, redemption reserves and charity purposes;
 - b) A portion remaining after subtracting the issue expenses of replacement shares from the amount paid for value of shares cancelled due to invalidation;
 - c) The dividends that are not paid to the shareholders shall be allocated to the general statutory reserves.
- 3) If the general statutory reserves do not exceed half of the capital stock or issued capital, it shall be used only for making up for losses, maintaining business activities or preventing unemployment and taking measures to mitigate results thereof.

Unless (1) the discretionary legal reserves are duly allocated and (2) the dividends due to the shareholders are distributed in cash and/or as stock according to these Articles of Association, no decision may be taken by the General Assembly to allocate any additional legal reserves, or to defer any profits to the following accounting period, or to make any payments out of net profit to the members of the Board of Directors, officers and employees of the Bank, or any foundations established by the Bank for any purposes, or any other persons.

The day and manner of the annual dividend distribution to the shareholders shall be determined by the General Assembly subject to a proposal of the Board of Directors. Whenever the shares were issued and/or acquired by the shareholders, the annual dividends for the accounting period shall be distributed among the shareholders with respect to all shares issued by the Bank. The profits allocated, distributed or otherwise paid out according hereto shall not be recalled.

Dividend Distribution Proposal

At its meeting dated 09.03.2023, our Board of Directors took a decision on the following issues to submit them to the approval of the General Assembly;

Out of our Bank's net profit of TL 27,877,784,919.78 accrued according to the 2023 balance sheet;

- To not set aside any legal reserve from profit of 2023 as total of general legal reserve has reached 20% of paid-in-capital as per article 519/1 of Turkish Commercial Code numbered 6102,
- For the exempt TL 18,979,493.54 TL to be kept in Mandatory Funds Account in order to be benefited from exemption stated in article 5/1-e of Corporate Tax Law regarding Ekspres Gayrimenkul Turizm Yatırım İşletme ve Ticaret A.Ş. subsidiary sales profit of 2023,
- and for the remaining TL 27,858,805,426.25 to be set aside as extraordinary legal reserve.

Independent Auditor's Report on the Annual Report

Deloitte.

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(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT

To the General Assembly of Denizbank A.Ş.

1) Qualified Opinion

As we have audited the full set consolidated and unconsolidated financial statements of Denizbank A.Ş. ("the Bank") and its consolidated subsidiaries ("the Group") for the period between 01/01/2023–31/12/2023, we have also audited the annual report for the same period.

In our opinion, the consolidated and unconsolidated financial information provided in the Management's annual report and the Management's discussions on the Bank's and Group's financial performance, are fairly presented except for the effects of the matter described in the Basis for Qualified opinion paragraph in all material respects, and are consistent with the full set audited consolidated and unconsolidated financial statements and the information obtained from our audit.

2) Basis for Qualified Opinion

The accompanying Consolidated and Unconsolidated financial statements as at 31 December 2023 include a free provision amounting to TL 6.700.000 thousand, which TL 4.175.000 thousand has been allocated in previous years and TL 2.525.000 thousand recognized as an expense in the financial statements in the current period, provided by the Bank and 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 6.700.000 thousand and profit before tax would increase by TL 2.525.000 and equity would increase by TL 6.700.000 thousand for the period ended 31 December 2023.

We conducted our audit in accordance with the regulation on "Independent Auditing of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314 and the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is disclosed under *Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report* in detail. We declare that we are independent from the Bank in accordance with the *Code of Ethics for Independent Auditors* ("Code of Ethics") issued by POA and ethical provisions stated in the regulation of audit. We have fulfilled other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte, İngiltere mevzuatına göre kurulmuş olan Deloitte Touche Tohmatsu Limited ("DTTL") şirketini, üye firma ağındaki şirketlerden ve ilişkili tüzel kişiliklerden bir veya birden fazlasını ifade etmektedir. DTTL ve üye firmalarının her biri ayrı ve bağımsız birer tüzel kişiliktir. DTTL ("Deloitte Global" olarak da anılmaktadır) müşterilere hizmet sunmaktadır. Global üye firma ağımla ilgili daha fazla bilgi almak için www.deloitte.com/about adresini ziyaret ediniz.

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Independent Auditor’s Report on the Annual Report

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3) Auditor’s Opinion for the Full Set Consolidated and Unconsolidated Financial Statements

We have presented Qualified opinion for the Bank’s and Group’s full set consolidated and unconsolidated financial statements for the period between 01/01/2023–31/12/2023 in our Auditor’s Report dated 23 January 2024.

4) Management’s Responsibility for the Annual Report

The Bank Management is responsible for the following in accordance with Article 514 and 516 of the Turkish Commercial Code No. 6102 (“TCC”) and the regulation on “Preparing and Publishing the Annual Report by Banks” published in the Official Gazette dated 1 November 2006 and No. 26333 (“the Communiqué”):

- a) Preparing the annual report within the three months following the reporting date and presenting it to the General Assembly,
- b) Preparing the annual report with the all respects of the Bank’s flow of operations for that year and the Bank’s financial performance accurately, completely, directly and fairly. In this report, the financial position is assessed in accordance with the financial statements. The Bank’s development and risks that the Bank may probably face are also pointed out in this report. The Board of Director’s evaluation on those matters are also stated in this report.
- c) The annual report also includes the matters stated below:
 - The significant events occurred in the Bank’s activities subsequent to the financial year ends,
 - The Bank’s research and development activities,
 - The compensation paid to key management personnel and members of Board of Directors including financial benefits such as salaries, bonuses and premiums, allowances, travelling, accommodation and representation expenses, in cash and kind facilities, insurances and other similar guarantees.

The Board of Directors also considers the secondary regulations prepared by the Banking Regulation and Supervision Agency and the Ministry of Trade and related institutions while preparing the annual report.

Deloitte.

5) Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report

Our aim is to express an opinion and prepare a report about whether the Management’s discussions and consolidated financial information in the annual report within the scope of the provisions of the TCC and the Communiqué are fairly presented and consistent with the information obtained from our audit.

We conducted our audit in accordance with the regulation on “Independent Auditing of Banks” published in the Official Gazette dated 2 April 2015 with No. 29314 and the SIA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Management’s discussions on the Group’s financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated and unconsolidated financial statements and the information obtained from our audit

The engagement partner on the audit resulting in this independent auditor’s report is Yaman Polat.

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

Yaman Polat
Partner

İstanbul, 11 March 2024

Internal Audit, Internal Control, Compliance and Risk Management Systems

At DenizBank, the activities, duties, and responsibilities of the internal audit, internal control, compliance and risk management functions have been segregated.

The Internal Audit Department, Internal Control Unit and Compliance Department and Risk Management Group perform these respective activities under the supervision of a Member of the Board of Directors, who is also a member of the Audit and Risk Committee. These activities are conducted pursuant to internationally accepted audit standards, domestic laws, rules and regulations, as well as the needs of the Bank and the Group.

Internal Control Unit and Compliance Department

Reporting directly to the Board of Directors and Audit and Risk Committee, the Internal Control Unit and Compliance Department is in charge of making sure that the Group's activities are conducted efficiently and productively in compliance with national laws and in-house regulations as well as reducing operational and other risks; and ensuring the reliability and integrity of the accounting, financial reporting and IT systems.

Internal control and compliance efforts consist of control and reporting related activities performed independently at specified intervals by internal control and compliance staff at the Head Office and branches. The aim is to assess the compliance, adequacy and efficiency of the Bank's operations.

The units are also responsible for ensuring coordination with domestic and international subsidiaries regarding internal control and compliance and routine report flow.

The Internal Control Unit and Compliance Department operates with two SVPs who report to the Head of Internal Control Unit and Compliance,

and 115 staff members across 11 units as of end-2023, pursuant to national laws, rules, regulations, communiqués, as well as in-house bylaws. The Audit and Risk Committee are informed on a quarterly basis about the activities, organization and the issues it works on of the Internal Control Unit and Compliance Department.

Internal Control Activities

The Financial and Regulatory Reporting Control Department conducts the analysis of activities that have an impact on the Bank's balance sheet and profits/losses, in a breakdown of loans, deposits, accounting, transactions and customers. The control of legal reports sent to BRSA, CBRT and the Savings Deposit Insurance Fund of Türkiye are made in terms of compliance with formulation and regulation.

The Branches Internal Control Department produces 6-monthly control plans and carries out control efforts across the branch network. Via both branch visits and from the center, the Branches Internal Control Department checks the compliance of transactions with applicable laws, procedures and in-house regulations. The Department also detects any deficiencies in the internal control function, shares its findings with the relevant branches and business lines, and follows up on future developments.

With the branch and private banking center controls carried out by the Central Controls Department, DenizBank conducts daily, weekly, monthly, quarterly and semi-annual personnel, customer and private banking controls to identify possible fraud risks. Controls are carried out by examining the query scenario results prepared by the department. Deficiencies detected as a result of the controls are forwarded to the branches to be completed, and findings with suspicion of abuse are shared with the Internal Audit- Investigations and Interrogations Department.

Treasury Control Division controls the transactions of the Bank's Treasury Department and other departments related to treasury products so that they are not exposed to financial, operational and related legal risks. Controls help both preserve the Bank's value and build more sustainable relationships with customers and stakeholders.

Evaluating the effectiveness, adequacy and compatibility of internal controls regarding information systems and banking processes, the Control Assessment and IT Control Department prepares risk control matrices, conducts management statement tests, and follows the action plans in relation to the findings. In addition, the Department conducts information technology controls over IT activities that support the Bank's operations, communication channels, IT systems, and IT security policies. Based on the Information Systems and Electronic Banking Services Regulation framework, IT controls are carried out through the Control Assessment and IT Control Department.

The Loans and Credit Cards Control Department performs periodic controls to ensure that the loan and credit card payment transactions undertaken by the Bank comply with applicable laws, rules, regulations and the Bank's internal procedures.

Legal Regulations Control Department checks whether the legal regulations are fulfilled correctly and completely by the Bank. The Department also controls fees from commercial customers, fees from financial consumers, and insurance processes.

Compliance Activities

In 2023, the Compliance Group fulfilled its duties via the following departments:

- Corporate Compliance Department
- Financial Sanctions Compliance Department
- Financial Crimes Control and Monitoring Department

Corporate Compliance Department is responsible for determining basic compliance rules, establishing/ integrating relevant policies and procedures, coordinating the management of compliance risks, managing compliance monitoring plans, observing compliance with Group standards and local legislation, ensuring information flow and reporting order in terms of compliance in the subsidiary network, integrating existing compliance practices with DenizBank subsidiaries and ensuring sustainability takes part in creating a harmony consciousness.

Corporate Compliance Department also provides reporting and coordination of the Internal Control Center and Compliance Department, carrying out administrative and organizational works, management of support activities for the Consumer Relations Coordination Officer, studies to increase the compliance, ethics and reputation awareness of the personnel (training, personnel statements, announcement etc.).

Financial Sanctions Compliance Division and Financial Crimes Control and Monitoring Division are responsible for compliance with laws and other legal regulations in both national and international arena in the fight against money laundering, financing of terrorism and other related crimes in order to fulfill the obligations determined by Law No. 5549 on Prevention of Laundering Proceeds of Crime and Law on Prevention of

Financing of Terrorism No. 6415 and related regulations.

In this context, the Departments undertake the following activities under the supervision, control, and responsibility of the Bank's Board of Directors:

1. Conducting necessary tasks to ensure compliance with relevant laws and regulations issued pursuant to the Laws at both the Bank and DenizBank Financial Services Group (DFSG) levels.
2. Establishing policies and procedures at the Bank and DFSG levels for this purpose, and ensuring their continual update.
3. Developing in-house training, monitoring-control, and risk management systems with a risk-based approach in adherence to legal obligations.
4. Assessing bank compliance risks, implementing appropriate measures to mitigate, prevent, and manage risks, and defining monitoring, approval, and operational protocols.
5. Regularly updating senior management on training, internal control, and risk management activities.
6. Implementing additional measures to mitigate risks for high-risk groups, including obtaining additional information on the origin of assets and income-generating activities, updating identity information more frequently, subjecting it to approval by higher-level officials or the compliance unit, and increasing the number and frequency of applied controls.
7. Detecting, tracking, and reporting suspicious transactions to the relevant public authority.
8. Conducting correspondent bank checks based on risk assessments for established correspondent relations.
9. Evaluating provisions and information in accordance with relevant legal legislation and international standards concerning "Combating Money Laundering

- and Financing of Terror-ism," "Preventing the Financing of the Proliferation of Weapons of Mass Destruction," "Responsible Supply Chain of Precious Metals Affected by Conflicts," and "National and Global Sanctions," which are included in contracts and transactions with third parties.
10. Providing bank personnel with training on the "Prevention of Laundering Proceeds of Crime and Financing of Terrorism" through distance education (e-learning) and Deniz TV.
 11. Ensuring necessary communication and coordination with the Financial Crimes Investigation Board and furnishing requested information and documents promptly.

In addition, control points are established to adapt to changing legislation and money laundering typologies, risk-reducing measures are taken, and monitoring and control improvements are made.

Internal Audit Department

The auditors of the Internal Audit Department inspect the level of compliance of the Bank's operations with legal requirements, the Articles of Association, in-house regulations and banking principles.

The promotion of auditors is based on examination results and job performance. Recruited after a very rigorous selection process followed by an intensive training program, internal auditors conduct their work in an impartial, independent and meticulous fashion, in line with their professional code of ethics. Additionally, the Internal Audit Department actively informs and trains Bank personnel. In 2023, the Internal Audit Department staff administered 454 hours of training to 3,892 employees. As of the end of 2023, Internal Audit Department operates with 111 staff members.

The Internal Audit Department performs its functions under the following five organizational categories;

Internal Audit, Internal Control, Compliance and Risk Management Systems

1. Audits of Head Office Processes and Subsidiaries

The Department audits the processes of Head Office units annually, and the processes and activities of domestic and international subsidiaries in accordance with applicable laws, rules and regulations. In addition, the Department monitors its findings in line with an action plan. In this context, 45 audit activities were carried out in 2023.

2. Branch Audits

The Department conducts risk assessments of the branches, prepares annual branch audit plans, audits branch activities, and shares the findings with relevant branches and Head Office departments and enables the elimination of relevant risks.

The branch audit plan covers 40% of all branches every year, and 280 branches were audited in 2023. Branch Audit Group also carries out process- and subject-based inspections of branches. In this context, 16 audit activities were carried out in 2023.

3. Investigations and Inquiries

The Department conducts investigations and interrogations in accordance with regulations, prospectuses, the Bank's internal rules and legal requirements; prepares reports; and follows up the cases. Additionally, the Investigations and Inquiries Group provides training for employees in the early detection and prevention of fraud. In 2023, 2,831 Bank employees received 230 hours of training in this area.

4. Audit of Information Systems Processes

The Department conducts audits to ensure that DenizBank Financial Services Group's (DFSG) IT systems processes are structured to support the Bank's policies, and are managed in compliance with applicable laws, rules and regulations. 27 such audits were performed in 2023.

5. Audit Planning Management and Organization

The Department's activities include making necessary plans and arrangements regarding all of DFSG's internal audit activities; contributing to the identification of the best audit tools and methods; generating relevant reports; preparing operational procedures; and updating existing procedures under the supervision of the Head of Internal Audit.

Risk Management Group

DenizBank has a structured risk governance model to identify, measure, manage, control and report risks in order to make risk-based decisions and support surveillance in operational processes.

The establishment of the Bank's risk management system, taking into account regulations and best practices, is ultimately the responsibility of the Board of Directors.

The main duties and responsibilities of the Board of Directors regarding risk management are;

- Reviewing, approving and implementing policies on risk management,
- Approving the risk appetite in line with the Bank's business strategies and financial strength,
- Monitoring the effectiveness of the Bank's risk management system,
- Establishing and implementing the internal capital adequacy assessment process.

The Board of Directors carries out its oversight of the Bank-wide risk management processes through committees at the level of the Board of Directors. These roles are reduced to Executive Committees and related business and risk control units and spread throughout the organization.

The Risk Management Group carries out comprehensive risk management efforts, which play a critical role in the formulation of DenizBank's strategies. The Group is responsible for creating, auditing and reporting necessary policies and procedures to identify, measure, analyze and monitor risks, which are primarily real, or potential risks including the risk/return ratio of cash flows. These policies and procedures follow the principles set by the Bank's executive management and Risk Management Group and are approved by the Board of Directors. The Group is also responsible for coordinating efforts in line with the risk appetite statement.

Depending on the type and necessity of the process involved, the Risk Management Group submits reports to the Audit and Risk Committee, Assets and Liabilities Committee, Risk and Compliance Committee and Credit Committee. The Group also works in collaboration with the Internal Control Unit and Compliance Department, and the Internal Audit Department regarding both policies and practices.

Policy, procedure, limit and scenario analyzes regarding the work and operation of the Risk Management and Compliance Groups are discussed at the Risk and Compliance Committee. The Committee undertakes the review process before the policies are approved by the Board of Directors.

The Risk Management Group;

- Periodically reports significant risk analyses to the Audit and Risk Committee and the Assets and Liabilities Committee to provide guidance in setting and monitoring risk limits and developing risk management strategies.
- Credit risk management is performed through a holistic approach that incorporates modeling, validation, analysis, evaluation and monitoring processes. Credit risk-related processes are managed with the participation of the Loans Group, Analytics, Data and Customer Value Management Policies Group, Workout Group, Risk Management, Credit Committee, and Executive Credit Risk Committee.

While each business unit is responsible for managing its own operational risk, the Risk Management Group sets policies and monitors and reports activities in coordination with the Internal Control Unit and Compliance Department, and the Internal Audit Department. Assessments are made in the Audit and Risk Committee.

Risk management policies consist of risk identification, measurement and management processes. DenizBank conducts its banking activities by strictly adhering to risk management policies that aim to analyze risks and manage them within acceptable limits.

Adopting this approach as a core operating principle across the organization, DenizBank also develops systems that comply with Basel Committee on Banking Supervision and Risk regulations, and other guiding international risk management principles.

In its Risk Appetite Statement, DenizBank specifies its risk limit setting, monitoring and reporting processes. The Risk Appetite Statement includes

limits determined according to risk types, the actions to be taken in case each risk limit is exceeded, and explanations on decision-making departments and individuals. The document is reviewed at least once a year and comes into force upon the approval of the Board of Directors. Actual values regarding the metrics included in the Risk Appetite Statement are monitored at various intervals and reported monthly depending on the relevant risk.

DenizBank's practices on the basis of risk types are summarized below.

Reputation Risk

All executives and employees of DFSG are responsible for the reputation risk identification process. The Reputation Risk Committee may appoint a person or a group of employees of the institution to coordinate the determination process.

In order to detect reputation risk events, publications in the printed media, keywords and social media publications and other sources are monitored. Each event is recorded with a copy of the relevant publication.

During the determination process, potential imbalances between the perceptions of the stakeholders and the actual situation, changes in the perceptions and expectations of the stakeholders, issues that require internal coordination are taken into consideration, and potential risks are brought to the agenda of the Reputation Risk Committee.

Environmental and Social Risk

DenizBank manages and monitors the environmental and social impacts of its product and service processes within the scope of the "Environmental Social Impacts Management Policy in Lending Processes." In lending processes, environmental and social risks are taken into account and effectively monitored.

Aiming to create added value for its stakeholders for a sustainable future, the Bank manages environmental and social risks associated with financing activities that may have negative consequences on the environment and society, with methodologies and procedures that include national and inter-national practices.

Market Risk

Market risk represents the possible loss of value that may occur due to movements in risk factors (such as exchange rate, interest rate, securities and commodity prices) in the value of financial positions held for trading purposes.

All financial market transactions at DenizBank are classified under trading or banking accounts in accordance with legal regulations and procedures approved by the Board of Directors.

Carrying out its trading activities in money and capital markets within the framework of its risk policy and limits, the Bank measures market risk with the internationally accepted Value at Risk (VaR) method, with its dynamic structure that allows it to adapt to changing market conditions.

VaR represents the loss that may occur in the portfolio value of the Bank and its financial subsidiaries in a certain time and confidence interval due to fluctuations in risk factors. VaR analysis is supported by scenario analysis and stress tests. The method used allows to adapt to changing market conditions while determining the risk level. The reliability of the model used in VaR calculation is periodically evaluated with retrospective tests and model validation.

Internal Audit, Internal Control, Compliance and Risk Management Systems

In the management of market risk, risk measurements such as interest rate sensitivity, option sensitivities (delta, gamma, vega, rho, theta), daily and monthly loss amount, as well as value-at-risk measurements are also performed. The risk appetite for market risk is determined by the Board of Directors over risk limits and limit controls are monitored daily. In case of exceeding the limit, necessary actions are taken within the framework of the Risk Appetite Statement approved by the Board of Directors and the relevant policies.

Credit Risk

Credit risk is managed through a well-defined governance structure supported by risk committees, forums, systems, policies, procedures and processes that provide a strong risk infrastructure and governance framework.

Credit allocation authorization limits; The Board of Directors, Credit Committee, Member of the Board of Directors, Senior Vice Presidents, Credit Regional Manager are determined on the basis of committees or titles. The risk level of credit products and portfolios is explained by the credit rating systems used.

DenizBank credit policy covers basic credit principles, lending guidelines and parameters, control, monitoring and IFRS-9 reporting requirements, problem loan identification, and management of high-risk borrowers. There are standard procedures created specifically for business lines in order to manage different segment, product and portfolio risk types at the Bank.

Concentration Risk

The concentration of credit risks is monitored on a consolidated basis, taking into account the Bank's and DFSG activities in general. In this context, loans extended to risk groups in the Banking Law are evaluated together.

Risk metrics to be monitored for credit concentration risk are included in the Bank's Risk Appetite Statement. Metrics are monitored and reported monthly by the Risk Management Group.

Model Risk

Model risk is the risk that arises due to the uncertainty in the model results, including the change in the risk model parameters over time.

Risk models; credit risk models such as probability of default, loss-on-default, loan conversion ratio; IFRS-9 models; It covers macroeconomic models and market risk models used in Internal Capital Assessment Processes. The Bank has a Model Risk Policy to manage the development, approval, implementation, monitoring and use of models in this category.

The Model Risk Management and Validation Committee provides oversight over model risk. Under the chairmanship of the Board Member responsible for Internal Systems, the Committee meets at the times determined according to the model validation plan, at least four times a year, and evaluates the model risk based on the validation results presented by the Bank's Validation Department.

The committee is responsible for taking decisions such as starting or continuing the use of models, discontinuation, redevelopment.

Liquidity Risk

Liquidity refers to the Bank's ability to fund increases in assets and fulfill obligations that come due. Liquidity risk is the risk that day-to-day operations and cash flows will not be fully met or that high costs will be incurred to meet obligations.

Liquidity adequacy is monitored within the limits determined by the Board of Directors in order to ensure that the Bank has sufficient liquidity and reserves under all circumstances in order to fulfill its responsibilities towards depositors and other counterparties with liabilities.

In addition to the generally accepted liquidity ratios, the adequacy of existing resources and reserve opportunities against the worst-case scenarios are also analyzed. While analyzing the liquidity adequacy, the negativities that may occur in both market conditions and customer behaviors are taken into account. Scenario assumptions and measures regarding the liquidity stress test are reviewed at least once a year and analyzes are repeated monthly on the determined scenarios. Liquidity indicators and limit compliance are monitored regularly.

Interest Rate Risk

Interest rate risk refers to the loss of value that may occur in the income or capital of the Bank due to the effects of the movements in the interest rates on the positions in the banking accounts.

The structural interest rate risk that the Bank is exposed to due to its balance sheet structure is measured with interest rate sensitivity analyzes and monitored for use in decision-making processes.

The Bank's risk appetite for interest rate risk is determined by a limit structure approved by the Board of Directors. In this context, limits have been determined to limit the impact of interest movements on net present value and incomes. In case of exceeding the limit, necessary actions are taken in accordance with the Risk Appetite Statement approved by the Board of Directors.

Operational Risk

Operational risk events that occur in the Bank and its subsidiaries are recorded in a way that includes the causes and effects of the events, the collections made and the measures to prevent the recurrence of the events.

Frequent or high-impact events are discussed with the Internal Control, the Board of Inspectors and the relevant departments of the risk, and corrective/preventive measures are implemented. Potential operational risks are identified through the collection of loss data throughout the year, scenario analysis, collection of external loss data, and Risk Control Self-Assessment. Within the scope of this study, the adequacy of existing risks and controls is reviewed, and new measures are taken when necessary.

The Risk and Compliance Committee, which convenes quarterly and chaired by the Board Member responsible for Internal Systems, evaluates the events and developments related to operational risk within the relevant periods and takes necessary decisions.

New Product/Process Risk Assessment Process

In addition to the risks determined for existing products/processes, internal and external risk factors that may be encountered within the scope of creating new products and processes and/or revisions to existing processes and products are determined, risk sources and scope are determined. While determining and managing New Product/Process risk is the responsibility of each business unit/information systems management teams, policy determination, monitoring and reporting activities are carried out by Risk Management. It is ensured that the effects of the foreseen risks are reduced or eliminated with the actions taken and the controls provided before the product or process is put into practice.

Assessments of Audit Committee

DenizBank Audit and Risk Committee, structured in line with the provisions of the Banking Law No. 5411 and the Regulation on Banks' Internal Systems and Internal Capital Adequacy Assessment Process, reports to the Board of Directors. The Committee meets periodically on behalf of the Board of Directors and determines the Bank's audit policies.

Audit and Risk Committee is responsible for;

- Making sure that the internal audit, internal control and risk management systems of the Bank are efficient and sufficient, and that these systems and the accounting and reporting systems run within the framework of the Law and relevant regulations, and that the produced data remains integral,
- Carrying out preliminary assessment for the Board of Directors to choose independent audit firms as well as rating, valuation and support service providers,
- Regular monitoring of the activities of aforementioned institutions selected and contracted by the Board of Directors,
- Ensuring coordination, and making sure the internal audit activities of the companies subject to consolidation are carried out in a consolidated manner,
- Making sure the audit and control process is created in order to provide the necessary assurance regarding the adequacy and accuracy of Internal Capital Adequacy Assessment Process,
- Making sure the activities of the Bank are carried out in a complete and reliable manner and in compliance with the relevant Law and regulations as well as the internal procedures.

The Audit and Risk Committee receives end-of-period reports on its activities from the control units (Internal Audit, Internal Control and Compliance, Risk Management) at the end of the

period, evaluates the adequacy of the methods for identifying, controlling and monitoring the risks the Bank is exposed to, and reports the results to the Board of Directors. The Committee also presents its opinions and suggestions to the Board of Directors on matters it deems important.

The Audit and Risk Committee held four meetings in 2023 and carried out the following activities within its responsibility:

- The Audit Committee audited the Bank's financial statements and notes for 2022 year-end, and the first, second and third quarters of 2023 for compliance with the Bank's accounting principles and international accounting standards, as well as to confirm the accuracy of the information used.
- The results were reported to the Board of Directors along with the Audit Committee's own assessments.
- The Committee reviewed the internal audit plan for 2023 and submitted it to the Board of Directors for approval. The Committee also assessed and approved the quarterly reports which include important issues, findings and legislative amendments related to the period of the quarters and were received from the Internal Audit, Internal Control and Compliance, and Risk Management units.
- The Committee inspected the performance and objectivity of the independent external auditors and monitored their work at all stages.
- The Audit and Risk Committee also performed a risk assessment related to the support services to be received by the Bank, and submitted its assessments and the risk management program in a report to the Board of Directors, complete with a list of these service providers.

The works of the units reporting to the Audit and Risk Committee at DenizBank for the year 2023 are given below:

Internal Audit Department

Reporting directly to the Board of Directors, the Internal Audit Department ensures that internal audit activities are in line with applicable laws, rules and regulations and the Bank's strategies, policies, principles and targets. The Internal Audit Department oversees the efficiency and adequacy of internal control and risk management systems. The Department also makes a risk assessment of the operations of the Bank and its subsidiaries. Efforts to efficiently manage operational risk account for a large portion of the audit activity.

In 2023, the Internal Audit Department also successfully audited the financial and IT systems of the Bank's entire domestic and overseas business lines and subsidiaries, both from the Head Office and on-site.

Operating with a staff of 111 employees, DenizBank's Internal Audit Department fulfills its responsibilities in an impartial and independent manner and reports its findings to the Audit Committee. Aiming to establish a proactive audit structure, the Internal Audit Department runs its audit operations largely based on the results of risk assessments.

In addition to the planned audit activities, activities such as examination and investigation studies as needed, participation in various projects and carrying out some consultancy works upon the request of the senior management were also among the activities of the Board of Inspection for the year 2023.

Internal Control Center and Compliance Department

Reporting directly to the Audit and Risk Committee, the Internal Control Center and Compliance Department carries out its activities with a staff of 115 employees.

In 2023, the Internal Control Center and Compliance Department performed central and on-site controls of the branches, Head Office units and subsidiaries through the Bank's own internal control and reporting software. Subsequently, the Department shared the findings of these controls with the relevant business lines and managers, and monitored the actions taken. Online training seminars (including examinations) were held for all employees of the Bank and its subsidiaries on the prevention of money laundering and the financing of terrorism, ethical principles, fight against corruption, prevention of conflicts of interest, reinforcement of the compliance culture and IT security.

Using the Bank's internal tracking software, the Department performed controls pertaining to the laundering proceeds of crime and financing of terrorism, monitored relevant national and international legislation and regulations, and took measures necessary for compliance. In line with relevant BRSA regulations, the Department monitored, updated and tested processes related to the Management Declaration.

Work on the reviews of projects by the Bank and its subsidiaries as project stakeholder was carried out during the year. Opinions and approvals were provided on scope documents related to the new products and processes.

Risk Management Group

The Risk Management Group, comprised of 26 personnel, conducts comprehensive studies on risk management, a pivotal function in shaping DenizBank's strategies. Within the framework established by the Bank's senior management and the Risk Management Group, and subsequently approved by the Board of Directors, the Group is responsible for the development, audit, and reporting of requisite policies and implementation procedures. These endeavors aim to identify, measure, analyze, and monitor existing and potential risks, particularly focusing on the risk/return dynamics of cash flows. The Group is tasked with coordinating activities in alignment with the risk appetite statement.

Periodic model verification processes are conducted by the Group to mitigate model risk arising from the design, development, and application of risk measurement models. Additionally, the Group actively participates in the design and development of credit risk models while overseeing processes pertaining to credit risk assessment.

The Risk Management Group coordinates the processes related to internal capital assessment and stress tests in line with legal regulations and the Bank's strategic plan.

The Internal Capital Assessment Process (İSEDES) Report prepared in 2023, the stress test report and the validation and audit report for İSEDES were submitted to the BRSA after the approval of the Board of Directors.

The Risk Appetite Statement was revised in 2023, and the development of risks during the year was monitored monthly and reported to the Audit and Risk Committee on quarterly basis.

In 2023, the effects of volatility in the markets on capital, economic value and income statement continued to be monitored through risk indicators. Efforts were made to improve processes and systems in order to calculate and effectively manage risks in a timely and accurate manner.

Occurring operational risk events were recorded regularly and reported to the managers of the relevant business lines. The implementation processes of the defined measures regarding the events with relatively high impact were followed.

To facilitate Risk Assessment in New Products/Processes and Activities, the New Product Process Risk Assessment procedure has been restructured. Its scope now encompasses all IT projects, External Service Procurements, and Technology purchases, with expanded utilization throughout the bank. Ongoing monitoring and reporting initiatives concerning project risks are conducted and presented to the Audit and Risk Committee on a quarterly basis.

Five-Year Summary Financial Highlights

Summary Consolidated Financial Highlights (TL millions)

Balance Sheet	2023	2022	2021	2020	2019
Securities ⁽¹⁾	162,180	98,397	37,438	28,317	21,454
Net Loans ⁽²⁾	570,040	342,748	225,726	167,283	142,786
Cash and Cash Equivalents, net	365,373	145,042	106,173	53,505	43,634
Total Assets	1,172,907	625,001	395,884	263,961	217,314
Customer Deposits ⁽³⁾	737,884	416,969	248,509	167,467	154,459
Time	535,258	267,151	154,293	115,918	118,622
Demand	202,627	149,818	94,216	51,550	35,837
Borrowings ⁽⁴⁾	126,403	50,582	48,856	25,986	15,187
Securities Issued ⁽⁴⁾	46,495	8,799	10,394	3,169	4,215
Sub-ordinated Loans	23,067	14,561	10,485	5,917	7,037
Shareholders' Equity	90,414	54,863	29,048	23,027	17,749
Paid-in Capital	5,696	5,696	5,696	5,696	3,316
Non-cash Loans	153,970	91,000	67,092	42,825	34,473

Income Statements	2023	2022	2021	2020	2019
Interest Income	121,064	55,225	25,225	18,712	20,042
Interest Expense	-81,540	-23,552	-12,239	-7,739	-11,648
Net Interest Income after Provisions	38,867	24,701	5,414	3,788	2,156
Non-interest Income	32,825	17,866	7,557	4,939	5,069
Non-interest Expense	-33,634	-18,887	-8,314	-6,365	-5,687
Tax Expense	-9,838	-6,354	-1,117	-497	-407
Net Profit/Loss from Discontinued Operations	151	-1	0	0	0
Net Income	28,069	17,326	3,540	1,866	1,308

Other Highlights	2023	2022	2021	2020	2019
Number of Branches ⁽⁵⁾	655	691	712	730	751
Number of Employees ⁽⁶⁾	13,749	14,137	12,995	12,834	13,231
Number of ATMs	3,080	3,080	3,095	3,140	3,029
Number of POS Terminals	414,396	371,999	276,024	196,001	132,860
Number of Credit Cards	7,188,826	6,602,453	5,878,884	5,255,685	4,865,643

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

⁽¹⁾ It is the sum of financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortised cost. 2018 figure has been made compatible with 2019 figure.

⁽²⁾ Includes factoring and leasing receivables. 2018 figure has been made compatible with 2019 figure.

⁽³⁾ Excludes bank deposits

⁽⁴⁾ Securities issued by Special Purpose Entity DFS Funding Corp. are reported under Securities Issued

⁽⁵⁾ Includes subsidiaries' branches

⁽⁶⁾ Number of Employees of the subsidiaries that are consolidated

Summary Unconsolidated Financial Highlights (TL millions)

Balance Sheet	2023	2022	2021	2020	2019
Securities ⁽¹⁾	143,961	90,035	31,699	21,268	17,812
Net Loans ⁽²⁾	465,558	273,839	167,433	120,907	96,955
Cash and Cash Equivalents, net	274,129	94,602	57,339	26,823	21,326
Total Assets	1,007,709	526,295	308,719	199,256	156,478
Customer Deposits ⁽³⁾	595,073	331,937	171,514	109,207	97,328
Time	430,455	223,727	111,228	77,664	77,061
Demand	164,618	108,209	60,286	31,544	20,268
Borrowings	142,407	47,977	47,228	23,377	14,367
Securities Issued	20,260	2,241	6,589	2,725	2,461
Sub-ordinated Loans	23,067	14,561	10,485	5,917	7,037
Shareholders' Equity	89,843	54,511	28,857	22,889	17,720
Paid-in Capital	5,696	5,696	5,696	5,696	3,316
Non-cash Loans	153,161	90,997	67,073	42,729	34,156

Income Statements	2023	2022	2021	2020	2019
Interest Income	108,169	50,169	22,333	15,840	16,868
Interest Expense	-76,703	-21,672	-11,078	-6,755	-10,415
Net Interest Income after Provisions	29,664	21,777	4,471	2,790	1,004
Non-interest Income	26,711	14,247	6,187	4,280	4,732
Non-interest Expense	-30,908	-17,353	-7,316	-5,569	-5,047
Profit from Investments accounted under equity method	9,326	3,887	1,073	591	789
Tax Expense	-6,766	-5,412	-868	-298	-141
Net Profit/Loss from Discontinued Operations	149	-27	0	0	0
Net Income	27,878	17,173	3,547	1,793	1,336

Other Highlights	2023	2022	2021	2020	2019
Number of Branches	641	671	687	696	708
Number of Employees	12,720	13,140	12,072	11,932	11,786
Number of ATMs	3,080	3,080	3,095	3,140	3,029
Number of POS Terminals	414,396	371,999	276,024	196,001	132,860
Number of Credit Cards	7,188,826	6,602,453	5,878,884	5,255,685	4,865,643

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

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

⁽²⁾ Excludes bank deposits

Five-Year Summary Financial Highlights

Assessment of Financial Position

Shareholders' Equity and Capital Adequacy (TL millions)	Consolidated		
	2023	2022	2021
Capital Adequacy Ratio (%)	16.47	17.57	16.83
Shareholders' Equity	90,414	54,863	29,048
Return on Average Equity (%)	40.82	42.39	13.94
Non-performing Loans/ Total Cash Loans Ratio (%)	4.03	4.74	6.62
Shareholders' Equity and Capital Adequacy (TL millions)	Unconsolidated		
	2023	2022	2021
Capital Adequacy Ratio (%)	17.20	18.94	17.88
Shareholders' Equity	89,843	54,511	28,857
Return on Average Equity (%)	40.80	42.27	14.07
Non-performing Loans/ Total Cash Loans Ratio (%)	4.24	5.54	8.04

Capital Market Instruments Issued by DFSG

In 2023, DenizBank did not issue any Capital Market Instruments domestically.

Deniz Leasing					
ISIN	Type	Amount-TL	Maturity	Issue Date	Maturity Date
TRFDNFK52341	TL Discounted Bill	124,000,000	91	24.02.23	26.05.23
TRFDNFK62316	TL Discounted Bill	390,000,000	91	15.03.23	14.06.23
TRFDNFK72315	TL Discounted Bill	70,000,000	70	10.05.23	19.07.23
TRFDNFKA2315	TL Discounted Bill	100,000,000	92	05.09.23	06.12.23
TRFDNFKA2323	TL Discounted Bill	160,000,000	90	07.09.23	06.12.23
TRFDNFK32418	TL Discounted Bill	145,000,000	147	20.10.23	15.03.24
TRFDNFK32426	TL Discounted Bill	375,000,000	86	06.12.23	01.03.24
TRFDNFK42417	TL Discounted Bill	180,000,000	100	27.12.23	05.04.24
TRFDNFK52416	TL Fixed Rate Coupon Bill	267,000,000	164	21.11.23	03.05.24
TRFDNFK62415	TL Discounted Bill	280,000,000	179	29.12.23	25.06.24
TRFDNFK82413	TL Fixed Rate Coupon Bill	200,000,000	276	31.10.23	02.08.24
TOTAL TL		2,291,000,000			
Deniz Faktoring					
ISIN	Type	Amount-TL	Maturity	Issue Date	Maturity Date
TRFDZFK52311	TL Discounted Bill	152,000,000	96	24.02.23	31.05.23
TRFDZFK62310	TL Discounted Bill	245,000,000	91	03.03.23	02.06.23
TRFDZFK62328	TL Discounted Bill	100,000,000	93	08.03.23	09.06.23
TRFDZFK62336	TL Discounted Bill	130,000,000	91	10.03.23	09.06.23
TRFDZFK82318	TL Discounted Bill	50,000,000	126	12.04.23	16.08.23
TRFDZFK82334	TL Discounted Bill	150,000,000	68	09.06.23	16.08.23
TRFDZFKA2311	TL Discounted Bill	184,000,000	91	01.09.23	01.12.23
TRFDZFKA2329	TL Discounted Bill	117,000,000	94	05.09.23	08.12.23
TRFDZFKA2337	TL Discounted Bill	180,000,000	92	07.09.23	08.12.23
TRFDZFK12414	TL Discounted Bill	200,000,000	98	29.09.23	05.01.24
TRFDZFK82334	TL Discounted Bill	100,000,000	176	22.08.23	14.02.24
TRFDZFK32420	TL Discounted Bill	360,000,000	89	08.12.23	06.03.24
TRFDZFK32438	TL Discounted Bill	100,000,000	100	20.12.23	29.03.24
TRFDZFK42437	TL Discounted Bill	900,000,000	97	28.12.23	03.04.24
TRFDZFK82334	TL Discounted Bill	130,000,000	162	16.11.23	26.04.24
TRFDZFK52410	TL Fixed Rate Coupon Bill	115,000,000	167	23.11.23	08.05.24
TRFDZFK62419	TL Discounted Bill	550,000,000	175	29.12.23	21.06.24
TOTAL TL		3,763,000,000			

Capital Market Instruments Issued by DFSG

Deniz Yatırım					
ISIN	Type	Amount-TL	Maturity	Issue Date	Maturity Date
TRFDNZY42317	TL Discounted Bill	225,000,000	98	06.01.23	14.04.23
TRFDNZY42325	TL Discounted Bill	200,000,000	98	11.01.23	19.04.23
TRFDNZY42333	TL Discounted Bill	150,000,000	98	18.01.23	26.04.23
TRFDNZY52332	TL Discounted Bill	115,000,000	84	22.02.23	17.05.23
TRFDNZY52316	TL Discounted Bill	52,000,000	98	15.02.23	24.05.23
TRFDNZY52324	TL Discounted Bill	110,000,000	96	17.02.23	24.05.23
TRFDNZY62315	TL Discounted Bill	100,000,000	98	01.03.23	07.06.23
TRFDNZY72314	TL Discounted Bill	150,000,000	103	24.03.23	05.07.23
TRFDNZY72322	TL Discounted Bill	120,000,000	70	17.05.23	26.07.23
TRFDNZY82354	TL Discounted Bill	67,000,000	69	25.05.23	02.08.23
TRFDNZY82347	TL Discounted Bill	150,000,000	105	26.04.23	09.08.23
TRFDNZY82313	TL Discounted Bill	150,000,000	135	29.03.23	11.08.23
TRFDNZY82321	TL Discounted Bill	225,000,000	126	14.04.23	18.08.23
TRFDNZY82339	TL Discounted Bill	200,000,000	126	19.04.23	23.08.23
TRFDNZY92312	TL Discounted Bill	320,000,000	77	05.07.23	20.09.23
TRFDNZYA2315	TL Discounted Bill	120,000,000	99	05.09.23	13.12.23
TRFDNZYA2323	TL Discounted Bill	100,000,000	96	08.09.23	13.12.23
TRFDNZYA2331	TL Discounted Bill	140,000,000	93	13.09.23	15.12.23
TRFDNZY12443	TL Discounted Bill	235,000,000	112	20.09.23	10.01.24
TRFDNZY12468	TL Discounted Bill	100,000,000	86	23.10.23	17.01.24
TRFDNZY12419	TL Discounted Bill	250,000,000	177	26.07.23	19.01.24
TRFDNZY12427	TL Discounted Bill	145,000,000	175	02.08.23	24.01.24
TRFDNZY12435	TL Discounted Bill	180,000,000	175	09.08.23	31.01.24
TRFDNZY12435	TL Discounted Bill	100,000,000	116	09.10.23	02.02.24
TRFDNZY22426	TL Discounted Bill	162,000,000	99	21.11.23	28.02.24
TRFDNZY32425	TL Discounted Bill	300,000,000	98	13.12.23	20.03.24
TRFDNZY32417	TL Floating Rate Coupon Bill	103,000,000	140	03.11.23	22.03.24
TRFDNZY52415	TL Fixed Rate Coupon Bill	117,000,000	168	29.11.23	15.05.24
TOTAL TL		4,386,000,000			

DenizBank - MTN					
ISIN	Type	Amount	Maturity	Issue Date	Maturity Date
XS2572414329	Bill	14,250,000	GBP	04.01.2023	28.12.2023
XS2572414246	Bill	20,000,000	GBP	06.01.2023	28.12.2023
XS2587717963	Bond	19,009,000	GBP	15.02.2023	20.02.2024
XS2590656232	Bond	20,000,000	GBP	23.02.2023	27.02.2024
XS2592043645	Bill	34,700,000	GBP	24.02.2023	01.09.2023
XS2601933331	Bill	22,100,000	EUR	22.03.2023	26.09.2023
XS2606002496	Bill	9,000,000	GBP	30.03.2023	03.10.2023
XS2622507841	Bill	8,000,000	GBP	12.05.2023	17.11.2023
XS2653146196	Bond	10,000,000	USD	19.07.2023	20.07.2024
XS2656580912	Bond	23,800,000	USD	26.07.2023	27.07.2024
XS2661086723	Bond	21,000,000	USD	02.08.2023	03.08.2024
XS2667518422	Bill	12,025,000	USD	16.08.2023	16.02.2024
XS2669242245	Bond	11,000,000	USD	18.08.2023	19.08.2024
XS2672305526	Bond	13,300,000	USD	25.08.2023	27.08.2024
XS2675112176	Bond	14,670,000	USD	08.09.2023	10.09.2024
XS2690024687	Bond	13,300,000	USD	20.09.2023	21.09.2024
XS2695398524	Bond	11,830,000	USD	02.10.2023	03.10.2024
XS2698604134	Bond	16,250,000	GBP	03.10.2023	04.10.2024
XS2699379397	Bond	51,500,000	USD	10.10.2023	11.10.2024
XS2702157939	Bond	137,000,000	USD	12.10.2023	15.10.2024
XS2705736903	Bond	26,700,000	USD	19.10.2023	22.10.2024
XS2708142802	Bond	5,000,000	USD	23.10.2023	24.10.2024
XS2708169672	Bond	40,000,000	USD	24.10.2023	25.10.2024
XS2712146005	Bond	50,000,000	USD	01.11.2023	30.05.2025
XS2712617484	Bill	15,000,000	USD	02.11.2023	07.05.2024
XS2715275868	Bond	13,375,000	USD	09.11.2023	13.11.2024
XS2721049216	Bill	12,500,000	GBP	17.11.2023	24.05.2024
XS2722877599	Bond	60,000,000	USD	21.11.2023	26.11.2024
XS2727593753	Bond	12,830,000	USD	05.12.2023	06.12.2024
XS2739684400	Bill	6,200,000	GBP	28.12.2023	02.07.2024
XS2739602444	Bond	7,100,000	USD	29.12.2023	30.12.2026
XS2742506749	Bond	30,000,000	USD	29.12.2023	31.12.2024

DenizBank Ratings by International Rating Agencies

Moody's*	
Outlook	Stable
Long Term Foreign Currency Deposit	B3
Short Term Foreign Currency Deposit	Not Prime
Long Term Local Currency Deposit	B1
Short Term Local Currency Deposit	Not Prime
Baseline Credit Assessment (BCA)	caa1
Adjusted Baseline Credit Assessment (Adjusted BCA)	b1

*As of 16.08.2022

Fitch Ratings**	
Outlook	Stable
Long Term Foreign Currency IDR	B-
Short Term Foreign Currency IDR	B
Long Term Local Currency IDR	B
Short Term Local Currency IDR	B
Viability	b-
Shareholder Support	b-
National	AA (tur)(Stable)

IDR: Issuer Default Rating

**As of 22.09.2023

(Convenience Translation of the Independent Auditor's Report
Originally Prepared and Issued in Turkish See Note 3.I.c)

Denizbank Anonim Şirketi

Independent Auditor's Report, Unconsolidated
Financial Statements and Notes for the Year
Ended 31 December 2023

I. Independent Auditor's Report

II. Publicly Disclosed Unconsolidated Financial Report



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(CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR’S REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR’S REPORT

To the General Assembly of Denizbank AŞ.

A) Report on the Audit of the Unconsolidated Financial Statements

1) Qualified Opinion

We have audited the unconsolidated financial statements of Denizbank AŞ (the “Bank”), which comprise the unconsolidated balance sheet as at 31 December 2023, and the unconsolidated statement of income, unconsolidated statement of income and expense items accounted for under shareholders’ equity, unconsolidated statement of changes in shareholders’ equity and unconsolidated statement of cash flows for the year then ended and, notes to the unconsolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Bank as at December 31, 2023, and (of) its unconsolidated financial performance and its unconsolidated cash flows for the year then ended 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 BRSA and provisions of Turkish Financial Reporting Standards (TFRS) for the matters not legislated by the aforementioned regulations.

2) Basis for Qualified Opinion

The accompanying unconsolidated financial statements as at 31 December 2023 include a free provision amounting to TL 6.700.000 thousand, which TL 4.175.000 thousand has been allocated in previous years and TL 2.525.000 thousand recognized as an expense in the unconsolidated financial statements in the current period, provided by the Bank 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 6.700.000 thousand and profit before tax would increase by TL 2.525.000 and equity would increase by TL 6.700.000 thousand for the period ended 31 December 2023.



2) Basis for Qualified Opinion

We conducted our audit in accordance with the regulation on “Independent Auditing of Banks” published in the Official Gazette dated 2 April 2015 with No. 29314 and Standards on Independent Auditing (“SIA”) which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the *Code of Ethics for Independent Auditors* (“Code of Ethics”) published by the POA, together with the ethical requirements that are relevant to our audit of the unconsolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matters	How the matter was addressed in the audit
<p>Impairment of loans in accordance with TFRS 9 Financial Assets</p> <p>Impairment of loans is a key area of judgment for the management. The Bank has the total loans amounting to TL 500.458.326 thousands, which comprise 50% of the Bank’s total assets in its unconsolidated financial statements and the total provision for impairment amounting to TL 34.900.468 as at 31 December 2023.</p> <p>As of 1 January 2018, the Bank has started to recognize provisions for impairment of loans in accordance with the TFRS 9 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.</p> <p>In this respect, the method of provisions for impairment as set out in accordance with the related legislation of BRSA as mentioned in the Section 3 Note VIII of Explanation on Accounting Policies, the expected credit loss estimates are required to be unbiased, probability-weighted and should include supportable information about past events, current conditions, and forecasts of future economic conditions.</p> <p>The Bank exercises significant decisions using judgment, interpretation and assumptions over calculating loan impairments. These judgments, interpretations and assumptions are key in the development of the financial models built to measure the expected credit losses on loans.</p> <p>A significant part of the Bank’s corporate loan portfolio has been assessed individually. This situation requires significant judgments in the calculation of the expected loan loss provision.</p> <p>Not fulfilling the requirements of the TFRS 9 is a potential risk for the Bank. Failure in determining the loans and receivables that are impaired and not recording the adequate provision for these impaired loans is the aforementioned risk. Accordingly, impairment of loans and receivables is considered as a key audit matter.</p>	<p>As part of our audit work, the following procedures were performed:</p> <p>We assessed and tested the design, implementation and operating effectiveness of key controls applied by the Bank with respect to classification of loans and determination and calculation of impairments. Our information system experts have also participated to perform these procedures.</p> <p>We have assessed and analyzed the relevant contract terms to assess management’s accounting policy and classification of the instrument for selected samples.</p> <p>We have performed loan review procedures on selected samples of loans and receivables with the objective of identifying whether the loss event had occurred and whether the provision for impairment has been recognized in a timely manner within the framework of the provisions of the relevant legislation.</p> <p>We have tested relevant inputs and assumption used by the management in each stage of the expected credit loss calculation by considering whether the inputs and assumptions appear reasonable, the relationship between the assumptions and whether the assumptions are interdependent and internally consistent, whether the assumptions appropriately reflect current market information and collections, and whether the assumptions appear reasonable when considered collectively with other assumptions, including those for the same accounting estimates and those for other accounting estimates.</p> <p>We have tested historical loss data to validate the completeness and accuracy of key parameters.</p> <p>We have tested whether the model is applied to appropriate groupings of assets which share credit risk characteristics.</p> <p>We tested the application of the model to the relevant inputs and the mathematical integrity of each stage of the expected credit loss calculation.</p> <p>Based on our discussions with the Bank management, we evaluated whether the key</p>



Key Audit Matters	How the matter was addressed in the audit
Related explanations relating to the impairment of loans and receivables are presented in Section 5 Note I.d.	<p>assumptions and other judgements, underlying the estimations of impairments were reasonable.</p> <p>We assessed expected credit losses determined based on individual assessment per Bank’s policy by means of supporting data and evaluated appropriateness via discussions with management.</p> <p>Our specialists are involved in all procedures regarding assumptions of models and individual assessments.</p> <p>In order not to ignore the extraordinary situations that did not occur during the model's consideration periods, the affected portfolios were determined by the bank and all the studies related to the assumptions regarding the expected credit loss provisions were evaluated via discussions with the bank management.</p> <p>We have reviewed disclosures made within the TFRS 9 framework in the unconsolidated financial statements of the Bank with respect to loans and receivables and related impairment provisions.</p>
	Procedures within the context of our information technology audit work:



Key Audit Matters	How the matter was addressed in the audit
<p>Information Technologies Audit</p> <p>The Bank and its finance functions are dependent on the IT-infrastructure for the continuity of its operations, and the demand for technology-enabled business services is rapidly growing in the Bank and its subsidiaries. Controls over reliability and continuity of the electronic data processing are within the scope of the information systems internal controls audit. The reliance on information systems within the Bank means that the controls over access rights, continuity of systems, privacy and integrity of the electronic data are critical and found to be key area of focus as part of our risk-based scoping.</p>	<ul style="list-style-type: none">• We identified and tested the Banks' controls over information systems with risk-based approach as part of our audit procedures.• Information generation comprise layers of information systems that are important for unconsolidated financial statements (including applications, networks, transmission systems and database). The information systems controls tested are categorized in the following areas:<ul style="list-style-type: none">• Access Security• Change Management• Data Center and Network Operations• We selected high-risk areas as, log management for database and change management control activities, to prevent and detect whether accesses to financial data had been identified in a timely manner.• We tested accesses management and log management controls underlying all applications that have direct or indirect impacts on financial data generation.• Automated controls and integration controls are tested to underly and detect changes and accesses in the process of financial data generation.• We also tested the completeness and accuracy of the information produced by the entity and information used in controls reports as inputs to our controls and outputs generated by the IT components.• Finally, we understood and tested the controls over database, network, application and operating system layers of applications.



4) Responsibilities of Management and Those Charged with Governance for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the BRSA Accounting and Reporting Regulations, and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Bank’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank’s financial reporting process.

5) Auditor’s Responsibilities for the Audit of the Unconsolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the regulation on “Independent Auditing of Banks” published in the Official Gazette dated 2 April 2015 with No. 29314 and SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with the regulation on “Independent Auditing of Banks” published in the Official Gazette dated 2 April 2015 with No. 29314 and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Bank to cease to continue as a going concern.



5) Auditor’s Responsibilities for the Audit of the Unconsolidated Financial Statements

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



B) Other Responsibilities Arising From Regulatory Requirements

In accordance with paragraph four of the Article 402 of the Turkish Commercial Code No. 6102 (“TCC”), nothing has come to our attention that may cause us to believe that the Bank’s set of accounts for the period 1 January - 31 December 2023 does not comply with TCC and the provisions of the Bank’s articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor’s report is Yaman Polat.

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 unconsolidated 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, 23 January 2024

DENİZBANK A.Ş.
UNCONSOLIDATED FINANCIAL REPORT AS OF 31 DECEMBER 2023

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

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yatirimciliskileri@denizbank.com

The unconsolidated 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 BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- DISCLOSURES ON ACCOUNTING POLICIES IN RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
- DISCLOSURES AND FOOTNOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES AND FOOTNOTES
- INDEPENDENT AUDITOR'S REPORT

The unconsolidated financial statements and related disclosures and footnotes that were subject to independent audit, 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 unconsolidated financial statements are presented in **Thousands of Turkish Lira**.

23 January 2024

 HAKAN ELVERDİ Senior Vice President Financial Reporting And Accounting	 RUSLAN ABİL Executive Vice President Financial Affairs and Chief Financial Officer	 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:
Name/Title: İmge İhtiyar / Department Head, International Reporting and Consolidation Department
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Denizbank Anonim Şirketi

Notes to Unconsolidated Financial Statements

as of 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of Unconsolidated Financial Report Originally Issued in Turkish, See Note 3.I.c

SECTION ONE

GENERAL INFORMATION

I. History of the 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 Bank, shareholders holding directly or indirectly, individually or collectively, the management and supervision of the 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.

Denizbank Anonim Şirketi

Notes to Unconsolidated Financial Statements

as of 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of Unconsolidated Financial Report Originally Issued in Turkish, See Note 3.I.c

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 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 Lenzmann	Member	—
Aazar Ali Khwaja	Member	—
Audit Committee		
Ahmed Mohammed Aqil Qassim Alqassim	Member	—
Bjorn Lenzmann	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 Hıçkırın	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 Çıtak	Project Finance, Financial Restructuring and Credits International Coordination	—
Kishore Swayamberdut 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 Ofıaz	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 Ofıaz 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.

Denizbank Anonim Şirketi

Notes to Unconsolidated Financial Statements

as of 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

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

IV. Explanations regarding the persons and institutions that have qualified shares in the 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 Bank’s capital having both direct and indirect qualified shares.

As of 31 December 2023 the capital structure of ENBD is as follows:

Shareholders	Current Period Share Percentages %	Prior Period Share Percentages %
Investment Corporation of Dubai	40,92	55,76
DH 7 LLC	14,84	--
Capital Assets LLC	5,33	5,33
Publicly traded	38,91	38,91
Total	100,00	100,00

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

The Bank is a private sector deposit bank which provides banking services to its customers through 639 domestic brances and 2 foreign branch as of 31 December 2023.

Activities of the 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 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 Bank will be able to implement activities after the relevant decision is made by General Assembly.

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

None.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

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

Denizbank Anonim Şirketi

Unconsolidated Statement of Financial Position

(Balance Sheet) as of 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

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

ASSETS	Note	Audited CURRENT PERIOD (31/12/2023)			Audited PRIOR PERIOD (31/12/2022)		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		195.068.979	179.827.887	374.896.866	52.928.782	121.070.787	173.999.569
1.1 Cash and Cash Equivalents		158.767.059	115.362.108	274.129.167	9.700.546	84.901.026	94.601.572
1.1.1 Cash and Balances with Central Bank	(5.1.a)	100.379.604	102.595.811	202.975.415	8.704.134	77.412.152	86.116.286
1.1.2 Banks	(5.1.a)	6.261.105	12.766.623	19.027.728	996.471	7.489.130	8.485.601
1.1.3 Due From Money Markets		52.126.807	-	52.126.807	-	-	-
1.1.4 Expected Credit Loss (-)		457	326	783	59	256	315
1.2 Financial Assets at Fair Value Through Profit or Loss	(5.1.b)	775.630	4.526.745	5.302.375	517.334	1.332.148	1.849.482
1.2.1 Government Debt Securities		193.273	2.234.830	2.428.103	452.295	819.141	1.271.436
1.2.2 Equity Instruments		-	896.056	896.056	-	454.025	454.025
1.2.3 Other Financial Assets		582.357	1.395.859	1.978.216	65.039	58.982	124.021
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(5.1.c)	34.299.022	53.122.159	87.421.181	41.116.476	30.041.468	71.157.944
1.3.1 Government Debt Securities		34.298.062	51.026.864	85.324.926	41.115.526	30.041.468	71.156.994
1.3.2 Equity Instruments		960	-	960	950	-	950
1.3.3 Other Financial Assets		-	2.095.295	2.095.295	-	-	-
1.4 Derivative Financial Assets		1.227.268	6.816.875	8.044.143	1.594.426	4.796.145	6.390.571
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss	(5.1.b)	1.227.268	6.816.875	8.044.143	1.594.426	4.796.145	6.390.571
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income	(5.1.j)	-	-	-	-	-	-
II. OTHER FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		328.674.624	188.113.661	516.788.285	198.007.638	92.856.865	290.864.503
2.1 Loans	(5.1.d)	305.436.740	195.021.586	500.458.326	202.982.205	98.085.755	301.067.960
2.2 Lease Receivables	(5.1.i)	-	-	-	-	-	-
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Other Financial Assets Measured at Amortised Cost	(5.1.e)	42.882.876	8.354.208	51.237.084	11.146.415	5.880.981	17.027.396
2.4.1 Government Debt Securities		42.882.876	8.354.208	51.237.084	11.146.415	5.880.981	17.027.396
2.4.2 Other Financial Assets		-	-	-	-	-	-
2.5 Expected Credit Loss (-)		19.644.992	15.262.133	34.907.125	16.120.982	11.109.871	27.230.853
III. NON CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)	(5.1.o)	-	7.118	7.118	-	143.379	143.379
3.1 Held for Sale		-	-	-	-	-	-
3.2 Discontinued Operations		-	7.118	7.118	-	143.379	143.379
IV. EQUITY INVESTMENTS		21.407.821	47.721.089	69.128.910	7.037.992	30.545.258	37.583.250
4.1 Investments in Associates (Net)	(5.1.f)	22.268	-	22.268	20.360	-	20.360
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		22.268	-	22.268	20.360	-	20.360
4.2 Subsidiaries (Net)	(5.1.g)	21.382.753	47.721.089	69.103.842	7.014.832	30.545.258	37.560.090
4.2.1 Unconsolidated Financial Subsidiaries		13.127.282	47.721.089	60.848.371	4.341.535	30.545.258	34.886.793
4.2.2 Unconsolidated Non-Financial Subsidiaries		8.255.471	-	8.255.471	2.673.297	-	2.673.297
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)	(5.1.k)	2.268.432	1.348	2.269.780	1.468.748	245	1.468.993
VI. INTANGIBLE ASSETS (Net)	(5.1.l)	2.283.719	-	2.283.719	1.293.730	-	1.293.730
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		2.283.719	-	2.283.719	1.293.730	-	1.293.730
VII. INVESTMENT PROPERTIES (Net)	(5.1.m)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		1.877.045	-	1.877.045	-	-	-
IX. DEFERRED TAX ASSET	(5.1.n)	4.173.522	-	4.173.522	4.140.119	-	4.140.119
X. OTHER ASSETS (Net)	(5.1.p)	29.977.133	6.306.683	36.283.816	13.980.558	2.820.648	16.801.206
TOTAL ASSETS		585.731.275	421.977.786	1.007.709.061	278.857.567	247.437.182	526.294.749

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

Denizbank Anonim Şirketi

Unconsolidated Statement of Financial Position

(Balance Sheet) as of 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

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

LIABILITIES	Note	Audited CURRENT PERIOD (31/12/2023)			Audited PRIOR PERIOD (31/12/2022)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.11.a)	399.165.266	203.827.371	602.992.637	167.552.873	186.048.227	353.601.100
II. FUNDS BORROWED	(5.11.c)	998.809	141.407.777	142.406.586	632.882	47.344.577	47.977.459
III. DUE TO MONEY MARKETS		100.358	51.874.091	51.974.449	87.602	12.429.682	12.517.284
IV. SECURITIES ISSUED (Net)	(5.11.d)	-	20.259.843	20.259.843	65.023	2.175.711	2.240.734
4.1 Bills		-	1.516.251	1.516.251	65.023	494.857	559.880
4.2 Assets Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	18.743.592	18.743.592	-	1.680.854	1.680.854
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES		400.598	2.445.767	2.846.365	254.381	3.269.256	3.523.637
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss	(5.11.b)	400.598	2.445.767	2.846.365	254.381	3.269.256	3.523.637
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(5.11.g)	-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES	(5.11.f)	944.993	4.283	949.276	787.991	2.308	790.299
X. PROVISIONS	(5.11.h)	12.630.909	3.189.227	15.820.136	7.786.496	2.232.900	10.019.396
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		1.580.130	-	1.580.130	1.465.297	-	1.465.297
10.3 Insurance for Technical Provision (Net)		-	-	-	-	-	-
10.4 Other Provisions		11.050.779	3.189.227	14.240.006	6.321.199	2.232.900	8.554.099
XI. CURRENT TAX LIABILITY	(5.11.i)	1.821.303	-	1.821.303	2.985.921	-	2.985.921
XII. DEFERRED TAX LIABILITIES	(5.11.i)	-	-	-	-	-	-
XIII. NON CURRENT LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(5.11.j)	-	102.945	102.945	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Discontinued Operations		-	102.945	102.945	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS		-	23.066.679	23.066.679	-	14.561.492	14.561.492
14.1 Loans	(5.11.k)	-	23.066.679	23.066.679	-	14.561.492	14.561.492
14.2 Other Debt Instruments		-	-	-	-	-	-
XV. OTHER LIABILITIES	(5.11.e)	32.840.317	22.785.124	55.625.441	16.639.306	6.927.523	23.566.829
XVI. SHAREHOLDERS' EQUITY	(5.11.l)	89.463.141	380.260	89.843.401	56.751.880	(2.241.282)	54.510.598
16.1 Paid-in Capital		5.696.100	-	5.696.100	5.696.100	-	5.696.100
16.2 Capital Reserves		2.925	-	2.925	1.007	-	1.007
16.2.1 Share Premium		15	-	15	15	-	15
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		2.910	-	2.910	992	-	992
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		8.238.726	-	8.238.726	2.208.248	-	2.208.248
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		12.534.147	380.260	12.914.407	13.733.067	(2.241.282)	11.491.785
16.5 Profit Reserves		33.868.186	-	33.868.186	16.695.172	-	16.695.172
16.5.1 Legal Reserves		1.139.220	-	1.139.220	788.745	-	788.745
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		32.728.966	-	32.728.966	15.906.427	-	15.906.427
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Income or (Loss)		29.123.057	-	29.123.057	18.418.286	-	18.418.286
16.6.1 Prior Periods' Income or (Loss)		1.245.272	-	1.245.272	1.245.272	-	1.245.272
16.6.2 Current Period Income or (Loss)		27.877.785	-	27.877.785	17.173.014	-	17.173.014
16.7 Minority Shares		-	-	-	-	-	-
TOTAL LIABILITIES		538.365.694	469.343.367	1.007.709.061	253.544.355	272.750.394	526.294.749

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

Denizbank Anonim Şirketi

Unconsolidated Statement of Off-Balance Sheet Items

as of 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of Unconsolidated Financial Report Originally Issued in Turkish, See Note 3.I.c

Note	Audited CURRENT PERIOD (31/12/2023)			Audited PRIOR PERIOD (31/12/2022)		
	TL	FC	Total	TL	FC	Total
A. COMMITMENTS AND CONTINGENCIES (I+II+III)	544.842.756	630.374.596	1.175.217.352	280.463.285	418.835.089	699.298.374
I. GUARANTEES AND WARRANTIES	71.108.020	82.052.993	153.161.013	38.247.155	52.749.483	90.996.638
1.1. Letters of Guarantee	63.222.313	55.508.915	118.731.228	32.689.207	33.978.377	66.667.584
1.1.1. Guarantees Subject to Public Procurement Law	-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations	79.021	458.580	537.601	79.021	285.484	364.505
1.1.3. Other Letters of Guarantee	63.143.292	55.050.335	118.193.627	32.610.186	33.692.893	66.303.079
1.2. Bank Loans	-	717.588	717.588	149.232	593.707	742.939
1.2.1. Import Acceptances	-	717.588	717.588	149.232	593.707	742.939
1.2.2. Other Bank Acceptances	-	-	-	-	-	-
1.3. Letters of Credit	20.096	23.645.540	23.665.636	39.625	15.709.285	15.748.910
1.3.1. Documentary Letters of Credit	-	17.125.499	17.125.499	39.625	9.286.411	9.326.036
1.3.2. Other Letters of Credit	20.096	6.520.041	6.540.137	-	6.422.874	6.422.874
1.4. Guaranteed Refinancing	-	-	-	-	-	-
1.5. Endorsements	-	-	-	-	-	-
1.5.1. Endorsements to Central Bank of the Republic of Turkey	-	-	-	-	-	-
1.5.2. Other Endorsements	-	-	-	-	-	-
1.6. Purchase Guarantees on Marketable Security Issuance	-	-	-	-	-	-
1.7. Factoring Guarantees	-	-	-	-	-	-
1.8. Other Guarantees	7.865.611	2.180.950	10.046.561	5.369.091	2.468.114	7.837.205
1.9. Other Sureties	-	-	-	-	-	-
II. COMMITMENTS	360.707.664	25.546.851	386.254.515	122.289.222	11.171.715	133.460.937
2.1. Irrevocable Commitments	357.792.904	25.546.851	383.339.755	120.498.509	11.171.715	131.670.224
2.1.1. Forward Asset Purchase Commitments	1.178.580	12.898.449	14.077.029	1.796.399	5.210.052	7.006.451
2.1.2. Forward Deposit Purchase and Sale Commitments	-	-	-	-	2.990.235	2.990.235
2.1.3. Capital Commitments to Subsidiaries and Associates	-	-	-	35.625	-	35.625
2.1.4. Loan Granting Commitments	48.403.121	-	48.403.121	30.474.774	-	30.474.774
2.1.5. Securities Underwriting Commitments	-	-	-	-	-	-
2.1.6. Payment Commitments for Reserve Deposits	-	-	-	-	-	-
2.1.7. Payment Commitments for Cheques	12.311.768	-	12.311.768	6.613.792	-	6.613.792
2.1.8. Tax and Fund Liabilities from Export Commitments	1.643	-	1.643	2.396	-	2.396
2.1.9. Commitments for Credit Card Expenditure Limits	293.746.486	-	293.746.486	80.333.770	-	80.333.770
2.1.10. Commitments for Credit Cards and Banking Services Promotions	33.541	-	33.541	14.925	-	14.925
2.1.11. Receivables from Short Sale Commitments	-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments	-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments	2.117.765	12.648.402	14.766.167	1.226.828	2.971.428	4.198.256
2.2. Revocable Commitments	2.914.760	-	2.914.760	1.790.713	-	1.790.713
2.2.1. Revocable Loan Granting Commitments	2.914.201	-	2.914.201	1.790.154	-	1.790.154
2.2.2. Other Revocable Commitments	559	-	559	-	-	559
III. DERIVATIVE FINANCIAL INSTRUMENTS	113.027.072	522.774.752	635.801.824	119.926.908	354.913.891	474.840.799
3.1. Derivative Financial Instruments Held for Risk Management	-	-	-	-	-	-
3.1.1. Fair Value Risk Hedging Transactions	-	-	-	-	-	-
3.1.2. Cash Flow Risk Hedging Transactions	-	-	-	-	-	-
3.1.3. Net Foreign Investment Risk Hedging Transactions	-	-	-	-	-	-
3.2. Transactions for Trading	113.027.072	522.774.752	635.801.824	119.926.908	354.913.891	474.840.799
3.2.1. Forward Foreign Currency Buy/Sell Transactions	25.450.172	52.435.531	77.885.703	6.103.344	21.673.840	27.777.184
3.2.1.1. Forward Foreign Currency Transactions-Buy	24.843.470	16.181.693	40.825.163	5.709.163	8.569.449	14.278.612
3.2.1.2. Forward Foreign Currency Transactions-Sell	806.702	36.253.838	37.060.540	394.181	13.104.391	13.498.572
3.2.2. Currency and Interest Rate Swaps	76.512.586	409.653.229	486.165.815	51.865.343	245.652.053	297.517.396
3.2.2.1. Currency Swap-Buy	2.410.956	153.849.343	156.260.299	3.001.613	91.263.589	94.265.202
3.2.2.2. Currency Swap-Sell	67.141.630	104.881.670	172.023.300	43.503.730	59.230.776	102.734.506
3.2.2.3. Interest Rate Swap-Buy	3.480.000	75.461.110	78.941.110	2.680.000	47.578.845	50.258.845
3.2.2.4. Interest Rate Swap-Sell	3.480.000	75.461.106	78.941.106	2.680.000	47.578.843	50.258.843
3.2.3. Currency, Interest Rate and Marketable Securities Options	10.894.618	37.363.926	48.258.544	61.074.042	69.191.428	130.265.470
3.2.3.1. Currency Call Options	7.645.352	13.503.512	21.148.864	41.117.590	23.187.598	64.305.188
3.2.3.2. Currency Put Options	3.249.266	19.005.858	22.255.124	19.956.452	44.428.252	64.384.704
3.2.3.3. Interest Rate Call Options	-	2.427.278	2.427.278	-	787.789	787.789
3.2.3.4. Interest Rate Put Options	-	2.427.278	2.427.278	-	787.789	787.789
3.2.3.5. Marketable Securities Call Options	-	-	-	-	-	-
3.2.3.6. Marketable Securities Put Options	-	-	-	-	-	-
3.2.4. Currency Futures	169.696	121.020	290.716	884.179	864.404	1.748.583
3.2.4.1. Currency Futures-Buy	169.696	-	169.696	-	864.404	864.404
3.2.4.2. Currency Futures-Sell	-	121.020	121.020	884.179	-	884.179
3.2.5. Interest Rate Buy/Sell Futures	-	-	-	-	-	-
3.2.5.1. Interest Rate Futures-Buy	-	-	-	-	-	-
3.2.5.2. Interest Rate Futures-Sell	-	-	-	-	-	-
3.2.6. Other	-	23.201.046	23.201.046	-	17.532.166	17.532.166
B. CUSTODY AND PLEDGED ASSETS (IV+V+VI)	2.431.934.831	1.559.121.281	3.991.056.112	1.625.727.024	751.477.770	2.377.204.794
IV. CUSTODIES	83.859.770	157.806.553	241.666.323	46.528.922	61.325.854	107.854.776
4.1. Assets Under Management	-	-	-	-	-	-
4.2. Custody Marketable Securities	78.166.015	149.180.256	227.346.271	43.686.166	55.589.317	99.275.483
4.3. Cheques in Collection Process	3.713.074	2.682.751	6.395.825	1.448.622	2.521.413	3.970.035
4.4. Commercial Notes in Collection Process	1.980.681	601.610	2.582.291	1.394.134	306.323	1.700.457
4.5. Other Assets in Collection Process	-	-	-	-	-	-
4.6. Underwritten Securities	-	-	-	-	-	-
4.7. Other Custodies	-	5.341.936	5.341.936	-	2.908.801	2.908.801
4.8. Custodians	-	-	-	-	-	-
V. PLEDGED ASSETS	2.344.736.043	1.396.190.844	3.740.926.887	1.577.686.677	687.366.645	2.265.053.322
5.1. Marketable Securities	14.042.517	5.189.215	19.231.732	4.184.842	228.915	4.413.757
5.2. Collateral Notes	1.559.666.872	484.942.734	2.044.609.606	977.706.210	272.272.517	1.249.978.727
5.3. Commodity	46.639.573	66.824.496	113.464.069	34.485.125	46.047.323	80.532.448
5.4. Warranty	-	-	-	-	-	-
5.5. Land and Buildings	614.983.795	658.284.287	1.273.268.082	458.370.813	283.546.044	741.916.857
5.6. Other Pledged Assets	109.403.286	180.950.112	290.353.398	102.939.687	85.271.846	188.211.533
5.7. Pledges	-	-	-	-	-	-
VI. ACCEPTED BILL, GUARANTEES AND SURETIES	3.339.018	5.123.884	8.462.902	1.511.425	2.785.271	4.296.696
TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)	2.976.777.587	2.189.495.877	5.166.273.464	1.906.190.309	1.170.312.859	3.076.503.168

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

Denizbank Anonim Şirketi

Unconsolidated Statement of Profit or Loss

for the Period Ended 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of Unconsolidated Financial Report Originally Issued in Turkish, See Note 3.I.c

			Audited CURRENT PERIOD (01/01- 31/12/2023)	Audited PRIOR PERIOD (01/01- 31/12/2022)
INCOME AND EXPENSES		Note		
I.	INTEREST INCOME	(5.IV.a)	108.168.976	50.169.476
1.1	Interest on Loans		68.797.304	36.782.715
1.2	Interest on Reserve Requirements		216.357	96.849
1.3	Interest on Banks		4.009.836	274.685
1.4	Interest on Money Market Transactions		11.049.539	158.113
1.5	Interest on Marketable Securities Portfolio		23.548.472	12.606.573
1.5.1	Fair Value Through Profit or Loss		431.629	140.873
1.5.2	Fair Value Through Other Comprehensive Income		12.059.846	9.871.636
1.5.3	Measured at Amortized Cost		11.056.997	2.594.064
1.6	Financial Lease Interest Income		-	-
1.7	Other Interest Income		547.468	250.541
II.	INTEREST EXPENSE (-)	(5.IV.b)	76.702.821	21.672.247
2.1	Interest on Deposits		63.580.547	16.783.531
2.2	Interest on Funds Borrowed		9.659.389	3.618.237
2.3	Interest Expense on Money Market Transactions		2.304.982	606.586
2.4	Interest on Securities Issued		738.681	393.909
2.5	Interest on Leases		258.144	170.084
2.6	Other Interest Expenses		161.078	99.900
III.	NET INTEREST INCOME (I - II)		31.466.155	28.497.229
IV.	NET FEES AND COMMISSIONS INCOME		13.626.396	5.857.377
4.1	Fees and Commissions Received		19.858.661	9.048.726
4.1.1	Non-Cash Loans		1.105.670	722.523
4.1.2	Other	(5.IV.m)	18.752.991	8.326.203
4.2	Fees and Commissions paid (-)		6.232.265	3.191.349
4.2.1	Non-Cash Loans		3.217	2.360
4.2.2	Other	(5.IV.m)	6.229.048	3.188.989
V	DIVIDEND INCOME	(5.IV.c)	7.371	38.419
VI.	TRADING INCOME / LOSS (Net)	(5.IV.d)	2.636.448	4.205.410
6.1	Trading Gains / (Losses) on Securities		2.068.189	243.046
6.2	Gains / (Losses) on Derivate Financial Transactions		10.335.472	11.325.327
6.3	Foreign Exchange Gains / (Losses)		(9.767.213)	(7.362.963)
VII.	OTHER OPERATING INCOME	(5.IV.e)	4.208.441	954.270
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)		51.944.811	39.552.705
IX.	EXPECTED CREDIT LOSS (-)	(5.IV.f)	1.802.649	6.720.700
X.	OTHER PROVISION EXPENSES (-)	(5.IV.f)	4.202.510	4.439.571
XI.	PERSONNEL EXPENSE (-)	(5.IV.g)	9.000.295	4.166.352
XII.	OTHER OPERATING EXPENSES (-)	(5.IV.g)	11.473.090	5.556.161
XIII.	NET OPERATING INCOME /LOSS (VIII-IX-X-XI-XII)		25.466.267	18.669.921
XIV.	INCOME AFTER MERGER		-	-
XV.	INCOME / (LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		9.326.429	3.887.281
XVI.	INCOME / (LOSS) ON NET MONETARY POSITION		-	-
XVII.	PROFIT / LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	(5.IV.i)	34.792.696	22.557.202
XVIII.	TAX PROVISIONS FOR CONTINUED OPERATIONS (±)	(5.IV.j)	(6.766.241)	(5.411.539)
18.1	Current Tax Provision		(326.714)	(6.270.673)
18.2	Deferred Tax Income Effect (+)		(25.050.261)	(9.028.869)
18.3	Deferred Tax Expense Effect (-)		18.610.734	9.888.003
XIX.	CURRENT PERIOD PROFIT / LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)	(5.IV.k)	28.026.455	17.145.663
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	42.576
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		-	42.576
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)		208.074	-
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		208.074	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)		(208.074)	42.576
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		59.404	(15.225)
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		59.404	(15.225)
XXIV.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		(148.670)	27.351
XXV.	NET PROFIT/(LOSS) (XIX+XXIV)	(5.IV.l)	27.877.785	17.173.014
	Profit / (Loss) Per Share (full TRY)		4.89	3.01

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

Denizbank Anonim Şirketi

Unconsolidated Statement of Profit or Loss and Other Comprehensive Income

for the Period Ended 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of Unconsolidated Financial Report Originally Issued in Turkish, See Note 3.I.c

	Audited CURRENT PERIOD (01/01-31/12/2023)	Audited PRIOR PERIOD (01/01-31/12/2022)
I. CURRENT PERIOD INCOME/LOSS	27.877.785	17.173.014
II. OTHER COMPREHENSIVE INCOME	7.453.100	8.480.455
2.1 Not Reclassified Through Profit or Loss	6.030.478	1.115.703
2.1.1 Property and Equipment Revaluation Increase/Decrease	450.699	166.678
2.1.2 Intangible Assets Revaluation Increase/Decrease	--	--
2.1.3 Defined Benefit Pension Plan Remeasurement Gain/Loss	64.530	(420.567)
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	5.592.952	1.288.020
2.1.5 Tax on Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(77.703)	81.572
2.2 Reclassified Through Profit or Loss	1.422.622	7.364.752
2.2.1 Foreign Currency Translation Differences	13.513.264	4.202.349
2.2.2 Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	(6.372.742)	5.967.964
2.2.3 Cash Flow Hedge Income/Loss	3.831	9.033
2.2.4 Foreign Net Investment Hedge Income/Loss	(12.140.452)	(3.042.832)
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	6.418.721	228.238
III. TOTAL COMPREHENSIVE INCOME (I+II)	35.330.885	25.653.469

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

Denizbank Anonim Şirketi

Unconsolidated Statement of Changes in Shareholders' Equity

for the Period Ended 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of Unconsolidated Financial Report Originally Issued in Turkish, See Note 3.I.c

Audited CHANGES ITEMS	IN SHAREHOLDERS' EQUITY	Note	Paid in Capital	Share Premiums	Share Contributions	Other Capital Profits	Share	Accumulated Revaluation Income/Expense of Financial Assets	Accumulated Remeasurement Income/Expense of Defined Benefit Pension Plans	Accumulated Other Comprehensive Income of Expenses Not Reclassified Through Profit or Loss (Share of Investments by Equity Method in Other Entities)	Foreign Currency Translation Differences	Accumulated Remeasurement Income/Expense of the Financial Assets Through Other Comprehensive Income	Other Comprehensive Income of Expenses Reclassified Through Profit or Loss (Share of Investments by Equity Method in Other Entities)	Profit reserves (%)	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Expect Minority Share	Minority Share	Total Equity	
PRIOR PERIOD																				
I.	II.		5.686.100	15	--	77.053	--	210.158	(129.880)	--	1.012.067	20.220.055	(1.165.684)	(14.927.358)	13.071.979	1.245.272	3.546.918	28.686.915	--	28.686.915
2.1	2.1	(S.V.f)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2.2	2.2	(S.V.f)	5.686.100	15	--	77.053	--	210.158	(129.880)	--	1.012.067	20.220.055	(1.165.684)	(14.927.358)	13.071.979	1.245.272	3.546.918	28.686.915	--	28.686.915
III.	III.	(S.V.f)	--	--	--	--	--	138.277	(307.114)	--	1.288.116	4.202.288	4.586.416	(1.340.008)	--	--	--	28.683.489	--	28.683.489
IV.	IV.	(S.V.f)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
V.	V.	(S.V.f)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
VI.	VI.	(S.V.f)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
VII.	VII.	(S.V.f)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
VIII.	VIII.	(S.V.f)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
IX.	IX.	(S.V.f)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
X.	X.	(S.V.f)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
XI.	XI.	(S.V.f)	--	--	--	--	--	214	--	--	--	--	--	--	--	--	(3.546.918)	214	--	214
XII.	XII.	(S.V.f)	--	--	--	--	--	(76.275)	--	--	--	--	--	--	--	--	(3.546.918)	--	--	--
Other	Other	(S.V.f)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Period End Balance (BHV=XX00)			5.686.100	15	--	892	--	345.385	(457.384)	--	2.300.247	24.422.404	3.338.747	(16.270.368)	16.685.172	1.245.272	17.173.014	54.510.588	--	54.510.588
CURRENT PERIOD																				
I.	II.		5.686.100	15	--	892	--	345.385	(457.384)	--	2.300.247	24.422.404	3.338.747	(16.270.368)	16.685.172	1.245.272	17.173.014	54.510.588	--	54.510.588
2.1	2.1	(S.V.f)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2.2	2.2	(S.V.f)	5.686.100	15	--	892	--	345.385	(457.384)	--	2.300.247	24.422.404	3.338.747	(16.270.368)	16.685.172	1.245.272	17.173.014	54.510.588	--	54.510.588
III.	III.	(S.V.f)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
IV.	IV.	(S.V.f)	--	--	--	--	--	383.013	74.361	--	5.893.114	13.513.884	(4.678.838)	(7.410.705)	--	--	17.373.261	54.510.588	--	54.510.588
V.	V.	(S.V.f)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	17.373.261	54.510.588	--	54.510.588
VI.	VI.	(S.V.f)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	17.373.261	54.510.588	--	54.510.588
VII.	VII.	(S.V.f)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	17.373.261	54.510.588	--	54.510.588
VIII.	VIII.	(S.V.f)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	17.373.261	54.510.588	--	54.510.588
IX.	IX.	(S.V.f)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	17.373.261	54.510.588	--	54.510.588
X.	X.	(S.V.f)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	17.373.261	54.510.588	--	54.510.588
XI.	XI.	(S.V.f)	--	--	--	--	--	1.918	--	--	--	--	--	--	--	--	17.373.261	54.510.588	--	54.510.588
XII.	XII.	(S.V.f)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	17.373.261	54.510.588	--	54.510.588
Other	Other	(S.V.f)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	17.373.261	54.510.588	--	54.510.588
Period End Balance (BHV=XX00)			5.686.100	15	--	2.910	--	768.468	(883.443)	--	7.893.351	27.536.688	(1.340.159)	(22.861.060)	33.663.186	1.245.272	27.877.765	86.843.461	--	86.843.461

(*) includes the amounts recognised due to the associates and subsidiaries within the scope of TAS 27.

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

Denizbank Anonim Şirketi

Unconsolidated Statement of Cash Flows

for the Period Ended 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of Unconsolidated Financial Report Originally Issued in Turkish, See Note 3.I.c

	Note	Audited CURRENT PERIOD (01/01-31/12/2023)	Audited PRIOR PERIOD (01/01-31/12/2022)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		49.400.002	29.970.349
1.1.1 Interest received (+)		84.085.704	42.371.585
1.1.2 Interest paid (-)		60.062.033	19.047.654
1.1.3 Dividends received (+)		7.371	38.419
1.1.4 Fees and commissions received (+)		19.858.661	9.048.726
1.1.5 Other income (+)		26.766.316	1.990.003
1.1.6 Collections from previously written off loans and other receivables (+)		4.522.975	6.596.917
1.1.7 Cash payments to personnel and service suppliers (-)		8.823.633	3.782.961
1.1.8 Taxes paid (-)		3.701.335	4.298.318
1.1.9 Other (+/-)	(5.VI.c)	(13.254.024)	(2.946.368)
1.2 Changes in operating assets and liabilities subject to banking operations		79.985.398	23.469.878
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value through Profit or Loss (+/-)		(3.368.051)	(1.202.571)
1.2.2 Net (increase) decrease in due from banks (+/-)		(1.154.978)	(953.408)
1.2.3 Net (increase) decrease in loans		(168.593.098)	(109.468.819)
1.2.4 Net (increase) decrease in other assets (+/-)		(26.531.610)	(21.621.065)
1.2.5 Net increase (decrease) in bank deposits (+/-)		(13.718.370)	6.286.370
1.2.6 Net increase (decrease) in other deposits (+/-)		195.704.217	151.412.542
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 (+/-)		30.747.655	(15.885.907)
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(5.VI.c)	66.899.633	14.902.736
I. Net cash provided from banking operations(+/-)		129.385.400	53.440.227
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / used in investing activities(+/-)		(24.121.688)	(30.320.734)
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures (-)		4.073.000	482.522
2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures (+)		29.500	-
2.3 Cash paid for the purchase of tangible and intangible asset (-)		530.021	377.561
2.4 Cash obtained from the sale of tangible and intangible asset (+)		2.643.762	1.876.920
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (-)		41.652.099	35.311.943
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+)		15.852.509	5.361.977
2.7 Cash paid for the purchase of financial assets at amortised cost (-)		1.041.404	8.953.350
2.8 Cash obtained from sale of financial assets at amortised cost (+)		1.100.070	-
2.9 Other (+/-)		3.548.995	7.565.745
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flows from financing activities (+/-)		50.836.677	(10.601.453)
3.1 Cash obtained from funds borrowed and securities issued (+)		107.171.330	32.995.218
3.2 Cash outflow from funds borrowed and securities issued (-)		55.533.062	43.161.284
3.3 Equity instruments issued (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for lease liabilities (-)		801.591	435.387
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents(+/-)	(5.VI.c)	9.559.208	10.807.573
V. Net increase in cash and cash equivalents	(5.VI.c)	165.659.597	23.325.613
VI. Cash and cash equivalents at the beginning of the period (+)	(5.VI.a)	55.121.850	31.796.237
VII. Cash and Cash Equivalents at the End of the Period	(5.VI.a)	220.781.447	55.121.850

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

Denizbank Anonim Şirketi

Unconsolidated Profit Distribution Table

for the Period Ended 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of Unconsolidated Financial Report Originally Issued in Turkish, See Note 3.I.c

	Audited CURRENT PERIOD (01/01-31/12/2023)	Audited PRIOR PERIOD (01/01-31/12/2022)
I. DISTRIBUTION OF CURRENT YEAR INCOME ⁽¹⁾		
1.1 CURRENT YEAR INCOME	34.584.622	22.599.778
1.2 TAXES AND DUTIES PAYABLE (-)	(6.706.837)	(5.426.764)
1.2.1 Corporate Tax (Income Tax)	(326.714)	(6.270.673)
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties ⁽²⁾	(6.380.123)	843.909
A. NET INCOME FOR THE YEAR (1.1-1.2)	27.877.785	17.173.014
1.3 PRIOR YEAR LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	350.475
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	27.877.785	16.822.539
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owner of ordinary shares	-	-
1.6.2 To owner of preferred shares	-	-
1.6.3 To owner of preferred shares (preem private rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit or loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owner of ordinary shares	-	-
1.9.2 To owner of preferred shares	-	-
1.9.3 To owner of preferred shares (preem private rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit or loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 GENERAL RESERVES	-	16.822.539
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owner of ordinary shares	-	-
2.3.2 To owner of preferred shares	-	-
2.3.3 To owner of preferred shares (preem private rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit or loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE		
3.1 TO OWNERS OF ORDINARY SHARES	0,049	0,030
3.2 TO OWNERS OF ORDINARY SHARES (%)	4,89	3,01
3.3 TO OWNERS OF PRIVILAGED SHARES	-	-
3.4 TO OWNERS OF PRIVILAGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PRIVILAGED SHARES	-	-
4.4 TO OWNERS OF PRIVILAGED SHARES (%)	-	-

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

Denizbank Anonim Şirketi

Notes to Unconsolidated Financial Statements

as of 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

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

SECTION THREE

ACCOUNTING POLICIES

I. Explanations on the presentation principles

a. Preparation of the unconsolidated 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

Unconsolidated 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 unconsolidated 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. Bank keeps its accounting records in Turkish Lira, in accordance with the Banking Law, Turkish Code of Commerce and Turkish Tax legislation.

Unconsolidated 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 unconsolidated 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 unconsolidated financial statements according to TAS, the management of the 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.

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

Accounting policies and valuation principles used in the preparation of the unconsolidated 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.

On 23 November 2023, POA announced that the financial statements of businesses that apply Turkish Financial Reporting Standards and the Financial Reporting Standard for Large and Medium-Sized Enterprises (FRS for LMEs) for the annual reporting period ending on or after 31 December 2023 will be included in the “Turkish Accounting Standard 29 Financial Reporting Standards in High Inflation Economies”. Reporting” and “FRS for LMEs Chapter 25 Financial Reporting in High-Inflation Economies” should be presented in accordance with the relevant accounting principles, adjusted for the effect of inflation; However, institutions or organizations authorized to regulate and supervise their own fields have published an announcement stating that they may determine different transition dates than those foreseen above for the implementation of the provisions in TAS 29 or FRS for LMEs. Based on this announcement, BRSA, in accordance with its decision dated 12 December 2023 and numbered 10744, has decided that the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies dated 31 December 2023 will not be subject to the inflation adjustment required within the scope of TAS 29. In this context, no inflation adjustment was made in accordance with TAS 29 while preparing the financial statements dated 31 December 2023.

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.

Denizbank Anonim Şirketi

Notes to Unconsolidated Financial Statements

as of 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of Unconsolidated 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 unconsolidated financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated 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

Bank’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.

Bank 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 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.

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 Bank 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 Bank and the resulting exchange differences are recorded as foreign exchange gains and losses. The Bank’s foreign currency exchange rates used in valuations as of the period ends are as follows:

	31 December 2023	31 December 2022
US Dollar	TL 29,4382	TL 18,6983
Euro	TL 32,5739	TL 19,9349

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

As of 31 December 2023, net foreign exchange loss included in the statement of profit or loss amounts to TL 9.767.213 (1 January - 31 December 2022: TL 7.362.963 net foreign exchange loss).

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

The foreign exchange differences of TL 487.275 (31 December 2022: TL 618.747), arising from the translation of the financial statements of Bahrain branch of the Bank to Turkish Lira in accordance with TAS 21, and TL 37.448.393 (31 December 2022: TL 23.803.657), arising from the accounting of the Bank’s foreign currency subsidiaries Denizbank AG and JSC Denizbank with equity method, has been recorded under “Other Accumulated Comprehensive Income That Will Be Reclassified in Profit or Loss”.

The Bank applies net investment hedge accounting as of 1 July 2015 in order to hedge exchange difference sourcing from equity method implementation for its net investment at a total amount of Euro 1.231 million belonging to Denizbank AG one of the Bank’s subsidiaries. The same amounts of foreign currency deposits are designated as hedging instruments and the effective portion of the change caused by the exchange rate of these financial liabilities is recognised in hedge funds account under equity.

Denizbank Anonim Şirketi

Notes to Unconsolidated Financial Statements as of 31 December 2023

(Currency: Thousands of TL - Turkish Lira)
Convenience Translation of Unconsolidated Financial Report Originally Issued in Turkish, See Note 3.I.c

III. Explanations on investments in associates, subsidiaries and joint ventures

Financial subsidiaries are recognised in accordance with equity method in the framework of TAS 28 Communique on Investments in Associates and Joint Ventures with respect to amendment in TAS 27 Communique on Separate Financial Statements in unconsolidated financial statements.

Equity method is the accounting treatment which prescribes to increase or decrease the book value of share included in subsidiary as quota per participant from change amount occurring in period in the shareholder's equity of the participated partnership and to deduct/set off dividends received from participated associate from the amended value of the associate.

Accordance with the TAS 27, in the unconsolidated financial statements, associates, jointly controlled entities and non-financial subsidiaries are recognised at cost, after deducting the provision for impairment, if any. However, in accordance with the "TFRS 9 Financial Instruments" standard (TFRS 9), which is effective as at 1 January 2018, the Bank has started to recognise "Intertech", its unconsolidated and non-financial subsidiary, at fair value.

IV. Explanations on forward and option contracts and derivative instruments

Bank'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 unconsolidated 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. The Bank 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

Bank 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.

Bank 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 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 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.

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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. If the investment in equity instrument is disposed of, profit or loss will be recognized under other comprehensive income.

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.

The 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.

Due to the change in the business model in May 2023, the 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.

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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 31 December 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 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. At the same time, the Bank has reflected the possible effects of COVID-19 in the estimates and assumptions used in the preparation of the financial statements.

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.

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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 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.

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The credit ratings, which are the outputs of the internal rating systems used by the 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 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 form 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 was carried out at the end of 2023.

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 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 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 was carried out at the end of 2023.

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.

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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 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.

As of December 2023, the 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 the Calculation of Provision for Expected Credit Loss under TFRS 9” (‘Good Practice Guide’) prepared by BRSA.

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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 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 Bank 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 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 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 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 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.

Eurodeniz International Banking Unit Ltd., one of the Bank's subsidiaries has entered into the liquidation process. Until the liquidation process is completed, it is classified under the discontinued operations lines in the financial statements.

	Current Period	Prior Period
Assets/Liabilities Related to Discontinued Operations		
Partnerships	7.118	143.379
Assets Related to Discontinued Operations	7.118	143.379
Other	102.945	--
Liabilities Related to Discontinued Operations	102.945	--
	Current Period	Prior Period
Income and Expenses from Discontinued Operations		
Trading profit/loss net	(79.750)	40.538
Other operating income	(128.324)	2.038
Profit/loss before tax from discontinued operations	(208.074)	42.576
Deferred tax expense from discontinued operations	59.404	(15.225)
Discontinued Operations Net Profit/Loss for the Period	(148.670)	27.351

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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 investee and to be included in the 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

Bank 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

None.

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XV. Explanations on leasing transactions

The term of financial leasing contracts is mostly 4 years. 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 "Financial Lease Liabilities" under liabilities. Interest expenses and foreign exchange differences related to leasing activities are reflected to the statement of profit or loss.

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 Covid-19. This change did not have a significant impact on the financial status or performance of the Bank.

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 Bank estimates the amount of the liability and reflects this amount in the 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 Bank recognises employee benefits in accordance with TAS 19 "Employee Benefits" standard.

The 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 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, Bank 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.

Bank 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.

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.

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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.

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

According to the TRNC Corporate Tax Law No. 41/1976, as amended, corporate earnings (including foreign corporations) are subject to 10% corporate tax and 15% income tax according to the Income Tax Law. Corporate tax is calculated based on the income earned by taxpayers within an accounting period. The tax base is determined by adding the expenses that are not allowed to be deducted by law to the commercial income of the institutions and by applying the exemptions and deductions in the tax laws. The right of deduction of losses stipulated in the Corporate Tax Law, the right to investment allowances stipulated in the income tax legislation and the depreciation prescribed in the tax legislation are granted to corporations that certify the balance sheet, profit and loss statement and business accounts for the calculation of corporate tax without having them prepared and certified by an accountant and auditor authorized by the Ministry of Finance, and that corporations' rights are not recognized. Tax may be requested to any taxable institution within seven years following the taxation period, in cases where tax has not been assessed in previous years or if it is revealed that tax has been assessed less than the amount required to be paid. Corporate tax returns are declared to the tax office in the April following the closing date of the accounting period. Corporate tax is paid in two equal installments, one in May and the other in October. According to the decision of the TRNC Council of Ministers dated 25 March 2020, provisional taxes are calculated and paid quarterly at a tax rate of 15% on the financial earnings of that year. Provisional taxes paid during the year can be offset against the taxes calculated on that year's annual corporate tax return.

According to the temporary article 33 added to the Tax Procedure Law by Law No. 7352 published in the Official Gazette dated 29 January 2022; It has been considered that the financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. The profit/loss difference resulting from the inflation adjustment will be shown in the previous years' profit/loss account; It has been determined that the previous year's profit determined in this way will not be subject to tax, and the previous year's loss will not be accepted as loss. Although the Banks will apply inflation accounting together with the financial leasing, factoring, savings finance companies, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance - reinsurance companies, pension companies and other taxpayers within the scope, there will be no tax consequences as a result of the correction in these institutions.

b. Deferred tax

The Bank 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.

Deferred tax assets and liabilities of the Bank have been netted in the unconsolidated balance sheet. As a result of netting, as of 31 December 2023 deferred tax assets of TL 4.173.522 (31 December 2022: TL 4.140.119) 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%).

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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 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 Bank, if required, borrows funds from domestic and foreign institutions. The 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 Bank does not have issuance of share certificates.

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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, Bank does not have any government incentives used.

XXIII. Explanations on segment reporting

Segment reporting is presented in Section Four, note XII.

XXIV. Explanations on other matters

None.

XXV. Classifications

Explanation is given in Section Three, note XI.

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SECTION FOUR

INFORMATION ON UNCONSOLIDATED FINANCIAL STRUCTURE AND

RISK MANAGEMENT

I. Explanations related to the unconsolidated shareholders' equity

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

The current period equity of the Bank amounts to TL 114.839.418 (31 December 2022: TL 73.901.223) while its capital adequacy standard ratio is 17,20% as of 31 December 2023 (31 December 2022: 18,94%).

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 accordance with the "Regulation on Measurement and Evaluation of Capital Adequacy", banks calculate the amount subject to credit risk; While determining the valued amounts of monetary assets and non-monetary assets, other than foreign currency items measured in historical cost, in accordance with Turkish Accounting Standards and the relevant special provision amounts, until a Board Decision to the contrary is taken, with the regulation dated 28 April 2022 and numbered 10188, until 31 December 2021. The practice regarding the use of the Central Bank's foreign exchange buying rate was changed by the regulation numbered 10496 dated 31 January 2023, and it was decided to use the Central Bank's foreign exchange buying rate of 31 December 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.

With the decision of BRSA numbered 10747 dated 12 December 2023, to be implemented as of 1 January 2024;

If the net valuation differences of the securities owned by banks in the " Financial Assets at Fair Value Through Other Comprehensive Income" portfolio are negative as of 1 January 2024, these differences will be calculated in accordance with the Regulation on Banks' Equity published in the Official Gazette dated 5 September 2013 and numbered 28756 and to be taken into account in the equity amount to be used for the capital adequacy ratio, to continue to apply the existing provisions of the said Regulation for " Financial Assets at Fair Value Through Other Comprehensive Income" acquired after 1 January 2024,

In the calculation of the amount subject to credit risk in accordance with the Regulation on Measurement and Evaluation of Capital Adequacy of Banks, published in the Official Gazette dated 23 October 2015 and numbered 29511, specified in the Board Decision No. 10496 dated 31 January 2023; the application for using the foreign exchange buying rate of the Central Bank of the Republic of Turkey (Central Bank) as of 30 December 2022, calculating the valued amounts of monetary assets and non-monetary assets, other than items in foreign currency measured in historical cost, in accordance with Turkish Accounting Standards and the relevant special provision amounts implemented as of 1 January 2024, it was decided to continue using the Central Bank foreign exchange buying rate of 26 June 2023 until a Board Decision to the contrary is taken.

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a. Components of equity items

	Current Period	Prior Period
	31 December 2023	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	33.868.186	16.695.172
Gains recognised in equity as per TAS	24.202.823	16.463.437
Profit	29.123.057	18.418.286
Current Period Profit	27.877.785	17.173.014
Prior Period Profit	1.245.272	1.245.272
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	2.910	992
Common Equity Tier I Capital Before Deductions	92.893.091	57.274.002
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	2.069.909	791.614
Improvement costs for operating leasing	216.033	102.640
Goodwill (net of related tax liability)	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	2.283.719	1.293.730
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	--	--
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	4.569.661	2.187.984
Total Common Equity Tier I Capital	88.323.430	55.086.018
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)	--	--
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)	88.323.430	55.086.018

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TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	21.703.301	14.446.409
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	--	--
Provisions (Article 8 of the Regulation on the Equity of Banks)	7.570.375	4.468.525
Tier II Capital Before Deduction	29.273.676	18.914.934
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	2.728.921	50.485
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	2.728.921	50.485
Total Tier II Capital	26.544.755	18.864.449
Total Capital (The sum of Tier I Capital and Tier II Capital)	114.868.185	73.950.467
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	28.767	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)	114.839.418	73.901.223
Total risk weighted amounts	667.510.152	390.230.567
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	13,23	14,12
Tier I Capital Adequacy Ratio (%)	13,23	14,12
Capital Adequacy Ratio (%)	17,20	18,94
BUFFERS		
Total additional Common Equity Tier I Capital requirement ratio	2,876	2,743
Bank specific total common equity tier I capital ratio (%)	2,500	2,500
Capital conservation buffer requirement (%)	0,376	0,243
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 (%)	1,819	2,230
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)	22.021.186	14.972.015
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	7.570.375	4.468.525
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 (eq 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)	3746	4416	8831	4710
Par value of instrument (Currency in mil)	3746	4416	8831	5888
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 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, net carrying value of properties acquired in return for receivables and kept for over three years and certain other accounts determined by the Board are taken into consideration in the calculation as assets deducted from capital.

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- II. Explanations related to the credit risk
- a. Information on risk concentrations by debtors or group of debtors or geographical regions and sectors, basis for risk limits and the frequency of risk appraisals
- Credit risk is the risk and losses likely to incur due to the counterparties of the Bank not meeting in full or in part their commitments arising from the contracts.
- Credit risk limits of the customers are allocated based on the customers’ financial strength and the credit requirement, within the credit authorization limits of the branches, the credit evaluation group, the regional directorates, the executive vice presidents responsible from loans, the general manager, the credit committee and the Board of Directors; on condition that they are in compliance with the related regulations.
- Credit risk limits are determined for debtors or group of debtors. Credit risk limits of the debtors, group of debtors and sectors are monitored on a monthly basis.
- Information on determination and distribution of risk limits for daily transactions, monitoring of risk concentrations related to off-balance sheet items per customer and dealer basis
- Risk limits and allocations relating to daily transactions are monitored on a daily basis. Off-balance sheet risk concentrations are monitored by on-site and off-site investigations.
- Information on periodical analysis of creditworthiness of loans and other receivables per legislation, inspection of account vouchers taken against new loans, if not inspected, the reasons for it, credit limit renewals, collaterals against loans and other receivables
- The Bank targets a healthy loan portfolio and in order to meet its target there are process instructions, follow-up and control procedures, close monitoring procedures and risk classifications for loans in accordance with the banking legislation.
- In order to prevent the loans becoming non-performing either due to cyclical changes or structural problems, the potential problematic customers are determined through the analysis of early warning signals, and the probable performance problems are aimed to be resolved at an early stage.
- It is preferred to obtain highly liquid collaterals such as bank guarantees, real estate and ship mortgages, pledges on securities and deposits, bills of exchange and sureties of the persons and companies.
- Explanations related to the definitions of the loans, which have been overdue and impaired, value adjustments and provisions
- Explanation is given in Section Four, note VIII-c-4-i.
- Methods and approaches to valuation adjustments and provisions
- Explanation is given in Section Three, note VIII.
- Total amount of exposures after offsetting transactions but before applying credit risk reductions and the average exposure amounts that are classified in different risk groups and types

Risk classifications	Current Period (*)	Average (**)
1 Receivables from central governments and Central Banks	282.545.751	212.395.698
2 Receivables from regional or local governments	3.564.658	2.896.002
3 Receivables from administrative bodies and non-commercial enterprises	7.334.860	4.174.359
4 Receivables from multilateral development banks	--	--
5 Receivables from international organizations	--	--
6 Receivables from banks and brokerage houses	75.851.417	67.063.832
7 Receivables from corporate portfolio	202.116.422	186.120.451
8 Receivables from retail portfolio	226.169.352	193.837.380
9 Receivables secured by residential mortgages	11.337.999	9.380.468
10 Receivables secured by commercial mortgages	36.598.264	34.685.475
11 Past due receivables	6.010.793	3.746.380
12 Receivables defined in high risk category by BRSA	--	--
13 Securities collateralized by mortgages	--	--
14 Short-term receivables from banks, brokerage houses and corporate portfolio	--	--
15 Investments similar to collective investment funds	28.428	24.160
16 Other receivables	43.586.025	45.928.033
17 Equity investments	69.203.740	47.403.971
18 Total	964.347.709	807.656.209

(*) Includes the risks included in the total banking book before the credit risk reduction and after the credit conversion rate.

(**) Arithmetical average of the quarterly reported amounts.

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Risk classifications	Prior Period (*)	Average (**)
1 Receivables from central governments and Central Banks	146.302.862	116.689.210
2 Receivables from regional or local governments	3.019.473	3.151.227
3 Receivables from administrative bodies and non-commercial enterprises	--	--
4 Receivables from multilateral development banks	--	--
5 Receivables from international organizations	--	--
6 Receivables from banks and brokerage houses	20.011.866	21.328.443
7 Receivables from corporate portfolio	139.604.599	125.016.488
8 Receivables from retail portfolio	136.034.033	114.676.610
9 Receivables secured by residential mortgages	6.816.817	5.564.142
10 Receivables secured by commercial mortgages	25.963.920	21.529.606
11 Past due receivables	2.683.635	3.641.336
12 Receivables defined in high risk category by BRSA	--	--
13 Securities collateralized by mortgages	--	--
14 Short-term receivables from banks, brokerage houses and corporate portfolio	--	--
15 Investments similar to collective investment funds	13.891	421.192
16 Other receivables	25.032.019	19.987.267
17 Equity investments	37.727.579	32.421.143
18 Total	543.210.694	464.426.664

(*) Includes the risks included in the total banking book before the credit risk reduction and after the credit conversion rate.

(**) Arithmetical average of the quarterly reported amounts.

- b. Information on the control limits of the Bank for forward transactions, options and similar contracts, management of credit risk for these instruments together with the potential risks arising from market conditions
- The Bank has control limits defined for the positions arising from forward transactions, options and similar contracts. Credit risk for these instruments is managed together with those arising from market conditions.
- c. Information on whether the Bank decreases the risk by liquidating its forward transactions, options and similar contracts in case of facing a significant credit risk or not
- Forward transactions can be realised at maturity. However, if it is required, reverse positions of the current positions are purchased to decrease the risk.
- d. Information on whether the indemnified non-cash loans are evaluated as having the same risk weight as non-performing loans or not
- Indemnified non-cash loans are treated as having the same risk weight as non-performing loans.
- Information on whether the loans that are renewed and rescheduled are included in a new rating group as determined by the Bank’s risk management system, other than the follow-up plan defined in the banking regulations or not; whether new precautions are considered in these methods or not; whether the Bank’s risk management accepts long term commitments as having more risk than short term commitments which results in a diversification of risk or not
- Loans that are renewed and rescheduled are included in a new rating group as determined by the risk management system, other than the follow-up plan defined in the banking regulations.
- Long term commitments are considered as having more risk than short term commitments which results in a diversification of risk and are monitored periodically.
- e. Evaluation of the significance of country specific risk considering the economic conditions if the banks have foreign operations and credit transactions in a few countries or these operations are coordinated with a few financial entities
- There is no significant credit risk since the Bank’s foreign operations and credit transactions are conducted in OECD and EU member countries in considering their economic climate.
- Evaluation of the significant credit risk concentration when evaluated together with the financial activities of other financial institutions as an active participant in the international banking market

Being an active participant in the international banking transactions market, the Bank does not have significant credit risk as compared to other financial institutions.

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- f. Bank’s
1. The share of receivables from the top 100 and 200 cash loan customers in the total cash loans portfolio
- The receivables of Bank from the top 100 and 200 cash loan customers constitute 33% and 39% of the total cash loans portfolio (31 December 2022: 32%, 38%).
2. The share of receivables from the top 100 and 200 non-cash loan customers in the total non-cash loans portfolio
- The receivables of Bank from the top 100 and 200 non-cash loan customers constitute 44% and 55% of the total non-cash loans portfolio (31 December 2022: 40%, 48%).
3. The share of the cash and non-cash receivables from the top 100 and 200 loan customers in the total balance sheet and off-balance sheet assets
- The share of the cash and non-cash receivables of Bank from top 100 and 200 loan customers constitute 30% and 38% of the total balance sheet and off-balance sheet assets (31 December 2022: 30%, 38%).
- g. Expected credit loss for credit risk undertaken by Bank
- As at 31 December 2023, stage 1 and stage 2 provisions for expected credit loss for credit risk undertaken by Bank amounts to TL 22.021.185.
- As at 31 December 2022, stage 1 and stage 2 provisions for expected credit loss for credit risk undertaken by Bank amounts to TL 14.972.017.
- h. Information on loans and provisions for expected loss

	Current Period		Prior Period	
	Balance	Provision	Balance	Provision
Loans	500.458.326	34.900.468	301.067.960	27.228.661
Stage 1	432.275.886	6.341.630	250.616.005	3.895.565
Stage 2	46.957.524	14.180.707	33.775.328	10.007.792
Stage 3	21.224.916	14.378.131	16.676.627	13.325.304
Fair Value Through Profit or Loss	--	--	--	--
Financial Assets	424.738.874	7.440	190.968.298	2.507
Other	36.348.709	64.893	16.823.394	22.188
Off-Balance Sheet Receivables	525.338.499	4.363.601	214.425.264	3.005.298
Stage 1 and 2	521.654.913	1.426.515	212.310.113	1.043.965
Stage 3	3.683.586	2.937.086	2.115.151	1.961.333
Total	1.486.884.408	39.336.402	723.284.916	30.258.654

- i. Information on provisions for expected loss for loans

	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the period (1 January 2023)	3.895.565	10.007.792	13.325.304	27.228.661
Transfers	494.613	(1.296.951)	802.338	--
Stage 1	773.553	(772.082)	(1.471)	--
Stage 2	(208.428)	296.356	(87.928)	--
Stage 3	(70.512)	(821.225)	891.737	--
Loans addition in the period	966.992	1.965.429	762.701	3.695.122
Disposals from loans in the period	(924.067)	(745.386)	(4.221.036)	(5.890.489)
Provisions changes during the period (*)	638.748	624.283	3.929.122	5.192.153
Loans written off (**)	--	--	(1.185.424)	(1.185.424)
Loans sold	--	--	(1.200.714)	(1.200.714)
FX Differences	1.269.779	3.625.540	2.165.840	7.061.159
Balance at the end of the period (31 December 2023)	6.341.630	14.180.707	14.378.131	34.900.468

(*) Related amounts include the changes in the provision for expected credit loss for the period of the loans remaining at the same stage during the year and the provisions for expected credit loss created by the transfers between the stages within the year.

(**) In accordance with the changes on "Provisioning Regulation" published in the Official Gazette No. 30961 dated 27 November 2019 by BRSA, starting from the reporting date that the loan is classified in group 5, the Bank, in line with TFRS 9, is eligible to write-off part of the loans for which there is no reasonable expectation of recovery and that are classified under group 5 with a life time expected credit loss due to the default of debtor. In this context, as of 31 December 2023, the Bank's loans amounting to TL 1.185.424 have been deducted from the records, and loans amounting to TL 1.200.714 have been sold.

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- j. Information on loan movements

	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the period (1 January 2023)	250.616.005	33.775.328	16.676.627	301.067.960
Transfers	(7.168.496)	942.632	6.225.864	--
Stage 1	5.368.077	(5.364.534)	(3.543)	--
Stage 2	(8.184.425)	8.321.765	(137.340)	--
Stage 3	(4.352.148)	(2.014.599)	6.366.747	--
Loans addition in the period	192.991.219	7.660.414	7.834.882	208.486.515
Disposals from loans in the period	(69.400.093)	(7.437.209)	(8.638.000)	(85.475.302)
Loans written off (*)	--	--	(1.185.424)	(1.185.424)
Loans sold(*)	--	--	(1.200.714)	(1.200.714)
FX Differences	65.237.251	12.016.359	1.511.681	78.765.291
Balance at the end of the period (31 December 2023)	432.275.886	46.957.524	21.224.916	500.458.326

(*) As of 31 December 2023, in accordance with the changes on "Provisioning Regulation" published in the Official Gazette No. 30961 dated 27 November 2019 by BRSA, starting from the reporting date that the loan is classified in group 5, the Bank, in line with TFRS 9, is eligible to write-off part of the loans for which there is no reasonable expectation of recovery and that are classified under group 5 with a life time expected credit loss due to the default of debtor. In this context, loans amounting to TL 1.185.424 have been deducted from the records, and loans amounting to TL 1.200.714 have been sold. In accordance with the amendment made in the related Provisions Regulation during the period, the effect of the total of the loans written off and sold on the Bank's NPL ratio is 45 basis points.

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k. Profile of significant exposures in major regions

Current Period	Risk Classifications (%)																	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Domestic	278.233.609	2.997.581	6.145.523	--	--	36.116.178	135.158.237	212.260.850	9.798.238	31.644.887	5.735.045	--	--	28.136	42.951.608	--	960	761.070.852
European Union Countries	--	--	--	--	--	27.366.296	2.308.476	58.676	4.878	24.927	1.786	--	--	--	409.616	--	--	30.174.616
OECD Countries (**)	--	--	--	--	--	123.222	1.000.000	1.482	28	--	3	--	--	--	--	--	--	1.024.728
Off-Shore Banking Regions	--	--	--	--	--	2.007.961	--	--	--	--	--	--	--	--	--	--	--	2.012.102
USA, Canada	--	--	--	--	--	3.898.330	112.473	2.910	--	22.877	--	--	--	--	--	--	--	4.037.591
Other Countries	--	--	--	--	--	1.341.327	2.169.041	88.561	2.226	723.512	148.833	--	--	--	224.801	--	--	4.698.301
Subsidiaries Associates and jointly controlled companies	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	69.202.780
Unallocated/Assets/Liabilities	4.312.142	567.077	1.189.337	--	--	6.998.305	60.360.234	13.755.837	1.532.608	4.182.081	125.126	--	--	--	292	--	--	93.023.039
Total	282.645.751	3.564.658	7.334.860	--	--	75.851.417	202.116.422	226.169.352	11.337.599	36.598.264	6.010.783	--	--	28.428	43.586.025	69.203.740	--	964.347.709

Prior Period	Risk Classifications (%)																	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Domestic	143.387.814	2.785.371	--	--	--	94.015.293	128.905.929	5.976.711	22.761.428	2.524.138	--	--	--	9	24.463.182	--	950	428.897.078
European Union Countries	--	--	--	--	--	7.121.732	1.129.519	416.927	6.245	14.883	341	--	--	--	568.839	--	--	8.887.886
OECD Countries (**)	--	--	--	--	--	222.689	--	913	--	--	--	--	--	--	--	--	--	223.587
Off-Shore Banking Regions	--	--	--	--	--	596	1.672.506	1.063	13.769	4.336	126.030	--	--	--	--	--	--	1.818.300
USA, Canada	--	--	--	--	--	3.002.917	132.585	2.197	412	67	14	--	--	--	--	--	--	3.138.192
Other Countries	--	--	--	--	--	138.278	1.218.203	50.195	4.581	580.846	18	--	--	--	18	--	--	1.992.139
Subsidiaries Associates and jointly controlled companies	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	37.726.629
Unallocated/Assets/Liabilities	2.915.048	234.102	--	--	--	7.508.751	41.436.583	7.028.029	815.034	2.602.360	33.094	--	--	--	13.882	--	--	62.586.883
Total	146.302.862	3.019.473	--	--	--	20.011.866	139.604.599	136.034.033	6.816.817	25.963.820	2.883.635	--	--	13.891	25.032.019	37.727.579	--	543.210.694

(*) Exposure categories are as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks:

- 1: Receivables from central governments and Central Banks

2: Receivables from regional or local governments

3: Receivables from administrative bodies and non-commercial enterprises

4: Receivables from multinational development banks

5: Receivables from international organizations

6: Receivables from banks and brokerage houses

7: Receivables from corporate portfolio

8: Receivables from retail portfolio

9: Receivables secured by residential mortgages
- 10: Receivables secured by commercial mortgages

11: Past due receivables

12: Receivables defined in high risk category by BRSA

13: Securities collateralized by mortgages

14: Short-term receivables from banks, brokerage houses and corporate portfolio

15: Investments similar to collective investment funds

16: Other receivables

17: Equity investments

(**) OECD countries except for EU countries, USA and Canada

(***) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

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I. Risk Profile by Sectors or Counterparties

Current Period: 31 December 2023	Risk Classifications (%)																	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Agricultural	2.357.987	--	5.889.724	--	--	--	6.241.942	20.278.544	798.211	4.482.027	54.744	--	--	--	--	67	--	37.550.376
Planting and Cattle	2.357.987	--	5.889.724	--	--	--	5.969.926	20.201.416	792.559	4.463.940	54.155	--	--	--	--	67	--	37.456.347
Forestry	--	--	--	--	--	--	--	1.444	--	10	--	--	--	--	--	--	--	18.843
Fishing	--	--	--	--	--	--	272.016	59.740	4.208	18.077	588	--	--	--	--	--	75.186	279.443
Manufacturing	--	--	1.445.136	--	--	--	68.485.184	7.407.657	1.466.568	5.644.152	1.705.884	--	--	--	--	57	--	37.604.226
Mining	--	--	--	--	--	--	2.936.356	469.758	131.622	239.556	1.217.441	--	--	--	--	2	--	3.826.982
Production	--	--	336.425	--	--	--	54.821.604	6.836.562	1.319.940	5.297.785	99.505	--	--	--	--	55	--	31.628.911
Electric, Gas, Water	--	--	1.108.711	--	--	--	10.727.224	101.337	15.006	106.811	386.938	--	--	--	--	--	--	2.148.333
Construction	--	--	--	--	--	--	22.265.649	3.131.908	1.819.501	1.782.130	772.487	--	--	--	--	69	2.800	15.129.138
Services	--	920.769	--	--	--	--	79.626.953	17.766.603	3.769.231	17.586.358	1.702.088	--	--	--	--	286.101	58.975.978	116.151.249
Wholesale and Retail Trade	--	231	--	--	--	--	30.973.241	14.267.666	2.720.771	4.261.629	253.583	--	--	--	--	265	--	39.529.344
Hotel and Restaurant Services	--	--	--	--	--	--	17.113.876	634.759	345.308	11.079.718	1.109.511	--	--	--	--	4	--	4.080.034
Transportation and telecommunication	--	--	--	--	--	--	18.516.374	2.018.498	496.221	1.336.613	294.363	--	--	--	--	14	--	5.331.394
Financial institution	--	--	--	--	--	--	9.132.889	118.042	10.800	10.624	363	--	--	--	--	28.128	295.805	58.975.978
Real estate and letting services	--	--	--	--	--	--	4.061.497	--	--	--	--	--	--	--	--	--	--	371.571
Self-employment services	--	--	24.769	--	--	--	--	57.888	65.808	65.881	1.418	--	--	--	--	--	--	--
Education services	--	--	--	--	--	--	931.146	263.277	--	--	--	--	--	--	--	--	--	1.822.273
Health and social services	--	53.768	--	--	--	--	305.773	63.773	51.376	598.931	6.479	--	--	--	--	3	--	82.707
Other	280.187.794	2.554.959	--	--	--	--	2.901.539	78.947	232.962	78.947	36.371	--	--	--	--	--	--	1.685.286
Total	282.545.751	3.564.658	7.334.860	--	--	--	71.789.093	225.496.694	177.584.640	3.484.488	7.103.597	1.777.590	--	--	300	43.289.731	10.224.962	472.625.596
																		150.968.222
																		623.493.818
																		285.287.124
																		964.347.709

(*) Exposure categories are as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks:

- 1: Receivables from central governments and Central Banks

2: Receivables from regional or local governments

3: Receivables from administrative bodies and non-commercial enterprises

4: Receivables from multinational development banks

5: Receivables from international organizations

6: Receivables from banks and brokerage houses

7: Receivables from corporate portfolio

8: Receivables from retail portfolio

9: Receivables secured by residential mortgages
- 10: Receivables secured by commercial mortgages

11: Past due receivables

12: Receivables defined in high risk category by BRSA

13: Securities collateralized by mortgages

14: Short-term receivables from banks, brokerage houses and corporate portfolio

15: Investments similar to collective investment funds

16: Other receivables

17: Equity investments

(***) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

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Current Period		Risk Classifications			
Credit Quality Grade	Risk Rating	Receivables from Central Governments or Central Banks	Receivables from Banks and Brokerage Houses		Corporate Receivables
	Fitch		Receivables with Remaining Maturities Less Than 3 Months	Receivables with Remaining Maturities More Than 3 Months	
1	AAA	0%	20%	20%	20%
	AA+				
	AA				
	AA-				
2	A+	20%	20%	50%	50%
	A				
	A-				
	BBB+				
3	BBB	50%	20%	50%	100%
	BBB-				
	BB+				
	BB				
4	BB-	100%	50%	100%	100%
	B+				
	B				
	B-				
5	CCC	100%	50%	100%	150%
	CC				
	C				
	D				

Prior Period		Risk Classifications			
Credit Quality Grade	Risk Rating	Receivables from Central Governments or Central Banks	Receivables from Banks and Brokerage Houses		Corporate Receivables
	Fitch		Receivables with Remaining Maturities Less Than 3 Months	Receivables with Remaining Maturities More Than 3 Months	
1	AAA	0%	20%	20%	20%
	AA+				
	AA				
	AA-				
2	A+	20%	20%	50%	50%
	A				
	A-				
	BBB+				
3	BBB	50%	20%	50%	100%
	BBB-				
	BB+				
	BB				
4	BB-	100%	50%	100%	100%
	B+				
	B				
	B-				
5	CCC	100%	50%	100%	150%
	CC				
	C				
	D				

o. Exposures by risk weights

Current Period												
Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	Other Risk Weights	Equity Deduction
Exposures before Credit Risk Mitigation	288.503.903	--	42.007.833	--	9.014.268	121.820.484	351.408.986	105.860.405	15.011.141	--	30.720.689	7.327.349
Exposures after Credit Risk Mitigation	290.444.383	--	42.007.833	10.790.921	41.486.531	98.197.066	302.818.898	105.252.225	16.276.090	--	30.720.689	7.327.349

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Prior Period												
Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	Other Risk Weights	Equity Deduction
Exposures before Credit Risk Mitigation	150.686.468	--	14.370.535	--	10.311.796	94.055.841	229.104.417	34.119.062	9.975.379	--	587.196	2.287.713
Exposures after Credit Risk Mitigation	154.073.897	--	14.370.535	6.529.569	33.207.059	80.645.618	200.177.310	34.058.403	10.458.101	--	587.196	2.287.713

p. Information by major sectors and type of counterparties (*)

Current Period		Loans (**) Impaired (TFRS 9)		Provisions
Important Sectors/Counterparties		Significant Increase in Credit Risk (Stage 2)	Credit Impaired (Stage 3)	Provision for Expected Credit Loss (TFRS 9) (***)
Agricultural		2.753.839	944.337	1.312.003
Farming and Cattle		2.751.540	926.312	1.295.622
Forestry		2.003	17.790	16.104
Fishing		296	235	277
Manufacturing		7.755.681	7.526.177	6.241.532
Mining		40.231	2.172.040	1.007.976
Production		1.268.902	966.305	1.366.054
Electric, Gas, Water		6.446.548	4.387.832	3.867.502
Construction		4.542.421	1.216.041	3.076.580
Services		16.786.807	6.133.474	10.269.101
Wholesale and Retail Trade		4.230.669	2.664.992	4.289.916
Hotel and Restaurant Services		11.106.322	1.532.819	4.122.323
Transportation & telecommunication		447.070	1.477.390	1.223.695
Financial institutions		171.334	32.865	75.853
Real estate and letting services		165.550	130.643	80.698
Self-employment services		576.706	92.718	309.251
Education services		60.058	59.888	57.448
Health and social services		29.098	142.159	109.917
Other		15.118.776	5.404.887	7.659.622
Total		46.957.524	21.224.916	28.558.838

(*) The balances of loans at fair value through profit or loss are not included.

(**) Cash loans are given.

(***) Includes the second and third stage provisions.

Prior Period		Loans (**) Impaired (TFRS 9)		Provisions
Important Sectors/Counterparties		Significant Increase in Credit Risk (Stage 2)	Credit Impaired (Stage 3)	Provision for Expected Credit Loss (TFRS 9) (***)
Agricultural		2.516.970	950.436	1.443.338
Farming and Cattle		2.515.517	949.600	1.442.409
Forestry		1.134	518	629
Fishing		319	318	300
Manufacturing		5.759.320	5.455.710	5.234.408
Mining		15.862	128.574	130.292
Production		932.524	1.574.279	1.717.152
Electric, Gas, Water		4.810.934	3.752.857	3.386.964
Construction		3.303.084	1.191.143	2.514.442
Services		12.694.475	6.142.698	9.749.173
Wholesale and Retail Trade		4.143.554	1.976.261	3.803.799
Hotel and Restaurant Services		6.934.293	1.541.999	3.086.059
Transportation & telecommunication		1.263.493	546.729	1.088.524
Financial institutions		11.202	3.298	4.397
Real estate and letting services		94.424	1.321.223	1.115.680
Self-employment services		122.107	127.490	140.433
Education services		77.000	102.927	95.975
Health and social services		48.402	522.771	414.306
Other		9.501.479	2.936.640	4.391.735
Total		33.775.328	16.676.627	23.333.096

(*) The balances of loans at fair value through profit or loss are not included.

(**) Cash loans are given.

(***) Includes the second and third stage provisions.

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q. Information on movements in valuation adjustments and provisions

Current Period: 31 December 2023	Opening Balance 1 January 2023	Charge for the period	Other Adjustments (*)	Closing Balance
Default (Third Stage / Specific Provision)	13.325.304	470.786	582.041	14.378.131
12 Months Provision for Expected Credit Loss (First Stage)	3.895.565	681.673	1.764.392	6.341.630
Significant Increase in Credit Risk (Second Stage)	10.007.792	1.844.326	2.328.589	14.180.707

(*) Includes sales made from non-performing loans, write-off and foreign exchange differences.

Prior Period: 31 December 2022	Opening Balance 1 January 2022	Charge for the period	Other Adjustments (*)	Closing Balance
Default (Third Stage / Specific Provision)	10.807.399	5.372.113	(2.854.208)	13.325.304
12 Months Provision for Expected Credit Loss (First Stage)	2.156.402	834.847	904.316	3.895.565
Significant Increase in Credit Risk (Second Stage)	8.924.015	(802.643)	1.886.420	10.007.792

(*) Includes sales made from non-performing loans, write-off and foreign exchange differences.

r. Information on cyclical capital buffer calculation:

Current Period

Private sector credit exposure in			
Country of ultimate risk	banking book	Risk weighted equivalent trading book	Total
Turkey	495.540.699	692.626	496.233.325
Austria	43.143.519	--	43.143.519
Russia	3.301.553	--	3.301.553
Cyprus	1.400.320	--	1.400.320
Other	49.475.096	--	49.475.096

Prior Period

Private sector credit exposure in			
Country of ultimate risk	banking book	Risk weighted equivalent trading book	Total
Turkey	312.694.423	386.619	313.081.042
Austria	27.659.203	--	27.659.203
Cyprus	1.218.144	--	1.218.144
Malta	900.016	--	900.016
Other	8.783.813	--	8.783.813

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III. Explanations related to the foreign currency exchange rate risk

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

Foreign currency risk arises from the Bank'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, Bank applies net investment hedge accounting to avoid foreign currency exchange rate risk arising from translation of its foreign investments in its unconsolidated 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 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 29,4382

Euro purchase rate at the balance sheet date TL 32,5739

Date	US Dollar	Euro
25 December 2023	29,2108	32,1766
26 December 2023	29,2647	32,2421
27 December 2023	29,3374	32,4186
28 December 2023	29,3973	32,6937
29 December 2023	29,4382	32,5739

e. The simple arithmetic average of the 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 December 2023 are TL 29,0552 and TL 31,7410 respectively.

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f. Information on currency risk

Current Period	EURO	USD	Other FC ⁽⁴⁾	Total
Assets				
Cash Equivalents and Central Bank	32.863.762	61.815.978	7.916.071	102.595.811
Banks	1.929.744	9.079.967	1.756.586	12.766.297
Financial Assets at Fair Value through Profit or Loss (Net) ⁽¹⁾	408.239	7.060.116	28.463	7.496.818
Due from Money Markets	--	--	--	--
Financial Assets at Fair Value through Other Comprehensive				
Income	2.141.756	50.980.403	--	53.122.159
Loans ⁽²⁾	125.425.607	50.805.987	4.039.873	180.271.467
Investments in Associates, Subsidiaries and Joint Ventures	45.148.563	624.963	1.947.563	47.721.089
Financial Assets Measured at Amortised Cost	--	8.353.287	--	8.353.287
Hedging Derivative Financial Assets	--	--	--	--
Tangible Fixed Assets	--	234	1.114	1.348
Intangible Fixed Assets	--	--	--	--
Other Assets ⁽³⁾	243.807	4.935.132	701.613	5.880.552
Total Assets	208.161.478	193.656.067	16.391.283	418.208.828
Liabilities				
Bank Deposits	1.781.907	1.939.810	1.816.460	5.538.177
Foreign Currency Deposits	62.671.598	106.087.252	29.530.344	198.289.194
Due to Money Markets	3.992.426	47.881.665	--	51.874.091
Funds Borrowed	64.874.959	97.898.079	1.701.418	164.474.456
Securities Issued	--	17.364.496	2.895.347	20.259.843
Miscellaneous Payables	--	--	--	--
Hedging Derivative Financial Liabilities	--	--	--	--
Other Liabilities ⁽⁵⁾	10.651.776	15.716.603	524.386	26.892.765
Total Liabilities	143.972.666	286.887.905	36.467.955	467.328.526
Net on Balance Sheet Position	64.188.812	(93.231.838)	(20.076.672)	(49.119.698)
Net off-Balance Sheet Position ⁽⁶⁾	(70.595.541)	90.635.972	21.896.602	41.937.033
Financial Derivative Assets	15.163.791	153.258.758	33.922.032	202.344.581
Financial Derivative Liabilities	(85.759.332)	(62.622.786)	(12.025.430)	(160.407.548)
Net Positions	(6.406.729)	(2.595.866)	1.819.930	(7.182.665)
Non Cash Loans	35.754.169	42.756.661	3.542.163	82.052.993
Prior Period				
Total Assets	128.982.960	113.078.787	11.876.203	253.937.950
Total Liabilities	86.194.063	154.464.388	31.483.561	272.142.012
Net on Balance Sheet Position	42.788.897	(41.385.601)	(19.607.358)	(18.204.062)
Net off-Balance Sheet Position	(46.007.809)	42.364.028	18.504.801	14.861.020
Financial Derivative Assets	7.275.646	106.888.791	23.599.771	137.764.208
Financial Derivative Liabilities	(53.283.455)	(64.524.763)	(5.094.970)	(122.903.188)
Net Positions	(3.218.912)	978.427	(1.102.557)	(3.343.042)
Non Cash Loans	22.480.374	27.937.255	2.331.854	52.749.483

- (1) : Foreign currency differences of derivative financial assets amounting to TL 3.846.802 are excluded.
- (2) : Foreign currency indexed loans amounting to TL 511.093 are included.
- (3) : Prepaid expenses amounting to TL 433.249 are not included. It also includes fixed assets related to discontinued operations.
- (4) : There are gold balances amounting to TL 10.316.254 under total assets and TL 18.572.179 in total liabilities.
- (5) : FX equity amounting to TL 380.260, foreign exchange rate differences related to derivative financial liabilities amounting to TL 1.634.581 are not included.
- (6) : 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".

g. Information on currency risk exposed

In the event TL loses 10% in value against the currencies below, the increase and decrease in equities and statement of profit or loss (excluding tax effect) as of 31 December 2023 and 2022 are shown in the table below. This analysis has been prepared under the assumption that all other variables, especially interest rates, to be constant.

	Current Period		Prior Period	
	Period Profit/Loss	Equity	Period Profit/Loss	Equity
USD	(318.322)	(279.937)	313.205	92.660
Euro	(628.544)	(628.903)	(242.725)	(246.308)
Total (Net)	(946.866)	(908.840)	70.480	(153.648)

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IV. Explanations related to the 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	60.865.913	--	--	--	--	142.109.502	202.975.415
Banks ⁽¹⁾	5.319.032	--	--	--	--	13.707.913	19.026.945
Financial Assets at Fair Value through Profit or Loss	489	20.080	515.400	1.326.596	2.426.537	9.057.416	13.346.518
Due from Money Markets	51.893.966	232.841	--	--	--	--	52.126.807
Financial Assets at Fair Value through Other Comprehensive Income	12.460.980	3.951.452	15.429.052	24.871.429	30.707.308	960	87.421.181
Loans ⁽⁴⁾	178.924.107	74.338.188	120.943.965	66.344.460	18.160.353	6.846.785	465.557.858
Financial Assets Measured at Amortised Cost ⁽²⁾	1.359.493	24.305.524	8.596.790	12.981.168	3.987.452	--	51.230.427
Other Assets ⁽³⁾	--	--	--	715.971	--	115.307.939	116.023.910
Total Assets	310.823.980	102.848.085	145.485.207	106.239.624	55.281.650	287.030.515	1.007.709.061
Liabilities							
Bank Deposits	2.990.294	1.218.277	2.498.479	--	--	1.212.506	7.919.556
Other Deposits	204.830.233	109.614.213	115.822.908	187.702	--	164.618.025	595.073.081
Due to Money Markets	36.083.666	2.597.039	13.293.744	--	--	--	51.974.449
Miscellaneous Payables	--	--	--	--	--	--	--
Securities Issued	--	1.854.215	16.668.668	1.736.960	--	--	20.259.843
Funds Borrowed	15.829.042	110.143.542	16.383.417	6.124.075	16.993.189	--	165.473.265
Other Liabilities ⁽⁵⁾	87.255	--	10.790.246	801.393	--	155.329.973	167.008.867
Total Liabilities	259.820.490	225.427.286	175.457.462	8.850.130	16.993.189	321.160.504	1.007.709.061
Balance Sheet Long Position	51.003.490	--	--	97.389.494	38.288.461	--	186.681.445
Balance Sheet Short Position	--	(122.579.201)	(29.972.255)	--	--	(34.129.989)	(186.681.445)
Off-balance Sheet Long Position	--	--	15.116.034	--	1.145.610	--	16.261.644
Off-balance Sheet Short Position	(2.056.897)	(855.355)	--	(23.716.272)	--	--	(26.628.524)
Total Position	48.946.593	(123.434.556)	(14.856.221)	73.673.222	39.434.071	(34.129.989)	(10.366.880)

- (1) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (783).
- (2) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (6.657).
- (3) Other assets / non-interest bearing column includes; tangible assets, intangible assets, investments in associates, tax asset, assets to be disposed, the provisions for ehxpected credit loss of other assets and other assets with balances of TL 1.553.809, TL 2.283.719, TL 69.128.910, TL 6.050.567, TL 11.990.377, TL (64.896) and TL 24.365.453, respectively.
- (4) Stage 3 loans are presented netted in "non-interest bearing" column.
- (5) Other liabilities / non-interest bearing column includes; shareholders' equity, other liabilities, provisions, tax liabilities and derivative financial liabilities amounting to TL 89.843.401, TL 44.998.768, TL 15.820.136, TL 1.821.303 and TL 2.846.365, 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 Banks ⁽¹⁾	--	--	--	--	--	86.116.286	86.116.286
Financial Assets at Fair Value through Profit or Loss	745.854	--	--	--	--	7.739.432	8.485.286
Due from Money Markets	33.528	23.685	198.155	461.144	678.945	6.844.596	8.240.053
Financial Assets at Fair Value through Other Comprehensive Income	--	--	--	--	--	--	--
Loans ⁽⁴⁾	5.909.823	16.407.950	14.536.553	18.430.340	15.872.328	950	71.157.944
Financial Assets Measured at Amortised Cost ⁽²⁾	139.550.087	10.408.326	39.809.393	63.002.074	17.718.096	3.351.323	273.839.299
Other Assets ⁽³⁾	865	7.454.135	3.268.047	5.432.157	870.000	--	17.025.204
Total Assets	146.240.157	34.294.096	57.812.148	87.781.088	35.139.369	165.027.891	526.294.749
Liabilities							
Bank Deposits	8.292.268	12.241.534	339.349	--	--	791.272	21.664.423
Other Deposits	135.936.441	65.392.956	22.245.025	152.950	--	108.209.305	331.936.677
Due to Money Markets	2.254.223	3.013.873	7.249.188	--	--	--	12.517.284
Miscellaneous Payables	--	--	--	--	--	--	--
Securities Issued	--	536.238	1.704.496	--	--	--	2.240.734
Funds Borrowed	4.948.309	23.892.240	18.854.546	280.648	14.561.850	1.358	62.538.951
Other Liabilities ⁽⁵⁾	49.389	373.966	1.252.786	555.470	--	93.165.069	95.396.680
Total Liabilities	151.480.630	105.450.807	51.645.390	989.068	14.561.850	202.167.004	526.294.749
Balance Sheet Long Position	--	--	6.166.758	86.792.020	20.577.519	--	113.536.297
Balance Sheet Short Position	(5.240.473)	(71.156.711)	--	--	--	(37.139.113)	(113.536.297)
Off-balance Sheet Long Position	108.932.561	51.780.662	31.167.101	7.173.553	10.704.709	--	209.758.586
Off-balance Sheet Short Position	(110.233.583)	(50.954.048)	(22.464.442)	(18.699.619)	(12.925.616)	--	(215.277.308)
Total Position	(6.541.495)	(70.330.097)	14.869.417	75.265.954	18.356.612	(37.139.113)	(5.518.722)

(1) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (315).

(2) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (2.192).

(3) Other assets / non-interest bearing column includes; tangible assets, intangible assets, investments in associates, tax asset, assets to be disposed, the provisions for ehxpected credit loss of other assets and other assets with balances of TL 1.013.260, TL 1.293.730, TL 37.726.629, TL 4.140.119, TL 6.505.370, TL (22.188) and TL 10.318.024, respectively.

(4) Stage 3 loans are presented netted in "non-interest bearing" column.

(5) Other liabilities / non-interest bearing column includes; shareholders' equity, other liabilities, provisions, tax liabilities and derivative financial liabilities amounting to TL 54.510.598, TL 22.125.517, TL 10.019.396, TL 2.985.921 and TL 3.523.637, respectively.

b. Average interest rates applied to monetary financial instruments

Current Period - 31 December 2023	EURO %	USD %	Yen %	TL %
Assets				
Cash Equivalents and Central Bank	4,75	5,50	--	42,13
Banks	3,75	5,21	--	43,36
Financial Assets at Fair Value through Profit or Loss	4,22	7,49	--	49,04
Due from Money Markets	--	--	--	43,36
Financial Assets at Fair Value through Other Comprehensive Income	2,93	7,39	--	44,34
Loans	7,44	8,22	6,00	42,03
Financial Assets Measured at Amortised Cost	--	5,07	--	39,49
Liabilities				
Bank Deposits	5,26	6,47	--	40,55
Other Deposits	1,38	2,65	0,01	35,79
Due to Money Markets	2,50	7,46	--	43,57
Miscellaneous Payables	--	--	--	--
Securities Issued	--	8,38	--	--
Funds Borrowed	6,08	8,43	--	34,92

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Prior Period - 31 December 2022	EURO %	USD %	Yen %	TL %
Assets				
Cash Equivalents and Central Bank	--	--	--	--
Banks	--	--	--	8,37
Financial Assets at Fair Value through Profit or Loss	6,14	8,74	--	22,18
Due from Money Markets	--	--	--	--
Financial Assets at Fair Value through Other Comprehensive Income	3,27	7,20	--	45,74
Loans	6,19	7,42	6,00	23,01
Financial Assets Measured at Amortised Cost	--	4,74	--	58,47
Liabilities				
Bank Deposits	2,70	3,69	--	23,72
Other Deposits	1,38	2,32	0,01	16,76
Due to Money Markets	2,45	4,67	--	9,16
Miscellaneous Payables	--	--	--	--
Securities Issued	6,21	--	--	21,50
Funds Borrowed	4,42	5,71	--	19,48

c. Interest rate risk arising from banking accounts

The interest rate risk arising from banking accounts is managed according to the principles stated in the "Interest Rate Risk Management Policy".

Sensitivity limits are determined by the Bank for possible negative developments in the market. Among the metrics followed; the sensitivity of net present value of the balance sheet and net interest income to certain interest changes and interest rate gap analysis. These criteria are not only monitored in weekly ALCOs, but are also submitted to the senior management and the Board of Directors due to the limits set forth in the risk appetite declaration.

Interest rate risk calculation and reporting arising from banking accounts according to the "Regulation on Measurement and Assessment of the Interest Rate Risk from Banking Accounts" published in the Official Gazette no. 28034 dated 23 August 2011. The related ratio is prepared monthly as the other interest rate metrics that the Bank follows. In addition, it is provided with close monitoring by weekly estimation studies and submitted to ALCO.

Cross currency swaps or interest swaps are used for the purpose of hedging up to 10 years of maturity in order to avoid the negative effects of interest risk.

The Bank's economic value differences arising from the interest rate fluctuations pursuant to the "Regulation on the Measurement and Assessment of Interest Rate Risk Arising from Banking Accounts According to the Standard Shock Method" in a manner separated by different currencies are demonstrated in the following table as of 31 December 2023.

Current Period: 31 December 2023	Shocks Applied	Gains/Losses	Gains/Equity
Type of Currency	(+/- x basis points)		-Losses/Equity
1 TL	(+) 500 bps	(1.591.198)	(1,38%)
2 TL	(-) 400 bps	1.533.010	1,33%
3 Euro	(+) 200 bps	(312.672)	(0,27%)
4 Euro	(-) 200 bps	499.266	0,43%
5 US Dollar	(+) 200 bps	(259.650)	(0,23%)
6 US Dollar	(-) 200 bps	551.632	0,48%
Total (of positive shocks)		(2.163.520)	(1,88%)
Total (of negative shocks)		2.583.908	2,24%

Prior Period: 31 December 2022	Shocks Applied	Gains/Losses	Gains/Equity
Type of Currency	(+/- x basis points)		-Losses/Equity
1 TL	(+) 500 bps	(4.410.882)	(6,10%)
2 TL	(-) 400 bps	4.191.605	5,79%
3 Euro	(+) 200 bps	8.011	0,01%
4 Euro	(-) 200 bps	89.670	0,12%
5 US Dollar	(+) 200 bps	(187.384)	(0,26%)
6 US Dollar	(-) 200 bps	337.264	0,47%
Total (of positive shocks)		(4.590.255)	(6,35%)
Total (of negative shocks)		4.618.539	6,38%

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V. Position risk of equity shares arising from banking accounts

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

Bank does not have associates and subsidiaries traded at BIST markets and shown in the unconsolidated financial statements at fair value as of 31 December 2023 and 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.

VI. Explanations related to the 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 Bank's risk capacity, responsibilities and structure of liquidity risk management, liquidity risk reporting in the 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 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 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 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 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 Bank and the functioning between 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 Bank. Limits are allocated by the 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.

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On the other hand, the securities portfolio of the 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 Bank

Majority of the Bank's liabilities consist of Turkish Lira, US Dollar, Euro and gold. The main foreign currency funding source of the Bank consists of deposits and loans obtained from credit institutions. The foreign currency liquidity risk of the Bank is low due to the fact that the foreign currency sources of the 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 weekly unconsolidated foreign currency ratio for the last three months was 154,58 in the week of October 6, the highest 272,75 in the week of December 1, and the total lowest liquidity coverage ratio has been calculated as 221,92 in the week of October 27 and 368,36 in the week of December 29 as the highest.

The liquidity coverage ratio calculation table is reported to the BRSA on a weekly 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			188.325.967	87.586.921
CASH OUTFLOWS				
2 Retail deposits and deposits from small business customers, of which	400.795.596	135.487.478	37.068.450	13.548.748
3 Stable deposits	60.222.195	--	3.011.110	--
4 Less stable deposits	340.573.401	135.487.478	34.057.340	13.548.748
5 Unsecured wholesale funding, of which	146.199.089	82.795.795	88.532.469	48.151.487
6 Operational deposits	5.897.667	3.440.648	1.449.157	856.435
7 Non-operational deposits	96.730.278	57.335.259	43.512.168	25.275.164
8 Unsecured debt	43.571.144	22.019.888	43.571.144	22.019.888
9 Secured wholesale funding	--	--	--	--
10 Other cash outflows	6.603.235	13.137.831	3.716.736	10.689.811
11 Outflows related to derivative exposures and other collateral requirements	1.792.403	9.057.798	1.792.403	9.057.798
12 Outflows related to loss of funding on debt products	--	--	--	--
13 Credit and liquidity facilities	4.810.033	4.080.033	1.924.333	1.632.013
14 Other contractual funding obligations	14.824.669	14.824.110	14.824.138	14.824.110
15 Other contingent funding obligations	455.322.951	82.766.460	31.150.837	8.146.867
16 TOTAL CASH OUTFLOWS			175.292.630	95.361.023
CASH INFLOWS				
17 Secured lending	27.799.900	--	--	--
18 Unsecured lending	123.737.786	26.234.925	104.581.888	23.088.542
19 Other cash inflows	844.115	29.496.162	844.114	29.496.162
20 TOTAL CASH INFLOWS	152.381.801	55.731.087	105.426.002	52.584.704
			Total Adjusted Value	
21 TOTAL HQLA			188.325.967	87.586.921
22 TOTAL NET CASH OUTFLOWS			70.375.147	42.788.944
23 LIQUIDITY COVERAGE RATIO (%)			278,9	212,4

(*) 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			114.657.937	77.345.883
CASH OUTFLOWS				
2 Retail deposits and deposits from small business customers, of which	223.018.265	117.793.938	20.979.044	11.779.394
3 Stable deposits	26.455.670	--	1.322.784	--
4 Less stable deposits	196.562.595	117.793.938	19.656.260	11.779.394
5 Unsecured wholesale funding, of which	106.382.126	70.386.992	57.239.036	34.651.686
6 Operational deposits	32.947.486	25.725.273	8.236.872	6.431.318
7 Non-operational deposits	55.188.308	35.337.684	30.770.455	18.906.315
8 Unsecured debt	18.246.332	9.324.035	18.231.709	9.314.053
9 Secured wholesale funding	--	--	--	--
10 Other cash outflows	5.100.511	13.666.772	3.060.733	11.938.029
11 Outflows related to derivative exposures and other collateral requirements	1.700.881	10.785.533	1.700.881	10.785.533
12 Outflows related to loss of funding on debt products	--	--	--	--
13 Credit and liquidity facilities	3.399.630	2.881.239	1.359.852	1.152.496
14 Other contractual funding obligations	4.925.619	4.925.059	4.925.087	4.925.059
15 Other contingent funding obligations	210.239.714	55.108.767	15.778.366	5.536.113
16 TOTAL CASH OUTFLOWS			101.982.266	68.830.281
CASH INFLOWS				
17 Secured lending	592.601	--	--	--
18 Unsecured lending	43.907.478	29.480.299	35.953.580	27.013.566
19 Other cash inflows	946.387	47.237.642	946.386	47.237.642
20 TOTAL CASH INFLOWS	45.446.466	76.717.941	36.899.966	74.251.208
			Total Adjusted Value	
21 TOTAL HQLA			114.657.937	77.345.883
22 TOTAL NET CASH OUTFLOWS			65.082.300	17.207.570
23 LIQUIDITY COVERAGE RATIO (%)			179,2	456,7

(*) 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	142.109.501	60.865.914	--	--	--	--	--	202.975.415
Banks ⁽¹⁾	13.707.913	5.319.032	--	--	--	--	--	19.026.945
Financial Assets at Fair Value through Profit or Loss (Net)	1.013.273	932.912	957.736	2.835.539	4.669.698	2.937.360	--	13.346.518
Due from Money Markets	--	51.893.966	232.841	--	--	--	--	52.126.807
Financial Assets at Fair Value through Other Comprehensive Income	960	234.891	2.283.726	3.067.459	45.053.815	36.780.330	--	87.421.181
Loans	--	82.328.005	139.137.933	109.811.254	99.378.239	28.055.642	6.846.785	465.557.858
Financial Assets Measured at Amortised Cost ⁽²⁾	--	--	1.625.137	18.310	14.347.318	35.239.662	--	51.230.427
Other Assets	42.144.574	--	--	--	--	--	73.879.336	116.023.910
Total Assets	198.976.221	201.574.720	144.237.373	115.732.562	163.449.070	103.012.994	80.726.121	1.007.709.061
Liabilities								
Bank Deposits	1.212.506	2.990.294	1.218.277	2.498.479	--	--	--	7.919.556
Other Deposits	164.617.901	201.267.776	113.172.015	115.814.153	201.236	--	--	595.073.081
Fund Borrowed	--	8.886.208	26.474.546	78.253.185	32.521.633	19.337.693	--	165.473.265
Due to Money Markets	--	26.910.048	4.549.008	20.515.393	--	--	--	51.974.449
Securities Issued	--	--	1.854.215	16.668.668	1.736.960	--	--	20.259.843
Miscellaneous Payables	--	--	--	--	--	--	--	--
Other Liabilities	55.728.386	3.268.481	214.509	11.157.951	387.694	515.948	95.735.898	167.008.867
Total Liabilities	221.558.793	243.322.807	147.482.570	244.907.829	34.847.523	19.853.641	95.735.898	1.007.709.061
Net Liquidity Excess/ (Gap)	(22.582.572)	(41.748.087)	(3.245.197)	(129.175.267)	128.601.547	83.159.353	(15.009.777)	--
Net Off-balance sheet								
Position	--	(1.042.432)	(1.503.702)	2.408.130	82.873	3	--	(55.128)
Financial Derivative Assets	--	128.285.627	68.024.413	40.696.144	50.677.863	30.189.301	--	317.873.348
Financial Derivative Liabilities	--	(129.328.059)	(69.528.115)	(38.288.014)	(50.594.990)	(30.189.298)	--	(317.928.476)
Non Cash Loans	--	25.155.517	14.755.792	50.984.034	59.151.906	3.113.764	--	153.161.013
End of The Prior Period								
Total Assets	74.030.717	99.118.745	30.034.493	86.548.688	118.207.230	72.571.698	45.783.178	526.294.749
Total Liabilities	130.691.921	149.497.996	87.811.607	68.055.714	8.190.506	14.761.408	67.285.597	526.294.749
Net Liquidity Excess/ (Gap)	(56.661.204)	(50.379.251)	(57.777.114)	18.492.974	110.016.724	57.810.290	(21.502.419)	--
Net Off-balance sheet								
Position	--	(76.199)	(542.029)	137.156	174.072	220.971	--	(88.029)
Financial Derivative Assets	--	96.399.970	66.756.312	21.510.347	26.191.862	26.518.894	--	237.377.385
Financial Derivative Liabilities	--	(96.476.169)	(67.298.341)	(21.373.191)	(26.017.790)	(26.297.923)	--	(237.463.414)
Non Cash Loans	--	14.284.105	9.883.667	27.948.009	36.564.817	2.316.040	--	90.996.638

(1) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (783).

(2) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (6.657).

(*) 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.

c. Representation of financial liabilities according to their remaining maturities in accordance with their contracts

The undiscounted maturity breakdown of the maturity values of the Bank’s non-derivative financial liabilities that are subject to a contract are presented in the table below. The interest to be paid on the relevant assets and liabilities have been included to the relevant maturity buckets.

End of The Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Liabilities							
Deposits	165.830.407	206.729.666	118.336.554	131.549.348	252.143	--	622.698.118
Funds borrowed (*)	--	8.949.369	28.456.000	82.767.648	41.326.596	19.969.562	181.469.175
Interbank money markets	--	26.976.638	4.851.003	21.499.673	--	--	53.327.314
Securities issued	--	32.404	2.080.500	18.010.567	1.827.983	--	21.951.454
Total	165.830.407	242.688.077	153.724.057	253.827.236	43.406.722	19.969.562	879.446.061

(*) It includes subordinated loans.

End of The Prior Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Liabilities							
Deposits	109.000.577	144.786.498	77.157.682	23.800.133	186.778	--	354.931.668
Funds borrowed (*)	--	1.678.894	5.100.046	35.242.958	11.857.381	16.148.449	70.027.728
Interbank money markets	--	2.283.751	3.068.228	7.534.096	--	--	12.886.075
Securities issued	--	--	536.781	1.706.263	--	--	2.243.044
Total	109.000.577	148.749.143	85.862.737	68.283.450	12.044.159	16.148.449	440.088.515

(*) It includes subordinated loans.

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VII. Explanations related to leverage ratio

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

As of 31 December 2023, the leverage ratio of the Bank is calculated as 5,60% (31 December 2022: 6,98%). 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.

Leverage ratio public disclosure template:

	Current Period (*)	Prior Period (*)
On-balance sheet exposures		
1 On-balance sheet items (exclude derivatives and SFTs; include collateral)	918.336.836	514.370.668
2 (Assets deducted in determining Basel III Tier I capital)	(2.357.797)	(1.219.446)
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	915.979.039	513.151.222
Derivative exposures		
4 Replacement cost	9.828.604	6.870.020
5 Add-on amount	3.798.020	3.132.640
6 Total derivative exposures (sum of lines 4 and 5)	13.626.624	10.002.660
Securities or commodity collateral financing transaction exposures		
7 Gross SFT assets (with no recognition of accounting netting)	24.321.489	7.289.126
8 Agent transaction exposures		
9 Total securities financing transaction exposures (sum of lines 7 and 8)	24.321.489	7.289.126
Other off-balance sheet exposures		
10 Off-balance sheet exposures with gross nominal amount	486.188.020	216.682.645
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)	486.187.517	216.682.142
Capital and total exposures		
13 Tier I Capital	79.497.233	52.134.950
14 Total exposures (sum of lines 3,6,9 and 12)	1.440.114.669	747.125.150
Leverage ratio		
15 Leverage ratio	5,60	6,98

(*) Quarterly average amounts.

VIII. 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 number ed 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 Bank, the tables to be prepared within the scope of Internal Rating Based Approach (IR) are not presented as of 31 December 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. Explanations related to the risk management approach

Risks exposed as a result of the Bank’s business model are detected on a consolidated basis through the Bank’s risk identification and important evaluation process. Risk mitigation factors and monitoring activities are implemented for the important risks determined. In the Risk Appetite Statement of the Bank, limits are determined for the risks that are deemed important and the declaration is approved by the Board of Directors. Developments regarding the risk limits determined in the Risk Appetite Statement are monitored on a monthly basis and the actions foreseen in the risk appetite statement are applied in the event these limits are exceeded.

Denizbank Risk Management Group Department is an internal systems unit that operates under the Board of Directors and that are assigned to carry out risk management activities. Reports directly to the Board of Directors. Risk Management Group is responsible for the identification and measurement of risks, establishment and implementation of risk policies and implementation procedures, analysis and monitoring as well as reporting of risks within the framework of the principles determined by the Senior Management of the Bank and the Risk Management Group and approved by the Board of Directors.

In the Bank, the delegation levels generated by the customers are determined pursuant to the risk categories determined according to the limit and loan rating components within the bank.

The rating process carried out by the Credit Allocation unit is monitored and reported by the Risk Management Group.

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Main components and scope of the risk measurement systems

The Bank has a comprehensive risk definition process, including its subsidiaries. Process aims to define the important risks specific to the bank from a broad list, including those exposed by the banking naturally. In the determination stage of the importance level of the risks, the opinions and evaluations of the persons who are expert in this subject are taken. Evaluation results are updated every year and linked to the report and form the basis for the bank's Internal Capital Assessment Processes.

The purpose of the activities carried out within the scope of the measurement of the risks is to establish a relationship between the risks undertaken by the bank and the expected earnings and to measure the financial risks that the bank and its subsidiaries are exposed to. The process includes testing the validity of the parameters and assumptions subject to risk measurement.

Bank determines what kind of reports will be prepared as consolidated and as solo and the authorities to be communicated to them. Ensures that an active internal audit system to be established which will prevent taking risks above the targeted risk level and limits set by the regulatory authority. When the control and reporting of the risks are made, the risk levels that are approved by the Board of Directors are taken into consideration for each risk type.

Risk Management Group ensures the coordination of the internal capital adequacy evaluation process (ICAAP) and the measurement of the risks undertaken by the bank. Within the scope of the ICAAP report, which is a result of the ICAAP process and within the framework of the 3 year strategic plan, the annual stress test report, which presents the effects of the scenarios in which macroeconomic variables are taken into consideration on the bank’s capital and liquidity, is reported to the BRSA. Bank monitors the capital adequacy level internally on a monthly basis.

Disclosures on risk reporting processes provided to Board of Directors and senior management, especially the scope and main content of the reporting

Risk Management Group performs reporting to Senior Management and Board of Directors through the Audit and Risk Committee, Asset Liability Management Committee, Model Risk Management and Validation Committee.

Audit and Risk Committee: Holds quarterly meetings in ordinary situations. Activities performed by the Risk Management Group and risk indicators are presented to the Committee.

Asset Liability Management Committee: Holds weekly meetings. Risk-limit follow-up and detailed analysis related to indicators such as interest and liquidity risk, capital adequacy are presented.

Model Risk Management and Validation Committee: It is the committee that the Risk model validation results, prepared within the frame of annual plan, are presented to and approved.

Risk management, hedging and mitigation strategies of the Bank sourcing from business model and monitoring process with respect to continuing effectiveness of hedging and mitigating components

Limits, which are defined for risks considered to be significant, are monitored on a monthly basis and actions included in risk appetite statement are taken, if required.

Additionally, taking into consideration the stress conditions of the Bank, an emergency plan regarding capital adequacy has been created in order to fulfil its strategic goals.

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2. 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)	595.833.296	350.023.874	47.666.664
2 Standardized approach (SA)	595.833.296	350.023.874	47.666.664
3 Internal rating-based (IRB) approach	--	--	--
4 Counterparty credit risk (*)	9.650.928	7.430.990	772.074
5 Standardized approach for counterparty credit risk (SA-CCR)	9.650.928	7.430.990	772.074
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	145.646	27.088	11.652
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	20.462.863	9.275.650	1.637.029
17 Standardized approach (SA)	20.462.863	9.275.650	1.637.029
18 Internal model approaches (IMM)	--	--	--
19 Operational Risk	41.417.304	23.472.947	3.313.384
20 Basic Indicator Approach	41.417.304	23.472.947	3.313.384
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)	667.510.037	390.230.549	53.400.803

(*) The amounts given in the table do not include TL 115, which is the amount subject to the Risk of CCP-Guarantee Fund Amounts.

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b. Connections between the financial statements and risk amounts

1. The valued amounts and matching in accordance with TAS in the financial statements

	a	c	d	e	f	g
	Carrying values of items under scope of TAS					Not subject to capital requirements or subject to deduction from capital
Current Period	Revaluation amount in accordance with TAS	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	
Assets						
Cash and balances at central bank	202.975.415	202.975.415	--	--	--	--
Banks	19.026.945	19.027.728	--	--	--	--
Due from money markets	52.126.807	--	52.126.807	--	--	--
Financial assets at fair value through profit or loss	5.302.375	896.056	117.217	--	4.289.102	--
Financial assets at fair value through other comprehensive income	87.421.181	87.421.181	--	--	--	--
Financial assets measured at amortised cost	51.230.427	51.237.084	--	--	--	--
Derivative financial assets	8.044.143	--	8.044.143	--	--	--
Loans (net)	465.557.858	486.080.195	--	--	--	2.757.688
Non-current assets held for sale and from discontinued operations (net)	7.118	--	--	--	--	--
Investments in associates, subsidiaries and joint ventures	69.128.910	69.128.910	--	--	--	--
Tangible assets (net)	2.269.780	2.269.780	--	--	--	216.028
Intangible assets (net)	2.283.719	2.283.719	--	--	--	2.283.719
Investment properties (net)	--	--	--	--	--	--
Current Tax Assets	1.877.045	1.877.045	--	--	--	--
Deferred Tax Assets	4.173.522	4.173.522	--	--	--	--
Other assets	36.283.816	36.283.816	--	--	--	--
Total assets	1.007.709.061	963.654.451	60.288.167	--	4.289.102	5.257.435
Liabilities						
Deposits	602.992.637	--	--	--	--	602.992.637
Loans	142.406.586	--	--	--	--	142.406.586
Debt to money markets	51.974.449	--	51.974.449	--	--	51.974.449
Debt securities in issue	20.259.843	--	--	--	--	20.259.843
Funds	--	--	--	--	--	--
Financial liabilities at fair value through profit or loss	--	--	--	--	--	--
Derivative financial liabilities	2.846.365	--	--	--	--	2.846.365
Factoring debts	--	--	--	--	--	--
Debts from leasing transactions	949.276	--	--	--	--	949.276
Provisions	15.820.136	--	--	--	--	15.820.136
Current tax liabilities	1.821.303	--	--	--	--	1.821.303
Deferred tax liabilities	--	--	--	--	--	--
Liabilities related to non-current assets held for sale and from discontinued operations (net)	102.945	--	--	--	--	102.945
Subordinated debts	23.066.679	--	--	--	--	23.066.679
Other liabilities	55.625.441	--	--	--	--	55.625.441
Equity	89.843.401	--	--	--	--	89.843.401
Total liabilities	1.007.709.061	--	51.974.449	--	--	1.007.709.061

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Prior Period	a	c	d	e	f	g
	Carrying values of items under scope of TAS					Not subject to capital requirements or subject to deduction from capital
	Revaluation amount in accordance with TAS	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	
Assets						
Cash and balances at central bank	86.116.286	86.116.286	--	--	--	--
Banks	8.485.286	8.485.601	--	--	--	--
Due from money markets	--	--	--	--	--	--
Financial assets at fair value through profit or loss	1.849.482	454.025	13.197	--	1.382.260	--
Financial assets at fair value through other comprehensive income	71.157.944	71.157.944	--	--	--	--
Financial assets measured at amortised cost	17.025.204	17.027.396	--	--	--	--
Derivative financial assets	6.390.571	--	6.390.571	--	--	--
Loans (net)	273.839.299	287.742.656	--	--	--	99.729
Investments in associates, subsidiaries and joint ventures	37.726.629	37.726.629	--	--	--	--
Tangible assets (net)	1.468.993	1.468.993	--	--	--	102.640
Intangible assets (net)	1.293.730	1.293.730	--	--	--	1.293.730
Investment properties (net)	--	--	--	--	--	--
Current Tax Assets	--	--	--	--	--	--
Deferred Tax Assets	4.140.119	4.140.119	--	--	--	--
Other assets	16.801.206	16.801.206	--	--	--	--
Total assets	526.294.749	532.414.585	6.403.768	--	1.382.260	1.496.099
Liabilities						
Deposits	353.601.100	--	--	--	--	353.601.100
Loans	47.977.459	--	--	--	--	47.977.459
Debt to money markets	12.517.284	--	12.517.284	--	--	12.517.284
Debt securities in issue	2.240.734	--	--	--	--	2.240.734
Funds	--	--	--	--	--	--
Financial liabilities at fair value through profit or loss	--	--	--	--	--	--
Derivative financial liabilities	3.523.637	--	--	--	--	3.523.637
Factoring debts	--	--	--	--	--	--
Debts from leasing transactions	790.299	--	--	--	--	790.299
Provisions	10.019.396	--	--	--	--	10.019.396
Current tax liabilities	2.985.921	--	--	--	--	2.985.921
Deferred tax liabilities	--	--	--	--	--	--
Subordinated debts	14.561.492	--	--	--	--	14.561.492
Other liabilities	23.566.829	--	--	--	--	23.566.829
Equity	54.510.598	--	--	--	--	54.510.598
Total liabilities	526.294.749	--	12.517.284	--	--	526.294.749

2. Main sources of differences between risk exposures and valued amounts in accordance with TAS in financial statements

Current Period	a	b	c	d	e
	Total	Items subject to credit risk framework	Items subject to securitization framework	Items subject to counterparty credit risk framework	Items subject to market risk framework (*)
1 Asset carrying value amount under scope of TAS	1.028.231.720	963.654.451	--	60.288.167	4.289.102
2 Liabilities carrying value amount under scope of TAS	51.974.449	--	--	51.974.449	--
3 Total net amount	976.257.271	963.654.451	--	8.313.718	4.289.102
4 Off-balance sheet amounts (**)	525.338.499	84.171.171	--	--	--
5 Differences in valuations	--	--	--	--	--
6 Differences due to different netting rules (other than those already included in row 2)	--	--	--	--	--
7 Differences due to consideration of provisions	--	--	--	--	--
8 Differences due to prudential filters	--	--	--	--	16.173.761
9 Differences resulted from considering of the financial guarantees	--	(26.353.071)	--	--	--
10 Risk exposures	1.501.595.770	1.021.472.551	--	8.313.718	20.462.863

(*) Financial instruments included in trading accounts according to “Communique on Measurement and Evaluation of Bank’s Capital Adequacy” and principal amount subject to market risk sourcing from capital requirement calculated for foreign exchange risk are included in line of risk amounts.

(**) It includes risk which are included in credit risk calculation.

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Prior Period	a	b	c	d	e
	Total	Items subject to credit risk framework	Items subject to securitization framework	Items subject to counterparty credit risk framework	Items subject to market risk framework (*)
1 Asset carrying value amount under scope of TAS	540.200.613	532.414.585	--	6.403.768	1.382.260
2 Liabilities carrying value amount under scope of TAS	12.517.284	--	--	12.517.284	--
3 Total net amount	527.683.329	532.414.585	--	(6.113.516)	1.382.260
4 Off-balance sheet amounts (**)	217.451.124	55.413.530	--	--	--
5 Differences in valuations	--	--	--	--	--
6 Differences due to different netting rules (other than those already included in row 2)	--	--	--	--	--
7 Differences due to consideration of provisions	--	--	--	--	--
8 Differences due to prudential filters	--	--	--	--	7.893.390
9 Differences resulted from considering of the financial guarantees	--	(9.103.004)	--	--	--
10 Risk exposures	745.134.453	578.725.111	--	(6.113.516)	9.275.650

(*) Financial instruments included in trading accounts according to “Communique on Measurement and Evaluation of Bank’s Capital Adequacy” and principal amount subject to market risk sourcing from capital requirement calculated for foreign Exchange risk are included in line of risk amounts.

(**) It includes risk which are included in credit risk calculation.

3. Explanations on differences between amounts determined in accordance with TAS and risk exposures

Differences between amounts determined in accordance with TAS and risk exposures:

In derivative transactions subject to counterparty credit risk, the risk amount is calculated by the combination of renewal cost and future potential risk amounts according to the standard method in capital adequacy adjustments. In repo and reverse repo transactions, the risk amount is obtained by netting the volatility-adjusted amount applied to the security subject to the transaction with the cash amount subject to the transaction.

Amounts of items which are valued in accordance with TAS and subject to market risk indicate fair value of financial instruments held for trade. Amounts in line of risk amount related to aforementioned transactions indicate principal amount subject to market risk sourcing from capital requirement calculated related to potential losses which can be caused by interest rate risk, share price risk, exchange rate risks in scope of “Communique on Measurement and Evaluation of Bank’s Capital Adequacy”.

Pursuant to the prudent valuation principles and procedures under Annex-3 to the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks, the explanations on the systems and controls used to ensure the prudence and reliability of the Bank’s valuation estimates:

The market prices in the valuation of the financial instruments recognised with the fair value are valued taking into account the indicative values announced by official institutions or data such as interest and volatility observed in the market. Bank does not carry out transactions in the markets without depth. As the discounted cash flow models are used in the valuation of over-the-counter derivative instruments in general, the valuation models that are suitable with the nature of the transactions and that are generally accepted are used for derivative transactions that include optionality.

Within the scope of the independent price determination process, the activities below are carried out for the purpose of ensuring the valuation methods and the accuracy of the data used:

- The entry of the prices of bills, bonds, stocks and the derivative products traded in organised markets and the data to be used for the valuation of the derivative products that are traded over-the-counter transactions are made independently of the executive units.
- The models to be used in the valuation of derivative products as well as the interest and volatility data are determined independently of the executive units.
- Second level controls are made periodically for market data and valuation results used in valuations.
- Valuation process validation is carried out for the models and data entries used in product valuations.
- Differences between counterparty valuations and bank valuations are regularly monitored.

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c. Credit risk

1. General information about credit risk

How the bank’s business model transformed into components in the credit risk profile

Credit risk within the body of the Bank is managed within the framework of Credit Risk Management Policy approved by Board of Directors. Risk, related to credit, are defined, duties of departments are determined and main principles of credit risk management are brought in aforementioned policy document. Departments assigned in credit management and their authorization/responsibilities are defined in aforementioned document.

Loan allocation is made within the limits determined on the basis of each debtor and the group of debtors. In the credit allocation process, a lot of financial and non-financial criteria are taken into consideration within the framework of the internal rating process of the Bank. Customer segments and sectors are included in these criterias. The sectoral distribution of loans are monitored closely. According to the bank’s credit policy, the rating of the companies are assessing together considering loan limits and collateralization process and the monitoring of the credit risk exposed is carried out.

In this regard, the loan portfolio of the Bank shows a diversified profile in terms of customer segments and sectors.

Criteria and approach used while determining credit risk policy and credit risk limits

In the monitoring of the credit risks, the risk limits defined to all counterparties are monitored based on product, customer and risk groups and the risk is not allowed to exceed the limits defined. When the loan limits are determined, the payment ability of the counterparty, the characteristics of the sector, the potential impacts of geographical and economic conditions etc. factors are taken into account. When deemed appropriate, the necessary risk mitigation techniques are utilized to minimize the Bank's possible losses. During the credit research, the documents which the relevant legislation requires are taken into consideration. For limits that are extended as multi-use, the creditworthiness of the counterparty is checked regularly and the limits are revised according to the changes in the creditworthiness of the counterparty. Credit allocation authorities are determined pursuant to the customer classes and are changed where deemed necessary.

Structure and organization of credit risk management and control function

Credit allocation and management are carried out within the scope of the segregation of duties by different units; therefore it is ensured that the loan is evaluated objectively throughout its lifespan. In order for the accurate and objective measurement of the customer credit risk in the allocation and monitoring groups, risk models are being used. The Early Warning Systems defined in the system are used to monitor the risks of credit customers and the signals received from these systems are continuously monitored by the monitoring groups; in the event pre-determined triggers are determined, pre-determined action plans are put into practice along with the allocation groups.

Relation between credit risk management, risk control, legal compliance and internal audit functions

Before the newly developed credit risk models are implemented, they are subjected to a validation process and are used in the risk management processes after the approval of the Bank’s Model Risk Management and Validation Committee. The validation process of the applicable credit risk models are repeated at least once a year and the results are presented to Model Risk Management and Validation Committee.

Credit Risk Control, in order to ensure the compliance of the Bank’s credit risk processes to Basel regulations, operates the functioning of internal rating systems, the development of credit ratings, the documentation on the changes in credit ratings, and the analysis of compliance with internal restrictions and regularly submits the results to the Rating Committee, Compliance of the Credit Risk Control activities to the internal bank regulations and guidelines is audited regularly by the bank’s internal audit units and the matters that must be improved are determined and monitored.

Scope and main content of reporting which shall be made to the senior management and the members of board of directors regarding credit risk management function and exposed credit risk

Risk appetite statement is approved and reviewed by the Bank’s Board of Directors once a year. With the risk appetite statement, the Bank combines its current risk management instruments, processes, principles and policies with a consistent approach and ensures that risk taking activities are managed within the limits agreed. Therefore, the consistency of the risk applications throughout the Bank is improved.

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2. Credit quality of assets

Current Period	a	b	c	d
	Gross carrying values of (according to TAS)			
	Defaulted	Non-defaulted	Specific provisions	Net values (a+b-c)
1 Loans	21.224.916	479.233.410	34.900.468	465.557.858
2 Borrowing instruments	--	138.657.305	6.657	138.650.648
3 Off-balance sheet receivables (*)	3.683.586	518.740.153	4.363.601	518.060.138
4 Total	24.908.502	1.136.630.868	39.270.726	1.122.268.644

(*) It doesn't include revocable commitments and asset purchase - sales commitments.

Prior Period	a	b	c	D
	Gross carrying values of (according to TAS)			
	Defaulted	Non-defaulted	Specific provisions	Net values (a+b-c)
1 Loans	16.676.627	284.391.333	27.228.661	273.839.299
2 Borrowing instruments	--	88.184.390	2.192	88.182.198
3 Off-balance sheet receivables (*)	2.115.151	213.545.260	3.005.296	212.655.115
4 Total	18.791.778	586.120.983	30.236.149	574.676.612

(*) It doesn't include revocable commitments and asset purchase - sales commitments.

3. Changes in stock of impaired loans and debt securities

	Current Period	Prior Period
	a (*)	a (*)
1 Impaired loans and debt securities at end of the previous reporting period	16.676.627	15.217.506
2 Loans and debt securities that have impaired since the last reporting period	14.201.631	11.116.791
3 Receivables that returned to non-impaired status	140.883	251.234
4 Amounts written off (**)	2.386.138	3.954.507
5 Other changes	(7.126.321)	(5.451.929)
6 Impaired loans and debt securities at end of the reporting period (1 + 2 - 3 - 4 ± 5)	21.224.916	16.676.627

(*) It doesn't include off-balance sheet receivables.

(**) It indicates sales made from non-performing loans portfolio and written off transactions.

4. Additional explanations related to the credit quality of assets

(i) Scope and definitions of “overdue” receivables and “provisioned” receivables used for accounting purpose

The Bank considers loans that have overdue principal and interest payments and they are classified as second group according to the “Communiqué on “Determining the Quality of Loans and Other Receivables by Banks and Procedures and Principles of Provisions to be made” as “past due loans.” Loans that have overdue principal and interest payments for more than 90 days or the debtor of which are deemed unworthy by the Bank are considered as “impaired loans.”

(ii) The part of overdue receivables (over 90 days) which are not considered as "provisioned" and the reasons for the implementation

Loans that have overdue principal and interest payments for more than 90 days are transferred to “Nonperforming loans” accounts and the Bank calculates “specific provisions” for such loans in compliance with the “Communiqué on “Determining the Quality of Loans and Other Receivables by Banks and Procedures and Principles of Provisions to be made”.

(iii) Definitions of the methods used while determining amount of provision

The methods used in the calculation of the provision amount are presented in Section Three, note VIII.

(iv) Definitions of restructured receivables

The Bank is able to restructure both first and second group loans and other receivables, as well as non-performing loans and receivables The restructuring in first and second group loans and other receivables include the restructuring to facilitate the repayment for the customer and the changes in the agreement conditions made with the request of the customer, independent of the credit risk of the customer. The restructuring made in non-performing loans and receivables refer to linking the loan to a new payment plan to provide the collection of the receivable.

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(v) Breakdown of receivables by geographical area

Current Period	Loans		Borrowing instruments		Off-Balance sheet receivables		Specific provisions	Write-Off (*)
	Defaulted	Non-defaulted	Defaulted	Non-defaulted	Defaulted	Non-defaulted		
1 Domestic	20.663.392	463.991.104	--	112.265.789	3.641.402	501.077.950	13.967.230	2.386.138
2 EU Countries	43.682	6.540.566	--	26.391.516	--	3.164.852	41.896	--
3 OECD Countries	9	1.262	--	--	--	10.992.150	6	--
4 Off Shore Zones	--	3.244.121	--	--	--	1.006.682	--	--
5 USA, Canada	151	217.204	--	--	--	9.339	150	--
6 Other Countries	517.682	5.239.153	--	--	42.184	2.489.180	368.849	--
7 Total	21.224.916	479.233.410	--	138.657.305	3.683.586	518.740.153	14.378.131	2.386.138

(*) It includes sales made from non-performing loans portfolio and amounts of write-off.

Prior Period	Loans		Borrowing instruments		Off-Balance sheet receivables		Specific provisions	Write-Off (*)
	Defaulted	Non-defaulted	Defaulted	Non-defaulted	Defaulted	Non-defaulted		
1 Domestic	16.098.619	277.517.673	--	88.184.390	2.088.167	207.481.726	12.873.699	3.954.507
2 EU Countries	39.905	1.618.633	--	--	--	1.829.112	39.564	--
3 OECD Countries	--	1.084	--	--	--	1.293.556	--	--
4 Off Shore Zones	537.600	2.265.762	--	--	519	600.816	411.570	--
5 USA, Canada	146	189.520	--	--	--	261.062	131	--
6 Other Countries	357	2.798.661	--	--	26.465	2.078.988	340	--
7 Total	16.676.627	284.391.333	--	88.184.390	2.115.151	213.545.260	13.325.304	3.954.507

(*) It includes sales made from non-performing loans portfolio and amounts of write-off.

(vi) Breakdown of receivables by sectors

Current Period	Loans		Borrowing Instruments		Off-Balance sheet receivables		Specific provisions	Write-Off (*)
	Defaulted	Non-defaulted	Defaulted	Non-defaulted	Defaulted	Non-defaulted		
Agricultural	944.337	37.015.134	--	--	4.637	14.427.599	733.911	11.211
Farming and Cattle	926.312	36.498.408	--	--	4.397	14.310.522	718.003	10.996
Forestry	17.790	6.129	--	--	--	48.316	15.692	19
Fishing	235	510.597	--	--	240	68.761	216	196
Manufacturing	7.526.177	75.098.572	--	--	326.084	64.886.599	4.876.589	142.610
Mining	2.172.040	3.041.214	--	--	97.314	2.429.200	1.006.090	75.373
Production	966.305	59.090.590	--	--	212.689	53.626.732	790.183	67.237
Electric, Gas, Water	4.387.832	12.966.768	--	--	16.081	8.830.667	3.080.316	--
Construction	1.216.041	23.040.452	--	--	2.547.999	33.241.134	948.804	266.082
Services	6.133.474	133.246.064	--	939	617.988	84.815.368	4.709.385	77.953
Wholesale and Retail Trade	2.664.992	41.795.750	--	--	102.340	64.349.448	2.331.065	32.215
Hotel and Restaurant Services	1.532.819	43.620.877	--	--	484.763	3.647.051	930.074	671
Transportation and telecommunication	1.477.390	28.010.635	--	--	26.993	10.358.941	1.136.480	25.106
Financial institution	32.865	13.367.381	--	939	131	4.424.122	20.706	--
Real estate and letting services	130.643	329.725	--	--	281	441.356	54.269	232
Self-employment services	92.718	--	--	--	--	--	76.275	--
Education services	59.888	1.794.962	--	--	2.192	497.578	53.773	161
Health and social services	142.159	4.326.734	--	--	1.288	1.096.872	106.743	19.568
Other	5.404.887	210.833.188	--	138.656.366	186.878	321.369.453	3.109.442	1.888.282
Total	21.224.916	479.233.410	--	138.657.305	3.683.586	518.740.153	14.378.131	2.386.138

(*) It includes sales made from non-performing loans portfolio and amounts of write-off.

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Prior Period	Loans		Borrowing instruments		Off-Balance sheet receivables		Specific provisions	Write-Off (*)
	Defaulted	Non-defaulted	Defaulted	Non-defaulted	Defaulted	Non-defaulted		
Agricultural	950.436	25.693.692	--	--	2.664	8.351.923	739.943	184.928
Farming and Cattle	949.600	25.604.934	--	--	2.563	8.221.873	739.322	184.289
Forestry	518	10.261	--	--	--	15.313	366	17
Fishing	318	78.497	--	--	101	114.737	255	622
Manufacturing	5.455.710	40.898.417	--	--	156.379	38.964.432	4.260.547	46.647
Mining	128.574	2.830.358	--	--	1.772	1.196.621	125.447	18.703
Production	1.574.279	28.585.480	--	--	139.766	33.568.579	1.352.446	27.933
Electric, Gas, Water	3.752.857	9.482.579	--	--	14.841	4.199.232	2.782.654	11
Construction	1.191.143	21.278.170	--	--	1.501.296	18.883.327	1.045.876	36.284
Services	6.142.698	75.489.164	--	--	379.197	42.758.735	5.228.308	1.292.652
Wholesale and Retail Trade	1.976.261	26.135.258	--	--	54.846	29.731.853	1.730.725	265.469
Hotel and Restaurant Services	1.541.999	23.943.801	--	--	314.430	2.036.252	1.282.368	4.985
Transportation and telecommunication	546.729	10.290.336	--	--	6.069	7.162.671	506.248	1.013.517
Financial institution	3.298	10.628.073	--	--	175	2.291.657	2.738	1.701
Real estate and letting services	1.321.223	548.778	--	--	237	375.351	1.101.578	4.367
Self-employment services	127.490	--	--	--	--	--	116.823	--
Education services	102.927	1.339.712	--	--	1.895	267.163	82.971	1.381
Health and social services	522.771	2.603.206	--	--	1.545	893.788	404.857	1.232
Other	2.936.640	121.031.890	--	88.184.390	75.615	104.586.843	2.050.630	2.394.016
Total	16.676.627	284.391.333	--	88.184.390	2.115.151	213.545.260	13.325.304	3.954.507

(*) It includes sales made from non-performing loans portfolio and amounts of write-off.

(vii) Breakdown of receivables by remaining maturity

Current Period	Undistributed	1 month	1-3 months	3-6 months	6-12 months	Over 1 year	Total
Non-defaulted receivables	--	501.778.693	54.535.358	71.202.124	152.117.384	356.997.309	1.136.630.868
1 Loans	--	124.451.059	36.524.098	47.106.367	101.169.023	169.982.863	479.233.410
2 Borrowings instruments	--	10.048.797	1.954.332	6.166.509	8.222.818	112.264.849	138.657.305
3 Off-balance sheet receivables	--	367.278.837	16.056.928	17.929.248	42.725.543	74.749.597	518.740.153
Defaulted receivables	24.908.502	--	--	--	--	--	24.908.502
1 Loans	21.224.916	--	--	--	--	--	21.224.916
2 Borrowings instruments	--	--	--	--	--	--	--
3 Off-balance sheet receivables	3.683.586	--	--	--	--	--	3.683.586
Specific Provision	14.378.131	--	--	--	--	--	14.378.131
Total	10.530.371	501.778.693	54.535.358	71.202.124	152.117.384	356.997.309	1.147.161.239

Prior Period	Undistributed	1 month	1-3 months	3-6 months	6-12 months	Over 1 year	Total
Non-defaulted receivables	--	181.614.286	32.681.707	39.595.606	77.262.417	254.966.967	586.120.983
1 Loans	--	57.123.891	21.390.610	27.938.679	54.875.922	123.062.231	284.391.333
2 Borrowings instruments	--	--	--	--	--	88.184.390	88.184.390
3 Off-balance sheet receivables	--	124.490.395	11.291.097	11.656.927	22.386.495	43.720.346	213.545.260
Defaulted receivables	18.791.778	--	--	--	--	--	18.791.778
1 Loans	16.676.627	--	--	--	--	--	16.676.627
2 Borrowings instruments	--	--	--	--	--	--	--
3 Off-balance sheet receivables	2.115.151	--	--	--	--	--	2.115.151
Specific Provision	13.325.304	--	--	--	--	--	13.325.304
Total	5.466.474	181.614.286	32.681.707	39.595.606	77.262.417	254.966.967	591.587.457

(viii) Ageing analysis of overdue receivables

Current Period	1-30 days	31-60 days	61-90 days	Over 90 days	Total
Loans	14.349.773	4.278.943	8.152.198	323.924	27.104.838
Borrowing instruments	--	--	--	--	--
Off-balance sheet receivables	--	--	--	--	--

Prior Period	1-30 days	31-60 days	61-90 days	Over 90 days	Total
Loans	7.823.004	1.957.167	1.143.338	3.350.853	14.274.362
Borrowing instruments	--	--	--	--	--
Off-balance sheet receivables	--	--	--	--	--

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(ix) Breakdown of restructured receivables according to their provisioning status

	Current Period	Prior Period
Restructured from loans under close monitoring	22.408.527	20.393.427
Restructured from non-performing loans	9.497.090	8.083.820

5. Credit risk mitigation techniques

Financial collaterals are valued with their up to date values as of the reporting date and involved in the credit risk mitigation process. While allocating the collateral amount to the credit extended, taking into consideration the possible losses of value that may occur in the collateral value with a prudent approach, risk mitigation effects are calculated based on collateral values and credit risk mitigation is made according to comprehensive financial collateral method. Legal validity of the real estate mortgages are ensured with the timely and duly registration of the pledge; and the changes in the market conditions that possess importance are monitored.

In the exchange rate conversion of foreign currency financial collaterals, the Central Bank's foreign exchange buying rates for 30.12.2022, which were stated in the BRSA's letter dated 31.01.2023, were taken into account in parallel with the CRET calculation.

Bank makes the credit risk mitigation according to the comprehensive financial collateral method pursuant to the “Communiqué on the Credit Risk Mitigation Techniques”. The currency rate nonconformities between the receivable and the collateral is taken into account based on the standard deduction rates specified in the annex of the communiqué, while the maturity nonconformity between the receivable and the collateral are taken into account based on the method specified under Article 40. In the credit risk mitigation, cash, financial debt securities, real estate mortgages and Credit Guarantee Fund sureties with Treasury support are used.

Credit policies establish an operational link between the Bank’s activities and risk capacity and includes the main areas of activity in line with the target portfolio structure, risk targets for expected and unexpected losses in line with risk capacity, and limits on risk concentration. It must be ensured that limits are in compliance with the restrictions determined by the relevant legislation and regulatory and supervisory authorities. In the management of the concentration risk, the Bank uses a holistic approach in which all risk concentrations are determined, monitored and evaluated. Therefore, the concentrations in the market, sector, country and the area of activity must be taken into account as well as the loans extended to persons and companies. The Bank shows utmost care so that credit and market risk do not concentrate in a specific counterparty or risk category in accordance with its policies and internal procedures.

6. Credit risk mitigation techniques - overview

	a	b	c	d	e	f	g
Current Period	Exposures unsecured: revaluation amount according to TAS	Exposures secured by collateral	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	Financial guarantees, of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which secured amount
1 Loans	372.267.828	91.242.219	65.515.647	2.047.811	1.754.955	--	--
2 Borrowing instruments	138.650.648	--	--	--	--	--	--
3 Total	510.918.476	91.242.219	65.515.647	2.047.811	1.754.955	--	--
4 Of which defaulted (*)	17.180.928	7.115.193	2.818.951	612.381	79.214	--	--

(*) It includes default figure belonging to amount before provision and off-balance sheet receivables.

	a	b	c	d	e	f	g
Prior Period	Exposures unsecured: revaluation amount according to TAS	Exposures secured by collateral	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	Financial guarantees, of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which secured amount
1 Loans	215.548.520	54.953.958	36.544.468	3.336.821	2.962.498	--	--
2 Borrowing instruments	88.182.198	--	--	--	--	--	--
3 Total	303.730.718	54.953.958	36.544.468	3.336.821	2.962.498	--	--
4 Of which defaulted (*)	13.871.192	3.770.105	1.854.343	1.150.481	128.348	--	--

(*) It includes default figure belonging to amount before provision and off-balance sheet receivables.

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7. Explanations on rating notes used while calculating credit risk with standard approach

In determination of the risk weights to be applied in the capital adequacy calculation, the ratings given by Fitch rating agency are used. The scope in which the rating notes are taken into consideration is the receivables from central governments or central banks, and in order to be valid for those resident abroad, the receivables from banks and intermediary institutions and corporate receivables. In the event there is no rating regarding the receivable while determining the risk weight, the rating of the issuer must be taken into consideration.

The matching of risk ratings with risk weights according to credit quality level and risk classes are shown in Section Four, note II-n.

8. Standardised approach - Credit risk exposed and credit risk mitigation (CRM) methods

	a	b	c	d	e	f
Current Period	Exposures before credit conversion factor and CRM	Exposures post-credit conversion factor and CRM	Exposures before credit conversion factor and CRM	Exposures post-credit conversion factor and CRM	RWA and RWA density	
Risk classifications	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1 Exposures to central governments or central banks	278.233.611	4.312.208	279.986.390	4.499.841	--	0,00%
2 Exposures to regional governments or local authorities	2.997.581	1.137.836	2.943.370	563.219	4.007.802	114,29%
3 Exposures to public sector entities	6.145.524	2.424.840	6.145.524	1.189.337	7.334.860	100,00%
4 Exposures to multilateral development banks	--	--	--	--	--	0,00%
5 Exposures to international organisations	--	--	--	--	--	0,00%
6 Exposures to institutions	68.853.111	7.836.138	68.853.111	6.994.701	11.207.693	14,78%
7 Exposures to corporates	141.756.186	109.163.404	124.246.635	58.350.328	199.066.477	109,02%
8 Retail exposures	212.413.513	362.783.188	205.670.177	12.899.490	246.530.230	112,79%
9 Exposures secured by residential property	9.805.390	2.996.060	9.545.623	1.501.728	4.276.087	38,71%
10 Exposures secured by commercial real estate	32.416.182	6.710.780	32.416.182	4.182.081	21.324.649	58,27%
11 Past-due loans	5.892.710	267.237	5.084.574	104.132	4.114.044	79,29%
12 Higher-risk categories by the Agency Board	--	--	--	--	--	0,00%
13 Exposures in the form of covered bonds	--	--	--	--	--	0,00%
14 Exposures to institutions and corporates with a short-term credit assessment	--	--	--	--	--	0,00%
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	28.136	299	28.136	292	28.428	100,00%
16 Other assets	43.586.025	--	43.586.025	--	37.035.065	84,97%
17 Investments in equities	69.203.740	--	69.203.740	--	69.203.740	100,00%
18 Total	871.331.708	497.631.990	847.709.487	90.285.149	604.129.075	64,41%

	a	b	c	d	e	f
Prior Period	Exposures before credit conversion factor and CRM	Exposures post-credit conversion factor and CRM	Exposures before credit conversion factor and CRM	Exposures post-credit conversion factor and CRM	RWA and RWA density	
Risk classifications	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1 Exposures to central governments or central banks	143.387.817	2.915.335	146.349.544	3.340.747	--	0,00%
2 Exposures to regional governments or local authorities	2.785.371	470.658	2.781.278	233.567	2.130.749	70,68%
3 Exposures to public sector entities	--	--	--	--	--	0,00%
4 Exposures to multilateral development banks	--	--	--	--	--	0,00%
5 Exposures to international organisations	--	--	--	--	--	0,00%
6 Exposures to institutions	12.503.116	8.131.268	12.503.116	7.502.600	5.848.262	29,23%
7 Exposures to corporates	98.168.015	69.738.103	90.738.103	39.924.151	140.836.498	107,79%
8 Retail exposures	129.006.003	121.629.338	126.249.662	6.554.159	129.904.994	97,82%
9 Exposures secured by residential property	6.001.783	1.495.701	5.860.666	790.433	2.570.388	38,65%
10 Exposures secured by commercial real estate	23.361.560	3.765.293	23.361.560	2.602.360	14.826.810	57,11%
11 Past-due loans	2.654.436	77.012	2.521.361	20.893	1.660.020	65,30%
12 Higher-risk categories by the Agency Board	--	--	--	--	--	0,00%
13 Exposures in the form of covered bonds	--	--	--	--	--	0,00%
14 Exposures to institutions and corporates with a short-term credit assessment	--	--	--	--	--	0,00%
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	9	14.883	9	13.882	13.891	100,00%
16 Other assets	25.052.364	--	25.052.364	--	20.144.084	80,41%
17 Investments in equities	37.707.233	--	37.707.233	--	37.707.233	100,00%
18 Total	480.627.707	208.263.896	473.124.896	60.982.792	355.642.929	66,59%

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9. Standardised Approach - Exposures by risk classes and risk weights

Current Period	a	b	c	k	d	l	e	f	g	h	i	j
Risk Classifications/Risk Weight	0%	10%	20%	35% Secured with property mortgage	50% Secured with property mortgage	50%	75%	100%	150%	200%	Others	Total risk exposure (after CCF and CRM)
1 Exposures to central governments or central banks	284.486.231	--	--	--	--	--	--	--	--	--	--	284.486.231
2 Exposures to regional governments or local authorities	--	--	8.228	--	--	1.993.710	--	--	--	1.504.651	--	3.506.589
3 Exposures to public sector entities	--	--	--	--	--	--	--	7.334.861	--	--	--	7.334.861
4 Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	--	--	--
5 Exposures to international organisations	--	--	--	--	--	--	--	--	--	--	--	--
6 Exposures to institutions	--	--	41.258.888	--	--	4.508.039	--	102.323	--	--	29.978.562	75.847.812
7 Exposures to corporates	--	--	--	--	--	--	--	168.206.934	163.180	13.506.490	720.359	182.596.963
8 Retail exposures	--	--	--	--	--	98.196.122	15.501.027	104.851.565	--	--	20.953	218.569.667
9 Exposures secured by residential property	--	--	--	10.790.921	--	--	--	--	30.520	225.355	555	11.047.351
10 Exposures secured by commercial real estate	--	--	--	--	32.730.035	--	--	2.726.837	101.537	1.039.594	260	36.598.263
11 Past-due loans	--	--	--	--	--	2.254.747	--	2.828.536	105.423	--	--	5.188.706
12 Higher-risk categories by the Agency Board	--	--	--	--	--	--	--	--	--	--	--	--
13 Exposures in the form of covered bonds	--	--	--	--	--	--	--	--	--	--	--	--
14 Exposures to institutions and corporates with a short-term credit assessment	--	--	--	--	--	--	--	--	--	--	--	--
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	--	--	--	--	--	--	--	28.428	--	--	--	28.428
16 Investments in equities	--	--	--	--	--	--	--	69.203.740	--	--	--	69.203.740
17 Other assets	5.958.152	--	740.717	--	--	--	944	36.886.212	--	--	--	43.586.025
18 Total	290.444.383	--	42.007.833	10.790.921	32.730.035	8.756.496	98.197.066	302.818.898	105.252.225	16.278.090	30.720.689	937.994.636

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Prior Period	a	b	c	k	d	l	e	f	g	h	i	j
Risk Classifications/Risk Weight	0%	10%	20%	35% Secured with property mortgage	50% Secured with property mortgage	50%	75%	100%	150%	200%	Others	Total risk exposure (after CCF and CRM)
1 Exposures to central governments or central banks	149.690.291	--	--	--	--	--	--	--	--	--	--	149.690.291
2 Exposures to regional governments or local authorities	--	--	2.089	--	--	2.596.788	--	--	--	415.968	--	3.014.845
3 Exposures to public sector entities	--	--	--	--	--	--	--	--	--	--	--	--
4 Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	--	--	--
5 Exposures to international organisations	--	--	--	--	--	--	--	--	--	--	--	--
6 Exposures to institutions	--	--	13.712.760	--	--	5.696.997	--	250.299	--	--	345.660	20.005.716
7 Exposures to corporates	--	--	--	--	--	--	--	120.917.854	45.320	9.548.246	150.834	130.662.254
8 Retail exposures	--	--	--	--	--	--	80.645.039	18.114.402	33.975.739	--	68.641	132.803.821
9 Exposures secured by residential property	--	--	--	6.529.569	--	--	--	--	--	107.537	13.993	6.651.099
10 Exposures secured by commercial real estate	--	--	--	--	23.111.463	--	--	2.458.039	--	386.350	8.068	25.963.920
11 Past-due loans	--	--	--	--	--	1.801.811	--	703.099	37.344	--	--	2.542.254
12 Higher-risk categories by the Agency Board	--	--	--	--	--	--	--	--	--	--	--	--
13 Exposures in the form of covered bonds	--	--	--	--	--	--	--	--	--	--	--	--
14 Exposures to institutions and corporates with a short-term credit assessment	--	--	--	--	--	--	--	--	--	--	--	--
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	--	--	--	--	--	--	--	13.891	--	--	--	13.891
16 Investments in equities	--	--	--	--	--	--	--	37.707.233	--	--	--	37.707.233
17 Other assets	4.383.606	--	655.686	--	--	--	579	20.012.493	--	--	--	25.052.364
18 Total	154.073.897	--	14.370.535	6.529.569	23.111.463	10.095.596	80.645.618	200.177.310	34.058.403	10.458.101	587.196	534.107.688

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d. Counterparty credit risk

1. Explanations related to counterparty credit risk (CCR)

Policies regarding counterparty risk management are determined by the Board of Directors in accordance with the Turkish Banking Legislation, regulations of the Banking Regulation and Supervision Authority and the Board of Directors in a way to comply with international standards.

Counterparty credit risk includes derivative financial products and repo transactions. Counterparties have been separated to segments as; financial institutions, corporate-commercial customers, SME-Micro-Golden-Agriculture customers and individual customers. For the determination of the products and services to be presented to the customers, a “Compliance Test” is applied according to the product information, financial status and the transaction frequency of the customer. For customers that are classified as professional, there is no need to make a Compliance Test.

Before the transactions to be made with counterparties, the creditworthiness of the counterparty is analysed and are re-evaluated with regular intervals. Limits are determined separately for counterparties as separate and as a group for those under the same risk group. Limits are approved in the relevant credit committees according to the segments of the counterparties. Revision of the limits are made at least once a year. Where necessary, the approved limits are suspended with the approval of the Credit Committee/Credit Allocation Department.

In transactions made with financial institutions, the risk mitigation methods under international agreements such as ISDA, CSA, GMRA and EMA signed with the counterparty are used. For other counterparties, collateral adequacy ratios are monitored daily within the scope of the Bank’s existing credit policies and procedures and the risk mitigation is carried out through additional collateral and margin completion where necessary. The margins to be used in the collateral agreements are reviewed regularly. Margins are determined according to the volatility and liquidity of the collateral received. The risks of the transactions that are subjected to bilateral settlement agreements and that are settles are tracked together. In the event of a decrease in the credit rating note of the bank, the bank’s obligation to provide additional collateral must be tracked.

2. Analysis of counterparty credit risk exposed by measurement approaches

		a	b	c	d	e	f
Current Period		Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory exposure at default	Exposure at default post CRM	RWA
1	Standardised Approach (for derivatives) (*)	5.258.110	1.880.594		1,0	9.994.185	3.134.412
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)			--	--	--	--
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					--	--
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					25.078.606	5.015.721
5	VaR for for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					--	--
6	Total						8.150.133

(*) Counterparty credit risk for derivatives is calculated by the fair value method.

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		a	b	c	d	e	f
Prior Period		Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory exposure at default	Exposure at default post CRM	RWA
1	Standardised Approach (for derivatives) (*)	4.221.758	1.452.391		1,4	7.943.809	4.487.639
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)			--	--	--	--
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					--	--
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					5.253.420	1.104.310
5	VaR for for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					--	--
6	Total						5.591.949

(*) Counterparty credit risk for derivatives is calculated by the fair value method.

3. Capital requirement for credit valuation adjustment (CVA)

		a	b
Current Period		Exposure at default post-CRM	RWA
Total portfolios subject to the Advanced CVA capital charge			
1	Value at Risk (VaR) component (including the 3×multiplier)	--	--
2	Stressed VaR component (including the 3×multiplier)	--	--
3	All portfolios subject to the Standardised CVA capital charge	9.994.185	1.500.795
4	Total subject to the CVA capital charge	9.994.185	1.500.795

		a	b
Prior Period		Exposure at default post-CRM	RWA
Total portfolios subject to the Advanced CVA capital charge			
1	Value at Risk (VaR) component (including the 3×multiplier)	--	--
2	Stressed VaR component (including the 3×multiplier)	--	--
3	All portfolios subject to the Standardised CVA capital charge	7.943.809	1.839.041
4	Total subject to the CVA capital charge	7.943.809	1.839.041

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4. Standard approach - Counterparty credit risk by risk classes and risk weights

Current Period	a	b	c	d	e	f	g	h	i
									Total credit exposure (*)
Risk Weights / Risk Classifications	0%	10%	20%	50%	75%	100%	150%	Other	
Claims from central governments and central banks	4.312.133	--	--	--	--	--	--	--	--
Claims from regional and local governments	--	--	--	--	--	--	--	--	--
Claims from administration and non commercial entity	--	--	--	--	--	--	--	--	--
Claims from multilateral development banks	--	--	--	--	--	--	--	--	--
Claims from international organizations	--	--	--	--	--	--	--	--	--
Claims from institutions	--	--	26.614.006	2.718.252	--	46.864	--	1.291	6.728.817
Corporates	--	--	--	--	--	1.298.665	--	14.446	1.370.895
Retail portfolios	--	--	--	--	66.839	--	--	--	50.129
Claims on landed real estate	--	--	--	--	--	--	--	--	--
Past due loans	--	--	--	--	--	--	--	--	--
Claims which are determined as high risk by the board of BRSA	--	--	--	--	--	--	--	--	--
Mortgage securities	--	--	--	--	--	--	--	--	--
Securitization positions	--	--	--	--	--	--	--	--	--
Claims from corporates, banks and financial intermediaries which have short term credit rating	--	--	--	--	--	--	--	--	--
Investments which are qualified as collective investment institutions	--	--	--	--	--	292	--	--	292
Stock investment	--	--	--	--	--	--	--	--	--
Other claims	--	--	--	--	--	--	--	--	--
Other assets (**)	--	--	--	--	--	--	--	--	--
Total	4.312.133	--	26.614.006	2.718.252	66.839	1.345.821	--	15.737	8.150.133

(*) Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.

(**)Other assets: the amount excludes exposures to "Central counterparty" which are reported in Counterparty credit risk.

Prior Period	a	b	c	d	e	f	g	h	i
									Total credit exposure (*)
Risk Weights / Risk Classifications	0%	10%	20%	50%	75%	100%	150%	Other	
Claims from central governments and central banks	651.977	--	--	--	--	--	--	--	--
Claims from regional and local governments	--	--	--	--	--	--	--	--	--
Claims from administration and non commercial entity	--	--	--	--	--	--	--	--	--
Claims from multilateral development banks	--	--	--	--	--	--	--	--	--
Claims from international organizations	--	--	--	--	--	--	--	--	--
Claims from institutions	--	--	6.089.468	4.050.324	--	135.022	--	16.144	3.378.400
Corporates	--	--	--	--	--	2.077.423	--	--	2.077.423
Retail portfolios	--	--	--	--	162.992	--	--	--	122.244
Claims on landed real estate	--	--	--	--	--	--	--	--	--
Past due loans	--	--	--	--	--	--	--	--	--
Claims which are determined as high risk by the board of BRSA	--	--	--	--	--	--	--	--	--
Mortgage securities	--	--	--	--	--	--	--	--	--
Securitization positions	--	--	--	--	--	--	--	--	--
Claims from corporates, banks and financial intermediaries which have short term credit rating	--	--	--	--	--	--	--	--	--
Investments which are qualified as collective investment institutions	--	--	--	--	--	13.882	--	--	13.882
Stock investment	--	--	--	--	--	--	--	--	--
Other claims	--	--	--	--	--	--	--	--	--
Other assets (**)	--	--	--	--	--	--	--	--	--
Total	651.977	--	6.089.468	4.050.324	162.992	2.226.327	--	16.144	5.591.949

(*)Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.

(**)Other assets: the amount excludes exposures to "Central counterparty" which are reported in Counterparty credit risk.

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5. Collaterals used for counterparty credit risk

	a	b	c	d	e	f
Current Period	Guarantees of Derivative Received Guarantees	Financial Instrument Given Guarantees	Guarantees of Other Transactions Received Guarantees	Guarantees of Other Transactions Given Guarantees		
	Appropriated	Unappropriated	Appropriated	Unappropriated		
Cash-Domestic Currency	2.287.566	--	--	--	100.477	22.797.441
Cash-Foreign Currency	3.381.434	--	--	--	52.589.300	--
Government Bond-Domestic	--	--	--	--	22.781.462	100.002
Government Bond-Other	--	--	--	--	--	77.357.484
Public Bond	--	--	--	--	--	--
Corporate Bond	--	--	--	--	--	--
Stock	--	--	--	--	--	--
Other Guarantee	--	--	--	--	--	--
Total	5.669.000	--	--	--	75.471.239	100.254.927

	a	b	c	d	e	f
Prior Period	Guarantees of Derivative Received Guarantees	Financial Instrument Given Guarantees	Guarantees of Other Transactions Received Guarantees	Guarantees of Other Transactions Given Guarantees		
	Appropriated	Unappropriated	Appropriated	Unappropriated		
Cash-Domestic Currency	814.227	--	--	--	768.429	--
Cash-Foreign Currency	4.261.134	--	--	--	--	--
Government Bond-Domestic	--	--	--	--	--	1.143.882
Government Bond-Other	--	--	--	--	--	--
Public Bond	--	--	--	--	--	--
Corporate Bond	--	--	--	--	--	--
Stock	--	--	--	--	--	--
Other Guarantee	--	--	--	--	--	--
Total	5.075.361	--	--	--	768.429	1.143.882

6. Credit derivatives

None.

7. Exposures to central counterparty (CCP)

	a	b
Current Period	Risk Amounts after CRM	RWA
1 Total risks arising from qualified transactions where one of the parties is CCP		
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	--	--
3 (i) OTC Derivatives	1.291	26
4 (ii) Exchange-traded Derivatives	--	--
5 (iii) Securities financing transactions	--	--
6 (iv) Netting sets where cross-product netting has been approved	--	--
7 Restricted initial margin	--	--
8 Unrestricted initial margin	--	--
9 The amount put into the guarantee fund	48.036	116
10 The amount committed to be put into the guarantee fund	--	--
11 Total risks arising from non-qualified transactions where one of the parties is CCP		
12 Regarding the risks arising from the transactions in the CCP (excluding the initial margin and the amount placed in the guarantee fund)	--	--
13 (i) OTC Derivatives	--	--
14 (ii) Exchange-traded Derivatives	--	--
15 (iii) Securities financing transactions	--	--
16 (iv) Netting sets where cross-product netting has been approved	--	--
17 Restricted initial margin	--	--
18 Unrestricted initial margin	--	--
19 The amount put into the guarantee fund	--	--
20 The amount committed to be put into the guarantee fund	--	--

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e. Securitization

1. Explanations on securitization positions

None.

2. Securitization positions in banking accounts

None.

3. Securitization positions in trading accounts

None.

4. Securitization positions in banking positions and capital requirements related to those - in which the Bank is the founder or the sponsor

None.

5. Securitization positions in banking positions and capital requirements related to those- in which the Bank is the investor

None.

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f. Market Risk

1. Explanations on market risk

Market risk refers to the risk arising from positions arising from trading transactions executed in financial markets and market movements that affect the value of these positions. Within the framework of financial risk management, in order to protect from market risk, market risk management activities were determined within the scope of “Regulation on Banks' Internal Systems and Internal Capital Adequacy Assessment Process” and “Regulation on Measurement and Evaluation of Capital Adequacy of the Bank”.

Risk policies and risk limits regarding the management of market risk have been approved by the Board of Directors. Strategies for trading activities in financial markets are created and implemented within this framework.

In the management of market risk, the principle of triple defense line is applied. While there is a first level responsibility for the management of the market risk regarding the position carried by the relevant Treasury units, the monitoring and control activities at the second level are carried out independently by the Risk Management and at the third level by the Inspection Board.

In order to measure and monitor market risk, risk measurement is done daily using the internal model. In this context, in addition to the value at risk calculations made using the parametric method, various risk indicators such as interest sensitivity and option sensitivities are followed, and risk calculations are supported by scenario analysis. Market risk measurement results and all monitored risk indicators are shared daily with relevant units and senior managers.

A limit structure consisting of various risk indicators has been established in order to control market risk. These limits include the risk limits set for the monitored risk indicators, as well as various position limits and stop loss limits. The upper level limits are determined by the Board of Directors within the scope of Risk Appetite Statement. In addition, there are various limits set by the lower level Asset-Liability Committee. The risk indicators and limit uses are reported to the Audit Committee and the Asset-Liability Committee by the Risk Management unit.

In the calculation of capital adequacy, the measurement of market risk is made using the standard method. The standard method is a method whose calculation criteria are clearly determined by the BRSA and is calculated monthly. The calculation results are given in the table below. Positions subject to market risk measurements are determined by taking into account the definition of “Trading Accounts” in legal regulations.

2. Standardised approach

	Current Period RWA	Prior Period RWA
Outright products		
1 Interest rate risk (general and specific)	2.868.950	1.001.575
2 Equity risk (general and specific)	--	--
3 Foreign exchange risk	9.689.975	3.261.200
4 Commodity risk	7.419.225	3.734.888
Options		
5 Simplified approach	--	--
6 Delta-plus method	484.713	1.277.987
7 Scenario approach	--	--
8 Securitization	--	--
9 Total	20.462.863	9.275.650

3. Information on market risk calculated as of month-ends during the period

	Current Period: 31 December 2023		
	Average	Highest	Lowest
Interest Rate Risk	99.568	229.516	47.811
Stock Risk	--	--	--
Currency Risk	338.775	775.198	86.502
Commodity Risk	434.746	593.538	327.227
Settlement Risk	--	--	--
Option Risk	59.815	96.111	33.911
Counterparty Risk	--	--	--
Total Risk Exposure Value	11.661.301	20.462.863	7.863.600

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	Prior Period: 31 December 2022		
	Average	Highest	Lowest
Interest Rate Risk	71.479	161.976	37.193
Stock Risk	--	--	--
Currency Risk	350.105	660.742	134.558
Commodity Risk	240.850	304.594	174.246
Settlement Risk	--	--	--
Option Risk	41.868	120.717	3.013
Counterparty Risk	--	--	--
Total Risk Exposure Value	8.803.776	14.298.288	4.362.625

g. Operational risk

1. Explanations on operational risk calculation

Principal amount subject to operational risk is calculated through using year-end gross income of 2022, 2021 and 2020 of Bank belonging to last 3 years via "Basic Indicators Approach" dated in accordance with "Communique on Measurement and Evaluation of Bank's Capital Adequacy" published on Official Gazette dated 23 October 2015 numbered 29511.

2. Basic indicators approach

	31.12.2020	31.12.2021	31.12.2022	Total/Positive GI year number	Ratio(%)	Total
Gross Income	12.398.432	15.279.697	38.589.557	22.089.229	15	3.313.384
Amount Subject to Operational Risk						41.417.304

IX. Explanations related to presentation of financial assets and liabilities at their fair value

a. Fair value calculations of financial assets and liabilities

The fair value of investments held to maturity are determined based on market prices, or when they are not available, based on market prices quoted for other securities subject to similar terms of interest, maturity and other conditions.

The estimated fair value of demand deposits represents the amount to be paid upon request. The fair value of overnight deposits and the variable rate placements represent the book value. The estimated fair value of the fixed interest deposits is calculated by finding the discounted cash flows using market interest rates applied to similar loans and other debts.

The fair value of the loans are calculated by the discounted cash flows using current market interest rates.

Estimated fair value of banks, funds obtained from other financial institutions, securities issued and deposits is calculated by finding the discounted cash flows using current market interest rates.

The following table summarizes the carrying value and fair value of financial assets and liabilities. The carrying value represents the sum of the acquisition costs and interest accruals of financial assets and liabilities.

	Book Value Current Period	Fair Value Current Period
Financial Assets	710.271.126	693.949.665
Interbank Money Market Placements	52.126.807	52.126.807
Banks	19.027.728	18.350.308
Financial Assets at Fair Value Through Other Comprehensive Income	87.421.181	87.421.181
Financial Assets Measured at Amortised Cost	51.237.084	43.968.672
Loans	500.458.326	492.082.697
Financial Liabilities	840.700.194	835.871.459
Bank Deposits	7.919.556	7.881.962
Other Deposits	595.073.081	592.801.565
Interbank Money Market Borrowings	51.974.449	51.974.449
Funds Borrowed From Other Financial Institutions	142.406.586	141.443.217
Subordinated Loans	23.066.679	21.508.075
Securities Issued	20.259.843	20.262.191

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	Book Value Prior Period	Fair Value Prior Period
Financial Assets	397.738.901	394.344.390
Interbank Money Market Placements	--	--
Banks	8.485.601	8.482.812
Financial Assets at Fair Value Through Other Comprehensive Income	71.157.944	71.157.944
Financial Assets Measured at Amortised Cost	17.027.396	18.196.915
Loans	301.067.960	296.506.719
Financial Liabilities	430.898.069	426.640.870
Bank Deposits	21.664.423	21.597.927
Other Deposits	331.936.677	331.764.984
Interbank Money Market Borrowings	12.517.284	12.517.284
Funds Borrowed From Other Financial Institutions	47.977.459	46.481.824
Subordinated Loans	14.561.492	12.079.242
Securities Issued	2.240.734	2.199.609

b. Classification of fair value

IFRS 7 sets classification of valuation techniques according to the inputs used in valuation techniques based on fair value calculations which are whether observable or not.

Fair value levels of financial assets and liabilities that are carried at fair value in Bank's financial statements are given below:

Current Period	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss	5.302.375	--	--	5.302.375
Public Sector Debt Securities	2.428.103	--	--	2.428.103
Share Certificated	896.056	--	--	896.056
Trading Purpose Derivatives	1.978.216	--	--	1.978.216
Other Securities	--	8.044.143	--	8.044.143
Financial Assets at Fair Value Through Other Comprehensive Income	87.421.181	--	--	87.421.181
Public Sector Debt Securities	85.324.926	--	--	85.324.926
Other Securities	2.096.255	--	--	2.096.255
Loans at Fair Value Through Profit or Loss	--	--	--	--
Total Assets	92.723.556	8.044.143	--	100.767.699
Derivative Financial Liabilities Held for Trading	--	2.846.365	--	2.846.365
Total Liabilities	--	2.846.365	--	2.846.365

Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss	1.849.482	--	--	1.849.482
Public Sector Debt Securities	1.271.436	--	--	1.271.436
Share Certificated	454.025	--	--	454.025
Trading Purpose Derivatives	124.021	--	--	124.021
Other Securities	--	6.390.571	--	6.390.571
Financial Assets at Fair Value Through Other Comprehensive Income	71.157.944	--	--	71.157.944
Public Sector Debt Securities	71.156.994	--	--	71.156.994
Other Securities	950	--	--	950
Loans at Fair Value Through Profit or Loss	--	--	--	--
Total Assets	73.007.426	6.390.571	--	79.397.997
Derivative Financial Liabilities Held for Trading	--	3.523.637	--	3.523.637
Total Liabilities	--	3.523.637	--	3.523.637

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs not based on observable market data regarding assets or liabilities

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Movement table at level 3	
	Current period
Balance at the beginning of the period	--
Purchases	--
Write-Off	--
Valuation differences	--
Transfers	--
Balance at the end of the period	--

X. Explanations related to transactions carried out on behalf and account of other parties and fiduciary transactions

a. Whether the Bank performs purchase, sales, custody, management and consultancy services on behalf and account of others, or not

Bank performs purchase, sales, custody, management and consultancy services on behalf and account of others.

b. Whether there are transactions with other financial institutions within the scope of fiduciary transaction contracts and whether there are financial services provided directly within this scope; whether such services are likely to significantly affect the Bank’s financial status

There are no fiduciary transaction contracts.

XI. Explanations related to hedging transactions

a. Net investment risk

The Bank applies net investment hedge accounting as of 1 July 2015 in order to hedge exchange difference sourcing from equity method implementation for its net investment at a total amount of Euro 1.231 million belonging to Denizbank AG which is one of the subsidiaries of the Bank. The same amounts of foreign currency deposits are designated as hedging instruments and the effective portion of the change caused by the exchange rate of these financial liabilities is recognised in hedge funds account under equity. Net investment risk calculation in Eurodeniz has been terminated due to the company’s liquidation process.

Total abroad net investment hedging funds after tax recognised under equity is amounting to TL (23.681.069) as of 31 December 2023 (31 December 2022: TL (16.267.235)).

b. Cash flow risk

The cash flow hedging valuation difference in the Bank's equity includes the future operating lease receivables in Euros subject to contract within the scope of exchange rate risk management of Deniz Finansal Kiralama A.Ş., one of its subsidiaries to which TMS 27 equity method is applied, and future operating lease receivables whose fair values are followed in Euros. It started to apply cash flow hedge accounting as of 1 April 2018 by matching estimated second-hand vehicle sales with loans taken in Euro.

In cash flow hedge accounting that Deniz Finansal Kiralama A.Ş. started to implement; Future operating lease receivables and future estimated second-hand vehicle sales, whose fair values are followed in Euro, were determined as hedged items, and loans taken in Euro were taken into account as hedging instruments.

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

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XII. Explanations related to the segment reporting

Bank 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, 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 Bank’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 Bank’s Management Reporting System.

Information on business segments are presented in the following tables:

Current Period (01/01/2023-31/12/2023)	Wholesale Banking	SME & Agricultural Banking	Retail Banking	Treasury	Other	Total
Net interest income	9.014.229	7.438.785	11.625.051	3.392.027	(3.937)	31.466.155
Net fees and commission income	1.099.275	4.284.921	7.930.163	(225.287)	537.324	13.626.396
Other income/loss, net	4.858.995	2.737.725	4.905.662	(2.874.715)	(2.775.407)	6.852.260
Total segment income	14.972.499	14.461.431	24.460.876	292.025	(2.242.020)	51.944.811
Other operational expenses (*)	(3.043.739)	(6.890.824)	(9.469.522)	(431.616)	(637.684)	(20.473.385)
Provisions for expected credit loss and other provisions	3.059.972	(945.984)	(3.887.963)	(4.224.055)	(7.129)	(6.005.159)
Taxation						(6.766.241)
Profit / Loss from Partnerships under Equity Method						9.326.429
Net profit from continuing operations	14.988.732	6.624.623	11.103.391	(4.363.646)	(2.886.833)	28.026.455
Net profit from discontinued operations						(148.670)
Net profit for the period	14.988.732	6.624.623	11.103.391	(4.363.646)	(2.886.833)	27.877.785
Current Period (31/12/2023)						
Segment assets	198.328.891	134.209.470	132.955.763	426.191.027	--	891.685.151
Subsidiaries and associates						69.128.910
Undistributed assets						46.895.000
Total assets						1.007.709.061
Segment liabilities	160.676.325	174.746.144	265.559.824	259.333.678	--	860.315.971
Undistributed liabilities						57.549.689
Equity						89.843.401
Total liabilities and shareholders' equity						1.007.709.061

(*) It also includes personnel expenses.

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Prior Period (01/01/2022-31/12/2022)	Wholesale Banking	SME & Agricultural Banking	Retail Banking	Treasury	Other	Total
Net interest income	6.197.652	5.214.767	7.372.404	9.714.150	(1.744)	28.497.229
Net fees and commission income	712.987	2.069.160	3.086.913	(146.690)	135.007	5.857.377
Other income/loss, net	1.345.060	886.815	1.249.087	7.047.780	(5.330.643)	5.198.099
Total segment income	8.255.699	8.170.742	11.708.404	16.615.240	(5.197.380)	39.552.705
Other operational expenses (*)	(1.298.919)	(3.296.668)	(4.581.409)	(358.837)	(186.680)	(9.722.513)
Provisions for expected credit loss and other provisions	(3.357.594)	(98.204)	(3.248.673)	(4.435.568)	(20.232)	(11.160.271)
Taxation						(5.411.539)
Profit / Loss from Partnerships under Equity Method						3.887.281
Net profit from continuing operations	3.599.186	4.775.870	3.878.322	11.820.835	(5.404.292)	17.145.663
Net profit from discontinued operations						27.351
Net profit for the period	3.599.186	4.775.870	3.878.322	11.820.835	(5.404.292)	17.173.014
Prior Period (31/12/2022)						
Segment assets	109.149.236	90.776.041	73.898.524	191.040.271	--	464.864.072
Subsidiaries and associates						37.583.250
Undistributed assets						23.847.427
Total assets						526.294.749
Segment liabilities	89.865.472	87.485.668	159.058.278	108.821.983	--	445.231.401
Undistributed liabilities						26.552.750
Equity						54.510.598
Total liabilities and shareholders' equity						526.294.749

(*) It also includes personnel expenses.

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SECTION FIVE

DISCLOSURES AND FOOTNOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosures related to 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	1.676.786	6.416.697	1.220.224	3.985.973
Central Bank of the Republic of Turkey	98.702.818	96.178.966	7.483.910	73.426.179
Other	--	148	--	--
Total	100.379.604	102.595.811	8.704.134	77.412.152

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	38.489.129	45.047.355	7.483.910	20.133.448
Unrestricted Time Deposits	53.502.991	7.362.923	--	14.013.933
Restricted Time Deposits	6.710.698	43.768.688	--	39.278.798
Total	98.702.818	96.178.966	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 31 December 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 30% (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 216.357 (1 January - 31 December 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.

4. Information on Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	5.799.347	299.586	996.384	127.987
Foreign	461.758	12.467.037	87	7.361.143
Foreign head offices and branches	--	--	--	--
Total	6.261.105	12.766.623	996.471	7.489.130

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5. Information on foreign banks

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	2.302.377	1.995.577	2.030.829	688.108
USA, Canada	7.065.164	4.211.443	--	--
OECD Countries(*)	145.463	43.379	57.699	266.638
Off shore zones	975.292	836	--	--
Other	330.775	155.249	21.196	--
Total	10.819.071	6.406.484	2.109.724	954.746

(*) OECD countries except for EU countries, USA and Canada.

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

None.

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

None.

3. Other financial assets

As of 31 December 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	110.200	318.016	167.202	131.274
Swap Transactions	1.116.698	6.116.568	1.375.561	3.376.483
Futures Transactions	--	--	8.836	--
Options	370	382.291	42.827	1.288.388
Other	--	--	--	--
Total	1.227.268	6.816.875	1.594.426	4.796.145

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.

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 Istanbul 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 25.386.884 (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	
	TL	FC	TL	FC
<i>Financial assets at fair value through other comprehensive income</i>				
Share Certificates	--	--	--	--
Bills, Bonds and Similar Securities	21.591.575	3.795.309	19.543.206	2.694.118
Other	--	--	--	--
Total	21.591.575	3.795.309	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	
	TL	FC	TL	FC
<i>Financial assets at fair value through other comprehensive income</i>				
Government Bonds	4.685.417	47.972.863	87.568	14.610.285
Treasury Bills	--	--	--	--
Other Debt Securities	--	--	--	--
Bank Bills and Bank Guaranteed Bills	--	--	--	--
Asset Backed Securities	--	--	--	--
Other	--	--	--	--
Total	4.685.417	47.972.863	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		87.420.221	71.156.994
Quoted on Stock Exchange (*)		87.420.221	71.156.994
Unquoted on Stock Exchange		--	--
Share Certificates		960	950
Quoted on Stock Exchange		--	--
Unquoted on Stock Exchange		960	950
Impairment Provisions (-)		--	--
Total		87.421.181	71.157.944

(*) 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	--	162.491	--	93.168
Corporate Shareholders	--	162.491	--	93.168
Individual Shareholders	--	--	--	--
Indirect Loans Granted to Shareholders	--	--	--	--
Loans Granted to Employees	583.587	120	346.242	155
Total	583.587	162.611	346.242	93.323

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

	Standard Loans	Loans Under Close Monitoring		
		Not included in restructured loans	Changes in conditions of contract	Refinancing
Cash loans (*)				
Non-specialized loans	410.061.443	23.140.014	10.531.362	11.412.757
Corporate loans	4.189.995	2.670.532	4.204.545	756.016
Export loans	41.685.016	173.210	--	213.618
Import loans	--	--	--	--
Commercial loans	13.080.835	--	--	--
Consumer loans	55.512.061	4.365.379	2.370.603	19.193
Credit cards	94.050.181	3.501.909	1.783.048	2.369
Others	201.543.355	12.428.984	2.173.166	10.421.561
Specialized loans	22.214.443	1.408.983	252.101	212.307
Other receivables	--	--	--	--
Total	432.275.886	24.548.997	10.783.463	11.625.064

(*) It includes loans measured at amortised cost.

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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	6.341.630	--	3.895.565	--
Significant increase in credit risk	--	14.180.707	--	10.007.792
Total	6.341.630	14.180.707	3.895.565	10.007.792

3. Distribution of cash loans according to maturity structure

	Loans Under Close Monitoring		
	Standard Loans	Not Restructured	Restructured
Short-Term Loans	242.312.071	7.899.043	1.585.889
Medium and Long-Term Loans	189.963.815	16.649.954	20.822.638
Total	432.275.886	24.548.997	22.408.527

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

	Short Term	Medium or Long Term	Total
Consumer Loans-TL	12.544.985	40.527.323	53.072.308
Real estate Loans	1.761	743.954	745.715
Vehicle Loans	5.985	26.686	32.671
General Purpose Loans	12.537.239	39.756.683	52.293.922
Other	--	--	--
Consumer Loans-Indexed to FC	--	12.768	12.768
Real estate Loans	--	11.358	11.358
Vehicle Loans	--	--	--
General Purpose Loans	--	1.410	1.410
Other	--	--	--
Consumer Loans-FC	--	6.322	6.322
Real estate Loans	--	6.322	6.322
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Individual Credit Cards-TL	83.760.734	2.968.944	86.729.678
Installment	33.747.128	2.968.944	36.716.072
Non installment	50.013.606	--	50.013.606
Individual Credit Cards-FC	65.089	--	65.089
Installment	--	--	--
Non installment	65.089	--	65.089
Loans Given to Employees-TL	109.759	245.543	355.302
Real estate Loans	--	28	28
Vehicle Loans	--	--	--
General Purpose Loans	109.759	245.515	355.274
Other	--	--	--
Loans Given to Employees - Indexed to FC	--	--	--
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Loans Given to Employees - FC	--	--	--
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Personnel Credit Cards - TL	218.098	1.090	219.188
Installment	83.722	1.090	84.812
Non installment	134.376	--	134.376
Personnel Credit Cards - FC	1.043	--	1.043
Installment	--	--	--
Non installment	1.043	--	1.043
Overdraft Loans-TL (Real Persons) (*)	8.820.536	--	8.820.536
Overdraft Loans-FC (Real Persons)	--	--	--
Total	105.520.244	43.761.990	149.282.234

(*) The overdraft account used by the personnel of the Bank amounts to TL 8.054.

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5. Information on commercial installment loans and corporate credit cards

	Short Term	Medium or Long Term	Total
Installment Commercial Loans - TL	4.584.755	19.047.065	23.631.820
Real estate Loans	8	82.836	82.844
Vehicle Loans	7.701	117.762	125.463
General Purpose Loans	4.577.046	18.846.467	23.423.513
Other	--	--	--
Installment Commercial Loans - Indexed to FC	--	497.888	497.888
Real estate Loans	--	1.429	1.429
Vehicle Loans	--	--	--
General Purpose Loans	--	496.459	496.459
Other	--	--	--
Installment Commercial Loans - FC	37.628	27.918.941	27.956.569
Real estate Loans	--	--	--
Vehicle Loans	--	11.102	11.102
General Purpose Loans	37.628	27.907.839	27.945.467
Other	--	--	--
Corporate Credit Cards - TL	12.136.870	183.439	12.320.309
Installment	2.214.981	183.439	2.398.420
Non installment	9.921.889	--	9.921.889
Corporate Credit Cards - FC	2.200	--	2.200
Installment	--	--	--
Non installment	2.200	--	2.200
Overdraft Loans-TL (Legal Entities)	5.772.221	--	5.772.221
Overdraft Loans-FC (Legal Entities)	--	--	--
Total	22.533.674	47.647.333	70.181.007

6. Distribution of loans according to user

	Current Period	Prior Period
Public	11.204.522	5.372.283
Private	468.028.888	279.019.050
Total	479.233.410	284.391.333

7. Distribution of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	463.991.104	277.517.673
Foreign Loans	15.242.306	6.873.660
Total	479.233.410	284.391.333

8. Loans granted to subsidiaries and associates

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	10.106.073	7.110.486
Indirect loans granted to subsidiaries and associates	--	--
Total	10.106.073	7.110.486

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

Provisions related to loans or credit impaired losses (stage 3)	Current Period	Prior Period
Loans with Limited Collectability	1.618.843	2.788.808
Loans with Doubtful Collectability	2.890.947	1.693.546
Uncollectible Loans	9.868.341	8.842.950
Total	14.378.131	13.325.304

10. Information on non-performing loans (Net)

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

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
Current Period	77.785	366.399	9.052.906
(Gross amounts before the provisions)			
Restructured loans	77.785	366.399	9.052.906
Prior Period	2.176.587	151.628	5.755.605
(Gross amounts before the provisions)			
Restructured loans	2.176.587	151.628	5.755.605

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

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Balances at Beginning of Period	3.838.222	2.307.340	10.531.065
Additions (+)	3.673.718	5.287.056	5.240.857
Transfers from Other Categories of Non-Performing Loans (+)	--	2.761.013	3.430.942
Transfers from Other Categories of Non-Performing Loans (-)	2.761.013	3.430.942	--
Collections (-)	2.109.837	1.392.824	5.276.222
Write-offs (-)	--	--	1.185.424
Sales (-)	--	--	1.200.714
Corporate and Commercial Loans	--	--	11.249
Retail Loans	--	--	677.189
Credit Cards	--	--	381.646
Other	--	--	130.630
FX Differences	244.625	124.306	1.142.748
Balances at End of the Period	2.885.715	5.655.949	12.683.252
Specific Provisions (-)	1.618.843	2.890.947	9.868.341
Net Balance on Balance Sheet	1.266.872	2.765.002	2.814.911

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

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period: 31 December 2023			
Balance as of the Period End	--	--	4.021.749
Provisions (-)	--	--	2.964.347
Net Balance on Balance Sheet	--	--	1.057.402
Prior Period: 31 December 2022			
Balance as of the Period End	640.784	--	2.962.447
Provisions (-)	640.031	--	2.195.209
Net Balance on Balance Sheet	753	--	767.238

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

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period (Net): 31 December 2023	1.266.872	2.765.002	2.814.911
Loans Granted to Real Persons and Legal Entities (Gross)	2.885.715	5.655.949	12.683.252
Provisions (-)	1.618.843	2.890.947	9.868.341
Loans Granted to Real Persons and Legal Entities (Net)	1.266.872	2.765.002	2.814.911
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan (Net)	--	--	--
Prior Period (Net): 31 December 2022	1.049.414	613.794	1.688.115
Loans Granted to Real Persons and Legal Entities (Gross)	3.838.222	2.307.340	10.531.065
Provisions (-)	2.788.808	1.693.546	8.842.950
Loans Granted to Real Persons and Legal Entities (Net)	1.049.414	613.794	1.688.115
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan (Net)	--	--	--

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

	Group III	Group IV	Group V
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period (Net)	141.945	171.649	93.398
Interest accruals and rediscount and valuation differences	276.875	405.884	966.898
Amount of provision (-)	134.930	234.235	873.500
Prior Period (Net)	103.022	64.498	120.514
Interest accruals and rediscount and valuation differences	362.656	240.213	1.119.277
Amount of provision (-)	259.634	175.715	998.763

11. Outline of liquidation policy for uncollectible loans and other receivables

For uncollectible loans, first of all the Bank and the customer try to reach an agreement; where these methods to not work and no results can be obtained from follow-up, all the procedures to be performed within the framework of legal legislation are carried out. These transactions last until the customers sign a pledge deficit document or a certificate of insolvency.

12. Explanations on write-off policy

The general policy of the Bank is to write-off the receivables that are documented as not possible to be collected during the legal follow-up process.

Write-off policy:

In accordance with the changes on "Provisioning Regulation" published in the Official Gazette No. 30961 dated 27 November 2019 by BRSA, the Bank, in line with TFRS 9, may write-off part of the loans for which there is no reasonable expectation of recovery and that are classified under group 5 with a life time expected credit loss due to the default of debtor, starting from the following reporting date that the loan is classified in group 5.

Write-off is only an accounting practice in accordance with the related change in the regulation and it does not result in giving up the right on the receivable.

The Bank uses the following indicators as to the absence of reasonable expectations regarding the collection of loans:

- For receivables subject to collective assessment,
 - ✓ Maximum attempts were made by the Bank regarding collection during the legal follow-up and remained inconclusive
 - ✓ Recovery horizon is reached
 - ✓ 100% provisioning is realised
- Certain data for those who will be subject to individual assessment that their collection ability has been completely lost as a result of customer analysis and interviews

Although the Bank has applied write-off, its policies for the loans that it follows are in line with the loans it actively pursues in terms of legal collection of borrowers, subjecting loans to the sale of non-performing loans and withdrawal decisions.

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 22.343.684 (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 15.046.368 (31 December 2022: TL 3.903.075).

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2. Information on government debt securities measured at amortised cost

Government debt securities measured at amortised cost	Current Period	Prior Period
Government Bonds	51.237.084	17.027.396
Treasury Bills	--	--
Other Government Debt Securities	--	--
Total	51.237.084	17.027.396

3. Information on financial assets measured at amortised cost

Financial assets measured at amortised cost	Current Period	Prior Period
Debt Securities	51.237.084	17.027.396
Quoted on Stock Exchange	51.237.084	17.027.396
Unquoted on Stock Exchange	--	--
Impairment provisions (-)	--	--
Total	51.237.084	17.027.396

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

	Current Period	Prior Period
Balance at the beginning of the period	17.027.396	7.124.821
Foreign exchange differences in monetary assets (*)	18.577.036	1.836.732
Purchases during the year (**)	16.732.722	8.953.350
Disposals by sale and redemption	(1.100.070)	(887.507)
Impairment provisions (-)	--	--
Total	51.237.084	17.027.396

(*) Rediscounts 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.

f. Information on investments in associates

Title	Address (City/Country)	Share percentage of the Bank (%)	Risk Group Share Percentage of the 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⁾	İstanbul/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	1.201.571	242.442	337.114	109.408	--	128.362	29.975	--
2	1.814.872	1.093.002	30.886	6.009	--	326.627	211.158	--
3	76.514	35.319	46.036	994	--	14.217	1.960	--
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 September 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 31 December 2023.

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g. Information on investments in subsidiaries

1. Information on shareholders' equity of major subsidiaries

The amounts below are obtained from the financial data of 31 December 2023 prepared in accordance with the legislation to which Denizbank AG is subject to.

	Denizbank AG
Paid-in capital	7.551.647
Share premium	11.095.527
Reserves	16.706.739
Deductions from capital	101.584
Total Common Equity	35.252.329
Total additional Tier I capital	--
Deductions from capital	406.335
Total Core Capital	34.845.994
Total supplementary capital	2.653.079
Capital	37.499.073
Deductions from capital	--
SHAREHOLDERS' EQUITY	37.499.073

2. Information on subsidiaries

Title	Address (City/Country)	Share percentage of the Bank (%)	Share percentage of other shareholders (%) ⁽³⁾
1 Intertech Bilgi İşlem ve Pazarlama Ticaret A.Ş. ⁽¹⁾	Istanbul/Turkey	100	--
2 Denizbank Kültür Sanat Yayıncılık Ticaret ve Sanayi A.Ş. ⁽¹⁾	Istanbul/Turkey	100	--
3 Denizbank AG	Vienna/Austria	100	--
4 Eurodeniz International Banking Unit Ltd. ⁽⁵⁾	Nicosia / Cyprus	100	--
5 Deniz Yatırım Menkul Kıymetler A.Ş.	Istanbul/Turkey	100	--
6 Ekspres Gayrimenkul Turizm Yatırım İşletme ve Ticaret A.Ş. ^{(1) (4)}	Istanbul/Turkey	--	100
7 JSC Denizbank Moskova ⁽⁴⁾	Moscow / Russia	100	--
8 Deniz Portföy Yönetimi A.Ş.	Istanbul/Turkey	--	100
9 Deniz Finansal Kiralama A.Ş.	Istanbul/Turkey	100	--
10 Deniz Faktoring A.Ş.	Istanbul/Turkey	100	--
11 Deniz Gayrimenkul Yatırım Ortaklığı A.Ş. ⁽²⁾	Istanbul/Turkey	--	75
12 CR Erdberg Eins GmbH & Co KG ⁽²⁾	Vienna/Austria	--	100
13 Fastpay Elektronik Para ve Ödeme Hizmetleri A.Ş.	Istanbul/Turkey	100	--
14 Neohub Teknoloji Yazılım Pazarlama ve Danışmanlık A.Ş.	Istanbul/Turkey	--	100
15 Neo Elektronik Ticaret Bilişim Teknolojileri Yazılım ve Danışmanlık A. Ş. ⁽¹⁾	Istanbul/Turkey	--	100

⁽¹⁾ It is not included in TAS 27 equity method implementation.

⁽²⁾ They are included in TAS 27 "equity method" although they are not the Bank's direct subsidiaries.

⁽³⁾ Represents risk group share percentage of the Bank.

⁽⁴⁾ Denizbank AG sold its subsidiary share in JSC Denizbank Moscow to Denizbank.

The Bank sold its subsidiary share in Ekspres Gayrimenkul Turizm Yatırım İşletme ve Ticaret A.Ş. to Deniz Finansal Kiralama A.Ş..

⁽⁵⁾ Eurodeniz International Banking Unit Ltd. has entered into the liquidation process. Explanation is given in Section Three, note XI.

	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	2.745.422	2.035.841	1.318.243	10.543	--	966.664	474.547	--	--
2	884	809	--	--	--	(77)	169	--	--
3	187.180.268	44.949.045	665.583	6.846.366	351.665	3.850.983	1.420.377	--	--
4	--	--	--	--	--	--	2.019	--	--
5	10.278.554	3.339.787	25.541	2.226.361	339	1.454.437	503.002	--	--
6	50.652	23.444	5.168	277	--	9.126	2.600	--	--
7	15.586.120	2.313.611	57.894	528.798	17.838	689.775	723.697	--	--
8	260.099	230.406	3.422	(181)	(254)	146.959	35.592	--	--
9	21.869.494	5.241.326	5.491.939	1.664.996	--	1.602.361	660.792	--	--
10	16.494.214	3.541.838	35.157	3.510.164	--	993.481	240.602	--	--
11	2.160.638	2.101.865	3.623	41.240	405	776.148	606.008	--	--
12	1.148.867	1.006.397	843.664	866	--	2.809	5.722	--	--
13	183.267	103.368	48.482	5.655	--	4.277	(5.823)	--	--
14	106.599	84.208	3.075	6	--	46.286	10.781	--	--
15	9.248	8.920	2.803	926	--	(105)	--	--	--

Information on the financial statements is presented as of the period ended 31 December 2023.

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(i) Movement of subsidiaries during the period

	Current Period	Prior Period
Balance at the Beginning of the Period	37.560.090	30.716.383
Movements During the Period	31.543.752	6.843.707
Purchases ⁽⁴⁾	4.073.000	476.440
Bonus Shares Received ⁽⁵⁾	1.485.401	--
Dividends from Current Year Profit ⁽¹⁾	9.326.429	3.889.319
Sales ⁽⁶⁾	(4.195)	(7.118)
Revaluation Increase, Effect of Inflation and F/X Difference ^{(2) (3)}	16.663.117	2.485.066
Provision for Impairment	--	--
Balance at the End of the Period	69.103.842	37.560.090
Capital Commitments	--	--
Share Percentage at the end of Period (%)	--	--

⁽¹⁾ It is the amount added to the unconsolidated financial statements as a result of the application of equity method in accordance with TAS 27 mentioned in Section Three, note I. As of 31 December 2023, there is no dividend income.

⁽²⁾ It consists of other reserves amounting to TL 10.435.191 as of 31 December 2023 (31 December 2022: TL 1.165.971), valuation differences of securities amounting to TL 103.868 (31 December 2022: TL 20.832), cash flow hedge transactions TL 3.131 (31 December 2022: TL 6.775), real estate revaluation TL 124.924 (31 December 2022: TL 53.308) and actuarial gain/(loss) TL 3.051 (31 December 2022: TL (13.176)) as a consequence of equity method implementation in accordance with TAS 27 mentioned in Section Three, note I.

⁽³⁾ It includes the fair value of Intertech amounting to TL 5.592.952 as of 31 December 2023 (31 December 2022: TL 1.288.020) in accordance with TFRS 9.

⁽⁴⁾ Denizbank AG sold of its subsidiary share in JSC Denizbank Moscow to Denizbank as of 31 December 2022.

With the decision of the Bank's Board of Directors dated 31 March 2022, it was decided to increase the capital of Fastpay Elektronik Para ve Ödeme Hizmetleri A.Ş. by TL 25.000 and to participate in the entire increased amount 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 of TL 73.000 was made.

In September 2023, the Bank increased the capital of Deniz Finansal Kiralama A.Ş. by TL 2.000.000 in cash and the capital of Deniz Faktoring A.Ş. by TL 2.000.000 in cash.

⁽⁵⁾ Deniz Finansal Kiralama A.Ş. It increased its paid-in capital by TL 1.133.000 from its internal sources, and Deniz Faktoring A.Ş. increased its paid-in capital by TL 352.400 from its internal sources. The Bank has accounted these amounts in "Subsidiaries" accounts.

⁽⁶⁾ Within the scope of the decision of our Bank's Board of Directors dated 14 September 2023, it was decided to transfer the 70,58% share of our subsidiary Ekspres Gayrimenkul Turizm Yatırım İşletme ve Ticaret A.Ş., owned by our Bank, in the amount of TL 4.195 to Deniz Finansal Kiralama A.Ş. and the Share Transfer Agreement regarding the share transfer was concluded on 15 September 2023.

Eurodeniz International Banking Unit has entered into the liquidation process and has been classified under the "Non-current assets held for sale and related to discontinued operations (Net)" line in the financial statement. The investment amount in the bank, TL 7.118, was shown in sales in the previous period of the table.

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

	Current Period	Prior Period
Banks	47.721.089	30.545.258
Insurance Companies	--	--
Factoring Companies	3.541.838	530.323
Leasing Companies	5.247.906	1.635.467
Finance Companies	--	--
Other Subsidiaries	12.593.009	4.849.042
Total	69.103.842	37.560.090

- (iii)Quoted subsidiaries: None.
- (iv) Subsidiaries disposed during the current period: Eurodeniz International Banking Unit Ltd.
- (v) Subsidiaries acquired during the current period: None.

h. Information on jointly controlled partnerships (joint ventures)

Title	Share percentage of the 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	186.669	185.558	100.835	914.819	(905.140)

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

i. Information on receivables from leasing transactions

None.

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j. Explanation on derivative financial instruments for hedging purpose

None.

k. Explanation on investment properties

None.

l. Information on tangible assets

	Real Estate	Vehicles	Right-of-Use Assets	Other	Total
Cost At the End Of The Prior Period	221.445	2.258	1.203.531	2.029.832	3.457.066
Transfers	--	--	--	--	--
Acquisitions	2.588	1.085	738.791	526.348	1.268.812
Revaluation differences	284.133	--	--	--	284.133
Disposals	--	--	(38.414)	(71.000)	(109.414)
Foreign exchange differences	--	401	1.632	638	2.671
Cost At the End Of The Period	508.166	3.744	1.905.540	2.485.818	4.903.268
Accumulated Depreciation At the End Of The Prior Period	--	(1.990)	(748.158)	(1.237.925)	(1.988.073)
Transfers	--	--	--	--	--
Depreciation fort he period	(1.243)	(273)	(478.029)	(261.561)	(741.106)
Disposals	--	--	38.414	58.815	97.229
Foreign exchange differences	1.218	(433)	(1.796)	(527)	(1.538)
Accumulated Depreciation At the End Of The Period	(25)	(2.696)	(1.189.569)	(1.441.198)	(2.633.488)
Net Book Value At The End Of The Period	508.141	1.048	715.971	1.044.620	2.269.780

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". The positive difference between the property values in the expertise reports prepared by the licensed appraisal companies and the net book value of the related properties is followed in the equity accounts and the negative differences are followed in the statement of profit or loss.

Revaluation difference amounting to TL 469.984 (31 December 2022: TL 185.851) is recognised under equity as a result of revaluation process.

m. Information on intangible assets

	Other	Goodwill	Total
Cost At the End Of The Prior Period	2.779.372	--	2.779.372
Transfers	--	--	--
Acquisitions	1.891.762	--	1.891.762
Revaluation differences	--	--	--
Disposals	(68.426)	--	(68.426)
Foreign exchange differences	10.894	--	10.894
Cost At the End Of The Period	4.613.602	--	4.613.602
Accumulated Depreciation At the End Of The Prior Period	(1.485.642)	--	(1.485.642)
Transfers	--	--	--
Depreciation fort he period	(875.875)	--	(875.875)
Disposals	42.527	--	42.527
Foreign exchange differences	(10.893)	--	(10.893)
Accumulated Depreciation At the End Of The Period	(2.329.883)	--	(2.329.883)
Net Book Value At The End Of The Period	2.283.719	--	2.283.719

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n. Information on deferred tax asset

Deferred tax is calculated on the basis of deductible and taxable temporary differences as of the balance sheet date and shown in the balance sheet with the net value within the scope of the related regulations.

Deferred tax income recognised in equity resulting from the effect of TAS 27 is TL 72.508 (31 December 2022: TL 7.873).

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

	Current Period	Prior Period
Miscellaneous Provisions	5.994.008	3.679.689
Provision for Employee Benefits	474.039	366.324
Valuation Differences of Tangible Assets	416.581	-
Tax Losses (*)	348.300	-
Valuation Differences of Financial Assets	-	330.268
Unearned Revenue	280.632	187.895
Deferred Tax Assets	7.513.560	4.564.176
Valuation Differences of Financial Assets	(2.105.243)	-
Valuation Differences of Derivatives	(1.210.148)	(295.391)
Valuation Differences of Tangible Assets	-	(57.793)
Other	(24.647)	(70.873)
Deferred Tax Liabilities	(3.340.038)	(424.057)
Net Deferred Tax Assets	4.173.522	4.140.119

(*) Tax losses is mainly due to the valuation of financial instruments in accordance with the Tax Procedure Law in the calculation of the corporate tax.

o. Explanation on non-current assets or disposal groups held for sale and from discontinued operations

Eurodeniz International Banking Unit Ltd., one of the Bank's subsidiaries has entered into the liquidation process. Until the liquidation process is completed, it is classified under the discontinued operations lines in the financial statements. Explanation is given in Section Three, note XI.

p. Information on other assets

1. Information on prepaid expense, taxes and similar items

Bank's total prepaid expenses are TL 7.013.485 (31 December 2022: TL 2.135.994).

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 unconsolidated 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 196.906.806 deposits within this scope as of 30 December 2023 (31 December 2022: TL 73.171.134).

1. Information on maturity structure of deposits

Current period - 31 December 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	17.439.466	--	14.188.509	70.365.653	90.301.008	54.697.814	27.262.350	3.688	274.258.488
Foreign Currency Deposits (*)	104.167.809	--	19.036.462	28.817.858	4.173.268	12.176.181	6.294.573	12.998	174.679.149
Residents in Turkey	75.816.815	--	17.455.943	25.780.042	2.982.489	4.644.685	3.458.708	9.924	130.148.606
Residents Abroad	28.350.994	--	1.580.519	3.037.816	1.190.779	7.531.496	2.835.865	3.074	44.530.543
Public Sector Deposits	2.047.372	--	122.638	199.027	742	3.195	2.491	--	2.375.465
Commercial Deposits	21.171.211	--	9.477.640	16.451.248	27.409.036	28.156.586	13.801.214	--	116.466.935
Other Ins. Deposits	570.491	--	520.067	1.052.585	1.196.011	336.543	7.302	--	3.682.999
Precious Metal Deposits	19.221.552	--	165.060	2.648.361	847.004	613.366	109.438	5.264	23.610.045
Bank Deposits	1.212.506	--	923.695	2.389.582	2.850.350	279.274	264.149	--	7.919.556
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	3.002	--	--	456.620	402.919	--	--	--	862.541
Foreign Banks	1.207.568	--	923.695	1.932.962	2.447.431	279.274	264.149	--	7.055.079
Special Finan.	1.936	--	--	--	--	--	--	--	1.936
Inst.	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--
Total	165.830.407	--	44.434.071	121.924.314	126.777.419	96.262.959	47.741.517	21.950	602.992.637

(*) Foreign Currency Deposit Account consists of Saving Deposit customers at the amount of TL 102.618.035 and Commercial Deposit customers at the amount of TL 72.061.114.

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	11.743.607	--	7.320.339	27.308.395	44.764.344	2.986.949	3.768.833	3.282	97.895.749
Foreign Currency Deposits (*)	68.441.719	--	19.722.098	37.577.990	11.113.563	5.993.379	4.839.972	4.679	147.693.400
Residents in Turkey	46.366.303	--	16.510.050	31.017.537	9.512.918	4.068.310	3.283.418	4.540	110.763.076
Residents Abroad	22.075.416	--	3.212.048	6.560.453	1.600.645	1.925.069	1.556.554	139	36.930.324
Public Sector Deposits	1.117.565	--	541.338	362.896	193	--	--	--	2.021.992
Commercial Deposits	14.118.233	--	11.327.417	12.176.529	18.777.721	4.243.606	3.923.452	--	64.566.958
Other Ins. Deposits	338.736	--	222.972	643.030	430.336	89.147	18.504	--	1.742.725
Precious Metal Deposits	12.449.445	--	216.469	3.137.409	711.610	782.637	712.289	5.994	18.015.853
Bank Deposits	791.272	--	401.251	17.872.030	1.738.294	702.907	158.669	--	21.664.423
Central Bank	413.798	--	--	--	--	--	--	--	413.798
Domestic Banks	3.109	--	1.064	201.872	190.740	--	--	--	396.785
Foreign Banks	373.104	--	400.187	17.670.158	1.547.554	702.907	158.669	--	20.852.579
Special Finan.	1.261	--	--	--	--	--	--	--	1.261
Inst.	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--
Total	109.000.577	--	39.751.884	99.078.279	77.536.061	14.798.625	13.421.719	13.955	353.601.100

(*) Foreign Currency Deposit Account consists of Saving Deposit customers at the amount of TL 96.418.897 and Commercial Deposit customers at the amount of TL 51.274.503.

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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

	Saving Deposit Insurance Fund		Exceeding the Insurance Coverage Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	75.257.544	35.687.504	197.318.835	62.212.788
Foreign Currency Saving Deposits	38.701.518	23.063.342	84.924.514	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	113.959.062	58.750.846	282.243.349	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 15.167.962 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	51.431	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	248.325	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	--	--
Total	299.756	300.153

(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	346.354	166.842	11.022	177.566
Swap Transactions	53.263	2.023.535	240.451	2.033.127
Futures Transactions	981	--	2.908	--
Options	--	255.390	--	1.058.563
Other	--	--	--	--
Total	400.598	2.445.767	254.381	3.269.256

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	998.809	1.466.708	632.882	1.414.733
Foreign Banks, Institutions and Funds (*)	--	139.941.069	--	45.929.844
Total	998.809	141.407.777	632.882	47.344.577

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

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2. Maturity information of funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	998.809	39.976.541	590.314	7.214.123
Medium and Long-Term	--	101.431.236	42.568	40.130.454
Total	998.809	141.407.777	632.882	47.344.577

3. Additional explanations on the areas which the Bank's liabilities are concentrated

As of 31 December 2023, 60% of the Bank's liabilities (31 December 2022: 67%) are deposits, 24% (31 December 2022: 15%) are loans received, debts to money markets, securities issued and subordinated loans.

d. Information on securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Bonds	--	18.743.592	--	1.680.854
Bills	--	1.516.251	65.023	494.857
Asset Backed Securities	--	--	--	--
Total	--	20.259.843	65.023	2.175.711

As of 31 December 2023, the 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 (net)

The term of financial leasing contracts is mostly 4 years. Interest rate and the Bank's cash flow are the criteria taken into consideration in the lease contracts. There are no provisions in lease agreements that impose significant obligations on the Bank.

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	703.990	521.888	498.631	341.994
Between 1-4 years	598.653	382.688	533.777	401.428
Over 4 years	68.251	44.700	64.306	46.877
Total	1.370.894	949.276	1.096.714	790.299

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

None.

The amount of the provision for foreign exchange differences on foreign currency indexed loans are netted against loans 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	5,33%	1,91%
Interest rate	24,18%	21,83%
Estimated rate of increase in salary/severance pay limit	17,90%	19,55%

As of 31 December 2023, TL 680.354 of provision for employee termination benefits (31 December 2022: TL 916.607) and TL 899.776 of unused vacation provisions and other rights (31 December 2022: TL 548.690) were reflected to the 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	916.607	288.905
Changes in the period	357.421	289.958
Actuarial loss/(gain)	(61.829)	403.195
Paid in the period	(531.845)	(65.451)
Balance at the End of the Period	680.354	916.607

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 1.426.515 of other provisions represents stage 1 and stage 2 provisions for expected credit loss for non-cash loans, TL 2.937.086 is related to stage 3 provision for expected credit loss for non-cash loans that are undemnified and not converted into cash, TL 559.696 is the provisions for the litigations against the Bank, TL 6.700.000 includes free provisions and TL 2.616.709 includes other provisions.

Prior period:

TL 1.043.965 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 undemnified and not converted into cash, TL 263.824 is the provisions for the litigations against the Bank, TL 4.175.000 includes free provisions and TL 1.109.977 includes other provisions.

i. Explanations on tax liability**1. Information on current tax liability****(i) Information on tax provision**

As of 31 December 2023, there is no corporate tax provision (31 December 2022: TL 2.122.021).

As of 31 December 2023, the Bank's total tax and premium liabilities is TL 1.816.729 (31 December 2022: TL 2.985.921).

(ii) Information on tax liabilities

	Current Period	Prior Period
Corporate tax payables	--	2.122.021
Taxation on securities	345.128	106.991
Taxes on real estate capital gain	7.440	4.585
Banking Insurance Transaction Tax (BITT)	1.098.431	539.063
Taxes on foreign exchange transactions	21.902	17.069
Value added tax payables	60.136	26.528
Other	139.051	94.843
Total	1.672.088	2.911.100

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(iii) Information on premiums

	Current Period	Prior Period
Social security premiums- employee share	60.108	31.457
Social security premiums- employer share	77.725	36.812
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	3.794	2.184
Unemployment insurance- employer share	7.588	4.368
Other	--	--
Total	149.215	74.821

2. Information on deferred tax liability

The Bank has no deferred tax liabilities remaining after it has been netted off from deferred tax assets. The detail of deferred tax is disclosed in Note "n" of explanations and disclosures related to unconsolidated assets.

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

Eurodeniz International Banking Unit Ltd., one of the Bank's subsidiaries has entered into the liquidation process. Until the liquidation process is completed, it is classified under the discontinued operations lines in the financial statements. Explanation is given in Section Three, note XI

k. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Instruments subject to common equity	--	--	--	--
Subordinated Loans	--	--	--	--
Subordinated Debt Instruments	--	--	--	--
Debt Instruments subject to tier 2 equity	--	23.066.679	--	14.561.492
Subordinated Loans	--	23.066.679	--	14.561.492
Subordinated Debt Instruments	--	--	--	--
Total	--	23.066.679	--	14.561.492

Information on subordinated loans is disclosed in Section Four, note I-b.

I. Information on shareholders' equity**1. Representation of paid-in capital**

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

Paid-in capital of the 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

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

Balance sheet of the Bank is managed prudently, to minimize the negative effects of interest rate, foreign currency and credit risks. This policy contributes to the progress of Bank’s profitability with a steady increasing trend.

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

The Bank does not have any preferred stocks.

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 Bank’s capital increase on 27 September 2004. The 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 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	7.893.361	--	2.300.247	--
Valuation Difference and FX Differences	(1.720.452)	380.260	5.581.031	(2.241.284)
Total	6.172.909	380.260	7.881.278	(2.241.284)

10. Information on hedging funds

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

11. Explanations on minority shares

None.

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 708.408 has been accounted for in “Other Accumulated Comprehensive Income That Will Not Be Reclassified in Profit or Loss” under equities (31 December 2022: TL 345.395).

13. Explanations on profit distribution

At the Ordinary General Assembly Meeting held on 23 March 2023 according to the proposal of the 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 off-balance sheet items

a. Explanation on liabilities in off-balance sheet accounts

1. Type and amount of irrevocable loan commitments

Most of Bank’s off-balance sheet loan commitments are in the nature of irrevocable commitments. As of 31 December 2023, loan granting commitments, commitments for credit card expenditure limits and commitments for cheque payments are TL 48.403.121, TL 293.746.486 and TL 12.311.768 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 possible 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 31 December 2023, Bank has letters of guarantee amounting to TL 118.731.228, bill of guarantee and acceptances amounting to TL 717.588, and guarantees and warranties on letters of credit amounting to TL 23.665.636 and other guarantees and warranties amounting to TL 10.046.561.

As of 31 December 2022, Bank has letters of guarantee amounting to TL 66.667.584, bill of guarantee and acceptances amounting to TL 742.939, and guarantees and warranties on letters of credit amounting to TL 15.748.910 and other guarantees and warranties amounting to TL 7.837.322.

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

	Current Period	Prior Period
Provisional Letters of Guarantee	2.760.789	1.771.272
Final Letters of Guarantee	70.577.738	39.925.136
Letters of Guarantee for Advances	15.360.220	6.411.154
Letters of Guarantee given to Customs Offices	537.601	364.506
Other Letters of Guarantee	29.494.880	18.195.516
Total	118.731.228	66.667.584

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	39.541.102	26.032.382
With Original Maturity of 1 Year or Less	39.541.102	26.032.382
With Original Maturity of More Than 1 Year	--	--
Other Non-Cash Loans	113.619.911	64.964.256
Total	153.161.013	90.996.638

(ii) Information on risk concentration on sector basis within the non-cash loans account

	Current Period			
	TL	%	FC	%
Agricultural	2.209.806	3,11	995.818	1,21
Farming and Cattle	2.174.706	3,06	988.715	1,20
Forestry	21.454	0,03	--	--
Fishing	13.646	0,02	7.103	0,01
Manufacturing	22.580.460	31,75	34.760.023	42,36
Mining	1.582.013	2,22	532.779	0,65
Production	19.628.457	27,60	26.806.732	32,67
Electric, Gas, Water	1.369.990	1,93	7.420.512	9,04
Construction	12.185.847	17,14	20.571.078	25,07
Services	23.013.042	32,38	19.792.282	24,13
Wholesale and Retail Trade	15.505.355	21,81	12.790.486	15,59
Hotel and Restaurant Services	1.796.179	2,53	1.270.134	1,55
Transportation and telecommunication	2.124.728	2,99	4.418.901	5,39
Financial institutions	2.806.095	3,95	1.261.108	1,54
Real estate and letting services	64.724	0,09	8.846	0,01
Self-employment services	--	--	--	--
Education services	217.540	0,31	9.704	0,01
Health and social services	498.421	0,70	33.103	0,04
Other	11.118.865	15,62	5.933.792	7,23
Total	71.108.020	100,00	82.052.993	100,00

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	Prior Period			
	TL	%	FC	%
Agricultural	1.878.915	4,91	689.664	1,31
Farming and Cattle	1.815.938	4,75	659.138	1,25
Forestry	1.434	--	--	--
Fishing	61.543	0,16	30.526	0,06
Manufacturing	12.418.326	32,46	22.216.459	42,12
Mining	605.242	1,58	340.224	0,64
Production	10.175.012	26,60	19.336.296	36,66
Electric, Gas, Water	1.638.072	4,28	2.539.939	4,82
Construction	6.345.676	16,59	12.446.825	23,60
Services	12.305.018	32,19	13.425.689	25,44
Wholesale and Retail Trade	8.075.980	21,12	7.467.812	14,16
Hotel and Restaurant Services	824.826	2,16	1.004.655	1,90
Transportation and telecommunication	1.598.385	4,18	3.707.588	7,03
Financial institutions	1.054.065	2,76	1.103.108	2,09
Real estate and letting services	167.297	0,44	7.638	0,01
Self-employment services	--	--	--	--
Education services	110.003	0,29	18.442	0,03
Health and social services	474.462	1,24	116.446	0,22
Other	5.299.220	13,85	3.970.846	7,53
Total	38.247.155	100,00	52.749.483	100,00

(iii) Information about the non-cash loans classified first and second group

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	62.460.860	55.106.340	761.453	402.575
Bill of Guarantee and Acceptances	--	717.588	--	--
Letters of Credit	20.096	23.626.321	--	19.219
Endorsements	--	--	--	--
Underwriting Commitments	--	--	--	--
Factoring Commitments	--	--	--	--
Other Commitments and Contingencies	7.797.111	2.180.950	68.500	--
Total	70.278.067	81.631.199	829.953	421.794

b. Information related to derivative financial instruments

Current Period	Up to 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Total
Hedging Purpose Derivative Transactions						
A. Total Hedging Purpose Derivative Transactions	--	--	--	--	--	--
Fair Value Hedge Transactions	--	--	--	--	--	--
Cash Flow Hedge Transactions	--	--	--	--	--	--
Net Foreign Investment Hedge Transactions	--	--	--	--	--	--
Types of Trading Transactions						
Foreign Currency Related Derivative Transactions (I)	241.834.331	135.383.191	72.203.500	442.984	--	449.864.006
Forward FC Call Transactions	10.947.743	11.494.472	18.280.828	102.120	--	40.825.163
Forward FC Pull Transactions	9.687.336	11.064.476	16.238.076	70.652	--	37.060.540
Swap FC Call Transactions	98.946.137	46.411.298	10.902.864	--	--	156.260.299
Swap FC Pull Transactions	113.306.424	48.343.404	10.373.472	--	--	172.023.300
Options FC Call Transactions	4.292.177	8.741.890	7.953.989	160.808	--	21.148.864
Options FC Pull Transactions	4.654.514	9.327.651	8.163.555	109.404	--	22.255.124
Futures FC Call Transactions	--	--	169.696	--	--	169.696
Futures FC Pull Transactions	--	--	121.020	--	--	121.020
Total of Interest Derivative Transactions (II)	--	--	2.350.002	100.008.171	60.378.599	162.736.772
Swap Interest Call Transactions	--	--	1.175.001	48.974.134	28.791.975	78.941.110
Swap Interest Pull Transactions	--	--	1.175.001	48.974.131	28.791.974	78.941.106
Options Interest Call Transactions	--	--	--	1.029.953	1.397.325	2.427.278
Options Interest Pull Transactions	--	--	--	1.029.953	1.397.325	2.427.278
Securities Interest Call Transactions	--	--	--	--	--	--
Securities Interest Pull Transactions	--	--	--	--	--	--
Futures Interest Call Transactions	--	--	--	--	--	--
Futures Interest Pull Transactions	--	--	--	--	--	--
Other Types of Trading Transactions (III)	15.779.355	2.169.337	4.430.656	821.698	--	23.201.046
B. Total Types of Trading Transactions (I + II + III)	257.613.686	137.552.528	78.984.158	101.272.853	60.378.599	635.801.824
Total Derivatives Transactions (A+B)	257.613.686	137.552.528	78.984.158	101.272.853	60.378.599	635.801.824

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Prior Period	Up to 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Total
Hedging Purpose Derivative Transactions						
A. Total Hedging Purpose Derivative Transactions	--	--	--	--	--	--
Fair Value Hedge Transactions	--	--	--	--	--	--
Cash Flow Hedge Transactions	--	--	--	--	--	--
Net Foreign Investment Hedge Transactions	--	--	--	--	--	--
Types of Trading Transactions						
Foreign Currency Related Derivative Transactions (I)	186.137.814	128.661.152	35.858.258	373.402	4.184.741	355.215.367
Forward FC Call Transactions	4.227.426	3.354.199	6.696.987	--	--	14.278.612
Forward FC Pull Transactions	3.626.928	3.260.735	6.610.909	--	--	13.498.572
Swap FC Call Transactions	69.533.208	18.687.543	3.568.855	272.743	2.202.853	94.265.202
Swap FC Pull Transactions	74.301.834	22.786.561	3.565.434	98.789	1.981.888	102.734.506
Options FC Call Transactions	16.475.694	40.094.097	7.733.527	1.870	--	64.305.188
Options FC Pull Transactions	16.484.531	40.217.627	7.682.546	--	--	64.384.704
Futures FC Call Transactions	737.273	127.131	--	--	--	864.404
Futures FC Pull Transactions	750.920	133.259	--	--	--	884.179
Total of Interest Derivative Transactions (II)	450.000	551.754	810.262	51.649.174	48.632.076	102.093.266
Swap Interest Call Transactions	225.000	250.000	405.131	25.824.587	23.554.127	50.258.845
Swap Interest Pull Transactions	225.000	250.000	405.131	25.824.587	23.554.125	50.258.843
Options Interest Call Transactions	--	25.877	--	--	761.912	787.789
Options Interest Pull Transactions	--	25.877	--	--	761.912	787.789
Securities Interest Call Transactions	--	--	--	--	--	--
Securities Interest Pull Transactions	--	--	--	--	--	--
Futures Interest Call Transactions	--	--	--	--	--	--
Futures Interest Pull Transactions	--	--	--	--	--	--
Other Types of Trading Transactions (III)	6.288.325	4.841.747	6.215.018	187.076	--	17.532.166
B. Total Types of Trading Transactions (I + II + III)	192.876.139	134.054.653	42.883.538	52.209.652	52.816.817	474.840.799
Total Derivatives Transactions (A+B)	192.876.139	134.054.653	42.883.538	52.209.652	52.816.817	474.840.799

c. Information on credit derivatives and risk exposures on credit derivatives

None.

d. Explanations on contingent assets and liabilities

In accordance with the precautionary principle regarding the lawsuits filed against the Bank, TL 559.696 (31 December 2022: TL 263.824) 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.

e. Explanations on services carried out on behalf and account of other persons

The Bank provides purchase, sale, custody, management and consultancy services on behalf and account of other persons.

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IV. Explanations and disclosures related to 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	32.513.178	4.364.483	14.250.208	2.289.730
Medium and Long Term Loans	23.075.561	7.589.518	15.766.814	3.555.626
Loans Under Follow-Up	1.050.666	203.898	837.023	83.314
Premiums Received from Resource Utilisation Support Fund	--	--	--	--
Total	56.639.405	12.157.899	30.854.045	5.928.670

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	2.925.994	368.929	31.047	96.560
Foreign Banks	11.082	703.831	--	147.078
Foreign Head Offices and Branches	--	--	--	--
Total	2.937.076	1.072.760	31.047	243.638

The interest income received from required reserves of the Bank with the CBRT is TL 216.357 (1 January - 31 December 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	50.862	380.767	51.449	89.424
Financial Assets at Fair Value Through Other Comprehensive Income	9.317.301	2.742.545	8.227.306	1.644.330
Financial Assets Measured at Amortised Cost	11.056.997	--	2.426.491	167.573
Total	20.425.160	3.123.312	10.705.246	1.901.327

As stated in the chapter III footnote numbered VII, the 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.

4. Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	1.435.208	466.893

b. Interest expense

1. Information on interest expense related to funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	143.603	9.515.786	115.390	3.502.847
Central Bank of the Republic of Turkey	--	558.766	--	365.805
Domestic Banks	143.602	99.158	115.390	78.078
Foreign Banks	1	8.857.862	--	3.058.964
Foreign Head Offices and Branches	--	--	--	--
Other Institutions	--	--	--	--
Total	143.603	9.515.786	115.390	3.502.847

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

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2. Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	308.573	124.097

3. Information on interest expense paid to securities issued

	Current Period		Prior Period	
	TP	YP	TP	YP
Interest Paid to Securities Issued	12.334	726.347	334.897	59.012

4. Maturity structure of the interest expense on deposits

Account Name	Demand Deposits	Time Deposit					Cumulative Deposit	Total
		Up to 1 Month	Up to 3 Month	Up to 6 Month	Up to 1 Year	More than 1 Year		
TL								
Bank Deposits	24	284.116	--	--	--	--	--	284.140
Saving Deposits	2	2.292.499	12.066.933	21.902.000	4.090.239	2.376.601	1.196	42.729.470
Public Sector Deposits	--	30.611	108.129	1.917	255	509	--	141.421
Commercial Deposits	2	2.356.593	2.818.026	8.555.738	2.985.164	1.348.040	--	18.063.563
Other Deposits	--	97.499	262.801	184.475	48.836	724	--	594.335
7 Days Call Account	--	--	--	--	--	--	--	--
Total	28	5.061.318	15.255.889	30.644.130	7.124.494	3.725.874	1.196	61.812.929
FC								
Deposits	11	92.605	379.949	204.651	369.474	--	210.531	1.257.221
Bank Deposits	68.071	424.948	--	--	--	--	--	493.019
7 Days Call Account	--	--	--	--	--	--	--	--
Precious Metal Deposits	3	428	4.103	1.693	3.295	7.808	48	17.378
Total	68.085	517.981	384.052	206.344	372.769	7.808	210.579	1.767.618
Grand Total	68.113	5.579.299	15.639.941	30.850.474	7.497.263	3.733.682	211.775	63.580.547

c. Explanations on dividend income

	Current Period	Prior Period
Financial Assets at Fair Value Through Profit or Loss	--	--
Financial Assets at Fair Value Through Other Comprehensive Income	7.339	4.042
Other (*)	32	34.377
Total	7.371	38.419

(*) Presents dividend income from unconsolidated subsidiaries and associates.

d. Explanations on trading income/loss

	Current Period	Prior Period
Income	1.851.222.895	1.557.386.040
Capital Market Transactions	3.786.926	1.348.279
Derivative Financial Instruments	36.157.200	27.884.867
Foreign Exchange Gains	1.811.278.769	1.528.152.894
Loss (-)	1.848.586.447	1.553.180.630
Capital Market Transactions	1.718.737	1.105.233
Derivative Financial Instruments	25.821.728	16.559.540
Foreign Exchange Losses	1.821.045.982	1.535.515.857
Net Trading Income / Loss	2.636.448	4.205.410

Net gain/(loss) from foreign exchange translation differences related to derivative financial instruments amounts to TL 16.022.371 (1 January - 31 December 2022: TL (12.423.135)).

e. Information on other operating income

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

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f. Provisions for expected credit loss

	Current Period	Prior Period
Expected credit loss ^(*)	1.802.649	6.720.700
12 months provision for expected credit loss (Stage 1)	1.888.136	890.853
Significant increase in credit risk (Stage 2)	(920.044)	(632.174)
NPL (Stage 3)	834.557	6.462.021
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 ^(**)	4.202.510	4.439.571
Total	6.005.159	11.160.271

(*) Bank 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.

(**) It includes provisions other than provisions set aside in accordance with TFRS 9.

g. Information on other operating expenses

	Current Period	Prior Period
Personnel Expenses ^(*)	9.174.719	3.941.844
Reserve for Employee Termination Benefits ^(*)	(174.424)	224.508
Reserve for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	741.106	454.876
Impairment Losses on Intangible Assets	--	--
Goodwill for impairment loss	--	--
Amortisation Charges of Intangible Assets	875.875	362.369
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	55.529	138.348
Depreciation of Assets to be Disposed	--	--
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	6.590.940	2.923.347
Operational Lease Expenses ^(**)	320.922	144.088
Repair and Maintenance Expenses	1.358.450	645.289
Advertisement Expenses	412.926	228.324
Other Expenses ^(***)	4.498.642	1.905.646
Losses on Sale of Assets	3.389	3.609
Other ^(****)	3.206.251	1.673.612
Total	20.473.385	9.722.513

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

(**) Includes lease expenses evaluated other than the TFRS 16 Standard.

(***) Other expenses in other operational expenses comprise; communication expenses, IT repair and maintenance and software fees, stationary, heating and lighting, credit card service fee, vehicle expense and other expenses amounting to TL 329.976, TL 70.306, TL 197.549, TL 230.791, TL 2.222.949, TL 152.109 and TL 1.294.962 respectively (1 January - 31 December 2022: TL 178.278, TL 39.441, TL 113.190, TL 190.677, TL 995.562, TL 87.796 and TL 300.702 respectively).

(****)Other expenses comprise; BITT expenses, SDIF expenses, financial operating fees, earthquake support packages and others amounting to TL 1.141.978, TL 943.836, TL 340.601, TL 318.743 and TL 461.093 respectively (1 January - 31 December 2022: TL 807.290, TL 498.196, TL 157.862, TL 157.862 and TL 210.264 respectively).

h. Fees for services received from Independent Auditor / Independent Audit firms

In accordance with the decision of the POA dated 26 March 2021, the information of the fee for the reporting period regarding the services received from the independent auditors or independent audit firms is given in the table below.

	Current Period	Prior Period
Independent audit fee ^(*)	24.016	13.682
Tax consultancy fee	--	--
Other assurance services fee	765	1.160
Other fee for non-audit services	2.208	287
Total	26.989	15.129

Amounts related to audit fees include consolidated data.

(*) The 2023 independent audit fee includes the amount of TL 1.513 (2022: TL 1.450) paid to a different audit company belonging to JSC Denizbank Moscow.

Denizbank Anonim Şirketi

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(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of Unconsolidated Financial Report Originally Issued in Turkish, See Note 3.I.c

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

As 1 January - 31 December 2023, Bank has a profit before tax from continued operations amounting to TL 34.792.696 (1 January - 31 December 2022: TL 22.557.202).

As 1 January - 31 December 2023, loss before tax from discontinued operations is amounting to TL 208.074 (1 January-31 December 2022: TL 42.576 profit).

j. Information on tax provision for continued and discontinued operations

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

As 1 January - 31 December 2023, the current tax charge on continued operations amounts to TL 326.714 (1 January - 31 December 2022: TL 6.270.673) while deferred tax charge amounts to TL 25.050.261 (1 January - 31 December 2022: TL 9.028.869) and deferred tax benefit amounts to TL 18.610.734 (1 January - 31 December 2022: TL 9.888.003).

There are no current tax expense on discontinued operations (1 January - 31 December 2022: None). The deferred tax benefit amounts to TL 59.404 (1 January - 31 December 2022: TL 15.225 deferred tax charge).

k. Information on continued and discontinued operations net profit/loss

Bank has a net profit is amounting to TL 27.877.785 (31 December 2022: TL 17.173.014). Bank does not have discontinued operations.

l. 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

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

3. The Bank recognized its associates, in which it has direct or indirect shares, according to equity method in accordance with TAS 27 "Separate Financial Statements" while preparing its unconsolidated financial tables dated 31 December 2023.

4. The Bank applies net investment hedge accounting as of 1 July 2015 in order to hedge exchange difference sourcing from equity method implementation for its net investment at a total amount of Euro 1.231 million belonging to Denizbank AG which is one of the subsidiaries of the Bank. The same amounts of foreign currency deposits are designated as hedging instruments and the effective portion of the change caused by the exchange rate of these financial liabilities is recognised in hedge funds account under equity.

m. 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

DFH 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 related to statement of changes in shareholders' equity

a. Explanations on capital increase

None.

b. Explanations on issuance of shares

None.

c. Adjustments in accordance with TAS 8

None.

d. Explanations on profit distribution

The authorised body of the Bank regarding profit distribution is the General Assembly. As of the prepatation date of the financials, the annual ordinary General Assembly meeting has not been held yet.

e. Other comprehensive income and expenses

Unrealised profit/loss” generated by differences at fair values of financial assets at fair value through other comprehensive income is not reflected in the statement of profit or loss of the period till to realise one of the situations that collection of value that corresponds to a financial asset, the sale of the asset, the disposal or loss of the asset and accounted under shareholders' equity as “Securities Valuation Differences”. The net amount after tax for the current period is TL (4.679.939).

The revaluation increase of the tangible fixed assets amounting to TL 450.699 was netted off with the deferred tax effect of TL 87.686 and was accounted for in equity.

In accordance with TFRS 9, Intertech's fair value change amounting to TL 5.592.952 have been accounted under the equity.

Net amount TL 74.351 after tax regarding the actuarial profit/loss have been accounted under the equity.

Net after tax TL (7.410.703) amount of foreign net investment hedge funds have been accounted for under equity.

Foreign currency translation differences amounting to TL 13.513.264 have been accounted under the equity.

f. Explanations on amounts transferred to reserves

The Bank transferred profit for the previous year amounting to TL 16.822.539 (31 December 2022: TL 3.369.572) to extraordinary reserves in 2023. The amount transferred to legal reserves is TL 350.475 (31 December 2022: TL 177.346).

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VI. Explanations related to statement of cash flows

a. Information on cash and cash equivalents

The components that constitute cash and cash equivalents and the accounting policy used in determining these items:

Cash, foreign currency, cash-in-transit, and demand deposits at banks including the Central Bank are defined as “Cash”; receivables from the money market with an original maturity of less than three months, term deposits in banks, investments in securities except shares are defined as “Cash Equivalent”.

1. Cash and cash equivalents at the beginning of the period

	Current Period	Prior Period
	01.01.2023	01.01.2022
Cash	12.945.628	9.412.019
Cash in vault, foreign currencies and other	5.206.196	4.054.102
Banks demand deposits	7.739.432	5.357.917
Cash and Cash Equivalent	42.176.222	22.384.218
Interbank money market placements	--	219.738
Banks time deposits	41.419.949	20.967.881
Securities	756.273	1.196.599
Total Cash and Cash Equivalents	55.121.850	31.796.237

2. Cash and cash equivalents at the end of the period

	Current Period	Prior Period
	31.12.2023	31.12.2022
Cash	21.801.548	12.945.628
Cash in vault, foreign currencies and other	8.093.635	5.206.196
Banks demand deposits	13.707.913	7.739.432
Cash and Cash Equivalent	198.979.899	42.176.222
Interbank money market placements	51.687.370	--
Banks time deposits	147.175.312	41.419.949
Securities	117.217	756.273
Total Cash and Cash Equivalents	220.781.447	55.121.850

b. Cash and cash equivalent assets owned by Bank but not in free use due to legal restrictions or other reasons

The Bank maintains a total reserve of TL 194.881.784, including the required reserve balances on average in the Central Bank (31 December 2022: TL 80.910.089). Additionally, the restricted amount in foreign banks account is TL 2.109.724 (31 December 2022: TL 954.746).

c. “Other” items in the statement of cash flows and effect of change in foreign currency exchange rate on cash and cash equivalents

The “other” item amounting to TL (13.254.024) (31 December 2022: TL (2.946.368)) within the “operating profit before change in assets and liabilities subject of banking operation”, consists of other operating expenses, fees and commissions given and capital market transaction losses. With the effect of these changes in the cash flow table, the cash and cash equivalents amounting to TL 55.121.850 at the beginning of the period (31 December 2022: TL 31.796.237) has become TL 220.781.447 at the end of the period (31 December 2022: TL 55.121.850).

The TL 66.899.633 within the “change in assets and liabilities subject of banking operation” (31 December 2022: TL 14.902.736); consists of changes in the “net increase (decrease) in other debts”, miscellaneous payables, tax payables, fees, premiums and other liabilities.

The effect of change in foreign currency exchange rate on cash and cash equivalents consists of the rate difference arising from the conversion of the average of the cash and cash equivalent assets in foreign currency to TL with the rates from the beginning and the end of the period; and it amounts to TL 9.559.208 as of 31 December 2023 (31 December 2022: TL 10.807.573).

Denizbank Anonim Şirketi

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(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of Unconsolidated Financial Report Originally Issued in Turkish, See Note 3.I.c

VII. Explanations and disclosures related to Bank's risk group

a. Information on loans and other receivables of Bank's risk group

Current Period

Bank'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	7.211.504	372.215	51.873	93.168	3.484	1.225
Balance at the End of the Period	10.271.015	472.255	28.119	162.491	12.075	80.772
Interest and Commission Income	1.480.175	249	--	--	112	--

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

Prior Period

Bank'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	3.956.834	290.053	5.518	6.144	559.105	14.455
Balance at the End of the Period	7.211.504	372.215	51.873	93.168	3.484	1.225
Interest and Commission Income	506.044	15	185	--	191	18

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

b. Information on deposits and funds borrowed from Bank's risk group

Bank'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	1.125.513	2.716.286	33.675.803	29.596.720	239.756	57.512
Balance at the End of the Period	10.347.579	1.125.513	81.932.331	33.675.803	84.916	239.756
Interest and Commission Expense Paid	353.980	139.496	3.030.926	1.236.506	14.933	24.784

(*) 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 Bank's risk group

Bank'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	10.114.722	13.914.186	161.515	100.000	68.852	--
Balance at the End of the Period	9.159.620	10.114.722	3.945.073	161.515	--	68.852
Total Income/(Loss)	10.803	1.518.943	(38.519)	2.107	8.256	4.432
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 31 December 2023, a payment of TL 380.533 (31 December 2022: TL 207.857) has been accrued to the key management of the Bank.

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e. Information on transactions with Bank's risk group

As of 31 December 2023, cash loans and other receivables of the risk group represent 2,1% of Bank's total cash loans and banks; deposits and borrowings represent 12% of Bank's total deposits and borrowings. Non-cash loans granted to risk group companies represent 0,5% of the total non-cash loans balance.

The Bank conducts financial and operational leasing transactions with Deniz Leasing. As of 31 December 2023, The Bank's net financial lease liabilities arising from these aggrements are TL 147.884 (31 December 2022: TL 234.829). Also, the Bank provides agency services for Deniz Yatırım Menkul Kıymetler A.Ş. through its branches.

VIII. Domestic, foreign and off-shore banking branches or associates and foreign representatives of the Bank

a. Explanations relating to the Bank's domestic and foreign branch and representatives

	Number	Number of Employees	Country of Incorporations	Total Assets	Statutory Share Capital
Domestic branch	639	12.694			
Foreign representation	-	-	-		
Off shore banking branches	1	5	1-Bahreyn	43.238.226	-
Foreign branch	1	21	2-TRNC	1.167.570	-

b. Explanations on the subject in case the Bank opens and closes domestic and foreign branch and representative and changes the organization significantly

The Bank opened 3 new branches and closed 34 branches in 2023.

The Bank received approval from the BRSA on 28 June 2022 to establish a branch bank in the Turkish Republic of Northern Cyprus (TRNC); With the decision of the Bank's Board of Directors dated 30 June 2022, it was decided to open a branch to operate as a Branch Bank under the TRNC Banking Law. It was decided by the TRNC Central Bank to grant permission to the Bank to open a branch in TRNC, and the decision was published in the TRNC Official Gazette dated 17 February 2023. Following the decision given to the Bank for permission to open a branch in TRNC, within the scope of the Bank's application dated 12 May 2023, the TRNC Central Bank decided to grant the Bank an operating permit in TRNC and the decision was published in the TRNC Official Gazette dated 27 July 2023. The Kyrenia Branch and Denizbank TRNC Country Directorate, which started their operations as of 11 August 2023, were opened on 22 September 2023.

Denizbank Anonim Şirketi

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as of 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of Unconsolidated Financial Report Originally Issued in Turkish, See Note 3.I.c

SECTION SIX

OTHER DISCLOSURES AND FOOTNOTES

I. Other explanations related to Bank’s operations

a. Other explanations related to Bank’s operations

None.

b. Summary information about ratings of the Banks which has been assigned by the international rating agencies

Moody’s *		Fitch Ratings **	
Outlook	Stable	Outlook	Stable
Long Term Foreign Currency Deposit	B3	Long Term Foreign Currency	B-
Short Term Foreign Currency Deposit	Not Prime	Short Term Foreign Currency	B
Long Term Local Currency Deposit	B1	Long Term Local Currency	B
Short Term Local Currency Deposit	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	

c. Subsequent events

With the decision dated 11 January 2024 and numbered 10825, BRSA determined the date of transition to TAS 29 application for banks, financial leasing, factoring, financing, savings financing and asset management companies as 1 January 2025.

Denizbank Anonim Şirketi

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as of 31 December 2023

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Convenience Translation of Unconsolidated Financial Report Originally Issued in Turkish, See Note 3.I.c

SECTION SEVEN

INDEPENDENT AUDITOR’S REPORT

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

Unconsolidated financial statements and notes of the Bank are subject to independent audit by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member Firm of Deloitte Touche Tohmatsu Limited) and independent audit report dated 23 January 2024 is presented in front of the unconsolidated 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 Bank.

(Convenience Translation of the Independent Auditor's Report
Originally Prepared and Issued in Turkish See Note 3.I.c)

Denizbank Anonim Şirketi and Its Financial Subsidiaries

Independent Auditor's Report, Consolidated
Financial Statements and Notes for the Year
Ended 31 December 2023



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(CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR’S REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR’S REPORT

To the General Assembly of Denizbank AŞ.

A) Report on the Audit of the Financial Statements

1) Qualified Opinion

We have audited the financial statements of Denizbank AŞ (the “Bank”) and its consolidated subsidiaries (“the Group”), which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated statement of income, consolidated statement of income and expense items accounted for under shareholders’ equity, consolidated statement of changes in shareholders’ equity and consolidated statement of cash flows for the year then ended and, notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Bank as at December 31, 2023, and (of) its consolidated financial performance and its consolidated cash flows for the year then ended 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 BRSA and provisions of Turkish Financial Reporting Standards (TFRS) for the matters not legislated by the aforementioned regulations.

2) Basis for Qualified Opinion

The accompanying Consolidated financial statements as at 31 December 2023 include a free provision amounting to TL 6.700.000 thousand, which TL 4.175.000 thousand has been allocated in previous years and TL 2.525.000 thousand recognized as an expense in the consolidated financial statements in the current period, provided by the Bank 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 6.700.000 thousand and profit before tax would increase by TL 2.525.000 and equity would increase by TL 6.700.000 thousand for the period ended 31 December 2023.

We conducted our audit in accordance with the regulation on “Independent Auditing of Banks” published in the Official Gazette dated 2 April 2015 with No. 29314 and Standards on Independent Auditing (“SIA”) which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics for Independent Auditors* (“Code of Ethics”) published by the POA, together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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



3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
<p><i>Impairment of loans in accordance with TFRS 9 Financial Assets</i></p> <p>Impairment of loans is a key area of judgment for the management. The Group has the total loans, receivables from leasing transactions and factoring receivables amounting to TL 608.163.015 thousands, which comprise 52% of the Group’s total assets in its consolidated financial statements and the total provision for impairment amounting to TL 38.123.402 as at 31 December 2023.</p> <p>As of 1 January 2018, the Group has started to recognize provisions for impairment of loans in accordance with the TFRS 9 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.</p> <p>In this respect, the method of provisions for impairment as set out in accordance with the related legislation of BRSA as mentioned in the Section 3 Note VIII of Explanation on Accounting Policies, the expected credit loss estimates are required to be unbiased, probability-weighted and should include supportable information about past events, current conditions, and forecasts of future economic conditions.</p> <p>The Group exercises significant decisions using judgment, interpretation and assumptions over calculating loan impairments. These judgments, interpretations and assumptions are key in the development of the financial models built to measure the expected credit losses on loans.</p>	<p>As part of our audit work, the following procedures were performed:</p> <p>We assessed and tested the design, implementation and operating effectiveness of key controls applied by the Group with respect to classification of loans and determination and calculation of impairments. Our information system experts have also participated to perform these procedures.</p> <p>We have assessed and analyzed the relevant contract terms to assess management’s accounting policy and classification of the instrument for selected samples.</p> <p>We have performed loan review procedures on selected samples of loans and receivables with the objective of identifying whether the loss event had occurred and whether the provision for impairment has been recognized in a timely manner within the framework of the provisions of the relevant legislation.</p> <p>We have tested relevant inputs and assumption used by the management in each stage of the expected credit loss calculation by considering whether the inputs and assumptions appear reasonable, the relationship between the assumptions and whether the assumptions are interdependent and internally consistent, whether the assumptions appropriately reflect current market information and collections, and whether the assumptions appear reasonable when considered collectively with other assumptions, including those for the same accounting estimates and those for other accounting estimates.</p> <p>We have tested historical loss data to validate the completeness and accuracy of key parameters.</p> <p>We have tested whether the model is applied to appropriate groupings of assets which share credit risk characteristics.</p>



Key Audit Matters	How the matter was addressed in the audit
<p>A significant part of the Group’s corporate loan portfolio has assessed individually. This situation requires significant judgments in the calculation of the expected loan loss provision.</p> <p>Not fulfilling the requirements of the TFRS 9 is a potential risk for the Bank. Failure in determining the loans and receivables that are impaired and not recording the adequate provision for these impaired loans is the aforementioned risk. Accordingly, impairment of loans and receivables is considered as a key audit matter.</p> <p>Related explanations relating to the impairment of loans and receivables in the consolidated financial statements are presented in Section 5 Note I.d.</p>	<p>We tested the application of the model to the relevant inputs and the mathematical integrity of each stage of the expected credit loss calculation.</p> <p>Based on our discussions with the Group management, we evaluated whether the key assumptions and other judgements, underlying the estimations of impairments were reasonable.</p> <p>We assessed expected credit losses determined based on individual assessment per Group’s policy by means of supporting data and evaluated appropriateness via discussions with management.</p> <p>Our specialists are involved in all procedures regarding assumptions of models and individual assessments.</p> <p>In order not to ignore the extraordinary situations that did not occur during the model's consideration periods, the affected portfolios were determined by the Group and all the studies related to the assumptions regarding the expected credit loss provisions were evaluated via discussions with the bank management.</p> <p>We have reviewed disclosures made within the TFRS 9 framework in the financial statements of the Group with respect to loans and receivables and related impairment provisions.</p>
	Procedures within the context of our information technology audit work:



Key Audit Matters	How the matter was addressed in the audit
<p>Information Technologies Audit</p> <p>The Group and its finance functions are dependent on the IT-infrastructure for the continuity of its operations, and the demand for technology-enabled business services is rapidly growing in the Group and its subsidiaries. Controls over reliability and continuity of the electronic data processing are within the scope of the information systems internal controls audit. The reliance on information systems within the Group means that the controls over access rights, continuity of systems, privacy and integrity of the electronic data are critical and found to be key area of focus as part of our risk-based scoping.</p>	<ul style="list-style-type: none">• We identified and tested the Group’s controls over information systems with risk-based approach as part of our audit procedures.• Information generation comprise layers of information systems that are important for financial statements (including applications, networks, transmission systems and database). The information systems controls tested are categorized in the following areas:<ul style="list-style-type: none">• Access Security• Change Management• Data Center and Network Operations• We selected high-risk areas as, log management for database and change management control activities, to prevent and detect whether accesses to financial data had been identified in a timely manner.• We tested the accesses management and log management controls underlying all applications that have direct or indirect impacts on financial data generation.• Automated controls and integration controls are tested to underly and detect changes and accesses in the process of financial data generation.• We also tested the completeness and accuracy of the information produced by the entity and information used in controls reports as inputs to our controls and outputs generated by the IT components.• Finally, we understood and tested the controls over database, network, application and operating system layers of applications.



4) Responsibilities of Management and Those Charged with Governance for the Financial Statements

Group Management is responsible for the preparation and fair presentation of the financial statements in accordance with the BRSA Accounting and Reporting Regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

5) Auditor’s Responsibilities for the Audit of the Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the regulation on “Independent Auditing of Banks” published in the Official Gazette dated 2 April 2015 with No. 29314 and SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the regulation on “Independent Auditing of Banks” published in the Official Gazette dated 2 April 2015 with No. 29314 and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



5) Auditor’s Responsibilities for the Audit of the Financial Statements (cont’d)

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



5) Auditor’s Responsibilities for the Audit of the Financial Statements (cont’d)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Other Responsibilities Arising From Regulatory Requirements

In accordance with paragraph four of the Article 402 of the Turkish Commercial Code No. 6102 (“TCC”), nothing has come to our attention that may cause us to believe that the Group’s set of accounts for the period 1 January - 31 December 2023 does not comply with TCC and the provisions of the Bank’s articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor’s report is Yaman Polat.

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, 23 January 2024

DENİZBANK A.Ş.
CONSOLIDATED FINANCIAL REPORT AS OF 31 DECEMBER 2023

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

Telephone and Fax Numbers
Tel : 0.212.348 20 00
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Website of the Bank
www.denizbank.com

E-mail address of the Bank
yatirimciliskileri@denizbank.com

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





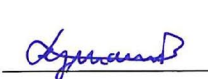
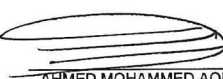
- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- DISCLOSURES ON ACCOUNTING POLICIES IN RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE CONSOLIDATED GROUP
- DISCLOSURES AND FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS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

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

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

23 January 2024

 HAKAN ELVERDİ Senior Vice President Financial Reporting and Accounting	 RUSLAN ABİL Executive Vice President Financial Affairs and Chief Financial Officer	 HAKAN ATEŞ Member of Board of Directors and President and Chief Executive Officer	 HESHAM ABDULLA QASSIM AL QASSIM Chairman of Board of Directors
 BJÖRN 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:
Name/Title: İmge İhtiyar / Department Head, International Reporting and Consolidation Department
Tel No: 0 212 348 5997
Fax No: 0 212 336 6186

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Denizbank Anonim Şirketi

Notes to Consolidated Financial Statements

as of 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

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

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.

Denizbank Anonim Şirketi

Notes to Consolidated Financial Statements

as of 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

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

III. Explanations regarding the chairman and the members of board of directors, 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 Lenzmann	Member	--
Aazar Ali Khwaja	Member	--
Audit Committee		
Ahmed Mohammed Aqil Qassim Alqassim	Member	--
Bjorn Lenzmann	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 Hıçkırın	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 Çıtak	Project Finance, Financial Restructuring and Credits International Coordination	--
Kishore Swayamberdutt 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 Oflaz	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 Oflaz 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.

Denizbank Anonim Şirketi

Notes to Consolidated Financial Statements

as of 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of Consolidated Financial Report Originally Issued in Turkish, See Note 3.I.c

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

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 31 December 2023 the capital structure of ENBD is as follows:

Shareholders	Curent Period Share Percentages %	Prior Period Share Percentages %
Investment Corporation of Dubai	40,92	55,76
DH 7 LLC	14,84	--
Capital Assets LLC	5,33	5,33
Publicly traded	38,91	38,91
Total	100,00	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 639 domestic brances and 2 foreign branch as of 31 December 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.

- 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
- VII. Consolidated Profit Distribution Table

Denizbank Anonim Şirketi

Consolidated Statement of Financial Position

(Balance Sheet) as of 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of Consolidated Financial Report Originally Issued in Turkish, See Note 3.I.c

ASSETS	Note	Audited			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		197.618.109	287.246.045	484.864.154	54.128.077	177.525.552	231.653.629
1.1 Cash and Cash Equivalents		158.841.321	206.531.247	365.372.568	9.896.878	135.144.718	145.041.596
1.1.1 Cash and Balances with Central Bank	(5.I.a)	100.400.926	138.404.781	238.805.707	8.708.256	103.447.563	112.155.819
1.1.2 Banks	(5.I.a)	6.298.065	68.184.979	74.483.044	1.172.266	31.734.915	32.907.181
1.1.3 Due From Money Markets		52.142.787	-	52.142.787	16.415	-	16.415
1.1.4 Expected Credit Loss (-)		457	58.513	58.970	59	37.760	37.819
1.2 Financial Assets at Fair Value Through Profit or Loss	(5.I.b)	3.220.764	4.741.661	7.962.425	1.486.387	1.335.065	2.821.452
1.2.1 Government Debt Securities		193.341	2.234.830	2.428.171	452.368	819.141	1.271.509
1.2.2 Equity Instruments		151	896.060	896.211	-	456.942	456.942
1.2.3 Other Financial Assets		3.027.272	1.610.771	4.638.043	1.034.019	58.982	1.093.001
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(5.I.c)	34.299.022	68.681.677	102.980.699	41.116.476	36.142.261	77.258.737
1.3.1 Government Debt Securities		34.298.062	65.536.625	99.834.687	41.115.526	35.108.721	76.224.247
1.3.2 Equity Instruments		960	1.112	2.072	950	680	1.630
1.3.3 Other Financial Assets		-	3.143.940	3.143.940	-	1.032.860	1.032.860
1.4 Derivative Financial Assets		1.257.002	7.291.460	8.548.462	1.628.336	4.903.508	6.531.844
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss	(5.I.b)	1.257.002	7.291.460	8.548.462	1.628.336	4.903.508	6.531.844
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income	(5.I.j)	-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		352.934.719	268.335.321	621.270.040	203.991.845	157.074.107	361.065.952
2.1 Loans	(5.I.d)	311.512.588	267.157.838	578.670.426	200.398.906	157.122.878	357.521.784
2.2 Lease Receivables	(5.I.i)	5.433.739	8.307.847	13.741.586	2.536.262	6.036.736	8.572.998
2.3 Factoring Receivables		13.300.694	2.450.309	15.751.003	6.471.628	1.590.178	8.061.806
2.4 Other Financial Assets Measured at Amortised Cost	(5.I.e)	42.882.876	8.354.208	51.237.084	11.146.415	7.170.493	18.316.908
2.4.1 Government Debt Securities		42.882.876	8.354.208	51.237.084	11.146.415	7.170.493	18.316.908
2.4.2 Other Financial Assets		-	-	-	-	-	-
2.5 Expected Credit Loss (-)		20.195.178	17.934.881	38.130.059	16.561.366	14.846.178	31.407.544
III. NON CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)	(5.I.o)	-	-	-	3	28.753	28.756
3.1 Held for Sale		-	-	-	-	-	-
3.2 Discontinued Operations		-	-	-	3	28.753	28.756
IV. EQUITY INVESTMENTS		8.313.795	1.825	8.315.620	2.693.629	698	2.694.327
4.1 Investments in Associates (Net)	(5.I.f)	23.763	-	23.763	21.855	-	21.855
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		23.763	-	23.763	21.855	-	21.855
4.2 Subsidiaries (Net)	(5.I.g)	8.287.232	1.825	8.289.057	2.668.974	698	2.669.672
4.2.1 Unconsolidated Financial Subsidiaries		-	1	1	-	-	-
4.2.2 Unconsolidated Non-Financial Subsidiaries		8.287.232	1.824	8.289.056	2.668.974	698	2.669.672
4.3 Joint Ventures (Net)	(5.I.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)	(5.I.k)	7.757.446	1.037.734	8.795.180	3.681.548	676.124	4.357.672
VI. INTANGIBLE ASSETS (Net)	(5.I.l)	2.402.868	530.755	2.933.623	1.337.505	185.281	1.522.786
6.1 Goodwill		-	-	-	-	-	-
6.2 Other	(5.I.m)	2.402.868	530.755	2.933.623	1.337.505	185.281	1.522.786
VII. INVESTMENT PROPERTIES (Net)		1.591.527	-	1.591.527	709.270	-	709.270
VIII. CURRENT TAX ASSET		1.877.045	7.151	1.884.196	18.886	12.301	31.187
IX. DEFERRED TAX ASSET	(5.I.n)	4.441.916	-	4.441.916	4.357.629	-	4.357.629
X. OTHER ASSETS (Net)	(5.I.p)	31.803.864	7.007.016	38.810.880	15.302.415	3.277.491	18.579.906
TOTAL ASSETS		608.741.289	564.165.847	1.172.907.136	286.220.807	338.780.307	625.001.114

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

Denizbank Anonim Şirketi

Consolidated Statement of Financial Position

(Balance Sheet) as of 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of Consolidated Financial Report Originally Issued in Turkish, See Note 3.I.c

LIABILITIES	Note	Audited			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.II.a)	398.748.528	348.557.052	747.305.580	167.353.570	272.025.251	439.378.821
II. FUNDS BORROWED	(5.II.c)	11.211.239	115.192.209	126.403.448	5.692.037	44.889.467	50.581.504
III. DUE TO MONEY MARKETS		4.145.451	51.874.091	56.019.542	1.152.556	12.329.241	13.481.797
IV. SECURITIES ISSUED (Net)	(5.II.d)	5.157.897	41.336.785	46.494.682	3.616.862	5.181.864	8.798.726
4.1 Bills		5.157.897	1.516.251	6.674.148	3.616.862	494.857	4.111.719
4.2 Assets Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	39.820.534	39.820.534	-	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		409.820	2.426.032	2.835.852	191.400	3.230.133	3.421.533
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss	(5.II.b)	409.820	2.426.032	2.835.852	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)	825.635	75.676	901.311	582.746	73.177	655.923
X. PROVISIONS	(5.II.h)	12.808.438	3.433.858	16.242.296	7.930.557	2.359.220	10.289.777
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		1.685.939	237.918	1.923.857	1.545.044	132.230	1.677.274
10.3 Insurance for Technical Provision (Net)		-	-	-	-	-	-
10.4 Other Provisions		11.122.499	3.195.940	14.318.439	6.385.513	2.226.990	8.612.503
XI. CURRENT TAX LIABILITY	(5.II.i)	2.455.834	746.522	3.202.356	3.133.140	44.465	3.177.605
XII. DEFERRED TAX LIABILITIES	(5.II.i)	863.018	573.414	1.436.432	305.780	348.652	654.432
XIII. NON CURRENT LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(5.II.j)	-	-	-	-	28.190	28.190
13.1 Held for Sale		-	-	-	-	-	-
13.2 Discontinued Operations		-	-	-	-	28.190	28.190
XIV. SUBORDINATED DEBT INSTRUMENTS		-	23.066.679	23.066.679	-	14.561.492	14.561.492
14.1 Loans	(5.II.k)	-	23.066.679	23.066.679	-	14.561.492	14.561.492
14.2 Other Debt Instruments		-	-	-	-	-	-
XV. OTHER LIABILITIES	(5.II.e)	33.170.157	25.415.193	58.585.350	17.056.022	8.052.316	25.108.338
XVI. SHAREHOLDERS' EQUITY	(5.II.l)	43.456.659	46.956.949	90.413.608	27.778.798	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	(6.567)	-	-	-	(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	(6.582)	-	-	(6.582)	(8.500)	-	(8.500)
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		7.951.537	306.577	8.258.114	2.045.730	181.661	2.227.391
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss	(25.346.766)	38.221.858	12.875.092	(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)		23.797.222	6.864.935	30.662.157	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)		23.330.645	4.543.541	27.874.186	15.170.363	2.003.662	17.174.025
16.7 Minority Shares		496.351	1.007	497.358	303.233	534	303.767
TOTAL LIABILITIES		513.252.676	659.654.460	1.172.907.136	234.794.468	390.206.646	625.001.114

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

Denizbank Anonim Şirketi

Consolidated Statement of Off-Balance Sheet Items

as of 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of Consolidated Financial Report Originally Issued in Turkish, See Note 3.I.c

Note	Audited			Audited		
	CURRENT PERIOD			PRIOR PERIOD		
	TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)	542.674.261	672.511.052	1.215.185.313	280.463.874	431.587.810	712.051.684
I. GUARANTEES	70.940.660	83.028.890	153.969.550	38.168.042	52.832.120	91.000.162
1.1. Letters of Guarantee	63.054.961	56.201.587	119.256.548	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	458.580	537.601	79.021	285.484	364.505
1.1.3. Other Letters of Guarantee	62.975.940	55.743.007	118.718.947	32.531.081	33.885.749	66.416.830
1.2. Bank Acceptances	-	717.588	717.588	149.232	593.707	742.939
1.2.1. Import Letter of Acceptance	-	717.588	717.588	149.232	593.707	742.939
1.2.2. Other Bank Acceptances	-	-	-	-	-	-
1.3. Letters of Credit	20.096	23.928.765	23.948.861	39.625	15.599.066	15.638.691
1.3.1. Documentary Letters of Credit	-	17.007.220	17.007.220	39.625	9.176.192	9.215.817
1.3.2. Other Letters of Credit	20.096	6.921.545	6.941.641	-	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	7.865.603	2.180.950	10.046.553	5.369.075	2.468.114	7.837.189
1.9. Other Sureties	-	-	-	8	-	8
II. COMMITMENTS	360.708.491	27.648.615	388.358.106	122.289.970	10.436.910	132.726.880
2.1. Irrevocable Commitments	357.794.731	27.557.227	385.351.958	120.499.257	9.930.700	130.429.957
2.1.1. Asset Purchase and Sale Commitments	1.180.407	16.719.728	17.900.135	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 Subsidiaries	-	-	-	35.625	-	35.625
2.1.3. Loan Granting Commitments	-	-	-	-	-	-
2.1.4. Securities Issuance Brokerage Commitments	48.403.121	-	48.403.121	30.474.774	-	30.474.774
2.1.5. Commitments for Reserve Deposit Requirements	-	-	-	-	-	-
2.1.6. Commitments for Cheque Payments	-	-	-	-	-	-
2.1.7. Tax and Fund Obligations from Export Commitments	12.311.768	-	12.311.768	6.613.792	-	6.613.792
2.1.8. Commitments for Credit Card Limits	1.643	-	1.643	2.396	-	2.396
2.1.9. Commitments for Promotional Operations Re-Credit	293.746.486	-	293.746.486	80.333.770	-	80.333.770
2.1.10. Cards and Banking Services	-	-	-	-	-	-
2.1.11. Receivables from "Short" Sale Commitments On Securities	33.541	-	33.541	14.925	-	14.925
2.1.11.1. Payables for "Short" Sale Commitments On Securities	-	-	-	-	-	-
2.1.11.2. Other Irrevocable Commitments	-	-	-	-	-	-
2.1.12. Revocable Commitments	2.117.765	10.837.499	12.955.264	1.226.828	1.655.727	2.882.555
2.2. Revocable Loan Granting Commitments	2.914.760	91.388	3.006.148	1.790.713	506.210	2.296.923
2.2.1. Other Revocable Commitments	2.914.201	91.388	3.005.589	1.790.154	506.210	2.296.364
2.2.2. Other Revocable Commitments	559	-	559	559	-	559
III. DERIVATIVE FINANCIAL INSTRUMENTS	111.024.110	561.833.547	672.857.657	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	111.024.110	561.833.547	672.857.657	120.005.862	368.318.780	488.324.642
3.2.1. Forward Foreign Currency Purchases/Sales	25.450.026	52.435.531	77.885.557	6.113.314	21.683.876	27.797.190
3.2.1.1. Forward Foreign Currency Purchases	24.643.324	16.181.693	40.825.017	5.709.037	8.579.485	14.288.522
3.2.1.2. Forward Foreign Currency Sales	806.702	36.253.838	37.060.540	404.277	13.104.391	13.508.668
3.2.2. Currency and Interest Rate Swaps	74.509.770	448.712.024	523.221.794	51.934.327	259.046.906	310.981.233
3.2.2.1. Currency Swaps-Purchases	408.019	175.722.124	176.130.143	4.328.821	98.810.550	103.139.371
3.2.2.2. Currency Swaps-Sales	67.141.751	124.468.018	191.609.769	42.245.506	69.298.664	111.544.170
3.2.2.3. Interest Rate Swaps-Purchases	3.480.000	74.260.943	77.740.943	2.680.000	45.468.847	48.148.847
3.2.2.4. Interest Rate Swaps-Sales	3.480.000	74.260.939	77.740.939	2.680.000	45.468.845	48.148.845
3.2.3. Currency, Interest Rate and Security Options	10.894.618	37.363.926	48.258.544	61.074.042	69.191.428	130.265.470
3.2.3.1. Currency Options-Purchases	7.645.352	13.503.512	21.148.864	41.117.590	23.187.598	64.305.188
3.2.3.2. Currency Options-Sales	3.249.266	19.005.858	22.255.124	19.956.452	44.428.252	64.384.704
3.2.3.3. Interest Rate Options-Purchases	-	2.427.278	2.427.278	-	787.789	787.789
3.2.3.4. Interest Rate Options-Sales	-	-	-	-	787.789	787.789
3.2.3.5. Securities Options-Purchases	-	-	-	-	-	-
3.2.3.6. Securities Options-Sales	-	-	-	-	-	-
3.2.4. Currency Futures	169.696	121.020	290.716	884.179	864.404	1.748.583
3.2.4.1. Currency Futures-Purchases	169.696	-	169.696	-	864.404	864.404
3.2.4.2. Currency Futures-Sales	-	121.020	121.020	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	-	23.201.046	23.201.046	-	17.532.166	17.532.166
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)	2.527.897.365	1.806.134.342	4.334.031.707	1.650.727.568	900.096.278	2.550.823.846
IV. ITEMS HELD IN CUSTODY	138.507.394	158.705.674	297.213.068	55.430.483	65.785.451	121.215.934
4.1. Customers' Securities and Portfolios Held	-	-	-	-	-	-
4.2. Securities Held in Custody	124.773.913	149.180.256	273.954.169	47.708.203	55.589.317	103.297.520
4.3. Checks Received for Collection	11.167.019	3.369.625	14.536.644	5.844.200	6.169.880	12.014.080
4.4. Commercial Notes Received for Collection	2.425.155	808.057	3.233.212	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	5.347.736	5.348.984	1.248	2.912.469	2.913.717
4.8. Custodians	-	-	-	-	-	-
V. PLEDGED ITEMS	2.388.050.953	1.642.304.784	4.028.355.737	1.593.785.060	831.525.556	2.425.311.216
5.1. Securities	16.975.329	5.401.288	22.376.617	4.191.742	362.796	4.554.538
5.2. Guarantees Notes	1.559.666.872	484.942.734	2.044.609.606	977.706.210	272.272.517	1.249.978.727
5.3. Commodities	46.639.573	66.824.496	113.464.069	34.485.125	46.047.323	80.532.448
5.4. Warrants	-	-	-	-	-	-
5.5. Immovables	619.682.069	689.102.358	1.308.784.427	460.511.105	301.007.188	761.518.293
5.6. Other Pledged Items	143.087.110	396.033.908	539.121.018	116.891.478	211.835.732	328.727.210
5.7. Pledged Items-Depository	-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES	3.339.018	5.123.884	8.462.902	1.511.425	2.785.271	4.296.696
TOTAL OFF BALANCE SHEET ITEMS (A+B)	3.070.571.626	2.478.645.394	5.549.217.020	1.931.191.442	1.331.684.088	3.262.875.530

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

Denizbank Anonim Şirketi

Consolidated Statement of Profit or Loss

for the Period Ended 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of Consolidated Financial Report Originally Issued in Turkish, See Note 3.I.c

INCOME AND EXPENSES	Note	Audited	
		CURRENT PERIOD	
		(01/01-31/12/2023)	(01/01-31/12/2022)
I. INTEREST INCOME	(5.IV.a)	121.064.422	55.224.568
1.1. Interest on Loans		77.088.916	40.397.304
1.2. Interest on Reserve Requirements		1.098.818	175.518
1.3. Interest on Banks		4.472.369	384.436
1.4. Interest on Money Market Transactions		11.916.511	257.185
1.5. Interest on Marketable Securities Portfolio		23.918.334	12.949.341
1.5.1. Fair Value Through Profit or Loss		431.988	184.461
1.5.2. Fair Value Through Other Comprehensive Income		12.429.349	10.170.816
1.5.3. Measured at Amortized Cost		11.056.997	2.594.064
1.6. Financial Lease Interest Income		1.614.809	736.199
1.7. Other Interest Income		954.665	324.585
II. INTEREST EXPENSE (-)	(5.IV.b)	81.540.237	23.551.671
2.1. Interest on Deposits		65.193.900	17.341.864
2.2. Interest on Funds Borrowed		10.936.156	4.040.038
2.3. Interest Expense on Money Market Transactions		2.961.972	786.342
2.4. Interest on Securities Issued		2.065.664	1.137.832
2.5. Interest on Leases		221.467	145.695
2.6. Other Interest Expenses		161.078	99.900
III. NET INTEREST INCOME (I - II)		39.524.185	31.672.897
IV. NET FEES AND COMMISSIONS INCOME		15.227.340	6.619.874
4.1. Fees and Commissions Received		21.792.614	9.934.566
4.1.1. Non-Cash Loans		1.124.334	731.620
4.1.2. Other	(5.IV.m)	20.668.280	9.202.946
4.2. Fees and Commissions Paid (-)		6.565.274	3.314.692
4.2.1. Non-Cash Loans		63.517	16.548
4.2.2. Other	(5.IV.m)	6.501.757	3.298.144
V. DIVIDEND INCOME	(5.IV.c)	9.743	30.808
VI. TRADING INCOME / LOSS (Net)	(5.IV.d)	4.358.622	5.689.582
6.1. Trading Gains / (Losses) on Securities		2.809.709	198.819
6.2. Gains / (Losses) on Derivate Financial Transactions		10.343.489	11.904.368
6.3. Foreign Exchange Gains / (Losses)		(8.794.576)	(6.413.605)
VII. OTHER OPERATING INCOME	(5.IV.e)	6.664.421	2.201.834
VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII)		65.784.311	46.223.995
IX. EXPECTED CREDIT LOSS (-)	(5.IV.f)	657.619	6.972.277
X. OTHER PROVISION EXPENSES (-)	(5.IV.f)	4.214.567	4.447.027
XI. PERSONNEL EXPENSE (-)	(5.IV.g)	10.556.236	4.982.876
XII. OTHER OPERATING EXPENSES (-)	(5.IV.g)	12.297.468	6.142.262
XIII. NET OPERATING INCOME /LOSS (VIII-IX-X-XI-XII)		38.058.421	23.679.553
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)		-	-
XVII. TAX PROVISIONS FOR CONTINUED OPERATIONS (±)	(5.IV.i)	38.058.421	23.679.553
18.1. Current Tax Provision	(5.IV.j)	(9.838.412)	(8.354.416)
18.2. Deferred Tax Income Effect (+)		(2.909.121)	(6.854.869)
18.3. Deferred Tax Expense Effect (-)		(25.616.446)	(9.415.777)
XIX. CURRENT PERIOD PROFIT / LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)		18.687.155	9.916.230
XX. INCOME FROM DISCONTINUED OPERATIONS	(5.IV.k)	28.220.009	17.325.137
20.1. Income from Non-Current Assets Held for Sale		-	49.237
20.2. Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3. Income from Other Discontinued Operations		-	49.237
XXI. EXPENSES FOR DISCONTINUED OPERATIONS (-)		210.211	32.938
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		210.211	32.938
XXII. PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)		(210.211)	16.299
XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		59.404	(15.265)
23.1. Current Tax Provision		-	(40)
23.2. Deferred Tax Expense Effect (+)		-	(15.225)
23.3. Deferred Tax Income Effect (-)		59.404	-
XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		(150.807)	1.034
XXV. NET PROFIT/(LOSS) (XIX+XXIV)	(5.IV.l)	28.069.202	17.326.171
25.1. Profit / (Loss) of Group		27.874.186	17.174.025
25.2. Profit / (Loss) of Minority Shares (-)		195.016	152.146
Profit / (Loss) Per Share (full TRY)		4,93	3,04

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

Denizbank Anonim Şirketi

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the Period Ended 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

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

	Audited CURRENT PERIOD (01/01-31/12/2023)	Audited PRIOR PERIOD (01/01-31/12/2022)
I. CURRENT PERIOD INCOME/LOSS	28.069.202	17.326.171
II. OTHER COMPREHENSIVE INCOME	7.480.937	8.488.557
2.1 Not Reclassified Through Profit or Loss	6.030.723	1.115.677
2.1.1 Property and Equipment Revaluation Increase/Decrease	450.689	166.639
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurement Gain/Loss	64.530	(420.567)
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	5.593.112	1.288.020
2.1.5 Tax on Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(77.608)	81.585
2.2 Reclassified Through Profit or Loss	1.450.214	7.372.880
2.2.1 Foreign Currency Translation Differences	13.510.663	4.208.066
2.2.2 Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	(6.371.863)	5.966.897
2.2.3 Cash Flow Hedge Income/Loss	3.831	9.033
2.2.4 Foreign Net Investment Hedge Income/Loss	(12.115.693)	(3.042.832)
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	6.423.276	231.716
III. TOTAL COMPREHENSIVE INCOME (I+II)	35.550.139	25.814.728

Denizbank Anonim Şirketi

Consolidated Statement of Changes in Shareholders' Equity

for the Period Ended 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

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

Audited CHANGES IN EQUITY	Note	Paid Up Capital	Share Premiums	Share Contributions	Other Reserves	Accumulated Revaluation Reserve	Accumulated Retained Earnings	Accumulated Other Comprehensive Income or Expense (Share of Investments in Other Entities)	Accumulated Other Comprehensive Income or Expense (Share of Investments in Other Entities)	Accumulated Other Comprehensive Income or Expense (Share of Investments in Other Entities)	Profit Reserve	Prior Period Profit or Loss	Current Period Profit or Loss	Total Equity Expected Minority Shares	Total Equity																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									

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

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Denizbank Anonim Şirketi

Consolidated Statement of Cash Flows

for the Period Ended 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of Consolidated Financial Report Originally Issued in Turkish, See Note 3.I.c

	Note	Audited CURRENT PERIOD (01/01-31/12/2023)	Audited PRIOR PERIOD (01/01-31/12/2022)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		62.488.532	19.527.854
1.1.1 Interest received (+)		97.135.594	43.114.249
1.1.2 Interest paid (-)		63.945.287	21.008.175
1.1.3 Dividends received (+)		9.743	39.808
1.1.4 Fees and commissions received (+)		21.792.614	9.934.566
1.1.5 Other income (+)		31.892.804	1.396.448
1.1.6 Collections from previously written off loans and other receivables (+)		6.079.377	6.753.601
1.1.7 Cash payments to personnel and service suppliers (-)		10.245.124	4.538.316
1.1.8 Taxes paid (-)		6.493.426	5.192.498
1.1.9 Other (+/-)	(5.VI.c)	(13.737.763)	(10.972.029)
1.2 Changes in operating assets and liabilities subject to banking operations		75.794.560	23.262.848
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value through Profit or Loss (+/-)		(4.901.525)	(2.224.058)
1.2.2 Net (increase) decrease in due from banks (+/-)		(30.272.053)	(2.452.464)
1.2.3 Net (increase) decrease in loans		(205.140.572)	(116.531.526)
1.2.4 Net (increase) decrease in other assets (+/-)		(29.100.387)	(22.008.167)
1.2.5 Net increase (decrease) in bank deposits (+/-)		(12.987.671)	4.220.113
1.2.6 Net increase (decrease) in other deposits (+/-)		253.096.099	159.299.332
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 (+/-)		29.642.114	(14.851.531)
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(5.VI.c)	75.458.555	17.811.149
I. Net cash provided from banking operations(+/-)		138.283.092	42.790.502
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / used in investing activities(+/-)		(32.474.967)	(38.119.714)
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 (-)		4.428.534	1.663.157
2.4 Cash obtained from the sale of tangible and intangible asset (+)		3.399.701	1.612.802
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (-)		48.722.256	35.325.846
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+)		16.730.524	6.617.457
2.7 Cash paid for the purchase of financial assets at amortised cost (-)		1.041.404	10.242.395
2.8 Cash obtained from sale of financial assets at amortised cost (+)		1.587.002	-
2.9 Other (+/-)		-	887.507
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flows from financing activities (+/-)		52.418.589	(7.925.457)
3.1 Cash obtained from funds borrowed and securities issued (+)		116.972.811	38.987.045
3.2 Cash outflow from funds borrowed and securities issued (-)		63.506.272	46.389.136
3.3 Equity instruments issued (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for lease liabilities (-)		1.047.950	523.366
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents(+/-)	(5.VI.c)	20.068.755	25.648.403
V. Net increase in cash and cash equivalents	(5.VI.c)	178.295.469	22.393.734
VI. Cash and cash equivalents at the beginning of the period (+)	(5.VI.a)	100.751.069	78.357.335
VII. Cash and Cash Equivalents at the End of the Period	(5.VI.a)	279.046.538	100.751.069

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

Denizbank Anonim Şirketi

Consolidated Profit Distribution Table

for the Period Ended 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of Consolidated Financial Report Originally Issued in Turkish, See Note 3.I.c

	Audited CURRENT PERIOD (01/01-31/12/2023)	Audited PRIOR PERIOD (01/01-31/12/2022)
I. DISTRIBUTION OF CURRENT YEAR INCOME (*)		
1.1 CURRENT YEAR INCOME	-	-
1.2 TAXES AND DUTIES PAYABLE (-)	-	-
1.2.1 Corporate Tax (Income Tax)	-	-
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	-	-
A. NET INCOME FOR THE YEAR (1.1-1.2)	-	-
1.3 PRIOR YEAR LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	-
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	-	-
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owner of ordinary shares	-	-
1.6.2 To owner of preferred shares	-	-
1.6.3 To owner of preferred shares (preem private rihgts)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit or loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owner of ordinary shares	-	-
1.9.2 To owner of preferred shares	-	-
1.9.3 To owner of preferred shares (preem private rihgts)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit or loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 GENERAL RESERVES	-	-
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owner of ordinary shares	-	-
2.3.2 To owner of preferred shares	-	-
2.3.3 To owner of preferred shares (preem private rihgts)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit or loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE		
3.1 TO OWNERS OF ORDINARY SHARES	-	-
3.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
3.3 TO OWNERS OF PRIVILAGED SHARES	-	-
3.4 TO OWNERS OF PRIVILAGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PRIVILAGED SHARES	-	-
4.4 TO OWNERS OF PRIVILAGED SHARES (%)	-	-

(*) According to Turkish Commercial Code, profit distribution table is prepared based on unconsolidated financial statements and not on consolidated financial statements.

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

Denizbank Anonim Şirketi

Notes to Consolidated Financial Statements

as of 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of Consolidated Financial Report Originally Issued in Turkish, See Note 3.I.c

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.

On 23 November 2023, POA announced that the financial statements of businesses that apply Turkish Financial Reporting Standards and the Financial Reporting Standard for Large and Medium-Sized Enterprises (FRS for LMEs) for the annual reporting period ending on or after 31 December 2023 will be included in the “Turkish Accounting Standard 29 Financial Reporting Standards in High Inflation Economies”. Reporting” and “FRS for LMEs Chapter 25 Financial Reporting in High-Inflation Economies” should be presented in accordance with the relevant accounting principles, adjusted for the effect of inflation; However, institutions or organizations authorized to regulate and supervise their own fields have published an announcement stating that they may determine different transition dates than those foreseen above for the implementation of the provisions in TAS 29 or FRS for LMEs. Based on this announcement, BRSA, in accordance with its decision dated 12 December 2023 and numbered 10744, has decided that the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies dated 31 December 2023 will not be subject to the inflation adjustment required within the scope of TAS 29. In this context, no inflation adjustment was made in accordance with TAS 29 while preparing the financial statements dated 31 December 2023.

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.

Denizbank Anonim Şirketi

Notes to Consolidated Financial Statements

as of 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of Consolidated Financial Report Originally Issued in Turkish, See Note 3.I.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:

	31 December 2023	31 December 2022
US Dollar	TL 29,4382	TL 18,6983
Euro	TL 32,5739	TL 19,9349

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

As of 31 December 2023, net foreign exchange gain included in the statement of profit or loss amounts to TL 8.794.576 (1 January - 31 December 2022: TL 6.413.605 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 37.841.426 as of 31 December 2023 (31 December 2022: TL 24.199.291).

Denizbank Anonim Şirketi

Notes to Consolidated Financial Statements

as of 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

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

The foreign exchange difference of TL 487.275 (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 31 December 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.

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Notes to Consolidated Financial Statements

as of 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

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

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 discounts of non-performing receivable balances until the moment they are transferred to the follow-up accounts in the loan accrual/discount accounts in accordance with the Uniform Chart of Accounts (“UCA”). After loans are classified as non-performing loans, no discount 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.

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(Currency: Thousands of TL - Turkish Lira)

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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.

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:

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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 31 December 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.

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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.

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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 2023.

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 2023.

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.

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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 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.

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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.

Eurodeniz International Banking Unit Ltd., one of the Bank’s subsidiaries, has entered into the liquidation process. Until the liquidation process is completed, it is classified under the discontinued operations lines in the financial statements.

	Current Period	Prior Period
Assets/Liabilities Related to Discontinued Operations		
Loans (Net)	--	28.733
Other	--	23
Assets Related to Discontinued Operations	--	28.756
Deposits		28.190
Liabilities Related to Discontinued Operations	--	28.190
	Current Period	Prior Period
Income and Expenses from Discontinued Operations		
Net interest income	--	(21.566)
Net fees and commission income	--	(129)
Trading profit/loss net	(79.750)	46.954
Other operating income	(130.461)	2
Expected credit loss (-)	--	(4.003)
Other operational expenses	--	(4.999)
Profit/loss before tax from discontinued operations	(210.211)	16.259
Deferred tax expense from discontinued operations	59.404	(15.225)
Discontinued Operations Net Profit/Loss for the Period	(150.807)	1.034

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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.

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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.

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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 and the Russian Federation are subject to corporate tax rates of 24% and 20%, respectively.

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

According to the TRNC Corporate Tax Law No. 41/1976, as amended, corporate earnings (including foreign corporations) are subject to 10% corporate tax and 15% income tax according to the Income Tax Law. Corporate tax is calculated based on the income earned by taxpayers within an accounting period. The tax base is determined by adding the expenses that are not allowed to be deducted by law to the commercial income of the institutions and by applying the exemptions and deductions in the tax laws. The right of deduction of losses stipulated in the Corporate Tax Law, the right to investment allowances stipulated in the income tax legislation and the depreciation prescribed in the tax legislation are granted to corporations that certify the balance sheet, profit and loss statement and business accounts for the calculation of corporate tax without having them prepared and certified by an accountant and auditor authorized by the Ministry of Finance, and that corporations’ rights are not recognized. Tax may be requested to any taxable institution within seven years following the taxation period, in cases where tax has not been assessed in previous years or if it is revealed that tax has been assessed less than the amount required to be paid. Corporate tax returns are declared to the tax office in the April following the closing date of the accounting period. Corporate tax is paid in two equal installments, one in May and the other in October. According to the decision of the TRNC Council of Ministers dated 25 March 2020, provisional taxes are calculated and paid quarterly at a tax rate of 15% on the financial earnings of that year. Provisional taxes paid during the year can be offset against the taxes calculated on that year’s annual corporate tax return.

According to the temporary article 33 added to the Tax Procedure Law by Law No. 7352 published in the Official Gazette dated 29 Januray 2022; It has been considered that the financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. The profit/loss difference resulting from the inflation adjustment will be shown in the previous years’ profit/loss account; It has been determined that the previous year’s profit determined in this way will not be subject to tax, and the previous year’s loss will not be accepted as loss. Although the Banks will apply inflation accounting together with the financial leasing, factoring, savings finance companies, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance - reinsurance companies, pension companies and other taxpayers within the scope, there will be no tax consequences as a result of the correction in these institutions.

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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 4.441.916 as of 31 December 2023 (31 December 2022: TL 4.357.629) and deferred tax liabilities amounting to TL 1.436.432 (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.

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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 XII.

XXIV. Explanations on other matters

None.

XXV. Classifications

Explanation is given in Section Three, note XI.

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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 31 December 2023 the equity of the Group amounts to TL 118.000.985 (31 December 2022: TL 74.428.156) while its capital adequacy standard ratio is 16,47% (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 accordance with the "Regulation on Measurement and Evaluation of Capital Adequacy", banks calculate the amount subject to credit risk; While determining the valued amounts of monetary assets and non-monetary assets, other than foreign currency items measured in historical cost, in accordance with Turkish Accounting Standards and the relevant special provision amounts, until a Board Decision to the contrary is taken, with the regulation dated 28 April 2022 and numbered 10188, until 31 December 2021. The practice regarding the use of the Central Bank's foreign exchange buying rate was changed by the regulation numbered 10496 dated 31 January 2023, and it was decided to use the Central Bank's foreign exchange buying rate of 31 December 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.

With the decision of BRSA numbered 10747 dated 12 December 2023, to be implemented as of 1 January 2024;

If the net valuation differences of the securities owned by banks in the " Financial Assets at Fair Value Through Other Comprehensive Income" portfolio are negative as of 1 January 2024, these differences will be calculated in accordance with the Regulation on Banks' Equity published in the Official Gazette dated 5 September 2013 and numbered 28756 and to be taken into account in the equity amount to be used for the capital adequacy ratio, to continue to apply the existing provisions of the said Regulation for " Financial Assets at Fair Value Through Other Comprehensive Income" acquired after 1 January 2024,

In the calculation of the amount subject to credit risk in accordance with the Regulation on Measurement and Evaluation of Capital Adequacy of Banks, published in the Official Gazette dated 23 October 2015 and numbered 29511, specified in the Board Decision No. 10496 dated 31 January 2023; the application for using the foreign exchange buying rate of the Central Bank of the Republic of Turkey (Central Bank) as of 30 December 2022, calculating the valued amounts of monetary assets and non-monetary assets, other than items in foreign currency measured in historical cost, in accordance with Turkish Accounting Standards and the relevant special provision amounts implemented as of 1 January 2024, it was decided to continue using the Central Bank foreign exchange buying rate of 26 June 2023 until a Board Decision to the contrary is taken.

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a. Components of consolidated equity items

	Current Period 31 December 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	24.179.897	16.406.352
Profit	30.662.157	19.960.985
Current Period Profit	27.874.186	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	2.910	992
Minorities' Share	497.358	303.767
Common Equity Tier I Capital Before Deductions	93.469.791	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	2.076.232	791.583
Improvement costs for operating leasing	216.019	102.568
Goodwill (net of related tax liability)	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	2.933.623	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	--	--
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	5.225.874	2.416.937
Total Common Equity Tier I Capital	88.243.917	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)	88.243.917	55.209.614

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TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	21.703.301	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)	8.082.534	4.821.377
Tier II Capital Before Deduction	29.785.835	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	29.785.835	19.267.786
Total Capital (The sum of Tier I Capital and Tier II Capital)	118.029.752	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	28.767	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)	118.000.985	74.428.156
Total risk weighted amounts	716.464.034	423.588.063
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	12,32	13,03
Tier I Capital Adequacy Ratio (%)	12,32	13,03
Capital Adequacy Ratio (%)	16,47	17,57
BUFFERS		
Total additional Common Equity Tier I Capital requirement ratio	2,720	2,583
Bank specific total common equity tier I capital ratio (%)	2,500	2,500
Capital conservation buffer requirement (%)	0,220	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 (%)	1,587	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)	24.043.169	18.495.636
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	8.082.534	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)	3746	4416	8831	4710
Par value of instrument (Currency in mil)	3746	4416	8831	5888
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 +5.12	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 features				
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.

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II. Explanations related to the consolidated credit risk

a. Information on risk concentrations by debtors or group of debtors or geographical regions and sectors, basis for risk limits and the frequency of risk appraisals

Credit risk is the risk and losses likely to incur due to the counterparties of the Parent Bank and/or its consolidated subsidiaries and associates not meeting in full or in part their commitments arising from the contracts.

Credit risk limits of the customers are allocated based on the customers’ financial strength and the credit requirement, within the credit authorization limits of the branches, the credit evaluation group, the regional directorates, the executive vice presidents responsible from loans, the general manager, the credit committee and the Board of Directors; on condition that they are in compliance with the related regulations.

Credit risk limits are determined for debtors or group of debtors. Credit risk limits of the debtors, group of debtors and sectors are monitored on a monthly basis.

Information on determination and distribution of risk limits for daily transactions, monitoring of risk concentrations related to off-balance sheet items per customer and dealer basis

Risk limits and allocations relating to daily transactions are monitored on a daily basis. Off-balance sheet risk concentrations are monitored by on-site and off-site investigations.

Information on periodical analysis of creditworthiness of loans and other receivables per legislation, inspection of account vouchers taken against new loans, if not inspected, the reasons for it, credit limit renewals, collaterals against loans and other receivables

The Group targets a healthy loan portfolio and in order to meet its target there are process instructions, follow-up and control procedures, close monitoring procedures and risk classifications for loans in accordance with the banking legislation.

In order to prevent the loans becoming non-performing either due to cyclical changes or structural problems, the potential problematic customers are determined through the analysis of early warning signals, and the probable performance problems are aimed to be resolved at an early stage.

It is preferred to obtain highly liquid collaterals such as bank guarantees, real estate and ship mortgages, pledges on securities and deposits, bills of exchange and sureties of the persons and companies.

Explanations related to the definitions of the loans, which have been overdue and impaired, value adjustments and provisions

Explanation is given in Section Four, note VIII-c-4-i.

Methods and approaches to valuation adjustments and provisions

Explanation is given in Section Three, note VIII.

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Total amount of exposures after offsetting transactions but before applying credit risk reductions and the average exposure amounts that are classified in different risk groups and types

Risk classifications	Current Period (*)	Average (**)
1 Receivables from central governments and Central Banks	314.729.292	241.285.766
2 Receivables from regional or local governments	3.599.241	2.925.758
3 Receivables from administrative bodies and non-commercial enterprises	8.085.301	2.274.790
4 Receivables from multilateral development banks	--	--
5 Receivables from international organizations	--	--
6 Receivables from banks and brokerage houses	110.527.814	97.164.595
7 Receivables from corporate portfolio	267.058.540	249.239.333
8 Receivables from retail portfolio	232.771.279	199.584.815
9 Receivables secured by residential mortgages	11.531.927	9.559.090
10 Receivables secured by commercial mortgages	38.245.803	36.193.253
11 Past due receivables	6.384.489	4.135.131
12 Receivables defined in high risk category by BRSA	192.764	80.078
13 Securities collateralized by mortgages	--	--
14 Short-term receivables from banks, brokerage houses and corporate portfolio	--	--
15 Investments similar to collective investment funds	28.428	24.160
16 Other receivables	56.341.465	49.782.379
17 Equity investments	8.317.106	4.101.805
18 Total	1.057.813.449	896.350.953

(*) Includes the risks included in the total banking book before the credit risk reduction and after the credit conversion rate.

(**) Arithmetical average of the quarterly reported amounts.

Risk classifications	Prior Period (*)	Average (**)
1 Receivables from central governments and Central Banks	172.411.130	140.814.386
2 Receivables from regional or local governments	3.053.683	3.183.718
3 Receivables from administrative bodies and non-commercial enterprises	--	--
4 Receivables from multilateral development banks	--	--
5 Receivables from international organizations	--	--
6 Receivables from banks and brokerage houses	37.462.829	37.017.079
7 Receivables from corporate portfolio	190.145.597	173.945.984
8 Receivables from retail portfolio	138.909.644	116.692.843
9 Receivables secured by residential mortgages	6.880.689	5.609.196
10 Receivables secured by commercial mortgages	26.804.388	22.938.552
11 Past due receivables	2.904.896	3.814.745
12 Receivables defined in high risk category by BRSA	34.237	15.305
13 Securities collateralized by mortgages	--	--
14 Short-term receivables from banks, brokerage houses and corporate portfolio	--	--
15 Investments similar to collective investment funds	13.891	421.192
16 Other receivables	30.791.834	25.608.704
17 Equity investments	2.695.434	1.707.294
18 Total	612.108.252	531.768.998

(*) Includes the risks included in the total banking book before the credit risk reduction and after the credit conversion rate.

(**) Arithmetical average of the quarterly reported amounts.

b. Information on the control limits of the Group for forward transactions, options and similar contracts, management of credit risk for these instruments together with the potential risks arising from market conditions

The Group has control limits defined for the positions arising from forward transactions, options and similar contracts. Credit risk for these instruments is managed together with those arising from market conditions.

c. Information on whether the Group decreases the risk by liquidating its forward transactions, options and similar contracts in case of facing a significant credit risk or not

Forward transactions can be realised at maturity. However, if it is required, reverse positions of the current positions are purchased to decrease the risk.

d. Information on whether the indemnified non-cash loans are evaluated as having the same risk weight as non-performing loans or not

Indemnified non-cash loans are treated as having the same risk weight as non-performing loans.

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Information on whether the loans that are renewed and rescheduled are included in a new rating group as determined by the Bank’s risk management system, other than the follow-up plan defined in the banking regulations or not; whether new precautions are considered in these methods or not; whether the Bank’s risk management accepts long term commitments as having more risk than short term commitments which results in a diversification of risk or not

Loans that are renewed and rescheduled are included in a new rating group as determined by the risk management system, other than the follow-up plan defined in the banking regulations.

Long term commitments are considered as having more risk than short term commitments which results in a diversification of risk and are monitored periodically.

e. Evaluation of the significance of country specific risk considering the economic conditions if the banks have foreign operations and credit transactions in a few countries or these operations are coordinated with a few financial entities

There is no significant credit risk since the Parent Bank’s foreign operations and credit transactions are conducted in OECD and EU member countries in considering their economic climate.

Evaluation of the significant credit risk concentration when evaluated together with the financial activities of other financial institutions as an active participant in the international banking market

Being an active participant in the international banking transactions market, the Parent Bank does not have significant credit risk as compared to other financial institutions.

f. DFS Group’s

1. The share of receivables from the top 100 and 200 cash loan customers in the total cash loans portfolio

The receivables of DFS Group from the top 100 and 200 cash loan customers constitute 35% and 43% of the total cash loans portfolio (31 December 2022: 35%, 43%).

2. The share of receivables from the top 100 and 200 non-cash loan customers in the total non-cash loans portfolio

The receivables of DFS Group from the top 100 and 200 non-cash loan customers constitute 42% and 52% of the total non-cash loans portfolio (31 December 2022: 38%, 45%).

3. The share of the cash and non-cash receivables from the top 100 and 200 loan customers in the total balance sheet and off-balance sheet assets

The share of the cash and non-cash receivables of DFS Group from top 100 and 200 loan customers constitute 31% and 40% of the total balance sheet and off-balance sheet assets (31 December 2022: 31%, 40%).

g. Expected credit loss for credit risk undertaken by DFS Group

As at 31 December 2023, stage 1 and stage 2 provisions for expected credit loss for credit risk undertaken by DFS Group amounts to TL 24.043.169.

As at 31 December 2022, stage 1 and stage 2 provisions for expected credit loss for credit risk undertaken by DFS Group amounts to TL 18.491.138.

h. Information on loans and provisions for expected loss

	Current Period		Prior Period	
	Balance	Provision	Balance	Provision
Loans	608.163.015	38.123.402	374.156.588	31.404.472
Stage 1	534.095.064	7.528.211	317.191.965	4.915.756
Stage 2	49.545.520	14.980.845	39.214.088	12.484.365
Stage 3	24.522.431	15.614.346	17.750.535	14.004.351
Fair Value Through Profit or Loss	--	--	--	--
Financial Assets	536.160.208	65.627	250.088.359	40.891
Other	38.875.776	64.896	18.602.094	22.188
Off-Balance Sheet Receivables	524.427.521	4.340.676	213.654.922	2.989.271
Stage 1 and 2	520.743.935	1.403.590	211.539.771	1.027.938
Stage 3	3.683.586	2.937.086	2.115.151	1.961.333
Total	1.707.626.520	42.594.601	856.501.963	34.456.822

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i. Information on provisions for expected loss for loans

	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the period (1 January 2023)	4.915.756	12.484.365	14.004.351	31.404.472
Transfers	1.181.235	(2.529.214)	1.347.979	--
Stage 1	1.544.476	(1.544.476)	--	--
Stage 2	(308.108)	669.324	(361.216)	--
Stage 3	(55.133)	(1.654.062)	1.709.195	--
Loans addition in the period	996.706	1.999.195	768.905	3.764.806
Disposals from loans in the period	(1.005.407)	(847.446)	(4.469.188)	(6.322.041)
Provisions changes during the period (*)	(333.563)	(999.230)	4.276.402	2.943.609
Loans written off (**)	--	--	(1.434.951)	(1.434.951)
Loans sold	--	--	(1.200.714)	(1.200.714)
Foreign exchange differences	1.773.484	4.873.175	2.321.562	8.968.221
Balance at the end of the period (31 December 2023)	7.528.211	14.980.845	15.614.346	38.123.402

(*) The related amounts include the changes in the provision for expected credit loss for the period of the loans remaining at the same stage during the year and the provisions for expected credit loss created by the transfers between the stages within the year.

(**) As of 31 December 2023, in accordance with the changes on “Provisioning Regulation” published in the Official Gazette No. 30961 dated 27 November 2019 by BRSA, starting from the reporting date that the loan is classified in group 5, the DFS Group, in line with TFRS 9, is eligible to write-off part of the loans for which there is no reasonable expectation of recovery and that are classified under group 5 with a life time expected credit loss due to the default of debtor. In this context, as of 31 December 2023, DFS Group’s loans amounting to TL 1.434.951 have been deducted from the records, and loans amounting to TL 1.200.714 have been sold.

j. Information on loan movements (*)

	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the period (1 January 2023)	317.191.965	39.214.088	17.750.535	374.156.588
Transfers	(9.016.232)	810.847	8.205.385	--
Stage 1	5.667.597	(5.667.597)	--	--
Stage 2	(9.948.058)	10.101.420	(153.362)	--
Stage 3	(4.735.771)	(3.622.976)	8.358.747	--
Loans addition in the period	221.853.014	7.882.488	7.936.906	237.672.408
Disposals from loans in the period	(98.005.305)	(11.656.624)	(9.750.472)	(119.412.401)
Loans written off (*)	--	--	(1.434.951)	(1.434.951)
Loans sold (*)	--	--	(1.200.714)	(1.200.714)
Foreign exchange differences	102.071.622	13.294.721	3.015.742	118.382.085
Balance at the end of the period (31 December 2023)	534.095.064	49.545.520	24.522.431	608.163.015

(*) As of 31 December 2023, in accordance with the changes on “Provisioning Regulation” published in the Official Gazette No. 30961 dated 27 November 2019 by BRSA, starting from the reporting date that the loan is classified in group 5, the DFS Group, in line with TFRS 9, is eligible to write-off part of the loans for which to the default of debtor. In this context, loans amounting to TL 1.434.951 have been deducted from the records, and loans amounting to TL 1.200.714 have been sold. The effect of this accounting treatment on the non-performing loans ratio of the DFS Group is 41 basis points. there is no reasonable expectation of recovery and that are classified under group 5 with a life time expected credit loss due

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k. Profile of significant exposures in major regions

Current Period	Risk Classifications (%)																	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Domestic	282,838,856	3,032,165	6,895,965	--	--	36,979,340	181,074,508	218,646,134	9,798,257	31,677,820	5,895,593	191,754	--	28,136	53,645,979	770	830,506,277	
European Union Countries	24,293,651	--	--	--	--	42,393,506	14,599,999	75,742	4,878	27,270	413,732	--	--	--	780,936	157	82,589,871	
OECD Countries (*)	--	--	--	--	--	3,691,882	353,539	1,026	28	--	3	--	--	--	--	--	4,046,478	
Off-Shore Banking Regions	--	--	--	--	--	1,555,584	2,662,432	1,492	--	26,966	--	--	--	--	--	--	4,245,874	
USA, Canada	--	--	--	--	--	5,250,373	112,473	2,935	1	25,736	12	--	--	--	--	--	6,681,881	
Other Countries	--	--	--	--	--	14,013,133	7,929,516	215,581	196,155	2,306,530	149,023	1,010	--	--	1,914,550	--	28,654,889	
Subsidiaries, Associates and jointly controlled companies	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	8,316,179	
Unallocated Assets/Liabilities	4,377,133	567,076	1,189,336	--	--	6,643,896	60,326,073	13,828,369	1,532,608	4,182,081	126,126	--	--	292	--	--	92,771,990	
Total	314,729,292	3,899,241	8,085,301	--	--	110,627,814	267,068,540	232,771,279	11,531,927	36,245,603	6,394,489	192,764	--	28,428	56,341,465	8,317,106	1,057,813,449	

Prior Period	Risk Classifications (%)																	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Domestic	147,606,894	2,819,582	--	--	--	2,064,109	127,053,875	131,674,751	5,976,771	22,786,330	2,740,229	33,339	--	--	9	29,713,647	950	472,482,485
European Union Countries	20,015,168	--	--	--	--	16,285,622	13,801,263	57,101	6,245	23,754	515	--	--	--	--	916,908	157	50,906,733
OECD Countries (*)	--	--	--	--	--	2,895,459	197,553	913	5	--	--	--	--	--	--	--	--	3,083,930
Off-Shore Banking Regions	--	--	--	--	--	348,354	2,488,447	1,063	13,769	5,414	126,030	--	--	--	--	--	--	2,983,077
USA, Canada	--	--	--	--	--	3,757,087	132,585	2,825	412	3,200	26	--	--	--	--	--	--	3,896,135
Other Countries	1,874,019	--	--	--	--	5,081,649	5,068,537	86,469	68,454	1,373,329	5,217	896	--	--	161,279	--	13,719,651	
Subsidiaries, Associates and jointly controlled companies	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	2,694,327	--	2,694,327
Unallocated Assets/Liabilities	2,915,049	234,101	--	--	--	7,030,549	41,601,337	7,086,522	815,033	2,602,361	32,879	--	--	13,882	--	--	62,331,713	
Total	172,411,130	3,053,683	--	--	--	37,462,829	190,145,597	138,909,844	6,890,689	26,804,388	2,904,896	34,237	--	13,881	30,791,834	2,696,434	612,108,252	

(*) Exposure categories are as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks:

- 1: Receivables from central governments and Central Banks

2: Receivables from regional or local governments

3: Receivables from administrative bodies and non-commercial enterprises

4: Receivables from multilateral development banks

5: Receivables from international organizations

6: Receivables from banks and brokerage houses

7: Receivables from corporate portfolio

8: Receivables from retail portfolio

9: Receivables secured by residential mortgages
- 10: Receivables secured by commercial mortgages

11: Past due receivables

12: Receivables defined in high risk category by BRSA

13: Securities collateralized by mortgages

14: Short-term receivables from banks' brokerage houses and corporate portfolio

15: Investments similar to collective investment funds

16: Other receivables

17: Equity investments

(**) OECD countries except for EU countries, USA and Canada

(***) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

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I. Risk Profile by Sectors or Counterparties

Current Period: 31 December 2023	Risk Classifications (C*)																	Total			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		TL	FC	
Agricultural	2,357,987							6,510,718	20,483,679	800,738	4,503,308	58,388	474					67	37,885,428	2,707,685	40,603,093
Farming and Cattle	2,357,987						6,238,702	20,390,322	795,086	4,483,515	55,809	473					67	37,788,507	2,423,178	40,211,685	
Forestry								18,220	1,444		10								19,675		19,675
Fishing							272,016	75,137	4,208			588							87,246	284,487	371,733
Manufacturing							94,227,816	15,107,868	5,857,346	5,857,346	1,709,426	4,046						42,987,246	2,965,893	103,373,733	
Food and Beverage							8,557,446	137,088	293,603		1,217,441	46							3,979,949	5,955,893	6,945,842
Chemical							67,143,963	7,692,077	1,358,063	5,590,035	101,986	4,003					55	36,027,747	46,198,860	82,228,607	
Textile							13,448,007	149,053	15,032	108,884	386,959						55	2,979,860	12,234,826	15,214,686	
Electric, Gas, Water							3,870,988	1,851,976		1,997,861	774,798	11,868					69	16,987,408	21,929,500	38,916,908	
Construction	923,780						28,318,008	108,304,639	19,577,769	3,916,812	18,160,361	231,475	38,004					17,388,631	193,732,341	208,707,972	
Wholesale and Retail Trade	88,530						19,577,769	19,577,769	19,577,769	19,577,769	19,577,769	19,577,769	19,577,769					19,577,769	19,577,769	19,577,769	
Hotel and Restaurant Services							21,050,016	659,560	348,964	1,172,926	197,830	251					673	4,331,380	31,490,311	35,821,691	
Transportation and telecommunication							26,455,037	2,272,846	498,655	1,352,122	294,365	251						5,577,821	24,896,128	30,875,949	
Financial institution							26,812,079	142,445	10,800	10,624	363	1					28,128	12,644,049	50,481,073	63,125,122	
Real estate and letting services							58,307	162,244	66,561	74,971	1,613	13					10	376,605	11,883	388,488	
Self-employment services																					
Education services										51,376	869,233	6,484					3	1,857,130	341,020	2,198,150	
Health and social services									80,047	34,962	241,325	36,371	649				1	2,230,301	6,263,866	8,554,167	
Other	291,877,457	2,858,271					83,714,806	40,649,290	180,350,327	3,443,288	7,176,151	1,005,382	36,769				300	48,142,788	5,616,272	484,936,000	
Total	314,729,282	3,889,241	8,085,301				110,567,814	267,068,540	232,771,276	31,811,927	38,246,383	6,304,489	192,764				28,428	55,341,485	8,317,106	1,057,814,349	

(*) Exposure categories are as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks:

- 1: Receivables from central governments and Central Banks

2: Receivables from regional or local governments

3: Receivables from administrative bodies and non-commercial enterprises

4: Receivables from multilateral development banks

5: Receivables from international organizations

6: Receivables from banks and brokerage houses

7: Receivables from corporate portfolio

8: Receivables from retail portfolio

9: Receivables secured by residential mortgages
- 10: Receivables secured by commercial mortgages

11: Past due receivables

12: Receivables defined in high risk category by BRSA

13: Securities collateralized by mortgages

14: Short-term receivables from banks, brokerage houses and corporate portfolio

15: Investments similar to collective investment funds

16: Other receivables

17: Equity investments

(**) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

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Prior Period: 31 December 2022	Risk Classifications (C*)																	TL	FC	Total	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17				
Agricultural	419,769	25						5,982,471	17,556,689	536,761	3,572,711	43,143	202					35	27,357,285	734,541	28,091,806
Farming and Cattle	419,769	25					5,734,092	17,506,914	526,778	3,570,054	42,644							35	27,167,910	632,401	27,800,311
Forestry								10,133	6,964	588	144								18,118	61,707	79,825
Fishing								61,996	10,333	3,383	588								79,825	210,670	290,493
Manufacturing	885,019	25					54,813,383	165,384,019	4,776,839	31,942,019	440,335	202						25	64,147,527	191,579	64,339,106
Food and Beverage								165,383	39,442	3,383	588								40,433	110,670	151,103
Chemical								885,019	4,776,839	440,335	202								5,167,277	15,819	5,183,096
Textile								2,682,547	234,707	69,342	1,336								2,801,198	1,444,771	3,345,969
Production								39,348,322	4,456,549	776,477	33,842,153	1,593							23,877,124	24,621,660	48,498,784
Electric, Gas, Water								3,834,429	4,556,549	776,477	81,391	1,593							23,877,124	24,621,660	48,498,784
Construction	885,858	9					24,617,276	84,850,890	1,364,117	168,410	3,485	2,800						88	9,971,670	20,498,137	30,470,707
Wholesale and Retail Trade	50,639	25					18,157,902	54,813,383	1,669,236	2,469,236	10,933	3,485						25	20,498,137	20,498,137	40,996,274
Hotel and Restaurant Services								189	11,527,907	33,334	7,859,510	695,383	15,185						2,825,391	23,644,764	26,470,155
Transportation and telecommunication								17,293,376	371,367	235,334	7,859,510	695,383	15,185						2,825,391	23,644,764	26,470,155
Financial institution								16,939,434	255,481	1,850,421	8,908,182	15,185							4,828,102	14,876,744	19,704,846
Real estate and letting services								7,908,081	935,622	41,507	508,352	6,0819	1,240						8,044,829	26,472,577	34,517,406
Self-employment services								507,090	213,506	47,444	81,609	1,607							653,618	221,759	875,377
Education services																					
Health and social services																					
Other	171,981,303	2,125,778					17,340,725	27,890,172	98,985,097	2,048,544	4,183,009	1,045,175	9,195					1	1,416,602	2,382,614	7,129,515
									232,702	40,955	282,487	119,873	2						1,746,884	5,382,631	7,129,515
Total	171,981,303	2,125,778					17,340,725	27,890,172	98,985,097	2,048,544	4,183,009	1,045,175	9,195					13,891	27,354,967	217,549,530	136,985,128
																			329,620,054	2,954,344,995	354,344,995
Other	172,411,130	3,053,683					37,467,229	100,145,997	138,905,647	6,890,388	2,904,896	34,237						13,891	30,791,564	2,956,434	282,489,186
																				282,489,186	712,102,252

(*) Exposure categories are as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks:

- 1: Receivables from central governments and Central Banks

2: Receivables from regional or local governments

3: Receivables from administrative bodies and non-commercial enterprises

4: Receivables from multilateral development banks

5: Receivables from international organizations

6: Receivables from banks and brokerage houses

7: Receivables from corporate portfolio

8: Receivables from retail portfolio

9: Receivables secured by residential mortgages
- 10: Receivables secured by commercial mortgages

11: Past due receivables

12: Receivables defined in high risk category by BRSA

13: Securities collateralized by mortgages

14: Short-term receivables from banks, brokerage houses and corporate portfolio

15: Investments similar to collective investment funds

16: Other receivables

17: Equity investments

(**) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

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m. Analysis of maturity-bearing exposures according to remaining maturities

Current Period						
Risk classifications	Undistributed (*)	1 month	1-3 months	3-6 months	6-12 months	Over 1 Year
1 Receivables from central governments and Central Banks	74.825.223	87.767.242	25.555.401	1.011.353	3.847.622	121.722.451
2 Receivables from regional or local governments	--	63.701	16.650	250.323	482.000	2.786.567
3 Receivables from administrative bodies and non-commercial enterprises	--	1.750.016	5.233.030	255.799	--	846.456
4 Receivables from multilateral development banks	--	--	--	--	--	--
5 Receivables from international organizations	--	--	--	--	--	--
6 Receivables from banks and brokerage houses	9.335.087	68.459.703	4.812.300	4.500.977	7.651.295	15.768.452
7 Receivables from corporate portfolio	774.398	25.698.841	29.545.927	24.211.185	50.290.341	136.537.848
8 Receivables from retail portfolio	--	104.935.909	15.255.173	17.203.834	51.235.361	44.141.002
9 Receivables secured by residential mortgages	--	1.233.797	1.447.931	2.172.922	3.348.279	3.328.998
10 Receivables secured by commercial mortgages	--	2.119.158	2.691.118	3.713.417	7.183.730	22.538.380
11 Past due receivables	6.384.489	--	--	--	--	--
12 Receivables defined in high risk category by BRSA	192.764	--	--	--	--	--
13 Securities collateralized by mortgages	--	--	--	--	--	--
14 Short-term receivables from banks, brokerage houses and corporate portfolio	--	--	--	--	--	--
15 Investments similar to collective investment funds	--	28.403	--	25	--	--
16 Other receivables	54.173.646	106.593	--	--	--	2.061.226
17 Equity investments	8.317.106	--	--	--	--	--
18 Total	154.002.713	292.163.363	84.557.530	53.319.835	124.038.628	349.731.380

(*) Amounts without maturities are included.

Prior Period						
Risk classifications	Undistributed (*)	1 month	1-3 months	3-6 months	6-12 months	Over 1 Year
1 Receivables from central governments and Central Banks	28.072.780	41.156.789	18.728.144	503.213	750.144	83.200.060
2 Receivables from regional or local governments	--	10.773	7.067	52.015	232.753	2.751.075
3 Receivables from administrative bodies and non-commercial enterprises	--	--	--	--	--	--
4 Receivables from multilateral development banks	--	--	--	--	--	--
5 Receivables from international organizations	--	--	--	--	--	--
6 Receivables from banks and brokerage houses	5.664.713	4.580.863	12.097.307	2.235.767	3.830.188	9.053.991
7 Receivables from corporate portfolio	--	15.050.809	21.196.230	19.324.798	29.956.442	104.617.318
8 Receivables from retail portfolio	--	45.595.381	8.100.609	8.520.373	30.298.939	46.394.342
9 Receivables secured by residential mortgages	--	485.732	849.685	1.105.534	1.828.767	2.610.971
10 Receivables secured by commercial mortgages	--	1.048.636	1.707.233	2.550.979	4.786.163	16.711.377
11 Past due receivables	2.904.896	--	--	--	--	--
12 Receivables defined in high risk category by BRSA	34.237	--	--	--	--	--
13 Securities collateralized by mortgages	--	--	--	--	--	--
14 Short-term receivables from banks, brokerage houses and corporate portfolio	--	--	--	--	--	--
15 Investments similar to collective investment funds	--	1.304	--	--	12.587	--
16 Other receivables	30.195.345	87.003	--	--	--	509.486
17 Equity investments	2.695.434	--	--	--	--	--
18 Total	69.567.405	108.017.290	62.686.275	34.292.679	71.695.983	265.848.620

(*) Amounts without maturities are included.

n. Information on risk class

Ratings issued by Fitch, international credit rating agency, are being used in determining risk weights for the regulatory calculation of capital adequacy.

The scope of asset classes that the credit ratings are considered are receivables from central governments or central bank, receivables from banks and brokerage houses as being limited with those residing abroad and corporate receivables from residing abroad.

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Current Period						
Credit Quality Grade	Risk Rating	Receivables from Central Governments or Central Banks	Risk Classifications			
			Receivables from Banks and Brokerage Houses		Corporate Receivables	
	Fitch		Receivables with Remaining Maturities Less Than 3 Months	Receivables with Remaining Maturities More Than 3 Months		
1	AAA	%0	%20	%20	%20	
	AA+					
	AA					
	AA-					
2	A+	%20	%20	%50	%50	
	A					
	A-					
	BBB+					
3	BBB	%50	%20	%50	%100	
	BBB-					
	BB+					
	BB					
4	BB-	%100	%50	%100	%100	
	B+					
	B					
	B-					
5	CCC	%100	%50	%100	%150	
	CC					
	C					
	D					

Prior Period					
Credit Quality Grade	Risk Rating	Receivables from Central Governments or Central Banks	Risk Classifications		
			Receivables from Banks and Brokerage Houses		Corporate Receivables
	Fitch		Receivables with Remaining Maturities Less Than 3 Months	Receivables with Remaining Maturities More Than 3 Months	
1	AAA	0%	20%	20%	20%
	AA+				
	AA				
	AA-				
2	A+	20%	20%	50%	50%
	A				
	A-				
	BBB+				
3	BBB	50%	20%	50%	100%
	BBB-				
	BB+				
	BB				
4	BB-	100%	50%	100%	100%
	B+				
	B				
	B-				
5	CCC	100%	50%	100%	150%
	CC				
	C				
	D				

o. Exposures by risk weights

Current Period											
Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	Other Risk Weights
Exposures before Credit Risk Mitigation	318.893.314	--	45.235.683	--	37.320.585	128.616.841	367.421.655	106.274.467	23.330.205	--	30.720.699
Exposures after Credit Risk Mitigation	320.833.794	--	48.237.726	10.984.414	71.332.354	104.752.195	305.362.868	105.666.262	24.595.154	--	30.720.699

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Prior Period												
Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	Other Risk Weights	Equity Deduction
Exposures before Credit Risk Mitigation	173.896.994	--	25.993.184	--	16.730.325	96.985.472	248.970.306	34.142.601	14.783.076	--	606.294	2.466.181
Exposures after Credit Risk Mitigation	177.284.423	--	26.992.754	6.593.361	40.266.757	83.498.669	210.556.921	34.081.939	15.265.796	--	606.294	2.466.181

p. Information by major sectors and type of counterparties (*)

Important Sectors/Counterparties	Loans (**)		Provisions
	Impaired (TFRS 9)		Provision for Expected Credit Loss (TFRS 9)
	Significant Increase in Credit Risk (Stage 2)	Credit Impaired (Stage 3)	(***)
Agricultural	2.806.961	952.016	1.324.783
Farming and Cattle	2.798.189	933.295	1.308.398
Forestry	5.565	18.484	16.104
Fishing	3.207	237	281
Manufacturing	8.212.971	8.232.026	7.045.278
Mining	42.418	2.174.005	1.009.671
Production	1.701.147	1.670.189	2.167.959
Electric, Gas, Water	6.469.406	4.387.832	3.867.648
Construction	4.618.324	1.349.945	3.095.187
Services	18.123.771	8.404.093	11.078.241
Wholesale and Retail Trade	4.280.362	2.780.213	4.367.034
Hotel and Restaurant Services	12.325.419	3.678.586	4.845.265
Transportation & telecommunication	468.632	1.478.339	1.224.923
Financial institutions	171.334	32.866	75.854
Real estate and letting services	210.475	131.308	81.252
Self-employment services	576.706	92.718	309.251
Education services	60.058	59.950	57.502
Health and social services	30.785	150.113	117.160
Other	15.783.493	5.584.351	8.051.702
Total	49.545.520	24.522.431	30.595.191

(*) The balances of loans at fair value through profit or loss are not included.

(**) Cash loans are given.

(***) Includes the stage 2 and stage 3 provisions.

Prior Period			
Important Sectors/Counterparties	Loans (**)		Provisions
	Impaired (TFRS 9)		Provision for Expected Credit Loss (TFRS 9)
	Significant Increase in Credit Risk (Stage 2)	Credit Impaired (Stage 3)	(***)
Agricultural	2.548.366	960.709	1.458.199
Farming and Cattle	2.544.244	959.758	1.457.203
Forestry	1.627	632	690
Fishing	2.495	319	306
Manufacturing	7.096.902	5.472.280	5.803.129
Mining	18.790	132.438	133.501
Production	2.234.524	1.586.985	2.267.227
Electric, Gas, Water	4.843.588	3.752.857	3.402.401
Construction	3.573.968	1.444.278	2.904.085
Services	16.339.140	6.841.809	11.797.854
Wholesale and Retail Trade	4.218.907	2.053.248	3.862.468
Hotel and Restaurant Services	9.770.527	2.132.783	3.486.815
Transportation & telecommunication	1.985.076	548.559	1.449.244
Financial institutions	20.280	3.298	13.021
Real estate and letting services	94.681	1.333.627	2.322.978
Self-employment services	122.107	127.490	140.433
Education services	78.276	102.931	96.692
Health and social services	49.286	539.873	426.203
Other	9.655.712	3.031.459	4.525.449
Total	39.214.088	17.750.535	26.488.716

(*) The balances of loans at fair value through profit or loss are not included.

(**) Cash loans are given.

(***) Includes the stage 2 and stage 3 provisions.

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q. Information on movements in valuation adjustments and provisions

Current Period: 31 December 2023	Opening Balance (After TFRS 9) 1 January 2022	Charge for the period	Other Adjustments (*)	Closing Balance
Default (Stage 3 / Specific Provision)	14.004.351	576.119	1.033.876	15.614.346
12 Months Provision for Expected Credit Loss (Stage 1)	4.920.254	(342.264)	2.950.221	7.528.211
Significant Increase in Credit Risk (Stage 2)	14.484.365	152.519	343.961	14.980.845

(*) Includes sales made from non-performing loans, write-off and foreign exchange differences.

Prior Period: 31 December 2022	Opening Balance (After TFRS 9) 1 January 2021	Charge for the period	Other Adjustments (*)	Closing Balance
Default (Stage 3 / Specific Provision)	11.813.254	6.107.472	(3.916.375)	14.004.351
12 Months Provision for Expected Credit Loss (Stage 1)	3.187.819	1.175.215	552.722	4.915.756
Significant Increase in Credit Risk (Stage 2)	10.791.714	(896.626)	2.589.277	12.484.365

(*) Includes sales made from non-performing loans, write-off and foreign exchange differences.

r. Information on cyclical capital buffer calculation:

Current Period			
Country of ultimate risk	Private sector credit exposure in		Total
	banking book	Risk weighted equivalent trading book	
Turkey	545.953.043	3.372.184	549.325.227
Bahrain	40.258.802	--	40.258.802
United Kingdom	5.750.612	--	5.750.612
USA	4.243.475	--	4.243.475
Switzerland	2.822.628	--	2.822.628
Belgium	2.266.641	--	2.266.641
Other	16.817.599	--	16.817.599

Prior Period			
Country of ultimate risk	Private sector credit exposure in		Total
	banking book	Risk weighted equivalent trading book	
Turkey	347.950.524	568.377	348.518.901
England	3.533.703	--	3.533.703
Switzerland	344.695	--	344.695
Netherlands	1.786.958	--	1.786.958
Germany	5.028.448	--	5.028.448
Cyprus	2.034.894	--	2.034.894
Other	13.528.676	--	13.528.676

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III. 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 XI-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 29,4382
Euro purchase rate at the balance sheet date	TL 32,5739

Date	US Dollar	Euro
25 December 2023	29,2108	32,1766
26 December 2023	29,2647	32,2421
27 December 2023	29,3374	32,4186
28 December 2023	29,3973	32,6937
29 December 2023	29,4382	32,5739

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 December 2023 are TL 29,0552 and TL 31,7410 respectively.

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f. Information on currency risk

Current Period	EURO	USD	Other FC ⁽⁶⁾	Total
Assets				
Cash Equivalents and Central Bank	66.632.103	61.853.880	9.918.798	138.404.781
Banks	33.016.199	33.407.326	1.702.941	68.126.466
Financial Assets at Fair Value through Profit or Loss (Net) ⁽¹⁾	598.582	7.095.089	28.463	7.722.134
Due from Money Markets	--	--	--	--
Financial Assets at Fair Value through Other Comprehensive				
Income	9.168.391	59.413.814	99.472	68.681.677
Loans ⁽²⁾	179.787.947	75.359.268	5.345.912	260.493.127
Investments in Associates, Subsidiaries and Joint Ventures	1.825	--	--	1.825
Financial Assets Measured at Amortised Cost	--	8.353.287	--	8.353.287
Hedging Derivative Financial Assets	--	--	--	--
Tangible Fixed Assets	1.001.344	234	36.156	1.037.734
Intangible Fixed Assets ⁽³⁾	--	--	--	--
Other Assets ⁽⁴⁾	474.398	5.322.107	766.622	6.563.127
Total Assets	290.680.789	250.805.005	17.898.364	559.384.158
Liabilities				
Bank Deposits	3.592.014	1.774.101	1.705.236	7.071.351
Foreign Currency Deposits	163.638.374	145.858.942	31.988.385	341.485.701
Due to Money Markets	3.992.426	47.881.665	--	51.874.091
Funds Borrowed	63.330.667	72.566.515	2.361.706	138.258.888
Securities Issued	814.348	37.627.090	2.895.347	41.336.785
Miscellaneous Payables	--	--	--	--
Hedging Derivative Financial Liabilities	--	--	--	--
Other Liabilities ⁽⁶⁾	13.018.613	17.332.289	723.092	31.073.994
Total Liabilities	248.386.442	323.040.602	39.673.766	611.100.810
Net on Balance Sheet Position	42.294.347	(72.235.597)	(21.775.402)	(51.716.652)
Net off-Balance Sheet Position ⁽⁵⁾	(48.470.256)	68.791.797	23.901.285	44.222.826
Financial Derivative Assets	36.577.670	155.113.211	34.436.800	226.127.681
Financial Derivative Liabilities	(85.047.926)	(86.321.414)	(10.535.515)	(181.904.855)
Net Positions	(6.175.909)	(3.443.800)	2.125.883	(7.493.826)
Non Cash Loans	36.364.413	43.109.605	3.554.872	83.028.890
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 4.310.987 are excluded.

(2) : Foreign currency indexed loans amounting to TL 511.093 are included.

(3) : Intangible assets amounting to TL 530.755 are not included.

(4) : Prepaid expenses amounting to TL 451.040 are not included.

(5) : There are gold balances amounting to TL 10.316.260 under total assets and TL 18.571.690 in total liabilities.

(6) : FX equity amounting to TL 46.956.949 and foreign exchange rate differences related to derivative financial liabilities amounting to TL 1.596.701 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".

g. Information on currency risk exposed

In the event TL loses 10% in value against the currencies below, the increase and decrease in equities and statement of profit or loss (excluding tax effect) as of 31 December 2023 and 2022 are shown in the table below. This analysis has been prepared under the assumption that all other variables, especially interest rates, to be constant.

	Current Period		Prior Period	
	Period Profit/Loss	Equity	Period Profit/Loss	Equity
USD	(403.726)	(362.865)	322.046	93.515
Euro	(600.782)	(609.468)	(345.193)	(355.357)
Total (Net)	(1.004.508)	(972.333)	(23.147)	(261.842)

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IV. 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⁾	61.849.936	1.051.192	--	--	--	175.904.579	238.805.707
Financial Assets at Fair Value through Profit or Loss	218.447	246.479	59.388	1.326.663	2.426.537	12.233.373	16.510.887
Due from Money Markets	51.909.946	232.841	--	--	--	--	52.142.787
Financial Assets at Fair Value through Other Comprehensive Income	12.460.974	13.055.813	21.883.103	24.871.429	30.707.308	2.072	102.980.699
Loans	217.220.499	91.213.708	142.708.375	83.286.231	26.702.715	8.908.085	570.039.613
Financial Assets Measured at Amortised Cost ⁽²⁾	1.359.493	24.305.524	8.596.790	12.981.168	3.987.452	--	51.230.427
Other Assets ⁽³⁾	--	--	--	1.015.601	--	65.757.341	66.772.942
Total Assets	370.741.963	149.965.745	183.680.807	123.481.092	63.824.012	281.213.517	1.172.907.136
Liabilities							
Bank Deposits	2.968.936	2.297.097	2.498.479	--	--	1.656.754	9.421.266
Other Deposits	234.495.632	123.108.455	152.414.321	24.761.896	477.198	202.626.812	737.884.314
Due to Money Markets	40.128.759	2.597.039	13.293.744	--	--	--	56.019.542
Miscellaneous Payables	--	--	--	--	--	--	--
Securities Issued	400.322	23.450.390	20.907.010	1.736.960	--	--	46.494.682
Funds Borrowed	18.388.906	89.173.267	18.721.642	6.193.123	16.993.189	--	149.470.127
Other Liabilities ⁽⁴⁾	104.066	27.860	10.794.079	901.311	--	161.789.889	173.617.205
Total Liabilities	296.486.621	240.654.108	218.629.275	33.593.290	17.470.387	366.073.455	1.172.907.136
Balance Sheet Long Position	74.255.342	--	--	89.887.802	46.353.625	--	210.496.769
Balance Sheet Short Position	--	(90.688.363)	(34.948.468)	--	--	(84.859.938)	(210.496.769)
Off-balance Sheet Long Position	--	--	15.323.941	--	1.144.291	2.085	16.470.317
Off-balance Sheet Short Position	(1.958.697)	(769.475)	--	(23.726.175)	--	--	(26.454.347)
Total Position	72.296.645	(91.457.838)	(19.624.527)	66.161.627	47.497.916	(84.857.853)	(9.984.030)

(1) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (58.970).

(2) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (6.657).

(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 7.779.579, TL 2.993.623, TL 1.591.527, TL 8.315.620, TL 6.326.112, TL 12.120.650, TL (64.896) and TL 26.755.126, 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 90.413.608, TL 3.202.356, TL 1.436.432, TL 16.242.296, TL 2.835.852 and TL 47.659.345, 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	122.751	957.183	--	--	--	111.075.885	112.155.819
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	163.797.901	17.788.915	49.553.536	79.679.802	28.181.280	3.746.184	342.747.618
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⁾	34.233	493	1.729	544.130	1.822	31.703.624	32.286.031
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 - 31 December 2023	EURO %	USD %	Yen %	TL %
Assets				
Cash Equivalents and Central Bank	4,75	5,50	--	42,13
Banks	4,07	6,19	--	42,56
Financial Assets at Fair Value through Profit or Loss	4,22	7,49	--	49,04
Due from Money Markets	--	--	--	43,48
Financial Assets at Fair Value through Other Comprehensive Income	3,09	7,15	--	44,34
Loans	6,99	7,96	6,01	41,80
Financial Assets Measured at Amortised Cost	--	5,07	--	39,49
Liabilities				
Bank Deposits	3,41	6,42	--	40,55
Other Deposits	1,96	3,21	0,01	35,79
Due to Money Markets	2,50	7,46	--	42,31
Miscellaneous Payables	--	--	--	--
Securities Issued	3,75	3,70	--	43,70
Funds Borrowed	6,14	8,44	--	42,79

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	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

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c. Interest rate risk arising from banking accounts

The interest rate risk arising from banking accounts is managed according to the principles stated in the "Interest Rate Risk Management Policy".

Sensitivity limits are determined by the Parent Bank for possible negative developments in the market Among the metrics followed; the sensitivity of net present value of the balance sheet and net interest income to certain interest changes and interest rate gap analysis. These criteria are not only monitored in weekly ALCOs, but are also submitted to the senior management and the Board of Directors due to the limits set forth in the risk appetite declaration.

Interest rate risk calculation and reporting arising from banking accounts according to the “Regulation on Measurement and Assessment of the Interest Rate Risk from Banking Accounts” published in the Official Gazette no. 28034 dated 23 August 2011. The related ratio is prepared monthly as the other interest rate metrics that the Parent Bank follows. In addition, it is provided with close monitoring by weekly estimation studies and submitted to ALCO.

Cross currency swaps or interest swaps are used for the purpose of hedging up to 10 years of maturity in order to avoid the negative effects of interest risk.

The Group’s economic value differences arising from the interest rate fluctuations pursuant to the “Regulation on the Measurement and Assessment of Interest Rate Risk Arising from Banking Accounts According to the Standard Shock Method” in a manner separated by different currencies are demonstrated in the following table as of 31 December 2023.

Current Period: 31 December 2023		Shocks Applied	Gains/Losses	Gains/Equity -Losses/Equity
Type of Currency		(+/- x basis points)		
1	TL	(+) 500 bps	(1.775.000)	(1,50%)
2	TL	(-) 400 bps	1.693.742	1,43%
3	Euro	(+) 200 bps	(765.322)	(0,65%)
4	Euro	(-) 200 bps	1.082.071	0,91%
5	US Dollar	(+) 200 bps	(254.801)	(0,21%)
6	US Dollar	(-) 200 bps	542.813	0,46%
Total (of positive shocks)			(2.795.123)	(2,36%)
Total (of negative shocks)			3.318.626	2,80%

Current Period: 31 December 2022		Shocks Applied	Gains/Losses	Gains/Equity -Losses/Equity
Type of Currency		(+/- x basis points)		
1	TL	(+) 500 bps	(4.653.456)	(6,37%)
2	TL	(-) 400 bps	4.421.000	6,05%
3	Euro	(+) 200 bps	(589.746)	(0,81%)
4	Euro	(-) 200 bps	766.292	1,05%
5	US Dollar	(+) 200 bps	(297.812)	(0,41%)
6	US Dollar	(-) 200 bps	453.728	0,62%
Total (of positive shocks)			(5.541.014)	(7,59%)
Total (of negative shocks)			5.641.020	7,72%

V. 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 31 December 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.

VI. 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.

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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.

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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 244,46 in October, the highest 373,94 in December, and the total lowest liquidity coverage ratio has been calculated as 277,33 in November and 351,76 in December 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			228.847.553	128.102.734
CASH OUTFLOWS				
2 Retail deposits and deposits from small business customers, of which	492.199.583	227.150.361	46.209.801	22.715.036
3 Stable deposits	60.203.154	--	3.010.158	--
4 Less stable deposits	431.996.429	227.150.361	43.199.643	22.715.036
5 Unsecured wholesale funding, of which	174.803.023	103.978.370	102.016.311	54.193.349
6 Operational deposits	5.872.977	3.437.643	1.443.019	855.689
7 Non-operational deposits	122.039.373	82.711.594	53.682.619	35.508.527
8 Unsecured debt	46.890.673	17.829.133	46.890.673	17.829.133
9 Secured wholesale funding			--	--
10 Other cash outflows	5.737.775	12.198.121	3.587.861	10.483.438
11 Outflows related to derivative exposures and other collateral requirements	2.154.585	9.340.316	2.154.585	9.340.316
12 Outflows related to loss of funding on debt products	--	--	--	--
13 Credit and liquidity facilities	3.583.190	2.857.805	1.433.276	1.143.122
14 Other contractual funding obligations	14.819.991	14.819.431	14.819.459	14.819.431
15 Other contingent funding obligations	456.469.618	83.471.038	31.126.669	8.180.548
16 TOTAL CASH OUTFLOWS			197.760.101	110.391.802
CASH INFLOWS				
17 Secured lending	27.848.301	--	--	--
18 Unsecured lending	141.287.617	41.612.981	119.445.433	37.311.961
19 Other cash inflows	854.298	29.359.616	854.298	29.359.616
20 TOTAL CASH INFLOWS	169.990.216	70.972.597	120.299.731	66.671.577
			Total Adjusted Value	
21 TOTAL HQLA			228.847.553	128.102.734
22 TOTAL NET CASH OUTFLOWS			77.460.370	43.720.225
23 LIQUIDITY COVERAGE RATIO (%)			304,4	306,4

(*) 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⁾	176.874.347	61.931.360	--	--	--	--	--	238.805.707
Financial Assets at Fair Value through Profit or Loss (Net)	18.408.067	19.262.673	20.080.757	11.936.737	4.735.840	--	--	74.424.074
Due from Money Markets	3.721.163	1.399.536	613.022	3.169.912	4.669.843	2.937.411	--	16.510.887
Financial Assets at Fair Value through Other Comprehensive Income	--	51.909.946	232.841	--	--	--	--	52.142.787
Loans	2.072	234.894	3.385.235	10.863.765	48.558.751	39.935.982	--	102.980.699
Financial Assets Measured at Amortised Cost ⁽²⁾	--	93.551.630	145.427.059	127.565.144	144.834.588	49.753.107	8.908.085	570.039.613
Other Assets	44.168.552	--	1.625.137	18.310	14.347.318	35.239.662	--	51.230.427
	--	--	--	238.955	83.519	--	22.281.916	66.772.942
Total Assets	243.174.201	228.290.039	171.364.051	153.792.823	217.229.859	127.866.162	31.190.001	1.172.907.136
Liabilities								
Bank Deposits	1.656.754	2.964.309	2.301.724	2.498.479	--	--	--	9.421.266
Other Deposits	202.626.812	230.704.641	126.665.624	152.450.395	24.946.500	490.342	--	737.884.314
Fund Borrowed	--	11.355.534	26.196.355	79.428.001	15.230.535	17.259.702	--	149.470.127
Due to Money Markets	--	30.955.141	4.549.008	20.515.393	--	--	--	56.019.542
Securities Issued	--	400.322	2.758.307	22.160.956	19.097.106	2.077.991	--	46.494.682
Miscellaneous Payables	--	--	--	--	--	--	--	--
Other Liabilities	61.432.511	3.236.119	244.932	11.186.414	406.048	396.151	96.715.030	173.617.205
Total Liabilities	265.716.077	279.616.066	162.715.950	288.239.638	59.680.189	20.224.186	96.715.030	1.172.907.136
Net Liquidity Excess/ (Gap)	(22.541.876)	(51.326.027)	8.648.101	(134.446.815)	157.549.670	107.641.976	(65.525.029)	--
Net Off-balance sheet Position								
Financial Derivative Assets	--	(967.413)	(1.492.186)	2.616.040	72.971	(1.319)	--	228.093
Financial Derivative Liabilities	--	129.968.824	70.391.676	53.758.278	53.247.530	29.176.567	--	336.542.875
Non Cash Loans	--	(130.936.237)	(71.883.862)	(51.142.238)	(53.174.559)	(29.177.886)	--	(336.314.782)
	--	25.298.164	14.645.920	50.978.932	59.151.906	3.894.628	--	153.969.550
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 Position								
Financial Derivative Assets	--	(55.002)	(444.740)	303.951	174.079	--	--	(21.712)
Financial Derivative Liabilities	--	100.201.745	69.046.963	26.504.850	25.015.706	23.382.201	--	244.151.465
Non Cash Loans	--	(100.256.747)	(69.491.703)	(26.200.899)	(24.841.627)	(23.382.201)	--	(244.173.177)
	--	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 (58.971).

(2) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (6.657).

(*) 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.

c. Representation of financial liabilities according to their remaining maturities in accordance with their contracts

The undiscounted maturity breakdown of the maturity values of the Group's non-derivative financial liabilities that are subject to a contract are presented in the table below. The interest to be paid on the relevant assets and liabilities have been included to the relevant maturity buckets.

End of The Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Liabilities							
Deposits	204.283.566	235.879.672	132.917.409	168.185.599	24.997.411	490.342	766.753.999
Funds borrowed (*)	--	11.771.044	28.177.809	83.883.215	24.035.498	18.719.147	166.586.713
Interbank money markets	--	31.021.731	4.851.003	21.499.673	--	--	57.372.407
Securities issued	--	1.125.358	3.646.510	22.171.797	19.188.129	2.077.991	48.209.785
Total	204.283.566	279.797.805	169.592.731	295.740.284	68.221.038	21.287.480	1.038.922.904

(*) It includes subordinated loans.

End of The Prior Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Liabilities							
Deposits	150.957.437	152.665.198	84.084.192	37.198.498	17.755.936	1.057.799	443.719.060
Funds borrowed (*)	--	10.734.808	7.822.920	34.818.819	10.143.152	17.634.840	81.154.539
Interbank money markets	--	3.348.705	3.068.228	7.534.096	--	--	13.951.029
Securities issued	--	670.720	3.519.344	2.795.744	2.018.378	--	9.004.186
Total	150.957.437	167.419.431	98.494.684	82.347.157	29.917.466	18.692.639	547.828.814

(*) It includes subordinated loans.

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VII. Explanations related to leverage ratio

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

As of 31 December 2023, the leverage ratio of the DFS Group is calculated as 4,87% (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 (*)	1.112.016.175	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	(7.852.263)	(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	3.180.414	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	517.898.759	227.619.260
7 Total Risk	1.625.242.582	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)	1.104.163.912	609.801.856
2 (Assets deducted in determining Basel III Tier I capital)	(2.950.498)	(1.401.634)
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	1.101.213.414	608.400.222
Derivative exposures		
4 Replacement cost	10.123.774	6.796.388
5 Add-on amount	3.180.414	1.090.284
6 Total derivative exposures (sum of lines 4 and 5)	13.304.188	7.886.672
Securities or commodity collateral financing transaction exposures		
7 Gross SFT assets (with no recognition of accounting netting)	24.331.789	7.353.636
8 Agent transaction exposures	--	--
9 Total securities financing transaction exposures (sum of lines 7 and 8)	24.331.789	7.353.636
Other off-balance sheet exposures		
10 Off-balance sheet exposures with gross nominal amount	486.393.694	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)	486.393.191	214.870.367
Capital and total exposures		
13 Tier I Capital	79.151.986	52.229.260
14 Total exposures (sum of lines 3,6,9 and 12)	1.625.242.582	838.510.897
Leverage ratio		
15 Leverage ratio	4,87	6,23

(*) Quarterly average amounts.

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VIII. 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 31 December 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. Explanations related to the risk management approach

Risks exposed as a result of the Bank’s business model are detected on a consolidated basis through the Bank’s risk identification and important evaluation process. Risk mitigation factors and monitoring activities are implemented for the important risks determined. In the Risk Appetite Statement of the Bank, limits are determined for the risks that are deemed important and the declaration is approved by the Board of Directors. Developments regarding the risk limits determined in the Risk Appetite Statement are monitored on a monthly basis and the actions foreseen in the risk appetite statement are applied in the event these limits are exceeded.

Denizbank Risk Management Group Department is an internal systems unit that operates under the Board of Directors and that are assigned to carry out risk management activities. Reports directly to the Board of Directors. Risk Management Group is responsible for the identification and measurement of risks, establishment and implementation of risk policies and implementation procedures, analysis and monitoring as well as reporting of risks within the framework of the principles determined by the Senior Management of the Bank and the Risk Management Group and approved by the Board of Directors.

In the Bank, the delegation levels generated by the customers are determined pursuant to the risk categories determined according to the limit and loan rating components within the bank.

The rating process carried out by the Credit Allocation unit is monitored and reported by the Risk Management Group.

Main components and scope of the risk measurement systems

Bank has a comprehensive risk definition process, including its subsidiaries. Process aims to define the important risks specific to the bank from a broad list, including those exposed by the banking naturally. In the determination stage of the importance level of the risks, the opinions and evaluations of the persons who are expert in this subject are taken. Evaluation results are updated every year and linked to the report and form the basis for the bank’s internal capital assessment processes.

The purpose of the activities carried out within the scope of the measurement of the risks is to establish a relationship between the risks undertaken by the bank and the expected earnings and to measure the financial risks that the bank and its subsidiaries are exposed to. The process includes testing the validity of the parameters and assumptions subject to risk measurement.

The Bank determines what kind of reports will be prepared as consolidated and as solo and the authorities to whom they will be forwarded. Ensures that an active internal audit system to be established which will prevent taking risks above the targeted risk level and limits set by the regulatory authority. When the control and reporting of the risks are made, the risk levels that are approved by the Board of Directors are taken into consideration for each risk type.

Risk Management Group ensures the coordination of the internal capital adequacy evaluation process (ICAAP) and the measurement of the risks undertaken by the bank. Within the scope of the ICAAP report, which is a result of the ICAAP process and within the framework of the 3 year strategic plan, the annual stress test report, which presents the effects of the scenarios in which macroeconomic variables are taken into consideration on the bank’s capital and liquidity, is reported to the BRSA. Bank monitors the capital adequacy level internally on a monthly basis.

Disclosures on risk reporting processes provided to Board of Directors and senior management, especially the scope and main content of the reporting

Risk Management Group performs reporting to Senior Management and Board of Directors through the Audit and Risk Committee, Asset Liability Management Committee, Model Risk Management and Validation Committee.

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Audit and Risk Committee: Holds quarterly meetings in ordinary situations. Activities performed by the Risk Management Group and risk indicators are presented to the Committee.

Model Risk Management and Validation Committee: It is the committee that the Risk model validation results, prepared within the frame of annual plan, are presented to and approved.

Risk management, hedging and mitigation strategies of the Bank sourcing from business model and monitoring process with respect to continuing effectiveness of hedging and mitigating components

Limits, which are defined for risks considered to be significant, are monitored on a monthly basis and actions included in risk appetite statement are taken, if required.

Additionally, taking into consideration the stress conditions of the Bank, an emergency plan regarding capital adequacy has been created in order to fulfil its strategic goals.

2. 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)	636.241.615	378.218.874	50.899.329
2 Standardized approach (SA)	636.241.615	378.218.874	50.899.329
3 Internal rating-based (IRB) approach	--	--	--
4 Counterparty credit risk (*)	9.761.875	7.281.466	780.950
5 Standardized approach for counterparty credit risk (SA-CCR)	9.761.875	7.281.466	780.950
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	599.132	209.848	47.931
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	21.277.362	9.891.212	1.702.189
17 Standardized approach (SA)	21.277.362	9.891.212	1.702.189
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)	716.463.919	423.588.045	57.317.114

(*) The amounts given in the table do not include TL 115, which is the amount subject to the Risk of CCP-Guarantee Fund Amounts.

b. Connections between the financial statements and risk amounts

1. Mapping and differences between accounting consolidation and regulatory consolidation

Regulatory consolidation refers to the consolidation that includes the consolidation of subsidiaries which are credit institutions or financial institutions in accordance with Article 5 paragraph 1 of the Communiqué on the Preparation of Consolidated Financial Statements of Banks published in the Official Gazette dated 8 November 2006 and numbered 26340. Accounting consolidation refers to the consolidation in which all of the subsidiaries are included in the scope of consolidation in accordance with the Article 5 paragraph 6 of the same communiqué, irrespective of whether these subsidiaries are credit institutions or financial institutions, or not.

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Current Period	a	b	c	d	e	f	g
	Carrying values as reported in published financial statements	Carrying values as reported in regulatory scope of consolidation	Carrying values of items under scope of TAS				Not subject to capital requirements or subject to deduction from capital
			Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitization framework	Subject to the market risk framework	
Assets							
Cash and balances at central bank	238.805.301	238.805.707	238.805.707	--	--	--	--
Banks	74.434.718	74.424.074	74.483.044	--	--	--	--
Due from money markets	52.142.787	52.142.787	52.142.787	--	--	--	--
Financial assets at fair value through profit or loss	8.665.467	7.962.425	896.211	2.777.112	--	4.289.102	--
Financial assets at fair value through other comprehensive income	102.980.700	102.980.699	102.980.699	--	--	--	--
Financial assets measured at amortised cost	51.230.427	51.230.427	51.237.084	--	--	--	--
Derivative financial assets	8.548.463	8.548.462	--	8.548.462	--	--	--
Loans (net)	570.039.611	570.039.613	592.548.669	--	--	--	28.767
Investments in associates, subsidiaries and joint ventures	98.612	8.315.620	8.315.620	--	--	--	--
Tangible assets (net)	9.165.252	8.795.180	8.795.180	--	--	--	216.019
Intangible assets (net)	1.804.852	2.933.623	2.933.623	--	--	--	2.933.623
Investment properties (net)	1.591.527	1.591.527	1.591.527	--	--	--	--
Current tax assets	1.884.431	1.884.196	1.884.196	--	--	--	--
Deferred tax assets	4.441.916	4.441.916	4.441.916	--	--	--	--
Other assets	39.229.434	38.810.880	38.810.880	--	--	--	--
Total assets	1.165.063.498	1.172.907.136	1.179.867.143	11.325.574	--	4.289.102	3.178.409
Liabilities							
Deposits	747.033.209	747.305.580	--	--	--	--	747.305.580
Funds borrowed	126.403.469	126.403.448	--	--	--	--	126.403.448
Due to money markets	56.019.542	56.019.542	--	56.019.542	--	--	56.019.542
Securities issued	46.494.682	46.494.682	--	--	--	--	46.494.682
Funds	--	--	--	--	--	--	--
Derivative financial liabilities	2.835.851	2.835.852	--	--	--	--	2.835.852
Factoring payables	--	--	--	--	--	--	--
Leases payables	958.602	901.311	--	--	--	--	901.311
Provisions	16.439.339	16.242.296	--	--	--	--	16.242.296
Current tax liabilities	3.330.304	3.202.356	--	--	--	--	3.202.356
Deferred tax liabilities	1.442.550	1.436.432	--	--	--	--	1.436.432
Liabilities related to non-current assets "held for sale" and "discontinued operations" (net)	--	--	--	--	--	--	--
Subordinated debts	23.066.679	23.066.679	--	--	--	--	23.066.679
Other liabilities	58.645.195	58.585.350	--	--	--	--	58.585.350
Equity	82.394.076	90.413.608	--	--	--	--	90.413.608
Total liabilities	1.165.063.498	1.172.907.136	--	56.019.542	--	--	1.172.907.136

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Prior Period	a	b	c	d	e	f	g
	Carrying values as reported in published financial statements	Carrying values as reported in regulatory scope of consolidation	Carrying values of items under scope of TAS				Not subject to capital requirements or subject to deduction from capital
			Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitization framework	Subject to the market risk framework	
Assets							
Cash and balances at central bank	112.155.614	112.155.822	112.155.822	--	--	--	--
Banks	32.882.039	32.869.362	32.907.181	--	--	--	--
Due from money markets	16.415	16.415	16.415	--	--	--	--
Financial assets at fair value through profit or loss	3.007.521	2.821.452	456.942	982.250	--	1.382.260	--
Financial assets at fair value through other comprehensive income	77.258.737	77.258.737	77.258.737	--	--	--	--
Financial assets measured at amortised cost	18.313.836	18.313.836	18.316.908	--	--	--	--
Derivative financial assets	6.531.844	6.531.844	--	6.531.844	--	--	--
Loans (net)	342.780.847	342.780.849	360.185.468	--	--	--	49.244
Investments in associates, subsidiaries and joint ventures	75.718	2.694.327	2.694.327	--	--	--	--
Tangible assets (net)	4.473.654	4.357.692	4.357.692	--	--	--	102.568
Intangible assets (net)	544.344	1.522.786	1.522.786	--	--	--	1.522.786
Investment properties (net)	709.270	709.270	709.270	--	--	--	--
Current tax assets	31.188	31.187	31.187	--	--	--	--
Deferred tax assets	4.357.630	4.357.629	4.357.629	--	--	--	--
Other assets	18.894.820	18.579.906	18.579.906	--	--	--	--
Total assets	622.033.477	625.001.114	633.550.270	7.514.094	--	1.382.260	1.674.598
Liabilities							
Deposits	439.227.308	439.407.011	--	--	--	--	439.407.011
Funds borrowed	50.581.504	50.581.504	--	--	--	--	50.581.504
Due to money markets	13.428.970	13.481.797	--	13.481.797	--	--	13.481.797
Securities issued	8.798.726	8.798.726	--	--	--	--	8.798.726
Funds	--	--	--	--	--	--	--
Financial liabilities at fair value through profit or loss	--	--	--	--	--	--	--
Derivative financial liabilities	3.421.532	3.421.533	--	--	--	--	3.421.533
Factoring payables	--	--	--	--	--	--	--
Leases payables	696.478	655.923	--	--	--	--	655.923
Provisions	10.419.231	10.289.777	--	--	--	--	10.289.777
Current tax liabilities	3.202.906	3.177.605	--	--	--	--	3.177.605
Deferred tax liabilities	656.717	654.432	--	--	--	--	654.432
Subordinated debts	14.561.492	14.561.492	--	--	--	--	14.561.492
Other liabilities	24.960.973	25.108.338	--	--	--	--	25.108.338
Equity	52.077.640	54.862.976	--	--	--	--	54.862.976
Total liabilities	622.033.477	625.001.114	--	13.481.797	--	--	625.001.114

2. Main sources of differences between risk exposures and valued amounts in accordance with TAS in financial statements

Current Period	a	b	c	d	e
	Total	Items subject to credit risk framework	Items subject to securitization framework	Items subject to counterparty credit risk framework	Items subject to market risk framework (*)
1 Asset carrying value amount under scope of TAS	1.172.907.136	1.179.867.143	--	11.325.574	4.289.102
2 Liabilities carrying value amount under scope of TAS	56.019.542	--	--	56.019.542	--
3 Total net amount under regulatory scope of consolidation	1.116.887.594	1.179.867.143	--	(44.693.968)	4.289.102
4 Off-balance sheet amounts (**)	524.427.521	83.341.328	--	--	--
5 Differences in valuations	--	--	--	--	--
6 Differences due to different netting rules (other than those already included in row 2)	--	--	--	--	--
7 Differences due to consideration of provisions	--	--	--	--	--
8 Differences due to prudential filters	--	--	--	--	16.988.260
9 Differences resulted from considering of the financial guarantees	--	(35.327.980)	--	--	--
10 Risk exposures	1.641.315.115	1.227.880.491	--	(44.693.968)	21.277.362

(*) Financial instruments included in trading accounts according to "Communiqué on Measurement and Evaluation of Bank's Capital Adequacy" and principal amount subject to market risk sourcing from capital requirement calculated for foreign exchange risk are included in line of risk amounts.

(**) It includes risk which are included in credit risk calculation.

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	a	b	c	d	e
Prior Period	Total	Items subject to credit risk framework	Items subject to securitization framework	Items subject to counterparty credit risk framework	Items subject to market risk framework (*)
1 Asset carrying value amount under scope of TAS	625.001.114	633.550.270	–	7.514.094	1.382.260
2 Liabilities carrying value amount under scope of TAS	13.481.797	--	--	13.481.797	--
3 Total net amount under regulatory scope of consolidation	611.519.317	633.550.270	–	(5.967.703)	1.382.260
4 Off-balance sheet amounts (**)	216.645.157	54.613.146	--	--	--
5 Differences in valuations	--	--	--	--	--
6 Differences due to different netting rules (other than those already included in row 2)	--	--	--	--	--
7 Differences due to consideration of provisions	--	--	--	--	--
8 Differences due to prudential filters	--	--	--	--	8.508.952
9 Differences resulted from considering of the financial guarantees	--	(16.961.333)	--	--	--
10 Risk exposures	828.164.474	671.202.083	–	(5.967.703)	9.891.212

(*) Financial instruments included in trading accounts according to “Communiqué on Measurement and Evaluation of Bank’s Capital Adequacy” and principal amount subject to market risk sourcing from capital requirement calculated for foreign Exchange risk are included in line of risk amounts.

(**) It includes risk which are included in credit risk calculation.

3. Explanations on differences between amounts determined in accordance with TAS and risk exposures

Differences between amounts determined in accordance with TAS and risk exposures:

In derivative transactions subject to counterparty credit risk, the risk amount is calculated by the combination of renewal cost and future potential risk amounts according to the standard method in capital adequacy adjustments. In repo and reverse repo transactions, the risk amount is obtained by netting the volatility-adjusted amount applied to the security subject to the transaction with the cash amount subject to the transaction.

Amounts of items which are valued in accordance with TAS and subject to market risk indicate fair value of financial instruments held for trade. Amounts in line of risk amount related to aforementioned transactions indicate principal amount subject to market risk sourcing from capital requirement calculated related to potential losses which can be caused by interest rate risk, share price risk, exchange rate risks in scope of “Communiqué on Measurement and Evaluation of Bank’s Capital Adequacy”.

Pursuant to the prudent valuation principles and procedures under Annex-3 to the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks, the explanations on the systems and controls used to ensure the prudence and reliability of the Bank’s valuation estimates:

The market prices in the valuation of the financial instruments recognised with the fair value are valued taking into account the indicative values announced by official institutions or data such as interest and volatility observed in the market. Bank does not carry out transactions in the markets without depth. As the discounted cash flow models are used in the valuation of over-the-counter derivative instruments in general, the valuation models that are suitable with the nature of the transactions and that are generally accepted are used for derivative transactions that include optionality.

Within the scope of the independent price determination process, the activities below are carried out for the purpose of ensuring the valuation methods and the accuracy of the data used:

- The entry of the prices of bills, bonds, stocks and the derivative products traded in organised markets and the data to be used for the valuation of the derivative products that are traded over-the-counter transactions are made independently of the executive units.
- The models to be used in the valuation of derivative products as well as the interest and volatility data are determined independently of the executive units.
- Second level controls are made periodically for market data and valuation results used in valuations.
- Valuation process validation is carried out for the models and data entries used in product valuations.
- Differences between counterparty valuations and bank valuations are regularly monitored.

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c. Credit risk

1. General information about credit risk

How the bank’s business model transformed into components in the credit risk profile

Credit risk within the body of the Parent Bank is managed within the framework of Credit Risk Management Policy approved by Board of Directors. Risk, related to credit, are defined, duties of departments are determined and main principles of credit risk management are brought in aforementioned policy document. Departments assigned in credit management and their authorization/responsibilities are defined in aforementioned document.

Loan allocation is made within the limits determined on the basis of each debtor and the group of debtors. In the credit allocation process, a lot of financial and non-financial criteria are taken into consideration within the framework of the internal rating process of the Bank. Customer segments and sectors are included in these criterias. The sectoral distribution of loans are monitored closely. According to the bank’s credit policy, the rating of the companies are assessing together considering loan limits and collateralization process and the monitoring of the credit risk exposed is carried out.

In this regard, the loan portfolio of the Parent Bank shows a diversified profile in terms of customer segments and sectors.

Criteria and approach used while determining credit risk policy and credit risk limits

In the monitoring of the credit risks, the risk limits defined to all counterparties are monitored based on product, customer and risk groups and the risk is not allowed to exceed the limits defined. When the loan limits are determined, the payment ability of the counterparty, the characteristics of the sector, the potential impacts of geographical and economic conditions etc. factors are taken into account. When deemed appropriate, the necessary risk mitigation techniques are utilized to minimize the Bank’s possible losses. During the credit research, the documents which the relevant legislation requires are taken into consideration. For limits that are extended as multi-use, the creditworthiness of the counterparty is checked regularly and the limits are revised according to the changes in the creditworthiness of the counterparty. Credit allocation authorities are determined pursuant to the customer classes and are changed where deemed necessary.

Structure and organization of credit risk management and control function

Credit allocation and management are carried out within the scope of the segregation of duties by different units; therefore it is ensured that the loan is evaluated objectively throughout its lifespan. In order for the accurate and objective measurement of the customer credit risk in the allocation and monitoring groups, risk models are being used. The Early Warning Systems defined in the system are used to monitor the risks of credit customers and the signals received from these systems are continuously monitored by the monitoring groups; in the event pre-determined triggers are determined, pre-determined action plans are put into practice along with the allocation groups.

Relation between credit risk management, risk control, legal compliance and internal audit functions

Before the newly developed credit risk models are implemented, they are subjected to a validation process and are used in the risk management processes after the approval of the Bank’s Model Risk Management and Validation Committee. The validation process of the applicable credit risk models are repeated at least once a year and the results are presented to Model Risk Management and Validation Committee.

Credit Risk Control, in order to ensure the compliance of the Bank’s credit risk processes to Basel regulations, operates the functioning of internal rating systems, the development of credit ratings, the documentation on the changes in credit ratings, and the analysis of compliance with internal restrictions and regularly submits the results to the Rating Committee, Compliance of the Credit Risk Control activities to the internal bank regulations and guidelines is audited regularly by the bank’s internal audit units and the matters that must be improved are determined and monitored.

Scope and main content of reporting which shall be made to the senior management and the members of board of directors regarding credit risk management function and exposed credit risk

Risk appetite statement is approved and reviewed by the Bank’s Board of Directors every year. With the risk appetite statement, the Bank combines its current risk management instruments, processes, principles and policies with a consistent approach and ensures that risk taking activities are managed within the limits agreed. Therefore, the consistency of the risk applications throughout the Bank is improved.

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2. Credit quality of assets

Current Period	a		b	c	d
	Gross carrying values of (according to TAS)				
	Defaulted	Non-defaulted	Specific provisions	Net values (a+b-c)	
1 Loans	24.522.431	583.640.584	38.123.402	570.039.613	
2 Borrowing instruments	--	154.215.711	6.657	154.209.054	
3 Off-balance sheet receivables (*)	3.683.586	517.737.785	4.340.676	517.080.695	
4 Total	28.206.017	1.255.594.080	42.470.735	1.241.329.362	

(*) It doesn't include revocable commitments and asset purchase - sales commitments.

Prior Period	a		b	c	d
	Gross carrying values of (according to TAS)				
	Defaulted	Non-defaulted	Specific provisions	Net values (a+b-c)	
1 Loans	17.750.535	356.439.284	31.408.970	342.780.849	
2 Borrowing instruments	--	95.574.015	3.072	95.570.943	
3 Off-balance sheet receivables (*)	2.115.151	212.233.082	2.989.270	211.358.963	
4 Total	19.865.686	664.246.381	34.401.312	649.710.755	

(*) It doesn't include revocable commitments and asset purchase - sales commitments.

3. Changes in stock of impaired loans and debt securities

	Current Period	Prior Period
	a (*)	a (*)
1 Impaired loans and debt securities at end of the previous reporting period	17.750.535	16.638.273
2 Loans and debt securities that have impaired since the last reporting period	17.114.577	10.881.856
3 Receivables that returned to non-impaired status	153.362	251.234
4 Amounts written off (**)	2.635.665	4.156.902
5 Other changes	(7.553.654)	(5.361.458)
6 Impaired loans and debt securities at end of the reporting period (1 + 2 - 3 - 4 ± 5)	24.522.431	17.750.535

(*) It doesn't include off-balance sheet receivables.

(**) It indicates sales made from non-performing loans portfolio and written off transactions.

4. Additional explanations related to the credit quality of assets

(i) Scope and definitions of “overdue” receivables and “provisioned” receivables used for accounting purpose

The Parent Bank considers loans that have overdue principal and interest payments and they are classified as second group according to the “Communiqué on “Determining the Quality of Loans and Other Receivables by Banks and Procedures and Principles of Provisions to be made” as “past due loans.” Loans that have overdue principal and interest payments for more than 90 days⁽ⁱ⁾ or the debtor of which are deemed unworthy by the Bank are considered as “impaired loans”.

(ii) The part of overdue receivables (over 90 days) which are not considered as “provisioned” and the reasons for the implementation

Loans that have overdue principal and interest payments for more than 90 days⁽ⁱ⁾ are transferred to “Nonperforming loans” accounts and the Bank calculates “specific provisions” for such loans in compliance with the “Communiqué on “Determining the Quality of Loans and Other Receivables by Banks and Procedures and Principles of Provisions to be made”.

(iii) Definitions of the methods used while determining amount of provision

The methods used in the calculation of the provision amount are presented in Section Three, note VIII.

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(iv) Definitions of restructured receivables

The Bank is able to restructure both first and second group loans and other receivables, as well as non-performing loans and receivables The restructuring in first and second group loans and other receivables include the restructuring to facilitate the repayment for the customer and the changes in the agreement conditions made with the request of the customer, independent of the credit risk of the customer. The restructuring made in non-performing loans and receivables refer to linking the loan to a new payment plan to provide the collection of the receivable.

(v) Breakdown of receivables by geographical area

Current Period	Loans		Borrowing instruments		Off-Balance sheet receivables		Specific provisions	Write-Off (*)
	Defaulted	Non-defaulted	Defaulted	Non-defaulted	Defaulted	Non-defaulted		
1 Domestic	22.384.647	536.046.325	--	119.178.366	3.683.586	498.932.929	14.650.346	2.635.665
2 EU Countries	1.619.943	23.991.410	--	32.909.736	--	3.651.218	594.994	--
3 OECD Countries	9	557.866	--	--	--	10.992.150	6	--
4 Off Shore Zones	--	4.356.618	--	--	--	1.006.682	--	--
5 USA, Canada	151	222.065	--	2.031.344	--	9.339	150	--
6 Other Countries	517.681	18.466.300	--	96.265	--	3.145.467	368.850	--
7 Total	24.522.431	583.640.584	--	154.215.711	3.683.586	517.737.785	15.614.346	2.635.665

(*) It includes sales made from non-performing loans portfolio and amounts of write-off.

Prior Period	Loans		Borrowing instruments		Off-Balance sheet receivables		Specific provisions	Write-Off (*)
	Defaulted	Non-defaulted	Defaulted	Non-defaulted	Defaulted	Non-defaulted		
1 Domestic	17.161.599	324.598.819	--	92.952.515	2.088.167	206.096.606	13.543.510	4.156.902
2 EU Countries	50.834	18.138.694	--	2.146.991	--	1.891.038	48.800	--
3 OECD Countries	--	262.121	--	--	--	1.293.556	--	--
4 Off Shore Zones	537.600	3.345.334	--	--	519	600.816	411.570	--
5 USA, Canada	146	194.485	--	--	--	261.062	131	--
6 Other Countries	356	9.899.831	--	474.509	26.465	2.090.004	340	--
7 Total	17.750.535	356.439.284	--	95.574.015	2.115.151	212.233.082	14.004.351	4.156.902

(*) It includes sales made from non-performing loans portfolio and amounts of write-off.

(vi) Breakdown of receivables by sectors

Current Period	Loans		Borrowing instruments		Off-Balance sheet receivables		Specific provisions	Write-Off (*)
	Defaulted	Non-defaulted	Defaulted	Non-defaulted	Defaulted	Non-defaulted		
Agricultural	952.016	37.621.142	--	--	4.637	14.432.236	733.911	11.211
Farming and Cattle	933.295	37.083.281	--	--	4.397	14.314.919	718.003	10.996
Forestry	18.484	6.961	--	--	--	48.316	15.692	19
Fishing	237	530.900	--	--	240	69.001	216	196
Manufacturing	8.232.026	100.491.313	--	--	326.084	65.218.596	4.876.916	142.610
Mining	2.174.005	5.400.957	--	--	97.314	2.531.237	1.006.090	75.373
Production	1.670.189	78.210.262	--	--	212.689	53.840.611	790.510	67.237
Electric, Gas, Water	4.387.832	16.880.094	--	--	16.081	8.846.748	3.080.316	--
Construction	1.349.945	35.021.918	--	--	2.547.999	35.789.133	948.804	266.082
Services	8.404.093	182.403.180	--	310.194	617.988	85.902.313	5.259.344	77.951
Wholesale and Retail Trade	2.780.213	62.768.941	--	--	102.340	64.531.452	2.881.024	32.215
Hotel and Restaurant	3.678.586	53.227.571	--	--	484.763	4.133.365	930.074	671
Services								
Transportation and telecommunication	1.478.339	40.956.182	--	1.077	26.993	10.440.040	1.136.480	25.106
Financial institution	32.866	10.758.279	--	309.117	131	4.757.887	20.706	--
Real estate and letting services	131.308	349.859	--	--	281	441.637	54.269	232
Self-employment services	92.718	--	--	--	--	--	76.275	--
Education services	59.950	2.251.964	--	--	2.192	499.771	53.773	161
Health and social services	150.113	12.090.384	--	--	1.288	1.098.161	106.743	19.566
Other	5.584.351	228.103.031	--	153.905.517	186.878	316.395.507	3.795.371	2.137.811
Total	24.522.431	583.640.584	--	154.215.711	3.683.586	517.737.785	15.614.346	2.635.665

(*) It includes sales made from non-performing loans portfolio and amounts of write-off.

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Prior Period	Loans		Borrowing Instruments		Off-Balance sheet receivables		Specific provisions	Write-Off (*)
	Defaulted	Non-defaulted	Defaulted	Non-defaulted	Defaulted	Non-defaulted		
Agricultural	950.436	25.891.185	--	--	2.664	8.351.923	739.943	189.564
Farming and Cattle	949.600	25.645.116	--	--	2.563	8.221.873	739.322	187.422
Forestry	518	97.396	--	--	--	15.313	366	170
Fishing	318	148.673	--	--	101	114.737	255	1.972
Manufacturing	5.456.860	53.987.840	--	210.448	156.379	38.967.522	4.261.345	62.187
Mining	128.574	2.830.359	--	--	1.772	1.199.512	125.447	25.962
Production	1.575.429	36.779.073	--	94.496	139.766	33.568.778	1.353.244	36.214
Electric, Gas, Water	3.752.857	14.378.408	--	115.952	14.841	4.199.232	2.782.654	11
Construction	1.191.588	27.492.343	--	--	1.501.296	18.966.572	1.046.290	46.474
Services	6.720.520	116.300.790	--	592.387	379.197	42.644.607	5.514.451	1.305.543
Wholesale and Retail Trade	1.979.062	40.212.319	--	--	54.846	29.833.603	1.732.761	269.335
Hotel and Restaurant Services	2.115.230	32.156.780	--	--	314.430	2.037.852	1.564.841	7.810
Transportation and telecommunication	548.519	20.363.817	--	75.109	6.069	7.209.436	507.882	1.014.261
Financial institution	3.298	11.278.930	--	463.856	175	2.027.414	2.738	1.701
Real estate and letting services	1.321.223	2.274.543	--	53.422	237	375.351	1.101.578	4.622
Self-employment services	127.490	--	--	--	--	--	116.823	--
Education services	102.927	1.664.708	--	--	1.895	267.163	82.971	4.043
Health and social services	522.771	8.349.693	--	--	1.545	893.788	404.857	3.771
Other	3.431.131	132.767.126	--	94.771.180	75.615	103.302.458	2.442.322	2.553.134
Total	17.750.535	356.439.284	--	95.574.015	2.115.151	212.233.082	14.004.351	4.156.902

(*) It includes sales made from non-performing loans portfolio and amounts of write-off.

(vii) Breakdown of receivables by remaining maturity

Current Period	Undistributed	1 month	1-3 months	3-6 months	6-12 months	Over 1 year	Total
Non-defaulted receivables	--	499.885.485	71.022.350	72.960.036	160.730.705	450.995.505	1.255.594.081
1 Loans	--	124.438.188	51.904.505	47.262.801	103.788.333	256.246.757	583.640.584
2 Borrowings instruments	--	10.047.684	3.056.065	7.758.761	14.327.117	119.026.084	154.215.711
3 Off-balance sheet receivables	--	365.399.613	16.061.780	17.938.474	42.615.255	75.722.664	517.737.786
Defaulted receivables	28.206.017	--	--	--	--	--	28.206.017
1 Loans	24.522.431	--	--	--	--	--	24.522.431
2 Borrowings instruments	--	--	--	--	--	--	--
3 Off-balance sheet receivables	3.683.586	--	--	--	--	--	3.683.586
Specific Provision	15.614.346	--	--	--	--	--	15.614.346
Total	12.591.671	499.885.485	71.022.350	72.960.036	160.730.705	450.995.505	1.268.185.752

Prior Period	Undistributed	1 month	1-3 months	3-6 months	6-12 months	Over 1 year	Total
Non-defaulted receivables	--	179.536.227	39.803.628	41.699.110	82.886.295	320.321.121	664.246.381
1 Loans	--	56.349.836	28.533.876	29.064.453	59.434.231	183.056.888	356.439.284
2 Borrowings instruments	--	--	81.104	859.003	1.126.481	93.507.427	95.574.015
3 Off-balance sheet receivables	--	123.186.391	11.188.648	11.775.654	22.325.583	43.756.806	212.233.082
Defaulted receivables	19.865.686	--	--	--	--	--	19.865.686
1 Loans	17.750.535	--	--	--	--	--	17.750.535
2 Borrowings instruments	--	--	--	--	--	--	--
3 Off-balance sheet receivables	2.115.151	--	--	--	--	--	2.115.151
Specific Provision	14.004.351	--	--	--	--	--	14.004.351
Total	5.861.335	179.536.227	39.803.628	41.699.110	82.886.295	320.321.121	670.107.716

(viii) Ageing analysis of overdue receivables

Current Period	1-30 days	31-60 days	61-90 days	Over 90 days	Total
Loans	14.349.773	4.278.943	8.152.198	323.924	27.104.838
Borrowing instruments	--	--	--	--	--
Off-balance sheet receivables	--	--	--	--	--

Prior Period	1-30 days	31-60 days	61-90 days	Over 90 days	Total
Loans	8.580.476	1.959.751	1.251.413	3.350.853	15.142.493
Borrowing instruments	--	--	--	--	--
Off-balance sheet receivables	--	--	--	--	--

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(ix) Breakdown of restructured receivables according to their provisioning status

	Current Period	Prior Period
Restructured from loans under close monitoring	23.651.997	24.978.868
Restructured from non-performing loans	10.184.825	8.415.899

5. Credit risk mitigation techniques

Financial collaterals are valued with their up to date values as of the reporting date and involved in the credit risk mitigation process. While allocating the collateral amount to the credit extended, taking into consideration the possible losses of value that may occur in the collateral value with a prudent approach, risk mitigation effects are calculated based on collateral values and credit risk mitigation is made according to comprehensive financial collateral method. Legal validity of the real estate mortgages are ensured with the timely and duly registration of the pledge; and the changes in the market conditions that possess importance are monitored.

In the exchange rate conversion of foreign currency financial collaterals, the Central Bank's foreign exchange buying rates for 30.12.2022, which were stated in the BRSA's letter dated 31.01.2023, were taken into account in parallel with the CRET calculation.

Parent Bank makes the credit risk mitigation according to the comprehensive financial collateral method pursuant to the "Communiqué on the Credit Risk Mitigation Techniques". The currency rate nonconformities between the receivable and the collateral is taken into account based on the standard deduction rates specified in the communiqué, while the maturity nonconformity between the receivable and the collateral are taken into account based on the method specified under Article 40. In the credit risk mitigation, cash, financial debt securities, real estate mortgages and Credit Guarantee Fund sureties with Treasury support are used.

Credit policies establish an operational link between the Bank's activities and risk capacity and includes the main areas of activity in line with the target portfolio structure, risk targets for expected and unexpected losses in line with risk capacity, and limits on risk concentration. It must be ensured that limits are in compliance with the restrictions determined by the relevant legislation and regulatory and supervisory authorities. In the management of the concentration risk, the Bank uses a holistic approach in which all risk concentrations are determined, monitored and evaluated. Therefore, the concentrations in the market, sector, country and the area of activity must be taken into account as well as the loans extended to persons and companies. The Bank shows utmost care so that credit and market risk do not concentrate in a specific counterparty or risk category in accordance with its policies and internal procedures.

6. Credit risk mitigation techniques - overview

		A	b	c	d	e	f	g
		Exposures unsecured: revaluation amount according to TAS	Exposures secured by collateral	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	Financial guarantees, of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which secured amount
1	Loans	459.823.515	103.552.202	76.223.844	6.663.896	4.756.999	--	--
2	Borrowing instruments	154.209.054	--	--	--	--	--	--
3 Total		614.032.569	103.552.202	76.223.844	6.663.896	4.756.999	--	--
4	Of which defaulted (*)	20.474.269	7.119.367	2.821.483	612.381	79.214	--	--

(*) It includes default figure belonging to amount before provision and off-balance sheet receivables.

		A	b	c	d	e	f	g
		Exposures unsecured: revaluation amount according to TAS	Exposures secured by collateral	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	Financial guarantees, of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which secured amount
1	Loans	272.139.674	65.259.365	45.096.590	5.381.810	3.962.069	--	--
2	Borrowing instruments	95.570.943	--	--	--	--	--	--
3 Total		367.710.617	65.259.365	45.096.590	5.381.810	3.962.069	--	--
4	Of which defaulted (*)	14.868.688	3.846.517	1.895.296	1.150.481	128.348	--	--

(*) It includes default figure belonging to amount before provision and off-balance sheet receivables.

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7. Explanations on rating notes used while calculating credit risk with standard approach

In determination of the risk weights to be applied in the capital adequacy calculation, the ratings given by Fitch rating agency are used. The scope in which the rating notes are taken into consideration is the receivables from central governments or central banks, and in order to be valid for those resident abroad, the receivables from banks and intermediary institutions and corporate receivables. In the event there is no rating regarding the receivable while determining the risk weight, the rating of the issuer must be taken into consideration.

The matching of risk ratings with risk weights according to credit quality level and risk classes are shown in Section Four, note II-n.

8. Standardised approach - Credit risk exposed and credit risk mitigation (CRM) methods

Current Period	a		b		c		d		e		f	
	Exposures before credit conversion factor and CRM		Exposures post-credit conversion factor and CRM		Exposures before credit conversion factor and CRM		Exposures post-credit conversion factor and CRM		RWA and RWA density		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density	RWA	RWA density
Risk classifications												
1 Exposures to central governments or central banks	310.352.161	4.377.200	311.643.105	4.564.832	2.296.166					%0,73		
2 Exposures to regional governments or local authorities	3.032.165	1.137.836	2.977.953	563.219	4.070.115					%114,94		
3 Exposures to public sector entities	6.895.965	2.424.840	6.895.964	1.189.337	7.534.051					%93,18		
4 Exposures to multilateral development banks	--	--	--	--	--					%0,00		
5 Exposures to international organisations	--	--	--	--	--					%0,00		
6 Exposures to institutions	103.883.918	7.757.808	103.883.918	6.640.292	30.097.133					%27,23		
7 Exposures to corporates	206.732.467	109.056.259	180.739.917	58.316.063	261.964.163					%109,58		
8 Retail exposures	218.942.909	362.863.166	212.172.409	12.969.670	251.463.861					%111,69		
9 Exposures secured by residential property	9.999.319	2.996.060	9.739.116	1.501.728	4.343.810					%38,64		
10 Exposures secured by commercial real estate	34.063.722	6.710.780	34.063.722	4.182.081	22.202.435					%58,05		
11 Past-due loans	6.266.406	267.237	5.458.270	104.132	4.547.947					%81,76		
12 Higher-risk categories by the Agency Board	192.764	--	192.739	--	233.285					%121,04		
13 Exposures in the form of covered bonds	--	--	--	--	--					%0,00		
14 Exposures to institutions and corporates with a short-term credit assessment	--	--	--	--	--					%0,00		
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	28.136	299	28.136	292	28.428					%100,00		
16 Other assets	56.341.465	--	56.341.465	--	48.014.307					%85,22		
17 Investments in equities	8.317.106	--	8.317.106	--	8.289.490					%99,67		
18 Total	965.048.503	497.591.485	932.453.820	90.031.646	645.085.191					%63,09		

Prior Period	a		b		c		d		e		f	
	Exposures before credit conversion factor and CRM		Exposures post-credit conversion factor and CRM		Exposures before credit conversion factor and CRM		Exposures post-credit conversion factor and CRM		RWA and RWA density		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density	RWA	RWA density
Risk classifications												
1 Exposures to central governments or central banks	169.496.085	2.915.335	172.271.182	3.340.747	2.599.120					1,48%		
2 Exposures to regional governments or local authorities	2.819.582	470.658	2.815.488	233.567	2.186.548					71,71%		
3 Exposures to public sector entities	--	--	--	--	--					0,00%		
4 Exposures to multilateral development banks	--	--	--	--	--					0,00%		
5 Exposures to international organisations	--	--	--	--	--					0,00%		
6 Exposures to institutions	30.441.014	7.613.976	30.441.014	7.018.403	11.254.905					30,05%		
7 Exposures to corporates	148.544.261	70.073.676	133.497.553	40.042.492	187.767.785					108,20%		
8 Retail exposures	131.823.121	121.708.060	129.061.342	6.606.909	132.060.873					97,34%		
9 Exposures secured by residential property	6.065.656	1.495.701	5.924.538	790.433	2.593.120					38,62%		
10 Exposures secured by commercial real estate	24.202.027	3.765.293	24.202.028	2.602.360	15.348.070					57,26%		
11 Past-due loans	2.875.697	77.012	2.742.622	20.893	1.782.247					64,49%		
12 Higher-risk categories by the Agency Board	34.237	--	34.184	--	39.343					115,09%		
13 Exposures in the form of covered bonds	--	--	--	--	--					0,00%		
14 Exposures to institutions and corporates with a short-term credit assessment	--	--	--	--	--					0,00%		
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	9	14.883	9	13.882	13.891					100,00%		
16 Other assets	30.813.034	--	30.813.034	--	25.664.859					83,29%		
17 Investments in equities	2.674.234	--	2.674.234	--	2.674.235					100,00%		
18 Total	549.788.957	208.134.594	534.477.228	60.669.686	383.984.996					64,52%		

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9. Standardised Approach - Exposures by risk classes and risk weights

Current Period	a		b		c		d		e		f		g		h		i		j	
	Exposures before credit conversion factor and CRM		Exposures post-credit conversion factor and CRM		Exposures before credit conversion factor and CRM		Exposures post-credit conversion factor and CRM		Exposures before credit conversion factor and CRM		Exposures post-credit conversion factor and CRM		Exposures before credit conversion factor and CRM		Exposures post-credit conversion factor and CRM		Exposures before credit conversion factor and CRM		Exposures post-credit conversion factor and CRM	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount
Risk Classifications/Risk Weight	0%	10%	20%	35% Secured with property mortgage	50% Secured with property mortgage	50%	75%	100%	150%	200%	Others	Total risk exposure (after CCF and CRM)								
1 Exposures to central governments or central banks	313.071.829	--	--	--	--	1.679.884	--	1.456.224	--	--	--	316.207.937								
2 Exposures to regional governments or local authorities	--	--	8.228	--	--	1.998.279	--	--	--	1.534.665	--	3.541.172								
3 Exposures to public sector entities	--	--	689.062	--	--	--	--	7.396.239	--	--	--	8.085.301								
4 Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	--	--	--								
5 Exposures to international organisations	--	--	--	--	--	--	--	--	--	--	--	--								
6 Exposures to institutions	--	--	44.486.738	--	--	30.917.372	--	5.141.527	--	--	29.978.572	110.524.209								
7 Exposures to corporates	--	--	2.312.981	--	--	--	--	214.063.921	163.180	21.795.540	720.359	239.055.981								
8 Retail exposures	--	--	--	--	--	--	--	104.751.251	15.518.310	104.851.565	--	20.953	225.142.079							
9 Exposures secured by residential property	--	--	--	10.984.414	--	--	--	--	30.520	225.355	555	11.240.844								
10 Exposures secured by commercial real estate	--	--	--	--	34.269.541	--	--	2.834.871	101.537	1.039.594	260	38.245.803								
11 Past-due loans	--	--	--	--	--	2.439.634	--	2.712.045	410.723	--	--	5.562.402								
12 Higher-risk categories by the Agency Board	--	--	--	--	--	27.644	--	56.358	108.737	--	--	192.739								
13 Exposures in the form of covered bonds	--	--	--	--	--	--	--	--	--	--	--	--								
14 Exposures to institutions and corporates with a short-term credit assessment	--	--	--	--	--	--	--	--	--	--	--	--								
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	--	--	--	--	--	--	--	28.428	--	--	--	28.428								
16 Investments in equities	27.616	--	--	--	--	--	--	8.289.490	--	--	--	8.317.106								
17 Other assets	7.734.349	--	740.717	--	--	--	--	944	47.865.455	--	--	56.341.465								
18 Total	320.833.794	--	48.237.726	10.984.414	34.269.541	37.062.813	104.752.196	305.362.868	106.666.262	24.595.154	30.720.099	1.022.486.466								

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Prior Period	a	b	c	k	d	l	e	f	g	h	i	j
Risk Classifications/Risk Weight	0%	10%	20%	35% Secured with property mortgage	50% Secured with property mortgage	50%	75%	100%	150%	200%	Others	Total risk exposure (after CCF and CRM)
1 Exposures to central governments or central banks	172.660.942	--	149.971	--	--	463.781	--	2.337.235	--	--	--	175.611.929
2 Exposures to regional governments or local authorities	--	--	2.089	--	--	2.605.202	--	--	--	441.764	--	3.049.055
3 Exposures to public sector entities	--	--	--	--	--	--	--	--	--	--	--	--
4 Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	--	--	--
5 Exposures to international organisations	--	--	--	--	--	--	--	--	--	--	--	--
6 Exposures to institutions	--	--	25.185.438	--	--	11.434.781	--	493.514	--	--	345.684	37.459.417
7 Exposures to corporates	--	--	999.570	--	--	--	--	157.996.362	45.320	14.330.146	168.647	173.540.045
8 Retail exposures	--	--	--	--	--	83.498.090	18.124.603	33.975.739	--	--	69.819	135.668.251
9 Exposures secured by residential property	--	--	--	6.593.361	--	--	--	--	--	107.536	14.074	6.714.971
10 Exposures secured by commercial real estate	--	--	--	--	23.749.896	--	--	2.660.072	--	386.350	8.070	26.804.388
11 Past-due loans	--	--	--	--	--	2.007.819	--	710.412	45.284	--	--	2.763.515
12 Higher-risk categories by the Agency Board	--	--	--	--	--	5.278	--	13.310	15.596	--	--	34.184
13 Exposures in the form of covered bonds	--	--	--	--	--	--	--	--	--	--	--	--
14 Exposures to institutions and corporates with a short-term credit assessment	--	--	--	--	--	--	--	--	--	--	--	--
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	--	--	--	--	--	--	--	13.891	--	--	--	13.891
16 Investments in equities	--	--	--	--	--	--	--	2.674.234	--	--	--	2.674.234
17 Other assets	4.623.481	--	655.686	--	--	579	25.533.288	--	--	--	--	30.813.034
18 Total	177.284.423	--	26.992.754	6.593.361	23.749.896	16.516.861	83.498.669	210.556.921	34.081.939	15.265.796	606.294	595.146.914

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d. Counterparty credit risk

1. Explanations related to counterparty credit risk (CCR)

Policies regarding counterparty risk management are determined by the Board of Directors in accordance with the Turkish Banking Legislation, regulations of the Banking Regulation and Supervision Authority and the Board of Directors in a way to comply with international standards.

Counterparty credit risk includes derivative financial products and repo transactions. Counterparties have been separated to segments as; financial institutions, corporate-commercial customers, SME-Micro-Golden-Agriculture customers and individual customers. For the determination of the products and services to be presented to the customers, a "Compliance Test" is applied according to the product information, financial status and the transaction frequency of the customer. For customers that are classified as professional, there is no need to make a Compliance Test.

Before the transactions to be made with counterparties, the creditworthiness of the counterparty is analysed and are re-evaluated with regular intervals. Limits are determined separately for counterparties as separate and as a group for those under the same risk group. Limits are approved in the relevant credit committees according to the segments of the counterparties. Revision of the limits are made at least once a year. Where necessary, the approved limits are suspended with the approval of the Credit Committee/Credit Allocation Department.

In transactions made with financial institutions, the risk mitigation methods under international agreements such as ISDA, CSA, GMRA and EMA signed with the counterparty are used. For other counterparties, collateral adequacy ratios are monitored daily within the scope of the Bank's existing credit policies and procedures and the risk mitigation is carried out through additional collateral and margin completion where necessary. The margins to be used in the collateral agreements are reviewed regularly. Margins are determined according to the volatility and liquidity of the collateral received. The risks of the transactions that are subjected to bilateral settlement agreements and that are settles are tracked together. In the event of a decrease in the credit rating note of the bank, the bank's obligation to provide additional collateral must be tracked.

2. Analysis of counterparty credit risk exposed by measurement approaches

Current Period		a	b	c	d	e	f
		Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory exposure at default	Exposure at default post CRM	RWA
1	Standardised Approach (for derivatives) (*)	5.571.430	1.980.696		1,4	10.572.976	3.228.724
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)			--	--	--	--
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					--	--
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					25.078.606	5.015.721
5	VaR for for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					--	--
6	Total						8.244.445

(*) Counterparty credit risk for derivatives is calculated by the fair value method.

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			a	b	c	d	e	f
Prior Period			Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory exposure at default	Exposure at default post CRM	RWA
1	Standardised Approach (for derivatives) (*)	(for	4.343.106	1.714.395		1,4	8.480.502	4.467.242
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)	(for			--	--	--	--
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)						--	--
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)						5.238.143	1.089.033
5	VaR for for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit						--	--
6 Total								5.556.275

(*) Counterparty credit risk for derivatives is calculated by the fair value method.

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3. Capital requirement for credit valuation adjustment (CVA)

	a	b
	Exposure at default post-CRM	RWA
Current Period		
Total portfolios subject to the Advanced CVA capital charge		
1 Value at Risk (VaR) component (including the 3×multiplier)	--	--
2 Stressed VaR component (including the 3×multiplier)	--	--
3 All portfolios subject to the Standardised CVA capital charge	10.572.976	1.517.430
4 Total subject to the CVA capital charge	10.572.976	1.517.430

	a	b
	Exposure at default post-CRM	RWA
Prior Period		
Total portfolios subject to the Advanced CVA capital charge		
1 Value at Risk (VaR) component (including the 3×multiplier)	--	--
2 Stressed VaR component (including the 3×multiplier)	--	--
3 All portfolios subject to the Standardised CVA capital charge	8.480.502	1.725.191
4 Total subject to the CVA capital charge	8.480.502	1.725.191

4. Standard approach - Counterparty credit risk by risk classes and risk weights

Current Period	a	b	c	d	e	f	g	h	i
									Total credit exposure (*)
Risk Weights / Risk Classifications	0%	10%	20%	50%	75%	100%	150%	Other	
Claims from central governments and central banks	4.377.125	--	--	--	--	--	--	--	--
Claims from regional and local governments	--	--	--	--	--	--	--	--	--
Claims from administration and non commercial entity	--	--	--	--	--	--	--	--	--
Claims from multilateral development banks	--	--	--	--	--	--	--	--	--
Claims from international organizations	--	--	--	--	--	--	--	--	--
Claims from institutions	--	--	27.083.807	2.773.010	--	52	--	1.291	6.803.344
Corporates	--	--	--	--	--	1.269.637	--	14.446	1.341.867
Retail portfolios	--	--	--	--	131.922	--	--	--	98.942
Claims on landed real estate	--	--	--	--	--	--	--	--	--
Past due loans	--	--	--	--	--	--	--	--	--
Claims which are determined as high risk by the board of BRSA	--	--	--	--	--	--	--	--	--
Mortgage securities	--	--	--	--	--	--	--	--	--
Securitization positions	--	--	--	--	--	--	--	--	--
Claims from corporates, banks and financial intermediaries which have short term credit rating	--	--	--	--	--	--	--	--	--
Investments which are qualified as collective investment institutions	--	--	--	--	--	292	--	--	292
Stock investment	--	--	--	--	--	--	--	--	--
Other claims	--	--	--	--	--	--	--	--	--
Other assets (**)	--	--	--	--	--	--	--	--	--
Total	4.377.125	--	27.083.807	2.773.010	131.922	1.269.961	--	15.737	8.244.445

(*) Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.

(**) Other assets: the amount excludes exposures to "Central counterparty" which are reported in Counterparty credit risk.

Prior Period	a	b	c	d	e	f	g	h	i
									Total credit exposure (*)
Risk Weights / Risk Classifications	0%	10%	20%	50%	75%	100%	150%	Other	
Claims from central governments and central banks	651.977	--	--	--	--	--	--	--	--
Claims from regional and local governments	--	--	--	--	--	--	--	--	--
Claims from administration and non commercial entity	--	--	--	--	--	--	--	--	--
Claims from multilateral development banks	--	--	--	--	--	--	--	--	--
Claims from international organizations	--	--	--	--	--	--	--	--	--
Claims from institutions	--	--	6.813.638	3.986.699	--	2.726	--	16.143	3.359.126
Corporates	--	--	--	--	--	2.032.326	--	--	2.032.326
Retail portfolios	--	--	--	--	201.255	--	--	--	150.941
Claims on landed real estate	--	--	--	--	--	--	--	--	--
Past due loans	--	--	--	--	--	--	--	--	--
Claims which are determined as high risk by the board of BRSA	--	--	--	--	--	--	--	--	--
Mortgage securities	--	--	--	--	--	--	--	--	--
Securitization positions	--	--	--	--	--	--	--	--	--
Claims from corporates, banks and financial intermediaries which have short term credit rating	--	--	--	--	--	--	--	--	--
Investments which are qualified as collective investment institutions	--	--	--	--	--	13.882	--	--	13.882
Stock investment	--	--	--	--	--	--	--	--	--
Other claims	--	--	--	--	--	--	--	--	--
Other assets (**)	--	--	--	--	--	--	--	--	--
Total	651.977	--	6.813.638	3.986.699	201.255	2.048.934	--	16.143	5.556.275

(*) Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.

(**) Other assets: the amount excludes exposures to "Central counterparty" which are reported in Counterparty credit risk.

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5. Collaterals used for counterparty credit risk

	a	b	c	d	e	f
Current Period	Guarantees of Derivative		Financial Instrument		Guarantees of Other Transactions	
	Received Guarantees		Given Guarantees		Received	Given
	Appropriated	Unappropriated	Appropriated	Unappropriated	Guarantees	Guarantees
Cash-Domestic Currency	2.287.566	--	--	--	100.477	22.797.441
Cash-Foreign Currency	3.382.103	--	--	--	52.589.300	--
Government Bond-Domestic	--	--	--	--	22.781.462	100.002
Government Bond-Other	--	--	--	--	--	77.357.484
Public Bond	--	--	--	--	--	--
Corporate Bond	--	--	--	--	--	--
Stock	--	--	--	--	--	--
Other Guarantee	--	--	--	--	--	--
Total	5.669.669	--	--	--	75.471.239	100.254.927

	a	b	c	d	e	f
Prior Period	Guarantees of Derivative		Financial Instrument		Guarantees of Other Transactions	
	Received Guarantees		Given Guarantees		Received	Given
	Appropriated	Unappropriated	Appropriated	Unappropriated	Guarantees	Guarantees
Cash-Domestic Currency	296.420	--	--	--	5.299.879	--
Cash-Foreign Currency	163.887	--	--	--	--	--
Government Bond-Domestic	--	--	--	--	--	5.306.754
Government Bond-Other	--	--	--	--	--	--
Public Bond	--	--	--	--	--	--
Corporate Bond	--	--	--	--	--	--
Stock	--	--	--	--	--	--
Other Guarantee	--	--	--	--	--	--
Total	460.307	--	--	--	5.299.879	5.306.754

6. Credit derivatives

None.

7. Exposures to central counterparty (CCP)

Current Period	a	b
	Risk Amounts after CRM	RWA
1 Total risks arising from qualified transactions where one of the parties is CCP		
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	--	--
3 (i) OTC Derivatives	1.291	26
4 (ii) Exchange-traded Derivatives	--	--
5 (iii) Securities financing transactions	--	--
6 (iv) Netting sets where cross-product netting has been approved	--	--
7 Restricted initial margin	--	--
8 Unrestricted initial margin	--	--
9 The amount put into the guarantee fund	48.036	116
10 The amount committed to be put into the guarantee fund	--	--
11 Total risks arising from non-qualified transactions where one of the parties is CCP		
12 Regarding the risks arising from the transactions in the CCP (excluding the initial margin and the amount placed in the guarantee fund)	--	--
13 (i) OTC Derivatives	--	--
14 (ii) Exchange-traded Derivatives	--	--
15 (iii) Securities financing transactions	--	--
16 (iv) Netting sets where cross-product netting has been approved	--	--
17 Restricted initial margin	--	--
18 Unrestricted initial margin	--	--
19 The amount put into the guarantee fund	--	--
20 The amount committed to be put into the guarantee fund	--	--

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e. Securitization

1. Explanations on securitization positions

None.

2. Securitization positions in banking accounts

None.

3. Securitization positions in trading accounts

None.

4. Securitization positions in banking positions and capital requirements related to those - in which the Bank is the founder or the sponsor

None.

5. Securitization positions in banking positions and capital requirements related to those- in which the Bank is the investor

None.

f. Market Risk

1. Explanations on market risk

Market risk refers to the risk arising from positions arising from trading transactions executed in financial markets and market movements that affect the value of these positions. Within the framework of financial risk management, in order to protect from market risk, market risk management activities were determined within the scope of "Regulation on Banks' Internal Systems and Internal Capital Adequacy Assessment Process" and "Regulation on Measurement and Evaluation of Capital Adequacy of the Bank".

Risk policies and risk limits regarding the management of market risk have been approved by the Board of Directors. Strategies for trading activities in financial markets are created and implemented within this framework.

In the management of market risk, the principle of triple defense line is applied. While there is a first level responsibility for the management of the market risk regarding the position carried by the relevant Treasury units, the monitoring and control activities at the second level are carried out independently by the Risk Management and at the third level by the Inspection Board.

In order to measure and monitor market risk, risk measurement is done daily using the internal model. In this context, in addition to the value at risk calculations made using the parametric method, various risk indicators such as interest sensitivity and option sensitivities are followed, and risk calculations are supported by scenario analysis. Market risk measurement results and all monitored risk indicators are shared daily with relevant units and senior managers.

A limit structure consisting of various risk indicators has been established in order to control market risk. These limits include the risk limits set for the monitored risk indicators, as well as various position limits and stop loss limits. The upper level limits are determined by the Board of Directors within the scope of Risk Appetite Statement. In addition, there are various limits set by the lower level Asset-Liability Committee. The risk indicators and limit uses are reported to the Audit Committee and the Asset-Liability Committee by the Risk Management unit.

In the calculation of capital adequacy, the measurement of market risk is made using the standard method. The standard method is a method whose calculation criteria are clearly determined by the BRSA and is calculated monthly. The calculation results are given in the table below. Positions subject to market risk measurements are determined by taking into account the definition of "Trading Accounts" in legal regulations.

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2. Standardised approach

	Current Period RWA	Prior Period RWA
Outright products		
1 Interest rate risk (general and specific)	2.868.946	1.001.574
2 Equity risk (general and specific)	--	--
3 Foreign exchange risk	10.289.650	3.854.900
4 Commodity risk	7.634.050	3.756.750
Options		
5 Simplified approach	--	--
6 Delta-plus method	484.716	1.277.988
7 Scenario approach	--	--
8 Securitization	--	--
9 Total	21.277.362	9.891.212

3. Information on market risk calculated as of month-ends during the period

Current Period: 31 December 2023			
	Average	Highest	Lowest
Interest Rate Risk	99.715	229.516	47.811
Stock Risk	--	--	--
Currency Risk	397.529	823.172	153.256
Commodity Risk	450.892	610.724	331.049
Settlement Risk	--	--	--
Option Risk	59.815	96.111	33.911
Counterparty Risk	--	--	--
Total Risk Exposure Value	12.599.400	21.277.363	8.733.775

Prior Period: 31 December 2022			
	Average	Highest	Lowest
Interest Rate Risk	71.479	161.976	37.193
Stock Risk	120	1.444	--
Currency Risk	401.113	802.746	97.388
Commodity Risk	242.991	306.154	174.332
Settlement Risk	--	--	--
Option Risk	41.868	120.717	3.013
Counterparty Risk	--	--	--
Total Risk Exposure Value	9.469.657	16.098.425	3.899.075

g. Operational risk

1. Explanations on operational risk calculation

Principal amount subject to operational risk is calculated through using year-end gross income of 2022, 2021 and 2020 of DFS Group belonging to last 3 years via "Basic Indicators Approach" dated in accordance with "Communique on Measurement and Evaluation of Bank's Capital Adequacy" published on Official Gazette dated 23 October 2015 numbered 29511.

2. Basic indicators approach

	31/12/2020	31/12/2021	31/12/2022	Total/Positive Gl year number	Ratio(%)	Total
Gross Income	14.766.994	17.948.630	45.018.671	25.911.432	15	3.886.715
Amount Subject to Operational Risk						48.583.935

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IX. Explanations related to presentation of financial assets and liabilities at their fair value

a. Fair value calculations of financial assets and liabilities

The fair value of financial assets measured at amortised cost are determined based on market prices, or when they are not available, based on market prices quoted for other securities subject to similar terms of interest, maturity and other conditions.

The estimated fair value of demand deposits represents the amount to be paid upon request. The fair value of overnight deposits and the variable rate placements represent the book value. The estimated fair value of the fixed interest deposits is calculated by finding the discounted cash flows using market interest rates applied to similar loans and other debts.

The fair value of the loans are calculated by the discounted cash flows using current market interest rates.

Estimated fair value of banks, funds obtained from other financial institutions, securities issued and deposits is calculated by finding the discounted cash flows using current market interest rates.

The following table summarizes the carrying value and fair value of financial assets and liabilities. The carrying value represents the sum of the acquisition costs and interest accruals of financial assets and liabilities.

	Book Value Current Period	Fair Value Current Period
Financial Assets	889.006.629	870.189.215
Interbank Money Market Placements	52.142.787	52.142.787
Banks	74.483.044	73.464.994
Financial Assets at Fair Value Through Other Comprehensive Income	102.980.699	102.980.699
Financial Assets Measured at Amortised Cost	51.237.084	43.968.672
Loans	608.163.015	597.632.063
Financial Liabilities	999.289.931	994.201.864
Bank Deposits	9.421.266	9.379.349
Other Deposits	737.884.314	735.384.390
Interbank Money Market Borrowings	56.019.542	56.019.542
Funds Borrowed From Other Financial Institutions	126.403.448	125.548.833
Subordinated Loans	23.066.679	21.508.075
Securities Issued	46.494.682	46.361.675

	Book Value Prior Period	Fair Value Prior Period
Financial Assets	502.655.829	491.198.948
Interbank Money Market Placements	16.415	16.415
Banks	32.907.181	31.748.109
Financial Assets at Fair Value Through Other Comprehensive Income	77.258.737	77.258.737
Financial Assets Measured at Amortised Cost	18.316.908	19.485.497
Loans	374.156.588	362.690.190
Financial Liabilities	526.830.530	520.881.337
Bank Deposits	22.438.120	22.369.340
Other Deposits	416.968.891	415.046.850
Interbank Money Market Borrowings	13.481.797	13.481.797
Funds Borrowed From Other Financial Institutions	50.581.504	49.191.868
Subordinated Loans	14.561.492	12.079.242
Securities Issued	8.798.726	8.712.240

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b. Classification of fair value

TFRS 7 sets classification of valuation techniques according to the inputs used in valuation techniques based on fair value calculations which are whether observable or not.

Fair value levels of financial assets and liabilities that are carried at fair value in DFS Group's financial statements are given below:

Current Period	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss	7.962.425	--	--	7.962.425
Public Sector Debt Securities	2.428.171	--	--	2.428.171
Share Certificated	896.211	--	--	896.211
Other Securities	4.638.043	--	--	4.638.043
Derivative Financial Assets at Fair Value Through Profit or Loss	--	8.548.462	--	8.548.462
Financial Assets at Fair Value Through Other Comprehensive Income	102.978.627	--	--	102.978.627
Public Sector Debt Securities	99.834.687	--	--	99.834.687
Other Securities	3.143.940	--	--	3.143.940
Loans at Fair Value Through Profit or Loss	--	--	--	--
Total Assets	110.941.052	8.548.462	--	119.489.514
Derivative Financial Liabilities at Fair Value Through Profit or Loss	--	2.835.852	--	2.835.852
Total Liabilities	--	2.835.852	--	2.835.852

Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss	2.821.452	--	--	2.821.452
Public Sector Debt Securities	1.271.509	--	--	1.271.509
Share Certificated	456.942	--	--	456.942
Other Securities	1.093.001	--	--	1.093.001
Derivative Financial Assets at Fair Value Through Profit or Loss	--	6.531.844	--	6.531.844
Financial Assets at Fair Value Through Other Comprehensive Income	77.257.107	--	--	77.257.107
Public Sector Debt Securities	76.224.247	--	--	76.224.247
Other Securities	1.032.860	--	--	1.032.860
Loans at Fair Value Through Profit or Loss	--	--	--	--
Total Assets	80.078.559	6.531.844	--	86.610.403
Derivative Financial Liabilities at Fair Value Through Profit or Loss	--	3.421.533	--	3.421.533
Total Liabilities	--	3.421.533	--	3.421.533

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs not based on observable market data regarding assets or liabilities

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Movement table of financial assets at level 3

	Current Period
Balance at the beginning of the period	--
Purchases	--
Write-Off	--
Valuation differences	--
Transfers	--
Balance at the end of the period	--

Investment property of DFS Group and property held under tangible fixed assets that are recorded at fair value are classified as level 3.

X. Explanations related to transactions carried out on behalf and account of other parties and fiduciary transactions

a. Whether the Group performs purchase, sales, custody, management and consultancy services on behalf and account of others, or not

DFS Group performs purchase, sales, custody, management and consultancy services on behalf and account of others.

b. Whether there are transactions with other financial institutions within the scope of fiduciary transaction contracts and whether there are financial services provided directly within this scope; whether such services are likely to significantly affect the Bank's financial status

There are no fiduciary transaction contracts.

XI. 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 of one of its subsidiaries Denizbank AG. 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). Net investment risk calculation in Eurodeniz has been terminated due to the company's liquidation process.

Total abroad net investment hedging funds recognised under equity is amounting to TL (24.113.415) as of 31 December 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.

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 31 December 2023 (31 December 2022: TL (3.131)).

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XII. 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 (01/01/2023-31/12/2023)	Wholesale Banking	SME & Agricultural Banking	Retail Banking	Treasury	Other	Total
Net interest income	12.138.446	8.929.559	12.866.518	5.594.318	(4.656)	39.524.185
Net fees and commission income	1.633.632	4.533.992	8.632.274	(107.238)	534.680	15.227.340
Other income/loss, net	6.424.928	3.608.118	4.949.613	(1.777.526)	(2.172.347)	11.032.786
Total segment income	20.197.006	17.071.669	26.448.405	3.709.554	(1.642.323)	65.784.311
Other operational expenses (*)	(4.064.020)	(7.280.218)	(9.823.619)	(950.811)	(735.036)	(22.853.704)
Provisions for expected credit loss and other provisions	4.248.383	(1.003.881)	(3.887.963)	(4.221.704)	(7.021)	(4.872.186)
Taxation						(9.838.412)
Net profit from continuing operations	20.381.369	8.787.570	12.736.823	(1.462.961)	(2.384.380)	28.220.009
Net profit from discontinued operations						(150.807)
Net profit for the period	20.381.369	8.787.570	12.736.823	(1.462.961)	(2.384.380)	28.069.202
Current Period (31/12/2023)						
Segment assets	289.490.388	149.452.716	131.041.572	536.149.518	--	1.106.134.194
Subsidiaries and associates						8.315.620
Undistributed assets						58.457.322
Total assets						1.172.907.136
Segment liabilities	202.870.586	180.646.489	265.772.610	369.979.705	--	1.019.269.390
Undistributed liabilities						63.224.138
Equity						90.413.608
Total liabilities						1.172.907.136

(*) It also includes personnel expenses.

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Prior Period (01/01/2022-31/12/2022)	Wholesale Banking	SME & Agricultural Banking	Retail Banking	Treasury	Other	Total
Net interest income	7.893.337	5.451.266	7.600.002	10.709.095	19.197	31.672.897
Net fees and commission income	922.628	2.178.379	3.378.036	2.128	138.703	6.619.874
Other income/loss, net	2.871.326	1.361.497	1.286.916	7.163.121	(4.751.636)	7.931.224
Total segment income	11.687.291	8.991.142	12.264.954	17.874.344	(4.593.736)	46.223.995
Other operational expenses (*)	(1.913.680)	(3.470.136)	(4.724.424)	(786.215)	(230.683)	(11.125.138)
Provisions for expected credit loss and other provisions	(3.536.725)	(166.341)	(3.248.673)	(4.447.245)	(20.320)	(11.419.304)
Taxation						(6.354.416)
Net profit from continuing operations	6.236.886	5.354.665	4.291.857	12.640.884	(4.844.739)	17.325.137
Net profit from discontinued operations						1.034
Net profit for the period	6.236.886	5.354.665	4.291.857	12.640.884	(4.844.739)	17.326.171
Prior Period (31/12/2022)						
Segment assets	170.516.480	96.667.895	75.536.168	249.999.038	--	592.719.581
Subsidiaries and associates						2.694.327
Undistributed assets						29.587.206
Total assets						625.001.114
Segment liabilities	112.279.095	89.528.100	159.173.757	180.188.621	--	541.169.573
Undistributed liabilities						28.968.565
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	1.676.910	6.758.925	1.224.346	4.223.175
Central Bank of the Republic of Turkey	98.702.818	96.178.966	7.483.910	73.426.179
Other (*)	21.198	35.466.890	--	25.798.209
Total	100.400.926	138.404.781	8.708.256	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	38.489.129	45.047.355	7.483.910	20.133.448
Unrestricted Time Deposits	53.502.991	7.362.923	--	14.013.933
Restricted Time Deposits	6.710.698	43.768.688	--	39.278.798
Total	98.702.818	96.178.966	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 31 December 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 30% (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 216.357 (1 January - 31 December 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	5.836.236	290.372	1.172.183	201.130
Foreign	461.829	67.894.607	83	31.533.785
Foreign head offices and branches	--	--	--	--
Total	6.298.065	68.184.979	1.172.266	31.734.915

Information on foreign banks

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	27.520.853	14.204.115	1.777.404	688.108
USA, Canada	9.192.374	5.269.413	--	--
OECD Countries(*)	5.969.922	3.575.442	57.699	266.638
Off shore zones	686.376	178.411	--	--
Other	23.130.612	7.351.741	21.196	--
Total	66.500.137	30.579.122	1.856.299	954.746

(*) OECD countries except for EU countries, USA and Canada.

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	67	--	73	--
Other	--	--	--	--
Total	67	--	73	--

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

None.

3. Other financial assets

As of 31 December 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	110.200	318.141	173.670	131.596
Swap Transactions	1.146.432	6.591.028	1.403.003	3.483.524
Futures Transactions	--	--	8.836	--
Options	370	382.291	42.827	1.288.388
Other	--	--	--	--
Total	1.257.002	7.291.460	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.

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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 Istanbul 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 25.386.884 (31 December 2022: TL 22.237.324).

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

<i>Given as collateral or blocked</i> <i>Financial assets at fair value through other comprehensive income</i>	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bills, Bonds and Similar Securities	21.591.575	3.795.309	19.543.206	2.694.118
Other	--	--	--	--
Total	21.591.575	3.795.309	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> <i>Financial assets at fair value through other comprehensive income</i>	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	4.685.417	47.972.863	87.568	14.610.285
Treasury Bills	--	--	--	--
Other Debt Securities	--	--	--	--
Bank Bills and Bank Guaranteed Bills	--	--	--	0
Asset Backed Securities	--	--	--	--
Other	--	--	--	--
Total	4.685.417	47.972.863	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	102.978.627	77.257.107
Quoted on Stock Exchange (*)	102.978.627	77.257.107
Unquoted on Stock Exchange	--	--
Share Certificates	2.072	1.630
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	2.072	1.630
Impairment Provisions (-)	--	--
Total	102.980.699	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	--	162.491	--	93.168
Corporate Shareholders	--	162.491	--	93.168
Individual Shareholders	--	--	--	--
Indirect Loans Granted to Shareholders	--	--	--	--
Loans Granted to Employees	584.367	120	347.083	155
Total	584.367	162.611	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	Changes in conditions of contract	Refinancing
Non-specialized loans	479.293.986	23.209.283	10.531.362	12.182.837
Corporate loans	67.695.976	2.710.380	4.204.545	756.016
Export loans	41.685.016	173.210	--	213.618
Import loans	--	--	--	--
Financial sector loans	5.099.826	--	--	--
Consumer loans	55.579.529	4.365.578	2.370.603	19.193
Credit cards	94.050.181	3.501.909	1.783.048	2.369
Others	215.183.458	12.458.206	2.173.166	11.191.641
Specialized loans	22.214.443	1.408.983	252.101	212.307
Other receivables	32.586.635	1.275.257	162.553	310.837
Total	534.095.064	25.893.523	10.946.016	12.705.981

(*) 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	7.528.211	--	4.920.254	--
Significant increase in credit risk	--	14.980.845	--	12.484.365
Total	7.528.211	14.980.845	4.920.254	12.484.365

3. Distribution of cash loans according to maturity structure

	Standard Loans	Loans Under Close Monitoring	
		Not Restructured	Restructured
Short-Term Loans	261.059.022	8.593.729	2.363.692
Medium and Long-Term Loans	273.036.042	17.299.794	21.288.305
Total	534.095.064	25.893.523	23.651.997

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

	Short Term	Medium or Long Term	Total
Consumer Loans-TL	12.544.985	40.527.323	53.072.308
Real estate Loans	1.761	743.954	745.715
Vehicle Loans	5.985	26.686	32.671
General Purpose Loans	12.537.239	39.756.683	52.293.922
Other	--	--	--
Consumer Loans-Indexed to FC	--	58.723	58.723
Real estate Loans	--	11.358	11.358
Vehicle Loans	--	--	--
General Purpose Loans	--	1.410	1.410
Other	--	45.955	45.955
Consumer Loans-FC	--	6.322	6.322
Real estate Loans	--	6.322	6.322
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Individual Credit Cards-TL	83.760.734	2.968.944	86.729.678
Installment	33.747.128	2.968.944	36.716.072
Non installment	50.013.606	--	50.013.606
Individual Credit Cards-FC	65.089	--	65.089
Installment	--	--	--
Non installment	65.089	--	65.089
Loans Given to Employees-TL	109.759	245.543	355.302
Real estate Loans	--	28	28
Vehicle Loans	--	--	--
General Purpose Loans	109.759	245.515	355.274
Other	--	--	--
Loans Given to Employees - Indexed to FC	--	--	--
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Loans Given to Employees - FC	--	780	780
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	780	780
Personnel Credit Cards - TL	218.098	1.090	219.188
Installment	83.722	1.090	84.812
Non installment	134.376	--	134.376
Personnel Credit Cards - FC	1.043	--	1.043
Installment	--	--	--
Non installment	1.043	--	1.043
Overdraft Loans-TL (Real Persons) (*)	8.820.539	--	8.820.539
Overdraft Loans-FC (Real Persons)	20.929	--	20.929
Total	105.541.176	43.808.725	149.349.901

(*) The overdraft account used by the personnel of the Parent Bank amounts to TL 8.054 (31 December 2022: TL 4.042).

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5. Information on commercial installment loans and corporate credit cards

	Short Term	Medium or Long Term	Total
Installment Commercial Loans - TL	4.584.755	21.019.768	25.604.523
Real estate Loans	8	82.836	82.844
Vehicle Loans	7.701	117.762	125.463
General Purpose Loans	4.577.046	18.846.467	23.423.513
Other	--	1.972.703	1.972.703
Installment Commercial Loans - Indexed to FC	--	76.747.114	76.747.114
Real estate Loans	--	1.429	1.429
Vehicle Loans	--	--	--
General Purpose Loans	--	496.459	496.459
Other	--	76.249.226	76.249.226
Installment Commercial Loans - FC	37.628	27.918.941	27.956.569
Real estate Loans	--	--	--
Vehicle Loans	--	11.102	11.102
General Purpose Loans	37.628	27.907.839	27.945.467
Other	--	--	--
Corporate Credit Cards - TL	12.136.870	183.439	12.320.309
Installment	2.214.981	183.439	2.398.420
Non installment	9.921.889	--	9.921.889
Corporate Credit Cards - FC	2.200	--	2.200
Installment	--	--	--
Non installment	2.200	--	2.200
Overdraft Loans-TL (Legal Entities)	5.772.230	--	5.772.230
Overdraft Loans-FC (Legal Entities)	17.382	--	17.382
Total	22.551.065	125.869.262	148.420.327

6. Distribution of loans according to user

	Current Period	Prior Period
Public	14.358.194	7.047.181
Private	569.282.390	349.358.872
Total	583.640.584	356.406.053

7. Distribution of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	536.123.530	319.129.001
Foreign Loans	47.517.054	37.277.052
Total	583.640.584	356.406.053

8. Loans granted to subsidiaries and associates

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	829.484	--
Indirect loans granted to subsidiaries and associates	--	--
Total	829.484	--

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

	Current Period	Prior Period
Provisions related to loans or credit impaired lossess (stage 3)		
Loans with Limited Collectability	2.267.572	2.967.990
Loans with Doubtful Collectability	3.447.724	2.014.523
Uncollectible Loans	9.899.050	9.021.838
Total	15.614.346	14.004.351

10. 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	77.785	1.054.134	9.052.906
(Gross amounts before the provisions)			
Restructured loans	77.785	1.054.134	9.052.906
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	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Balances at Beginning of the Period	4.079.499	2.888.776	10.782.260
Additions (+)	6.125.756	5.745.713	5.243.108
Transfers from Other Categories of Non-Performing Loans (+)	--	2.810.177	3.692.562
Transfers from Other Categories of Non-Performing Loans (-)	2.810.177	3.692.562	--
Collections (-)	2.397.977	2.657.234	5.280.074
Write-offs (-)	--	--	1.434.951
Sales (-)	--	--	1.200.714
Corporate and Commercial Loans	--	--	11.249
Retail Loans	--	--	677.189
Credit Cards	--	--	381.646
Other	--	--	130.630
FX difference	234.386	1.251.135	1.142.748
Balances at End of the Period	5.231.487	6.346.005	12.944.939
Specific Provisions (-)	2.267.573	3.447.721	9.899.052
Net Balance on Balance Sheet	2.963.914	2.898.284	3.045.887

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

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period: 31 December 2023			
Balance as of the Period End	2.152.620	687.735	4.021.951
Provisions (-)	449.468	556.511	2.964.473
Net Balance on Balance Sheet	1.703.152	131.224	1.057.478
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	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period (Net): 31 December 2023	2.963.914	2.898.284	3.045.887
Loans Granted to Real Persons and Legal Entities (Gross)	5.231.487	6.346.005	12.944.939
Provisions (-)	2.267.573	3.447.721	9.899.052
Loans Granted to Real Persons and Legal Entities (Net)	2.963.914	2.898.284	3.045.887
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	Group IV	Group V
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period (Net)	141.945	171.649	93.398
Interest accruals and rediscount and valuation differences	276.875	405.884	966.898
Amount of provision (-)	134.930	234.235	873.500
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

11. Outline of liquidation policy for uncollectible loans and other receivables

For uncollectible loans, first of all the Bank and the customer try to reach an agreement; where these methods to not work and no results can be obtained from follow-up, all the procedures to be performed within the framework of legal legislation are carried out. These transactions last until the customers sign a pledge deficit document or a certificate of insolvency.

12. Explanations on write-off policy

The general policy of the Bank is to write-off the receivables that are documented as not possible to be collected during the legal follow-up process.

Write-off policy:

In accordance with the changes on "Provisioning Regulation" published in the Official Gazette No. 30961 dated 27 November 2019 by BRSA, the Parent Bank, in line with TFRS 9, may write-off part of the loans for which there is no reasonable expectation of recovery and that are classified under group 5 with a life time expected credit loss due to the default of debtor, starting from the following reporting date that the loan is classified in group 5.

Write-off is only an accounting practice in accordance with the related change in the regulation and it does not result in giving up the right on the receivable.

The Bank uses the following indicators as to the absence of reasonable expectations regarding the collection of loans:

- For receivables subject to collective assessment,
 - ✓ Maximum attempts were made by the Bank regarding collection during the legal follow-up and remained inconclusive
 - ✓ Recovery horizon is reached
 - ✓ 100% provisioning is realised
- Certain data for those who will be subject to individual assessment that their collection ability has been completely lost as a result of customer analysis and interviews

Although the Bank has applied write-off, its policies for the loans that it follows are in line with the loans it actively pursues in terms of legal collection of borrowers, subjecting loans to the sale of non-performing loans and withdrawal decisions.

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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 22.343.684 (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 15.046.368 (31 December 2022: TL 3.903.075).

2. Information on government debt securities measured at amortised cost

Government debt securities measured at amortised cost	Current Period	Prior Period
Government Bonds	51.237.084	18.316.908
Treasury Bills	--	--
Other Government Debt Securities	--	--
Total	51.237.084	18.316.908

3. Information on financial assets measured at amortised cost

Financial assets measured at amortised cost	Current Period	Prior Period
Debt Securities	51.237.084	18.316.908
Quoted on Stock Exchange	51.237.084	18.316.908
Unquoted on Stock Exchange	--	--
Impairment provisions (-)	--	--
Total	51.237.084	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 (*)	17.774.456	1.837.199
Purchases during the year (**)	16.732.722	10.242.395
Disposals by sale and redemption	(1.587.002)	(887.507)
Impairment provisions (-)	--	--
Total	51.237.084	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.

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⁾	Izmir/Turkey	9,00	--
4-lhracatı 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	1.201.571	242.442	337.114	109.408	--	128.362	29.975	--
2	1.814.872	1.093.002	30.886	6.009	--	326.627	211.158	--
3	76.514	35.319	46.036	994	--	14.217	1.960	--
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 September 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 31 December 2023.

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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 31 December 2023 prepared in accordance with the legislation to which Denizbank AG is subject to.

Denizbank AG	
Paid-in capital	7.551.647
Share premium	11.095.527
Reserves	16.706.739
Deductions from capital	101.584
Total Common Equity	35.252.329
Total additional Tier I capital	--
Deductions from capital	406.335
Total Core Capital	34.845.994
Total supplementary capital	2.653.079
Capital	37.499.073
Deductions from capital	--
SHAREHOLDERS' EQUITY	37.499.073

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 İmmobilien 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	2.745.422	2.035.841	1.318.243	10.543	--	966.664	474.547	--
2	884	809	--	--	--	(77)	169	--
3	623	620	--	--	--	66	69	--
4	1.757	1.655	--	--	--	(133)	31	--
5	50.652	23.444	5.168	277	--	9.126	2.600	--
6	106.599	84.208	3.075	6	--	46.286	10.781	--
7	9.248	8.920	2.803	926	--	(105)	--	--

(*) TAS 29 has not been applied.

The financial statements of the above subsidiaries for the period ended on 31 December 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.

(**) Eurodeniz International Banking Unit Ltd. has entered into the liquidation process. Explanation is given in Section Three, note XI.

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		Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/(Loss)	Prior Period Profit/(Loss)	Fair Value	Capital requirement
(*)	Total Assets								
1	187.180.268	44.949.045	665.583	6.846.366	351.665	3.850.983	1.420.377	--	--
2	--	--	--	--	--	--	2.019	--	--
3	10.278.554	3.339.787	25.541	2.226.361	339	1.454.437	503.002	--	--
4	15.586.120	2.313.611	57.894	528.798	17.838	689.775	723.697	--	--
5	260.099	230.406	3.422	(181)	(254)	146.959	35.592	--	--
6	21.869.494	5.241.326	5.491.939	1.664.996	--	1.602.361	660.792	--	--
7	16.494.214	3.541.838	35.157	3.510.164	--	993.481	240.602	--	--
8	2.160.638	2.101.865	3.623	41.240	405	776.148	606.008	--	--
9	1.148.867	1.006.397	843.664	866	--	2.809	5.722	--	--
10	183.267	103.368	48.482	5.655	--	4.277	(5.823)	--	--

(*) TAS 29 has not been applied.

Includes financial statement details subject to 31 December 2023 consolidation.

(i) Movement of consolidated subsidiaries during the period

	Current Period	Prior Period
Balance at the Beginning of the Period	4.761.417	4.179.527
Movements During the Period	6.290.417	581.890
Purchases (*)	4.073.000	25.000
Bonus Shares Received(**)	1.485.170	--
Dividends from Current Year Profit	--	--
Sales (***)	--	(7.118)
Revaluation Increase, Effect of Inflation and F/X Difference	732.248	564.008
Other	--	--
Provision for Impairment	--	--
Balance at the End of the Period	11.051.834	4.761.417
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.

In September 2023, the Bank increased the capital of Deniz Finansal Kiralama A.Ş. by TL 2.000.000 in cash and the capital of Deniz Faktoring A.Ş. by TL 2.000.000 in cash.

(**) Deniz Finansal Kiralama A.Ş. It increased its paid-in capital by TL 1.133.000 from its internal sources, and Deniz Faktoring A.Ş. increased its paid-in capital by TL 352.400 from its internal sources. The Bank has accounted these amounts in "Subsidiaries" accounts.

(***) Eurodeniz International Banking Unit has entered into the liquidation process and the investment amount in the bank is TL 7.118.

(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	2.313.310	1.508.063
Total	11.058.952	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	1.147.787	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.

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h. Information on jointly controlled entities (joint ventures)

1. Information on jointly controlled entities (joint ventures)

	Share percentage of the Parent Bank (%)	Share percentage of the Group (%)	Current Assets	Non-Current Assets	Non-Current Liabilities	Income	Expenses
Title							
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.	33	33	186.669	185.558	100.835	914.819	(905.140)

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

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	3.278.409	2.748.739	1.918.344	1.804.362
Between 1-4 years	8.802.052	6.874.102	4.021.142	3.276.322
Over 4 years	2.346.752	1.686.857	4.075.630	3.116.017
Total	14.427.213	11.309.698	10.015.116	8.196.701

(*) Non-performing lease receivables of TL 2.431.888 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	14.427.213	10.015.116
Unearned finance income from finance lease (-)	3.117.515	1.818.415
Cancelled leasing amounts (-)	--	--
Net Investment on finance leases	11.309.698	8.196.701

(*) Non-performing lease receivables of TL 2.431.888 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 31 December 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	34.929	19.783
Between 1-5 years	--	--
5 years and over	--	--
Total	34.929	19.783

j. Explanation on derivative financial instruments for hedging purpose

None.

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k. Information on tangible assets

	Real Estate	Vehicles	Right-of-Use Assets	Other	Total
Cost At the End Of The Prior Period	757.122	2.217.014	1.512.022	2.408.141	6.894.299
Transfers	--	--	--	--	--
Acquisitions	2.588	3.639.493	973.652	577.396	5.193.129
Revaluation differences	450.688	--	--	--	450.688
Disposals	(567)	(587.477)	(38.414)	(126.366)	(752.824)
Foreign exchange differences	143.850	934	150.240	201.294	496.318
Cost At the End Of The Period	1.353.681	5.269.964	2.597.500	3.060.465	12.281.610
Accumulated Depreciation At the End Of The Prior Period	(13.151)	(34.015)	(967.891)	(1.521.551)	(2.536.608)
Transfers	--	--	--	20.195	20.195
Depreciation fort he period	(17.145)	(2.150)	(533.045)	(307.717)	(860.057)
Disposals	49	15.334	38.414	111.395	165.192
Foreign exchange differences	30.037	(751)	(119.376)	(185.062)	(275.152)
Accumulated Depreciation At the End Of The Period	(210)	(21.582)	(1.581.898)	(1.882.740)	(3.486.430)
Net Book Value At The End Of The Period	1.353.471	5.248.382	1.015.602	1.177.725	8.795.180

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". The positive difference between the property values in the expertise reports prepared by the licensed appraisal companies and the net book value of the related properties is followed in the equity accounts and the negative differences are followed in the statement of profit or loss.

Revaluation difference amounting to TL 892.690 (31 December 2022: TL 442.002) is recognised under equity as a result of revaluation process.

l. Information on intangible assets

	Other	Goodwill	Total
Cost At the End Of The Prior Period	3.423.585	--	3.423.585
Transfers	--	--	--
Acquisitions	2.391.366	--	2.391.366
Revaluation differences	--	--	--
Disposals	(90.735)	--	(90.735)
Foreign exchange differences	342.138	--	342.138
Cost At the End Of The Period	6.066.354	--	6.066.354
Accumulated Depreciation At the End Of The Prior Period	(1.900.798)	--	(1.900.798)
Transfers	--	--	--
Depreciation fort he period	(1.028.069)	--	(1.028.069)
Disposals	64.836	--	64.836
Foreign exchange differences	(268.700)	--	(268.700)
Accumulated Depreciation At the End Of The Period	(3.132.731)	--	(3.132.731)
Net Book Value	2.933.623	--	2.933.623

m. Explanation on investment properties

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

As of 31 December 2023, the DFS Group's investment properties amount to TL 1.591.527 (31 December 2022: TL 709.270) which are carried at fair value in the consolidated financial statements.

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n. Information on deferred tax asset

Deferred tax asset calculated within the scope of applicable regulation amounts to TL 4.441.916 (31 December 2022: TL 4.357.629) and deferred tax liability amounts to TL 1.436.432 (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	5.778.554	3.908.989
Tax Losses (*)	440.300	--
Provision for Employee Benefits	481.964	372.613
Valuation Differences of Financial Assets	--	283.918
Unearned Revenue	155.909	130.638
Deferred Tax Assets	6.856.727	4.696.158
Valuation Differences of Financial Assets	(2.156.947)	--
Valuation Differences of Derivatives	(1.206.241)	(334.138)
Valuation Differences of Tangible Assets	(292.155)	(403.812)
Other	(195.900)	(255.011)
Deferred Tax Liabilities	(3.851.243)	(992.961)
Net Deferred Tax Assets	3.005.484	3.703.197

(*) Tax losses is mainly due to the valuation of financial instruments in accordance with the Tax Procedure Law in the calculation of the corporate tax.

o. Explanation on non-current assets or disposal groups held for sale and from discontinued operations

Eurodeniz International Banking Unit Ltd. which one of the subsidiaries of the Parent Bank has entered into the liquidation process. It is classified as discontinued operation in the financial statements until the liquidation process will be completed. Explanation is given in Section Three, note XI.

p. Information on other assets

- Information on prepaid expense, taxes and similar items
DFS Group's total prepaid expenses are TL 6.562.102 (31 December 2022: TL 2.192.347).
- 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 196.906.806 deposits within this scope as of 31 December 2023 (31 December 2022: TL 73.171.134).

1. Information on maturity structure of deposits

Current Period: 31 December 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	17.475.114	--	14.188.887	70.367.313	90.301.008	54.698.755	27.262.350	3.688	274.297.115
Foreign Currency Deposits (*)	142.447.705	--	28.428.173	56.538.036	17.914.876	38.065.547	34.468.321	12.998	317.875.656
Residents in Turkey	80.648.591	--	17.466.268	31.470.482	5.103.438	5.124.848	3.479.866	9.924	143.303.417
Residents Abroad	61.799.114	--	10.961.905	25.067.554	12.811.438	32.940.699	30.988.455	3.074	174.572.239
Public Sector Deposits	2.047.372	--	122.638	199.027	742	3.195	2.491	--	2.375.465
Commercial Deposits	20.864.578	--	9.401.166	16.410.454	27.409.036	28.156.586	13.801.214	--	116.043.034
Other Ins. Deposits	570.491	--	520.067	1.052.585	1.196.011	336.543	7.302	--	3.682.999
Precious Metal Deposits	19.221.552	--	165.060	2.648.361	847.004	613.366	109.438	5.264	23.610.045
Bank Deposits	1.656.754	--	2.291.258	2.354.487	2.635.078	219.540	264.149	--	9.421.266
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	34.362	--	--	456.620	402.919	--	--	--	893.901
Foreign Banks	1.620.456	--	2.291.258	1.897.867	2.232.159	219.540	264.149	--	8.525.429
Special Finan. Inst.	1.936	--	--	--	--	--	--	--	1.936
Other	--	--	--	--	--	--	--	--	--
Total	204.283.566	--	55.117.249	149.570.263	140.303.755	122.093.532	75.915.265	21.950	747.305.580

(*) Foreign Currency Deposit Account consists of Saving Deposit customers at the amount of TL 200.227.653 and Commercial Deposit customers at the amount of TL 117.648.003.

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	44.493.128	15.312.330	15.079.648	21.623.713	4.679	232.867.390
Residents in Turkey	49.717.116	--	18.697.583	32.646.333	9.905.614	4.174.855	3.369.303	4.540	118.515.344
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	105.775.449	81.610.976	23.838.395	31.149.240	13.955	439.378.821

(*) Foreign Currency Deposit Account consists of Saving Deposit customers at the amount of TL 156.814.968 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	75.257.544	35.687.504	197.318.835	62.212.788
Foreign Currency Saving Deposits	38.701.518	23.063.342	84.924.514	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	113.959.062	58.750.846	282.243.349	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 15.167.962 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	51.431	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	248.325	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	--	28.190
Total	299.756	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	347.356	166.535	11.023	177.594
Swap Transactions	61.483	2.004.107	177.469	1.993.976
Futures Transactions	981	--	2.908	--
Options	--	255.390	--	1.058.563
Other	--	--	--	--
Total	409.820	2.426.032	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	11.211.239	3.574.008	5.692.037	416.454
Foreign Banks, Institutions and Funds	--	111.618.201	--	44.473.013
Total	11.211.239	115.192.209	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	11.211.239	33.473.382	5.649.469	7.630.802
Medium and Long-Term	--	81.718.827	42.568	37.258.665
Total	11.211.239	115.192.209	5.692.037	44.889.467

3. Additional explanations on the areas which the Group's liabilities are concentrated

Deposits are the most important funding source of the Group and constitute 64% of total funding source (31 December 2022: 70%). Loans received, subordinated loans, debts to money markets and securities issued constitute 21% of total funding source (31 December 2022: 14%).

d. Information on securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Bonds ^(*)	--	39.820.534	--	4.687.007
Bills	5.157.897	1.516.251	3.616.862	494.857
Asset Backed Securities	--	--	--	--
Total	5.157.897	41.336.785	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 31 December 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	703.990	521.888	498.631	341.994
Between 1-4 years	512.538	334.724	408.251	267.052
Over 4 years	68.251	44.700	64.306	46.877
Total	1.284.779	901.312	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 31 December 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	5,33%	1,91%
Interest rate	24,18%	21,83%
Estimated rate of increase in salary/severance pay limit	17,90%	19,55%

As of 31 December 2023, TL 748.009 of provision for employee termination benefits (31 December 2022: TL 978.935) and TL 1.175.859 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	391.089	304.137
Actuarial loss/(gain)	(65.389)	420.567
Paid in the period	(573.830)	(70.113)
FX difference	11.791	3.420
Balance at the End of the Period	742.596	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 1.403.590 of other provisions represents stage 1 and stage 2 provisions for expected credit loss for non-cash loans, TL 2.937.086 is related to stage 3 provision for expected credit loss for non-cash loans that are unindemnified and not converted into cash, TL 633.452 is the provisions for the litigations against the Bank, TL 6.700.000 includes free provision and TL 2.644.311 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 31 December 2023, the corporate tax provision of DFS Group amounts to TL 3.256.497 (31 December 2022: TL 6.907.352), and it has been offset with advance taxes amounting to TL 2.084.858 (31 December 2022: TL 4.653.485).

(ii) Information on tax liabilities

	Current Period	Prior Period
Corporate tax payables	1.171.640	2.253.867
Taxation on securities	345.323	107.059
Taxes on real estate capital gain	7.440	4.585
Banking Insurance Transaction Tax (BITT)	1.129.012	547.568
Taxes on foreign exchange transactions	21.902	17.069
Value added tax payables	87.455	28.401
Other	268.337	132.488
Total	3.031.109	3.091.037

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(iii) Information on premiums

	Current Period	Prior Period
Social security premiums- employee share	67.250	32.231
Social security premiums- employer share	85.110	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	11.067	12.202
Unemployment insurance- employer share	7.820	4.431
Other	--	--
Total	171.247	86.568

2. Information on deferred tax liability

Deferred tax liability calculated within the scope of the applicable regulations amounts to TL 1.436.432 (31 December 2022: TL 654.432). The detail of deferred tax is disclosed in Note “n” of explanations and disclosures related to consolidated assets.

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

Eurodeniz International Banking Unit Ltd. which one of the subsidiaries of the Parent Bank has entered the liquidation process. It is classified as discontinued operation in the financial statements until the liquidation process will be completed. Explanation is given in Section Three, note XI.

k. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Instruments subject to common equity	--	--	--	--
Subordinated Loans	--	--	--	--
Subordinated Debt Instruments	--	--	--	--
Debt Instruments subject to tier 2 equity	--	23.066.679	--	14.561.492
Subordinated Loans	--	23.066.679	--	14.561.492
Subordinated Debt Instruments	--	--	--	--
Total	--	23.066.679	--	14.561.492

Information on subordinated loans is disclosed in Section Four, note I-b.

I. 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.

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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.

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	7.898.790	--	2.305.678	--
Valuation Difference	(1.704.364)	364.170	5.700.552	(2.361.679)
FX Gain or Loss	--	--	--	--
Total	6.194.426	364.170	8.006.230	(2.361.679)

10. Information on hedging funds

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

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	195.016	152.146
Increase/(decrease) in minority shares due to disposals	--	--
Other	(1.425)	--
Balance at the End of the Period	497.358	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 722.310 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).

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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.

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 31 December 2023, loan granting commitments, commitments for credit card expenditure limits and commitments for cheque payments are TL 48.403.121, TL 293.746.486 and TL 12.311.768 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 31 December 2023, DFS Group has letters of guarantee amounting to TL 119.256.548, bill of guarantee and acceptances amounting to TL 717.588, and guarantees and warranties on letters of credit amounting to TL 23.948.861 and other guarantees and warranties amounting to TL 10.046.553.

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	2.760.789	1.771.272
Final Letters of Guarantee	71.316.334	40.203.783
Letters of Guarantee for Advances	15.360.220	6.411.154
Letters of Guarantee given to Customs Offices	537.601	370.592
Other Letters of Guarantee	29.281.604	18.024.534
Total	119.256.548	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	39.541.102	26.032.382
With Original Maturity of 1 Year or Less	39.541.102	26.032.382
With Original Maturity of More Than 1 Year	--	--
Other Non-Cash Loans	114.428.448	64.967.780
Total	153.969.550	91.000.162

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(ii) Information on risk concentration on sector basis within the non-cash loans account

	Current Period			
	TL	%	FC	%
Agricultural	2.209.806	3,12	995.818	1,20
Farming and Cattle	2.174.706	3,07	988.715	1,19
Forestry	21.454	0,03	--	--
Fishing	13.646	0,02	7.103	0,01
Manufacturing	22.580.460	31,83	34.765.936	41,88
Mining	1.582.013	2,23	537.502	0,65
Production	19.628.457	27,67	26.807.922	32,29
Electric, Gas, Water	1.369.990	1,93	7.420.512	8,94
Construction	12.185.847	17,18	20.571.078	24,78
Services	22.846.009	32,21	20.451.372	24,63
Wholesale and Retail Trade	15.505.355	21,86	12.870.150	15,50
Hotel and Restaurant Services	1.796.179	2,53	1.271.684	1,53
Transportation and telecommunication	2.124.728	3,00	4.473.008	5,39
Financial institutions	2.639.062	3,72	1.784.877	2,15
Real estate and letting services	64.724	0,09	8.846	0,01
Self-employment services	--	--	--	--
Education services	217.540	0,31	9.704	0,01
Health and social services	498.421	0,70	33.103	0,04
Other	11.118.538	15,66	6.244.686	7,51
Total	70.940.660	100,00	83.028.890	100,00

	Prior Period			
	TL	%	FC	%
Agricultural	1.878.915	4,92	689.664	1,31
Farming and Cattle	1.815.938	4,76	659.138	1,25
Forestry	1.434	--	--	--
Fishing	61.543	0,16	30.526	0,06
Manufacturing	12.418.326	32,54	22.219.549	42,06
Mining	605.242	1,59	343.115	0,65
Production	10.175.012	26,66	19.336.495	36,60
Electric, Gas, Water	1.638.072	4,29	2.539.939	4,81
Construction	6.345.676	16,63	12.530.070	23,72
Services	12.225.905	32,03	13.390.791	25,34
Wholesale and Retail Trade	8.075.980	21,16	7.569.562	14,33
Hotel and Restaurant Services	824.826	2,16	1.006.255	1,90
Transportation and telecommunication	1.598.385	4,19	3.754.353	7,11
Financial institutions	974.952	2,55	918.095	1,74
Real estate and letting services	167.297	0,44	7.638	0,01
Self-employment services	--	--	--	--
Education services	110.003	0,29	18.442	0,03
Health and social services	474.462	1,24	116.446	0,22
Other	5.299.220	13,88	4.002.046	7,57
Total	38.168.042	100,00	52.832.120	100,00

(iii) Information about the non-cash loans classified first and second group

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	62.293.508	55.799.012	761.453	402.575
Bill of Guarantee and Acceptances	--	717.588	--	--
Letters of Credit	20.096	23.909.546	--	19.219
Endorsements	--	--	--	--
Underwriting Commitments	--	--	--	--
Factoring Commitments	--	--	--	--
Other Commitments and Contingencies	7.797.103	2.180.950	68.500	--
Total	70.110.707	82.607.096	829.953	421.794

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b. Information related to derivative financial instruments

Current Period	Up to 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Total
Hedging Purpose Derivative Transactions						
A. Total Hedging Purpose Derivative Transactions	--	--	--	--	--	--
Fair Value Hedge Transactions	--	--	--	--	--	--
Cash Flow Hedge Transactions	--	--	--	--	--	--
Net Foreign Investment Hedge Transactions	--	--	--	--	--	--
Types of Trading Transactions						
Foreign Currency Related Derivative Transactions (I)	245.125.705	140.106.200	97.728.974	5.663.885	695.409	489.320.173
Forward FC Call Transactions	10.947.597	11.494.472	18.280.828	102.120	--	40.825.017
Forward FC Pull Transactions	9.687.336	11.064.476	16.238.076	70.652	--	37.060.540
Swap FC Call Transactions	100.629.483	48.778.561	23.769.555	2.605.499	347.045	176.130.143
Swap FC Pull Transactions	114.914.598	50.699.150	23.032.255	2.615.402	348.364	191.609.769
Options FC Call Transactions	4.292.177	8.741.890	7.953.989	160.808	--	21.148.864
Options FC Pull Transactions	4.654.514	9.327.651	8.163.555	109.404	--	22.255.124
Futures FC Call Transactions	--	--	169.696	--	--	169.696
Futures FC Pull Transactions	--	--	121.020	--	--	121.020
Total of Interest Derivative Transactions (II)	--	--	2.740.886	99.936.510	57.659.042	160.336.438
Swap Interest Call Transactions	--	--	1.370.443	48.938.303	27.432.197	77.740.943
Swap Interest Pull Transactions	--	--	1.370.443	48.938.301	27.432.195	77.740.939
Options Interest Call Transactions	--	--	--	1.029.953	1.397.325	2.427.278
Options Interest Pull Transactions	--	--	--	1.029.953	1.397.325	2.427.278
Securities Interest Call Transactions	--	--	--	--	--	--
Securities Interest Pull Transactions	--	--	--	--	--	--
Futures Interest Call Transactions	--	--	--	--	--	--
Futures Interest Pull Transactions	--	--	--	--	--	--
Other Types of Trading Transactions (III)	15.779.355	2.169.337	4.430.656	821.698	--	23.201.046
B. Total Types of Trading Transactions (I + II + III)	260.905.060	142.275.537	104.900.516	106.422.093	58.354.451	672.857.657
Total Derivatives Transactions (A+B)	260.905.060	142.275.537	104.900.516	106.422.093	58.354.451	672.857.657
Prior Period	Up to 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Total
Hedging Purpose Derivative Transactions						
A. Total Hedging Purpose Derivative Transactions	--	--	--	--	--	--
Fair Value Hedge Transactions	--	--	--	--	--	--
Cash Flow Hedge Transactions	--	--	--	--	--	--
Net Foreign Investment Hedge Transactions	--	--	--	--	--	--
Types of Trading Transactions						
Foreign Currency Related Derivative Transactions (I)	193.720.164	133.145.167	45.680.473	373.402	--	372.919.206
Forward FC Call Transactions	4.237.336	3.354.199	6.696.987	--	--	14.288.522
Forward FC Pull Transactions	3.637.024	3.260.735	6.610.909	--	--	13.508.668
Swap FC Call Transactions	73.325.076	20.978.194	8.563.358	272.743	--	103.139.371
Swap FC Pull Transactions	78.072.310	24.979.925	8.393.146	98.789	--	111.544.170
Options FC Call Transactions	16.475.694	40.094.097	7.733.527	1.870	--	64.305.188
Options FC Pull Transactions	16.484.531	40.217.627	7.682.546	--	--	64.384.704
Futures FC Call Transactions	737.273	127.131	--	--	--	864.404
Futures FC Pull Transactions	750.920	133.259	--	--	--	884.179
Total of Interest Derivative Transactions (II)	450.000	551.754	810.280	49.296.856	46.764.400	97.873.270
Swap Interest Call Transactions	225.000	250.000	405.130	24.648.428	22.620.289	48.148.847
Swap Interest Pull Transactions	225.000	250.000	405.130	24.648.428	22.620.287	48.148.845
Options Interest Call Transactions	--	25.877	--	--	761.912	787.789
Options Interest Pull Transactions	--	25.877	--	--	761.912	787.789
Securities Interest Call Transactions	--	--	--	--	--	--
Securities Interest Pull Transactions	--	--	--	--	--	--
Futures Interest Call Transactions	--	--	--	--	--	--
Futures Interest Pull Transactions	--	--	--	--	--	--
Other Types of Trading Transactions (III)	6.288.325	4.841.747	6.215.018	187.076	--	17.532.166
B. Total Types of Trading Transactions (I + II + III)	200.458.489	138.538.668	52.705.751	49.857.334	46.764.400	488.324.642
Total Derivatives Transactions (A+B)	200.458.489	138.538.668	52.705.751	49.857.334	46.764.400	488.324.642

c. Information on credit derivatives and risk exposures on credit derivatives

None.

d. Explanations on contingent assets and liabilities

In accordance with the precautionary principle regarding the lawsuits filed against the Group, TL 339.071 (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.

e. Explanations on services carried out on behalf and account of other persons

The Parent Bank provides purchase, sale, custody, management and consultancy services on behalf and account of other persons.

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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(*)	36.647.431	4.504.276	14.971.963	2.593.867
Medium and Long Term Loans(*)	23.063.077	11.619.568	15.767.577	6.143.560
Loans Under Close Monitoring	1.050.666	203.898	837.023	83.314
Premiums Received from Resource Utilisation Support Fund	--	--	--	--
Total	60.761.174	16.327.742	31.576.563	8.820.741

(*) 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	2.970.669	630.146	46.038	172.029
Foreign Banks	--	871.554	1.052	165.317
Foreign Head Offices and Branches	--	--	--	--
Total	2.970.669	1.501.700	47.090	337.346

(*)The interest income received from required reserves of the Parent Bank with the CBRT is TL 216.357 (1 January - 31 December 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	51.221	380.767	95.037	89.424
Financial Assets at Fair Value Through Other Comprehensive Income	9.317.301	3.112.048	8.227.306	1.943.510
Financial Assets Measured at Amortised Cost	11.056.997	--	2.426.491	167.573
Total	20.425.519	3.492.815	10.748.834	2.200.507

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

4. Information on interest income received from associates and subsidiaries

	Current Period		Prior Period	
Interest Received from Associates and Subsidiaries	889		22	

b. Interest expense

1. Information on interest expense related to funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	2.118.937	8.817.219	810.340	3.229.698
Central Bank of the Republic of Turkey	--	558.766	--	434.312
Domestic Banks	1.916.942	213.300	738.349	78.472
Foreign Banks	201.995	8.045.153	71.991	2.716.914
Foreign Head Offices and Branches	--	--	--	--
Other Institutions	--	--	--	--
Total	2.118.937	8.817.219	810.340	3.229.698

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	25.715	27.527

3. Information on interest paid to securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Securities Issued	667.988	1.397.676	730.381	407.451

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	85	225.915	--	19	--	11	--	226.030
Saving Deposits	2	2.292.499	12.066.933	21.902.000	4.090.239	2.376.601	1.196	42.729.470
Public Sector Deposits	--	30.611	108.129	1.917	255	509	--	141.421
Commercial Deposits	2	2.346.263	2.818.026	8.555.738	2.985.164	1.348.040	--	18.053.233
Other Deposits	--	97.499	262.801	184.475	48.836	724	--	594.335
7 Days Call Account	--	--	--	--	--	--	--	--
Total	89	4.992.787	15.255.889	30.644.149	7.124.494	3.725.885	1.196	61.744.489
FC								
Deposits	418.024	291.165	380.213	516.230	525.578	294.176	530.617	2.956.003
Bank Deposits	109.349	350.902	15.779	--	--	--	--	476.030
7 Days Call Account	--	--	--	--	--	--	--	--
Precious Metal Deposits	3	428	4.103	1.693	3.295	7.808	48	17.378
Total	527.376	642.495	400.095	517.923	528.873	301.984	530.665	3.449.411
Grand Total	527.465	5.635.282	15.655.984	31.162.072	7.653.367	4.027.869	531.861	65.193.900

c. Explanations on dividend income

	Current Period	Prior Period
Financial Assets at Fair Value Through Profit or Loss	2.373	1.389
Financial Assets at Fair Value Through Other Comprehensive Income	7.339	4.042
Other (*)	31	34.377
Total	9.743	39.808

(*) Presents dividend income from unconsolidated subsidiaries and associates.

d. Explanations on trading income/loss

	Current Period	Prior Period
Income	1.900.870.131	1.588.450.852
Capital Market Transactions	4.535.342	1.362.242
Derivative Financial Instruments	37.213.112	29.692.826
Foreign Exchange Gains	1.859.121.677	1.557.395.784
Loss (-)	1.896.511.509	1.582.761.270
Capital Market Transactions	1.725.633	1.163.423
Derivative Financial Instruments	26.869.623	17.788.458
Foreign Exchange Losses	1.867.916.253	1.563.809.389
Net Trading Income / Loss	4.358.622	5.689.582

Net gain/(loss) from foreign exchange translation differences related to derivative financial instruments amounts to TL 16.022.371 (1 January - 31 December 2022: TL 12.423.135).

e. 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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f. Provisions for expected credit loss

	Current Period	Prior Period
Expected credit loss (*)	657.619	6.972.277
12 months provision for expected credit loss (Stage 1)	1.635.623	1.248.122
Significant increase in credit risk (Stage 2)	(2.386.482)	(535.779)
NPL (Stage 3)	1.408.478	6.259.934
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	4.214.567	4.447.027
Total	4.872.186	11.419.304

(*) 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.

g. Information on other operating expenses

	Current Period	Prior Period
Personnel Expenses (*)	11.050.191	4.751.660
Reserve for Employee Termination Benefits (*)	(493.955)	231.217
Reserve for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	860.057	536.439
Impairment Losses on Intangible Assets	--	--
Goodwill for impairment loss	--	--
Amortisation Charges of Intangible Assets	1.028.069	438.823
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	65.130	138.348
Depreciation of Assets to be Disposed	2.086	--
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	6.957.107	3.190.899
Operational Lease Expenses (**)	195.004	120.483
Repair and Maintenance Expenses	1.463.741	705.029
Advertisement Expenses	449.021	277.508
Other Expenses (***)	4.849.341	2.087.879
Losses on Sale of Assets	9.156	5.904
Other (****)	3.375.863	1.831.848
Total	22.853.704	11.125.138

(*) 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 372.323, TL 184.552, TL 202.535, TL 54.419, TL , 237.073, TL 2.222.949 and TL 1.575.490 respectively (1 January - 31 December 2022: TL : 199.349, TL 95.339,TL 114.426, TL 27.119, TL , 196.424, TL 995.562 and TL : 459.660 respectively).

(****)Other expenses comprise; BITT expenses, SDIF expenses, financial operating fees, earthquake support packages and others amounting to TL 1.181.401, TL 976.533, 341.260, 319.521 and TL 557.148 respectively (1 January - 31 December 2022: TL 827.528, TL 548.436, TL 158.258 and TL 298.002 respectively).

h. Fees for services received from Independent Auditor / Independent Audit firms

In accordance with the decision of the POA dated 26 March 2021, the information of the fee for the reporting period regarding the services received from the independent auditors or independent audit firms is given in the table below.

	Current Period	Prior Period
Independent audit fee (*)	24.016	13.682
Tax consultancy fee	--	--
Other assurance services fee	765	1.160
Other fee for non-audit services	2.208	287
Total	26.989	15.129

(*) The 2023 independent audit fee includes the amount of TL 1.513 (2022: TL 1.450) paid to a different audit company belonging to JSC Denizbank Moscow.

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

As 1 January - 31 December 2023, DFS Group has a profit before tax from continued operations amounting to TL 38.058.421 (1 January - 31 December 2022: TL 23.679.553).

As 1 January - 31 December 2023, DFS Group has a loss before tax from discontinued operations amounting to TL 210.211 (1 January - 31 December 2022: TL 16.299 profit).

j. 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 - 31 December 2023, the current tax charge on continued operations amounts to TL 2.909.121 (1 January - 31 December 2022: TL 6.854.869) while deferred tax charge amounts to TL 25.616.446 (1 January - 31 December 2022: TL 9.415.777) and deferred tax benefit amounts to TL 18.687.155 (1 January - 31 December 2022: TL 9.916.230).

There are no current tax expenses on discontinued operations. (1 January - 31 December 2022: TL 40).

k. Information on continued and discontinued operations net profit/loss

DFS Group has a net profit is amounting to TL 28.069.202 (31 December 2022: TL 17.326.171). DFS Group has a net loss from discontinued operations is amounting to TL 150.807 (31 December 2022: TL 1.034 profit).

l. 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	195.016	152.146

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.

m. 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 related to consolidated statement of changes in shareholders' equity

a. Explanations on capital increase

None.

b. Explanations on issuance of shares

None.

c. Adjustments in accordance with TAS 8

None.

d. Explanations on profit distribution

The authorised body of the Parent Bank regarding profit distribution is the General Assembly. As of the prepatation date of the financials, the annual ordinary General Assembly meeting has not been held yet.

e. Other comprehensive income and expenses

Unrealised profit/loss" generated by differences at fair values of financial assets at fair value through other comprehensive income is not reflected in the statement of profit or loss of the period till to realise one of the situations that collection of value that corresponds to a financial asset, the sale of the asset, the disposal or loss of the asset and accounted under shareholders' equity as "Securities Valuation Differences". The net amount after tax for the current period is TL (4.679.067).

The revaluation increase of tangible assets amounting to TL 450.688 was netted off with deferred tax effect amounting to TL 87.683 and accounted for under equity.

In accordance with TFRS 9, Intertech's fair value change amounting to TL 5.592.952 have been accounted under the equity.

Net amount TL 74.607 after tax regarding the actuarial profit/loss have been accounted under the equity.

Net after tax TL (7.381.382) amount of foreign net investment hedge funds have been accounted for under equity.

Foreign currency translation differences amounting to TL 13.512.581 have been accounted under the equity.

f. Explanations on amounts transferred to reserves

The Parent Bank transferred profit for the previous year amounting to TL 16.822.539 (31 December 2022: TL 3.369.572) to extraordinary reserves in 2023. The amount transferred to legal reserves is TL 350.475 (31 December 2022: TL 177.346).

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VI. Explanations related to consolidated statement of cash flows

a. Information on cash and cash equivalents

The components that constitute cash and cash equivalents and the accounting policy used in determining these items:

Cash, foreign currency, cash-in-transit, and demand deposits at banks including the Central Bank are defined as “Cash”; receivables from the money market with an original maturity of less than three months, term deposits in banks, investments in securities except shares are defined as “Cash Equivalent”.

1. Cash and cash equivalents at the beginning of the period

	Current Period	Prior Period
	01/01/2023	01/01/2022
Cash	20.518.549	18.497.661
Cash in vault, foreign currencies and other	5.447.526	6.493.612
Banks demand deposits	15.071.023	12.004.049
Cash and Cash Equivalent	80.232.520	59.859.674
Interbank money market placements	116.856	237.795
Banks time deposits	79.256.878	57.828.152
Securities	858.786	1.793.727
Total Cash and Cash Equivalents	100.751.069	78.357.335

2. Cash and cash equivalents at the end of the period

	Current Period	Prior Period
	31/12/2023	31/12/2022
Cash	26.867.795	14.398.378
Cash in vault, foreign currencies and other	8.459.728	5.447.526
Banks demand deposits	18.408.067	8.950.852
Cash and Cash Equivalent	252.178.743	86.352.691
Interbank money market placements	52.142.783	116.856
Banks time deposits	198.692.868	85.377.049
Securities	1.343.092	858.786
Total Cash and Cash Equivalents	279.046.538	100.751.069

b. Cash and cash equivalent assets owned by DFS Group but not in free use due to legal restrictions or other reasons

DFS Group maintains a total reserve of TL 194.881.784, including the required reserve balances on average in the Central Bank and foreign central banks (31 December 2022: TL 80.910.089). Additionally, the restricted amount in foreign banks account is TL 1.856.299 (31 December 2022: TL 954.746).

c. “Other” items in the statement of cash flows and effect of change in foreign currency exchange rate on cash and cash equivalents

The “other” item amounting to TL (13.737.763) (31 December 2023: TL (10.973.310)) within the “operating profit before change in assets and liabilities subject of banking operation”, consists of other operating expenses, fees and commissions given and capital market transaction losses. With the effect of these changes in the cash flow table, the cash and cash equivalents amounting to TL 100.751.069 at the beginning of the period (31 December 2022: TL 78.357.335) has become TL 279.046.538 at the end of the period (31 December 2022: TL 100.751.069).

The TL 75.458.555 within the “change in assets and liabilities subject of banking operation” (31 December 2022: TL 17.811.149); consists of changes in the “net increase (decrease) in other debts”, miscellaneous payables, tax payables, fees, premiums and other liabilities.

The effect of change in foreign currency exchange rate on cash and cash equivalents consists of the rate difference arising from the conversion of the average of the cash and cash equivalent assets in foreign currency to TL with the rates from the beginning and the end of the period; and it amounts to TL 20.068.755 as of 31 December 2023 (31 December 2022: TL 25.648.403).

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VII. 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

	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
DFS Group's Risk Group (*)						
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	829.484	193.792	98.162	162.491	12.075	--
Interest and Commission Income	2.145	94	3.586	--	19	--

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

Prior Period

	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
DFS Group's Risk Group (*)						
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	9.092	1	3.725	--	6	--

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

b. Information on deposits and funds borrowed from 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
DFS Group's Risk Group (*)						
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	1.334.708	409.442	81.932.331	33.675.803	59.886	104.612
Interest and Commission Expense Paid	25.715	27.527	3.030.926	1.236.506	6.810	4.084

(*) 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

	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
DFS Group's Risk Group (*)						
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	--	--	6.897.617	161.515	--	68.852
Total Income/(Loss)	--	--	(73.113)	2.107	8.256	4.432
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 31 December 2023, a payment of TL 431.815 (31 December 2022: TL 228.999) has been accrued to the key management of the DFS Group.

Denizbank Anonim Şirketi

Notes to Consolidated Financial Statements

as of 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of Consolidated Financial Report Originally Issued in Turkish, See Note 3.I.c

- e. Information on transactions with DFS Group’s risk group
- As of 31 December 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 9,29% of DFS Group’s total deposits and borrowings. Non-cash loans granted to risk group companies represent 0,23% 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.
- VIII. Domestic, foreign and off-shore banking branches or associates and foreign representatives of the Parent Bank
- a. Explanations relating to the Parent Bank’s domestic and foreign branch and representatives
- | | Number | Number of Employees | Country of Incorporations | Total Assets | Statutory Share Capital |
|-----------------------------------|--------|---------------------|---------------------------|--------------|-------------------------|
| Domestic branch | 639 | 12.694 | | | |
| Foreign representation | - | - | - | | |
| Off shore banking region branches | 1 | 5 | 1-Bahreyn | 43.238.226 | - |
| Foreign branch | 1 | 21 | 2-TRNC | 1.167.570 | - |
- b. Explanations on the subject in case the Parent Bank opens and closes domestic and foreign branch and representative and changes the organization significantly
- The Parent Bank opened 3 new branches and closed 34 branches in 2023.
- The Parent Bank received approval from the BRSA on 28 June 2022 to establish a branch bank in the Turkish Republic of Northern Cyprus (TRNC); With the decision of the Parent Bank’s Board of Directors dated 30 June 2022, it was decided to open a branch to operate as a Branch Bank under the TRNC Banking Law. It was decided by the TRNC Central Bank to grant permission to the Parent Bank to open a branch in TRNC, and the decision was published in the TRNC Official Gazette dated 17 February 2023. Following the decision given to the Bank for permission to open a branch in TRNC, within the scope of the Parent Bank’s application dated 12 May 2023, the TRNC Central Bank decided to grant the Parent Bank an operating permit in TRNC and the decision was published in the TRNC Official Gazette dated 27 July 2023. The Kyrenia Branch and Denizbank TRNC Country Directorate, which started their operations as of 11 August 2023, were opened on 22 September 2023.
- c. The branches of associates and subsidiaries
- Denizbank AG, headquartered in Vienna, has a total of 14 branches, 11 in Austria and 3 in Germany.
- JSC Denizbank Moscow, headquartered in Moscow, operates in the centrum of Moscow.

Denizbank Anonim Şirketi

Notes to Consolidated Financial Statements

as of 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of Consolidated Financial Report Originally Issued in Turkish, See Note 3.I.c

SECTION SIX

OTHER DISCLOSURES AND FOOTNOTES

- I. Other explanations related to DFS Group’s operations
- a. Other explanations related to DFS Group’s operations
- None.
- b. Summary information about ratings of the Banks which has been assigned by the international rating agencies
- | 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 | |
- c. Subsequent events
- With the decision dated 11 January 2024 and numbered 10825, BRSA determined the date of transition to TAS 29 application for banks, financial leasing, factoring, financing, savings financing and asset management companies as 1 January 2025.

Denizbank Anonim Şirketi

Notes to Consolidated Financial Statements

as of 31 December 2023

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of Consolidated Financial Report Originally Issued in Turkish, See Note 3.I.c

SECTION SEVEN

INDEPENDENT AUDITOR'S REPORT

- I. Matters to be disclosed related to Independent Auditor's Report**
- Consolidated financial statements and notes of the DFS Group are subject to independent audit by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member Firm of Deloitte Touche Tohmatsu Limited) and independent audit report dated 23 January 2024 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.

ANNEXES

Independent Limited Assurance Report



KPMG Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
İş Kuleleri Kule 3 Kat:2-9
Levent 34330 İstanbul
Tel +90 212 316 6000
Fax +90 212 316 6060
www.kpmg.com.tr

Independent Limited Assurance Report

To the Board of Directors of DenizBank A.Ş.

We were engaged by DenizBank A.Ş. (hereinafter “Company” or “DenizBank”) to provide limited assurance on whether the “Selected Information” as defined in the Annexes of this Integrated Annual Report (hereinafter “the Report”) has been prepared by DenizBank for the year ended 31 December 2023.

The scope of our assurance is limited to the Selected Information listed for DenizBank below:

- Energy consumption generated from the Bank's activities
- Vehicle fuel consumption
- Total energy consumption in your establishment
- Total energy consumption per employee
- Some total water withdrawal in the source
- Use of paper in bank accounts
- Wastes
- Scope 1-2-3 Greenhouse gas emissions arising from the Bank's activities
- Employee demographics (within age, education and gender)
- Employees to use maternity leave and from maternity leave to the working model in general.
- Total employee, renewal and employee turnover numbers and distributions
- Average training hours (hour/person)
- Occupational Health and Safety (OHS)



Management's responsibilities

Management's responsibilities Management is responsible for the preparation and presentation of the Report for the Selected Information in accordance with the DenizBank’s Reporting Guidance as described in the Report, and the information and assertions contained within it; for determining DenizBank objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Management is responsible for preventing and detecting fraud and for identifying and ensuring that DenizBank complies with laws and regulations applicable to its activities.

Management is also responsible for ensuring that staff involved with the preparation and presentation of the description and the Selected Information are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.

Our responsibilities

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement.

We (as KPMG) follow International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Procedures performed

A limited assurance engagement on a Selected Information consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Selected Information, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

- Interviews with relevant staff at the corporate and business unit level responsible for providing the information in the Selected Information.

Independent Limited Assurance Report



•Comparing the information presented in the Selected Information to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in the Selected Information.

•Reading the information presented in the Selected Information to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of DenizBank.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained has a reasonable assurance engagement been performed.

Inherent limitations

Due to the inherent limitations of any internal control structure it is possible that errors or irregularities in the information presented in the Selected Information may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Selected Information, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

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

Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the Selected Information as defined in the Report of DenizBank for the year ended 31 December 2023 is not presented, in all material respects, in accordance with DenizBank’s internally developed reporting criteria as explained in the Report.

In accordance with the terms of our engagement, this independent limited assurance report on the Selected Information has been prepared for DenizBank in connect with reporting to DenizBank and for no other purpose or in any other context.



Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than DenizBank, for any purpose or in any other context. Any party other than DenizBank who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than DenizBank for our work, for this independent limited assurance report, or for the conclusions we have reached.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Şirin Soysal,
Partner
İstanbul, 8 March 2024

Reporting Guidance

This reporting guidance (“Guidance”) provides information on the data collection and calculation methods used for the indicators included in the independent audit 2023 Integrated Annual Report of DenizBank AŞ (“DenizBank”, “Bank”). These indicators cover environmental and social aspects, and it is the responsibility of the Bank’s management to ensure that the procedures used to prepare these indicators are by the guidelines and meet all relevant standards.

The information in this Guidance regards to the 2023 fiscal year, which ends on 31 December 2023 (01 January - 31 December 2023) and concerns the Bank’s operations in Türkiye. This report covers only the Bank’s responsibility, as outlined in the "About the Report" section of the Report, along with its subsidiaries, except where otherwise specified. DenizBank’s Türkiye operations consist of the Head Office, Additional Service Buildings, Regional Directorates, Branches, and ATMs.

General Reporting Principles

- This Guidance was prepared with the following principles in mind:
- The importance of providing users with reliable and suitable information.
 - The information must be consistent with previous years' data and presented clearly and transparently for easy user understanding.

Data preparation details can be examined in the indicator descriptions table below.

Key Indicators and Reporting Scope

Type	Indicator	Scope
Social Indicators	Employee Demographics	This refers to the total number of employees of the company during the reporting period, their gender, age, and education distribution, as well as the distribution of employees in senior management by gender. This indicator encompasses the Bank's employees.
	Number of Employees on Maternity Leave and Employees Returning from Maternity Leave	The number of male and female Bank employees who went on maternity and paternity leave during the reporting period, and the number of male and female employees who returned to work after maternity and paternity leave.
	Total Number of Employees, New Hires and Employee Turnover	Total number of employees, new hires, and employee turnover during the reporting period. Employee turnover rate is the proportion of resignations and terminations to the average number of employees.
	Average Training Hours	This refers to the average duration of training provided to Company employees during the reporting period. Training categories are divided into classroom training and e-learning training. This indicator encompasses the Bank's employees.
	Occupational Health and Safety	In the reporting period, occupational accidents and accident rates (%) by type (injury rate, lost day rate, accident frequency rate, accident severity rate) are reported. This indicator encompasses the Bank's permanent employees.

Type	Indicator	Scope
Environmental Indicators	Energy Consumption	
	Electricity Consumption (kWh)	This indicator refers to the total amount of electrical energy purchased during the reporting period and used in air conditioning, lighting, electrical appliances and other operations requiring electricity at the relevant locations.
	Natural Gas Consumption (m³)	This indicator means the total amount of purchased natural gas (by volume - m³) during the reporting period and used in heating, kitchen, and other operations requiring natural gas in the relevant locations.
	Coal (ton)	This indicator means the total amount of coal purchased (by weight - tonnes) and used for heating in the relevant locations during the reporting period.
	Fuel-Oil (l)	This indicator means the total amount of fuel oil purchased and used for heating at the relevant locations during the reporting period (by volume - l).
	Diesel Consumption (Heating) (l)	This indicator means the amount of diesel oil purchased and used for heating at the relevant locations during the reporting period (by volume - l).
	Diesel Consumption (Generator) (l)	This indicator means the amount of diesel oil purchased and used for heating at the relevant locations during the reporting period (by volume - l).
	Vehicle Fuel Consumption (l)	This indicator means the total amount of diesel and petrol purchased (by volume - l) and consumed for the Bank's vehicles and personnel shuttles at the relevant locations during the reporting period.
	Energy within the Organization	This refers to the total energy consumption (total GJ) realized by the Bank during its operations at its locations within the scope of the audit during the reporting period.
	Energy consumption per employee (GJ/Employee)	This refers to the total energy consumption per employee during the reporting period.
	Other Environmental Performance Data	
	Water Consumption (m³)	Total water consumption (by volume - m³) at the relevant locations during the reporting period.
	Paper Consumption (tonnes)	This refers to the total amount of paper consumption (by weight - tons) used in the Bank's business processes during the reporting period.
	Plastic Consumption (tonnes)	This refers to the total amount of plastic consumption (by weight - tons) used in the Bank's business processes during the reporting period.
	Amount of Waste Collected and Disposed (tonnes)	This includes the waste types generated during the reporting period as a result of company operations and sent for recycling and disposal.

Reporting Guidance

Type	Indicator	Scope
Environmental Indicators	Scope 1, 2, and 3 Emissions	
	Direct (Scope 1) Greenhouse Gas Emissions (tCO ₂ e)	This refers to the greenhouse gas emissions caused by the consumption of natural gas, fuel-oil, coal, diesel, gasoline, LPG, and the use of cooling gas and fire extinguishers at the relevant locations of the company during the reporting period.
	Energy Indirect (Scope 2) Greenhouse Gases Emissions (tCO ₂ e)	This refers to the greenhouse gas emission caused by the consumption of electricity purchased at the relevant locations of the company during the reporting period.
	Other Indirect (Scope 3) Greenhouse Gases Emissions (tCO ₂ e)	This refers to the greenhouse gas emissions caused by the transportation of the Bank's employees to work, business-related travel, accommodation, water consumption, paper use, plastic use, cargo, and mailing, disposal of collected waste, working from home, and employee meal card fees during the reporting period.
	Emission Performance per Employee (Employee/tCO ₂ e)	This refers to total Scope 1, Scope 2, and Scope 3 (excluding emissions from financed loans) greenhouse emissions per employee during the reporting period.

Preparation of the Data

Social Indicators

Employee Demographics

Senior management and board members are included in the gender distribution indicator for top management.

Employee Turnover Rate

The following formula is used to calculate the employee turnover rate.

Employee Turnover Rate= Total Number of Resignations (Resignations and Terminations) / Average Number of Employees * 100

Occupational Health and Safety (OHS) Indicators

The following definitions and formulas are used in the calculation of OHS data. When calculating total employee hours, the number of employees in the reporting period was 12,600. The number of female employees was 6,877 and the number of male employees was 5,723.

1. Accident frequency rate: Total number of accidents/Total working hours*1,000,000
2. Accident severity rate: Total number of lost days/Total working hours*1,000

Environmental Indicators

Energy Consumption

Within the scope of energy consumption data, primary fuel sources including electricity, natural gas, coal, fuel oil, diesel, LPG, and gasoline are reported.

Electricity and natural gas consumption data are obtained from supplier meters and service provider in-voices. Coal, LPG cylinder, and fuel oil consumption data are obtained from the invoices of service providers. Data on diesel consumption for heating, generators, and company-owned vehicles are obtained from the invoices of service providers. Gasoline consumption for the use of company-owned cars data are obtained from the invoices of service providers.

The Bank has used the following published conversion factors:

- For electricity, since the electricity supply unit is billed in kWh, 1 kWh=0.0036 GJ is used as GJ conversion factor;
- The conversion factor [1m³ * (0.799) kg/m³ * (44.798) MJ/kg] / 1,000 is used for the conversion of consumption invoiced in m³ of the natural gas supply unit to GJ.
- Since the coal supply unit is invoiced in tons, the conversion factor [1 ton * (27.23) GJ/ton] is used for conversion to GJ.
- Since the fuel oil supply unit is invoiced in tons, a conversion factor of [1 ton * (40,658) GJ/kg]/1000 is used for conversion to GJ.
- Since the diesel supply unit is invoiced in liters, the conversion factor [1l / (1190.45) l/ton * (42.72) GJ/ton] is used for conversion to GJ.
- Since the gasoline supply unit is invoiced in liters, the conversion factor [1l / (1356,892) l/ton * (43,856) GJ/ton] is used for conversion to GJ.
- Since the LPG supply unit is invoiced in liters, the conversion factor [1l / (1882,89) l/ton * (45,96) GJ/ton] is used for conversion to GJ.

Scope 1, 2, and 3 Emissions

Scope 1, scope 2, and scope 3 emissions are calculated following ISO 14064-1, and in accordance with "Greenhouse Gas Protocol: Corporate Calculation and Reporting Standard." CO₂ equivalent factors consisting of CO₂, CH₄, N₂O, HFCs (refrigerant gas), and fire extinguisher emissions were used in Scope 1 emission calculations. In scope 2 emission calculations; emissions from electricity were considered using a total carbon factor, and in scope 3 emission calculations; employee shuttles, paper use, plastic use, shipping and mailing, water consumption, accommodation, business trips, transportation services, branch employee transportation, telecommuting, employee meal fees, and waste were considered using a total carbon factor. The emission factors used are detailed in the table below.

Global Warming Potential (GWP) coefficients (excluding Türkiye's electricity), 2023 Carbon Trust: EEIO emission factors are taken from the "DEFRA (UK Department for Environment, Food and Rural Affairs) 2023 Emission Factors" published by the UK government and calculated by multiplying the composite kg CO₂-e value by the appropriate coefficients. Türkiye's electricity (grid-sourced) emissions are taken from the "Information Form on Türkiye's Electricity Generation and Electricity Consumption Point Emission Factors" published by the Ministry of Energy and Natural Resources of the Republic of Türkiye in 2023.

Reporting Guidance

Emission Factors - Scope 1	Carbon Factor (kg CO ₂ e)
Company Vehicles	
Gasoline(l)	2.35
Diesel(l)	2.66
Other Fossil Fuels	
Diesel Heating (kg/l)	2.66
Diesel Generator (kg/l)	2.66
Natural gas (kg/m ³)	2.04
Coal (kg/ton)	2904.95
LPG cylinder (kg/l)	1.56
Fuel-Oil (kg/l)	3228.89
Refrigerants/Air Conditioning Gases	
R410A	1924.00
Fire Extinguishers	
FM200 (HFC-227 EA)	3250.00
CO ₂	1.00
Emission Factors- Scope 2	
tCO₂e/MWh	
Türkiye's Electricity Energy (Grid Source)	0.440
Emission Factors - Scope 3	
Carbon Factor (kg CO₂e)	
Employee Shuttles	
Diesel(l)	2.66
Transport Services	
Diesel(l)	2.66
Branch Employee Transport	
Public Transportation	0.1022
Private Vehicle	0.1666
Travel	
Bus (City, Municipality)	0.1184
Bus (Intercity)	0.0272
Subway	0.0286
Midibus	0.0272
Train	0.0355
Private Vehicle	0.1666
Taxi	0.2081
Flight-International-Business-Short Distance	0.2743
Flight-International-Business-Long Distance	0.5803
Flight-International-Economy-Short Distance	0.1829
Flight-International-Economy-Long Distance	0.2001
Flight-Domestic-Business-Short Distance	0.2743
Flight-Domestic-Business-Long Distance	0.5803
Flight-Domestic-Economy-Short Distance	0.2726
Flight-Domestic-Economy-Long Distance	0.2726
Material Usage	
Paper Consumption (kg/ton)	910.48
Plastic Usage-LDPE	2586.73
Plastic Usage-PVC	3399.18
Plastic Usage-PS	3764.04
Plastic Usage-PET	4018.48
Plastic Usage-HDPE	3255.93
Electronic Devices	
Computer (kgCO ₂ e/\$)	0.1910
Various Communication Equipment (kgCO ₂ e/\$)	0.2204

Information Storage Devices (kgCO ₂ e/\$)	0.2392
Comp. Terminals and Other Comp. Equipments (kgCO ₂ e/\$)	0.2464
Wired and Wireless Communication Equipments (kgCO ₂ e/\$)	0.2501
Various Electronic Equipments (kgCO ₂ e/\$)	0.2981
Audio and video equipments (kgCO ₂ e/\$)	0.3253
Waste	
Domestic Waste (kg/ton)	497.05
Recycle Waste (kg/ton)	21.28
Water	
Water Consumption (kg/m ³)	0.3780
Cargo	
Cargo	0.5706
DHL Cargo	1.0990
Mail	
Mail Delivery (piece)	0.03
Accommodation	
Domestic Hotel Accommodation	32.10
Overseas Hotel Accommodation	20.85
Remote Workers	
Remote Workers	0.3338
Staff Meal Fee	
Staff Meal Fee (piece)	0.0040
Transport (from well to tank)	
Bus (City, Municipality)	0.0289
Bus (Intercity)	0.0066
Subway	0.0075
Midibus	0.0066
Train	0.0090
Private Vehicle	0.0437
Taxi	0.0370
Flight-International-Business-Short Distance	0.0480
Flight-International-Business-Long Distance	0.0480
Flight-International-Economy-Short Distance	0.0166
Flight-International-Economy-Long Distance	0.0166
Flight-Domestic-Business-Short Distance	0.0335
Flight-Domestic-Business-Long Distance	0.0335
Flight-Domestic-Economy-Short Distance	0.0335
Flight-Domestic-Economy-Long Distance	0.0335
Company Vehicles (well to tank)	
Gasoline (kg/l)	0.6066
Diesel (kg/l)	0.6241
Staff Shuttles (well to tank)	
Diesel (kg/l)	0.6241
Other Fossil Fuels (well to tank)	
Diesel Heating (kg/l)	0.6241
Diesel Generator (kg/l)	0.6241
Natural gas (kg/m ³)	0.3366
Coal (kg/ton)	470.96
Fuel-Oil (kg/ton)	0.6954
LPG cylinder (kg/l)	0.1855
Electricity (well to tank)	
Transmission and Distribution (kg/kWh)	0.0838
Production (Well to Tank) (kg/kWh)	0.0463
Transmission and Distribution (Well to Tank) (kg/kWh)	0.0042

Performance Indicators

Topic	Indicator	Unit	2022	2023	
Environmental Performance Indicators	Energy consumption from the Bank's operations				
	Electricity Consumption	kWh	50,666,281	51,395,916	✓
	Natural Gas Consumption	m ³	1,395,779	1,839,836	✓
	Fuel Oil Consumption	ton	8.0	5,7	✓
	Coal Consumption	ton	145	39	✓
	Diesel Consumption - Heating	liter	39,828	22,932	✓
	Diesel Consumption - Generator	liter	67,570	63,786	✓
	LPG Cylinder	kg	11,123	12,056	✓
	Vehicle fuel consumption				
	Employee Shuttles (Diesel)	liter	180,950	227,316	✓
	Company Vehicles (Diesel)	liter	1,732,165	809,958	✓
	Company Vehicles (Gasoline)	liter	483,876	1,426,316	✓
	Energy Consumption				
	Total energy consumption within the organization	Gj	318,240	330,525	✓
	Total energy consumption per employee	Gj/person	24	26	✓
	Total water withdrawal by source				
	Water Consumption	m ³	120,102	208,850	✓
	Paper usage in bank activities				
	Paper Consumption	ton	1,763	679	✓
	Wastes collected, recycled, recovered, and disposed of				
	Paper Waste	kg	42,470	48,440	✓
	Medical Waste	kg	160	550	✓
	Domestic Waste	kg	4,272,350	1,188,880	✓
	Metal Waste	kg	820	500	✓
	Plastic Waste	kg	2,260	2,510	✓
	Machine Oil	kg	870	0	✓
	Electronic Waste	kg	-	8.670*	✓
	Carbon Emission				
	Scope 1 - Direct greenhouse gas (GHG) emissions	tCO ₂ e	13,385	13,085	✓
	Scope 2 - Indirect energy greenhouse gas (GHG) emissions	tCO ₂ e	22,648	22,614	✓
	Scope 3 - Other indirect greenhouse gas (GHG) emissions	tCO ₂ e	26,566	26,598**	✓
	Total	tCO ₂ e	62,599	62,297	✓
	Total emission per employee	tCO ₂ e/person	4.8	4.9	✓

*In line with our efforts to enhance data quality in 2023, "Electronic Waste" was included under the title "Wastes collected, recycled, recovered, and sent for disposal."
**Emission values for electronic products purchased for DenizBank A.Ş. as part of our efforts to improve data quality in 2023 have been included.

Performance Indicators

Topic	Indicator		2022	2023		
Social Performance Indicators	Employee demographics (Age, Education, and Gender)					
	Board of Directors - Gender Distribution	Gender Distribution Female	1	1	✓	
		Gender Distribution Male	7	8	✓	
	Senior Management - Gender Distribution	Gender Distribution Female	3	3	✓	
		Gender Distribution Male	32	36	✓	
	Bank Employees	Gender Distribution Female	7,150	6,877	✓	
		Gender Distribution Male	5,984	5,723	✓	
	Number of Permanent Employees	Gender Distribution Female	-	6,182	✓	
		Gender Distribution Male	-	5,387	✓	
	Number of Contractual Employees	Gender Distribution Female	-	695	✓	
		Gender Distribution Male	-	336	✓	
	Educational Background of Bank Employees	PhD	Female	3	3	✓
			Male	4	5	✓
		Master's Degree	Female	319	339	✓
			Male	292	301	✓
		Undergraduate	Female	4,166	4,076	✓
			Male	3,227	3,133	✓
		Associate degree	Female	1,286	1,233	✓
			Male	761	719	✓
		High school	Female	1,042	972	✓
			Male	1,542	1,437	✓
		Secondary School	Female	0	37	✓
			Male	0	48	✓
		Elementary School	Female	334	217	✓
			Male	158	80	✓
	Employee Age Ranges	18 - 20		19	21	✓
		21 - 30		4,140	3,839	✓
		31 - 40		4,796	4,507	✓
		41 - 50		3,429	3,443	✓
		51 - 55		569	597	✓
		> 55		181	193	✓

Topic	Indicator		2022	2023		
Social Performance Indicators	Number of employees on maternity leave and returning from maternity leave (person)					
	Number of Employees on Maternity Leave	Employees Resuming Work	213	68	✓	
		Employees Not Resuming Work	72	78	✓	
		Total	285	146	✓	
	Number of new recruits and employee turnover (person)					
	New Recruits	< 20 years old	Female	68	23	✓
			Male	70	15	✓
		Ages between 21 and 30	Female	1,405	1,082	✓
			Male	919	1,024	✓
		Ages between 31 and 40	Female	276	296	✓
			Male	233	289	✓
		Ages between 41 and 50	Female	108	146	✓
			Male	104	119	✓
		> 50 years old	Female	27	12	✓
			Male	30	11	✓
		Total	Female	1,884	1,559	✓
			Male	1,356	1,458	✓
	Employee Turnover Rate (%)		19,2%	22,3%	✓	
	Training Data					
	Average training hours (hour/person)		48	59	✓	
	Classroom training (On-the-job, personal, technical) hours		427,560	433,182	✓	
	Online training (coursera, enocta, journey) hours		199,161	309,916	✓	
	OHS Indicators (Bank Employees)					
	Occupational accidents and accident rates by type	Injuries		34	51	✓
		Number of Lost Days		46	111	✓
		Accident Frequency Rate		1.3	2.1	✓
		Accident Severity Rate		0.001	0.005	✓

GRI Content Index

For the Content Index - Essentials Service, GRI Services reviewed that the GRI Content Index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report. This service was performed on the Turkish version of the Report.

Statement of use:	DenizBank has reported in accordance with the GRI Standards for the period 1 January-31 December 2023.
GRI 1:	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s):	Since the sector standard for the banking sector has not yet been prepared yet, no sector standard has been used.

GRI Standard	Disclosure	Location and/or Answers
GENERAL EXPLANATIONS		
The Organization and Its Reporting Practices		
2-1 Organizational details		About the Report, page 12 DenizBank Financial Services Group (DFSG), page 13 Contact, page 499
2-2 Entities included in reporting		About the Report, page 12 Reporting is carried out on an annual basis.
2-3 Reporting period, frequency, and contact point		About the Report, page 12 yatirimciiliskileri@denizbank.com surdurulebilirlik@denizbank.com
2-4 Restatement of information	There is no revised statement regarding the information provided in previous reports.	
2-5 External assurance	Independent Assurance Report, page 483	
Activities and Workers		
2-6 Activities, value chain, and other business relationships		DenizBank Financial Services Group (DFSG), page 13 About DenizBank, pages 24-25 DenizBank's Value Creation Model, pages 44-47 Financial Capital, pages 68-111 Intellectual Capital, pages 112-125 Manufactured Capital, pages 126-135 Responsible Supply Chain Management, pages 142-143 Subsidiaries and Activities in 2023, pages 176-201
2-7 Employees		Human Resources, pages 148-163 Our 2023 Performance in Numbers, Pages 22-23 Performance Indicators, pages 491-493
2-8 Workers who are not employees		Human Resources, pages 148-163 Our 2023 Performance in Numbers, Pages 22-23 Performance Indicators, pages 491-493
Governance		
2-9 Governance structure and composition		Board of Directors, pages 202-205 Executive Board, pages 206-209 Executive Management, page 210 Committees, page 211
2-10 Nomination and selection of the highest governance body	DenizBank acts in compliance with the obligations specified in the Turkish Commercial Code, Capital Markets Law, Banking Law, and other laws and regulations applicable in Türkiye regarding the minimum requirements for the Board of Directors member elections.	
2-11 Chair of the highest governance body		Board of Directors, pages 202-205 Executive Board, pages 206-209 Executive Management, page 210
2-12 Role of the highest governance body in overseeing the management of impacts		Board of Directors, pages 202-205 Executive Board, pages 206-209 Executive Management, page 210
2-13 Delegation of responsibility for managing impacts		Our Sustainability Organization, pages 60-61 Board of Directors, pages 202-205 Executive Board, pages 206-209 Executive Management, page 210 Committees, page 211
2-14 Role of the highest governance body in sustainability reporting		Our Sustainability Organization, pages 60-61 Board of Directors, pages 202-205 Executive Board, pages 206-209 Executive Management, page 210 Committees, page 211
2-15 Conflicts of interest		Assessments of Audit Committee, pages 234-235 Ethical Principles Policy Anti-Corruption Policy
2-16 Communication of critical concerns		Our Sustainability Approach, pages 48-49 Our Sustainability Strategy, pages 50-56 Sustainability Journey, pages 57-59 Our Sustainability Organization, pages 60-61 Sustainability Risks and Trends Management, pages 64-67
2-17 Collective knowledge of the highest governance body		Board of Directors, pages 202-205 Executive Board, pages 206-209 Executive Management, page 210
2-18 Evaluation of the performance of the highest governance body		Board of Directors, pages 202-205 Executive Board, pages 206-209 Executive Management, page 210
2-19 Remuneration policies		Remuneration Policy
2-20 Process to determine remuneration		Remuneration Policy
2-21 Annual total compensation ratio		Remuneration Policy, Audit Reports - Chapter Five VII-d, pages 359-478, Summary Report of the Board of Directors Presented to the General Assembly, page 227

GRI 2: General Disclosures 2021

GRI Standard	Disclosure	Location and/or Answers
Strategy, Policies, and Practices		
2-22 Statement on sustainable development strategy		Message from the Chairman, pages 14-15 Message from the CEO, pages 16-19 Our Sustainability Approach, pages 48-49 Our Sustainability Strategy, pages 50-56 Sustainability Journey, pages 57-59 Our Sustainability Organization, pages 60-61 Contributed Sustainable Development Goals, pages 62-63 Sustainability Risks and Trends Management, pages 64-67 Corporate Governance and Policies, page 212
2-23 Policy commitments		Policies
2-24 Embedding policy commitments		Corporate Governance and Policies, pages 212-215 Policies
2-25 Processes to remediate negative impacts		Our Stakeholder Map and Communication with Stakeholders, page 138 Customer Experience and Management, pages 140-141 Corporate Governance and Policies, pages 212-215 Internal Audit, Internal Control, Compliance and Risk Management Systems, pages 232-237
2-26 Mechanisms for seeking advice and raising concerns		Our Stakeholder Map and Communication with Stakeholders, page 138 Customer Experience and Management, pages 140-141 Corporate Governance and Policies, pages 212-215
2-27 Compliance with laws and regulations		During the reporting period, no incidents of breach of laws and regulations occurred and no penalties were imposed for breach of laws and regulations. Business Ethics (Human Resources), page 161 Anti-Corruption (Human Resources), page 162 Code of Ethics
2-28 Membership associations		Policies
Stakeholder Engagement		
2-29 Approach to stakeholder engagement		Our Sustainability Strategy, pages 50-56 Our Stakeholder Map and Communication with Stakeholders, page 138
2-30 Collective bargaining agreements		There is no collective bargaining agreement in DenizBank.
MATERIAL ISSUES		
GRI 3: Material Topics 2021	3-1 Process to determine material topics 3-2 List of material topics	Our Sustainability Strategy, pages 50-56 Our Sustainability Strategy, pages 50-56
Environmental Impact Finance/Sustainable Finance/Inclusion of ESG Criteria in Loans/Ecosystem Banking		
GRI 3: Material Topics 2021	3-3 Management of material topics	Message from the Chairman, pages 14-15 Message from the CEO, pages 16-19 Our Sustainability Strategy, pages 50-56 Wholesale Banking Group, pages 84-99 Project Finance, Financial Structuring and Credits International Coordination Group, pages 108-111 Natural Capital, pages 166-175
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Our Sustainability Approach, pages 48-49 Our Sustainability Strategy, pages 50-56 Sustainability Journey, pages 57-59 Sustainability Risks and Trends Management, pages 64-67 Environmental Management and Combating Climate Change, pages 168-169 Natural Capital, pages 166-175
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Our Sustainability Strategy, pages 50-56 Sustainability Journey, pages 57-59 Wholesale Banking Group, pages 84-99 Project Finance, Financial Structuring and Credits International Coordination Group, pages 108-111
GRI 302: Energy 2016	302-1 Energy consumption within the organization 302-4 Reduction of energy consumption	Energy and Emission Management, pages 170-171 Performance Indicators, pages 491-493 Energy and Emission Management, pages 170-171 Performance Indicators, pages 491-493
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management, pages 172-173
	303-3 Water withdrawal	Environmental Performance, page 23 Environmental Performance Indicators, pages 491-493
	303-4 Water discharge	Water Management, pages 172-173 Environmental Performance Indicators, pages 491-493
	303-5 Water consumption	Water Management, pages 172-173 Environmental Performance Indicators, pages 491-493
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy and Emission Management, pages 170-171 Performance Indicators, pages 491-493
	305-2 Energy indirect (Scope 2) GHG emissions	Energy and Emission Management, pages 170-171 Performance Indicators, pages 491-493
	305-3 Other indirect (Scope 3) greenhouse gas emissions	Energy and Emission Management, pages 170-171 Performance Indicators, pages 491-493
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management, pages 174-175
	306-2 Waste generation and significant waste-related impacts	Waste Management, pages 174-175
	306-3 Waste generated	Waste Management, pages 174-175 Performance Indicators, pages 491-493
	306-5 Waste diverted to disposal	Waste Management, pages 174-175 Performance Indicators, pages 491-493

GRI Content Index

GRI Standard	Disclosure	Location and/or Answers
	Governance, Compliance and Ethics	
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Strategy, pages 50-56 Anti-Corruption (Human Resources), page 162 Internal Audit, Internal Control, Compliance and Risk Management Systems, pages 232-237
		Anti-Corruption Policy
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-Corruption (Human Resources), page 162 Internal Audit, Internal Control, Compliance and Risk Management Systems, pages 232-237
	205-2 Communication and training about anti-corruption policies and procedures	Anti-Corruption (Human Resources), page 162 Internal Audit, Internal Control, Compliance and Risk Management Systems, pages 232-237
	205-3 Confirmed incidents of corruption and actions taken	Anti-Corruption (Human Resources), page 162 Internal Audit, Internal Control, Compliance and Risk Management Systems, pages 232-237
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	During the reporting period, there were no legal proceedings regarding anti-competitive behavior, antitrust, and monopoly practices.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	DenizBank does not engage in child labor and expects its other stakeholders in the value chain, primarily its suppliers, to comply with the age requirements specified in the relevant laws and regulations.
GRI 409: Forced/Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	DenizBank and its stakeholders in the value chain, particularly its suppliers, do not engage in forced labor.
	Responsible Purchasing	
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Strategy, pages 50-56 Responsible Supply Chain Management, pages 142-143
		Code of Conduct for Suppliers
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	During the reporting period, there were no significant adverse environmental impacts on the supply chain.
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	During the reporting period, there were no significant adverse environmental impacts on the supply chain.
	Talent Attraction and Retention/Employee Experience	
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Strategy, pages 50-56 Human Resources, pages 148-163 Occupational Health and Safety, pages 164-165
		Human Resources
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Resources, pages 148-163 Performance Indicators, pages 491-493
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	DenizBank does not have any additional benefits that are not provided for temporary or part-time employees and that are provided for full-time employees.
	401-3 Parental leave	Performance Indicators, pages 491-493
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	Occupational Health and Safety, pages 164-165
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, pages 164-165
	403-9 Work-related injuries	Performance Indicators, pages 491-493
	Human Capital Development	
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Strategy, pages 50-56 Human Resources, pages 148-163
		Human Resources
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Resources, pages 148-163 Performance Indicators, pages 491-493
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Resources, pages 148-163
	Diversity and Inclusion	
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Strategy, pages 50-56 Human Resources, pages 148-163
		Human Resources
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Resources, pages 148-163 Board of Directors, pages 202-205 Executive Board, pages 206-209 Executive Management, page 210
	405-2 Ratio of basic salary and remuneration of women to men	Human Resources, pages 148-163 There is no gender-based discrimination in wages at DenizBank.
	Digitalization and Innovation/Data Privacy and Security	
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Strategy, pages 50-56 Financial Capital, pages 68-111 Intellectual Capital, pages 112-125 Manufactured Capital, pages 126-135
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the reporting period, there were no proven complaints regarding breach of customer privacy and loss of customer data.
	Responsible Services and Products/Portfolio Alignment/Access to Financial Services	
GRI 3: Material Topics 2021	3-3 Management of material topics	Message from the Chairman, pages 14-15 Message from the CEO, pages 16-19 Our Sustainability Strategy, pages 50-56 Financial Capital, pages 68-111
	Customer Journey and Experience	
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Strategy, pages 50-56 Analytics, Data, and Customer Value Management Policies Group, pages 114-121 Our Stakeholder Map and Communication with Stakeholders, page 138 Customer Experience and Management, pages 140-141

GRI Standard	Disclosure	Location and/or Answers
	Operational Impact	
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Strategy, pages 50-56 Intellectual Capital, pages 112-125
	Community Investment	
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Strategy, pages 50-56 Corporate Social Responsibility, pages 144-145
	Systemic Risk Management	
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Strategy, pages 50-56 Sustainability Risks and Trends Management, pages 64-67 Internal Audit, Internal Control, Compliance and Risk Management Systems, pages 232-237
	Stakeholder Engagement	
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Strategy, pages 50-56 Our Stakeholder Map and Communication with Stakeholders, page 138
	Financial Protection	
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Strategy, pages 50-56 Information Security and Information Technology Risk Management Group, pages 122-125 Customer Experience and Management, pages 140-141
	Phygital Banking	
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Strategy, pages 50-56 Financial Capital, pages 68-111 Intellectual Capital, pages 112-125
	Open Banking	
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Strategy, pages 50-56 Financial Capital, pages 68-111 Intellectual Capital, pages 112-125

United Nations Global Compact (UNGC) Index

UNITED NATIONS GLOBAL COMPACT (UNGC) INDEX		
Principles		References
HUMAN RIGHTS	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Our Sustainability Strategy Human Resources Code of Ethics Code of Conduct for Suppliers
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	
WORKING STANDARDS	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Our Sustainability Strategy Contributed Sustainable Development Goals Responsible Supply Chain Management Human Resources Code of Ethics Human Resources (Web) Code of Conduct for Suppliers
	Principle 4: Eliminate all forms of forced and compulsory labor.	
	Principle 5: Care for the effective abolition of child labor.	
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation	
ENVIRONMENT	Principle 7: Businesses should support a precautionary approach to environmental challenges.	Our Sustainability Approach Our Sustainability Strategy Sustainability Journey Contributed Sustainable Development Goals Sustainability Risks and Trends Management Natural Capital
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	
ANTI-CORRUPTION	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Human Resources Anti-Corruption and Anti-Bribery

Contact

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Domestic Branches

DenizBank has 639 branches in Türkiye. Information on domestic branches is available on the DenizBank website:
<https://www.denizbank.com/en/service-points/default.aspx>

Foreign Branches

Bahrain Branch
Al Jasrah Tower 6th Floor,
Office No: 62/63 PO Box 10357, Diplomatic Area,
Manama-Kingdom of Bahrain
Tel: +973 17541137
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Girne Branch

Karaoğlu Cad. No: 30/1, Girne / TRNC
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Trade Registry No

368587

Website

<https://www.denizbank.com/en/>

