



FINANCIAL SERVICES GROUP

Annual Report 2021



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As the DenizBank family, we are the biggest supporter of our national economy with the strength derived from our branch network covering 81 provinces of Turkey, our local and international subsidiaries and our wide range of products.

We continue to offer our services with a focus on serving the future of our country and never forget the responsibility of handing down our legacy to future generations.

Since our first day of establishment, we have adopted SMEs that are the backbone of our economy both economically and socially and environmentally, agriculture with a priority set over food safety, tourism and maritime that offer employment and foreign exchange to our country along with niche sectors comprising energy, infrastructure, education and health sectors and municipalities. We exert our full efforts never compromising our responsible banking approach.

WE ACT WITH AN ECOSYSTEM APPROACH IN TECHNOLOGY AND INNOVATION

We take steps that will mark our sector beyond our Bank and help the growth of the ecosystem with regards to digital transformation that continues non-stop thanks to the impacts of technology and innovation.

We are proud that the first national digital wallet application fastPay we carried out with an entrepreneurial spirit, today serves all bank customers as an open platform.

On the other hand, we provide inclusive banking services that cover all needs of our customers in the same melting pot thanks to our “Data Science Program” that took place in Turkey as a first in terms of scope and number of participants, and the power of our investments in technologies including artificial intelligence and block chain.



WE SUPPORT INNOVATIVE START-UPS THROUGH NEOHUB

After we established Deniz Aquarium Innovation Center in line with our aim of shaping the future of banking followed by Deniz Ventures Venture Capital Fund as an investment platform for technology start-ups with growth potential; we took an important step to boost the acceleration of the start-up ecosystem in Turkey: We founded NEOHUB as our fintech subsidiary where we collect Deniz Aquarium, Deniz Ventures and fastPay under the same roof.

Thanks to the establishment that allows all start-ups that enter the door to grow, we support all start-ups that have the potential of exporting their business model, primarily in fields of financial technologies, AI, block-chain, agricultural technologies, tourism, health and biotechnology.

NEOHUB



WE CREATE NEW OPPORTUNITIES TO EVOLVE UNDER THE GUIDANCE OF OUR CORPORATE VALUES

We have adapted the corporate values of our shareholder Emirates NBD which are Collaboration, Ownership, Drive, Enterprising shortened as CODE and translated them as İş birliđi, Sahiplenme, Tutku and Eylem, shortened as İSTE. Accordingly, the principles we have adopted to our core since day one as our North Star are now unified with our shareholder.

We focus on our passion and dedication in the face of challenges, and use the advantage of being a young and dynamic bank on our journey as the creator of improvements together with our employees, and never lose our entrepreneurial spirit.

We create new opportunities for improvement by “living by the CODE” and continue to shoulder the responsibility for our nation and our people.



WE ASSUME RESPONSIBILITY FOR THE FUTURE OF OUR NATION

Our corporate values shed light on all the steps we take to foster the continuance of the resources of our planet and our lives. We take our decisions by calculating the future we will leave behind to future generations with all our Sailors and Captains across the country and prioritize sustainability targets in the financing transactions we offer.

As a bank that has put into place a Sustainability Management System, we are aware of our obligations for the future of our entire ecosystem.

In addition to being the only bank to set performance criteria for the financing of sustainable agriculture in our first sustainability-linked syndicated loan; we continue to offer life support to our SMEs, that are engines for Turkey to achieve its economic growth targets, to exert efforts to empower women entrepreneurs and to work regard the wealth of all our stakeholders and our nation by focusing on energy efficiency and renewable energy projects.



DENIZBANK FINANCIAL SERVICES GROUP (DFSG)

BANKING SERVICES

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

LEASING, FACTORING

DenizLeasing
DenizFactoring

CULTURAL SERVICES

DenizKültür

INFORMATION TECHNOLOGY SERVICES

Intertech
Ekspres IT and Trade

INVESTMENT ACTIVITIES

DenizInvest Securities
DenizAsset Management

REAL ESTATE INVESTMENT TRUST

Deniz Real Estate Investment Trust

OTHER SERVICES

Bantaş
Açık Deniz Radio-TV
fastPay Electronic Money and Payment Services
NeoHub

Hayat Deniz de Gerek

ENBD

DenizBank



DENIZBANK'S MISSION, 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,

becoming one of the five largest banks in Turkey 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.

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 21 February 2022, 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 3,546,917,446.08 accrued according to the 2021 balance sheet;

to set aside the rate of 5% amounting to TL 177,345,872.30 as legal reserves as per the Article 519/1 of the Turkish Commercial Code, and

to set aside the remaining TL 3,369,571,573.78 as Extraordinary Reserves,

At the General Assembly Meeting of our Bank dated 29.03.2017, with the 4th article of the Minutes, it was decided that TL 66,853,611.39 of our Bank's participation share sale profit from 2016, which was reserved so as to benefit from the exemption specified under the Article 5/1-e of the Corporate Tax Law, to be kept under the Mandatory Funds account; and at the General Assembly Meeting of our Bank dated 31.03.2016, with the 4th article of the Minutes, it was decided that TL 9,421,458.70 of our Bank's real estate sale profit from 2015, which was reserved so as to benefit from the exemption specified under the Article 5/1-e of the Corporate Tax Law, to be kept under the Mandatory Funds account;

To set aside the balance of the related fund account, which is TL 76,275,070.09 (=TL 66,853,611.39 +TL 9,421,458.70) as Extraordinary Reserves due to the expiry of the period for keeping the sales profits, which are subject to the exemption, in a designated fund account as liabilities until the end of the 5th year following the sales date, according to the Article 5/1-e of the Corporate Tax Law.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

There is no amendment to Articles of Association in 2021.

CHANGES IN THE MANAGEMENT, SHAREHOLDING STRUCTURE AND ACTIVITIES OF DFSG COMPANIES

Establishment of NEOHUB

Neohub (Neohub Teknoloji Yazılım Pazarlama ve Danışmanlık A.Ş.) was established with a capital of TL 35 million, with the 100% participation of Intertech, a 100% subsidiary of our Bank and registered on 29 June 2021. The main field of activity of the company is software development and marketing, research-development, innovation and innovation activities and consultancy. Under the management of Neohub, Deniz Aquarium Innovation and Acceleration Center, Deniz Ventures Investment Fund and our electronic money company fastPay Hızlı Öde A.Ş. exist.

Deniz REIT Capital Increase

With the decision of the Board of Directors of Deniz Real Estate and Investment Trust (Deniz REIT) dated 22.02.2021, the application to increase the paid-in capital of the Company from TL 150,000,000 to TL 400,000,000 by increasing TL 250,000,000 in cash was approved by the Capital Markets Board of Turkey (CMB) on 01.04.2021. The process of granting the right of existing shareholders of the company to receive new shares at the rate of their existing shares and at the nominal value to be issued through the capital increase was completed on 05.05.2021 and

the capital increase process was completed. In this context, an application was made to the CMB on 10.06.2021 to declare that the capital increase process has been completed in accordance with the regulations and the amendment of Article 8 of the Company's Article of Association entitled "Issued Capital and Shares." The relevant application made to CMB on 10.06.2021 was approved by the CMB on 22.06.2021. After the approval of the CMB, the necessary registration and announcement procedures were completed at the Trade Registry Office, which is the last step of the capital increase process on 14.07.2021.

ANY EVENTS OCCURRING AFTER THE END OF THE OPERATING PERIOD THAT HAVE SPECIAL IMPORTANCE

In accordance with the decision of our Board of Directors dated 12 January 2022, it has been decided to appoint Burcu Çalık as member of the Board of Directors (CRO), due to the resignation of Board Member Mohamed Hadi Ahmed Abdulla Alhussaini, in order to take up duty until the first General Assembly. Burcu Çalık took the oath and started her duty as of 12 January 2022.

In accordance with the decision of our Board of Directors dated 13 January 2022, it has been decided to elect Hakan Ateş-the member of the Board of Directors and CEO, Derya Kumru-the member of the Board of Directors and Burcu Çalık - the member of the Board of Directors, as the members of the Credit Committee and to elect Hesham Abdulla Qassim Alqassim-the member of the Board

of Directors and Jonathan Edward Morris-the member of the Board of Directors as the reserve members of the Credit Committee.

In accordance with the decision of our Board of Directors dated 1 February 2022, Cemil Cem Önenç, who has been serving as the Executive Vice President of Private Banking and Investment Sales Group, has been appointed to replace the General Manager of DenizAsset Management Fatih Arabacıoğlu who decided to retire from his job. Within the Board decision, Oğuzhan Özark, who has been serving as the Executive Vice President of the Retail Banking Group, has been appointed as the Executive Vice President of the Consumer and Private Banking Group, assuming the responsibility of the Private Banking function along with his current position.

In accordance with the decision of our Board of Directors dated 1 February 2022, it has been decided to accept the resignations of Deniz Ülke Arıboğan and Nihat Sevinç dated 31 January 2022, to appoint Ahmed Mohammed Aqil Qassim Alqassim as member of the Board of Directors in order to take up duty until the first General Assembly due to the resignation of Board Member (Vice Chairman of Board of Directors) Nihat Sevinç. Ahmed Mohammed Aqil Qassim Alqassim took the oath and started his duty as of 10 February 2022.

In accordance with the decision of our Board of Directors dated 1 February 2022, it has been decided to elect Hesham Abdulla Qassim Alqassim as the Chairman of the Board of Directors and Shayne Keith Nelson as the Vice Chairman of the Board of Directors subject to the distribution of duties among the members of the Board of Directors.

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 December 31, 2021 are presented in the table. DenizBank's shareholding structure does not contain any cross-shareholdings.

Shares Held by Management

Executives from ENBD group; Saad Mohamed Ibrahim Hamad Obaidalla, Ahmed Mohammed Aqil Quassim, Salah Mohammed Amin Abdulla and Mohammed Ahmed own 1 share each.

DenizBank A.Ş. Shareholding Structure - 31.12.2021

Shareholders	Nominal Value (TL)	Share%
Emirates NBD Bank P.J.S.C.	5,696,099,996	99.99999988%
<i>Investment Corporation of Dubai</i>		55.7579%
<i>Capital Assets LLC</i>		5.3290%
<i>Free Float</i>		38.9131%
Others	4	0.00000007%
TOTAL	5,696,100,000	100.00%

With a broad service network reaching all parts of society in Turkey, DenizBank has 687 branches in Turkey and Bahrain, in addition to 25 branch locations of DenizBank AG, its subsidiary based in Vienna.

DENİZBANK IN BRIEF

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, 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 Turkey, DenizBank started to operate under Sberbank, one of the world's biggest banks, as of September 28, 2012. Most recently, the Bank's ownership was transferred to Emirates NBD, a leading Banking Group in the MENAT region, as of July 31, 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 Tarışbank 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 July 1, 2013 together with its more than 600 thousand customers and 1,400 employees.

712

BRANCHES

DenizBank established a new fin-tech company NEOHUB as a subsidiary of Intertech, in order to support the entrepreneurial ecosystem of Turkey with the "ecosystem banking" understanding.

14+

THOUSAND EMPLOYEES

Innovation, technology and "phygital" strategy

Making substantial investments in technology, R&D and innovation since its founding, DenizBank established the first Digital Banking Department in Turkey in 2012. Since that time, the Bank has implemented numerous innovations that lead the sector in facilitating and adding value to the lives of people. DenizBank 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. DenizBank integrates all areas of either physical or digital contact with customers through its hybrid "phygital" strategy. In July 2021, the Bank established a new fin-tech company NEOHUB as a subsidiary of Intertech, in order to support the entrepreneurial ecosystem of Turkey with the "ecosystem banking" understanding.

In addition, DenizBank works to ensure a bright future for its home country and society with various social responsibility efforts. The Bank provides support in strategic areas such as health, sports clubs, municipalities, shipping, tourism, energy, education, infrastructure and agriculture. DenizBank is also committed to meeting the needs of SMEs, who are at the heart of the nation's economy. The Bank continually develops innovative financing models to foster this key segment.

Besides its flagship banking institution, DenizBank Financial Services Group includes six domestic and three international financial subsidiaries, six domestic non-financial subsidiaries and a branch in Bahrain. DenizInvest, Deniz GYO, DenizPortföy Yönetimi, DenizLeasing, DenizFaktoring, fastPay, Intertech, NEOHUB, DenizKültür, Ekspres Bilgi İşlem ve Ticaret, 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 Turkey, DenizBank has 687 branches in Turkey and Bahrain, in addition to 25 branch locations of DenizBank AG, its subsidiary based in Vienna. The Group operates in EU countries via DenizBank AG, while CJSC DenizBank Moscow serves customers abroad that have trade relations with Russia.



	Region	Branch
	Mediterranean	59
	Europe 1	44
	Europe 2	44
	Capital 1	55
	Capital 2	62
	Western Anatolia & Aegean	71
	Çukurova	54
	South East Anatolia	59
	Istanbul Anatolia	54
	Black Sea	74
	Marmara	56
	Thrace	49
	Other*	6
	TOTAL	687

DENİZ IS EVERYWHERE

3,095
ATMs

*Branches that are not affiliated with the Regions.

Emirates NBD (DFM: Emirates NBD) is a leading banking group in the MENAT (Middle East, North Africa and Turkey) region with a presence in 13 countries, serving 17 million customers.

ENBD IN BRIEF

Emirates NBD (DFM: Emirates NBD) is a leading banking group in the MENAT (Middle East, North Africa and Turkey) region with a presence in 13 countries, serving 17 million customers. As at 31st December 2021, total assets were AED 687 billion, (equivalent to approx. USD 187 billion). The Group has operations in the UAE, Egypt, India, Turkey, 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 900 branches and 4,079 ATMs/SDMs.

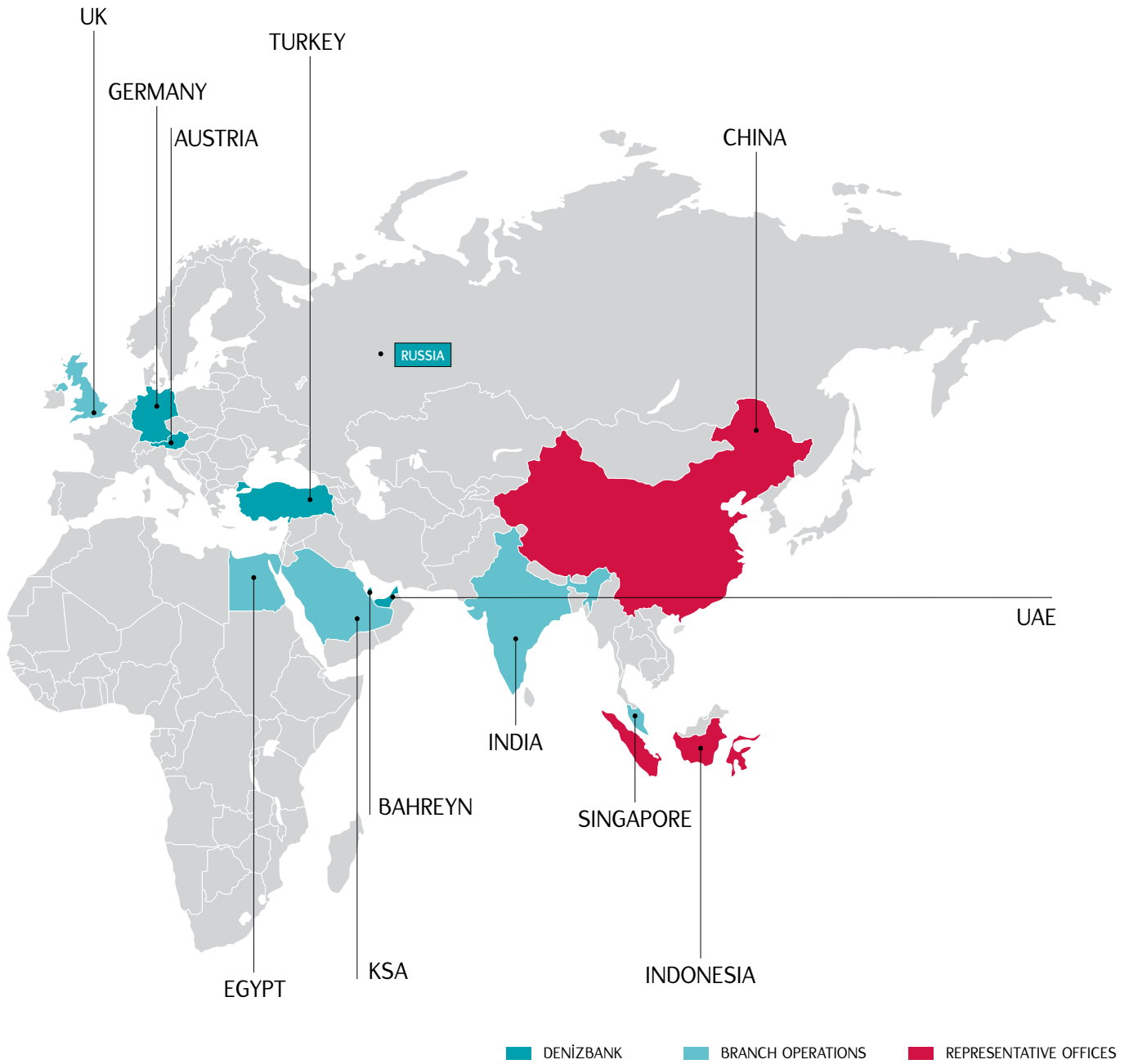
Emirates NBD Group serves customers, businesses, governments and institutions with a range of financial products and services including retail banking, corporate and institutional banking, Islamic banking, investment banking, private banking, asset management, global markets and treasury, and brokerage operations.

900
BRANCHES

Emirates NBD Group serves customers, businesses, governments and institutions with a range of financial 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.

4,079
ATMs/SDMs

The Group is a key participant in the global digital banking industry with a 98% of all financial transactions and requests conducted outside of its branches. The Group also operates E20., a digital business bank for entrepreneurs and SMEs and Liv., the lifestyle digital bank for millennials. Emirates NBD is an active participant and supporter of the UAE's main development and sustainability initiatives, including financial literacy and the inclusion of people with disabilities. Emirates NBD Group is a Premier Partner and the Official Banking Partner for Expo 2020 Dubai.



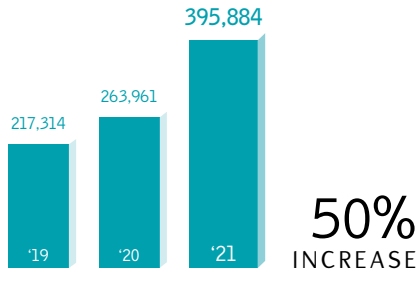
ENBD'S PRESENCE: 13 COUNTRIES

As at 31st December 2021, total assets were AED 687 billion, (equivalent to approx. USD 187 billion).

Achieving strong financial and operational results in 2021, DenizBank increased its consolidated assets to TL 395.9 billion and its total total deposits to TL 248.5 billion.

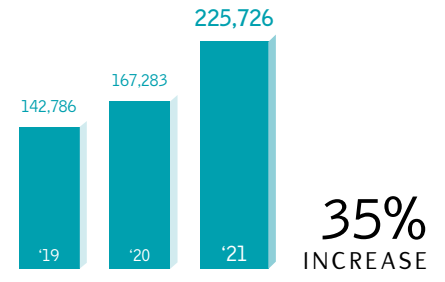
FINANCIAL HIGHLIGHTS

Total Assets
(TL million)

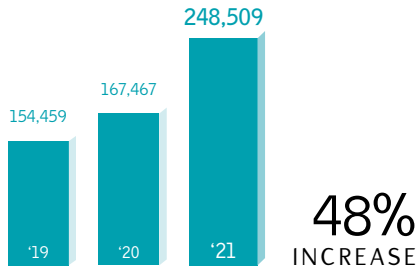


CONSOLIDATED

Loans
(TL million)⁽¹⁾

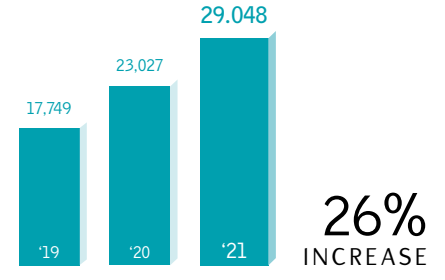


Deposits
(TL million)⁽²⁾

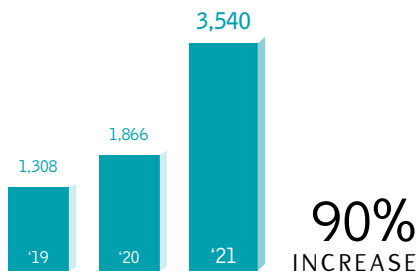


As of the end of 2021, DenizBank's consolidated loan size reached TL 225.7 billion.

Shareholders' Equity
(TL million)

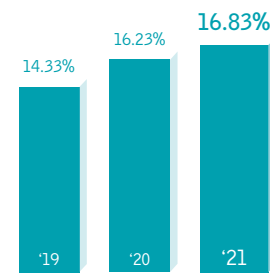


Net Profit
(TL million)



90% INCREASE IN CONSOLIDATED NET PROFIT

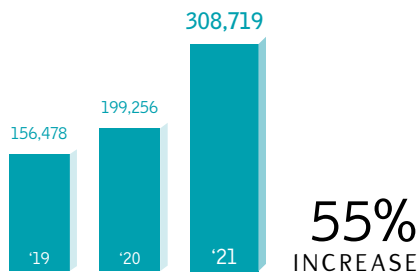
Capital Adequacy Ratio



¹ Includes factoring and leasing receivables, Net.

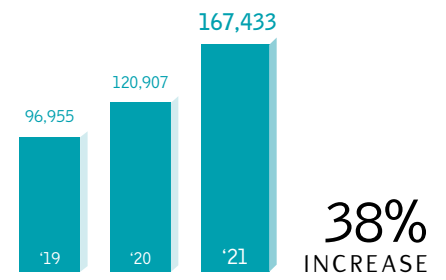
² Excludes banks deposits.

Total Assets (TL million)

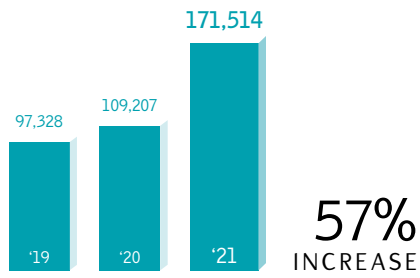


UNCONSOLIDATED

Loans (TL million)⁽¹⁾

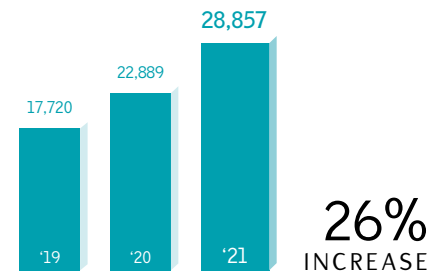


Deposits (TL million)⁽²⁾

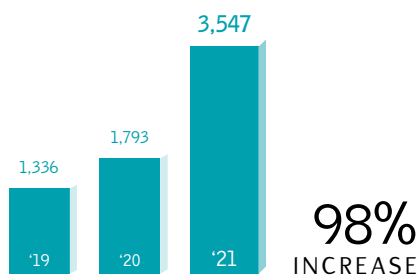


DenizBank managed to increase the size of unconsolidated deposits by 57% compared to the previous year.

Shareholders' Equity (TL million)

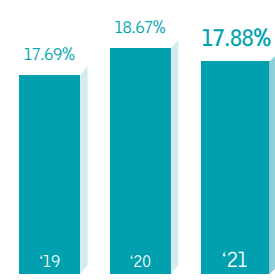


Net Profit (TL million)



55%
GROWTH
IN UNCONSOLIDATED
ASSETS

Capital Adequacy Ratio



⁽¹⁾Net amount.

⁽²⁾Excludes bank deposits.

DenizBank, as hosting and pioneering initiatives where technologies that will shape the future of banking can be produced, was awarded by The Banker as the “Bank of the Year” both in the Western European region and Turkey.

2021 IN BRIEF...



JANUARY-FEBRUARY-MARCH

- The subsidiary that carries out the activities of DenizBank in the areas of culture and arts, DenizKültür has opened the audio literature works of 42 CDs documenting the evolution of storytelling in Turkey to free access by making it available on digital channels.
- DenizBank presents its customers defining their mobile phone number or TR ID No information as Easy Address (KOLAS) an opportunity to realize all their money transfers on MobilDeniz free of charge throughout the year.
- In its new commercial film, DenizBank announces the departure of time-consuming financial transactions procedures from daily lives thanks to the digital wallet fastPay which can be used by everyone, bank customer or not, by downloading it on their mobile devices.
- A supporter of sports and sports players, DenizBank has brought into life the Hatayspor Bonus card, exclusive to the fans with the cooperation of Hatayspor Club.
- Targeting to secure long-term international funding at competitive terms, DenizBank announced the closing of multi-tranche c. USD 435 million financing backed by her Diversified Payment Rights Securitization Program. The majority of the proceeds will be used for environmentally friendly and sustainable projects. The transaction was well received, achieving a maturity of up to seven years, with the participation of a pool of investors ranging from supranational institutions to institutional investors and commercial banks.

435

USD MILLION
SECURITIZATION LOAN
FACILITY

Deniz Ventures which is established with the aim of supporting the innovation and entrepreneurship ecosystem in Turkey completed its first investment.

840

USD MILLION
SUSTAINABILITY-LINKED
SYNDICATED LOAN



- DenizBank provided the opportunity to become a DenizBank customer safely and easily within couple of minutes for anybody who downloads the MobilDeniz application on their cell phone.
- Deniz Ventures, which is established with the aim of supporting the innovation and entrepreneurship ecosystem in Turkey, invested USD 1 million in the Midas application, which provides easy and commission-free investment in Turkish and US stocks.
- DenizBank has launched vertically designed credit cards that resemble business cards with only the customer's name on the front and that are available for use in a matter of seconds, hence eliminating the need for physical cards.
- DenizBank has realized TL 8.4 billion financing package for the restructuring of Turkish football's big four; Beşiktaş, Fenerbahçe, Galatasaray, and Trabzonspor, with the coordination of Ziraat Bankası, Halk Bankası and Yapı Kredi.

APRIL-MAY-JUNE

- As part of the collaboration carried out with Mastercard, the leading institution of payment technologies, DenizBank has offered Turkey's first Metal Credit Card to its customers.
- DenizBank Investment Services Group has launched the PRO edition of ALGOLAB, Turkey's first online algorithmic trading platform, with a new interface and new features.
- With the Dollar, Euro and Renminbi denominated syndicated loan facility amounting to USD 410 million equivalent



with a one-year maturity, DenizBank has secured fresh funding to support the future of the Turkish economy. The successfully concluded syndicated loan facility, marked as the first Turkish bank syndication that includes a Renminbi denominated tranche, is utilized to finance international trade transactions of DenizBank customers which primarily include tourism, shipping, export oriented industries and agriculture.

- Lacivert Restaurant of Doğuş Group, one of the most popular brands in dining sector, opened a branch in Le Chic Bodrum, the very first project of Deniz REIT.

JULY-AUGUST-SEPTEMBER

- In cooperation with BELBİM, DenizBank has launched a campaign for TL 600 or TL 1,200 zero-interest, zero-free support advance with a monthly repayment of TL 100 and zero-interest instalment cash advance up to TL 500 for Istanbulkart users.



- DenizBank and BP have joined forces to offer six month maturity with zero interest for fuel oil expenses to be made through Producer Card until October 15th. The campaign will continue with five month maturity after this date.

OCTOBER-NOVEMBER-DECEMBER

- DenizBank held the 17th edition of its annual teamwork on sailing program, which is designed improve leadership skills, consolidate synergy and boost motivation. The program took place at Le Chic Bodrum on October 6-10 with the participation of the Bank's senior management.
- DenizBank has broken new grounds with BiTaksi using the tap-on-phone payment solution of Mastercard; BiTaksiPOS application that does not require a POS for card payments in taxis has been launched.
- Having offered the largest resource to the agricultural sector, DenizBank has entered into a collaboration with the Turkish

Mercantile Exchange (TÜRİB), to ensure that farmers keep their products safely at licensed warehouses at harvest time and benefit from EWR loans at favorable terms.

- DenizBank has secured USD 840 million in her first sustainability-linked syndicated loan deal. The deal is the most widely participated syndication in the Turkish banking industry in the past two years supported by 49 lenders from across 22 countries.
- Supported by DenizBank to contribute to culture-arts life in Turkey, İDSO DenizBank Concerts came back "home" as Atatürk Cultural Center (AKM) reopened its doors to arts and art lovers.
- NEOHUB inaugurated the Deniz Aquarium Start-up Acceleration Program to provide mentoring and scale-oriented tangible support for the start-up ecosystem in Turkey with a year-round open application system.
- DenizBank offered instant monitoring service to track FX transfers towards domestic and overseas banks via mobile banking channel with Swift GPI system.
- DenizBank offered its Private and Black Card holders the opportunity to benefit from the IGA Fast Track service free of charge, thanks to their cooperation with IGA Pass, which is the privileged passenger program provided by Istanbul Airport.

2021 AWARDS



- In February 2021, DenizBank secured a USD 435 million equivalent debt facility to be utilized mostly in environmentally friendly and sustainable projects and was awarded "Deal of the Year in Europe" by *The Banker*, a prestigious media organ in the finance sector and the Bank was also awarded as the "Structured Finance Deal of the Year" by Bond and Loans-Turkey Awards.

- DenizBank, as hosting and pioneering initiatives where technologies that will shape the future of banking can be produced, was awarded by *The Banker* as the "Bank of the Year" both in the Western European region and Turkey.
- DenizBank received "Global Finance Innovators Award" in the Corporate Finance category with its Pole Star Project.

- Intertech, a technology subsidiary of DenizBank, was awarded by IDC (International Data Corporation), with the 1st prize in the category of "Future of Industry Ecosystems" with its "API Ecosystem" and in the category of "Dx Future of Digital Infrastructure" with its inter-Cloud which is the first Financial Cloud platform in Turkey and awarded by PSM (Payment Systems Magazine) with Gold prize in the category of "Best Infrastructure."

We are proud that we delivered an uninterrupted, reliable and secure service through all our banking channels despite the challenges faced in 2021.

*Hesham Abdulla Al Qassim
Chairman of the Board of Directors*



Over the past year, DenizBank strived to offer its customers agile, high-quality and secure banking services by combining its 24-years of knowledge and experience with ENBD's robust financial strength, product and service diversity and innovative approach that puts the customer first.

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Distinguished stakeholders, customers and business partners,

Over the past year, DenizBank strived to offer its customers agile, high-quality and secure banking services by combining its 24-years of knowledge and experience with ENBD's robust financial strength, product and service diversity and innovative approach that puts the customer first.

Economic overview

The global economy grew by 5.9% in 2021, according to IMF estimates, more than offsetting the contraction in 2020 growth induced by Covid-19. Global growth is expected to moderate slightly to 4.4% in 2022 although the emergence and potential impact of Covid variants increases uncertainty. It currently appears that the impact on economic activity from the latest variant will be less severe than from earlier variants. In 2022, the market expects interest rates to rise as central banks globally focus on the reemergence of inflation.

The IMF forecasts that real GDP grew by 11.0% in 2021 and the Turkish economy is expected to see 3.3% real growth in 2022.

1.8

USD BILLION
INTERNATIONAL SOURCE

DenizBank enhanced its banking ecosystem further through innovation and investment in 2021.

Deniz Aquarium, Deniz Ventures and fastPay were consolidated under a single fintech subsidiary: NEOHUB.

29.0

TL BILLION
SHAREHOLDERS' EQUITY

Remaining resilient

In 2021, the Turkish banking sector successfully navigated through numerous challenges caused by the global pandemic, thanks to strong digital banking credentials. The sector's robust financial position and strong balance sheets stand ready to support further economic growth in 2022.

Sustainability and innovation

DenizBank is committed to providing its customers with the highest quality banking services. We are proud that we delivered an uninterrupted, reliable and secure service through all our banking channels despite the challenges faced in 2021. During the year, DenizBank raised USD 1.8 billion from the international capital markets which was deployed to support customer growth in the Turkish economy. A significant portion of these resources were utilized to finance environmentally friendly and sustainable projects.

DenizBank enhanced its banking ecosystem further through innovation and investment in 2021. Deniz Aquarium, Deniz Ventures and fastPay were consolidated under a single fintech subsidiary: NEOHUB. This venture will accelerate entrepreneurship in Turkey, as it focuses on exports and provides a one-stop solution for startups. We see NEOHUB as a key element of the joint vision we share with ENBD in shaping the future of banking.

In the coming years, DenizBank plans to monitor the environmental and social impact of its operations, focus on sustainability, and operate without compromise on the principle of responsible banking.

Well-integrated corporate values

At DenizBank, we are fully aligned with ENBD in our vision of technology and innovation. We proudly embrace the Group's corporate values of Collaboration (İş Birliği), Ownership (Sahiplik), Drive (Tutku) and Enterprising (Eylem). DenizBank proudly adopts this "CODE," abbreviated in the Turkish language to "İSTE."

Committed to responsible banking

DenizBank works tirelessly to support the development of Turkey's economy within the guidelines of its corporate values. We embrace our social responsibility to support all segments of society and special initiatives dedicated to small and medium-sized enterprises (SMEs) and the agricultural industry.

In the coming years, DenizBank plans to monitor the environmental and social impact of its operations, focus on sustainability, and operate without compromise on the principle of responsible banking. We will continue to be a leader of innovation in the Turkish and global banking sector and maintain a strong capital base, customer-oriented approach and advanced technology capabilities.

At DenizBank, we are fully aligned with ENBD in our vision of technology and innovation. We proudly embrace the Group's corporate values of Collaboration (İş Birliği), Ownership (Sahiplik), Drive (Tutku) and Enterprising (Eylem). DenizBank proudly adopts this "CODE," abbreviated in the Turkish language to "İSTE."

I would like to thank all our stakeholders, colleagues and customers who have made DenizBank's success and value creation possible.

Sincerely,



Hesham Abdulla Al Qassim
Chairman of the Board of Directors

15.5
MILLION
TOTAL CUSTOMERS

At DenizBank, we are aware that responsible banking should take into account the planet we live on today and the generations that will come after us.

Hakan ATEŞ
CEO



During this challenging year, we worked intensively to meet the needs of the Turkish economy for fresh financial resources and to support Turkey's steady development.

MESSAGE FROM THE CEO

Dear Valued Friends of Deniz,

We are leaving behind a year in which the adverse economic effects of the global pandemic, which are felt around the world and in our country, have begun to improve, though these impacts have remained on the agenda. Despite the economic recovery in 2021, natural disasters that occurred around the world due to ongoing climate change clearly demonstrated that in the upcoming period, the sustainability of human life and our planet should also be considered earnestly alongside economic growth and development.

In 2021, which was a year of economic recovery, the global and Turkish banking sector continued to counteract against the pandemic and its negative socio-economic effects with their economy administrations and other related institutions. Environmental, social and corporate governance (ESG) criteria and sustainable and responsible banking principles were the key guideposts in this period.

Economic growth globally and in Turkey

Global recession due to the pandemic around the world left its place to the recovery in the global economy, as life began to return to normal in countries with access to vaccines. The positive correlation between economic recovery and vaccine access differentiated countries around the globe. Third world countries, especially in Africa, continued to experience the negative impact of the pandemic on their economies due to limited access to vaccines. Advanced economies are expected to demonstrate 5.0% annual growth for 2021. This performance is especially thanks to the rapid recovery in the USA and the relative accompaniment of Japan and European economies. Although the economic and technological competition between the USA and China besides the Ukraine crisis between NATO and Russia overshadowed these positive economic developments, the world economy gained a great momentum compared to the previous year. Similarly, it would not be wrong to say that these subjects also have a potential for the possible crises we may experience in 2022.

225.7

TL BILLION
LOANS

As DenizBank, it has been our priority to create the grounds where we can benefit together by getting the support of the ecosystem and to support sustainability in every field with the strength we derive from this.

248.5

TL BILLION
DEPOSITS

Turkey's economy, on the other hand, continued to grow in the light of all these developments, and a growth of over 10% in 2021 will not be a surprise. This is very crucial both for our country to quickly return to its previous normal conditions, and for the Turkish banking sector to close the year with positive results. The banking sector in Turkey reported net profit of TL 92 billion for this year, compared to TL 59 billion in the previous year, with a growth of 57% year-on-year basis. With the adverse economic conditions in 2020 and the loosening of financial conditions in this context, loan growth accelerated and TL loans increased by 43% annually. While loan growth slowed in 2021 due to the high base effect and increasing interest rates, TL loans increased by 20% year-on-year basis.

We achieved growth and development in all areas of our business

As DenizBank, we expanded our customer base by 7% year-on-year, delivering banking services via our 687-branch network in 81 cities across Turkey and in Bahrain, in addition to our various alternative distribution channels. Our total assets reached to TL 395.9 billion on a consolidated basis, up 50.0% year-on-year. Our customer deposits increased by 48.4% year-on-year to TL 248.5 billion on a consolidated basis.

Continuing to transfer its significant resources to the economy, our Bank increased its consolidated cash loan volume to TL 225.7 billion and reached its total cash and non-cash loan volume to TL 292.8 billion as of the end-of-2021.

Our consolidated shareholder's equity increased to TL 29.0 billion while consolidated shareholder's equity including subordinated loans amounted to TL 39.5 billion. In 2021, our consolidated net profit realized as TL 3,540 million.

We support sustainability goals in our loans

During this challenging year, we worked intensively to meet the needs of the Turkish economy for fresh financial resources and to support Turkey's steady development.

In recognition of our USD 435 million securitization loan facility to be utilized mostly in environmentally friendly and sustainable projects, we were awarded by *The Banker*, one of the most prestigious media organ in the finance sector, as the “Deal of the Year in Europe” and by “Bond and Loans – Turkey Awards as “Structured Finance Deal of the Year.” We realized the first syndicated loan offered by a Turkish bank to include a Chinese Yuan tranche, through a syndicated loan worth USD 410 million with 1-year maturity in Dollar, Euro and Chinese Yuan currencies. In addition to all these resources, we introduced foreign resources of USD 840 million to Turkey with our first syndicated loan associated with agricultural sustainability. In accordance with the performance criteria of this syndicated loan transaction, besides stating that we would develop solutions to improve the productivity of Turkish farmers across the country, we also committed to expanding the number of our branches and ATMs accessible for people with disabilities. During the year, we became the only bank to set performance criteria on financing of agriculture – a vital asset for Turkey’s future.

Our financing resources to be used mostly in energy efficiency and renewable energy projects, in supporting women entrepreneurs with limited access to finance, in sustainability practices and in the agricultural sector, to which we attribute strategic importance, are extremely valuable for us as an important indicator of the increasing confidence in our country.

Our ecosystem banking approach is at the center of our operations

As DenizBank, it has been our priority to create the grounds where we can benefit together by getting the support of the ecosystem and to support sustainability in every field with the strength we derive from this. We added the capabilities of the ecosystem, in which we operate, into our own capabilities in technology and innovation, and searched for ways to grow together. With this understanding, after the establishment of Deniz Aquarium Innovation Center to develop technologies that will shape the future of banking, we founded Deniz Ventures Capital Fund as an investment platform for technology initiatives with a potential to grow and expand. Ultimately, we consolidated Deniz Aquarium, Deniz Ventures and fastPay under NEOHUB during the year in order to accelerate the entrepreneurship ecosystem in Turkey. Under the roof of our new fintech subsidiary NEOHUB, which focuses on exports, DenizBank aims to provide network- and experience-oriented support for all initiatives that approach to us.

Awards to our technology initiatives

As a result of hosting and pioneering initiatives that will pave the way for the production of new and emerging technologies that will shape the future of banking, DenizBank was awarded by *The Banker* as “Bank of the Year” both in the Western European region and in Turkey. In addition, our technology subsidiary Intertech was awarded by IDC (International Data Cooperation) with the 1st prize in the “Future of Industry Ecosystems” category for its “API Ecosystem” and was awarded for its inter-cloud solution by IDC with the 1st prize in the “Dx Future of Digital Infrastructure” category and also by PSM (Payment Systems Magazine) with Gold Award in “Best Infrastructure.”

Ongoing support to culture, the arts and sports

These past two years marked with the pandemic have clearly showed the importance of the continuity of cultural and art activities in bringing society together. Embracing culture-arts and striving to expand our access by all facets of society with various efforts and activities since our founding, we were pleased that DenizBank IDSO Concerts, which we have supported for 18 years, returned to its home with the reopening of Atatürk Cultural Center (AKM). In the meantime, considering that

As a result of hosting and pioneering initiatives that will pave the way for the production of new and emerging technologies that will shape the future of banking, DenizBank was awarded by *The Banker* as “Bank of the Year” both in the Western European region and in Turkey.

3.5

TL BILLION
NET PROFIT

the development of sports and its reach to people across the country as a national duty, we extended a TL 8.4 billion financial support package for our four big sports clubs, which are valuable assets of Turkish sports, under the coordination of Ziraat Bank, with the participation of Halkbank, DenizBank and Yapı Kredi.

We collected our common values with our main shareholder under one roof

As a big family, our unwavering faith in what we do and our wholehearted commitment to our corporate values have been decisive in all the works that we have undertaken for our country and our people. In 2021, we adapted the corporate values of our main shareholder Emirates NBD – *Collaboration, Ownership, Drive, Enterprising*, i.e. *CODE* – into our own language: *İş Birliği, Sahiplenme, Tutku and Eylem*, i.e. *İSTE*.

From the beginning, we put passion and commitment to our work before the challenges during our journeys in which all our employees take responsibility as creators of development. Using the advantage of being a young and dynamic bank, we did not lose our entrepreneurial spirit. We care that our values, known as İSTE, are embraced and internalized at every level within our organization, as principles that reflect the way we do business that makes us who we are.

We will keep working with a responsible banking approach

At DenizBank, we are aware that responsible banking should take into account the planet we live on today and the generations that will come after us. In addition to our goal of creating value for our stakeholders and supporting economic development, while adopting SMEs, which are the heart of the economy, agriculture in terms of food security, tourism and maritime, which provide significant employment and foreign exchange to our country, energy, infrastructure, education and health sectors, municipalities and football clubs, the continuity of the earth we live on is also our duty to ensure.

As we have done so far, we will continue to fulfill our responsibility at the highest level in order to act with the awareness that will ensure the sustainability and the continuity of life with an inclusive manner in the coming years, without compromising the key principles of accountability, transparency, responsibility and fairness.

Best regards,



Hakan ATEŞ
CEO

DenizBank has classified customers into six main segments to reflect its customer oriented service approach to its operations in the most effective manner. Segments are managed under two main groups.

BANKING SERVICES

DenizBank Customer Segmentation

DenizBank has classified customers into six main segments to reflect its customer oriented service approach to its operations in the most effective manner. Segments are managed under two main groups.

WHOLESALE BANKING GROUP

Corporate and Commercial Banking Group

Corporate Banking: This segment serves all companies with annual sales turnover of at least TL 200 million, as well as the groups to which these companies belong. (Financial services companies are included in this segment regardless of their turnover amount.)

Commercial Banking: This segment serves companies with annual sales turnover of at least TL 40 million that do not fall within the scope of the Corporate Banking segment.

SME Banking and Public Finance Group

SME Banking: This segment serves firms and sole proprietorships with annual turnover of less than TL 25 million, as well as the owners and partners of businesses (from TL 25 million to TL 40 million is the common area with Commercial Banking).

Public Finance Banking: This segment 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 Group

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

Aiming to become one of the major financial services providers in the region, DenizBank continues to expand its branch network in line with the strategy of delivering closer and more active services to customers, particularly in the Retail Banking, SME Banking and Agricultural Banking segments.

RETAIL BANKING GROUP

Consumer Banking Group

Consumer Banking: This segment serves individuals, self-employed professionals, owners and partners of corporate and commercial segment companies and owners and partners of companies that are clients of the Bank's SME segment with annual turnover of more than TL 8 million and Micro Segment customers with an annual turnover of up to TL 1 million.

Private Banking and Investment Group

Private Banking: In addition to these six main segments, DenizBank delivers private banking services to upper retail segment clients and companies with liquid net worth of at least TL 1 million.

Branch Network/Segmentation

Aiming to become one of the major financial services providers in the region, DenizBank continues to expand its branch network in line with the strategy of delivering closer and more active services to customers, particularly in the Retail Banking, SME Banking and Agricultural Banking segments.

BANKING SERVICES**RETAIL BANKING GROUP**

Consumer Banking Group
 Affluent Banking Customers Management
 Micro Customers Management
 Mass Banking and Customers Management
 Pensioner Banking
 Consumer Banking Products
 Branch and ATM Planning
 Bancassurance
 Digital Transformation, Change Management, and Non-Branch Channels Group
 Digital Channels and Open Banking
 Digital Sales and Marketing Management
 Project Management Office
 Change Management
 Call Center
 Telemarketing-Collection and KOBİ'deniz
 Mobile Sales Team
 Payment Systems Group
 Debit and Credit Cards Management
 Contracted Merchant Relations
 Private Banking and Investment Sales Group

WHOLESALE BANKING GROUP

Corporate and Commercial Banking Group
 SME Banking and Public Finance
 SME Banking
 Gold Banking
 Public Finance
 Cash Management and Foreign
 Trade Finance
 Agricultural Banking Group

TREASURY, FINANCIAL INSTITUTIONS AND INVESTMENT GROUP

Treasury Group
 Financial Institutions Group
 Correspondent Relations
 Financial Institutions Credit Analysis
 Structured Finance Department
 Sustainability Coordination Department
 Investment Group
 DenizInvest
 DenizAsset Management

DenizBank offers superior financial services to its customers customized to meet the specific needs of different customer segments.

PROJECT FINANCE, FINANCIAL RESTRUCTURING AND CREDITS INTERNATIONAL COORDINATION GROUP**ANALYTICS, DATA AND CUSTOMER VALUE MANAGEMENT POLICIES GROUP**

Business Analytics and CRM
 Credit and Collection Policies

BRANCH AND CENTRAL OPERATIONS GROUP

Core Banking, Credits, Foreign Trade, and Branch Operations
 Card Payment Systems
 Fund Management and Investment Banking Operations
 Operation Project, Process Management and Organization

INFORMATION SECURITY AND INFORMATION TECHNOLOGIES RISK MANAGEMENT GROUP

Information Security Program and Risk Management
 Data Governance
 Fraud Risk Management
 Business Continuity Management

FOREIGN SUBSIDIARIES

DenizBank AG (Austria)
 JSC DenizBank Moscow (Russian Federation)
 Eurodeniz International Banking Unit Ltd. (TRNC)

INFORMATION TECHNOLOGY (IT) SERVICES

Intertech

LEASING AND FACTORING SERVICES

DenizLeasing
 DenizFactoring

DENİZ REAL ESTATE INVESTMENT TRUST**NEOHUB TECHNOLOGY SOFTWARE MARKETING AND CONSULTANCY****CULTURAL SERVICES**

DenizKültür

The Consumer Banking Group ensures that DenizBank's operations under Retail Banking Sales Management and Marketing are carried out in coordination and synergy with other business lines of the Bank, as well as creating an efficient branch and ATM network strategy.

RETAIL BANKING GROUP

The Retail Banking Group ensures that DenizBank's operations under

- Retail Banking
- Payment Systems
- Digital Transformation, Change Management, and Non-Branch Channels Group
- Private Banking and Investment Sales Group

are carried out in coordination and synergy with other business lines of the Bank.

CONSUMER BANKING GROUP

The Consumer Banking Group ensures that DenizBank's operations under Retail Banking Sales Management and Marketing are carried out in coordination and synergy with other business lines of the Bank, as well as creating an efficient branch and ATM network strategy.

It started to serve Micro Segment customers with an annual turnover of up to TL 1 million through all Bank channels under Consumer Banking in July 2020, and the number of customers exceeded 700 thousand as of the end of 2021.

Playing an active role for DenizBank to be a bank of preferred and marking a successful year in 2021 with its high service quality, the Consumer Banking Group continues to provide uninterrupted services by prioritizing the health and wellbeing of its customers. The Consumer Banking Group, which is integrated into all processes in line with remote working and health measures, has also pioneered the sector by prioritizing to increase its service network in digital and non-branch channels and continued to work intensively to respond to all the needs of its customers 24/7 through all channels with its financial supermarket approach.

With the increased customer use of digital channels due to the global pandemic, the Consumer Banking Group responded to the rising interest in alternative distribution platforms by quickly adapting its systems.

With the increased customer use of digital channels due to the global pandemic, the Consumer Banking Group responded to the rising interest in alternative distribution platforms by quickly adapting its systems. The Group supported higher digital channel usage with various advantages such as raising daily cash withdrawal limits from ATMs, increasing contactless payment limits with credit cards, and enabling cash withdrawal with QR codes. In 2021, the Consumer Banking Group expanded the capacity of the KOBİ'deniz Hotline, which provides special service to tradespeople, and the Affluent Deniz Hotline, which delivers dedicated service to affluent, high-income customers.

Affluent Banking Customers Management

Launched in 2010, Affluent Banking made a difference in the sector with its innovative business model by breaking grounds in many aspects with its privileged products and services. Affluent Banking offers many privileges including individual consultancy service in branches, priority in banking transactions, advantageous pricing in deposit and investment products and loans, as well as special banking services to Affluent customers in the high-income group and their families with the concept of "You are privileged as a family."

As customer use of digital channels accelerated in 2021 due to the ongoing global pandemic, DenizBank quickly adapted its systems to meet the rising demand of Affluent customers towards alternative distribution channels as elsewhere across the Bank. In 2021, the Affluent Deniz Hotline, which offers Affluent Banking services to customers by phone, completely changed its service model. The hotline switched to a portfolio management system to allow more customers to meet their banking needs via non-branch channels easily without leaving their homes or workplace during the pandemic. Affluent Deniz, the first service channel that comes to mind of the Bank's Affluent customers

for all their banking needs, also introduced a video call service during the year. After fully implementing its one-to-one portfolio management service, Affluent Deniz reached a very high level of customer satisfaction level of 96%.

Affluent Banking values the highly trained professionals of Turkey, closely monitors the daily needs of professional groups including lawyers, doctors, dentists, certified public accountants, public notaries, and pilots, and diversifies its products and services by evaluating each profession in accordance with its respective cash flows and needs. In addition to cooperation with 38 bar associations across Turkey, joint works are carried out with 75 professional chambers such as certified public accountants, dentists, physicians, and notary publics. Regular corporate visits have allowed us to better understand the needs of existing customers and reach potential customers. Advantageous loans with a grace period of up to six months and free allocation were offered to Affluent Banking customers to meet their cash needs. The advantageous E-SMM application established in the previous year specifically for lawyers, doctors, dentists, and financial advisors continued in 2021 and increased customer loyalty with additional products offered to customers benefiting from the E-SMM service.

While providing customized financial solutions for its Affluent Banking customers, DenizBank also holds social and cultural events to support its customers in every aspect of their lives and provides them with beneficial experiences in various sectors with brand partnerships. To identify offers that customers will prefer the most and that will touch their lives, research studies are regularly carried out related to high-income customers. Intending to identify changing consumer habits in 2021, DenizBank re-evaluated the expectations, lifestyle profiles and spending habits of Affluent professional groups and collaborated with new brands in sectors with high customer interest.

Micro Customers Management

With the accelerated digitalization during the pandemic, DenizBank served Micro customers mainly through non-branch channels, such as KOBİ'deniz, MobilDeniz, Internet Branch, and the Call Center. With expanded digital options, tradespeople with commercial cards now use financial services such as Commercial Loan with Installments or Cash Advances instantly via the mobile application.

While providing customized financial solutions for its Affluent Banking customers, DenizBank also holds social and cultural events to support its customers in every aspect of their lives and provides them with beneficial experiences in various sectors with brand partnerships.

In 2021, the Bank expanded the capacity of the KOBİ'deniz channel, which provides dedicated services to Micro customers. All the financial needs of customers who receive service via KOBİ'deniz are covered with practical banking solutions, without having to leave their workplace or home. Product and promotional campaign packages are offered to the right customer with the right product mix through KOBİ'deniz with a higher capacity.

In 2022, DenizBank aims to attract new Micro customers to the Bank with its wide branch network. The Bank also plans to enhance its product range for the Micro segment delivered via digital and non-branch channels. In addition, DenizBank aims to meet all financial needs of Micro customers 24/7 easily through non-branch channels while providing high customer satisfaction.

Mass Banking and Customers Management

DenizBank Mass Banking maintained its marketing activities in 2021 with a customer-oriented approach by benefitting from analytical thinking and applications.

During the digitalization process that gained momentum in 2021, DenizBank services continued uninterrupted thanks to products integrated with digital and non-branch channels. Customers who preferred to carry out transactions at branches were offered to be served by the Quick Transaction team. In order to reduce waiting time outside or inside branches, the Quick Transaction Call Center teams would call the customers who took a queue number from the Q-matic and carry out all banking transactions over the phone securely.

Favorable campaigns, tailored to customer needs, were offered across digital channels in particular to deepen relationships with existing customers. In line with the joint studies conducted with CRM, the right products were offered to customers from the right channels thanks to product propensity models. In order to provide customers with the most relevant offers, the communication strategy was optimized in line with evolving customer needs.

With its branch staff, experience and knowledge, DenizBank continues to provide support to its customers for qualified products that cannot be offered remotely or over the phone, and to be their advisor in financial matters.

DenizBank offers a wide range of deposit and savings products to consumer customers to meet various needs such as accumulating savings or facilitating cash flow. These products are designed considering customers' risk and expectation understanding while channeling their savings towards investment.

RETAIL BANKING GROUP

Throughout the year, DenizBank formulated innovative strategies to better serve branch customers. Intensive efforts are ongoing to develop new product and service models by addressing changing customer needs with unique financial solutions. The Bank is focused on meeting the evolving needs resulting from digital transformation and the global pandemic rather than simply using traditional banking solutions.

In 2022, DenizBank aims to offer its comprehensive range of products across its various channels. The Bank plans to acquire new customers with its widespread branch network while enabling its customer base to perform all transactions 24/7 through non-branch and digital channels without the need to visit a physical branch.

Pensioner Banking

Closely monitoring the needs of pensioners since 2010, DenizBank has provided services to 1.1 million pensioner customers as of 2021 year-end. Various banking services are offered, including discounted interest rates on general purpose, car and housing loans, special advantageous interest rates for their deposits, priority standing in branch and call center transactions, as well as free-of-charge EFT and money transfer through internet banking.

Pensioner Bonus – the first-ever credit card specially designed for pensioners in Turkey – allows cardholders to earn bonus points and shop free-of-charge or with discounts at merchants using their points, or receive billing discounts during seasonal promotional campaigns. They also get extra discounts on cinema, theater, and pharmacy spending.

Pensioners were the ones who got affected the most during the global pandemic due to their advanced age. DenizBank carried out regular communications to ensure that pensioners perform their transactions through alternative distribution channels without leaving home,

Closely monitoring the needs of pensioners since 2010, DenizBank has provided services to 1.1 million pensioner customers as of 2021 year-end.

and the withdrawal limits from ATMs have been increased for pensioners. Improvements were made to enable pensioners to carry out salary transfer and promotion transactions through mobile banking.

Embracing the principle of "Respect for Pensioners," DenizBank develops solutions specially tailored to meet pensioners' financial needs and touch their social lives under the motto "Pensioners are Happy at Deniz!"

DenizBank also serves the pensioner segment on social media. It provides pensioners with access to a wide range of practical information. This includes healthy lifestyle content, recipes, prize contests and other content prepared by specialists on Facebook - the most popular social media platform for pensioners.

DenizBank works to offer better lives for pensioners who have worked for many years, produced and played an important role in building our country's future. The Bank continues its efforts to be the bank that best understands the needs of the pensioners and serve them beyond their expectations.

Consumer Banking Products

Deposits and Savings Products

DenizBank offers a wide range of deposit and savings products to consumer customers to meet various needs such as accumulating savings or facilitating cash flow. These products are designed considering customers' risk and expectation understanding while channeling their savings towards investment.

During the year, the Bank continued its one-on-one contact with affluent and pensioner customer segments as well as new potential time deposit customers. In addition, e-deposit communications over digital channels continued throughout the year. As of the second half of the year, the Bank aims to increase the number and volume of transactions in digital channels by offering more advantageous interest rates, especially

to new time deposit customers. The share of digital channels was increased by offering advantageous e-deposit to customers with savings during the year.

To facilitate deposit and savings product-related processes, the Bank launched the BPR Project in 2020, allowing an ergonomic and functional design in deposit dashboards used in branches. The dissemination phase of the project in all branches will be completed in the first quarter of 2022. The BPR project is designed to reduce processing time and boost transactional ease in deposit, savings, products sales, and after-sales processes.

Consumer Loans

DenizBank continues to be one of the most important players in the sector thanks to its innovative, accessible and competitive lending product offerings.

General Purpose Loans

Thanks to its many innovations and effective campaigns, DenizBank maintained its market share of 6.1% in the general purpose loan market of TL 465 billion in the year when especially public banks in particular recorded high growth.

2021 has been a year whereby DenizBank developed products and processes that were designed to meet evolving customer needs and expectations, which were shaped by the changing retail environment due to the pandemic and provided bespoke loan limits for current customers as part of pre-approved loan offers across all channels. In addition, the Bank improved its loan-related processes in line with its commitment to deliver an exemplary customer experience. In 2022, the Bank will continue to provide services in line with the needs of customers.

Existing DenizBank customers are now able to apply for and obtain loans through the digital payment wallet fastPay, opening up a new channel in the emerging field of branch-free banking.

For pensioner customers, a group particularly affected by lockdown restrictions during the pandemic, DenizBank ensured that they transfer their pensions received from other banks to DenizBank without leaving their homes, besides utilizing loans through Telephone Banking.

Various products are offered to micro-segment customers, including commercial loans with installments, SME cards, bonus business and POS. With shorter processes thanks to digital signatures, transactions have become more

Existing DenizBank customers are now able to apply for and obtain loans through the digital payment wallet fastPay, opening up a new channel in the emerging field of branch-free banking.

efficient for both DenizBank and customers. By reducing loan processing times from three hours to only 10 minutes, tremendous time saving was achieved across the board.

DenizBank allows customers with pre-approved loan limits to use their limits instantly through alternative channels such as Telemarketing, Call Center, Mobile Sales, Açık Deniz (Online Banking), MobilDeniz, Teller Sales Officers and ATMs. This effort aims at ensuring that customers enjoy the ease of access at any point of contact with DenizBank. The Shopping Lending product was also introduced through leading e-commerce sites of Turkey and dealers in retail service points to boost new customer acquisition.

A lifeline for urgent cash needs, Rescue Overdraft Account is available to customers 24/7 through all the Bank's alternative distribution channels. During the pandemic, Rescue Overdraft Account limits have been a breath of fresh air for customers. Customers who would like to access the overdraft account limits in installments can opt for installment payments of up to 12 months with the Overdraft Account with Installments.

Housing Loans

While being the second bank to sign a protocol with the Ministry of Environment and Urbanization, DenizBank was the first lender in Turkey to extend an Urban Transformation Loan and complete the urban transformation project. The Bank continued its efforts to become "Turkey's Leading Bank in Urban Transformation Projects". As of the end of 2021, DenizBank extended TL 555 million in Urban Transformation Loans and it continued to maintain its important position in the sector with unprecedented advantages.

Branch and ATM Planning

In 2021, DenizBank completed the merger of 10 branches within the scope of optimization efforts and opened a new branch. In 2021, DenizBank operated a branch network with 687 locations while the Bank's branch market share reached 7.0%. Together with its Bahrain Branch and the 25 subsidiary branches abroad, the Bank's total number of branches is 712.

As of the end of 2021, DenizBank operated 3,095 ATMs. Additionally, QNB Finansbank, TEB and DenizBank formed an ATM network sharing cooperation under the slogan "Three Banks, One ATM," which is still in effect. Under this agreement, each month, the customers of these three banks can carry out up to three financial transactions and an unlimited number of non-financial transactions free of charge from the ATMs of the other two banks.

In line with its overall strategy, DenizBank continued to develop innovative branch and ATM concepts for different customer segments, boosted with accessible banking practices to transform its branches and ATMs.

RETAIL BANKING GROUP

In line with its overall strategy, DenizBank continued to develop innovative branch and ATM concepts for different customer segments, boosted with accessible banking practices to transform its branches and ATMs. Within this scope, the rate of ATMs suitable for orthopedically disabled people, which was 17% in 2020, reached 20% with this year's efforts. Visually impaired customers continue to receive service from all ATMs. In addition, customers of other domestic banks were allowed to withdraw money from ATMs with a QR code. With this development, the opportunity to withdraw money from ATMs with a QR code without contact was offered to customers of other domestic banks.

The daily withdrawal limits from ATMs, which have been increased due to the pandemic, were maintained. In 2021, communication activities were carried out through mobile applications and social media accounts to expand withdrawal and deposit transactions from ATMs with a QR code. With these efforts, an increase has been achieved in withdrawals and deposits with QR codes.

Bancassurance

Insurance and Private Pension Products

Since the establishment of Bancassurance in 2004, DenizBank has provided life insurance, non-life insurance and private pension products to its customers. DenizBank's extensive product portfolio includes all insurance and pension products and services including fire, agriculture, accident, engineering, liability, unemployment, personal accident, life insurance and pension plans.

The Bank has an exclusive agency agreement with MetLife Emeklilik Hayat A.Ş. as part of its Life and Personal Accident Insurance and Private Pension product offering, and with AXA Insurance in Non-Life Insurance products. The exclusive agency agreement with MetLife, in effect from its first day of operation in Turkey, was extended until 2031 under mutual agreement between the two institutions.

DenizBank continues to develop new value-added insurance products to meet customer needs for insurance protection.

DenizBank continues to develop new value-added insurance products to meet customer needs for insurance protection. Within this context, the following insurance products were introduced to customers in 2021: Healthy Life Personal Accident Insurance, Overdraft Account Life Insurance, My First PPS Plan for participants below 18 years, My Emergency Health Is Safe Insurance and Narrow-Scoped Mobile Phone Insurance.

Healthy Life Personal Accident Insurance is unique to cancer insurance, as it provides coverage for death or permanent disability as a result of an accident. In addition, customers can benefit from the mini check-up service once a year free of charge.

Overdraft Account Life Insurance secures the Rescue Overdraft Account of permanent private sector customers against risks of permanent disability and involuntary unemployment as a result of death, accident, or illness.

My First PPS Plan is a special pension plan for participants below 18 years of age. The plan is a standout in the sector with its contribution protection coverage and My Tuition Assistance services included in the package.

My Emergency Health Is Safe Insurance covers expenses to be incurred for diagnosis and treatment in cases requiring emergency treatment and pays compensation in case of death and permanent disability as a result of accidents. This product offers unique coverage with an assistance guarantee to make the lives of policyholders easier.

Narrow-Scoped Mobile Phone Insurance covers the replacement of the screen of a mobile phone owned by the policyholder in the event of screen breakage, up to once a year. The special solution hotline service and free logistics service are also offered as part of the policy coverage.

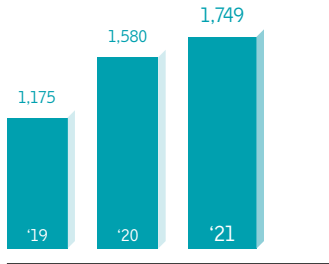
DenizBank customers can enjoy comprehensive Assistance Services provided alongside these insurance products, free of charge/at a discount.

Digital transformation efforts for bancassurance products and services were prioritized as a part of changing customer needs and an evolving service understanding. Under this initiative, the Bank introduced the following via MobilDeniz for its customers: Overdraft Account Life Insurance, Emergency Assurance Personal Accident Insurance, Healthy Life Personal Accident Insurance and Private Pension products as well as other insurance products.

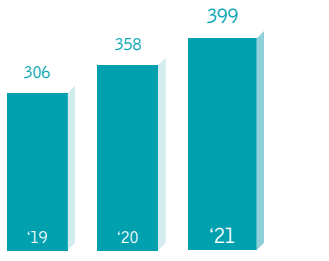
Thanks to these various efforts, DenizBank's digital channels accounted for 8% of insurance product commissions in 2021, up from 1% a year earlier.

DenizBank Bancassurance Performance (TL million)

Life Insurances Cooperation Premium Production



Non-Life Insurance Cooperation Premium Production (Including Leasing)



Digital transformation efforts for bancassurance products and services were prioritized as a part of changing customer needs and an evolving service understanding.

DenizBank's new Online Banking prioritizes mobile banking and design principles compatible with every device, taking into account the mobile habits of today's users.

DIGITAL TRANSFORMATION, CHANGE MANAGEMENT, AND NON-BRANCH CHANNELS GROUP

In line with its strategy of delivering a unique customer experience across all channels, DenizBank merged the Non-Branch Channels Group with the Digital Transformation and Change Management Group.

Under the new organization, all non-branch channels serve the Bank's customers and all business lines with about 2,500 employees.

The Digital Transformation and Change Management Group includes:

- Digital Channels and Open Banking,
- Digital Sales and Marketing Management,
- Project Management Office,
- Change Management,
- Call Center,
- Telemarketing-Collection and KOBİ'deniz
- Mobile Sales Team

These various units operate in synergy with the Bank's youngest and most dynamic employees and all business lines.

Digital Channels and Open Banking

Online Banking

DenizBank Online Banking serves customers with advanced functionality pre- and post-login. Online Banking was renewed in terms of both visual design and user experience and rolled out to customers during the year. DenizBank's new Online Banking prioritizes mobile banking and design principles compatible with every device, taking into account the mobile habits of today's users. Online Banking's Mobile Banking application was first introduced in 2018 and offers users an experience similar to MobilDeniz.

- With systems infrastructure upgrades, mobile and online banking development costs were reduced thanks to a common service platform in the new Online Banking.
- Transaction limits were increased for transactions such as money transfers/foreign exchange in line with changing customer needs.
- New functionality and services were made available to customers with the commissioning of the new Online Banking system.
- For the Micro segment, efforts are underway to enable these customers to use their personal and company accounts and cards under a single user record and session.

2021 was a year of major developments in Mobile Banking at DenizBank. Most customers carried out transactions via MobilDeniz, the Bank's mobile banking application.

RETAIL BANKING GROUP

- A series of upgrades are in process to enable password changes for corporate customers without visiting a branch, as a result of a comprehensive needs analysis conducted for the corporate segment this year.
- SWIFT transaction functionality in Online Banking was improved; efforts are underway to increase the transaction limits.
- In 2022, DenizBank plans to undertake initiatives centered around the needs of the corporate sector in Online Banking with a focus on customer experience. The Bank also aims to ensure that Online Banking operates similarly to the Mobile Banking application in terms of user experience and functionality.

Mobile Banking

2021 was a year of major developments in Mobile Banking at DenizBank. Most customers carried out transactions via MobilDeniz, the Bank's mobile banking application. With the BRSA's regulation allowing remote identification, MobilDeniz is positioned as a customer acquisition channel as well as a service and transaction platform. This year, DenizBank introduced a service to allow users to become customers remotely, without visiting a physical branch. New customers enter their identity information via the mobile application and converse with customer representatives at the Call Center to join DenizBank. Other key developments in Mobile Banking during the year include:

- Application screens were developed to provide easier access to banking products. Now, customers can apply for various insurance products, such as Overdraft Account Life Insurance, My Card Debt Is Secured, and also complete their private pension contracts via MobilDeniz.
- The Accounts menu now allows users to manage and purchase Overdraft Account products via the mobile application.

In the coming year, DenizBank aims to further expand its Mobile Banking application. The Investment Transactions Project is one of the most important efforts planned for 2022. This initiative aims to offer all investment products to customers via MobilDeniz.

- "Virtual Assistant Deniz," a service within MobilDeniz, now has an audio response feature and can receive voice commands.
- With new features designed to reduce customer complaints, Mobile Banking customers can now monitor their delayed payments and receive warning notifications.
- The promotion application and application monitoring screen was specially designed for Pensioner Banking customers.
- The user experience on arbitrage screens was optimized in line with international standards; gold trading transactions were modified to allow users to make savings in quarter-, half-, and full-gold coins that are frequently used in Turkey.
- MobilDeniz SWIFT customers can now monitor their transactions on the SWIFT network.
- The set of transactions with QR codes was expanded with new features, such as money transfer and payment at compatible POS.
- ELUS transactions were added for Agricultural Banking customers.
- Users can now perform payment transactions for municipal services and tax invoices via MobilDeniz.
- With the integration of MobilDeniz and the PosumCep application, MobilDeniz has become a payment method itself; this feature was introduced for trial in 2021.

In the coming year, DenizBank aims to further expand its Mobile Banking application. The Investment Transactions Project is one of the most important efforts planned for 2022. This initiative aims to offer all investment products to customers via MobilDeniz. To improve customer experience and increase the functionality of the application, efforts are ongoing for the UX Modification initiative and the Chatbot function upgrade to provide fast support when customers need it most. DenizBank also plans to enable commercial customers to view and manage their other bank accounts via Mobile Banking.

Web Platforms Management

DenizBank renewed its corporate website in 2021. The new website was updated with mobile device compatibility and a “Mobile First” approach. Content management and website updating are now easier with the site’s new content management system. In addition, DenizBank.com, previously available on two separate websites – mobile and web, was merged to be managed through a single platform with its device-responsive design.

In 2021, Web Platforms Management conducted efforts to identify services for future offerings on the DenizBank corporate website and the Bank’s other digital platforms. The Department also formulated platform strategies, implemented projects, and added functionality for marketing and sales of banking products and services via interactive communication channels in accordance with the Bank’s marketing strategies. Support was provided to launch the planned projects and deliver post-launch reporting.

During the year, the number of monthly visitors to Denizbank.com jumped by 40%. Today, the website is a more effective tool thanks to a reorganization of business process flows and the personalization of the page according to each users’ behavior patterns while on the site.

The Denizbank.com website was updated with a mobile-compatible, dynamic and user-friendly interface to offer a more personalized service to customers. The menu and content structure were simplified in accordance with user segments. Consumer loans, credit cards, calculations, deposits, and savings fields are now easily accessible in the first step with the revamped “Quick Transactions” structure.

A modular and developable systems infrastructure was included in the website overhaul as per the latest SEO (Search Engine Optimization) and digital standards. The website offers remote and secure access to products and services via API and virtual assistant (chatbot) with a refreshed color and font scheme in line with current Google trend usage.

Digital Sales and Marketing Management

The Digital Sales and Marketing team conducts sales and marketing activities on digital platforms to promote DenizBank’s digital products and services. By prioritizing

DenizBank renewed its corporate website in 2021. The new website was updated with mobile device compatibility and a “Mobile First” approach.

In addition to efforts to boost customer acquisition via digital channels in order to gain a competitive advantage, DenizBank prioritizes efforts aimed at financial deepening and customer retention.

customer satisfaction and profitability, the team creates the required marketing infrastructure to maximize the sales and use of personal and corporate products – deposit and lending products, credit cards, insurance, and the like – via digital channels.

Launched in 2021, Remote Customer Acquisition has also been the main focus area for the Digital Sales and Marketing team. In addition to efforts to boost customer acquisition via digital channels in order to gain a competitive advantage, the Bank prioritizes efforts aimed at financial deepening and customer retention. Thanks to this focus, the share of digital banking now accounts for 27% of new customer account openings monthly at DenizBank. With the competitive advantage of the customer experience and remarketing activities carried out in coordination with all non-branch channels, the conversion rate from application to account opening rose by 73% year-on-year.

DenizBank’s digitalization efforts resulted in a 31% increase in Mobile Banking’s active customer base. During the year, new credit card customers acquired through digital channels jumped by 92%. General purpose loans extended via the Bank’s digital platforms climbed by 207% in 2021.

The Digital Sales and Marketing team strives to ensure that digital marketing activities and the digital customer journey can be measured end-to-end to optimize the marketing budget and achieve profitable and sustainable growth. The Bank quickly implements marketing automation from the no-cost channel to the cost-effective channel to achieve efficiency. Acquisition and sales costs are optimized and sales penetration via digital channels are increased.

The Digital Field Sales Management Department raises awareness and facilitates the digitalization of physical branches as key stakeholders of digital transformation at the Bank. In 2021, DenizBank stepped up field incentive campaigns to boost the sales of digital products via the branch network. The field staff was provided with close support in all digital-related issues. The Digital Scorecard platform was also implemented for performance monitoring. The platform enables branch locations to monitor their customers’ use of digital products and their transactions on digital channels. As a result, branches can plan ahead by tracking the rate of digitization uptake.

Turkey's banking sector is undergoing a major change and transformation process, both quantitatively and qualitatively.

RETAIL BANKING GROUP

Project Management Office

The Project Management Office facilitates the rapid and high-quality completion of projects of DFSG Business Units. As a result, the Group's Business Units are better able to execute strategies that make a difference in today's highly competitive financial services sector.

In cooperation with DFSG Business Units, the Project Management Department ensures an appropriate selection of strategic initiatives that comply with DFSG business strategies. The Department monitors these projects on behalf of senior management and the Information Systems Strategy and Steering Committee. The Department's responsibilities include reviewing strategic projects and requests in a fast and high-quality manner in addition to developing, managing, and improving, if necessary, the relevant processes.

In terms of responding to the requests of DFSG Business Units effectively, the Project Management Office is charged with designing and managing the processes required to achieve synergy between Intertech Project Management Office and DFSG Business Units Project Managers. The Department also resolves any potential priority conflicts in IT Product Teams in regard to the strategically and tactically prioritized requests of the DFSG Business Units.

The Project Management Department analyzes any points that could be helpful for other Business Units and makes the resulting solution available to multiple business units across the Group. The Department performs the required follow-up and coordination work to launch DFSG strategic projects and requests by the Business Units. Any needed management and coordination work is undertaken by the Department for DenizBank Project Management Office, DFSG Business Units Project Management and Intertech Project Management Office to work within an agile structure in line with DFSG's strategic objectives.

In order to maintain effective cost and resource management, increase productivity and ensure sustainable growth, internal consultancy services are provided to all subsidiaries and groups within DFSG by making presentations to the Board of Directors alongside recommendations.

Change Management

Turkey's banking sector is undergoing a major change and transformation process, both quantitatively and qualitatively. To make a difference in competition in this period of rapid digital transformation, it is a must to closely monitor and follow technological developments, adapt quickly to changes, review IT strategies parallel with agile strategies, ensure the appropriate use of resources, and establish an IT infrastructure and business model that support cyclical developments. This period saw the need for change and transformation in risk, operation and customer perspectives.

To lead this industry-wide and structural transformation process and gain a competitive edge, the Change Management Group aims to offer consulting and support services to the Bank's senior management, subsidiaries and relevant staff. This effort will help them develop new strategies in line with legislative and regulatory changes, efficient risk management, cost-effectiveness, efficient performance management models, inter-channel integration and advanced customer analytics. Due diligence based on retrospective analyses supports resource optimization and balance sheet management from a perspective of maximum rate of return/minimum cost.

DenizBank's Change and Transformation Management strategy can be summarized as follows:

- Increasing company value,
- Ensuring qualified personnel,
- Implementing structural changes,
- Developing savings methods,
- Implementing process improvement and changes,
- Embracing cultural change and customer focus.

In order to maintain effective cost and resource management, increase productivity and ensure sustainable growth, internal consultancy services are provided to all subsidiaries and groups within DFSG by making presentations to the Board of Directors alongside recommendations.

Subsidiaries – such as DenizFactoring, DenizLeasing and DenizBank AG – are analyzed in detail in terms of operational, organizational and business model aspects. Support is given to make more efficient use of inefficient or idle functions and staff positions as identified following cooperation and exchanges with the management of the relevant companies. In addition to works on modernizing and improving the effectiveness of the branch network, an active role is played to boost synergy and collaboration among IT and the relevant groups. The aim is to optimize and increase the efficiency of competitively-advantageous structures such as NBC (Non-Branch Channels) and digital channels.

In an increasingly competitive operating environment, changes in the business model are suggested to ensure an organizational structure that maximizes customer satisfaction parallel to customer needs with the perspective of “the best customer is our own customer.” Internal processes are reviewed from that perspective.

Call Center

The DenizBank Call Center provides customers with top-quality, non-stop services on a 24/7 basis. All Call Center processes and the individual performance system are designed to enhance the customer experience in terms of communications.

In 2021, the Call Center answered 15 million incoming calls. With the Audio Response System designed to provide fast and easy service, the virtual assistant DENİZ started offering the call-back option at a different time for customers who do not want to wait in the line when they call. Understanding that customers' time is highly valuable, DENİZ embraces a proactive service approach and completes 51% of all incoming calls with effective guidance.

In 2021, the Call Center's top priorities included upgrading its systems and technology, boosting productivity in sales automation, expanding the customer service representative staff, and more deeply integrating sales activities with the business culture.

With the Covid-19 pandemic ongoing worldwide with different variants, Call Center employees are working from home after completing the first theoretical and practical training period at the workplace to safeguard the health of customer representatives and their families.

The DenizBank Call Center provides customers with top-quality, non-stop services on a 24/7 basis. All Call Center processes and the individual performance system are designed to enhance the customer experience in terms of communications.

To deliver more effective solutions for higher Call Center support needs of customers during the pandemic, DenizBank introduced video call support service for both disabled customers and Affluent customers.

As a key stakeholder in remote customer account opening efforts in 2021, the Call Center served as an effective channel in attracting new customers to the Bank in conjunction with the recently established Digital Customer Acquisition team.

To deliver more effective solutions for higher Call Center support needs of customers during the pandemic, DenizBank introduced video call support service for both disabled customers and Affluent customers.

In 2022, DenizBank Call Center aims to continue providing fast and high-quality service to customers, further improve the customer experience and boost sales activities for all lines of business.

Affluent Deniz

The Affluent Deniz channel, introduced to reduce the branch workload and improve the customer experience for Affluent customers, operates with an expanded capacity and a broader set of transactions within the framework of Portfolio Management from the Center approach.

Providing service during working hours on weekdays, the dedicated team answers call from Affluent customers to help them with their particular needs and questions, while proactively offering DenizBank products to these customers.

This specialized channel delivers support to customers via video or telephone calls to maximize customer satisfaction by working in synergy with the Bank's physical branches. In 2022, the Affluent Deniz channel aims to add further value to the branch network and the Affluent customer base with this vision and commitment.

Telemarketing-Collection and KOBİ'deniz

DenizBank's telemarketing channel manages data-based sales and collection processes with its experienced staff and robust technological infrastructure. This channel delivers specific services with a wide range of products and processes that start and end over the phone.

Seeing the accelerated digital transformation as an opportunity, the Bank developed the telemarketing channel to identify the financial needs of customers with the smart outgoing call scenarios implemented in 2021. This proactive approach with real-time outbound call scenarios and smart guidance yielded major gains in sales, collection, and service activities with an improved customer experience.

With the primary objective of attracting new customers to DenizBank while selling products from all the Bank's business lines, the team efficiently makes sales in the field with the use of its advanced technology infrastructure.

RETAIL BANKING GROUP

KOBİ'deniz provides a comprehensive range of banking services that do not require cash transactions and wet signatures to all Micro segment customers by telephone. This Call Center service is staffed by portfolio managers specialized in financial deepening, activation, collection, and promotion. KOBİ'deniz meets customer demands and needs quickly, answering incoming calls in an average of 20 seconds. KOBİ'deniz operates with a focus on high efficiency and a perfect customer experience with effective capacity management and use of advanced technology. In the coming year, KOBİ'deniz plans to start serving its current tradespeople customers with video call technology and providing customers with the opportunity to talk with KOBİ'deniz portfolio managers via the Mobile Banking application. As per the new developments in applicable legislation, KOBİ'deniz aims to focus on acquiring new customers remotely.

In 2022, KOBİ'deniz plans to develop innovative processes and focus on products and services with high added value across all business lines with an entrepreneurial and passionate staff who embrace their business.

Mobile Sales Team

Serving various DenizBank business lines, the Mobile Sales team focuses on sales of Payment Systems, Consumer, SME, Agricultural Banking, Digital Banking and DenizFactoring products, and prioritizes new customer acquisition.

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With the primary objective of attracting new customers to DenizBank while selling products from all the Bank's business lines, the team efficiently makes sales in the field with the use of its advanced technology infrastructure.

The Mobile Sales team visits people who have not yet encountered DenizBank at their workplaces. The team responds to the needs of these prospective customers with a wide range of products in the fastest way possible. In addition to acquiring new customers, the Mobile Sales team contributes to customer activation and profitability by offering new products to current customers encountered in the field.

Sales representatives use the Mobile Sales application installed on their tablet devices, allowing them to sell DenizBank Credit Cards, Consumer Loans, SME Cards, Bonus Business, POS, Producer Cards, Factoring, Overdraft Accounts, SME Card Commercial Loan with Installments, Automatic Utility Bill Payment, Supplementary Cards as well as Insurance products. Active digital customer acquisition was achieved with system upgrades completed in the fourth quarter of 2021.

DenizBank's Mobile Sales team aims to offer all products to customers in the field with an ever-growing staff. The team focuses on acquiring new customers for the Bank, reactivating inactive customers, boosting its share of product sales, and ensuring that each team member can effectively serve as a Mobile Branch for customers.

PAYMENT SYSTEMS GROUP

The Payment Systems Group ensures that DenizBank's operations under

- Debit and Credit Cards Management, and
- Contracted Merchant Relations

are executed in coordination and synergy with other business lines of the Bank.

Debit and Credit Cards Management

In 2021, DenizBank further expanded its extensive credit card product portfolio appealing to different customer segments and preferences.

As of year's end, the Bank recorded a market share of 7.2% in terms of the total number of credit cards issued. With credit card turnover totaling TL 97 billion, the Bank's card turnover market share was 6.4% at end-2021.

DenizBank aims to provide credit card products and services that feature solutions that can be part of each lifecycle stage of its customers and support their everyday needs.

2021 has been a year in which DenizBank took major steps to meet the changing needs of its customer base due to the ongoing pandemic. The Bank made its digital experience easier and more accessible while launching new products and services to further boost customer satisfaction.

DenizBank is committed to reaching the right customer at the right time with the right product. To this end, the Bank implemented effective initiatives to improve its payment solutions, developed new products as well as product-related processes, and generally made life easier for its customers.

Adapting to customers' ongoing desire for change and renewal, DenizBank introduced vertical cards with a simple and elegant design. DenizBank also offers many credit card options with a wide product range – from fan cards to no-fee cards.

In 2021, the Bank's digital channels accounted for a bigger share of new customer acquisitions and card transactions. Additionally, customer satisfaction increased with instant card services offered at branch locations.

DenizBank prioritizes all kinds of support to traderspersons and SMEs with its innovative service offering. The Bank strives to offer significant advantages to commercial customers with DenizBank Bonus Business Credit Card. The Bank's Bonus Business Card is a commercial credit card that tradespeople and SMEs can use both to pay for personal spending and to easily track expenditures made by their employees on behalf of the company. The card also offers the opportunity to purchase with installments at all Bonus merchants.

As of year's end, the Bank recorded a market share of 7.2% in terms of the total number of credit cards issued. With credit card turnover totaling TL 97 billion, the Bank's card turnover market share was 6.4% at end-2021.

DenizBank prioritizes all kinds of support to traderspersons and SMEs with its innovative service offering. The Bank strives to offer significant advantages to commercial customers with DenizBank Bonus Business Credit Card.

DenizKartım mobile application delivered an advanced customer experience in 2021. This mobile app allows customers to follow and participate in all card-related promotional campaigns free of charge and benefit from privileges and discounts exclusive to DenizKartım. In addition, DenizKartım allows users to perform various card transactions, such as card application, virtual card creation, and card debt payment, quickly and easily.

Customers can also win prizes while exploring DenizKartım with the game "Kaptanın Görevi (Captain's Mission)." App users have an advantageous and secure experience on the Opportunities menu where delivery information from contracted companies is automatically entered into the system.

Contracted Merchant Relations

As of year-end 2021, DenizBank recorded a 4.2% share of the contracted merchant market. With a total contracted merchant turnover of TL 89 billion, the Bank's turnover market share was 5.0%.

In 2021, DenizBank further developed its relations with contracted merchants by investing in technology and digital transformation in line with its sustainability principles. A systems infrastructure was developed to transmit customer POS spending documents via SMS and e-mail to minimize paper usage. In order to reduce the volume of printed statements requested by contracted merchants, the Bank introduced a new feature to MobilDeniz that allows them to monitor their turnover reports digitally with detailed graphics.

During the year, DenizBank implemented the systems infrastructure to receive payments via mobile phones, eliminating the need for a POS device. This innovation offered an eco-friendly, secure, and hygienic contactless payment service to contracted merchants. A product was introduced in October in cooperation with BiTaksi to enable taxi drivers to receive their taxi transportation fees via their mobile phones – a first in Turkey.

To conduct contracted merchant field operations more efficiently, DenizBank regularly collects inactive POS devices from the field to manage costs and reduce POS device expenditures. For the first time, contracted merchant applications were received through MobilDeniz this year. All member workplace documents that were legally eligible were received with digital approval to reduce paper use. The POS setup service level was improved and setup times were shortened during the year. All expired POS devices in the field were replaced with devices that process contactless payments.

As part of the Bank's tourism support strategy, DenizBank develops effective solutions to facilitate the business operations of contracted merchants in the tourism sector. In 2021, the Bank added the feature of receiving payments in different foreign currencies (GBP, USD, EUR) to Dynamic Currency Conversion (DCC) transactions.

DenizBank boasts the widest private banking network in Turkey with 16 service points: four locations in Istanbul and 12 elsewhere across the country.

RETAIL BANKING GROUP

PRIVATE BANKING AND INVESTMENT SALES GROUP

DenizBank Private Banking serves clients with a net worth of over TL 1 million.

Private Banking delivers a wide range of customized services and solutions to its 16.4 thousand active clients as of year-end 2021. DenizBank boasts the widest private banking network in Turkey with 16 service points: four locations in Istanbul and 12 elsewhere across the country. The Bank's Private Banking service points are located in Istanbul, Ankara, Izmir, Antalya, Bursa, Adana, Thrace, Kayseri, Samsun, Bodrum and Diyarbakır. Service points in Kayseri, Samsun, Bodrum and Diyarbakır gave DenizBank a competitive edge since they are the first private banking points in those locations sector-wide.

The Private Banking Group closed the fiscal year 2021 with total assets of TL 79.9 billion. Operating in harmony and collaboration with the Bank's other business lines to constitute a single gateway for customers, the Private Banking Group's 58 portfolio managers deliver all DenizBank Financial Services Group products and services with their many advantages and privileges.

Private Banking creates value for both parties by acting as a bridge between DenizBank investment products and customers with a variety of DenizAsset Management mutual funds for diverse customer preferences. In 2021, the total amount of funds under management increased by TL 4.1 billion compared to the previous year. Specialized hedge funds were created for clients to manage their wealth more effectively. With

Private Banking creates value for both parties by acting as a bridge between DenizBank investment products and customers with a variety of DenizAsset Management mutual funds for diverse customer preferences.

eight new Special Funds established in 2021, the total number of Special Funds climbed to 24. During the year, the Group brokered the issuance of over TL 1.5 billion in Bank and non-Bank private sector bills and bonds, enabling Private Banking customers to access alternative, non-deposit products.

DenizPrivate, the credit card exclusively offered to Private Banking customers, was updated as DenizPrivate under the concept, "An exclusive world, just for you." The new card features a personalized card design. The advantages offered to DenizBank Private and TAV Passport holders at contracted airports include many benefits: free parking for a total of 30 days, privileged flight transactions, free airport lounge access, discounted shopping, 10% discount on accommodation and restaurant expenses abroad, and 10% discount on hotel and restaurant spending in Turkey.

In 2022, DenizBank Private Banking Group aims to expand its asset size and service quality, while providing personalized solutions with a dedicated workforce to fully meet customer needs and expectations. The Group also plans to stand by its customers with special, exclusive events, and other non-banking services.

The core operations of the Wholesale Banking Group include bolstering relations and creating partnerships with subsidiaries, business units, and branches, creating joint working spheres as well as creating common activity areas and expanding them in line with the Bank's overall strategy.

WHOLESALE BANKING GROUP

The Wholesale Banking Group ensures that DenizBank's operations under

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

are carried out in coordination and synergy with other business lines of the Bank.

The core operations of the Group include bolstering relations and creating partnerships with subsidiaries, business units, and branches, creating joint working spheres as well as creating common activity areas and expanding them in line with the Bank's overall strategy.

CORPORATE AND COMMERCIAL BANKING GROUP

DenizBank Wholesale Banking shapes its marketing approach around maintaining high-quality assets, quickly adapting to economic developments, creating synergy between other business lines and subsidiaries and employing experienced human resources that deliver best-in-class services with DenizBank's collective wisdom.

The Group has more than 100 products in key areas such as loans, deposits, securities, cash management, project finance, leasing, factoring, insurance, foreign trade, and investment banking. DenizBank Corporate and Commercial Banking Group operations contributed to investment and privatization processes through its know-how in project finance and financial strength, thus bolstering its position in the sector.

Wholesale Banking Group has 100 products in key areas such as loans, deposits, securities, cash management, project finance, leasing, factoring, insurance, foreign trade, and investment banking.

The Corporate Banking Group provides the right financial solutions to meet its customers' needs through innovative project finance, cash management and foreign trade products, as well as traditional corporate banking products. This approach creates and offers value chains that integrate all business lines of DFSG and produces tailored and proactive solutions to meet any financial need.

Under its financial supermarket approach and collective wisdom strategy, the Group offers clients from diverse sectors a wide range of products and services. In addition, the Group creates new business opportunities under DFSG and ensures synergy between subsidiaries and business units.

With the awareness of its responsibility in the banking sector, DenizBank Corporate and Commercial Banking provides support to its client base and target sectors, including tourism, infrastructure, maritime, sports clubs, healthcare, education, energy, public finance, and manufacturing-exporting companies. The Group aims to support economic growth in Turkey.

The Corporate and Commercial Banking Group operates in a total of 23 branch locations – including three Corporate branches and 20 Commercial Central branches – with an experienced and specialized sales team.

In 2021, DenizBank provided support to SMEs facing the challenges of the pandemic and recorded a 30% increase in cash and non-cash SME loans in this period.

WHOLESALE BANKING GROUP

SME BANKING AND PUBLIC FINANCE

The SME Banking and Public Finance Group ensures that DenizBank's operations under

- SME Banking,
- Gold Banking,
- Public Finance
- Cash Management and Foreign Trade Finance
- Foreign Trade Finance

are carried out in coordination and synergy with other business lines of the Bank.

SME Banking

DenizBank SME Banking Group, with its expert team at the Head Office, Regional Offices and branch locations in all of Turkey's provinces, offers products and services to meet all kinds of financial needs and expectations of small and medium-sized businesses with an annual turnover of TL 1 million to TL 125 million.

In 2021, DenizBank provided support to SMEs facing the challenges of the pandemic and recorded a 30% increase in cash and non-cash SME loans in this period. In addition to allocating new loans to SMEs during the global pandemic, DenizBank gave its support by extending deferrals on existing loans. Loans were deferred for SMEs that could not open their businesses and generate income due to pandemic restrictions. A total of TL 1.5 billion in loans to over 13 thousand SME borrowers was deferred for three months.

To meet the working capital needs of SMEs in 2021, DenizBank signed the Nefes 2021 Loan Agreement in cooperation with the Union of Chambers and Commodity Exchanges of Turkey (TOBB) and KGF. Under this effort, 3 thousand customers benefited from cash loan financing support. With this agreement, DenizBank maintained its role as a major

DenizBank designs future-oriented products and services to help digitalize SMEs, the dynamic and driving force of the Turkish economy. The Bank offers digital solutions to its SME customers' project, loan, and financing needs to support them in global markets.

lender of KGF-backed loans. The Bank has quickly distributed loans to SME clients thanks to its fast and efficient decision-making processes. In terms of KGF-backed loans, DenizBank ranked fourth in Turkey in total lending and eighth in financing support in 2021.

DenizBank designs future-oriented products and services to help digitalize SMEs, the dynamic and driving force of the Turkish economy. The Bank offers digital solutions to its SME customers' project, loan, and financing needs to support them in global markets. MobilDeniz is developed continuously with an ever-expanding scope of services offered via this channel for SMEs. Thanks to the higher usage of innovative mobile app functionality such as Send a Check to Deniz, SMEs are now able to learn the loan eligibility status of their checks and quickly access cash without visiting a physical branch. MobilDeniz also broke new ground in the industry by effectively using robotic loan application assessments. With the integration of a robotic process KOBI-TEK in the loan application process, customers are provided with a much faster loan allocation and disbursement experience.

DenizBank SME Banking is constantly developing its digital channels so that its customers can access the Bank's products and services without visiting a branch. With this strategic focus, DenizBank became one of the leading banks that implemented the "Legal Digital Approval" process for SME customers. Legal Digital Approval was introduced for legal firms in Turkey in June. SME customers of a legal entity had the opportunity to approve their banking transactions through the MobilDeniz or DenizKartim applications. Legal Digital Approval saves time for legal firms in line with their needs, eliminates the need for a wet signature, and allows DenizBank to reduce paper consumption in line with its sustainability goals.

DenizBank embraces digital transformation as a response to customers' rising demand for services and information through mobile channels. The growing emphasis on speed and transparency in foreign trade transactions with intensive use of foreign currency prompted DenizBank to join the SWIFT GPI system. This new standard in global payments enables instant monitoring of international money transfers via mobile banking for all DenizBank customers.

Tradespeople and SMEs can save up to TL 5,000 per year by selecting the best tariff suited to their needs. A wide range of special SME tariffs is available for daily banking transactions that vary according to the type and frequency of transactions. Thanks to other banking bundles tailored to their sector's specific needs, tradespeople and SME clients can also benefit from sector-specific advantages, favorable loan options, and attractive tariffs for banking transactions.

Turkey's public and private sectors support women in contributing to the sustainable economy and strengthening their presence in the business world. The great importance of the active participation of women in the economy for both economic and social development is well-understood today.

DenizBank is the first bank in the sector to sign the TurWIB agreement valid until 30 March 2023 with the Credit Guarantee Fund (KGF). Under this agreement, funds are provided from the European Bank for Reconstruction and Development (EBRD) to support female SME customers primarily. KGF guarantees of up to TL 9.6 million are provided to female manufacturer-exporter customers who actively participate in company management and activities, and up to a maximum of TL 5 million for other female-owned businesses. In addition, DenizBank serves female customers at branches and in the digital arena with special advantageous rates, packages, and other products to facilitate and encourage female entrepreneurs' access to finance.

Furthermore, DenizBank provides consulting services to exporter SMEs to help them create a strategic business roadmap, obtain valuable information, make investments and enter new markets. Customers can call the Foreign Trade Contact Line at 0212 348 34 44 to obtain information about many topics such as payment methods used in foreign trade, international rules, and the like.

Turkey's public and private sectors support women in contributing to the sustainable economy and strengthening their presence in the business world.

The gold sector not only creates added value for Turkey but also stands out as a niche sector for DenizBank.

Gold Banking

The gold sector not only creates added value for Turkey but also stands out as a niche sector for DenizBank. The Bank established the Gold Banking department in 2011 by stepping up its focus on this burgeoning area and leapfrogging the competition. DenizBank aims at providing a comprehensive range of banking instruments, from loans to deposits, to fully meet the demands of the gold sector.

DenizAltın Days has encouraged households to invest their "under-the-mattress" savings into the national economy. This scheme has turned almost 10 tons of physical gold savings into deposits. The Gold Accumulating Account and Saver Account both provide savers the opportunity to grow their investments.

DenizBank Gold Banking aims to channel investors' gold assets in jewelry to clients as financial support under attractive terms, thus contributing to Turkey's economy.

The Bank's market share has continued to support the sector with innovative efforts, such as special loan assessment processes for precious metals, in addition to groundbreaking product innovations, including Equal-Installment Gold Loan, Gold Loan with Early Closure Option, Gold Support Loan to Manufacturers and Silver Loan.

Public Finance

Defining public banking as a 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 was established to service a target group comprising local administrations, their affiliates and economic enterprises, as well as state economic enterprises, their entities and subsidiaries. The Public Finance Department has provided low-cost and long-term financing to many projects.

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.

Having always supported municipalities in the financing, DenizBank Public Finance maintained its support to municipality clients during the pandemic and continued to meet their financing needs.

In 2022, the Cash Management Group plans to maintain its customer-centric approach to accurately analyze customer needs and offer the right product to the right customer at the right time.

WHOLESALE BANKING GROUP

Cash management systems developed exclusively for DenizBank in addition to the Bank's branch network and alternative distribution channels help maximize operational efficiency and productivity in tax collection processes. As of the end of 2021, the Bank provides collection services for tax, water bills, etc. for more than 120 municipalities.

Cash Management and Foreign Trade Finance

The Cash Management and Foreign Trade Finance units are combined under SME Banking to provide services to all DenizBank business lines.

Cash Management

The Cash Management Group offers payment and collection methods suitable for customer needs by using advanced technologies. The Group's core strategy is to provide faster, higher quality and effective service. The Cash Management Group operates under the Wholesale Banking-SME Banking Group with the organizational change completed in 2021.

In addition to systems infrastructure upgrades to improve its existing products, DenizBank implemented new functionality in its digital channels, such as Internet Banking and MobilDeniz, in 2021 to provide easy access to all products. In 2020, the Bank developed integrated solutions with API Banking. As a result, Cash Management products began to be offered via the API channel. In 2021, DenizBank implemented new initiatives in this area with more customers served through the API channel.

In 2021, DenizBank intermediated some 6 million payment transactions via the Bulk Payment System. The Bank reported electronic payment transactions amounting to TL 434 billion, up 36% year-on-year.

DenizBank recorded an increase in especially e-signature applications as a result of the higher demand for electronic products that allow customers to perform transactions without going to a physical branch. The Cash Management Group provided effective and sustainable solutions to meet the changing needs of customers during the pandemic.

In 2022, the Cash Management Group plans to maintain its customer-centric approach to accurately analyze customer needs and offer the right product to the right customer at the right time.

In the coming year, DenizBank Cash Management aims to acquire new customers via enhanced synergy between business lines, deepen relationships with existing customers to boost cross-sales and offer innovative products in response to customer demands.

Electronic Collection Services

In 2021, DenizBank established additional partnerships with new companies in the Direct Debit System (DDS) and corporate collection initiatives. At year's end, the Bank recorded collections of TL 8 billion with DDS and Card Collection System efforts – the main products of Cash Management. Offering solutions for the entire supply chain by addressing its customers together with its suppliers, DenizBank launched new initiatives and entered into new agreements in 2021. In line with its goal of intermediating all the cash flow of its customers, the Bank plans to further deepen its customer relationships for these products in 2022.

Electronic Payment Services

In 2021, DenizBank intermediated some 6 million payment transactions via the Bulk Payment System. The Bank reported electronic payment transactions amounting to TL 434 billion, up 36% year-on-year.

At year-end 2021, DenizBank posted a 6.3% market share in cashier's checks.

Foreign Trade Finance

DenizBank Foreign Trade Finance focuses on facilitating the banking transactions of customers regarding foreign trade with its expert staff, advanced infrastructure, and digital capabilities.

In 2018, DenizBank joined the SWIFT GPI (Global Payments Innovations) system, the new standard in global payments. The Bank started to offer instant tracking via Mobile and Internet Banking to all its customers in domestic and international money transfers (Outbound tracking) made through SWIFT in 2021.

As B2B-B2C companies are a necessity of the digital world, an agreement was signed with TürkTicaret.Net to support exporting customers in their new market acquisitions as well as to provide domain and web hosting services.

With the growing use of the internet and mobile banking due to the ongoing Covid-19 pandemic, customers can perform their import transfers digitally in a faster and more practical way. Use of the SME Foreign Trade Support Line also increased during the year.

Exporting SME customers benefited from special-cost foreign currency loans to meet their financing needs. Meanwhile, importing customers used Chinese Yuan Rediscount Credits to support trade in local currencies.

DenizBank Foreign Trade Finance focuses on facilitating the banking transactions of customers regarding foreign trade with its expert staff, advanced infrastructure, and digital capabilities.

DenizBank conducts its operations to support Turkish agriculture, boosting agricultural productivity, putting “a smile on every farmer’s face” and contributing to a brighter future for our nation.

AGRICULTURAL BANKING GROUP

DenizBank conducts its operations to support Turkish agriculture, boosting agricultural productivity, putting “a smile on every farmer’s face” and contributing to a brighter future for our nation.

DenizBank continues to contribute to Turkey’s agriculture and economy with the motto “If there is agriculture, there is the future.” DenizBank considers agriculture a national issue and provides services to all stakeholders in the sector, especially the farmers. DenizBank, as the leading bank in the sector, also established the Agricultural Banking organization separately from its Headquarters, regional, and branch structuring for the first time in Turkey.

Fastest and State-of-the-Art Agricultural Solutions with the Highest Quality

In line with its commitment to agriculture and land resources, DenizBank acquired Tarıřbank in 2002 and launched its Agricultural Banking operations. Today, DenizBank proudly delivers the fastest and state-of-the-art agricultural solutions with the highest quality to producers via a network of 367 branches located across Turkey’s 81 provinces and specialized in agriculture, with a field team composed largely of agricultural engineers.

DenizBank supports producers who have difficulties in accessing finance as well as producers and investors engaged in modern agriculture on a larger scale.

In 2021, DenizBank reached an annual average loan volume of TL 17 billion. The Bank is the leader among private banks with an annual average market share of 45% in agricultural lending. DenizBank currently serves over 1.4 million agricultural banking customers.

Producer Card

A leader in providing financing to the agricultural sector, DenizBank works to establish a Producer-Merchant-Bank relationship, offering solutions that provide maximum benefit to all parties. DenizBank is the pioneer in the agricultural commercial card market with 620 thousand Producer Cards and innovative opportunities it provides. With the “Producer Card” designed especially for the needs of the sector, the Bank facilitates the micro producers’ access to financing while offering producers a cost advantage in agricultural procurement with zero interest and maturity advantage in contracted merchants.

Producers can apply for the Producer Card through Deniz'den Toprağa (From Deniz To Earth) application, at DenizBank branches, ATMs or with a simple SMS from their mobile phones, in an easy, fast, and hassle-free manner.

WHOLESALE BANKING GROUP

Producer Card holders can purchase all their agricultural inputs – such as fertilizer, animal feed, seeds, saplings, and pesticides – from 18 thousand contracted merchants across the country with grace periods of up to six months.

Due to the price changes in agricultural input prices in 2021, DenizBank increased the limits on all lending products, especially the Producer Card, which serves to supply production inputs. In this way, DenizBank continued to support the producers to use optimum level of input and to continue production without losing efficiency with suitable loan limits.

As part of the cooperation in the field of fuel with Petrol Ofisi, Opet, Sunpet, Shell, Lukoil, Aytemiz, Moil, Alpet, Teco, Türkiye Petrolleri, Soil, and Kadoil, DenizBank offers producers interest-free fuel for up to five months with a Producer Card from contracted dealers. The ongoing cooperation with the fertilizer sector has enabled the advantages of the Producer Card to expand to different points.

With the Producer Card Installment Loan product, producers can obtain installment loans for their medium/long term finance needs at DenizBank branches, and through DenizBank ATMs, DenizBank Internet Banking, MobilDeniz and Deniz'den Toprağa applications, and SMS channel on a 24/7 basis with maturity periods of up to three years, and with annual payments following harvest time. Additionally, Producer Card owners can withdraw cash advances from DenizBank branches and ATMs on a 24/7 basis to meet their short-term cash needs.

Producers can pay for their TARSIM agricultural insurance policy – the essential insurance coverage to protect agriculture and livestock activities – with their Producer Cards and enjoy a “0” interest rate until the harvest.

Producers can pay for their TARSIM agricultural insurance policy – the essential insurance coverage to protect agriculture and livestock activities – with their Producer Cards and enjoy a “0” interest rate until the harvest. In addition, producers can benefit from the opportunity to pay their Private Pension Insurance, Farmer Health Insurance and Farmer Personal Accident Insurance once a year, at harvest time with the Producer Card. The Producer Card helps farmers pay their monthly bills by giving them the option of repayment at harvest. In this way, producers can make their monthly utility bill payments within a certain limit – including electricity, water and natural gas – at harvest time once a year, at more favorable interest rates. Additionally, DenizBank gives producers the option of paying their Bağ-Kur premiums with automatic payment orders via Producer Card. As a result, producers can pay their premiums at harvest time and enjoy timely, uninterrupted access to all the rights the social security institution provides.

Producers can use the Producer Card to make equipment purchases from contracted merchants with the advantage of making a payment only once a year and a maturity term of up to three years.

DenizBank attaches great importance to agricultural chambers, unions and cooperatives to protect micro-scale farming and boost productivity. Thanks to the Bank's partnerships with leading unions and cooperatives – such as Çukobirlik, Tarış, and Pankobirlik, irrigation cooperatives, as well as breeding and cattle cooperatives – their members are able to purchase agricultural inputs at attractive prices. In addition, the Producer Card gives producers the opportunity to postpone the payment of their power bills related to agricultural irrigation until harvest time.

Producers can apply for the Producer Card through Deniz'den Toprağa (From Deniz To Earth) application, at DenizBank branches, ATMs or with a simple SMS from their mobile phones, in an easy, fast, and hassle-free manner.

Other Products and Advantages

In agricultural loans, DenizBank offers customers the option of making repayment once a year, at harvest time, in line with payment plans tailored to farmers' cash and income flows. The Bank has developed numerous products to meet the specific requirements of the sector. These specialized lending products include Animal Husbandry, Greenhouse Cultivation, Fruit Growing, Fishery, Tractor, Equipment, Land Purchase, Repair & Modernization, Plow & Drill, Best Agricultural Practices and Project Investment loans. The Bank's innovative solutions help farmers finance their operational expenditures and all agricultural investments.

Besides "Green Drop" branches - a first in Turkey – launched in order to be closer to the producers as well as remote access channels such as telemarketing, SMS, ATM, and Digital Banking, DenizBank provides banking services through tablet visits to villages, fields, and homes, when farmers are unable to reach the Bank.

The pandemic has demonstrated the critical importance of agriculture for both Turkey and humanity. With its expanding merchant network, DenizBank Agricultural Banking supported producers with interest-free terms of up to six months in agricultural input purchases. By contacting business partners in key sectors – such as fertilizer, seed, pesticide, and fuel – for this purpose, producers' needs were met immediately and they were able to make their payments with a six-month grace period.

In 2021, a resource worth USD 840 million was brought to the economy with the first syndicated loan in this field to support agricultural sustainability. The syndicated loan agreement, which includes performance criteria to develop solutions to increase the productivity of all farmers and especially women throughout the country, aims to increase the resources provided to producers with the Producer Card, the most important financial instrument for sustainable agriculture. It is aimed to increase the number of agricultural products focused on important issues such as efficient use of lands, protection of natural resources such as water and soil, and energy efficiency.

Having in effect brought the branch to the village, DenizBank transferred its agricultural know-how and expertise to social media with its "Deniz'den Toprağa" platform. Another innovative solution of DenizBank for the agricultural sector, "Deniz'den Toprağa (From Deniz to Earth)" Facebook page, designed especially for producers, now boasts over 100 thousand followers, enhancing farmers' financial literacy and providing agricultural advisory to producers. Agricultural consultancy as well as weather information, grant-support news, and information on product prices at harvest times

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are provided for farmers to grow their crops more efficiently. The "Deniz'den Toprağa" smart device application, the latest addition following the launch of the "Deniz'den Toprağa" Instagram account, won the Best New Product and Service Award in the "Innovation" category at the 2017 EFMA – DMI Awards, a highly prestigious international recognition platform for financial markets.

All producers – whether they are customers of DenizBank or not – and anyone who is interested in agriculture or considers it a hobby can use this application for free. The application has so far been downloaded more than 270 thousand times. Thanks to the algorithms in the application, by stimulating in a virtual environment of the entire growth process of a product from the planting date to the harvest, fertilization, disinfestation, and irrigation recommendations specific to each stage are instantly delivered to the producers. The crucial "Ask the Engineer" feature enables users to submit their questions 24/7 to an expert team of agricultural engineers and receive their answers either via the application or by calling the indicated numbers. Producers can instantly access information such as market and stock prices, news updates, and official announcements. The "Rent a Tractor" feature helps producers share equipment and machinery that are required to continue production. Developed in 2019, the Satellite Field Tracking menu allows users to track satellite images of their saved fields and monitor the development level of their fields online from the application. In this way, users receive recommendations from agricultural engineers about less developed areas of the fields and boost their productivity.

Benefits provided to users in agricultural consultancy were diversified further with improvements made to the accounting ledger, weather services, and notification infrastructure.

Thanks to the benefits provided during the year, Finance in Motion awarded a grant of EUR 50 thousand to support upgrades to the application in order to boost agricultural productivity and expand knowledge in the area.

DenizBank became one of the main stakeholders of the DITAP (Digital Agriculture Market) initiative, which was designed by the Ministry of Agriculture and Forestry as a product supply chain that aims to facilitate consumer access to agricultural and animal products while decreasing production costs for producers. With the most advanced API infrastructure in Turkey, DenizBank integrated special solutions in the financing area of the system developed by the Ministry. In the project scheduled for launch in 2022, DenizBank will continue providing benefits to producers as their financial business partner.

DenizBank operates in the agricultural sector not simply as a lender but also as a comprehensive agricultural banking solutions provider that adds value to the everyday lives of producers in many ways.

WHOLESALE BANKING GROUP

The advantage of receiving tractor loans for New Holland and Case IH brands from TürkTraktör without having to visit a Bank branch, a DenizBank “first” in the agricultural banking business, continued in 2021.

With the Farmer Card, specially customized by DenizBank, farmer customers can withdraw money from ATMs 24/7 and shop from merchants without having to carry cash.

Committed to supporting the development of licensed warehousing activities, DenizBank continues to intermediate for payment of crop proceeds and extend loans in return for Electronic Crop Receipts as collateral. Thanks to the licensed warehousing system, producers do not necessarily have to sell their crops at the time of harvest. Instead, they can store their crops in licensed warehouses to sell at a more convenient time later when rates are more favorable. The system enables the storage of crops in a healthy environment. In addition, price disadvantages are eliminated in favor of producers. In this system, ELUS can be used as a guarantee for financial needs, and financing support can be offered to producers and all customers who invest in ELUS in return for 100% of the ELUS amount.

DenizBank offers agricultural consulting services, facilitating access to information to those who need it. To this end, the Bank extends loans to producers to assist agricultural investments and operating expenditures. Additionally, DenizBank contributes greatly to enhancing the average scale of agribusinesses in Turkey thanks to its practices facilitating the establishment of new facilities, increasing the capacity of facilities already in place, modernization of facilities, and equipment purchases.

To expand the availability of agricultural publications across Turkey and ensure that farmers have direct access to quality information, DenizBank joined forces with the Ministry of Agriculture and Forestry to conduct Turkey’s most extensive training campaign.

To support the growth of the sector, DenizBank offers information and advisory services to producers and agricultural enterprises as well as entrepreneurs and industrialists with an interest in the sector. Furthermore, the Bank supports agricultural investment projects with attractive maturity and repayment terms so that investors can finance their projects in cattle breeding, animal husbandry for meat production, dairy farming, sheep and goat breeding, greenhousing, and orcharding.

The Bank also offers financing facilities under grant initiatives such as the Rural Development Investment Support Program (KKYDP) and the European Union’s Instrument for Pre-Accession Assistance in Rural Development (IPARD). DenizBank’s specialized project team provides full support to entrepreneurs to complete applications for these various programs.

DenizBank continues to add value to the everyday lives of producers through its corporate social responsibility activities. DenizBank operates in the agricultural sector not simply as a lender but also as a comprehensive agricultural banking solutions provider that adds value to the everyday lives of producers in many ways.

To expand the availability of agricultural publications across Turkey and ensure that farmers have direct access to quality information, DenizBank joined forces with the Ministry of Agriculture and Forestry to conduct Turkey’s most extensive training campaign. Some 500 thousand agricultural books have been delivered to producers in 5 thousand villages so far, intermediated by agricultural engineers who served as consultants. Sponsoring the “Agriculture and People” national photography contest held by the Ministry of Food, Agriculture and Livestock, DenizBank aimed at raising agricultural awareness across the country. In addition, high-achieving children of disadvantaged farmers are granted full-tuition scholarships in collaboration with the Turkish Education Association (TED).

FX and Interest Transactions Department bases its activities on the principle of attaining sustainable profit rather than short-term gain.

TREASURY, FINANCIAL INSTITUTIONS AND INVESTMENT GROUP

The Treasury and Financial Institutions Group ensures that DenizBank's operations under

- Treasury,
- Financial Institutions,
- Economic Research, Strategy and Program Management-Office

are carried out in coordination and synergy with the Bank's other business lines.

TREASURY GROUP

There are four groups operating under the Treasury Group.

1- Treasury Marketing and Pricing: Primarily deals with the pricing and marketing of treasury products to customers via branches and alternative delivery channels and with managing the positions resulting from transactions. The Group is comprised of three units:

The FX and Interest Transactions Department is mainly responsible for supporting the branches in FX and precious metal transactions. The Department aims at training the staff at branch locations on Treasury transactions and boosting the competitiveness of branches via pricing. In addition to the services offered to the branches, the FX and Interest Transactions Department is responsible for 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 Assets and Liabilities Committee; responding to requests for quotations for IRS and XCCY

The FIS Department fully exercises its rights and fulfills its obligations under the Market Maker System of the Ministry of Treasury and Finance and manages relations with the relevant institutions.

swap transactions; and making customer visits in coordination with the branches and Treasury Sales Units. The Department bases its activities on the principle of attaining sustainable profit rather than short-term gain.

The Securities Department responds to requests for quotations on securities (Treasury Bond, Government Bond, Eurobond, Private Sector Bonds/Bills and Repo) placed by External Financial Institutions, Treasury Sales Department, Private Banking and other branches. The Department executes trading transactions on the OTC and BIST markets in order to manage the positions occurring within this framework.

The Derivative Transactions Department provides the fastest and most competitive response to requests for quotations on FX, commodity and interest options submitted via the Treasury Sales and Private Banking Center. The Department is responsible for managing the options portfolio in the aftermath of FX option transactions by customers within the limits assigned to each customer concerned. Furthermore, the Derivative Transactions Department performs the required option, spot, futures, and swap transactions on the OTC and organized markets to manage the risks of the options portfolio.

2- Fixed-Income Securities and Money Markets: The Fixed-Income Securities – FIS Department is responsible for managing DenizBank's Bank Bill/Bond Portfolio within the guidelines and goals set by the Assets and Liabilities Committee in addition to supporting the Assets and Liabilities Committee in hedging interest rate risk on the Bank's balance sheet. The FIS Department fully exercises its rights and fulfills its obligations under the Market Maker System of the Ministry of Treasury and Finance and manages relations with the relevant institutions.

Playing an active role in the issuance of DFSG bonds and bills, the Treasury Sales Department plays a key role in the realization of the Group's issuances that reached TL 13.6 billion nominal volume in 2021, as well as ensuring coordination among departments and the management of corporate investor relations.

TREASURY, FINANCIAL INSTITUTIONS AND INVESTMENT GROUP

The Money Markets Department monitors the entire cash flow of the Bank in foreign currency and TL and meets the needs for short-term funding and cash surplus placement. Turkish Lira Money Markets is responsible for performing the optimum transactions (in consideration of the cost and maturity structure) within the limits available in line with the Bank's needs on the CBRT Interbank Money Market, Interbank Money Market (OTC Market), Interbank Swap Market, Takasbank Money Market, and the markets to be potentially structured; on BIST Repo/Reverse Repo Market within the limits available and in return for securities; and optimally managing (in consideration of the cost and maturity structure) the Bank's surplus funds on the aforementioned markets under the same conditions. FX Money Markets is responsible for the entire cash flow of the Bank in foreign currency (FX).

3- Treasury Sales: Having the fundamental function of facilitating coordination between the branches and the Treasury Group, the Treasury Sales Department establishes direct contact with the customer base via the branch channel and provides active sales and pricing services related to capital markets. The Treasury Department's core strategy is to boost the transaction volume of financial products. Treasury Sales offers its customers treasury products to manage their balance sheets and mitigate possible financial risks.

The Money Markets Department monitors the entire cash flow of DenizBank in foreign currency and TL and meets the needs for short-term funding and cash surplus placement.

The Department also plays a role in determining the sales strategies and targets of treasury products (foreign exchange, options, and securities). Treasury Sales develops new and sophisticated treasury products and offers these for sale while ensuring that the branches market these products in line with overall targets. The Department strives to establish long-term, sustainable relationships with customers as well as branch personnel.

The Department visits potential customers in person in order to expand the customer base and boost transaction volume.

The Treasury Sales Department's other duties include informing customers about all treasury products, keeping track of customer exposures, in addition to providing clients with fast, high-quality services.

Playing an active role in the issuance of DFSG bonds and bills, the Treasury Sales Department plays a key role in the realization of the Group's issuances that reached TL 13.6 billion nominal volume in 2021, as well as ensuring coordination among departments and the management of corporate investor relations.

4- The Subsidiaries Treasury Department: Responsible for liquidity management and optimal funding in line with the resolutions and instructions by the management of subsidiaries.

FINANCIAL INSTITUTIONS GROUP

Correspondent Relations

Correspondent Relations Department: Boasting a strong and widespread correspondent network of 780 banks located in 110 countries, DenizBank Correspondent Relations Department diversified its lending portfolio in 2021 and supported its customers' foreign trade transactions.

In 2021, DenizBank entered into new collaborations the world over – from America to Asia, Europe to the Middle East. The Bank provides special solutions designed to meet the long-term financing needs of its clients. DenizBank uses its own resources as well as those of CBRT and Türk Eximbank under the agreements signed with export insurance agencies and Eximbanks worldwide.

While adding new correspondent banks to its network in new markets where exporters get into, DenizBank continued to support its customers seeking protection against country risk in new markets and looking to boost their exports. The Bank recorded a market share of 6.4% in export letters of credit and 8.8% in import letters of credit in 2021. DenizBank also acted as an intermediary in the external guarantee transactions of its customers operating in several regions around the world. With its extensive correspondent network and wide product range, DenizBank offers its clients the opportunity to trade in 151 different currencies.

On June 3, 2021, DenizBank realized the first Turkish bank syndication, including Chinese Yuan in addition to USD and EUR. This transaction provided the country's economy with a total of USD 410 million of fresh financing with a 1-year maturity.

On the other hand, the syndicated loan of USD 780 million consisting of two tranches (EUR and USD) included 42 banks from 20 countries in December 2020. On October 28, 2021, DenizBank rolled over the syndicated loan at a rate of 110% with the participation of eight new banks and realized the first sustainability-linked syndicated loan transaction of USD 840 million. The transaction was the largest syndicated loan in the industry in the last two

Boasting a strong and widespread correspondent network of 780 banks located in 110 countries with its extensive correspondent network and wide product range, DenizBank offers its clients the opportunity to trade in 151 different currencies.

DenizBank's financial institutions loan portfolio consists of nearly 350 banks and non-bank financial institutions located in 60 different countries worldwide.

years, with 49 participants from 22 countries. The sustainability performance criteria of the transaction aims to boost the financing of sustainable agriculture. The transaction is key to ensuring food safety and expanding the accessibility of the Bank's ATMs and branches for people with disabilities.

In 2022, the Correspondent Relations Department plans to further increase its resource diversity by adding new lending products, particularly sustainability-related loans, as well as establishing new correspondent bank relationships. At the same time, DenizBank aims to prioritize offering digital solutions for customer demands and needs by focusing on using advanced technology in payments and foreign trade.

Financial Institutions Credit Analysis

In line with the needs of customers, subsidiaries, and Treasury Group, DenizBank coordinates the loan allocation processes among the relevant internal teams as per the Bank's lending policies. The Bank conducts credit analysis of correspondent banks to analyze the risk, primarily exporting companies. Based on the diversity of the Turkish economy, the Bank offers Turkish business people access to a wide geography on their behalf with appropriate products by analyzing possible country and counterparty risks in line with their needs. The Bank's financial institutions loan portfolio consists of nearly 350 banks and non-bank financial institutions located in 60 different countries worldwide.

Country analyses are based on trade cooperation with Turkey and policies implemented during the pandemic period, in addition to basic economic indicators. In performing bank analysis, limit allocation decisions are made based on current and historical financial indicators, main shareholder support, and business model.

In 2021, the Financial Institutions Credit Analysis Department helped reduce operational risks in limit processes by leading the systems infrastructure initiative that allows the limits and risks of financial institutions to be monitored simultaneously on the system.

DenizBank established the Sustainability Coordination Department under the Financial Institutions Group in order to carry out all sustainability efforts with a common perspective.

TREASURY, FINANCIAL INSTITUTIONS AND INVESTMENT GROUP

Structured Finance Department

DenizBank Structured Finance Department is responsible for maintaining relationships with foreign banks and other financial institutions regarding the medium- and long-term borrowing needs of DenizBank Financial Services Group, manage the financial process, follow up and structure the transactions and ensure coordination with the internal departments.

On February 18, 2021, funding of USD 435 million was obtained under the securitization program based on foreign remittance flows.

Funds provided in USD and EUR primarily with 5-year and ranging up to 7-year maturity attracted great interest from international investment and development institutions, institutional investors, and commercial banks.

The transaction was awarded the "Funding Deal of the Year in Europe" by The Bankers magazine and the "Structured Financing Deal of the Year" by Bonds and Loans Turkey.

The largest tranches of the loan were provided by International Finance Corporation (IFC) with USD 150 million and the European Bank for Reconstruction and Development (EBRD) with USD 100 million. The resources were used to fund energy efficiency and renewable energy projects, support female entrepreneurs with limited access to finance, and finance the strategically-significant agricultural sector.

Throughout the year, DenizBank continued to make issuances in different currencies and maturities as part of the EMTN (Euro Medium Term Notes) program.

In 2022, DenizBank plans to further expand its sustainability-based funding portfolio. Toward this end, the Bank aims to expand its product range in support of the real sector with long-term and cost-effective resources, maintain employment levels, empower female entrepreneurs, and support SMEs by obtaining resources from investment and development banks for this key segment.

The transaction was awarded the "Funding Deal of the Year in Europe" by The Bankers magazine and the "Structured Financing Deal of the Year" by Bonds and Loans Turkey.

Sustainability Coordination Department

Since its founding, DenizBank has conducted its business operations in line with the principle of responsible banking, with a focus on society and people. The Bank established the Sustainability Coordination Department under the Financial Institutions Group in order to carry out all sustainability efforts with a common perspective. The Department monitors national and international sustainability practices, encourages sustainability-related activities at the Bank, and inspires all employees to work in line with DenizBank's sustainability goals.

Sustainability policies are set by the Sustainability Committee under the General Manager. These policies ensure that DenizBank focuses on sustainability as a pole star in its business strategies from now on.

A sustainability management system was established to measure and manage the Bank's direct and indirect environmental and social impacts. A systems infrastructure is in place to measure and monitor these impacts.

To create opportunities in the field of sustainability for the benefit of all stakeholders of the Bank, DenizBank aims to initially focus on niche segments and related areas such as energy, tourism, SME, agriculture, water, and shipping. This approach will help improve the bank's performance in terms of the environment, society, and ethics.

INVESTMENT GROUP

DenizBank Investment Services Group has been organized to offer customers a one-stop-shop for all financial products.

Customers can access all sorts of investment instruments – including stocks, mutual funds and derivatives, organized market products, over-the-counter products– and conduct their transactions.

In keeping with its motto “Don’t invest in hearsay, consult the experts,” DenizBank strives to improve its investors’ financial literacy and deliver the best service to its clients while using simple, easy-to-understand language. To stand by its clients at all times and make their lives easier, the Bank aims to develop new technologies and innovative products with its specialized staff. DenizBank aims to bolster its innovative and dynamic position in the sector with the new products offered to the market.

Despite the product-oriented service approach of many companies, the Group’s main focal point is on customers and their satisfaction. The Bank’s business model is designed to maximize both customer trust and profits.

DenizBank provides investment instruments to customers at every service point in line with its financial supermarket approach. The Bank has determined the service and product model best suited for each customer segment.

To make life easier for customers while adapting to the “new normal” that emerged in 2021, DenizBank made significant investments in digital transformation during the year.

DenizBank Investment Services Group aims to deliver a fast, practical, and rational customer experience. The Group undertakes efforts to ensure that its customers can perform their investment and banking transactions in the easiest way possible. Customers are able to conduct their investment and banking transactions easily and quickly without leaving their homes via DenizMobil, Online Banking, DenizTrader, and the Call Center.

**In keeping with its motto
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understand language.**

**DenizBank Investment
Services Group’s total
income grew by 37%,
in 2021 while pre-tax
profit increased by
40% year-on-year. The
Group’s strong financial
performance was due to
its expanded investor
base and the advantage of
scale provided by higher
digital channel use.**

According to data from the Central Securities Depository of Turkey (MKK), the number of investors on the Borsa Istanbul Equity Market reached over 2 million in 2021, growing by 65% year-on-year after being stable for many years. DenizBank Investment Services Group played a major role in the increase of investors during this period. The Group expanded its active customer base by 11% and boosted order numbers by 10%. During the pandemic, digital channel usage reached 91%, with 77% of this use over mobile devices.

In 2021, DenizBank Investment Services Group recorded 62,724 opened accounts, up 61% compared to the previous year. Some 99% of the new accounts were opened via digital channels.

DenizBank Investment Services Group’s total income grew by 37%, in 2021 while pre-tax profit increased by 40% year-on-year. The Group’s strong financial performance was due to its expanded investor base and the advantage of scale provided by higher digital channel use.

Expecting the use of digital channels to expand significantly, the Group introduced free instant data streaming via the DenizTrader mobile application at the onset of the pandemic. In addition, the Group’s promotional and advertising activities focused on the mobile channel, using both corporate social media channels and the Google platform. Thanks to these targeted efforts, DenizTrader downloads increased by 171% during the year and reached 420 thousand.

To meet increasing investor interest, respond to equity market growth and ensure infrastructure stability, DenizBank Investment Services Group focused on creating the necessary technology infrastructure. The Group aimed to separate all order transmission systems from the main stockbroker’s software and migrate them to Borsa Istanbul’s co-location environment. With this approach, the Group plans to enhance the stability of infrastructure and provide investors with the fastest order transmission service in line with advanced technology capabilities.

During the year, the Group started to update the DenizTrader mobile application and its corporate websites with the latest in advanced technology. The mobile app upgrade is aimed at providing access to all investment products and supporting services from a single point. The Group plans to complete these technology upgrade efforts and launch the updated platforms to all investors in the first half of 2022. All customers will also be provided with a new experience in digital investment advisory with the revamp of Algotlab in 2022.

DenizInvest has transitioned from a product focus to a customer focus approach. In 2021, DenizInvest moved forward with its efforts to transform into an investment bank that provides a full range of capital markets products.

TREASURY, FINANCIAL INSTITUTIONS AND INVESTMENT GROUP

DenizInvest

DenizInvest operates at 27 service centers: 15 have "Special Investment Center" status and deliver personalized service in all capital market products; 11 have VIP Session status; and one is an "Investment Transaction Center." All DenizInvest service center locations provide services related to organized capital markets.

Continuing to break fresh ground in the sector, DenizInvest launched "T+0," an innovative scheme where it now immediately transfers the sums for equity sales to clients' accounts, without having to wait two business days. As a result, clients can sell their stocks and have immediate access to the proceeds 24/7.

By introducing the Algolab mobile app in 2020, DenizInvest provided its clients with the opportunity to download algorithmic transactions to their mobile devices. The Algolab mobile application includes all the features and functionality of the web product. After its renewal in 2021, Algolab allows all BIST transactions to be made from one point, enabling its customers to access algorithmic transactions easily. The app also provides real digital investment advisory to users with its "Special Order" feature, data usage opportunity, and easy access to investment account information with "Çizgir (Pattern Lock)" and "Paramin Kaptanı (Robo Advisor)."

Thanks to a restructuring, DenizInvest has transitioned from a product focus to a customer focus approach. In 2021, DenizInvest moved forward with its efforts to transform into an investment bank that provides a full range of capital markets products.

In 2021, investors participated in all 52 public offerings through DenizInvest Securities. The public offerings were conducted either by book-building or by selling on the stock market. DenizInvest established a consortium to collect demands and reached TL 12.8 billion and 16% of the total demand in 30 public offerings.

Firsts and Milestones

- 2006 – Brokerage services at international derivatives exchanges
- 2007 – Offering foreign corporate investors direct electronic access to BIST
- 2010 – Repurchase Guarantee and Bonus Shares incentive mechanisms under the Investor Protection and Incentive Program for the first time in Turkey,
- 2012 – Development of Daily Buy Order Guarantee and Financial Performance Guarantee mechanisms
- 2013 – Intermediation of Electronic Crop Receipts allowing electronic spot trading of agricultural products
- 2017 - TSPB - Most Creative Capital Market Award with Investor Protection and Incentive Applications
- 2018 - The Banker "Best Trading Platform Award" and "1 Share from Us" incentive for Algolab
- 2020 - "Brokerage Leader for Private Sector Borrowing Instrument Issuance -2019" Award in the 'Corporate Finance Transactions' category at the TSPB Capital Markets Awards.

In 2021, DenizInvest Corporate Finance Department led the consortium for two public offerings: Biotrend Energy (USD 92 million) and Europap Tezol Kağıt (USD 40 million). Demand for the Biotrend Energy offering was 18 times oversubscribed while the Europap Tezol Kağıt offering was 30 times oversubscribed.

In 2021, investors participated in all 52 public offerings through DenizInvest Securities. The public offerings were conducted either by book-building or by selling on the stock market. DenizInvest established a consortium to collect demands and reached TL 12.8 billion and 16% of the total demand in 30 public offerings.

DenizInvest provided both prevalence and high demand with the “Dual Individual Allocation Group” structure implemented in the public offering of Europap Tezol Kağıt in 2021, aiming to ensure the participation of investors of all sizes. This method attracted attention from all account owners of all sized, and was adopted in the sector in the public offerings of Birleşim Mühendislik, Gelecek Varlık, İşbir Sentetik, Konya Kağıt, and Europap Tezol Kağıt.

Profitability and the number of customers in foreign markets have increased rapidly. The investment products were offered to customers 24/5 in the digital environment under the Investment Services Group across the world, thus increasing cross-selling and customer satisfaction.

In 2021, rapidly increasing metal prices on the London Metal Exchange enabled more customers to trade here, thus making the Bank leave other institutions behind in the competition. Despite the decreased volumes in the entire sector with the new tax regulation introduced in leveraged forex transactions, DenizInvest continued to be ahead of bank intermediary institutions in terms of net commission rate and volume rate profitability.

In parallel with the fast-growing use of technology and digital platforms in the sector, DenizBank is investing heavily in these areas. The Bank now boasts 14 electronic delivery channels with 94% of all trading orders communicated digitally. Also, orders for equities and TurkDex are now placed via hardware located in Borsa Istanbul's co-location center, allowing significant improvements in end-to-end order performance.

In 2021, the DenizInvest Corporate Fund Department delivered investment advisory and brokerage services in stocks and forward transactions on Borsa Istanbul for many domestic and foreign corporate client accounts. Although this was a very volatile and challenging year due to foreign outflows, the Department largely preserved its transaction volume and commission income compared to the previous year. DenizBank's strong technological infrastructure had a significant effect on these results by generating exceptional customer satisfaction.

DenizInvest provided both prevalence and high demand with the “Dual Individual Allocation Group” structure implemented in the public offering of Europap Tezol Kağıt in 2021, aiming to ensure the participation of investors of all sizes.

In 2021, the DenizInvest Corporate Fund Department delivered investment advisory and brokerage services in stocks and forward transactions on Borsa Istanbul for many domestic and foreign corporate client accounts.

DenizInvest Corporate Fund Department achieved these solid results by working remotely with a limited number of employees under pandemic conditions. Going forward, the Department plans to be more aggressive with the participation of new team members and update of its technology software.

DenizInvest's M&A Department provides consultancy to companies in finding domestic, foreign, financial, or strategic partners. Transactions exceeding USD 1 billion were conducted during the year. In addition, the Department delivered consultancy services in the acquisition, sales, privatization, strategic and financial structuring, and valuation across various sectors.

DenizInvest's Research Department is staffed by the most experienced professionals in the sector. The Department is responsible for interpreting macro and microeconomic data, formulating future strategies, and developing financial projections based on financial data and disclosures from listed companies. The Research Department performs company valuations and presents its findings to investors. In addition, the Department assists other Bank departments in terms of internal information flow. The Research Department also prepares daily reports on relevant news and developments as well as breaking developments throughout the day. The Department conducts periodic and annual evaluations in a comprehensive manner in accordance with the legal framework determined by the relevant regulatory body. The Research Department regularly shares its reports and findings with clients.

The investment account under DenizInvest and the deposit account under the Bank were integrated with the IT developments and an account with an additional number specific to DenizInvest was created. This development significantly simplified the customer experience in terms of managing financial transactions between the bank and the intermediary institution, providing customers the opportunity to perform all their investment transactions through a single account.

Boasting a well-experienced team of professionals, DenizAsset Management plays a key role in capital markets with world-class products and services that include mutual funds, pension funds, and portfolio management.

TREASURY, FINANCIAL INSTITUTIONS AND INVESTMENT GROUP

DenizAsset Management

DenizAsset Management manages 49 mutual funds and 22 pension investment funds, providing investors with both high performance and consistent returns. Boasting a well-experienced team of professionals, DenizAsset Management plays a key role in capital markets with world-class products and services that include mutual funds, pension funds, and portfolio management.

DenizAsset Management aims to grow its alternative funds as a core investment strategy. The company focuses on the sales and management of funds investing in private sector bills and bonds. DenizAsset Management has come to enjoy a prominent standing in the sector with its successful performance over the recent years. DenizAsset Management figures among the top players in the market thanks to the private funds that it has founded, as well as its Eurobond funds. As of December 2021, DenizAsset Management reported total assets under management of TL 13.2 billion and a 3.6% market share in mutual funds. Ranking among the top three in market share in foreign exchange private hedge funds, DenizAsset Management is the founder of this segment after a regulatory framework was enacted in 2018.

In addition to 24 special funds established since 2017, DenizAsset Management set up two funds that generate returns from arbitrage created by algorithmic transactions established and invest in stocks from the banking sector, as well as Eurobonds, and a total of 6 hedge funds in 2020. The total number of mutual funds reached 49 with 2 new closed-end Eurobond hedge funds, which are in great demand in the sector, and protected funds investing in the Gold and Agriculture basket in 2021.

DenizAsset Management manages 49 mutual funds and 22 pension investment funds, providing investors with both high performance and consistent returns.

Thanks to projects carried out in DenizBank Mobile Banking and Internet Banking in 2021, investors' accessibility to DenizAsset Management funds via digital channels was increasing, thereby increasing the satisfaction of investors.

In addition, a new fund management program project is being carried out in order to conduct the fund management process more effectively and quickly, and it is expected that the program, which will be completed in the first quarter of 2022, will contribute greatly to the market share as the performance of the funds will be positively affected and the demand for funds will increase.

The normalization process started with the discovery of Covid-19 vaccines and mass immunization programs. However, the pandemic continued to affect the world throughout 2021. Nevertheless, Turkey's mutual funds market grew by 108% during the year driven by significantly higher demand. In 2021, DenizAsset Management maintained its mutual fund market share while expanding its portfolio size from TL 5 billion to TL 9.7 billion year-on-year.

In 2022, DenizAsset Management plans to establish new thematic funds such as Sustainability Funds, Domestic Technology Equity Fund, Silver Fund Basket Fund, in addition to hedge, and other types of funds. DenizAsset Management aims to increase its total market share by growing in the mutual fund market and focusing on individual/corporate portfolio management. DenizAsset Management's vision is to rank among the top five institutions in the sector in terms of volume.

To date, DenizBank Project Finance has provided USD 1.1 billion of financing to support renewable energy projects and sustainability.

PROJECT FINANCE, FINANCIAL RESTRUCTURING AND CREDITS INTERNATIONAL COORDINATION GROUP

The Project Finance, Financial Restructuring and International Loans Coordination Group conducts a wide range of activities for the long-term needs of DenizBank corporate customers. These activities include new investments (greenfield), capacity increase investments (brownfield), purchase finance, public finance PPP (Public-Private Partnership), privatization finance, working capital financing, financial restructuring, and refinancing.

The Project Finance Department focuses on large-scale investments that play a key role in developing Turkey's economy and require medium- and long-term financing. The Department provides funds to such top priority industries as telecommunications, energy, infrastructure (e.g. ports, airports, and motorways), Public-Private Partnerships (PPP), healthcare and education – all of which form the backbone of economic and social development. The Project Finance Department also engages in long-term transactions with multiple banks in the form of club-loans.

By year-end 2021, Turkey's total installed power generation capacity climbed to over 98 thousand MW. Over the last 15 years, DenizBank has intermediated in commissioning 6,500 MW of Turkey's installed capacity. DenizBank continues to support the financing of the energy sector with its electricity distribution, natural gas distribution, and wholesale projects. As of November 2021, a 12-year project financing loan of USD 100 million was arranged for the Karapınar Solar Power Plant Project. Once complete, it will be the largest solar power plant in Europe. DenizBank is the largest private Turkish bank contributing to this syndication.

By year-end 2021, Turkey's total installed power generation capacity climbed to over 98 thousand MW. Over the last 15 years, DenizBank has intermediated in commissioning 6,500 MW of Turkey's installed capacity.

To date, DenizBank Project Finance has provided USD 1.1 billion of financing to support renewable energy projects and sustainability. DenizBank secured a total of USD 840 million from 49 participants from 22 countries for the first sustainability-related syndicated loan. The Bank plans to step up its sustainable financing efforts in the future.

Having provided long-term financing to hundreds of projects over the last 15 years, DenizBank has played an active role in Turkey's infrastructure investments with a focus on airport financing. In recent years, DenizBank has provided EUR 634 million to the Istanbul Airport project, EUR 154 million to TAV Bodrum Airport, and varying amounts to Izmir Adnan Menderes Airport, Istanbul Atatürk Airport, Antalya Airport, and Gazipaşa Airport – a total of EUR 900 million to the air transport sector. In addition, DenizBank was the private bank to extend the highest credit line to the Istanbul Airport project. The Bank was also the sole lender to the TAV Bodrum Airport, Ankara High Speed Train Station, and Ercan Airport projects, demonstrating leadership in infrastructure financing.

In 2022, DenizBank Project Finance Department aims to maintain its pioneering position in the industry, while further bolstering growth in core sectors – energy, infrastructure, transportation, healthcare, and education. The Department also plans to meet the financing needs of corporate clients for capacity increases and export financing.

Simply getting to know customers in a highly competitive market is not sufficient to gain a competitive edge. Effectively managing customers is as important as knowing customers.

ANALYTICS, DATA AND CUSTOMER VALUE MANAGEMENT POLICIES GROUP

BUSINESS ANALYTICS AND CRM

Already a highly dynamic sector, Turkey's banking sector is marked by ever-increasing competition as firms from other sectors – such as telecommunications, retail, internet and fintech – enter the field. Tightening legal regulations and changes in economic conditions force banks to rapidly update their multiple functions. It is critically important to develop 360-degree knowledge of customers and manage them as efficiently as possible in such a dynamic environment.

The “Kutup Yıldızı (Pole Star)” project of 2018 gathered on a single platform the entire set of customer data from the Bank and non-Bank sources – ranging from the Interbank Card Center and Corporate Credit Bureau to Central Bank Risk Concentration Data and derivatives notifications from TBB (Banks Association of Turkey). This effort provided both branches and Head Office with 360-degree knowledge on customers including risks, profitability, product needs, and share of wallet. Also, data from such sources have been fed into the Bank's various systems, including MDS, POS application and early warning for supporting decisions. Financial networks of customers were drawn up from money transfers between customers (EFT, remittance, checks, notes and bills, salary, etc.) or from customer relations with alternative data sources (DDS, KRM). This effort took the opportunity for 360-degree analysis from a customer level to a network level. Network analyses are actively used not only for customer acquisition and penetration but also for risk management. Efforts to identify specifically those that would be put in a difficult position by firms suffering from financial bottlenecks within their own networks are ongoing.

Following the increasing importance of digitalization to remain competitive, DenizBank engaged in various efforts to direct customers to digital channels. Special support was provided to ensure an innovative campaign design for the fastPay product.

Simply getting to know customers in a highly competitive market is not sufficient to gain a competitive edge. Effectively managing customers is as important as knowing customers. To that end, the Bank developed dedicated strategy presentations for business lines and shared findings on how different customer segments could be managed more efficiently. Various actions were taken on conducting price sensitivity analyses, lowering operating costs, managing unproductive customers on alternative channels, among others.

Following the increasing importance of digitalization to remain competitive, the Bank engaged in various efforts to direct customers to digital channels. Special support was provided to ensure an innovative campaign design for the fastPay product. In addition, dedicated CRM presentations were prepared for various firms to engage in brand collaboration. The objective was to use the power of CRM to build business partnerships and enrich existing ones.

For corporate customers, the Bank targeted capturing a share of cash flow in return for the loan extended under the “Denizyıldızı (Star Fish)” concept and engaged in efforts to expand the deposit base of the Bank.

DenizBank launched the Datascientist program to ensure that a data-based perspective extends across the Bank's corporate culture. The Business Analytics and CRM Department played an active role in various stages of the program – from participant selection to training design.

Retail Analytics and Strategy

DenizBank renewed its product propensity models and integrated the data with all customer channels in order to offer the right products to the right retail customers. In line with sales targets for branch portfolio managers and tellers, the Bank categorized each branch according to its past performance and potential. This effort aimed to optimize sales, boost target realization rates, and optimize the distributed

premium. By making the retirement promotion renewal a rule for efficient customers and examining transaction costs, DenizBank aims to reduce overall costs without negatively impacting customer satisfaction.

The Payment Systems Group and Non-Branch Channels Analytics Group joined forces during the year for retail analytics initiatives. Premiums based on activation were supported at the branch level. Activation trend patterns were presented on the screen in order to present the right offers to customers for more efficient card sales. New models were developed for pre-approved cards; as a result, sales have increased considerably. Insurance sales also went up with analytical support. In addition, profitability controls were performed to cover unrecognized income in the profitability of Payment Systems. Numerous analyzes were conducted for the Business card. Pre-approved sales increased, and support was provided together with Campaign Management for targeted cash advances with installments/instalments for cash/add installments/statement installments. Historical performance analyzes were performed for risks. New opportunity points were determined by creating a waterfall structure for limit increase processes. In addition, a significant contribution was made to balance growth with higher limits. With digital analytics, DenizKartım and MobilDeniz logs were transferred to a traceable system.

DenizBank initiated analytical studies for Private Banking, targeting investment customers. In addition, the norm of Private Banking branches was distributed according to the time spent. Content support was provided to the scorecard. The rules of the system that will automate the openings of the PA were prepared together with the Private Banking and Investment teams.

Campaign Management

The Campaign Management Department aims to deliver an accurate campaign setup to the right segment in line with DenizBank's corporate identity and reach customers through the most suitable channel. During the year, the Department carried out efforts to provide benefits offered in campaigns and formulate campaign strategies. In 2021, a total of 7,600 campaigns were designed and made available to customers.

In these campaigns, the Department calculated net promoter scores (NPS) in order to measure customer experience at the highest level.

In 2021, a total of 7,600 campaigns were designed and made available to customers.

In 2021, DenizBank modified its NPS measurement infrastructure. These systems modifications were designed to measure customer experience regularly and methodically, cover all contact points of measurement, and maximize the number of customers whose experience can be measured.

Customer Experience and Process Management

NPS Measurement

In 2021, DenizBank modified its NPS measurement infrastructure. These systems modifications were designed to measure customer experience regularly and methodically, cover all contact points of measurement, and maximize the number of customers whose experience can be measured. A new NPS tool was purchased from a software company under a business partnership. The integration effort was initiated during the year.

As of December 2021, the systems integration was completed for MobilDeniz and the Branch channel.

Analysis of the feedback received from the NPS channel was initiated specifically for the MobilDeniz platform and the Customer Satisfaction team. Follow-up of the Branch channel is underway in a pilot region. Reporting and measurement results are shared on a monthly basis.

Experience design

DenizBank monitors the workflows below to identify and improve the negative points in customer experience. The Bank implements experience improvement road map studies by using the NPS measurement as well as customer feedback:

- NPS feedback and data of customers with complaint records are monitored on a monthly basis; problematic topics (with high volumetric density or with an increasing trend) are identified.
- More comprehensive data is collected to understand the root cause by listening to sample complaint record calls, organizing customer calls by working with specific call scripts, analyzing and reporting call scripts.
- A benchmark analysis is prepared by conducting sector research specific to the product/channel/service in question and identifying best practices.
- Draft action plans are prepared according to the feedback received from customers and industry practices. The action plans focus on specific problematic contact moments. Separate actions plans are prepared for each contact moment, preferably by analyzing the entire customer experience.
- Evaluation meetings are held with stakeholders based on analysis results and action plan proposals to coordinate business decision-making and planning.

** Experience improvement/development studies are also initiated by the request of product and channel management teams when not triggered by customer feedback. The above-mentioned workflow is followed in all these studies.*

DenizBank's Credit Policy Departments take an active role in the stages of credit strategy management, credit process development, credit portfolio management, credit legislation follow-up compliance, and project process management.

ANALYTICS, DATA AND CUSTOMER VALUE MANAGEMENT POLICIES GROUP

Customer Contact Preferences and Notification Infrastructure Management

- Notifications are followed up in coordination with business lines in order to ensure that customer notifications comply with customer needs and regulatory requirements. (Systems infrastructure and communication works were carried out to verify contact information in all channels. This effort aimed to prevent the Bank from sending messages to unverified contact information pursuant to the Information Security Regulation of 2021 and to perform verification control in the notification sending infrastructure.)
- In line with new customer needs, efforts are underway to enrich the variety of transactions and include new transactions in the existing set.
- Integration and coordination processes are carried out with the Message Management System to obtain and update marketing permissions from customers.

Credit and Collection Policies

Credit Policies

DenizBank's Credit Policy Departments take an active role in the stages of credit strategy management, credit process development, credit portfolio management, credit legislation follow-up compliance, and project process management.

In 2021, the Bank's main target points in terms of credit policy included updating the decision trees, taking actions to improve automation and approval rates, performing process improvements for a uniform structure in all channels, and engaging in risk prevention.

For the past two years, DenizBank's Collection Policies Department has focused on keeping pace with the rapid changes in the banking sector especially due to the Covid-19 pandemic.

- The Bank developed and introduced a new decision tree for credit cards; as a result, approval and automation rates went up.
- Portfolio limits were increased and the number of manually assessed transactions was reduced as part of credit cards limit initiatives.
- With the Individual Loans – Single Flow Project, DenizBank improved processes and made score adjustments to achieve a uniform structure across all channels.
- The Bank implemented cost-reducing actions to optimize the KKB validity period and minimize CRS query costs.
- Pandemic measures remained valid throughout the year; legal and regulatory requirements were implemented as of October, pursuant to BRSA instructions.
- DenizBank supported digital channel development and undertook efforts related to process improvements and the approval rate.
- The Bank performed the BAM audit for Individual Credit and Credit Cards; no issues were identified in the score/process control process.
- DenizBank revamped the systems infrastructure of the Agricultural Loans Revision, Pre-Approved Limit, and Producer Card Limit increase processes and upgraded the automation.
- The Bank expanded the use of robot software and boosted efficiency in the pre-approved SME Loan processes.
- DenizBank automated the SME Loan Revision and Commercial Card Limit increase processes.

Collection Policies

For the past two years, DenizBank's Collection Policies Department has focused on keeping pace with the rapid changes in the banking sector especially due to the Covid-19 pandemic. The Department developed the most suitable payment options for customers to overcome payment difficulties experienced from the impacts of the pandemic. The Department provided different payment options for different customer types with data-based analyzes.

- Customers were provided with the opportunity to make long-term payments with low installment amounts thanks to the balloon payment restructuring option introduced in 2021.
- The implementation of the Promise for Discounted Payment project offered customers with payment difficulties the opportunity to make payments on more favorable terms.
- Legal follow-up and loan maturity limit rules were updated in 2021 to comply with technological developments. Intensive communication activities were carried out through the branches, Call Center, and other channels (e.g. SMS) to inform customers about complying with the new rules.
- In 2021, the Bank offered extensive restructuring opportunities in all business lines to improve the loan status of customers with payment difficulties.

Decision Systems

DenizBank performs tests and simulations to properly integrate the credit policy and credit analytics teams' requests to the system. After the integration is complete, all updates are rechecked and supported with reports.

- The Bank updated the Credit Decision Tree system.
- System definitions were completed for BRSA loan maturity and limit regulations.
- The KKB new G6 Score version was integrated into the system.
- DenizBank performed new revenue forecasting model simulations and introduced them to the live environment.
- The Bank completed SME New Application Score system definitions.
- DenizBank developed a Decision Systems New Authorization process.

Collection Analytics

In 2021, DenizBank's Collections Analytics Department mainly focused on responding to the varying demands of the Bank's business lines regarding collections and quickly adapting to current legislation due to rapid changes in the banking sector.

- The Bank prepared analyzes required by different business lines regarding collections and shared them with the relevant units on a regular basis.
- DenizBank conducted customer-based analyzes in order to offer customers the right payment method in large-scale restructuring activities carried out through different channels including branches and the Call Center.

DenizBank performs tests and simulations to properly integrate the credit policy and credit analytics teams' requests to the system. After the integration is complete, all updates are rechecked and supported with reports.

In 2021, the Credit Analytics Department focused on supporting healthy growth through financial deepening with the right limits and products for good customers in line with DenizBank's targets.

- Loan restructuring performance was monitored to check whether the appropriate payment methods were offered.
- The Bank upgraded existing systems, developed machine learning models, and planned system applications in order to improve collection actions and identify the right customer group.
- For customers who experience payment difficulties, the Bank took Call, IVN, SMS, and E-mail actions to inform customers at the appropriate frequency and at the right time based on portfolio segmentation.
- On the legal follow-up side, the Bank provided support to identify customer groups that will be included in promotional campaigns and asset sales.
- DenizBank aligned its collection actions with legal requirements published by regulatory agencies during the year.

Credit Analysis Department

In 2021, the Credit Analytics Department focused on supporting healthy growth through financial deepening with the right limits and products for good customers in line with DenizBank's targets.

- The Bank conducted several studies to boost the approval rates in digital channels with increased loan approval rate, especially toward the end of 2020. The performance of the loans approved via the MobilDeniz channel was closely monitored; no issues were identified.
- DenizBank introduced a new decision tree for credit cards in April; approval rates noticeably increased in all channels. The limits of active customers were increased by a total of TL 4.7 billion with the portfolio limit increase.
- For SME loans, the Bank introduced a new decision tree on July 31; approval rates increased as a result. Workflows performed by the allocation personnel were reduced by increasing automation.
- DenizBank prepared 31 growth lists for the SME portfolio from the start of the year; these lists were shared with the field via Pole Star.
- The Bank prepared a list to be uploaded to 4 Robots in 2021 to expand the SME portfolio with creditworthy customers. With this list, a total limit of TL 25 billion was loaded for customers to use.
- DenizBank designed a new decision tree for consumer loans. The application model prepared by the Risk Modeling Department is being integrated into this decision tree.
- The Department provided data and analyzed for risk-based pricing in consumer loans; support was provided during the project phase.

In 2021, the Credit Modeling Department focused on developing application and behavior models related to credit risk, credit business models, check scoring models, income estimation models and conducting RAROC studies.

ANALYTICS, DATA AND CUSTOMER VALUE MANAGEMENT POLICIES GROUP

- Information and support were provided about data and processes for the BAM audit conducted by BRSA.
- The Department prepared a monthly presentation including both current and historic performances of all portfolios; these were shared with relevant individuals and institutions on a monthly basis starting from August.
- DenizBank prepared monthly revised lists for agricultural customers from the beginning of the year; revolving limit studies were carried out every three months. The Department provided support for agricultural segmentation to be defined in the system; these processes were automated during the year.
- Data and lists for processes and credit controls were presented to the Credit Policies Department every month for all business lines.

Credit Modeling Department

In 2021, the Credit Modeling Department focused on developing application and behavior models related to credit risk, credit business models, check scoring models, income estimation models and conducting RAROC studies. All model studies aimed to support the effective and efficient management of capital at DenizBank.

- In fourth quarter 2020, DenizBank launched the new PD rating model system for Corporate Commercial customers. A monthly early warning system operates for all corporate and commercial customers. Customer ratings are calculated and monitored on a monthly basis under the new model.
- The Bank introduced the newly developed SME Application model in July 2021. The new model has achieved significantly higher performance compared to the previous version.

DenizBank developed coding to perform RAROC calculations for all customers to manage the Bank's capital in the most effective way under risk, profitability, and provision conditions.

- The SME Behavior model was developed and integrated into the system during the year. The Bank aims to evaluate the results of the new PD model from the beginning of 2022.
- DenizBank introduced a customer-centered application score structure for its personal loan products: consumer loans, overdraft accounts, credit cards, and vehicle loans. The new individual application model features a multi-segmentation structure. In addition, machine learning methods were used resulting in a higher model performance.
- The Bank updated its check models that are used for scoring checks secured as loan collateral at the Bank and used in factoring transactions. The new check models were developed with machine learning modeling methods resulting in a higher model performance.
- Early warning models for Individual, SME, and Agriculture portfolios were developed with machine learning modeling methods, in addition to the existing rule-based early warning system.
- The Bank completed the calibration of the housing behavior model for the housing behavior portfolio.
- In 2021, DenizBank integrated the updated individual income model into the system. Development of the machine learning-based individual income estimation model is underway and planned for launch in the coming year.

DenizBank developed coding to perform RAROC calculations for all customers to manage the Bank's capital in the most effective way under risk, profitability, and provision conditions. The Bank plans to implement an automatic reporting system that enables monthly tracking of RAROC values on a customer and branch basis in 2022.

The Branch and Central Operations Group have taken necessary measures to ensure that the business operations can run smoothly in the branch locations that were required to be quarantined due to the pandemic, infrastructure requirements have been completed, backups have been made and a suitable environment has been prepared for branch personnel to work remotely.

BRANCH AND CENTRAL OPERATIONS GROUP

DenizBank's Branch and Central Operations Group is organized as follows:

- Fund Management and Investment Banking Operations,
- Card Payment Systems,
- Core Banking, Credits, Foreign Trade and Branch Operations,
- Operation Project, Process Management and Organization.

These various units operate in coordination and synergy with the Bank's other business lines.

Remote working has started as of March 2020 due to the pandemic. All Branch and Central Operations staff started working remotely, except for 55 employees who should be physically present at the office, amounting to about 12% of the Group's workforce. Business continuity was achieved with no interruptions in terms of performance or processes during this period.

The Branch and Central Operations Group have taken necessary measures to ensure that the business operations can run smoothly in the branch locations that were required to be quarantined due to the pandemic, infrastructure requirements have been completed, backups have been made and a suitable environment has been prepared for branch personnel to work remotely.

The Branch and Central Operations Group performs a variety of roles for the Bank as part of legal and regulatory compliance, including:

- Performing operations of DenizBank branches as well as DenizLeasing and DenizFactoring subsidiaries regarding after-sales production,
- Conducting monitoring, analyzing, improvement, and productivity activities for the entire operational process,
- Executing the fund management, custody, and investment banking operations of the Bank's Headquarter,

All Branch and Central Operations staff started working remotely amounting to about 12% of the Group's workforce.

- Meeting customer instructions at the center and initiating the process,
- Executing functions regarding customer satisfaction and internal customer satisfaction,
- Monitoring risk points of branch operations, taking action and providing training where needed,
- Carrying out efforts in line with legal and regulatory amendments, providing systems and reporting,
- Performing reporting and reconciliation functions for the Bank's tax payments and institution payments,
- Managing authorization of Bank systems users,
- Preparing and providing career path training for operations staff and preparing training on operational issues,
- Developing the method of system/application tests, preparing test scenarios, and running them periodically to provide uninterrupted service and customer satisfaction in the production environment,
- Performing other various roles as needed, such as providing support to branches for the application.

Core Banking, Credits, Foreign Trade and Branch Operations

DenizBank is committed to ensuring that branch and customer transactions are performed efficiently, accurately, fully, and on time. In line with this core objective, the Bank focuses on:

- Operational quality,
- Informing customers continuously,
- Customer satisfaction, service periods
- Self-evaluation/manager evaluation,
- Receiving errors and returns from the system,
- Tracking performance and capacity usage.

Errors were shared on a monthly basis by each relevant department. System and process development and training needs to address these errors were determined and appropriate actions were taken accordingly. Individual errors and returns are included in individuals' KPIs.

In 2021, DenizBank reported a capacity utilization rate of 98%, which is a key indicator of business efficiency.

BRANCH AND CENTRAL OPERATIONS GROUP

In 2021, DenizBank reported a capacity utilization rate of 98%, which is a key indicator of business efficiency.

Due to the pandemic, 88% of the employees of the Branch and Central Operations Group work from home, while 12% come to the Bank on a rotating basis for physical transactions. Thanks to fast adaptation, flexible and integrated systems as well as the possibility of working in a paperless environment, DenizBank continues to provide uninterrupted customer service across its branch network.

Along with the changing export legislation, DenizBank provided systems automation for automatic customer notifications, closing rules, and sending letters through REM.

Monitoring functionality was upgraded for import and export files, export declarations, and transaction/commitment tracking processes of the declaration in the Internet Branch.

The Bank recorded efficiency gains in the credit card application process with reduced central operational steps and shortened service times. By taking an active part in the Collateral Working Group, the process for addressing all collateral processes in terms of efficiency and risk is ongoing with contributions to the project design.

In 2021, DenizBank conducted center-supported reconciliation operations related to the reconciliation of branch assets. To better manage operational risk, the Bank issued a training guide on each reconciliation topic and developed training videos for staff members. Values and assets are reconciled in all branches with guidance from the center.

Development of the Chatbot application reached the testing phase on the platform where the consultancy calls of the branches are received. An estimated 15% of calls received will be resolved by the chatbot once the project is complete. In this way, the Bank aims to boost satisfaction in the field with effective resource management and fast consultancy.

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To meet the needs in the field dynamically and minimize risks with agile and remotely managed systems and processes, DenizBank engages in the following activities for central monitoring and implementation of the operational control points in branches that meet certain criteria:

- The pilot phase of the Remote Operations Service Model was initiated for the Central Operations Department to perform back-office operations in branches that are not large enough to require the Branch Operations Manager norm, in cases where experienced operation staff cannot be positioned due to their location, or when a Branch Operations Manager needs to manage the operations of more than one branch due to illness, disaster, or staff leave. With completion of the systems requirements, the Bank plans to implement the model at all branches by year-end 2021.
- The pilot phase was initiated for central implementation of all critical non-physical controls that can be completed remotely at the Green Drop branches operating with Single Operation personnel. With completion of the systems requirements, DenizBank plans to implement the model at all branches by year-end 2021.
- In cases where Green Drop Branch Managers with operational functions are not at the branch, the controls will continue to be made by the Center when requested and triggered by the branch (COU service call channel).

During the year, DenizBank prepared project demand/scope documents related to legislative and regulatory changes. Intertech and related units provided support during the development and testing stages.

In 2022, DenizBank plans to prioritize systems infrastructure and process improvements to allow customers to place operation orders and confirm their written orders over the phone, as required by the changing conditions due to the pandemic and digitalization.

Card Payment Systems

Card payment systems, very well-developed in Turkey, affect customer preferences for banks with the ease of use and convenience they bring to their lives. Card payments are a critical service, giving banks a competitive edge among peers.

With the awareness that card payment systems are a key component of its competitive edge, DenizBank aims to be the best service provider in the sector in terms of all card payment transactions offered to customers.

With all sectors struggling due to the ongoing pandemic in 2021, Card Payment Systems set an example by providing contactless, hygienic, and fast service on a 24/7 basis. Some 85% of Card Payment Systems employees were provided home office support throughout the pandemic. This approach reduced the risk of contagion and prevented the interruption of operations.

Committed to providing customers with the best experience while striving to achieve operational excellence, DenizBank continues to be the fastest and most accurate in the sector in terms of credit and debit card distribution. The Bank recorded a card distribution rate of 92% with operational achievements despite the challenging conditions of the pandemic.

DenizBank closely monitors technological developments and offers its customers the most innovative products on the market. The Bank introduced the 3D Secure 2.0 feature for its customers, adding more security and convenience in e-commerce transactions. DenizBank also rolled out services that enable payment via mobile devices with a card or account by scanning QR codes at ATMs and POS.

Like many other sectors, the card industry was affected by the global chip shortage and experienced difficulties in supplying cards. In 2021, DenizBank delivered 3.3 million cards to its customers quickly without any issues or delays, thanks to its preferred chip products and diversified suppliers.

With its effective management and monitoring of instant card applications, DenizBank has posted significant savings. The Bank's branches and direct sales teams are able to offer customers cards that can be used immediately and safely. In 2021, DenizBank issued 1.1 million instant cards and recorded savings of TL 9.3 million.

In relation to the Digital Customer Acquisition processes allowed under the Electronic Banking Communiqué, DenizBank served customers with inadequate technical infrastructure by using courier companies. As a result, the Bank achieved the highest product sales and activation rate in the industry.

In 2022, DenizBank plans to prioritize systems infrastructure and process improvements to allow customers to place operation orders and confirm their written orders over the phone, as required by the changing conditions due to the pandemic and digitalization.

Committed to providing customers with the best experience while striving to achieve operational excellence, DenizBank continues to be the fastest and most accurate in the sector in terms of credit and debit card distribution.

During the year, DenizBank initiated projects related to bulletins received from card schemes and legal institutions. Penalty sanctions were prevented by ensuring that these efforts were finalized on time.

The Bank automated certain manual reconciliation and reporting processes via robotic processes to boost operational efficiency. Reconciliations were completed faster and on time thanks to the automatic reconciliation structure, preventing possible financial losses.

In 2021, DenizBank's installation success rate increased from 70% to 90% and the failure response success rate increased from 87% to 93%. The Bank recorded these performance improvements by working with new companies, signing new contracts, and implementing new applications in order to boost the service quality of field companies that provide services including installation, fault response, repurchase, and exchange to DenizBank contracted merchants across Turkey. Thanks to the POS Support Service, where customers receive 24/7 support, DenizBank has increased the service quality level required to become their preferred bank.

To meet the growing demand for accepting contactless transactions due to the pandemic and to provide better customer service with the emerging technology devices on the market, DenizBank purchased new contactless POS devices in 2021. With this effort, the Bank's initiative which started in 2020 to replace the field park and stock with new generation POS devices has made significant progress.

Payment recording device (PRD) applications, which support newly introduced and developed PRD models, are quickly growing in use in the new generation payment recording device sector. The Bank has gained a competitive advantage as a result of broadening its range of device options.

In 2021, DenizBank integrated projects developed for current POS models and upgraded older devices PRD terminals. Integrations were made with brands and models that have recently joined the sector.

DenizBank finalized efforts to transition to the BKM TechPOS application, which is used in the PRD POS channel. It has started to cover all models open to application.

DenizPOS was integrated into MobilDeniz to allow member businesses to easily access the Bank's services and request statements, rolls, and POS applications. This systems integration provided added convenience to DenizBank customers.

As of year-end 2021, DenizBank operated 3,095 ATMs across its network. Operational continuity was ensured at a rate of 97% in cash withdrawal services and 96% in deposit services at its ATMs.

BRANCH AND CENTRAL OPERATIONS GROUP

As of year-end 2021, DenizBank operated 3,095 ATMs across its network. Operational continuity was ensured at a rate of 97% in cash withdrawal services and 96% in deposit services at its ATMs.

As a channel that is entirely driven by CRM infrastructure, DenizBank ATMs are used to suggest products and services to customers and support sales. Recycle support, where cash deposited in ATMs is used in withdrawals, allows ATMs to operate for longer periods without being refilled, resulting in cost efficiency.

About 242 DenizBank branch ATMs that had to be temporarily closed due to the pandemic were taken under off-site ATM status in order to maintain ATM services without any interruptions.

The Bank extended the use of new model locks in ATM safe locks to all its ATMs. Transactions at branches were facilitated with the MyDenizBank systems integration.

The Bank's Chargeback project and the Visa-MC International Clearing Accounting Automation project have minimized operations-related time and labor loss and reduced operational failure risk. Reports are now archived in a digital format.

DenizBank plans to start developing software to receive requests for spending objections through the Call Center and Internet Banking for transactions pending in provision. Launch of the new software is scheduled for first quarter 2022. These efforts are expected to boost customer satisfaction and reduce operational risk.

The Bank completed the BKM HIS (Expenditure Objection System) transition project during the year. With this effort, manual deposit objections have been automated.

In 2021, operational support was provided for the implementation of the new Internet Banking system.

Payment recording device (PRD) applications, which support newly introduced and developed PRD models, are quickly growing in use in the new generation payment recording device sector. The Bank has gained a competitive advantage as a result of broadening its range of device options.

Fund Management and Investment Banking Operations

In 2021, Fund Management and Investment Banking Operations implemented the following improvements to comply with applicable legal and regulatory requirements, boost operational efficiency and minimize operational risk:

Fund Management Operations

In 2021, the Fund Management Module was developed in order to adapt to the changing dynamics in the banking system to offer new products to customers.

Within this scope;

- The Interbank Loans Module has been developed to use reference rates based on real transaction data in RFRs (risk free rates).
- The interest rate swaps and cross currency swaps module were developed to allow pricing with the TLREF index.
- The Precious Metals Module was developed to improve automation especially in payments, to minimize operational risks, and to achieve efficiency.
- The Derivative Products Module was developed to allow making derivative products on precious metals.
- The automatic transfer of futures transactions to the banking system has been enabled thanks to the integration with the Derivatives and Options Market (VIOP) at Borsa İstanbul AŞ.
- A structure was created to enable MTM tracking and reconciliation, and end-to-end automation was achieved.
- The Vostro account operations module and business processes were improved and significant gains were achieved in terms of operational efficiency.

Custody Services, Fund Services and Operations

- The number of active funds provided with Operation and Custody services increased from 69 to 99 with 43% growth.
- The number of customers provided with Personal Custody services rose by 28% from 454 to 581.

- Necessary preparations were completed for the Private Equity Investment Fund valuation and valuation activities were initiated.
- The efforts continue for the Real Estate Investment Fund operations and valuation.
- The efforts continue for the automation of Custody Services operations.

Investment Banking Operations

- Now, TEFAS Funds can be bought/sold through MobilDeniz, and ELUS-Electronic Product Bill operations can be performed through MobilDeniz.
- It is planned to develop a system for issuing and trading Hedge Funds with Coupon Payment.

Cash Operations

By introducing online tracking of compliance of services procured from cash service companies with a service level agreement (SLA) through the banking system, DenizBank's service quality increased. With regular tracking and strict management, the Bank recorded major savings in cash related costs.

In parallel with the projects to ensure customer satisfaction, prepayment was enabled to overcome problems encountered in depositing/withdrawing money from ATMs for transactions that meet defined criteria.

Private Banking Operations, International Payments and FX Checks Operations

- Private Banking Operations started to be carried out under the Core Banking, Credit, Foreign Trade, and Branch Operations Group as of November 2021.
- System improvements required for correspondent bank expense management were completed, and the process was automated.
- Necessary systemic improvements were made for reporting to official institutions within the scope of Foreign Currency Payments, and operational risks were minimized.
- Customers can now monitor the status and stage of their foreign currency transfers online through the SWIFT GPI application.
- Efforts to complete the ISO 20022 MX conversion of SWIFT messages have been initiated.

Operation Project, Process Management and Organization

To help DenizBank achieve its strategic goals, the department focused on improving processes and developing competitive, efficient and productive business methods. Accordingly, its main targets are as follows:

- Conducting project management of the operation,
- Achieving simplicity and productivity in operational processes,
- Maximizing automation,
- Conducting permanent staff plans in order to determine the required workforce of the Bank,
- Carrying out resource utilization rate studies for Central Operations Teams engaged in production,
- Managing customer complaints sent to the Bank through various channels and to ensure timely response.

In order to boost branch productivity with a customer-focused approach and to keep the risk under control by minimizing, efforts are being made to identify, design and finalize the improvement needs of branches and it is ensured that the strategic projects related to the branches are implemented within the deadlines set.

In order to implement operational projects, the Bank conducts training, notification and coordination related activities. These efforts are designed to spread and reinforce those innovations that will render DenizBank more competitive and customer-oriented. To this end, the necessary methodology for extending and systematically implementing these training programs is outlined and documented.

The new applications management has continued operation career training uninterrupted since the beginning of pandemic. In 2021, remote training was prepared and provided to 687 employees within this scope and 56 e-learning courses were also prepared to inform users.

In May 2021, the IT and Support Operations Testing Department was established and started to work by preparing test scenarios for the mobile banking and internet banking transactions carried out by customers. A total of 9,667 test scenarios were prepared, each with minor and major versions. Each version is tested according to the scope of the version and the findings are recorded and monitored.

Maximizing information exchange among all DenizBank employees, DenizPortal intranet consolidates all internal information and serves all employees across the organization.

As part of its enterprise resource planning initiatives, DenizBank continues to conduct calculation and modeling efforts for permanent staff and capacity utilization rate in the Branch Operations and Portfolio Management, and Central Operations Departments. In order to be the basis for the calculations of both

permanent staff and capacity utilization rate, the measurement of the standard times of transaction continues.

Management of cancellation and authorization changes of password/authorization definitions of all programs used by the Bank and its subsidiaries are performed regularly.

DenizBank embraces a customer-oriented approach while focusing on efficient management principles. To these ends, the Bank ensures that employees with respective level of competence conduct the right work within the employee pool system. The pool system is implemented in line with the competency of each employee and the priority of the work.

Healthy information flow and reconciliation structures established with government authorities and private organizations take the customer experience to the highest level. In addition, this approach eliminates the Bank and counterparty institution risks.

DenizBank's highly secure archiving structure ensures that customer documents are protected and maintained under the best conditions possible.

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. The Bank conducts efforts to become the "Voice of the Customer" inside the organization by adhering to the standards of "ISO: 10002-2014 Customer Satisfaction Quality Certification." To effectively manage the increase in customer notifications reaching the Department during the pandemic and to provide customers with much faster feedback response, the Customer Satisfaction staff was expanded and strengthened.

- To manage rising customer demands and complaints and to respond quickly to complaints received from official authorities due to shortened response times, the Bank made changes within the organization of the team organization and continued to work in coordination with business lines.
- To comply with legislative changes in 2021, the Bank coordinated and monitored the Operation Group's projects. Improvements were completed regarding the changes under the Regulation on Information Systems and Electronic Banking.
- Due to the pandemic, the necessary authorizations were carried out quickly for rotating and remote working in branches, without disrupting the operations.

The Information Security and Information Technologies Risk Management Group is responsible for coordinating, communicating and monitoring DenizBank's information security processes as well as the Bank's risk management activities related to information technologies.

INFORMATION SECURITY AND INFORMATION TECHNOLOGIES RISK MANAGEMENT GROUP

The Information Security and Information Technologies Risk Management Group is responsible for coordinating, communicating and monitoring DenizBank's information security processes as well as the Bank's risk management activities related to information technologies. The Group carries out its governance activities with the "Business Enabler" approach to ensure that the Bank's business processes and operations are conducted effectively.

The Group ensures that DenizBank's operations under

- Information Security Program and Risk Management,
- Data Governance,
- Fraud Risk Management,
- Business Continuity Management

are carried out in coordination and synergy with the Bank's other business lines.

The behavior of internal users and customers is changing with the developing technology and the widespread use of digital media, resulting in the increased cyber security risks. In order to minimize these risks, the information security infrastructure and layers are constantly renewed with increased investment in cyber security technologies and teams' ability to identify, protect, detect, respond, and recover threats.

Today, in line with the demands of the digital world, security processes were made much more dynamic and the new feature publishing cycle became significantly shorter. In particular, the integration of security processes with cyber intelligence services allowed receiving actionable information early on to address global threats.

The use of behavior and machine learning-based security technology infrastructure provides corporate security layers with a high level of protection against zero-day cyber attacks. Security risks are minimized by isolating Internet access from the surrounding environment.

In 2021, the scope and capabilities of the micro segmentation structure on end-user devices were increased. In this way, it is aimed to prevent horizontal movements that may occur in possible cyber attacks.

In 2021, the scope and capabilities of the micro segmentation structure on end-user devices were increased. In this way, it is aimed to prevent horizontal movements that may occur in possible cyber attacks.

By performing the central coordination of findings and actions for leak tests and the vulnerability management process, the Bank ensured that findings are rapidly finalized and the number of findings were significantly reduced.

DenizBank conducted coordination and governance of information systems and information security compliance efforts within the scope of the shareholder and subsidiaries. Planned maturity assessment studies and determined strategic and tactical projects continue successfully. Findings follow-up and action processes were included in a holistic framework for all information security related processes. Compliance maturity with international standards (NIST) were increased by ensuring group-wide coordination.

A group-wide Information Security Awareness Program was prepared, and awareness-raising activities were increased against cyber attacks that take advantage of the weak points of individuals. Within the scope of the program, DenizBank made regular announcements regarding safe living and safe technology use in all areas from customers and employees to external service providers, prepared videos and television programs, organized phishing exercises and an interactive awareness program. The points of improvement were supported with appropriate additional training programs.

Remote working during the pandemic highlighted the importance of cyber security. The Group conducted studies on protecting data of both Bank personnel and customers and developing measures against cyber threats. These areas in particular were prioritized in coordination with the Bank's Cyber Security teams.

Security enhancement standards were created to identify potential information security risks within the remote working technology infrastructure. Remote access information security trainings were assigned to all personnel. Detection mechanisms and restrictive measures against potential data leakage risks were applied to meeting, co-working and messaging platforms, which are used extensively during remote working.

As part of IT services and processes, DenizBank conducted studies to evaluate operational risk processes in addition to reputational, legal, financial, business continuity, and employee risks. Based on the findings, the Bank formulated an action plan. Risks are monitored and reported with the Defined Key Risk Indicators (KRIs) periodically.

Smarter practices are used against fraud incidents that may be experienced in line with digitalization processes. In 2022, the following activities are planned:

- Continuing to work towards achieving a level security maturity where DenizBank can operate entirely over the internet in the modeling of security technologies and infrastructures,
- Monitoring, managing, and measuring third party risks in a centralized structure in outsourcing processes,
- Automating monitoring mechanisms that inform executive management and committees on information security processes, transferring these mechanisms to BI reporting infrastructures and ensuring that security metrics can be monitored through automation,
- Continuing encouraging and informational automation and training efforts to raise awareness of information security.

As part of IT services and processes, DenizBank conducted studies to evaluate operational risk processes in addition to reputational, legal, financial, business continuity, and employee risks.

In 2021, the “DFSG Information Security Committee” was established, providing comprehensive information on the current functioning of information security processes to both the senior management and all related subsidiaries and business lines, and taking the opinions of all stakeholders on the points awaiting a decision.

Information Security Program and Risk Management

- Conducting information security governance through a central structure within DFSG,
- Carrying out operations within the scope of information security strategy and awareness studies,
- Managing information security risks and facilitating coordination with relevant units,
- Providing guidance on information security and related issues to subsidiaries and business lines,
- The organization was established to monitor information security audits and cyber security findings.

In addition, the Department carries out activities as rule setter and consultant as part of information security strategic activities and awareness efforts. The Information Security Program and Risk Management Department is responsible for other activities, including coordination and moderation of information security stakeholders within DFSG as well as the committees where information security and IT risk issues are addressed.

In 2021, the “DFSG Information Security Committee” was established, providing comprehensive information on the current functioning of information security processes to both the senior management and all related subsidiaries and business lines, and taking the opinions of all stakeholders on the points awaiting a decision.

Within the scope of the Regulation on Banks’ Information Systems and Electronic Banking Services issued in 2020, the Department continued coordinating compliance activities and focused on completing the planned works for full compliance with the regulation in security processes. “Designing the Asset Management process” was one of the most important steps within the scope of these activities. The process regarding the management of data, software, and hardware inventories within the organization was detailed and centralized. The Department continues to update all related inventories in line with the newly defined process.

DenizBank attaches great importance to individual rights and freedoms, which are protected by the Constitution of the Republic of Turkey within the scope of the rights to privacy and protection of private life.

INFORMATION SECURITY AND INFORMATION TECHNOLOGIES RISK MANAGEMENT GROUP

The outsourcing process was coordinated with the procurement phases, and an outsourcing inventory was created. The risks related to these services were collected in a single center and the practices were integrated for monitoring the evaluations regarding the services. Information security conditions were determined for outsourcing processes while legal bases were established against potential information risks. Prediction, minimization, measurement, and monitoring procedures for potential outsourcing risks were redesigned with information security approach.

Long-term practices were conducted to achieve alignment in Committee and Group operation regarding the Group and subsidiaries in terms of compliance with the new regulation. DenizBank aimed to create an information security approach where common standards are embraced across the Organization.

Harmonization of group policies, procedures, and internal processes with the main shareholder was carefully monitored. The differences determined as a result of the evaluations were addressed as the points of development. Efforts continue to make the relevant points equivalent to the existing processes.

DenizBank shows the highest level of sensitivity to the processing, confidentiality, and security of personal data regarding real persons who benefit from its products and services and who have relations with the Bank, in accordance with the Law on the Protection of Personal Data.

Data Governance

DenizBank attaches great importance to individual rights and freedoms, which are protected by the Constitution of the Republic of Turkey within the scope of the rights to privacy and protection of private life. Within this scope, DenizBank shows the highest level of sensitivity to the processing, confidentiality, and security of personal data regarding real persons who benefit from its products and services and who have relations with the Bank, in accordance with the Law on the Protection of Personal Data.

The Data Governance Department is responsible for coordinating efforts related to compliance with the Law on the Protection of Personal Data, legislation on the protection of personal data, data protection and privacy, and new regulations to be issued in this context, setting out the procedures and processes in line with personal data protection policies. The Department conducts the planning, coordination and management of actions that the Organization should take as data controller. The Data Governance Department also evaluates the Organization's projects and new processes in terms of personal data and data security, processes and protects the confidentiality of the information provided within the scope of the activities carried out, monitors and coordinates personal data storage and disposal processes, as well as raising awareness of personal data owners and its employees.

In 2021, within the scope of laws and secondary regulations, Personal Data Protection Board decisions and legislation related to data protection and data privacy, the Bank;

- Created structures in compliance with the legislation by reviewing the bank's business processes,
- Evaluated the suitability of new processes,
- Established the necessary prerequisites and legal basis for the processes in compliance with the legislation and personal data security with the third parties that provide support services and external services,
- Fulfilled the Bank's obligations within the scope of legal regulations as Data Controller,
- Increased the awareness of all the employees on the protection of personal data,
- Examined the requests and issues sent by customers and legal authorities within the scope of protection of personal data, and responded them within the legal period through internal communication and collaboration.

Fraud Risk Management

In 2021, fraud attacks through malicious software were minimized, and the requirements of legal authorities were fulfilled with the new integrations made in the Fraud system.

The infrastructure was prioritized in the transformation project initiated to ensure that the fraud system has a more flexible structure with the technical features available in new generation fraud systems. The Department also started technical studies to establish new databases. The aim is to establish an advanced structure that examines the customer's transactions, conducts behavioral analysis, detects anomalies in customer transactions, and to identify potential fraudulent transactions more accurately to ensure that customers perform their transactions as smoothly as possible.

In order to conduct a more accurate risk analysis of contracted merchants, sources and intelligence channels that can provide objective information about contracted merchants were diversified through collaborations with 3rd party companies. In addition; application, authorization through mail order, and decision-making mechanisms fraud processes became more objective.

Collaboration was established with a 3rd party company to measure the risk levels of workplaces in terms of information security. This collaboration allows risk measurements of workplaces against the ever-increasing risks of data theft and breach of privacy. Potential measures and gains are determined starting from the most risky workplaces.

In order to reduce the fraud cases targeting customers, it is critical to improve the infrastructure as well as to raise the awareness of customers targeted by these attacks. The 6-episode video series prepared with the motto "Simple Measures are Enough for Safe Banking" was shared with customers on social media.

The Fraud Management Department focused on boosting customer satisfaction to a higher level. Business operations were made more secure by working closely with business lines responsible for Marketing and Product Management.

In 2021, fraud attacks through malicious software were minimized, and the requirements of legal authorities were fulfilled with the new integrations made in the Fraud system.

In this period when the use of technology constantly pushed the limits, it became important to determine all kinds of critical business services, keep them running 24/7, and to minimize the potential risks that may interrupt the business.

In collaboration with Deniz Academy, training activities were designed for the Bank's employees to identify ID security features, remove sim-blocking, and recognize social engineering threats.

New projects were prepared and planned to be realized in collaboration with the Branch Operation Teams and Digital Teams in order to improve and make the in-branch processes more secure.

These efforts aim to minimize the fraud risks that the Bank and its customers may encounter in the future.

Business Continuity Management

Working life has changed as a result of the pandemic and evolved into a new model where the work produced became more important than the time and place of work. In this period when the use of technology constantly pushed the limits, it became important to determine all kinds of critical business services, keep them running 24/7, and to minimize the potential risks that may interrupt the business.

The Bank's Board of Directors addressed the business continuity processes with a holistic approach in line with the regulations. The processes were performed in collaboration with business lines and related information technology teams, the Business Continuity Policy and Procedure were updated, business impact analyzes were reviewed, and business continuity tests were successfully concluded.

DenizBank AG operates with an extensive range of deposit and lending products in Retail and Commercial Banking. The Bank serves corporate, commercial, SME and consumer customers.

FOREIGN SUBSIDIARIES

DENIZBANK AG (AUSTRIA)

Headquartered in Vienna, Austria, DenizBank AG operates a network of 25 branches – 17 locations in Austria and 8 in Germany – as of year-end 2021.

DenizBank AG operates with an extensive range of deposit and lending products in Retail and Commercial Banking. The Bank serves corporate, commercial, SME and retail customers by focusing on products such as investment loans and project and foreign trade finance based on market needs and identified opportunities.

Most of DenizBank AG's retail customers consist of Austrian and German citizens. In addition to the attractive deposit and current account products it offers, DenizBank AG had improved its product range by making an agreement with the world leader Allianz Group for sales of insurance services and products. In addition to the Santander customer loans brokered in Austria, business partnerships with Wüstenrot in terms of property savings and MoneyGram in global money transfer transactions are ongoing. In addition, remittance services are offered to Turkish citizens living abroad. DenizBank AG offers its customers easy access to services through its extensive branch and ATM network and contact centers in Austria and Germany, maintains positive customer experiences and new customer acquisitions in both directions as a result of the synergy it has created within DFSG.

As of the end of 2021, DenizBank AG's total assets reached EUR 7.2 billion and its equity reached EUR 1.7 billion.

Since the deferred capital investments of businesses are expected to accelerate in the following year due to the COVID-19 pandemic, DenizBank AG plans to take an active role in the financing of investment goods imports such as machinery and equipment, and foreign trade transactions of customers in the corporate and commercial segment through export credit institutions. In addition, the Group's steps towards its sustainability goals are closely monitored. The plan is also to take part in the financing of investments for the use of renewable energy, energy conversion, the use of less harmful products for the environment, and the implementation of sustainability projects in the future to increase environmental awareness and capital efficiency.

As of the end of 2021, DenizBank AG's total assets reached EUR 7.2 billion and its equity reached EUR 1.7 billion. Having provide consistent services for more than 20 years, DenizBank AG continues to be the leading Turkish bank operating abroad in terms of total assets with the support of its expert staff and main shareholder.

In 2020, DenizBank AG implemented a series of measures to protect its employees and customers during the Covid-19 pandemic period; and adjusted the working conditions of the branches following the necessary health measures. Customers were provided with uninterrupted and secure access to banking services thanks to the technological infrastructure that allows Call Center and Head Office staff to work remotely.

Adopted with the “banking of the future” approach, the digitization strategy yielded positive results in the pandemic period when the gains of efforts focused on technology and innovation became more evident. Customer acquisition through digital channels was increased by highlighting the advantages of Online Banking and the DenizMobil application with communication campaigns on the changing needs of customers.

The new version of MobilDeniz application was launched in 2021. The updated interface and newly added features allowed customers to perform their banking transactions comfortably anywhere. In 2022, it is planned to add several new features to increase the functionality of the application and customer experience.

In 2022, DenizBank AG will continue to add value to the lives of its customers with new products and services by continuing its efforts on the development and effective use of digital channels. In line with its digital transformation strategy, DenizBank AG plans to offer its lifestyle-oriented digital banking platform to individual customers. The application aims to offer customers credit card products with the “buy now pay later” function, and a unique experience that will enable them to access the best lifestyle deals.

JSC DENİZBANK MOSCOW (RUSSIAN FEDERATION)

JSC DenizBank Moscow was established in 2003 with the acquisition of İktisat Bank Moscow. As DFSG’s Russia and CIS hub, DenizBank Moscow’s vision is to provide a comprehensive range of financial services, especially to Turkish-Russian and international business platforms within the EU-Turkey-Russia triangle.

Economic and collaboration opportunities between Turkey and Russia generate new investments, primarily in foreign trade and tourism; as such, the number of Turkish entrepreneurs investing in Russia is on the rise. By establishing close relationships with entrepreneurs, JSC DenizBank Moscow can identify the needs of these businesses accurately and bring all financial services offered by DFSG to its customers, responding quickly to requests through DenizBank’s financial power.

As DFSG’s Russia and CIS hub, DenizBank Moscow’s vision is to provide a comprehensive range of financial services, especially to Turkish-Russian and international business platforms within the EU-Turkey-Russia triangle.

As an off-shore bank licensed to undertake all banking operations, EuroDeniz IBU Limited offers various deposit and lending products to corporate and commercial customer segments.

JSC DenizBank Moscow customers can perform their foreign trade transactions in Russian rubles. Customers can also perform many other banking transactions, including money transfers, account openings, external guarantees, foreign exchange transactions, Russian ruble purchasing, in addition to forwards and arbitrage. The Bank will continue to create new business opportunities by focusing on Turkish customers with trade and business potential with Russia in line with Turkey’s target of increasing exports in 2022.

The subsidiary, whose total assets reached USD 342 million and shareholders’ equity of USD 99 million as of the end of 2021, maintains its leadership in the Turkish niche market in terms of assets and loans.

EURODENİZ INTERNATIONAL BANKING UNIT LTD. (TRNC)

Acquired by DenizBank from the Savings Deposit Insurance Fund of Turkey in 2002, the bank was renamed EuroDeniz International Banking Unit (IBU) Limited in February 2009. As an off-shore bank licensed to undertake all banking operations, EuroDeniz IBU Limited offers various deposit and lending products to corporate and commercial customer segments. As of year-end 2021, the Bank recorded total assets of USD 79 million and shareholders’ equity of USD 8 million.

Intertech has developed four core banking packages used in many domestic and foreign banks, and has capitalized on its experience and expertise to expand its product range.

INFORMATION TECHNOLOGY (IT) SERVICES

INTERTECH

Established to provide much needed IT services to the financial sector, Intertech operates under the roof of DenizBank Financial Services Group (DFSG) since 2002.

Intertech provides innovative and effective solutions and superior quality services for 49 institutions in 11 countries apart from DFSG.

Intertech has developed four core banking packages used in many domestic and foreign banks, and has capitalized on its experience and expertise to expand its product range. Intertech, as a strategic solution partner of Microsoft, has built its inter-Vision integrated banking platform on latest Microsoft-based technologies such as NET and Microsoft SQL Server. In the last three years, it has been working on open source applications and cloud based SaaS and PaaS services.

DenizBank successfully responded to rising customer demand, frequent revisions to financial regulations due to the pandemic and a fast-changing market. Meanwhile, Intertech rapidly implemented technologies (e.g. virtualized desktop for all employees) that enable employees to work healthily, happily, efficiently and effectively. Intertech also commissioned the hybrid working model. The company has made maximum effort to take the highest precautions and measures in all areas (i.e. transportation, seating, ventilation, food, etc.) while working in its office space.

Intertech had continued to move forward in the strategic priority areas listed below within the framework of its vision of “being the regional leader in financial technology products and services” and its mission of “passion to provide indispensable experiences” by increasing its income by 60% and the number of employees by 12% in 2021:

Intertech had continued to move forward within the framework of its vision of “being the regional leader in financial technology products and services” and its mission of “passion to provide indispensable experiences” by increasing its income by 60% and the number of employees by 12% in 2021.

- **Transformation:** It transforms the way of doing business (Agile, DevSecOps, Business Analysis, Software Quality) and its technology (Microservices, APIs/Open Banking, Cloud).
- **Customers:** The necessary mechanisms to ensure customer satisfaction were implemented: Assigning dedicated customer representatives, conducting project and team-based NPS studies, market and value-oriented pricing, developing product roadmaps blended with pandemic and BRSA compliance.
- **Productivity:** It increased its software development productivity by over 35%.
- **Quality:** The software's code quality was increased by 31%, and the service continuity target set by the BRSA was achieved in all banks for all critical banking systems.

In 2021, Intertech executed critical projects for DFSG as well as external customers:

In line with the vision and action plan of the State of the Republic of Turkey carried out by state-owned banks, the 2nd phase of the “Joint ATM for State-Owned Banks” project has been completed with great success. This is one of the most important initiatives of the Turkish banking sector in terms of achieving efficiency and effectiveness while reducing costs. The final phase of the project is ongoing and is scheduled for completion by the end of 2021. Intertech plans to have its multi-ATM solution used by seven banks for at least 17 thousand ATMs without changing the customer experience.

In order to fully comply with the regulations, customer demands about banking software of legal authorities were met, and necessary studies were carried out especially on behalf of customers who demanded full compliance with the “Regulation on Information Systems and Electronic Banking” of the BRSA. The Inter-FAST application for the “Instant and Continuous Transfer of Funds” payment system commissioned by the CBRT was successfully put into use for most of the customers offering domestic retail banking services.

The inter-Cloud solution was made available to customers, and the first external customer will start receiving this service with the official approval of the BRSA. The inter-Cloud solution was also awarded the first prize by IDC's – an international highly prestigious organization – in the field of "Dx Future of Digital Infrastructure" and the Gold Award in the Best Infrastructure category at the PSM Awards.

SpringBoot, NodeJS, IOS and Android software engineering support is provided as required by ENBD Agile Squads to support ENBD's strategic transformation vision and to benefit from Intertech's human resources and industrial experience as know-how. DWH transformation was performed by using AlwaysOn technology. Instant data can be displayed as part of AlwaysOn in over 90 PowerBI and over 30 InterInsight reports used by DenizBank.

Big Data environment was commissioned and banking data started to be transferred to Big Data environment instantly in real-time. In this way, the reports produced in t1 can now be produced in t0.

The Inter-API Open Banking Portal and Ecosystem – a world class offering in open banking and a first in Turkey – continued to grow rapidly in 2021. DenizBank's mobile applications, payments, account activities and many other business models are integrated with innovative fintech solutions on the platform. To date, the platform was deployed at four banks in Turkey and two banks abroad. The number of fintechs included in the ecosystem as privileged business partners reached 39. The platform operates under CBRT supervision and provides services at Berlin Platform and PSD2 standards, while awaiting a domestic regulation similar to PSD2 in open banking. The innovative platform is compliant with all technical, security and business model standards and is made available to customers. In 2021, the new modular structure, functionality and documentation of the portal was developed further with the number of APIs increased to 558 and continued its leadership in Turkey. The number of registered developers has exceeded 800. In the light of all these figures, Intertech has created Turkey's largest Open Banking Ecosystem.

At the same time, supporting business partners and developers on the interAPI ecosystem, providing collaboration settings with banks, and offering the ecosystem to fintechs and entrepreneurs have a positive impact on the employment of young and talented human resources in the software sector. The introduction of value-added technological solutions for open innovation to the domestic

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finance sector and exporting them abroad also contributed to the economic development of Turkey. While innovation through open banking enabled everyone to access equal and advanced digital banking solutions in a more transparent and secure environment, strategic targets were determined for social equality.

During the volatile period especially in 2021 when life changed completely due to the pandemic, banking and trade shifted rapidly towards digital environments. In the future, ecosystems that provide digital solutions to financial institutions and customers are expected to thrive; meanwhile, the rise of fintechs is projected to continue. After legislative approval and active use of the platform by banks, the Inter-API ecosystem and marketplace where digital solutions are offered will be an important source of income for the Intertech and its customers.

As a sign of its success in all these areas, Intertech won the 1st prize in the "Future of Industry Ecosystems" category at the IDC Awards.

In project development activities, Intertech draws strength from the Solution Partners Ecosystem positioned as the natural extension of its human resources. The Solution Partners Ecosystem of 22 companies in 2020 reached 55 companies at the end of 2021 and continues to grow with the inclusion of candidate companies that has the competencies expected by Intertech and meet the software development standards. At end of 2021, the Solution Partners created more than 30% additional workforce in addition to the Intertech internal development resource and enabled Intertech to respond to the needs of its customers in a complete and timely manner. They also contributed the Intertech internal resource to further focus on its strategic projects.

The next generation banking platform, inter-Vision Integrated Banking Platform, was developed in line with DFSG's IT strategy. It is a web-based banking application built entirely on service-oriented architecture to assure scalable solutions through the quick application and unique combination of the best IT infrastructure in its field. The inter-Vision Integrated Banking Platform links DenizBank's corporate marketing strategy with banking processes in a manner that places customer process management at the center, thus allowing DenizBank to execute its activities in line with customer needs and expectations.

Intertech implements processes based on the globally recognized ITIL and COBIT standards to continuously improve and maintain the high quality of IT services provided to DFSG, and to keep its services in line with defined Service Level Agreements (SLAs).

INFORMATION TECHNOLOGY (IT) SERVICES

Information retrieved from consolidated and central data feeds marketing applications to provide dynamic access to decision support models and turns its operational employees into a fully equipped sales force.

DenizBank has achieved the following results via the inter-Vision Integrated Banking Platform:

- **Customer Relationship Management (CRM) for a Customer-Oriented Approach:** Provides its customers with a standard and high quality service and products that best suit their tendencies and financial status.
- **Business Process Management (BPM) for Operational Productivity:** The platform was provided to design, automate, implement and optimize work processes as customer-oriented business processes, achieve low training costs and inject agile model across all levels of the organization.
- **Financial Solutions for Agility:** Intertech's fields of expertise are not limited to core banking operations, but also include financial topics that appeal to all institutions. As such, solutions in core banking as well as factoring and leasing solutions are used at the respective companies of DFSG.
- **Business Intelligence Solutions for Effective Decision Support:** This platform has strengthened the management of financial data warehouse and created an integrated decision support system.
- **Alternative Distribution Channels Management for Banking, Anytime and Anywhere:** The platform has provided uninterrupted financial services 24/7 through all distribution channels and has developed IT solutions and infrastructure in line with business growth.

Intertech has designed a continuous, robust and flexible IT development infrastructure for DFSG. The company has also established the Disaster Recovery Center in Ankara, outside operational areas, assuring that continuous services will be provided in cases of emergencies and disasters.

Intertech has designed a continuous, robust and flexible IT development infrastructure for DFSG. The company has also established the Disaster Recovery Center in Ankara, outside operational areas, assuring that continuous services will be provided in cases of emergencies and disasters. Twice a year, Intertech controls the operations expected to be delivered by the Disaster Recovery Center to ensure the uninterrupted continuation of banking services. In September 2021, the Emergency Center in Ankara was transferred to another location in Ankara, making the DRC setting much more flexible and easily scalable. It is planned to ensure the active-active operation of the DRC setting with the Istanbul Data Center and certain inter-Vision applications will be operated as active-active in the DRC in line with the BRSA communiqué. A new load testing environment was established in the DRC setting, allowing to observe the effects of new projects on the system more effectively before they were implemented, and making the points of improvement in the existing modules easier to detect.

Intertech implements processes based on the globally recognized ITIL and COBIT standards to continuously improve and maintain the high quality of IT services provided to DFSG, and to keep its services in line with defined Service Level Agreements (SLAs). Additionally, the company has obtained ISO 27001 Information Security Management System, ISO 20000 Service Management System and ISO 22301 Business Continuity Management System certifications. Intertech receives the ISAE 3402 report by going through independent audit on an annual basis.

Intertech believes that service quality can be guaranteed only with a quality life cycle. To this end, Intertech continuously improves and sustains its service quality by using DevOps and Agile processes, methodologies and tools incorporating the quality life cycle into all processes within its projects. The company embraces the total quality management approach. In 2021, Intertech continued to carry out various works under its transformation programs:

- Agile Transformation practices were expanded by 74% within product development teams.
- Under the business analysis excellence program, the competencies of analysts are continuously boosted with world-class business analysis trainings. Good practices applied in analysis processes around the world are determined and dissemination studies continue within the organization.
- Test data production screens related to test data automation were developed and made available for use.
- Microservice security layer was developed.
- Code quality improved by 31% in 2021.
- By performing studies of all banking applications as part of performance and continuity efforts, Intertech modified sections where problems occur or may occur.
- The transition from the Openshift container platform to the Google Anthos platform was completed.
- Feature toggling product for GIT migration and a new CAPTCHA product for security were developed.
- Measurable KPIs were defined to monitor the performance of development teams.

In 2022, Intertech plans to continue its transformation efforts at full speed, including:

- Microservice transformations,
- Dissemination of good practices to boost the product owners' competencies,
- Dissemination of the functional design review process within the organization,
- Identification and dissemination of processes for the improvement of field experience within the Organization.

To this end, Intertech continuously improves and sustains its service quality by using DevOps and Agile processes, methodologies and tools incorporating the quality life cycle into all processes within its projects.

Regarding the infrastructure services, in 2020 and 2021, Intertech completed the transition of the DFSG infrastructure to the inter-Cloud environment, the financial cloud service provider infrastructure commissioned at the end of 2019.

Regarding the infrastructure services, in 2020 and 2021, Intertech completed the transition of the DFSG infrastructure to the inter-Cloud environment, the financial cloud service provider infrastructure commissioned at the end of 2019. Applications are now received from external customers. BRSA approval was obtained in January 2022. External customers will also start using this infrastructure.

The following transformation projects continue regarding the infrastructure services:

- For the modernization of the server infrastructure, the transition of the old legacy (Hyper-V) server platform to hyper-converged VMware environments will be completed soon, and a more compatible and flexible structure will be adopted for the microservice infrastructure.
- With the collaboration of Microsoft and the Database team, points of improvement are being identified for Database access performance in inter-Vision application codes under the Performance and Continuity program. The software teams continue the improvement efforts.
- Within the scope of the ongoing SQL 2019 project, inter-Vision databases, where all banking data are stored, will be upgraded to the latest version by the end of 2022 Q2.
- Regarding monitoring and automation, PoCs were performed with the industry's leading products for modernization and improvement. They will be commissioned as soon as possible.
- Regarding the license management, the new application platform will be commissioned at the beginning of 2022 to provide a much more automatic and robust structure to the license management of all server and client environments.
- With the ongoing Network Segmentation project, a more flexible network infrastructure modernization will be carried out to allow improvement in server segmentation.
- All test environments will be moved to the Public Cloud environment when the transfer of DenizBank AG test environments (UAT & Preprod) to the MS Azure platform is completed.

DenizLeasing not only provides funds to investors in renewable energy projects in 2021, but also gives them technical, legal and operational support.

LEASING AND FACTORING SERVICES

DENİZLEASING

DenizLeasing provides financial and operational leasing services to Corporate, Commercial, SME and Agricultural customers in the Turkish economy, which is in need of modern financing methods due to its rapid development. Established in 1997 with a customer-oriented approach and a strategy to launch new products in response to customer needs, DenizLeasing is committed to becoming the leading provider in the field. The Company continues to be among the leading companies in leasing by providing the right financing method for the right investment, establishing customer relationships based on trust, and meticulously evaluating the financial requirements of customer projects.

In 2021, while DenizLeasing became a part of the financial supermarket approach within the scope of the general strategy of DFSG, the number of transactions increased by more than 100% with to approach aiming to grow widely in SMEs. The company will continue its activities in 2022, aiming to increase its market share by creating new transaction volume in this period of rapid growth.

DenizLeasing not only provides funds to investors in renewable energy projects in 2021, but also gives them technical, legal and operational support. With the acceptance of the Paris Climate Agreement by Turkey in 2022, companies will need to finance projects especially for energy efficiency, hydrogen, carbon capture, and widespread use of electric vehicles. It is aimed to maintain and increase the weight of financing of Sustainable Finance projects in DenizLeasing's balance sheet in the upcoming period.

In 2021, while DenizLeasing became a part of the financial supermarket approach within the scope of the general strategy of DFSG, the number of transactions increased by more than 100% with to approach aiming to grow widely in SMEs.

In 2021, a positive momentum was achieved especially in the agricultural portfolio, and DenizLeasing created more than TL 200 million placements in its portfolio in financing of production equipment such as combine harvesters and cotton pickers with a VAT decreased to 1%.

DenizLeasing made a new collaboration with KGF and KOSGEB with the aim to provide funding to finance the projects of its customers who will receive government support in 2022.

DenizLeasing reached a new transaction volume of USD 221 million by making good use of opportunities from a sector/product/channel perspective.

DenizFleet

Being the first leasing company in Turkey to initiate operational leasing activities, DenizLeasing set up its new brand DenizFleet in 2014, as a pioneering enterprise in the sector.

DenizFleet was established under the umbrella of DenizLeasing to provide long-term car rental services. DenizFleet stands out in Turkey as the only operational leasing brand operating within a leasing company. DenizFleet offers common, fast and reliable solutions across Turkey via its professional staff and is committed to delivering unconditional customer satisfaction. To this end, the company offers the most reliable and comprehensive service package to the customers who demand a fleet rental service. As of the end of 2021, the number of cars in the fleet totaled 6,775.

The global chip shortage as one of the consequences of the global pandemic and the resulting vehicle supply problem was solved with an innovative perspective, and the “Sermayem Aracım (My Vehicle is My Capital)” product was introduced to allow vehicle owners to generate cash for themselves by selling their vehicles and re-leasing them from DenizLeasing.

DenizFleet aims to lease 10 thousand new vehicles while maintaining the boutique service concept it offers to each customer in 2022.

Leasing Receivables and Asset Size

DenizLeasing provided services for investment financing in line with its strategy of productivity and profitability. The company strengthened its position among sector leaders in terms of assets and shareholders' equity. As of the end of 2021, DenizLeasing recorded TL 4.9 billion in net leasing receivable of and total assets of TL 6.1 billion.

DENİZFACTORING

Primarily providing customers with guarantee, collection and financing services, DenizFactoring is a pioneer in the sector with a wide product and service range, including Digital Factoring, Collection Management System, Supplier Finance Application, Public Sector Factoring and Export Factoring.

In August 2001, it became a member of the world's most prominent international factoring organization, Factors Chain International (FCI).

In October 2004, DenizFactoring became a Full Member of FCI, after confirmation of its transaction volume and service quality.

In 2013, the company became a member of the Association of Leasing, Factoring and Financing Companies.

DenizFactoring delivers its products and services to customers via a highly qualified, strong team at the Head Office and via the DFSG network, in a rapid and accessible fashion. DenizBank branch employees support DenizFactoring within applicable legal and regulatory requirements.

Primarily providing customers with guarantee, collection and financing services, DenizFactoring is a pioneer in the sector with a wide product and service range, including Digital Factoring, Collection Management System, Supplier Finance Application, Public Sector Factoring and Export Factoring.

With the mobile application “Send a Check to Deniz,” DenizFactoring allows clients to rapidly access financing over the digital channel 24/7 without having to wait for the maturity date of checks with an invoice.

DenizFactoring's factoring receivables reached TL 3.0 billion as of year-end 2021 with a year-on-year increase of 14%. According to the year-end data, a successful performance was achieved in terms of cost/income ratio with 26% compared to the sector average of 35%. DenizFactoring had a market share of 5.0% in factoring receivables and its transaction volume was TL 9.0 billion with a 32% increase compared to the previous year. Of the transaction volume, 76% consists of domestic factoring transactions and 24% of international factoring transactions.

With the mobile application “Send a Check to Deniz,” DenizFactoring allows clients to rapidly access financing over the digital channel 24/7 without having to wait for the maturity date of checks with an invoice. With more than 200 thousand applications received from over 35 thousand companies in 2021, this digital product became even more important during the pandemic period. Factoring application service has been provided to more than 150 thousand customers in a completely digital environment since the launch of this product. Following the customer needs closely in the digitalized finance world, DenizFactoring aims to achieve the firsts in the sector with innovative applications where customers can perform factoring transactions comfortably and securely.

In addition to the existing real estate portfolio, DenizREIT develops niche real estate projects in accordance with its mission and vision.

REAL ESTATE INVESTMENT TRUST

DENİZ REAL ESTATE INVESTMENT TRUST

Joining DFSG at year-end 2001 as a subsidiary of DenizYatırım Menkul Kıymetler A.Ş. under the commercial name DenizYatırım Ortaklığı A.Ş., the Company was transformed into a real estate investment trust on December 20, 2013 and changed its commercial name to Deniz Gayrimenkul Yatırım Ortaklığı A.Ş. (DenizREIT). On December 31, 2013, DenizREIT acquired Pupa Gayrimenkul Kiralama ve Yönetim Hizmetleri A.Ş. (Pupa), a DFSG company, and then merged with Pupa on June 11, 2014 to form its commercial real estate portfolio.

DenizREIT's core business consists of investing in real estate, real estate-based capital market instruments, real estate projects, real estate-based rights and capital markets instruments, so as to create and enhance a real estate portfolio.

DenizREIT's commercial real estate portfolio, which provides regular rental income and operates in different sectors, is located in Istanbul, Bodrum, and Ankara.

In the REIT sector, there are 37 companies listed on the stock exchange, six of which – including DenizREIT – were established by banks. As of year-end 2021, DenizREIT's real estate portfolio amounted to TL 370 million and total assets stood at TL 1 billion.

As of year-end 2021, DenizREIT's real estate portfolio amounted to TL 370 million and total assets stood at TL 1 billion.

In addition to the existing real estate portfolio, DenizREIT develops niche real estate projects in accordance with its mission and vision. Two real estate projects were completed in Istanbul Tarabya and Bodrum, where residents moved in recently. Le Chic Bodrum, comprises eight villas/86 residences and a 67-room boutique hotel on a 28-decare tract in Asarlık Region of Bodrum. Le Chic Tarabya, a flat-for-land project comprised of 14 blocks 156 housing units on a 12-decare tract, is located in Istanbul Tarabya. Two real estate projects were implemented. Le Chic Bodrum has an 8-decare natural sand beach extending for about 200 meters in addition to piers, restaurants, a marina and the opportunity for boat access. Le Chic Tarabya is a niche development project thanks to its central location, proximity to the beach, social facilities, and exclusively-designed landscapes offering a life in touch with nature in the grove.

Backed by the corporate and financial resources of DFSG, DenizREIT conducts its business operations in line with its mission: "Engaging in activities to increase the value of the real estate in its portfolio, generating regular lease income, consistent growth and profitability, and developing original real estate projects at special locations in different provinces, especially in Istanbul, by making a difference with business partners meticulously chosen to meet the requirements of each project and by upholding ethical principles."

NEOHUB works to export know-how to support sustainable growth in the financial ecosystem.

NEOHUB TECHNOLOGY SOFTWARE MARKETING AND CONSULTANCY

NEOHUB is a new generation startup that was established in July 2021 as a 100% Intertech subsidiary under the umbrella of DFSG. The company focuses on financial technologies by combining both financial expertise and technological competence. It also operates in the fields of interaction and investment with its entrepreneurial ecosystem. The company works to export know-how to support sustainable growth in the financial ecosystem.

NEOHUB is structured under three groups: Innovation and Ecosystem Office, Sales and Marketing Office, and Technology Office. In addition to these groups, fastPay A.Ş., an electronic money and payment services company licensed by the CBRT, also operates under the NEOHUB umbrella.

NEOHUB Innovation and Ecosystem Office

The Innovation and Ecosystem Office is NEOHUB's point of contact with the entrepreneurial ecosystem. The Office develops financial technologies, establishes collaborations, and fosters innovative initiatives that will be beneficial for DFSG in every field.

The Innovation and Ecosystem Office includes Deniz Aquarium Innovation and Entrepreneurship Center, Deniz Ventures Private Equity Investment Fund, and Product Management units.

Deniz Aquarium Innovation and Entrepreneurship

Startup Acceleration Program

In 2021, the design of the Deniz Aquarium Startup Acceleration Program was completed and it commenced operations under NEOHUB. The program started accepting applications from startups with its ongoing open call and non-cyclical structure. It will support innovative startups of at least minimum viable product (MVP) and above, especially in the target sectors of financial technologies, blockchain, artificial intelligence, agriculture, health, and biotechnology. The evaluation and pre-interview processes of the first applications were completed during the year. A jury will convene to identify the startups to be supported. The program is planned to fully launch in 2022.

NEOHUB focuses on financial technologies by combining both financial expertise and technological competence.

A comprehensive acceleration program model is in development that will provide one-to-one consultancy services in various fields including business development, law, and marketing as well as support for office, mentoring, technology, infrastructure, and investment. As part of the program preparations, a mentor network was formed with both DFSG senior managers and dozens of different private companies and academies from the entrepreneurship ecosystem. Informational and acquaintance meetings were held for mentoring support, one of the strongest aspects of the program. The Startup Acceleration Program will continue to receive applications through periodic evaluation reviews. The program's growth and development will be monitored in line with the needs and demands determined for each startup.

The Startup Acceleration Program established collaborations with many leading institutions including Microsoft and Amazon Web Services (AWS). Meetings were also held with organizations that play a different role in enterprise support, such as incubation centers and techno parks. During the year, meetings were organized with more than 200 startups in order to develop the Deniz Aquarium startup ecosystem and to evaluate investment opportunities from Deniz Ventures. Beyond these collaborations, guidance regarding many business lines and subsidiaries has been provided by taking into account the mutual benefit with DFSG. As in 2021, the Startup Acceleration Program will continue its activities at full speed in 2022, both to provide the best benefit to DFSG and to be a key driver in the entrepreneurship ecosystem.

In-House Entrepreneurship Program

In 2021, efforts related to the In-House Entrepreneurship Program under the umbrella of NEOHUB moved forward. The approach framework of Deniz Aquarium was completed. This approach was structured in a holistic and inclusive way under the Deniz Aquarium Fikir Limanı brand. Deniz Aquarium Fikir Limanı is a new generation in-house entrepreneurship and innovation program that allows the employees to convey their solution suggestions and ideas to Deniz Aquarium and implement them.

Aiming to be the leading corporate private equity firm that creates, supports, and develops innovative and sustainable models, Deniz Ventures started its activities within the Innovation and Ecosystem Office under the NEOHUB umbrella.

NEOHUB TECHNOLOGY SOFTWARE MARKETING AND CONSULTANCY

Deniz Aquarium Fikir Limanı aims to embrace innovation and sustainability alongside the framework of corporate innovation and entrepreneurship at DenizBank. The program is focused on adding value by implementing new business models that support both improvement/differentiation in the Bank's internal processes and the DFSG strategy. In addition to preparing the processes in agreement with the relevant units During the year, the program engaged in numerous activities to foster an entrepreneurship mindset among the Bank's employees and transform it into a culture and way of doing business.

With Deniz Academy's support, the Entrepreneurship Certificate Program was launched in 2021. Program applications from DenizBank staff were evaluated during the year. Many topics related to entrepreneurship were explained in practice under the certificate program. At the program's completion, participants completed a high learning journey and delivered their final presentations. The Innovation Ambassador role was created to support the entire process and serve as one of the main building blocks of the program. Employees from different business lines at DFSG are assigned to this role. Innovation Ambassadors are the first points of contact in the business lines and regions for teams under Fikir Limanı, initiatives in the cooperation process and the Startup Acceleration Program. Innovation Ambassadors aim to ensure the coordination of the business lines, regions, and Deniz Aquarium for the needs of the startups included in Deniz Aquarium, either internally or externally. Fikir Limanı In-House Entrepreneurship Platform was developed based on this process and launched in 2021. The platform is ongoing and ideas will be sent to Deniz Aquarium via a digital portal in 2022.

Blockchain Lab

The Blockchain Laboratory operates in conjunction with a strategic partnership of Bahçeşehir University Blockchain Research Center BlockchainIST Center. The Blockchain Team, a working group consisting of different

The Blockchain Laboratory operates in conjunction with a strategic partnership of Bahçeşehir University Blockchain Research Center BlockchainIST Center.

teams within the Bank, develops products and services that can be implemented in the field of finance. It takes an active role in the crypto assets working group of TBB with the Blockchain Team. Blockchain Lab carries out its activities in collaboration with other units of Deniz Aquarium.

Deniz Ventures Private Equity Investment Fund

Aiming to be the leading corporate private equity firm that creates, supports, and develops innovative and sustainable models, Deniz Ventures started its activities within the Innovation and Ecosystem Office under the NEOHUB umbrella.

Investment activities are conducted in conjunction with Deniz Portfolio A.Ş. through the Capital Markets Board-approved Private Equity Investment Fund.

Deniz Ventures Private Equity Investment Fund invests in startups operating in the targeted sectors. These target sectors include: Financial Technologies, Blockchain, Artificial Intelligence, Biotechnology, Tourism, Health, and Agriculture. In addition to the target sectors, Deniz Ventures prioritizes investments with a promising potential in terms of digitalization and global scalability.

The Ecosystem Relations team was set up to monitor developments in the ecosystem and to discover early stage startups. The team conducts survey, discovery, and evaluation studies through various channels. Ecosystem Relations aims to bring the latest technology and business models to DFSG by assessing initiatives not only for investment purposes, but also for their collaboration potential. In addition, the team manages start-up interactions effectively. By enabling the interaction between potential startups for investment and business lines within DFSG, Ecosystem Relations has the opportunity to get to know the startups closely through the validation of the business models and possible concept validation (POC) collaborations. The team can also identify startups that can create value for DFSG.

Product Management Team

Mercan SuperApp is a product that can be described as a Digital Shopping Center offering a smooth and commission-free shopping experience for the end user. The app includes many complementary services related to shopping and living, as well as an ecosystem, new customers, commission-free product and service sales for companies and fintechs. Mercan SuperApp completed MVP1 in 2021. MVP2 development has started for the test version to be released in March 2022.

With the acceleration of regulatory activities related to open banking in Turkey, NEOHUB designed the API Portal product. The portal is designed to provide open banking services to all financial organizations in the market through a single platform. This innovative product aims to lead the development of the financial ecosystem, produce solutions to operational difficulties, create new business models, and bring an innovative approach to all sector players.

A product development methodology was designed to improve DenizBank's Deniz'den Toprağa application comprehensively – from the infrastructure and user interface to the transaction set and user experience. This effort aims to introduce a new, leading product to the market that meets all needs of agricultural customers.

NEOHUB Sales and Marketing Office

The Sales and Marketing Office now operates under new separate departments: New Generation Digital Trends, Mercan Sales Management, and API Banking Business Modeling and Payment Institutions.

New Generation Digital Trends

New Generation Digital Trends focused on boosting work efficiency and work motivation in its research on global digital trends. To contribute to DenizBank's digital transformation in these areas, the Motivist platform was launched with collaborations in the emerging field of gamification. The Motivist digital gamification platform increased the motivation and productivity of sales personnel at DenizBank. SME, MOB, Call Center, Tele Marketing, Agriculture, and Consumer business lines also started to use Motivist with their gamification schemes.

NEOHUB designed the API Portal product. The portal is designed to provide open banking services to all financial organizations in the market through a single platform. This innovative product aims to lead the development of the financial ecosystem, produce solutions to operational difficulties, create new business models, and bring an innovative approach to all sector players.

Sustainability was identified as a rising trend as a result of trend analyzes in the global arena. The Motivist platform will play an active role in the sustainability adaptation efforts of DenizBank and Intertech.

Digital task management and collaboration platforms aimed at increasing work efficiency were examined and relevant groups trialed the Motivist application. The platform is planned to be expanded in 2022.

In addition, integration efforts commenced for digital recognition and reward systems to boost the loyalty of DenizBank and Intertech employees.

In 2022, New Generation Digital Trends aims to further boost the efficiency of the Motivist gamification platform within the Bank with new themes and setups. The unit plans to complete the bank integrations of the digital task management system, as well as the appreciation and acknowledgement platforms.

Sustainability was identified as a rising trend as a result of trend analyzes in the global arena. The Motivist platform will play an active role in the sustainability adaptation efforts of DenizBank and Intertech.

Mercan Sales Management

The Mercan Sales Management team aims to establish a strong ecosystem that will enable users to meet all their needs from the Mercan SuperApp application.

Coordinated studies are carried out with DenizBank business lines – Agriculture, Commercial, Consumer, SME – to create the Mercan ecosystem. Sales activities were carried out through the target company lists to ensure that these business lines became the main players of the Mercan ecosystem. During the year, negotiations were conducted with 100 companies affiliated with the business lines to join the Mercan ecosystem.

In line with the sales strategy, integration agreements were signed with 10 companies that provide the most widespread and extensive e-commerce infrastructure in the sector to further expand the Mercan ecosystem.

Mercan contract sets were arranged in conjunction with legal and legislative units to establish an appropriate legal framework to conduct operations.

In 2022, Mercan Sales Management plans to establish new collaboration models that will generate income for the Mercan ecosystem and DenizBank under the NEOHUB umbrella, and to step up Mercan SuperApp growth.

This reporting year, invoice collection collaboration agreements were signed with industry-leaders including Türk Telekom, Boğaziçi Elektrik, Çamlıbel Elektrik, Akdeniz Elektrik, and ISKI. The Bank began collection of invoices via bill payment institutions.

NEOHUB TECHNOLOGY SOFTWARE MARKETING AND CONSULTANCY

API Banking Business Modeling and Payment Institutions

API Banking Business Modeling and Payment Institutions developed the infrastructure of the API Portal within NEOHUB. The portal provides products and services to the Bank's customers and fintechs, including payment and electronic money institutions.

DenizBank's API Portal offers 193 simplified and functional API methods, which were determined based on customers' requests. DenizBank is the sector leader with the most API functions and real-life operating customers. The Bank extended its collaboration with many fintech and payment institutions to improve its financial ecosystem, recording 5 times growth compared to the previous year. The Open Banking working group was created with the participation of various DenizBank departments and subsidiaries. Business ideas were developed in the group to extend services and collaborations. In 2022, negotiations will continue with the Bank's business lines and fintechs to increase efforts in this area.

Bill payment services are provided to third parties through agreements with bill payment institutions that have a payment or electronic money license. The Bank extended its collaborations with other institutions through meetings with various business lines to expand the product range offered through these institutions.

During the year, new collaborations were established with payment companies and Turkish institutions that generate the most invoices by volume. These targeted high value-added efforts resulted in the collection of 24 million invoices worth TL 3 billion and income of TL 10.5 million in 2021. This reporting year, invoice collection collaboration agreements were signed with industry-leaders including Türk Telekom, Boğaziçi Elektrik, Çamlıbel Elektrik, Akdeniz Elektrik, and ISKI. The Bank began collection of invoices via bill payment institutions.

API Banking Business Modeling and Payment Institutions developed the infrastructure of the API Portal within NEOHUB. The portal provides products and services to the Bank's customers and fintechs, including payment and electronic money institutions.

GrowthHUB

In 2021, the NEOHUB Marketing Team engaged in the following activities:

1. The Shared CMO platform was developed during the year. This platform includes the Venture Builder program and a service to formulate and execute 360-degree marketing strategies when digital products are needed in the ecosystem. At the first stage, the holistic marketing function of fastPay was carried out within the Marketing Department.
2. The Marketing team carried out the 2022 planning of the Mercan project, which was included in Shared CMO.
3. The Marketing team provided consultancy services to DenizBank and its subsidiaries in Marketing Technologies.

fastPay Elektronik Para ve Ödeme Hizmetleri A.Ş.

fastPay Elektronik Para ve Ödeme Hizmetleri A.Ş. is an electronic money and payment services company established under Law no. 6493 and licensed by the CBRT.

fastPay allows users to:

- Send money to anyone 24/7 from mobile to mobile or to IBAN free of charge, even if they are not a customer of any bank,
- Load money to their transportation cards from their accounts or credit cards connected to an e-wallet, wherever they want,
- Benefit from various advantages in major retail chains including A101, Migros, Carrefour, Burger King, Popeyes, Sbarro, Usta Dönerci, Kahve Dünyası, by simply turning their phone sideways and making contactless, easy payments with QR code without a wallet even if they are not a customer of any bank,
- Pay their bills without waiting in line free of charge,
- Make payments for games of chance free of charge by easily purchasing game codes,
- Make payments quickly and securely without entering card information in online shopping,
- Pay the debt of any credit card.

fastPay users can benefit from all these advantages by registering the credit card of any bank or by loading a balance from their bank card. If they do not have a credit card or a debit card, they can quickly enter the fastPay world by loading cash into their fastPay account from any DenizBank ATM.

In 2021, DenizBank further upgraded and expanded the fastPay app, Turkey's biggest mobile wallet. Aiming to introduce fastPay technology to more users, the Bank initiated new collaborations and added many new features to the application.

As of year-end 2021, 30% of the 2.3 million registered fastPay users were active and 32% had their credit cards registered in their fastPay wallet. In 2021, fastPay mediated the loan disbursement of TL 450 million from the applications it collected via the Mobile Application thanks to its agreement with DenizBank.

In 2022, DenizBank, with its strengthened organization and new products, aims to generate income from:

- fastPay Payment Infrastructure Sales Commission,
- Alternative Payment Methods,
- WaaS (Wallet as a Service),
- Credit Products Brokerage Commission, and
- New Generation Prepaid Card Business Model.

To achieve these goals, DenizBank is targeting the following products and verticals in the coming year:

- **fastPay 2.0** with prepaid card, IBAN, FAST, and new generation fintech integrations,
- **Prepaid Card** that allows making fast and secure payments anywhere with new generation membership plans,
- **SME HUB** with Payment Service Provider (PF), Alternative Payment Methods, MerchantApp, WaaS features,
- **PAYMENT HUB**, which offers all collections such as institution/invoice payments, loan repayment, new loan allocation, credit card debt payment in a single portal,
- **FASTPASS**, the card storage and e-wallet payment infrastructure solution,
- **CREDIT HUB**, which offers collaboration opportunities with all banks, thanks to smart features that facilitate loan disbursement from DOB and dealers, apart from couriers and branches.

In 2021, DenizBank further upgraded and expanded the fastPay app, Turkey's biggest mobile wallet. Aiming to introduce fastPay technology to more users, the Bank initiated new collaborations and added many new features to the application.

NEOHUB also represents DenizBank on international innovation awards platforms. In 2021, DenizBank won two awards for applications developed via NEOHUB.

With its new product that will offer more than 200 payment methods in 17 different countries, fastPay plans to provide intermediary services to member businesses across a wide network with international local payment methods via integration with companies selling goods and services abroad.

DenizBank also aims to create a systems infrastructure for existing and planned products and services with the **Wallet as a Service (WaaS)** model for other institutions who need financial systems.

NEOHUB Technology Office

The Technology Office is a software team specialized in developing banking products under the NEOHUB umbrella. The team develops new generation products under NEOHUB. In 2021, the Technology Office focused on open banking and recorded significant progress in this emerging area.

Systems integration and infrastructure work for open banking continues apace under NEOHUB. The Technology Office team works on new features related to new fields of activity in line with the regulatory framework on Digital Banking and Service Model Banking. In the first half of the year, the Technology Office plans to develop a structure to allow customers to quickly integrate their systems in terms of both service and experience. New collaborations are established continuously as part of integration efforts with bill payment institutions, infrastructure providers, and Turkey's leading financial technology companies. In 2021, the number of integrations and usage values increased by about 40%.

Awards

NEOHUB also represents DenizBank on international innovation awards platforms. In 2021, DenizBank won two awards for applications developed via NEOHUB:

- DenizBank, as hosting and pioneering initiatives where technologies that will shape the future of banking can be produced, was selected both as the category winner and the first in Turkey in the "Western Europe" category at the Bank of the Year awards of The Banker.
- Kutup Yıldızı (Pole Star), DenizBank's mobile application, won an award in the "Corporate Finance" category at the Global Finance – "The Innovators" awards competition.

DenizKültür represents the Group's corporate and social mission through various educational, cultural, arts and sporting events.

CULTURAL SERVICES

DENİZKÜLTÜR

Established in 2004 to organize and support scientific research, arts, literature and other cultural activities, DenizKültür represents the Group's corporate and social mission through various educational, cultural, arts and sporting events.

DenizKültür's activities include the following:

- Publishing books on science, arts and literature,
- Producing audio and visual cultural materials,
- Performing arts events,
- Organizing collection/exhibition projects geared towards the plastic arts and handcrafts,
- Organizing campaigns in line with the Bank's social mission, as well as other cultural activities that will develop with new ideas.

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-DFS titles currently held	% of Shares
Hesham Abdulla Al Qassim	Chairman of the Board of Directors, Credit Committee Reserve Member, Remuneration Committee Member	Non-executive	Master's Degree	26	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, Emirates Institute for Banking and Financial Studies (EIBFS)- 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 L.L.C.- Board Member, The National Human Resources Development Committee of the Banking and Financial Sector-Board Member, Itissalat Al-Maghrib (IAM) Maroc Telecom- Board Member	-
Hakan Ateş	Member of the Board of Directors, President and CEO, Credit Committee Member	Executive	Bachelor's Degree	40	Member of the Board of Directors, President and CEO, Credit Committee 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 İstanbul College Foundation's Board of Trustees, Full Member of Turkish Tourism Investors Association's Board of Directors	-
Nihat Sevinç ⁽¹⁾	Vice Chairman of the Board of Directors, Audit and Risk Committee Member	Independent Member	Bachelor's Degree	34	Vice Chairman of the Board of Directors, Member of the Board of Directors, Audit and Risk Committee Member	-	-
Shaune Keith Nelson ⁽²⁾	Member of the Board of Directors, Corporate Governance and Nomination Committee Member	Non-executive	Bachelor's Degree (not completed)	37	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 Insurance Brokers LLC- Board Member, International Monetary Conference-Board Member, Emirates National Bank of Dubai (S.A.E)-Board Member, the University of Wollongong - Member of the Advisory Board Member.	-
Jonathan Edward Morris	Member of the Board of Directors, Credit Committee Reserve Member	Non-executive	Bachelor's Degree	36	Member of the Board of Directors, Credit Committee Member, Credit Committee Reserve Member, Audit and Risk Committee Member	Emirates NBD Bank PJSC - Senior Executive Vice President, Responsible for Turkey	-
Bjorn Lenzmann	Member of the Board of Directors, Audit and Risk Committee Member	Non-executive	Ph.D.	25	Member of the Board of Directors, Audit and Risk Committee Member	-	-
Deniz Ülke Arıboğan ⁽¹⁾	Member of the Board of Directors, Corporate Governance and Nomination Committee Member	Independent Member	Ph.D.	34	Member of the Board of Directors, Corporate Governance and Nomination Committee Member	Senior Fellow at University of Oxford Centre for the Resolution of Intractable Conflict (CRIC), The Dean of Üsküdar University	-
Derya Kumru	Member of the Board of Directors, Credit Committee Member	Executive	Ph.D.	35	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	35	Member of the Board of Directors, Corporate Governance and Nomination Committee Member, Chairman of DFSG Investment Companies Executive Board	-	-

⁽¹⁾ Resigned from his/her duty as of 31 January 2022.

⁽²⁾ Regarding the Board decision dated 1 February 2022, he has been appointed as Vice Chairman of the Board of Directors

Regarding the Board decision dated 12 January 2022, Burcu Çalıkılı has been appointed as Board Member and CRO. Regarding the Board decision dated 13 January 2022, she has been appointed as Credit Committee Member.

Regarding the Board decision dated 1 February 2022, Ahmed Mohammed Aqil Qassim has been appointed as Board Member and appointed as Audit and Risk Committee Member. He started his duty after taking the oath in accordance with the Banking Law as of 10 February 2022.

BOARD OF DIRECTORS



HESHAM ABDULLA QASSIM ALQASSIM
CHAIRMAN OF THE BOARD OF DIRECTORS

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. Turkey; all are subsidiaries of Emirates NBD P.J.S.C., He is also the Vice Chairman and Chief Executive Officer of wasl Asset Management Group and is responsible for leading the organization's transformation into a world-class asset management company. Mr. Al Qassim has more than 20 years' experience in the banking sector. Hesham Abdulla Al Qassim is also the Chairman of the Emirates Institute for Banking and Financial Studies (EIBFS) and 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., The National Human Resources Development Committee of the Banking and Financial Sector, International Humanitarian City as well as Itissalat Al-Maghrib (IAM) Maroc Telecom. 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.



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 Turkey, 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 EUR 256 million with 10 times its book value with a 15-year sales agreement in 2011 and taking over the Retail Banking of Citi Turkey 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 A.Ş., DenizBank Moscow and DenizBank AG Vienna, 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 Turkey" Award presented by Bahçeşehir University in 2015, Ateş is with two children and speaks fluent English.



NIHAT SEVİNÇ⁽¹⁾

VICE CHAIRMAN OF THE BOARD OF DIRECTORS

Mr. Sevinç was born in 1952 and graduated from Istanbul University, Faculty of Literature, English Language and Literature. Starting his professional career at Interbank in 1986, he held several duties in the Branches, Central Operations and Capital Market Departments until 1994. Mr. Sevinç served as Department Head of the Branch Operations, Internal Control and Legislation Departments at the headquarters of Bank Eksiress until 1996. He was Deputy General Manager at GarantiBank Moscow between 1996 and 1997. Mr. Sevinç joined DenizBank in 1997, served as Executive Vice President of Operations until 2002 and as Executive Vice President of Foreign Subsidiaries from 2002 to 2007. Nihat Sevinç has been an Independent Board Member at DenizBank A.Ş. since December 2012. As of March 2018, he was appointed Vice Chairman of the Board of Directors serving until March 2021.



SHAYNE KEITH NELSON⁽²⁾

MEMBER OF THE BOARD OF DIRECTORS

Shayne Nelson has an extensive banking career with experience across various roles. Prior to joining Emirates NBD, he served in Singapore as the Chief Executive Officer of Standard Chartered Private Bank. He was also the Chairman of Standard Chartered Saadiq Islamic Advisory Board and a Board member of Standard Chartered Bank (China) Ltd. Shayne's previous high profile positions in the banking arena include Regional CEO of Standard Chartered Bank Middle East and North Africa, Chairman of Standard Chartered (Pakistan) Limited, and Chairman of the Banking Advisory Council to the Board of the Dubai International Financial Centre. He also held the position of Chief Executive Officer and Managing Director of Standard Chartered Bank, Malaysia Berhad. 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, Regional Head of Corporate and Institutional Banking Audit in the Asia Pacific

Region and India, as well as Regional Head of Credit in Hong Kong, China and North-East Asia. He was also the Head of Corporate and Institutional Banking for Westpac Banking Corporation in Western Australia. Shayne is a member of the Board of Directors for Emirates Islamic P.J.S.C, Emirates NBD Capital Limited and Emirates NBD Capital P.S.C., Tanfeeth L.L.C., DenizBank A.Ş. (Turkey), International Monetary Conference, Marsh Insurance Brokers L.L.C., Emirates National Bank of Dubai (S.A.E) and a member of the Advisory Board to the University of Wollongong in Dubai. 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 Mariana 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.

⁽¹⁾ He resigned from his duty as of 31 January 2022.

⁽²⁾ In accordance with the Decision of Board of Directors, he has been appointed as Vice Chairman of the Board of Directors.

BOARD OF DIRECTORS



JONATHAN EDWARD MORRIS
MEMBER OF THE BOARD OF DIRECTORS

Mr. Morris was born in 1963 and graduated from Loughborough University in 1985 with a BSc (Hons) degree in Banking & Finance. Subsequently, he joined HSBC and attended the bank's graduate training program. During his 14 years at HSBC, he undertook a variety of roles in Retail Banking and Corporate Banking, primarily located in London and New York. In 2000, Mr. Morris moved to Standard Chartered Bank initially to head the Bank's Corporate & Institutional business for the UK before becoming the Regional Head for Corporate & Institutional Banking, Europe in 2001. Mr. Morris moved to Dubai in 2003 to undertake a similar role as Head of Corporate and Institutional Banking covering the UAE and Oman. In 2005, he became Regional Head for Corporate and Institutional Banking, Africa. In 2008, Mr. Morris relocated to Bahrain as CEO for Standard Chartered before returning to the UAE, which was Standard Chartered's fifth largest market globally, as CEO in 2011. Mr. Morris joined Emirates NBD Bank in 2014 as Senior Executive Vice President and Group Head of Wholesale Banking. He has served as Senior Executive Vice President, Responsible for Turkey as from August 2019.



BJORN 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.



DENİZ ÜLKE ARİBOĞAN⁽³⁾
MEMBER OF THE BOARD OF DIRECTORS

Ms. Arıboğan was born in 1965 and graduated from TED Ankara College Foundation High School. She received an undergraduate degree in International Relations from Ankara University, Faculty of Political Sciences. She received her M.A. and Ph.D. degrees from the Institute of Social Sciences, Istanbul University in International Relations. In 1995, Ms. Arıboğan attended the International Security School at the University of St. Andrews in Scotland. Her academic career, which started at Istanbul University, continued at Istanbul Bilgi University and Bahçeşehir University. From 2007 to 2010, she served as the Rector of Bahçeşehir University. Between 2010 and 2014, Professor Deniz Ülke Arıboğan was a member of the Board of Trustees at Istanbul Bilgi University. She has worked as a faculty member at Istanbul University, Faculty of Political Sciences from March 2014 until October 2018 and served as Chairman of the Advisory Committee at Istanbul Bilgi University from February 2015 to October 2018. A Senior Fellow at the University of Oxford Harris Manchester College CRIC (Centre for the Resolution of Intractable Conflict) since December 2015, she was appointed Dean of Üsküdar University as of October 2018. Deniz Ülke Arıboğan has been serving as an Independent Board Member at DenizBank A.Ş. since December 2012. As of March 2018, she was again appointed Independent Board Member serving until March 2021.

⁽³⁾ She resigned from her duty as of 31 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 Ekspres 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.

Regarding the Board decision dated 12 January 2022, Burcu Çalıkılı has been appointed as Board Member and CRO and Regarding the Board decision dated 13 January 2022, she has been appointed as Credit Committee Member.

Regarding the Board decision dated 1 February 2022, Ahmed Mohammed Aqil Qassim Alqassim has been appointed as Board Member and appointed as Audit and Risk Committee Member. He started his duty after taking the oath in accordance with the Banking Law as of 10 February 2022.

EXECUTIVE BOARD

HAKAN ATEŞ

President, CEO and Member of the Board of Directors
Mr. Ateş was born in Ankara 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.

BJORN LENZMANN

Member of the Board of Directors, 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.

DERYA KUMRU

Member of the Board of Directors, Project Fin. Fin Restr. and Credit Follow up and Risk Monitoring - 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 Istanbul University. He began his banking career in 1987 and joined DenizBank in 1999.

TANJU KAYA

Member of the Board of Directors, Administrative Services Group - 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 DIZDAR

Chief Legal Advisor - Member of the Management Board
Mr. Dizdar was born in 1960 and graduated from Istanbul 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 BÖCÜĞÖZ

Treasury, Financial Institutions and Investment Group, Executive Vice President - Member of the Management Board
Mr. Böcügöz 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.

BURAK KOÇAK

Agricultural Banking Group, Executive Vice President
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.

CEM DEMİRAG

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.

CEMİL CEM ÖNEÇ*

Private Banking and Investment Sales Group, Executive Vice President
Mr. Öneç 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.

**As of 1 February 2022, he has been appointed as the General Manager of DenizAsset Management*

EDİP KÜRSAD BAŞER

Retail, SME, Agricultural Banking Credits Allocation and IFRS Group, Executive Vice President
Mr. Başer was born in 1967 and graduated from Middle East Technical University, Department of Electrical-Electronics Engineering. He began his banking career in 1990 and joined DenizBank in 2004.

ENGİN ESKİDUMAN

SME 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. Tuncbilek was born in 1963 and graduated from Boğaziçi University, Department of Industrial Engineering; he also holds master degree and PhD in Industrial Systems from Virginia Tech University. He began his banking career in 1995 and joined DenizBank in 2013.

HAYRİ CANSEVER

Secretary General and Foreign Subsidiaries Group Executive Vice President
Mr. Cansever was born in 1974 and graduated from Istanbul 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.

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 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 Özyeğin 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.



Hakan Ateş
CEO

CONTROL
FUNCTIONS GROUP

Björn Lenzmann
Member of BOD and
Management Board, RO



Cem Demirağ
Head of Internal Control
Center and Compliance



Ramazan Işık
Head of Internal
Audit



Sinan Yılmaz
Head of Risk Management
Group



Ali Rıza Aydın
Information Security and
Information Technologies Risk
Management EVP

CREDIT RISK
GROUP

CRO



Derya Kumru
Member of BOD and
Management Board



Selim Efe Teoman
Corporate and Commercial
Credits Group EVP



Edip Kürşad Başer
Retail, SME, Agricultural
Banking Credits Allocation and
IFRS Group EVP



Kishore Swayamberdutt
Bhatt
Credits Allocation Group EVP

WORKOUT
GROUP

Derya Kumru
Member of BOD and
Management Board



Selim Efe Teoman
Corporate and Commercial
Credits Group EVP



Edip Kürşad Başer
Retail, SME, Agricultural
Banking Credits Allocation and
IFRS Group EVP



Kishore Swayamberdutt
Bhatt
Credits Allocation Group EVP

SALES FUNCTION GROUPS



Ayşenur Hıçkiran
Retail Banking Group EVP and
Member of Management Board



Oğuzhan Özkark
Consumer Banking Group
EVP



Cem Öneç
Private Banking and
Investment Sales Group EVP



Umut Özdoğan
Digital Transformation, Change
Management and Non-Branch
Channels Group EVP



Halit Cihan Tuncbilek
Payment Systems Group EVP



Mehmet Aydoğdu
Wholesale Banking Group EVP
and Member of Management
Board



Burak Koçak
Agricultural Banking
Group EVP



Engin Eskiduman
SME Banking and Public
Finance Group EVP



Ümit Recep Uğur
Corporate and Commercial
Banking Group EVP



Okan Aksu
Treasury Group EVP



Bora Böcügöz
Treasury, Financial Institutions
and Investment Group EVP and
Member of Management Board



Fatih Arabacıoğlu
Deniz Asset Management
General Manager



Hüseyin Melih Akosman
DenizInvest Securities,
General Manager



Verda Beril Yüzer Oğuz
Financial Institutions and
Sustainability Coordination
Group EVP



Okan Aksu
Treasury Group EVP

SUPPORT FUNCTION GROUPS



Tanju Kaya
Member of BOD and
Management Board



Yavuz Elkin
Human Resources and Deniz
Academy EVP



Mehmet Çitil
Deniz Real Estate Investment
Trust, General Manager



Ruslan Abil
Financial Affairs Group
EVP, CFO and Member of
Management Board



Mustafa Özel
Branch and Central
Operations Group EVP



Ömer Uyar
Intertech General
Manager



Murat Kulaksız
Deniz Factoring
General Manager



Ali Murat Dizdar
Chief Legal Advisor and
Member of Management
Board



Mehmet Çitil
Deniz Real Estate Investment
Trust, General Manager



Hüseyin Melih Akosman
DenizInvest Securities,
General Manager



Verda Beril Yüzer Oğuz
Financial Institutions and
Sustainability Coordination
Group EVP



Okan Aksu
Treasury Group EVP

DIRECT REPORTS



Wouter Van Roste
DenizBank AG
General Manager



Mustafa Özel
Branch and Central
Operations Group EVP



Ömer Uyar
Intertech General
Manager



Murat Kulaksız
Deniz Factoring
General Manager



Hayri Cansever
Secretary General and
Foreign Subsidiaries Group
EVP



Oğuz Yalçın
DenizBank Moscow General
Manager



Okan Çetinkaya
Analytics, Data and Customer
Value Management Policies
Group EVP



Gürhan Çam
NEOHUB General Manager

EXECUTIVE BOARD

EXECUTIVE BOARD

OĞUZHAN ÖZARK**

Consumer Banking Group, Executive Vice President

Mr. Özark was born in 1976 and graduated from Istanbul Technical University, Department of Mathematical Engineering. He began his banking career in 1997 and joined DenizBank in 2004.

***As of 1 February 2022, he has been appointed as the EVP of Consumer and Private Banking Group*

OKAN AKSU

Treasury Group Executive Vice President

Mr. Aksu was born in 1982 and graduated from Bilkent University, Department of Economics; he holds master degree in Economics and Finance from Istanbul Bilgi University. He began his banking career in 2003 in DenizBank and rejoined DenizBank in 2015.

RAMAZAN IŞIK

Internal Audit Group, 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.

SAVAŞ ÇITAK

Project Financing, Financing Restructuring and Credits International Coordination Group, Executive Vice President

Mr. Çitak 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

Corporate and Commercial 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.

SİNAN YILMAZ

Head of Risk Management Group

Mr. Yılmaz was born in 1974 and graduated from Istanbul Technical University, Department of Management Engineering. He began his banking career in 1998 at DenizBank.

UMUT ÖZDOĞAN

Digital Transformation, Change Management and Non-Branch Channels 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.

ÜMİT RECEP UĞUR

Corporate and Commercial Banking Group, Executive Vice President

Mr. Uğur was born in 1971 and graduated from Middle East Technical University, Department of Statistics. He began his banking career in 1997 and joined DenizBank in 2003.

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.

WOUTER VAN ROSTE

DenizBank AG, General Manager

Mr. Van Roste was born in 1965 and graduated from Limburg University (Belgium), Marketing Department. He began his banking career in 1989 and joined DenizBank Financial Services Group in 2007.

FATİH ARABACIOĞLU***

DenizAsset Management, General Manager

Mr. Arabacioğlu was born in 1966 and graduated from Ankara University, Faculty of Political Sciences, Department of Business Administration; he also holds an M.Sc. from Edinburgh Heriot-Watt University in Banking and Finance. He began his professional career in 1988 and joined DenizBank Financial Services Group in 1999.

****As of 1 February 2022, he has resigned due to retirement.*

GÜRHAN ÇAM

NEOHUB, General Manager

Mr. Çam was born in 1980 and graduated from Istanbul University; Department of Management Engineering; he also holds a master 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.

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 Istanbul Technical University, Department of Architecture; he also holds an MBA from Istanbul 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

JSC 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 Istanbul 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	40
Executive Vice Presidents	Ali Murat Dizdar	Chief Legal Advisor - Member of the Management Board	Master's Degree	38
	Ali Rıza Aydın	Information Security and Information Technologies Risk Management Group-EVP	Master's Degree	27
	Ayşenur Hıçkiran	EVP- Member of the Management Board, Retail Banking Group	Bachelor's Degree	27
	Bora Böcügöz	EVP- Member of the MB, Treasury, Financial Institutions and Investment Group	Bachelor's Degree	33
	Ruslan Abil	EVP- Member of the Management Board, Financial Affairs Group	Bachelor's Degree	24
	Burak Koçak	Agricultural Group – EVP	Bachelor's Degree	26
	Cemil Cem Önenç*	Private Banking and Investment Sales Group – EVP	Ph.D.	24
	Edip Kürşad Başer	Retail-SME, Agricultural Banking Credits Allocation and IFRS Group – EVP	Bachelor's Degree	30
	Engin Eskiduman	SME Banking and Public Finance Group-EVP	Bachelor's Degree	23
	Halit Cihan Tunçbilek	Payment Systems Group-EVP	Ph.D.	26
	Kishore Swayamberdutt Bhatt	Credit Allocation Group-EVP	Master's Degree	33
	Mehmet Aydoğdu	EVP- Member of the Management Board, Wholesale Banking Group	Bachelor's Degree	26
	Mustafa Okan Çetinkaya	Analytic, Data and Customer Value Management Policies Group-EVP	Master's Degree	22
	Mustafa Özel	Branch and Central Operations Group – EVP	Bachelor's Degree	33
	Oğuzhan Özark**	Consumer Banking Group EVP	Bachelor's Degree	23
	Okan Aksu	Treasury Group – EVP	Master's Degree	18
	Savaş Çitak	Project Financing, Financing Restructuring and Credits International Coordination Group-EVP	Master's Degree	22
	Selim Efe Teoman	Corporate and Commercial Credits Group – EVP	Bachelor's Degree	27
	Umut Özdoğan	Digital Transformation, Change Management and Non-Branch Channels Group – EVP	Master's Degree	22
	Ümit Recep Uğur	Corporate and Commercial Banking Group – EVP	Bachelor's Degree	24
	Verda Beril Yüzer Oğuz	Financial Institutions and Sustainability Coordination Group – EVP	Bachelor's Degree	24
	Yavuz Elkin	Human Resources and Deniz Academy Group – EVP	Bachelor's Degree	28
Secretary General	Hayri Cansever	Secretary General and Foreign Subsidiaries Group – EVP	Master's Degree	23
Internal Systems	Ramazan Işık	Head of Internal Audit	Master's Degree	22
	Cem Demirağ	Internal Control Center and Compliance Head	Bachelor's Degree	33
	Sinan Yılmaz	Head of Risk Management Group	Bachelor's Degree	23

*As of 1 February 2022, he has been appointed as the General Manager of DenizAsset Management

**As of 1 February 2022, he has been appointed as the EVP of Consumer and Private Banking Group.

COMMITTEES

Committee	Name Surname	Title	Education	Professional Experience (Years)
Audit and Risk Committee ⁽¹⁾	Nihat SEVİNÇ	Member	Bachelor's Degree	34
	Bjorn LENZMANN	Member	Ph.D.	25
Corporate Governance and Nomination Committee ⁽²⁾	Deniz Ülke ARİBOĞAN	Member	Ph.D.	34
	Shayne Keith NELSON	Member	Bachelor's Degree	37
	Tanju KAYA	Member	Bachelor's Degree	35
Remuneration Committee ⁽³⁾	Hesham Abdulla Qassim ALQASSIM	Member	Master's Degree	26
Credit Committee ⁽⁴⁾	Hakan ATEŞ	Member	Bachelor's Degree	40
	Derya KUMRU	Member	Ph.D.	35
	Hesham Abdulla Qassim ALQASSIM	Reserve Member	Master's Degree	26
	Jonathan Edward MORRIS	Reserve Member	Bachelor's Degree	36
Sustainability Committee	Hakan ATEŞ	Chairman	Bachelor's Degree	40
	Tanju KAYA	Member	Bachelor's Degree	35
	Bjorn LENZMANN	Member	Ph.D.	25
	Derya KUMRU	Member	Ph.D.	35
	Ruslan ABİL	Member	Bachelor's Degree	24
	Bora BÖCÜGÖZ	Member	Bachelor's Degree	33
	Savaş ÇITAK	Member	Master's Degree	22
	Verda Beril YÜZER OĞUZ	Member & Committee General Secretariat	Bachelor's Degree	24

⁽¹⁾ The membership of Nihat Sevinç ended with his resignation dated 31 January 2022. Ahmed Mohammed Aqil Qassim Alqassim has been appointed as Member by the decision of the Board of Directors dated February 1, 2022.

⁽²⁾ The membership of Deniz Ülke Arıboğan ended with her resignation dated 31 January 2022.

⁽³⁾ Regarding the Board decision dated 1 February 2022, Shayne Keith Nelson has been appointed as Member.

⁽⁴⁾ Regarding the Board decision dated 12 January 2022, Burcu Çalıkı has been appointed as Board Member and CRO and she has been appointed as Member regarding the Board decision dated 13 January 2022.

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

SUMMARY REPORT OF THE BOARD OF DIRECTORS SUBMITTED TO THE GENERAL ASSEMBLY

Dear Shareholders,

DenizBank achieved successful financial and operational results by maintaining its prudent growth in assets, loans and deposits in 2021, when the impact of the global pandemic continued but the economic effects began to improve.

In 2021, DenizBank recorded consolidated net profit of TL 3,540 million and unconsolidated net profit of TL 3,547 million. The Bank's net interest income increased by 18% on a consolidated basis and went up by 24% on an unconsolidated basis. In the reporting year, DenizBank's net fees and commissions income increased by 36% on a consolidated basis and rose by 39% on an unconsolidated basis, similar to the sector in general. The Bank's consolidated and unconsolidated total operating income went up by 23% and 24%, respectively.

As the fifth largest bank in Turkey in terms of consolidated assets, DenizBank marked prudential growth in assets, loans, deposits and equity in 2021, channeling all its resources to the real sector in order to contribute to the development of Turkish economy.

As of year-end 2021, DenizBank reported consolidated assets of TL 395,884 million and unconsolidated assets of TL 308,719 million, marked by 50% and 55% increase, respectively, on a year-on-year basis. DenizBank's consolidated shareholders' equity, including subordinated loans, grew by 37% to reach TL 39,553 million. Meanwhile, the Bank's consolidated capital adequacy ratio stood at 16.83%. Unconsolidated shareholders' equity, including subordinated loans, rose to TL 39,342 million, with an unconsolidated capital adequacy ratio of 17.88%.

As part of its social responsibility approach, DenizBank continued its support to SME, corporate and commercial customers with loan support packages to minimize the potential impact of the coronavirus pandemic on employment, production, trade and payment systems. As the sector leader in agricultural banking, DenizBank provides all types of support to enable its over 1.4 million customers to produce more efficiently under favorable conditions and to have easy access to the financial resources.

During the year, DenizBank brought in the resources obtained from the international capital markets to the Turkish economy in order to support customer growth. The majority of these resources are used in energy efficiency and renewable energy projects, in supporting women entrepreneurs with limited access to finance, in sustainability practices and in the agricultural sector, to which we attribute strategic importance.

During the year, DenizBank extended new financing facilities to a wide cross-section of the economy. In addition to the agricultural sector, the Bank provided funding to tourism, energy, construction, infrastructure, healthcare, municipalities, sports clubs and education sectors. In 2021, DenizBank expanded its consolidated loan portfolio by 35% year-on-year, reaching TL 225,726 million. On an unconsolidated basis, DenizBank's loan volume jumped by 38% to TL 167,433 million.

The Bank realized a 98% loan to deposit ratio on an unconsolidated basis during the reporting period. DenizBank closed fiscal year 2021 with 712 branches and over 14 thousand employees. The Bank's total customer base expanded by 7% to around 15.5 million. Accordingly, the Bank's consolidated customer deposits went up by 48% to TL 248,509 million. On an unconsolidated basis, customer deposits grew by 57% to reach TL 171,514 million.

As a recognition of these positive financial results, DenizBank rewarded DFSG personnel with performance-based premium payment of averaging 3.06 times their monthly salary.

With its mission to enrich Turkish culture and arts, and as an institution saying "Yes to Arts" since day one, DenizBank was pleased that DenizBank IDSO Concerts, which it has supported for 18 years, returned to its home with the reopening of Atatürk Cultural Center (AKM). In the meantime, considering that the development of sports and its reach to people across the country as a national duty, we extended a TL 8.4 billion financial support package for our four big sports clubs, which are valuable assets of Turkish sports, under the coordination of Ziraat Bank, with the participation of Halkbank, DenizBank and Yapı Kredi.

DenizBank consolidated Deniz Aquarium, Deniz Ventures and fastPay under a single fintech subsidiary: NEOHUB in order to gather its various innovation efforts under a single roof while supporting emerging fintechs and Turkish start-ups while innovating and growing together.

In line with the common corporate values it has adopted as part of the ENBD family and with the full support of ENBD, DenizBank will continue to focus on sustainability, closely monitor the environmental and social impacts of its operations, work without compromising the principle of responsible banking, and be the innovation leader in the Turkish and global banking sector.

We would like to take this opportunity to extend our gratitude to our customers, shareholders, business partners and employees for their unwavering support throughout 2021 as well as our esteemed shareholders and stakeholders for gracing our General Assembly with their presence.

Board of Directors

DONATIONS MADE IN 2021

INSTITUTION NAME	AMOUNT - TL
BODRUM BELEDİYESİ	706,540
TÜRK EĞİTİM DERNEĞİ	337,500
TÜRKİYE EĞİTİM GÖNÜLLÜLERİ VAKFI	156,300
TÜRK POLİS TEŞKİLATINI GÜÇLENDİRME VAKFI	150,000
UNICEF TÜRKİYE MİLLİ KOMİTESİ DERNEĞİ	6,000
TÜRK EĞİTİM VAKFI	4,050
OTHER	37,313
TOTAL	1,397,703

RELATED PARTY TRANSACTIONS

Our Bank 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 is as follows:

% - Consolidated	31.12.2020	31.12.2021
Share in cash loans and other receivables	0.36%	0.36%
Share in deposits and borrowings	7.25%	9.18%
Share in non-cash loans	0.12%	0.09%
% - Unconsolidated	31.12.2020	31.12.2021
Share in cash loans and other receivables	1.92%	2.61%
Share in deposits and borrowings	11.19%	13.24%
Share in non-cash loans	0.45%	0.46%

Detailed information is available in Notes to the Independently Audited Financial Statements Section Five - Article VII.

Our corporate values, which align with the deep-scaled understanding that carried our bank to this day, were combined with the corporate values of our main shareholder and launched and adopted under the name “CODE.”

HUMAN RESOURCES AND DENİZ ACADEMY GROUP

Human Resources

In 2021, the launch and adoption of corporate values within the scope of the CODE (Turkish: İSTE) approach of our shareholder ENBD were carried out. CODE is comprised of “*Collaboration, Ownership, Drive, and Enterprising*” concepts and covers our deep-scaled understanding that brought our Bank to this day.

For employees seeking to specialize in data science, DenizBank launched the fourth edition of the “Data Science Program” this year. In this program administered by Deniz Academy –the first of its kind in the sector, 25 employees were reassigned as Data Scientists, 11 Junior Data Scientist started working in DenizBank. A total of 53 employees, including our current 17 Data Scientists participated in the program.

BAU “Financial Technologies Postgraduate Program” was conducted online due to Covid-19 restrictions.

Aiming to raise the managers of today and tomorrow, DenizBank conducted the Bahçeşehir University “Corporate MBA” program with the participation of 21 employees and launched the Sabancı University “Cyber Security” program.

Designed to create synergy with knowledge exchange by bringing together generations Y and Z and managers from previous generations, DenizBank’s “Reverse Mentoring Program” was held online and produced its fourth crop of graduates.

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Within the scope of the “Assessment Center” process and the “Assistant Manager Leadership Development Journey,” a program for Assistant Managers who participate in the process as manager candidates, the AI-based online assessment process “Casebot” continued to be applied.

Talent Acquisition

Due to the increasing need for certain competencies and talents in the changing world, talent acquisition activities were accelerated by being present on many different platforms and many new projects were implemented with the aim of becoming a preferred bank.

In order to bring young talents to the Bank, 67 online university events with the participation of 15 thousand students were attended in 2021. In these activities, students were met online with different contents such as interview simulation, CV preparation and so on, aiming at the development of students.

Over 1,000 students had the opportunity to do internships with three different digital internship programs created together with Deniz Academy, whose internship programs were carried out on online platforms with the pandemic. The graduates of the Pearls of the Deniz Plus Program, designed for senior university students, were recruited as part of the Bank’s needs.

At the end of the programs, high satisfaction scores were achieved from the surveys applied to the interns. Taking into account the feedback provided by the students, the internship programs continue to be developed.

As a result of all these efforts, DenizBank was awarded the second prize with the votes of more than 46 thousand students in the “Best Online Internship Program” category at the Youth Awards held by Youthall.

Recruitment processes were carried out by focusing on digitalization within the scope of agile project management methodology, and a recruitment dashboard was launched to monitor numerical data. In 2021, about 20 thousand people participated in online exams. Job interviews held with 10 thousand candidates were held completely online due to the pandemic. In 2021, a total of 3,659 new recruitments, including 2,865 permanent and 794 outsourced employees, were made. As the banking institution raising new generations of bankers for the sector, DenizBank selected fresh graduates for 58% of its total recruitment for the year and opened 43 training classes.

Career Opportunities

Operating a total of 712 branch locations with 14,345 employees in Turkey and overseas in 2021, DFSG prioritizes its own internal human resources for career opportunities, providing equal opportunities to employees. The Group aims to raise the highly competent managers of today and tomorrow.

All employees are guided on their career paths to facilitate their performance, skills and personal development. These employee career services focus on the next-generation leadership approach, generation gaps and background diversity. DenizBank is committed to providing a work environment where employees can realize their full potential.

At Social Media Awards Turkey, jointly organized by Marketing Turkey & BoomSonar and Deloitte, DenizBank Human Resources won the Silver Award in the “Career” category in 2021. The award was based on data collected as part of the Social Media Brand Index.

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Employees participating in the twice-yearly promotion process are subject to competency assessment tools in accordance with their job titles. It is aimed to improve the competencies of employees in light of relevant assessment tools.

In 2021, a total of 1,191 banking personnel received a promotion. Some 78% of manager appointments during the year were made from among the current staff members.

All employees are provided with equal horizontal and vertical professional opportunities in line with their career maps. In 2021, 2,729 employees were transferred and changed their job positions.

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 2021, 34 DenizBank employees completed their journeys and were assigned as Team Leaders.

PRUVA is another key activity carried out for Non-Branch Channels Group employees. This one-month training and evaluation program is for employees who will be transferred to branch sales staff. PRUVA is designed to prepare employees for their new duties by making use of the knowledge, know-how and experience of the journey guidelines determined within the branch. In 2021, 18 DenizBank employees were appointed to their new roles after successfully completing the PRUVA program.

During the year, DenizBank conducted special interviews to inform employees on various key topics, especially during the pandemic. These interviews also served as an opportunity to receive feedback from employees and managers on their needs. Interviews with 4,000 employees were held over online platforms. Necessary actions were taken to address issues raised at these meetings.

Our in-house communication platform “Denizde” application was updated in line with the feedback from our employees and an improved version of the application was introduced.

HUMAN RESOURCES AND DENİZ ACADEMY GROUP

Employer Brand, Employee Experience and HR Projects

Some graduates of the Pearls of Deniz Plus Program, which is designed for senior-year students, were recruited in line with the staffing needs of the Bank. With the goal of being the bank of choice, DenizBank actively uses its social media accounts – on LinkedIn, Facebook (DenizBank Human Resources), Deniz’de Kariyer Instagram (@denizdekariyer) and Twitter (@denizbankik) – to continuously increase its follower base.

20 live events were held on the Instagram account with the participation of experts in their areas. Approximately 10 thousand users viewed these live events.

As a result of all these efforts, the DenizBank Human Resources Career Instagram page leads the sector in terms of the number of followers.

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Our in-house communication platform “Denizde” application was updated in line with the feedback from our employees and an improved version of the application was introduced.

Allowing employees to access all information about Human Resources, the DenizPortal Human Resources intranet page was renewed in order to be able to meet today’s needs.

With the aim to communicate with young people and allow them to learn more about the Bank, we extended our collaboration with Anlatsin.com. In 2021, 278 questions were answered by 92 employees via Anlatsin.com.

As part of the digitalization process of Human Resources, a dashboard that contains different information was implemented. The dashboard was used in decision-making processes by providing fast access to data.

The Employee Experience team was formed to design processes that will increase loyalty and satisfaction by focusing on the experience of candidates and employees at DenizBank. In line with the efforts initiated to raise employee experience, 260 ideas were submitted by 100 managers and employees within the scope of design-oriented thinking methods. Focusing on these ideas, the agile teams within the human resources conducted projects on these issues.

In order to adapt the candidates to the Bank more quickly throughout the orientation process, the “Journey” application was launched and thus the recruitment experience has been improved. Thanks to this application, the information that new recruits will need as well as information about the Bank’s culture are shared in the digital environment in order to support the adaptation process of the new recruit.

Within the scope of employee experience, different applications were designed over “Microsoft Teams.” The “Pratik” chatbot was launched to respond to the questions asked by the employees over Teams faster. Pratik aims to increase employee satisfaction by providing quick answers to the questions of employees about HR and other relevant departments. In order to ensure that the questions of employees are not left unanswered, a chatbot memory was developed to perform regular follow-ups.

As part of the digitalization process of Human Resources, a dashboard that contains different information was implemented. The dashboard was used in decision-making processes by providing fast access to data.

As a result of all these efforts, DenizBank achieved a score above the Turkish banking sector in the results of the 2021 Employee Engagement Survey and improved by 5 points compared to 2020.

Keeping DenizBank among the institutions providing the most training in the sector, Deniz Academy held 95% of trainings via digital channels in 2021.

TRAINING

Taking into consideration the needs of the digital era and focusing on the training needs analysis of all employees within DenizBank Financial Services Group (DFSG), Deniz Academy prepares all employees for the competencies of the future and designs their personal learning journeys in line with the “Upskill and Reskill” approach.

Throughout the year, Deniz Academy reached all Bank employees by providing a total of 1.6 million hours and an average of 10.5 days of training per person. Some 95% of these trainings were delivered via digital channels.

In 2021, Deniz Academy continued to organize trainings, workshops and interviews in line with the “Lifetime Sustainable Development” approach focused on ENBD’s new corporate values “CODE” (Collaboration, Ownership, Drive, and Enterprising), which is also embedded in DFHG’s DNA.

Development Programs

In line with its mission of “rapidly transforming new recruits into Sailors and training managers from its own structure,” Deniz Academy continued its digitalization journey, which it started in the previous years, through Orientation and Basic Development following the transition to the work-from-home model. A total of 7 different orientation programs and 89 different Basic Development Programs were organized for employees working in Branches, Head Office units and Non-Branch Channels. Post-training promotion exams are also held on the online platform.

Within the scope of the 2021 strategies and goals of the DenizBank, Deniz Academy continued its strategic partnership with business lines by focusing on the value of cooperation.

Strategy Trainings

Within the scope of the 2021 strategies and goals of the Bank, Deniz Academy continued its strategic partnership with business lines by focusing on the value of cooperation. 338 employees attended the “Explorers of Micro” training, which covers Sales Orientation and Corporate Customer Acquisition competencies in the Retail Banking segment and it is planned to continue the training within the scope of 2022 projects.

“Risk Management During the Pandemic” training in the field of Risk and Credit Management was designed for the Wholesale Banking segment. In this context, long-term trainings focused on development and support were held with the participation of 535 employees.

Leadership

In 2021, Human Resources continued the “Development Center” application to identify strengths and any improvable areas of Assistant Managers, thus The Assistant Manager Development Program, as a follow-up process, was also administered during the year.

The program consisted of three modules over six days. Two separate sub-programs were designed for Head Office and branch employees. Trainings, as well as follow-up presentations were conducted online. Some 167 employees participated in the Assistant Manager Development Program in 2021. Taking into account the competencies of the future, the program is planned to continue in 2022.

Continuously developing and customizing its training program since its founding, the Data Science School further improved and redesigned its curriculum in 2021.

TRAINING

DenizBank assigns mentors to employees promoted to Branch Manager following their successful completion of the Assistant Manager Development Program. Mentors and mentees continue to meet on the digital platform. In the process managed on the Mentornity platform, the Mentor and the Mentee can determine the suitable times to meet, take notes before and after they meet and ask questions to each other. Therefore, issues such as pre-meeting and asking questions are held online in advance, making the process more efficient.

The "Manager Orientation Program" which was physically carried out in the offices of the General Directorate and the Regional Offices where they worked before the pandemic, is redesigned in accordance with the online environment and is carried out live with the distance learning.

The "New Captains Club" (YKK) program, which was prepared for DenizBank branch managers who had been promoted from within the institution, with three modules and 13 days to improve their banking knowledge and managerial skills, was also moved to the online platform. 78 branch managers involved in this process in 2021 completed the YKK training program in a one-year time frame.

Online Culture in 7 Steps

With the transition to the remote working model due to the pandemic and in line with the changing management systems, a training program named "Online Culture in 7 Steps" was designed to develop the existing competencies of the managers and accelerate their adaptation to remote team management. It is planned to continue the training in 2022.

Deniz Academy determined a new strategy to prepare the employees for the competencies of the future and to support them in acquiring different areas of expertise.

Certificate Programs that Provide Different Fields of Expertise for Employees

Deniz Academy determined a new strategy to prepare the employees for the competencies of the future and to support them in acquiring different areas of expertise. In this context, Deniz Academy launched a certificate program in four different fields in 2021, namely the Agricultural Mastership Program, the Data Translator Certificate Program, the Entrepreneurship Certificate Program and the Business Analyst Certificate Program. While distance learning methods were implemented with online and offline trainings in the programs, employees were supported to develop both their social and technical competencies. In 2022, Deniz Academy plans to diversify its certificate programs by closely monitoring the competencies of the future.

Data Science School Increases the Number of Graduate Employees

Established in 2018, the Data Science School produced its third class of graduates in 2021. The third year of specialized instruction continued with 45 data scientist trainees.

Continuously developing and customizing its training program since its founding, the Data Science School further improved and redesigned its curriculum in 2021.

46 hours of online training per person was provided through an online training platform dedicated to data science training. In addition, technical trainings, leadership trainings and personal development trainings were delivered online. Experienced data scientists were assigned as mentors for the ones that were recruited in 2021. Each month, seminars and meetings are organized for data scientists to convene and share information.

Talent Management Projects

Aiming to raise the bankers of today and tomorrow, DenizBank continues to support MBA and FinTech programs. BAU Financial Technologies Postgraduate Program produced its graduates while the 7th term of BAU Corporate MBA continues with 21 employees. Three employees continue their postgraduate program in the field of Financial Technologies.

Internship Programs

Internship programs organized to discover the talents of today and tomorrow were held through online platforms due to the pandemic. Meetings were held with 1,138 students including four groups of Overseas, one group of Pearls of Deniz, and one group of Pearls of Deniz Plus from all over Turkey. At these meetings, competency-based trainings were provided in addition to banking trainings. By defining learning journeys via digital learning platforms, a total of about 250 competency-based training content was provided to the student interns.

Reverse Mentoring Program produced its fourth crop of graduates with the participation of 12 Mentees and 24 Mentors.

Guides of Deniz Summit

Some 85% of Deniz Academy trainings are delivered by internal trainers called Guides of Deniz. In addition to the Digital Guide transformation trainings, Trainer Training sessions were held to raise new digital guides during the pandemic. We will continue to train new Guides of Deniz In 2022.

Within the scope of sustainability, which is one of the priorities of DenizBank, the Guides of Deniz Summit was held on November 24 under the theme "Training for Sustainable Development" with the participation of 200 internal trainers.

Aiming to raise the bankers of today and tomorrow, DenizBank continues to support MBA and FinTech programs.

Since the day Deniz Academy YouTube channel was opened, around 200 videos have been uploaded and these videos have reached 750 thousand hours with a total of 7.6 million views.

Digital Chats with DenizBank

As of February 2021, 19 different live chats were held on the online platform with famous people from different sectors such as culture, art, sports and business world, who have achieved great success both in the national and international arena. Taking place every two weeks on Fridays, the live broadcasts will continue in 2022 with different stories.

Distance Learning and Deniz Academy YouTube

With more than 1,400 training content in the catalog, 570 thousand trainings were completed with the participation of 16 thousand people. 750 thousand hours of YouTube views were added to nearly 400 thousand hours of zoom and e-training hours. The rate of digital education was 95%.

Videos under the titles of Professional, Young and Life are uploaded three days a week on the Deniz Academy YouTube channel, which was opened in September 2020. Since the day it was opened, around 200 videos have been uploaded and these videos have reached 750 thousand hours with a total of 7.6 million views. Deniz Academy's YouTube channel reached 90 thousand subscribers in 2021. The channel aims to add social value and raise social awareness by reaching out not only to the Bank's ecosystem but also to a wider audience in Turkey and abroad. These contents are also used in the educational journeys of the participants in the Bank's TGP, Certificate Programs and Internship Programs.

SUPPORT SERVICES

SUPPORT SERVICES PROVIDERS	BUSINESS LINE
MTM HOLOGRAFI GÜVENLİKLİ BASIM VE BİLİŞİM TEKNOLOJİLERİ SAN. VE TİC. A.Ş.	OPERATIONAL SERVICES
IRON MOUNTAIN ARSİVLEME HİZMETLERİ A.Ş.	ARCHIVE SERVICES
ACTIVE BİLGİSAYAR HİZ. VE TİC. LTD. ŞTİ.	INFORMATION SYSTEMS
KURYE-NET MOTORLU KURİYECİLİK VE DAĞITIM HİZMETLERİ A.Ş.	OPERATIONAL SERVICES
E-KART ELEKTRONİK KART SİSTEMLERİ SAN. VE TİC. A.Ş.	OPERATIONAL SERVICES
PLASTİK KART AKILLI KART İLETİŞİM SIS. SAN. VE TİC. A.Ş.	OPERATIONAL SERVICES
AUSTRIA CARD TURKEY KART OPERASYONLARI A.Ş.	OPERATIONAL SERVICES
INTERTECH BİLGİ İŞLEM VE PAZARLAMA TİCARET A.Ş.	INFORMATION SYSTEMS
ZETA HALKLA İLİŞKİLER DANIŞMANLIK	OPERATIONAL SERVICES
ETİŞAN PROJE BİLGİ VE YAZILIM TEKNOLOJİLERİ SAN.TİC.A.Ş.	OPERATIONAL SERVICES
COLLECTÜRK ALACAK YÖNETİMİ VE DANIŞMANLIK A.Ş.	CALL CENTER/COLLECTION MANAGEMENT
COLLECTÜRK ALACAK YÖNETİMİ VE DANIŞMANLIK A.Ş.	CALL CENTER/COLLECTION MANAGEMENT/MARKETING
BANTAŞ NAKİT VE KIYMETLİ MAL TAŞIMA VE GÜVENLİK HİZMETLERİ A.Ş.	SECURITY
İSTANBUL ALTIN RAFİNERİSİ A.Ş.	OPERATIONAL SERVICES
GLOBAL BİLGİ PAZARLAMA DANIŞMANLIK VE ÇAĞRI SERVİSİ HİZMETLERİ A.Ş.	CALL CENTER/COLLECTION MANAGEMENT/MARKETING
BBS DANIŞMANLIK GAYRİMENKUL VE EĞİTİM A.Ş.	OPERATIONAL SERVICES
FU GAYRİMENKUL YATIRIM DANIŞMANLIK A.Ş.	OPERATIONAL SERVICES
TAĞAR TAPU GARANTİ HİZMETLERİ A.Ş.	OPERATIONAL SERVICES
AVİ GAYRİMENKUL YATIRIM DEĞERLEME VE DANIŞMANLIK A.Ş.	OPERATIONAL SERVICES
İPOTEKA GAYRİMENKUL YATIRIM DANIŞMANLIK A.Ş.	OPERATIONAL SERVICES
SİSTEM KURYE HİZMETLERİ TAŞIMACILIK TİC. LTD. ŞTİ.	OPERATIONAL SERVICES
WEBHELP ÇAĞRI MERKEZİ VE MÜŞTERİ HİZMETLERİ A.Ş.	CALL CENTER/MARKETING
CANKURT İŞ SAĞLIĞI VE GÜVENLÜĞÜ HİZMETLERİ ORTAK SAĞLIK VE GÜVENLİK TİCARET LTD. ŞTİ.	OPERATIONAL SERVICES
FİNEKSUS BİLİŞİM ÇÖZÜMLERİ TİC. A.Ş.	INFORMATION SYSTEMS
VERİFONE ELEKTRONİK VE DANIŞMANLIK LTD. ŞTİ.	INFORMATION SYSTEMS
BİLİN YAZILIM VE BİLİŞİM DANIŞMANLIĞI A.Ş.	INFORMATION SYSTEMS
SUPERONLINE İLETİŞİM HİZMETLERİ A.Ş.	INFORMATION SYSTEMS
INGENİCO ÖDEME SIS. ÇÖZÜMLERİ A.Ş.	INFORMATION SYSTEMS/OPERATIONAL SERVICES
KARBİL YAZILIM VE BİLİŞİM TEKN. TİC. A.Ş.	INFORMATION SYSTEMS/OPERATIONAL SERVICES
MT BİLGİ TEKNOLOJİLERİ VE DİŞ TİC.A.Ş.	INFORMATION SYSTEMS/OPERATIONAL SERVICES
HUGİN YAZILIM TEKNOLOJİLERİ A.Ş.	INFORMATION SYSTEMS/OPERATIONAL SERVICES
RZ ELEKTRİK ELEKTRONİK VE BİLGİSAYAR TEKNOLOJİLERİ GIDA VE İHTİYAÇ MADDELERİ SAN.VE TİC. AŞ.	INFORMATION SYSTEMS/OPERATIONAL SERVICES
OĞUZKAAN EĞİTİM HİZMETLERİ VE TİC. A.Ş.	OPERATIONAL SERVICES
VİZYON KOLEJİ YAY.EĞT.HİZ. A.Ş. (MERKEZ - ESENİYURT KAMPÜSÜ)	OPERATIONAL SERVICES
CPP SİGORTA ARACILIK HİZMETLERİ A.Ş.	CALL CENTER/MARKETING
BRİNK'S GÜVENLİK HİZMETLERİ A.Ş.	SECURITY
ENİS ALAGÖZ EĞİTİM HİZMETLERİ VE TİC. A.Ş. (Sultan Murat)	OPERATIONAL SERVICES
SAFEPOINT GÜVENLİK SİSTEMLERİ ANONİM ŞİRKETİ	SECURITY
İNFINA YAZILIM A.Ş.	INFORMATION SYSTEMS
OKYANUS EĞİTİM KURUMLARI A.Ş.	OPERATIONAL SERVICES
HOBİM ARSİVLEME VE BASIM HİZMETLERİ ANONİM ŞİRKETİ	OPERATIONAL SERVICES
İSTİNYE OKULLARI EĞİTİM HİZMETLERİ A.Ş.	OPERATIONAL SERVICES
EKOL GRUP KORUMA GÜVENLİK EĞİTİM HİZMETLERİ LTD. ŞTİ.	SECURITY
DGPAYS BİLİŞİM HİZMETLERİ ANONİM ŞİRKETİ	OPERATIONAL SERVICES
DGPAYS BİLİŞİM HİZMETLERİ ANONİM ŞİRKETİ	INFORMATION SYSTEMS
BİLGİFEN EĞİTİM ÖĞRETİM YAYINCILIK HİZMETLERİ TİC. LTD.ŞTİ.	OPERATIONAL SERVICES
İSTANBUL VADİ EĞİTİM ÖĞRETİM YAYINCILIK HİZMETLERİ TİC. VE LTD.ŞTİ.	OPERATIONAL SERVICES
İZZET SAKİN EĞİTİM YAYINCILIK HİZMETLERİ TİCARET LİMİTED ŞİRKETİ	OPERATIONAL SERVICES
LOOMİS GÜVENLİK HİZMETLERİ A.Ş.	SECURITY
MEK MODERN EĞİTİM KURUMLARI ANONİM ŞİRKETİ (AYDINOĞULLARI)	OPERATIONAL SERVICES
ÖZEL MUTLU EĞİTİM KURUMLARI TİC.LTD.ŞTİ (TUZLA UĞUR OKULLARI)	OPERATIONAL SERVICES
KARŞIYAKA UĞUR OKULLARI EĞT.HİZM.İNS.GIDA TUR.SAN.ve TİC.A.Ş.	OPERATIONAL SERVICES
KESAN BAĞÇESEHİR EĞİTİM KURUMLARI TİC.LTD.ŞTİ.	OPERATIONAL SERVICES
ÖZEL İLGİ UĞUR EĞİTİM HİZMETLERİ LIMITED ŞİRKETİ	OPERATIONAL SERVICES
ÖZEL ÖZİLGİ UĞUR EĞİTİM HİZMETLERİ LIMITED ŞİRKETİ	OPERATIONAL SERVICES
UĞUR AKADEMİ ÖZEL EĞT.HİZM.SAN.ve TİC.LTD.ŞTİ	OPERATIONAL SERVICES
REISSWOLF DOKÜMAN YÖNETİMİ HİZMETLERİ ANONİM ŞİRKETİ	ARCHIVE SERVICES
ÇİHAĞIR EĞİTİM İŞLETMELERİ VE TEKSTİL SAN.TİC. A.Ş.	OPERATIONAL SERVICES
HASAŞ İNŞAAT EĞİTİM SAĞ. GİD (MEFKURE KOLEJİ)	OPERATIONAL SERVICES
ULUDAĞ KOLEJİ	OPERATIONAL SERVICES
METİS BİLGİSAYAR SİSTEMLERİ SANAYİ VE TİCARET A.Ş. (TELEPERFORMANCE)	CALL CENTER/MARKETING
KVK TEKNİK SERVİS HİZ.TİC.A.Ş.	OPERATIONAL SERVICES
KVK KURUMSAL SATIŞ VE PAZARLAMA A.Ş.	OPERATIONAL SERVICES
İNCEOĞLU DAY TÜK MAL(VESTEL&REGAL)	OPERATIONAL SERVICES
VERİ BİLGİ MERKEZİ BİLİŞİM HİZMETLERİ LIMITED ŞİRKETİ (VBM)	INFORMATION SYSTEMS
ÜÇGEN OTOMASYON ELEKTRİK ELEKTR.BİLİŞİM SAN VE TİC LTD.	OPERASYONEL HİZMETLER
FLORYA ÖZEL EĞİTİM ÖĞRETİM	INFORMATION SYSTEMS
SVK EĞİTİM HİZMETLERİ VE TİC. A.Ş.	OPERATIONAL SERVICES
ALTUN DAY.TÜK.MAD.İNS.PET. LTD.ŞTİ	OPERATIONAL SERVICES
ÖZSOY DAYANIKLI TÜK.MAL.SAN.TİC.LTD.ŞTİ	OPERATIONAL SERVICES
MEDİAMARKT	OPERATIONAL SERVICES
SİSTAŞ SAYISAL İLETİŞİM SAN. VE TİC.A.Ş.	CALL CENTER/ INFORMATION SYSTEMS
4A1B EĞİTİM HİZMETLERİ (Kocaeli Sinav Okulları)	OPERATIONAL SERVICES
CYBERWISE SİBER GÜVENLİK TİC.A.Ş. (BİZNET BİLİŞİM)	INFORMATION SYSTEMS
D FAST DAĞITIM HİZMETLERİ VE LOJİSTİK ANONİM ŞİRKETİ (HEPSİEXPRESS)	OPERATIONAL SERVICES
TULPAR ÖZEL EĞİTİM ÖĞRETİM VE DANIŞMANLIK HİZ.TİC.LTD.ŞTİ.	OPERATIONAL SERVICES
MOR ÖZEL EĞİTİM ÖĞRETİM HİZMETLERİ TİCARET LİMİTED ŞİRKETİ	OPERATIONAL SERVICES
UĞURLU SERVİS NAK.ÖZEL EĞT.DAN.TUR.VE TEM.HİZM.TİC.LTD.ŞTİ.	OPERATIONAL SERVICES
OKUMUŞ ÖZEL EĞİTİM HİZMETLERİ LTD.ŞTİ.	OPERATIONAL SERVICES
UĞURLU GELECEK ÖZEL EĞİTİM HİZ. LTD.	OPERATIONAL SERVICES
ÇAĞDAŞ NESİLLER ÖZEL EĞİTİM HİZ.	OPERATIONAL SERVICES

ZORLUTEKS TEKSTİL TİCARET VE SANAYİ A.Ş.	OPERATIONAL SERVICES
ER OTOMOTİV EĞİTİM ÖĞRETİM AKARY. İNS. YAT. TİC. VE SAN. A.Ş. (TED SİVAS KOLEJİ)	OPERATIONAL SERVICES
BİLGİÇAĞIM ÖZEL EĞİTİM HİZMETLERİ TİCARET LİMİTED ŞİRKETİ	OPERATIONAL SERVICES
ÇAĞRI ÖZEL EĞİTİM HİZ.VE İLT.TİC.LTD.ŞTİ.	OPERATIONAL SERVICES
BERTA EĞİTİM HİZMETLERİ TİCARET LTD ŞTİ	OPERATIONAL SERVICES
RİDVAN DEMİRTAŞ PROFİLO BAYİSİ	OPERATIONAL SERVICES
SEVİNÇ EKEN	OPERATIONAL SERVICES
EKİNOKS EĞİTİM GRUBU	OPERATIONAL SERVICES
SİMAY EĞİTİM KURUMLARI	OPERATIONAL SERVICES
ŞEHİR SINAV EĞİTİM KURUMLARI	OPERATIONAL SERVICES
GÜNEŞLİ SINAV EĞİTİM HİZMETLERİ TİCARET LİMİTED ŞİRKETİ	OPERATIONAL SERVICES
HAS ÖZEL EĞİTİM GIDA TURİZM YAYINCILIK SANAYİ TİCARET LTD.ŞTİ.	OPERATIONAL SERVICES
HAS YAYINCILIK EĞİTİM SANAYİ TİCARET LTD.ŞTİ.	OPERATIONAL SERVICES
İDA AKADEMİK EĞİTİM HİZMETLERİ TURİZM VE TİC. A.Ş.	OPERATIONAL SERVICES
KÜLTEPE EĞİTİM VE DANIŞMANLIK HİZMETLERİ LİMİTED ŞİRKETİ	OPERATIONAL SERVICES
TEM AVRUPA ÖZEL EĞİTİM VE ÖĞRETİM HİZMETLERİ TİCARET LİMİTED ŞİRKETİ	OPERATIONAL SERVICES
VESLABS BİLİŞİM TEKNOLOJİLERİ TİC. A.Ş.	INFORMATION SYSTEMS
PİTON BİLGİSAYAR TEKNOLOJİLERİ EĞİTİM VE DANIŞMANLIK LTD. ŞTİ	INFORMATION SYSTEMS
NÖRD İNTERAKTİF MEDYA HİZMETLERİ LTD.ŞTİ	INFORMATION SYSTEMS
32BIT BİLGİSAYAR HİZMETLERİ SAN VE TİC LTD ŞTİ	INFORMATION SYSTEMS
UZALDILAR DAYANIKLI TÜK.MALLARI TİC.LTD.ŞTİ.	OPERATIONAL SERVICES
EKON YAZILIM VE TEKNOLOJİ A.Ş.	INFORMATION SYSTEMS
ELER ÖZEL ÖĞRETİM DANIŞMANLIK REH. YAY. DAĞ. VE TİC. LTD. ŞTİ.	OPERATIONAL SERVICES
MOBVEN TEKNOLOJİ A.Ş.	INFORMATION SYSTEMS
DENİZBANK AG	OPERATIONAL SERVICES
BESİKTAŞ FINAL EĞİTİM KURUMLAR. LTD. ŞTİ.	OPERATIONAL SERVICES
ŞİŞLİ ATA EĞİTİM KURUMLARI TİCARET LİMİTED ŞİRKETİ	OPERATIONAL SERVICES
YENİ UĞUR ÖZEL EĞİTİM HİZMETLERİ ANONİM ŞİRKETİ	OPERATIONAL SERVICES
TARABYA AEC. EĞİTİM VE YAYINCIL. HİZM.TİC.LTD.ŞTİ.	OPERATIONAL SERVICES
ADABAY EĞİTİM VE YAY.HİZMT.SAN .TİC.LTD.ŞTİ	OPERATIONAL SERVICES
ABD EĞİTİM HİZMETLERİ TİCARET LİMİTED ŞİRKETİ	OPERATIONAL SERVICES
EMR EĞİTİM HİZMETLERİ TİCARET LTD.ŞTİ.	OPERATIONAL SERVICES
GÜNEŞLİ SINAV EĞT.HİZ.TİC.LTD.ŞTİ.	OPERATIONAL SERVICES
HAKAN VAROL(Mİ SHOP)	OPERATIONAL SERVICES
CREDE DANIŞMANLIK VE DİŞ TİC. A.Ş.	OPERATIONAL SERVICES
CESUR VEFA EĞİTİM KURUMLARI UL. AS. LTD ŞTİ. (BİL KOLEJİ)	OPERATIONAL SERVICES
YİĞİT CETİN ÖZEL EĞİTİM KURUML. SAN.TİC.LTD.ŞTİ. (BURDUR BAĞCEHİR KOLEJİ)	OPERATIONAL SERVICES
126 ADET TÜRK TRAKTÖR BAYİ	OPERATIONAL SERVICES

CORPORATE GOVERNANCE & SUSTAINABILITY

With a sense of governance founded on the principles of transparency, equality, responsibility and accountability, DenizBank is committed to the principles of corporate governance determined in accordance with the Banking Legislations, the Turkish Commercial Code, and related regulations and strives to ensure maximum compliance with national and international practices regarding the regulation of relations with stakeholders, the determination of the duties, powers and responsibilities of the Board of Directors and executive-level employees reporting to the Board.

The Corporate Governance Principles Compliance Statement and the Bank's policies can be accessed via link below:
["https://www.denizbank.com/investor-relations/corporate-management"](https://www.denizbank.com/investor-relations/corporate-management).

Since its founding, DenizBank has conducted its business operations in line with the principle of responsible banking, with a focus on society and people. The Bank established the Sustainability Coordination Department under the Financial Institutions Group in order to carry out all sustainability efforts with a common perspective. The Department monitors national and international sustainability practices, encourages sustainability-related activities at the Bank, and inspires all employees to work in line with DenizBank's sustainability goals.

Sustainability policies are set by the Sustainability Committee under the General Manager. These policies ensure that DenizBank focuses on sustainability as a pole star in its business strategies from now on.

A sustainability management system was established to measure and manage the Bank's direct and indirect environmental and social impacts. A systems infrastructure is in place to measure and monitor these impacts.

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 90 staff members across nine units as of end-2021, pursuant to national laws, rules, regulations, communiqués, as well as in-house bylaws. During the pandemic period, controls were carried out and necessary actions were taken within the scope of the changing legal regulations. Once every three months, the Audit and Risk Committee are informed about the activities, agenda and composition 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 Turkey 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.

The Corporate Compliance Department organizes the processes of reporting and coordination inside the Internal Control Unit and Compliance Department. In addition, the Department performs administrative and organizational duties, manages the Bank's support services processes and assists the Consumer Relations Coordination Officer.

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 shared with relevant branches. Findings with suspicion of abuse are shared with the Internal Audit-Investigations and Interrogations Department.

The Fund Management Internal Control Department is in charge of controlling transactions conducted by Fund Management and relevant operational departments, in financial, operational and legal terms.

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. The Control Assessment and IT Control Department conducts information technology controls over IT activities that support the Bank's operations, communication channels, IT systems, and IT security policies. The Department also oversees the compatibility between IT security policies, standards and guides in line with the COBIT framework.

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.

Compliance Activities

In 2021, the Compliance Group fulfilled its duties via the following departments:

- Corporate Compliance Department,
- Anti-Money Laundering Department

The Corporate Compliance Department is responsible for setting basic compliance rules; overseeing the coordination of compliance risk management; ensuring compliance with the Group standards and local rules and regulations; organizing compliance-related information flow and reporting procedures among the subsidiaries.

Pursuant to Law No. 5549 on the Prevention of Laundering Proceeds of Crime and Law No. 6415 and related regulations on the Prevention of Financing of Terrorism, the Anti-Money Laundering Department's duties include formulating and updating the Bank's policies and procedures; evaluating the Bank's risks and taking the necessary measures; providing continuous information to the senior management; monitoring and controlling risk-bearing customer transactions; giving an opinion on or approval for transactions concerning

risk-bearing customers, sectors and countries; controlling correspondent banks; identifying and monitoring suspicious transactions; reporting suspicious transactions to the public authorities; and organizing e-learning and Deniz TV seminars among Bank personnel on the Prevention of Laundering Proceeds of Crime and Financing of Terrorism. Control points are established to adapt to changes in legislation, and to identify any new money laundering methods. Measures and upgrades are designed to monitor, control and mitigate risks.

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 2021, the Internal Audit Department staff administered 331 hours of training to 2,405 employees. As of the end of 2021, Internal Audit Department operates with 89 staff members. The Internal Audit Department performs its functions under the following five organizational categories;

1. Audits of Head Office Processes and Subsidiaries

The Department audits the processes of Head Office units, 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, and analyzes relevant processes.

66 such audits were performed in 2021.

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.

In 2021, 280 branches and one regional office were audited in accordance with the audit plan.

3. Investigations and Inquiries

The Department conducts investigations and interrogations in accordance with Internal Audit Department regulations, prospectuses, the Bank's internal rules and legal requirements; prepares reports; and follows up the cases. Additionally, the Department provides training for employees in the early detection and prevention of fraud. In 2021, 1,103 Bank employees received 143 hours of training in this area.

4. Audit of Information Systems Processes

The Department conducts audits to ensure that DFSG's IT systems processes are structured to support the Bank's policies, and are managed in compliance with applicable laws, rules and regulations. 21 such audits were performed in 2021.

5. Audit Management Office

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

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, Credit Committee and Risk 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.

- 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 Corporate and Commercial Loans Group, Retail, SME, Agricultural Underwriting and IFRS Group, CRM and Change Management Group Credit Follow-Up and Risk Monitoring 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, the Bank also develops systems that comply with Basel Committee on Banking Supervision and Risk regulations, and other guiding international risk management principles.

Risk management operations are conducted in line with the principles set forth in the following risk policies:

- Credit Risk Policy
 - Counterparty Credit Risk Policy
- Concentration Risk Policy
- Model Risk Policy
- Liquidity Risk Policy
- Tax and Exchange Rate Risk Policy
- Market Risk Policy
- Operational Risk Policy
 - Cyber Security Risk Management Policy
 - Strategy and Business Risk Policy
 - Residual Risk Management Policy
 - Regulatory Risk Policy
- Reputation Risk Policy
- Country Risk Policy
- Compliance Risk Policy
- Tax Risk Policy

INTERNAL AUDIT, INTERNAL CONTROL, COMPLIANCE AND RISK MANAGEMENT SYSTEMS

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 normally 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.

Market Risk

The Bank conducts its trading activities in the money and capital markets in accordance with its risk policies and limits. DenizBank measures market risk using the internationally accepted Value at Risk (VaR) method, which is known for its dynamic structure that adapts easily to changing market conditions. VaR quantifies the loss of value that the portfolio of the Bank and its financial subsidiaries might sustain at a given time and confidence interval as a result of fluctuations in risk factors. VaR analyses are supported by scenario analyses and stress tests. This method allows for adaptation to changing market conditions when the risk level is determined. The reliability of the model used in VaR calculation is periodically evaluated by retrospective tests and model validation.

Credit Risk

In line with BRSAs regulations, the Risk Management Group performs the calculation of legal credit risk weighted assets in Pillar I. 2. With regard to Pillar II, the Bank calculates the annual general stress test in accordance with its plans and scenarios. Meanwhile, the Internal Capital Assessment Process Report is prepared by Bank management in coordination with other departments. The Group participates in studies such as development of credit risk models in conformity with methods based on internal rating, creating data infrastructures related to the models and integration of risk models. The validation, control and reporting processes of the internal credit rating models are carried out.

Liquidity Risk

Liquidity adequacy is monitored within the limits defined by the Board of Directors to ensure that the Bank has sufficient liquidity and reserves under any conditions. The adequacy of existing means of liquidity and reserve are tested against worst-case scenarios. While analyzing liquidity adequacy, any negative developments that may arise as a result of a change in market conditions or customer behavior are taken into account. The measures to be taken and procedures to be followed under stress conditions in order to preserve liquidity have been put in writing. Scenario assumptions and measures in relation to liquidity stress testing are reviewed at least once a year. The analyses are repeated monthly based on the scenarios adopted.

Operational Risk

Operational risk events taking place at the Bank and its subsidiaries, their causes, effects are recorded, including recoveries made and measures to prevent their re-occurrence. Events that are frequent or significant are discussed by the Internal Control Unit, the Internal Audit Department and the relevant departments. Corrective/preventive measures are put into practice. Potential operational risks are identified through the collection of loss data, scenario analysis, collection of external loss data, Risk Control Self-Assessment carried out throughout the year. The adequacy of current risks and assessments are reviewed as part of this study. New measures are implemented when deemed necessary.

Interest Rate Risk

DenizBank monitors structural interest rate risk exposure due to the Bank's balance sheet structure by using internationally recognized models. The Bank also controls assumed risks in line with the limits defined by the Board of Directors. The impact of the maturity mismatch of the Bank on the net present value and revenues is measured with interest sensitivity analyses and the results are reported to be used in decision-making processes.

ASSESSMENT OF THE AUDIT COMMITTEE

Reporting to the Board of Directors, the Bank's Audit and Risk Committee functions in accordance with Banking Law No. 5411 and the regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks. The Audit and Risk Committee meets periodically on behalf of the Board of Directors and sets the Bank's audit policies.

The 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,
- Regularly monitoring the activities of the aforementioned firms and service providers selected and contracted by the Board of Directors,
- Ensuring coordination, and making sure the internal audit activities of the partnerships 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 from the control units (i.e. internal audit, internal control and compliance, risk management) in order to evaluate the adequacy of the methods for identifying, controlling and monitoring risks that the Bank is exposed to. The Committee reports its findings to the Board of Directors. Furthermore, the Audit Committee submits its opinions and recommendations on significant matters to the Board of Directors.

In line with the four meetings it held in 2021 and the activities it conducted as part of its responsibilities, the Audit and Risk Committee took the following actions:

The Audit Committee audited the Bank's financial statements and notes for 2020 year-end, and the first, second and third quarters of 2021 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 2021 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. In addition, 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 2021 activities of the groups that report to the Audit and Risk Committee were as follows.

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 2021, 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 89 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. The Department completed all activities listed in the 2021 Annual Audit Plan as scheduled. In addition to such pre-planned audit activities, in 2021 the Department also carried out investigations and inquiries, participated in various projects and provided a range of consultancy services requested by the Bank's executive management, when deemed necessary.

Internal Control Unit and Compliance Department

Reporting directly to the Audit and Risk Committee, the Internal Control Unit and Compliance Department carried out its 2021 activities with a staff of 90 employees.

The Internal Control Unit 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 affiliates 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 is responsible for identifying and measuring risks; creating and implementing risk policies and procedures; analyzing, monitoring, reporting, investigating, confirming and auditing risks; and coordinating efforts under the risk appetite statement, in line with the principles approved by the Board of Directors.

The Risk Management Group had 22 employees as of December 31, 2021. The Risk Management Group's Market and Interest Rate Risk Department measures market risk, interest risk and liquidity risk, continually reviews the analyses and methods utilized, oversees compliance with risk tolerance as defined by the Board of Directors, and reports to the relevant units, Assets and Liabilities Committee and the Audit and Risk Committee.

While analyzing the possible effects of market fluctuations on the Bank's capital, balance sheet and income statement, and setting in-house risk policies, the Risk Management Group takes into account legally prescribed limits and regulations, advanced practices, and the Bank's own requirements. Risk limits determined by the Board of Directors for the risk types in question are reviewed annually.

Credit Risk Control and Risk Models Validation Department coordinates the compliance of the Bank with the legal regulations regarding credit risk and the processes related to internal capital assessment and stress tests in line with the strategic plan of the Bank. The Department is involved in processes regarding the design and development of the credit risk models and is responsible for the control of processes related to the assignment of credit risk ratings of corporate, commercial and OBI segment customers. The Validation Unit under the department is responsible for the model validation processes in order to keep under control the model risk that may arise from the design, development and implementation of risk measurement models.

The operational risk incidents are regularly recorded by the Operational Risk Management Department and periodical reports are submitted to the managers of the relevant business lines. Business continuity plans are regularly updated, tested and preventive measures are taken as needed.

INDEPENDENT AUDITOR REPORT ON THE ANNUAL REPORT



DRT Bağımsız Denetim ve
Serbest Muhasebeci
Mali Müşavirlik A.Ş.
Maslak No1 Plaza
Eski Büyükdere Caddesi
Maslak Mahallesi No:1
Kat:3, Sarıyer 34485
İstanbul, Türkiye
Tel: +90 (212) 366 60 00
Fax: +90 (212) 366 60 10
www.deloitte.com.tr

Mersis No :0291001097600016
Ticari Sicil No: 304099

(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) 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 01/01/2021–31/12/2021, 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 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 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 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.

3) Auditor's Opinion for the Full Set Consolidated and Unconsolidated Financial Statements

We have presented unqualified opinion for the Bank's full set consolidated and unconsolidated financial statements for the period between 01/01/2021–31/12/2021 in our Auditor's Report dated 17 February 2022.

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.

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, 28 February 2022

FIVE-YEAR SUMMARY FINANCIAL HIGHLIGHTS

Summary Consolidated Financial Highlights (TL million)					
Balance Sheet	2021	2020	2019	2018	2017
Securities ⁽¹⁾	37,438	28,317	21,454	14,667	12,464
Net Loans ⁽²⁾	225,726	167,283	142,786	138,733	114,829
Cash and Cash Equivalents, net	106,173	53,505	43,634	34,755	28,412
Total Assets	395,884	263,961	217,314	197,311	160,423
Customer Deposits ⁽³⁾	248,509	167,467	154,459	137,264	107,429
Time	154,293	115,918	118,622	107,075	84,539
Demand	94,216	51,550	35,837	30,188	22,890
Borrowings ⁽⁴⁾	48,856	25,986	15,187	16,362	14,680
Securities Issued ⁽⁴⁾	10,394	3,169	4,215	3,988	3,673
Sub-ordinated Loans	10,485	5,917	7,037	6,274	5,262
Shareholders' Equity	29,048	23,027	17,749	15,505	12,853
Paid-in Capital	5,696	5,696	3,316	3,316	3,316
Non-cash Loans	67,092	42,825	34,473	33,678	28,371
Income Statements	2021	2020	2019	2018	2017
Interest Income	25,225	18,712	20,042	17,877	12,824
Interest Expense	-12,239	-7,739	-11,648	-10,842	-6,543
Net Interest Income after Provisions	5,117	3,337	2,156	4,136	4,337
Non-interest Income	7,557	4,939	5,069	3,172	1,885
Non-interest Expense	-8,017	-5,913	-5,509	-4,609	-3,730
Tax Expense	-1,117	-497	-407	-495	-590
Net Income	3,540	1,866	1,308	2,204	1,902
Other Highlights	2021	2020	2019	2018	2017
Number of Branches ⁽⁵⁾	712	730	751	754	740
Number of Employees	14,345	14,040	14,343	13,822	14,136
Number of ATMs	3,095	3,140	3,029	2,917	3,055
Number of POS Terminals	276,024	196,001	132,860	126,063	171,117
Number of Credit Cards	5,878,884	5,255,685	4,865,643	4,431,557	3,999,068

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 amortized 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.

FIVE-YEAR SUMMARY FINANCIAL HIGHLIGHTS

Summary Unconsolidated Financial Highlights (TL million)

Balance Sheet	2021	2020	2019	2018	2017
Securities ⁽¹⁾	31,699	21,268	17,812	14,201	11,999
Net Loans ⁽²⁾	167,433	120,907	96,955	86,852	76,105
Cash and Cash Equivalents, net	57,339	26,822	21,326	18,085	21,623
Total Assets	308,719	199,256	156,478	137,658	121,048
Customer Deposits ⁽³⁾	171,514	109,207	97,328	81,271	69,163
Time	111,228	77,664	77,061	66,237	56,661
Demand	60,286	31,544	20,268	15,034	12,502
Borrowings	47,228	23,377	14,367	15,213	13,884
Securities Issued	6,589	2,725	2,461	1,792	1,465
Sub-ordinated Loans	10,485	5,917	7,037	6,274	5,262
Shareholders' Equity	28,857	22,889	17,720	15,445	12,813
Paid-in Capital	5,696	5,696	3,316	3,316	3,316
Non-cash Loans	67,073	42,729	34,156	32,296	27,778
Income Statements	2021	2020	2019	2018	2017
Interest Income	22,333	15,840	16,868	14,657	10,592
Interest Expense	-11,078	-6,755	-10,415	-9,659	-5,733
Net Interest Income after Provisions	4,184	2,404	845	2,181	2,972
Non-interest Income	6,187	4,280	4,732	2,754	1,646
Non-interest Expense	-7,030	-5,183	-4,888	-4,084	-3,343
Profit from Investments accounted under equity method	1,073	591	789	1,440	952
Tax Expense	-868	-298	-141	-109	-347
Net Income	3,547	1,793	1,336	2,183	1,880
Other Highlights	2021	2020	2019	2018	2017
Number of DenizBank Branches	687	696	708	711	697
Number of Employees	12,072	11,932	12,279	11,786	12,257
Number of ATMs	3,095	3,140	3,029	2,917	3,055
Number of POS Terminals	276,024	196,001	132,860	126,063	171,117
Number of Credit Cards	5,878,884	5,255,685	4,865,643	4,431,557	3,999,068

All financial figures presented in this table are extracts from the audited unconsolidated 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 amortized cost. 2018 figure has been made compatible with 2019 figure.

⁽²⁾ 2018 figure has been made compatible with 2019 figure.

⁽³⁾ Excludes bank deposits.

ASSESSMENT OF FINANCIAL POSITION

Shareholders' Equity and Capital Adequacy (TL million)	Consolidated		
	2021	2020	2019
Capital Adequacy Ratio (%)	16.83	16.23	14.33
Shareholders' Equity	29,048	23,027	17,749
Return on Average Equity (%)	13.94	8.87	7.86
Non-performing Loans/ Total Cash Loans Ratio (%)	6.62	7.02	7.54

Shareholders' Equity and Capital Adequacy (TL million)	Unconsolidated		
	2021	2020	2019
Capital Adequacy Ratio (%)	17.88	18.67	17.69
Shareholders' Equity	28,857	22,889	17,720
Return on Average Equity (%)	14.07	8.55	8.05
Non-performing Loans/ Total Cash Loans Ratio (%)	8.04	8.86	10.45

CAPITAL MARKET INSTRUMENTS ISSUED BY DFSG

DenizBank					
ISIN	Type	Amount-TL	Maturity	Issue Date	Maturity Date
TRFDZBK42113	TLREF Indexed Floating Rate Note	25,000,000	104	8.01.2021	22.04.2021
TRFDZBK72110	Bill	50,000,000	177	3.02.2021	30.07.2021
TRFDZBK72128	Bill	50,000,000	175	5.02.2021	30.07.2021
TRFDZBK52112	Bill	60,000,000	86	10.02.2021	7.05.2021
TRFDZBK82119	Bill	10,000,000	177	10.02.2021	6.08.2021
TRFDZBK52120	Bill	50,000,000	84	12.02.2021	7.05.2021
TRFDZBK82127	Bill	10,000,000	175	12.02.2021	6.08.2021
TRFDZBK52146	Bill	240,000,000	80	16.02.2021	7.05.2021
TRFDZBK62129	TLREF Indexed Floating Rate Note	60,000,000	106	16.02.2021	2.06.2021
TRFDZBK52138	Bill	36,000,000	79	17.02.2021	7.05.2021
TRFDZBK82135	Bill	75,000,000	170	17.02.2021	6.08.2021
TRFDZBK62137	TLREF Indexed Floating Rate Note	230,000,000	104	26.02.2021	10.06.2021
TRFDZBK82143	Bill	50,000,000	175	26.02.2021	20.08.2021
TRFDZBK62145	Bill	77,000,000	107	3.03.2021	18.06.2021
TRFDZBK62152	Bill	310,000,000	105	5.03.2021	18.06.2021
TRFDZBK62178	Bill	40,000,000	100	10.03.2021	18.06.2021
TRFDZBK62186	Bill	50,000,000	105	12.03.2021	25.06.2021
TRFDZBK62194	TLREF Indexed Floating Rate Note	121,000,000	105	12.03.2021	25.06.2021
TRFDZBK72136	TLREF Indexed Floating Rate Note	205,000,000	105	19.03.2021	2.07.2021
TRFDZBK621A8	Bill	115,000,000	87	30.03.2021	25.06.2021
TRFDZBK621B6	Bill	38,000,000	86	31.03.2021	25.06.2021
TRFDZBK82150	TLREF Indexed Floating Rate Note	290,000,000	115	13.04.2021	6.08.2021
TRFDZBK72144	Bill	50,000,000	106	15.04.2021	30.07.2021
TRFDZBK72151	TLREF Indexed Floating Rate Note	150,000,000	101	20.04.2021	30.07.2021
TRFDZBK82168	TLREF Indexed Floating Rate Note	100,000,000	116	26.04.2021	20.08.2021
TRFDZBK82176	Bill	100,000,000	100	3.05.2021	11.08.2021
TRSDZBK62213	Bond	14,610,000	391	6.05.2021	1.06.2022
TRFDZBK72169	Bill	290,000,000	70	7.05.2021	16.07.2021
TRFDZBK82184	Bill	30,000,000	84	28.05.2021	20.08.2021
TRFDZBK82192	Bill	40,000,000	81	31.05.2021	20.08.2021
TRFDZBK92118	TLREF Indexed Floating Rate Note	155,000,000	105	2.06.2021	15.09.2021
TRFDZBK821A4	Bill	42,000,000	67	7.06.2021	13.08.2021
TRFDZBK92126	TLREF Indexed Floating Rate Note	246,000,000	85	10.06.2021	3.09.2021
TRFDZBK92134	Bill	289,000,000	90	10.06.2021	8.09.2021
TRFDZBK92142	Bill	333,000,000	89	18.06.2021	15.09.2021
TRFDZBKA2117	TLREF Indexed Floating Rate Note	115,000,000	168	18.06.2021	3.12.2021
TRFDZBK92159	Bill	136,000,000	77	25.06.2021	10.09.2021
TRFDZBK12215	TLREF Indexed Floating Rate Note	158,000,000	210	25.06.2021	21.01.2022
TRFDZBKK2115	TLREF Indexed Floating Rate Note	260,000,000	126	2.07.2021	5.11.2021
TRFDZBK32213	TLREF Indexed Floating Rate Note	245,000,000	245	7.07.2021	9.03.2022
TRFDZBK32221	TLREF Indexed Floating Rate Note	175,000,000	240	14.07.2021	11.03.2022
TRFDZBKE2113	Bill	325,000,000	91	16.07.2021	15.10.2021
TRFDZBK32247	TLREF Indexed Floating Rate Note	210,000,000	224	30.07.2021	11.03.2022
TRFDZBK42212	TLREF Indexed Floating Rate Note	370,000,000	238	6.08.2021	1.04.2022
TRFDZBKK2131	Bill	190,000,000	93	11.08.2021	12.11.2021
TRFDZBK42220	TLREF Indexed Floating Rate Note	145,000,000	245	13.08.2021	15.04.2022
TRFDZBKK2149	Bill	160,000,000	94	20.08.2021	22.11.2021
TRFDZBK72219	TLREF Indexed Floating Rate Note	120,000,000	321	20.08.2021	7.07.2022
TRFDZBK72227	TLREF Indexed Floating Rate Note	55,000,000	317	24.08.2021	7.07.2022
TRFDZBKA2125	Bill	79,000,000	98	27.08.2021	3.12.2021
TRFDZBK72235	TLREF Indexed Floating Rate Note	65,000,000	314	27.08.2021	7.07.2022
TRFDZBK32254	TLREF Indexed Floating Rate Note	107,000,000	177	8.09.2021	4.03.2022
TRFDZBKA2133	Bill	417,000,000	84	15.09.2021	8.12.2021
TRFDZBK22214	TLREF Indexed Floating Rate Note	60,000,000	149	15.09.2021	11.02.2022
TRFDZBK22222	TLREF Indexed Floating Rate Note	89,000,000	126	1.10.2021	4.02.2022
TRFDZBK22230	TLREF Indexed Floating Rate Note	121,000,000	119	8.10.2021	4.02.2022
TRSDZBKK2219	Bond	64,226,000	398	13.10.2021	15.11.2022

TRFDZBK32270	TLREF Indexed Floating Rate Note	83,000,000	161	15.10.2021	25.03.2022
TRFDZBK42238	TLREF Indexed Floating Rate Note	440,000,000	175	5.11.2021	29.04.2022
TRFDZBK52211	TLREF Indexed Floating Rate Note	145,000,000	175	12.11.2021	6.05.2022
TRFDZBK52229	TLREF Indexed Floating Rate Note	70,000,000	172	22.11.2021	13.05.2022
TRFDZBK52237	TLREF Indexed Floating Rate Note	100,000,000	168	26.11.2021	13.05.2022
TRFDZBK22248	Bill	82,000,000	70	3.12.2021	11.02.2022
TRFDZBK32288	TLREF Indexed Floating Rate Note	125,000,000	96	3.12.2021	9.03.2022
TRFDZBK22255	Bill	500,000,000	65	8.12.2021	11.02.2022
TRFDZBK42246	TLREF Indexed Floating Rate Note	65,000,000	128	8.12.2021	15.04.2022
TRFDZBK32296	Bill	30,000,000	100	15.12.2021	25.03.2022
TOTAL		9,337,836,000			

Deniz Leasing

ISIN	Type	Amount-TL	Maturity	Issue Date	Maturity Date
TRFDNFK42110	Bill	115,000,000	84	15.01.2021	9.04.2021
TRFDNFK42128	Bill	100,000,000	77	22.01.2021	9.04.2021
TRFDNFK62126	TLREF Indexed Floating Rate Note	78,000,000	89	26.03.2021	23.06.2021
TRFDNFK62134	TLREF Indexed Floating Rate Note	248,000,000	85	6.04.2021	30.06.2021
TRFDNFK72117	TLREF Indexed Floating Rate Note	270,000,000	110	9.04.2021	28.07.2021
TRFDNFK82116	TLREF Indexed Floating Rate Note	65,000,000	128	19.04.2021	25.08.2021
TRFDNFK82124	TLREF Indexed Floating Rate Note	50,000,000	125	22.04.2021	25.08.2021
TRFDNFK82132	Bill	50,000,000	87	1.06.2021	27.08.2021
TRFDNFK92115	Bill	123,000,000	94	15.06.2021	17.09.2021
TRFDNFK2113	TLREF Indexed Floating Rate Note	103,000,000	126	23.06.2021	27.10.2021
TRFDNFK2121	TLREF Indexed Floating Rate Note	268,000,000	105	30.06.2021	13.10.2021
TRFDNFK2139	TLREF Indexed Floating Rate Note	100,000,000	106	13.07.2021	27.10.2021
TRFDNFK2115	TLREF Indexed Floating Rate Note	320,000,000	105	28.07.2021	10.11.2021
TRFDNFK2123	TLREF Indexed Floating Rate Note	100,000,000	112	4.08.2021	24.11.2021
TRFDNFK32210	TLREF Indexed Floating Rate Note	170,000,000	189	25.08.2021	2.03.2022
TRFDNFK92214	TLREF Indexed Floating Rate Note	55,000,000	364	3.09.2021	2.09.2022
TRFDNFK22211	TLREF Indexed Floating Rate Note	252,000,000	119	13.10.2021	9.02.2022
TRFDNFK32228	TLREF Indexed Floating Rate Note	90,000,000	126	27.10.2021	2.03.2022
TRFDNFK32244	TLREF Indexed Floating Rate Note	300,000,000	140	10.11.2021	30.03.2022
TRFDNFK32251	TLREF Indexed Floating Rate Note	50,000,000	126	24.11.2021	30.03.2022
TOTAL		2,907,000,000			

Deniz Faktoring

ISIN	Type	Amount-TL	Maturity	Issue Date	Maturity Date
TRFDZFK42122	Bill	50,000,000	80	12.01.2021	2.04.2021
TRFDZFK42130	Bill	90,000,000	84	22.01.2021	16.04.2021
TRFDZFK42148	Bill	80,000,000	91	29.01.2021	30.04.2021
TRFDZFK52113	Bill	50,000,000	92	18.02.2021	21.05.2021
TRFDZFK72111	TLREF Indexed Floating Rate Note	55,000,000	105	2.04.2021	16.07.2021
TRFDZFK72129	Bill	117,000,000	91	16.04.2021	16.07.2021
TRFDZFK82110	Bill	70,000,000	110	30.04.2021	18.08.2021
TRFDZFK82128	Bill	50,000,000	105	5.05.2021	18.08.2021
TRFDZFK82136	Bill	85,000,000	89	21.05.2021	18.08.2021
TRFDZFK2111	TLREF Indexed Floating Rate Note	188,000,000	110	16.07.2021	3.11.2021
TRFDZFK22215	TLREF Indexed Floating Rate Note	227,000,000	168	18.08.2021	2.02.2022
TRFDZFK22223	TLREF Indexed Floating Rate Note	116,000,000	112	3.11.2021	23.02.2022
TRFDZFK22231	Bill	65,000,000	75	10.12.2021	23.02.2022
TOTAL		1,243,000,000			

Deniz GYO

ISIN	Type	Amount-TL	Maturity	Issue Date	Maturity Date
TRFDZY052116	TLREF Indexed Floating Rate Note	106,000,000	90	10.02.2021	11.05.2021

DenizInvest

ISIN	Type	Amount-TL	Maturity	Issue Date	Maturity Date
TRFDNZY82115	TLREF Indexed Floating Rate Note	50,000,000	114	12.04.2021	4.08.2021

DENIZBANK RATINGS BY INTERNATIONAL RATING AGENCIES

Moody's*

Outlook	Negative
Long Term Foreign Currency Deposits	B2
Short Term Foreign Currency Deposits	Not Prime
Long Term Local Currency Deposits	B1
Short Term Local Currency Deposits	Not Prime
Baseline Credit Assessment (BCA)	caa1

*As of 24.08.2021

Fitch Ratings**

Outlook	Negative
Long Term Foreign Currency	B+
Short Term Foreign Currency	B
Long Term Local Currency	BB-
Short Term Local Currency	B
Viability	b+
Shareholder Support	b+
National	AA(tur)(Stable)

**As of 10.12.2021

On 31 January 2022, International Rating Agency Fitch Ratings has affirmed DenizBank's long-term foreign currency IDR at "B+" and long term local currency IDR at "BB-" with their "Negative" Outlooks. Fitch has also affirmed our short-term local and foreign currency IDRs at "B," viability rating at "b+," shareholder support rating at "b+" and National Long-Term rating at "AA(tur)" with a "Stable" outlook.

(CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S REPORT
ORIGINALLY PREPARED AND ISSUED IN TURKISH SEE NOTE 3.1.C)

DENİZBANK ANONİM ŞİRKETİ

**INDEPENDENT AUDITOR'S REPORT, UNCONSOLIDATED
FINANCIAL STATEMENTS AND NOTES FOR THE YEAR
ENDED 31 DECEMBER 2021**

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



DRT Bağımsız Denetim ve
Serbest Muhasebeci
Mali Müşavirlik A.Ş.
Maslak no1 Plaza
Eski Büyükdere Caddesi
Maslak Mahallesi No:1
Maslak, Sarıyer 34485
İstanbul, Türkiye

Tel : +90 (212) 366 6000
Fax : +90 (212) 366 6010
www.deloitte.com.tr

Mersis No: 0291001097600016
Ticari Sicil No : 304099

**(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) Opinion

We have audited the unconsolidated financial statements of Denizbank AŞ (the "Bank"), which comprise the unconsolidated balance sheet as at 31 December 2021, 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, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2021, and its financial performance and its 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 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.

Key Audit Matters	How the matter was addressed in the audit
<i>Impairment of loans in accordance with TFRS 9 Financial Assets</i> Impairment of loans is a key area of judgment for the management. The Bank has the total loans amounting to TL 189.320.678 thousands, which comprise 61% of the Bank's total assets in its unconsolidated financial statements and the total provision for impairment amounting to TL 21.887.816 as at 31 December 2021. 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. 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. 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. In addition, the impairment of loans and receivables includes important estimates and assumptions about the effects of the COVID 19 pandemic. 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.	As part of our audit work, the following procedures were performed: 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. We have assessed and analyzed the relevant contract terms to assess management's accounting policy and classification of the instrument for selected samples. We have performed loan review procedures on selected samples of loans and receivables by taking into account the effects of COVID 19 pandemic 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. 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 renewed assumptions are appropriately reflected with the COVID 19 effect, 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.

Key Audit Matters	How the matter was addressed in the audit
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. Related explanations relating to the impairment of loans and receivables are presented in Section 5 Note I.d.	We have tested historical loss data to validate the completeness and accuracy of key parameters. We have tested whether the model is applied to appropriate groupings of assets which share credit risk characteristics. We tested the application of the model to the relevant inputs and the mathematical integrity of each stage of the expected credit loss calculation. Based on our discussions with the Bank management, we evaluated whether the key assumptions and other judgements, including COVID 19 impact, underlying the estimations of impairments were reasonable. We assessed expected credit losses determined based on individual assessment per Bank's policy by means of supporting data including COVID 19 impact and evaluated appropriateness via discussions with management. Our specialists are involved in all procedures regarding assumptions of models and individual assessments. 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.
Information Technologies Audit 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.	Procedures within the context of our information technology audit work: • 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:

Key Audit Matters	How the matter was addressed in the audit
	• 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.
- 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 2021 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

The effect of the differences between the accounting principles summarized in Section 3 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 and reflected in the accompanying unconsolidated financial statements. The accounting principles used in the preparation of the accompanying unconsolidated financial statements differ materially from IFRS. Accordingly, the accompanying unconsolidated financial statements are not intended to present the Bank's financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

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



Yaman Polat
Partner

İstanbul, 17 February 2022

DENİZBANK A.Ş.
UNCONSOLIDATED FINANCIAL REPORT AS OF 31 DECEMBER 2021

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

Telephone and Fax Numbers
Tel : 0.212.348 20 00
Fax: 0.212.336 61 86

Website of the Bank
www.denizbank.com

E-mail address of the Bank
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

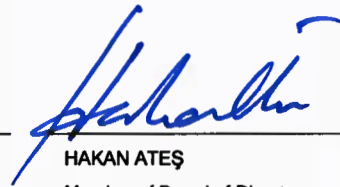
The unconsolidated financial statements and related disclosures and footnotes that were subject to independent audit, are prepared in accordance with the "Regulation on Accounting Principles and Documentations", Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements, 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.

17 February 2022



HAKAN ELVERDİ
Senior Vice President
Financial Reporting
And Accounting

RUSLAN ABİL
Executive Vice President
Financial Affairs



HAKAN ATEŞ
Member of Board of Directors
and President and Chief
Executive Officer

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



BJORN LENZMANN
Member of Board of Directors
and Audit and Risk Committee



**AHMED MOHAMMED AQIL
QASSIM ALQASSIM**
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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DENİZBANK ANONİM ŞİRKETİ
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AS OF 31 DECEMBER 2021

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*Convenience Translation of
Unconsolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.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 İstanbul ("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.

DENİZBANK ANONİM ŞİRKETİ

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

Name	Title	Shares owned (%)
Chairman of the Board of Directors		
Hesham Abdulla Qassim Alqassim	Chairman	--
Board of Directors ⁽⁹⁾		
Nihat Sevinç ⁽¹²⁾	Deputy Chairman	--
Hakan Ateş	Member and CEO	--
Deniz Ülke Arıboğan ⁽¹²⁾	Member	--
Derya Kumru ⁽²⁾	Member	--
Shayne Keith Nelson ⁽¹²⁾	Member	--
Jonathan Edward Morris ⁽⁴⁾	Member	--
Tanju Kaya	Member	--
Bjorn Lenzmann	Member	--
Audit Committee		
Nihat Sevinç ⁽¹²⁾	Member	--
Bjorn Lenzmann ⁽³⁾	Member	--
Executive Vice Presidents⁽⁸⁾		
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 Hıçkırır	Retail Banking	--
Selim Efe Teoman	Corporate and Commercial Credits	--
Ramazan Işık	Head of Internal Audit	--
Engin Eskiduman ⁽⁹⁾	SME Banking and Public Financing	--
Necip Yavuz Elkin	Human Resources and Deniz Academy	--
Burak Koçak	Agricultural Banking	--
Oğuzhan Özark ⁽¹³⁾	Individual Banking	--
Cemil Cem Önerç ⁽¹³⁾	Private Banking and Investment Sales	--
Sinan Yılmaz	Head of Risk Management Group	--
Edip Kürşad Başer ⁽¹⁾	Retail, SME, Agricultural Banking Credits Allocation and IFRS	--
Verda Beril Yüzer Oğuz	Financial Institutions	--
Hayri Cansever	Secretariat General and Foreign Subsidiaries	--
Umut Özdoğan ⁽¹⁾	Digital Transformation, Change Management and Non-Branch Channels	--
Savaş Çıtak ⁽¹⁾	Project Finance, Financial Restructuring and Credits International Coordination	--
Kishore Swayamberdud Bhatt ⁽⁵⁾	Credit Allocation	--
Mustafa Okan Çetinkaya ⁽¹⁾	Analytics, Data and Customer Value Management Policies	--
Halit Cihan Tunçbilek ⁽⁶⁾	Payment Systems	--
Ali Rıza Aydın ⁽⁷⁾	Information Security and Information Technologies Risk Management	--
Okan Aksu ⁽¹¹⁾	Treasury Group	--
Ümit Recep Uğur ⁽¹¹⁾	Corporate and Commercial Banking	--

(1) With the decision of the Board of Directors of the Bank dated 26 February 2021; Savaş Çıtak, who has been the Project Finance, Financial Restructuring and Credits International Coordination Group Manager of the Bank is appointed to the newly established Project Finance, Financial Restructuring and Credits International Coordination Group as Executive Vice President, Mustafa Okan Çetinkaya who has been the Digital Transformation, CRM and Change Management Group Business Analytics and CRM Senior Vice President of the Bank is appointed to Analytics, Data and Customer Value Management Policies as Executive Vice President. Edip Kürşad Başer, who has been the Bank's Credit Policies and Retail, SME, Agricultural Banking Credits Allocation Group Executive Vice President is transferred to Retail, SME, Agricultural Banking Credits Allocation and IFRS Group Executive Vice President, Umut Özdoğan who has been the Bank's Digital Transformation, CRM and Change Management Group Executive Vice President is transferred to Digital Transformation and Change Management Group Executive Vice President.

(2) İbrahim Şen, who has been the Executive Vice President of the Bank's Credit Follow up and Risk Monitoring Group, has resigned from his position. The Credit Follow up and Risk Monitoring Group functions are undertaken by Derya Kumru, who has been Member of the Board of Directors and Credit Committee of the Bank.

(3) Bjorn Lenzmann has been appointed to Member of the Board of Directors of the Ordinary General Assembly of the Bank held on 25 March 2021. Bjorn Lenzmann was appointed as a member of the Audit and Risk Committee with the decision of the Board of Directors regarding the establishment of the committees dated 25 March 2021 of the Bank.

(4) With the decision of the Board of Directors of the Bank on 13 April 2021, Jonathan Edward Morris has resigned from the Audit and Risk Committee membership, and the substitute membership of the Credit Committee was changed as a membership of the Credit Committee. With the decision of the Bank's Board of Directors dated 13 January 2022, he has been re-appointed to an substitute membership of the Credit Committee.

(5) With the decision of the Board of Directors of the Bank, Kishore Swayamberdud Bhatt has been appointed to Executive Vice President of Credit Allocation Group as of 27 May 2021.

(6) As of 30 July 2021, Halit Cihan Tunçbilek has been appointed as the Payment Systems Group Executive Vice President to be responsible for the functions of the Payment Systems Group, which was newly established at the Bank.

(7) On 16 August 2021, Ali Rıza Aydın was appointed as the Executive Vice President of Information Security and Information Technologies Risk Management to be responsible for the functions of the Information Security and Information Technologies Risk Management Group of the Bank.

(8) Dilek Duman, who has been the Executive Vice President of Information Technologies and Support Operations of the Bank, resigned from her position and the cancellation of her authorization was registered on 20 August 2021.

(9) The resignation of Mohamed Hadi Ahmed Abdulla Alhussaini from his position as the Deputy Chairman of the Board of Directors was accepted by the resolution of the Board of Directors of the Bank dated 11 October 2021 and Murat Kulaksız, who has been the Deputy General Manager of SME Banking and Public Finance Group, it has been decided that he will resign from his position at the Bank to serve as a Senior Manager in the subsidiaries of the Bank and Engin Eskiduman will be appointed to this position.

(10) With the decision of the Bank's Board of Directors dated 12 January 2022, it was decided to appoint Burcu Çalkılı to the Board of Directors, which was vacated by the resignation of Mohamed Hadi Ahmed Abdulla Alhussaini, to serve until the first General Assembly. With the decision of the Bank's Board of Directors dated 13 January 2022, Burcu Çalkılı has been appointed to a membership of the Credit Committee.

(11) As of 23 December 2021, Ümit Recep Uğur has been appointed as the Executive Vice President of the Corporate and Commercial Banking Group to be responsible for the Corporate and Commercial Banking Group functions of the Bank, and Okan Aksu has been appointed as the Executive Vice President of the Treasury Group to be responsible for the Treasury Group functions of the Bank.

DENİZBANK ANONİM ŞİRKETİ
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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(12) With the Bank's Board of Directors Decision dated 1 February 2022, the resignations of Members of the Board of Directors Deniz Ülke Arıboğan and Nihat Sevinç dated 31 January 2022 were accepted. It has been decided to appoint Ahmed Mohammed Aqil Qassim Alqassim to serve until the General Assembly as a member of Board of Directors which was vacated due to the resignation of Nihat Sevinç, Member of the Board of Directors (Vice Chairman of the Board of Directors) and it has been decided to elect Ahmed Mohammed Aqil Qassim Alqassim as a Member of the Audit and Risk Committee, and to elect Keith Nelson as the Deputy Chairman of the Board of Directors.

(13) With the Bank's Board of Directors Decision dated 1 February 2022, the Bank's Executive Vice President responsible for Private Banking and Investment Sales Group, Cemil Cem Önenç, resigned on 31 January 2022 to serve as a senior manager in our subsidiaries. As of 1 February 2022, it has been decided to change the title of İzzet Oğuzhan Özak, Assistant General Manager responsible for the Retail Banking Group of the Bank, to Assistant General Manager responsible for the Retail and Private Banking Group.

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 2021 the capital structure of ENBD is as follows:

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

V. Type of services of the 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 686 domestic branches and 1 foreign branch as of 31 December 2021.

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

DENİZBANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT
OF FINANCIAL POSITION (BALANCE SHEET)
AS OF 31 DECEMBER 2021

(Currency: Thousands of TL - Turkish Lira)

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ASSETS	Note	Audited CURRENT PERIOD (31/12/2021)			Audited PRIOR PERIOD (31/12/2020)		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		15.455.154	74.406.134	89.861.288	11.849.445	31.678.181	43.527.626
1.1 Cash and Cash Equivalents		4.712.773	52.626.612	57.339.385	4.597.347	22.224.882	26.822.229
1.1.1 Cash and Balances with Central Bank	(5.1.a)	3.947.875	47.260.522	51.208.397	2.252.630	20.337.667	22.590.297
1.1.2 Banks	(5.1.a)	545.372	5.366.090	5.911.462	506.117	1.887.215	2.393.332
1.1.3 Due From Money Markets		219.738	-	219.738	1.838.716	-	1.838.716
1.1.4 Expected Credit Loss (-)		212	-	212	116	-	116
1.2 Financial Assets at Fair Value Through Profit or Loss	(5.1.b)	65.115	1.087.131	1.152.246	55.175	735.685	790.860
1.2.1 Government Debt Securities		37.078	99.181	136.259	14.539	63.953	78.492
1.2.2 Equity Instruments		-	390.932	390.932	-	219.080	219.080
1.2.3 Other Financial Assets		28.037	597.018	625.055	40.636	452.652	493.288
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(5.1.c)	8.668.005	14.754.059	23.422.064	6.156.688	7.058.091	13.214.779
1.3.1 Government Debt Securities		8.667.539	14.754.059	23.421.598	6.156.222	6.695.407	12.851.629
1.3.2 Equity Instruments		466	-	466	466	-	466
1.3.3 Other Financial Assets		-	-	-	-	362.684	362.684
1.4 Derivative Financial Assets		2.009.261	5.938.332	7.947.593	1.040.235	1.659.523	2.699.758
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss	(5.1.b)	2.009.261	5.938.332	7.947.593	1.040.235	1.659.523	2.699.758
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)		106.822.462	67.734.441	174.556.903	87.198.723	40.969.691	128.168.414
2.1 Loans	(5.1.d)	122.514.228	66.806.450	189.320.678	92.499.646	42.518.851	135.018.497
2.2 Lease Receivables	(5.1.i)	-	-	-	-	-	-
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Financial Assets Measured at Amortised Cost	(5.1.e)	1.531.183	5.593.638	7.124.821	4.109.356	3.152.687	7.262.043
2.4.1 Government Debt Securities		1.531.183	5.593.638	7.124.821	4.109.356	3.152.687	7.262.043
2.4.2 Other Financial Assets		-	-	-	-	-	-
2.5 Expected Credit Loss (-)		17.222.949	4.665.647	21.888.596	9.410.279	4.701.847	14.112.126
III. NON CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(5.1.o)	-	-	-	-	-	-
3.1 Held for Sale		-	-	-	-	-	-
3.2 Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		3.837.123	26.894.162	30.731.285	2.692.212	16.108.882	18.801.094
4.1 Investments in Associates (Net)	(5.1.f)	12.102	-	12.102	12.102	-	12.102
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		12.102	-	12.102	12.102	-	12.102
4.2 Subsidiaries (Net)	(5.1.g)	3.822.221	26.894.162	30.716.383	2.677.310	16.108.882	18.786.192
4.2.1 Unconsolidated Financial Subsidiaries		2.436.944	26.894.162	29.331.106	1.858.688	16.108.882	17.967.570
4.2.2 Unconsolidated Non-Financial Subsidiaries		1.385.277	-	1.385.277	818.622	-	818.622
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)	1.144.457	723	1.145.180	1.051.130	165	1.051.295
VI. INTANGIBLE ASSETS (Net)	(5.1.l)	491.153	-	491.153	346.815	-	346.815
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		491.153	-	491.153	346.815	-	346.815
VII. INVESTMENT PROPERTIES (Net)	(5.1.m)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		389.296	-	389.296	296.166	-	296.166
IX. DEFERRED TAX ASSET	(5.1.n)	2.978.527	-	2.978.527	1.349.707	-	1.349.707
X. OTHER ASSETS (Net)	(5.1.p)	5.838.180	2.727.652	8.565.832	3.786.277	1.928.342	5.714.619
TOTAL ASSETS		136.956.352	171.763.112	308.719.464	108.570.475	90.685.261	199.255.736

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

DENİZBANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT
OF FINANCIAL POSITION (BALANCE SHEET)
AS OF 31 DECEMBER 2021

(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 (31/12/2021)			Audited PRIOR PERIOD (31/12/2020)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.II.a)	57.070.298	129.770.954	186.841.252	50.006.943	73.359.272	123.366.215
II. FUNDS BORROWED	(5.II.c)	518.067	46.710.232	47.228.299	434.148	22.942.361	23.376.509
III. DUE TO MONEY MARKETS		863.626	6.916.888	7.780.514	1.173.512	3.305.635	4.479.147
IV. SECURITIES ISSUED (Net)	(5.II.d)	3.979.038	2.609.796	6.588.834	2.273.039	451.604	2.724.643
4.1 Bills		3.387.685	2.609.796	5.997.481	1.523.711	451.604	1.975.315
4.2 Assets Backed Securities		-	-	-	-	-	-
4.3 Bonds		591.353	-	591.353	749.328	-	749.328
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES		1.245.505	2.204.088	3.449.593	283.384	1.867.142	2.150.526
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss	(5.II.b)	1.245.505	2.204.088	3.449.593	283.384	1.867.142	2.150.526
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(5.II.g)	-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES	(5.II.f)	686.616	4.729	691.345	618.305	2.915	621.220
X. PROVISIONS	(5.II.h)	3.004.964	253.115	3.258.079	2.016.427	206.982	2.223.409
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		678.712	-	678.712	516.109	-	516.109
10.3 Insurance for Technical Provision (Net)		-	-	-	-	-	-
10.4 Other Provisions		2.326.252	253.115	2.579.367	1.500.318	206.982	1.707.300
XI. CURRENT TAX LIABILITY	(5.II.i)	349.429	-	349.429	252.567	-	252.567
XII. DEFERRED TAX LIABILITIES	(5.II.i)	-	-	-	-	-	-
XIII. NON CURRENT LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(5.II.j)	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS		-	10.484.778	10.484.778	-	5.917.420	5.917.420
14.1 Loans	(5.II.k)	-	10.484.778	10.484.778	-	5.917.420	5.917.420
14.2 Other Debt Instruments		-	-	-	-	-	-
XV. OTHER LIABILITIES	(5.II.e)	8.012.275	5.178.151	13.190.426	5.145.877	6.109.451	11.255.328
XVI. SHAREHOLDERS' EQUITY	(5.II.l)	30.194.353	(1.337.438)	28.856.915	22.607.184	281.568	22.888.752
16.1 Paid-in Capital		5.696.100	-	5.696.100	5.696.100	-	5.696.100
16.2 Capital Reserves		77.068	-	77.068	77.068	-	77.068
16.2.1 Share Premium		15	-	15	15	-	15
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		77.053	-	77.053	77.053	-	77.053
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		1.092.545	-	1.092.545	416.092	-	416.092
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		5.464.471	(1.337.438)	4.127.033	2.100.673	281.568	2.382.241
16.5 Profit Reserves		13.071.979	-	13.071.979	11.278.754	-	11.278.754
16.5.1 Legal Reserves		611.399	-	611.399	521.738	-	521.738
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		12.460.580	-	12.460.580	10.757.016	-	10.757.016
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Income or (Loss)		4.792.190	-	4.792.190	3.038.497	-	3.038.497
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)		3.546.918	-	3.546.918	1.793.225	-	1.793.225
16.7 Minority Shares		-	-	-	-	-	-
TOTAL LIABILITIES		105.924.171	202.795.293	308.719.464	84.811.386	114.444.350	199.255.736

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

DENİZBANK ANONİM ŞİRKETİ

UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS AS OF 31 DECEMBER 2021

(Currency: Thousands of TL - Turkish Lira)

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

Note	Audited CURRENT PERIOD (31/12/2021)			Audited PRIOR PERIOD (31/12/2020)		
	TL	FC	Total	TL	FC	Total
A. COMMITMENTS AND CONTINGENCIES (I+II+III)	143.379.342	359.979.286	503.358.628	106.642.949	177.641.492	284.284.441
I. GUARANTEES AND WARRANTIES (5.III.a)	15.548.597	51.524.327	67.072.924	12.860.576	29.868.791	42.729.367
1.1. Letters of Guarantee	15.308.343	33.749.005	49.057.348	12.566.878	19.307.776	31.874.654
1.1.1. Guarantees Subject to Public Procurement Law	-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations	79.021	211.237	290.258	79.021	124.588	203.609
1.1.3. Other Letters of Guarantee	15.229.322	33.537.768	48.767.090	12.487.857	19.183.188	31.671.045
1.2. Bank Loans	16.000	95.075	111.075	15.250	94.990	110.240
1.2.1. Import Acceptances	16.000	95.075	111.075	15.250	94.990	110.240
1.2.2. Other Bank Acceptances	-	-	-	-	-	-
1.3. Letters of Credit	-	13.493.179	13.493.179	13.006	4.831.683	4.844.689
1.3.1. Documentary Letters of Credit	-	9.463.797	9.463.797	-	3.570.421	3.570.421
1.3.2. Other Letters of Credit	-	4.029.382	4.029.382	13.006	1.261.262	1.274.268
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	224.254	4.187.068	4.411.322	265.442	5.634.342	5.899.784
1.9. Other Sureties	-	-	-	-	-	-
II. COMMITMENTS (5.III.a)	70.588.756	9.525.221	80.113.977	53.867.533	10.314.327	64.181.860
2.1. Irrevocable Commitments	69.817.191	9.525.221	79.342.412	53.328.017	10.314.327	63.642.344
2.1.1. Forward Asset Purchase Commitments	2.797.300	5.298.071	8.095.371	841.692	4.987.988	5.829.680
2.1.2. Forward Deposit Purchase and Sale Commitments	-	-	-	-	-	-
2.1.3. Capital Commitments to Subsidiaries and Associates	-	-	-	4.000	-	4.000
2.1.4. Loan Granting Commitments	21.028.309	-	21.028.309	17.234.415	-	17.234.415
2.1.5. Securities Underwriting Commitments	-	-	-	-	-	-
2.1.6. Payment Commitments for Reserve Deposits	-	-	-	-	-	-
2.1.7. Payment Commitments for Cheques	3.369.216	-	3.369.216	2.226.674	-	2.226.674
2.1.8. Tax and Fund Liabilities from Export Commitments	2.210	-	2.210	2.023	-	2.023
2.1.9. Commitments for Credit Card Expenditure Limits	42.095.217	-	42.095.217	32.617.301	-	32.617.301
2.1.10. Commitments for Credit Cards and Banking Services Promotions	10.334	-	10.334	11.556	-	11.556
2.1.11. Receivables from Short Sale Commitments	-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments	-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments	514.605	4.227.150	4.741.755	390.356	5.326.339	5.716.695
2.2. Revocable Commitments	771.565	-	771.565	539.516	-	539.516
2.2.1. Revocable Loan Granting Commitments	771.006	-	771.006	538.957	-	538.957
2.2.2. Other Revocable Commitments	559	-	559	559	-	559
III. DERIVATIVE FINANCIAL INSTRUMENTS (5.III.b)	57.241.989	298.929.738	356.171.727	39.914.840	137.458.374	177.373.214
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	57.241.989	298.929.738	356.171.727	39.914.840	137.458.374	177.373.214
3.2.1. Forward Foreign Currency Buy/Sell Transactions	6.900.113	31.266.921	38.167.034	2.693.627	17.354.000	20.047.627
3.2.1.1. Forward Foreign Currency Transactions-Buy	5.122.714	14.099.446	19.222.160	1.829.976	8.414.678	10.244.654
3.2.1.2. Forward Foreign Currency Transactions-Sell	1.777.399	17.167.475	18.944.874	863.651	8.939.322	9.802.973
3.2.2. Currency and Interest Rate Swaps	49.284.624	251.225.845	300.510.469	34.012.623	106.589.487	140.602.110
3.2.2.1. Currency Swap-Buy	1.881.834	105.553.432	107.435.266	279.519	44.574.432	44.853.951
3.2.2.2. Currency Swap-Sell	41.042.790	70.072.016	111.114.806	24.083.104	26.669.500	50.752.604
3.2.2.3. Interest Rate Swap-Buy	3.180.000	37.800.199	40.980.199	4.825.000	17.672.778	22.497.778
3.2.2.4. Interest Rate Swap-Sell	3.180.000	37.800.198	40.980.198	4.825.000	17.672.777	22.497.777
3.2.3. Currency, Interest Rate and Marketable Securities Options	912.955	5.043.004	5.955.959	2.380.869	6.398.258	8.779.127
3.2.3.1. Currency Call Options	423.349	1.946.178	2.369.527	1.055.976	2.678.255	3.734.231
3.2.3.2. Currency Put Options	489.606	1.832.922	2.322.528	1.024.893	2.775.845	3.800.738
3.2.3.3. Interest Rate Call Options	-	631.952	631.952	-	472.079	472.079
3.2.3.4. Interest Rate Put Options	-	631.952	631.952	300.000	472.079	772.079
3.2.3.5. Marketable Securities Call Options	-	-	-	-	-	-
3.2.3.6. Marketable Securities Put Options	-	-	-	-	-	-
3.2.4. Currency Futures	144.297	151.404	295.701	827.721	763.167	1.590.888
3.2.4.1. Currency Futures-Buy	-	151.404	151.404	-	763.167	763.167
3.2.4.2. Currency Futures-Sell	144.297	-	144.297	827.721	-	827.721
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	-	11.242.564	11.242.564	-	6.353.462	6.353.462
B. CUSTODY AND PLEDGED ASSETS (IV+V+VI)	932.440.697	502.673.634	1.435.114.331	638.290.491	275.298.400	913.588.891
IV. CUSTODIES	30.521.372	37.952.259	68.473.631	29.193.410	15.113.581	44.306.991
4.1. Assets Under Management	-	-	-	-	-	-
4.2. Custody Marketable Securities	29.384.862	32.744.424	62.129.286	28.334.566	12.412.991	40.747.557
4.3. Cheques in Collection Process	83.403	3.045.144	3.128.547	62.224	1.424.934	1.487.158
4.4. Commercial Notes in Collection Process	1.053.107	122.050	1.175.157	796.620	112.437	909.057
4.5. Other Assets in Collection Process	-	-	-	-	-	-
4.6. Underwritten Securities	-	-	-	-	-	-
4.7. Other Custodies	-	2.040.641	2.040.641	-	1.163.219	1.163.219
4.8. Custodians	-	-	-	-	-	-
V. PLEDGED ASSETS	900.678.137	462.223.503	1.362.901.640	607.947.181	259.046.744	866.993.925
5.1. Marketable Securities	3.975.123	72.002	4.047.125	3.928.766	21.880	3.950.646
5.2. Collateral Notes	533.553.514	188.100.808	721.654.322	413.307.798	108.475.879	521.783.677
5.3. Commodity	24.060.966	30.189.746	54.250.712	19.430.706	13.496.225	32.926.931
5.4. Warranty	-	-	-	-	-	-
5.5. Land and Buildings	227.879.527	188.570.003	416.449.530	103.075.634	85.250.728	188.326.362
5.6. Other Pledged Assets	111.209.007	55.290.944	166.499.951	68.204.277	51.802.032	120.006.309
5.7. Pledges	-	-	-	-	-	-
VI. ACCEPTED BILL GUARANTEES AND SURETIES	1.241.188	2.497.872	3.739.060	1.149.900	1.138.075	2.287.975
TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)	1.075.820.039	862.652.920	1.938.472.959	744.933.440	452.939.892	1.197.873.332

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

DENİZBANK ANONİM ŞİRKETİ

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE PERIOD ENDED 31 DECEMBER 2021

(Currency: Thousands of TL - Turkish Lira)

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

See Note 3.1.c

INCOME AND EXPENSES		Note	Audited CURRENT PERIOD (01/01- 31/12/2021)	Audited PRIOR PERIOD (01/01- 31/12/2020)
I.	INTEREST INCOME	(5.IV.a)	22.332.644	15.840.279
1.1	Interest on Loans		19.667.494	13.656.421
1.2	Interest on Reserve Requirements		333.512	29.693
1.3	Interest on Banks		102.286	178.016
1.4	Interest on Money Market Transactions		37.518	134.254
1.5	Interest on Marketable Securities Portfolio		1.943.661	1.626.935
1.5.1	Fair Value Through Profit or Loss		22.430	16.349
1.5.2	Fair Value Through Other Comprehensive Income		1.503.850	968.825
1.5.3	Measured at Amortized Cost		417.381	641.761
1.6	Financial Lease Interest Income		-	-
1.7	Other Interest Income		248.173	214.960
II.	INTEREST EXPENSE (-)	(5.IV.b)	11.077.518	6.755.453
2.1	Interest on Deposits		8.154.288	4.652.171
2.2	Interest on Funds Borrowed		1.686.134	1.359.902
2.3	Interest Expense on Money Market Transactions		406.768	214.788
2.4	Interest on Securities Issued		593.296	317.337
2.5	Interest on Leases		137.206	129.483
2.6	Other Interest Expenses		99.826	81.772
III.	NET INTEREST INCOME (I - II)		11.255.126	9.084.826
IV.	NET FEES AND COMMISSIONS INCOME		3.805.002	2.739.282
4.1	Fees and Commissions Received		5.693.949	3.550.494
4.1.1	Non-Cash Loans		491.080	460.908
4.1.2	Other	(5.IV.m)	5.202.869	3.089.586
4.2	Fees and Commissions paid (-)		1.888.947	811.212
4.2.1	Non-Cash Loans		4.667	2.120
4.2.2	Other	(5.IV.m)	1.884.280	809.092
V.	DIVIDEND INCOME	(5.IV.c)	3.392	1.782
VI.	TRADING INCOME / LOSS (Net)	(5.IV.d)	92.466	569.182
6.1	Trading Gains / (Losses) on Securities		231.551	137.964
6.2	Gains / (Losses) on Derivate Financial Transactions		13.002.270	(321.459)
6.3	Foreign Exchange Gains / (Losses)		(13.141.355)	752.677
VII.	OTHER OPERATING INCOME	(5.IV.e)	397.399	158.209
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)		15.553.385	12.553.281
IX.	EXPECTED CREDIT LOSS (-)	(5.IV.f)	6.784.205	6.294.948
X.	OTHER PROVISION EXPENSES (-)	(5.IV.f)	286.592	386.105
XI.	PERSONNEL EXPENSE (-)	(5.IV.g)	2.153.438	1.815.650
XII.	OTHER OPERATING EXPENSES (-)	(5.IV.g)	2.987.285	2.556.418
XIII.	NET OPERATING INCOME /LOSS (VIII-IX-X-XI-XII)		3.341.865	1.500.160
XIV.	INCOME AFTER MERGER		-	-
XV.	INCOME / (LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		1.073.421	590.862
XVI.	INCOME / (LOSS) ON NET MONETARY POSITION		-	-
XVII.	PROFIT / LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	(5.IV.i)	4.415.286	2.091.022
XVIII.	TAX PROVISIONS FOR CONTINUED OPERATIONS (±)	(5.IV.j)	(868.368)	(297.797)
18.1	Current Tax Provision		(182.533)	(20.237)
18.2	Deferred Tax Income Effect (+)		(6.978.470)	(3.380.785)
18.3	Deferred Tax Expense Effect (-)		6.292.635	3.103.225
XIX.	CURRENT PERIOD PROFIT / LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)	(5.IV.k)	3.546.918	1.793.225
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1	Income from Non-Current Assets Held for Sale		-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3	Income from Other Discontinued Operations		-	-
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)		-	-
21.1	Expenses for Non-current Assets Held for Sale		-	-
21.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Expenses for Other Discontinued Operations		-	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIV.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-
XXV.	NET PROFIT/(LOSS) (XIX+XXIV)	(5.IV.l)	3.546.918	1.793.225
	Profit / (Loss) Per Share (full TRY)		0,62	0,31

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

DENİZBANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2021

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

(Currency: Thousands of TL - Turkish Lira)

	Audited CURRENT PERIOD (01/01-31/12/2021)	Audited PRIOR PERIOD (01/01-31/12/2020)
I. CURRENT PERIOD INCOME/LOSS	3.546.918	1.793.225
II. OTHER COMPREHENSIVE INCOME	2.421.245	995.679
2.1 Not Reclassified Through Profit or Loss	676.453	(317.306)
2.1.1 Property and Equipment Revaluation Increase/Decrease	131.269	32.195
2.1.2 Intangible Assets Revaluation Increase/Decrease	--	--
2.1.3 Defined Benefit Pension Plan Remeasurement Gain/Loss	4.605	(52.034)
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	566.122	(298.621)
2.1.5 Tax on Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(25.543)	1.154
2.2 Reclassified Through Profit or Loss	1.744.792	1.312.985
2.2.1 Foreign Currency Translation Differences	11.104.491	4.360.343
2.2.2 Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	(1.768.925)	362.826
2.2.3 Cash Flow Hedge Income/Loss	24.303	(7.390)
2.2.4 Foreign Net Investment Hedge Income/Loss	(10.029.238)	(4.033.675)
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	2.414.161	630.881
III. TOTAL COMPREHENSIVE INCOME (I+II)	5.968.163	2.788.904

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

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

[illegible]

(*) Includes the amounts recognised due to the associates and subsidiaries within the scope of TAS 27.

DENİZBANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2021
(Currency: Thousands of TL - Turkish Lira)

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

	Footnote	Audited CURRENT PERIOD (01/01-31/12/2021)	Audited PRIOR PERIOD (01/01-31/12/2020)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		5.904.809	961.099
1.1.1 Interest received (+)		21.460.117	14.692.448
1.1.2 Interest paid (-)		10.623.646	6.599.107
1.1.3 Dividends received (+)		153.692	1.782
1.1.4 Fees and commissions received (+)		5.601.508	3.529.278
1.1.5 Other income (+)		137.616	87.076
1.1.6 Collections from previously written off loans and other receivables (+)		4.026.551	3.692.693
1.1.7 Cash payments to personnel and service suppliers (-)		1.990.931	1.663.783
1.1.8 Taxes paid (-)		580.152	254.173
1.1.9 Other (+/-)	(5.VI.c)	(12.279.946)	(12.525.115)
1.2 Changes in operating assets and liabilities subject to banking operations		4.379.170	(3.589.024)
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value through Profit or Loss (+/-)		(376.527)	(252.373)
1.2.2 Net (increase) decrease in due from banks (+/-)		81.856	24.266
1.2.3 Net (increase) decrease in loans		(41.880.863)	(25.054.379)
1.2.4 Net (increase) decrease in other assets (+/-)		(15.418.712)	(4.428.628)
1.2.5 Net increase (decrease) in bank deposits (+/-)		1.160.387	11.188.675
1.2.6 Net increase (decrease) in other deposits (+/-)		51.766.141	11.956.937
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 (+/-)		3.516.459	(1.677.343)
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(5.VI.c)	5.530.429	4.653.821
I. Net cash provided from banking operations(+/-)		10.283.979	(2.627.925)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / used in investing activities(+/-)		(10.014.229)	(3.075.128)
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures (-)		4.000	645.888
2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures (+)		-	-
2.3 Cash paid for the purchase of tangible and intangible asset (-)		2.127.186	1.586.089
2.4 Cash obtained from the sale of tangible and intangible asset (+)		382.907	346.913
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (-)		15.931.741	7.052.381
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+)		6.421.852	5.673.131
2.7 Cash paid for the purchase of financial assets at amortised cost (-)		-	-
2.8 Cash obtained from sale of financial assets at amortised cost (+)		-	-
2.9 Other (+/-)		1.243.939	189.186
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flows from financing activities (+/-)		5.796.713	6.971.880
3.1 Cash obtained from funds borrowed and securities issued (+)		42.276.781	28.457.497
3.2 Cash outflow from funds borrowed and securities issued (-)		36.186.472	21.224.497
3.3 Equity instruments issued (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for lease liabilities (-)		293.596	261.120
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents(+/-)	(5.VI.c)	9.061.266	2.051.882
V. Net increase in cash and cash equivalents	(5.VI.c)	15.127.729	3.320.709
VI. Cash and cash equivalents at the beginning of the period (+)	(5.VI.a)	16.668.508	13.347.799
VII. Cash and Cash Equivalents at the End of the Period	(5.VI.a)	31.796.237	16.668.508

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

DENİZBANK ANONİM ŞİRKETİ

UNCONSOLIDATED PROFIT DISTRIBUTION TABLE

FOR THE PERIOD ENDED 31 DECEMBER 2021

(Currency: Thousands of TL - Turkish Lira)

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

	Audited CURRENT PERIOD ⁽³⁾ (01/01-31/12/2021)	Audited PRIOR PERIOD ⁽³⁾ (01/01-31/12/2020)
I. DISTRIBUTION OF CURRENT YEAR INCOME ⁽¹⁾		
1.1 CURRENT YEAR INCOME	4.415.286	2.091.022
1.2 TAXES AND DUTIES PAYABLE (-)	(868.368)	(297.797)
1.2.1 Corporate Tax (Income Tax)	(182.533)	(20.237)
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties ⁽²⁾	(685.835)	(277.560)
A. NET INCOME FOR THE YEAR (1.1-1.2)	3.546.918	1.793.225
1.3 PRIOR YEAR LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	89.661
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	3.546.918	1.703.564
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	-	1.703.564
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	0,006	0,003
3.2 TO OWNERS OF ORDINARY SHARES (%)	0,62	0,31
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(1) Profit distribution has not been decided yet since the General Assembly meeting of the Bank has not been held as of the date on which the financial statements are published; only the amount of distributable profit is specified in the profit distribution table.

(2) It is considered that the amount of income related to deferred tax assets by the BRSA can not be qualified as cash or internal resources and therefore should not be subject to the distribution of the profit for the period. The Bank has a deferred tax expense amounting to TL 685.835 as of 31 December 2021 (31 December 2020: TL 277.560 deferred tax expense).

(3) It includes effects of TAS 27 standard.

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

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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 20 January 2022, Public Oversight Authority (POA) made a statement on the Implementation of Financial Reporting in High Inflation Economies within the Scope of Turkish Financial Reporting Standards, Financial Reporting Standard for Large and Medium Sized Enterprises. Accordingly, it has been stated that entities applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting in High Inflation Economies.

Within the scope of the Benchmark Interest Rate Reform process, which continues on a global basis, the Bank has transactions in loans, securities, borrowing and derivative instruments. The required infrastructure developments for each product have been started in our bank in 2021, and developments for products that have a significant weight in the Bank's balance sheet have been completed and started to be used. On the other hand, it should be noted that a significant part of the current transactions are indexed to EURIBOR and USD LIBOR reference interest rates, EURIBOR will be continued to be used after the transition, and USD LIBOR rates will be continued to be published in Overnight, 1M, 3M, 6M and 1Y grades until 2023/June. It is not expected that there will be an issue in the conversion process of existing transactions.

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.

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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 2021	31 December 2020
US Dollar	TL 13,3290	TL 7,4194
Euro	TL 15,0867	TL 9,1164

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

As of 31 December 2021, net foreign exchange loss included in the statement of profit or loss amounts to TL 13.141.355 (1 January - 31 December 2020: TL 752.677 net foreign exchange profit).

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

The foreign exchange differences of TL 451.067 (31 December 2020: TL 9.967), arising from the translation of the financial statements of Bahrain branch of the Bank to Turkish Lira in accordance with TAS 21, and TL 19.768.988 (31 December 2020: TL 9.105.597), arising from the accounting of the Bank's foreign currency subsidiaries Denizbank AG, JSC Denizbank and Eurodeniz 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 1.673 million and US Dollar 7 million belonging to Denizbank AG and Eurodeniz, which are 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.

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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. Bank accrues interest based on expected cash flows for its non-performing loans.

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.

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.

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.

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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 2021, 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. Taking into account the COVID-19 conditions, forward-looking macroeconomic expectations have also been updated for the entire loan portfolio.

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.

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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.

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.

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

In the first step, the outputs of internal rating systems for PD calculations in accordance with TFRS 9 are grouped on the basis of risk segments according to common characteristics of credit risks. Retrospective historical default data of these groups have been prepared. In order to generate reasonable and valid accumulated default rates, a bucket generation analysis has been performed for the default data obtained from the model.

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

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

Internal validation of the process described above was carried out at the end of 2021.

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 2021.

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.

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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 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 2021, 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.

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.

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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 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.

As 31 December 2021 and 31 December 2020, the Bank does not have non-current assets held for sale and discontinued operations.

XII. Explanations on goodwill and other intangible assets

a. Goodwill

Goodwill represents the excess of the total acquisition costs over the shares owned in the net assets of the acquired company at the date of acquisition. The "net goodwill" resulted from the acquisition of the investment and to be included in the 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.

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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 Years	10 % - 50 %
- Furniture and fixtures	5 Years	10 % - 50 %
- Motor vehicles	5 Years	20 % - 50 %
- Other equipment	10 Years	2,50 % - 50 %
Real estate	50 Years	2 % - 3,03 %

Maintenance and repair costs 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.

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". Impacts and adoption of transition to TFRS 16 is disclosed in Section Three, note XXVI.

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.

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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

With the provisional article added to the Corporate Tax Law numbered 5520 by the Clause 91 of law no.7061, the tax rate applied as 22% for the corporate earnings of the taxation periods of 2018, 2019 and 2020 (accounting periods starting in the related year for the institutions designated as special accounting period) and according to the Law No. 7316 published in the Official Gazette dated 22 April 2021, the declaration to be given starting from 1/7/2021 and to be valid for the taxation period starting from 1/1/2021 while the corporate tax rate for corporate earnings in Turkey has been increased to 25% for the 2021 taxation period, this rate will be applied as 23% for the 2022 taxation period and will be applied as 20% for 2023 and subsequent taxation periods.

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.

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

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 2021 deferred tax assets of TL 2.978.527 (31 December 2020: TL 1.349.707) 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.

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In the deferred tax calculations, 23% rate is used for the transactions that will be valid in the year of 2022, and 20% for the transactions that will be valid after 2022 (31 December 2020: 20%).

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 2021 and 2020, 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

None.

XXVI. Explanations on TFRS 16 Leases standard

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

Right-of-use asset

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

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

When applying the cost method, the right of use is measured:

- After deducting accumulated depreciation and accumulated impairment losses, and
- From the adjusted cost according to the remeasurement of the rent obligation.

Group applies the depreciation provisions of TAS 16 Tangible Fixed Assets when depreciating the right of use assets.

Lease obligation

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

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

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

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

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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 41,757.473 (31 December 2020: TL 30,330.271) while its capital adequacy standard ratio is 17,88% as of 31 December 2021 (31 December 2020: 18,67%).

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

-In the calculation of the amount subject to credit risk, in accordance with the "Regulation on Assessment and Evaluation of the Capital Adequacy of Banks"; banks may use the simple arithmetic average of the Central Bank's foreign exchange buying rates for the last 252 business days before the calculation date, when determining the 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.

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

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a. Components of equity items

	Current Period 31 December 2021	Prior Period 31 December 2020
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	13.071.979	11.278.754
Gains recognised in equity as per TAS ⁽¹⁾	7.009.095	3.652.878
Profit	4.792.190	3.038.497
Current Period Profit	3.546.918	1.793.225
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	778	778
Common Equity Tier I Capital Before Deductions	30.570.157	23.667.022
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	248.019	361.206
Improvement costs for operating leasing	69.091	53.967
Goodwill (net of related tax liability)	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	491.153	346.815
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	517.702	--
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	1.325.965	761.988
Total Common Equity Tier I Capital	29.244.192	22.905.034
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)	29.244.192	22.905.034

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TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	10.398.821	5.870.996
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	--	--
Provisions (Article 8 of the Regulation on the Equity of Banks)	2.627.677	1.816.485
Tier II Capital Before Deduction	13.026.498	7.687.481
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	435.858	242.614
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	435.858	242.614
Total Tier II Capital	12.590.640	7.444.867
Total Capital (The sum of Tier I Capital and Tier II Capital)	41.834.832	30.349.901
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	77.359	19.630
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)	41.757.473	30.330.271
Total risk weighted amounts	233.602.452	162.458.536
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	12,52	14,10
Tier I Capital Adequacy Ratio (%)	12,52	14,10
Capital Adequacy Ratio (%)	17,88	18,67
BUFFERS		
Total additional Common Equity Tier I Capital requirement ratio	2,868	2,878
Bank specific total common equity tier I capital ratio (%)	2,500	2,500
Capital conservation buffer requirement (%)	0,368	0,378
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 (%)	1,576	2,119
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)	11.913.016	6.693.432
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	2.627.677	1.816.485
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 ⁽²⁾	--	--
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	--	--

(1) As of May 2018, the difference between the provision for expected credit loss calculated in accordance with TFRS 9 and the total provision amount calculated before the application of TFRS 9 has been recorded in "Prior Years' Profit and Loss" account. Therefore, in accordance with Provisional Article 5 of the "Regulation on Equity of Banks", this amount has started to be shown net in the calculation of equity by adding 20% of the portion after deduction of the tax amount resulting from the difference (31 December 2020: 40%).

(2) 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)	1735	1999	3999	2666
Par value of instrument (Currency in mil)	1735	1999	3999	2666
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 first and second stage loss provisions. The portion of main amount to credit risk of first and second stage loss provisions up to 1,25% considered as supplementary capital in the calculation of "Equity" amount included in equity statement as result of deductions mentioned in scope of Regulation on Equity of Banks. Additionally, Losses reflected to equity are determined through excluding losses sourcing from cash flow hedge reflected in equity in accordance with TAS which are subjects of discount from Core Capital. On the other hand, leasehold improvement costs monitored under Plant, Property and Equipment in balance sheet, intangible assets and deferred tax liabilities related to intangible assets, net carrying value of properties acquired in return for receivables and kept for over three years and certain other accounts determined by the Board are taken into consideration in the calculation as assets deducted from capital.

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

EQUITY ITEMS	T-3	T-4
Core Capital	29.244.192	29.244.192
<i>Transition Process Unapplied Core Capital</i>	<i>29.113.177</i>	<i>29.244.192</i>
Tier I Capital	29.244.192	29.244.192
<i>Transition Process Unapplied Main Capital</i>	<i>29.113.177</i>	<i>29.244.192</i>
Equity	41.757.473	41.757.473
<i>Transition Process Unapplied Equity</i>	<i>41.626.458</i>	<i>41.757.473</i>
TOTAL RISK WEIGHTED AMOUNTS		
Total Risk Weighted Amounts	233.602.452	233.602.452
CAPITAL ADEQUACY RATIO		
Core Capital Adequacy Ratio (%)	12,52	12,52
<i>Transition Process Unapplied Core Capital Adequacy Ratio (%)</i>	<i>12,46</i>	<i>12,52</i>
Main Capital Adequacy Ratio (%)	12,52	12,52
<i>Transition Period Unapplied Main Capital Adequacy Ratio (%)</i>	<i>12,46</i>	<i>12,52</i>
Capital Adequacy Ratio (%)	17,88	17,88
<i>Transition Process Unapplied Capital Adequacy Ratio (%)</i>	<i>17,82</i>	<i>17,88</i>
LEVERAGE RATIO		
Total Leverage Ratio Risk Exposure	430.392.661	430.392.661
Leverage Ratio	6,35	6,35
<i>Transition Process Unapplied Leverage Ratio</i>	<i>6,29</i>	<i>6,35</i>

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.

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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	62.128.321	52.803.680
2 Receivables from regional or local governments	3.372.334	3.731.209
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	13.131.298	12.556.967
7 Receivables from corporate portfolio	81.796.974	72.864.702
8 Receivables from retail portfolio	84.641.050	75.372.579
9 Receivables secured by residential mortgages	3.561.154	3.386.789
10 Receivables secured by commercial mortgages	15.013.807	15.825.919
11 Past due receivables	4.140.418	3.550.498
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	21.690	10.718
16 Other receivables	12.087.095	10.030.209
17 Equity investments	30.731.751	23.709.524
18 Total	310.625.892	273.842.794

(*) 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	40.550.434	37.051.689
2 Receivables from regional or local governments	3.968.611	3.203.929
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	10.249.397	9.347.155
7 Receivables from corporate portfolio	63.644.364	58.419.294
8 Receivables from retail portfolio	62.567.261	57.654.771
9 Receivables secured by residential mortgages	3.191.410	3.278.929
10 Receivables secured by commercial mortgages	14.984.482	13.777.319
11 Past due receivables	3.817.466	4.158.419
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	1.181	3.264
16 Other receivables	6.852.654	6.490.982
17 Equity investments	18.801.560	17.049.434
18 Total	228.628.820	210.435.185

(*) 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.

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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 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.

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 35% and 41% of the total cash loans portfolio (31 December 2020: 31%, 37%).

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 55% and 65% of the total non-cash loans portfolio (31 December 2020: 51%, 62%).

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 21% and 27% of the total balance sheet and off-balance sheet assets (31 December 2020: 20%, 26%).

g. Expected credit loss for credit risk undertaken by Bank

As at 31 December 2021, stage 1 and stage 2 provisions for expected credit loss for credit risk undertaken by Bank amounts to TL 11.913.016.

As at 31 December 2020, stage 1 and stage 2 provisions for expected credit loss for credit risk undertaken by Bank amounts to TL 6.693.432.

h. Information on loans and provisions for expected loss

Current Period - 31 December 2021	Balance	Provision
Loans	189.838.033	21.887.816
Stage 1	143.199.743	2.156.402
Stage 2	30.903.429	8.924.015
Stage 3	15.217.506	10.807.399
kFinancial Assets	96.389.303	992
Other	8.574.564	8.732
Non-cash Loans	139.091.530	1.465.757
Stage 1 and 2	137.115.664	822.875
Stage 3	1.975.866	642.882
Total	433.893.430	23.363.297

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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 2021)	966.707	5.205.339	7.939.398	14.111.444
Transfers	233.085	(793.350)	560.265	—
Stage 1	339.417	(337.250)	(2.167)	—
Stage 2	(79.595)	186.408	(106.813)	—
Stage 3	(26.737)	(642.508)	669.245	—
Loans addition in the period	412.266	155.046	149.648	716.960
Disposals from loans in the period	(44.450)	(302.225)	(288.200)	(634.875)
Provisions changes during the period (*)	588.795	4.659.205	2.294.411	7.542.411
Loans written off (**)	—	—	(795.175)	(795.175)
Loans sold	—	—	(39.860)	(39.860)
FX Differences	—	—	986.912	986.912
Balance at the end of the period (31 December 2021)	2.156.403	8.924.015	10.807.399	21.887.817

(*) 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 2021, the Bank written-off its loans amounting to TL 795.175 from the records. The non-performing loans portfolio amounting to TL 39.860 has been sold.

j. Information on loan movements (*)

	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the period (1 January 2021)	96.586.136	26.468.138	11.964.223	135.018.497
Transfers	(537.593)	(3.262.993)	3.800.586	—
Stage 1	4.807.872	(4.804.253)	(3.619)	—
Stage 2	(4.235.663)	4.399.341	(163.678)	—
Stage 3	(1.109.802)	(2.858.081)	3.967.883	—
Loans addition in the period	72.455.591	11.967.593	2.771.733	87.194.917
Disposals from loans in the period	(25.304.391)	(4.269.309)	(3.859.254)	(33.432.954)
Loans written off (**)	—	—	(795.175)	(795.175)
Loans sold	—	—	(39.860)	(39.860)
FX Differences	—	—	1.375.253	1.375.253
Balance at the end of the period (31 December 2021)	143.199.743	30.903.429	15.217.506	189.320.678

(*) The balances of loans at fair value through profit or loss are not included.

(**) As of 31 December 2021, 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 795.175 were written-off from the records. The non-performing loans portfolio amounting to TL 39.860 has been sold. The effect of this accounting treatment on the non-performing loans and loans sold ratio of the Bank is 40 basis points.

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k. Profile of significant exposures in major regions

Current Period	Risk Classifications (*) (**)																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Domestic	59,124,152	3,350,136	--	--	--	1,310,096	51,020,786	79,691,117	3,166,218	12,978,151	3,352,457	--	--	--	--	11,643,366	466
European Union Countries	--	--	--	--	--	2,614,247	736,104	45,150	11,654	12,143	22,611	--	--	--	--	343,948	--
OECD Countries (**)	--	--	--	--	--	67,852	--	961	214	--	3	--	--	--	--	--	--
Off-Shore Banking Regions	--	--	--	--	--	1,565	500,849	4,865	15,697	573,238	387,588	--	--	--	--	99,781	--
USA, Canada	--	--	--	--	--	2,142,346	88,967	1,381	1,263	236	--	--	--	--	--	--	--
Other Countries	--	--	--	--	--	121,447	884,702	26,050	13,842	40,462	9,147	--	--	--	--	--	--
Subsidiaries, Associates and jointly controlled companies	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Unallocated Assets/Liabilities	3,004,169	22,198	--	--	--	6,873,745	28,565,556	4,871,526	352,266	1,409,577	368,612	--	--	--	21,690	--	--
Total	62,128,321	3,372,334	--	--	--	13,131,298	81,796,974	84,641,050	3,561,154	15,013,807	4,140,418	--	--	--	21,690	12,087,095	30,731,285
																	30,731,285
																	45,489,339
																	310,625,892

Prior Period	Risk Classifications (*) (**)																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Domestic	40,264,561	3,949,191	--	--	--	1,408,186	37,312,658	59,078,502	2,821,821	13,184,296	3,485,153	--	--	--	--	6,852,654	466
European Union Countries	--	--	--	--	--	3,130,536	838,014	54,140	18,430	6,174	31,916	--	--	--	--	--	--
OECD Countries (**)	--	--	--	--	--	126,397	--	2,453	1,101	--	--	--	--	--	--	--	--
Off-Shore Banking Regions	--	--	--	--	--	302	919,683	3,661	5,121	364,443	2	--	--	--	--	--	--
USA, Canada	92,138	--	--	--	--	1,268,335	70,183	1,265	1,938	252	--	--	--	--	--	--	--
Other Countries	--	--	--	--	--	57,239	696,781	29,438	31,750	6,810	46,600	--	--	--	--	--	--
Subsidiaries, Associates and jointly controlled companies	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Unallocated Assets/Liabilities	193,735	19,420	--	--	--	4,258,402	23,807,045	3,397,802	311,249	1,422,507	253,795	--	--	--	1,181	--	--
Total	40,550,434	3,968,611	--	--	--	10,249,397	63,644,364	62,567,261	3,191,410	14,984,482	3,817,466	--	--	--	1,181	6,852,654	18,801,094
																	18,801,094
																	33,665,136
																	228,628,820

(*) 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	10: Receivables secured by commercial mortgages
2: Receivables from regional or local governments	11: Past due receivables
3: Receivables from administrative bodies and non-commercial enterprises	12: Receivables defined in high risk category by BRSA
4: Receivables from multilateral development banks	13: Securities collateralized by mortgages
5: Receivables from international organizations	14: Short-term receivables from banks, brokerage houses and corporate portfolio
6: Receivables from banks and brokerage houses	15: Investments similar to collective investment funds
7: Receivables from corporate portfolio	16: Other receivables
8: Receivables from retail portfolio	17: Equity investments
9: Receivables secured by residential mortgages	

(**) 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

Risk Classifications (%)																				
Current Period: 31 December 2021																				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	TL	FC	Total	
Agricultural	50																			
Farming and Cattle	173,351	50					1,193,177	14,489,904	305,004	2,352,926	232,942					12		18,346,143	381,223	18,727,366
Forestry	173,351	50					1,193,032	14,450,970	301,937	2,351,969	231,531					12		18,321,629	381,223	18,702,852
Fishing								2,733	1,907	148	7						4,795			4,795
Manufacturing								16,201	1,160	809	1,404						19,719			19,719
Mining							26,636,263	3,217,615	340,554	2,238,485	209,802					12		9,349,567	23,293,164	32,642,731
Production							1,283,354	193,920	24,661	55,547	6,359						557,456	1,006,385	1,563,841	
Electric, Gas, Water							18,533,523	2,994,335	303,944	2,157,541	131,335					12		7,933,873	16,186,817	24,120,690
Construction							6,819,386	29,360	11,949	25,397	72,108						858,238	6,099,962	6,958,200	
Wholesale and Retail Trade	885,000						13,680,145	1,672,618	395,874	933,675	697,026					12	2,800	6,816,410	11,450,747	18,267,157
Hotel and Restaurant Services	19,516						4,111,334	31,365,804	9,808,002	1,168,164	7,525,680	1,563,667			4,538	130,988	30,066,638	28,418,774	85,764,414	
Transportation and telecommunication	83	3,414					10,276,657	7,659,658	785,698	1,670,762	447,802					63	13,471,556	7,372,581	20,844,137	
Financial institution							9,144,715	361,948	99,318	4,448,834	884,372						2,686,704	12,252,483	14,939,187	
Real estate and letting services							5,795,975	1,297,473	182,173	617,857	177,332					816	3,143,177	4,928,449	8,071,626	
Self-employment services							3,646,469	92,085	8,764	21,171	1,001			4,538	130,103	30,056,638	35,446,806	2,625,997	38,072,103	
Education services		10,427					4,111,334	105,530	17,647	19,180	3,694					6	10,000	267,942	89,502	357,444
Health and social services		4,937																		
Other	61,954,887	2,467,768					474,897	161,242	53,952	443,962	26,288						1,152,132	13,146	1,165,278	
Total	62,128,321	3,372,334					1,836,131	130,066	20,612	303,914	23,178						1,177,323	1,137,316	2,314,639	
							9,019,957	8,921,585	55,472,911	1,351,558	1,963,041	1,436,981			17,152	11,956,071	662,313	96,329,714	58,894,510	155,224,224
							13,131,298	81,796,974	84,641,050	3,561,154	15,013,807	4,140,418			21,690	12,087,095	30,731,751	188,187,474	122,438,418	310,625,892

(*) 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	10: Receivables secured by commercial mortgages
2: Receivables from regional or local governments	11: Past due receivables
3: Receivables from administrative bodies and non-commercial enterprises	12: Receivables defined in high risk category by BRSA
4: Receivables from multilateral development banks	13: Securities collateralized by mortgages
5: Receivables from international organizations	14: Short-term receivables from banks, brokerage houses and corporate portfolio
6: Receivables from banks and brokerage houses	15: Investments similar to collective investment funds
7: Receivables from corporate portfolio	16: Other receivables
8: Receivables from retail portfolio	17: Equity investments
9: Receivables secured by residential mortgages	

(**) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

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	1	2	3	4	5	6	7	Risk Classifications (%) ^(*)										17	TL	FC	Total
Prior Period: 31 December 2020																					
Agriculture	585						831.633	12.607.869	215.772	1.953.472	252.844								15.599.430	262.748	15.862.178
Farming and Cattle	585						824.212	12.591.850	213.496	1.952.755	250.510								15.573.475	259.936	15.833.411
Forestry								3.388	1.662	549	18								5.045	572	5.617
Fishing							7.421	12.631	614	168	2.316								20.910	2.240	23.150
Manufacturing							19.088.557	2.327.945	295.479	1.871.422	644.899								6.840.583	17.367.714	24.208.307
Mining							922.574	175.898	15.355	55.145	22.564								376.288	815.268	1.191.536
Production							13.818.298	2.127.408	273.017	1.500.729	505.815								5.843.492	12.381.790	18.225.282
Electric, Gas, Water							4.327.685	24.639	7.107	315.548	116.510								620.833	4.170.656	4.791.489
Construction								11.439.319	1.442.255	287.482	1.005.116	525.257									
Construction								11.439.319	1.442.255	287.482	1.005.116	525.257									
Services	28	1.955.548					3.416.217	22.033.884	8.417.612	801.828	8.714.463	1.593.796							7.504.083	9.153.711	16.657.794
Wholesale and Retail Trade	28	31.865						7.640.260	6.576.787	539.223	1.815.301	457.432							10.645.594	6.389.731	17.035.325
Hotel and Restaurant Services								5.809.422	291.793	104.779	5.650.004	156.431							2.211.415	10.589.906	12.801.321
Transportation and telecommunication								4.292.833	1.039.205	111.713	7.517	23.497							2.791.858	3.237.906	6.029.764
Financial institution								3.416.217	2.058.388	111.713	7.517	23.497							21.939.034	2.124.220	24.063.254
Real estate and letting services																			6.000	129.792	351.750
Self-employment services								195.405	89.823	7.492	33.136	4.406									
Education services								517.092	174.019	19.138	477.217	25.208							1.208.336	11.925	1.220.261
Health and social services								1.520.484	134.272	15.318	282.375	3.623							1.013.790	944.835	1.958.625
Other	40.549.821	1.981.198					6.833.180	10.270.971	37.771.580	1.580.849	1.440.009	800.680							88.250.378	40.189.863	108.440.241
Total	40.550.434	3.968.611					10.249.397	63.644.364	62.567.261	3.191.410	14.984.482	3.817.466							136.226.469	90.402.351	228.628.820

(*) 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	10: Receivables secured by commercial mortgages
2: Receivables from regional or local governments	11: Past due receivables
3: Receivables from administrative bodies and non-commercial enterprises	12: Receivables defined in high risk category by BRSA
4: Receivables from multilateral development banks	13: Securitized collateralized by mortgages
5: Receivables from international organizations	14: Short-term receivables from banks, brokerage houses and corporate portfolio
6: Receivables from banks and brokerage houses	15: Investments similar to collective investment funds
7: Receivables from corporate portfolio	16: Other receivables
8: Receivables from retail portfolio	17: Equity investments
9: Receivables secured by residential mortgages	

(**) 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	16.185.460	21.218.707	852.467	35.451	--	23.836.236
2 Receivables from regional or local governments	--	2.053	2.185	2.552	60.687	3.304.857
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	3.609.678	2.976.345	558.265	1.083.668	1.227.838	3.675.504
7 Receivables from corporate portfolio	--	11.008.290	6.909.751	6.668.964	12.988.722	44.221.247
8 Receivables from retail portfolio	--	22.265.268	3.404.100	4.747.368	16.232.189	37.992.125
9 Receivables secured by residential mortgages	2	198.691	285.428	308.766	647.421	2.120.846
10 Receivables secured by commercial mortgages	16	507.535	636.558	804.998	2.165.626	10.899.074
11 Past due receivables	3.703.124	70.645	476	25.115	19.715	321.343
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	--	11.249	10.441	--	--	--
16 Other receivables	12.007.204	79.891	--	--	--	--
17 Equity investments	30.731.751	--	--	--	--	--
18 Total	66.237.235	58.338.674	12.659.671	13.676.882	33.342.198	126.371.232

(*) 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	10.306.745	10.615.962	110.013	2.455	9.974	19.505.285
2 Receivables from regional or local governments	--	1.753	8.116	2.867	978.627	2.977.248
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	2.911.865	2.438.923	247.534	1.056.851	1.023.375	2.570.849
7 Receivables from corporate portfolio	--	6.607.074	4.650.160	5.524.757	8.190.146	38.672.227
8 Receivables from retail portfolio	--	15.045.838	1.972.866	2.978.795	12.784.939	29.784.823
9 Receivables secured by residential mortgages	14	149.172	159.794	230.870	464.511	2.187.049
10 Receivables secured by commercial mortgages	1	825.344	509.164	668.889	1.537.084	11.444.000
11 Past due receivables	3.817.466	--	--	--	--	--
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	--	1.169	12	--	--	--
16 Other receivables	6.829.886	22.768	--	--	--	--
17 Equity investments	18.801.560	--	--	--	--	--
18 Total	42.667.537	35.708.003	7.657.659	10.465.484	24.988.656	107.141.481

(*) 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		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-				
3	BBB+	50%	20%	50%	100%
	BBB				
	BBB-				
4	BB+	100%	50%	100%	100%
	BB				
	BB-				
5	B+	100%	50%	100%	150%
	B				
	B-				
6	CCC	150%	150%	150%	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-				
3	BBB+	50%	20%	50%	100%
	BBB				
	BBB-				
4	BB+	100%	50%	100%	100%
	BB				
	BB-				
5	B+	100%	50%	100%	150%
	B				
	B-				
6	CCC	150%	150%	150%	150%
	CC				
	C				
	D				

o. Exposures by risk weights

Current Period

Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%	Equity Deduction
Exposures before Credit Risk Mitigation	66.025.737	--	8.215.312	--	10.600.513	71.874.141	139.855.405	14.054.784	--	--	--	1.839.182
Exposures after Credit Risk Mitigation	70.349.428	--	8.215.133	3.464.688	23.075.773	63.041.238	125.669.553	13.890.348	--	--	--	1.839.182

Prior Period

Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%	Equity Deduction
Exposures before Credit Risk Mitigation	42.103.520	--	6.366.527	--	9.035.816	67.522.468	103.050.957	549.532	--	--	--	1.024.232
Exposures after Credit Risk Mitigation	50.783.823	--	6.366.460	3.040.923	20.795.520	56.923.127	88.426.298	90.347	--	--	--	1.024.232

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p. Information by major sectors and type of counterparties (*)

Current Period	Loans (**)		Provisions
	Impaired (IFRS 9)		Provision for Expected Credit Loss (IFRS 9) (***)
	Significant Increase in Credit Risk (Stage 2)	Credit Impaired (Stage 3)	
Important Sectors/Counterparties			
Agricultural	3.367.594	1.973.995	1.909.625
Farming and Cattle	3.349.899	1.973.257	1.894.926
Forestry	16.992	153	14.017
Fishing	703	585	682
Manufacturing	7.198.634	3.389.020	4.674.551
Mining	61.815	82.170	90.833
Production	2.469.826	1.488.356	2.400.908
Electric, Gas, Water	4.666.993	1.818.494	2.182.810
Construction	2.133.431	1.394.365	2.267.361
Services	10.321.448	5.681.554	7.903.310
Wholesale and Retail Trade	3.145.290	1.436.817	2.438.673
Hotel and Restaurant Services	5.409.475	1.810.846	2.784.553
Transportation & telecommunication	1.021.449	497.097	754.175
Financial institutions	11.682	7.646	8.743
Real estate and letting services	332.890	1.533.963	1.392.805
Self-employment services	93.969	126.104	133.868
Education services	51.572	100.997	106.912
Health and social services	255.121	168.084	283.581
Other	7.882.322	2.778.572	2.976.567
Total	30.903.429	15.217.506	19.731.414

(*) 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 (**)		Provisions
	Impaired (IFRS 9)		Provision for Expected Credit Loss (IFRS 9) (***)
	Significant Increase in Credit Risk (Stage 2)	Credit Impaired (Stage 3)	
Important Sectors/Counterparties			
Agricultural	4.253.668	1.778.983	1.590.535
Farming and Cattle	4.236.909	1.778.110	1.577.054
Forestry	16.414	227	12.808
Fishing	345	646	673
Manufacturing	4.809.643	2.760.528	2.636.481
Mining	688.301	84.457	88.281
Production	2.060.710	1.459.964	1.428.712
Electric, Gas, Water	2.060.632	1.216.107	1.119.488
Construction	1.833.099	1.226.717	1.660.657
Services	8.340.436	5.541.597	5.627.673
Wholesale and Retail Trade	2.885.887	1.171.169	1.530.478
Hotel and Restaurant Services	3.122.923	2.343.897	1.920.182
Transportation & telecommunication	725.244	438.235	510.030
Financial institutions	15.293	5.824	6.155
Real estate and letting services	505.022	1.363.454	1.328.549
Self-employment services	125.633	125.728	135.104
Education services	161.039	33.614	65.621
Health and social services	799.395	59.676	131.554
Other	7.231.292	656.398	1.629.391
Total	26.468.138	11.964.223	13.144.737

(*) 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 2021	Opening Balance 1 January 2020	Charge for the period	Other Adjustments (*)	Closing Balance
Default (Third Stage / Specific Provision)	7.939.398	2.430.779	437.222	10.807.399
12 Months Provision for Expected Credit Loss (First Stage)	966.707	1.228.692	(38.997)	2.156.402
Significant Increase in Credit Risk (Second Stage)	5.205.339	3.141.823	576.853	8.924.015

(*) Includes sales made from non-performing loans, write-off and foreign exchange differences.

Prior Period: 31 December 2020	Opening Balance 1 January 2020	Charge for the period	Other Adjustments (*)	Closing Balance
Default (Third Stage / Specific Provision)	5.590.757	3.400.036	(1.051.395)	7.939.398
12 Months Provision for Expected Credit Loss (First Stage)	876.527	87.408	2.772	966.707
Significant Increase in Credit Risk (Second Stage)	2.378.120	2.824.593	2.626	5.205.339

(*) 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	174.889.733	271.446	175.161.179
Austria	26.148.700	--	26.148.700
Cyprus	703.287	--	703.287
Malta	693.120	--	693.120
Other	4.851.768	--	4.851.768

Prior Period

Country of ultimate risk	Private sector credit exposure in		Total
	banking book	Risk weighted equivalent trading book	
Turkey	128.825.109	229.140	129.054.249
Austria	15.725.826	--	15.725.826
Cyprus	1.091.295	--	1.091.295
Malta	806.076	--	806.076
Other	7.309.708	--	7.309.708

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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 13,3290
Euro purchase rate at the balance sheet date	TL 15,0867

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
27 December 2021	11,3900	12,8903
28 December 2021	11,8302	13,4000
29 December 2021	12,2219	13,8011
30 December 2021	12,9775	14,6823
31 December 2021	13,3290	15,0867

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 2021 are TL 13,6356 and TL 15,4126 respectively.

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f. Information on currency risk

Current Period	EURO	USD	Other FC ⁽⁴⁾	Total
Assets				
Cash Equivalents and Central Bank	18.137.404	23.674.950	5.448.168	47.260.522
Banks	421.019	4.399.052	546.019	5.366.090
Financial Assets at Fair Value through Profit or Loss (Net) ⁽¹⁾	549.790	1.455.724	35.248	2.040.762
Due from Money Markets	--	--	--	--
Financial Assets at Fair Value through Other Comprehensive				
Income	1.974.044	12.780.015	--	14.754.059
Loans ⁽²⁾	42.641.824	22.221.929	1.488.049	66.351.802
Investments in Associates, Subsidiaries and Joint Ventures	26.148.040	746.122	--	26.894.162
Financial Assets Measured at Amortised Cost	--	5.593.638	--	5.593.638
Hedging Derivative Financial Assets	--	--	--	--
Tangible Fixed Assets	--	197	526	723
Intangible Fixed Assets	--	--	--	--
Other Assets ⁽³⁾	263.893	862.128	1.560.101	2.686.122
Total Assets	90.136.014	71.733.755	9.078.111	170.947.880
Liabilities				
Bank Deposits	9.925.830	1.955.797	2.845.756	14.727.383
Foreign Currency Deposits	33.923.709	63.826.388	17.293.474	115.043.571
Due to Money Markets	--	6.916.888	--	6.916.888
Funds Borrowed	18.482.100	35.281.281	3.431.629	57.195.010
Securities Issued	304.425	93.724	2.211.647	2.609.796
Miscellaneous Payables	--	--	--	--
Hedging Derivative Financial Liabilities	--	--	--	--
Other Liabilities ⁽⁵⁾	1.653.884	4.303.545	41.312	5.998.741
Total Liabilities	64.289.948	112.377.623	25.823.818	202.491.389
Net on Balance Sheet Position	25.846.066	(40.643.868)	(16.745.707)	(31.543.509)
Net off-Balance Sheet Position ⁽⁶⁾	(22.548.402)	43.125.007	16.779.558	37.356.163
Financial Derivative Assets	22.900.497	88.242.651	20.464.340	131.607.488
Financial Derivative Liabilities	(45.448.899)	(45.117.644)	(3.684.782)	(94.251.325)
Net Positions	3.297.664	2.481.139	33.851	5.812.654
Non Cash Loans	21.899.202	27.322.834	2.302.291	51.524.327
Prior Period				
Total Assets	50.577.335	36.320.575	5.296.491	92.194.401
Total Liabilities	36.860.258	61.647.963	14.440.907	112.949.128
Net on Balance Sheet Position	13.717.077	(25.327.388)	(9.144.416)	(20.754.727)
Net off-Balance Sheet Position	(12.202.490)	26.205.516	9.020.887	23.023.913
Financial Derivative Assets	8.019.105	43.711.266	12.754.400	64.484.771
Financial Derivative Liabilities	(20.221.595)	(17.505.750)	(3.733.513)	(41.460.858)
Net Positions	1.514.587	878.128	(123.529)	2.269.186
Non Cash Loans	14.390.049	14.203.409	1.275.333	29.868.791

(1) : Foreign currency differences of derivative financial assets amounting to TL 4.984.701 are excluded.

(2) : Foreign currency indexed loans amounting to TL 1.000.658 are included. Stage 1 and Stage 2 loan provisions amounting to TL (3.210.341) are not included.

(3) : Prepaid expenses amounting to TL 41.901 and stage 1 and stage 2 provisions amounting to TL (371) are not included.

(4) : There are gold balances amounting to TL 8.378.847 under total assets and TL 12.440.649 in total liabilities.

(5) : FX equity amounting to TL (1.337.438), foreign exchange rate differences related to derivative financial liabilities amounting to TL 1.613.328 and stage 1 and stage 2 provisions amounting to TL 28.014 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 exposure

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 2021 and 2020 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	133.037	5.906	(22.721)	4.828
Euro	135.263	128.650	118.573	119.181
Total (Net)	268.300	134.556	95.852	124.009

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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 Banks ⁽¹⁾	4.183.263	--	--	--	--	47.025.134	51.208.397
Financial Assets at Fair Value through Profit or Loss	553.333	--	--	--	--	5.357.917	5.911.250
Due from Money Markets	28.621	8.667	783.004	46.704	61.375	8.171.468	9.099.839
Financial Assets at Fair Value through Other Comprehensive Income	219.738	--	--	--	--	--	219.738
Loans ⁽⁴⁾	1.894.254	2.211.072	3.914.597	4.337.370	11.064.305	466	23.422.064
Financial Assets Measured at Amortised Cost ⁽²⁾	72.185.663	7.329.879	18.478.371	50.556.906	14.471.936	4.410.107	167.432.862
Other Assets ⁽³⁾	176.380	680.750	1.853.151	4.413.760	--	--	7.124.041
	--	--	--	399.170	--	43.902.103	44.301.273
Total Assets	79.241.252	10.230.368	25.029.123	59.753.910	25.597.616	108.867.195	308.719.464
Liabilities							
Bank Deposits	10.194.104	4.374.949	327.463	--	--	431.019	15.327.535
Other Deposits	81.025.996	20.567.240	9.494.420	140.399	--	60.285.662	171.513.717
Due to Money Markets	900.416	600.330	6.279.768	--	--	--	7.780.514
Miscellaneous Payables	--	--	--	--	--	--	--
Securities Issued	3.982.261	1.892.034	714.539	--	--	--	6.588.834
Funds Borrowed	2.450.098	25.351.982	16.739.371	2.686.579	10.485.047	--	57.713.077
Other Liabilities ⁽⁵⁾	99.734	2.145.706	2.008.696	512.096	--	45.029.555	49.795.787
Total Liabilities	98.652.609	54.932.241	35.564.257	3.339.074	10.485.047	105.746.236	308.719.464
Balance Sheet Long Position	--	--	--	56.414.836	15.112.569	3.120.959	74.648.364
Balance Sheet Short Position	(19.411.357)	(44.701.873)	(10.535.134)	--	--	--	(74.648.364)
Off-balance Sheet Long Position	93.315.887	50.085.174	23.153.984	6.647.617	8.238.428	--	181.441.090
Off-balance Sheet Short Position	(82.583.730)	(52.885.530)	(16.201.799)	(11.970.710)	(14.625.353)	--	(178.267.122)
Total Position	(8.679.200)	(47.502.229)	(3.582.949)	51.091.743	8.725.644	3.120.959	3.173.968

(1) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (212).

(2) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (780).

(3) Other assets / non-interest bearing column includes; tangible assets, intangible assets, investments in associates, tax asset, assets to be disposed, the provisions for expected credit loss of other assets and other assets with balances of TL 746.010, TL 491.153, TL 30.731.285, TL 3.366.952, TL 3.137.114, TL (8.732) and TL 5.438.321, 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 28.856.915, TL 9.115.539, TL 3.258.079, TL 349.429 and TL 3.449.593, 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⁾	982.481	--	--	--	--	21.607.816	22.590.297
Financial Assets at Fair Value through Profit or Loss	530.838	--	--	--	--	1.862.378	2.393.216
Due from Money Markets	40.800	20.745	442.437	27.557	28.346	2.930.733	3.490.618
Financial Assets at Fair Value through Other Comprehensive Income	1.838.716	--	--	--	--	--	1.838.716
Loans ⁽⁴⁾	1.981.632	1.260.399	3.087.437	4.147.431	2.737.414	466	13.214.779
Financial Assets Measured at Amortised Cost ⁽²⁾	34.940.611	7.291.149	24.003.811	42.827.592	7.819.065	4.024.825	120.907.053
Other Assets ⁽³⁾	2.725.105	452.644	299.725	3.783.887	--	--	7.261.361
	--	--	--	430.401	--	27.129.295	27.559.696
Total Assets	43.040.183	9.024.937	27.833.410	51.216.868	10.584.825	57.555.513	199.255.736
Liabilities							
Bank Deposits	8.479.621	5.010.675	370.438	--	--	298.067	14.158.801
Other Deposits	56.698.635	17.036.218	3.727.814	200.975	--	31.543.772	109.207.414
Due to Money Markets	2.173.491	199.160	2.106.496	--	--	--	4.479.147
Miscellaneous Payables	--	--	--	--	--	--	--
Securities Issued	--	530.503	907.132	644.701	642.307	--	2.724.643
Funds Borrowed	3.454.737	13.383.211	5.229.050	1.309.364	5.917.567	--	29.293.929
Other Liabilities ⁽⁵⁾	571.262	204.789	4.403.183	1.433.674	--	32.778.894	39.391.802
Total Liabilities	71.377.746	36.364.556	16.744.113	3.588.714	6.559.874	64.620.733	199.255.736
Balance Sheet Long Position	--	--	11.089.297	47.628.154	4.024.951	--	62.742.402
Balance Sheet Short Position	(28.337.563)	(27.339.619)	--	--	--	(7.065.220)	(62.742.402)
Off-balance Sheet Long Position	2.281.734	1.501.276	--	184.221	--	--	3.967.231
Off-balance Sheet Short Position	--	--	(1.059.330)	--	(2.845.955)	--	(3.905.285)
Total Position	(26.055.829)	(25.838.343)	10.029.967	47.812.375	1.178.996	(7.065.220)	61.946

(1) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (116).

(2) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (682).

(3) Other assets / non-interest bearing column includes; tangible assets, intangible assets, investments in associates, deferred tax asset, assets to be disposed, the provisions for expected credit loss of other assets, current tax asset and other assets with balances of TL 620.894, TL 346.815, TL 18.801.094, TL 1.349.707, TL 1.520.654, TL (7.602), TL 296.166 and TL 4.201.567, 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 22.888.752, TL 5.263.640, TL 2.223.409, TL 252.567 and TL 2.150.526, respectively.

b. Average interest rates applied to monetary financial instruments

Current Period - 31 December 2021	EURO %	USD %	Yen %	TL %
Assets				
Cash Equivalents and Central Bank	--	--	--	10,22
Banks	--	--	--	8,95
Financial Assets at Fair Value through Profit or Loss	3,59	6,59	--	17,83
Due from Money Markets	--	--	--	14,60
Financial Assets at Fair Value through Other Comprehensive Income	3,70	5,86	--	16,90
Loans	4,81	5,43	5,76	20,97
Financial Assets Measured at Amortised Cost	--	4,58	--	13,94
Liabilities				
Bank Deposits	0,74	1,21	--	17,02
Other Deposits	0,50	0,87	0,01	16,54
Due to Money Markets	--	1,86	--	13,91
Miscellaneous Payables	--	--	--	--
Securities Issued	1,14	1,52	--	16,41
Funds Borrowed	1,90	2,18	--	15,89

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Prior Period - 31 December 2020	EURO %	USD %	Yen %	TL %
Assets				
Cash Equivalents and Central Bank	--	--	--	9,94
Banks	--	--	--	8,45
Financial Assets at Fair Value through Profit or Loss	2,15	6,04	--	12,20
Due from Money Markets	--	--	--	17,89
Financial Assets at Fair Value through Other Comprehensive Income	2,82	6,14	--	11,70
Loans	5,00	5,74	5,77	15,09
Financial Assets Measured at Amortised Cost	--	4,84	--	13,22
Liabilities				
Bank Deposits	0,69	2,01	--	5,14
Other Deposits	1,14	1,90	0,01	15,24
Due to Money Markets	--	2,66	--	16,90
Miscellaneous Payables	--	--	--	--
Securities Issued	--	1,94	--	11,25
Funds Borrowed	2,08	2,42	--	10,50

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 2021.

Current Period: 31 December 2021	Shocks Applied	Gains/Losses	Gains/Equity
Type of Currency	(+/- x basis points)		-Losses/Equity
1 TL	(+) 500 bps	(2.106.201)	(5,16%)
2 TL	(-) 400 bps	1.830.280	4,48%
3 Euro	(+) 200 bps	(326.884)	(0,80%)
4 Euro	(-) 200 bps	459.624	1,13%
5 US Dollar	(+) 200 bps	(134.847)	(0,33%)
6 US Dollar	(-) 200 bps	283.912	0,70%
Total (of positive shocks)		(2.567.932)	(6,29%)
Total (of negative shocks)		2.573.816	6,31%

Prior Period: 31 December 2020	Shocks Applied	Gains/Losses	Gains/Equity
Type of Currency	(+/- x basis points)		-Losses/Equity
1 TL	(+) 500 bps	(2.083.461)	(6,88%)
2 TL	(-) 400 bps	1.840.759	6,08%
3 Euro	(+) 200 bps	12.450	0,04%
4 Euro	(-) 200 bps	14.155	0,05%
5 US Dollar	(+) 200 bps	(25.079)	(0,08%)
6 US Dollar	(-) 200 bps	62.576	0,21%
Total (of positive shocks)		(2.096.090)	(6,92%)
Total (of negative shocks)		1.917.490	6,34%

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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 2021 and 2020.

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 and longer term 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 346,51 in the week of November 5, the highest 555,42 in the week of October 8, and the total lowest liquidity coverage ratio has been calculated as 128,74 in the week of November 5 and 184,37 in the week of December 3 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 the LCR management by increasing by 10% parts and managed to reach 80% for foreign currency in 2021 and as 100% in total within the framework of minimum limits. 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			53.834.278	44.138.575
CASH OUTFLOWS				
2 Retail deposits and deposits from small business customers, of which	116.959.413	63.275.829	10.679.301	6.327.583
3 Stable deposits	20.332.815	--	1.016.641	--
4 Less stable deposits	96.626.598	63.275.829	9.662.660	6.327.583
5 Unsecured wholesale funding, of which	49.719.231	35.767.537	28.206.559	19.545.567
6 Operational deposits	14.831.299	12.022.019	3.707.825	3.005.505
7 Non-operational deposits	24.094.291	18.033.190	13.711.505	10.830.752
8 Unsecured debt	10.793.641	5.712.328	10.787.229	5.709.310
9 Secured wholesale funding			--	--
10 Other cash outflows	4.426.307	6.771.055	2.262.636	4.859.345
11 Outflows related to derivative exposures and other collateral requirements	820.189	3.584.871	820.189	3.584.871
12 Outflows related to loss of funding on debt products	--	--	--	--
13 Credit and liquidity facilities	3.606.118	3.186.184	1.442.447	1.274.474
14 Other contractual funding obligations	3.065.764	3.065.204	3.065.232	3.065.204
15 Other contingent funding obligations	126.264.944	45.974.556	9.554.089	4.607.687
16 TOTAL CASH OUTFLOWS			53.767.817	38.405.386
CASH INFLOWS				
17 Secured lending	174.573	--	--	--
18 Unsecured lending	20.494.317	13.783.610	16.691.864	12.660.347
19 Other cash inflows	2.070.176	20.748.923	2.070.175	20.748.923
20 TOTAL CASH INFLOWS	22.739.066	34.532.533	18.762.039	33.409.270
			Total Adjusted Value	
21 TOTAL HQLA			53.874.683	44.205.536
22 TOTAL NET CASH OUTFLOWS			34.979.273	9.913.439
23 LIQUIDITY COVERAGE RATIO (%)			155,0	456,0

(*) 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			34.272.159	23.163.144
CASH OUTFLOWS				
2 Retail deposits and deposits from small business customers, of which	88.485.246	46.631.911	7.960.987	4.663.191
3 Stable deposits	17.750.757	--	887.538	--
4 Less stable deposits	70.734.489	46.631.911	7.073.449	4.663.191
5 Unsecured wholesale funding, of which	34.738.931	22.545.109	19.699.387	12.580.965
6 Operational deposits	8.828.546	6.657.470	2.207.136	1.664.368
7 Non-operational deposits	17.225.158	10.690.998	8.811.359	5.721.214
8 Unsecured debt	8.685.227	5.196.641	8.680.892	5.195.383
9 Secured wholesale funding			--	--
10 Other cash outflows	3.279.054	4.621.650	1.676.785	3.305.930
11 Outflows related to derivative exposures and other collateral requirements	608.605	2.428.783	608.605	2.428.783
12 Outflows related to loss of funding on debt products	--	--	--	--
13 Credit and liquidity facilities	2.670.449	2.192.867	1.068.180	877.147
14 Other contractual funding obligations	274.939	274.379	274.407	274.379
15 Other contingent funding obligations	98.575.293	36.222.394	7.493.311	3.586.674
16 TOTAL CASH OUTFLOWS			37.104.877	24.411.139
CASH INFLOWS				
17 Secured lending	2.503.717	--	--	--
18 Unsecured lending	10.727.794	4.209.988	7.844.513	3.397.688
19 Other cash inflows	485.075	17.177.138	485.074	17.177.138
20 TOTAL CASH INFLOWS	13.716.586	21.387.126	8.329.587	20.574.826
			Total Adjusted Value	
21 TOTAL HQLA			34.272.159	23.163.144
22 TOTAL NET CASH OUTFLOWS			28.775.289	6.144.768
23 LIQUIDITY COVERAGE RATIO (%)			120,0	380,8

(*) 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	24.470.077	26.738.320	--	--	--	--	--	51.208.397
Banks ⁽¹⁾	5.357.917	553.333	--	--	--	--	--	5.911.250
Financial Assets at Fair Value through Profit or Loss (Net)	390.932	3.452.778	1.739.148	1.191.473	836.085	1.489.423	--	9.099.839
Due from Money Markets	--	219.738	--	--	--	--	--	219.738
Financial Assets at Fair Value through Other Comprehensive Income	466	687.717	566.010	1.124.113	8.153.669	12.890.089	--	23.422.064
Loans	--	28.453.694	8.231.926	33.993.136	63.467.115	28.876.884	4.410.107	167.432.862
Financial Assets Measured at Amortised Cost ⁽²⁾	--	176.380	680.750	1.853.151	4.413.760	--	--	7.124.041
Other Assets	9.338.453	--	--	--	399.170	--	34.563.650	44.301.273
Total Assets	39.557.845	60.281.960	11.217.834	38.161.873	77.269.799	43.256.396	38.973.757	308.719.464
Liabilities								
Bank Deposits	431.019	10.194.104	4.374.949	327.463	--	--	--	15.327.535
Other Deposits	60.285.662	80.971.157	20.565.833	9.532.964	158.092	9	--	171.513.717
Fund Borrowed	--	1.735.832	5.861.683	31.039.859	9.034.108	10.041.595	--	57.713.077
Due to Money Markets	--	900.416	600.330	6.279.768	--	--	--	7.780.514
Securities Issued	--	1.302.205	3.366.823	1.919.806	--	--	--	6.588.834
Miscellaneous Payables	--	--	--	--	--	--	--	--
Other Liabilities	8.936.290	1.547.814	2.808.188	2.844.750	937.146	426.816	32.294.783	49.795.787
Total Liabilities	69.652.971	96.651.528	37.577.806	51.944.610	10.129.346	10.468.420	32.294.783	308.719.464
Net Liquidity Excess/ (Gap)	(30.095.126)	(36.369.568)	(26.359.972)	(13.782.737)	67.140.453	32.787.976	6.678.974	--
Net Off-balance sheet Position	--	2.253.966	885.617	(110.205)	72.341	78.406	--	3.180.125
Financial Derivative Assets	--	75.269.546	48.817.768	14.229.247	16.399.108	24.960.257	--	179.675.926
Financial Derivative Liabilities	--	(73.015.580)	(47.932.151)	(14.339.452)	(16.326.767)	(24.881.851)	--	(176.495.801)
Non Cash Loans	--	11.147.491	7.118.292	20.424.736	7.865.488	20.516.917	--	67.072.924
End of The Prior Period								
Total Assets	17.885.256	37.504.261	5.722.328	28.827.960	62.912.354	20.542.760	25.860.817	199.255.736
Total Liabilities	36.990.591	69.518.209	29.484.251	26.659.498	4.334.553	7.041.501	25.227.133	199.255.736
Net Liquidity Excess/ (Gap)	(19.105.335)	(32.013.948)	(23.761.923)	2.168.462	58.577.801	13.501.259	633.684	--
Net Off-balance sheet Position	--	(625.085)	(165.025)	161.592	158.994	--	--	(469.524)
Financial Derivative Assets	--	42.043.057	14.608.669	9.251.339	5.932.196	16.616.584	--	88.451.845
Financial Derivative Liabilities	--	(42.668.142)	(14.773.694)	(9.089.747)	(5.773.202)	(16.616.584)	--	(88.921.369)
Non Cash Loans	--	3.556.157	4.288.948	11.389.022	22.226.920	1.268.320	--	42.729.367

(1) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (212).

(2) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (780).

(*) 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	60.716.681	91.992.230	25.053.271	10.043.499	169.051	16	187.974.748
Funds borrowed (*)	--	1.912.767	6.122.935	32.331.250	24.503.597	12.258.649	77.129.198
Interbank money markets	--	902.355	604.103	6.377.190	--	--	7.883.648
Securities issued	--	1.327.994	3.460.944	1.954.473	--	--	6.743.411
Total	60.716.681	96.135.346	35.241.253	50.706.412	24.672.648	12.258.665	279.731.005

(*) 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	31.841.922	65.226.795	22.214.882	4.218.665	232.395	115	123.734.774
Funds borrowed (*)	--	722.644	5.217.373	15.432.017	3.632.174	7.801.498	32.805.706
Interbank money markets	--	2.173.491	200.577	2.106.577	--	--	4.480.645
Securities issued	--	--	1.558.185	698.761	696.166	--	2.953.112
Total	31.841.922	68.122.930	29.191.017	22.456.020	4.560.735	7.801.613	163.974.237

(*) 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 2021, the leverage ratio of the Bank is calculated as 6,35% (31 December 2020: 7,41%). 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)	282.970.679	194.662.245
2 (Assets deducted in determining Basel III Tier I capital)	(496.183)	(543.584)
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	282.474.496	194.118.661
Derivative exposures		
4 Replacement cost	7.682.659	3.500.250
5 Add-on amount	2.164.658	1.155.815
6 Total derivative exposures (sum of lines 4 and 5)	9.847.317	4.656.065
Securities or commodity collateral financing transaction exposures		
7 Gross SFT assets (with no recognition of accounting netting)	1.898.128	1.878.280
8 Agent transaction exposures		
9 Total securities financing transaction exposures (sum of lines 7 and 8)	1.898.128	1.878.280
Other off-balance sheet exposures		
10 Off-balance sheet exposures with gross nominal amount	136.173.223	105.144.967
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)	136.172.720	105.144.464
Capital and total exposures		
13 Tier I Capital	27.185.681	22.663.225
14 Total exposures (sum of lines 3,6,9 and 12)	430.392.661	305.797.470
Leverage ratio		
15 Leverage ratio	6,35	7,41

(*) 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 2021.

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 determined 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 audited regularly by the Credit Risk Control, within the direction of the rule sets determined and the results are submitted to the Rating Committee.

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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 involves the preparation of internal and legal reports and the measuring the financial risks to which banks and subsidiaries are exposed in order to establish a relationship between the risks carried and estimated profitability and evaluating 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 to whom these reports will be communicated. 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 Audit and Risk Committee, ALCO and Rating Committees.

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.

ALCO holds weekly meetings. Risk-limit follow-up and detailed analysis related to indicators such as interest and liquidity risk, capital adequacy are presented.

Rating Committee: Rating Committee holds meetings on a quarterly basis. It is the Committee to which the Risk Management presents its evaluation, analysis and findings regarding Internal Rating processes.

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)	204.012.170	141.595.972	16.320.974
2 <i>Standardized approach (SA)</i>	204.012.170	141.595.972	16.320.974
3 <i>Internal rating-based (IRB) approach</i>	--	--	--
4 Counterparty credit risk	6.176.445	3.721.739	494.116
5 <i>Standardized approach for counterparty credit risk (SA-CCR)</i>	6.176.445	3.721.739	494.116
6 <i>Internal model method (IMM)</i>	--	--	--
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	25.511	1.111	2.041
10 Investments made in collective investment companies - %1250 weighted risk approach	--	--	--
11 Settlement risk	--	--	--
12 Securitization positions in banking accounts	--	--	--
13 <i>IRB ratings-based approach (RBA)</i>	--	--	--
14 <i>IRB Supervisory Formula Approach (SFA)</i>	--	--	--
15 <i>SA/simplified supervisory formula approach (SSFA)</i>	--	--	--
16 Market risk	5.202.713	3.178.625	416.217
17 <i>Standardized approach (SA)</i>	5.202.713	3.178.625	416.217
18 <i>Internal model approaches (IMM)</i>	--	--	--
19 Operational Risk	18.185.613	13.961.089	1.454.849
20 <i>Basic Indicator Approach</i>	18.185.613	13.961.089	1.454.849
21 <i>Standard Approach</i>	--	--	--
22 <i>Advanced measurement approach</i>	--	--	--
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)	233.602.452	162.458.536	18.688.197

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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

Current Period	a	c	d	e	f	g
	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	Not subject to capital requirements or subject to deduction from capital
Assets						
Cash and balances at central bank	51.208.397	51.208.397	--	--	--	--
Banks	5.911.250	5.911.462	--	--	--	--
Due from money markets	219.738	--	219.738	--	--	--
Financial assets at fair value through profit or loss	1.152.246	--	--	--	136.259	--
Financial assets at fair value through other comprehensive income	23.422.064	23.422.064	--	--	--	--
Financial assets measured at amortised cost	7.124.041	7.124.821	--	--	--	--
Derivative financial assets	7.947.593	--	7.947.593	--	--	--
Loans (net)	167.432.862	178.513.279	--	--	--	513.217
Non-current assets or disposal groups "held for sale" and from discontinued operations (net)	--	--	--	--	--	--
Investments in associates, subsidiaries and joint ventures	30.731.285	30.731.285	--	--	--	--
Tangible assets (net)	1.145.180	1.145.180	--	--	--	69.091
Intangible assets (net)	491.153	491.153	--	--	--	491.153
Investment properties (net)	--	--	--	--	--	--
Current Tax Assets	389.296	389.296	--	--	--	--
Deferred Tax Assets	2.978.527	2.978.527	--	--	--	--
Other assets	8.565.832	8.565.832	--	--	--	--
Total assets	308.719.464	310.481.296	8.167.331	--	136.259	1.073.461
Liabilities						
Deposits	186.841.252	--	--	--	--	186.841.252
Loans	47.228.299	--	--	--	--	47.228.299
Debt to money markets	7.780.514	--	7.780.514	--	--	7.780.514
Debt securities in issue	6.588.834	--	--	--	--	6.588.834
Funds	--	--	--	--	--	--
Financial liabilities at fair value through profit or loss	--	--	--	--	--	--
Derivative financial liabilities	3.449.593	--	--	--	--	3.449.593
Factoring debts	--	--	--	--	--	--
Debts from leasing transactions	691.345	--	--	--	--	691.345
Provisions	3.258.079	--	--	--	--	3.258.079
Current tax liabilities	349.429	--	--	--	--	349.429
Deferred tax liabilities	--	--	--	--	--	--
Non-current liabilities or disposal groups "held for sale" and from discontinued operations (net)	--	--	--	--	--	--
Subordinated debts	10.484.778	--	--	--	--	10.484.778
Other liabilities	13.190.426	--	--	--	--	13.190.426
Equity	28.856.915	--	--	--	--	28.856.915
Total liabilities	308.719.464	--	7.780.514	--	--	308.719.464

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Prior Period	a	c	d	e	f	g
	Carrying values of items under scope of TAS					
	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	Not subject to capital requirements or subject to deduction from capital
Assets						
Cash and balances at central bank	22.590.297	22.590.297	--	--	--	--
Banks	2.393.216	2.393.332	--	--	--	--
Due from money markets	1.838.716	--	1.838.716	--	--	--
Financial assets at fair value through profit or loss	790.860	--	--	--	78.492	--
Financial assets at fair value through other comprehensive income	13.214.779	13.214.779	--	--	--	--
Financial assets measured at amortised cost	7.261.361	7.262.043	--	--	--	--
Derivative financial assets	2.699.758	--	2.699.758	--	--	--
Loans (net)	120.907.053	127.079.099	--	--	--	262.244
Non-current assets or disposal groups "held for sale" and from discontinued operations (net)	--	--	--	--	--	--
Investments in associates, subsidiaries and joint ventures	18.801.094	18.801.094	--	--	--	--
Tangible assets (net)	1.051.295	1.051.295	--	--	--	53.967
Intangible assets (net)	346.815	346.815	--	--	--	346.815
Investment properties (net)	--	--	--	--	--	--
Current Tax Assets	296.166	296.166	--	--	--	--
Deferred Tax Assets	1.349.707	1.349.707	--	--	--	--
Other assets	5.714.619	5.714.619	--	--	--	--
Total assets	199.255.736	200.099.246	4.538.474	--	78.492	663.026
Liabilities						
Deposits	123.366.215	--	--	--	--	123.366.215
Loans	23.376.509	--	--	--	--	23.376.509
Debt to money markets	4.479.147	--	4.479.147	--	--	4.479.147
Debt securities in issue	2.724.643	--	--	--	--	2.724.643
Funds	--	--	--	--	--	--
Financial liabilities at fair value through profit or loss	--	--	--	--	--	--
Derivative financial liabilities	2.150.526	--	--	--	--	2.150.526
Factoring debts	--	--	--	--	--	--
Debts from leasing transactions	621.220	--	--	--	--	621.220
Provisions	2.223.409	--	--	--	--	2.223.409
Current tax liabilities	252.567	--	--	--	--	252.567
Deferred tax liabilities	--	--	--	--	--	--
Non-current liabilities or disposal groups "held for sale" and from discontinued operations (net)	--	--	--	--	--	--
Subordinated debts	5.917.420	--	--	--	--	5.917.420
Other liabilities	11.255.328	--	--	--	--	11.255.328
Equity	22.888.752	--	--	--	--	22.888.752
Total liabilities	199.255.736	--	4.479.147	--	--	199.255.736

2. Main sources of differences between risk exposures and valued amounts in accordance with TAS in financial statements

	a	b	c	d	e
Current 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	318.784.886	310.481.296	--	8.167.331	136.259
2 Liabilities carrying value amount under scope of TAS	--	--	--	7.780.514	--
3 Total net amount	318.784.886	310.481.296	--	386.817	136.259
4 Off-balance sheet amounts (**)	139.091.530	36.225.831	--	--	--
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	--	--	--	--	5.066.454
9 Differences resulted from considering of the financial guarantees	--	(2.919.729)	--	--	--
10 Risk exposures	457.876.416	343.787.398	--	386.817	5.202.713

(*) 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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	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	204.716.212	200.099.246	—	4.538.474	78.492
2 Liabilities carrying value amount under scope of TAS		--	--	4.479.147	--
3 Total net amount	204.716.212	200.099.246	—	59.327	78.492
4 Off-balance sheet amounts (**)	101.081.547	30.177.387	--	--	--
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		--	--	--	3.100.133
9 Differences resulted from considering of the financial guarantees		(2.202.324)	--	--	--
10 Risk exposures	305.797.759	228.074.309	—	59.327	3.178.625

(*) 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 the derivative transactions subject to counterparty credit risk, it is calculated with the addition of the potential risk amounts to the renewal costs according to transaction type and term; and in repo and reverse repo transactions, it is calculated by netting the volatility adjusted amount made to the subject security 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	15.217.506	174.103.171	21.887.816	167.432.861	
2 Borrowing instruments	--	30.546.419	780	30.545.639	
3 Off-balance sheet receivables (*)	1.975.866	136.344.098	1.465.758	136.854.206	
4 Total	17.193.372	340.993.688	23.354.354	334.832.706	

(*) 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	11.964.223	123.054.274	14.111.444	120.907.053	
2 Borrowing instruments	--	20.476.356	682	20.475.674	
3 Off-balance sheet receivables (*)	1.007.950	99.534.081	885.855	99.656.176	
4 Total	12.972.173	243.064.711	14.997.981	241.038.903	

(*) 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	11.964.223	11.054.678
2 Loans and debt securities that have impaired since the last reporting period	6.739.616	6.457.214
3 Receivables that returned to non-impaired status	167.297	16.052
4 Amounts written off (**)	835.035	1.854.976
5 Other changes	(2.484.001)	(3.676.641)
6 Impaired loans and debt securities at end of the reporting period (1 + 2 - 3 - 4 ± 5)	15.217.506	11.964.223

(*) 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	13.949.705	169.333.189	--	30.546.419	1.952.050	128.311.729	9.878.961	835.035
2 EU Countries	39.780	1.604.762	--	--	--	1.928.211	17.133	--
3 OECD Countries	6	1.509	--	--	--	2.729.587	2	--
4 Off Shore Zones	1.052.640	1.240.061	--	--	519	900.537	745.075	--
5 USA, Canada	--	137.354	--	--	--	138.714	--	--
6 Other Countries	175.375	1.786.296	--	--	23.297	2.335.320	166.228	--
7 Total	15.217.506	174.103.171	--	30.546.419	1.975.866	136.344.098	10.807.399	835.035

(*) 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	11.754.863	119.495.040	--	20.378.906	1.007.950	92.873.974	7.829.972	1.854.976
2 EU Countries	44.378	1.229.940	--	--	--	1.457.967	10.360	--
3 OECD Countries	--	3.792	--	--	--	1.283.021	--	--
4 Off Shore Zones	5	1.406.500	--	--	--	6.332	3	--
5 USA, Canada	--	77.839	--	97.450	--	280.709	--	--
6 Other Countries	164.977	841.163	--	--	--	3.632.078	99.063	--
7 Total	11.964.223	123.054.274	--	20.476.356	1.007.950	99.534.081	7.939.398	1.854.976

(*) 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	1.973.995	17.691.957	--	--	3.692	5.254.437	1.133.886	29.932
Farming and Cattle	1.973.257	17.671.895	--	--	3.539	5.232.126	1.133.243	29.848
Forestry	153	4.054	--	--	6	6.589	87	--
Fishing	585	16.008	--	--	147	15.722	556	84
Manufacturing	3.389.020	24.299.476	--	--	139.243	28.415.370	2.587.531	19.239
Mining	82.170	1.420.863	--	--	2.323	783.850	80.393	3.154
Production	1.488.356	14.695.539	--	--	132.846	24.861.006	1.238.658	14.565
Electric, Gas, Water	1.818.494	8.183.074	--	--	4.074	2.770.514	1.268.480	1.520
Construction	1.394.365	15.218.501	--	--	241.763	14.869.406	1.130.613	34.322
Services	5.681.554	47.935.996	--	--	345.168	33.662.752	4.390.587	236.682
Wholesale and Retail Trade	1.436.817	15.973.621	--	--	82.201	22.232.034	1.023.045	67.037
Hotel and Restaurant Services	1.810.846	17.556.796	--	--	253.936	2.520.458	1.360.355	164.620
Transportation and telecommunication	497.097	5.731.454	--	--	5.588	5.526.434	399.267	4.055
Financial institution	7.646	4.642.374	--	--	196	2.482.745	6.292	67
Real estate and letting services	1.533.963	571.579	--	--	758	210.202	1.272.776	179
Self-employment services	126.104	--	--	--	--	--	109.985	--
Education services	100.997	1.103.012	--	--	1.395	173.947	76.278	608
Health and social services	168.084	2.357.160	--	--	1.094	516.932	142.589	116
Other	2.778.572	68.957.241	--	30.546.419	1.246.000	54.142.133	1.564.782	514.860
Total	15.217.506	174.103.171	--	30.546.419	1.975.866	136.344.098	10.807.399	835.035

(*) 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	1.778.983	16.205.108	--	--	5.290	4.556.606	1.017.918	99.082
Farming and Cattle	1.778.110	16.153.474	--	--	5.150	4.530.124	1.017.141	98.710
Forestry	227	42.090	--	--	6	5.852	148	66
Fishing	646	9.544	--	--	134	20.630	629	306
Manufacturing	2.760.528	18.325.987	--	--	165.622	15.416.232	1.911.081	58.582
Mining	84.457	1.625.733	--	--	3.602	541.741	81.702	8.268
Production	1.459.964	10.829.702	--	--	152.978	13.817.136	988.755	50.281
Electric, Gas, Water	1.216.107	5.870.552	--	--	9.042	1.057.355	840.624	33
Construction Services	1.226.717	9.624.465	--	--	467.551	10.874.014	838.164	58.843
Wholesale and Retail Trade	5.541.597	42.141.552	--	113.967	291.789	25.298.708	3.767.831	625.874
Hotel and Restaurant Services	1.171.169	14.134.305	--	--	69.301	18.473.959	769.495	374.282
Transportation and telecommunication	2.343.897	9.814.927	--	--	214.189	1.939.211	1.316.546	11.985
Financial institution	438.235	5.375.119	--	--	5.777	2.872.118	316.440	91.697
Real estate and letting services	5.824	2.541.364	--	113.967	144	1.376.668	4.479	6.714
Self-employment services	1.363.454	1.938.232	--	--	727	125.186	1.181.749	6.636
Education services	125.728	1.102.438	--	--	--	--	113.033	--
Health and social services	33.614	1.160.410	--	--	1.053	145.806	20.260	131.958
Other	59.676	6.074.757	--	--	598	365.760	45.829	2.602
Total	656.398	36.757.162	--	20.362.389	77.698	43.388.521	404.404	1.012.595
Total	11.964.223	123.054.274	--	20.476.356	1.007.950	99.534.081	7.939.398	1.854.976

(*) 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	--	100.318.298	16.711.793	18.466.336	42.670.643	162.826.618	340.993.688
1 Loans	--	29.117.590	8.676.131	8.802.607	27.083.803	100.423.040	174.103.171
2 Borrowings instruments	--	--	--	--	--	30.546.419	30.546.419
3 Off-balance sheet receivables	--	71.200.708	8.035.662	9.663.729	15.586.840	31.857.159	136.344.098
Defaulted receivables	17.193.372	--	--	--	--	--	17.193.372
1 Loans	15.217.506	--	--	--	--	--	15.217.506
2 Borrowings instruments	--	--	--	--	--	--	--
3 Off-balance sheet receivables	1.975.866	--	--	--	--	--	1.975.866
Specific Provision	10.807.399	--	--	--	--	--	10.807.399
Total	6.385.973	100.318.298	16.711.793	18.466.336	42.670.643	162.826.618	347.379.661

Prior Period	Undistributed	1 month	1-3 months	3-6 months	6-12 months	Over 1 year	Total
Non-defaulted receivables	--	73.316.348	9.733.800	12.438.645	29.157.273	118.418.645	243.064.711
1 Loans	--	18.813.465	4.810.869	7.891.659	18.607.852	72.930.429	123.054.274
2 Borrowings instruments	--	--	--	--	--	20.476.356	20.476.356
3 Off-balance sheet receivables	--	54.502.883	4.922.931	4.546.986	10.549.421	25.011.860	99.534.081
Defaulted receivables	12.972.173	--	--	--	--	--	12.972.173
1 Loans	11.964.223	--	--	--	--	--	11.964.223
2 Borrowings instruments	--	--	--	--	--	--	--
3 Off-balance sheet receivables	1.007.950	--	--	--	--	--	1.007.950
Specific Provision	7.939.398	--	--	--	--	--	7.939.398
Total	5.032.775	73.316.347	9.733.800	12.438.645	29.157.273	118.418.645	248.097.485

(viii) **Ageing analysis of overdue receivables**

Current Period	1-30 days	31-60 days	61-90 days	Over 90 days	Total
Loans	7.310.782	2.394.276	2.890.506	2.104.606	14.700.170
Borrowing instruments	--	--	--	--	--
Off-balance sheet receivables	--	--	--	--	--

Prior Period	1-30 days	31-60 days	61-90 days	Over 90 days	Total
Loans	4.581.859	1.303.454	1.153.202	1.764.750	8.803.265
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	18.760.736	11.714.721
Restructured from non-performing loans	1.387.470	883.745

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, in parallel with the Credit Risk Amount calculation, the simple arithmetic average of the Central Bank's foreign exchange buying rates for the last 252 business days before the calculation date specified in the BRSA's letter of "Extension for the pandemic period decisions" dated 16 September 2021 is taken into account.

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	132.605.823	30.868.730	18.381.889	3.958.309	3.449.574	--	--
2 Borrowing instruments	30.545.639	--	--	--	--	--	--
3 Total	163.151.462	30.868.730	18.381.889	3.958.309	3.449.574	--	--
4 Of which defaulted (*)	12.059.328	3.401.017	1.654.841	1.733.027	437.176	--	--

(*) 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	85.790.032	25.988.058	17.006.601	9.128.963	7.716.197	--	--
2 Borrowing instruments	20.475.674	--	--	--	--	--	--
3 Total	106.265.706	25.988.058	17.006.601	9.128.963	7.716.197	--	--
4 Of which defaulted (*)	9.083.865	3.888.308	1.929.902	1.535.829	858.275	--	--

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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	59.124.154	3.043.370	62.573.720	3.878.292	--	--	--	--	--	0,00%	--	0,00%
2 Exposures to regional governments or local authorities	3.350.136	44.844	3.349.360	22.169	1.685.764	50,00%	1.685.764	22.169	1.685.764	50,00%	1.685.764	50,00%
3 Exposures to public sector entities	--	--	--	--	--	0,00%	--	--	--	0,00%	--	0,00%
4 Exposures to multilateral development banks	--	--	--	--	--	0,00%	--	--	--	0,00%	--	0,00%
5 Exposures to international organisations	--	--	--	--	--	0,00%	--	--	--	0,00%	--	0,00%
6 Exposures to institutions	6.257.553	7.271.269	6.257.553	6.867.372	4.365.176	33,26%	6.257.553	6.867.372	4.365.176	33,26%	6.257.553	33,26%
7 Exposures to corporates	53.231.418	45.932.120	50.319.146	27.180.357	77.503.432	100,00%	50.319.146	27.180.357	77.503.432	100,00%	50.319.146	100,00%
8 Retail exposures	79.769.523	70.274.273	77.825.521	4.428.668	73.337.938	89,16%	77.825.521	4.428.668	73.337.938	89,16%	77.825.521	89,16%
9 Exposures secured by residential property	3.208.888	634.391	3.125.278	339.410	1.212.641	35,00%	3.125.278	339.410	1.212.641	35,00%	3.125.278	35,00%
10 Exposures secured by commercial real estate	13.604.230	1.984.211	13.604.227	1.409.577	8.610.901	57,35%	13.604.227	1.409.577	8.610.901	57,35%	13.604.227	57,35%
11 Past-due loans	3.773.789	793.810	3.333.172	358.660	2.916.388	79,00%	3.333.172	358.660	2.916.388	79,00%	3.333.172	79,00%
12 Higher-risk categories by the Agency Board	--	--	--	--	--	0,00%	--	--	--	0,00%	--	0,00%
13 Exposures in the form of covered bonds	--	--	--	--	--	0,00%	--	--	--	0,00%	--	0,00%
14 Exposures to institutions and corporates with a short-term credit assessment	--	--	--	--	--	0,00%	--	--	--	0,00%	--	0,00%
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	--	23.002	--	14.833	14.833	100,00%	--	14.833	14.833	100,00%	--	100,00%
16 Other assets	12.099.182	--	12.099.182	--	7.812.820	64,57%	12.099.182	--	7.812.820	64,57%	12.099.182	64,57%
17 Investments in equities	30.719.664	--	30.719.664	--	30.719.664	100,00%	30.719.664	--	30.719.664	100,00%	30.719.664	100,00%
18 Total	265.138.537	130.001.290	263.206.823	44.499.338	208.179.557	67,66%	263.206.823	44.499.338	208.179.557	67,66%	263.206.823	67,66%

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	40.356.698	226.706	48.072.895	1.157.842	--	0,00%	48.072.895	1.157.842	--	0,00%	48.072.895	0,00%
2 Exposures to regional governments or local authorities	3.949.191	39.181	3.942.949	19.334	1.981.142	50,00%	3.942.949	19.334	1.981.142	50,00%	3.942.949	50,00%
3 Exposures to public sector entities	--	--	--	--	--	0,00%	--	--	--	0,00%	--	0,00%
4 Exposures to multilateral development banks	--	--	--	--	--	0,00%	--	--	--	0,00%	--	0,00%
5 Exposures to international organisations	--	--	--	--	--	0,00%	--	--	--	0,00%	--	0,00%
6 Exposures to institutions	5.990.995	4.664.778	5.990.995	4.254.886	3.598.283	35,12%	5.990.995	4.254.886	3.598.283	35,12%	5.990.995	35,12%
7 Exposures to corporates	39.837.318	38.906.946	36.458.948	22.508.480	58.967.428	100,00%	36.458.948	22.508.480	58.967.428	100,00%	36.458.948	100,00%
8 Retail exposures	59.169.460	54.493.026	54.310.145	3.087.525	43.166.915	75,21%	54.310.145	3.087.525	43.166.915	75,21%	54.310.145	75,21%
9 Exposures secured by residential property	2.880.161	555.012	2.744.138	296.785	1.064.323	35,00%	2.744.138	296.785	1.064.323	35,00%	2.744.138	35,00%
10 Exposures secured by commercial real estate	13.561.975	1.986.173	13.561.975	1.422.507	9.030.747	60,27%	13.561.975	1.422.507	9.030.747	60,27%	13.561.975	60,27%
11 Past-due loans	3.565.627	539.547	2.698.567	243.202	2.096.681	71,27%	2.698.567	243.202	2.096.681	71,27%	2.698.567	71,27%
12 Higher-risk categories by the Agency Board	--	--	--	--	--	0,00%	--	--	--	0,00%	--	0,00%
13 Exposures in the form of covered bonds	--	--	--	--	--	0,00%	--	--	--	0,00%	--	0,00%
14 Exposures to institutions and corporates with a short-term credit assessment	--	--	--	--	--	0,00%	--	--	--	0,00%	--	0,00%
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	--	1.181	--	1.111	1.111	100,00%	--	1.111	1.111	100,00%	--	100,00%
16 Other assets	6.864.741	--	6.864.741	--	5.293.434	77,11%	6.864.741	--	5.293.434	77,11%	6.864.741	77,11%
17 Investments in equities	18.789.473	--	18.789.473	--	18.789.474	100,00%	18.789.473	--	18.789.474	100,00%	18.789.473	100,00%
18 Total	194.965.639	101.412.550	193.434.826	32.991.672	143.989.538	63,59%	193.434.826	32.991.672	143.989.538	63,59%	193.434.826	63,59%

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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 Weight	Classifications/Risk	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	66.452.012	--	--	--	--	--	--	--	--	--	--	66.452.012
2	Exposures to regional governments or local authorities	--	--	--	--	--	3.371.529	--	--	--	--	--	3.371.529
3	Exposures to public sector entities	--	--	--	--	--	--	--	--	--	--	--	--
4	Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	--	--	--
5	Exposures to international organisations	--	--	--	--	--	--	--	--	--	--	--	--
6	Exposures to institutions	--	--	7.791.385	--	--	5.053.282	--	280.258	--	--	--	13.124.925
7	Exposures to corporates	--	--	--	--	--	--	--	77.491.645	7.858	--	--	77.499.503
8	Retail exposures	--	--	--	--	--	--	63.041.010	5.525.177	13.688.002	--	--	82.254.189
9	Exposures secured by residential property	--	--	--	3.464.688	--	--	--	--	--	--	--	3.464.688
10	Exposures secured by commercial real estate	--	--	--	--	12.805.807	--	--	2.207.997	--	--	--	15.013.804
11	Past-due loans	--	--	--	--	--	1.745.374	--	1.751.970	194.488	--	--	3.691.832
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)	--	--	--	--	--	--	--	14.833	--	--	--	14.833
16	Investments in equities	--	--	--	--	--	--	--	30.719.664	--	--	--	30.719.664
17	Other assets	3.897.416	--	423.748	--	--	99.781	228	7.678.009	--	--	--	12.099.182
18	Total	70.349.428	--	8.215.133	3.464.688	12.805.807	10.269.966	63.041.238	125.669.553	13.890.348	--	--	307.706.161

Prior Period		a	b	c	k	d	l	e	f	g	h	i	j
Risk Weight	Classifications/Risk	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	49.230.737	--	--	--	--	--	--	--	--	--	--	49.230.737
2	Exposures to regional governments or local authorities	--	--	--	--	--	3.962.283	--	--	--	--	--	3.962.283
3	Exposures to public sector entities	--	--	--	--	--	--	--	--	--	--	--	--
4	Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	--	--	--
5	Exposures to international organisations	--	--	--	--	--	--	--	--	--	--	--	--
6	Exposures to institutions	--	--	6.343.719	--	--	3.145.245	--	756.917	--	--	--	10.245.881
7	Exposures to corporates	--	--	--	--	--	--	--	58.967.428	--	--	--	58.967.428
8	Retail exposures	--	--	--	--	--	--	56.923.016	474.654	--	--	--	57.397.670
9	Exposures secured by residential property	--	--	--	3.040.923	--	--	--	--	--	--	--	3.040.923
10	Exposures secured by commercial real estate	--	--	--	--	11.907.469	--	--	3.077.013	--	--	--	14.984.482
11	Past-due loans	--	--	--	--	--	1.780.523	--	1.070.899	90.347	--	--	2.941.769
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)	--	--	--	--	--	--	--	1.111	--	--	--	1.111
16	Investments in equities	--	--	--	--	--	--	--	18.789.473	--	--	--	18.789.473
17	Other assets	1.553.086	--	22.741	--	--	--	111	5.288.803	--	--	--	6.864.741
18	Total	50.783.823	--	6.366.460	3.040.923	11.907.469	8.888.051	56.923.127	88.426.298	90.347	--	--	226.426.498

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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.

Risk monitoring of the transactions with the scope of CCR are made according to the type, maturity and currency of the transaction, by monitoring the potential risk calculated by multiplying the changing rates by the nominal amount of the transaction and the current risk calculated through the daily valuation method. 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) (*)	(for derivatives) (*)	7.947.590	1.645.434		-	9.440.972	3.866.155
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 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)	(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)	(for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					1.400.751	275.722
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	(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							4.141.877

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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 derivatives) (*)	2.699.759	1.004.901		-	3.662.090	2.051.906
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 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)	(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)	(for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					1.699.771	340.549
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	(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							2.392.455

(*) 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		9.440.972	2.034.569
4	Total subject to the CVA capital charge		9.440.972	2.034.569

			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		3.662.090	1.329.284
4	Total subject to the CVA capital charge		3.662.090	1.329.284

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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
Risk Weights / Risk Classifications	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure (*)
Claims from central governments and central banks	3.006.976	--	--	--	--	--	--	--	--
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	--	--	3.137.844	2.345.720	--	--	--	--	1.800.429
Corporates	--	--	--	--	--	2.297.407	--	--	2.297.407
Retail portfolios	--	--	--	--	38.944	--	--	--	29.208
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	--	--	--	--	--	14.833	--	--	14.833
Stock investment	--	--	--	--	--	--	--	--	--
Other claims	--	--	--	--	--	--	--	--	--
Other assets (**)	--	--	--	--	--	--	--	--	--
Total	3.006.976	--	3.137.844	2.345.720	38.944	2.312.240	--	--	4.141.877

(*) 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
Risk Weights / Risk Classifications	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure (*)
Claims from central governments and central banks	170.026	--	--	--	--	--	--	--	--
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	--	--	2.834.679	1.052.558	--	--	--	--	1.093.215
Corporates	--	--	--	--	--	1.282.054	--	--	1.282.054
Retail portfolios	--	--	--	--	21.433	--	--	--	16.075
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	--	--	--	--	--	1.111	--	--	1.111
Stock investment	--	--	--	--	--	--	--	--	--
Other claims	--	--	--	--	--	--	--	--	--
Other assets (**)	--	--	--	--	--	--	--	--	--
Total	170.026	--	2.834.679	1.052.558	21.433	1.283.165	--	--	2.392.455

(*) 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
	Guarantees of Derivative		Financial Instrument		Guarantees of Other Transactions	
	Received Guarantees		Given Guarantees		Received	Given
Current Period	Appropriated	Unappropriated	Appropriated	Unappropriated	Guarantees	Guarantees
Cash-Domestic Currency	38.525	--	--	--	1.388.724	--
Cash-Foreign Currency	113.527	--	--	--	--	--
Government Bond-Domestic	--	--	--	--	--	1.514.140
Government Bond-Other	--	--	--	--	--	--
Public Bond	--	--	--	--	--	--
Corporate Bond	--	--	--	--	--	--
Stock	--	--	--	--	--	--
Other Guarantee	--	--	--	--	--	--
Total	152.052	--	--	--	1.388.724	1.514.140

	a	b	c	d	e	f
	Guarantees of Derivative		Financial Instrument		Guarantees of Other Transactions	
	Received Guarantees		Given Guarantees		Received	Given
Prior Period	Appropriated	Unappropriated	Appropriated	Unappropriated	Guarantees	Guarantees
Cash-Domestic Currency	14.814	--	--	--	1.343.940	1.840.928
Cash-Foreign Currency	27.757	--	--	--	--	--
Government Bond-Domestic	--	--	--	--	1.838.716	1.567.847
Government Bond-Other	--	--	--	--	--	--
Public Bond	--	--	--	--	--	--
Corporate Bond	--	--	--	--	--	--
Stock	--	--	--	--	--	--
Other Guarantee	--	--	--	--	--	--
Total	42.571	--	--	--	3.182.656	3.408.775

6. Credit derivatives

None.

7. Exposures to central counterparty (CCP)

None.

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)	242.375	166.188
2 Equity risk (general and specific)	--	--
3 Foreign exchange risk	2.773.713	1.208.849
4 Commodity risk	2.161.175	1.497.238
Options		
5 Simplified approach	--	--
6 Delta-plus method	25.450	306.350
7 Scenario approach	--	--
8 Securitization	--	--
9 Total	5.202.713	3.178.625

3. Information on market risk calculated as of month-ends during the period

	Current Period: 31 December 2021		
	Average	Highest	Lowest
Interest Rate Risk	19.934	32.426	9.841
Stock Risk	--	--	--
Currency Risk	247.206	337.826	95.491
Commodity Risk	143.603	172.894	116.521
Settlement Risk	--	--	--
Option Risk	3.408	5.171	1.829
Counterparty Risk	--	--	--
Total Risk Exposure Value	5.176.881	6.564.763	3.632.750

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	Prior Period: 31 December 2020		
	Average	Highest	Lowest
Interest Rate Risk	10.870	17.515	5.608
Stock Risk	--	--	--
Currency Risk	218.967	348.842	80.848
Commodity Risk	63.777	124.760	13.190
Settlement Risk	--	--	--
Option Risk	4.811	24.508	235
Counterparty Risk	--	--	--
Total Risk Exposure Value	3.730.313	6.020.650	1.424.188

g. Operational risk

1. Explanations on operational risk calculation

Principal amount subject to operational risk is calculated through using year-end gross income of 2020, 2019 and 2018 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

	31.12.2018	31.12.2019	31.12.2020	Total/Positive GI year number	Ratio(%)	Total
Gross Income	6.819.962	9.878.586	12.398.432	9.698.993	15	1.454.849
Amount Subject to Operational Risk						18.185.613

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	225.998.763	219.616.521
Interbank Money Market Placements	219.738	219.738
Banks	5.911.462	5.911.317
Financial Assets at Fair Value Through Other Comprehensive Income	23.422.064	23.422.064
Financial Assets Measured at Amortised Cost	7.124.821	6.917.955
Loans	189.320.678	183.145.447
Financial Liabilities	258.923.677	258.179.745
Bank Deposits	15.327.535	15.329.934
Other Deposits	171.513.717	171.779.172
Interbank Money Market Borrowings	7.780.514	7.780.514
Funds Borrowed From Other Financial Institutions	47.228.299	47.252.204
Subordinated Loans	10.484.778	9.042.336
Securities Issued	6.588.834	6.995.585

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	Book Value Prior Period	Fair Value Prior Period
Financial Assets	159.727.367	157.287.418
Interbank Money Market Placements	1.838.716	1.838.716
Banks	2.393.332	2.393.201
Financial Assets at Fair Value Through Other Comprehensive Income	13.214.779	13.214.779
Financial Assets Measured at Amortised Cost	7.262.043	7.331.200
Loans	135.018.497	132.509.522
Financial Liabilities	159.863.934	160.250.580
Bank Deposits	14.158.801	14.156.757
Other Deposits	109.207.414	109.348.981
Interbank Money Market Borrowings	4.479.147	4.479.147
Funds Borrowed From Other Financial Institutions	23.376.509	23.481.850
Subordinated Loans	5.917.420	5.827.889
Securities Issued	2.724.643	2.955.956

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 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	634.891	--	--	634.891
Public Sector Debt Securities	136.259	--	--	136.259
Share Certificated	390.932	--	--	390.932
Trading Purpose Derivatives	107.700	--	--	107.700
Other Securities	--	7.947.593	--	7.947.593
Financial Assets at Fair Value Through Other Comprehensive Income	23.422.064	--	--	23.422.064
Public Sector Debt Securities	23.421.598	--	--	23.421.598
Other Securities	466	--	--	466
Loans at Fair Value Through Profit or Loss	--	--	517.355	517.355
Total Assets	24.056.955	7.947.593	517.355	32.521.903
Derivative Financial Liabilities Held for Trading	--	3.449.593	--	3.449.593
Total Liabilities	--	3.449.593	--	3.449.593

Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss	343.448	--	--	343.448
Public Sector Debt Securities	78.492	--	--	78.492
Share Certificated	219.080	--	--	219.080
Trading Purpose Derivatives	45.876	--	--	45.876
Other Securities	--	2.699.758	--	2.699.758
Financial Assets at Fair Value Through Other Comprehensive Income	13.214.779	--	--	13.214.779
Public Sector Debt Securities	12.851.629	--	--	12.851.629
Other Securities	363.150	--	--	363.150
Loans at Fair Value Through Profit or Loss	--	--	447.412	447.412
Total Assets	13.558.227	2.699.758	447.412	16.705.397
Derivative Financial Liabilities Held for Trading	--	2.150.526	--	2.150.526
Total Liabilities	--	2.150.526	--	2.150.526

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	447.412
Purchases	--
Amortisation/sales	--
Valuation differences	69.943
Transfers	--
Balance at the end of the period	517.355

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 1.673 million and US Dollar 7 million belonging to Denizbank AG and Eurodeniz, which are 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.

Total abroad net investment hedging funds after tax recognised under equity is amounting to TL (14.917.452) as of 31 December 2021 (31 December 2020: TL (6.894.062)).

b. Cash flow risk

The cash flow hedge valuation difference in the Bank's equity is based on the future Euro lease receivables of Deniz Finansal Kiralama A.Ş., a subsidiary where TAS 27 equity method is applied, subject to currency contract within the scope of currency risk management, and future operating lease receivables whose fair values are followed in Euros Cash flow hedge accounting began to be applied as of 1 April 2018 by matching estimated future sales of used cars with Euro loans.

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

Profit/ (loss) after tax TL (9.906) which is accounted under shareholders' equity as cash flow hedge accounting as of 31 December 2021 (31 December 2020: TL (29.139)).

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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, SME and agricultural loans. 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 and the previous period information has been revised on the same basis.

Information on business segments are presented in the following tables:

Current Period (01/01/2021-31/12/2021)	Wholesale Banking	SME & Agricultural Banking	Retail Banking	Treasury	Other	Total
Net interest income	1.304.182	1.649.994	2.120.105	6.179.122	1.723	11.255.126
Net fees and commission income	454.924	1.285.048	1.708.963	(51.594)	407.661	3.805.002
Other income/loss, net	504.463	677.910	839.633	(1.445.535)	(83.213)	493.257
Total segment income	2.263.569	3.612.952	4.668.701	4.681.993	326.171	15.553.385
Other operational expenses (*)	(732.127)	(1.774.306)	(2.425.723)	(206.848)	(1.719)	(5.140.723)
Provisions for expected credit loss and other provisions	(3.831.519)	(2.042.547)	(911.930)	(284.630)	(171)	(7.070.797)
Taxation						(868.368)
Profit / Loss from Partnerships under Equity Method						1.073.421
Net profit from continuing operations	(2.300.077)	(203.901)	1.331.048	4.190.515	324.281	3.546.918
Net profit from discontinued operations	--	--	--	--	--	--
Net profit for the period	(2.300.077)	(203.901)	1.331.048	4.190.515	324.281	3.546.918
Current Period (31/12/2021)						
Segment assets	70.372.510	52.474.916	44.167.643	97.403.122	--	264.418.191
Subsidiaries and associates						30.731.285
Undistributed assets						13.569.988
Total assets						308.719.464
Segment liabilities	39.847.691	46.773.791	87.981.403	91.719.809	--	266.322.694
Undistributed liabilities						13.539.855
Equity						28.856.915
Total liabilities and shareholders' equity						308.719.464

(*) It also includes personnel expenses.

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Prior Period (01/01/2020-31/12/2020)	Wholesale Banking	SME & Agricultural Banking	Retail Banking	Treasury	Other	Total
Net interest income	1.259.668	1.873.435	1.953.817	3.997.906	--	9.084.826
Net fees and commission income	437.124	1.359.271	978.171	6.793	(42.077)	2.739.282
Other income/loss, net	2.757	5.968	(30.770)	1.140.213	(388.995)	729.173
Total segment income	1.699.549	3.238.674	2.901.218	5.144.912	(431.072)	12.553.281
Other operational expenses (*)	(535.931)	(1.513.275)	(2.010.868)	(293.787)	(18.207)	(4.372.068)
Provisions for expected credit loss and other provisions	(3.741.256)	(2.258.452)	(294.553)	(386.792)	--	(6.681.053)
Taxation						(297.797)
Profit / Loss from Partnerships under Equity Method						590.862
Net profit from continuing operations	(2.577.638)	(533.053)	595.797	4.464.333	(449.279)	1.793.225
Net profit from discontinued operations	--	--	--	--	--	--
Net profit for the period	(2.577.638)	(533.053)	595.797	4.464.333	(449.279)	1.793.225
Prior Period (31/12/2020)						
Segment assets	47.045.730	43.750.599	29.864.061	51.035.650	--	171.696.040
Subsidiaries and associates						18.801.094
Undistributed assets						8.758.602
Total assets						199.255.736
Segment liabilities	19.696.940	29.665.528	62.219.738	53.276.883	--	164.859.089
Undistributed liabilities						11.507.895
Equity						22.888.752
Total liabilities and shareholders' equity						199.255.736

(*) 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	713.519	3.340.583	591.691	814.685
Central Bank of the Republic of Turkey	3.234.356	43.919.939	1.660.939	19.522.982
Other	--	--	--	--
Total	3.947.875	47.260.522	2.252.630	20.337.667

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	3.126.557	14.272.079	1.636.328	7.467.294
Unrestricted Time Deposits	--	3.017.340	--	--
Restricted Time Deposits	107.799	26.630.520	24.611	12.055.688
Total	3.234.356	43.919.939	1.660.939	19.522.982

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 2021, all banks operating in Turkey should provide a reserve in a range of 3% to 8% (31 December 2020: between 1% and 6%) depending on the terms of the deposits for their liabilities in Turkish Lira and in a range of 5% to 26% (31 December 2020: between 5% and 22%) in US Dollars or standard gold for their liabilities in foreign currencies.

According to the principles of communiqué No. 2019/19 dated 9 December 2019, the CBRT pays interest to banks that provide credit growth for Turkish Lira reserve requirements. The interest income received from reserve requirements of the Bank with the CBRT is amounting to TL 333.512 (1 January - 31 December 2020: TL 29.693). The related interest income recognised under "Interest on Reserve Requirements".

4. Information on Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	545.285	45.926	505.685	13.706
Foreign	87	5.320.164	432	1.873.509
Foreign head offices and branches	--	--	--	--
Total	545.372	5.366.090	506.117	1.887.215

5. Information on foreign banks

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	515.727	460.133	1.310.156	--
USA, Canada	3.211.477	1.341.724	--	--
OECD Countries(*)	78.428	17.864	22.526	--
Off shore zones	2.346	320	--	--
Other	179.591	53.900	--	--
Total	3.987.569	1.873.941	1.332.682	--

(*) OECD countries except for EU countries, USA and Canada.

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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

Within the context of the existing loan agreements, all creditors including the Bank have reached an agreement on restructuring the loans granted to a company operating in telecommunication sector and shares owned by the company, representing 55% of its issued share capital corresponding to shares have been pledged as a guarantee for the existing facilities would be taken over by a special purpose entity which is incorporated or will be incorporated in the Turkish Republic, and owned by directly or indirectly by all creditors on 21 December 2018. As a result of the transfer of this liability, the risk balance amounting to TL 237.211 has been derecognised from the balance sheet and the Bank's credit receivable carried at fair value under other financial assets amounted to TL 517.355 (31 December 2020: TL 447.412).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	164.584	456.549	90.016	207.694
Swap Transactions	1.842.699	5.265.853	947.871	1.400.040
Futures Transactions	--	11.401	--	5.322
Options	1.978	204.529	2.348	46.467
Other	--	--	--	--
Total	2.009.261	5.938.332	1.040.235	1.659.523

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 10.519.349 (31 December 2020: TL 2.287.509).

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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 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	4.545.421	5.973.928	1.413.426	874.083
Other	--	--	--	--
Total	4.545.421	5.973.928	1.413.426	874.083

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

<i>Subject to repurchase agreements Financial assets at fair value through other comprehensive income</i>	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	868.996	3.948.249	49.224	2.699.928
Treasury Bills	--	--	--	--
Other Debt Securities	--	--	--	--
Bank Bills and Bank Guaranteed Bills	--	--	--	--
Asset Backed Securities	--	--	--	--
Other	--	--	--	--
Total	868.996	3.948.249	49.224	2.699.928

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	23.421.598	13.214.313
Quoted on Stock Exchange (*)	23.421.598	13.214.313
Unquoted on Stock Exchange	--	--
Share Certificates	466	466
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange (**)	466	466
Impairment Provisions (-)	--	--
Total	23.422.064	13.214.779

(*) It includes bank and corporate bills.

(**) Details are explained in Section Five, note I.b.3.

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	--	6.144	--	4.963
Corporate Shareholders	--	6.144	--	4.963
Individual Shareholders	--	--	--	--
Indirect Loans Granted to Shareholders	--	--	--	--
Loans Granted to Employees	98.656	386	77.795	216
Total	98.656	6.530	77.795	5.179

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

Cash loans (*) (**)	Standard Loans	Loans Under Close Monitoring		
		Not included in restructured loans	Restructured Loans	
			Changes in conditions of contract	Refinancing
Non-specialized loans	129.928.970	10.739.674	7.966.653	9.050.468
Corporate loans	3.237.623	2.563.286	3.449.140	1.166.515
Export loans	6.885.746	100.474	--	194.765
Import loans	--	--	--	--
Commercial loans	4.574.857	--	--	--
Consumer loans	26.572.277	2.324.762	1.277.072	157.878
Credit cards	18.925.546	850.337	598.638	31.960
Others	69.732.921	4.900.815	2.641.803	7.499.350
Specialized loans	13.270.773	1.403.019	478.202	1.265.413
Other receivables	--	--	--	--
Total	143.199.743	12.142.693	8.444.855	10.315.881

(*) It includes loans measured at amortised cost.

(**) The balances of loans at fair value through profit or loss are not included.

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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	2.156.402	--	966.707	--
Significant increase in credit risk	--	8.924.015	--	5.205.339
Total	2.156.402	8.924.015	966.707	5.205.339

3. Distribution of cash loans according to maturity structure

	Standard Loans	Loans Under Close Monitoring	
		Not Restructured	Restructured
Short-Term Loans	52.058.381	2.267.784	1.195.463
Medium and Long-Term Loans	91.141.362	9.874.909	17.565.273
Total	143.199.743	12.142.693	18.760.736

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

	Short Term	Medium or Long Term	Total
Consumer Loans-TL	1.367.851	26.080.352	27.448.203
Real estate Loans	56	1.514.870	1.514.926
Vehicle Loans	809	46.420	47.229
General Purpose Loans	1.366.986	24.519.062	25.886.048
Other	--	--	--
Consumer Loans-Indexed to FC	--	12.456	12.456
Real estate Loans	--	11.596	11.596
Vehicle Loans	--	--	--
General Purpose Loans	--	860	860
Other	--	--	--
Consumer Loans-FC	--	18.457	18.457
Real estate Loans	--	18.328	18.328
Vehicle Loans	--	--	--
General Purpose Loans	--	129	129
Other	--	--	--
Individual Credit Cards-TL	14.389.938	972.291	15.362.229
Installment	6.456.064	972.291	7.428.355
Non installment	7.933.874	--	7.933.874
Individual Credit Cards-FC	4.603	--	4.603
Installment	--	--	--
Non installment	4.603	--	4.603
Loans Given to Employees-TL	6.642	45.658	52.300
Real estate Loans	--	515	515
Vehicle Loans	--	--	--
General Purpose Loans	6.642	45.143	51.785
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	42.949	208	43.157
Installment	15.380	208	15.588
Non installment	27.569	--	27.569
Personnel Credit Cards - FC	45	--	45
Installment	--	--	--
Non installment	45	--	45
Overdraft Loans-TL (Real Persons) (*)	2.800.573	--	2.800.573
Overdraft Loans-FC (Real Persons)	--	--	--
Total	18.612.601	27.129.422	45.742.023

(*) The overdraft account used by the personnel of the Bank amounts to TL 3.154.

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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	1.385.612	16.476.653	17.862.265
Real estate Loans	24	125.216	125.240
Vehicle Loans	7.124	313.683	320.807
General Purpose Loans	1.378.464	16.037.754	17.416.218
Other	--	--	--
Installment Commercial Loans - Indexed to FC	--	558.255	558.255
Real estate Loans	--	2.541	2.541
Vehicle Loans	--	--	--
General Purpose Loans	--	555.714	555.714
Other	--	--	--
Installment Commercial Loans - FC	41.947	9.132.663	9.174.610
Real estate Loans	--	--	--
Vehicle Loans	--	9.402	9.402
General Purpose Loans	41.947	9.123.261	9.165.208
Other	--	--	--
Corporate Credit Cards - TL	4.731.495	264.475	4.995.970
Installment	1.674.463	264.475	1.938.938
Non installment	3.057.032	--	3.057.032
Corporate Credit Cards - FC	477	--	477
Installment	--	--	--
Non installment	477	--	477
Overdraft Loans-TL (Legal Entities)	2.336.117	--	2.336.117
Overdraft Loans-FC (Legal Entities)	--	--	--
Total	8.495.648	26.432.046	34.927.694

6. Distribution of loans according to user

	Current Period	Prior Period
Public	4.316.081	4.950.487
Private	169.787.091	118.103.787
Total	174.103.172	123.054.274

7. Distribution of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	169.333.189	119.410.714
Foreign Loans	4.769.983	3.643.560
Total	174.103.172	123.054.274

8. Loans granted to subsidiaries and associates

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	3.787.517	1.532.102
Indirect loans granted to subsidiaries and associates	--	--
Total	3.787.517	1.532.102

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	1.299.934	625.977
Loans with Doubtful Collectability	1.001.548	2.002.821
Uncollectible Loans	8.505.917	5.310.600
Total	10.807.399	7.939.398

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	58.452	36.028	1.292.990
(Gross amounts before the provisions)			
Restructured loans	58.452	36.028	1.292.990
Prior Period	5.363	40.254	838.128
(Gross amounts before the provisions)			
Restructured loans	5.363	40.254	838.128

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

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectible loans
Balances at Beginning of Period	1.069.638	2.907.788	7.986.797
Additions (+)	2.868.737	2.254.116	1.616.763
Transfers from Other Categories of Non-Performing Loans (+)	--	1.028.183	3.773.588
Transfers from Other Categories of Non-Performing Loans (-)	1.028.183	3.773.588	--
Collections (-)	574.242	800.897	2.651.412
Write-offs (-)(*)	--	--	795.175
Sales (-)	--	--	39.860
Corporate and Commercial Loans	--	--	2.148
Retail Loans	--	--	10.734
Credit Cards	--	--	3.733
Other	--	--	23.245
Balances at End of the Period	195.688	263.625	915.940
Specific Provisions (-)	2.531.638	1.879.227	10.806.641
Net Balance on Balance Sheet	1.299.934	1.001.548	8.505.917

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

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectible loans
Current Period: 31 December 2021			
Balance as of the Period End	--	287.126	1.828.491
Provisions (-)	--	180.660	1.274.646
Net Balance on Balance Sheet	--	106.466	553.845
Prior Period: 31 December 2020			
Balance as of the Period End	737.712	1.799.102	2.174.617
Provisions (-)	405.160	1.449.901	1.334.041
Net Balance on Balance Sheet	332.552	349.201	840.576

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

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectible loans
Current Period (Net): 31 December 2021	1.231.704	877.679	2.300.724
Loans Granted to Real Persons and Legal Entities (Gross)	2.531.638	1.879.227	10.806.641
Provisions (-)	1.299.934	1.001.548	8.505.917
Loans Granted to Real Persons and Legal Entities (Net)	1.231.704	877.679	2.300.724
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan (Net)	--	--	--
Prior Period (Net): 31 December 2020	443.661	904.967	2.676.197
Loans Granted to Real Persons and Legal Entities (Gross)	1.069.638	2.907.788	7.986.797
Provisions (-)	625.977	2.002.821	5.310.600
Loans Granted to Real Persons and Legal Entities (Net)	443.661	904.967	2.676.197
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 Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
Current Period (Net)	124.029	102.060	300.735
Interest accruals and rediscount and valuation differences	252.277	215.869	1.341.620
Amount of provision (-)	128.248	113.809	1.040.885
Prior Period (Net)	36.585	90.096	478.004
Interest accruals and rediscount and valuation differences	89.683	240.770	1.401.378
Amount of provision (-)	53.098	150.674	923.374

11. Outline of liquidation policy for uncollectible loans and other receivables

For uncollectible loans, first of all the Bank and the company try to reach an agreement; where these methods do 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 companies 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 5.076.422 (31 December 2020: TL 3.141.847).

- (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 1.531.367 (31 December 2020: TL 1.774.043).

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2. Information on government debt securities measured at amortised cost

<i>Government debt securities measured at amortised cost</i>	Current Period	Prior Period
Government Bonds	7.124.821	7.262.043
Treasury Bills	--	--
Other Government Debt Securities	--	--
Total	7.124.821	7.262.043

3. Information on financial assets measured at amortised cost

<i>Financial assets measured at amortised cost</i>	Current Period	Prior Period
Debt Securities	7.124.821	7.262.043
Quoted on Stock Exchange	7.124.821	7.262.043
Unquoted on Stock Exchange	--	--
Impairment provisions (-)	--	--
Total	7.124.821	7.262.043

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

	Current Period	Prior Period
Balance at the beginning of the period	7.262.043	6.591.202
Foreign exchange differences in monetary assets (*)	1.106.717	860.027
Purchases during the year	--	--
Disposals by sale and redemption	(1.243.939)	(189.186)
Impairment provisions (-)	--	--
Total	7.124.821	7.262.043

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

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⁾	İstanbul/Turkey	9	--
2-Kredi Garanti Fonu A.Ş. ⁽²⁾	Ankara/Turkey	2	--
3-Ege Tarım Ürünleri Lisanslı Dep. A.Ş. ⁽²⁾	İzmir/Turkey	9	--

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/(Loss)	Prior Period Profit/(Loss)	Fair Value
1	544.660	339.776	242.712	16.411	--	47.719	48.549	--
2	963.633	560.909	19.801	44.582	--	95.447	55.708	--
3	17.818	16.667	8.054	584	--	2.504	2.461	--

⁽¹⁾ Information on the financial statements is presented as of the period ended 30 September 2021.⁽²⁾ Information on the financial statements is presented as of the period ended 31 December 2020.

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 2021 prepared in accordance with the legislation to which Denizbank AG is subject to.

	Denizbank AG
Paid-in capital	3.497.565
Share premium	5.138.922
Reserves	16.227.164
Deductions from capital	18.237
Total Common Equity	24.845.414
Total additional Tier I capital	--
Deductions from capital	72.947
Total Core Capital	24.772.467
Total supplementary capital	399.617
Capital	25.172.084
Deductions from capital	--
SHAREHOLDERS' EQUITY	25.172.084

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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.	Nicosia / Cyprus	100	--
5 Deniz Yatırım Menkul Kıymetler A.Ş.	Istanbul/Turkey	100	--
6 Ekspres Bilgi İşlem ve Ticaret A.Ş. ⁽¹⁾	Istanbul/Turkey	71	29
7 JSC Denizbank Moskova	Moscow / Russia	49	51
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. ⁽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.

	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	863.952	612.330	456.017	4.328	--	227.197	93.630	--	--
2	796	787	11	--	--	(181)	(117)	--	--
3	108.403.152	25.562.090	197.729	2.090.467	123.520	272.989	268.347	--	--
4	1.058.012	100.653	39	41.048	--	2.562	864	--	--
5	1.705.084	1.187.823	19.125	128.715	--	268.754	240.559	--	--
6	24.975	12.119	10.709	421	--	(685)	(6.050)	--	--
7	4.561.795	1.318.998	38.733	163.134	36.002	82.520	62.141	--	--
8	59.589	48.401	2.973	4.513	3.940	14.565	14.215	--	--
9	6.136.257	917.275	1.051.939	360.816	4.205	81.184	211.155	--	--
10	2.943.689	291.395	17.863	347.865	5.467	37.842	21.867	--	--
11	1.006.507	719.938	6.993	4.896	--	95.307	9.355	--	--
12	513.250	445.871	390.746	6	--	3.386	1.112	--	--
13	9.362	7.302	2.225	1.422	--	(1.902)	(427)	--	--
14	7.281	5.960	--	--	--	(6.742)	--	--	--

Information on the financial statements is presented as of the period ended 31 December 2021.

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(i) Movement of subsidiaries during the period

	Current Period	Prior Period
Balance at the Beginning of the Period	18.786.192	13.281.077
Movements During the Period	11.930.191	5.505.115
Purchases (****)	4.000	645.888
Bonus Shares Received	--	--
Dividends from Current Year Profit (*)	1.073.421	590.862
Sales	--	--
Revaluation Increase, Effect of Inflation and F/X Difference (**)(***)	10.852.770	4.268.365
Provision for Impairment	--	--
Balance at the End of the Period	30.716.383	18.786.192
Capital Commitments	--	--
Share Percentage at the end of Period (%)	--	--

(*) 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 2021, there is not dividend income.

(**) It consists of other reserves amounting to TL 10.512.562 as of 31 December 2021 (31 December 2020: TL 4.041.482), valuation differences of securities amounting to TL (304.335) (31 December 2020: TL 136.572), cash flow hedge transactions TL 19.233 (31 December 2020: TL (5.910)), real estate revaluation TL 58.395 (31 December 2020: TL 22.677) and actuarial gain/(loss) TL 262 (31 December 2020: TL (1.179)) as a consequence of equity method implementation in accordance with TAS 27 mentioned in Section Three, note I.

(***) It includes the fair value of Intertech amounting to TL 566.653 as of 31 December 2021 in accordance with TFRS 9 (31 December 2020: TL 74.723).

(****) At the meeting of the Board of Directors dated 16 January 2020, it was decided for Denizbank to purchase 51% of the shares of Deniz Finansal Kiralama A.Ş., owned by Denizbank AG. EUR 98,5 million, corresponding to the shares subject to the sale, over the company value of EUR 193,1 million determined as a result of the valuation made, was paid by the Bank on 24 January 2020 and the transfer of these shares to the Bank was realized.

The title, purpose, field of activity and capital of "Deniz Kartlı Ödeme Sistemleri Anonim Şirketi" (the Company) which is a 100% subsidiary of the Bank has been changed with the approval of the amendment of the related articles described in the Articles of Association held on General Assembly dated on 1 November 2019 and by registering the General Assembly resolutions on 12 November 2019. The new title of the company has become "Fastpay Elektronik Para ve Ödeme Hizmetleri Anonim Şirketi" and its capital has been increased from TL 300 to TL 10.000. As of 31 December 2020, TL 6.000 was paid in cash. The capital commitment amounting to TL 4.000 as of 31 December 2020 was paid in cash as of 31 March 2020, and the capital increase was completed. An operating permit application was made to the Banking Regulation and Supervision Agency on 14 November 2019 in order for the company to operate as a payment and electronic money institution and official authorisation was granted on 24 December 2020.

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

	Current Period	Prior Period
Banks	26.894.162	16.108.882
Insurance Companies	--	--
Factoring Companies	291.395	403.507
Leasing Companies	970.894	632.233
Finance Companies	--	--
Other Subsidiaries	2.559.932	1.641.570
Total	30.716.383	18.786.192

(iii) Quoted subsidiaries: None.

(iv) Subsidiaries disposed during the current period: None.

(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	160.638	70.595	28.577	285.191	(243.408)

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i. Information on receivables from leasing transactions

None.

j. Explanation on derivative financial instruments for hedging purpose

None.

k. Explanation on investment properties

None.

l. Information on tangible assets

	Real Estate	Tangible Fixed Assets Retained With Financial Leasing	Vehicles	Right-to-Use Assets	Other Tangible Fixed Assets	Total
Prior Period						
Cost	72.999	248.807	1.381	774.347	1.276.250	2.373.784
Accumulated Depreciation	--	(126.128)	(1.254)	(343.923)	(851.184)	(1.322.489)
Net Book Value	72.999	122.679	127	430.424	425.066	1.051.295
Current Period						
Net Book Value at the Beginning of the Period	72.999	122.679	127	430.424	425.066	1.051.295
Changes In the Period (Net)	53.657	91.634	--	159.462	137.134	441.887
Depreciation Cost	(1.156)	(20.791)	(49)	(190.574)	(135.371)	(347.941)
Provision For Decrease In Value	--	--	--	--	--	--
FX Differences (Net)	--	--	93	(143)	(11)	(61)
Cost At the End of the Period	125.500	315.218	1.552	901.509	1.388.819	2.732.598
Accumulated Depreciation At the End of the Period	--	(121.696)	(1.381)	(502.340)	(962.001)	(1.587.418)
Net Book Value At The End Of The Period	125.500	193.522	171	399.169	426.818	1.145.180

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 95.776 (31 December 2020: TL 41.042) is recognised under equity as a result of revaluation process.

m. Information on intangible assets

	Other	Goodwill	Total
Prior Period			
Cost	1.244.956	--	1.244.956
Accumulated Depreciation	(898.141)	--	(898.141)
Net Book Value	346.815	--	346.815
Current Period			
Net Book Value at the Beginning of the Period	346.815	--	346.815
Differences During the Period (Net)	360.687	--	360.687
Depreciation Cost	(216.349)	--	(216.349)
Provision For Decrease In Value	--	--	--
FX Differences (Net)	--	--	--
Cost At the End of the Period	1.611.632	--	1.611.632
Accumulated Depreciation At the End of the Period	(1.120.479)	--	(1.120.479)
Net Book Value At The End Of The Period	491.153	--	491.153

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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 73.963 (31 December 2020: TL 50.856).

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

	Current Period	Prior Period
Miscellaneous Provisions	2.599.671	1.356.022
Tax Losses (*)	683.860	--
Valuation Differences of Financial Assets	273.443	--
Provision for Employee Benefits	147.437	93.772
Unearned Revenue	96.924	79.868
Other	96.305	2.099
Deferred Tax Assets	3.897.640	1.531.761
Valuation Differences of Derivatives	(873.898)	(87.754)
Valuation Differences of Tangible Assets	(45.215)	(21.509)
Valuation Differences of Financial Assets	--	(72.791)
Other	--	--
Deferred Tax Liabilities	(919.113)	(182.054)
Net Deferred Tax Assets	2.978.527	1.349.707

(*) 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

None.

p. Information on other assets

1. Information on prepaid expense, taxes and similar items

Bank's total prepaid expenses are TL 811.262 (31 December 2020: TL 916.282).

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 current accounting period reported. TL deposits include TL 3.307.220 deposits within this scope as of 31 December 2021.

1. Information on maturity structure of deposits

Current period - 31 December 2021:

	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	6.543.320	--	5.918.724	25.068.065	3.343.938	730.340	700.538	4.737	42.309.662
Foreign Currency Deposits (*)	37.118.867	--	15.423.442	32.507.559	7.406.925	3.758.280	3.966.623	2.943	100.184.639
Residents in Turkey	33.130.746	--	15.012.130	30.795.195	6.373.566	3.442.033	2.936.214	2.866	91.692.750
Residents Abroad	3.988.121	--	411.312	1.712.364	1.033.359	316.247	1.030.409	77	8.491.889
Public Sector Deposits	939.363	--	31.437	178.843	413	--	53	--	1.150.109
Commercial Deposits	5.025.752	--	3.760.243	3.035.644	63.510	21.299	19.639	--	11.926.087
Other Ins. Deposits	248.098	--	203.061	534.001	38.609	1.704	58.815	--	1.084.288
Precious Metal Deposits	10.410.262	--	308.623	2.388.241	322.121	880.936	536.416	12.333	14.858.932
Bank Deposits	431.019	--	430.754	11.459.285	428.427	2.578.050	--	--	15.327.535
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	3.075	--	94	225.134	--	6.677	--	--	234.980
Foreign Banks	427.020	--	430.660	11.234.151	428.427	2.571.373	--	--	15.091.631
Special Finan. Inst.	924	--	--	--	--	--	--	--	924
Other	--	--	--	--	--	--	--	--	--
Total	60.716.681	--	26.076.284	75.171.638	11.603.943	7.970.609	5.282.084	20.013	186.841.252

(*) Foreign Currency Deposit Account consists of Saving Deposit customers at the amount of TL 60.698.632 and Commercial Deposit customers at the amount of TL 39.486.006.

Prior period - 31 December 2020:

	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	5.104.617	--	4.632.323	25.356.238	470.831	395.560	495.239	5.290	36.460.098
Foreign Currency Deposits (*)	15.197.416	--	7.734.125	23.954.157	1.843.633	919.722	1.649.633	1.681	51.300.367
Residents in Turkey	14.031.437	--	7.511.016	21.898.165	1.693.488	667.189	1.162.777	1.681	46.965.753
Residents Abroad	1.165.979	--	223.109	2.055.992	150.145	252.533	486.856	--	4.334.614
Public Sector Deposits	332.762	--	87.706	77.422	10.622	487	2.622	--	511.621
Commercial Deposits	3.402.417	--	2.535.518	3.255.704	144.690	54.160	16.529	--	9.409.018
Other Ins. Deposits	165.190	--	213.279	482.088	78.775	26.533	265.387	--	1.231.252
Precious Metal Deposits	7.341.422	--	353.975	1.806.563	137.017	324.325	320.635	11.121	10.295.058
Bank Deposits	298.098	--	3.618.530	9.019.788	1.008.284	9.064	205.037	--	14.158.801
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	5.073	--	30	23.000	--	3.721	--	--	31.824
Foreign Banks	292.472	--	3.618.500	8.996.788	1.008.284	5.343	205.037	--	14.126.424
Special Finan. Inst.	553	--	--	--	--	--	--	--	553
Other	--	--	--	--	--	--	--	--	--
Total	31.841.922	--	19.175.456	63.951.960	3.693.852	1.729.851	2.955.082	18.092	123.366.215

(*) Foreign Currency Deposit Account consists of Saving Deposit customers at the amount of TL 32.853.097 and Commercial Deposit customers at the amount of TL 18.447.270.

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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	22.588.462	21.224.127	19.699.031	15.182.523
Foreign Currency Saving Deposits	16.649.353	13.245.617	54.352.494	28.154.787
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	39.237.815	34.469.744	74.051.525	43.337.310

(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	138.421	137.627
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	127.782	87.485
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	266.203	225.112

(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	423.908	217.965	18.511	179.671
Swap Transactions	821.594	1.848.582	237.942	1.613.040
Futures Transactions	--	--	--	41.365
Options	3	137.541	26.931	33.066
Other	--	--	--	--
Total	1.245.505	2.204.088	283.384	1.867.142

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	518.067	2.240.150	434.148	1.239.186
Foreign Banks, Institutions and Funds	--	44.470.082	--	21.703.175
Total	518.067	46.710.232	434.148	22.942.361

2. Maturity information of funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	302.102	8.419.585	434.148	2.843.170
Medium and Long-Term	215.965	38.290.647	--	20.099.191
Total	518.067	46.710.232	434.148	22.942.361

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3. Additional explanations on the areas which the Bank's liabilities are concentrated

As of 31 December 2021, 61% of the Bank's liabilities (31 December 2020: 62%) are deposits, 23% (31 December 2020: 18%) 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	591.353	--	749.328	--
Bills	3.387.685	2.609.796	1.523.711	451.604
Asset Backed Securities	--	--	--	--
Total	3.979.038	2.609.796	2.273.039	451.604

The Bank has repurchased the securities it has issued amounting to TL 384.780 and netted them in its financial statements (31 December 2020: TL 255.037).

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)

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". Impacts and adoption of transition to TFRS 16 is disclosed in Section Three, note XXVI.

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	360.808	239.785	247.769	141.320
Between 1-4 years	550.550	434.856	505.188	373.624
Over 4 years	20.144	16.704	153.585	106.276
Total	931.502	691.345	906.542	621.220

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.

2. Liabilities of provision for employee benefits

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

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

	Current Period	Prior Period
Discount rate	5,08%	4,16%
Interest rate	24,00%	12,70%
Estimated rate of increase in salary/severance pay limit	18,00%	8,20%

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As of 31 December 2021, TL 288.905 of provision for employee termination benefits (31 December 2020: TL 262.008) and TL 389.807 of unused vacation provisions and other rights (31 December 2020: TL 254.101) 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	262.008	188.913
Changes in the period	72.876	54.367
Actuarial loss/gain	(4.337)	50.557
Paid in the period	(41.642)	(31.829)
Balance at the End of the Period	288.905	262.008

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 822.875 of other provisions represents stage 1 and stage 2 provisions for expected credit loss for non-cash loans, TL 642.882 is related to stage 3 provision for expected credit loss for non-cash loans that are undemnified and not converted into cash, TL 215.549 is the provisions for the litigations against the Bank and TL 898.061 includes other provisions.

Prior period:

TL 512.986 of other provisions represents stage 1 and stage 2 provisions for expected credit loss for non-cash loans, TL 372.868 is related to stage 3 provision for expected credit loss for non-cash loans that are undemnified and not converted into cash, TL 174.613 is the provisions for the litigations against the Bank and TL 646.833 includes other provisions.

i. Explanations on tax liability

1. Information on current tax liability

(i) Information on tax provision

As of 31 December 2021, the corporate tax provision is none (31 December 2020: TL 20.237).

As of 31 December 2021, the Bank's total tax and premium liabilities is TL 349.429 (31 December 2020: TL 252.567).

(ii) Information on tax liabilities

	Current Period	Prior Period
Corporate tax payables	--	--
Taxation on securities	64.230	57.201
Taxes on real estate capital gain	2.986	2.176
Banking Insurance Transaction Tax (BITT)	151.817	92.089
Taxes on foreign exchange transactions	43.286	7.854
Value added tax payables	13.234	5.272
Other	40.093	56.379
Total	315.646	220.971

(iii) Information on premiums

	Current Period	Prior Period
Social security premiums- employee share	14.418	13.509
Social security premiums- employer share	16.369	15.277
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	999	937
Unemployment insurance- employer share	1.997	1.873
Other	--	--
Total	33.783	31.596

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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 discontinued operations

None.

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	--	10.484.778	--	5.917.420
Subordinated Loans	--	10.484.778	--	5.917.420
Subordinated Debt Instruments	--	--	--	--
Total	--	10.484.778	--	5.917.420

Information on subordinated loans is disclosed in Section Four, note I-b.

l. 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

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

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.

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8. Share premiums, shares and equity instruments

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

(*) Related to the 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	1.012.067	--	445.945	--
Valuation Difference and FX Differences	171.774	(1.337.438)	(91.690)	281.568
Total	1.183.841	(1.337.438)	354.255	281.568

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 210.158 has been accounted for in "Other Accumulated Comprehensive Income That Will Not Be Reclassified in Profit or Loss" under equities (31 December 2020: TL 103.562).

13. Explanations on profit distribution

At the Ordinary General Assembly Meeting held on 25 March 2021, according to the proposal of the Bank's Board of Directors for profit distribution, TL 89.661 of the net profit for the period of 2020 amounting to TL 1.793.225 was allocated as legal reserves and the remaining TL 1.703.564 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 2021, loan granting commitments, commitments for credit card expenditure limits and commitments for cheque payments are TL 21.028.309, TL 40.095.217 and TL 3.369.216 respectively (31 December 2020: TL 17.234.415, TL 32.617.301 and TL 2.226.674 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 2021, Bank has letters of guarantee amounting to TL 49.057.348, bill of guarantee and acceptances amounting to TL 111.075, and guarantees and warranties on letters of credit amounting to TL 13.493.179 and other guarantees and warranties amounting to TL 4.411.322.

As of 31 December 2020, Bank has letters of guarantee amounting to TL 31.874.654, bill of guarantee and acceptances amounting to TL 110.240, and guarantees and warranties on letters of credit amounting to TL 4.844.689 and other guarantees and warranties amounting to TL 5.899.784.

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

	Current Period	Prior Period
Provisional Letters of Guarantee	943.362	1.137.664
Final Letters of Guarantee	25.513.388	18.461.605
Letters of Guarantee for Advances	4.384.604	2.771.821
Letters of Guarantee given to Customs Offices	290.258	203.609
Other Letters of Guarantee	17.925.736	9.299.955
Total	49.057.348	31.874.654

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	22.336.795	15.199.550
With Original Maturity of 1 Year or Less	22.336.795	15.199.550
With Original Maturity of More Than 1 Year	--	--
Other Non-Cash Loans	44.736.129	27.529.817
Total	67.072.924	42.729.367

(ii) Information on risk concentration on sector basis within the non-cash loans account

	Current Period			
	TL	%	FC	%
Agricultural	615.282	3,96	404.233	0,78
Farming and Cattle	612.092	3,94	404.233	0,78
Forestry	459	--	--	--
Fishing	2.731	0,02	--	--
Manufacturing	3.628.081	23,33	22.195.827	43,08
Mining	186.014	1,20	466.821	0,91
Production	2.821.026	18,14	19.588.592	38,02
Electric, Gas, Water	621.041	3,99	2.140.414	4,15
Construction	3.785.062	24,34	10.336.895	20,06
Services	5.688.302	36,59	15.224.358	29,54
Wholesale and Retail Trade	3.482.009	22,39	7.836.776	15,21
Hotel and Restaurant Services	317.277	2,04	2.111.568	4,10
Transportation and telecommunication	795.713	5,12	3.525.966	6,84
Financial institutions	804.750	5,18	1.583.941	3,07
Real estate and letting services	74.407	0,48	5.112	0,01
Self-employment services	--	--	--	--
Education services	65.199	0,42	14.959	0,03
Health and social services	148.947	0,96	146.036	0,28
Other	1.831.870	11,78	3.363.014	6,54
Total	15.548.597	100,00	51.524.327	100,00

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	Prior Period			
	TL	%	FC	%
Agricultural	333.043	2,59	306.705	1,02
Farming and Cattle	327.905	2,55	302.466	1,01
Forestry	410	--	649	--
Fishing	4.728	0,04	3.590	0,01
Manufacturing	2.863.726	22,26	10.978.980	36,76
Mining	120.158	0,93	317.251	1,06
Production	2.273.678	17,68	10.077.765	33,74
Electric, Gas, Water	469.890	3,65	583.964	1,96
Construction	3.148.381	24,48	7.321.980	24,51
Services	4.668.306	36,32	7.964.824	26,67
Wholesale and Retail Trade	2.714.290	21,11	4.749.392	15,90
Hotel and Restaurant Services	355.894	2,77	1.465.712	4,91
Transportation and telecommunication	763.719	5,94	1.043.031	3,49
Financial institutions	606.766	4,72	680.166	2,28
Real estate and letting services	26.791	0,21	2.066	0,01
Self-employment services	--	--	--	--
Education services	54.841	0,43	8.479	0,03
Health and social services	146.005	1,14	15.978	0,05
Other	1.847.120	14,35	3.296.302	11,04
Total	12.860.576	100,00	29.868.791	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	14.777.844	33.162.729	530.499	586.276
Bill of Guarantee and Acceptances	16.000	95.075	--	--
Letters of Credit	--	13.485.201	--	7.978
Endorsements	--	--	--	--
Underwriting Commitments	--	--	--	--
Factoring Commitments	--	--	--	--
Other Commitments and Contingencies	223.254	4.178.404	1.000	8.664
Total	15.017.098	50.921.409	531.499	602.918

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)	144.164.096	92.651.867	16.618.012	4.851.769	3.419.118	261.704.862
Forward FC Call Transactions	8.091.811	7.211.802	3.801.445	117.102	--	19.222.160
Forward FC Pull Transactions	8.023.779	6.985.052	3.811.354	124.689	--	18.944.874
Swap FC Call Transactions	62.167.733	37.342.897	3.830.921	2.344.953	1.748.762	107.435.266
Swap FC Pull Transactions	62.540.997	40.384.331	4.254.097	2.265.025	1.670.356	111.114.806
Options FC Call Transactions	1.553.366	349.989	466.172	--	--	2.369.527
Options FC Pull Transactions	1.524.560	343.945	454.023	--	--	2.322.528
Futures FC Call Transactions	133.316	18.088	--	--	--	151.404
Futures FC Pull Transactions	128.534	15.763	--	--	--	144.297
Total of Interest Derivative Transactions (II)	100.000	300.000	9.243.858	27.157.454	46.422.989	83.224.301
Swap Interest Call Transactions	50.000	150.000	4.621.929	13.523.389	22.634.881	40.980.199
Swap Interest Pull Transactions	50.000	150.000	4.621.929	13.523.389	22.634.880	40.980.198
Options Interest Call Transactions	--	--	--	55.338	576.614	631.952
Options Interest Pull Transactions	--	--	--	55.338	576.614	631.952
Securities Interest Call Transactions	--	--	--	--	--	--
Securities Interest Pull Transactions	--	--	--	--	--	--
Futures Interest Call Transactions	--	--	--	--	--	--
Futures Interest Pull Transactions	--	--	--	--	--	--
Other Types of Trading Transactions (III)	4.021.029	3.798.054	2.706.831	716.650	--	11.242.564
B. Total Types of Trading Transactions (I + II + III)	148.285.125	96.749.921	28.568.701	32.725.873	49.842.107	356.171.727
Total Derivatives Transactions (A+B)	148.285.125	96.749.921	28.568.701	32.725.873	49.842.107	356.171.727

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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)	78.540.779	28.340.665	16.087.290	1.811.305	--	124.780.039
Forward FC Call Transactions	2.576.483	4.576.059	2.888.645	203.467	--	10.244.654
Forward FC Pull Transactions	2.288.711	4.480.132	2.853.317	180.813	--	9.802.973
Swap FC Call Transactions	31.079.109	8.461.787	4.541.603	771.452	--	44.853.951
Swap FC Pull Transactions	36.723.996	8.717.226	4.663.228	648.154	--	50.752.604
Options FC Call Transactions	2.895.752	585.602	245.458	7.419	--	3.734.231
Options FC Pull Transactions	2.976.728	568.898	255.112	--	--	3.800.738
Futures FC Call Transactions	--	465.976	297.191	--	--	763.167
Futures FC Pull Transactions	--	484.985	342.736	--	--	827.721
Total of Interest Derivative Transactions (II)	360.000	820.000	1.938.075	9.888.470	33.233.168	46.239.713
Swap Interest Call Transactions	30.000	410.000	969.038	4.892.896	16.195.844	22.497.778
Swap Interest Pull Transactions	30.000	410.000	969.037	4.892.896	16.195.844	22.497.777
Options Interest Call Transactions	--	--	--	51.339	420.740	472.079
Options Interest Pull Transactions	300.000	--	--	51.339	420.740	772.079
Securities Interest Call Transactions	--	--	--	--	--	--
Securities Interest Pull Transactions	--	--	--	--	--	--
Futures Interest Call Transactions	--	--	--	--	--	--
Futures Interest Pull Transactions	--	--	--	--	--	--
Other Types of Trading Transactions (III)	5.810.420	221.699	315.722	5.621	--	6.353.462
B. Total Types of Trading Transactions (I + II + III)	84.711.199	29.382.364	18.341.087	11.705.396	33.233.168	177.373.214
Total Derivatives Transactions (A+B)	84.711.199	29.382.364	18.341.087	11.705.396	33.233.168	177.373.214

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 215.549 (31 December 2020: TL 174.613) 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	5.450.021	620.051	2.658.968	488.643
Medium and Long Term Loans	11.180.346	2.009.641	8.691.821	1.722.710
Loans Under Follow-Up	249.328	158.107	94.279	--
Premiums Received from Resource Utilisation Support Fund	--	--	--	--
Total	16.879.695	2.787.799	11.445.068	2.211.353

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	--	--	360	--
Domestic Banks	83.710	254	161.159	152
Foreign Banks	6.582	11.740	56	16.250
Foreign Head Offices and Branches	--	--	--	39
Total	90.292	11.994	161.575	16.441

The interest income received from required reserves of the Bank with the CBRT is TL 333.512 (1 January - 31 December 2020: TL 29.693).

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	10.601	11.829	9.779	6.570
Financial Assets at Fair Value Through Other Comprehensive Income	1.058.036	445.814	690.333	278.492
Financial Assets Measured at Amortised Cost	366.684	50.697	522.894	118.867
Total	1.435.321	508.340	1.223.006	403.929

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	130.233	39.803

b. Interest expense

1. Information on interest expense related to funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	70.748	1.615.386	41.386	1.318.516
Central Bank of the Republic of Turkey	--	6.337	57	139.137
Domestic Banks	70.748	44.648	35.269	29.638
Foreign Banks	--	1.564.401	6.060	1.149.741
Foreign Head Offices and Branches	--	--	--	--
Other Institutions	--	--	--	--
Total	70.748	1.615.386	41.386	1.318.516

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	56.860	21.299

3. Information on interest expense paid to securities issued

	Current Period	Prior Period
Interest Paid to Securities Issued	593.296	317.337

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	26	110.698	--	--	--	--	--	110.724
Saving Deposits	4	848.461	4.757.720	160.014	142.333	105.956	468	6.014.956
Public Sector Deposits	--	5.318	15.607	1.157	11	70	--	22.163
Commercial Deposits	--	598.820	600.131	20.317	10.732	2.741	--	1.232.741
Other Deposits	--	37.144	106.651	10.297	3.527	16.586	--	174.205
7 Days Call Account	--	--	--	--	--	--	--	--
Total	30	1.600.441	5.480.109	191.785	156.603	125.353	468	7.554.789
FC								
Deposits	10	55.167	271.098	46.926	28.482	--	33.134	434.817
Bank Deposits	2.083	141.006	--	--	--	--	--	143.089
7 Days Call Account	--	--	--	--	--	--	--	--
Precious Metal Deposits	15	892	6.752	1.687	5.637	6.528	82	21.593
Total	2.108	197.065	277.850	48.613	34.119	6.528	33.216	599.499
Grand Total	2.138	1.797.506	5.757.959	240.398	190.722	131.881	33.684	8.154.288

c. Explanations on dividend income

	Current Period	Prior Period
Financial Assets at Fair Value Through Profit or Loss	--	1.537
Financial Assets at Fair Value Through Other Comprehensive Income	3.373	--
Other (*)	19	245
Total	3.392	1.782

(*) Presents dividend income from unconsolidated subsidiaries and associates.

d. Explanations on trading income/loss

	Current Period	Prior Period
Income	1.852.945.492	715.841.505
Capital Market Transactions	368.634	315.303
Derivative Financial Instruments	29.949.107	9.973.732
Foreign Exchange Gains	1.822.627.751	705.552.470
Loss (-)	1.852.853.026	715.272.323
Capital Market Transactions	137.083	177.339
Derivative Financial Instruments	16.946.837	10.295.191
Foreign Exchange Losses	1.835.769.106	704.799.793
Net Trading Income / Loss	92.466	569.182

Net gain/(loss) from foreign exchange translation differences related to derivative financial instruments amounts to TL 10.649.322 (1 January - 31 December 2020: TL (777.815)).

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 (*)	6.784.205	6.294.948
12 months provision for expected credit loss (Stage 1)	1.357.160	215.876
Significant increase in credit risk (Stage 2)	2.858.604	2.541.374
NPL (Stage 3)	2.568.441	3.537.698
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	286.592	386.105
Total	7.070.797	6.681.053

(*) 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.

g. Information on other operating expenses

	Current Period	Prior Period
Personnel Expenses (*)	2.122.204	1.793.112
Reserve for Employee Termination Benefits (*)	31.234	22.538
Reserve for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	347.941	312.041
Impairment Losses on Intangible Assets	--	--
Goodwill for impairment loss	--	--
Amortisation Charges of Intangible Assets	216.349	159.349
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	38.370	40.522
Depreciation of Assets to be Disposed	--	20.865
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	1.600.665	1.325.057
Operational Lease Expenses (**)	102.256	93.123
Repair and Maintenance Expenses	88.169	89.944
Advertisement Expenses	77.899	71.842
Other Expenses (***)	1.332.341	1.070.148
Losses on Sale of Assets	2.585	8.257
Other	781.375	690.327
Total	5.140.723	4.372.068

(*) 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 106.023, TL 259.733, TL 39.872, TL 64.999, TL 444.158, TL 23.473 and TL 394.083 respectively (1 January - 31 December 2020: TL 75.431, TL 189.118, TL 24.822, TL 54.496, TL 460.367, TL 22.735 and TL 243.179 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	1.690	1.196
Tax consultancy fee	--	--
Other assurance services fee	1.391	1.017
Other fee for non-audit services	933	--
Total	4.014	2.213

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

As 1 January - 31 December 2021, Bank has a profit before tax from continued operations amounting to TL 4.415.286 (1 January - 31 December 2020: TL 2.091.022).

As 1 January - 31 December 2021, a profit before tax from discontinued operations is none (1 January-31 December 2020: None).

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 2021, the current tax charge on continued operations amounts to TL 182.533 (1 January - 31 December 2020: TL 20.237) while deferred tax charge amounts to TL 6.978.470 (1 January - 31 December 2020: TL 3.380.785) and deferred tax benefit amounts to TL 6.292.635 (1 January - 31 December 2020: TL 3.103.225).

There are no current tax expense on discontinued operations.

k. Information on continued and discontinued operations net profit/loss

Bank has a net profit is amounting to TL 3.546.918 (31 December 2020: TL 1.793.225). 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 2021.

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 1.673 million and US Dollar 7 million belonging to Denizbank AG and Eurodeniz, which are 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 preparation 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 (1.355.542).

As of 1 April 2018, Deniz Leasing from subsidiaries of Bank where TAS 27 equity method is applied started to use cash flow hedge accounting within the context of currency risk. After tax profit /(loss) accounted under equity in the current period through cash flow hedge accounting is TL 19.233.

The revaluation increase of the tangible fixed assets amounting to TL 131.269 was netted off with the deferred tax effect of TL 24.673 and was accounted for in equity.

In accordance with TFRS 9, Intertech's fair value change amounting to TL 566.122 have been accounted under the equity.

Net amount TL 3.735 after tax regarding the actuarial profit/loss have been accounted under the equity.

Net after tax TL (8.023.390) amount of foreign net investment hedge funds have been accounted for under equity.

Foreign currency translation differences amounting to TL 11.104.491 have been accounted under the equity.

f. Explanations on amounts transferred to reserves

The Bank transferred profit for the previous year amounting to TL 1.703.564 (31 December 2020: TL 1.269.307) to extraordinary reserves in 2021. The amount transferred to legal reserves is TL 89.661 (31 December 2020: TL 66.806).

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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
	01.01.2021	01.01.2020
Cash	3.268.787	3.070.328
Cash in vault, foreign currencies and other	1.406.376	1.605.392
Banks demand deposits	1.862.411	1.464.936
Cash and Cash Equivalent	13.399.721	10.277.471
Interbank money market placements	1.837.780	1.020.000
Banks time deposits	9.634.261	7.918.682
Securities	1.927.680	1.338.789
Total Cash and Cash Equivalents	16.668.508	13.347.799

2. Cash and cash equivalents at the end of the period

	Current Period	Prior Period
	31.12.2021	31.12.2020
Cash	9.412.019	3.268.787
Cash in vault, foreign currencies and other	4.054.102	1.406.376
Banks demand deposits	5.357.917	1.862.411
Cash and Cash Equivalent	22.384.218	13.399.721
Interbank money market placements	219.738	1.837.780
Banks time deposits	20.967.881	9.634.261
Securities	1.196.599	1.927.680
Total Cash and Cash Equivalents	31.796.237	16.668.508

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 47.154.295, including the required reserve balances on average in the Central Bank (31 December 2020: TL 21.183.921). Additionally, the restricted amount in foreign banks account is TL 1.332.682 (31 December 2020: None).

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 (19.081.142) (31 December 2020: TL (12.525.115)) 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 16.668.508 at the beginning of the period (31 December 2020: TL 13.347.799) has become TL 31.796.237 at the end of the period (31 December 2020: TL 16.668.508).

The TL 5.505.982 within the "change in assets and liabilities subject of banking operation" (31 December 2020: TL 4.653.821); 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 15.127.729 as of 31 December 2021 (31 December 2020: TL 2.051.882).

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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	1.726.483	182.955	6.244	4.963	633.963	3.156
Balance at the End of the Period	3.956.834	290.053	5.518	6.144	559.105	14.455
Interest and Commission Income	129.245	71	--	--	7.429	1

(*) 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	802.159	115.378	--	4.963	329.133	--
Balance at the End of the Period	1.726.483	182.955	6.244	4.963	633.963	3.156
Interest and Commission Income	44.313	206	77	--	7.183	3

(*) 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	1.538.854	1.527.049	15.518.492	8.130.445	31.023	35.172
Balance at the End of the Period	2.716.286	1.538.854	29.596.720	15.518.492	57.512	31.023
Interest and Commission Expense Paid	73.622	42.319	705.627	398.897	8.183	1.878

(*) 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	7.120.061	13.133.363	101.455	594.000	18.129	--
Balance at the End of the Period	13.914.186	7.120.061	100.000	101.455	--	18.129
Total Income/(Loss)	2.588.710	1.463.957	31.056	628	(572)	630
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

Bank made payment amounting to TL 113.684 (31 December 2020: TL 83.652) to its key management as of 31 December 2021.

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e. Information on transactions with Bank's risk group

As of 31 December 2021, cash loans and other receivables of the risk group represent 2,6% of Bank's total cash loans and banks; deposits and borrowings represent 13,2% 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 2021, The Bank's net financial lease liabilities arising from these agreements are TL 179.249 (31 December 2020: TL 114.946). 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	686	12.066			
Foreign representation	-	-	-		
Foreign branch	-	-	-	-	-
Off shore banking region branches	1	6	1-Bahreyn	23.466.755	-

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 1 new branches and closed 11 branches in 2021.

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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	Negative	Outlook	Negative
Long Term Foreign Currency Deposit	B2	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	BB-
Short Term Local Currency Deposit	Not Prime	Short Term Local Currency	B
Baseline Credit Assessment (BCA)	caa1	Viability	b+
		Support	b+
		National	AA
			(tur)(Stable)
* As of 24.08.2021		** As of 10.12.2021	

c. Subsequent events

None.

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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 17 February 2022 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 3.1.C)

DENİZBANK ANONİM ŞİRKETİ
AND ITS FINANCIAL SUBSIDIARIES

**INDEPENDENT AUDITOR'S REPORT, CONSOLIDATED
FINANCIAL STATEMENTS AND NOTES FOR THE YEAR
ENDED 31 DECEMBER 2021**

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



DRT Bağımsız Denetim ve
Serbest Muhasebeci
Mali Müşavirlik A.Ş.
Maslak no1 Plaza
Eski Büyükdere Caddesi
Maslak Mahallesi No:1
Maslak, Sarıyer 34485
İstanbul, Türkiye

Tel : +90 (212) 366 6000
Fax : +90 (212) 366 6010
www.deloitte.com.tr

Mersis No: 0291001097600016
Ticari Sicil No : 304099

**(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) 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 2021, 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, and 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 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 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.

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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
<i>Impairment of loans in accordance with TFRS 9 Financial Assets</i> 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 251,518,951 thousands, which comprise 64% of the Group's total assets in its unconsolidated financial statements and the total provision for impairment amounting to TL 25,792,787 as at 31 December 2021. 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. 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. 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. In addition, the impairment of loans and receivables includes important estimates and assumptions about the effects of the COVID 19 pandemic. 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.	As part of our audit work, the following procedures were performed: 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. We have assessed and analyzed the relevant contract terms to assess management's accounting policy and classification of the instrument for selected samples. We have performed loan review procedures on selected samples of loans and receivables by taking into account the effects of COVID 19 pandemic 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. 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 renewed assumptions are appropriately reflected with the COVID 19 effect, 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.



Key Audit Matters	How the matter was addressed in the audit
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. Related explanations relating to the impairment of loans and receivables are presented in Section 5 Note I.d.	We have tested historical loss data to validate the completeness and accuracy of key parameters. We have tested whether the model is applied to appropriate groupings of assets which share credit risk characteristics. We tested the application of the model to the relevant inputs and the mathematical integrity of each stage of the expected credit loss calculation. Based on our discussions with the Group management, we evaluated whether the key assumptions and other judgements, including COVID 19 impact, underlying the estimations of impairments were reasonable. We assessed expected credit losses determined based on individual assessment per Group's policy by means of supporting data including COVID 19 impact and evaluated appropriateness via discussions with management. Our specialists are involved in all procedures regarding assumptions of models and individual assessments. 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.
Information Technologies Audit 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	Procedures within the context of our information technology audit work: • 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:



Key Audit Matters	How the matter was addressed in the audit
found to be key area of focus as part of our risk-based scoping.	• 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.
- 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.



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 2021 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

The effect of the differences between the accounting principles summarized in Section 3 and the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified and reflected in the accompanying financial statements. The accounting principles used in the preparation of the accompanying financial statements differ materially from IFRS. Accordingly, the accompanying financial statements are not intended to present the Group's financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

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

Yaman Polat
Partner

İstanbul, 17 February 2022

DENİZBANK A.Ş.
CONSOLIDATED FINANCIAL REPORT AS OF 31 DECEMBER 2021

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

Telephone and Fax Numbers
Tel : 0.212.348 20 00
Fax: 0.212.336 61 86

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:

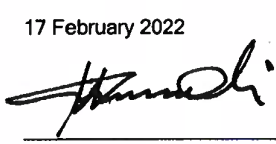
- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- DISCLOSURES ON ACCOUNTING POLICIES IN RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE CONSOLIDATED GROUP
- DISCLOSURES AND FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS
- 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:

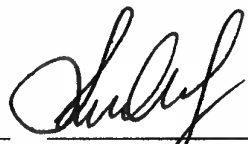
Subsidiaries
1 Denizbank AG, Vienna
2 Eurodeniz International Banking Unit Ltd.
3 Deniz Yatırım Menkul Kıymetler A.Ş.
4 JSC Denizbank, Moscow
5 Deniz Portföy Yönetimi A.Ş.
6 Deniz Finansal Kiralama A.Ş.
7 Deniz Faktoring A.Ş.
8 Deniz Gayrimenkul Yatırım Ortaklığı A.Ş.
9 CR Erdberg Eins GmbH & Co KG
10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

The consolidated financial statements and related disclosures and footnotes that were subject to independent 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.

17 February 2022



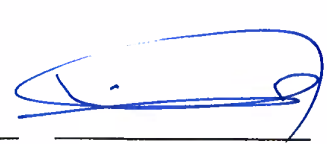
HAKAN ELVERDİ
Senior Vice President
Financial Reporting
and Accounting



RUSLAN ABİL
Executive Vice President
Financial Affairs



HAKAN ATEŞ
Member of Board of Directors
and President and Chief
Executive Officer



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



BJORN LENZMANN
Member of Board of Directors
and Audit and Risk Committee



**AHMED MOHAMMED AQIL
QASSIM ALQASSIM**
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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Consolidated Financial Report
Originally Issued in Turkish,
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SECTION ONE
GENERAL INFORMATION

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

Denizbank A.Ş. ("the Bank") following the resolution of the High Council of Privatization numbered 97/5 and dated 20 March 1997 to privatize 100% of shares of Denizbank A.Ş., share sale agreement between Zorlu Holding A.Ş. and the Privatization Administration was signed on 29 May 1997 and the Bank started its activities on 25 August 1997 upon the receipt of its official authorisation. Bank's shares have been quoted on Borsa İstanbul ("BIST") on 1 October 2004.

Dexia Participation Belgique SA, owned 100% directly and indirectly by Dexia SA/NV, acquired 75% of the outstanding shares of the Bank from Zorlu Holding A.Ş. on 17 October 2006, and Dexia Participation Belgique SA's partnership share has reached 99,85% with subsequent acquisitions following the share transfer.

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

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

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

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

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

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

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

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

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

DENİZBANK ANONİM ŞİRKETİ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2021

(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 ^(9,10)		
Nihat Sevinç ⁽¹²⁾	Deputy Chairman	--
Hakan Ateş	Member and CEO	--
Deniz Ülke Arıboğan ⁽¹²⁾	Member	--
Derya Kumru ⁽²⁾	Member	--
Shayne Keith Nelson ⁽¹²⁾	Member	--
Jonathan Edward Morris ⁽⁴⁾	Member	--
Tanju Kaya	Member	--
Bjorn Lenzmann	Member	--
Audit Committee		
Nihat Sevinç ⁽¹²⁾	Member	--
Bjorn Lenzmann ⁽³⁾	Member	--
Executive Vice Presidents⁽⁹⁾		
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	Corporate and Commercial Credits	--
Ramazan Işık	Head of Internal Audit	--
Engin Eskiduman ⁽⁹⁾	SME Banking and Public Financing	--
Necip Yavuz Elkin	Human Resources and Deniz Academy	--
Burak Koçak	Agricultural Banking	--
Oğuzhan Özak ⁽¹³⁾	Individual Banking	--
Cemil Cem Önenç ⁽¹³⁾	Private Banking and Investment Sales	--
Sinan Yılmaz	Head of Risk Management Group	--
Edip Kürşad Başer ⁽¹⁾	Retail, SME, Agricultural Banking Credits Allocation and IFRS	--
Verda Beril Yüzer Oğuz	Financial Institutions	--
Hayri Cansever	Secretariat General and Foreign Subsidiaries	--
Umut Özdoğan ⁽¹⁾	Digital Transformation, Change Management and Non-Branch Channels	--
Savaş Çitak ⁽¹⁾	Project Finance, Financial Restructuring and Credits International Coordination	--
Kishore Swayamberdutt Bhatt ⁽⁵⁾	Credit Allocation	--
Mustafa Okan Çetinkaya ⁽¹⁾	Analytics, Data and Customer Value Management Policies	--
Halit Cihan Tunçbilek ⁽⁶⁾	Payment Systems	--
Ali Rıza Aydın ⁽⁷⁾	Information Security and Information Technologies Risk Management	--
Okan Aksu ⁽¹¹⁾	Treasury Group	--
Ümit Recep Uğur ⁽¹¹⁾	Corporate and Commercial Banking Group	--

(1) With the decision of the Board of Directors of the Bank dated 26 February 2021; Savaş Çitak, who has been the Project Finance, Financial Restructuring and Credits International Coordination Group Manager of the Bank is appointed to the newly established Project Finance, Financial Restructuring and Credits International Coordination Group as Executive Vice President, Mustafa Okan Çetinkaya who has been the Digital Transformation, CRM and Change Management Group Business Analytics and CRM Senior Vice President of the Bank is appointed to Analytics, Data and Customer Value Management Policies as Executive Vice President. Edip Kürşad Başer, who has been the Bank's Credit Policies and Retail, SME, Agricultural Banking Credits Allocation Group Executive Vice President is transferred to Retail, SME, Agricultural Banking Credits Allocation and IFRS Group Executive Vice President, Umut Özdoğan who has been the Bank's Digital Transformation, CRM and Change Management Group Executive Vice President is transferred to Digital Transformation and Change Management Group Executive Vice President.

(2) İbrahim Şen, who has been the Executive Vice President of the Bank's Credit Follow up and Risk Monitoring Group, has resigned from his position. The Credit Follow up and Risk Monitoring Group functions are undertaken by Derya Kumru, who has been Member of the Board of Directors and Credit Committee of the Bank.

(3) Bjorn Lenzmann has been appointed to Member of the Board of Directors of at the Ordinary General Assembly of the Bank held on 25 March 2021. Bjorn Lenzmann was appointed as a member of the Audit and Risk Committee with the decision of the Board of Directors regarding the establishment of the committees dated 25 March 2021 of the Bank.

(4) With the decision of the Board of Directors of the Bank on 13 April 2021, Jonathan Edward Morris has resigned from the Audit and Risk Committee membership, and the substitute membership of the Credit Committee was changed as a membership of the Credit Committee. With the decision of the Bank's Board of Directors dated 13 January 2022, he has been re-appointed to an substitute membership of the Credit Committee.

(5) With the decision of the Board of Directors of the Bank, Kishore Swayamberdutt Bhatt has been appointed to Executive Vice President of Credit Allocation Group as of 27 May 2021.

(6) As of 30 July 2021, Halit Cihan Tunçbilek has been appointed as the Payment Systems Group Executive Vice President to be responsible for the functions of the Payment Systems Group, which was newly established at the Bank.

(7) On 16 August 2021, Ali Rıza Aydın was appointed as the Executive Vice President of Information Security and Information Technologies Risk Management to be responsible for the functions of the Information Security and Information Technologies Risk Management Group of the Bank.

(8) Dilek Duman, who has been the Executive Vice President of Information Technologies and Support Operations of the Bank, resigned from her position and the cancellation of her authorization was registered on 20 August 2021.

(9) The resignation of Mohamed Hadi Ahmed Abdulla Alhussaini from his position as the Deputy Chairman of the Board of Directors was accepted by the resolution of the Board of Directors of the Bank dated 11 October 2021 and Murat Kulaksız, who has been the Deputy General Manager of SME Banking and Public Finance Group, it has been decided that he will resign from his position at the Bank to serve as a Senior Manager in the subsidiaries of the Bank and Engin Eskiduman will be appointed to this position.

(10) With the decision of the Bank's Board of Directors dated 12 January 2022, it was decided to appoint Burcu Çalıklı to the Board of Directors, which was vacated by the resignation of Mohamed Hadi Ahmed Abdulla Alhussaini, to serve until the first General Assembly. With the decision of the Bank's Board of Directors dated 13 January 2022 Burcu Çalıklı has been appointed to a membership of the Credit Committee.

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

(Currency: Thousands of TL - Turkish Lira)

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(11) As of 23 December 2021, Ümit Recep Uğur has been appointed as the Executive Vice President of the Corporate and Commercial Banking Group to be responsible for the Corporate and Commercial Banking Group functions of the Bank, and Okan Aksu has been appointed as the Executive Vice President of the Treasury Group to be responsible for the Treasury Group functions of the Bank.

(12) With the Bank's Board of Directors Decision dated 1 February 2022, the resignations of Members of the Board of Directors Deniz Ülke Arıboğan and Nihat Sevinç dated 31 January 2022 were accepted. It has been decided to appoint Ahmed Mohammed Aqil Qassim Alqassim to serve until the General Assembly as a member of Board of Directors which was vacated due to the resignation of Nihat Sevinç, Member of the Board of Directors (Vice Chairman of the Board of Directors) and it has been decided to elect Ahmed Mohammed Aqil Qassim Alqassim as a Member of the Audit and Risk Committee, and to elect Keith Nelson as the Deputy Chairman of the Board of Directors.

(13) With the Bank's Board of Directors Decision dated 1 February 2022 The Bank's Executive Vice President responsible for Private Banking and Investment Sales Group, Cemil Cem Önenç, resigned on 31 January 2022 to serve as a senior manager in our subsidiaries. As of 1 February 2022, it has been decided to change the title of İzzet Oğuzhan Özark, Assistant General Manager responsible for the Retail Banking Group of the Bank, to Assistant General Manager responsible for the Retail and Private Banking Group.

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 2021 the capital structure of ENBD is as follows:

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

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

The Parent Bank is a private sector deposit bank which provides banking services to its customers through 686 domestic branches and 1 foreign branch as of 31 December 2021.

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

In accordance with the Banking Law and regulations;

- Performing all kinds of banking activities,
- Dealing with transactions on all kinds of capital market instruments within the limits set by the related regulations and Capital Market Law regulations,
- Participating, undertaking the management and performing control activities in domestic and foreign entities and banks, financial institutions and all kinds of investment partnerships by obtaining the permission of the Banking Regulation and Supervision Agency in accordance with the Banking Law, by purchasing its shares or share certificates,
- Conducting all kinds of insurance agency transactions in domestic and abroad and signing insurance agency agreements with insurance companies for this purpose.

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

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

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

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

None.

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT
OF FINANCIAL POSITION (BALANCE SHEET)
AS OF 31 DECEMBER 2021

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish
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ASSETS	Note	Audited CURRENT PERIOD (31/12/2021)			Audited PRIOR PERIOD (31/12/2020)		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		15.271.789	128.959.576	144.231.365	11.896.425	65.825.347	77.721.772
1.1 Cash and Cash Equivalents		4.732.225	101.441.196	106.173.421	4.522.486	48.982.926	53.505.412
1.1.1 Cash and Balances with Central Bank	(5.1.a)	3.947.901	76.940.474	80.888.375	2.252.708	37.777.210	40.029.918
1.1.2 Banks	(5.1.a)	546.733	24.516.258	25.062.991	506.687	11.208.727	11.715.414
1.1.3 Due From Money Markets		237.803	-	237.803	1.763.207	-	1.763.207
1.1.4 Expected Credit Loss (-)		212	15.536	15.748	116	3.011	3.127
1.2 Financial Assets at Fair Value Through Profit or Loss	(5.1.b)	118.300	1.087.240	1.205.540	21.432	735.684	757.116
1.2.1 Government Debt Securities		37.136	99.181	136.317	14.094	63.953	78.047
1.2.2 Equity Instruments		34.000	391.041	425.041	1.731	219.080	220.811
1.2.3 Other Financial Assets		47.164	597.018	644.182	5.607	452.651	458.258
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(5.1.c)	8.668.005	20.439.483	29.107.488	6.156.688	14.141.546	20.298.234
1.3.1 Government Debt Securities		8.667.539	19.417.655	28.085.194	6.156.222	13.383.870	19.540.092
1.3.2 Equity Instruments		466	515	981	466	311	777
1.3.3 Other Financial Assets		-	1.021.313	1.021.313	-	757.365	757.365
1.4 Derivative Financial Assets		1.753.259	5.991.657	7.744.916	1.195.819	1.965.191	3.161.010
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss	(5.1.b)	1.753.259	5.991.657	7.744.916	1.195.819	1.965.191	3.161.010
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)		107.373.238	125.476.967	232.850.205	88.002.862	86.541.061	174.543.923
2.1 Loans	(5.1.d)	120.404.889	122.807.633	243.212.522	91.488.281	86.152.949	177.641.230
2.2 Lease Receivables	(5.1.i)	1.318.698	3.908.960	5.227.658	703.664	2.537.161	3.240.825
2.3 Factoring Receivables		1.820.376	1.258.395	3.078.771	2.128.967	575.347	2.704.314
2.4 Financial Assets Measured at Amortised Cost	(5.1.e)	1.531.183	5.593.638	7.124.821	4.109.356	3.152.687	7.262.043
2.4.1 Government Debt Securities		1.531.183	5.593.638	7.124.821	4.109.356	3.152.687	7.262.043
2.4.2 Other Financial Assets		-	-	-	-	-	-
2.5 Expected Credit Loss (-)		17.701.908	8.091.659	25.793.567	10.427.406	5.877.083	16.304.489
III. NON CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)	(5.1.o)	-	-	-	-	-	-
3.1 Held for Sale		-	-	-	-	-	-
3.2 Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		1.397.350	528	1.397.878	830.694	319	831.013
4.1 Investments in Associates (Net)	(5.1.f)	13.596	-	13.596	13.596	-	13.596
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		13.596	-	13.596	13.596	-	13.596
4.2 Subsidiaries (Net)	(5.1.g)	1.380.954	528	1.381.482	814.298	319	814.617
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Subsidiaries		1.380.954	528	1.381.482	814.298	319	814.617
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)	2.212.669	528.329	2.740.998	1.527.636	353.957	1.881.593
VI. INTANGIBLE ASSETS (Net)	(5.1.l)	524.059	99.641	623.700	365.002	58.407	423.409
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		524.059	99.641	623.700	365.002	58.407	423.409
VII. INVESTMENT PROPERTIES (Net)	(5.1.m)	369.625	-	369.625	355.990	-	355.990
VIII. CURRENT TAX ASSET		435.513	110.391	545.904	313.744	-	313.744
IX. DEFERRED TAX ASSET	(5.1.n)	3.083.118	1.451	3.084.569	1.481.954	6.457	1.488.411
X. OTHER ASSETS (Net)	(5.1.p)	6.758.095	3.281.545	10.039.640	4.597.284	1.803.509	6.400.793
TOTAL ASSETS		137.425.456	258.458.428	395.883.884	109.371.591	154.589.057	263.960.648

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

DENİZBANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

AS OF 31 DECEMBER 2021

(Currency: Thousands of TL - Turkish Lira)

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

LIABILITIES	Note	Audited CURRENT PERIOD (31/12/2021)			Audited PRIOR PERIOD (31/12/2020)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.II.a)	57.084.400	209.581.903	266.666.303	50.016.442	134.702.871	184.719.313
II. FUNDS BORROWED	(5.II.c)	2.909.771	45.946.536	48.856.307	2.399.832	23.585.722	25.985.554
III. DUE TO MONEY MARKETS		1.045.007	7.003.000	8.048.007	1.207.341	3.305.635	4.512.976
IV. SECURITIES ISSUED (Net)	(5.II.d)	5.294.546	5.099.084	10.393.630	2.541.688	626.919	3.168.607
4.1 Bills		4.725.194	2.609.796	7.334.990	1.921.607	451.604	2.373.211
4.2 Assets Backed Securities		-	-	-	-	-	-
4.3 Bonds		569.352	2.489.288	3.058.640	620.081	175.315	795.396
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES		1.367.463	3.092.383	4.459.846	292.714	1.862.130	2.154.844
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss	(5.II.b)	1.367.463	3.092.383	4.459.846	292.714	1.862.130	2.154.844
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(5.II.g)	-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES	(5.II.f)	544.420	63.393	607.813	540.733	70.093	610.826
X. PROVISIONS	(5.II.h)	3.078.921	308.735	3.387.656	2.070.724	238.443	2.309.167
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		713.087	52.511	765.598	535.248	27.108	562.356
10.3 Insurance for Technical Provision (Net)		-	-	-	-	-	-
10.4 Other Provisions		2.365.834	256.224	2.622.058	1.535.476	211.335	1.746.811
XI. CURRENT TAX LIABILITY	(5.II.i)	390.612	30.103	420.715	285.800	106.782	392.582
XII. DEFERRED TAX LIABILITIES	(5.II.i)	7.213	154.580	161.793	3.823	60.891	64.714
XIII. NON CURRENT LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(5.II.j)	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS		-	10.484.778	10.484.778	-	5.917.420	5.917.420
14.1 Loans	(5.II.k)	-	10.484.778	10.484.778	-	5.917.420	5.917.420
14.2 Other Debt Instruments		-	-	-	-	-	-
XV. OTHER LIABILITIES	(5.II.e)	8.268.567	5.080.435	13.349.002	5.253.104	5.844.106	11.097.210
XVI. SHAREHOLDERS' EQUITY	(5.II.l)	7.142.511	21.905.523	29.048.034	9.940.534	13.086.901	23.027.435
16.1 Paid-in Capital		5.696.100	-	5.696.100	5.696.100	-	5.696.100
16.2 Capital Reserves		67.576	-	67.576	67.576	-	67.576
16.2.1 Share Premium		15	-	15	15	-	15
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		67.561	-	67.561	67.561	-	67.561
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		983.351	128.363	1.111.714	364.227	69.986	434.213
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		(14.670.865)	18.722.863	4.051.998	(7.675.597)	9.989.501	2.313.904
16.5 Profit Reserves		10.072.575	1.562.572	11.635.147	8.279.350	1.562.572	9.841.922
16.5.1 Legal Reserves		612.404	5.019	617.423	522.743	5.019	527.762
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		9.460.171	1.557.553	11.017.724	7.756.607	1.557.553	9.314.160
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Income or (Loss)		4.842.479	1.491.399	6.333.878	3.155.384	1.464.842	4.620.226
16.6.1 Prior Periods' Income or (Loss)		1.697.059	1.129.942	2.827.001	1.708.633	1.053.250	2.761.883
16.6.2 Current Period Income or (Loss)		3.145.420	361.457	3.506.877	1.446.751	411.592	1.858.343
16.7 Minority Shares		151.295	326	151.621	53.494	-	53.494
TOTAL LIABILITIES		87.133.431	308.750.453	395.883.884	74.552.735	189.407.913	263.960.648

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF
OFF-BALANCE SHEET ITEMS
AS OF 31 DECEMBER 2021
 (Currency: Thousands of TL - Turkish Lira)

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

	CURRENT PERIOD (31/12/2021)			PRIOR PERIOD (31/12/2020)		
	TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)	140.165.138	386.297.562	526.462.700	105.577.021	195.655.581	301.232.602
I. GUARANTEES	15.453.180	51.638.904	67.092.084	12.777.688	30.047.020	42.824.708
1.1. Letters of Guarantee	15.212.934	33.889.533	49.102.467	12.483.998	19.435.442	31.919.440
1.1.1. Guarantees Subject to State Tender Law	-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations	79.021	211.237	290.258	79.021	124.588	203.609
1.1.3. Other Letters of Guarantee	15.133.913	33.678.296	48.812.209	12.404.977	19.310.854	31.715.831
1.2. Bank Acceptances	16.000	95.075	111.075	15.250	94.990	110.240
1.2.1. Import Letter of Acceptance	16.000	95.075	111.075	15.250	94.990	110.240
1.2.2. Other Bank Acceptances	-	-	-	-	-	-
1.3. Letters of Credit	-	13.467.228	13.467.228	13.006	4.882.246	4.895.252
1.3.1. Documentary Letters of Credit	-	9.363.617	9.363.617	-	3.544.938	3.544.938
1.3.2. Other Letters of Credit	-	4.103.611	4.103.611	13.006	1.337.308	1.350.314
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	224.246	4.187.068	4.411.314	265.434	5.634.342	5.899.776
1.9. Other Sureties	-	-	-	-	-	-
II. COMMITMENTS	70.586.725	8.607.686	79.194.411	53.867.502	10.172.595	64.040.097
2.1. Irrevocable Commitments	69.815.160	8.414.531	78.229.691	53.327.986	9.992.877	63.320.863
2.1.1. Asset Purchase and Sale Commitments	2.795.299	5.314.135	8.109.434	841.692	5.378.043	6.219.735
2.1.2. Deposit Purchase and Sales Commitments	-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries	-	-	-	4.000	-	4.000
2.1.4. Loan Granting Commitments	21.028.309	-	21.028.309	17.234.415	-	17.234.415
2.1.5. Securities Issuance Brokerage Commitments	-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements	-	-	-	-	-	-
2.1.7. Commitments for Cheque Payments	3.369.186	-	3.369.186	2.226.643	-	2.226.643
2.1.8. Tax and Fund Obligations from Export Commitments	2.210	-	2.210	2.023	-	2.023
2.1.9. Commitments for Credit Card Limits	42.095.217	-	42.095.217	32.617.301	-	32.617.301
2.1.10. Commitments for Promotional Operations Re-Credit Cards and Banking Services	10.334	-	10.334	11.556	-	11.556
2.1.11. Receivables from "Short" Sale Commitments On Securities	-	-	-	-	-	-
2.1.12. Payables for "Short" Sale Commitments On Securities	-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments	514.605	3.100.396	3.615.001	390.356	4.614.834	5.005.190
2.2. Revocable Commitments	771.565	193.155	964.720	539.516	179.718	719.234
2.2.1. Revocable Loan Granting Commitments	771.006	193.155	964.161	538.957	179.718	718.675
2.2.2. Other Revocable Commitments	559	-	559	559	-	559
III. DERIVATIVE FINANCIAL INSTRUMENTS	54.125.233	326.050.972	380.176.205	38.931.831	155.435.966	194.367.797
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	54.125.233	326.050.972	380.176.205	38.931.831	155.435.966	194.367.797
3.2.1. Forward Foreign Currency Purchases/Sales	6.886.608	31.230.745	38.117.353	2.693.666	17.354.000	20.047.666
3.2.1.1. Forward Foreign Currency Purchases	5.118.578	14.078.246	19.196.824	1.830.015	8.414.678	10.244.693
3.2.1.2. Forward Foreign Currency Sales	1.768.030	17.152.499	18.920.529	863.651	8.939.322	9.802.973
3.2.2. Currency and Interest Rate Swaps	46.114.568	278.316.450	324.431.018	33.029.575	124.567.079	157.596.654
3.2.2.1. Currency Swaps-Purchases	2.207.372	121.757.029	123.964.401	828.099	55.725.437	56.553.536
3.2.2.2. Currency Swaps-Sales	37.547.196	91.269.814	128.817.010	22.551.476	39.320.239	61.871.715
3.2.2.3. Interest Rate Swaps-Purchases	3.180.000	32.644.804	35.824.804	4.825.000	14.760.702	19.585.702
3.2.2.4. Interest Rate Swaps-Sales	3.180.000	32.644.803	35.824.803	4.825.000	14.760.701	19.585.701
3.2.3. Currency, Interest Rate and Security Options	-	5.043.004	5.955.959	2.380.869	6.398.258	8.779.127
3.2.3.1. Currency Options-Purchases	423.349	1.946.178	2.369.527	1.055.976	2.678.255	3.734.231
3.2.3.2. Currency Options-Sales	489.606	1.832.922	2.322.528	1.024.893	2.775.845	3.800.738
3.2.3.3. Interest Rate Options-Purchases	-	631.952	631.952	-	472.079	472.079
3.2.3.4. Interest Rate Options-Sales	-	631.952	631.952	300.000	472.079	772.079
3.2.3.5. Securities Options-Purchases	-	-	-	-	-	-
3.2.3.6. Securities Options-Sales	-	-	-	-	-	-
3.2.4. Currency Futures	211.102	218.209	429.311	827.721	763.167	1.590.888
3.2.4.1. Currency Futures-Purchases	-	218.209	218.209	-	763.167	763.167
3.2.4.2. Currency Futures-Sales	211.102	-	211.102	827.721	-	827.721
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	-	11.242.564	11.242.564	-	6.353.462	6.353.462
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)	948.539.132	601.539.131	1.550.078.263	651.466.576	325.639.811	977.106.387
IV. ITEMS HELD IN CUSTODY	36.778.789	40.784.116	77.562.905	33.849.047	16.518.378	50.367.425
4.1. Customers' Securities and Portfolios Held	139.984	-	139.984	139.814	-	139.814
4.2. Securities Held in Custody	32.928.199	32.744.424	65.672.623	30.857.690	12.412.991	43.270.681
4.3. Checks Received for Collection	2.370.920	5.335.577	7.706.497	1.875.232	2.588.542	4.463.774
4.4. Commercial Notes Received for Collection	1.338.438	660.911	1.999.349	975.063	352.162	1.327.225
4.5. Other Assets Received for Collection	-	-	-	-	-	-
4.6. Assets Received for Public Offering	-	-	-	-	-	-
4.7. Other Items under Custody	1.248	2.043.204	2.044.452	1.248	1.164.683	1.165.931
4.8. Custodians	-	-	-	-	-	-
V. PLEDGED ITEMS	910.519.155	558.257.143	1.468.776.298	616.467.629	307.983.358	924.450.987
5.1. Securities	3.982.023	165.843	4.147.866	3.991.203	75.724	4.066.927
5.2. Guarantee Notes	533.553.514	188.100.808	721.654.322	413.307.798	108.475.879	521.783.677
5.3. Commodities	24.060.966	30.189.746	54.250.712	19.430.706	13.496.225	32.926.931
5.4. Warrants	-	-	-	-	-	-
5.5. Immovables	228.948.349	197.132.534	426.080.883	104.252.159	90.110.884	194.363.043
5.6. Other Pledged Items	119.974.303	142.668.212	262.642.515	75.485.763	95.824.646	171.310.409
5.7. Pledged Items-Depository	-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES	1.241.188	2.497.872	3.739.060	1.149.900	1.138.075	2.287.975
TOTAL OFF BALANCE SHEET ITEMS (A+B)	1.088.704.270	987.836.693	2.076.540.963	757.043.597	521.295.392	1.278.338.989

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

DENİZBANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE PERIOD ENDED 31 DECEMBER 2021

(Currency: Thousands of TL - Turkish Lira)

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

See Note 3.1.c

INCOME AND EXPENSES		Note	Audited CURRENT PERIOD (01/01-31/12/2021)	Audited PRIOR PERIOD (01/01-31/12/2020)
I.	INTEREST INCOME	(5.IV.a)	25.225.057	18.711.843
1.1	Interest on Loans		21.933.822	16.091.531
1.2	Interest on Reserve Requirements		333.512	29.693
1.3	Interest on Banks		121.986	204.678
1.4	Interest on Money Market Transactions		67.313	148.228
1.5	Interest on Marketable Securities Portfolio		2.109.020	1.762.997
1.5.1	Fair Value Through Profit or Loss		28.267	21.908
1.5.2	Fair Value Through Other Comprehensive Income		1.663.298	1.098.681
1.5.3	Measured at Amortized Cost		417.455	642.408
1.6	Financial Lease Interest Income		362.495	252.599
1.7	Other Interest Income		296.909	222.117
II.	INTEREST EXPENSE (-)	(5.IV.b)	12.238.564	7.739.184
2.1	Interest on Deposits		8.605.669	5.290.433
2.2	Interest on Funds Borrowed		1.985.578	1.576.839
2.3	Interest Expense on Money Market Transactions		474.625	231.675
2.4	Interest on Securities Issued		941.553	417.875
2.5	Interest on Leases		131.313	140.590
2.6	Other Interest Expenses		99.826	81.772
III.	NET INTEREST INCOME (I - II)		12.986.493	10.972.659
IV.	NET FEES AND COMMISSIONS INCOME		4.162.925	3.053.031
4.1	Fees and Commissions Received		6.096.094	3.895.026
4.1.1	Non-Cash Loans		503.288	479.667
4.1.2	Other	(5.IV.I)	5.592.806	3.415.359
4.2	Fees and Commissions Paid (-)		1.933.169	841.995
4.2.1	Non-Cash Loans		10.709	7.417
4.2.2	Other	(5.IV.I)	1.922.460	834.578
V	DIVIDEND INCOME	(5.IV.c)	4.215	2.537
VI.	TRADING INCOME / LOSS (Net)	(5.IV.d)	597.451	571.422
6.1	Trading Gains / (Losses) on Securities		350.751	161.288
6.2	Gains / (Losses) on Derivate Financial Transactions		12.440.714	(787.206)
6.3	Foreign Exchange Gains / (Losses)		(12.194.014)	1.197.340
VII.	OTHER OPERATING INCOME	(5.IV.e)	859.119	470.422
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)		18.610.203	15.070.071
IX.	EXPECTED CREDIT LOSS (-)	(5.IV.f)	7.572.296	7.184.737
X.	OTHER PROVISION EXPENSES (-)	(5.IV.f)	297.001	451.414
XI.	PERSONNEL EXPENSE (-)	(5.IV.g)	2.616.198	2.176.596
XII.	OTHER OPERATING EXPENSES (-)	(5.IV.g)	3.468.103	2.894.546
XIII.	NET OPERATING INCOME /LOSS (VIII-IX-X-XI-XII)		4.656.605	2.362.778
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		-	-
XVII.	(XIII+...+XVI)	(5.IV.h)	4.656.605	2.362.778
XVIII.	TAX PROVISIONS FOR CONTINUED OPERATIONS (±)	(5.IV.i)	(1.116.834)	(496.986)
18.1	Current Tax Provision		(328.684)	(340.305)
18.2	Deferred Tax Income Effect (+)		(6.997.837)	(3.383.565)
18.3	Deferred Tax Expense Effect (-)		6.209.687	3.226.884
XIX.	CURRENT PERIOD PROFIT / LOSS FROM CONTINUED OPERATIONS		-	-
	(XVII±XVIII)	(5.IV.j)	3.539.771	1.865.792
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1	Income from Non-Current Assets Held for Sale		-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3	Income from Other Discontinued Operations		-	-
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)		-	-
21.1	Expenses for Non-current Assets Held for Sale		-	-
21.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Expenses for Other Discontinued Operations		-	-
	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-
XXII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS		-	-
	(XXII±XXIII)		-	-
XXIV.	NET PROFIT/(LOSS) (XIX+XXIV)	(5.IV.k)	3.539.771	1.865.792
25.1	Profit / (Loss) of Group		3.506.877	1.858.343
25.2	Profit / (Loss) of Minority Shares (-)		32.894	7.449
	Profit / (Loss) Per Share (full TRY)		0,62	0,33

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2021

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
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See Note 3.1.c

	Audited CURRENT PERIOD (01/01-31/12/2021)	Audited PRIOR PERIOD (01/01-31/12/2020)
I. CURRENT PERIOD INCOME/LOSS	3.539.771	1.865.792
II. OTHER COMPREHENSIVE INCOME	2.415.595	1.009.458
2.1 Not Reclassified Through Profit or Loss	677.501	(292.700)
2.1.1 Property and Equipment Revaluation Increase/Decrease	131.809	32.586
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurement Gain/Loss	3.751	(51.979)
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	566.618	(274.029)
2.1.5 Tax on Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(24.677)	722
2.2 Reclassified Through Profit or Loss	1.738.094	1.302.158
2.2.1 Foreign Currency Translation Differences	11.097.794	4.350.899
2.2.2 Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	(1.768.927)	362.829
2.2.3 Cash Flow Hedge Income/Loss	24.303	(7.386)
2.2.4 Foreign Net Investment Hedge Income/Loss	(10.029.249)	(4.033.678)
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	2.414.173	629.494
III. TOTAL COMPREHENSIVE INCOME (I+II)	5.955.366	2.875.250

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2021
(Currency: Thousands of TL - Turkish Lira)

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	Footnote	Audited CURRENT PERIOD (01/01-31/12/2021)	Audited PRIOR PERIOD (01/01-31/12/2020)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		4.693.370	560.617
1.1.1 Interest received (+)		24.380.303	17.648.739
1.1.2 Interest paid (-)		11.790.318	7.581.753
1.1.3 Dividends received (+)		4.215	2.537
1.1.4 Fees and commissions received (+)		6.039.009	3.895.026
1.1.5 Other income (+)		562.189	352.523
1.1.6 Collections from previously written off loans and other receivables (+)		4.430.341	3.868.685
1.1.7 Cash payments to personnel and service suppliers (-)		2.432.694	2.007.262
1.1.8 Taxes paid (-)		858.856	482.047
1.1.9 Other (+/-)	(5.VI.c)	(15.640.819)	(15.135.831)
1.2 Changes in operating assets and liabilities subject to banking operations		24.414.702	(5.081.427)
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value through Profit or Loss (+/-)		(408.584)	(190.203)
1.2.2 Net (increase) decrease in due from banks (+/-)		(254.686)	(2.369.307)
1.2.3 Net (increase) decrease in loans		(28.470.312)	(10.513.310)
1.2.4 Net (increase) decrease in other assets (+/-)		(10.893.934)	(4.924.271)
1.2.5 Net increase (decrease) in bank deposits (+/-)		(1.982.856)	12.737.876
1.2.6 Net increase (decrease) in other deposits (+/-)		41.123.731	(4.202.709)
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 (+/-)		19.296.377	(15.109)
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(5.VI.c)	6.004.966	4.395.606
I. Net cash provided from banking operations(+/-)		29.108.072	(4.520.810)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / used in investing activities(+/-)		(7.521.581)	(5.014.029)
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures (-)		7.193	-
2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures (+)		7.185	-
2.3 Cash paid for the purchase of tangible and intangible asset (-)		2.851.884	1.781.305
2.4 Cash obtained from the sale of tangible and intangible asset (+)		556.289	364.248
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (-)		17.311.352	10.045.008
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+)		10.841.435	6.079.843
2.7 Cash paid for the purchase of financial assets at amortised cost (-)		-	-
2.8 Cash obtained from sale of financial assets at amortised cost (+)		-	-
2.9 Other (+/-)		1.243.939	368.193
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flows from financing activities (+/-)		(7.665.317)	5.717.270
3.1 Cash obtained from funds borrowed and securities issued (+)		46.148.995	31.779.660
3.2 Cash outflow from funds borrowed and securities issued (-)		53.465.948	25.755.488
3.3 Equity instruments issued (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for lease liabilities (-)		348.364	306.902
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents(+/-)	(5.VI.c)	23.536.614	8.929.322
V. Net increase in cash and cash equivalents	(5.VI.c)	37.457.788	5.111.753
VI. Cash and cash equivalents at the beginning of the period (+)	(5.VI.a)	40.899.547	35.787.794
VII. Cash and Cash Equivalents at the End of the Period	(5.VI.a)	78.357.335	40.899.547

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

DENİZBANK ANONİM ŞİRKETİ

CONSOLIDATED PROFIT DISTRIBUTION TABLE

FOR THE PERIOD ENDED 31 DECEMBER 2021

(Currency: Thousands of TL - Turkish Lira)

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	Audited CURRENT PERIOD (01/01-31/12/2021)	Audited PRIOR PERIOD (01/01-31/12/2020)
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 consolidated financial statements.

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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 20 January 2022, Public Oversight Authority (POA) made a statement on the Implementation of Financial Reporting in High Inflation Economies within the Scope of Turkish Financial Reporting Standards, Financial Reporting Standard for Large and Medium Sized Enterprises. Accordingly, it has been stated that entities applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting in High Inflation Economies.

Within the scope of the Benchmark Interest Rate Reform process, which continues on a global basis, the Bank has transactions in loans, securities, borrowing and derivative instruments. The required infrastructure developments for each product have been started in our bank in 2021, and developments for products that have a significant weight in the Bank's balance sheet have been completed and started to be used. On the other hand, it should be noted that a significant part of the current transactions are indexed to EURIBOR and USD LIBOR reference interest rates, EURIBOR will be continued to be used after the transition, and USD LIBOR rates will be continued to be published in Overnight, 1M, 3M, 6M and 1Y grades until 2023/June. It is not expected that there will be an issue in the conversion process of existing transactions.

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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.

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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 2021	31 December 2020
US Dollar	13,3290 TL	7,4194 TL
Euro	15,0867 TL	9,1164 TL

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

As of 31 December 2021, net foreign exchange loss included in the statement of profit or loss amounts to TL 12.194.014 (1 January - 31 December 2020: TL 1.197.340 net foreign exchange gain).

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 20.159.089 as of 31 December 2021 (31 December 2020: TL 9.502.391).

The foreign exchange difference of TL 451.067 (31 December 2020: TL 9.967) 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.

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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.

The title, purpose, field of activity and capital of “Deniz Kartlı Ödeme Sistemleri Anonim Şirketi” (the Company) which is a 100% subsidiary of the Parent Bank has been changed with the approval of the amendment of the related articles described in the Articles of Association held on General Assembly dated on 1 November 2019 and by registering the General Assembly resolutions on 12 November 2019. The new title of the company has become “Fastpay Elektronik Para ve Ödeme Hizmetleri Anonim Şirketi” and its capital has been increased from TL 300 to TL 10.000. An operating permit application was made to the Banking Regulation and Supervision Agency on 14 November 2019 for the company to operate as a payment and electronic money institution and the operating permit was granted on 24 December 2020.

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 2021 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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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. DFS Group accrues interest based on expected cash flows for its non-performing loans.

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.

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b. Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through other comprehensive income are recognised by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to statement of profit or loss. "Unrealised gains and losses" arising from the difference between the amortised cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the statement of profit or loss of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the "Other Accumulated Comprehensive Income or Expense to be Reclassified through Profit or Loss" under shareholders' equity. When these securities are collected or disposed, the accumulated fair value differences reflected in the equity are reflected to the statement of profit or loss.

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

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

c. Financial assets measured at amortised cost

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

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

Parent Bank's portfolio of financial assets at fair value through other comprehensive income and the financial assets measured at amortised cost includes CPI indexed government bonds with a maturity of 5 - 10 years and which the real coupon rates of 6 months are fixed throughout the maturity. As stated by the undersecretariat of Treasury in CPI indexed investor guide, the reference indexes used in the calculation of the actual coupon payment amounts of these securities are formed according to the CPI indexes of two months prior to the coupon payment date.

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.

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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 2021, 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. At the same time, the Parent Bank has reflected the possible effects of COVID-19 in the estimates and assumptions used in the preparation of the financial statements. Taking into account the COVID-19 conditions, forward-looking macroeconomic expectations have also been updated for the entire loan portfolio.

Due to COVID-19, the Parent Bank has granted the right to postpone the principal, interest and installment payments for its individual and corporate customers if they request, and the postponement within this scope has been applied and the postponement opportunity will continue until the end of the year.

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

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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.

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Probability of default

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

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

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

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

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

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

In the first step, the outputs of internal rating systems for PD calculations in accordance with TFRS 9 are grouped on the basis of risk segments according to common characteristics of credit risks. Retrospective historical default data of these groups have been prepared. In order to generate reasonable and valid accumulated default rates, a bucket generation analysis has been performed for the default data obtained from the model.

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

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

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.

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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.

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.

As of December 2021, the Parent Bank has reflected its future expectations to the expected credit loss calculation in the financial statements, with the current economic conditions taking into account possible different scenarios and management evaluation. The work carried out will be reviewed periodically in the future and updated according to expectations.

Participation of senior management in TFRS 9 processes

Within the scope of the internal systems, risk management, corporate governance and regulations on the classification of loans and reliable loan risk applications issued in accordance with Banking Law No. 5411 and pursuant to the Article 20 of the "Regulation on Procedures and Principles Regarding Classification of Loans and Provisions to be Reserved" published in the Official Gazette dated 22 June 2016 and No. 29750, 'TFRS 9 Management Committee' has been established in accordance with the "Guidelines on the Calculation of Provision for Expected Credit Loss under TFRS 9" ('Good Practice Guide') prepared by BRSA.

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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 Parent Bank's current policies and processes in accordance with TFRS 9 and related good practice guidelines.

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

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

IX. Explanations on offsetting financial instruments

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

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

Government bonds and treasury bills sold to customers under repurchase agreements are classified under "Financial Assets at Fair Value through Profit or Loss", "Financial Assets at Fair Value through Other Comprehensive Income" and "Financial Assets Measured at Amortised Cost" according to the purpose of retaining the asset in the accompanying consolidated balance sheet and are subjected to valuation as per the valuation principles of the relevant portfolio. Funds obtained from repurchase agreements are presented in the liabilities of the consolidated balance sheet in "Receivables from money market" line. The accrual amounts corresponding to the period is calculated for the part of the difference between the sales and repurchase prices determined by the relevant repo agreements.. Accrued interest expenses calculated for funds obtained from repurchase agreements are presented in "Due to money markets" account in liability part of the consolidated balance sheet.

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

XI. Explanations on non-current assets held for sale and from discontinued operations and liabilities related to these assets

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

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

As of 31 December 2021, DFS Group does not have non-current assets held for sale and discontinued operations.

XII. Explanations on goodwill and other intangible assets

a. Goodwill

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

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

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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 Years	10 % - 50 %
- Furniture and fixtures	5 Years	10 % - 50 %
- Motor vehicles	5 Years	20 % - 50 %
- Other equipment	10 Years	2,50 % - 50 %
Real estate	50 Years	2 % - 3,03 %

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

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

XIV. Explanations on investment property

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

Investment property is derecognised through disposal or withdrawal from use and when no future economic benefit is expected from its disposal. Gains or losses arising from the disposal of investment property are recognised in profit or loss in the period in which they occur.

XV. Explanations on leasing transactions

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

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

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

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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.

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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

With the provisional article added to the Corporate Tax Law numbered 5520 by the Clause 91 of law no.7061, the tax rate applied as 22% for the corporate earnings of the taxation periods of 2018, 2019 and 2020 (accounting periods starting in the related year for the institutions designated as special accounting period) and according to the Law No. 7316 published in the Official Gazette dated 22 April 2021, the declaration to be given starting from 1/7/2021 and to be valid for the taxation period starting from 1/1/2021 while the corporate tax rate for corporate earnings in Turkey has been increased to 25% for the 2021 taxation period, this rate will be applied as 23% for the 2022 taxation period and will be applied as 20% for 2023 and subsequent taxation periods.

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

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

In accordance with the Corporate Tax Law, carry forward tax losses shown on the declaration can be deducted from the corporate tax base for up to five years. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

Besides institutions reside in Turkey, dividends paid to the offices or the institutions earning through their permanent representatives in Turkey are not subject to withholding tax. According to the decision no. 4936 of the Presidential Decision published in the Official Gazette no. 31697 dated 22 December 2021, article 94 of the Income Tax Law No. 193 and certain duty rates included in the articles no.15 and 30 of the new Corporate Tax Law no.5520 are revised. In this respect, the withholding tax rate applied to the dividend payments made to non-resident companies, tax-exempt narrow and full taxpayer institutions/real persons, limited and full taxpayer real persons, excluding non-residents who earn income through a workplace or their permanent representative in Turkey is 10%. While applying the withholding tax rates on dividend payments to the foreign based institutions and the real persons, the withholding tax rates covered in the related Avoidance of Double Taxation Treaty are taken into account. Addition of profit to capital is not considered as profit distribution and therefore is not subject to withholding tax.

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

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

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 3.084.569 as of 31 December 2021 (31 December 2020: TL 1.488.411) and deferred tax liabilities amounting to TL 161.793 (31 December 2020: TL 64.714) have been recognised in the accompanying financial statements.

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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 the deferred tax calculations, 25% rate is used for the transactions that will be valid in the calculation of corporate tax until the end of 2021 for the companies in Turkey, 23% for the transactions that will be valid in the year of 2022, and 20% for the transactions that will be valid after 2022 (31 December 2020: 20%).

c. Transfer pricing

In the framework of the provisions on "Disguised Profit Distribution Through Transfer Pricing" regulated under article 13 of Corporate Tax Law no. 5520, pursuant to the Corporate Tax Law General Communiqué no. 1, which became effective upon its promulgation in the Official Gazette dated 3 April 2007 and numbered 26482, Corporate Tax Law General Communiqué no. 3, which became effective upon its promulgation in the Official Gazette dated 20 November 2008 and numbered 27060, Council of Ministers Decree no. 2007/12888, which became effective upon its promulgation in the Official Gazette dated 6 December 2007 and numbered 26722, Council of Minister Decree no. 2008/13490, which became effective upon its promulgation in the Official Gazette dated 13 April 2008 and numbered 26846, "General Communiqué No. 1 on Disguised Profit Distribution Through Transfer Pricing", which became effective upon its promulgation in the Official Gazette dated 18 November 2007 and numbered 26704 and "General Communiqué No. 2 on Disguised Profit Distribution Through Transfer Pricing", which became effective upon its promulgation in the Official Gazette dated 22 April 2008 and numbered 26855, "General Communiqué No. 3 on Disguised Profit Distribution Through Transfer Pricing", which became effective upon its promulgation in the Official Gazette dated 7 December 2017 and numbered 30263 and the Communiqué on the Amendment of the "General Communiqué on Disguised Profit Distribution through Transfer Pricing" no. 1, which became effective after being published in the Official Gazette dated 01 September 2020 and numbered 31231, profits shall be deemed to have been wholly or partially distributed in a disguised manner through transfer pricing if companies engage in the sales or purchases of goods or services with related parties at prices or amounts defined contrary to the arm's length principle. Buying, selling, manufacturing and construction operations and services, renting and leasing transactions, borrowing or lending money, bonuses, wages and similar payments are deemed as purchase of goods and services in any case and under any condition.

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

The taxpayers registered in the Large Taxpayers Tax Administration (Büyük Mükellefler Vergi Dairesi Başkanlığı) must prepare the "Annual Transfer Pricing Report" in line with the designated format for their domestic and cross-border transactions performed with related parties during a fiscal period until the filing deadline of the corporate tax return, and if requested after the expiration of this period, they must submit the report to the Administration or those authorized to conduct tax inspection. The organizational structure of corporate taxpayers, who are affiliated to the multinational business group and whose asset size in the balance sheet and net sales amount in the income statement are both TL 500 million and above, which are attached to the corporate tax declaration for the previous accounting period, the definition of the business activities, the intangible rights they have, it is obligatory to prepare the general report containing the financial transactions of the group and the financial and tax status of the group for the previous year until the end of the current year and submit it to the Administration or those authorized to conduct tax inspections, if requested. According to the consolidated financial statements of the previous accounting period from the reported accounting period, total consolidated group income of EUR 750 million and over multinational enterprises resident group in Turkey ultimate parent company or proxy business, the reported accounting period's income until the end of twelfth month, before tax it prepares a country-based report including profit / loss, accrued and paid corporate tax, capital, previous year profits, number of employees and tangible assets other than cash and cash equivalents, and submits it to the Administration electronically.

XIX. Additional explanations on borrowings

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

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

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XX. Explanations on issuance of share certificates

In 2021 and 2020, the Parent Bank does not have issuance of share certificates.

XXI. Explanations on bill of guarantee and acceptances

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

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

XXII. Explanations on government incentives

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

XXIII. Explanations on segment reporting

Segment reporting is presented in Section Four, note IX.

XXIV. Explanations on other matters

None.

XXV. Classifications

None.

XXVI. Explanations on TFRS 16 Leases standard

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

Right-of-use asset

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

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

When applying the cost method, the right of use is measured:

- After deducting accumulated depreciation and accumulated impairment losses, and
- From the adjusted cost according to the remeasurement of the rent obligation.

Group applies the depreciation provisions of TAS 16 Tangible Fixed Assets when depreciating the right of use assets.

Lease obligation

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

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

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

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

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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 2021 the equity of the Group amounts to TL 42.311.833 (31 December 2020: TL 30.943.998) while its capital adequacy standard ratio is 16,83% as of 31 December 2021 (31 December 2020: 16,23%).

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

-In the calculation of the amount subject to credit risk, in accordance with the "Regulation on Assessment and Evaluation of the Capital Adequacy of Banks"; banks may use the simple arithmetic average of the Central Bank's foreign exchange buying rates for the last 252 business days before the calculation date, when determining the 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.

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

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a. Components of consolidated equity items

	Current Period 31 December 2021	Prior Period 31 December 2020
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	11.635.147	9.841.922
Gains recognised in equity as per TAS ⁽¹⁾	6.943.145	3.593.747
Profit	6.333.878	4.620.226
Current Period Profit	3.506.877	1.858.343
Prior Period Profit	2.827.001	2.761.883
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	778	778
Minorities' Share	151.621	53.494
Common Equity Tier I Capital Before Deductions	30.760.684	23.806.282
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	244.781	356.488
Improvement costs for operating leasing	69.116	54.004
Goodwill (net of related tax liability)	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	623.700	423.409
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	632.785	--
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	1.570.382	833.901
Total Common Equity Tier I Capital	29.190.302	22.972.381

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ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	--	--
Debt instruments and premiums approved by BRSA	--	--
Debt instruments and premiums approved by BRSA (Temporary Article 4)	--	--
Third parties' share in the Additional Tier I capital	--	--
Third parties' share in the Additional Tier I capital (Temporary Article 3)	--	--
Additional Tier I Capital before Deductions	--	--
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	--	--
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7. -	--	--
Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital -	--	--
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Consolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital -	--	--
Other items to be defined by the BRSA	--	--
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 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)	29.190.302	22.972.381
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	10.398.821	5.870.996
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)	2.800.069	2.120.251
Tier II Capital Before Deduction	13.198.890	7.991.247
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	13.198.890	7.991.247
Total Capital (The sum of Tier I Capital and Tier II Capital)	42.389.192	30.963.628
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	77.359	19.630
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)	42.311.833	30.943.998
Total risk weighted amounts	251.444.727	190.709.237
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	11,61	12,05
Tier I Capital Adequacy Ratio (%)	11,61	12,05
Capital Adequacy Ratio (%)	16,83	16,23

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BUFFERS		
Total additional Common Equity Tier I Capital requirement ratio	2,602	2,672
Bank specific total common equity tier I capital ratio (%)	2,500	2,500
Capital conservation buffer requirement (%)	0,102	0,172
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 (%)	1,387	1,514
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)	14.811.648	8.292.896
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	2.800.069	2.120.251
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 ⁽²⁾	--	--
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	--	--

(1) As of May 2018, the difference between the provision for expected credit loss calculated in accordance with TFRS 9 and the total provision amount calculated before the application of TFRS 9 has been recorded in "Prior Years' Profit and Loss" account. Therefore, in accordance with Provisional Article 5 of the "Regulation on Equity of Banks", this amount has started to be shown net in the calculation of equity by adding 20% of the portion after deduction of the tax amount resulting from the difference (31 December 2020: 40%).

(2) 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)	1735	1999	3999	2666
Par value of instrument (Currency in mil)	1735	1999	3999	2666
Accounting classification	3470102	3470102	3470102	3470102
Original date of issuance	30.09.2014	30.04.2014	31.01.2014	30.09.2013
Perpetual or dated	Dated	Dated	Dated	Dated
Original maturity date	15 years	15 years	15 years	15 years
Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full on condition that it is at fifth years of the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full on condition that it is at fifth years of the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full or partially at any time before the planned repayment date, on condition that it is at least 5 years after the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full or partially at any time before the planned repayment date, on condition that it is at least 5 years after the loan is given.
Subsequent call dates, if applicable	None.	None.	None.	None.
Coupons/Dividends				
Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed
Coupon rate and any related index	First five year 6.2%, after irs +5.64	First five year 7.93%, after irs +6.12	7.50%	7.49%
Existence of a dividend stopper	None.	None.	None.	None.
Fully discretionary, partially discretionary or mandatory	--	--	--	--
Existence of step up or other incentive to redeem	None.	None.	None.	None.
Noncumulative or cumulative	--	--	--	--
Convertible or non-convertible				
If convertible, conversion trigger (s)	May be fully or partially extinguished principal amount and interest payment liabilities of loan or converted into capital in accordance with the related regulations in the case that the operation authorization of the Bank is revoked or in the event of an occurring possibility that the Bank may be transferred to the Fund.	May be fully or partially extinguished principal amount and interest payment liabilities of loan or converted into capital in accordance with the related regulations in the case that the operation authorization of the Bank is revoked or in the event of an occurring possibility that the Bank may be transferred to the Fund.	May be permanently or temporarily derecognised or converted into capital in accordance with the related regulations in the case that the operation authorization of the Bank is revoked or in the event of an occurring possibility that the Bank may be transferred to the Fund.	May be permanently or temporarily derecognised or converted into capital in accordance with the related regulations in the case that the operation authorization of the Bank is revoked or in the event of an occurring possibility that the Bank may be transferred to the Fund.
If convertible, fully or partially	Convertible fully.	Convertible fully.	Convertible fully.	Convertible fully.
If convertible, conversion rate	--	--	--	--
If convertible, mandatory or optional conversion	--	--	--	--
If convertible, specify instrument type convertible into	--	--	--	--
If convertible, specify issuer of instrument it converts into	--	--	--	--
Write-down feature				
If write-down, write-down trigger(s)	None.	None.	None.	None.
If write-down, full or partial	--	--	--	--
If write-down, permanent or temporary	--	--	--	--
If temporary write-down, description of write-up mechanism	--	--	--	--
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	In the event of the litigation of the Bank, gives the owner the authority to collect the claim after the borrowing instruments to be included in the additional principal capital and after deposit holders and all other claimants.	In the event of the litigation of the Bank, gives the owner the authority to collect the claim after the borrowing instruments to be included in the additional principal capital and after deposit holders and all other claimants.	In the event of the litigation of the Bank, gives the owner the authority to collect the claim after the borrowing instruments to be included in the additional principal capital and after deposit holders and all other claimants.	Gives the owner the right to collect the claim before share certificates and primary subordinated debts and after all other debts.
Whether conditions which stands in article of 7 and 8 of Banks' shareholder equity law are possessed or not	Possessed for Article 8.	Possessed for Article 8.	Possessed for Article 8.	Possessed for Article 8.
According to article 7 and 8 of Banks' shareholders equity law that are not possessed	--	--	--	--

- c. Main differences between "Equity" amount mentioned in the prior tables' equity statements and "Equity" amount in consolidated balance sheet arise from stage 1 and stage 2 loss provisions. The portion of main amount to credit risk of stage 1 and stage 2 loss provisions up to 1,25% considered as supplementary capital in the calculation of "Equity" amount included in equity statement as result of deductions mentioned in scope of Regulation on Equity of Banks. Additionally, Losses reflected to equity are determined through excluding losses sourcing from cash flow hedge reflected in equity in accordance with TAS which are subjects of discount from Core Capital. On the other hand, leasehold improvement costs monitored under Plant, Property and Equipment in balance sheet, intangible assets and deferred tax liabilities related to intangible assets, 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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d. Explanations on provisional article 5 of the regulation on the equity of banks

EQUITY ITEMS	T-3	T-4
Core Capital	29.190.302	29.190.302
<i>Transition Process Unapplied Core Capital</i>	<i>29.056.641</i>	<i>29.190.302</i>
Tier I Capital	29.190.302	29.190.302
<i>Transition Process Unapplied Main Capital</i>	<i>29.056.641</i>	<i>29.190.302</i>
Equity	42.311.833	42.311.833
<i>Transition Process Unapplied Equity</i>	<i>42.178.172</i>	<i>42.311.833</i>
TOTAL RISK WEIGHTED AMOUNTS		
Total Risk Weighted Amounts	251.444.727	251.444.727
CAPITAL ADEQUACY RATIO		
Core Capital Adequacy Ratio (%)	11,61	11,61
<i>Transition Process Unapplied Core Capital Adequacy Ratio (%)</i>	<i>11,56</i>	<i>11,61</i>
Main Capital Adequacy Ratio (%)	11,61	11,61
<i>Transition Period Unapplied Main Capital Adequacy Ratio (%)</i>	<i>11,56</i>	<i>11,61</i>
Capital Adequacy Ratio (%)	16,83	16,83
<i>Transition Process Unapplied Capital Adequacy Ratio (%)</i>	<i>16,77</i>	<i>16,83</i>
LEVERAGE RATIO		
Total Leverage Ratio Risk Exposure	510.317.225	510.317.225
Leverage Ratio	5,35	5,35
<i>Transition Process Unapplied Leverage Ratio</i>	<i>5,29</i>	<i>5,35</i>

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	85.043.432	74.177.067
2 Receivables from regional or local governments	3.386.732	3.744.670
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	24.966.776	23.070.234
7 Receivables from corporate portfolio	121.467.278	112.364.382
8 Receivables from retail portfolio	85.963.390	77.060.085
9 Receivables secured by residential mortgages	3.576.147	3.401.245
10 Receivables secured by commercial mortgages	16.072.143	17.432.858
11 Past due receivables	4.271.155	3.715.157
12 Receivables defined in high risk category by BRSA	11.466	16.862
13 Securities collateralized by mortgages	--	--
14 Short-term receivables from banks, brokerage houses and corporate portfolio	--	--
15 Investments similar to collective investment funds	21.690	10.718
16 Other receivables	17.399.123	14.637.318
17 Equity investments	1.398.859	966.127
18 Total	363.578.191	330.596.723

(*) 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	62.477.046	55.564.826
2 Receivables from regional or local governments	3.974.352	3.250.118
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	18.471.644	15.194.391
7 Receivables from corporate portfolio	102.991.779	98.154.588
8 Receivables from retail portfolio	64.355.964	59.238.214
9 Receivables secured by residential mortgages	3.223.317	3.293.543
10 Receivables secured by commercial mortgages	17.064.856	15.801.300
11 Past due receivables	3.889.122	4.241.107
12 Receivables defined in high risk category by BRSA	187.154	61.546
13 Securities collateralized by mortgages	--	--
14 Short-term receivables from banks, brokerage houses and corporate portfolio	--	--
15 Investments similar to collective investment funds	1.181	3.264
16 Other receivables	9.374.453	8.752.355
17 Equity investments	831.790	825.791
18 Total	286.842.658	264.381.043

(*) 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 31% and 37% of the total cash loans portfolio (31 December 2020: 38%, 47%).

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 51% and 62% of the total non-cash loans portfolio (31 December 2020: 52%, 63%).

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 20% and 26% of the total balance sheet and off-balance sheet assets (31 December 2020: 23%, 29%).

g. Expected credit loss for credit risk undertaken by DFS Group

As at 31 December 2021, stage 1 and stage 2 provisions for expected credit loss for credit risk undertaken by DFS Group amounts to TL 14.811.647.

As at 31 December 2020, stage 1 and stage 2 provisions for expected credit loss for credit risk undertaken by DFS Group amounts to TL 8.293.291.

h. Information on loans and provisions for expected loss

Current Period - 31 December 2021	Balance	Provision
Loans	252.036.306	25.792.787
Stage 1	199.458.077	3.187.819
Stage 2	35.422.601	10.791.714
Stage 3	16.638.273	11.813.254
Financial Assets	151.371.934	16.528
Other	10.048.372	8.732
Non-cash Loans	138.177.061	1.449.736
Stage 1 and 2	136.201.195	806.854
Stage 3	1.975.866	642.882
Total	551.633.673	27.267.783

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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 2021)	1.469.685	6.306.466	8.527.654	16.303.807
Transfers	464.795	(1.160.971)	696.176	—
Stage 1	623.128	(623.128)	--	--
Stage 2	(158.179)	267.160	(108.981)	--
Stage 3	(154)	(805.003)	805.157	--
Loans addition in the period	412.266	155.046	149.648	716.958
Disposals from loans in the period	(581.511)	(432.175)	(556.319)	(1.570.005)
Provisions changes during the period (*)	886.096	5.389.102	2.681.724	8.956.922
Loans written off (**)	--	--	(869.138)	(869.138)
Loans sold	--	--	(39.860)	(39.860)
Foreign exchange differences	536.488	534.246	1.223.369	2.294.103
Balance at the end of the period (31 December 2020)	3.187.819	10.791.714	11.813.254	25.792.787

(*) 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 2021, 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, loans amounting to TL 869.138 were written-off from the records.

j. Information on loan movements (*)

	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the period (1 January 2021)	140.687.698	30.005.150	12.893.521	183.586.369
Transfers	(1.870.802)	(2.453.233)	4.324.035	—
Stage 1	5.625.115	(5.625.115)	--	--
Stage 2	(7.416.296)	7.583.592	(167.296)	--
Stage 3	(79.621)	(4.411.710)	4.491.331	--
Loans addition in the period	82.235.382	12.165.193	2.827.490	97.228.065
Disposals from loans in the period	(49.887.022)	(5.685.374)	(4.263.044)	(59.835.440)
Loans written off (**)	--	--	(869.138)	(869.138)
Loans sold	--	--	(39.860)	(39.860)
Foreign exchange differences	28.292.821	1.390.865	1.765.269	31.448.955
Balance at the end of the period (31 December 2021)	199.458.077	35.422.601	16.638.273	251.518.951

(*) The balances of loans at fair value through profit or loss are not included.

(**) As of 31 December 2021, 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, loans amounting to TL 869.138 were written-off from the records. TL 39.860 amount were sold from credit portfolios. The effect of this accounting treatment on the non-performing loans ratio of the DFS Group is 34 basis points.

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k. Profile of significant exposures in major regions

Current Period	Risk Classifications (*) (**)																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Domestic	62,257,284	3,364,534	-	-	-	1,658,892	76,249,074	80,924,625	3,181,211	13,810,330	3,481,184	11,466	-	-	-	14,874,222	466
European Union Countries	19,420,083	-	-	-	-	10,498,686	10,784,092	61,741	11,654	31,180	24,620	-	-	-	-	2,278,620	515
OECD Countries (**)	-	-	-	-	-	984,012	215,545	961	214	-	3	-	-	-	-	-	43,111,191
Off-Shore Banking Regions	-	-	-	-	-	224,166	1,061,010	4,872	15,697	747,882	387,588	-	-	-	-	99,781	-
USA, Canada	-	-	-	-	-	2,721,452	88,967	3,620	1,263	1,278	12	-	-	-	-	-	2,540,996
Other Countries	361,896	-	-	-	-	3,455,323	4,290,552	35,792	13,842	71,896	9,135	-	-	-	-	-	2,816,592
Subsidiaries, Associates and jointly controlled companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	146,500	-
Unallocated Assets/Liabilities	3,004,169	22,198	-	-	-	5,424,245	28,778,038	4,931,779	352,266	1,409,577	368,613	-	-	-	21,690	-	1,397,878
Total	85,043,432	3,386,732	-	-	-	24,966,776	121,467,278	85,963,390	3,576,147	16,072,143	4,271,155	11,466	-	-	21,690	17,398,123	1,398,859
																	363,578,191

Prior Period	Risk Classifications (*) (**)																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Domestic	42,824,727	3,954,932	-	-	-	1,645,291	59,922,436	60,162,325	2,853,728	14,978,500	3,509,341	187,457	-	-	-	8,831,055	466
European Union Countries	19,167,964	-	-	-	-	6,497,298	11,996,124	66,490	18,430	56,082	79,396	(355)	-	-	-	407,102	311
OECD Countries (**)	-	-	-	-	-	579,523	2,155,075	2,454	1,101	-	-	-	-	-	-	-	38,288,842
Off-Shore Banking Regions	-	-	-	-	-	1,531,874	1,531,874	3,663	5,121	566,262	2	-	-	-	-	-	2,738,153
USA, Canada	92,138	-	-	-	-	1,525,421	70,511	3,812	1,938	1,247	-	-	-	-	-	-	2,282,963
Other Countries	198,481	-	-	-	-	4,263,035	3,261,655	552,799	31,750	40,260	46,588	-	-	-	-	136,296	-
Subsidiaries, Associates and jointly controlled companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities	193,736	19,420	-	-	-	3,785,035	24,054,104	3,564,421	311,249	1,422,505	253,795	52	-	-	1,181	-	831,013
Total	62,477,046	3,974,352	-	-	-	18,471,644	102,991,779	64,355,964	3,223,317	17,064,856	3,889,122	187,154	-	-	1,181	9,374,453	831,790
																	286,842,658

(*) 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 2021																					
Risk Classifications ("Y")																					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	TL	FC	Total		
Agricultural	253,612	50	-	-	-	-	1,279,972	14,534,114	305,841	2,353,133	234,581	29	-	-	-	1,689,011	-	20,217,984	432,359	20,650,343	
Farming and Cattle	253,612	50	-	-	-	-	1,279,972	14,510,216	302,478	2,352,176	232,533	29	-	-	-	1,689,011	-	20,188,507	431,380	20,619,887	
Forestry	-	-	-	-	-	-	-	2,836	2,203	148	7	-	-	-	-	-	-	5,194	-	5,194	
Fishing	-	-	-	-	-	-	190	21,062	1,160	809	2,041	-	-	-	-	-	-	24,283	979	25,262	
Manufacturing	-	-	-	-	-	-	33,555,139	3,474,224	341,709	2,469,339	210,309	497	-	-	-	12	-	9,964,142	30,087,087	40,051,229	
Mining	-	-	-	-	-	-	1,646,371	217,025	24,701	55,547	6,359	20	-	-	-	-	-	783,627	1,166,396	1,950,023	
Production	-	-	-	-	-	-	23,558,475	3,207,221	305,059	2,378,864	131,842	477	-	-	-	12	-	8,319,279	21,262,671	29,581,950	
Electric, Gas, Water	-	-	-	-	-	-	8,350,293	49,978	11,949	34,928	72,108	-	-	-	-	-	-	861,236	7,658,020	8,519,256	
Construction	-	-	-	-	-	7	21,746,044	1,891,469	399,888	946,740	771,285	2,639	-	-	-	12	-	7,120,821	19,528,550	26,647,371	
Services	886,477	-	-	-	-	-	46,607,287	10,246,497	1,175,035	8,217,340	1,617,841	5,841	-	-	-	4,538	-	26,197,439	55,911,561	82,109,000	
Wholesale and Retail Trade	19,754	-	-	-	-	-	8,000,140	792,017	1,685,434	448,270	2,983	-	-	-	-	63	-	13,965,739	14,125,447	28,091,186	
Hotel and Restaurant Services	83	-	-	-	-	2	17,158,780	8,000,140	99,436	5,061,001	894,166	107	-	-	-	816	-	2,800,751	17,908,581	20,707,332	
Transportation and telecommunication	-	-	-	-	-	-	14,270,469	382,153	99,436	5,061,001	894,166	107	-	-	-	816	-	2,800,751	17,908,581	20,707,332	
Financial institution	-	-	-	-	-	-	8,125,208	1,352,076	182,521	658,493	177,411	42	-	-	-	346	-	3,281,965	7,214,948	10,496,913	
Real estate and letting services	25,853	-	-	-	-	-	801,391	93,249	8,820	21,171	1,001	-	-	-	4,538	160,475	1,380,344	3,245,505	11,888,215	15,133,720	
Self-employment services	-	10,427	-	-	-	-	190,960	105,922	17,647	31,599	3,696	1	-	-	-	6	10,000	268,339	101,919	370,258	
Education services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Health and social services	-	4,937	-	-	-	-	680,068	164,237	53,953	455,728	26,288	(2)	-	-	-	-	-	1,173,280	211,929	1,385,209	
Other	84,763,884	2,480,451	-	-	-	-	5,380,411	148,720	20,641	303,914	67,009	2,710	-	-	1	-	-	1,461,660	4,462,522	5,924,382	
Total	85,043,432	3,386,732	-	-	-	-	12,329,889	55,817,086	1,353,664	2,085,591	1,437,139	2,480	-	-	17,152	15,548,727	5,369	98,952,986	95,167,252	194,120,246	
			-	-	-	-	24,966,776	121,467,278	85,963,390	3,576,147	16,072,143	4,271,155	11,466	-	-	21,690	17,399,123	1,398,859	162,453,382	201,124,809	363,578,191

(*) 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	10: Receivables secured by commercial mortgages
2: Receivables from regional or local governments	11: Past due receivables
3: Receivables from administrative bodies and non-commercial enterprises	12: Receivables defined in high risk category by BRSA
4: Receivables from multilateral development banks	13: Securities collateralized by mortgages
5: Receivables from international organizations	14: Short-term receivables from banks, brokerage houses and corporate portfolio
6: Receivables from banks and brokerage houses	15: Investments similar to collective investment funds
7: Receivables from corporate portfolio	16: Other receivables
8: Receivables from retail portfolio	17: Equity investments
9: Receivables secured by residential mortgages	

(**) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

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Prior Period: 31 December 2020	Risk Classifications (*) (**)																	TL	FC	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17			
Agricultural	123,982						2,043,210	12,650,872	215,909	1,954,089	253,940	93				686,800		16,456,209	1,472,686	17,928,905
Farming and Cattle	123,982						2,035,789	12,632,388	213,627	1,953,382	251,601	93				686,800		16,427,779	1,469,883	17,897,662
Forestry								3,818	1,662	549	23							22,949	571	6,052
Fishing							7,421	14,666	620		168							2,242		25,191
Manufacturing							25,530,703	2,728,036	314,651	2,218,361	649,820	1,045					15	8,185,585	23,257,046	31,442,631
Mining							1,327,537	194,242	16,593	55,270	23,935	17						678,600	938,394	1,616,994
Production							18,435,591	2,347,674	290,951	1,665,345	509,975	1,028					15	6,821,648	16,428,931	23,250,579
Electric, Gas, Water							5,767,575	186,120	7,107	497,746	116,510							685,337	5,889,721	6,575,058
Construction		1,955,548					19,148,699	1,848,616	285,872	1,084,224	530,713	125,448					17	7,709,933	17,276,004	24,985,937
Wholesale and Retail Trade	22,077	32,221				10,211,426	37,936,367	8,993,101	808,794	10,037,970	1,595,631	57,286				22,290	823,638	21,023,934	49,517,049	70,540,983
Hotel and Restaurant Services	28	6,240					14,317,140	7,064,827	540,871	1,828,790	458,554	996					54	10,364,551	13,252,949	24,217,500
Transportation and telecommunication							10,539,510	315,894	105,291	6,844,151	945,323	56,106						2,939,994	16,566,281	18,806,275
Financial institution							6,793,045	1,081,772	112,923	504,754	156,613	170					267	2,936,133	5,713,411	8,649,544
Real estate and letting services	22,049					10,211,426	623,466	112,126	7,538	23,497	1,523	1				182	21,966	3,205,692	9,535,720	11,841,412
Self-employment services		15,486					207,867	90,597	7,492	33,136	4,449	13					2	222,789	142,253	365,042
Education services							716,284	179,370	19,237	494,293	25,452						1	1,239,004	203,219	1,442,223
Health and social services		7,586					4,739,055	148,515	15,442	309,349	3,771							1,115,771	4,103,216	5,218,987
Other	62,330,987	1,986,583				8,260,218	18,532,800	38,135,359	1,594,091	1,770,202	898,018	3,282				999	8,685,331	70,316,584	71,028,518	141,944,202
Total	62,477,046	3,974,352				18,471,644	102,991,779	64,395,964	3,223,317	17,064,866	3,889,122	187,154			1,181	9,374,453	831,790	123,691,245	163,151,413	286,842,658

(*) 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	10:	Receivables secured by commercial mortgages
2:	Receivables from regional or local governments	11:	Past due receivables
3:	Receivables from administrative bodies and non-commercial enterprises	12:	Receivables defined in high risk category by BRSA
4:	Receivables from multilateral development banks	13:	Securities collateralized by mortgages
5:	Receivables from international organizations	14:	Short-term receivables from banks, brokerage houses and corporate portfolio
6:	Receivables from banks and brokerage houses	15:	Investments similar to collective investment funds
7:	Receivables from corporate portfolio	16:	Other receivables
8:	Receivables from retail portfolio	17:	Equity investments
9:	Receivables secured by residential mortgages		

(**) 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	16.290.080	21.533.212	19.923.727	35.451	--	27.260.962
2 Receivables from regional or local governments	--	2.755	2.229	2.552	63.113	3.316.083
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	3.899.773	6.304.104	5.822.632	1.007.525	1.202.127	6.730.615
7 Receivables from corporate portfolio	--	9.595.098	9.865.769	7.538.162	15.361.199	79.107.050
8 Receivables from retail portfolio	1	22.320.151	4.160.586	4.757.829	16.284.074	38.440.749
9 Receivables secured by residential mortgages	2	198.818	294.276	309.502	649.311	2.124.238
10 Receivables secured by commercial mortgages	16	507.598	641.296	804.998	2.194.208	11.924.027
11 Past due receivables	3.701.435	83.355	913	25.342	19.794	440.316
12 Receivables defined in high risk category by BRSA	--	5.022	6.068	--	107	269
13 Securities collateralized by mortgages	--	--	--	--	--	--
14 Short-term receivables from banks, brokerage houses and corporate portfolio	--	--	--	--	--	--
15 Investments similar to collective investment funds	--	11.250	10.440	--	--	--
16 Other receivables	15.237.776	79.892	--	--	--	2.081.455
17 Equity investments	1.398.501	--	--	--	--	358
18 Total	40.527.584	60.641.255	40.727.936	14.481.361	35.773.933	171.426.122

(*) 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	10.486.353	10.615.962	15.231.738	2.455	9.974	26.130.564
2 Receivables from regional or local governments	--	1.753	8.116	2.867	978.627	2.982.989
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	3.007.551	3.258.484	3.684.671	1.619.613	1.546.407	5.354.918
7 Receivables from corporate portfolio	--	7.550.228	7.181.531	7.383.405	11.886.129	68.990.486
8 Receivables from retail portfolio	--	15.080.534	2.595.320	3.302.477	13.102.797	30.274.836
9 Receivables secured by residential mortgages	14	150.530	170.520	231.243	465.195	2.205.815
10 Receivables secured by commercial mortgages	1	870.207	515.626	672.956	1.591.588	13.414.478
11 Past due receivables	3.889.122	--	--	--	--	--
12 Receivables defined in high risk category by BRSA	187.154	--	--	--	--	--
13 Securities collateralized by mortgages	--	--	--	--	--	--
14 Short-term receivables from banks, brokerage houses and corporate portfolio	--	--	--	--	--	--
15 Investments similar to collective investment funds	--	1.169	12	--	--	--
16 Other receivables	8.807.976	22.768	1	--	--	543.708
17 Equity investments	831.790	--	--	--	--	--
18 Total	27.209.961	37.551.635	29.387.535	13.215.016	29.580.717	149.897.794

(*) 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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Credit Quality Grade	Risk Rating Fitch	Receivables from Central Governments or Central Banks	Risk Classifications		
			Receivables from Banks and Brokerage Houses		Corporate Receivables
			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-				
3	BBB+	50%	20%	50%	100%
	BBB				
	BBB-				
4	BB+	100%	50%	100%	100%
	BB				
	BB-				
5	B+	100%	50%	100%	150%
	B				
	B-				
6	CCC	150%	150%	150%	150%
	CC				
	C				
	D				

Prior Period

Credit Quality Grade	Risk Rating Fitch	Receivables from Central Governments or Central Banks	Risk Classifications		
			Receivables from Banks and Brokerage Houses		Corporate Receivables
			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-				
3	BBB+	50%	20%	50%	100%
	BBB				
	BBB-				
4	BB+	100%	50%	100%	100%
	BB				
	BB-				
5	B+	100%	50%	100%	150%
	B				
	B-				
6	CCC	150%	150%	150%	150%
	CC				
	C				
	D				

o. Exposures by risk weights

Current Period

Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%	Equity Deduction
Exposures before Credit Risk Mitigation	89.497.212	--	14.810.864	--	16.123.418	73.232.277	155.859.103	14.055.317	--	--	--	1.647.741
Exposures after Credit Risk Mitigation	93.820.903	--	15.252.161	3.479.681	29.530.335	64.353.915	134.086.381	13.890.866	--	--	--	1.647.741

Prior Period

Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%	Equity Deduction
Exposures before Credit Risk Mitigation	62.337.266	--	10.339.198	--	14.776.128	69.371.971	129.467.646	550.449	--	--	--	853.531
Exposures after Credit Risk Mitigation	71.017.569	--	10.354.225	3.072.830	28.325.158	58.690.725	106.948.063	91.258	--	--	--	853.531

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p. Information by major sectors and type of counterparties (*)

Current Period

Important Sectors/Counterparties	Loans (**)		Provisions
	Impaired (TFRS 9)		Provision for Expected
	Significant Increase in Credit Risk (Stage 2)	Credit Impaired (Stage 3)	Credit Loss (TFRS 9) (***)
Agricultural	3.372.787	1.994.054	1.928.603
Farming and Cattle	3.355.092	1.991.975	1.913.200
Forestry	16.992	166	14.030
Fishing	703	1.913	1.373
Manufacturing	7.712.012	3.420.688	4.956.652
Mining	65.034	87.463	96.112
Production	2.943.027	1.514.731	2.663.548
Electric, Gas, Water	4.703.951	1.818.494	2.196.992
Construction	2.408.812	1.677.904	2.663.902
Services	12.563.731	5.769.253	8.732.723
Wholesale and Retail Trade	3.688.065	1.456.997	2.704.243
Hotel and Restaurant Services	6.565.227	1.826.724	3.004.186
Transportation & telecommunication	1.512.044	503.823	1.056.600
Financial institutions	40.752	8.081	17.391
Real estate and letting services	350.775	1.534.263	1.395.016
Self-employment services	93.969	126.104	133.868
Education services	57.778	104.171	113.465
Health and social services	255.121	209.090	307.954
Other	9.365.259	3.776.374	4.323.088
Total	35.422.601	16.638.273	22.604.968

(*) 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
	Significant Increase in Credit Risk (Stage 2)	Credit Impaired (Stage 3)	Credit Loss (TFRS 9) (***)
Agricultural	4.299.059	1.801.518	1.615.890
Farming and Cattle	4.281.375	1.800.513	1.602.346
Forestry	17.302	359	12.871
Fishing	382	646	673
Manufacturing	5.404.753	2.847.218	2.873.603
Mining	690.421	90.616	93.326
Production	2.248.872	1.492.521	1.521.300
Electric, Gas, Water	2.465.460	1.264.081	1.258.977
Construction	2.123.469	1.313.690	1.929.985
Services	10.768.403	6.210.018	6.682.718
Wholesale and Retail Trade	2.951.618	1.184.162	1.563.790
Hotel and Restaurant Services	4.899.310	2.967.711	2.708.756
Transportation & telecommunication	1.078.316	441.833	712.281
Financial institutions	15.293	7.011	7.182
Real estate and letting services	506.366	1.382.618	1.345.845
Self-employment services	125.639	125.730	135.106
Education services	171.635	36.937	68.804
Health and social services	1.020.226	64.016	140.954
Other	7.409.466	721.077	1.731.924
Total	30.005.150	12.893.521	14.834.120

(*) 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 2021	Opening Balance (After TFRS 9) 1 January 2020	Charge for the period	Other Adjustments (*)	Closing Balance
Default (Stage 3 / Specific Provision)	8.527.654	2.650.190	635.410	11.813.254
12 Months Provision for Expected Credit Loss (Stage 1)	1.469.685	1.435.206	282.928	3.187.819
Significant Increase in Credit Risk (Stage 2)	6.306.466	2.896.681	1.588.567	10.791.714

(*) Includes sales made from non-performing loans, write-off and foreign exchange differences.

Prior Period: 31 December 2020	Opening Balance (After TFRS 9) 1 January 2020	Charge for the period	Other Adjustments (*)	Closing Balance
Default (Stage 3 / Specific Provision)	5.938.259	4.027.741	(1.438.346)	8.527.654
12 Months Provision for Expected Credit Loss (Stage 1)	1.258.205	128.661	82.819	1.469.685
Significant Increase in Credit Risk (Stage 2)	3.192.042	2.438.116	676.308	6.306.466

(*) 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	196.190.417	341.932	196.532.349
England	2.710.860	--	2.710.860
Switzerland	501.346	--	501.346
Netherlands	1.774.447	--	1.774.447
Germany	3.914.904	--	3.914.904
United Arab Emirates	1.258.346	--	1.258.346
Other	10.490.714	--	10.490.714

Prior Period

Country of ultimate risk	Private sector credit exposure in		Total
	banking book	Risk weighted equivalent trading book	
Turkey	150.548.810	225.907	150.774.717
England	3.346.831	--	3.346.831
Switzerland	2.637.474	--	2.637.474
Netherlands	2.328.800	--	2.328.800
Germany	4.293.748	--	4.293.748
United Arab Emirates	1.854.649	--	1.854.649
Other	13.207.049	--	13.207.049

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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 VIII-a.

c. Foreign currency risk management policy

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

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

US Dollar purchase rate at the balance sheet date	TL 13,3290
Euro purchase rate at the balance sheet date	TL 15,0867

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
27 December 2021	11,3900	12,8903
28 December 2021	11,8302	13,4000
29 December 2021	12,2219	13,8011
30 December 2021	12,9775	14,6823
31 December 2021	13,3290	15,0867

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 2021 are TL 13,6356 and TL 15,4126 respectively.

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f. Information on currency risk

Current Period	EURO	USD	Other FC ⁽⁵⁾	Total
Assets				
Cash Equivalents and Central Bank	47.731.253	23.689.782	5.519.439	76.940.474
Banks	5.784.584	18.191.458	540.216	24.516.258
Financial Assets at Fair Value through Profit or Loss (Net) ⁽¹⁾	751.357	1.455.724	35.248	2.242.329
Due from Money Markets	--	--	--	--
Financial Assets at Fair Value through Other Comprehensive Income	3.651.637	15.689.694	1.098.152	20.439.483
Loans ⁽³⁾	81.963.525	41.235.354	3.681.089	126.879.968
Investments in Associates, Subsidiaries and Joint Ventures	528	--	--	528
Financial Assets Measured at Amortised Cost ⁽²⁾	--	5.593.638	--	5.593.638
Hedging Derivative Financial Assets	--	--	--	--
Tangible Fixed Assets	497.302	236	30.791	528.329
Intangible Fixed Assets ⁽³⁾	--	--	--	--
Other Assets ⁽⁴⁾	790.539	901.636	1.658.639	3.350.814
Total Assets	141.170.725	106.757.522	12.563.574	260.491.821
Liabilities				
Bank Deposits	13.633.048	1.204.217	2.796.547	17.633.812
Foreign Currency Deposits	97.351.572	76.932.236	17.664.283	191.948.091
Due to Money Markets	--	6.916.888	86.112	7.003.000
Funds Borrowed	18.624.628	32.966.701	4.839.985	56.431.314
Securities Issued	478.504	2.408.933	2.211.647	5.099.084
Miscellaneous Payables	--	--	--	--
Hedging Derivative Financial Liabilities	--	--	--	--
Other Liabilities ⁽⁶⁾	1.721.703	4.732.081	100.615	6.554.399
Total Liabilities	131.809.455	125.161.056	27.699.189	284.669.700
Net on Balance Sheet Position	9.361.270	(18.403.534)	(15.135.615)	(24.177.879)
Net off-Balance Sheet Position ⁽⁷⁾	(4.351.998)	20.229.413	16.543.539	32.420.954
Financial Derivative Assets	40.416.912	86.378.675	21.068.340	147.863.927
Financial Derivative Liabilities	(44.768.910)	(66.149.262)	(4.524.801)	(115.442.973)
Net Positions	5.009.272	1.825.879	1.407.924	8.243.075
Non Cash Loans	21.961.868	27.303.575	2.373.461	51.638.904
Prior Period				
Total Assets	93.304.142	55.987.297	7.066.066	156.357.505
Total Liabilities	89.699.663	69.771.721	15.640.636	175.112.020
Net on Balance Sheet Position	3.604.479	(13.784.424)	(8.574.570)	(18.754.515)
Net off-Balance Sheet Position	(1.836.850)	14.404.473	8.947.534	21.515.157
Financial Derivative Assets	19.267.278	43.480.914	13.078.101	75.826.293
Financial Derivative Liabilities	(21.104.128)	(29.076.441)	(4.130.567)	(54.311.136)
Net Positions	1.767.629	620.049	372.964	2.760.642
Non Cash Loans	14.484.745	14.209.051	1.353.224	30.047.020

(1) : Foreign currency differences of derivative financial assets amounting to TL 4.836.568 are excluded.

(2) : Foreign currency indexed loans amounting to TL 1.000.658 are included. Stage 1 and Stage 2 loan provisions amounting to TL (5.995.981) are not included. There are no provisions for financial assets measured at amortised cost.

(3) : Intangible assets amounting to TL 99.641 are not included.

(4) : Prepaid expenses amounting to TL 42.944 and stage 1 and stage 2 provisions for financial assets amounting to TL (15.907) are not included.

(5) : There are gold balances amounting to TL 5.806.474 under total assets and TL 8.068.377 in total liabilities.

(6) : FX equity amounting to TL 21.905.523, foreign exchange rate differences related to derivative financial liabilities amounting to TL 2.146.626 and stage 1 and stage 2 provisions amounting to TL 28.604 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 2021 and 2020 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	22.931	(94.333)	(57.633)	(37.938)
Euro	85.165	77.859	54.393	36.439
Total (Net)	108.096	(16.474)	(3.240)	(1.499)

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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⁾	4.183.262	--	--	--	--	76.705.113	80.888.375
Financial Assets at Fair Value through Profit or Loss	8.972.262	5.879.569	1.641.536	(2.418)	--	8.556.294	25.047.243
Due from Money Markets	47.730	8.685	783.004	46.762	61.375	8.002.900	8.950.456
Financial Assets at Fair Value through Other Comprehensive Income	237.803	--	--	--	--	--	237.803
Loans	2.397.007	5.941.413	4.526.209	4.904.731	11.337.147	981	29.107.488
Financial Assets Measured at Amortised Cost ⁽²⁾	88.823.025	16.664.254	30.770.506	61.356.524	23.286.836	4.825.019	225.726.164
Other Assets ⁽³⁾	176.380	680.750	1.853.151	4.413.760	--	--	7.124.041
	3.993	--	1.521	487.539	2.673	18.306.588	18.802.314
Total Assets	104.841.462	29.174.671	39.575.927	71.206.898	34.688.031	116.396.895	395.883.884
Liabilities							
Bank Deposits	9.766.126	4.129.255	170.893	3.001.160	--	1.089.478	18.156.912
Other Deposits	85.830.846	26.642.093	27.183.320	13.395.394	1.241.506	94.216.232	248.509.391
Due to Money Markets	1.167.909	600.330	6.279.768	--	--	--	8.048.007
Miscellaneous Payables	--	--	--	--	--	--	--
Securities Issued	5.297.769	4.381.322	714.539	--	--	--	10.393.630
Funds Borrowed	6.188.762	23.014.497	17.050.325	2.602.454	10.485.047	--	59.341.085
Other Liabilities ⁽⁴⁾	232.271	2.452.346	2.979.128	783.960	165.555	44.821.599	51.434.859
Total Liabilities	108.483.683	61.219.843	54.377.973	19.782.968	11.892.108	140.127.309	395.883.884
Balance Sheet Long Position	--	--	--	51.423.930	22.795.923	--	74.219.853
Balance Sheet Short Position	(3.642.221)	(32.045.172)	(14.802.046)	--	--	(23.730.414)	(74.219.853)
Off-balance Sheet Long Position	10.581.651	--	6.297.023	--	--	--	16.878.674
Off-balance Sheet Short Position	--	(3.090.980)	--	(5.323.093)	(6.465.331)	--	(14.879.404)
Total Position	6.939.430	(35.136.152)	(8.505.023)	46.100.837	16.330.592	(23.730.414)	1.999.270

(1) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (15.748)

(2) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (780).

(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 2.258.701, TL 623.700, TL 369.625, TL 1.397.878, TL 3.630.473, TL 3.288.345, TL (8.732) and TL 6.746.598, 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 29.048.034, TL 420.715, TL 161.793, TL 3.387.656, TL 4.459.846 and TL 7.343.555, 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	982.481	--	--	--	--	39.047.437	40.029.918
Banks ⁽¹⁾	3.101.385	3.720.020	1.988.845	33.553	--	2.868.484	11.712.287
Financial Assets at Fair Value through Profit or Loss (Net)	49.365	4.606	453.988	--	28.346	3.381.821	3.918.126
Due from Money Markets	1.763.207	--	--	--	--	--	1.763.207
Financial Assets at Fair Value through Other Comprehensive Income	3.927.228	3.939.035	5.215.785	4.477.995	2.737.414	777	20.298.234
Loans	49.460.108	12.868.333	36.243.239	50.501.032	13.843.983	4.365.867	167.282.562
Financial Assets Measured at Amortised Cost ⁽²⁾	2.725.105	452.644	299.725	3.783.887	--	--	7.261.361
Other Assets ⁽³⁾	41	3.362	249	887.599	--	10.803.702	11.694.953
Total Assets	62.008.920	20.988.000	44.201.831	59.684.066	16.609.743	60.468.088	263.960.648
Liabilities							
Bank Deposits	8.339.435	4.109.451	205.045	3.645.177	--	952.956	17.252.064
Other Deposits	60.934.789	23.115.430	15.470.262	15.410.454	986.718	51.549.596	167.467.249
Due to Money Markets	2.207.320	199.160	2.106.496	--	--	--	4.512.976
Miscellaneous Payables	--	--	--	--	--	--	--
Securities Issued	248.514	679.885	907.133	515.453	817.622	--	3.168.607
Funds Borrowed	5.297.764	13.611.266	6.013.042	1.238.652	5.742.251	--	31.902.975
Other Liabilities ⁽⁴⁾	571.591	205.483	4.606.364	1.725.581	170.587	32.377.171	39.656.777
Total Liabilities	77.599.413	41.920.675	29.308.342	22.535.317	7.717.178	84.879.723	263.960.648
Balance Sheet Long Position	--	--	14.893.489	37.148.749	8.892.565	--	60.934.803
Balance Sheet Short Position	(15.590.493)	(20.932.675)	--	--	--	(24.411.635)	(60.934.803)
Off-balance Sheet Long Position	3.304.376	1.746.694	--	--	--	--	5.051.070
Off-balance Sheet Short Position	--	--	(751.249)	(2.185.858)	(1.471.353)	--	(4.408.460)
Total Position	(12.286.117)	(19.185.981)	14.142.240	34.962.891	7.421.212	(24.411.635)	642.610

(1) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (3.127).

(2) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (682).

(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 1.354.641, TL 423.409, TL 355.990, TL 831.013, TL 1.802.155, TL 1.572.819, TL (7.602) and TL 4.471.277, 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 23.027.435, TL 392.582, TL 64.714, TL 2.309.167, TL 2.154.844 and TL 4.428.429, respectively

b. Average interest rates applied to monetary financial instruments

Current Period - 31 December 2021	EURO %	USD %	Yen %	TL %
Assets				
Cash Equivalents and Central Bank	--	--	--	10,22
Banks	(0,54)	0,41	--	14,25
Financial Assets at Fair Value through Profit or Loss	3,59	6,59	--	17,83
Due from Money Markets	--	--	--	16,04
Financial Assets at Fair Value through Other Comprehensive Income	2,55	5,81	--	16,90
Loans	4,47	4,83	5,76	20,97
Financial Assets Measured at Amortised Cost	--	4,58	--	13,94
Liabilities				
Bank Deposits	0,44	0,88	--	16,35
Other Deposits	0,47	1,19	0,01	16,54
Due to Money Markets	--	1,86	--	14,36
Miscellaneous Payables	--	--	--	--
Securities Issued	1,60	1,50	--	7,50
Funds Borrowed	2,24	3,55	--	17,68
Prior Period - 31 December 2020	EURO %	USD %	Yen %	TL %
Assets				
Cash Equivalents and Central Bank	--	--	--	9,94
Banks	--	0,94	--	17,75
Financial Assets at Fair Value through Profit or Loss	2,15	6,04	--	12,20
Due from Money Markets	--	--	--	17,89
Financial Assets at Fair Value through Other Comprehensive Income	1,15	5,92	--	11,70
Loans	4,42	5,22	5,79	15,08
Financial Assets Measured at Amortised Cost	--	4,84	--	13,22
Liabilities				
Bank Deposits	0,68	1,79	--	5,11
Other Deposits	0,97	2,23	0,01	15,24
Due to Money Markets	--	2,66	--	16,91
Miscellaneous Payables	--	--	--	--
Securities Issued	1,60	1,95	--	8,20
Funds Borrowed	2,40	3,96	--	14,28

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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 2021.

Current Period: 31 December 2021		Shocks Applied	Gains/Losses	Gains/Equity
Type of Currency		(+/- x basis points)		-Losses/Equity
1 TL	(+)	500 bps	(2.186.088)	(%5,25)
2 TL	(-)	400 bps	1.906.319	%4,58
3 Euro	(+)	200 bps	(1.178.897)	(%2,83)
4 Euro	(-)	200 bps	1.425.681	%3,43
5 US Dollar	(+)	200 bps	(116.234)	(%0,28)
6 US Dollar	(-)	200 bps	271.085	%0,65
Total (of positive shocks)			(3.481.219)	(%8,36)
Total (of negative shocks)			3.603.085	%8,66

Prior Period: 31 December 2020		Shocks Applied	Gains/Losses	Gains/Equity
Type of Currency		(+/- x basis points)		-Losses/Equity
1 TL	(+)	500 bps	(2.145.225)	(6,93%)
2 TL	(-)	400 bps	1.896.675	6,13%
3 Euro	(+)	200 bps	(673.884)	(2,18%)
4 Euro	(-)	200 bps	806.854	2,61%
5 US Dollar	(+)	200 bps	(103.783)	(0,34%)
6 US Dollar	(-)	200 bps	148.782	0,48%
Total (of positive shocks)			(2.922.892)	(9,45%)
Total (of negative shocks)			2.852.311	9,22%

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 2021 and 31 December 2020.

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.

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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.

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 and longer term 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 517,19 in November, the highest 608,27 in December, and the total lowest liquidity coverage ratio has been calculated as 192,69 in October and 198,77 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 the LCR management by increasing by 10% parts and managed to reach 80% for foreign currency in 2021 and as 100% in total within the framework of minimum limits. 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			82.788.136	73.018.776
CASH OUTFLOWS				
2 Retail deposits and deposits from small business customers, of which	169.561.185	115.625.303	15.937.209	11.562.530
3 Stable deposits	20.378.189	--	1.018.909	--
4 Less stable deposits	149.182.996	115.625.303	14.918.300	11.562.530
5 Unsecured wholesale funding, of which	62.075.874	45.262.199	35.765.044	24.266.287
6 Operational deposits	14.770.279	11.966.120	3.692.570	2.991.530
7 Non-operational deposits	30.946.216	24.905.956	15.719.481	12.887.574
8 Unsecured debt	16.359.379	8.390.123	16.352.993	8.387.183
9 Secured wholesale funding			348.589	--
10 Other cash outflows	3.873.760	7.361.833	2.219.646	5.370.114
11 Outflows related to derivative exposures and other collateral requirements	1.116.904	4.042.301	1.116.904	4.042.301
12 Outflows related to loss of funding on debt products	--	--	--	--
13 Credit and liquidity facilities	2.756.856	3.319.532	1.102.742	1.327.813
14 Other contractual funding obligations	3.080.832	3.080.272	3.080.300	3.080.272
15 Other contingent funding obligations	126.907.020	46.471.860	9.562.550	4.642.377
16 TOTAL CASH OUTFLOWS			66.913.338	48.921.580
CASH INFLOWS				
17 Secured lending	177.952	--	--	--
18 Unsecured lending	26.820.706	20.741.900	22.471.993	19.282.980
19 Other cash inflows	2.024.251	19.204.221	2.024.251	19.204.221
20 TOTAL CASH INFLOWS	29.022.909	39.946.121	24.496.244	38.487.201
Total Adjusted Value				
21 TOTAL HQLA			82.788.136	73.018.776
22 TOTAL NET CASH OUTFLOWS			42.417.094	12.230.395
23 LIQUIDITY COVERAGE RATIO (%)			196,1	559,7

(*) 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			54.672.733	43.743.176
CASH OUTFLOWS				
2 Retail deposits and deposits from small business customers, of which	138.519.505	96.627.595	12.965.265	9.662.760
3 Stable deposits	17.733.704	--	886.685	--
4 Less stable deposits	120.785.801	96.627.595	12.078.580	9.662.760
5 Unsecured wholesale funding, of which	41.428.893	27.748.563	23.597.219	14.956.163
6 Operational deposits	8.662.186	6.511.419	2.165.547	1.627.855
7 Non-operational deposits	22.402.512	15.889.764	11.071.744	7.982.118
8 Unsecured debt	10.364.195	5.347.380	10.359.928	5.346.190
9 Secured wholesale funding			--	--
10 Other cash outflows	2.682.872	4.980.083	1.506.051	3.628.521
11 Outflows related to derivative exposures and other collateral requirements	721.504	2.727.480	721.504	2.727.480
12 Outflows related to loss of funding on debt products	--	--	--	--
13 Credit and liquidity facilities	1.961.368	2.252.603	784.547	901.041
14 Other contractual funding obligations	272.909	272.349	272.377	272.349
15 Other contingent funding obligations	98.875.445	36.303.535	7.472.509	3.586.182
16 TOTAL CASH OUTFLOWS			45.813.421	32.105.975
CASH INFLOWS				
17 Secured lending	2.407.129	--	--	--
18 Unsecured lending	13.705.330	7.298.975	10.428.178	6.254.659
19 Other cash inflows	494.895	15.377.474	494.895	15.377.474
20 TOTAL CASH INFLOWS	16.607.354	22.676.449	10.923.073	21.632.133
Total adjusted value				
21 TOTAL HQLA			54.672.733	43.743.176
22 TOTAL NET CASH OUTFLOWS			34.890.348	10.473.842
23 LIQUIDITY COVERAGE RATIO (%)			158,0	431,3

(*) 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	54.125.720	26.762.655	--	--	--	--	--	80.888.375
Banks ⁽¹⁾	8.556.294	7.609.389	6.044.915	1.907.508	929.137	--	--	25.047.243
Financial Assets at Fair Value through Profit or Loss (Net)	425.041	3.477.040	1.739.148	1.075.251	806.113	1.427.863	--	8.950.456
Due from Money Markets	--	237.803	--	--	--	--	--	237.803
Financial Assets at Fair Value through Other Comprehensive Income	981	1.190.470	584.630	1.313.630	12.854.846	13.162.931	--	29.107.488
Loans	--	27.117.979	11.796.376	39.745.237	93.170.632	49.070.921	4.825.019	225.726.164
Financial Assets Measured at Amortised Cost ⁽²⁾	--	176.380	680.750	1.853.151	4.413.760	--	--	7.124.041
Other Assets	9.332.661	110	20.842	1.491	989.767	2.257	8.455.186	18.802.314
Total Assets	72.440.697	66.571.826	20.866.661	45.896.268	113.164.255	63.663.972	13.280.205	395.883.884
Liabilities								
Bank Deposits	1.089.478	9.766.125	4.129.256	170.893	3.001.160	--	--	18.156.912
Other Deposits	94.216.232	85.700.157	26.640.873	27.248.661	13.457.620	1.245.848	--	248.509.391
Fund Borrowed	--	5.458.339	6.006.661	31.123.136	6.711.354	10.041.595	--	59.341.085
Due to Money Markets	--	1.167.909	600.330	6.279.768	--	--	--	8.048.007
Securities Issued	--	2.617.714	3.366.823	1.919.805	2.489.288	--	--	10.393.630
Miscellaneous Payables	--	--	--	--	--	--	--	--
Other Liabilities	8.146.167	1.674.150	3.114.828	3.424.754	1.041.466	426.816	33.606.678	51.434.859
Total Liabilities	103.451.877	106.384.394	43.858.771	70.167.017	26.700.888	11.714.259	33.606.678	395.883.884
Net Liquidity Excess/ (Gap)	(31.011.180)	(39.812.568)	(22.992.110)	(24.270.749)	86.463.367	51.949.713	(20.326.473)	--
Net Off-balance sheet Position	--	2.104.093	594.993	(765.366)	72.341	--	--	2.006.061
Financial Derivative Assets	--	76.368.972	52.188.115	23.813.558	15.508.993	23.211.495	--	191.091.133
Financial Derivative Liabilities	--	(74.264.879)	(51.593.122)	(24.578.924)	(15.436.652)	(23.211.495)	--	(189.085.072)
Non Cash Loans	--	11.193.503	7.105.121	20.368.193	7.920.851	20.504.416	--	67.092.084
End of The Prior Period								
Total Assets	39.352.578	39.637.834	11.133.257	37.689.713	86.346.908	39.779.799	10.020.559	263.960.648
Total Liabilities	57.117.552	75.699.392	35.170.766	38.909.013	23.190.916	8.029.867	25.843.142	263.960.648
Net Liquidity Excess/ (Gap)	(17.764.974)	(36.061.558)	(24.037.509)	(1.219.300)	63.155.992	31.749.932	(15.822.583)	--
Net Off-balance sheet Position	--	(598.136)	80.393	469.674	158.958	--	--	110.889
Financial Derivative Assets	--	43.865.011	18.469.464	15.268.163	3.020.121	16.616.584	--	97.239.343
Financial Derivative Liabilities	--	(44.463.147)	(18.389.071)	(14.798.489)	(2.861.163)	(16.616.584)	--	(97.128.454)
Non Cash Loans	--	3.547.811	4.348.182	11.449.429	--	23.479.286	--	42.824.708

(1) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (15.748).

(2) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (780).

(*) 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	95.305.710	96.408.071	31.695.795	27.599.268	16.469.902	1.256.941	268.735.687
Funds borrowed (*)	--	5.639.286	6.270.875	32.415.548	22.180.843	12.258.649	78.765.201
Interbank money markets	--	1.169.848	604.103	6.377.190	--	--	8.151.141
Securities issued	--	2.256.114	3.790.580	1.954.473	2.489.288	--	10.490.455
Total	95.305.710	105.473.319	42.361.353	68.346.479	41.140.033	13.515.590	366.142.484

(*) 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	52.502.552	69.221.230	27.498.972	15.811.947	19.104.166	988.482	185.127.349
Funds borrowed (*)	--	2.562.047	5.371.556	16.109.723	3.603.578	7.801.498	35.448.402
Interbank money markets	--	2.207.320	200.577	2.106.577	--	--	4.514.474
Securities issued	--	250.308	1.725.096	733.823	818.891	--	3.528.118
Total	52.502.552	74.240.905	34.796.201	34.762.070	23.526.635	8.789.980	228.618.343

(*) 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 2021, the leverage ratio of the DFS Group is calculated as 5,35% (31 December 2020: 6,09%). 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 (*)	371.171.129	268.253.610
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	(7.072.391)	(6.522.227)
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	2.025.977	1.239.988
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	144.193.013	109.932.460
7 Total Risk	510.317.225	372.903.328

(*) 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)	364.098.738	261.731.383
2 (Assets deducted in determining Basel III Tier I capital)	(612.610)	(616.992)
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	363.486.128	261.114.391
Derivative exposures		
4 Replacement cost	7.209.538	3.791.087
5 Add-on amount	2.025.977	1.239.988
6 Total derivative exposures (sum of lines 4 and 5)	9.235.515	5.031.075
Securities or commodity collateral financing transaction exposures		
7 Gross SFT assets (with no recognition of accounting netting)	1.906.399	1.878.287
8 Agent transaction exposures		
9 Total securities financing transaction exposures (sum of lines 7 and 8)	1.906.399	1.878.287
Other off-balance sheet exposures		
10 Off-balance sheet exposures with gross nominal amount	135.689.686	104.880.078
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)	135.689.183	104.879.575
Capital and total exposures		
13 Tier I Capital	27.108.217	22.691.879
14 Total exposures (sum of lines 3,6,9 and 12)	510.317.225	372.903.328
Leverage ratio		
15 Leverage ratio	5,35	6,09

(*) 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 2021.

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 determined 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 audited regularly by the Credit Risk Control, within the direction of the rule sets determined and the results are submitted to the Rating Committee.

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 involves the preparation of internal and legal reports and the measuring the financial risks to which banks and subsidiaries are exposed in order to establish a relationship between the risks carried and estimated profitability and evaluating 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 to whom these reports will be communicated. 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 Audit and Risk Committee, ALCO and Rating Committees.

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.

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ALCO holds weekly meetings. Risk-limit follow-up and detailed analysis related to indicators such as interest and liquidity risk, capital adequacy are presented.

Rating Committee: Rating Committee holds meetings on a quarterly basis. It is the Committee to which the Risk Management presents its evaluation, analysis and findings regarding Internal Rating processes.

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)	218.177.773	165.702.724	17.454.222
2 Standardized approach (SA)	218.177.773	165.702.724	17.454.222
3 Internal rating-based (IRB) approach	--	--	--
4 Counterparty credit risk	5.783.139	3.911.167	462.651
5 Standardized approach for counterparty credit risk (SA-CCR)	5.783.139	3.911.167	462.651
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	44.637	6.200	3.571
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	4.886.675	3.240.138	390.934
17 Standardized approach (SA)	4.886.675	3.240.138	390.934
18 Internal model approaches (IMM)	--	--	--
19 Operational Risk	22.552.503	17.849.008	1.804.200
20 Basic Indicator Approach	22.552.503	17.849.008	1.804.200
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)	251.444.727	190.709.237	20.115.578

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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	Carrying values of items under scope of TAS						Not subject to capital requirements or subject to deduction from capital
Current Period	Carrying values as reported in published financial statements	Carrying values as reported in regulatory scope of consolidation	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	80.888.386	80.888.375	80.888.375	--	--	--	--
Banks	25.052.294	25.047.243	25.062.991	--	--	--	--
Due from money markets	237.803	237.803	18.065	219.738	--	--	--
Financial assets at fair value through profit or loss	1.205.966	1.205.540	--	--	--	136.259	--
Financial assets at fair value through other comprehensive income	29.107.488	29.107.488	29.107.488	--	--	--	--
Financial assets measured at amortised cost	7.124.041	7.124.041	7.124.821	--	--	--	--
Derivative financial assets	7.744.916	7.744.916	--	7.744.916	--	--	--
Loans (net)	225.726.164	225.726.164	239.705.697	--	--	--	77.359
Non-currents assets or disposal groups "held for sale" and "from discontinued operations" (net)	--	--	--	--	--	--	--
Investments in associates, subsidiaries and joint ventures	62.152	1.397.878	1.397.878	--	--	--	--
Tangible assets (net)	2.782.440	2.740.998	2.740.998	--	--	--	69.116
Intangible assets (net)	601.496	623.700	623.700	--	--	--	623.700
Investment properties (net)	369.625	369.625	369.625	--	--	--	--
Current tax assets	545.904	545.904	545.904	--	--	--	--
Deferred tax assets	3.084.569	3.084.569	3.084.569	--	--	--	--
Other assets	10.178.078	10.039.640	10.039.640	--	--	--	--
Total assets	394.711.322	395.883.884	400.709.751	7.964.654	--	136.259	770.175
Liabilities							
Deposits	266.484.162	266.666.303	--	--	--	--	266.666.303
Funds borrowed	48.856.307	48.856.307	--	--	--	--	48.856.307
Due to money markets	8.048.007	8.048.007	--	8.048.007	--	--	8.048.007
Securities issued (net)	10.387.819	10.393.630	--	--	--	--	10.393.630
Funds	--	--	--	--	--	--	--
Financial liabilities at fair value through profit or loss	--	--	--	--	--	--	--
Derivative financial liabilities	4.459.846	4.459.846	--	--	--	--	4.459.846
Factoring payables	--	--	--	--	--	--	--
Leases payables	649.586	607.813	--	--	--	--	607.813
Provisions	3.421.202	3.387.656	--	--	--	--	3.387.656
Current tax liabilities	453.159	420.715	--	--	--	--	420.715
Deferred tax liabilities	162.776	161.793	--	--	--	--	161.793
Liabilities related to non-current assets "held for sale" and "discontinued operations" (net)	--	--	--	--	--	--	--
Subordinated debts	10.484.778	10.484.778	--	--	--	--	10.484.778
Other liabilities	13.346.859	13.349.002	--	--	--	--	13.349.002
Equity	27.956.821	29.048.034	--	--	--	--	29.048.034
Total liabilities	394.711.322	395.883.884	--	8.048.007	--	--	395.883.884

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Prior Period	a	b	c	d	e	f	g
	Carrying values of items under scope of TAS						Not subject to capital requirements or subject to deduction from capital
	Carrying values as reported in published financial statements	Carrying values as reported in regulatory scope of consolidation	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	40.029.929	40.029.918	40.029.918	--	--	--	--
Banks	11.712.310	11.712.287	11.715.414	--	--	--	--
Due from money markets	1.763.207	1.763.207	2.305	1.760.902	--	--	--
Financial assets at fair value through profit or loss	757.499	757.116	--	--	--	78.492	--
Financial assets at fair value through other comprehensive income	20.298.234	20.298.234	20.298.234	--	--	--	--
Financial assets measured at amortised cost	7.261.361	7.261.361	7.262.043	--	--	--	--
Derivative financial assets	3.161.010	3.161.010	--	3.161.010	--	--	--
Loans (net)	167.283.553	167.282.562	175.058.715	--	--	--	19.630
Non-currents assets or disposal groups "held for sale" and "from discontinued operations (net)"	--	--	--	--	--	--	--
Investments in associates, subsidiaries and joint ventures	49.579	831.013	831.013	--	--	--	--
Tangible assets (net)	1.935.642	1.881.593	1.881.593	--	--	--	54.004
Intangible assets (net)	410.087	423.409	423.409	--	--	--	423.409
Investment properties (net)	355.990	355.990	355.990	--	--	--	--
Current tax assets	316.572	313.744	313.744	--	--	--	--
Deferred tax assets	1.488.411	1.488.411	1.488.411	--	--	--	--
Other assets	6.496.012	6.400.793	6.400.793	--	--	--	--
Total assets	263.319.396	263.960.648	266.061.582	4.921.912	--	78.492	497.043
Liabilities							
Deposits	184.617.512	184.719.313	--	--	--	--	184.719.313
Funds borrowed	25.985.554	25.985.554	--	--	--	--	25.985.554
Due to money markets	4.512.976	4.512.976	--	4.512.976	--	--	4.512.976
Securities issued (net)	3.163.334	3.168.607	--	--	--	--	3.168.607
Funds	--	--	--	--	--	--	--
Financial liabilities at fair value through profit or loss	--	--	--	--	--	--	--
Derivative financial liabilities	2.154.844	2.154.844	--	--	--	--	2.154.844
Factoring payables	--	--	--	--	--	--	--
Leases payables	650.587	610.826	--	--	--	--	610.826
Provisions	2.336.542	2.309.167	--	--	--	--	2.309.167
Current tax liabilities	403.925	392.582	--	--	--	--	392.582
Deferred tax liabilities	64.878	64.714	--	--	--	--	64.714
Liabilities related to non-current assets "held for sale" and "discontinued operations" (net)	--	--	--	--	--	--	--
Subordinated debts	5.917.421	5.917.421	--	--	--	--	5.917.421
Other liabilities	11.147.482	11.097.209	--	--	--	--	11.097.209
Equity	22.364.341	23.027.435	--	--	--	--	23.027.435
Total liabilities	263.319.396	263.960.648	--	4.512.976	--	--	263.960.648

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	395.883.884	400.709.751	--	7.964.654	136.259
2 Liabilities carrying value amount under scope of TAS	--	--	--	8.048.007	--
3 Total net amount under regulatory scope of consolidation	395.883.884	400.709.751	--	(83.353)	136.259
4 Off-balance sheet amounts (**)	138.177.061	29.686.713	--	--	--
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	--	--	--	--	4.750.416
9 Differences resulted from considering of the financial guarantees	--	(8.342.831)	--	--	--
10 Risk exposures	534.060.945	422.053.633	--	(83.353)	4.886.675

(*) 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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	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	k	266.061.582	--	4.921.912	78.492
2 Liabilities carrying value amount under scope of TAS		--	--	4.512.976	--
3 Total net amount under regulatory scope of consolidation	263.960.648	266.061.582	--	408.936	78.492
4 Off-balance sheet amounts (**)	100.645.070	29.686.713	--	--	--
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		--	--	--	3.161.646
9 Differences resulted from considering of the financial guarantees		(8.342.831)	--	--	--
10 Risk exposures	364.605.718	287.405.464	--	408.936	3.240.138

(*) 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 the derivative transactions subject to counterparty credit risk, it is calculated with the addition of the potential risk amounts to the renewal costs according to transaction type and term; and in repo and reverse repo transactions, it is calculated by netting the volatility adjusted amount made to the subject security 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 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	16.638.273	234.880.678	25.792.787	225.726.164
2 Borrowing instruments	--	36.231.328	780	36.230.548
3 Off-balance sheet receivables (*)	1.975.866	135.236.475	1.449.737	135.762.604
4 Total	18.614.139	406.348.481	27.243.304	397.719.316

(*) 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	12.893.521	170.692.848	16.303.808	167.282.561
2 Borrowing instruments	--	27.559.549	682	27.558.867
3 Off-balance sheet receivables (*)	1.007.950	98.917.886	878.340	99.047.496
4 Total	13.901.471	297.170.283	17.182.830	293.888.924

(*) 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	12.893.521	11.555.590
2 Loans and debt securities that have impaired since the last reporting period	7.308.797	7.129.218
3 Receivables that returned to non-impaired status	167.296	16.052
4 Amounts written off (**)	908.998	1.922.602
5 Other changes	(2.487.751)	(3.852.633)
6 Impaired loans and debt securities at end of the reporting period (1 + 2 - 3 - 4 ± 5)	16.638.273	12.893.521

(*) 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^(*) 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.

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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	15.298.963	208.375.129	--	33.966.685	1.952.050	127.055.388	10.826.440	892.232
2 EU Countries	60.240	15.734.754	--	1.169.696	--	2.041.805	31.323	16.766
3 OECD Countries	6	424.663	--	--	--	2.729.587	2	--
4 Off Shore Zones	1.052.640	2.303.827	--	--	519	900.537	745.075	--
5 USA, Canada	145	141.567	--	--	--	138.714	145	--
6 Other Countries	226.279	7.900.738	--	1.094.947	23.297	2.370.444	210.269	--
7 Total	16.638.273	234.880.678	--	36.231.328	1.975.866	135.236.475	11.813.254	908.998

(*) 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	12.407.407	148.098.444	--	22.473.801	1.007.950	92.116.949	8.221.673	1.922.602
2 EU Countries	320.929	13.686.036	--	4.589.688	--	1.552.576	206.712	--
3 OECD Countries	--	2.391.407	--	--	--	1.283.021	--	--
4 Off Shore Zones	118	2.329.777	--	--	--	6.332	116	--
5 USA, Canada	89	81.855	--	97.450	--	280.709	90	--
6 Other Countries	164.978	4.105.329	--	398.610	--	3.678.299	99.063	--
7 Total	12.893.521	170.692.848	--	27.559.549	1.007.950	98.917.886	8.527.654	1.922.602

(*) 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	1.973.995	17.908.913	--	--	3.692	5.254.437	1.133.886	30.278
Farming and Cattle	1.973.257	17.758.520	--	--	3.539	5.232.126	1.133.243	30.058
Forestry	153	124.646	--	--	6	6.589	87	136
Fishing	585	25.747	--	--	147	15.722	556	84
Manufacturing	3.395.407	33.278.884	--	176.977	139.243	28.417.784	2.593.576	64.341
Mining	82.205	1.710.808	--	--	2.323	786.038	80.409	3.154
Production	1.494.708	19.439.579	--	67.900	132.846	24.861.232	1.244.687	21.585
Electric, Gas, Water	1.818.494	12.128.497	--	109.077	4.074	2.770.514	1.268.480	39.602
Construction	1.415.560	21.349.279	--	--	241.763	14.941.922	1.149.725	38.858
Services	7.054.322	83.119.044	--	612.412	345.168	33.578.866	5.332.494	238.922
Wholesale and Retail Trade	1.446.593	26.577.321	--	--	82.201	22.277.127	1.029.303	67.037
Hotel and Restaurant Services	2.430.210	24.921.233	--	--	253.936	2.537.061	1.764.512	166.840
Transportation and telecommunication	498.397	16.262.975	--	125.382	5.588	5.561.907	400.562	4.075
Financial institution	388.764	6.166.045	--	433.356	196	2.301.690	320.836	67
Real estate and letting services	1.534.053	666.145	--	53.674	758	210.202	1.272.866	179
Self-employment services	126.104	--	--	--	--	--	109.985	--
Education services	112.824	1.396.835	--	--	1.395	173.947	88.105	608
Health and social services	517.377	7.128.490	--	--	1.094	516.932	346.325	116
Other	2.798.989	79.224.558	--	35.441.939	1.246.000	53.043.466	1.603.573	536.599
Total	16.638.273	234.880.678	--	36.231.328	1.975.866	135.236.475	11.813.254	908.998

(*) 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	1.802.078	17.622.862	--	--	5.290	4.556.606	1.039.802	100.155
Farming and Cattle	1.801.192	17.568.757	--	--	5.150	4.530.124	1.039.017	99.310
Forestry	240	42.520	--	--	6	5.852	156	472
Fishing	646	11.585	--	--	134	20.630	629	373
Manufacturing	2.795.856	26.011.772	--	103.102	165.622	15.418.023	1.939.556	61.372
Mining	89.503	2.065.850	--	--	3.602	543.062	85.946	8.499
Production	1.490.202	16.235.865	--	39.106	152.978	13.817.606	1.012.942	52.517
Electric, Gas, Water	1.216.151	7.710.057	--	63.996	9.042	1.057.355	840.668	356
Construction	1.541.934	18.622.717	--	--	467.551	10.943.453	993.636	67.449
Services	5.707.106	61.515.936	--	230.417	291.789	25.288.625	3.858.655	637.947
Wholesale and Retail Trade	1.199.384	21.718.569	--	--	69.301	18.490.986	794.482	380.563
Hotel and Restaurant Services	2.469.876	16.524.441	--	--	214.189	1.948.740	1.371.999	15.878
Transportation and telecommunication	442.655	8.068.151	--	73.565	5.777	2.898.455	320.500	92.680
Financial institution	6.857	1.091.157	--	156.852	144	1.313.692	5.347	6.723
Real estate and letting services	1.363.744	1.953.140	--	--	727	125.186	1.181.983	7.084
Self-employment services	125.728	1.102.438	--	--	--	--	113.033	85
Education services	36.821	1.407.026	--	--	1.053	145.806	23.220	132.140
Health and social services	62.041	9.651.014	--	--	598	365.760	48.091	2.794
Other	1.046.547	46.919.561	--	27.226.030	77.698	42.711.179	696.005	1.055.679
Total	12.893.521	170.692.848	--	27.559.549	1.007.950	98.917.886	8.527.654	1.922.602

(*) 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	--	98.615.000	21.632.113	19.727.039	46.201.333	220.172.997	406.348.482
1 Loans	--	27.990.021	13.593.778	10.077.171	30.624.808	152.594.900	234.880.678
2 Borrowings instruments	--	502.238	18.620	4.464	27.902	35.678.104	36.231.328
3 Off-balance sheet receivables	--	70.122.740	8.019.715	9.645.404	15.548.623	31.899.993	135.236.475
Defaulted receivables	18.614.139	--	--	--	--	--	18.614.139
1 Loans	16.638.273	--	--	--	--	--	16.638.273
2 Borrowings instruments	--	--	--	--	--	--	--
3 Off-balance sheet receivables	1.975.866	--	--	--	--	--	1.975.866
Specific Provision	11.813.254	--	--	--	--	--	11.813.254
Total	6.800.885	98.615.000	21.632.113	19.727.039	46.201.333	220.172.997	413.149.367

Prior Period	Undistributed	1 month	1-3 months	3-6 months	6-12 months	Over 1 year	Total
Non-defaulted receivables	--	74.112.183	13.068.951	14.909.306	33.466.343	161.613.502	297.170.283
1 Loans	--	20.278.983	8.086.784	10.307.471	22.910.842	109.108.768	170.692.848
2 Borrowings instruments	--	50.416	--	--	--	27.509.133	27.559.549
3 Off-balance sheet receivables	--	53.782.784	4.982.166	4.601.834	10.555.501	24.995.601	98.917.886
Defaulted receivables	13.901.471	--	--	--	--	--	13.901.471
1 Loans	12.893.521	--	--	--	--	--	12.893.521
2 Borrowings instruments	--	--	--	--	--	--	--
3 Off-balance sheet receivables	1.007.950	--	--	--	--	--	1.007.950
Specific Provision	8.527.654	--	--	--	--	--	8.527.654
Total	5.373.817	74.112.183	13.068.951	14.909.306	33.466.343	161.613.502	302.544.102

(viii) **Ageing analysis of overdue receivables**

Current Period	1-30 days	31-60 days	61-90 days	Over 90 days	Total
Loans	7.790.869	2.433.489	2.897.075	2.106.283	15.227.716
Borrowing instruments	--	--	--	--	--
Off-balance sheet receivables	--	--	--	--	--

Prior Period	1-30 days	31-60 days	61-90 days	Over 90 days	Total
Loans	4.830.230	1.370.313	1.158.396	1.854.133	9.213.072
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	20.654.218	13.659.978
Restructured from non-performing loans	1.648.727	920.019

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, in parallel with the Credit Risk Amount calculation, the simple arithmetic average of the Central Bank's foreign exchange buying rates for the last 252 business days before the calculation date specified in the BRSA's letter of "Extension for the pandemic period decisions" dated 16 September 2021 is taken into account.

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
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	181.922.616	39.375.850	25.604.585	4.427.698	3.891.050	--	--
2 Borrowing instruments	36.230.548	--	--	--	--	--	--
3 Total	218.153.164	39.375.850	25.604.585	4.427.698	3.891.050	--	--
4 Of which defaulted (*)	13.083.861	3.797.251	1.711.839	1.733.027	437.176	--	--

(*) 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	121.761.694	36.391.904	24.980.294	9.128.963	7.716.197	--	--
2 Borrowing instruments	27.558.867	--	--	--	--	--	--
3 Total	149.320.561	36.391.904	24.980.294	9.128.963	7.716.197	--	--
4 Of which defaulted (*)	8.313.093	4.052.549	1.966.267	1.535.829	858.275	--	--

(*) 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			
	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		
Risk classifications												
1 Exposures to central governments or central banks	82.039.265	3.043.370	85.488.831	3.878.292	884.210	%0,99						
2 Exposures to regional governments or local authorities	3.364.534	44.844	3.363.758	22.169	1.692.963	%50,00						
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	19.542.532	5.826.622	19.542.531	5.420.609	8.531.986	%34,18						
7 Exposures to corporates	92.689.240	46.151.461	83.558.290	27.370.928	110.579.966	%99,69						
8 Retail exposures	81.031.609	70.355.346	79.084.500	4.485.682	74.325.761	%88,94						
9 Exposures secured by residential property	3.223.881	634.391	3.140.271	339.410	1.217.888	%35,00						
10 Exposures secured by commercial real estate	14.662.566	1.984.211	14.662.567	1.409.577	9.204.778	%57,27						
11 Past-due loans	3.904.526	793.810	3.463.889	358.660	2.986.569	%78,13						
12 Higher-risk categories by the Agency Board	11.466	--	11.463	--	8.879	%77,46						
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)	--	23.002	--	14.833	14.833	%100,00						
16 Other assets	17.412.253	--	17.412.253	--	11.388.045	%65,40						
17 Investments in equities	1.385.729	--	1.385.729	--	1.385.729	%100,00						
18 Total	319.267.601	128.857.057	311.114.082	43.300.160	222.221.607	%62,70						

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			
	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		
Risk classifications												
1 Exposures to central governments or central banks	62.283.310	226.706	69.999.507	1.157.842	684.671	0,96%						
2 Exposures to regional governments or local authorities	3.954.932	39.181	3.948.690	19.334	1.984.012	50,00%						
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	14.686.609	4.208.597	14.686.608	3.784.256	7.026.212	38,04%						
7 Exposures to corporates	78.937.675	39.226.986	69.444.993	22.736.553	92.169.470	99,99%						
8 Retail exposures	60.791.545	54.686.402	55.925.537	3.250.958	44.503.841	75,21%						
9 Exposures secured by residential property	2.912.068	555.012	2.776.045	296.785	1.075.491	35,00%						
10 Exposures secured by commercial real estate	15.642.349	1.986.173	15.642.349	1.422.507	10.218.914	59,88%						
11 Past-due loans	3.637.282	539.549	2.770.217	243.203	2.132.849	70,78%						
12 Higher-risk categories by the Agency Board	187.102	104	187.090	--	183.261	97,95%						
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)	--	1.181	--	1.111	1.111	100,00%						
16 Other assets	9.387.166	--	9.387.166	--	7.612.999	81,10%						
17 Investments in equities	819.077	--	819.077	--	819.076	100,00%						
18 Total	253.239.115	101.469.891	245.587.279	32.912.549	168.411.907	60,47%						

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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	88.185.641	--	--	--	--	594.543	--	586.939	--	--	--	89.367.123
2 Exposures to regional governments or local authorities	--	--	--	--	--	3.385.927	--	--	--	--	--	3.385.927
3 Exposures to public sector entities	--	--	--	--	--	--	--	--	--	--	--	--
4 Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	--	--	--
5 Exposures to international organisations	--	--	--	--	--	--	--	--	--	--	--	--
6 Exposures to institutions	--	--	14.386.937	--	--	9.843.211	--	732.992	--	--	--	24.963.140
7 Exposures to corporates	--	--	441.476	--	--	--	--	110.479.884	7.858	--	--	110.929.218
8 Retail exposures	--	--	--	--	--	--	64.353.687	5.528.493	13.688.002	--	--	83.570.182
9 Exposures secured by residential property	--	--	--	3.479.681	--	--	--	--	--	--	--	3.479.681
10 Exposures secured by commercial real estate	--	--	--	--	13.734.730	--	--	2.337.414	--	--	--	16.072.144
11 Past-due loans	--	--	--	--	--	1.866.976	--	1.760.567	195.006	--	--	3.822.549
12 Higher-risk categories by the Agency Board	--	--	--	--	--	5.167	--	6.296	--	--	--	11.463
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)	--	--	--	--	--	--	--	14.833	--	--	--	14.833
16 Investments in equities	--	--	--	--	--	--	--	1.385.729	--	--	--	1.385.729
17 Other assets	5.635.262	--	423.748	--	--	99.781	228	11.253.234	--	--	--	17.412.253
18 Total	93.820.903	--	15.252.161	3.479.681	13.734.730	15.795.605	64.353.915	134.086.381	13.890.866	--	--	354.414.242

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	69.261.623	--	1.201.628	--	--	499.506	--	194.592	--	--	--	71.157.349
2 Exposures to regional governments or local authorities	--	--	--	--	--	3.968.024	--	--	--	--	--	3.968.024
3 Exposures to public sector entities	--	--	--	--	--	--	--	--	--	--	--	--
4 Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	--	--	--
5 Exposures to international organisations	--	--	--	--	--	--	--	--	--	--	--	--
6 Exposures to institutions	--	--	9.114.762	--	--	8.305.687	--	1.050.415	--	--	--	18.470.864
7 Exposures to corporates	--	--	15.094	--	--	--	--	92.166.452	--	--	--	92.181.546
8 Retail exposures	--	--	--	--	--	--	58.690.614	485.881	--	--	--	59.176.495
9 Exposures secured by residential property	--	--	--	3.072.830	--	--	--	--	--	--	--	3.072.830
10 Exposures secured by commercial real estate	--	--	--	--	13.691.884	--	--	3.372.972	--	--	--	17.064.856
11 Past-due loans	--	--	--	--	--	1.852.393	--	1.069.775	91.252	--	--	3.013.420
12 Higher-risk categories by the Agency Board	--	--	--	--	--	7.664	--	179.420	6	--	--	187.090
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)	--	--	--	--	--	--	--	1.111	--	--	--	1.111
16 Investments in equities	--	--	--	--	--	--	--	819.077	--	--	--	819.077
17 Other assets	1.755.946	--	22.741	--	--	--	111	7.608.368	--	--	--	9.387.166
18 Total	71.017.569	--	10.354.225	3.072.830	13.691.884	14.633.274	58.690.725	106.948.063	91.258	--	--	278.499.828

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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.

Risk monitoring of the transactions with the scope of CCR are made according to the type, maturity and currency of the transaction, by monitoring the potential risk calculated by multiplying the changing rates by the nominal amount of the transaction and the current risk calculated through the daily valuation method. 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.

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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) (*)	(for	7.439.661	1.683.684		-	8.971.293	3.723.475
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)						1.400.751	275.722
5	VaR 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								3.999.197

(*) Counterparty credit risk for derivatives is calculated by the fair value method.

			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	3.048.886	1.099.448		-	4.105.763	2.363.688
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)						1.698.517	339.295
5	VaR 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								2.702.983

(*) 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	8.971.293	1.783.942
4 Total subject to the CVA capital charge	8.971.293	1.783.942

	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	4.105.763	1.208.184
4 Total subject to the CVA capital charge	4.105.763	1.208.184

4. Standard approach - Counterparty credit risk by risk classes and risk weights

Current Period	a	b	c	d	e	f	g	h	i
Risk Weights / Risk Classifications	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure (*)
Claims from central governments and central banks	3.006.976	--	--	--	--	--	--	--	--
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	--	--	3.136.643	1.673.927	--	--	--	--	1.464.292
Corporates	--	--	--	--	--	2.461.289	--	--	2.461.289
Retail portfolios	--	--	--	--	78.377	--	--	--	58.783
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	--	--	--	--	--	14.833	--	--	14.833
Stock investment	--	--	--	--	--	--	--	--	--
Other claims	--	--	--	--	--	--	--	--	--
Other assets (**)	--	--	--	--	--	--	--	--	--
Total	3.006.976	--	3.136.643	1.673.927	78.377	2.476.122	--	--	3.999.197

(*) 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
Risk Weights / Risk Classifications	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure (*)
Claims from central governments and central banks	170.026	--	--	--	--	--	--	--	--
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	--	--	2.918.723	1.111.939	--	--	--	--	1.139.714
Corporates	--	--	--	--	--	1.441.189	--	--	1.441.189
Retail portfolios	--	--	--	--	161.292	--	--	--	120.969
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	--	--	--	--	--	1.111	--	--	1.111
Stock investment	--	--	--	--	--	--	--	--	--
Other claims	--	--	--	--	--	--	--	--	--
Other assets (**)	--	--	--	--	--	--	--	--	--
Total	170.026	--	2.918.723	1.111.939	161.292	1.442.300	--	--	2.702.983

(*) 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
	Guarantees of Derivative		Financial Instrument		Guarantees of Other Transactions	
Current Period	Received Guarantees		Given Guarantees		Received	Given
	Appropriated	Unappropriated	Appropriated	Unappropriated	Guarantees	Guarantees
Cash-Domestic Currency	38.525	--	--	--	1.388.724	--
Cash-Foreign Currency	113.527	--	--	--	--	--
Government Bond-Domestic	--	--	--	--	--	1.514.140
Government Bond-Other	--	--	--	--	--	--
Public Bond	--	--	--	--	--	--
Corporate Bond	--	--	--	--	--	--
Stock	--	--	--	--	--	--
Other Guarantee	--	--	--	--	--	--
Total	152.052	--	--	--	1.388.724	1.514.140

	a	b	c	d	e	f
	Guarantees of Derivative		Financial Instrument		Guarantees of Other Transactions	
Prior Period	Received Guarantees		Given Guarantees		Received	Given
	Appropriated	Unappropriated	Appropriated	Unappropriated	Guarantees	Guarantees
Cash-Domestic Currency	14.814	--	--	--	1.343.940	1.840.928
Cash-Foreign Currency	27.757	--	--	--	--	--
Government Bond-Domestic	--	--	--	--	1.838.716	1.567.847
Government Bond-Other	--	--	--	--	--	--
Public Bond	--	--	--	--	--	--
Corporate Bond	--	--	--	--	--	--
Stock	--	--	--	--	--	--
Other Guarantee	--	--	--	--	--	--
Total	42.571	--	--	--	3.182.656	3.408.775

6. Credit derivatives

None.

7. Exposures to central counterparty (CCP)

None.

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)	242.375	166.188
2 Equity risk (general and specific)	--	--
3 Foreign exchange risk	2.455.463	1.265.813
4 Commodity risk	2.163.387	1.501.787
Options		
5 Simplified approach	--	--
6 Delta-plus method	25.450	306.350
7 Scenario approach	--	--
8 Securitization	--	--
9 Total	4.886.675	3.240.138

3. Information on market risk calculated as of month-ends during the period

	Current Period: 31 December 2021		
	Average	Highest	Lowest
Interest Rate Risk	10.870	17.515	5.608
Stock Risk	--	--	--
Currency Risk	220.149	351.388	101.265
Commodity Risk	65.007	125.219	13.977
Settlement Risk	--	--	--
Option Risk	4.811	24.508	235
Counterparty Risk	--	--	--
Total Risk Exposure Value	3.760.455	6.032.975	1.720.063

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	Prior Period: 31 December 2020		
	Average	Highest	Lowest
Interest Rate Risk	10.870	17.515	5.608
Stock Risk	--	--	--
Currency Risk	220.149	351.388	101.265
Commodity Risk	65.007	125.219	13.977
Settlement Risk	--	--	--
Option Risk	4.811	24.508	235
Counterparty Risk	--	--	--
Total Risk Exposure Value	3.760.455	6.032.975	1.720.063

g. Operational risk

1. Explanations on operational risk calculation

Principal amount subject to operational risk is calculated through using year-end gross income of 2020, 2019 and 2018 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

	31/12/2018	31/12/2019	31/12/2020	Total/Positive Gt year number	Ratio(%)	Total
Gross Income	9.254.002	12.063.008	14.766.994	12.028.001	15	1.804.200
Amount Subject to Operational Risk						22.552.503

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	313.052.054	307.478.693
Interbank Money Market Placements	237.803	237.803
Banks	25.062.991	24.842.462
Financial Assets at Fair Value Through Other Comprehensive Income	29.107.488	29.107.488
Financial Assets Measured at Amortised Cost	7.124.821	6.919.331
Loans	251.518.951	246.371.609
Financial Liabilities	344.449.025	343.561.438
Bank Deposits	18.156.912	18.160.793
Other Deposits	248.509.391	248.628.049
Interbank Money Market Borrowings	8.048.007	8.048.007
Funds Borrowed From Other Financial Institutions	48.856.307	48.986.626
Subordinated Loans	10.484.778	9.042.336
Securities Issued	10.393.630	10.695.627

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	Book Value	Fair Value
	Prior Period	Prior Period
Financial Assets	224.625.267	229.657.788
Interbank Money Market Placements	1.763.207	1.763.207
Banks	11.715.414	11.616.039
Financial Assets at Fair Value Through Other Comprehensive Income	20.298.234	20.298.234
Financial Assets Measured at Amortised Cost	7.262.043	7.332.576
Loans	183.586.369	188.647.732
Financial Liabilities	224.303.871	224.128.591
Bank Deposits	17.252.064	17.254.467
Other Deposits	167.467.249	167.298.608
Interbank Money Market Borrowings	4.512.976	4.512.976
Funds Borrowed From Other Financial Institutions	25.985.554	26.108.732
Subordinated Loans	5.917.421	5.825.046
Securities Issued	3.168.607	3.128.762

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	688.185	--	--	688.185
Public Sector Debt Securities	136.317	--	--	136.317
Share Certificated	425.041	--	--	425.041
Other Securities	126.827	--	--	126.827
Derivative Financial Assets at Fair Value Through Profit or Loss	--	7.744.916	--	7.744.916
Financial Assets at Fair Value Through Other Comprehensive Income	29.106.507	--	--	29.106.507
Public Sector Debt Securities	28.085.194	--	--	28.085.194
Other Securities	1.021.313	--	--	1.021.313
Loans at Fair Value Through Profit or Loss	--	--	517.355	517.355
Total Assets	29.794.692	7.744.916	517.355	38.056.963
Derivative Financial Liabilities at Fair Value Through Profit or Loss	--	4.459.846	--	4.459.846
Total Liabilities	--	4.459.846	--	4.459.846

Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss	304.465	--	--	304.465
Public Sector Debt Securities	78.047	--	--	78.047
Share Certificated	220.811	--	--	220.811
Other Securities	5.607	--	--	5.607
Derivative Financial Assets at Fair Value Through Profit or Loss	--	3.161.010	--	3.161.010
Financial Assets at Fair Value Through Other Comprehensive Income	20.297.457	--	--	20.297.457
Public Sector Debt Securities	19.540.092	--	--	19.540.092
Other Securities	757.365	--	--	757.365
Loans at Fair Value Through Profit or Loss	--	--	447.412	447.412
Total Assets	20.601.922	3.161.010	447.412	24.210.344
Derivative Financial Liabilities at Fair Value Through Profit or Loss	--	2.154.844	--	2.154.844
Total Liabilities	--	2.154.844	--	2.154.844

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	447.412
Purchases	--
Amortisation/sales	
Valuation differences	69.943
Transfers	--
Balance at the end of the period	517.355

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 1.673 million and US Dollar 7 million of subsidiaries Denizbank AG and Eurodeniz. A part consisting of the same amounts of its foreign currency deposit of the Group has been defined as "hedging instrument". The effective part of the change in value of the foreign currency deposit arising from change in exchange rate has been recognised as "hedging funds" under equity.

On the other hand, as of 1 April 2014, the Parent Bank stopped applying net investment hedge accounting due to its net investment to hedge against the currency risk on the subsidiary of JSC Denizbank, and the total hedging fund which is booked under equity for that subsidiary is amounting to TL (58.164).

Total abroad net investment hedging funds recognised under equity is amounting to TL (15.382.594) as of 31 December 2021 (31 December 2020: TL (7.359.195)).

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 TL (9.906) which is accounted under shareholders' equity as cash flow hedge accounting as of 31 December 2021 (31 December 2020: TL (29.139)).

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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 and the previous period information has been revised on the same basis.

Information on business segments are presented in the following tables:

Current Period (01/01/2021-31/12/2021)	Wholesale Banking	SME & Agricultural Banking	Retail Banking	Treasury	Other	Total
Net interest income	2.449.843	1.756.596	2.189.068	6.589.984	1.002	12.986.493
Net fees and commission income	552.768	1.332.801	1.847.538	22.605	407.213	4.162.925
Other income/loss, net	985.074	935.652	865.365	(1.432.116)	106.810	1.460.785
Total segment income	3.987.685	4.025.049	4.901.971	5.180.473	515.025	18.610.203
Other operational expenses (*)	(1.137.746)	(1.878.150)	(2.504.176)	(531.605)	(32.624)	(6.084.301)
Provisions for expected credit loss and other provisions	(4.656.608)	(2.027.017)	(911.930)	(272.415)	(1.327)	(7.869.297)
Taxation						(1.116.834)
Net profit from continuing operations	(1.806.669)	119.882	1.485.865	4.376.453	481.074	3.539.771
Net profit from discontinued operations	--	--	--	--	--	--
Net profit for the period	(1.806.669)	119.882	1.485.865	4.376.453	481.074	3.539.771
Current Period (31/12/2021)						
Segment assets	125.668.049	55.434.947	44.525.105	151.453.469	--	377.081.570
Subsidiaries and associates						1.397.878
Undistributed assets						17.404.436
Total assets						395.883.884
Segment liabilities	53.682.820	49.043.367	88.066.303	162.111.850	--	352.904.340
Undistributed liabilities						13.931.510
Equity						29.048.034
Total liabilities						395.883.884

(*) It also includes personnel expenses.

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Prior Period (01/01/2020-31/12/2020)	Wholesale Banking	SME & Agricultural Banking	Retail Banking	Treasury	Other	Total
Net interest income	2.533.437	1.980.139	1.980.863	4.478.216	4	10.972.659
Net fees and commission income	495.549	1.407.512	1.115.369	77.195	(42.594)	3.053.031
Other income/loss, net	284.530	144.587	(3.585)	896.572	(277.723)	1.044.381
Total segment income	3.313.516	3.532.238	3.092.647	5.451.983	(320.313)	15.070.071
Other operational expenses (*)	(798.732)	(1.601.971)	(2.064.661)	(544.274)	(61.504)	(5.071.142)
Provisions for expected credit loss and other provisions	(4.503.899)	(2.364.566)	(294.553)	(473.133)	--	(7.636.151)
Taxation						(496.986)
Net profit from continuing operations	(1.989.115)	(434.299)	733.433	4.434.576	(381.817)	1.865.792
Net profit from discontinued operations					--	--
Net profit for the period	(1.989.115)	(434.299)	733.433	4.434.576	(381.817)	1.865.792
Prior Period (31/12/2020)						
Segment assets	91.159.787	45.958.234	30.088.381	85.059.293	--	252.265.695
Subsidiaries and associates						831.013
Undistributed assets						10.863.940
Total assets						263.960.648
Segment liabilities	30.171.668	31.179.926	62.262.846	105.764.267	--	229.378.707
Undistributed liabilities						11.554.506
Equity						23.027.435
Total liabilities						263.960.648

(*) 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	713.545	5.780.095	591.769	961.480
Central Bank of the Republic of Turkey	3.234.356	43.919.939	1.660.939	19.522.982
Other (*)	--	27.240.440	--	17.292.748
Total	3.947.901	76.940.474	2.252.708	37.777.210

(*) 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	3.126.557	14.272.079	1.636.327	7.467.293
Unrestricted Time Deposits	--	3.017.340	--	--
Restricted Time Deposits	107.799	26.630.520	24.612	12.055.689
Total	3.234.356	43.919.939	1.660.939	19.522.982

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 Parent Bank keeps reserve deposits at the CBRT for their TL and FC liabilities mentioned in the communiqué.

As of 31 December 2021, all banks operating in Turkey should provide a reserve in a range of 3% to 8% (31 December 2020: between 1% and 6%) depending on the terms of the deposits for their liabilities in Turkish Lira and in a range of 5% to 26% (31 December 2020: between 5% and 22%) in US Dollars or standard gold for their liabilities in foreign currencies.

According to the principles of communiqué No. 2019/19 dated 9 December 2019, the CBRT pays interest to banks that provide credit growth for Turkish Lira reserve requirements. The interest income received from reserve requirements of the Parent Bank with the CBRT is amounting to TL 333.512 (1 January - 31 December 2020: TL 29.693). The related interest income recognised under "Interest on Reserve Requirements".

4. Information on Banks

(i) Information on Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	546.135	48.046	506.227	20.427
Foreign	598	24.468.212	460	11.188.300
Foreign head offices and branches	--	--	--	--
Total	546.733	24.516.258	506.687	11.208.727

(ii) Information on foreign banks

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	11.761.015	4.163.595	1.310.156	--
USA, Canada	4.302.638	1.613.634	--	--
OECD Countries(*)	1.443.630	510.153	22.526	--
Off shore zones	2.346	320	--	--
Other	5.626.499	4.901.058	--	--
Total	23.136.128	11.188.760	1.332.682	--

(*) OECD countries except for EU countries, USA and Canada.

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

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

<i>Given as Collateral or Blocked</i>	Current Period		Prior Period	
<i>Financial Assets at Fair Value Through Profit or Loss</i>	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	19.185	--	5.156	--
Other	--	--	--	--
Total	19.185	--	5.156	--

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

None.

3. Other financial assets

Within the context of the existing loan agreements, all creditors including the Parent Bank have reached an agreement on restructuring the loans granted to a company operating in telecommunication sector and shares owned by the company, representing 55% of its issued share capital corresponding to shares have been pledged as a guarantee for the existing facilities would be taken over by a special purpose entity which is incorporated or will be incorporated in the Turkish Republic, and owned by directly or indirectly by all creditors on 21 December 2018. As a result of the transfer of this liability, the risk balance amounting to TL 237.211 has been derecognised from the balance sheet and the Bank's credit receivable carried at fair value under other financial assets amounted to TL 517.355 (31 December 2020: TL 447.412).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	163.012	455.893	90.016	207.034
Swap Transactions	1.587.899	5.319.834	1.103.455	1.706.368
Futures Transactions	370	11.401	--	5.322
Options	1.978	204.529	2.348	46.467
Other	--	--	--	--
Total	1.753.259	5.991.657	1.195.819	1.965.191

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

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

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

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

Financial assets at fair value through other comprehensive income which are given as collateral consist of securities issued to various financial institutions, primarily the Central Bank of the Republic of Turkey and 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 10.519.349 (31 December 2020: TL 2.287.509).

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

<i>Given as collateral or blocked</i>	Current Period		Prior Period	
<i>Financial assets at fair value through other comprehensive income</i>	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bills, Bonds and Similar Securities	4.545.421	5.973.928	1.413.426	874.083
Other	--	--	--	--
Total	4.545.421	5.973.928	1.413.426	874.083

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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	868.996	4.039.032	49.224	2.699.928
Treasury Bills	--	--	--	--
Other Debt Securities	--	--	--	--
Bank Bills and Bank Guaranteed Bills	--	--	--	--
Asset Backed Securities	--	--	--	--
Other	--	--	--	--
Total	868.996	4.039.032	49.224	2.699.928

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	29.106.507	20.297.457
Quoted on Stock Exchange (*)	29.106.507	20.297.457
Unquoted on Stock Exchange	--	--
Share Certificates	981	777
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange (**)	981	777
Impairment Provisions (-)	--	--
Total	29.107.488	20.298.234

(*) It includes bank and corporate bills.

(**) Details are explained in Section Five, note 1.b.3.

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	--	6.144	--	4.963
Corporate Shareholders	--	6.144	--	4.963
Individual Shareholders	--	--	--	--
Indirect Loans Granted to Shareholders	--	--	--	--
Loans Granted to Employees	98.936	386	78.025	216
Total	98.936	6.530	78.025	5.179

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

Cash loans (*) (**)	Loans Under Close Monitoring			
	Standard Loans	Restructured Loans		
		Not included in restructured loans	Changes in conditions of contract	Refinancing
Non-specialized loans	179.049.221	12.671.483	7.966.653	10.301.324
Corporate loans	44.988.184	4.179.595	3.449.140	1.510.969
Export loans	6.885.746	100.474	--	194.765
Import loans	--	--	--	--
Financial sector loans	840.812	--	--	--
Consumer loans	26.649.796	2.329.049	1.277.072	157.878
Credit cards	18.925.546	850.337	598.638	31.960
Others	80.759.137	5.212.028	2.641.803	8.405.752
Specialized loans	13.270.773	1.403.019	478.202	1.265.413
Other receivables	7.138.083	693.881	642.626	--
Total	199.458.077	14.768.383	9.087.481	11.566.737

(*) It includes loans measured at amortised cost.

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

Stage 1 and Stage 2 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	3.187.819	--	1.469.687	--
Significant increase in credit risk	--	10.791.714	--	6.306.466
Total	3.187.819	10.791.714	1.469.687	6.306.466

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3. Distribution of cash loans according to maturity structure

	Standard Loans	Loans Under Close Monitoring	
		Not Restructured	Restructured
Short-Term Loans	53.559.830	3.711.096	2.087.453
Medium and Long-Term Loans	145.898.247	11.057.287	18.566.765
Total	199.458.077	14.768.383	20.654.218

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

	Short Term	Medium or Long Term	Total
Consumer Loans-TL	1.367.851	26.080.352	27.448.203
Real estate Loans	56	1.514.870	1.514.926
Vehicle Loans	809	46.420	47.229
General Purpose Loans	1.366.986	24.519.062	25.886.048
Other	--	--	--
Consumer Loans-Indexed to FC	--	12.456	12.456
Real estate Loans	--	11.596	11.596
Vehicle Loans	--	--	--
General Purpose Loans	--	860	860
Other	--	--	--
Consumer Loans-FC	--	97.466	97.466
Real estate Loans	--	18.328	18.328
Vehicle Loans	--	--	--
General Purpose Loans	--	129	129
Other	--	79.009	79.009
Individual Credit Cards-TL	14.389.938	972.291	15.362.229
Installment	6.456.064	972.291	7.428.355
Non installment	7.933.874	--	7.933.874
Individual Credit Cards-FC	4.603	--	4.603
Installment	--	--	--
Non installment	4.603	--	4.603
Loans Given to Employees-TL	6.642	45.658	52.300
Real estate Loans	--	515	515
Vehicle Loans	--	--	--
General Purpose Loans	6.642	45.143	51.785
Other	--	--	--
Loans Given to Employees - Indexed to FC	--	271	271
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	271	271
Loans Given to Employees - FC	9	--	9
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	9	--	9
Personnel Credit Cards - TL	42.949	208	43.157
Installment	15.380	208	15.588
Non installment	27.569	--	27.569
Personnel Credit Cards - FC	45	--	45
Installment	--	--	--
Non installment	45	--	45
Overdraft Loans-TL (Real Persons) (*)	2.800.583	--	2.800.583
Overdraft Loans-FC (Real Persons)	2.507	--	2.507
Total	18.615.127	27.208.702	45.823.829

(*) The overdraft account used by the personnel of the Parent Bank amounts to TL 3.154 (31 December 2020: TL 2.043).

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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	1.385.612	16.483.084	17.868.696
Real estate Loans	24	125.216	125.240
Vehicle Loans	7.124	313.683	320.807
General Purpose Loans	1.378.464	16.037.754	17.416.218
Other	--	6.431	6.431
Installment Commercial Loans - Indexed to FC	--	558.255	558.255
Real estate Loans	--	2.541	2.541
Vehicle Loans	--	--	--
General Purpose Loans	--	555.714	555.714
Other	--	--	--
Installment Commercial Loans - FC	3.670.525	58.887.481	62.558.006
Real estate Loans	--	--	--
Vehicle Loans	--	9.402	9.402
General Purpose Loans	41.947	9.123.261	9.165.208
Other	3.628.578	49.754.818	53.383.396
Corporate Credit Cards - TL	4.731.495	264.475	4.995.970
Installment	1.674.463	264.475	1.938.938
Non installment	3.057.032	--	3.057.032
Corporate Credit Cards - FC	477	--	477
Installment	--	--	--
Non installment	477	--	477
Overdraft Loans-TL (Legal Entities)	2.336.128	--	2.336.128
Overdraft Loans-FC (Legal Entities)	6.977	--	6.977
Total	12.131.214	76.193.295	88.324.509

6. Distribution of loans according to user

	Current Period	Prior Period
Public	5.505.733	5.721.972
Private	229.374.945	164.970.876
Total	234.880.678	170.692.848

7. Distribution of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	207.323.532	147.364.421
Foreign Loans	27.557.146	23.328.427
Total	234.880.678	170.692.848

8. Loans granted to subsidiaries and associates

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

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	1.461.340	762.722
Loans with Doubtful Collectability	1.775.955	2.363.814
Uncollectible Loans	8.575.959	5.401.118
Total	11.813.254	8.527.654

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	103.137	252.600	1.292.990
(Gross amounts before the provisions)			
Restructured loans	103.137	252.600	1.292.990
Prior Period	41.318	40.573	838.128
(Gross amounts before the provisions)			
Restructured loans	41.318	40.573	838.128

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

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectible loans
Balances at Beginning of the Period	1.217.998	3.582.778	8.092.745
Additions (+)	3.120.039	2.568.775	1.619.983
Transfers from Other Categories of Non-Performing Loans (+)	--	1.250.452	3.849.746
Transfers from Other Categories of Non-Performing Loans (-)	1.250.452	3.849.746	--
Collections (-)	618.479	1.121.559	2.690.303
Write-offs (-)	--	--	869.138
Sales (-)	--	--	39.860
Corporate and Commercial Loans	--	--	2.148
Retail Loans	--	--	10.734
Credit Cards	--	--	3.733
Other	--	--	23.245
FX difference	206.307	653.048	915.939
Balances at End of the Period	2.675.413	3.083.748	10.879.112
Specific Provisions (-)	1.461.340	1.775.955	8.575.959
Net Balance on Balance Sheet	1.214.073	1.307.793	2.303.153

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

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectible loans
Current Period: 31 December 2021			
Balance as of the Period End	30.799	1.239.500	1.828.491
Provisions (-)	30.650	790.382	1.274.646
Net Balance on Balance Sheet	149	449.118	553.845
Prior Period: 31 December 2020			
Balance as of the Period End	754.040	2.473.158	2.181.072
Provisions (-)	421.503	1.810.019	1.334.041
Net Balance on Balance Sheet	332.537	663.139	847.031

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

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectible loans
Current Period (Net): 31 December 2021	1.214.073	1.307.793	2.303.153
Loans Granted to Real Persons and Legal Entities (Gross)	2.675.413	3.083.748	10.879.112
Provisions (-)	1.461.340	1.775.955	8.575.959
Loans Granted to Real Persons and Legal Entities (Net)	1.214.073	1.307.793	2.303.153
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan (Net)	--	--	--
Prior Period (Net): 31 December 2020	455.276	1.218.964	2.691.627
Loans Granted to Real Persons and Legal Entities (Gross)	1.217.998	3.582.778	8.092.745
Provisions (-)	762.722	2.363.814	5.401.118
Loans Granted to Real Persons and Legal Entities (Net)	455.276	1.218.964	2.691.627
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loans (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loans (Net)	--	--	--

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

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
Current Period (Net)	127.309	219.620	304.872
Interest accruals and rediscount and valuation differences	285.077	348.746	1.382.992
Amount of provision (-)	157.768	129.126	1.078.120
Prior Period (Net)	36.585	109.016	486.967
Interest accruals and rediscount and valuation differences	89.683	264.107	1.447.590
Amount of provision (-)	53.098	155.091	960.623

11. Outline of liquidation policy for uncollectible loans and other receivables

For uncollectible loans, first of all the Bank and the company 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 companies 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.

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 5.076.422 (31 December 2020: TL 3.141.841).

- (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 1.531.367 (31 December 2020: TL 1.774.043).

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2. Information on government debt securities measured at amortised cost

<i>Government debt securities measured at amortised cost</i>	Current Period	Prior Period
Government Bonds	7.124.821	7.262.043
Treasury Bills	--	--
Other Government Debt Securities	--	--
Total	7.124.821	7.262.043

3. Information on financial assets measured at amortised cost

<i>Financial assets measured at amortised cost</i>	Current Period	Prior Period
Debt Securities	7.124.821	7.262.043
Quoted on Stock Exchange	7.124.821	7.262.043
Unquoted on Stock Exchange	--	--
Impairment provisions (-)	--	--
Total	7.124.821	7.262.043

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

	Current Period	Prior Period
Balance at the beginning of the period	7.262.043	6.773.054
Foreign exchange differences in monetary assets (*)	1.106.717	857.182
Purchases during the year	--	--
Disposals by sale and redemption	(1.243.939)	(368.193)
Impairment provisions (-)	--	--
Total	7.124.821	7.262.043

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

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	--
2-Kredi Garanti Fonu A.Ş. ⁽²⁾	Ankara/Turkey	2	--
3-Ege Tarım Ürünleri Lisanslı Dep. A.Ş. ⁽²⁾	İzmir/Turkey	9	--

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/(Loss)	Prior Period Profit/(Loss)	Fair Value
1	544.660	339.776	242.712	16.411	--	47.719	48.549	--
2	963.633	560.909	19.801	44.582	--	95.447	55.708	--
3	17.818	16.667	8.054	584	--	2.504	2.461	--

⁽¹⁾ Information on the financial statements is presented as of the period ended 30 September 2021.

⁽²⁾ Information on the financial statements is presented as of the period ended 31 December 2020.

2. Investments in consolidated associates

There are no investments in consolidated associates.

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g. Information on investments in subsidiaries

1. Information on shareholders' equity of major subsidiaries

The Parent Bank do 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 2021 prepared in accordance with the legislation to which Denizbank AG is subject to.

	Denizbank AG
Paid-in capital	3.497.565
Share premium	5.138.922
Reserves	16.227.164
Deductions from capital	18.237
Total Common Equity	24.845.414
Total additional Tier I capital	--
Deductions from capital	72.947
Total Core Capital	24.772.467
Total supplementary capital	399.617
Capital	25.172.084
Deductions from capital	--
SHAREHOLDERS' EQUITY	25.172.084

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.	İstanbul/Turkey	100	--
2-Denizbank Kültür Sanat Yayıncılık Ticaret ve Sanayi A.Ş.	İstanbul/ Turkey	100	--
3-Açık Deniz Radyo ve Televizyon İletişim Yayıncılık ve Sanayi A.Ş.	İstanbul/ Turkey	--	100
4-Deniz Immobilien Service GmbH	Vienna/Austria	--	100
5-Ekspres Bilgi İşlem ve Ticaret A.Ş.	İstanbul/ Turkey	71	29
6-Neohub Teknoloji Yazılım Pazarlama ve Danışmanlık A.Ş.	İstanbul/ 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	863.952	612.330	456.017	4.328	--	227.197	93.630	--
2	796	787	11	--	--	(181)	(117)	--
3	489	485	--	--	--	58	23	--
4	177	177	--	--	--	(100)	20	--
5	24.975	12.119	10.709	421	--	(685)	(6.050)	--
6	7.281	5.960	--	--	--	(6.742)	--	--

The financial statements of the above subsidiaries for the period ended on 31 December 2021 are not included in the consolidation since they are non-financial subsidiaries.

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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	49	51	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 Fastpay Elektronik Para ve Ödeme Hizmetleri A.Ş.	Istanbul/Turkey	100	--	Full consolidation

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

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/(Loss)	Prior Period Profit/(Loss)	Fair Value	Capital requirement
1	108.403.152	25.562.090	197.729	2.090.467	123.520	272.989	268.342	--	--
2	1.058.012	100.653	39	41.048	--	2.562	864	--	--
3	1.705.084	1.187.823	19.125	128.715	--	268.754	240.559	--	--
4	4.561.795	1.318.998	38.733	163.134	36.002	82.520	62.141	--	--
5	59.589	48.401	2.973	4.513	3.940	14.565	14.215	--	--
6	6.136.257	917.275	1.051.939	360.816	4.205	81.184	211.155	--	--
7	2.943.689	291.395	17.863	347.865	5.467	37.842	21.867	--	--
8	1.006.507	719.938	6.993	4.896	--	95.307	9.355	--	--
9	513.250	445.871	390.746	6	--	3.386	1.112	--	--
10	9.362	7.302	2.225	1.422	--	(1.902)	(427)	--	--

Includes financial statement details subject to 31 December 2021 consolidation.

(i) Movement of consolidated subsidiaries during the period

	Current Period	Prior Period
Balance at the Beginning of the Period	3.666.689	3.411.274
Movements During the Period	512.838	255.415
Purchases	4.000	82.727
Bonus Shares Received	--	--
Dividends from Current Year Profit	--	--
Sales (*)	--	(17.394)
Revaluation Increase, Effect of Inflation and F/X Difference	508.838	190.082
Other	--	--
Provision for Impairment	--	--
Balance at the End of the Period	4.179.527	3.666.689
Capital Commitments	--	--
Share Percentage at the end of Period (%)	--	--

(*) Deniz Yatırım sold 9% of the shares with a cost of TL 17.394 in Deniz GYO, which it owns 86% of total shares as of 31.12.2020.

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

	Current Period	Prior Period
Banks	2.117.936	2.019.704
Insurance Companies	--	--
Factoring Companies	138.107	138.107
Leasing Companies	801.217	801.217
Finance Companies	--	--
Other Subsidiaries	1.112.267	707.661
Total	4.179.527	3.666.689

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	674.288	375.843
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)

Title	Share percentage of the Parent Bank (%)	Share percentage of the Group (%)	Current Assets	Non- Current Assets	Non-Current Liabilities	Income	Expenses
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.	33	33	160.638	70.595	28.577	285.191	(243.408)

Information on the unaudited financial statements is presented as of the period ended 30 December 2021.

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	326.429	306.066	169.371	154.927
Between 1-4 years	2.191.947	1.790.003	925.974	681.780
Over 4 years	3.638.795	2.750.164	2.895.430	2.228.442
Total	6.157.171	4.846.233	3.990.775	3.065.149

(*) Non-performing lease receivables of TL 381.425 are not included (31 December 2020: TL 175.676).

2. Information on net investments in lease transactions

	Current Period (*)	Prior Period (*)
Gross finance lease investment	6.157.171	3.990.775
Unearned finance income from finance lease (-)	1.310.938	925.626
Cancelled leasing amounts (-)	--	--
Net investment on finance leases	4.846.233	3.065.149

(*) Non-performing lease receivables of TL 381.425 are not included (31 December 2020: TL 175.676).

3. Information on operating lease

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 2021, 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	10.456	8.016
Between 1-5 years	--	--
5 years and over	--	--
Total	10.456	8.016

j. Explanation on derivative financial instruments for hedging purpose

None.

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k. Information on tangible assets

	Real Estate	Tangible Fixed Assets Retained With Financial Leasing	Vehicles	Other Tangible Fixed Assets	Tangible Fixed Assets Retained With Operational Leasing	Total
Prior Period						
Cost	306.975	254.843	494.940	936.352	1.460.616	3.453.726
Accumulated Depreciation	(97)	(130.555)	(60.163)	(409.401)	(971.917)	(1.572.133)
Net Book Value	306.878	124.288	434.777	526.951	488.699	1.881.593
Current Period						
Net Book Value at the Beginning of the Period	306.878	124.288	434.777	526.951	488.699	1.881.593
Changes In the Period (Net)	69.876	91.634	599.519	141.022	153.312	1.055.363
Depreciation Cost	(7.217)	(21.201)	(1.839)	(220.966)	(156.808)	(408.031)
Provision For Decrease In Value	--	--	--	--	--	--
FX Differences (Net)	148.983	--	38	35.289	27.763	212.073
Cost At the End of the Period	518.665	321.254	1.078.243	1.124.225	1.674.339	4.716.726
Accumulated Depreciation At the End of the Period	(145)	(126.533)	(45.748)	(641.929)	(1.161.373)	(1.975.728)
Net Book Value At The End Of The Period	518.520	194.721	1.032.495	482.296	512.966	2.740.998

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 270.645 (31 December 2020: TL 130.156) is recognised under equity as a result of revaluation process.

l. Information on intangible assets

	Other	Goodwill	Total
Prior Period			
Cost	1.452.061	--	1.452.061
Accumulated Depreciation	(1.028.652)	--	(1.028.652)
Net Book Value	423.409	--	423.409
Current Period			
Net Book Value at the Beginning of the Period	423.409	--	423.409
Differences During the Period (Net)	434.608	--	434.608
Depreciation Cost	(259.525)	--	(259.525)
Provision For Decrease In Value	--	--	--
FX Differences (Net)	25.208	--	25.208
Cost At the End of the Period	2.001.479	--	2.001.479
Accumulated Depreciation At the End of the Period	(1.377.779)	--	(1.377.779)
Net Book Value At The End Of The Period	623.700	--	623.700

m. Explanation on investment properties

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

As of 31 December 2021, the DFS Group's investment properties amount to TL 369.625 (31 December 2020: TL 355.990) 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 3.084.569 (31 December 2020: TL 1.488.411) and deferred tax liability amounts to TL 161.793 (31 December 2020: TL 64.714). 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	2.767.433	1.458.416
Provision for Employee Benefits	683.860	94.614
Unearned Revenue	314.587	63.552
Valuation Differences of Financial Assets	149.840	--
Other	63.774	115.835
Deferred Tax Assets	46.791	1.732.417
Valuation Differences of Derivatives	4.026.285	(92.891)
Valuation Differences of Tangible Assets	(871.480)	(112.197)
Valuation Differences of Financial Assets	(232.029)	(103.632)
Other	--	--
Deferred Tax Liabilities	--	(308.720)
Net Deferred Tax Assets	(1.103.509)	1.423.697

o. Explanation on non-current assets or disposal groups held for sale and from discontinued operations

None.

p. Information on other assets

1. Information on prepaid expense, taxes and similar items

DFS Group's total prepaid expenses are TL 823.245 (31 December 2020: TL 932.372).

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

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II. Explanations and disclosures related to consolidated liabilities

a. Information on deposits

Foreign currency protected deposit product, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL deposits are valued with interest rates and are protected against foreign currency exchange rates, started to be offered to bank customers as of the current accounting period reported. TL deposits include TL 3.307.220 deposits within this scope as of 31 December 2021.

1. Information on maturity structure of deposits

Current period - 31 December 2021:

	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	6.579.812	--	5.980.264	25.068.065	3.344.144	731.895	701.187	4.737	42.410.104
Foreign Currency Deposits (*)	71.014.356	--	15.559.214	33.722.982	8.284.389	11.322.906	37.182.369	2.943	177.089.159
Residents in Turkey	35.191.103	--	15.172.532	31.858.686	6.915.824	3.930.198	3.466.944	2.866	96.538.153
Residents Abroad	35.823.253	--	386.682	1.864.296	1.368.565	7.392.708	33.715.425	77	80.551.006
Public Sector Deposits	939.363	--	31.437	178.843	413	--	53	--	1.150.109
Commercial Deposits	5.024.341	--	3.741.236	3.046.774	63.510	21.299	19.639	--	11.916.799
Other Ins. Deposits	248.098	--	203.061	534.001	38.609	1.704	58.815	--	1.084.288
Precious Metal Deposits	10.410.262	--	308.623	2.388.241	322.121	880.936	536.416	12.333	14.858.932
Bank Deposits	1.089.478	--	3.719.307	10.635.668	310.324	2.402.135	--	--	18.156.912
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	46.631	--	(905)	225.134	--	6.677	--	--	277.537
Foreign Banks	1.041.923	--	3.720.212	10.410.534	310.324	2.395.458	--	--	17.878.451
Special Finan. Inst.	924	--	--	--	--	--	--	--	924
Other	--	--	--	--	--	--	--	--	--
Total	95.305.710	--	29.543.142	75.574.574	12.363.510	15.360.875	38.498.479	20.013	266.666.303

(*) Foreign Currency Deposit Account consists of Saving Deposit customers at the amount of TL 121.500.908 and Commercial Deposit customers at the amount of TL 55.588.251.

Prior period - 31 December 2020:

	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	5.118.848	--	4.632.385	25.358.350	500.405	397.724	495.589	5.290	36.508.591
Foreign Currency Deposits (*)	35.192.824	--	7.913.965	25.559.298	3.408.843	4.876.860	32.576.436	1.681	109.529.907
Residents in Turkey	15.022.887	--	7.647.685	22.149.654	2.913.425	781.065	1.994.830	1.681	50.511.227
Residents Abroad	20.169.937	--	266.280	3.409.644	495.418	4.095.795	30.581.606	--	59.018.680
Public Sector Deposits	332.762	--	87.706	77.422	13.194	487	2.622	--	514.193
Commercial Deposits	3.398.550	--	2.506.787	3.267.527	144.695	54.160	16.529	--	9.388.248
Other Ins. Deposits	165.190	--	213.279	482.088	78.775	26.533	265.387	--	1.231.252
Precious Metal Deposits	7.341.422	--	353.975	1.806.563	137.017	324.325	320.635	11.121	10.295.058
Bank Deposits	952.956	--	7.162.709	8.923.507	3.014	4.841	205.037	--	17.252.064
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	50.385	--	30	23.000	--	3.721	--	--	77.136
Foreign Banks	902.018	--	7.162.679	8.900.507	3.014	1.120	205.037	--	17.174.375
Special Finan. Inst.	553	--	--	--	--	--	--	--	553
Other	--	--	--	--	--	--	--	--	--
Total	52.502.552	--	22.870.806	65.474.755	4.285.943	5.684.930	33.882.235	18.092	184.719.313

(*) Foreign Currency Deposit Account consists of Saving Deposit customers at the amount of TL 79.102.989 and Commercial Deposit customers at the amount of TL 30.426.918.

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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	22.588.462	21.224.127	19.699.031	15.182.523
Foreign Currency Saving Deposits	16.649.353	13.245.617	54.352.494	28.154.787
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	39.237.815	34.469.744	74.051.525	43.337.310

(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	138.421	137.627
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	127.782	87.485
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	61.642	182
Total	327.845	225.294

(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	429.031	212.894	18.511	179.672
Swap Transactions	938.428	2.741.948	247.272	1.608.027
Futures Transactions	--	--	--	41.365
Options	4	137.541	26.931	33.066
Other	--	--	--	--
Total	1.367.463	3.092.383	292.714	1.862.130

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	2.909.771	2.518.156	2.199.782	1.908.386
Foreign Banks, Institutions and Funds	--	43.428.380	200.050	21.677.336
Total	2.909.771	45.946.536	2.399.832	23.585.722

2. Maturity information of funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	2.693.806	9.916.973	2.399.832	3.344.623
Medium and Long-Term	215.965	36.029.563	--	20.241.099
Total	2.909.771	45.946.536	2.399.832	23.585.722

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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 67% of total funding source (31 December 2020: 70%). Loans received, subordinated loans, debts to money markets and securities issued constitute 20% of total funding source (31 December 2020: 15%).

d. Information on securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Bonds	569.352	2.489.288	620.081	175.315
Bills	4.725.194	2.609.796	1.921.607	451.604
Asset Backed Securities	--	--	--	--
Total	5.294.546	5.099.084	2.541.688	626.919

The Parent Bank has repurchased the securities it has issued amounting to TL 384.780 and netted them in its financial statements (31 December 2020: TL 255.037).

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

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

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	360.808	239.785	247.759	141.311
Between 1-4 years	512.696	351.324	636.405	363.239
Over 4 years	20.144	16.704	153.585	106.276
Total	893.648	607.813	1.037.749	610.826

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 2021, there is no provisions for foreign exchange differences on foreign currency indexed loans (31 December 2020: 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.

2. Liabilities of provision for employee benefits

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

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

	Current Period	Prior Period
Discount rate	%5,08	4,16%
Interest rate	%24,00	12,70%
Estimated rate of increase in salary/severance pay limit	%18,00	8,20%

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As of 31 December 2021, TL 320.924 of provision for employee termination benefits (31 December 2020: TL 284.403) and TL 444.674 of unused vacation provisions and other rights (31 December 2020: TL 277.953) 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	284.403	207.208
Changes in the period	79.445	54.307
Actuarial loss/gain	(4.264)	53.581
Paid in the period	(44.559)	(33.596)
FX difference	5.899	2.903
Balance at the End of the Period	320.924	284.403

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 806.855 of other provisions represents stage 1 and stage 2 provisions for expected credit loss for non-cash loans, TL 642.882 is related to stage 3 provision for expected credit loss for non-cash loans that are unindemnified and not converted into cash, TL 252.167 is the provisions for the litigations against the Bank and TL 920.154 includes other provisions.

Prior period:

TL 505.727 of other provisions represents stage 1 and stage 2 provisions for expected credit loss for non-cash loans, TL 373.005 is related to stage 3 provision for expected credit loss for non-cash loans that are unindemnified and not converted into cash, TL 200.384 is the provisions for the litigations against the Bank and TL 667.695 includes other provisions.

i. Explanations on tax liability

1. Information on current tax liability

(i) Information on tax provision

As of 31 December 2021, the corporate tax provision of DFS Group amounts to TL 337.181 (31 December 2020: TL 205.219), and it has been offset with advance taxes amounting to TL 305.908 (31 December 2020: TL 107.505).

(ii) Information on tax liabilities

	Current Period	Prior Period
Corporate tax payables	31.273	97.714
Taxation on securities	64.325	57.249
Taxes on real estate capital gain	2.986	2.176
Banking Insurance Transaction Tax (BITT)	157.096	96.266
Taxes on foreign exchange transactions	43.286	7.854
Value added tax payables	14.753	32.291
Other	40.184	56.480
Total	353.903	350.030

(iii) Information on premiums

	Current Period	Prior Period
Social security premiums- employee share	14.834	14.011
Social security premiums- employer share	16.618	15.524
Bank pension fund premium- employee share	--	--
Bank pension fund premium- employer share	--	--
Pension fund membership fees and provisions- employee share	1.864	1.136
Pension fund membership fees and provisions- employer share	2.282	1.391
Unemployment insurance- employee share	1.084	1.012
Unemployment insurance- employer share	2.079	1.934
Other	28.051	7.544
Total	66.812	42.552

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2. Information on deferred tax liability

Deferred tax liability calculated within the scope of the applicable regulations amounts to TL 161.793 (31 December 2020: TL 64.714). 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

None.

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	--	10.484.778	--	5.917.420
Subordinated Loans	--	10.484.778	--	5.917.420
Subordinated Debt Instruments	--	--	--	--
Total	--	10.484.778	--	5.917.420

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.

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

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

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

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

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

The Parent Bank does not have any preferred stocks.

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8. Share premiums, shares and equity instruments

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

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

(**) In the related period, the number of shares with nominal value of "one thousand" Turkish Lira was sold for "two thousand eight hundred seventy-five" Turkish Lira and TL 94.441 share premium was obtained. Inflation valuation difference until December 2004 amounts to TL 3.910 and is followed under the related account in accordance with the regulation. Share premium of TL 60 through obtained from the paid-in capital increase of TL 400.000 on 28 August 2008.

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

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

9. Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and JVs	1.017.498	--	450.880	--
Valuation Difference	270.464	(1.436.122)	(297.334)	487.214
FX Gain or Loss	--	--	--	--
Total	1.287.962	(1.436.122)	153.546	487.214

10. Information on hedging funds

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

11. Explanations on minority shares

	Current Period	Prior Period
Balance at the Beginning of the Period	53.494	22.772
Minority shares in net income of consolidated subsidiaries	32.894	7.449
Increase/(decrease) in minority shares due to disposals	--	--
Other	65.233	23.273
Balance at the End of the Period	151.621	53.494

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 224.096 has been accounted for in "Other Accumulated Comprehensive Income That Will Not Be Reclassified in Profit or Loss" under equities (31 December 2020: TL 116.964).

13. Explanations on profit distribution

At the Ordinary General Assembly Meeting held on 25 March 2021, according to the proposal of the Parent Bank's Board of Directors for profit distribution, TL 89.661 of the net profit for the period of 2020 amounting to TL 1.793.225 was allocated as legal reserves and the remaining TL 1.703.564 was allocated as extraordinary reserves.

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

a. Explanation on liabilities in off-balance sheet accounts

1. Type and amount of irrevocable loan commitments

All of DFS Group's off-balance sheet loan commitments are in the nature of irrevocable commitments. As of 31 December 2021, loan granting commitments, commitments for credit card expenditure limits and commitments for cheque payments are TL 21.028.309, TL 42.095.217 and TL 3.369.186 respectively (31 December 2020: TL 17.234.415, TL 32.617.301 and TL 2.226.643 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 2021, DFS Group has letters of guarantee amounting to TL 49.102.467, bill of guarantee and acceptances amounting to TL 111.075, and guarantees and warranties on letters of credit amounting to TL 13.467.228 and other guarantees and warranties amounting to TL 4.411.314.

As of 31 December 2020, DFS Group has letters of guarantee amounting to TL 31.919.440, bill of guarantee and acceptances amounting to TL 110.240, and guarantees and warranties on letters of credit amounting to TL 4.895.252 and other guarantees and warranties amounting to TL 5.899.776.

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

	Current Period	Prior Period
Provisional Letters of Guarantee	988.508	1.182.488
Final Letters of Guarantee	25.513.361	18.461.567
Letters of Guarantee for Advances	4.384.604	2.771.821
Letters of Guarantee given to Customs Offices	290.258	203.609
Other Letters of Guarantee	17.925.736	9.299.955
Total	49.102.467	31.919.440

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	23.618.106	16.257.542
With Original Maturity of 1 Year or Less	23.132.807	16.034.674
With Original Maturity of More Than 1 Year	485.299	222.868
Other Non-Cash Loans	43.473.978	26.567.166
Total	67.092.084	42.824.708

(ii) Information on risk concentration on sector basis within the non-cash loans account

	Current Period			
	TL	%	FC	%
Agricultural	615.282	3,98	404.233	0,78
Farming and Cattle	612.092	3,96	404.233	0,78
Forestry	459	--	--	--
Fishing	2.731	0,02	--	--
Manufacturing	3.628.081	23,48	22.198.241	42,98
Mining	186.014	1,20	469.008	0,91
Production	2.821.026	18,26	19.588.819	37,93
Electric, Gas, Water	621.041	4,02	2.140.414	4,14
Construction	3.785.062	24,49	10.409.411	20,16
Services	5.592.884	36,18	15.242.259	29,51
Wholesale and Retail Trade	3.482.009	22,53	7.881.869	15,26
Hotel and Restaurant Services	317.277	2,05	2.128.170	4,12
Transportation and telecommunication	795.713	5,15	3.561.439	6,90
Financial institutions	709.332	4,59	1.504.674	2,91
Real estate and letting services	74.407	0,48	5.112	0,01
Self-employment services	--	--	--	--
Education services	65.199	0,42	14.959	0,03
Health and social services	148.947	0,96	146.036	0,28
Other	1.831.871	11,87	3.384.760	6,57
Total	15.453.180	100,00	51.638.904	100,00

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	Prior Period			
	TL	%	FC	%
Agricultural	333.043	2,61	306.705	1,02
Farming and Cattle	327.905	2,57	302.466	1,01
Forestry	410	--	649	--
Fishing	4.728	0,04	3.590	0,01
Manufacturing	2.863.726	22,41	10.980.772	36,54
Mining	120.158	0,94	318.573	1,06
Production	2.273.678	17,79	10.078.235	33,54
Electric, Gas, Water	469.890	3,68	583.964	1,94
Construction	3.148.381	24,64	7.391.419	24,60
Services	4.585.418	35,89	8.037.690	26,75
Wholesale and Retail Trade	2.714.290	21,24	4.766.419	15,86
Hotel and Restaurant Services	355.894	2,79	1.475.241	4,91
Transportation and telecommunication	763.719	5,98	1.069.368	3,56
Financial institutions	523.878	4,10	700.139	2,33
Real estate and letting services	26.791	0,21	2.066	0,01
Self-employment services	--	--	--	--
Education services	54.841	0,43	8.479	0,03
Health and social services	146.005	1,14	15.978	0,05
Other	1.847.120	14,45	3.330.434	11,09
Total	12.777.688	100,00	30.047.020	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	14.682.435	33.303.257	530.499	586.276
Bill of Guarantee and Acceptances	16.000	95.075	--	--
Letters of Credit	--	13.459.250	--	7.978
Endorsements	--	--	--	--
Underwriting Commitments	--	--	--	--
Factoring Commitments	--	--	--	--
Other Commitments and Contingencies	223.246	4.178.404	1.000	8.664
Total	14.921.681	51.035.986	531.499	602.918

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)	146.512.821	99.683.185	44.972.355	4.851.769	--	296.020.130
Forward FC Call Transactions	8.066.475	7.211.802	3.801.445	117.102	--	19.196.824
Forward FC Pull Transactions	7.999.434	6.985.052	3.811.354	124.689	--	18.920.529
Swap FC Call Transactions	63.225.692	40.713.244	17.680.512	2.344.953	--	123.964.401
Swap FC Pull Transactions	63.747.834	44.045.302	18.758.849	2.265.025	--	128.817.010
Options FC Call Transactions	1.553.366	349.989	466.172	--	--	2.369.527
Options FC Pull Transactions	1.524.560	343.945	454.023	--	--	2.322.528
Futures FC Call Transactions	200.121	18.088	--	--	--	218.209
Futures FC Pull Transactions	195.339	15.763	--	--	--	211.102
Total of Interest Derivative Transactions (II)	100.001	300.000	713.296	25.377.224	46.422.990	72.913.511
Swap Interest Call Transactions	50.001	150.000	356.648	12.633.274	22.634.881	35.824.804
Swap Interest Pull Transactions	50.000	150.000	356.648	12.633.274	22.634.881	35.824.803
Options Interest Call Transactions	--	--	--	55.338	576.614	631.952
Options Interest Pull Transactions	--	--	--	55.338	576.614	631.952
Securities Interest Call Transactions	--	--	--	--	--	--
Securities Interest Pull Transactions	--	--	--	--	--	--
Futures Interest Call Transactions	--	--	--	--	--	--
Futures Interest Pull Transactions	--	--	--	--	--	--
Other Types of Trading Transactions (III)	4.021.029	3.798.054	2.706.831	716.650	--	11.242.564
B. Total Types of Trading Transactions (I + II + III)	150.633.851	103.781.239	48.392.482	30.945.643	46.422.990	380.176.205
Total Derivatives Transactions (A+B)	150.633.851	103.781.239	48.392.482	30.945.643	46.422.990	380.176.205

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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)	82.157.739	35.816.837	27.812.857	1.811.341	--	147.598.774
Forward FC Call Transactions	2.576.522	4.576.059	2.888.645	203.467	--	10.244.693
Forward FC Pull Transactions	2.288.711	4.480.132	2.853.317	180.813	--	9.802.973
Swap FC Call Transactions	32.901.075	12.322.582	10.558.427	771.452	--	56.553.536
Swap FC Pull Transactions	38.518.951	12.332.603	10.371.971	648.190	--	61.871.715
Options FC Call Transactions	2.895.752	585.602	245.458	7.419	--	3.734.231
Options FC Pull Transactions	2.976.728	568.898	255.112	--	--	3.800.738
Futures FC Call Transactions	--	465.976	297.191	--	--	763.167
Futures FC Pull Transactions	--	484.985	342.736	--	--	827.721
Total of Interest Derivative Transactions (II)	360.000	820.000	1.938.073	4.064.320	33.233.168	40.415.561
Swap Interest Call Transactions	30.000	410.000	969.037	1.980.821	16.195.844	19.585.702
Swap Interest Pull Transactions	30.000	410.000	969.036	1.980.821	16.195.844	19.585.701
Options Interest Call Transactions	--	--	--	51.339	420.740	472.079
Options Interest Pull Transactions	300.000	--	--	51.339	420.740	772.079
Securities Interest Call Transactions	--	--	--	--	--	--
Securities Interest Pull Transactions	--	--	--	--	--	--
Futures Interest Call Transactions	--	--	--	--	--	--
Futures Interest Pull Transactions	--	--	--	--	--	--
Other Types of Trading Transactions (III)	5.810.420	221.699	315.722	5.621	--	6.353.462
B. Total Types of Trading Transactions (I + II + III)	88.328.159	36.858.536	30.066.652	5.881.282	33.233.168	194.367.797
Total Derivatives Transactions (A+B)	88.328.159	36.858.536	30.066.652	5.881.282	33.233.168	194.367.797

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 252.167 (31 December 2020: TL 200.384) 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	5.742.609	746.959	2.882.015	598.962
Medium and Long Term Loans	11.183.882	3.852.937	8.700.008	3.816.267
Loans Under Close Monitoring	249.328	158.107	94.279	--
Premiums Received from Resource Utilisation Support Fund	--	--	--	--
Total	17.175.819	4.758.003	11.676.302	4.415.229

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	--	--	360	--
Domestic Banks	84.266	19.799	161.609	29.933
Foreign Banks	6.511	11.410	60	12.677
Foreign Head Offices and Branches	--	--	--	39
Total	90.777	31.209	162.029	42.649

The interest income received from required reserves of the Parent Bank with the CBRT is TL 333.512 (1 January - 30 December 2020: TL 29.693).

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	16.438	11.829	15.338	6.570
Financial Assets at Fair Value Through Other Comprehensive Income	1.058.036	605.262	690.333	408.348
Financial Assets Measured at Amortised Cost	366.684	50.771	522.895	119.513
Total	1.441.158	667.862	1.228.566	534.431

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.

4. Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	--	--

b. Interest expense

1. Information on interest expense related to funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	396.634	1.588.944	195.058	1.381.781
Central Bank of the Republic of Turkey	--	91.137	57	208.916
Domestic Banks	373.716	66.563	183.194	34.737
Foreign Banks	22.918	1.431.244	11.807	1.138.128
Foreign Head Offices and Branches	--	--	--	--
Other Institutions	--	--	--	--
Total	396.634	1.588.944	195.058	1.381.781

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	5.892	4.454

3. Information on interest paid to securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Securities Issued	941.553	--	417.875	--

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	26	96.003	--	--	--	--	--	96.029
Saving Deposits	5.549	850.290	4.763.664	160.014	142.333	105.956	468	6.028.274
Public Sector Deposits	--	5.318	15.607	1.157	11	70	--	22.163
Commercial Deposits	--	595.079	601.995	20.439	10.732	2.741	--	1.230.986
Other Deposits	--	37.144	106.651	10.297	3.527	16.586	--	174.205
7 Days Call Account	--	--	--	--	--	--	--	--
Total	5.575	1.583.834	5.487.917	191.907	156.603	125.353	468	7.551.657
FC								
Deposits	11.211	508.096	280.146	62.599	28.482	--	33.134	923.668
Bank Deposits	2.083	106.668	--	--	--	--	--	108.751
7 Days Call Account	--	--	--	--	--	--	--	--
Precious Metal Deposits	15	892	6.752	1.687	5.637	6.528	82	21.593
Total	13.309	615.656	286.898	64.286	34.119	6.528	33.216	1.054.012
Grand Total	18.884	2.199.490	5.774.815	256.193	190.722	131.881	33.684	8.605.669

c. Explanations on dividend income

	Current Period	Prior Period
Financial Assets at Fair Value Through Profit or Loss	--	1.538
Financial Assets at Fair Value Through Other Comprehensive Income	3.374	--
Other (*)	841	999
Total	4.215	2.537

(*) Presents dividend income from unconsolidated subsidiaries and associates.

d. Explanations on trading income/loss

	Current Period	Prior Period
Income	1.873.150.312	728.410.151
Capital Market Transactions	490.277	352.406
Derivative Financial Instruments	30.156.087	9.876.206
Foreign Exchange Gains	1.842.503.948	718.181.539
Loss (-)	1.872.552.861	727.838.729
Capital Market Transactions	139.526	191.118
Derivative Financial Instruments	17.715.373	10.663.412
Foreign Exchange Losses	1.854.697.962	716.984.199
Net Trading Income / Loss	597.451	571.422

Net gain/(loss) from foreign exchange translation differences related to derivative financial instruments amounts to TL 10.649.322

(1 January - 31 December 2020: TL (777.815)).

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 (*)	7.572.296	7.184.737
12 months provision for expected credit loss (Stage 1)	1.512.116	205.571
Significant increase in credit risk (Stage 2)	3.257.528	2.798.963
NPL (Stage 3)	2.802.652	4.180.203
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	297.001	451.414
Total	7.869.297	7.636.151

(*) 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 (*)	2.580.594	2.143.191
Reserve for Employee Termination Benefits (*)	35.604	33.405
Reserve for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	408.031	390.361
Impairment Losses on Intangible Assets	--	--
Goodwill for impairment loss	--	--
Amortisation Charges of Intangible Assets	259.525	186.758
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	38.370	40.522
Depreciation of Assets to be Disposed	--	20.866
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	1.783.379	1.449.148
Operational Lease Expenses (**)	106.292	87.677
Repair and Maintenance Expenses	90.926	92.927
Advertisement Expenses	87.711	83.161
Other Expenses (***)	1.498.450	1.185.383
Losses on Sale of Assets	9.399	38.445
Other	969.399	768.446
Total	6.084.301	5.071.142

(*) 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 118.704, TL 329.112, TL 40.482, TL 6.633, TL 68.020, TL 444.158 and TL 491.341 respectively (1 January - 31 December 2020: TL 85.208, TL 238.564, TL 25.594, TL 2.842, TL 56.370, TL 460.367 and TL 316.438 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	6.558	4.561
Tax consultancy fee	--	--
Other assurance services fee	1.391	1.017
Other fee for non-audit services	933	--
Total	8.982	5.578

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

As 1 January - 31 December 2021, DFS Group has a profit before tax from continued operations amounting to TL 4.656.605 (1 January - 31 December 2020: TL 2.362.778).

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 2021, the current tax charge on continued operations amounts to TL 328.684 (1 January - 31 December 2020: TL 340.305) while deferred tax charge amounts to TL 6.997.837 (1 January - 31 December 2020: TL 3.383.565) and deferred tax benefit amounts to TL 6.209.687 (1 January - 31 December 2020: TL 3.226.884).

There are no current tax expenses on discontinued operations.

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k. Information on continued and discontinued operations net profit/loss

DFS Group has a net profit is amounting to TL 3.539.771 (31 December 2020: TL 1.865.792). DFS Group 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

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	32.894	7.449

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

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 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 preparation 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 (1.355.538).

As of 1 April 2018, Deniz Leasing from subsidiaries of Parent Bank started to use cash flow hedge accounting within the context of currency risk. After tax profit /(loss) accounted under equity in the current period through cash flow hedge accounting is TL 19.233.

The revaluation increase of tangible assets amounting to TL 131.805 was netted off with deferred tax effect amounting to TL 24.673 and accounted for under equity.

In accordance with TFRS 9, Intertech's fair value change amounting to TL 566.122 have been accounted under the equity.

Net amount TL 3.751 after tax regarding the actuarial profit/loss have been accounted under the equity.

Net after tax TL (8.004.166) amount of foreign net investment hedge funds have been accounted for under equity.

Foreign currency translation differences amounting to TL 11.097.798 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 1.703.564 (31 December 2020: TL 1.269.307) to extraordinary reserves in 2021. The amount transferred to legal reserves is TL 89.661 (31 December 2020: TL 66.806).

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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
	01/01/2021	01/01/2020
Cash	4.439.087	3.584.245
Cash in vault, foreign currencies and other	1.570.603	1.758.131
Banks demand deposits	2.868.484	1.826.114
Cash and Cash Equivalent	36.460.460	32.203.549
Interbank money market placements	1.762.304	1.261.349
Banks time deposits	32.675.170	29.319.941
Securities	2.022.986	1.622.259
Total Cash and Cash Equivalents	40.899.547	35.787.794

2. Cash and cash equivalents at the end of the period

	Current Period	Prior Period
	31/12/2021	31/12/2020
Cash	15.049.906	4.439.087
Cash in vault, foreign currencies and other	6.493.612	1.570.603
Banks demand deposits	8.556.294	2.868.484
Cash and Cash Equivalent	63.307.429	36.460.460
Interbank money market placements	237.795	1.762.304
Banks time deposits	61.275.907	32.675.170
Securities	1.793.727	2.022.986
Total Cash and Cash Equivalents	78.357.335	40.899.547

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 47.154.295, including the required reserve balances on average in the Central Bank and foreign central banks (31 December 2020: TL 21.183.921).

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 (24.448.345) (31 December 2020: TL (15.135.831)) 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 40.899.547 at the beginning of the period (31 December 2020: TL 35.787.794) has become TL 78.357.336 at the end of the period (31 December 2020: TL 40.899.547).

The TL 5.947.881 within the "change in assets and liabilities subject of banking operation" (31 December 2020: TL 4.395.606); 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 26.690.926 as of 31 December 2021 (31 December 2020: TL 8.929.322).

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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

DFS Group's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans						
Balance at the Beginning of the Period	--	48.031	154.778	4.963	447.926	--
Balance at the End of the Period	6.164	51.527	272.606	6.144	539.646	--
Interest and Commission Income	303	8	1.762	--	--	--

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

Prior Period

DFS Group's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans						
Balance at the Beginning of the Period	11	31.543	119.015	4.963	329.133	--
Balance at the End of the Period	--	48.031	154.778	4.963	447.926	--
Interest and Commission Income	143	53	2.611	--	2	--

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

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

DFS Group's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder (**)		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Balance at the Beginning of the Period	148.929	155.491	15.518.492	8.130.445	28.010	35.172
Balance at the End of the Period	281.218	148.929	29.596.720	15.518.492	51.594	28.010
Interest and Commission Expense Paid	5.892	4.454	705.627	398.897	3.639	1.290

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

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

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

DFS Group's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Financial Assets at Fair Value through Profit or Loss Purposes:						
Balance at the Beginning of the Period	--	--	101.455	594.000	18.129	--
Balance at the End of the Period	--	--	100.000	101.455	--	18.129
Total Income/(Loss)	5.050	--	31.056	628	(572)	923
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

DFS Group made payment amounting to TL 122.764 (31 December 2020: TL 91.417) to its key management as of 31 December 2021.

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

As of 31 December 2021, cash loans and other receivables of the risk group represent 0,36% of DFS Group's total cash loans and banks; deposits and borrowings represent 9,18% of DFS Group's total deposits and borrowings. Non-cash loans granted to risk group companies represent 0,09% 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			
Domestic branch	686	12.066			
			Country of Incorporations		
Foreign representation	-	-	-		
				Total Assets	Statutory Share Capital
Foreign branch	-	-	-	-	-
Off shore banking region branches	1	6	1-Bahreyn	23.466.755	-

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 1 new branches and closed 11 branches in 2021.

c. The branches of associates and subsidiaries

Denizbank AG, headquartered in Vienna, has a total of 25 branches, 17 in Austria and 8 in Germany.

JSC Denizbank Moscow, headquartered in Moscow, operates in the centrum of Moscow.

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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

Moodys*		Fitch Ratings**	
Outlook	Negative	Outlook	Negative
Long Term Foreign Currency Deposits	B2	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	BB-
Short Term Local Currency Deposits	Not Prime	Short Term Local Currency	B
Baseline Credit Assessment (BCA)	caa1	Viability	b+
		Support	b+
		National	AA (tur) (Stable)
*As of 24.08.2021		**As of 10.12.2021	

c. Subsequent events

None.

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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 17 February 2022 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.

CONTACT INFORMATION

Head Office

Büyükdere Cad. No:141 34394

Esentepe/Istanbul-Turkey

Tel: +90 (212) 348 20 00

Fax: +90 (212) 354 83 48

Trade Register Number

368587

Website

<https://www.denizbank.com/en/>

Domestic Branches

DenizBank has 686 branches in Turkey. 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

Fax: +973 17541139

