

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

## **DENİZBANK ANONİM ŞİRKETİ AND ITS FINANCIAL SUBSIDIARIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT,  
CONSOLIDATED FINANCIAL STATEMENTS AND NOTES  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2022**

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

*Convenience Translation of the Auditor's Report Originally Issued in Turkish (See Note I in Section Three)*

## LIMITED REVIEW REPORT FOR THE INTERIM FINANCIAL INFORMATION

**To the Board of Directors of Denizbank A.Ş.**

### *Introduction*

We have reviewed the accompanying consolidated balance sheet of Denizbank A.Ş. (“the Bank”) and its consolidated subsidiaries (together “the Group”) as at 31 March 2022, and the consolidated statement of income, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders’ equity and consolidated statement of cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Bank management is responsible for the preparation and fair presentation of the accompanying interim financial information in accordance with “the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Reporting Regulations” including the regulation on “The Procedures and Principles Regarding Banks’ Accounting Practices and Maintaining Documents” published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by the BRSA and Turkish Accounting Standard 34 “Interim Financial Reporting” principles for the matters not legislated by the aforementioned regulations. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

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

## *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the financial position of Denizbank A.Ş. and its consolidated subsidiaries as at 31 March 2022, and of the results of its operations and its cash flows for the three-month period then ended in accordance with the BRSA Accounting and Reporting Regulations.

## **Report on Other Legal and Regulatory Requirements**

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

## *Additional paragraph for English translation:*

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 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, 25 April 2022

**DENİZBANK A.Ş.**  
**CONSOLIDATED INTERIM FINANCIAL REPORT FOR**  
**THE THREE MONTHS PERIOD ENDED 31 MARCH 2022**

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
- INDEPENDENT AUDITOR'S REVIEW REPORT
- INTERIM ACTIVITY REPORT

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

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

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


25 April 2022



**HAKAN ELVERDİ**  
Senior Vice President  
Financial Reporting  
and Accounting

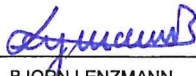


**RUSLAN ABİL**  
Executive Vice President  
Financial Affairs



**HAKAN ATEŞ**  
Member of Board of Directors  
and President and Chief  
Executive Officer

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



**BJÖRN 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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## **SECTION ONE**

### **GENERAL INFORMATION**

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

Denizbank A.Ş. ("the Bank") following the resolution of the High Council of Privatization numbered 97/5 and dated 20 March 1997 to privatize 100% of shares of Denizbank A.Ş., share sale agreement between Zorlu Holding A.Ş. and the Privatization Administration was signed on 29 May 1997 and the Bank started its activities on 25 August 1997 upon the receipt of its official authorisation. Bank's shares have been quoted on Borsa Istanbul ("BIST") on 1 October 2004.

Dexia Participation Belgique SA, owned 100% directly and indirectly by Dexia SA/NV, acquired 75% of the outstanding shares of the Bank from Zorlu Holding A.Ş. on 17 October 2006, and Dexia Participation Belgique SA's partnership share has reached 99,85% with subsequent acquisitions following the share transfer.

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

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

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

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

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

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

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

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

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

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 MARCH 2022**

(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**

<b>Name</b>	<b>Title</b>	<b>Shares owned (%)</b>
<b>Chairman of the Board of Directors</b>		
Hesham Abdulla Qassim Alqassim	Chairman	--
<b>Board of Directors <sup>(1)</sup></b>		
Hakan Ateş	Member and CEO	--
Ahmed Mohammed Aqil Qassim Alqassim	Member	0.00000002
Derya Kumru	Member	--
Shayne Keith Nelson	Member	--
Jonathan Edward Morris	Member	--
Tanju Kaya	Member	--
Burcu Çalıkli	Member	--
Bjorn Lenzmann	Member	--
<b>Audit Committee</b>		
Ahmed Mohammed Aqil Qassim Alqassim	Member	--
Bjorn Lenzmann	Member	--
<b>Executive Vice Presidents</b>		
Bora Böcügöz	Treasury, Financial Institutions and Investment	--
Ruslan Abil	Financial Affairs	--
Mustafa Özel	Branch and Central Operations	--
Mehmet Aydoğdu	Wholesale Banking	--
Cem Demirağ	Head of Internal Control Unit and Compliance	--
Ali Murat Dizdar	Chief Legal Advisor	--
Ayşenur Hıçkiran	Retail Banking	--
Selim Efe Teoman	Corporate and Commercial Credits	--
Ramazan Işık	Head of Internal Audit	--
Engin Eskiduman	SME Banking and Public Financing	--
Necip Yavuz Elkin	Human Resources and Deniz Academy	--
Burak Koçak	Agricultural Banking	--
Oğuzhan Özark <sup>(2)</sup>	Individual and Private Banking	--
Sinan Yılmaz	Head of Risk Management Group	--
Edip Kürşad Başer	Retail, SME, Agricultural Banking Credits Allocation and IFRS	--
Verda Beril Yüzer Oğuz	Financial Institutions and Sustainability Coordination	--
Hayri Cansever	Secretariat General and Foreign Subsidiaries	--
Umut Özdoğan	Digital Transformation, Change Management and Non-Branch Channels	--
Savaş Çıtak	Project Finance, Financial Restructuring and Credits International Coordination	--
Kishore Swayamberdud Bhat	Credit Allocation	--
Mustafa Okan Çetinkaya	Analytics, Data and Customer Value Management Policies	--
Halit Cihan Tunçbilek	Payment Systems	--
Ali Rıza Aydın	Information Security and Information Technologies Risk Management	--
Okan Aksu	Treasury Group	--
Ümit Recep Uğur	Corporate and Commercial Banking Group	--

(1) Hakan Ateş, Hesham Abdulla Qassim Alqassim, Ahmed Mohammed Aqil Qassim Alqassim, Shayne Keith Nelson, Jonathan Edward Morris, Bjorn Lenzmann, Derya Kumru, Tanju Kaya and Burcu Çalıkli have been appointed to Real Persons for the Member of the Board of Directors at the Ordinary General Assembly of the Parent Bank held on 25 March 2022.

(2) With the Parent Bank's Board of Directors Decision dated 1 February 2022 The Parent Bank's Executive Vice President responsible for Private Banking and Investment Sales Group, Cemil Cem Öneç, 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 Parent 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 March 2022 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 %
<b>Total</b>	<b>100,00 %</b>

**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 694 domestic branches and 1 foreign branch as of 31 March 2022.

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

In accordance with the Banking Law and regulations;

- Performing all kinds of banking activities,
- Dealing with transactions on all kinds of capital market instruments within the limits set by the related regulations and Capital Market Law regulations,
- Participating, undertaking the management and performing control activities in domestic and foreign entities and banks, financial institutions and all kinds of investment partnerships by obtaining the permission of the Banking Regulation and Supervision Agency in accordance with the Banking Law, by purchasing its shares or share certificates,
- Conducting all kinds of insurance agency transactions in domestic and abroad and signing insurance agency agreements with insurance companies for this purpose.

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

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

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

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

None.

## **SECTION TWO**

### **CONSOLIDATED FINANCIAL STATEMENTS**

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

**DENİZBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENT**  
**OF FINANCIAL POSITION (BALANCE SHEET)**  
**AS OF 31 MARCH 2022**

(Currency: Thousands of TL - Turkish Lira)

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

ASSETS	Note	Reviewed CURRENT PERIOD (31/03/2022)			Audited PRIOR PERIOD (31/12/2021)		
		TL	FC	Total	TL	FC	Total
<b>I. FINANCIAL ASSETS (Net)</b>		<b>22.527.469</b>	<b>138.164.936</b>	<b>160.692.405</b>	<b>15.271.789</b>	<b>128.959.576</b>	<b>144.231.365</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>2.433.328</b>	<b>105.142.474</b>	<b>107.575.802</b>	<b>4.732.225</b>	<b>101.441.196</b>	<b>106.173.421</b>
1.1.1 Cash and Balances with Central Bank	(5.1.a)	1.987.035	76.220.688	78.207.723	3.947.901	76.940.474	80.888.375
1.1.2 Banks	(5.1.a)	9.522	28.960.182	28.969.704	546.733	24.516.258	25.062.991
1.1.3 Due From Money Markets		436.977	-	436.977	237.803	-	237.803
1.1.4 Expected Credit Loss (-)		206	38.396	38.602	212	15.536	15.748
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>	(5.1.b)	<b>95.320</b>	<b>1.385.258</b>	<b>1.480.578</b>	<b>118.300</b>	<b>1.087.240</b>	<b>1.205.540</b>
1.2.1 Government Debt Securities		32.954	180.354	213.308	37.136	99.181	136.317
1.2.2 Equity Instruments		4	441.332	441.336	34.000	391.041	425.041
1.2.3 Other Financial Assets		62.362	763.572	825.934	47.164	597.018	644.182
<b>1.3 Financial Assets at Fair Value Through Other Comprehensive Income</b>	(5.1.c)	<b>18.318.957</b>	<b>28.611.312</b>	<b>46.930.269</b>	<b>8.668.005</b>	<b>20.439.483</b>	<b>29.107.488</b>
1.3.1 Government Debt Securities		18.318.491	27.635.798	45.954.289	8.667.539	19.417.655	28.085.194
1.3.2 Equity Instruments		466	556	1.022	466	515	981
1.3.3 Other Financial Assets		-	974.958	974.958	-	1.021.313	1.021.313
<b>1.4 Derivative Financial Assets</b>		<b>1.679.864</b>	<b>3.025.892</b>	<b>4.705.756</b>	<b>1.753.259</b>	<b>5.991.657</b>	<b>7.744.916</b>
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss	(5.1.b)	1.679.864	3.025.892	4.705.756	1.753.259	5.991.657	7.744.916
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income	(5.1.j)	-	-	-	-	-	-
<b>II. OTHER FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)</b>		<b>118.287.985</b>	<b>139.367.046</b>	<b>257.655.031</b>	<b>107.373.238</b>	<b>125.476.967</b>	<b>232.850.205</b>
<b>2.1 Loans</b>	(5.1.d)	<b>132.706.472</b>	<b>136.492.273</b>	<b>269.198.745</b>	<b>120.404.889</b>	<b>122.807.633</b>	<b>243.212.522</b>
<b>2.2 Lease Receivables</b>	(5.1.i)	<b>1.407.986</b>	<b>4.967.226</b>	<b>6.375.212</b>	<b>1.318.698</b>	<b>3.908.960</b>	<b>5.227.658</b>
<b>2.3 Factoring Receivables</b>		<b>1.905.996</b>	<b>1.431.474</b>	<b>3.337.470</b>	<b>1.820.376</b>	<b>1.258.395</b>	<b>3.078.771</b>
<b>2.4 Financial Assets Measured at Amortised Cost</b>	(5.1.e)	<b>887.882</b>	<b>5.895.133</b>	<b>6.783.015</b>	<b>1.531.183</b>	<b>5.593.638</b>	<b>7.124.821</b>
2.4.1 Government Debt Securities		887.882	5.895.133	6.783.015	1.531.183	5.593.638	7.124.821
2.4.2 Other Financial Assets		-	-	-	-	-	-
<b>2.5 Expected Credit Loss (-)</b>		<b>18.620.351</b>	<b>9.419.060</b>	<b>28.039.411</b>	<b>17.701.908</b>	<b>8.091.659</b>	<b>25.793.567</b>
<b>III. NON CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)</b>	(5.1.m)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
3.1 Held for Sale		-	-	-	-	-	-
3.2 Discontinued Operations		-	-	-	-	-	-
<b>IV. EQUITY INVESTMENTS</b>		<b>1.397.350</b>	<b>570</b>	<b>1.397.920</b>	<b>1.397.350</b>	<b>528</b>	<b>1.397.878</b>
<b>4.1 Investments in Associates (Net)</b>	(5.1.f)	<b>13.596</b>	<b>-</b>	<b>13.596</b>	<b>13.596</b>	<b>-</b>	<b>13.596</b>
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		13.596	-	13.596	13.596	-	13.596
<b>4.2 Subsidiaries (Net)</b>	(5.1.g)	<b>1.380.954</b>	<b>570</b>	<b>1.381.524</b>	<b>1.380.954</b>	<b>528</b>	<b>1.381.482</b>
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Subsidiaries		1.380.954	570	1.381.524	1.380.954	528	1.381.482
<b>4.3 Joint Ventures (Net)</b>	(5.1.h)	<b>2.800</b>	<b>-</b>	<b>2.800</b>	<b>2.800</b>	<b>-</b>	<b>2.800</b>
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		2.800	-	2.800	2.800	-	2.800
<b>V. PROPERTY AND EQUIPMENT (Net)</b>		<b>2.446.561</b>	<b>542.805</b>	<b>2.989.366</b>	<b>2.212.669</b>	<b>528.329</b>	<b>2.740.998</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>		<b>545.018</b>	<b>105.290</b>	<b>650.308</b>	<b>524.059</b>	<b>99.641</b>	<b>623.700</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		545.018	105.290	650.308	524.059	99.641	623.700
<b>VII. INVESTMENT PROPERTIES (Net)</b>	(5.1.k)	<b>372.530</b>	<b>-</b>	<b>372.530</b>	<b>369.625</b>	<b>-</b>	<b>369.625</b>
<b>VIII. CURRENT TAX ASSET</b>		<b>27.005</b>	<b>127.269</b>	<b>154.274</b>	<b>435.513</b>	<b>110.391</b>	<b>545.904</b>
<b>IX. DEFERRED TAX ASSET</b>	(5.1.l)	<b>3.269.381</b>	<b>315</b>	<b>3.269.696</b>	<b>3.083.118</b>	<b>1.451</b>	<b>3.084.569</b>
<b>X. OTHER ASSETS (Net)</b>	(5.1.n)	<b>7.051.553</b>	<b>3.479.592</b>	<b>10.531.145</b>	<b>6.758.095</b>	<b>3.281.545</b>	<b>10.039.640</b>
<b>TOTAL ASSETS</b>		<b>155.924.852</b>	<b>281.787.823</b>	<b>437.712.675</b>	<b>137.425.456</b>	<b>258.458.428</b>	<b>395.883.884</b>

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

**DENİZBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENT**  
**OF FINANCIAL POSITION (BALANCE SHEET)**  
**AS OF 31 MARCH 2022**

(Currency: Thousands of TL - Turkish Lira)

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

LIABILITIES	Note	Reviewed CURRENT PERIOD (31/03/2022)			Audited PRIOR PERIOD (31/12/2021)		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	(5.II.a)	<b>78.930.898</b>	<b>217.768.332</b>	<b>296.699.230</b>	<b>57.084.400</b>	<b>209.581.903</b>	<b>266.666.303</b>
<b>II. FUNDS BORROWED</b>	(5.II.c)	<b>4.267.897</b>	<b>45.910.552</b>	<b>50.178.449</b>	<b>2.909.771</b>	<b>45.946.536</b>	<b>48.856.307</b>
<b>III. DUE TO MONEY MARKETS</b>		<b>1.576.191</b>	<b>10.225.443</b>	<b>11.801.634</b>	<b>1.045.007</b>	<b>7.003.000</b>	<b>8.048.007</b>
<b>IV. SECURITIES ISSUED (Net)</b>	(5.II.d)	<b>5.052.525</b>	<b>3.818.441</b>	<b>8.870.966</b>	<b>5.294.546</b>	<b>5.099.084</b>	<b>10.393.630</b>
4.1 Bills		4.962.909	1.132.175	6.095.084	4.725.194	2.609.796	7.334.990
4.2 Assets Backed Securities		-	-	-	-	-	-
4.3 Bonds		89.616	2.686.266	2.775.882	569.352	2.489.288	3.058.640
<b>V. FUNDS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
<b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>		<b>970.496</b>	<b>2.866.441</b>	<b>3.836.937</b>	<b>1.367.463</b>	<b>3.092.383</b>	<b>4.459.846</b>
Derivative Financial Liabilities at Fair Value Through Profit or Loss	(5.II.b)	970.496	2.866.441	3.836.937	1.367.463	3.092.383	4.459.846
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(5.II.g)	-	-	-	-	-	-
<b>VIII. FACTORING LIABILITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IX. LEASE LIABILITIES</b>	(5.II.f)	<b>561.048</b>	<b>52.026</b>	<b>613.074</b>	<b>544.420</b>	<b>63.393</b>	<b>607.813</b>
<b>X. PROVISIONS</b>	(5.II.h)	<b>3.017.639</b>	<b>690.812</b>	<b>3.708.451</b>	<b>3.078.921</b>	<b>308.735</b>	<b>3.387.656</b>
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		616.381	106.153	722.534	713.087	52.511	765.598
10.3 Insurance for Technical Provision (Net)		-	-	-	-	-	-
10.4 Other Provisions		2.401.258	584.659	2.985.917	2.365.834	256.224	2.622.058
<b>XI. CURRENT TAX LIABILITY</b>	(5.II.i)	<b>1.383.408</b>	<b>34.837</b>	<b>1.418.245</b>	<b>390.612</b>	<b>30.103</b>	<b>420.715</b>
<b>XII. DEFERRED TAX LIABILITIES</b>	(5.II.i)	<b>95.349</b>	<b>152.465</b>	<b>247.814</b>	<b>7.213</b>	<b>154.580</b>	<b>161.793</b>
<b>XIII. NON CURRENT LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	(5.II.j)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13.1 Held for Sale		-	-	-	-	-	-
13.2 Discontinued Operations		-	-	-	-	-	-
<b>XIV. SUBORDINATED DEBT INSTRUMENTS</b>		<b>-</b>	<b>11.474.206</b>	<b>11.474.206</b>	<b>-</b>	<b>10.484.778</b>	<b>10.484.778</b>
14.1 Loans		-	11.474.206	11.474.206	-	10.484.778	10.484.778
14.2 Other Debt Instruments		-	-	-	-	-	-
<b>XV. OTHER LIABILITIES</b>	(5.II.e)	<b>9.540.368</b>	<b>6.108.235</b>	<b>15.648.603</b>	<b>8.268.567</b>	<b>5.080.435</b>	<b>13.349.002</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	(5.II.k)	<b>13.592.354</b>	<b>19.622.712</b>	<b>33.215.066</b>	<b>7.142.511</b>	<b>21.905.523</b>	<b>29.048.034</b>
16.1 Paid-in Capital		5.696.100	-	5.696.100	5.696.100	-	5.696.100
16.2 Capital Reserves		(8.699)	-	(8.699)	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		(8.714)	-	(8.714)	67.561	-	67.561
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		982.740	138.529	1.121.269	983.351	128.363	1.111.714
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss	(11.023.127)	-	16.672.677	5.649.550	(14.670.865)	18.722.863	4.051.998
16.5 Profit Reserves		13.695.766	1.562.574	15.258.340	10.072.575	1.562.572	11.635.147
16.5.1 Legal Reserves		789.750	5.019	794.769	612.404	5.019	617.423
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		12.906.016	1.557.555	14.463.571	9.460.171	1.557.553	11.017.724
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Income or (Loss)		4.082.289	1.248.594	5.330.883	4.842.479	1.491.399	6.333.878
16.6.1 Prior Periods' Income or (Loss)		1.296.878	1.490.082	2.786.960	1.697.059	1.129.942	2.827.001
16.6.2 Current Period Income or (Loss)		2.785.411	(241.488)	2.543.923	3.145.420	361.457	3.506.877
16.7 Minority Shares		167.285	338	167.623	151.295	326	151.621
<b>TOTAL LIABILITIES</b>		<b>118.988.173</b>	<b>318.724.502</b>	<b>437.712.675</b>	<b>87.133.431</b>	<b>308.750.453</b>	<b>395.883.884</b>

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 MARCH 2022**

(Currency: Thousands of TL - Turkish Lira)

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

	Reviewed			Audited		
	CURRENT PERIOD (31/03/2022)			PRIOR PERIOD (31/12/2021)		
	TL	FC	Total	TL	FC	Total
<b>A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)</b>	<b>147.322.717</b>	<b>375.186.486</b>	<b>522.509.203</b>	<b>140.165.138</b>	<b>386.297.562</b>	<b>526.462.700</b>
<b>I. GUARANTEES</b>	<b>19.399.467</b>	<b>55.871.864</b>	<b>75.271.331</b>	<b>15.453.180</b>	<b>51.638.904</b>	<b>67.092.084</b>
1.1. Letters of Guarantee	18.158.587	34.603.693	52.762.280	15.212.934	33.889.533	49.102.467
1.1.1. Guarantees Subject to State Tender Law	-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations	79.021	229.293	308.314	79.021	211.237	290.258
1.1.3. Other Letters of Guarantee	18.079.566	34.374.400	52.453.966	15.133.913	33.678.296	48.812.209
1.2. Bank Acceptances	260.000	79.264	339.264	16.000	95.075	111.075
1.2.1. Import Letter of Acceptance	260.000	79.264	339.264	16.000	95.075	111.075
1.2.2. Other Bank Acceptances	-	-	-	-	-	-
1.3. Letters of Credit	13.719	17.395.279	17.408.998	-	13.467.228	13.467.228
1.3.1. Documentary Letters of Credit	10.511	11.589.980	11.600.491	-	9.363.617	9.363.617
1.3.2. Other Letters of Credit	3.208	5.805.299	5.808.507	-	4.103.611	4.103.611
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	967.161	3.793.628	4.760.789	224.246	4.187.068	4.411.314
1.9. Other Sureties	-	-	-	-	-	-
<b>II. COMMITMENTS</b>	<b>80.818.085</b>	<b>17.663.867</b>	<b>98.481.952</b>	<b>70.586.725</b>	<b>8.607.686</b>	<b>79.194.411</b>
2.1. Irrevocable Commitments	79.464.211	17.482.155	96.946.366	69.815.160	8.414.531	78.229.691
2.1.1. Asset Purchase and Sale Commitments	2.267.498	14.586.856	16.854.354	2.795.299	5.314.135	8.109.434
2.1.2. Deposit Purchase and Sales Commitments	-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries	-	-	-	-	-	-
2.1.4. Loan Granting Commitments	23.881.655	-	23.881.655	21.028.309	-	21.028.309
2.1.5. Securities Issuance Brokerage Commitments	-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements	-	-	-	-	-	-
2.1.7. Commitments for Cheque Payments	4.856.058	-	4.856.058	3.369.186	-	3.369.186
2.1.8. Tax and Fund Obligations from Export Commitments	2.256	-	2.256	2.210	-	2.210
2.1.9. Commitments for Credit Card Limits	47.875.436	-	47.875.436	42.095.217	-	42.095.217
2.1.10. Commitments for Promotional Operations Re-Credit Cards and Banking Services	11.968	-	11.968	10.334	-	10.334
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	569.340	2.895.299	3.464.639	514.605	3.100.396	3.615.001
2.2. Revocable Commitments	1.353.874	181.712	1.535.586	771.565	193.155	964.720
2.2.1. Revocable Loan Granting Commitments	1.353.315	181.712	1.535.027	771.006	193.155	964.161
2.2.2. Other Revocable Commitments	559	-	559	559	-	559
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>47.105.165</b>	<b>301.650.755</b>	<b>348.755.920</b>	<b>54.125.233</b>	<b>326.050.972</b>	<b>380.176.205</b>
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	47.105.165	301.650.755	348.755.920	54.125.233	326.050.972	380.176.205
3.2.1. Forward Foreign Currency Purchases/Sales	5.866.471	46.386.271	52.252.742	6.886.608	31.230.745	38.117.353
3.2.1.1. Forward Foreign Currency Purchases	4.564.558	21.589.120	26.153.678	5.118.578	14.078.246	19.196.824
3.2.1.2. Forward Foreign Currency Sales	1.301.913	24.797.151	26.099.064	1.768.030	17.152.499	18.920.529
3.2.2. Currency and Interest Rate Swaps	36.933.761	227.151.509	264.085.270	46.114.568	278.316.450	324.431.018
3.2.2.1. Currency Swaps-Purchases	3.164.738	84.336.198	87.500.936	2.207.372	121.757.029	123.964.401
3.2.2.2. Currency Swaps-Sales	27.809.023	68.093.253	95.902.276	37.547.196	91.269.814	128.817.010
3.2.2.3. Interest Rate Swaps-Purchases	2.980.000	37.361.030	40.341.030	3.180.000	32.644.804	35.824.804
3.2.2.4. Interest Rate Swaps-Sales	2.980.000	37.361.028	40.341.028	3.180.000	32.644.803	35.824.803
3.2.3. Currency, Interest Rate and Security Options	4.304.933	12.466.223	16.771.156	912.955	5.043.004	5.955.959
3.2.3.1. Currency Options-Purchases	2.700.647	5.035.505	7.736.152	423.349	1.946.178	2.369.527
3.2.3.2. Currency Options-Sales	1.604.286	6.104.828	7.709.114	489.606	1.832.922	2.322.528
3.2.3.3. Interest Rate Options-Purchases	-	662.945	662.945	-	631.952	631.952
3.2.3.4. Interest Rate Options-Sales	-	662.945	662.945	-	631.952	631.952
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
3.2.4.1. Currency Futures-Purchases	-	-	-	-	218.209	218.209
3.2.4.2. Currency Futures-Sales	-	-	-	211.102	-	211.102
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	-	15.646.752	15.646.752	-	11.242.564	11.242.564
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>	<b>1.045.206.664</b>	<b>671.029.115</b>	<b>1.716.235.779</b>	<b>948.539.132</b>	<b>601.539.131</b>	<b>1.550.078.263</b>
<b>IV. ITEMS HELD IN CUSTODY</b>	<b>36.791.515</b>	<b>47.587.938</b>	<b>84.379.453</b>	<b>36.778.789</b>	<b>40.784.116</b>	<b>77.562.905</b>
4.1. Customers' Securities and Portfolios Held	139.984	-	139.984	139.984	-	139.984
4.2. Securities Held in Custody	32.646.363	37.694.721	70.341.084	32.928.199	32.744.424	65.672.623
4.3. Checks Received for Collection	2.436.777	6.642.933	9.079.710	2.370.920	5.335.577	7.706.497
4.4. Commercial Notes Received for Collection	1.567.143	865.658	2.432.801	1.338.438	660.911	1.999.349
4.5. Other Assets Received for Collection	-	-	-	-	-	-
4.6. Assets Received for Public Offering	-	-	-	-	-	-
4.7. Other Items under Custody	1.248	2.384.626	2.385.874	1.248	2.043.204	2.044.452
4.8. Custodians	-	-	-	-	-	-
<b>V. PLEDGED ITEMS</b>	<b>1.007.014.829</b>	<b>620.751.635</b>	<b>1.627.766.464</b>	<b>910.519.155</b>	<b>558.257.143</b>	<b>1.468.776.298</b>
5.1. Securities	3.931.377	184.451	4.115.828	3.982.023	165.843	4.147.866
5.2. Guarantee Notes	628.536.484	207.394.783	835.931.267	533.553.514	188.100.808	721.654.322
5.3. Commodities	26.790.549	35.287.338	62.077.887	24.060.966	30.189.746	54.250.712
5.4. Warrants	-	-	-	-	-	-
5.5. Immovables	229.832.207	212.420.463	442.252.670	228.948.349	197.132.534	426.080.883
5.6. Other Pledged Items	117.924.212	165.464.600	283.388.812	119.974.303	142.668.212	262.642.515
5.7. Pledged Items-Depository	-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>	<b>1.400.320</b>	<b>2.689.542</b>	<b>4.089.862</b>	<b>1.241.188</b>	<b>2.497.872</b>	<b>3.739.060</b>
<b>TOTAL OFF BALANCE SHEET ITEMS (A+B)</b>	<b>1.192.529.381</b>	<b>1.046.215.601</b>	<b>2.238.744.982</b>	<b>1.088.704.270</b>	<b>987.836.693</b>	<b>2.076.540.963</b>

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 MARCH 2022**

(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	Reviewed CURRENT PERIOD (01/01-31/03/2022)	Reviewed PRIOR PERIOD (01/01-31/03/2021)
I.	INTEREST INCOME	(5.IV.a)	8.811.948	5.230.307
1.1	Interest on Loans		7.308.802	4.554.223
1.2	Interest on Reserve Requirements		85.275	47.754
1.3	Interest on Banks		20.389	57.267
1.4	Interest on Money Market Transactions		25.292	20.186
1.5	Interest on Marketable Securities Portfolio		1.110.476	412.304
1.5.1	Fair Value Through Profit or Loss		25.344	12.836
1.5.2	Fair Value Through Other Comprehensive Income		930.233	276.655
1.5.3	Measured at Amortized Cost		154.899	122.813
1.6	Financial Lease Interest Income		182.182	72.430
1.7	Other Interest Income		79.532	66.143
II.	INTEREST EXPENSE (-)	(5.IV.b)	3.884.554	2.576.904
2.1	Interest on Deposits		2.575.709	1.888.320
2.2	Interest on Funds Borrowed		807.943	406.046
2.3	Interest Expense on Money Market Transactions		140.241	89.743
2.4	Interest on Securities Issued		287.217	133.792
2.5	Interest on Leases		36.754	31.488
2.6	Other Interest Expenses		36.690	27.515
III.	NET INTEREST INCOME (I - II)		4.927.394	2.653.403
IV.	NET FEES AND COMMISSIONS INCOME		1.206.483	1.065.165
4.1	Fees and Commissions Received		1.855.517	1.550.189
4.1.1	Non-Cash Loans		150.908	120.690
4.1.2	Other		1.704.609	1.429.499
4.2	Fees and Commissions Paid (-)		649.034	485.024
4.2.1	Non-Cash Loans		2.848	2.101
4.2.2	Other		646.186	482.923
V	DIVIDEND INCOME		13.265	-
VI.	TRADING INCOME / LOSS (Net)	(5.IV.c)	1.139.442	620.050
6.1	Trading Gains / (Losses) on Securities		203.949	287.644
6.2	Gains / (Losses) on Derivate Financial Transactions		3.092.373	2.843.331
6.3	Foreign Exchange Gains / (Losses)		(2.156.880)	(2.510.925)
VII.	OTHER OPERATING INCOME	(5.IV.d)	216.386	119.446
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)		7.502.970	4.458.064
IX.	EXPECTED CREDIT LOSS (-)	(5.IV.e)	1.867.710	1.588.627
X.	OTHER PROVISION EXPENSES (-)		(16.292)	107.785
XI.	PERSONNEL EXPENSE (-)	(5.IV.f)	962.876	578.920
XII.	OTHER OPERATING EXPENSES (-)	(5.IV.f)	1.664.891	763.990
XIII.	NET OPERATING INCOME /LOSS (VIII-IX-X-XI-XII)		3.023.785	1.418.742
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.g)	3.023.785	1.418.742
XVIII.	TAX PROVISIONS FOR CONTINUED OPERATIONS (±)	(5.IV.h)	(463.860)	(348.150)
18.1	Current Tax Provision		(1.458.477)	(256.809)
18.2	Deferred Tax Income Effect (+)		(1.371.583)	(1.172.295)
18.3	Deferred Tax Expense Effect (-)		2.366.200	1.080.954
XIX.	CURRENT PERIOD PROFIT / LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)		2.559.925	1.070.592
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1	Income from Non-Current Assets Held for Sale		-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3	Income from Other Discontinued Operations		-	-
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)		-	-
21.1	Expenses for Non-current Assets Held for Sale		-	-
21.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Expenses for Other Discontinued Operations		-	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX- XXI)		-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIV.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-
XXV.	NET PROFIT/(LOSS) (XIX+XXIV)	(5.IV.i)	2.559.925	1.070.592
25.1	Profit / (Loss) of Group		2.543.923	1.070.248
25.2	Profit / (Loss) of Minority Shares (-)		16.002	344
	Profit / (Loss) Per Share (full TRY)		0,45	0,19

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 MARCH 2022**

(Currency: Thousands of TL - Turkish Lira)

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

	Reviewed CURRENT PERIOD (01/01-31/03/2022)	Reviewed PRIOR PERIOD (01/01-31/03/2021)
<b>I. CURRENT PERIOD INCOME/LOSS</b>	<b>2.559.925</b>	<b>1.070.592</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>1.607.107</b>	<b>(671.024)</b>
<b>2.1 Not Reclassified Through Profit or Loss</b>	<b>9.555</b>	<b>4.739</b>
2.1.1 Property and Equipment Revaluation Increase/Decrease	12.756	6.341
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurement Gain/Loss	-	-
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.1.5 Tax on Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(3.201)	(1.602)
<b>2.2 Reclassified Through Profit or Loss</b>	<b>1.597.552</b>	<b>(675.763)</b>
2.2.1 Foreign Currency Translation Differences	(1.641.035)	1.215.661
2.2.2 Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	2.539.733	(1.289.580)
2.2.3 Cash Flow Hedge Income/Loss	486	5.541
2.2.4 Foreign Net Investment Hedge Income/Loss	1.607.446	(1.097.944)
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	(909.078)	490.559
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>4.167.032</b>	<b>399.568</b>

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

# DENİZBANK ANONİM ŞİRKETİ

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

### FOR THE PERIOD ENDED 31 MARCH 2022

(Currency: Thousands of TL - Turkish Lira)

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

Reviewed CHANGES IN ITEMS	Paid In Capital	Share Premiums	Share Cancellation Profits	Other capital reserves	Accumulated Revaluation Increase/Decrease of Fixed Assets	Accumulated Remeasurement Gain/Loss of Defined Benefit Pension Plan	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss	Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss	Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income	Other (Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)	Profit reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Expect Minority Shares	Minority Shares	Total Equity
							Other(Shares of Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)	Foreign Currency Translation Differences								
PRIOR PERIOD																
I. 01/01-31/03/2021																
II. Prior Period End Balance	5,696,100	15	--	67,561	116,964	(133,631)	450,880	9,512,358	189,880	(7,388,334)	9,841,922	2,761,883	1,858,343	22,973,941	53,494	23,027,435
III. Corrections and Accounting Policy Changes Made According to TAS 8	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2.1 Effects of Corrections	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2.2 Effects of the Changes in Accounting Policies	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
IV. Adjusted Beginning Balance (I+II)	5,696,100	15	--	67,561	116,964	(133,631)	450,880	9,512,358	189,880	(7,388,334)	9,841,922	2,761,883	1,858,343	22,973,941	53,494	23,027,435
V. Total Comprehensive Income	--	--	--	--	4,739	--	--	1,215,681	(1,017,501)	(873,923)	--	--	1,070,248	399,224	344	399,568
VI. Capital Increase by Cash	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
VII. Capital Increase by Internal Sources	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
VIII. Paid In Capital Inflation Adjustment Difference	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
IX. Convertible Bonds to Share	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
X. Subordinated Debt Instruments	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
XI. Increase / Decrease by Other Changes	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
11.1 Profit Distribution	--	--	--	--	--	--	--	--	--	--	1,793,225	65,118	(1,858,343)	--	--	--
11.2 Dividends Paid	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
11.3 Transfers to Reserves	--	--	--	--	--	--	--	--	--	--	1,793,225	65,118	(1,858,343)	--	--	--
11.4 Other	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Period End Balance (III+IV+.....+XI)	5,696,100	15	--	67,561	121,703	(133,631)	450,880	10,728,019	(827,621)	(8,262,257)	11,635,147	2,827,001	1,070,248	23,373,165	53,838	23,427,003
CURRENT PERIOD																
I. 01/01-31/03/2022																
II. Prior Period End Balance	5,696,100	15	--	67,561	224,096	(129,880)	1,017,498	20,610,156	(1,165,658)	(15,392,500)	11,635,147	2,827,001	3,506,877	28,896,413	151,621	29,048,034
III. Corrections and Accounting Policy Changes Made According to TAS 8	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2.1 Effects of Corrections	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2.2 Effects of the Changes in Accounting Policies	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
IV. Adjusted Beginning Balance (I+II)	5,696,100	15	--	67,561	224,096	(129,880)	1,017,498	20,610,156	(1,165,658)	(15,392,500)	11,635,147	2,827,001	3,506,877	28,896,413	151,621	29,048,034
V. Total Comprehensive Income	--	--	--	--	9,555	--	--	(1,641,034)	1,952,280	1,286,306	--	--	2,543,923	4,151,030	16,002	4,167,032
VI. Capital Increase by Cash	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
VII. Capital Increase by Internal Sources	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
VIII. Paid In Capital Inflation Adjustment Difference	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
IX. Convertible Bonds to Share	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
X. Subordinated Debt Instruments	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
XI. Increase / Decrease by Other Changes	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
11.1 Profit Distribution	--	--	--	(76,275)	--	--	--	--	--	--	3,623,193	(40,041)	(3,506,877)	--	--	--
11.2 Dividends Paid	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
11.3 Transfers to Reserves	--	--	--	--	(76,275)	--	--	--	--	--	3,623,193	(40,041)	(3,506,877)	--	--	--
11.4 Other	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Period End Balance (III+IV+.....+XI)	5,696,100	15	--	(8,714)	233,651	(129,880)	1,017,498	18,969,122	786,622	(14,106,194)	15,258,340	2,786,960	2,543,923	33,047,443	167,623	33,215,066

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 MARCH 2022**

(Currency: Thousands of TL - Turkish Lira)

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

	Footnote	Reviewed CURRENT PERIOD (01/01-31/03/2022)	Reviewed PRIOR PERIOD (01/01-31/03/2021)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities (+)</b>		<b>2.638.279</b>	<b>(491.779)</b>
1.1.1 Interest received (+)		8.251.138	5.580.058
1.1.2 Interest paid (-)		3.417.552	2.376.992
1.1.3 Dividends received (+)		13.265	-
1.1.4 Fees and commissions received (+)		1.855.518	1.550.189
1.1.5 Other income (+)		319.715	118.727
1.1.6 Collections from previously written off loans and other receivables (+)		1.509.052	1.752.823
1.1.7 Cash payments to personnel and service suppliers (-)		1.051.271	582.563
1.1.8 Taxes paid (-)		315.836	68.023
1.1.9 Other (+/-)		(4.525.750)	(6.465.998)
<b>1.2 Changes in operating assets and liabilities subject to banking operations</b>		<b>(8.443.089)</b>	<b>3.504.700</b>
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value through Profit or Loss (+/-)		(377.147)	(36.266)
1.2.2 Net (increase) decrease in due from banks (+/-)		(13.660.891)	272.247
1.2.3 Net (increase) decrease in loans		(22.185.149)	(4.879.344)
1.2.4 Net (increase) decrease in other assets (+/-)		(3.664.944)	(1.474.254)
1.2.5 Net increase (decrease) in bank deposits (+/-)		1.459.576	(2.548.928)
1.2.6 Net increase (decrease) in other deposits (+/-)		24.967.673	5.607.208
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 (+/-)		(1.056.865)	3.368.054
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)		6.074.658	3.195.983
<b>I. Net cash provided from banking operations(+/-)</b>		<b>(5.804.810)</b>	<b>3.012.921</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from / used in investing activities(+/-)</b>		<b>(13.144.689)</b>	<b>(98.698)</b>
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 (+)		-	-
2.3 Cash paid for the purchase of tangible and intangible asset (-)		268.821	952.909
2.4 Cash obtained from the sale of tangible and intangible asset (+)		109.848	152.435
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (-)		15.038.058	5.557.519
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+)		1.668.633	5.566.179
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 (+/-)		383.709	700.309
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash flows from financing activities (+/-)</b>		<b>(2.684.652)</b>	<b>548.051</b>
3.1 Cash obtained from funds borrowed and securities issued (+)		6.324.782	10.085.096
3.2 Cash outflow from funds borrowed and securities issued (-)		8.895.861	9.470.424
3.3 Equity instruments issued (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for lease liabilities (-)		113.573	66.621
3.6 Other (+/-)		-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents(+/-)</b>		<b>6.284.207</b>	<b>2.814.801</b>
<b>V. Net increase in cash and cash equivalents</b>		<b>(15.349.944)</b>	<b>6.277.075</b>
<b>VI. Cash and cash equivalents at the beginning of the period (+)</b>		<b>78.357.335</b>	<b>40.899.547</b>
<b>VII. Cash and Cash Equivalents at the End of the Period</b>		<b>63.007.391</b>	<b>47.176.622</b>

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

## **SECTION THREE**

### **ACCOUNTING POLICIES**

#### **I. Explanations on the presentation principles**

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

Consolidated financial statements have been prepared in accordance with the regulations, communiqués, explanations and circulars published with respect to accounting and financial reporting principles by the Banking Regulation and Supervision Agency ("BRSA") within the framework of the provisions of the Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks published in the Official Gazette no. 26333 dated 1 November 2006 in relation with the Banking Law no. 5411, as well as the Turkish Accounting Standards ("TAS") and Turkish Financial Reporting Standards ("TFRS") enforced by the Public Oversight Accounting and Auditing Standards Authority ("POA") (hereinafter collectively referred to as "BRSA Accounting and Financial Reporting Legislation"). The form and contents of the consolidated financial statements which have been prepared and which will be disclosed to public have been prepared in accordance with the "Communiqué on the Financial Statements and Related Explanations and Footnotes to be Announced to Public by the Banks" and "Communiqué On Disclosures About Risk Management To Be Announced To Public By the Banks" as well as the communiqués that introduce amendments and additions to these. Parent Bank keeps its accounting records in Turkish Lira, in accordance with the Banking Law, Turkish Code of Commerce and Turkish Tax legislation.

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

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

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

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

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

Accounting policies and valuation principles used in the preparation of the consolidated financial statements are determined in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by BRSA, and in cases where a specific regulation is not made, TAS/TFRS (hereinafter collectively referred to as "BRSA Accounting and Financial Reporting Legislation") put into effect by POA shall be valid.

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 consolidated financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

**a. Strategy for the use of financial instruments**

DFS Group's external sources of funds are comprised of deposits with various maturity periods, and external borrowings. Funds provided are generally fixed rate and are interested in high yield financial assets. The majority of the funds are allocated to high yield, fixed or floating interest instruments, such as Turkish Lira and foreign currency Government debt securities and eurobonds in order to diversify the assets and support liquidity as well as being allocated to loans with a selective approach. The liquidity structure that ensures meeting all liabilities falling due, is formed by keeping sufficient levels of cash and cash equivalents by diversifying the sources of funds. The Bank assesses the maturity structure of the sources, and the maturity structure and yield of assets at market conditions and adopts a high yield policy in long-term assets.

DFS Group carries risks within pre-determined risk limits in short-term currency, interest and price movements in money and capital markets and due to changes in market conditions. These positions are closely monitored by the Risk Management System of the Parent Bank and the necessary precautions are taken if the limits are exceeded or should there be a change in the market environment. In order to avoid interest rate risk, assets and liabilities with fixed and floating interests are monitored, taking the maturity structure into consideration. The asset-liability balance is monitored on a daily basis in accordance with the maturity structure and foreign currency type. The risks associated with short-term positions are hedged through derivatives such as forwards, swaps and options.

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

**b. Transactions denominated in foreign currencies**

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

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

	<b>31 March 2022</b>	<b>31 December 2021</b>	<b>31 March 2021</b>
US Dollar	TL 14,6371	TL 13,3290	TL 8,3258
Euro	TL 16,2855	TL 15,0867	TL 9,7688

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

As of 31 March 2022, net foreign exchange loss included in the statement of profit or loss amounts to TL 2.156.880 (1 January - 31 March 2021: TL 2.510.925 net foreign exchange loss).

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

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

Total of the relevant conversion differences are TL 18.496.466 as of 31 March 2022 (31 December 2021: TL 20.159.089).

The foreign exchange difference of TL 472.656 (31 December 2021: TL 451.067) arising from the translation of the financial statements of Bahrain branch of the Parent Bank to Turkish Lira in accordance with TAS 21 has been recorded under "Other Accumulated Comprehensive Income That Will Be Reclassified in Profit or Loss".

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

### **III. Information regarding the consolidated subsidiaries**

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

Deniz Yatırım Menkul Değerler A.Ş. (Deniz Yatırım), Eurodeniz International Banking Unit Ltd. (Eurodeniz), Deniz Portföy Yönetimi A.Ş. (Deniz Portföy), Denizbank AG, JSC Denizbank, Deniz Finansal Kiralama A.Ş. (Deniz Leasing), Deniz Faktoring A.Ş. (Deniz Faktoring), Deniz Gayrimenkul Yatırım Ortaklığı A.Ş. (Deniz GYO) CR Erdberg Eins GmbH & Co KG (CR Erdberg) and Fastpay Elektronik Para ve Ödeme Hizmetleri A.Ş. ("Fastpay") shares of which are owned directly or indirectly by the Parent Bank are the subsidiaries included to the full scope consolidation.

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

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

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 March 2022 and in order to ensure the application of the identical accounting policies for similar transactions and events in similar circumstances, necessary adjustments were made on these financial statements of the subsidiaries considering the materiality level.

#### **IV. Explanations on forward and option contracts and derivative instruments**

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

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

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

#### **V. Explanations on interest income and expenses**

Interest income and expenses are recognised by applying the effective interest method. 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.

**b. Financial assets at fair value through other comprehensive income**

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

Financial assets at fair value through other comprehensive income are recognised by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to statement of profit or loss. "Unrealised gains and losses" arising from the difference between the amortised cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the statement of profit or loss of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the "Other Accumulated Comprehensive Income or Expense to be Reclassified through Profit or Loss" under shareholders' equity. When these securities are collected or disposed, the accumulated fair value differences reflected in the equity are reflected to the statement of profit or loss.

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

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

**c. Financial assets measured at amortised cost**

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

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

Parent Bank's portfolio of financial assets at fair value through other comprehensive income and the financial assets measured at amortised cost includes CPI indexed government bonds with a maturity of 5 - 10 years and which the real coupon rates of 6 months are fixed throughout the maturity. As stated by the undersecretariat of Treasury in CPI indexed investor guide, the reference indexes used in the calculation of the actual coupon payment amounts of these securities are formed according to the CPI indexes of two months prior to the coupon payment date. The Parent Bank predicts the estimated inflation rate in parallel to those. The estimated inflation rate used is updated when necessary during the year. In this context, as of 31 March 2022, the valuation of these securities was made according to the annual forecast of 35% inflation.

**VIII. Explanations on expected credit loss**

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

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

According to TFRS 9, it is evaluated whether there is a significant increase in credit risk at each reporting date after the initial recognition of each financial instrument for which impairment is required to be evaluated.

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

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

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

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

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

#### **Significant increase in credit risk**

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

##### *Qualitative evaluation:*

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

As of the reporting date,

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

##### *Quantitative evaluation:*

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

As of the reporting period ended on 31 March 2022, 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.

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 the context of the standard internal rating-based approach ("IRB"). The purpose of classifying credit risks according to risk segments is to determine the approach for analyzing and evaluating credit risk for the relevant risk segment.

The credit risk classification is as follows:

- Segment classification for non-retail loans are made based on all risks of the counterparty and the loan products requested by the counterparty, at the counterparty level and it is ensured that a counterparty is classified in a single risk segment;
- Segment classification for retail loans is based on both product level and counterparty characteristics. This means that counterparty's credit risks can be classified into different risk segments.

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

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

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

#### **Exposure at default**

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

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

#### **Probability of default**

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

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

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

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

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

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



In the first step, the outputs of internal rating systems for PD calculations in accordance with TFRS 9 are grouped on the basis of risk segments according to common characteristics of credit risks. Retrospective historical default data of these groups have been prepared. In order to generate reasonable and valid accumulated default rates, a bucket generation analysis has been performed for the default data obtained from the model.

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

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

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

### **Loss given default**

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

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

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

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

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

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

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

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

### **Effective interest rate**

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

### **Discrete (individual) assessment**

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

### **Low credit risk**

In accordance with TFRS 9, the financial instrument's credit risk is considered to be low given the fact that the default risk of the financial instrument is low, the borrower has a strong structure to meet the contractual cash flow obligations in the short term, and the negative changes in the economic conditions and operating conditions in the longer term reduce the borrower's ability to fulfil the contractual cash flow obligations, but this is not considered to be happening in a large context.

It has not been concluded that financial instruments have a low credit risk only if the risk of loss of the financial instruments is considered low because of the value of the collateral and if the credit risk of the related financial instrument is not considered low without this collateral.

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

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

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

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

#### **Forward macroeconomic information**

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

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

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

#### **Participation of senior management in TFRS 9 processes**

Within the scope of the internal systems, risk management, corporate governance and regulations on the classification of loans and reliable loan risk applications issued in accordance with Banking Law No. 5411 and pursuant to the Article 20 of the "Regulation on Procedures and Principles Regarding Classification of Loans and Provisions to be Reserved" published in the Official Gazette dated 22 June 2016 and No. 29750, 'TFRS 9 Management Committee' has been established in accordance with the "Guidelines on the Calculation of Provision for Expected Credit Loss under TFRS 9" ('Good Practice Guide') prepared by BRSA.

In accordance with TFRS 9, the Committee is responsible for the control of the classification and measurement of financial instruments, the approval of business models, and the control of an adequate calculation of the provision for expected credit loss. Committee is also responsible for controlling the establishment and maintenance of the Parent Bank's current policies and processes in accordance with TFRS 9 and related good practice guidelines.

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

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

### **IX. Explanations on offsetting financial instruments**

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

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

Government bonds and treasury bills sold to customers under repurchase agreements are classified under “Financial Assets at Fair Value through Profit or Loss”, “Financial Assets at Fair Value through Other Comprehensive Income” and “Financial Assets Measured at Amortised Cost” according to the purpose of retaining the asset in the accompanying consolidated balance sheet and are subjected to valuation as per the valuation principles of the relevant portfolio. Funds obtained from repurchase agreements are presented in the liabilities of the consolidated balance sheet in “Receivables from money market” line. The accrual amounts corresponding to the period is calculated for the part of the difference between the sales and repurchase prices determined by the relevant repo agreements.. Accrued interest expenses calculated for funds obtained from repurchase agreements are presented in “Due to money markets” account in liability part of the consolidated balance sheet.

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

**XI. Explanations on non-current assets held for sale and from discontinued operations and liabilities related to these assets**

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

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

As of 31 March 2022, DFS Group does not have non-current assets held for sale and discontinued operations.

**XII. Explanations on goodwill and other intangible assets**

**a. Goodwill**

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

In accordance with “TFRS 3 - Business Combinations”, the goodwill is not amortised, instead it is annually tested for impairment or more frequently when changes in circumstances indicate impairment according to “Turkish Accounting Standard 36 (TAS 36) - Impairment of Assets”.

**b. Other intangible assets**

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

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

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

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

### **XIII. Explanations on tangible assets**

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

	Estimated Economic Life (Year)	Depreciation Rate
<b>Movables</b>		
- 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 %
<b>Real estate</b>	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”.

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

### **XVI. Explanations on provisions and contingent liabilities**

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

**XVII. Explanations on obligations for employee benefits**

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

The Parent Bank in accordance with existing legislation in Turkey, is liable to pay retirement and notice payments to each employee whose employment is terminated due to reasons other than resignation or misconduct. Except to this extents, the Parent Bank is liable to pay severance payment to each employee whose employment is terminated due to retirement, death, military service and to female employees following their marriage within one year leave the job of their own accords pursuant to Article 14 of the Labour Law.

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

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

**XVIII. Explanations on tax applications**

**a. Current tax**

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 31 March 2022 taxation period with the same law.

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 3.269.696 as of 31 March 2022 (31 December 2021: TL 3.084.569) and deferred tax liabilities amounting to TL 247.814 (31 December 2021: TL 161.793) have been recognised in the accompanying financial statements.

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

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

In the deferred tax calculations, 23% rate is used for the transactions that will be valid in the calculation of corporate tax until the end of 2022 for the companies in Turkey, and 20% for the transactions that will be valid after 2022 (31 December 2021: 23% and 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.

**XX. Explanations on issuance of share certificates**

In 2022 and 2021, the Parent Bank does not have issuance of share certificates.

**XXI. Explanations on bill of guarantee and acceptances**

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

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

**XXII. Explanations on government incentives**

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

**XXIII. Explanations on segment reporting**

Segment reporting is presented in Section Four, note IX.

**XXIV. Explanations on other matters**

None.

**XXV. Classifications**

None.

## **SECTION FOUR**

### **INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT**

#### **I. Explanations related to the consolidated shareholders' equity**

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

As of 31 March 2022 the equity of the Group amounts to TL 47.955.066 (31 December 2021: TL 42.311.833) while its capital adequacy standard ratio is 17,54% (31 December 2021: 16,83%).

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 March 2022	Prior Period 31 December 2021
<b>COMMON EQUITY TIER I CAPITAL</b>		
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	15.258.340	11.635.147
Gains recognised in equity as per TAS <sup>(1)</sup>	9.005.070	6.943.145
Profit	5.330.883	6.333.878
Current Period Profit	2.543.923	3.506.877
Prior Period Profit	2.786.960	2.827.001
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	167.623	151.621
<b>Common Equity Tier I Capital Before Deductions</b>	<b>35.458.809</b>	<b>30.760.684</b>
<b>Deductions from Common Equity Tier I Capital</b>		
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	484.060	244.781
Improvement costs for operating leasing	64.507	69.116
Goodwill (net of related tax liability)	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	650.308	623.700
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	677.893	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	--	--
<b>Total Deductions From Common Equity Tier I Capital</b>	<b>1.876.768</b>	<b>1.570.382</b>
<b>Total Common Equity Tier I Capital</b>	<b>33.582.041</b>	<b>29.190.302</b>
<b>ADDITIONAL TIER I CAPITAL</b>		
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)	--	--
<b>Additional Tier I Capital before Deductions</b>	--	--
<b>Deductions from Additional Tier I Capital</b>		
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	--	--
<b>Transition from the Core Capital to Continue to deduct Components</b>		
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 (-)	--	--
<b>Total Deductions From Additional Tier I Capital</b>	--	--
<b>Total Additional Tier I Capital</b>	--	--
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>33.582.041</b>	<b>29.190.302</b>

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<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	11.386.948	10.398.821
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)	2.995.088	2.800.069
<b>Tier II Capital Before Deduction</b>	<b>14.382.036</b>	<b>13.198.890</b>
<b>Deductions From Tier II Capital</b>		
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 (-)	--	--
<b>Total Deductions from Tier II Capital</b>	<b>--</b>	<b>--</b>
<b>Total Tier II Capital</b>	<b>14.382.036</b>	<b>13.198.890</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>47.964.077</b>	<b>42.389.192</b>
<b>Deductions from Total Capital</b>		
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	9.011	77.359
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>		
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 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	--	--
<b>TOTAL CAPITAL</b>	<b>47.955.066</b>	<b>42.311.833</b>
Total Capital ((The sum of Tier I Capital and Tier II Capital)	273.437.739	251.444.727
Total risk weighted amounts		
<b>CAPITAL ADEQUACY RATIOS</b>		
Core Capital Adequacy Ratio (%)	12,28	11,61
Tier I Capital Adequacy Ratio (%)	12,28	11,61
Capital Adequacy Ratio (%)	17,54	16,83
<b>BUFFERS</b>		
Total additional Common Equity Tier I Capital requirement ratio	2,598	2,602
Bank specific total common equity tier I capital ratio (%)	2,500	2,500
Capital conservation buffer requirement (%)	0,098	0,102
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 (%)	1,648	1,387
<b>Amounts below the Excess Limits as per the Deduction Principles</b>		
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	--	--
<b>Limits related to provisions considered in Tier II calculation</b>		
General provisions for standard based receivables (before one hundred twenty five in ten thousand limitation)	16.451.073	14.811.648
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	2.995.088	2.800.069
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	--	--
<b>Debt Instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)</b>		
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 been shown as net in the calculation of equity by adding 20% of the portion after deduction of the tax amount resulting from the difference as of 31 December 2021, there is no as of 31 March 2022.

(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.
<b>Regulatory treatment</b>				
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)	1873	2196	4391	2927
Par value of instrument (Currency in mil)	1873	2196	4391	2927
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.
<b>Coupons/Dividends</b>				
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	--	--	--	--
<b>Convertible or non-convertible</b>				
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	--	--	--	--
<b>Write-down features</b>				
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.**

**II. Explanations related to the consolidated foreign currency exchange rate risk**

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

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

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

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

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

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

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

**c. Foreign currency risk management policy**

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

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

US Dollar purchase rate at the balance sheet date	TL 14,6371
Euro purchase rate at the balance sheet date	TL 16,2855

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
25 March 2022	14,8068	16,3136
28 March 2022	14,8221	16,2620
29 March 2022	14,7933	16,3117
30 March 2022	14,6458	16,3086
31 March 2022	14,6371	16,2855

**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 March 2022 are TL 14,6168 and TL 16,1061 respectively.

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**f. Information on currency risk**

<b>Current Period</b>	<b>EURO</b>	<b>USD</b>	<b>Other FC <sup>(5)</sup></b>	<b>Total</b>
<b>Assets</b>				
Cash Equivalents and Central Bank	46.246.920	23.538.680	6.435.088	<b>76.220.688</b>
Banks	10.166.003	18.064.307	729.872	<b>28.960.182</b>
Financial Assets at Fair Value through Profit or Loss (Net) <sup>(1)</sup>	322.365	2.222.602	18.107	<b>2.563.074</b>
Due from Money Markets	--	--	--	<b>--</b>
Financial Assets at Fair Value through Other Comprehensive Income	3.426.923	24.230.106	954.283	<b>28.611.312</b>
Loans <sup>(3)</sup>	90.476.516	47.038.898	4.067.761	<b>141.583.175</b>
Investments in Associates, Subsidiaries and Joint Ventures	570	--	--	<b>570</b>
Financial Assets Measured at Amortised Cost <sup>(2)</sup>	--	5.895.133	--	<b>5.895.133</b>
Hedging Derivative Financial Assets	--	--	--	<b>--</b>
Tangible Fixed Assets	514.456	230	28.119	<b>542.805</b>
Intangible Fixed Assets <sup>(3)</sup>	--	--	--	<b>--</b>
Other Assets <sup>(4)</sup>	653.273	1.503.000	1.395.647	<b>3.551.920</b>
<b>Total Assets</b>	<b>151.807.026</b>	<b>122.492.956</b>	<b>13.628.877</b>	<b>287.928.859</b>
<b>Liabilities</b>				
Bank Deposits	15.389.985	426.270	2.958.733	<b>18.774.988</b>
Foreign Currency Deposits	98.699.105	80.483.417	19.810.822	<b>198.993.344</b>
Due to Money Markets	--	10.098.485	126.958	<b>10.225.443</b>
Funds Borrowed	20.143.367	33.511.810	3.729.581	<b>57.384.758</b>
Securities Issued	156.593	2.529.673	1.132.175	<b>3.818.441</b>
Miscellaneous Payables	--	--	--	<b>--</b>
Hedging Derivative Financial Liabilities	--	--	--	<b>--</b>
Other Liabilities <sup>(6)</sup>	2.154.963	5.177.061	265.422	<b>7.597.446</b>
<b>Total Liabilities</b>	<b>136.544.013</b>	<b>132.226.716</b>	<b>28.023.691</b>	<b>296.794.420</b>
<b>Net on Balance Sheet Position</b>	<b>15.263.013</b>	<b>(9.733.760)</b>	<b>(14.394.814)</b>	<b>(8.865.561)</b>
<b>Net off-Balance Sheet Position <sup>(7)</sup></b>	<b>(10.682.840)</b>	<b>12.637.942</b>	<b>15.621.538</b>	<b>17.576.640</b>
Financial Derivative Assets	28.689.856	75.030.434	22.993.976	<b>126.714.266</b>
Financial Derivative Liabilities	(39.372.696)	(62.392.492)	(7.372.438)	<b>(109.137.626)</b>
<b>Net Positions</b>	<b>4.580.173</b>	<b>2.904.182</b>	<b>1.226.724</b>	<b>8.711.079</b>
Non Cash Loans	23.495.441	30.579.854	1.796.569	<b>55.871.864</b>
<b>Prior Period</b>				
Total Assets	141.170.725	106.757.522	12.563.574	<b>260.491.821</b>
Total Liabilities	131.809.455	125.161.056	27.699.189	<b>284.669.700</b>
<b>Net on Balance Sheet Position</b>	<b>9.361.270</b>	<b>(18.403.534)</b>	<b>(15.135.615)</b>	<b>(24.177.879)</b>
<b>Net off-Balance Sheet Position</b>	<b>(4.351.998)</b>	<b>20.229.413</b>	<b>16.543.539</b>	<b>32.420.954</b>
Financial Derivative Assets	40.416.912	86.378.675	21.068.340	<b>147.863.927</b>
Financial Derivative Liabilities	(44.768.910)	(66.149.262)	(4.524.801)	<b>(115.442.973)</b>
<b>Net Positions</b>	<b>5.009.272</b>	<b>1.825.879</b>	<b>1.407.924</b>	<b>8.243.075</b>
Non Cash Loans	21.961.868	27.303.575	2.373.461	<b>51.638.904</b>

- (1) : Foreign currency differences of derivative financial assets amounting to TL 1.848.076 are excluded.  
(2) : Foreign currency indexed loans amounting to TL 920.148 are included. Stage 1 and Stage 2 loan provisions amounting to TL (7.191.114) are not included. There are no provisions for financial assets measured at amortised cost.  
(3) : Intangible assets amounting to TL 105.290 are not included.  
(4) : Prepaid expenses amounting to TL 55.687 and stage 1 and stage 2 provisions for financial assets amounting to TL (38.827) are not included.  
(5) : There are gold balances amounting to TL 9.206.693 under total assets and TL 13.243.554 in total liabilities.  
(6) : FX equity amounting to TL 19.622.712, foreign exchange rate differences related to derivative financial liabilities amounting to TL 2.282.485 and stage 1 and stage 2 provisions amounting to TL 24.885 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".

### III. Explanations related to the consolidated interest rate risk

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

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

#### a. Interest rate sensitivity of assets, liabilities and off-balance sheet items (In terms of time remaining for repricing):

End of The Current Period	Up to 1 Month	1 - 3 Month	3 - 12 Month	1 - 5 Year	5 Years and Over	Non-Interest Bearing	Total
<b>Assets</b>							
Cash Equivalents and Central Bank Banks <sup>(1)</sup>	3.966.719	52.222	--	--	--	74.188.782	<b>78.207.723</b>
Financial Assets at Fair Value through Profit or Loss	1.568.069	273.960	13.825.922	668.373	--	12.594.778	<b>28.931.102</b>
Due from Money Markets	38.790	179.824	772.360	211.884	131.537	4.851.939	<b>6.186.334</b>
Financial Assets at Fair Value through Other Comprehensive Income	436.977	--	--	--	--	--	<b>436.977</b>
Loans	1.975.082	7.205.144	15.405.598	4.666.207	17.677.216	1.022	<b>46.930.269</b>
Financial Assets Measured at Amortised Cost <sup>(2)</sup>	105.349.563	19.673.688	34.296.238	64.743.985	21.950.505	4.858.803	<b>250.872.782</b>
Other Assets <sup>(3)</sup>	392.510	--	1.993.364	4.396.375	--	--	<b>6.782.249</b>
	335	621	1.457	493.219	1.343	18.868.264	<b>19.365.239</b>
<b>Total Assets</b>	<b>113.728.045</b>	<b>27.385.459</b>	<b>66.294.939</b>	<b>75.180.043</b>	<b>39.760.601</b>	<b>115.363.588</b>	<b>437.712.675</b>
<b>Liabilities</b>							
Bank Deposits	6.609.964	5.936.899	2.725.675	3.261.984	--	1.095.712	<b>19.630.234</b>
Other Deposits	86.681.848	41.300.440	31.941.211	13.875.642	1.263.789	102.006.066	<b>277.068.996</b>
Due to Money Markets	2.767.975	3.257.884	5.019.972	755.803	--	--	<b>11.801.634</b>
Miscellaneous Payables	--	--	--	--	--	--	<b>--</b>
Securities Issued	2.232.657	5.892.104	746.205	--	--	--	<b>8.870.966</b>
Funds Borrowed	7.160.636	29.810.710	10.702.315	2.511.992	11.467.002	--	<b>61.652.655</b>
Other Liabilities <sup>(4)</sup>	540	268	1.017.248	2.982.763	--	54.687.371	<b>58.688.190</b>
<b>Total Liabilities</b>	<b>105.453.620</b>	<b>86.198.305</b>	<b>52.152.626</b>	<b>23.388.184</b>	<b>12.730.791</b>	<b>157.789.149</b>	<b>437.712.675</b>
Balance Sheet Long Position	8.274.425	--	14.142.313	51.791.859	27.029.810	--	<b>101.238.407</b>
Balance Sheet Short Position	--	(58.812.846)	--	--	--	(42.425.561)	<b>(101.238.407)</b>
Off-balance Sheet Long Position	2.112.676	--	11.481.528	--	--	--	<b>13.594.204</b>
Off-balance Sheet Short Position	--	(3.354.227)	--	(5.278.309)	(7.051.015)	--	<b>(15.683.551)</b>
<b>Total Position</b>	<b>10.387.101</b>	<b>(62.167.073)</b>	<b>25.623.841</b>	<b>46.513.550</b>	<b>19.978.795</b>	<b>(42.425.561)</b>	<b>(2.089.347)</b>

(1) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (38.602)

(2) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (766).

(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 2.496.147, TL 650.308, TL 372.530, TL 1.397.920, TL 3.423.970, TL 3.442.820, TL (14.323) and TL 7.098.892, 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 33.215.066, TL 1.418.245, TL 247.814, TL 3.708.451, TL 3.836.937 and TL 12.260.858, 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
<b>Assets</b>							
Cash Equivalents and Central Bank Banks <sup>(1)</sup>	4.183.262	--	--	--	--	76.705.113	<b>80.888.375</b>
Financial Assets at Fair Value through Profit or Loss (Net)	8.972.262	5.879.569	1.641.536	(2.418)	--	8.556.294	<b>25.047.243</b>
Due from Money Markets	47.730	8.685	783.004	46.762	61.375	8.002.900	<b>8.950.456</b>
Financial Assets at Fair Value through Other Comprehensive Income	237.803	--	--	--	--	--	<b>237.803</b>
Loans	2.397.007	5.941.413	4.526.209	4.904.731	11.337.147	981	<b>29.107.488</b>
Financial Assets Measured at Amortised Cost <sup>(2)</sup>	88.823.025	16.664.254	30.770.506	61.356.524	23.286.836	4.825.019	<b>225.726.164</b>
Other Assets <sup>(3)</sup>	176.380	680.750	1.853.151	4.413.760	--	--	<b>7.124.041</b>
	3.993	--	1.521	487.539	2.673	18.306.588	<b>18.802.314</b>
<b>Total Assets</b>	<b>104.841.462</b>	<b>29.174.671</b>	<b>39.575.927</b>	<b>71.206.898</b>	<b>34.688.031</b>	<b>116.396.895</b>	<b>395.883.884</b>
<b>Liabilities</b>							
Bank Deposits	9.766.126	4.129.255	170.893	3.001.160	--	1.089.478	<b>18.156.912</b>
Other Deposits	85.830.846	26.642.093	27.183.320	13.395.394	1.241.506	94.216.232	<b>248.509.391</b>
Due to Money Markets	1.167.909	600.330	6.279.768	--	--	--	<b>8.048.007</b>
Miscellaneous Payables	--	--	--	--	--	--	<b>--</b>
Securities Issued	5.297.769	4.381.322	714.539	--	--	--	<b>10.393.630</b>
Funds Borrowed	6.188.762	23.014.497	17.050.325	2.602.454	10.485.047	--	<b>59.341.085</b>
Other Liabilities <sup>(4)</sup>	232.271	2.452.346	2.979.128	783.960	165.555	44.821.599	<b>51.434.859</b>
<b>Total Liabilities</b>	<b>108.483.683</b>	<b>61.219.843</b>	<b>54.377.973</b>	<b>19.782.968</b>	<b>11.892.108</b>	<b>140.127.309</b>	<b>395.883.884</b>
Balance Sheet Long Position	--	--	--	51.423.930	22.795.923	--	<b>74.219.853</b>
Balance Sheet Short Position	(3.642.221)	(32.045.172)	(14.802.046)	--	--	(23.730.414)	<b>(74.219.853)</b>
Off-balance Sheet Long Position	10.581.651	--	6.297.023	--	--	--	<b>16.878.674</b>
Off-balance Sheet Short Position	--	(3.090.980)	--	(5.323.093)	(6.465.331)	--	<b>(14.879.404)</b>
<b>Total Position</b>	<b>6.939.430</b>	<b>(35.136.152)</b>	<b>(8.505.023)</b>	<b>46.100.837</b>	<b>16.330.592</b>	<b>(23.730.414)</b>	<b>1.999.270</b>

(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.

**b. Average interest rates applied to monetary financial instruments**

Current Period - 31 March 2022	EURO %	USD %	Yen %	TL %
<b>Assets</b>				
Cash Equivalents and Central Bank	--	--	--	8,50
Banks	(0,55)	0,80	--	15,38
Financial Assets at Fair Value through Profit or Loss	4,27	7,56	--	21,66
Due from Money Markets	--	--	--	14,94
Financial Assets at Fair Value through Other Comprehensive Income	3,02	6,54	--	25,93
Loans	4,52	4,89	5,75	21,61
Financial Assets Measured at Amortised Cost	--	4,57	--	15,95
<b>Liabilities</b>				
Bank Deposits	0,47	1,68	--	16,60
Other Deposits	0,54	1,43	0,01	16,59
Due to Money Markets	--	1,91	--	14,25
Miscellaneous Payables	--	--	--	--
Securities Issued	1,60	--	--	13,42
Funds Borrowed	2,24	3,95	--	17,25
Prior Period - 31 December 2021	EURO %	USD %	Yen %	TL %
<b>Assets</b>				
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
<b>Liabilities</b>				
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

**IV. Position risk of equity shares arising from banking accounts**

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

The Group does not have unconsolidated associates and subsidiaries traded at BIST markets as of 31 March 2022 and 31 December 2021.

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

None.

**V. Explanations related to the consolidated liquidity risk**

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

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

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

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

The short-term liquidity management of the Parent Bank is the responsibility of the Treasury Group. The Treasury Group reports to the ALCO on a weekly basis regarding the liquidity structure. ALCO possesses the ultimate responsibility for structural liquidity and funding management. ALCO plays an active role in monitoring and decision-making processes as well as establishing systems related to liquidity and funding management. Monitoring the current liquidity status and legal and internal liquidity indicators, taking decisions regarding liquidity management by taking into consideration the Parent Bank's strategy and risk appetite framework are under the authority and responsibility of ALCO. Financial Institutions Group, Financial Affairs Group and Risk Management Group contribute to the liquidity management process of the Bank in accordance with the ALCO decisions and also provide the necessary support to the ALCO with the information, analysis and recommendations needed in the decision-making process.

**Information on the degree of centralization of liquidity management and funding strategy and the functioning of the Parent Bank and the functioning between Parent Bank and its subsidiaries**

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

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

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

On the other hand, the securities portfolio of the Parent Bank carried for liquidity risk management arising from the market is structured in a way to consist of securities issued by Republic of Turkey Treasury in order to



reduce liquidity risk sourcing from market to minimum level since they allow repurchase transactions carried out under CBRT/BIST. The criteria and principles regarding the securities investments to be included in this portfolio have been written and approved by the relevant committee.

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

Majority of the Parent Bank's liabilities consist of Turkish Lira, US Dollar, Euro and gold. The main foreign currency funding source of the Parent Bank consists of deposits and loans obtained from credit institutions. The foreign currency liquidity risk of the Parent Bank is low due to the fact that the foreign currency sources of the Parent Bank are higher level 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 monthly consolidated foreign currency ratio for the last three months was 427,32 in March, the highest 660,26 in January, and the total lowest liquidity coverage ratio has been calculated as 177,11 in March and 216,50 in January 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 2022 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
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>				
1 Total High Quality Liquid Assets			101.024.949	87.285.503
<b>CASH OUTFLOWS</b>				
2 Retail deposits and deposits from small business customers, of which				
3 Stable deposits	193.511.493	138.334.280	18.389.002	13.833.428
4 Less stable deposits	19.242.955	--	962.148	--
5 Unsecured wholesale funding, of which	174.268.538	138.334.280	17.426.854	13.833.428
6 Operational deposits	73.471.795	52.461.714	40.883.404	26.351.068
7 Non-operational deposits	19.669.688	16.086.268	4.917.422	4.021.567
8 Unsecured debt	36.747.779	29.295.269	18.918.899	15.254.606
9 Secured wholesale funding	17.054.328	7.080.177	17.047.083	7.074.895
10 Other cash outflows			400.804	--
11 Outflows related to derivative exposures and other collateral requirements	4.278.270	7.928.563	2.558.806	6.025.622
12 Outflows related to loss of funding on debt products	1.412.497	4.756.994	1.412.497	4.756.994
13 Credit and liquidity facilities	--	--	--	--
14 Other contractual funding obligations	2.865.773	3.171.569	1.146.309	1.268.628
15 Other contingent funding obligations	3.816.481	3.815.921	3.815.949	3.815.921
	142.045.054	52.847.633	10.869.173	5.265.504
<b>16 TOTAL CASH OUTFLOWS</b>			<b>76.917.138</b>	<b>55.291.543</b>
<b>CASH INFLOWS</b>				
17 Secured lending	347.642	--	--	--
18 Unsecured lending	28.874.556	22.703.860	23.865.142	20.613.355
19 Other cash inflows	1.583.355	19.610.535	1.583.355	19.610.535
<b>20 TOTAL CASH INFLOWS</b>	<b>30.805.553</b>	<b>42.314.395</b>	<b>25.448.497</b>	<b>40.223.890</b>
			Total Adjusted Value	
<b>21 TOTAL HQLA</b>			<b>101.024.949</b>	<b>87.285.503</b>
<b>22 TOTAL NET CASH OUTFLOWS</b>			<b>51.468.641</b>	<b>15.067.653</b>
<b>23 LIQUIDITY COVERAGE RATIO (%)</b>			<b>198,4</b>	<b>539,7</b>

(\*) 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
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>				
1 Total High Quality Liquid Assets			82.788.136	73.018.776
<b>CASH OUTFLOWS</b>				
2 Retail deposits and deposits from small business customers, of which				
3 Stable deposits	169.561.185	115.625.303	15.937.209	11.562.530
4 Less stable deposits	20.378.189	--	1.018.909	--
5 Unsecured wholesale funding, of which	149.182.996	115.625.303	14.918.300	11.562.530
6 Operational deposits	62.075.874	45.262.199	35.765.044	24.266.287
7 Non-operational deposits	14.770.279	11.966.120	3.692.570	2.991.530
8 Unsecured debt	30.946.216	24.905.956	15.719.481	12.887.574
9 Secured wholesale funding	16.359.379	8.390.123	16.352.993	8.387.183
10 Other cash outflows			348.589	--
11 Outflows related to derivative exposures and other collateral requirements	3.873.760	7.361.833	2.219.646	5.370.114
12 Outflows related to loss of funding on debt products	1.116.904	4.042.301	1.116.904	4.042.301
13 Credit and liquidity facilities	--	--	--	--
14 Other contractual funding obligations	2.756.856	3.319.532	1.102.742	1.327.813
15 Other contingent funding obligations	3.080.832	3.080.272	3.080.300	3.080.272
	126.907.020	46.471.860	9.562.550	4.642.377
<b>16 TOTAL CASH OUTFLOWS</b>			<b>66.913.338</b>	<b>48.921.580</b>
<b>CASH INFLOWS</b>				
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
<b>20 TOTAL CASH INFLOWS</b>	<b>29.022.909</b>	<b>39.946.121</b>	<b>24.496.244</b>	<b>38.487.201</b>
			Total adjusted value	
<b>21 TOTAL HQLA</b>			<b>82.788.136</b>	<b>73.018.776</b>
<b>22 TOTAL NET CASH OUTFLOWS</b>			<b>42.417.094</b>	<b>12.230.395</b>
<b>23 LIQUIDITY COVERAGE RATIO (%)</b>			<b>196,1</b>	<b>559,7</b>

(\*) 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
<b>Assets</b>								
Cash Equivalents and Central Bank	49.530.454	28.677.269	--	--	--	--	--	<b>78.207.723</b>
Banks <sup>(1)</sup>	12.594.778	915.289	--	13.365.484	2.055.551	--	--	<b>28.931.102</b>
Financial Assets at Fair Value through Profit or Loss (Net)	493.774	575.895	766.459	1.576.074	1.155.806	1.618.326	--	<b>6.186.334</b>
Due from Money Markets	--	436.977	--	--	--	--	--	<b>436.977</b>
Financial Assets at Fair Value through Other Comprehensive Income	1.022	587.300	1.441.248	3.499.938	16.501.644	24.899.117	--	<b>46.930.269</b>
Loans	--	30.841.254	11.341.981	50.677.768	99.605.225	53.547.751	4.858.803	<b>250.872.782</b>
Financial Assets Measured at Amortised Cost <sup>(2)</sup>	--	260.621	--	2.125.253	4.396.375	--	--	<b>6.782.249</b>
Other Assets	11.439.171	320	1.792	359.328	522.216	1.223	7.041.189	<b>19.365.239</b>
<b>Total Assets</b>	<b>74.059.199</b>	<b>62.294.925</b>	<b>13.551.480</b>	<b>71.603.845</b>	<b>124.236.817</b>	<b>80.066.417</b>	<b>11.899.992</b>	<b>437.712.675</b>
<b>Liabilities</b>								
Bank Deposits	1.095.712	6.609.199	5.365.229	3.298.110	3.261.984	--	--	<b>19.630.234</b>
Other Deposits	102.006.066	86.607.137	41.305.171	31.994.690	13.892.143	1.263.789	--	<b>277.068.996</b>
Fund Borrowed	--	6.950.296	10.374.327	26.860.798	6.363.619	11.103.615	--	<b>61.652.655</b>
Due to Money Markets	--	2.767.975	3.257.884	5.019.972	755.803	--	--	<b>11.801.634</b>
Securities Issued	--	1.681.636	3.463.220	1.039.844	2.686.266	--	--	<b>8.870.966</b>
Miscellaneous Payables	--	--	--	--	--	--	--	<b>--</b>
Other Liabilities	13.667.046	1.336.805	631.313	3.033.611	2.774.393	176.184	37.068.838	<b>58.688.190</b>
<b>Total Liabilities</b>	<b>116.768.824</b>	<b>105.953.048</b>	<b>64.397.144</b>	<b>71.247.025</b>	<b>29.734.208</b>	<b>12.543.588</b>	<b>37.068.838</b>	<b>437.712.675</b>
<b>Net Liquidity Excess/ (Gap)</b>	<b>(42.709.625)</b>	<b>(43.658.123)</b>	<b>(50.845.664)</b>	<b>356.820</b>	<b>94.502.609</b>	<b>67.522.829</b>	<b>(25.168.846)</b>	<b>--</b>
<b>Net Off-balance sheet Position</b>	<b>--</b>	<b>(220.436)</b>	<b>(254.885)</b>	<b>(710.979)</b>	<b>(42.350)</b>	<b>456</b>	<b>--</b>	<b>(1.228.194)</b>
Financial Derivative Assets	--	56.929.865	44.474.745	28.642.821	16.807.259	26.909.173	--	<b>173.763.863</b>
Financial Derivative Liabilities	--	(57.150.301)	(44.729.630)	(29.353.800)	(16.849.609)	(26.908.717)	--	<b>(174.992.057)</b>
Non Cash Loans	--	12.013.372	11.063.491	21.739.008	8.540.235	21.915.225	--	<b>75.271.331</b>
<b>End of The Prior Period</b>								
Total Assets	72.440.697	66.571.826	20.866.661	45.896.268	113.164.255	63.663.972	13.280.205	<b>395.883.884</b>
Total Liabilities	103.451.877	106.384.394	43.858.771	70.167.017	26.700.888	11.714.259	33.606.678	<b>395.883.884</b>
<b>Net Liquidity Excess/ (Gap)</b>	<b>(31.011.180)</b>	<b>(39.812.568)</b>	<b>(22.992.110)</b>	<b>(24.270.749)</b>	<b>86.463.367</b>	<b>51.949.713</b>	<b>(20.326.473)</b>	<b>--</b>
<b>Net Off-balance sheet Position</b>	<b>--</b>	<b>2.104.093</b>	<b>594.993</b>	<b>(765.366)</b>	<b>72.341</b>	<b>--</b>	<b>--</b>	<b>2.006.061</b>
Financial Derivative Assets	--	76.368.972	52.188.115	23.813.558	15.508.993	23.211.495	--	<b>191.091.133</b>
Financial Derivative Liabilities	--	(74.264.879)	(51.593.122)	(24.578.924)	(15.436.652)	(23.211.495)	--	<b>(189.085.072)</b>
Non Cash Loans	--	11.193.503	7.105.121	20.368.193	7.920.851	20.504.416	--	<b>67.092.084</b>

(1) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (38.602).

(2) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (766).

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

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**VI. Explanations related to leverage ratio**

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

As of 31 March 2022, the leverage ratio of the DFS Group is calculated as 5,20% (31 December 2021: 5,35%). 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 :**

	<b>Current Period (**)</b>	<b>Prior Period (**)</b>
1 Total assets in the consolidated financial statements prepared in accordance with TAS (*)	416.978.013	371.171.129
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	(4.351.727)	(7.072.391)
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	2.104.089	2.025.977
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	159.564.291	144.193.013
<b>7 Total Risk</b>	<b>574.294.163</b>	<b>510.317.225</b>

(\*) 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:**

	<b>Current Period (*)</b>	<b>Prior Period (*)</b>
<b>On-balance sheet exposures</b>		
1 On-balance sheet items (exclude derivatives and SFTs; include collateral)	412.626.286	364.098.738
2 (Assets deducted in determining Basel III Tier I capital)	(673.440)	(612.610)
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	411.952.846	363.486.128
<b>Derivative exposures</b>		
4 Replacement cost	4.806.409	7.209.538
5 Add-on amount	2.104.089	2.025.977
6 Total derivative exposures (sum of lines 4 and 5)	6.910.498	9.235.515
<b>Securities or commodity collateral financing transaction exposures</b>		
7 Gross SFT assets (with no recognition of accounting netting)	2.766.650	1.906.399
8 Agent transaction exposures		
9 Total securities financing transaction exposures (sum of lines 7 and 8)	2.766.650	1.906.399
<b>Other off-balance sheet exposures</b>		
10 Off-balance sheet exposures with gross nominal amount	152.664.672	135.689.686
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)	152.664.169	135.689.183
<b>Capital and total exposures</b>		
13 Tier I Capital	29.839.385	27.108.217
14 Total exposures (sum of lines 3,6,9 and 12)	574.294.163	510.317.225
<b>Leverage ratio</b>		
15 Leverage ratio	5,20	5,35

(\*) Quarterly average amounts.

## VII. Explanations related to risk management

The footnotes and explanations prepared in accordance with the “Communiqué On Disclosures About Risk Management To Be Announced To Public By the Banks” published in the Official Gazette dated 23 October 2015 and numbered 29511 and entered into force as of 31 March 2016 are given in this section. Since standard approach is used in the capital adequacy calculation of the Parent Bank, the tables to be prepared within the scope of Internal Rating Based Approach (IR) are not presented as of 31 March 2022.

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

#### 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)	234.774.736	218.177.773	18.781.979
2 <i>Standardized approach (SA)</i>	234.774.736	218.177.773	18.781.979
3 <i>Internal rating-based (IRB) approach</i>	--	--	--
4 Counterparty credit risk	4.769.257	5.783.139	381.541
5 <i>Standardized approach for counterparty credit risk (SA-CCR)</i>	4.769.257	5.783.139	381.541
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	63.026	44.637	5.042
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	5.844.075	4.886.675	467.526
17 <i>Standardized approach (SA)</i>	5.844.075	4.886.675	467.526
18 <i>Internal model approaches (IMM)</i>	--	--	--
19 Operational Risk	27.986.645	22.552.503	2.238.932
20 <i>Basic Indicator Approach</i>	27.986.645	22.552.503	2.238.932
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	--	--	--
<b>25 Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>273.437.739</b>	<b>251.444.727</b>	<b>21.875.020</b>

## **VIII. Explanations related to hedging transactions**

### **a. Net investment risk**

DFS Group applies net investment hedge strategy to hedge against the currency risk arising on a consolidated basis from the net investments amounting to a total of Euro 1.349 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 (14.096.663) as of 31 March 2022 (31 December 2021: TL (15.382.594)).

### **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 (9.531) which is accounted under shareholders' equity as cash flow hedge accounting as of 31 March 2022 (31 December 2021: TL (9.906)).

## **IX. Explanations related to the consolidated segment reporting**

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

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

Within the scope of retail banking, loan products (consumer, mortgage, vehicle, workplace, tractor, agricultural equipment and investment loans), credit cards with different features, producer cards, investment products (mutual funds, stocks, treasury bills/government bonds, repurchase), deposit products (demand, term, protected), insurance products as well as financial and operational leasing services and factoring loan products are provided to SME and agricultural customers. Alternative distribution channels allow customers to meet their banking needs without the need to physically visit the branches. Among products that meet every day needs of customers are overdraft loans, automated bill payment, chequebooks and rental safes.

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

Information on business segments has been prepared in accordance with the data provided from the Parent Bank's Management Reporting System and the previous period information has been revised on the same basis.

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Information on business segments are presented in the following tables:

<b>Current Period (01/01/2022-31/03/2022)</b>	<b>Wholesale Banking</b>	<b>SME &amp; Agricultural Banking</b>	<b>Retail Banking</b>	<b>Treasury</b>	<b>Other</b>	<b>Total</b>
Net interest income	1.018.876	633.099	796.514	2.467.739	11.166	<b>4.927.394</b>
Net fees and commission income	173.516	391.737	587.833	(4.414)	57.811	<b>1.206.483</b>
Other income/loss, net	504.246	575.158	652.914	209.194	(572.419)	<b>1.369.093</b>
<b>Total segment income</b>	<b>1.696.638</b>	<b>1.599.994</b>	<b>2.037.261</b>	<b>2.672.519</b>	<b>(503.442)</b>	<b>7.502.970</b>
Other operational expenses (*)	(461.915)	(809.863)	(1.097.129)	(247.357)	(11.503)	<b>(2.627.767)</b>
Provisions for expected credit loss and other provisions	(1.789.143)	156.052	(223.543)	7.769	(2.553)	<b>(1.851.418)</b>
Taxation						<b>(463.860)</b>
<b>Net profit from continuing operations</b>	<b>(554.420)</b>	<b>946.183</b>	<b>716.589</b>	<b>2.432.931</b>	<b>(517.498)</b>	<b>2.559.925</b>
Net profit from discontinued operations	--	--	--		--	<b>--</b>
<b>Net profit for the period</b>	<b>(554.420)</b>	<b>946.183</b>	<b>716.589</b>	<b>2.432.931</b>	<b>(517.498)</b>	<b>2.559.925</b>
<b>Current Period (31/03/2022)</b>						
Segment assets	138.123.044	64.480.846	48.166.717	167.576.829	--	<b>418.347.436</b>
Subsidiaries and associates						<b>1.397.920</b>
Undistributed assets						<b>17.967.319</b>
<b>Total assets</b>						<b>437.712.675</b>
Segment liabilities	66.246.090	55.789.773	98.916.163	166.230.921	--	<b>387.182.947</b>
Undistributed liabilities						<b>17.314.662</b>
Equity						<b>33.215.066</b>
<b>Total liabilities</b>						<b>437.712.675</b>

(\*) It also includes personnel expenses.

<b>Prior Period (01/01/2021-31/03/2021)</b>	<b>Wholesale Banking</b>	<b>SME &amp; Agricultural Banking</b>	<b>Retail Banking</b>	<b>Treasury</b>	<b>Other</b>	<b>Total</b>
Net interest income	609.570	267.920	317.680	1.458.422	(189)	<b>2.653.403</b>
Net fees and commission income	122.714	299.902	382.773	12.336	247.440	<b>1.065.165</b>
Other income/loss, net	325.604	217.701	233.934	317.388	(355.131)	<b>739.496</b>
<b>Total segment income</b>	<b>1.057.888</b>	<b>785.523</b>	<b>934.387</b>	<b>1.788.146</b>	<b>(107.880)</b>	<b>4.458.064</b>
Other operational expenses (*)	(216.410)	(422.548)	(577.784)	(118.559)	(7.609)	<b>(1.342.910)</b>
Provisions for expected credit loss and other provisions	(896.405)	(479.109)	(219.517)	(100.898)	(483)	<b>(1.696.412)</b>
Taxation						<b>(348.150)</b>
<b>Net profit from continuing operations</b>	<b>(54.927)</b>	<b>(116.134)</b>	<b>137.086</b>	<b>1.568.689</b>	<b>(115.972)</b>	<b>1.070.592</b>
Net profit from discontinued operations						<b>--</b>
<b>Net profit for the period</b>	<b>(54.927)</b>	<b>(116.134)</b>	<b>137.086</b>	<b>1.568.689</b>	<b>(115.972)</b>	<b>1.070.592</b>
<b>Prior Period (31/12/2021)</b>						
Segment assets	125.668.049	55.434.947	44.525.105	151.453.469	--	<b>377.081.570</b>
Subsidiaries and associates						<b>1.397.878</b>
Undistributed assets						<b>17.404.436</b>
<b>Total assets</b>						<b>395.883.884</b>
Segment liabilities	53.682.820	49.043.367	88.066.303	162.111.850	--	<b>352.904.340</b>
Undistributed liabilities						<b>13.931.510</b>
Equity						<b>29.048.034</b>
<b>Total liabilities</b>						<b>395.883.884</b>

(\*) It also includes personnel expenses.

## **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	826.033	6.084.978	713.545	5.780.095
Central Bank of the Republic of Turkey	1.160.968	47.752.560	3.234.356	43.919.939
Other (*)	34	22.383.150	--	27.240.440
<b>Total</b>	<b>1.987.035</b>	<b>76.220.688</b>	<b>3.947.901</b>	<b>76.940.474</b>

(\*) 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	1.075.500	13.924.471	3.126.557	14.272.079
Unrestricted Time Deposits	--	5.292.788	--	3.017.340
Restricted Time Deposits	85.468	28.535.301	107.799	26.630.520
<b>Total</b>	<b>1.160.968</b>	<b>47.752.560</b>	<b>3.234.356</b>	<b>43.919.939</b>

##### **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 March 2022, all banks operating in Turkey should provide a reserve in a range of 3% to 8% (31 December 2021: between 3% and 8%) depending on the terms of the deposits for their liabilities in Turkish Lira and in a range of 5% to 26% (31 December 2021: between 5% and 26%) 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 85.275 (1 January - 31 March 2021: TL 47.754). The related interest income recognised under "Interest on Reserve Requirements".

##### **4. Information on Banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>				
Domestic	9.155	835.361	546.135	48.046
Foreign	367	28.124.821	598	24.468.212
Foreign head offices and branches	--	--	--	--
<b>Total</b>	<b>9.522</b>	<b>28.960.182</b>	<b>546.733</b>	<b>24.516.258</b>

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

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

<i>Given as Collateral or Blocked Financial Assets at Fair Value Through Profit or Loss</i>	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	51.871	--	19.185	--
Other	--	--	--	--
<b>Total</b>	<b>51.871</b>	<b>--</b>	<b>19.185</b>	<b>--</b>

##### **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 577.272 (31 December 2021: TL 517.355).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	104.419	169.238	163.012	455.893
Swap Transactions	1.569.582	2.401.670	1.587.899	5.319.834
Futures Transactions	4.152	--	370	11.401
Options	1.711	454.984	1.978	204.529
Other	--	--	--	--
<b>Total</b>	<b>1.679.864</b>	<b>3.025.892</b>	<b>1.753.259</b>	<b>5.991.657</b>

### 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 11.316.488 (31 December 2021: TL 10.519.349).

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

<i>Given as collateral or blocked</i> <i>Financial assets at fair value through other comprehensive income</i>	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bills, Bonds and Similar Securities	3.374.132	7.942.356	4.545.421	5.973.928
Other	--	--	--	--
<b>Total</b>	<b>3.374.132</b>	<b>7.942.356</b>	<b>4.545.421</b>	<b>5.973.928</b>

#### 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	1.221.010	8.139.701	868.996	4.039.032
Treasury Bills	--	--	--	--
Other Debt Securities	--	--	--	--
Bank Bills and Bank Guaranteed Bills	--	--	--	--
Asset Backed Securities	--	--	--	--
Other	--	--	--	--
<b>Total</b>	<b>1.221.010</b>	<b>8.139.701</b>	<b>868.996</b>	<b>4.039.032</b>

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

<i>Financial assets at fair value through other comprehensive income</i>	<b>Current Period</b>	<b>Prior Period</b>
<b>Debt Securities</b>	<b>46.929.247</b>	<b>29.106.507</b>
Quoted on Stock Exchange (*)	46.929.247	29.106.507
Unquoted on Stock Exchange	--	--
<b>Share Certificates</b>	<b>1.022</b>	<b>981</b>
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	1.022	981
<b>Impairment Provisions (-)</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>46.930.269</b>	<b>29.107.488</b>

(\*) It includes bank and corporate bills.

**d. Explanations on loans**

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

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>
<b>Direct Loans Granted to Shareholders</b>	<b>--</b>	<b>83.617</b>	<b>--</b>	<b>6.144</b>
Corporate Shareholders	--	83.617	--	6.144
Individual Shareholders	--	--	--	--
<b>Indirect Loans Granted to Shareholders</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Loans Granted to Employees</b>	<b>104.254</b>	<b>141</b>	<b>98.936</b>	<b>386</b>
<b>Total</b>	<b>104.254</b>	<b>83.758</b>	<b>98.936</b>	<b>6.530</b>

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

<b>Cash loans (*) (**)</b>	<b>Standard Loans</b>	<b>Loans Under Close Monitoring</b>		
		<b>Not included in restructured loans</b>	<b>Changes in conditions of contract</b>	<b>Restructured Loans Refinancing</b>
<b>Non-specialized loans</b>	<b>198.528.582</b>	<b>13.054.517</b>	<b>9.474.916</b>	<b>11.821.529</b>
Corporate loans	45.288.666	4.586.290	4.083.890	2.488.816
Export loans	8.716.511	33.535	--	265.700
Import loans	--	--	--	--
Financial sector loans	948.078	--	--	--
Consumer loans	27.302.015	2.430.051	1.413.967	141.425
Credit cards	21.710.600	893.867	655.414	26.936
Others	94.562.712	5.110.774	3.321.645	8.898.652
<b>Specialized loans</b>	<b>15.895.151</b>	<b>1.185.436</b>	<b>415.938</b>	<b>1.066.856</b>
<b>Other receivables</b>	<b>8.517.087</b>	<b>321.793</b>	<b>1.222.678</b>	<b>7.382</b>
<b>Total</b>	<b>222.940.820</b>	<b>14.561.746</b>	<b>11.113.532</b>	<b>12.895.767</b>

(\*) 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.

<b>Stage 1 and Stage 2 Provisions for Expected Credit Loss</b>	<b>Current Period</b>		<b>Prior Period</b>	
	<b>Standard Loans</b>	<b>Loans Under Close Monitoring</b>	<b>Standard Loans</b>	<b>Loans Under Close Monitoring</b>
12-Month provision for expected credit loss	3.711.469	--	3.187.819	--
Significant increase in credit risk	--	11.786.417	--	10.791.714
<b>Total</b>	<b>3.711.469</b>	<b>11.786.417</b>	<b>3.187.819</b>	<b>10.791.714</b>

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

	Short Term	Medium or Long Term	Total
<b>Consumer Loans-TL</b>	<b>1.548.737</b>	<b>26.555.129</b>	<b>28.103.866</b>
Real estate Loans	43	1.411.737	1.411.780
Vehicle Loans	581	41.645	42.226
General Purpose Loans	1.548.113	25.101.747	26.649.860
Other	--	--	--
<b>Consumer Loans-Indexed to FC</b>	<b>--</b>	<b>12.789</b>	<b>12.789</b>
Real estate Loans	--	11.886	11.886
Vehicle Loans	--	--	--
General Purpose Loans	--	903	903
Other	--	--	--
<b>Consumer Loans-FC</b>	<b>27.226</b>	<b>99.621</b>	<b>126.847</b>
Real estate Loans	--	18.347	18.347
Vehicle Loans	--	--	--
General Purpose Loans	27.226	98	27.324
Other	--	81.176	81.176
<b>Individual Credit Cards-TL</b>	<b>16.168.299</b>	<b>1.093.309</b>	<b>17.261.608</b>
Installment	6.992.559	1.093.309	8.085.868
Non installment	9.175.740	--	9.175.740
<b>Individual Credit Cards-FC</b>	<b>424</b>	<b>--</b>	<b>424</b>
Installment	--	--	--
Non installment	424	--	424
<b>Loans Given to Employees-TL</b>	<b>6.926</b>	<b>48.659</b>	<b>55.585</b>
Real estate Loans	--	448	448
Vehicle Loans	--	--	--
General Purpose Loans	6.926	48.211	55.137
Other	--	--	--
<b>Loans Given to Employees - Indexed to FC</b>	<b>--</b>	<b>--</b>	<b>--</b>
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Loans Given to Employees - FC</b>	<b>--</b>	<b>399</b>	<b>399</b>
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	399	399
<b>Personnel Credit Cards - TL</b>	<b>45.738</b>	<b>225</b>	<b>45.963</b>
Installment	16.892	225	17.117
Non installment	28.846	--	28.846
<b>Personnel Credit Cards - FC</b>	<b>6</b>	<b>--</b>	<b>6</b>
Installment	--	--	--
Non installment	6	--	6
<b>Overdraft Loans-TL (Real Persons) (*)</b>	<b>2.985.655</b>	<b>--</b>	<b>2.985.655</b>
<b>Overdraft Loans-FC (Real Persons)</b>	<b>2.317</b>	<b>--</b>	<b>2.317</b>
<b>Total</b>	<b>20.785.328</b>	<b>27.810.131</b>	<b>48.595.459</b>

(\*) The overdraft account used by the personnel of the Parent Bank amounts to TL 2.301 (31 December 2021: TL 3.154).

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**4. Information on commercial installment loans and corporate credit cards**

	Short Term	Medium or Long Term	Total
<b>Installment Commercial Loans - TL</b>	<b>1.651.542</b>	<b>17.969.485</b>	<b>19.621.027</b>
Real estate Loans	64	127.559	127.623
Vehicle Loans	6.351	363.478	369.829
General Purpose Loans	1.645.127	17.472.712	19.117.839
Other	--	5.736	5.736
<b>Installment Commercial Loans - Indexed to FC</b>	<b>--</b>	<b>561.988</b>	<b>561.988</b>
Real estate Loans	--	2.482	2.482
Vehicle Loans	--	--	--
General Purpose Loans	--	559.506	559.506
Other	--	--	--
<b>Installment Commercial Loans - FC</b>	<b>4.182.938</b>	<b>63.646.029</b>	<b>67.828.967</b>
Real estate Loans	--	--	--
Vehicle Loans	--	15.675	15.675
General Purpose Loans	288.097	11.062.613	11.350.710
Other	3.894.841	52.567.741	56.462.582
<b>Corporate Credit Cards - TL</b>	<b>5.631.125</b>	<b>347.667</b>	<b>5.978.792</b>
Installment	1.981.865	347.667	2.329.532
Non installment	3.649.260	--	3.649.260
<b>Corporate Credit Cards - FC</b>	<b>24</b>	<b>--</b>	<b>24</b>
Installment	--	--	--
Non installment	24	--	24
<b>Overdraft Loans-TL (Legal Entities)</b>	<b>2.645.294</b>	<b>--</b>	<b>2.645.294</b>
<b>Overdraft Loans-FC (Legal Entities)</b>	<b>6.737</b>	<b>--</b>	<b>6.737</b>
<b>Total</b>	<b>14.117.660</b>	<b>82.525.169</b>	<b>96.642.829</b>

**5. Distribution of domestic and foreign loans**

	Current Period	Prior Period
Domestic Loans	232.056.781	207.323.532
Foreign Loans	29.455.084	27.557.146
<b>Total</b>	<b>261.511.865</b>	<b>234.880.678</b>

**6. Loans granted to subsidiaries and associates**

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	--	--
Indirect loans granted to subsidiaries and associates	--	--
<b>Total</b>	<b>--</b>	<b>--</b>

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

	Current Period	Prior Period
<b>Provisions related to loans or credit impaired lossess (stage 3)</b>		
Loans with Limited Collectability	1.023.239	1.461.340
Loans with Doubtful Collectability	2.862.683	1.775.955
Uncollectible Loans	8.654.837	8.575.959
<b>Total</b>	<b>12.540.759</b>	<b>11.813.254</b>

**8. Information on non-performing loans (Net)**

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

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
<b>Current Period</b>	<b>121.972</b>	<b>314.629</b>	<b>3.114.070</b>
(Gross amounts before the provisions)			
Restructured loans	121.972	314.629	3.114.070
<b>Prior Period</b>	<b>103.137</b>	<b>252.600</b>	<b>1.292.990</b>
(Gross amounts before the provisions)			
Restructured loans	103.137	252.600	1.292.990

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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
<b>Balances at Beginning of the Period</b>	<b>2.675.413</b>	<b>3.083.748</b>	<b>10.879.112</b>
Additions (+)	1.792.540	119.773	93.489
Transfers from Other Categories of Non-Performing Loans (+)	--	2.082.858	396.130
Transfers from Other Categories of Non-Performing Loans (-)	2.082.858	396.130	--
Collections (-)	402.577	460.900	645.575
Write-offs (-)	--	--	6.071
Sales (-)	--	--	--
Corporate and Commercial Loans	--	--	--
Retail Loans	--	--	--
Credit Cards	--	--	--
Other	--	--	--
FX difference	44.749	63.268	162.593
<b>Balances at End of the Period</b>	<b>2.027.267</b>	<b>4.492.617</b>	<b>10.879.678</b>
Specific Provisions (-)	1.023.238	2.862.683	8.654.838
<b>Net Balance on Balance Sheet</b>	<b>1.004.029</b>	<b>1.629.934</b>	<b>2.224.840</b>

(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
<b>Current Period: 31 March 2022</b>			
Balance as of the Period End	34.680	1.347.099	1.872.564
Provisions (-)	34.676	883.967	1.309.303
<b>Net Balance on Balance Sheet</b>	<b>4</b>	<b>463.132</b>	<b>563.261</b>
<b>Prior Period: 31 December 2021</b>			
Balance as of the Period End	30.799	1.239.500	1.828.491
Provisions (-)	30.650	790.382	1.274.646
<b>Net Balance on Balance Sheet</b>	<b>149</b>	<b>449.118</b>	<b>553.845</b>

(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
<b>Current Period (Net): 31 March 2022</b>	<b>1.004.029</b>	<b>1.629.934</b>	<b>2.224.840</b>
Loans Granted to Real Persons and Legal Entities (Gross)	2.027.267	4.492.617	10.879.678
Provisions (-)	1.023.238	2.862.683	8.654.838
Loans Granted to Real Persons and Legal Entities (Net)	1.004.029	1.629.934	2.224.840
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan (Net)	--	--	--
<b>Prior Period (Net): 31 December 2021</b>	<b>1.214.073</b>	<b>1.307.793</b>	<b>2.303.153</b>
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 Loans (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loans (Net)	--	--	--

(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
<b>Current Period (Net)</b>	<b>108.766</b>	<b>173.190</b>	<b>259.614</b>
Interest accruals and rediscount and valuation differences	181.282	442.367	1.328.441
Amount of provision (-)	72.516	269.177	1.068.827
<b>Prior Period (Net)</b>	<b>127.309</b>	<b>219.620</b>	<b>304.872</b>
Interest accruals and rediscount and valuation differences	285.077	348.746	1.382.992
Amount of provision (-)	157.768	129.126	1.078.120

**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 5.336.395 (31 December 2021: TL 5.076.422).

**(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 1.188.757 (31 December 2021: TL 1.531.367).

**2. Information on government debt securities measured at amortised cost**

<i>Government debt securities measured at amortised cost</i>	<b>Current Period</b>	<b>Prior Period</b>
Government Bonds	6.783.015	7.124.821
Treasury Bills	--	--
Other Government Debt Securities	--	--
<b>Total</b>	<b>6.783.015</b>	<b>7.124.821</b>

**3. Information on financial assets measured at amortised cost**

<i>Financial assets measured at amortised cost</i>	<b>Current Period</b>	<b>Prior Period</b>
<b>Debt Securities</b>	<b>6.783.015</b>	<b>7.124.821</b>
Quoted on Stock Exchange	6.783.015	7.124.821
Unquoted on Stock Exchange	--	--
<b>Impairment provisions (-)</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>6.783.015</b>	<b>7.124.821</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balance at the beginning of the period</b>	<b>7.124.821</b>	<b>7.262.043</b>
Foreign exchange differences in monetary assets (*)	41.903	1.106.717
Purchases during the year	--	--
Disposals by sale and redemption	(383.709)	(1.243.939)
<b>Impairment provisions (-)</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>6.783.015</b>	<b>7.124.821</b>

(\*) 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**

<b>Title</b>	<b>Address (City/Country)</b>	<b>Share percentage of the Parent Bank(%)</b>	<b>Risk Group Share Percentage of the Parent Bank(%)</b>
1-Kredi Kayıt Bürosu A.Ş. <sup>(1)</sup>	Istanbul/Turkey	9	--
2-Kredi Garanti Fonu A.Ş. <sup>(2)</sup>	Ankara/Turkey	2	--
3-Ege Tarım Ürünleri Lisanslı Dep. A.Ş. <sup>(2)</sup>	İzmir/Turkey	9	--

	<b>Total Assets</b>	<b>Shareholders' Equity</b>	<b>Total Fixed Assets</b>	<b>Interest Income</b>	<b>Income on Securities Portfolio</b>	<b>Current Period Profit/(Loss)</b>	<b>Prior Period Profit/(Loss)</b>	<b>Fair Value</b>
1	625.710	369.787	265.455	95.718	--	75.307	76.416	--
2	963.633	560.909	19.801	44.582	--	95.447	95.447	--
3	17.818	16.667	8.054	584	--	2.504	2.461	--

<sup>(1)</sup> Information on the financial statements is presented as of the period ended 31 December 2021.

<sup>(2)</sup> 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 March 2022 prepared in accordance with the legislation to which Denizbank AG is subject to.

	<b>Denizbank AG</b>
Paid-in capital	3.775.484
Share premium	5.547.265
Reserves	11.145.305
Deductions from capital	19.324
<b>Total Common Equity</b>	<b>20.448.730</b>
Total additional Tier I capital	--
Deductions from capital	77.295
<b>Total Core Capital</b>	<b>20.371.435</b>
Total supplementary capital	440.116
<b>Capital</b>	<b>20.811.551</b>
Deductions from capital	--
<b>SHAREHOLDERS' EQUITY</b>	<b>20.811.551</b>

**2. Information on unconsolidated subsidiaries**

<b>Title</b>	<b>Address (City/Country)</b>	<b>Share percentage of the Parent Bank (%)</b>	<b>Share percentage of other shareholders (%)</b>
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

	<b>Total Assets</b>	<b>Shareholders' Equity</b>	<b>Total Fixed Assets</b>	<b>Interest Income</b>	<b>Income on Securities Portfolio</b>	<b>Current Period Profit/(Loss)</b>	<b>Prior Period Profit/(Loss)</b>	<b>Fair Value</b>
1	902.767	650.018	531.856	4.331	--	37.688	36.668	--
2	815	763	10	--	--	(25)	(36)	--
3	491	488	--	--	--	3	9	--
4	411	157	--	--	--	(10)	(36)	--
5	26.920	11.223	10.596	13	--	(897)	(527)	--
6	18.011	16.363	1.235	95	--	2.906	--	--

The financial statements of the above subsidiaries for the period ended on 31 March 2022 are not included in the consolidation since they are non-financial subsidiaries.

**3. Information on consolidated subsidiaries**

<b>Title</b>	<b>Address (City/Country)</b>	<b>Share percentage of the Parent Bank (%)</b>	<b>Share percentage of other shareholders (%) (*)</b>	<b>Consolidation Method</b>
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.	İstanbul/Turkey	100	--	Full consolidation
4 JSC Denizbank Moskova(**)	Moscow / Russia	51	49	Full consolidation
5 Deniz Portföy Yönetimi A.Ş.	İstanbul/Turkey	--	100	Full consolidation
6 Deniz Finansal Kiralama A.Ş.	İstanbul/Turkey	100	--	Full consolidation
7 Deniz Faktoring A.Ş.	İstanbul/Turkey	100	--	Full consolidation
8 Deniz Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul/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.	İstanbul/Turkey	100	--	Full consolidation

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

(\*\*) Denizbank AG sold 2% of its subsidiary share in JSC Denizbank Moscow to Denizbank.

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	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	104.386.499	21.624.123	191.979	658.032	44.899	(272.834)	173.956	--	--
2	965.740	111.526	31	5.467	--	947	237	--	--
3	2.091.885	1.348.373	19.138	54.571	--	71.843	86.169	--	--
4	3.704.580	1.267.069	36.350	84.035	16.969	37.223	16.291	--	--
5	60.019	50.581	2.994	(1.792)	(2.548)	2.417	1.505	--	--
6	7.153.624	1.008.605	1.294.292	189.414	--	37.337	183.647	--	--
7	3.217.773	337.983	17.414	123.320	437	46.587	14.507	--	--
8	1.019.265	783.667	6.749	3.320	--	63.729	2.100	--	--
9	554.709	483.408	419.090	--	--	2.058	397	--	--
10	33.685	31.264	2.881	261	--	(1.038)	(63)	--	--

Includes financial statement details subject to 31 March 2022 consolidation.

(i) Movement of consolidated subsidiaries during the period

	Current Period	Prior Period
<b>Balance at the Beginning of the Period</b>	<b>4.179.527</b>	<b>3.666.689</b>
<b>Movements During the Period</b>	<b>346.327</b>	<b>512.838</b>
Purchases (*)	34.366	4.000
Bonus Shares Received	--	--
Dividends from Current Year Profit	--	--
Sales (*)	--	--
Revaluation Increase, Effect of Inflation and F/X Difference	311.961	508.838
Other	--	--
Provision for Impairment	--	--
<b>Balance at the End of the Period</b>	<b>4.525.854</b>	<b>4.179.527</b>
<b>Capital Commitments</b>	--	--
<b>Share Percentage at the end of Period (%)</b>	--	--

(\*) Denizbank AG sold 2% of its subsidiary share in JSC Denizbank Moscow to Denizbank.

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

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

	Current Period	Prior Period
Banks	2.147.027	2.117.936
Insurance Companies	--	--
Factoring Companies	138.107	138.107
Leasing Companies	801.217	801.217
Finance Companies	--	--
Other Subsidiaries	1.439.503	1.122.267
<b>Total</b>	<b>4.525.854</b>	<b>4.179.527</b>

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	785.171	674.288
Quoted on foreign markets	--	--

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

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



**h. Information on jointly controlled entities (joint ventures)**

**1. Information on jointly controlled entities (joint ventures)**

Title	Share percentage of the Parent Bank (%)	Share percentage of the Group (%)	Current Assets	Non- Current Assets	Non-Current Liabilities	Income	Expenses
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.	33	33	120.483	58.028	43.065	108.791	(106.024)

Information on the unaudited financial statements is presented as of the period ended 31 March 2022.

**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	1.318.773	1.249.608	326.429	306.066
Between 1-4 years	2.404.042	2.051.055	2.191.947	1.790.003
Over 4 years	3.616.220	2.721.489	3.638.795	2.750.164
<b>Total</b>	<b>7.339.035</b>	<b>6.022.152</b>	<b>6.157.171</b>	<b>4.846.233</b>

(\*) Non-performing lease receivables of TL 353.060 are not included (31 December 2021: TL 381.425).

**2. Information on net investments in lease transactions**

	Current Period (*)	Prior Period (*)
Gross finance lease investment	7.339.035	6.157.171
Unearned finance income from finance lease (-)	1.316.883	1.310.938
Cancelled leasing amounts (-)	--	--
<b>Net investment on finance leases</b>	<b>6.022.152</b>	<b>4.846.233</b>

(\*) Non-performing lease receivables of TL 353.060 are not included (31 December 2021: TL 381.425).

**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 March 2022, 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	11.009	10.456
Between 1-5 years	--	--
5 years and over	--	--
<b>Total</b>	<b>11.009</b>	<b>10.456</b>

**j. Explanation on derivative financial instruments for hedging purpose**

None.

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**k. Explanation on investment properties**

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

As of 31 March 2022, the DFS Group's investment properties amount to TL 372.530 (31 December 2021: TL 369.625) which are carried at fair value in the consolidated financial statements.

**l. Information on deferred tax asset**

Deferred tax asset calculated within the scope of applicable regulation amounts to TL 3.269.696 (31 December 2021: TL 3.084.569) and deferred tax liability amounts to TL 247.814 (31 December 2021: TL 161.793). 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:

	<b>Current Period</b>	<b>Prior Period</b>
Miscellaneous Provisions	2.934.656	2.767.433
Valuation Differences of Financial Assets	335.243	314.587
Provision for Employee Benefits	127.384	149.840
Unearned Revenue	77.395	63.774
Tax Losses (*)	--	683.860
Other	42.229	46.791
<b>Deferred Tax Assets</b>	<b>3.516.907</b>	<b>4.026.285</b>
Valuation Differences of Derivatives	(310.356)	(871.480)
Valuation Differences of Tangible Assets	(184.669)	(232.029)
Valuation Differences of Financial Assets	--	--
Other	--	--
<b>Deferred Tax Liabilities</b>	<b>(495.025)</b>	<b>(1.103.509)</b>
<b>Net Deferred Tax Assets</b>	<b>3.021.882</b>	<b>2.922.776</b>

(\*) 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.

**m. Explanation on non-current assets or disposal groups held for sale and from discontinued operations**

None.

**n. Information on other assets**

**1. Information on prepaid expense, taxes and similar items**

DFS Group's total prepaid expenses are TL 797.367 (31 December 2021: TL 823.245).

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

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**II. Explanations and disclosures related to consolidated liabilities**

**a. Information on deposits**

Foreign currency protected deposit product, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL deposits are valued with interest rates and are protected against foreign currency exchange rates, started to be offered to bank customers as of the year of 2021 accounting period reported. TL deposits include TL 21.587.133 deposits within this scope as of 31 March 2022 (31 December 2021: TL 3.307.220).

**1. Information on maturity structure of deposits**

Current Period: 31 March 2022	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	7.290.238	--	6.173.782	20.773.945	16.665.282	1.314.252	704.143	4.629	52.926.271
Foreign Currency Deposits (*)	75.277.077	--	17.999.190	41.541.164	14.478.273	14.728.423	18.861.645	3.575	182.889.347
Residents in Turkey	38.114.416	--	15.315.648	33.614.628	7.344.203	3.504.083	3.044.366	3.575	100.940.919
Residents Abroad	37.162.661	--	2.683.542	7.926.536	7.134.070	11.224.340	15.817.279	--	81.948.428
Public Sector Deposits	1.300.301	--	28.007	143.431	5.384	--	--	--	1.477.123
Commercial Deposits	6.586.116	--	5.733.414	4.127.213	314.432	4.192.693	474.672	--	21.428.540
Other Ins. Deposits	226.717	--	239.046	1.521.202	100.387	109.061	47.305	--	2.243.718
Precious Metal Deposits	11.325.617	--	360.317	2.593.186	354.439	984.033	473.471	12.934	16.103.997
Bank Deposits	1.095.712	--	320.248	11.502.965	724.512	2.724.930	3.261.867	--	19.630.234
Central Bank	161.897	--	--	--	--	--	--	--	161.897
Domestic Banks	28.755	--	--	95.994	103.034	145.284	--	--	373.067
Foreign Banks	904.054	--	320.248	11.406.971	621.478	2.579.646	3.261.867	--	19.094.264
Special Finan. Inst.	1.006	--	--	--	--	--	--	--	1.006
Other	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>103.101.778</b>	<b>--</b>	<b>30.854.004</b>	<b>82.203.106</b>	<b>32.642.709</b>	<b>24.053.392</b>	<b>23.823.103</b>	<b>21.138</b>	<b>296.699.230</b>

(\*) Foreign Currency Deposit Account consists of Saving Deposit customers at the amount of TL 121.506.928 and Commercial Deposit customers at the amount of TL 61.382.419.

Prior 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	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>95.305.710</b>	<b>--</b>	<b>29.543.142</b>	<b>75.574.574</b>	<b>12.363.510</b>	<b>15.360.875</b>	<b>38.498.479</b>	<b>20.013</b>	<b>266.666.303</b>

(\*) 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.

## 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	29.334.465	22.588.462	23.500.780	19.699.031
Foreign Currency Saving Deposits	20.013.357	16.649.353	56.645.182	54.352.494
Other Deposits in the form of Saving Deposits	--	--	--	--
Foreign Branches' Deposits under Foreign Authorities' Insurance	--	--	--	--
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	--	--	--	--
<b>Total</b>	<b>49.347.822</b>	<b>39.237.815</b>	<b>80.145.962</b>	<b>74.051.525</b>

### (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	130.663	138.421
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	96.830	127.782
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	64.511	61.642
<b>Total</b>	<b>292.004</b>	<b>327.845</b>

(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	268.083	248.108	429.031	212.894
Swap Transactions	696.035	2.172.081	938.428	2.741.948
Futures Transactions	6.289	--	--	--
Options	89	446.252	4	137.541
Other	--	--	--	--
<b>Total</b>	<b>970.496</b>	<b>2.866.441</b>	<b>1.367.463</b>	<b>3.092.383</b>

## 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	3.917.557	3.195.737	2.909.771	2.518.156
Foreign Banks, Institutions and Funds	350.340	42.714.815	--	43.428.380
<b>Total</b>	<b>4.267.897</b>	<b>45.910.552</b>	<b>2.909.771</b>	<b>45.946.536</b>

### 2. Maturity information of funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	4.087.199	7.038.454	2.693.806	9.916.973
Medium and Long-Term	180.698	38.872.098	215.965	36.029.563
<b>Total</b>	<b>4.267.897</b>	<b>45.910.552</b>	<b>2.909.771</b>	<b>45.946.536</b>

**d. Information on securities issued**

	Current Period		Prior Period	
	TL	FC	TL	FC
Bonds	89.616	2.686.266	569.352	2.489.288
Bills	4.962.909	1.132.175	4.725.194	2.609.796
Asset Backed Securities	--	--	--	--
<b>Total</b>	<b>5.052.525</b>	<b>3.818.441</b>	<b>5.294.546</b>	<b>5.099.084</b>

The Parent Bank has repurchased the securities it has issued amounting to TL 19.656 and netted them in its financial statements (31 December 2021: TL 384.780).

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

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

**f. Information on lease liabilities**

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	293.113	195.207	360.808	239.785
Between 1-4 years	501.845	399.343	512.696	351.324
Over 4 years	22.379	18.524	20.144	16.704
<b>Total</b>	<b>817.337</b>	<b>613.074</b>	<b>893.648</b>	<b>607.813</b>

**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 March 2022, there is no provisions for foreign exchange differences on foreign currency indexed loans (31 December 2021: 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	%5,08
Interest rate	%24,00	%24,00
Estimated rate of increase in salary/severance pay limit	%18,00	%18,00

As of 31 March 2022, TL 335.106 of provision for employee termination benefits (31 December 2021: TL 320.924) and TL 387.428 of unused vacation provisions and other rights (31 December 2021: TL 444.674) 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
<b>Balance at the Beginning of the Period</b>	<b>320.924</b>	<b>284.403</b>
Changes in the period	20.701	79.445
Actuarial loss/gain	--	(4.264)
Paid in the period	(12.418)	(44.559)
FX difference	5.899	5.899
<b>Balance at the End of the Period</b>	<b>335.106</b>	<b>320.924</b>

### 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 899.496 of other provisions represents stage 1 and stage 2 provisions for expected credit loss for non-cash loans, TL 919.250 is related to stage 3 provision for expected credit loss for non-cash loans that are unindemnified and not converted into cash, TL 199.255 is the provisions for the litigations against the Bank and TL 967.916 includes other provisions.

#### Prior 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.

### i. Explanations on tax liability

#### 1. Information on current tax liability

##### (i) Information on tax provision

As of 31 March 2022, the corporate tax provision of DFS Group amounts to TL 1.173.522 (31 December 2021: TL 337.181), and it has been offset with advance taxes amounting to TL 400.242 (31 December 2021: TL 305.908).

##### (ii) Information on tax liabilities

	Current Period	Prior Period
Corporate tax payables	773.280	31.273
Taxation on securities	65.035	64.325
Taxes on real estate capital gain	3.850	2.986
Banking Insurance Transaction Tax (BITT)	439.702	157.096
Taxes on foreign exchange transactions	10.971	43.286
Value added tax payables	9.035	14.753
Other	55.465	40.184
<b>Total</b>	<b>1.357.338</b>	<b>353.903</b>

##### (iii) Information on premiums

	Current Period	Prior Period
Social security premiums- employee share	22.897	14.834
Social security premiums- employer share	25.863	16.618
Bank pension fund premium- employee share	--	--
Bank pension fund premium- employer share	--	--
Pension fund membership fees and provisions- employee share	--	1.864
Pension fund membership fees and provisions- employer share	--	2.282
Unemployment insurance- employee share	9.064	1.084
Unemployment insurance- employer share	3.083	2.079
Other	--	28.051
<b>Total</b>	<b>60.907</b>	<b>66.812</b>

#### 2. Information on deferred tax liability

Deferred tax liability calculated within the scope of the applicable regulations amounts to TL 247.814 (31 December 2021: TL 161.793). The detail of deferred tax is disclosed in Note "I" of explanations and disclosures related to consolidated assets.

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

None.

**k. Information on shareholders' equity**

**1. Presentation of paid-in capital**

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

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

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

The registered share capital system is not applied.

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

None.

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

None.

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

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

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

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

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

The Parent Bank does not have any preferred stocks.

**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	--	1.017.498	--
Valuation Difference	2.610.388	(1.823.766)	270.464	(1.436.122)
FX Gain or Loss	--	--	--	--
<b>Total</b>	<b>3.627.886</b>	<b>(1.823.766)</b>	<b>1.287.962</b>	<b>(1.436.122)</b>

**10. Information on hedging funds**

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

**11. Explanations on minority shares**

	Current Period	Prior Period
<b>Balance at the Beginning of the Period</b>	<b>151.621</b>	<b>53.494</b>
Minority shares in net income of consolidated subsidiaries	16.002	32.894
Increase/(decrease) in minority shares due to disposals	--	--
Other	--	65.233
<b>Balance at the End of the Period</b>	<b>167.623</b>	<b>151.621</b>

**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 233.651 has been accounted for in "Other Accumulated Comprehensive Income That Will Not Be Reclassified in Profit or Loss" under equities (31 December 2021: TL 224.096).

**13. Explanations on profit distribution**

At the Ordinary General Assembly Meeting held on 25 March 2022, according to the proposal of the Parent Bank's Board of Directors for profit distribution, TL 177.346 of the net profit for the period of 2021 amounting to TL 3.546.918 was allocated as legal reserves and the remaining TL 3.369.572 was allocated as extraordinary reserves.



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

#### a. Explanation on liabilities in off-balance sheet accounts

##### 1. Type and amount of irrevocable loan commitments

All of DFS Group's off-balance sheet loan commitments are in the nature of irrevocable commitments. As of 31 March 2022, loan granting commitments, commitments for credit card expenditure limits and commitments for cheque payments are TL 23.881.655, TL 47.875.436 and TL 4.856.058 respectively (31 December 2021: TL 21.028.309, TL 42.095.217 and TL 3.369.186 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 March 2022, DFS Group has letters of guarantee amounting to TL 52.762.280, bill of guarantee and acceptances amounting to TL 339.264, and guarantees and warranties on letters of credit amounting to TL 17.408.998 and other guarantees and warranties amounting to TL 4.760.789.

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.

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

	Current Period	Prior Period
Provisional Letters of Guarantee	981.726	988.508
Final Letters of Guarantee	28.179.680	25.513.361
Letters of Guarantee for Advances	4.895.873	4.384.604
Letters of Guarantee given to Customs Offices	308.314	290.258
Other Letters of Guarantee	18.396.687	17.925.736
<b>Total</b>	<b>52.762.280</b>	<b>49.102.467</b>

##### 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	22.961.267	23.618.106
With Original Maturity of 1 Year or Less	22.961.267	23.132.807
With Original Maturity of More Than 1 Year	--	485.299
Other Non-Cash Loans	52.310.064	43.473.978
<b>Total</b>	<b>75.271.331</b>	<b>67.092.084</b>

#### b. Explanations on contingent assets and liabilities

In accordance with the precautionary principle regarding the lawsuits filed against the Group, TL 199.255 (31 December 2021: TL 252.167) 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.

#### 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	2.477.348	401.395	1.104.484	141.228
Medium and Long Term Loans	2.995.175	1.228.273	2.377.227	872.696
Loans Under Close Monitoring	203.568	3.043	58.588	--
Premiums Received from Resource Utilisation Support Fund	--	--	--	--
<b>Total</b>	<b>5.676.091</b>	<b>1.632.711</b>	<b>3.540.299</b>	<b>1.013.924</b>

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

##### 2. Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of the Republic of Turkey	--	--	--	--
Domestic Banks	5.787	5.221	49.759	5.261
Foreign Banks	201	9.180	146	2.101
Foreign Head Offices and Branches	--	--	--	--
<b>Total</b>	<b>5.988</b>	<b>14.401</b>	<b>49.905</b>	<b>7.362</b>

The interest income received from required reserves of the Parent Bank with the CBRT is TL 85.275 (1 January - 31 March 2021: TL 47.754).

##### 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	8.723	16.621	9.399	3.437
Financial Assets at Fair Value Through Other Comprehensive Income	631.562	298.671	186.454	90.201
Financial Assets Measured at Amortised Cost	117.151	37.748	95.344	27.469
<b>Total</b>	<b>757.436</b>	<b>353.040</b>	<b>291.197</b>	<b>121.107</b>

As stated in the chapter III footnote numbered VII, the Parent Bank has government securities in the financial assets at fair value through other comprehensive income and financial assets measured at amortised cost portfolios with a maturity of 5 to 10 years and having CPI indexed 6 months real coupon ratio fixed until maturity. As stated in the Undersecretariat of Treasury's securities indexed CPI Investors Guide, the reference indexes used in calculating the actual coupon payment amounts of these assets are based on the CPI of previous two months. The Parent Bank predicts the estimated inflation rate in parallel to those. The estimated inflation rate used is updated when necessary during the year. In this context, as of 31 March 2022, the valuation of these securities was made according to the annual forecast of 35% inflation. If the valuation for these securities indexed to the CPI was made according to the reference index valid for 31 March 2022, the securities valuation differences under the equity would decrease by TL 1.052.925 and net profit for the period would increase by TL 1.115.437 to TL 3.675.362.

##### 4. Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	21	--

##### b. Interest expense

##### 1. Information on interest expense related to funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>	<b>146.567</b>	<b>661.376</b>	<b>83.765</b>	<b>322.281</b>
Central Bank of the Republic of Turkey	--	132.107	--	20.060
Domestic Banks	139.218	19.135	80.873	8.757
Foreign Banks	7.349	510.134	2.892	293.464
Foreign Head Offices and Branches	--	--	--	--
<b>Other Institutions</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>146.567</b>	<b>661.376</b>	<b>83.765</b>	<b>322.281</b>

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	4.524	1.059

**3. Information on interest paid to securities issued**

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Securities Issued	218.643	68.574	133.792	--

**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		
<b>TL</b>								
Bank Deposits	--	25.274	--	--	--	--	--	25.274
Saving Deposits	35	249.668	1.005.891	374.855	39.221	28.406	180	1.698.256
Public Sector Deposits	--	2.393	5.350	191	--	--	--	7.934
Commercial Deposits	--	211.249	172.013	4.482	80.039	8.212	--	475.995
Other Deposits	--	9.791	41.541	2.778	2.449	1.662	--	58.221
7 Days Call Account	--	--	--	--	--	--	--	--
<b>Total</b>	<b>35</b>	<b>498.375</b>	<b>1.224.795</b>	<b>382.306</b>	<b>121.709</b>	<b>38.280</b>	<b>180</b>	<b>2.265.680</b>
<b>FC</b>								
Deposits	4.872	39.867	95.481	39.526	22.600	53.116	14.470	269.932
Bank Deposits	7.956	11.897	--	--	--	12.585	--	32.438
7 Days Call Account	--	--	--	--	--	--	--	--
Precious Metal Deposits	3	291	2.215	445	2.651	2.021	33	7.659
<b>Total</b>	<b>12.831</b>	<b>52.055</b>	<b>97.696</b>	<b>39.971</b>	<b>25.251</b>	<b>67.722</b>	<b>14.503</b>	<b>310.029</b>
<b>Grand Total</b>	<b>12.866</b>	<b>550.430</b>	<b>1.322.491</b>	<b>422.277</b>	<b>146.960</b>	<b>106.002</b>	<b>14.683</b>	<b>2.575.709</b>

**c. Explanations on trading income/loss**

	Current Period	Prior Period
<b>Income</b>	<b>415.531.403</b>	<b>271.032.388</b>
Capital Market Transactions	285.923	349.903
Derivative Financial Instruments	6.104.185	5.659.182
Foreign Exchange Gains	409.141.295	265.023.303
<b>Loss (-)</b>	<b>414.391.961</b>	<b>270.412.338</b>
Capital Market Transactions	81.974	62.259
Derivative Financial Instruments	3.011.812	2.815.851
Foreign Exchange Losses	411.298.175	267.534.228
<b>Net Trading Income / Loss</b>	<b>1.139.442</b>	<b>620.050</b>

Net gain/(loss) from foreign exchange translation differences related to derivative financial instruments amounts to TL 2.798.484 (1 January - 31 March 2021: TL 2.340.739).

**d. Information on other operating income**

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

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**e. Provisions for expected credit loss**

	Current Period	Prior Period
Expected credit loss (*)	1.867.710	1.588.627
12 months provision for expected credit loss (Stage 1)	503.057	148.214
Significant increase in credit risk (Stage 2)	630.378	1.260.029
NPL (Stage 3)	734.275	180.384
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	(16.292)	107.785
<b>Total</b>	<b>1.851.418</b>	<b>1.696.412</b>

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

**f. Information on other operating expenses**

	Current Period	Prior Period
Personnel Expenses (*)	949.633	568.164
Reserve for Employee Termination Benefits (*)	13.243	10.756
Reserve for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	119.768	103.659
Impairment Losses on Intangible Assets	--	--
Goodwill for impairment loss	--	--
Amortisation Charges of Intangible Assets	78.256	57.087
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	--	9.235
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	577.804	384.415
Operational Lease Expenses (**)	25.095	23.349
Repair and Maintenance Expenses	134.390	21.801
Advertisement Expenses	28.910	25.820
Other Expenses (***)	389.409	313.445
Losses on Sale of Assets	286	553
Other	888.777	209.041
<b>Total</b>	<b>2.627.767</b>	<b>1.342.910</b>

(\*) 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 40.229, TL 16.642, TL 18.141, TL 1.088, TL , 40.594, TL 136.930 and TL 135.785 respectively (1 January - 31 March 2021: TL 25.136, TL 71.910, TL 8.795, TL 504, TL 16.418, TL 100.160 and TL 90.522 respectively).

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

As 1 January - 31 March 2022, DFS Group has a profit before tax from continued operations amounting to TL 3.023.785 (1 January - 31 March 2021: TL 1.418.742).

There is no profit before tax from discontinued operations for the period 1 January - 31 March 2022 (1 January - 31 March 2021: None).

**h. Information on tax provision for continued and discontinued operations**

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

As of 1 January - 31 March 2022, the current tax charge on continued operations amounts to TL 1.458.477 (1 January - 31 March 2021: TL 256.809) while deferred tax charge amounts to TL 1.371.583 (1 January - 31 March 2021: TL 1.172.295) and deferred tax benefit amounts to TL 2.366.200 (1 January - 31 March 2021: TL 1.080.954).

There are no current tax expenses on discontinued operations.

**i. Explanations on net profit and loss for the period**

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

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

**2. Profit/(loss) attributable to minority shares**

	<b>Current Period</b>	<b>Prior Period</b>
Profit/(loss) attributable to minority shares	16.002	344

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

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

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.

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

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

**Current Period**

DFS Group's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Loans</b>						
Balance at the Beginning of the Period	6.164	51.527	272.606	6.144	539.646	--
Balance at the End of the Period	4.598	53.845	31.941	83.617	578.793	--
Interest and Commission Income	33	--	32	--	2	--

(\*) 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
<b>Loans</b>						
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	6	5	262	--	--	--

(\*) 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	281.218	148.929	29.596.720	15.518.492	51.594	28.010
Balance at the End of the Period	250.823	281.218	26.412.866	29.596.720	21.785	51.594
Interest and Commission Expense Paid	4.524	1.095	243.309	128.319	429	935

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

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

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

DFS Group's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Transactions for Financial Assets at Fair Value through Profit or Loss Purposes:</b>						
Balance at the Beginning of the Period	--	--	100.000	101.455	--	18.129
Balance at the End of the Period	--	--	100.000	100.000	387	--
Total Income/(Loss)	--	--	3.580	18.992	366	(92)
<b>Transactions for Hedging Purposes:</b>						
Balance at the Beginning of the Period	--	--	--	--	--	--
Balance at the End of the Period	--	--	--	--	--	--
Total Income/(Loss)	--	--	--	--	--	--

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

**d. Information on benefits provided to top management**

As of 31 March 2022 DFS Group made payment amounting to TL 105.521 (31 March 2021: TL 49.031) to its key management.

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

As of 31 March 2022, cash loans and other receivables of the risk group represent 0,25% of DFS Group's total cash loans and banks; deposits and borrowings represent 7,45% of DFS Group's total deposits and borrowings. Non-cash loans granted to risk group companies represent 0,18% of the total non-cash loans balance.

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

**VI. Subsequent events**

With the 25th article of the Law numbered 7394 published in the Official Gazette dated 15 April 2022 and numbered 31810, the first paragraph of the article 32 of the Corporate Tax Law numbered 5520, which regulates the corporate tax rate, has been changed and the general corporate tax rate is 20%; the corporate tax rate for banks, companies within the scope of Law numbered 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies has been determined as 25%. It has been added to the Corporate Tax Law numbered 5520 with the provisional article that the 25% rate will be applied to the corporate earnings of the 2022 taxation period with the 26th article of the same law.

As of 31 March 2022, Türk Telekomünikasyon A.Ş., owned by LYY Telekomünikasyon A.Ş. 192.500.000.000 Group A registered shares representing 55% of its capital were sold to Turkey Wealth Fund, and as a result of the collection made on 1 April 1 2022 from the sale amount, the portion of the related loan amounting to USD 38.868.125 corresponding to the Parent Bank's share has been settled.

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

## **SECTION SIX**

### **INDEPENDENT AUDITOR'S REVIEW REPORT**

#### **I. Matters to be disclosed related to Independent Auditor's Review Report**

Consolidated financial statements and notes of the DFS Group are subject to independent auditor's review by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member Firm of Deloitte Touche Tohmatsu Limited) and independent audit review report dated 25 April 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.



## **SECTION SEVEN**

### **INTERIM ACTIVITY REPORT**

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

#### **Message From the Chairman**

DenizBank continues to play an important role in the development of the country's economy owing to its rich knowledge and experience of the past 25 years, its agile structure, experienced management team and the support of ENBD's solid financial base, despite a challenging global economic and operating climate.

The measures introduced in Turkey, including the pause to the easing cycle signaled by the Central Bank of the Republic of Turkey, FX-protected Turkish Lira deposit scheme and the support loan program for SMEs have all led to improved financial stability in Q1-22.

During this process, DenizBank provided a reliable and uninterrupted service to its customers through all banking channels. In line with its commitment to serve the country, it continued to be a reliable banking partner especially to Retail, SMEs and the agricultural and tourism sectors, which play an important role in the long-term success of the Turkish economy.

The Bank's innovation was further demonstrated through its first repo transaction referencing environmental, social and governance (ESG) criteria, with the Bank demonstrating its commitment to agriculture and further enhancing banking services for the disabled.

DenizBank will continue to shape the future of banking in the Middle East, North Africa and Turkey region with its strong capital base, customer-centered approach and expertise in technology and innovation.

#### **Message from The President and CEO**

As DenizBank, in the first quarter of 2022, we continued our activities all across the country, taking full precautions against the negative socio-economic impacts created by the ongoing pandemic, global inflation and geopolitical developments between Russia and Ukraine.

Loan growth, which accelerated in the last quarter of 2021, continued to accelerate in the first quarter of 2022. SME and agricultural loans were added to the increase in TL-weighted retail loans and credit cards.

Our bank continued its prudent growth in assets, loans and deposits. Our assets realized as TL 437,7 billion on a consolidated basis and TL 348,8 billion on an unconsolidated basis in the first three months of 2022.

During this period, the Ministry of Treasury and Finance and the Central Bank of the Republic of Turkey introduced practices that will support the conversion of foreign currency and gold denominated deposits and participation funds into Turkish lira time deposits in order to increase the share of Turkish lira and support financial stability. DenizBank quickly launched its products to convert foreign currency savings of resident customers as well as non-resident Turkish customers into TL with a secure and profitable system.

TL time deposits, which increased as savings shifted towards Turkish Lira, were instrumental in our total customer deposits reaching TL 277,1 billion on a consolidated basis and TL 199,6 billion on an unconsolidated basis. Other determining factors in these increases were our branch network, which has reached 716 in total together with 21 subsidiary branches abroad in addition to those operating in 81 provinces of Turkey, and our customer base, which has grown by 7% in the last year.

Continuing to transfer the resources it collected in the first three months of 2022 to the economy, our Bank increased its consolidated cash loan volume to 250,9 Billion TL, its unconsolidated cash loan volume to TL 189,3 billion, and its consolidated cash and non-cash loan volume to TL 326 billion. While our equity increased to TL 33,2 billion on a consolidated basis and to TL 33,0 billion on an unconsolidated basis; our equity including subordinated loans realized as TL 44,7 billion on a consolidated basis and TL 44,5 billion on an unconsolidated basis. In the first three months of 2022, our consolidated net profit realized as TL 2.560 million and our unconsolidated net profit realized as TL 2.550 million.

#### **We were rewarded Bank of the Year in Western Europe and Turkey**

In addition to our financial successes, we left behind a period in which we excelled in technology and innovation; we received the 'Bank of the Year' Award in Turkey and Western Europe from the prestigious finance and economy magazine The Banker. We are proud to stand out from our competitors from 16 countries and reach the first place with our investments in new generation technologies, innovative initiatives such as

NEOHUB and Deniz Aquarium that we have implemented with an ecosystem approach, and the actions we have taken with a focus on sustainable growth during the pandemic period.

**We realized our first sustainability-related repo transaction**

As an institution, we know it is our duty to take responsibility for the future of the planet as well as our Bank and our country; we integrate sustainability issues into all our activities, products and services. With this understanding, we made our first repo transaction with the London-based financial institution Standard Chartered Bank, which includes sustainability criteria related to Environmental, Social and Corporate Governance (ESG), by determining performance criteria to increase the number of branches and ATMs suitable for our disabled citizens, as well as financing agriculture.

**We proceed on our route with the principle of responsible banking**

Until today, we have considered it our duty to serve our people in every inch of our country; we produced technology and innovation with all our means for the inclusiveness and accessibility of banking services. As a big family, we will continue to work with the vision of banking that is sensitive to the environment, natural resources, and cares about the legacy it will leave to its children and the future.

**Changes in DFSG Companies**

The payment transactions regarding the purchase of the 2% share of DenizBank Moscow, owned by DenizBank AG, a subsidiary of the Bank, have been completed on 30.03.2022 and the shares have been transferred on 31 March 2022. In this context, the Bank's share in DenizBank Moscow's capital increased from 49% to 51%.

The Board of Directors of the Bank resolved to increase the capital of its subsidiary fastPay Elektronik Para ve Ödeme Hizmetleri A.Ş. by TL 25 million TL in order to comply with the minimum equity requirement and to pay the Bank's capital commitments payable on 31 March 2022 before the registration of the capital increase by fully participating in the increased amount and the payment was made on 31 March 2022.

**Amendments to Articles of Association**

There is no amendment to Articles of Association.

**Amendments to Rating Notes**

The amendments to Ratings of Denizbank assigned by Fitch Ratings and Moody's in 2022 are below.

On 31 January 2022, International Rating Agency Fitch Ratings has affirmed DenizBank's long-term foreign currency IDR at "B+" and local currency IDR at "BB-" with outlook as "Negative". Fitch has affirmed Denizbank's viability rating at "b+", short-term local and foreign currency IDRs at "B", shareholder support rating at "b+" and National Long-Term rating at "AA (tur)" with a "Stable" outlook.

On 25 February 2022, following the downgrade of Turkey's Long Term Foreign and Local Currency Issuer Default Ratings (IDR) to "B+" from "BB-", and the country ceiling to "B+" from "BB-" on 11 February 2022, International Rating Agency Fitch Ratings has also revised the ratings of Turkish banks. In this context, Fitch Ratings has revised DenizBank's long-term local currency IDR to "B+" from "BB-", long term foreign currency IDR to "B" from "B+" with their "Negative" Outlooks and shareholder support rating to "b" from "b+". Fitch ratings affirmed our viability rating at "b+" with RWN (Rating Watch Negative) and our short-term local and foreign currency IDRs at "B".

Ratings are as follows:

<b>Moody's*</b>		<b>Fitch Ratings**</b>	
Outlook	<b>Negative</b>	Outlook	<b>Negative</b>
Long Term Foreign Currency Deposits	<b>B2</b>	Long Term Foreign Currency	<b>B</b>
Short Term Foreign Currency Deposits	<b>Not Prime</b>	Short Term Foreign Currency	<b>B</b>
Long Term Local Currency Deposits	<b>B1</b>	Long Term Local Currency	<b>B+</b>
Short Term Local Currency Deposits	<b>Not Prime</b>	Short Term Local Currency	<b>B</b>
Baseline Credit Assessment (BCA)	<b>caa1</b>	Viability	<b>b+</b>
		Shareholder Support	<b>b</b>
		National	<b>AA (tur) (Stable)</b>
* As of 24.08.2021		** As of 25.02.2022	

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 MARCH 2022**

(Currency: Thousands of TL - Turkish Lira)

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

**Financial Information**

**a. General Outlook of the Banking Sector**

Evaluation of the banking sector according to the March 2022 data \*:

-Loan volume (excluding financial sector loans)	TL 5.495 billion
TL Loan volume (excluding financial sector loans)	TL 3.187 billion
FX Loan volume (excluding financial sector loans)	USD 156 billion
-Deposit Volume (excluding interbank deposits)	TL 6.040 billion
TL Deposit Volume (excluding interbank deposits)	TL 2.507 billion
FX Deposit Volume (excluding interbank deposits)	USD 239 billion

In the first three months of 2022 the total loan volume of the banking sector reached TL 5.495 billion. SME, credit card and commercial loans became the segments with priority impact on total loan increase. Total consumer loans reached TL 797 billion, while total credit card loans was TL 224 billion. SME loans reached TL 1.229 billion in the first three months. While completing the year of 2021 at level of 3,2%, the total NPL ratio realized as 2,9% as at March 2022.

Total deposits reached TL 6.040 billion as at March 2022. The sector's total equity rose TL 801 billion at the end of the first two months.

The net profit of the banking sector in the first two months was realized as TL 39,0 billion.

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

**b. Summary Financial Highlights**

**Summary Consolidated Financial Highlights (TL millions)**

<b>Balance Sheet</b>	<b>31/03/2022</b>	<b>31/12/2021</b>
Securities <sup>(1)</sup>	55.194	37.438
Net Loans	250.873	225.558
Cash and Banks, net	107.576	106.173
Total Assets	437.713	395.715
Customer Deposits <sup>(2)</sup>	277.069	248.509
Time	175.063	154.293
Demand	102.006	94.216
Borrowings	50.178	48.856
Securities Issued	8.871	10.394
Sub-ordinated Loans	11.474	10.485
Shareholders' Equity	33.215	29.048
Paid-in Capital	5.696	5.696
Non-cash Loans	75.271	67.092
<b>Income Statements</b>	<b>31/03/2022</b>	<b>31/03/2021</b>
Interest Income	8.812	5.230
Interest Expense	(3.885)	(2.577)
Net Interest Income after Provisions	3.060	1.065
Non-interest Income	3.225	2.290
Non-interest Expense	(3.261)	(1.936)
Tax Expense	(464)	(348)
Net Profit	2.560	1.071
<b>Other Highlights</b>	<b>31/03/2022</b>	<b>31/12/2021</b>
Number of Branches <sup>(3)</sup>	716	712
Number of Employees	14.789	14.345
Number of ATMs	3.096	3.095
Number of POS Terminals	304.780	276.024
Number of Credit Cards	5.995.435	5.878.884

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

<sup>(2)</sup> Excludes bank deposits

<sup>(3)</sup> Includes subsidiaries' branches

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**c. Assessment of Financial Position and Risk Management**

	<b>Consolidated</b>	
<b>(TL millions)</b>	<b>31/03/2022</b>	<b>31/12/2021</b>
Capital Adequacy Ratio (%)	17,54	16,83
Shareholders' Equity	33.215	29.048
Return on Average Equity (%)	33,35	13,94
Non-performing Loans/ Total Cash Loans Ratio (%)	6,24	6,62