

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

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

**INDEPENDENT AUDITOR'S REPORT, CONSOLIDATED  
FINANCIAL STATEMENTS AND NOTES FOR THE YEAR  
ENDED 31 DECEMBER 2023**

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

## **INDEPENDENT AUDITOR'S REPORT**

**To the General Assembly of Denizbank AŞ.**

### **A) Report on the Audit of the Financial Statements**

#### **1) Qualified Opinion**

We have audited the financial statements of Denizbank AŞ (the "Bank") and its consolidated subsidiaries ("the Group"), which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated statement of income, consolidated statement of income and expense items accounted for under shareholders' equity, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended and, notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Bank as at December 31, 2023, and (of) its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with "the Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Regulations" including the regulation on "The Procedures and Principles Regarding Banks' Accounting Practices and Maintaining Documents" published in the Official Gazette dated 1 November 2006 with No.26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by BRSA and provisions of Turkish Financial Reporting Standards (TFRS) for the matters not legislated by the aforementioned regulations.

#### **2) Basis for Qualified Opinion**

The accompanying Consolidated financial statements as at 31 December 2023 include a free provision amounting to TL 6.700.000 thousand, which TL 4.175.000 thousand has been allocated in previous years and TL 2.525.000 thousand recognized as an expense in the consolidated financial statements in the current period, provided by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation. If the mentioned free provision were not provided, the other provisions would decrease by TL 6.700.000 thousand and profit before tax would increase by TL 2.525.000 and equity would increase by TL 6.700.000 thousand for the period ended 31 December 2023.

We conducted our audit in accordance with the regulation on "Independent Auditing of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314 and Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics for Independent Auditors* ("Code of Ethics") published by the POA, together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
<p><b><i>Impairment of loans in accordance with TFRS 9 Financial Assets</i></b></p> <p>Impairment of loans is a key area of judgment for the management. The Group has the total loans, receivables from leasing transactions and factoring receivables amounting to TL 608.163.015 a thousands, which comprise 52% of the Group's total assets in its consolidated financial statements and the total provision for impairment amounting to TL 38.123.402 as at 31 December 2023.</p> <p>As of 1 January 2018, the Group has started to recognize provisions for impairment of loans in accordance with the TFRS 9 requirements according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 June 2016 numbered 29750.</p> <p>In this respect, the method of provisions for impairment as set out in accordance with the related legislation of BRSA as mentioned in the Section 3 Note VIII of Explanation on Accounting Policies, the expected credit loss estimates are required to be unbiased, probability-weighted and should include supportable information about past events, current conditions, and forecasts of future economic conditions.</p> <p>The Group exercises significant decisions using judgment, interpretation and assumptions over calculating loan impairments. These judgments, interpretations and assumptions are key in the development of the financial models built to measure the expected credit losses on loans.</p>	<p>As part of our audit work, the following procedures were performed:</p> <p>We assessed and tested the design, implementation and operating effectiveness of key controls applied by the Group with respect to classification of loans and determination and calculation of impairments. Our information system experts have also participated to perform these procedures.</p> <p>We have assessed and analyzed the relevant contract terms to assess management's accounting policy and classification of the instrument for selected samples.</p> <p>We have performed loan review procedures on selected samples of loans and receivables with the objective of identifying whether the loss event had occurred and whether the provision for impairment has been recognized in a timely manner within the framework of the provisions of the relevant legislation.</p> <p>We have tested relevant inputs and assumption used by the management in each stage of the expected credit loss calculation by considering whether the inputs and assumptions appear reasonable, the relationship between the assumptions and whether the assumptions are interdependent and internally consistent, whether the assumptions appropriately reflect current market information and collections, and whether the assumptions appear reasonable when considered collectively with other assumptions, including those for the same accounting estimates and those for other accounting estimates.</p>

Key Audit Matters	How the matter was addressed in the audit
<p>A significant part of the Group's corporate loan portfolio has assessed individually. This situation requires significant judgments in the calculation of the expected loan loss provision.</p> <p>Not fulfilling the requirements of the TFRS 9 is a potential risk for the Bank. Failure in determining the loans and receivables that are impaired and not recording the adequate provision for these impaired loans is the aforementioned risk. Accordingly, impairment of loans and receivables is considered as a key audit matter.</p> <p>Related explanations relating to the impairment of loans and receivables in the consolidated financial statements are presented in Section 5 Note I.d.</p>	<p>We have tested historical loss data to validate the completeness and accuracy of key parameters.</p> <p>We have tested whether the model is applied to appropriate groupings of assets which share credit risk characteristics.</p> <p>We tested the application of the model to the relevant inputs and the mathematical integrity of each stage of the expected credit loss calculation.</p> <p>Based on our discussions with the Group management, we evaluated whether the key assumptions and other judgements, underlying the estimations of impairments were reasonable.</p> <p>We assessed expected credit losses determined based on individual assessment per Group's policy by means of supporting data and evaluated appropriateness via discussions with management.</p> <p>Our specialists are involved in all procedures regarding assumptions of models and individual assessments.</p> <p>In order not to ignore the extraordinary situations that did not occur during the model's consideration periods, the affected portfolios were determined by the Group and all the studies related to the assumptions regarding the expected credit loss provisions were evaluated via discussions with the bank management.</p> <p>We have reviewed disclosures made within the TFRS 9 framework in the financial statements of the Group with respect to loans and receivables and related impairment provisions.</p>

Key Audit Matters	How the matter was addressed in the audit
<p><b><i>Information Technologies Audit</i></b></p> <p>The Group and its finance functions are dependent on the IT-infrastructure for the continuity of its operations, and the demand for technology-enabled business services is rapidly growing in the Group and its subsidiaries. Controls over reliability and continuity of the electronic data processing are within the scope of the information systems internal controls audit. The reliance on information systems within the Group means that the controls over access rights, continuity of systems, privacy and integrity of the electronic data are critical and found to be key area of focus as part of our risk-based scoping.</p>	<p>Procedures within the context of our information technology audit work:</p> <ul style="list-style-type: none"> <li>• We identified and tested the Group's controls over information systems with risk-based approach as part of our audit procedures.</li> <li>• Information generation comprise layers of information systems that are important for financial statements (including applications, networks, transmission systems and database). The information systems controls tested are categorized in the following areas: <ul style="list-style-type: none"> <li>• Access Security</li> <li>• Change Management</li> <li>• Data Center and Network Operations</li> </ul> </li> <li>• We selected high-risk areas as, log management for database and change management control activities, to prevent and detect whether accesses to financial data had been identified in a timely manner.</li> <li>• We tested the accesses management and log management controls underlying all applications that have direct or indirect impacts on financial data generation.</li> <li>• Automated controls and integration controls are tested to underly and detect changes and accesses in the process of financial data generation.</li> <li>• We also tested the completeness and accuracy of the information produced by the entity and information used in controls reports as inputs to our controls and outputs generated by the IT components.</li> <li>• Finally, we understood and tested the controls over database, network, application and operating system layers of applications.</li> </ul>

#### **4) Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Group Management is responsible for the preparation and fair presentation of the financial statements in accordance with the BRSA Accounting and Reporting Regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.**

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### **5) Auditor's Responsibilities for the Audit of the Financial Statements**

Responsibilities of independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the regulation on "Independent Auditing of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314 and SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the regulation on "Independent Auditing of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314 and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.**

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## **B) Other Responsibilities Arising From Regulatory Requirements**

In accordance with paragraph four of the Article 402 of the Turkish Commercial Code No. 6102 ("TCC"), nothing has come to our attention that may cause us to believe that the Group's set of accounts for the period 1 January - 31 December 2023 does not comply with TCC and the provisions of the Bank's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor's report is Yaman Polat.

## **Additional Paragraph for English Translation**

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

**DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.**

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Yaman Polat

Partner

İstanbul, 23 January 2024

**DENİZBANK A.Ş.**  
**CONSOLIDATED FINANCIAL REPORT AS OF 31 DECEMBER 2023**

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Telephone and Fax Numbers  
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Website of the Bank  
www.denizbank.com

E-mail address of the Bank  
yatirimciiliskileri@denizbank.com

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

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

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

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

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

23 January 2024

**HAKAN ELVERDİ**

Senior Vice President  
Financial Reporting  
and Accounting

**RUSLAN ABİL**

Executive Vice President  
Financial Affairs and Chief  
Financial Officer

**HAKAN ATEŞ**

Member of Board of Directors  
and President and Chief  
Executive Officer

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

**BJORN LENZMANN**

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

**AHMED MOHAMMED AQIL  
QASSIM AL QASSIM**

Member of Board of Directors  
and Audit and Risk Committee

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**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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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.

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

<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	--
Tanju Kaya	Member	--
Burcu Çalıkılı	Member	--
Bjorn Lenzenmann	Member	--
Aazar Ali Khwaja	Member	--
<b>Audit Committee</b>		
Ahmed Mohammed Aqil Qassim Alqassim	Member	--
Bjorn Lenzenmann	Member	--
<b>Executive Vice Presidents<sup>(2)</sup></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	Credits	--
Ramazan Işık	Head of Internal Audit	--
Engin Eskiduman	SME Banking, Agricultural Banking and Public Financing	--
Necip Yavuz Elkin	Human Resources and Deniz Academy	--
Oğuzhan Özark	Individual and Private Banking	--
Sinan Yılmaz	Head of Risk Management Group	--
Verda Beril Yüzer Oğuz	Financial Institutions and Sustainability Coordination	--
Umut Özdoğan	Information Systems	--
Savaş Çitak	Project Finance, Financial Restructuring and Credits International Coordination	--
Kishore Swayamberdud Bhat	Credit Allocation	--
Mustafa Okan Çetinkaya	Analytics, Data and Customer Value Management Policies	--
Halit Cihan Tunçbilek	Payment Systems	--
Ali Rıza Aydın	Information Security and Information Technologies Risk Management	--
Okan Aksu	Treasury Group	--
Serkan Boran	Bad Debt Resolution	--
Rasim Orman	Secretariat General and Litigations	--
Hacı Mehmet Ofaz	Corporate and Commercial Banking	--

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

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

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

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

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

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

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

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

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2023**

(Currency: Thousands of TL - Turkish Lira)

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

**IV. Explanations regarding the persons and institutions that have qualified shares in the Parent Bank**

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

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

As of 31 December 2023 the capital structure of ENBD is as follows:

Shareholders	Curent Period Share Percentages %	Prior Period Share Percentages %
Investment Corporation of Dubai	40,92	55,76
DH 7 LLC	14,84	--
Capital Assets LLC	5,33	5,33
Publicly traded	38,91	38,91
<b>Total</b>	<b>100,00</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 639 domestic branches and 2 foreign branch as of 31 December 2023.

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

In accordance with the Banking Law and regulations;

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

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

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

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

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

None.

## **SECTION TWO**

### **CONSOLIDATED FINANCIAL STATEMENTS**

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

**DENİZBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENT**  
**OF FINANCIAL POSITION (BALANCE SHEET)**  
**AS OF 31 DECEMBER 2023**

(Currency: Thousands of TL - Turkish Lira)

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

ASSETS	Note	Audited CURRENT PERIOD (31/12/2023)			Audited PRIOR PERIOD (31/12/2022)		
		TL	FC	Total	TL	FC	Total
<b>I. FINANCIAL ASSETS (Net)</b>		<b>197.618.109</b>	<b>287.246.045</b>	<b>484.864.154</b>	<b>54.128.077</b>	<b>177.525.552</b>	<b>231.653.629</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>158.841.321</b>	<b>206.531.247</b>	<b>365.372.568</b>	<b>9.896.878</b>	<b>135.144.718</b>	<b>145.041.596</b>
1.1.1 Cash and Balances with Central Bank	(5.1.a)	100.400.926	138.404.781	238.805.707	8.708.256	103.447.563	112.155.819
1.1.2 Banks	(5.1.a)	6.298.065	68.184.979	74.483.044	1.172.266	31.734.915	32.907.181
1.1.3 Due From Money Markets		52.142.787	-	52.142.787	16.415	-	16.415
1.1.4 Expected Credit Loss (-)		457	58.513	58.970	59	37.760	37.819
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>	(5.1.b)	<b>3.220.764</b>	<b>4.741.661</b>	<b>7.962.425</b>	<b>1.486.387</b>	<b>1.335.065</b>	<b>2.821.452</b>
1.2.1 Government Debt Securities		193.341	2.234.830	2.428.171	452.368	819.141	1.271.509
1.2.2 Equity Instruments		151	896.060	896.211	-	456.942	456.942
1.2.3 Other Financial Assets		3.027.272	1.610.771	4.638.043	1.034.019	58.982	1.093.001
<b>1.3 Financial Assets at Fair Value Through Other Comprehensive Income</b>	(5.1.c)	<b>34.299.022</b>	<b>68.681.677</b>	<b>102.980.699</b>	<b>41.116.476</b>	<b>36.142.261</b>	<b>77.258.737</b>
1.3.1 Government Debt Securities		34.298.062	65.536.625	99.834.687	41.115.526	35.108.721	76.224.247
1.3.2 Equity Instruments		960	1.112	2.072	950	680	1.630
1.3.3 Other Financial Assets		-	3.143.940	3.143.940	-	1.032.860	1.032.860
<b>1.4 Derivative Financial Assets</b>		<b>1.257.002</b>	<b>7.291.460</b>	<b>8.548.462</b>	<b>1.628.336</b>	<b>4.903.508</b>	<b>6.531.844</b>
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss	(5.1.b)	1.257.002	7.291.460	8.548.462	1.628.336	4.903.508	6.531.844
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income	(5.1.j)	-	-	-	-	-	-
<b>II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)</b>		<b>352.934.719</b>	<b>268.335.321</b>	<b>621.270.040</b>	<b>203.991.845</b>	<b>157.074.107</b>	<b>361.065.952</b>
<b>2.1 Loans</b>	(5.1.d)	<b>311.512.588</b>	<b>267.157.838</b>	<b>578.670.426</b>	<b>200.398.906</b>	<b>157.122.878</b>	<b>357.521.784</b>
<b>2.2 Lease Receivables</b>	(5.1.i)	<b>5.433.739</b>	<b>8.307.847</b>	<b>13.741.586</b>	<b>2.536.262</b>	<b>6.036.736</b>	<b>8.572.998</b>
<b>2.3 Factoring Receivables</b>		<b>13.300.694</b>	<b>2.450.309</b>	<b>15.751.003</b>	<b>6.471.628</b>	<b>1.590.178</b>	<b>8.061.806</b>
<b>2.4 Other Financial Assets Measured at Amortised Cost</b>	(5.1.e)	<b>42.882.876</b>	<b>8.354.208</b>	<b>51.237.084</b>	<b>11.146.415</b>	<b>7.170.493</b>	<b>18.316.908</b>
2.4.1 Government Debt Securities		42.882.876	8.354.208	51.237.084	11.146.415	7.170.493	18.316.908
2.4.2 Other Financial Assets		-	-	-	-	-	-
<b>2.5 Expected Credit Loss (-)</b>		<b>20.195.178</b>	<b>17.934.881</b>	<b>38.130.059</b>	<b>16.561.366</b>	<b>14.846.178</b>	<b>31.407.544</b>
<b>III. NON CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)</b>	(5.1.o)	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>28.753</b>	<b>28.756</b>
3.1 Held for Sale		-	-	-	-	-	-
3.2 Discontinued Operations		-	-	-	3	28.753	28.756
<b>IV. EQUITY INVESTMENTS</b>		<b>8.313.795</b>	<b>1.825</b>	<b>8.315.620</b>	<b>2.693.629</b>	<b>698</b>	<b>2.694.327</b>
<b>4.1 Investments in Associates (Net)</b>	(5.1.f)	<b>23.763</b>	<b>-</b>	<b>23.763</b>	<b>21.855</b>	<b>-</b>	<b>21.855</b>
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		23.763	-	23.763	21.855	-	21.855
<b>4.2 Subsidiaries (Net)</b>	(5.1.g)	<b>8.287.232</b>	<b>1.825</b>	<b>8.289.057</b>	<b>2.668.974</b>	<b>698</b>	<b>2.669.672</b>
4.2.1 Unconsolidated Financial Subsidiaries		-	1	1	-	-	-
4.2.2 Unconsolidated Non-Financial Subsidiaries		8.287.232	1.824	8.289.056	2.668.974	698	2.669.672
<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>	(5.1.k)	<b>7.757.446</b>	<b>1.037.734</b>	<b>8.795.180</b>	<b>3.681.548</b>	<b>676.124</b>	<b>4.357.672</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>	(5.1.l)	<b>2.402.868</b>	<b>530.755</b>	<b>2.933.623</b>	<b>1.337.505</b>	<b>185.281</b>	<b>1.522.786</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		2.402.868	530.755	2.933.623	1.337.505	185.281	1.522.786
<b>VII. INVESTMENT PROPERTIES (Net)</b>	(5.1.m)	<b>1.591.527</b>	<b>-</b>	<b>1.591.527</b>	<b>709.270</b>	<b>-</b>	<b>709.270</b>
<b>VIII. CURRENT TAX ASSET</b>		<b>1.877.045</b>	<b>7.151</b>	<b>1.884.196</b>	<b>18.886</b>	<b>12.301</b>	<b>31.187</b>
<b>IX. DEFERRED TAX ASSET</b>	(5.1.n)	<b>4.441.916</b>	<b>-</b>	<b>4.441.916</b>	<b>4.357.629</b>	<b>-</b>	<b>4.357.629</b>
<b>X. OTHER ASSETS (Net)</b>	(5.1.p)	<b>31.803.864</b>	<b>7.007.016</b>	<b>38.810.880</b>	<b>15.302.415</b>	<b>3.277.491</b>	<b>18.579.906</b>
<b>TOTAL ASSETS</b>		<b>608.741.289</b>	<b>564.165.847</b>	<b>1.172.907.136</b>	<b>286.220.807</b>	<b>338.780.307</b>	<b>625.001.114</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 DECEMBER 2023**

(Currency: Thousands of TL - Turkish Lira)

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

LIABILITIES	Note	Audited CURRENT PERIOD (31/12/2023)			Audited PRIOR PERIOD (31/12/2022)		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	(5.II.a)	<b>398.748.528</b>	<b>348.557.052</b>	<b>747.305.580</b>	<b>167.353.570</b>	<b>272.025.251</b>	<b>439.378.821</b>
<b>II. FUNDS BORROWED</b>	(5.II.c)	<b>11.211.239</b>	<b>115.192.209</b>	<b>126.403.448</b>	<b>5.692.037</b>	<b>44.889.467</b>	<b>50.581.504</b>
<b>III. DUE TO MONEY MARKETS</b>		<b>4.145.451</b>	<b>51.874.091</b>	<b>56.019.542</b>	<b>1.152.556</b>	<b>12.329.241</b>	<b>13.481.797</b>
<b>IV. SECURITIES ISSUED (Net)</b>	(5.II.d)	<b>5.157.897</b>	<b>41.336.785</b>	<b>46.494.682</b>	<b>3.616.862</b>	<b>5.181.864</b>	<b>8.798.726</b>
4.1 Bills		5.157.897	1.516.251	6.674.148	3.616.862	494.857	4.111.719
4.2 Assets Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	39.820.534	39.820.534	-	4.687.007	4.687.007
<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>409.820</b>	<b>2.426.032</b>	<b>2.835.852</b>	<b>191.400</b>	<b>3.230.133</b>	<b>3.421.533</b>
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss	(5.II.b)	409.820	2.426.032	2.835.852	191.400	3.230.133	3.421.533
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(5.II.g)	-	-	-	-	-	-
<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>825.635</b>	<b>75.676</b>	<b>901.311</b>	<b>582.746</b>	<b>73.177</b>	<b>655.923</b>
<b>X. PROVISIONS</b>	(5.II.h)	<b>12.808.438</b>	<b>3.433.858</b>	<b>16.242.296</b>	<b>7.930.557</b>	<b>2.359.220</b>	<b>10.289.777</b>
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		1.685.939	237.918	1.923.857	1.545.044	132.230	1.677.274
10.3 Insurance for Technical Provision (Net)		-	-	-	-	-	-
10.4 Other Provisions		11.122.499	3.195.940	14.318.439	6.385.513	2.226.990	8.612.503
<b>XI. CURRENT TAX LIABILITY</b>	(5.II.i)	<b>2.455.834</b>	<b>746.522</b>	<b>3.202.356</b>	<b>3.133.140</b>	<b>44.465</b>	<b>3.177.605</b>
<b>XII. DEFERRED TAX LIABILITIES</b>	(5.II.i)	<b>863.018</b>	<b>573.414</b>	<b>1.436.432</b>	<b>305.780</b>	<b>348.652</b>	<b>654.432</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>28.190</b>	<b>28.190</b>
13.1 Held for Sale		-	-	-	-	-	-
13.2 Discontinued Operations		-	-	-	-	28.190	28.190
<b>XIV. SUBORDINATED DEBT INSTRUMENTS</b>		<b>-</b>	<b>23.066.679</b>	<b>23.066.679</b>	<b>-</b>	<b>14.561.492</b>	<b>14.561.492</b>
14.1 Loans	(5.II.k)	-	23.066.679	23.066.679	-	14.561.492	14.561.492
14.2 Other Debt Instruments		-	-	-	-	-	-
<b>XV. OTHER LIABILITIES</b>	(5.II.e)	<b>33.170.157</b>	<b>25.415.193</b>	<b>58.585.350</b>	<b>17.056.022</b>	<b>8.052.316</b>	<b>25.108.338</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	(5.II.l)	<b>43.456.659</b>	<b>46.956.949</b>	<b>90.413.608</b>	<b>27.779.798</b>	<b>27.083.178</b>	<b>54.862.976</b>
16.1 Paid-in Capital		5.696.100	-	5.696.100	5.696.100	-	5.696.100
16.2 Capital Reserves		(6.567)	-	(6.567)	(8.485)	-	(8.485)
16.2.1 Share Premium		15	-	15	15	-	15
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		(6.582)	-	(6.582)	(8.500)	-	(8.500)
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		7.951.537	306.577	8.258.114	2.045.730	181.661	2.227.391
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		(25.346.766)	38.221.858	12.875.092	(10.412.753)	21.837.631	11.424.878
16.5 Profit Reserves		30.868.782	1.562.572	32.431.354	13.695.768	1.562.572	15.258.340
16.5.1 Legal Reserves		1.140.226	5.019	1.145.245	789.750	5.019	794.769
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		29.728.556	1.557.553	31.286.109	12.906.018	1.557.553	14.463.571
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Income or (Loss)		23.797.222	6.864.935	30.662.157	16.460.205	3.500.780	19.960.985
16.6.1 Prior Periods' Income or (Loss)		466.577	2.321.394	2.787.971	1.289.842	1.497.118	2.786.960
16.6.2 Current Period Income or (Loss)		23.330.645	4.543.541	27.874.186	15.170.363	2.003.662	17.174.025
16.7 Minority Shares		496.351	1.007	497.358	303.233	534	303.767
<b>TOTAL LIABILITIES</b>		<b>513.252.676</b>	<b>659.654.460</b>	<b>1.172.907.136</b>	<b>234.794.468</b>	<b>390.206.646</b>	<b>625.001.114</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 DECEMBER 2023**

(Currency: Thousands of TL - Turkish Lira)

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

	Note	Audited CURRENT PERIOD (31/12/2023)			Audited PRIOR PERIOD (31/12/2022)		
		TL	FC	Total	TL	FC	Total
<b>A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)</b>		<b>542.674.261</b>	<b>672.511.052</b>	<b>1.215.185.313</b>	<b>280.463.874</b>	<b>431.587.810</b>	<b>712.051.684</b>
<b>I. GUARANTEES</b>	(5.III.a)	<b>70.940.660</b>	<b>83.028.890</b>	<b>153.969.550</b>	<b>38.168.042</b>	<b>52.832.120</b>	<b>91.000.162</b>
1.1. Letters of Guarantee		63.054.961	56.201.587	119.256.548	32.610.102	34.171.233	66.781.335
1.1.1. Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations		79.021	458.580	537.601	79.021	285.484	364.505
1.1.3. Other Letters of Guarantee		62.975.940	55.743.007	118.718.947	32.531.081	33.885.749	66.416.830
1.2. Bank Acceptances		-	717.588	717.588	149.232	593.707	742.939
1.2.1. Import Letter of Acceptance		-	717.588	717.588	149.232	593.707	742.939
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		20.096	23.928.765	23.948.861	39.625	15.599.066	15.638.691
1.3.1. Documentary Letters of Credit		-	17.007.220	17.007.220	39.625	9.176.192	9.215.817
1.3.2. Other Letters of Credit		20.096	6.921.545	6.941.641	-	6.422.874	6.422.874
1.4. Prefinancing Given As Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7. Factoring Related Guarantees		-	-	-	-	-	-
1.8. Other Collaterals		7.865.603	2.180.950	10.046.553	5.369.075	2.468.114	7.837.189
1.9. Other Sureties		-	-	-	8	-	8
<b>II. COMMITMENTS</b>	(5.III.a)	<b>360.709.491</b>	<b>27.648.615</b>	<b>388.358.106</b>	<b>122.289.970</b>	<b>10.436.910</b>	<b>132.726.880</b>
2.1. Irrevocable Commitments		357.794.731	27.557.227	385.351.958	120.499.257	9.930.700	130.429.957
2.1.1. Asset Purchase and Sale Commitments		1.180.407	16.719.728	17.900.135	1.797.147	5.284.738	7.081.885
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	2.990.235	2.990.235
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		48.403.121	-	48.403.121	35.625	-	35.625
2.1.5. Securities Issuance Brokerage Commitments		-	-	-	30.474.774	-	30.474.774
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheque Payments		12.311.768	-	12.311.768	-	-	-
2.1.8. Tax and Fund Obligations from Export Commitments		1.643	-	1.643	6.613.792	-	6.613.792
2.1.9. Commitments for Credit Card Limits		293.746.486	-	293.746.486	2.396	-	2.396
2.1.10. Commitments for Promotional Operations Re-Credit Cards and Banking Services		33.541	-	33.541	80.333.770	-	80.333.770
2.1.11. Receivables from "Short" Sale Commitments On Securities		-	-	-	14.925	-	14.925
2.1.12. Payables for "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		2.117.765	10.837.499	12.955.264	-	-	-
2.2. Revocable Commitments		2.914.760	91.388	3.006.148	1.226.828	1.655.727	2.882.555
2.2.1. Revocable Loan Granting Commitments		2.914.201	91.388	3.005.589	1.790.713	506.210	2.296.923
2.2.2. Other Revocable Commitments		559	-	559	1.790.154	506.210	2.296.364
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	(5.III.b)	<b>111.024.110</b>	<b>561.833.547</b>	<b>672.857.657</b>	<b>120.005.862</b>	<b>368.318.780</b>	<b>488.324.642</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		111.024.110	561.833.547	672.857.657	120.005.862	368.318.780	488.324.642
3.2.1. Forward Foreign Currency Purchases/Sales		25.450.026	52.435.531	77.885.557	6.113.314	21.683.876	27.797.190
3.2.1.1. Forward Foreign Currency Purchases		24.643.324	16.181.693	40.825.017	5.709.037	8.579.485	14.288.522
3.2.1.2. Forward Foreign Currency Sales		806.702	36.253.838	37.060.540	404.277	13.104.391	13.508.668
3.2.2. Currency and Interest Rate Swaps		74.509.770	448.712.024	523.221.794	51.934.327	259.046.906	310.981.233
3.2.2.1. Currency Swaps-Purchases		408.019	175.722.124	176.130.143	4.328.821	98.810.550	103.139.371
3.2.2.2. Currency Swaps-Sales		67.141.751	124.468.018	191.609.769	42.245.506	69.298.664	111.544.170
3.2.2.3. Interest Rate Swaps-Purchases		3.480.000	74.260.943	77.740.943	2.680.000	45.468.847	48.148.847
3.2.2.4. Interest Rate Swaps-Sales		3.480.000	74.260.939	77.740.939	2.680.000	45.468.845	48.148.845
3.2.3. Currency, Interest Rate and Security Options		10.894.618	37.363.926	48.258.544	61.074.042	69.191.428	130.265.470
3.2.3.1. Currency Options-Purchases		7.645.352	13.503.512	21.148.864	41.117.590	23.187.598	64.305.188
3.2.3.2. Currency Options-Sales		3.249.266	19.005.858	22.255.124	19.956.452	44.428.252	64.384.704
3.2.3.3. Interest Rate Options-Purchases		-	2.427.278	2.427.278	-	787.789	787.789
3.2.3.4. Interest Rate Options-Sales		-	2.427.278	2.427.278	-	787.789	787.789
3.2.3.5. Securities Options-Purchases		-	-	-	-	-	-
3.2.3.6. Securities Options-Sales		-	-	-	-	-	-
3.2.4. Currency Futures		169.696	121.020	290.716	884.179	864.404	1.748.583
3.2.4.1. Currency Futures-Purchases		169.696	-	169.696	-	864.404	864.404
3.2.4.2. Currency Futures-Sales		-	121.020	121.020	884.179	-	884.179
3.2.5. Interest Rate Futures		-	-	-	-	-	-
3.2.5.1. Interest Rate Futures-Purchases		-	-	-	-	-	-
3.2.5.2. Interest Rate Futures-Sales		-	-	-	-	-	-
3.2.6. Others		-	23.201.046	23.201.046	-	17.532.166	17.532.166
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>2.527.897.365</b>	<b>1.806.134.342</b>	<b>4.334.031.707</b>	<b>1.650.727.568</b>	<b>900.096.278</b>	<b>2.550.823.846</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>138.507.394</b>	<b>158.705.674</b>	<b>297.213.068</b>	<b>55.430.483</b>	<b>65.785.451</b>	<b>121.215.934</b>
4.1. Customers' Securities and Portfolios Held		139.984	-	139.984	139.984	-	139.984
4.2. Securities Held in Custody		124.773.913	149.180.256	273.954.169	47.708.203	55.589.317	103.297.520
4.3. Checks Received for Collection		11.167.094	3.369.625	14.536.719	5.844.200	6.169.880	12.014.080
4.4. Commercial Notes Received for Collection		2.425.155	808.057	3.233.212	1.736.848	1.113.785	2.850.633
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items under Custody		1.248	5.347.736	5.348.984	1.248	2.912.469	2.913.717
4.8. Custodians		-	-	-	-	-	-
<b>V. PLEDGED ITEMS</b>		<b>2.386.050.953</b>	<b>1.642.304.784</b>	<b>4.028.355.737</b>	<b>1.593.785.660</b>	<b>831.525.556</b>	<b>2.425.311.216</b>
5.1. Securities		16.975.329	5.401.288	22.376.617	4.191.742	362.796	4.554.538
5.2. Guarantee Notes		1.559.666.872	484.942.734	2.044.609.606	977.706.210	272.272.517	1.249.978.727
5.3. Commodities		46.639.573	66.824.496	113.464.069	34.485.125	46.047.323	80.532.448
5.4. Warrants		-	-	-	-	-	-
5.5. Immovables		619.682.069	689.102.358	1.308.784.427	460.511.105	301.007.188	761.518.293
5.6. Other Pledged Items		143.087.110	396.033.908	539.121.018	116.891.478	211.835.732	328.727.210
5.7. Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>3.339.018</b>	<b>5.123.884</b>	<b>8.462.902</b>	<b>1.511.425</b>	<b>2.785.271</b>	<b>4.296.696</b>
<b>TOTAL OFF BALANCE SHEET ITEMS (A+B)</b>		<b>3.070.571.626</b>	<b>2.478.645.394</b>	<b>5.549.217.020</b>	<b>1.931.191.442</b>	<b>1.331.684.088</b>	<b>3.262.875.530</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 DECEMBER 2023**  
(Currency: Thousands of TL - Turkish Lira)

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

INCOME AND EXPENSES		Note	Audited CURRENT PERIOD (01/01-31/12/2023)	Audited PRIOR PERIOD (01/01-31/12/2022)
<b>I.</b>	<b>INTEREST INCOME</b>	(5.IV.a)	<b>121.064.422</b>	<b>55.224.568</b>
1.1	Interest on Loans		77.088.916	40.397.304
1.2	Interest on Reserve Requirements		1.098.818	175.518
1.3	Interest on Banks		4.472.369	384.436
1.4	Interest on Money Market Transactions		11.916.511	257.185
1.5	Interest on Marketable Securities Portfolio		23.918.334	12.949.341
1.5.1	Fair Value Through Profit or Loss		431.988	184.461
1.5.2	Fair Value Through Other Comprehensive Income		12.429.349	10.170.816
1.5.3	Measured at Amortized Cost		11.056.997	2.594.064
1.6	Financial Lease Interest Income		1.614.809	736.199
1.7	Other Interest Income		954.665	324.585
<b>II.</b>	<b>INTEREST EXPENSE (-)</b>	(5.IV.b)	<b>81.540.237</b>	<b>23.551.671</b>
2.1	Interest on Deposits		65.193.900	17.341.864
2.2	Interest on Funds Borrowed		10.936.156	4.040.038
2.3	Interest Expense on Money Market Transactions		2.961.972	786.342
2.4	Interest on Securities Issued		2.065.664	1.137.832
2.5	Interest on Leases		221.467	145.695
2.6	Other Interest Expenses		161.078	99.900
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>39.524.185</b>	<b>31.672.897</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>15.227.340</b>	<b>6.619.874</b>
4.1	Fees and Commissions Received		21.792.614	9.934.566
4.1.1	Non-Cash Loans		1.124.334	731.620
4.1.2	Other	(5.IV.m)	20.668.280	9.202.946
4.2	Fees and Commissions Paid (-)		6.565.274	3.314.692
4.2.1	Non-Cash Loans		63.517	16.548
4.2.2	Other	(5.IV.m)	6.501.757	3.298.144
<b>V</b>	<b>DIVIDEND INCOME</b>	(5.IV.c)	<b>9.743</b>	<b>39.808</b>
<b>VI.</b>	<b>TRADING INCOME / LOSS (Net)</b>	(5.IV.d)	<b>4.358.622</b>	<b>5.689.582</b>
6.1	Trading Gains / (Losses) on Securities		2.809.709	198.819
6.2	Gains / (Losses) on Derivate Financial Transactions		10.343.489	11.904.368
6.3	Foreign Exchange Gains / (Losses)		(8.794.576)	(6.413.605)
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	(5.IV.e)	<b>6.664.421</b>	<b>2.201.834</b>
<b>VIII.</b>	<b>GROSS OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>65.784.311</b>	<b>46.223.995</b>
<b>IX.</b>	<b>EXPECTED CREDIT LOSS (-)</b>	(5.IV.f)	<b>657.619</b>	<b>6.972.277</b>
<b>X.</b>	<b>OTHER PROVISION EXPENSES (-)</b>	(5.IV.f)	<b>4.214.567</b>	<b>4.447.027</b>
<b>XI.</b>	<b>PERSONNEL EXPENSE (-)</b>	(5.IV.g)	<b>10.556.236</b>	<b>4.982.876</b>
<b>XII.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	(5.IV.g)	<b>12.297.468</b>	<b>6.142.262</b>
<b>XIII.</b>	<b>NET OPERATING INCOME /LOSS (VIII-IX-X-XI-XII)</b>		<b>38.058.421</b>	<b>23.679.553</b>
<b>XIV.</b>	<b>INCOME AFTER MERGER</b>		-	-
<b>XV.</b>	<b>INCOME / (LOSS) FROM INVESTMENTS IN SUBSIDIARIES</b>		-	-
	<b>CONSOLIDATED BASED ON EQUITY METHOD</b>		-	-
<b>XVI.</b>	<b>INCOME / (LOSS) ON NET MONETARY POSITION</b>		-	-
	<b>PROFIT / LOSS BEFORE TAX FROM CONTINUED OPERATIONS</b>		-	-
<b>XVII.</b>	<b>(XIII+...+XVI)</b>	(5.IV.i)	<b>38.058.421</b>	<b>23.679.553</b>
<b>XVIII.</b>	<b>TAX PROVISIONS FOR CONTINUED OPERATIONS (±)</b>	(5.IV.j)	<b>(9.838.412)</b>	<b>(6.354.416)</b>
18.1	Current Tax Provision		(2.909.121)	(6.854.869)
18.2	Deferred Tax Income Effect (+)		(25.616.446)	(9.415.777)
18.3	Deferred Tax Expense Effect (-)		18.687.155	9.916.230
<b>XIX.</b>	<b>CURRENT PERIOD PROFIT / LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)</b>	(5.IV.k)	<b>28.220.009</b>	<b>17.325.137</b>
<b>XX.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		-	<b>49.237</b>
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		-	49.237
<b>XXI.</b>	<b>EXPENSES FOR DISCONTINUED OPERATIONS (-)</b>		<b>210.211</b>	<b>32.938</b>
21.1	Expenses for Non-current Assets Held for Sale		-	-
21.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Expenses for Other Discontinued Operations		210.211	32.938
	<b>PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)</b>		(210.211)	16.299
<b>XXII.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		59.404	(15.265)
23.1	Current Tax Provision		-	(40)
23.2	Deferred Tax Expense Effect (+)		-	(15.225)
23.3	Deferred Tax Income Effect (-)		59.404	-
<b>XXIV.</b>	<b>NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		<b>(150.807)</b>	<b>1.034</b>
<b>XXV.</b>	<b>NET PROFIT/(LOSS) (XIX+XXIV)</b>	(5.IV.l)	<b>28.069.202</b>	<b>17.326.171</b>
25.1	Profit / (Loss) of Group		27.874.186	17.174.025
25.2	Profit / (Loss) of Minority Shares (-)		195.016	152.146
	Profit / (Loss) Per Share (full TRY)		4,93	3,04

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

**DENİZBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 DECEMBER 2023**

(Currency: Thousands of TL - Turkish Lira)

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

	Audited CURRENT PERIOD (01/01-31/12/2023)	Audited PRIOR PERIOD (01/01-31/12/2022)
<b>I. CURRENT PERIOD INCOME/LOSS</b>	<b>28.069.202</b>	<b>17.326.171</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>7.480.937</b>	<b>8.488.557</b>
<b>2.1 Not Reclassified Through Profit or Loss</b>	<b>6.030.723</b>	<b>1.115.677</b>
2.1.1 Property and Equipment Revaluation Increase/Decrease	450.689	166.639
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurement Gain/Loss	64.530	(420.567)
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	5.593.112	1.288.020
2.1.5 Tax on Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(77.608)	81.585
<b>2.2 Reclassified Through Profit or Loss</b>	<b>1.450.214</b>	<b>7.372.880</b>
2.2.1 Foreign Currency Translation Differences	13.510.663	4.208.066
2.2.2 Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	(6.371.863)	5.966.897
2.2.3 Cash Flow Hedge Income/Loss	3.831	9.033
2.2.4 Foreign Net Investment Hedge Income/Loss	(12.115.693)	(3.042.832)
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
2.2.6 Tax on Other Comprehensive Income Items Reclassified Through Profit or Loss	6.423.276	231.716
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>35.550.139</b>	<b>25.814.728</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 DECEMBER 2023**

(Currency: Thousands of TL - Turkish Lira)

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

Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss										Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss									
Audited CHANGES IN ITEMS	IN SHAREHOLDERS' EQUITY	Note	Paid In Capital	Share Premiums	Share Cancellation Profits	Other capital reserves	Accumulated Revaluation Increase/Decrease of Fixed Assets	Accumulated Remeasurement Gain/Loss of Defined Benefit Pension Plan	Other (Shares of Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)	Foreign Currency Translation Differences	Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income	Other (Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)	Profit reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Expect Minority Shares	Minority Shares	Total Equity	
PRIOR PERIOD																			
01/01-31/12/2022																			
I.	Prior Period End Balance																		
II.	Corrections and Accounting Policy Changes Made According to TAS 8																		
2.1	Effects of Corrections																		
2.2	Effects of the Changes in Accounting Policies																		
III.	Adjusted Beginning Balance (H1)																		
IV.	Total Comprehensive Income																		
V.	Capital Increase by Cash																		
VI.	Capital Increase by Internal Sources																		
VII.	Paid In Capital Inflation Adjustment Difference																		
VIII.	Convertible Bonds to Share																		
IX.	Subordinated Debt Instruments																		
X.	Increase / Decrease by Other Changes																		
XI.	Profit Distribution																		
11.1	Dividends Paid																		
11.2	Transfers to Reserves																		
11.3	Other																		
Period End Balance (III+IV+.....+X+XI)																			
CURRENT PERIOD																			
01/01-31/12/2023																			
I.	Prior Period End Balance																		
II.	Corrections and Accounting Policy Changes Made According to TAS 8																		
2.1	Effects of Corrections																		
2.2	Effects of the Changes in Accounting Policies																		
III.	Adjusted Beginning Balance (H1)																		
IV.	Total Comprehensive Income																		
V.	Capital Increase by Cash																		
VI.	Capital Increase by Internal Sources																		
VII.	Paid In Capital Inflation Adjustment Difference																		
VIII.	Convertible Bonds to Share																		
IX.	Subordinated Debt Instruments																		
X.	Increase / Decrease by Other Changes																		
XI.	Profit Distribution																		
11.1	Dividends Paid																		
11.2	Transfers to Reserves																		
11.3	Other																		
Period End Balance (III+IV+.....+X+XI)																			

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

**DENİZBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2023**  
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Consolidated Financial Report*  
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	Note	Audited CURRENT PERIOD (01/01-31/12/2023)	Audited PRIOR PERIOD (01/01-31/12/2022)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities (+)</b>		<b>62.488.532</b>	<b>19.527.654</b>
1.1.1 Interest received (+)		97.135.594	43.114.249
1.1.2 Interest paid (-)		63.945.287	21.008.175
1.1.3 Dividends received (+)		9.743	39.808
1.1.4 Fees and commissions received (+)		21.792.614	9.934.566
1.1.5 Other income (+)		31.892.804	1.396.448
1.1.6 Collections from previously written off loans and other receivables (+)		6.079.377	6.753.601
1.1.7 Cash payments to personnel and service suppliers (-)		10.245.124	4.538.316
1.1.8 Taxes paid (-)		6.493.426	5.192.498
1.1.9 Other (+/-)	(5.VI.c)	(13.737.763)	(10.972.029)
<b>1.2 Changes in operating assets and liabilities subject to banking operations</b>		<b>75.794.560</b>	<b>23.262.848</b>
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value through Profit or Loss (+/-)		(4.901.525)	(2.224.058)
1.2.2 Net (increase) decrease in due from banks (+/-)		(30.272.053)	(2.452.464)
1.2.3 Net (increase) decrease in loans		(205.140.572)	(116.531.526)
1.2.4 Net (increase) decrease in other assets (+/-)		(29.100.387)	(22.008.167)
1.2.5 Net increase (decrease) in bank deposits (+/-)		(12.987.671)	4.220.113
1.2.6 Net increase (decrease) in other deposits (+/-)		253.096.099	159.299.332
1.2.7 Net increase (decrease) in financial liabilities at fair value through profit or loss (+/-)		-	-
1.2.8 Net increase (decrease) in funds borrowed (+/-)		29.642.114	(14.851.531)
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(5.VI.c)	75.458.555	17.811.149
<b>I. Net cash provided from banking operations(+/-)</b>		<b>138.283.092</b>	<b>42.790.502</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from / used in investing activities(+/-)</b>		<b>(32.474.967)</b>	<b>(38.119.714)</b>
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures (-)		-	6.082
2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures (+)		-	-
2.3 Cash paid for the purchase of tangible and intangible asset (-)		4.428.534	1.663.157
2.4 Cash obtained from the sale of tangible and intangible asset (+)		3.399.701	1.612.802
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (-)		48.722.256	35.325.846
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+)		16.730.524	6.617.457
2.7 Cash paid for the purchase of financial assets at amortised cost (-)		1.041.404	10.242.395
2.8 Cash obtained from sale of financial assets at amortised cost (+)		1.587.002	-
2.9 Other (+/-)		-	887.507
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash flows from financing activities (+/-)</b>		<b>52.418.589</b>	<b>(7.925.457)</b>
3.1 Cash obtained from funds borrowed and securities issued (+)		116.972.811	38.987.045
3.2 Cash outflow from funds borrowed and securities issued (-)		63.506.272	46.389.136
3.3 Equity instruments issued (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for lease liabilities (-)		1.047.950	523.366
3.6 Other (+/-)		-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents(+/-)</b>	(5.VI.c)	<b>20.068.755</b>	<b>25.648.403</b>
<b>V. Net increase in cash and cash equivalents</b>	(5.VI.c)	<b>178.295.469</b>	<b>22.393.734</b>
<b>VI. Cash and cash equivalents at the beginning of the period (+)</b>	(5.VI.a)	<b>100.751.069</b>	<b>78.357.335</b>
<b>VII. Cash and Cash Equivalents at the End of the Period</b>	(5.VI.a)	<b>279.046.538</b>	<b>100.751.069</b>

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

**DENİZBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED PROFIT DISTRIBUTION TABLE**  
**FOR THE PERIOD ENDED 31 DECEMBER 2023**

(Currency: Thousands of TL - Turkish Lira)

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

	Audited CURRENT PERIOD (01/01-31/12/2023)	Audited PRIOR PERIOD (01/01-31/12/2022)
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME (*)</b>		
1.1 CURRENT YEAR INCOME	-	-
1.2 TAXES AND DUTIES PAYABLE (-)	-	-
1.2.1 Corporate Tax (Income Tax)	-	-
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	-	-
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	-	-
1.3 PRIOR YEAR LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	-
1.5 OTHER STATUTORY RESERVES (-)	-	-
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]</b>	-	-
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owner of ordinary shares	-	-
1.6.2 To owner of preferred shares	-	-
1.6.3 To owner of preferred shares (preem private rihgts)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit or loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owner of ordinary shares	-	-
1.9.2 To owner of preferred shares	-	-
1.9.3 To owner of preferred shares (preem private rihgts)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit or loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 GENERAL RESERVES	-	-
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION OF RESERVES</b>		
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owner of ordinary shares	-	-
2.3.2 To owner of preferred shares	-	-
2.3.3 To owner of preferred shares (preem private rihgts)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit or loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
<b>III. EARNINGS PER SHARE</b>		
3.1 TO OWNERS OF ORDINARY SHARES	-	-
3.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
3.3 TO OWNERS OF PRIVILAGED SHARES	-	-
3.4 TO OWNERS OF PRIVILAGED SHARES (%)	-	-
<b>IV. DIVIDEND PER SHARE</b>		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PRIVILAGED SHARES	-	-
4.4 TO OWNERS OF PRIVILAGED SHARES (%)	-	-

(\*) According to Turkish Commercial Code, profit distribution table is prepared based on unconsolidated financial statements and not on consolidated financial statements.

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

## **SECTION THREE**

### **ACCOUNTING POLICIES**

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

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

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

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

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

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

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

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

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

On 23 November 2023, POA announced that the financial statements of businesses that apply Turkish Financial Reporting Standards and the Financial Reporting Standard for Large and Medium-Sized Enterprises (FRS for LMEs) for the annual reporting period ending on or after 31 December 2023 will be included in the “Turkish Accounting Standard 29 Financial Reporting Standards in High Inflation Economies”. Reporting and “FRS for LMEs Chapter 25 Financial Reporting in High-Inflation Economies” should be presented in accordance with the relevant accounting principles, adjusted for the effect of inflation; However, institutions or organizations authorized to regulate and supervise their own fields have published an announcement stating that they may determine different transition dates than those foreseen above for the implementation of the provisions in TAS 29 or FRS for LMEs. Based on this announcement, BRSA, in accordance with its decision dated 12 December 2023 and numbered 10744, has decided that the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies dated 31 December 2023 will not be subject to the inflation adjustment required within the scope of TAS 29. In this context, no inflation adjustment was made in accordance with TAS 29 while preparing the financial statements dated 31 December 2023.

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



**DENİZBANK ANONİM ŞİRKET**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2023**

(Currency: Thousands of TL - Turkish Lira)

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

**c. Additional paragraph for convenience translation:**

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

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

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

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

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

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

**b. Transactions denominated in foreign currencies**

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

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

	31 December 2023	31 December 2022
US Dollar	TL 29,4382	TL 18,6983
Euro	TL 32,5739	TL 19,9349

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

As of 31 December 2023, net foreign exchange gain included in the statement of profit or loss amounts to TL 8.794.576 (1 January - 31 December 2022: TL 6.413.605 net foreign exchange loss).

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

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

Total of the relevant conversion differences are TL 37.841.426 as of 31 December 2023 (31 December 2022: TL 24.199.291).

The foreign exchange difference of TL 487.275 (31 December 2022: TL 618.747) arising from the translation of the financial statements of Bahrain branch of the Parent Bank to Turkish Lira in accordance with TAS 21 has been recorded under "Other Accumulated Comprehensive Income That Will Be Reclassified in Profit or Loss".

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

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

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

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

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

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

#### **Important changes in consolidated subsidiaries during the period**

None.

#### **Consolidation principles of the subsidiaries**

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

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

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

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

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

Financial statements used in the consolidation are prepared as of 31 December 2023 and in order to ensure the application of the identical accounting policies for similar transactions and events in similar circumstances, necessary adjustments were made on these financial statements of the subsidiaries considering the materiality level.

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

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

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

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

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

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

**VI. Explanations on fee and commission income and expenses**

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

**VII. Explanations on financial assets**

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

DFS Group includes a financial asset in the statement of financial position only when it becomes a party to the contractual terms of the financial instrument. During the initial recognition of a financial asset the business model determined by the Parent Bank management and the nature of the contractual cash flows of the financial asset are taken into consideration. When the business model determined by the Parent Bank management is changed, all affected financial assets are reclassified and reclassification is applied prospectively. In such cases, no adjustments are made to the gain, loss or interest previously recognised in the financial statements.

**a. Financial assets at fair value through profit or loss**

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

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

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

Financial assets at fair value through other comprehensive income are recognised by adding transaction cost to acquisition cost reflecting the fair value of the financial asset.

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

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

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

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

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

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

Parent Bank's portfolio of financial assets at fair value through other comprehensive income and the financial assets measured at amortised cost includes CPI indexed government bonds with a maturity of 5 - 10 years and which the real coupon rates of 6 months are fixed throughout the maturity. As stated by the undersecretariat of Treasury in CPI indexed investor guide, the reference indexes used in the calculation of the actual coupon payment amounts of these securities are formed according to the CPI indexes of two months prior to the coupon payment date.

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

**VIII. Explanations on expected credit loss**

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

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

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

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

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

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

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

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

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

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

##### *Qualitative evaluation:*

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

As of the reporting date,

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

##### *Quantitative evaluation:*

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

As of the reporting period ended on 31 December 2023, the effects of COVID-19 on financial results and asset quality have been evaluated and reflected to the calculation of the expected loan loss provisions in the light of the information and developments with maximum effort. In this process, the Parent Bank reviewed the cash flow expectations and scenario weights for its commercial and corporate loans, that evaluated individually, and reflected the related effects to the expected credit loss with the best estimation approach.

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

After the initial recognition, if a significant increase is observed in the credit risk and result of the provision for credit risk impairment for the financial instruments mentioned in Stage 2 is calculated as the provision for expected credit loss over the default risk through the remaining life from the reporting date.

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

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

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

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

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

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 2023.

#### **Loss given default**

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

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

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

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

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

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

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

Internal validation of the process described above is carried out at the end of 2023.

#### **Effective interest rate**

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

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

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

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

### **Low credit risk**

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

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

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

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

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

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

### **Forward macroeconomic information**

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

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

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

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

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

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

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

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



**DENİZBANK ANONİM ŞİRKET**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2023**

(Currency: Thousands of TL - Turkish Lira)

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

**IX. Explanations on offsetting financial instruments**

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

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

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

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

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

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

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

Eurodeniz International Banking Unit Ltd., one of the Bank's subsidiaries, has entered into the liquidation process. Until the liquidation process is completed, it is classified under the discontinued operations lines in the financial statements.

	Current Period	Prior Period
<b>Assets/Liabilities Related to Discontinued Operations</b>		
Loans (Net)	--	28.733
Other	--	23
<b>Assets Related to Discontinued Operations</b>	<b>--</b>	<b>28.756</b>
Deposits	--	28.190
<b>Liabilities Related to Discontinued Operations</b>	<b>--</b>	<b>28.190</b>
	Current Period	Prior Period
<b>Income and Expenses from Discontinued Operations</b>		
Net interest income	--	(21.566)
Net fees and commission income	--	(129)
Trading profit/loss net	(79.750)	46.954
Other operating income	(130.461)	2
Expected credit loss (-)	--	(4.003)
Other operational expenses	--	(4.999)
<b>Profit/loss before tax from discontinued operations</b>	<b>(210.211)</b>	<b>16.259</b>
Deferred tax expense from discontinued operations	59.404	(15.225)
<b>Discontinued Operations Net Profit/Loss for the Period</b>	<b>(150.807)</b>	<b>1.034</b>

## **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.

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

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

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

## **XIV. Explanations on investment property**

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

Investment property is derecognised through disposal or withdrawal from use and when no future economic benefit is expected from its disposal. Gains or losses arising from the disposal of investment property are recognised in profit or loss in the period in which they occur.

**XV. Explanations on leasing transactions**

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

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

With the "TFRS 16 Leases" standard effective from 1 January 2019, the difference between operating leases and financial leases has been eliminated and the leasing transactions have been presented under "Liabilities from Leasing Operations".

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

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

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

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

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

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

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

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

**XVIII. Explanations on tax applications**

**a. Current tax**

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

The tax rate change in question will be valid for the profits of companies in 2023 and subsequent taxation periods, starting from the returns that must be submitted as of 01/10/2023.

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

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

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

In accordance with the Corporate Tax Law, carry forward tax losses shown on the declaration can be deducted from the corporate tax base for up to five years. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

Besides institutions reside in Turkey, dividends paid to the offices or the institutions earning through their permanent representatives in Turkey are not subject to withholding tax. According to the decision no. 4936 of the Presidential Decision published in the Official Gazette no. 31697 dated 22 December 2021, article 94 of the Income Tax Law No. 193 and certain duty rates included in the articles no.15 and 30 of the new Corporate Tax Law no.5520 are revised. In this respect, the withholding tax rate applied to the dividend payments made to non-resident companies, tax-exempt narrow and full taxpayer institutions/real persons, limited and full taxpayer real persons, excluding non-residents who earn income through a workplace or their permanent representative in Turkey is 10%.

While applying the withholding tax rates on dividend payments to the foreign based institutions and the real persons, the withholding tax rates covered in the related Avoidance of Double Taxation Treaty are taken into account. Addition of profit to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The foreign subsidiaries of DFS Group that operate in Austria and the Russian Federation are subject to corporate tax rates of 24% and 20%, respectively.

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

According to the TRNC Corporate Tax Law No. 41/1976, as amended, corporate earnings (including foreign corporations) are subject to 10% corporate tax and 15% income tax according to the Income Tax Law. Corporate tax is calculated based on the income earned by taxpayers within an accounting period. The tax base is determined by adding the expenses that are not allowed to be deducted by law to the commercial income of the institutions and by applying the exemptions and deductions in the tax laws. The right of deduction of losses stipulated in the Corporate Tax Law, the right to investment allowances stipulated in the income tax legislation and the depreciation prescribed in the tax legislation are granted to corporations that certify the balance sheet, profit and loss statement and business accounts for the calculation of corporate tax without having them prepared and certified by an accountant and auditor authorized by the Ministry of Finance, and that corporations' rights are not recognized. Tax may be requested to any taxable institution within seven years following the taxation period, in cases where tax has not been assessed in previous years or if it is revealed that tax has been assessed less than the amount required to be paid. Corporate tax returns are declared to the tax office in the April following the closing date of the accounting period. Corporate tax is paid in two equal installments, one in May and the other in October. According to the decision of the TRNC Council of Ministers dated 25 March 2020, provisional taxes are calculated and paid quarterly at a tax rate of 15% on the financial earnings of that year. Provisional taxes paid during the year can be offset against the taxes calculated on that year's annual corporate tax return.

According to the temporary article 33 added to the Tax Procedure Law by Law No. 7352 published in the Official Gazette dated 29 January 2022; It has been considered that the financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. The profit/loss difference resulting from the inflation adjustment will be shown in the previous years' profit/loss account; It has been determined that the previous year's profit determined in this way will not be subject to tax, and the previous year's loss will not be accepted as loss. Although the Banks will apply inflation accounting together with the financial leasing, factoring, savings finance companies, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance - reinsurance companies, pension companies and other taxpayers within the scope, there will be no tax consequences as a result of the correction in these institutions.

**b. Deferred tax**

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

The deferred tax assets and liabilities of the entities included in the consolidation have been netted within themselves and have not been netted in the consolidated balance sheet. As a result of this, deferred tax asset amounting to TL 4.441.916 as of 31 December 2023 (31 December 2022: TL 4.357.629) and deferred tax liabilities amounting to TL 1.436.432 (31 December 2022: TL 654.432) have been recognised in the accompanying financial statements.

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

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

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

**c. Transfer pricing**

In the framework of the provisions on "Disguised Profit Distribution Through Transfer Pricing" regulated under article 13 of Corporate Tax Law no. 5520, pursuant to the Corporate Tax Law General Communiqué no. 1, which became effective upon its promulgation in the Official Gazette dated 3 April 2007 and numbered 26482, Corporate Tax Law General Communiqué no. 3, which became effective upon its promulgation in the Official Gazette dated 20 November 2008 and numbered 27060, Council of Ministers Decree no. 2007/12888, which became effective upon its promulgation in the Official Gazette dated 6 December 2007 and numbered 26722, Council of Minister Decree no. 2008/13490, which became effective upon its promulgation in the Official Gazette dated 13 April 2008 and numbered 26846, "General Communiqué No. 1 on Disguised Profit Distribution Through Transfer Pricing", which became effective upon its promulgation in the Official Gazette dated 18 November 2007 and numbered 26704 and "General Communiqué No. 2 on Disguised Profit Distribution Through Transfer Pricing", which became effective upon its promulgation in the Official Gazette dated 22 April 2008 and numbered 26855, "General Communiqué No. 3 on Disguised Profit Distribution Through Transfer Pricing", which became effective upon its promulgation in the Official Gazette dated 7 December 2017 and numbered 30263 and the Communiqué on the Amendment of the "General Communiqué on Disguised Profit Distribution through Transfer Pricing" no. 1, which became effective after being published in the Official Gazette dated 01 September 2020 and numbered 31231, profits shall be deemed to have been wholly or partially distributed in a disguised manner through transfer pricing if companies engage in the sales or purchases of goods or services with related parties at prices or amounts defined contrary to the arm's length principle. Buying, selling, manufacturing and construction operations and services, renting and leasing transactions, borrowing or lending money, bonuses, wages and similar payments are deemed as purchase of goods and services in any case and under any condition.

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

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

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

**XIX. Additional explanations on borrowings**

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

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

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

In 2023 and 2022, the Parent Bank does not have issuance of share certificates.

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

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

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

**XXII. Explanations on government incentives**

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

**XXIII. Explanations on segment reporting**

Segment reporting is presented in Section Four, note XII.

**XXIV. Explanations on other matters**

None.

**XXV. Classifications**

Explanation is given in Section Three, note XI.

## **SECTION FOUR**

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

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

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

As of 31 December 2023 the equity of the Group amounts to TL 118.000.985 (31 December 2022: TL 74.428.156) while its capital adequacy standard ratio is 16,47% (31 December 2022: 17,57%).

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

-In accordance with the "Regulation on Measurement and Evaluation of Capital Adequacy", banks calculate the amount subject to credit risk; While determining the valued amounts of monetary assets and non-monetary assets, other than foreign currency items measured in historical cost, in accordance with Turkish Accounting Standards and the relevant special provision amounts, until a Board Decision to the contrary is taken, with the regulation dated 28 April 2022 and numbered 10188, until 31 December 2021. The practice regarding the use of the Central Bank's foreign exchange buying rate was changed by the regulation numbered 10496 dated 31 January 2023, and it was decided to use the Central Bank's foreign exchange buying rate of 31 December 2022 until a Board Decision to the contrary is taken.

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

With the decision of BRSA numbered 10747 dated 12 December 2023, to be implemented as of 1 January 2024;

If the net valuation differences of the securities owned by banks in the " Financial Assets at Fair Value Through Other Comprehensive Income" portfolio are negative as of 1 January 2024, these differences will be calculated in accordance with the Regulation on Banks' Equity published in the Official Gazette dated 5 September 2013 and numbered 28756 and to be taken into account in the equity amount to be used for the capital adequacy ratio, to continue to apply the existing provisions of the said Regulation for " Financial Assets at Fair Value Through Other Comprehensive Income" acquired after 1 January 2024,

In the calculation of the amount subject to credit risk in accordance with the Regulation on Measurement and Evaluation of Capital Adequacy of Banks, published in the Official Gazette dated 23 October 2015 and numbered 29511, specified in the Board Decision No. 10496 dated 31 January 2023; the application for using the foreign exchange buying rate of the Central Bank of the Republic of Turkey (Central Bank) as of 30 December 2022, calculating the valued amounts of monetary assets and non-monetary assets, other than items in foreign currency measured in historical cost, in accordance with Turkish Accounting Standards and the relevant special provision amounts implemented as of 1 January 2024, it was decided to continue using the Central Bank foreign exchange buying rate of 26 June 2023 until a Board Decision to the contrary is taken.

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**a. Components of consolidated equity items**

	Current Period 31 December 2023	Prior Period 31 December 2022
<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	32.431.354	15.258.340
Gains recognised in equity as per TAS	24.179.897	16.406.352
Profit	30.662.157	19.960.985
Current Period Profit	27.874.186	17.174.025
Prior Period Profit	2.787.971	2.786.960
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	2.910	992
Minorities' Share	497.358	303.767
<b>Common Equity Tier I Capital Before Deductions</b>	<b>93.469.791</b>	<b>57.626.551</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	2.076.232	791.583
Improvement costs for operating leasing	216.019	102.568
Goodwill (net of related tax liability)	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	2.933.623	1.522.786
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	--	--
Differences are not recognised at the fair value of assets and liabilities subject to hedge of cash flow risk	--	--
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	--	--
Gains arising from securitization transactions	--	--
Unrealised gains and losses due to changes in own credit risk on fair valued liabilities	--	--
Defined-benefit pension fund net assets	--	--
Direct and indirect investments of the Bank in its own Common Equity	--	--
Shares obtained contrary to the 4th clause of the 56th Article of the Law	--	--
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	--	--
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	--	--
Portion of mortgage servicing rights exceeding 10% of the Common Equity	--	--
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	--	--
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	--	--
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	--	--
Excess amount arising from mortgage servicing rights	--	--
Excess amount arising from deferred tax assets based on temporary differences	--	--
Other items to be defined by the BRSA	--	--
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	--	--
<b>Total Deductions From Common Equity Tier I Capital</b>	<b>5.225.874</b>	<b>2.416.937</b>
<b>Total Common Equity Tier I Capital</b>	<b>88.243.917</b>	<b>55.209.614</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>--</b>	<b>--</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 deduce 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>--</b>	<b>--</b>
<b>Total Additional Tier I Capital</b>	<b>--</b>	<b>--</b>
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>88.243.917</b>	<b>55.209.614</b>



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<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	21.703.301	14.446.409
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	--	--
Third parties' share in the Tier II Capital	--	--
Third parties' share in the Tier II Capital (Temporary Article 3)	--	--
Provisions (Article 8 of the Regulation on the Equity of Banks)	8.082.534	4.821.377
<b>Tier II Capital Before Deduction</b>	<b>29.785.835</b>	<b>19.267.786</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>29.785.835</b>	<b>19.267.786</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>118.029.752</b>	<b>74.477.400</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	28.767	49.244
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>	<b>--</b>	<b>--</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 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>118.000.985</b>	<b>74.428.156</b>
Total Capital ((The sum of Tier I Capital and Tier II Capital)	716.464.034	423.588.063
Total risk weighted amounts		
<b>CAPITAL ADEQUACY RATIOS</b>		
Core Capital Adequacy Ratio (%)	12,32	13,03
Tier I Capital Adequacy Ratio (%)	12,32	13,03
Capital Adequacy Ratio (%)	16,47	17,57
<b>BUFFERS</b>		
Total additional Common Equity Tier I Capital requirement ratio	2,720	2,583
Bank specific total common equity tier I capital ratio (%)	2,500	2,500
Capital conservation buffer requirement (%)	0,220	0,083
Systemic significant bank buffer ratio (%)	--	--
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	1,587	1,949
<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)	24.043.169	18.495.636
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	8.082.534	4.821.377
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	--	--
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	--	--
<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 <sup>(1)</sup>	--	--
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	--	--

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

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

Issuer	ENBD PJSC	ENBD PJSC	ENBD PJSC	ENBD PJSC
Unique identifier (eg CUSIP, ISIN)	Subordinated Loans	Subordinated Loans	Subordinated Loans	Subordinated Loans
Governing law(s) of the instrument	"Regulations on Banks' Equity " dated 5 September 2013.	"Regulations on Banks' Equity " dated 5 September 2013.	"Regulations on Banks' Equity " dated 5 September 2013.	"Regulations on Banks' Equity " dated 1 November 2006.
<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)	3746	4416	8831	4710
Par value of instrument (Currency in mil)	3746	4416	8831	5888
Accounting classification	3470102	3470102	3470102	3470102
Original date of issuance	30.09.2014	30.04.2014	31.01.2014	30.09.2013
Perpetual or dated	Dated	Dated	Dated	Dated
Original maturity date	15 years	15 years	15 years	15 years
Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full on condition that it is at fifth years of the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full on condition that it is at fifth years of the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full or partially at any time before the planned repayment date, on condition that it is at least 5 years after the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full or partially at any time before the planned repayment date, on condition that it is at least 5 years after the loan is given.
Subsequent call dates, if applicable	None.	None.	None.	None.
<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 feature</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 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 credit risk**

### **a. Information on risk concentrations by debtors or group of debtors or geographical regions and sectors, basis for risk limits and the frequency of risk appraisals**

Credit risk is the risk and losses likely to incur due to the counterparties of the Parent Bank and/or its consolidated subsidiaries and associates not meeting in full or in part their commitments arising from the contracts.

Credit risk limits of the customers are allocated based on the customers' financial strength and the credit requirement, within the credit authorization limits of the branches, the credit evaluation group, the regional directorates, the executive vice presidents responsible from loans, the general manager, the credit committee and the Board of Directors; on condition that they are in compliance with the related regulations.

Credit risk limits are determined for debtors or group of debtors. Credit risk limits of the debtors, group of debtors and sectors are monitored on a monthly basis.

#### **Information on determination and distribution of risk limits for daily transactions, monitoring of risk concentrations related to off-balance sheet items per customer and dealer basis**

Risk limits and allocations relating to daily transactions are monitored on a daily basis. Off-balance sheet risk concentrations are monitored by on-site and off-site investigations.

#### **Information on periodical analysis of creditworthiness of loans and other receivables per legislation, inspection of account vouchers taken against new loans, if not inspected, the reasons for it, credit limit renewals, collaterals against loans and other receivables**

The Group targets a healthy loan portfolio and in order to meet its target there are process instructions, follow-up and control procedures, close monitoring procedures and risk classifications for loans in accordance with the banking legislation.

In order to prevent the loans becoming non-performing either due to cyclical changes or structural problems, the potential problematic customers are determined through the analysis of early warning signals, and the probable performance problems are aimed to be resolved at an early stage.

It is preferred to obtain highly liquid collaterals such as bank guarantees, real estate and ship mortgages, pledges on securities and deposits, bills of exchange and sureties of the persons and companies.

#### **Explanations related to the definitions of the loans, which have been overdue and impaired, value adjustments and provisions**

Explanation is given in Section Four, note VIII-c-4-i.

#### **Methods and approaches to valuation adjustments and provisions**

Explanation is given in Section Three, note VIII.

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**Total amount of exposures after offsetting transactions but before applying credit risk reductions and the average exposure amounts that are classified in different risk groups and types**

<b>Risk classifications</b>	<b>Current Period (*)</b>	<b>Average (**)</b>
1 Receivables from central governments and Central Banks	314.729.292	241.285.766
2 Receivables from regional or local governments	3.599.241	2.925.758
3 Receivables from administrative bodies and non-commercial enterprises	8.085.301	2.274.790
4 Receivables from multilateral development banks	--	--
5 Receivables from international organizations	--	--
6 Receivables from banks and brokerage houses	110.527.814	97.164.595
7 Receivables from corporate portfolio	267.058.540	249.239.333
8 Receivables from retail portfolio	232.771.279	199.584.815
9 Receivables secured by residential mortgages	11.531.927	9.559.090
10 Receivables secured by commercial mortgages	38.245.803	36.193.253
11 Past due receivables	6.384.489	4.135.131
12 Receivables defined in high risk category by BRSA	192.764	80.078
13 Securities collateralized by mortgages	--	--
14 Short-term receivables from banks, brokerage houses and corporate portfolio	--	--
15 Investments similar to collective investment funds	28.428	24.160
16 Other receivables	56.341.465	49.782.379
17 Equity investments	8.317.106	4.101.805
<b>18 Total</b>	<b>1.057.813.449</b>	<b>896.350.953</b>

(\*) Includes the risks included in the total banking book before the credit risk reduction and after the credit conversion rate.

(\*\*) Arithmetical average of the quarterly reported amounts.

<b>Risk classifications</b>	<b>Prior Period (*)</b>	<b>Average (**)</b>
1 Receivables from central governments and Central Banks	172.411.130	140.814.386
2 Receivables from regional or local governments	3.053.683	3.183.718
3 Receivables from administrative bodies and non-commercial enterprises	--	--
4 Receivables from multilateral development banks	--	--
5 Receivables from international organizations	--	--
6 Receivables from banks and brokerage houses	37.462.829	37.017.079
7 Receivables from corporate portfolio	190.145.597	173.945.984
8 Receivables from retail portfolio	138.909.644	116.692.843
9 Receivables secured by residential mortgages	6.880.689	5.609.196
10 Receivables secured by commercial mortgages	26.804.388	22.938.552
11 Past due receivables	2.904.896	3.814.745
12 Receivables defined in high risk category by BRSA	34.237	15.305
13 Securities collateralized by mortgages	--	--
14 Short-term receivables from banks, brokerage houses and corporate portfolio	--	--
15 Investments similar to collective investment funds	13.891	421.192
16 Other receivables	30.791.834	25.608.704
17 Equity investments	2.695.434	1.707.294
<b>18 Total</b>	<b>612.108.252</b>	<b>531.768.998</b>

(\*) Includes the risks included in the total banking book before the credit risk reduction and after the credit conversion rate.

(\*\*) Arithmetical average of the quarterly reported amounts.

**b. Information on the control limits of the Group for forward transactions, options and similar contracts, management of credit risk for these instruments together with the potential risks arising from market conditions**

The Group has control limits defined for the positions arising from forward transactions, options and similar contracts. Credit risk for these instruments is managed together with those arising from market conditions.

**c. Information on whether the Group decreases the risk by liquidating its forward transactions, options and similar contracts in case of facing a significant credit risk or not**

Forward transactions can be realised at maturity. However, if it is required, reverse positions of the current positions are purchased to decrease the risk.

**d. Information on whether the indemnified non-cash loans are evaluated as having the same risk weight as non-performing loans or not**

Indemnified non-cash loans are treated as having the same risk weight as non-performing loans.

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Information on whether the loans that are renewed and rescheduled are included in a new rating group as determined by the Bank's risk management system, other than the follow-up plan defined in the banking regulations or not; whether new precautions are considered in these methods or not; whether the Bank's risk management accepts long term commitments as having more risk than short term commitments which results in a diversification of risk or not

Loans that are renewed and rescheduled are included in a new rating group as determined by the risk management system, other than the follow-up plan defined in the banking regulations.

Long term commitments are considered as having more risk than short term commitments which results in a diversification of risk and are monitored periodically.

- e. **Evaluation of the significance of country specific risk considering the economic conditions if the banks have foreign operations and credit transactions in a few countries or these operations are coordinated with a few financial entities**

There is no significant credit risk since the Parent Bank's foreign operations and credit transactions are conducted in OECD and EU member countries in considering their economic climate.

**Evaluation of the significant credit risk concentration when evaluated together with the financial activities of other financial institutions as an active participant in the international banking market**

Being an active participant in the international banking transactions market, the Parent Bank does not have significant credit risk as compared to other financial institutions.

- f. **DFS Group's**

1. **The share of receivables from the top 100 and 200 cash loan customers in the total cash loans portfolio**

The receivables of DFS Group from the top 100 and 200 cash loan customers constitute 35% and 43% of the total cash loans portfolio (31 December 2022: 35%, 43%).

2. **The share of receivables from the top 100 and 200 non-cash loan customers in the total non-cash loans portfolio**

The receivables of DFS Group from the top 100 and 200 non-cash loan customers constitute 42% and 52% of the total non-cash loans portfolio (31 December 2022: 38%, 45%).

3. **The share of the cash and non-cash receivables from the top 100 and 200 loan customers in the total balance sheet and off-balance sheet assets**

The share of the cash and non-cash receivables of DFS Group from top 100 and 200 loan customers constitute 31% and 40% of the total balance sheet and off-balance sheet assets (31 December 2022: 31%, 40%).

- g. **Expected credit loss for credit risk undertaken by DFS Group**

As at 31 December 2023, stage 1 and stage 2 provisions for expected credit loss for credit risk undertaken by DFS Group amounts to TL 24.043.169.

As at 31 December 2022, stage 1 and stage 2 provisions for expected credit loss for credit risk undertaken by DFS Group amounts to TL 18.491.138.

- h. **Information on loans and provisions for expected loss**

	Current Period		Prior Period	
	Balance	Provision	Balance	Provision
<b>Loans</b>	<b>608.163.015</b>	<b>38.123.402</b>	<b>374.156.588</b>	<b>31.404.472</b>
Stage 1	534.095.064	7.528.211	317.191.965	4.915.756
Stage 2	49.545.520	14.980.845	39.214.088	12.484.365
Stage 3	24.522.431	15.614.346	17.750.535	14.004.351
Fair Value Through Profit or Loss	--	--	--	--
<b>Financial Assets</b>	<b>536.160.208</b>	<b>65.627</b>	<b>250.088.359</b>	<b>40.891</b>
<b>Other</b>	<b>38.875.776</b>	<b>64.896</b>	<b>18.602.094</b>	<b>22.188</b>
<b>Off-Balance Sheet Receivables</b>	<b>524.427.521</b>	<b>4.340.676</b>	<b>213.654.922</b>	<b>2.989.271</b>
Stage 1 and 2	520.743.935	1.403.590	211.539.771	1.027.938
Stage 3	3.683.586	2.937.086	2.115.151	1.961.333
<b>Total</b>	<b>1.707.626.520</b>	<b>42.594.601</b>	<b>856.501.963</b>	<b>34.456.822</b>

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**i. Information on provisions for expected loss for loans**

	Stage 1	Stage 2	Stage 3	Total
<b>Balance at the beginning of the period (1 January 2023)</b>	<b>4.915.756</b>	<b>12.484.365</b>	<b>14.004.351</b>	<b>31.404.472</b>
<b>Transfers</b>	<b>1.181.235</b>	<b>(2.529.214)</b>	<b>1.347.979</b>	<b>—</b>
Stage 1	1.544.476	(1.544.476)	--	--
Stage 2	(308.108)	669.324	(361.216)	--
Stage 3	(55.133)	(1.654.062)	1.709.195	--
Loans addition in the period	996.706	1.999.195	768.905	3.764.806
Disposals from loans in the period	(1.005.407)	(847.446)	(4.469.188)	(6.322.041)
Provisions changes during the period (*)	(333.563)	(999.230)	4.276.402	2.943.609
Loans written off (**)	--	--	(1.434.951)	(1.434.951)
Loans sold	--	--	(1.200.714)	(1.200.714)
Foreign exchange differences	1.773.484	4.873.175	2.321.562	8.968.221
<b>Balance at the end of the period (31 December 2023)</b>	<b>7.528.211</b>	<b>14.980.845</b>	<b>15.614.346</b>	<b>38.123.402</b>

(\*) The related amounts include the changes in the provision for expected credit loss for the period of the loans remaining at the same stage during the year and the provisions for expected credit loss created by the transfers between the stages within the year.

(\*\*) As of 31 December 2023, in accordance with the changes on "Provisioning Regulation" published in the Official Gazette No. 30961 dated 27 November 2019 by BRSA, starting from the reporting date that the loan is classified in group 5, the DFS Group, in line with TFRS 9, is eligible to write-off part of the loans for which there is no reasonable expectation of recovery and that are classified under group 5 with a life time expected credit loss due to the default of debtor. In this context, as of 31 December 2023, DFS Group's loans amounting to TL 1.434.951 have been deducted from the records, and loans amounting to TL 1.200.714 have been sold.

**j. Information on loan movements (\*)**

	Stage 1	Stage 2	Stage 3	Total
<b>Balance at the beginning of the period (1 January 2023)</b>	<b>317.191.965</b>	<b>39.214.088</b>	<b>17.750.535</b>	<b>374.156.588</b>
<b>Transfers</b>	<b>(9.016.232)</b>	<b>810.847</b>	<b>8.205.385</b>	<b>—</b>
Stage 1	5.667.597	(5.667.597)	--	--
Stage 2	(9.948.058)	10.101.420	(153.362)	--
Stage 3	(4.735.771)	(3.622.976)	8.358.747	--
Loans addition in the period	221.853.014	7.882.488	7.936.906	237.672.408
Disposals from loans in the period	(98.005.305)	(11.656.624)	(9.750.472)	(119.412.401)
Loans written off (*)	--	--	(1.434.951)	(1.434.951)
Loans sold (*)	--	--	(1.200.714)	(1.200.714)
Foreign exchange differences	102.071.622	13.294.721	3.015.742	118.382.085
<b>Balance at the end of the period (31 December 2023)</b>	<b>534.095.064</b>	<b>49.545.520</b>	<b>24.522.431</b>	<b>608.163.015</b>

(\*) As of 31 December 2023, in accordance with the changes on "Provisioning Regulation" published in the Official Gazette No. 30961 dated 27 November 2019 by BRSA, starting from the reporting date that the loan is classified in group 5, the DFS Group, in line with TFRS 9, is eligible to write-off part of the loans for which to the default of debtor. In this context, loans amounting to TL 1.434.951 have been deducted from the records, and loans amounting to TL 1.200.714 have been sold. The effect of this accounting treatment on the non-performing loans ratio of the DFS Group is 41 basis points. there is no reasonable expectation of recovery and that are classified under group 5 with a life time expected credit loss due

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**k. Profile of significant exposures in major regions**

Current Period	Risk Classifications (*) (**)																	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Domestic	282.838.856	3.032.165	6.895.965	--	--	36.979.340	181.074.508	218.646.134	9.798.257	31.677.820	5.696.593	191.754	--	--	28.136	53.645.979	770	830.506.277
European Union Countries	24.293.651	--	--	--	--	42.393.506	14.599.999	75.742	4.878	27.270	413.732	--	--	--	--	780.936	157	82.589.871
OECD Countries (**)	--	--	--	--	--	3.691.882	353.539	1.026	28	--	3	--	--	--	--	--	--	4.046.478
Off-Shore Banking Regions	--	--	--	--	--	1.555.584	2.662.432	1.492	--	26.366	--	--	--	--	--	--	--	4.245.874
USA, Canada	1.290.251	--	--	--	--	5.250.473	112.473	2.935	1	25.736	12	--	--	--	--	--	--	6.681.881
Other Countries	1.929.401	--	--	--	--	14.013.133	7.929.516	215.581	196.155	2.306.530	149.023	1.010	--	--	--	1.914.550	--	28.654.899
Subsidiaries, Associates and jointly controlled companies	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	8.316.179	8.316.179
Unallocated Assets/Liabilities	4.377.133	567.076	1.189.336	--	--	6.643.896	60.326.073	13.828.369	1.532.608	4.182.081	125.126	--	--	--	292	--	--	92.771.990
<b>Total</b>	<b>314.729.292</b>	<b>3.599.241</b>	<b>8.085.301</b>	<b>--</b>	<b>--</b>	<b>110.527.814</b>	<b>267.058.540</b>	<b>232.771.279</b>	<b>11.531.927</b>	<b>38.245.803</b>	<b>6.384.489</b>	<b>192.764</b>	<b>--</b>	<b>--</b>	<b>28.428</b>	<b>56.341.465</b>	<b>8.317.106</b>	<b>1.057.813.449</b>

Prior Period	Risk Classifications (*) (**)																	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Domestic	147.606.894	2.819.582	--	--	--	2.064.109	127.055.875	131.674.751	5.976.771	22.796.330	2.740.229	33.339	--	--	9	29.713.647	950	472.482.486
European Union Countries	20.015.168	--	--	--	--	16.285.622	13.601.263	57.101	6.245	23.754	515	--	--	--	--	916.908	157	50.906.733
OECD Countries (**)	--	--	--	--	--	2.895.459	197.553	913	5	--	--	--	--	--	--	--	--	3.093.930
Off-Shore Banking Regions	--	--	--	--	--	348.354	2.488.447	1.063	13.769	5.414	126.030	--	--	--	--	--	--	2.983.077
USA, Canada	--	--	--	--	--	3.757.087	132.585	2.825	412	3.200	26	--	--	--	--	--	--	3.896.135
Other Countries	1.874.019	--	--	--	--	5.081.649	5.068.537	86.469	68.454	1.373.329	5.217	898	--	--	--	161.279	--	13.719.851
Subsidiaries, Associates and jointly controlled companies	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	2.694.327	2.694.327
Unallocated Assets/Liabilities	2.915.049	234.101	--	--	--	7.030.549	41.601.337	7.086.522	815.033	2.602.361	32.879	--	--	--	13.882	--	--	62.331.713
<b>Total</b>	<b>172.411.130</b>	<b>3.053.683</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>37.462.829</b>	<b>190.145.597</b>	<b>138.909.644</b>	<b>6.880.689</b>	<b>26.804.388</b>	<b>2.904.896</b>	<b>34.237</b>	<b>--</b>	<b>--</b>	<b>13.891</b>	<b>30.791.834</b>	<b>2.695.434</b>	<b>612.108.252</b>

(\*) Exposure categories are as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks:

- |  |   |
|--|---|
| 1: Receivables from central governments and Central Banks                | 10: Receivables secured by commercial mortgages                                 |
| 2: Receivables from regional or local governments                        | 11: Past due receivables  |
| 3: Receivables from administrative bodies and non-commercial enterprises | 12: Receivables defined in high risk category by BRSA                           |
| 4: Receivables from multilateral development banks                       | 13: Securities collateralized by mortgages                                      |
| 5: Receivables from international organizations                          | 14: Short-term receivables from banks, brokerage houses and corporate portfolio |
| 6: Receivables from banks and brokerage houses                           | 15: Investments similar to collective investment funds                          |
| 7: Receivables from corporate portfolio                                  | 16: Other receivables   |
| 8: Receivables from retail portfolio                                     | 17: Equity investments  |
| 9: Receivables secured by residential mortgages                          |   |

(\*\*) OECD countries except for EU countries, USA and Canada

(\*\*\*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

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**I. Risk Profile by Sectors or Counterparties**

	Risk Classifications (*)/(**)																			
Current Period: 31 December 2023	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	TL	FC	Total
Agricultural	2.357.987	--	5.889.724	--	--	--	6.510.718	20.483.679	800.738	4.503.308	56.398	474	--	--	--	67	--	37.895.428	2.707.665	40.603.093
Farming and Cattle	2.357.987	--	5.889.724	--	--	--	6.238.702	20.390.322	795.086	4.483.515	55.809	473	--	--	--	67	--	37.788.507	2.423.178	40.211.685
Forestry	--	--	--	--	--	--	--	18.220	1.444	10	1	--	--	--	--	--	--	19.675	--	19.675
Fishing	--	--	--	--	--	--	272.016	75.137	4.208	19.783	588	1	--	--	--	--	--	87.246	284.487	371.733
Manufacturing	--	--	2.195.577	--	--	--	84.224.845	8.388.476	1.510.183	5.957.522	1.706.426	4.049	--	--	--	57	--	42.987.556	60.999.579	103.987.135
Mining	--	--	750.441	--	--	--	3.622.875	557.346	137.088	260.603	1.217.441	46	--	--	--	2	--	3.979.949	2.565.893	6.545.842
Production	--	--	336.425	--	--	--	67.153.963	7.682.077	1.358.063	5.590.035	101.986	4.003	--	--	--	55	--	36.027.747	46.198.860	82.226.607
Electric, Gas, Water	--	--	1.108.711	--	--	--	13.448.007	149.053	15.032	106.884	386.999	--	--	--	--	--	--	2.979.860	12.234.826	15.214.686
Construction	--	926.790	--	--	--	--	29.368.748	3.870.998	1.861.976	1.997.861	774.798	112.868	--	--	--	69	2.800	16.987.408	21.929.500	38.916.908
Services	20.493.848	88.930	--	--	--	26.813.008	106.304.939	19.677.799	3.815.762	18.610.961	2.841.475	38.604	--	--	28.128	7.198.484	2.796.034	71.335.631	137.372.341	208.707.972
Wholesale and Retail Trade	--	231	--	--	--	--	929	44.341.907	15.785.115	2.759.359	4.298.760	522.399	37.440	--	--	265	--	43.858.345	23.888.060	67.746.405
Hotel and Restaurant Services	--	--	--	--	--	--	21.060.016	659.650	348.964	11.772.926	1.979.880	251	--	--	--	4	--	4.331.380	31.490.311	35.821.691
Transportation and telecommunication	--	--	--	--	--	--	26.455.037	2.272.846	498.655	1.352.122	294.365	251	--	--	--	673	--	5.977.821	24.896.128	30.873.949
Financial institution	20.493.848	--	--	--	--	26.812.079	5.633.272	142.445	10.800	10.624	363	1	--	--	28.128	7.197.528	2.796.034	12.644.049	50.481.073	63.125.122
Real estate and letting services	--	24.769	--	--	--	--	58.307	162.244	66.561	74.971	1.613	13	--	--	--	10	--	376.605	11.883	388.488
Self-employment services	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Education services	--	53.768	--	--	--	--	935.750	290.537	51.376	860.233	6.484	(1)	--	--	--	3	--	1.857.130	341.020	2.198.150
Health and social services	--	10.162	--	--	--	--	7.820.650	364.962	80.047	241.325	36.371	649	--	--	--	1	--	2.290.301	6.263.866	8.554.167
Other	291.877.457	2.583.521	--	--	--	83.714.806	40.649.290	180.350.327	3.543.268	7.176.151	1.005.392	36.769	--	--	300	49.142.788	5.518.272	484.936.000	180.662.341	665.598.341
Total	314.729.292	3.599.241	8.085.301	--	--	110.527.814	267.058.540	232.771.279	11.531.927	38.245.803	6.384.489	192.764	--	--	28.428	56.341.465	8.317.106	654.142.023	403.671.426	1.057.813.449

(\*) Exposure categories are as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks:

- |  |   |
|--|---|
| 1: Receivables from central governments and Central Banks                | 10: Receivables secured by commercial mortgages                                 |
| 2: Receivables from regional or local governments                        | 11: Past due receivables  |
| 3: Receivables from administrative bodies and non-commercial enterprises | 12: Receivables defined in high risk category by BRSA                           |
| 4: Receivables from multilateral development banks                       | 13: Securities collateralized by mortgages                                      |
| 5: Receivables from international organizations                          | 14: Short-term receivables from banks, brokerage houses and corporate portfolio |
| 6: Receivables from banks and brokerage houses                           | 15: Investments similar to collective investment funds                          |
| 7: Receivables from corporate portfolio                                  | 16: Other receivables   |
| 8: Receivables from retail portfolio                                     | 17: Equity investments  |
| 9: Receivables secured by residential mortgages                          |   |

(\*\*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.



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Prior Period: 31 December 2022	Risk Classifications (*)(**)																	TL	FC	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17			
<b>Agricultural</b>	<b>419.769</b>	<b>25</b>	--	--	--	--	<b>5.962.471</b>	<b>17.556.689</b>	<b>536.761</b>	<b>3.572.711</b>	<b>43.143</b>	<b>202</b>	--	--	--	<b>35</b>	--	<b>27.357.265</b>	<b>734.541</b>	<b>28.091.806</b>
Farming and Cattle	419.769	25	--	--	--	--	5.734.092	17.506.914	526.778	3.570.054	42.644	--	--	--	--	35	--	27.167.910	632.401	27.800.311
Forestry	--	--	--	--	--	--	61.996	10.133	6.964	588	144	--	--	--	--	--	--	18.118	61.707	79.825
Fishing	--	--	--	--	--	--	166.383	39.642	3.019	2.069	355	202	--	--	--	--	--	171.237	40.433	211.670
<b>Manufacturing</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>54.611.538</b>	<b>4.776.458</b>	<b>855.318</b>	<b>4.234.394</b>	<b>440.314</b>	<b>1.593</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>25</b>	<b>--</b>	<b>28.345.756</b>	<b>36.573.884</b>	<b>64.919.640</b>
Mining	--	--	--	--	--	--	2.682.547	284.707	59.342	315.946	3.386	--	--	--	--	1	--	1.901.158	1.444.771	3.345.929
Production	--	--	--	--	--	--	39.348.322	4.456.549	776.477	3.834.428	81.391	1.593	--	--	--	24	--	23.877.124	24.621.660	48.498.784
Electric, Gas, Water	--	--	--	--	--	--	12.580.669	35.202	19.499	84.020	355.537	--	--	--	--	--	--	2.567.474	10.507.453	13.074.927
<b>Construction</b>	<b>--</b>	<b>865.856</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>9</b>	<b>24.617.276</b>	<b>2.452.798</b>	<b>954.890</b>	<b>1.364.117</b>	<b>166.410</b>	<b>3.465</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>86</b>	<b>2.800</b>	<b>9.971.570</b>	<b>20.456.137</b>	<b>30.427.707</b>
<b>Services</b>	<b>58</b>	<b>62.026</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>20.122.095</b>	<b>76.964.140</b>	<b>15.157.602</b>	<b>2.485.176</b>	<b>13.450.097</b>	<b>1.206.854</b>	<b>19.782</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>3.437.021</b>	<b>1.419.292</b>	<b>46.595.633</b>	<b>87.728.510</b>	<b>134.324.143</b>
Wholesale and Retail Trade	58	367	--	--	--	169	27.362.955	11.325.903	1.799.235	3.249.519	219.933	3.345	--	--	--	144	--	27.080.207	16.881.421	43.961.628
Hotel and Restaurant Services	--	--	--	--	--	--	17.293.376	371.367	235.334	7.859.510	695.383	15.185	--	--	--	--	--	2.825.391	23.644.764	26.470.155
Transportation and telecommunication	--	--	--	--	--	--	16.639.434	1.850.421	255.481	869.921	89.068	12	--	--	--	509	--	4.828.102	14.876.744	19.704.846
Financial institution	--	34.210	--	--	--	20.121.926	7.908.081	985.622	41.507	508.352	60.819	1.240	--	--	--	3.436.357	1.419.292	8.044.829	26.472.577	34.517.406
Real estate and letting services	--	24.112	--	--	--	--	507.090	213.506	47.444	81.609	1.607	--	--	--	--	9	--	653.618	221.759	875.377
Self-employment services	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Education services	--	2.267	--	--	--	--	800.759	178.081	65.220	598.719	20.171	(2)	--	--	--	1	--	1.416.602	248.614	1.665.216
Health and social services	--	1.070	--	--	--	--	6.452.445	232.702	40.955	282.467	119.873	2	--	--	--	1	--	1.746.884	5.382.631	7.129.515
<b>Other</b>	<b>171.991.303</b>	<b>2.125.776</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>17.340.725</b>	<b>27.990.172</b>	<b>98.966.097</b>	<b>2.048.544</b>	<b>4.183.069</b>	<b>1.048.175</b>	<b>9.195</b>	<b>--</b>	<b>--</b>	<b>13.891</b>	<b>27.354.667</b>	<b>1.273.342</b>	<b>217.349.830</b>	<b>136.995.126</b>	<b>354.344.956</b>
<b>Total</b>	<b>172.411.130</b>	<b>3.053.683</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>37.462.829</b>	<b>190.145.597</b>	<b>138.909.644</b>	<b>6.880.689</b>	<b>26.804.388</b>	<b>2.904.896</b>	<b>34.237</b>	<b>--</b>	<b>--</b>	<b>13.891</b>	<b>30.791.834</b>	<b>2.695.434</b>	<b>329.620.054</b>	<b>282.488.198</b>	<b>612.108.252</b>

(\*) Exposure categories are as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks:

- |  |   |
|--|---|
| 1: Receivables from central governments and Central Banks                | 10: Receivables secured by commercial mortgages                                 |
| 2: Receivables from regional or local governments                        | 11: Past due receivables  |
| 3: Receivables from administrative bodies and non-commercial enterprises | 12: Receivables defined in high risk category by BRSA                           |
| 4: Receivables from multilateral development banks                       | 13: Securities collateralized by mortgages                                      |
| 5: Receivables from international organizations                          | 14: Short-term receivables from banks, brokerage houses and corporate portfolio |
| 6: Receivables from banks and brokerage houses                           | 15: Investments similar to collective investment funds                          |
| 7: Receivables from corporate portfolio                                  | 16: Other receivables   |
| 8: Receivables from retail portfolio                                     | 17: Equity investments  |
| 9: Receivables secured by residential mortgages                          |   |

(\*\*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

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**m. Analysis of maturity-bearing exposures according to remaining maturities**

**Current Period**

<b>Risk classifications</b>	<b>Undistributed (*)</b>	<b>1 month</b>	<b>1-3 months</b>	<b>3-6 months</b>	<b>6-12 months</b>	<b>Over 1 Year</b>
1 Receivables from central governments and Central Banks	74.825.223	87.767.242	25.555.401	1.011.353	3.847.622	121.722.451
2 Receivables from regional or local governments	--	63.701	16.650	250.323	482.000	2.786.567
3 Receivables from administrative bodies and non-commercial enterprises	--	1.750.016	5.233.030	255.799	--	846.456
4 Receivables from multilateral development banks	--	--	--	--	--	--
5 Receivables from international organizations	--	--	--	--	--	--
6 Receivables from banks and brokerage houses	9.335.087	68.459.703	4.812.300	4.500.977	7.651.295	15.768.452
7 Receivables from corporate portfolio	774.398	25.698.841	29.545.927	24.211.185	50.290.341	136.537.848
8 Receivables from retail portfolio	--	104.935.909	15.255.173	17.203.834	51.235.361	44.141.002
9 Receivables secured by residential mortgages	--	1.233.797	1.447.931	2.172.922	3.348.279	3.328.998
10 Receivables secured by commercial mortgages	--	2.119.158	2.691.118	3.713.417	7.183.730	22.538.380
11 Past due receivables	6.384.489	--	--	--	--	--
12 Receivables defined in high risk category by BRSA	192.764	--	--	--	--	--
13 Securities collateralized by mortgages	--	--	--	--	--	--
14 Short-term receivables from banks, brokerage houses and corporate portfolio	--	--	--	--	--	--
15 Investments similar to collective investment funds	--	28.403	--	25	--	--
16 Other receivables	54.173.646	106.593	--	--	--	2.061.226
17 Equity investments	8.317.106	--	--	--	--	--
<b>18 Total</b>	<b>154.002.713</b>	<b>292.163.363</b>	<b>84.557.530</b>	<b>53.319.835</b>	<b>124.038.628</b>	<b>349.731.380</b>

(\*) Amounts without maturities are included.

**Prior Period**

<b>Risk classifications</b>	<b>Undistributed (*)</b>	<b>1 month</b>	<b>1-3 months</b>	<b>3-6 months</b>	<b>6-12 months</b>	<b>Over 1 Year</b>
1 Receivables from central governments and Central Banks	28.072.780	41.156.789	18.728.144	503.213	750.144	83.200.060
2 Receivables from regional or local governments	--	10.773	7.067	52.015	232.753	2.751.075
3 Receivables from administrative bodies and non-commercial enterprises	--	--	--	--	--	--
4 Receivables from multilateral development banks	--	--	--	--	--	--
5 Receivables from international organizations	--	--	--	--	--	--
6 Receivables from banks and brokerage houses	5.664.713	4.580.863	12.097.307	2.235.767	3.830.188	9.053.991
7 Receivables from corporate portfolio	--	15.050.809	21.196.230	19.324.798	29.956.442	104.617.318
8 Receivables from retail portfolio	--	45.595.381	8.100.609	8.520.373	30.298.939	46.394.342
9 Receivables secured by residential mortgages	--	485.732	849.685	1.105.534	1.828.767	2.610.971
10 Receivables secured by commercial mortgages	--	1.048.636	1.707.233	2.550.979	4.786.163	16.711.377
11 Past due receivables	2.904.896	--	--	--	--	--
12 Receivables defined in high risk category by BRSA	34.237	--	--	--	--	--
13 Securities collateralized by mortgages	--	--	--	--	--	--
14 Short-term receivables from banks, brokerage houses and corporate portfolio	--	--	--	--	--	--
15 Investments similar to collective investment funds	--	1.304	--	--	12.587	--
16 Other receivables	30.195.345	87.003	--	--	--	509.486
17 Equity investments	2.695.434	--	--	--	--	--
<b>18 Total</b>	<b>69.567.405</b>	<b>108.017.290</b>	<b>62.686.275</b>	<b>34.292.679</b>	<b>71.695.983</b>	<b>265.848.620</b>

(\*) Amounts without maturities are included.

**n. Information on risk class**

Ratings issued by Fitch, international credit rating agency, are being used in determining risk weights for the regulatory calculation of capital adequacy.

The scope of asset classes that the credit ratings are considered are receivables from central governments or central bank, receivables from banks and brokerage houses as being limited with those residing abroad and corporate receivables from residing abroad.

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Credit Quality Grade	Risk Rating Fitch	Receivables from Central Governments or Central Banks	Risk Classifications		
			Receivables from Banks and Brokerage Houses		Corporate Receivables
			Receivables with Remaining Maturities Less Than 3 Months	Receivables with Remaining Maturities More Than 3 Months	
1	AAA	%0	%20	%20	%20
	AA+				
	AA				
	AA-				
2	A+	%20	%20	%50	%50
	A				
	A-				
3	BBB+	%50	%20	%50	%100
	BBB				
	BBB-				
4	BB+	%100	%50	%100	%100
	BB				
	BB-				
5	B+	%100	%50	%100	%150
	B				
	B-				
6	CCC	%150	%150	%150	%150
	CC				
	C				
	D				

**Prior Period**

Credit Quality Grade	Risk Rating Fitch	Receivables from Central Governments or Central Banks	Risk Classifications		
			Receivables from Banks and Brokerage Houses		Corporate Receivables
			Receivables with Remaining Maturities Less Than 3 Months	Receivables with Remaining Maturities More Than 3 Months	
1	AAA	0%	20%	20%	20%
	AA+				
	AA				
	AA-				
2	A+	20%	20%	50%	50%
	A				
	A-				
3	BBB+	50%	20%	50%	100%
	BBB				
	BBB-				
4	BB+	100%	50%	100%	100%
	BB				
	BB-				
5	B+	100%	50%	100%	150%
	B				
	B-				
6	CCC	150%	150%	150%	150%
	CC				
	C				
	D				

**o. Exposures by risk weights**

**Current Period**

Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	Other Risk Weights	Equity Deduction
Exposures before Credit Risk Mitigation	318.893.314	--	45.235.683	--	37.320.585	128.616.841	367.421.655	106.274.467	23.330.205	--	30.720.699	5.254.641
Exposures after Credit Risk Mitigation	320.833.794	--	48.237.726	10.984.414	71.332.354	104.752.195	305.362.868	105.666.262	24.595.154	--	30.720.699	5.254.641

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**Prior Period**

Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	Other Risk Weights	Equity Deduction
Exposures before Credit Risk Mitigation	173.896.994	--	25.993.184	--	16.730.325	96.985.472	248.970.306	34.142.601	14.783.076	--	606.294	2.466.181
Exposures after Credit Risk Mitigation	177.284.423	--	26.992.754	6.593.361	40.266.757	83.498.669	210.556.921	34.081.939	15.265.796	--	606.294	2.466.181

**p. Information by major sectors and type of counterparties (\*)**

**Current Period**

Important Sectors/Counterparties	Loans (**)		Provisions
	Impaired (IFRS 9)		Provision for Expected Credit Loss (IFRS 9)
	Significant Increase in Credit Risk (Stage 2)	Credit Impaired (Stage 3)	(***)
<b>Agricultural</b>	<b>2.806.961</b>	<b>952.016</b>	<b>1.324.783</b>
Farming and Cattle	2.798.189	933.295	1.308.398
Forestry	5.565	18.484	16.104
Fishing	3.207	237	281
<b>Manufacturing</b>	<b>8.212.971</b>	<b>8.232.026</b>	<b>7.045.278</b>
Mining	42.418	2.174.005	1.009.671
Production	1.701.147	1.670.189	2.167.959
Electric, Gas, Water	6.469.406	4.387.832	3.867.648
<b>Construction</b>	<b>4.618.324</b>	<b>1.349.945</b>	<b>3.095.187</b>
<b>Services</b>	<b>18.123.771</b>	<b>8.404.093</b>	<b>11.078.241</b>
Wholesale and Retail Trade	4.280.362	2.780.213	4.367.034
Hotel and Restaurant Services	12.325.419	3.678.586	4.845.265
Transportation & telecommunication	468.632	1.478.339	1.224.923
Financial institutions	171.334	32.866	75.854
Real estate and letting services	210.475	131.308	81.252
Self-employment services	576.706	92.718	309.251
Education services	60.058	59.950	57.502
Health and social services	30.785	150.113	117.160
<b>Other</b>	<b>15.783.493</b>	<b>5.584.351</b>	<b>8.051.702</b>
<b>Total</b>	<b>49.545.520</b>	<b>24.522.431</b>	<b>30.595.191</b>

(\*) The balances of loans at fair value through profit or loss are not included.

(\*\*) Cash loans are given.

(\*\*\*) Includes the stage 2 and stage 3 provisions.

**Prior Period**

Important Sectors/Counterparties	Loans (**)		Provisions
	Impaired (IFRS 9)		Provision for Expected Credit Loss (IFRS 9)
	Significant Increase in Credit Risk (Stage 2)	Credit Impaired (Stage 3)	(***)
<b>Agricultural</b>	<b>2.548.366</b>	<b>960.709</b>	<b>1.458.199</b>
Farming and Cattle	2.544.244	959.758	1.457.203
Forestry	1.627	632	690
Fishing	2.495	319	306
<b>Manufacturing</b>	<b>7.096.902</b>	<b>5.472.280</b>	<b>5.803.129</b>
Mining	18.790	132.438	133.501
Production	2.234.524	1.586.985	2.267.227
Electric, Gas, Water	4.843.588	3.752.857	3.402.401
<b>Construction</b>	<b>3.573.968</b>	<b>1.444.278</b>	<b>2.904.085</b>
<b>Services</b>	<b>16.339.140</b>	<b>6.841.809</b>	<b>11.797.854</b>
Wholesale and Retail Trade	4.218.907	2.053.248	3.862.468
Hotel and Restaurant Services	9.770.527	2.132.783	3.486.815
Transportation & telecommunication	1.985.076	548.559	1.449.244
Financial institutions	20.280	3.298	13.021
Real estate and letting services	94.681	1.333.627	2.322.978
Self-employment services	122.107	127.490	140.433
Education services	78.276	102.931	96.692
Health and social services	49.286	539.873	426.203
<b>Other</b>	<b>9.655.712</b>	<b>3.031.459</b>	<b>4.525.449</b>
<b>Total</b>	<b>39.214.088</b>	<b>17.750.535</b>	<b>26.488.716</b>

(\*) The balances of loans at fair value through profit or loss are not included.

(\*\*) Cash loans are given.

(\*\*\*) Includes the stage 2 and stage 3 provisions.

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**q. Information on movements in valuation adjustments and provisions**

<b>Current Period: 31 December 2023</b>	<b>Opening Balance (After TFRS 9) 1 January 2022</b>	<b>Charge for the period</b>	<b>Other Adjustments (*)</b>	<b>Closing Balance</b>
Default (Stage 3 / Specific Provision)	14.004.351	576.119	1.033.876	15.614.346
12 Months Provision for Expected Credit Loss (Stage 1)	4.920.254	(342.264)	2.950.221	7.528.211
Significant Increase in Credit Risk (Stage 2)	14.484.365	152.519	343.961	14.980.845

(\*) Includes sales made from non-performing loans, write-off and foreign exchange differences.

<b>Prior Period: 31 December 2022</b>	<b>Opening Balance (After TFRS 9) 1 January 2021</b>	<b>Charge for the period</b>	<b>Other Adjustments (*)</b>	<b>Closing Balance</b>
Default (Stage 3 / Specific Provision)	11.813.254	6.107.472	(3.916.375)	14.004.351
12 Months Provision for Expected Credit Loss (Stage 1)	3.187.819	1.175.215	552.722	4.915.756
Significant Increase in Credit Risk (Stage 2)	10.791.714	(896.626)	2.589.277	12.484.365

(\*) Includes sales made from non-performing loans, write-off and foreign exchange differences.

**r. Information on cyclical capital buffer calculation:**

**Current Period**

<b>Private sector credit exposure in</b>			
<b>Country of ultimate risk</b>	<b>banking book</b>	<b>Risk weighted equivalent trading book</b>	<b>Total</b>
Turkey	545.953.043	3.372.184	549.325.227
Bahrain	40.258.802	--	40.258.802
United Kingdom	5.750.612	--	5.750.612
USA	4.243.475	--	4.243.475
Switzerland	2.822.628	--	2.822.628
Belgium	2.266.641	--	2.266.641
Other	16.817.599	--	16.817.599

**Prior Period**

<b>Private sector credit exposure in</b>			
<b>Country of ultimate risk</b>	<b>banking book</b>	<b>Risk weighted equivalent trading book</b>	<b>Total</b>
Turkey	347.950.524	568.377	348.518.901
England	3.533.703	--	3.533.703
Switzerland	344.695	--	344.695
Netherlands	1.786.958	--	1.786.958
Germany	5.028.448	--	5.028.448
Cyprus	2.034.894	--	2.034.894
Other	13.528.676	--	13.528.676

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

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

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

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

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

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

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

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

**c. Foreign currency risk management policy**

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

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

US Dollar purchase rate at the balance sheet date	TL 29,4382
Euro purchase rate at the balance sheet date	TL 32,5739

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
25 December 2023	29,2108	32,1766
26 December 2023	29,2647	32,2421
27 December 2023	29,3374	32,4186
28 December 2023	29,3973	32,6937
29 December 2023	29,4382	32,5739

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

The arithmetical average US Dollar and Euro purchase rates for December 2023 are TL 29,0552 and TL 31,7410 respectively.

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**f. Information on currency risk**

Current Period	EURO	USD	Other FC <sup>(5)</sup>	Total
<b>Assets</b>				
Cash Equivalents and Central Bank	66.632.103	61.853.880	9.918.798	<b>138.404.781</b>
Banks	33.016.199	33.407.326	1.702.941	<b>68.126.466</b>
Financial Assets at Fair Value through Profit or Loss (Net) <sup>(1)</sup>	598.582	7.095.089	28.463	<b>7.722.134</b>
Due from Money Markets	--	--	--	<b>--</b>
Financial Assets at Fair Value through Other Comprehensive				
Income	9.168.391	59.413.814	99.472	<b>68.681.677</b>
Loans <sup>(2)</sup>	179.787.947	75.359.268	5.345.912	<b>260.493.127</b>
Investments in Associates, Subsidiaries and Joint Ventures	1.825	--	--	<b>1.825</b>
Financial Assets Measured at Amortised Cost	--	8.353.287	--	<b>8.353.287</b>
Hedging Derivative Financial Assets	--	--	--	<b>--</b>
Tangible Fixed Assets	1.001.344	234	36.156	<b>1.037.734</b>
Intangible Fixed Assets <sup>(3)</sup>	--	--	--	<b>--</b>
Other Assets <sup>(4)</sup>	474.398	5.322.107	766.622	<b>6.563.127</b>
<b>Total Assets</b>	<b>290.680.789</b>	<b>250.805.005</b>	<b>17.898.364</b>	<b>559.384.158</b>
<b>Liabilities</b>				
Bank Deposits	3.592.014	1.774.101	1.705.236	<b>7.071.351</b>
Foreign Currency Deposits	163.638.374	145.858.942	31.988.385	<b>341.485.701</b>
Due to Money Markets	3.992.426	47.881.665	--	<b>51.874.091</b>
Funds Borrowed	63.330.667	72.566.515	2.361.706	<b>138.258.888</b>
Securities Issued	814.348	37.627.090	2.895.347	<b>41.336.785</b>
Miscellaneous Payables	--	--	--	<b>--</b>
Hedging Derivative Financial Liabilities	--	--	--	<b>--</b>
Other Liabilities <sup>(6)</sup>	13.018.613	17.332.289	723.092	<b>31.073.994</b>
<b>Total Liabilities</b>	<b>248.386.442</b>	<b>323.040.602</b>	<b>39.673.766</b>	<b>611.100.810</b>
<b>Net on Balance Sheet Position</b>	<b>42.294.347</b>	<b>(72.235.597)</b>	<b>(21.775.402)</b>	<b>(51.716.652)</b>
<b>Net off-Balance Sheet Position <sup>(7)</sup></b>	<b>(48.470.256)</b>	<b>68.791.797</b>	<b>23.901.285</b>	<b>44.222.826</b>
Financial Derivative Assets	36.577.670	155.113.211	34.436.800	<b>226.127.681</b>
Financial Derivative Liabilities	(85.047.926)	(86.321.414)	(10.535.515)	<b>(181.904.855)</b>
<b>Net Positions</b>	<b>(6.175.909)</b>	<b>(3.443.800)</b>	<b>2.125.883</b>	<b>(7.493.826)</b>
Non Cash Loans	36.364.413	43.109.605	3.554.872	<b>83.028.890</b>
<b>Prior Period</b>				
Total Assets	186.076.713	146.243.383	16.101.234	<b>348.421.330</b>
Total Liabilities	151.993.160	174.724.242	33.657.902	<b>360.375.304</b>
<b>Net on Balance Sheet Position</b>	<b>34.083.553</b>	<b>(28.480.859)</b>	<b>(17.556.668)</b>	<b>(11.953.974)</b>
<b>Net off-Balance Sheet Position</b>	<b>(33.694.243)</b>	<b>27.532.650</b>	<b>18.510.895</b>	<b>12.349.302</b>
Financial Derivative Assets	17.989.662	104.439.447	22.929.025	<b>145.358.134</b>
Financial Derivative Liabilities	(51.683.905)	(76.906.797)	(4.418.130)	<b>(133.008.832)</b>
<b>Net Positions</b>	<b>389.310</b>	<b>(948.209)</b>	<b>954.227</b>	<b>395.328</b>
Non Cash Loans	22.492.274	27.923.945	2.415.901	<b>52.832.120</b>

(1) : Foreign currency differences of derivative financial assets amounting to TL 4.310.987 are excluded.

(2) : Foreign currency indexed loans amounting to TL 511.093 are included.

(3) : Intangible assets amounting to TL 530.755 are not included.

(4) : Prepaid expenses amounting to TL 451.040 are not included.

(5) : There are gold balances amounting to TL 10.316.260 under total assets and TL 18.571.690 in total liabilities.

(6) : FX equity amounting to TL 46.956.949 and foreign exchange rate differences related to derivative financial liabilities amounting to TL 1.596.701 are not included.

(7) : Net amount of receivables and liabilities from financial derivatives is shown on the table. Spot foreign exchange buy/sale transactions that are reported under the "Asset Purchase Commitments" are included in "Net Off-Balance Sheet Position".

**g. Information on currency risk exposed**

In the event TL loses 10% in value against the currencies below, the increase and decrease in equities and statement of profit or loss (excluding tax effect) as of 31 December 2023 and 2022 are shown in the table below. This analysis has been prepared under the assumption that all other variables, especially interest rates, to be constant.

	Current Period		Prior Period	
	Period Profit/Loss	Equity	Period Profit/Loss	Equity
USD	(403.726)	(362.865)	322.046	93.515
Euro	(600.782)	(609.468)	(345.193)	(355.357)
<b>Total (Net)</b>	<b>(1.004.508)</b>	<b>(972.333)</b>	<b>(23.147)</b>	<b>(261.842)</b>

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**IV. Explanations related to the consolidated interest rate risk**

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

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

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

End of The Current Period	Up to 1 Month	1 - 3 Month	3 - 12 Month	1 - 5 Year	5 Years and Over	Non- Interest Bearing	Total
<b>Assets</b>							
Cash Equivalents and Central Bank Banks <sup>(1)</sup>	61.849.936	1.051.192	--	--	--	175.904.579	<b>238.805.707</b>
	25.722.668	19.860.188	10.433.151	--	--	18.408.067	<b>74.424.074</b>
Financial Assets at Fair Value through Profit or Loss	218.447	246.479	59.388	1.326.663	2.426.537	12.233.373	<b>16.510.887</b>
Due from Money Markets	51.909.946	232.841	--	--	--	--	<b>52.142.787</b>
Financial Assets at Fair Value through Other Comprehensive Income	12.460.974	13.055.813	21.883.103	24.871.429	30.707.308	2.072	<b>102.980.699</b>
Loans	217.220.499	91.213.708	142.708.375	83.286.231	26.702.715	8.908.085	<b>570.039.613</b>
Financial Assets Measured at Amortised Cost <sup>(2)</sup>	1.359.493	24.305.524	8.596.790	12.981.168	3.987.452	--	<b>51.230.427</b>
Other Assets <sup>(3)</sup>	--	--	--	1.015.601	--	65.757.341	<b>66.772.942</b>
<b>Total Assets</b>	<b>370.741.963</b>	<b>149.965.745</b>	<b>183.680.807</b>	<b>123.481.092</b>	<b>63.824.012</b>	<b>281.213.517</b>	<b>1.172.907.136</b>
<b>Liabilities</b>							
Bank Deposits	2.968.936	2.297.097	2.498.479	--	--	1.656.754	<b>9.421.266</b>
Other Deposits	234.495.632	123.108.455	152.414.321	24.761.896	477.198	202.626.812	<b>737.884.314</b>
Due to Money Markets	40.128.759	2.597.039	13.293.744	--	--	--	<b>56.019.542</b>
Miscellaneous Payables	--	--	--	--	--	--	<b>--</b>
Securities Issued	400.322	23.450.390	20.907.010	1.736.960	--	--	<b>46.494.682</b>
Funds Borrowed	18.388.906	89.173.267	18.721.642	6.193.123	16.993.189	--	<b>149.470.127</b>
Other Liabilities <sup>(4)</sup>	104.066	27.860	10.794.079	901.311	--	161.789.889	<b>173.617.205</b>
<b>Total Liabilities</b>	<b>296.486.621</b>	<b>240.654.108</b>	<b>218.629.275</b>	<b>33.593.290</b>	<b>17.470.387</b>	<b>366.073.455</b>	<b>1.172.907.136</b>
Balance Sheet Long Position	74.255.342	--	--	89.887.802	46.353.625	--	<b>210.496.769</b>
Balance Sheet Short Position	--	(90.688.363)	(34.948.468)	--	--	(84.859.938)	<b>(210.496.769)</b>
Off-balance Sheet Long Position	--	--	15.323.941	--	1.144.291	2.085	<b>16.470.317</b>
Off-balance Sheet Short Position	(1.958.697)	(769.475)	--	(23.726.175)	--	--	<b>(26.454.347)</b>
<b>Total Position</b>	<b>72.296.645</b>	<b>(91.457.838)</b>	<b>(19.624.527)</b>	<b>66.161.627</b>	<b>47.497.916</b>	<b>(84.857.853)</b>	<b>(9.984.030)</b>

(1) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (58.970).

(2) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (6.657).

(3) Other assets / non-interest bearing column includes; tangible assets, intangible assets, investment properties, investments in associates, subsidiaries and joint ventures, tax assets, assets to be disposed, the provisions for expected credit loss of other assets and other assets with balances of TL 7.779.579, TL 2.993.623, TL 1.591.527, TL 8.315.620, TL 6.326.112, TL 12.120.650, TL (64.896) and TL 26.755.126, respectively.

(4) Other liabilities / non-interest bearing column includes; shareholders' equity, current tax liabilities, deferred tax liabilities, provisions, derivative financial liabilities and other liabilities amounting to TL 90.413.608, TL 3.202.356, TL 1.436.432, TL 16.242.296, TL 2.835.852 and TL 47.659.345, respectively.



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End of The Prior Period	Up to 1 Month	1 - 3 Month	3 - 12 Month	1 - 5 Year	5 Years and Over	Non- Interest Bearing	Total
<b>Assets</b>							
Cash Equivalents and Central Bank	122.751	957.183	--	--	--	111.075.885	<b>112.155.819</b>
Banks <sup>(1)</sup>	5.727.674	13.818.308	2.169.727	2.202.801	--	8.950.852	<b>32.869.362</b>
Financial Assets at Fair Value through Profit or Loss (Net)	958.268	98.460	167.620	461.217	678.945	6.988.786	<b>9.353.296</b>
Due from Money Markets	16.415	--	--	--	--	--	<b>16.415</b>
Financial Assets at Fair Value through Other Comprehensive Income	6.045.097	21.640.307	15.269.035	18.430.340	15.872.328	1.630	<b>77.258.737</b>
Loans	163.797.901	17.788.915	49.553.536	79.679.802	28.181.280	3.746.184	<b>342.747.618</b>
Financial Assets Measured at Amortised Cost <sup>(2)</sup>	1.289.497	7.454.135	3.268.047	5.432.157	870.000	--	<b>18.313.836</b>
Other Assets <sup>(3)</sup>	34.233	493	1.729	544.130	1.822	31.703.624	<b>32.286.031</b>
<b>Total Assets</b>	<b>177.991.836</b>	<b>61.757.801</b>	<b>70.429.694</b>	<b>106.750.447</b>	<b>45.604.375</b>	<b>162.466.961</b>	<b>625.001.114</b>
<b>Liabilities</b>							
Bank Deposits	7.944.275	12.175.843	234.358	943.780	--	1.139.864	<b>22.438.120</b>
Other Deposits	142.492.454	72.318.494	35.498.114	15.959.478	882.778	149.817.573	<b>416.968.891</b>
Due to Money Markets	3.218.736	3.013.873	7.249.188	--	--	--	<b>13.481.797</b>
Miscellaneous Payables	--	--	--	--	--	--	<b>--</b>
Securities Issued	581.642	5.074.804	3.142.280	--	--	--	<b>8.798.726</b>
Funds Borrowed	7.811.604	23.358.138	19.125.686	285.718	14.561.850	--	<b>65.142.996</b>
Other Liabilities <sup>(4)</sup>	56.266	388.502	1.264.016	655.923	--	95.805.877	<b>98.170.584</b>
<b>Total Liabilities</b>	<b>162.104.977</b>	<b>116.329.654</b>	<b>66.513.642</b>	<b>17.844.899</b>	<b>15.444.628</b>	<b>246.763.314</b>	<b>625.001.114</b>
Balance Sheet Long Position	15.886.859	--	3.916.052	88.905.548	30.159.747	--	<b>138.868.206</b>
Balance Sheet Short Position	--	(54.571.853)	--	--	--	(84.296.353)	<b>(138.868.206)</b>
Off-balance Sheet Long Position	--	931.705	8.869.450	--	--	--	<b>9.801.155</b>
Off-balance Sheet Short Position	(1.280.478)	--	--	(11.526.066)	(2.440.910)	--	<b>(15.247.454)</b>
<b>Total Position</b>	<b>14.606.381</b>	<b>(53.640.148)</b>	<b>12.785.502</b>	<b>77.379.482</b>	<b>27.718.837</b>	<b>(84.296.353)</b>	<b>(5.446.299)</b>

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

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

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

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

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

Current Period - 31 December 2023	EURO %	USD %	Yen %	TL %
<b>Assets</b>				
Cash Equivalents and Central Bank	4,75	5,50	--	42,13
Banks	4,07	6,19	--	42,56
Financial Assets at Fair Value through Profit or Loss	4,22	7,49	--	49,04
Due from Money Markets	--	--	--	43,48
Financial Assets at Fair Value through Other Comprehensive Income				
Income	3,09	7,15	--	44,34
Loans	6,99	7,96	6,01	41,80
Financial Assets Measured at Amortised Cost	--	5,07	--	39,49
<b>Liabilities</b>				
Bank Deposits	3,41	6,42	--	40,55
Other Deposits	1,96	3,21	0,01	35,79
Due to Money Markets	2,50	7,46	--	42,31
Miscellaneous Payables	--	--	--	--
Securities Issued	3,75	3,70	--	43,70
Funds Borrowed	6,14	8,44	--	42,79
<b>Prior Period - 31 December 2022</b>	<b>EURO %</b>	<b>USD %</b>	<b>Yen %</b>	<b>TL %</b>
<b>Assets</b>				
Cash Equivalents and Central Bank	--	--	--	--
Banks	2,17	4,44	--	12,56
Financial Assets at Fair Value through Profit or Loss	6,14	8,74	--	22,18
Due from Money Markets	--	--	--	12,49
Financial Assets at Fair Value through Other Comprehensive Income				
Income	2,60	7,02	--	45,74
Loans	5,71	6,69	6,00	23,00
Financial Assets Measured at Amortised Cost	0,57	4,74	--	58,47
<b>Liabilities</b>				
Bank Deposits	2,59	4,14	--	23,87
Other Deposits	0,69	2,42	0,01	16,76
Due to Money Markets	2,45	4,67	--	11,69
Miscellaneous Payables	--	--	--	--
Securities Issued	1,63	--	--	22,47
Funds Borrowed	4,53	6,36	--	14,26

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**c. Interest rate risk arising from banking accounts**

The interest rate risk arising from banking accounts is managed according to the principles stated in the "Interest Rate Risk Management Policy".

Sensitivity limits are determined by the Parent Bank for possible negative developments in the market Among the metrics followed; the sensitivity of net present value of the balance sheet and net interest income to certain interest changes and interest rate gap analysis. These criteria are not only monitored in weekly ALCOs, but are also submitted to the senior management and the Board of Directors due to the limits set forth in the risk appetite declaration.

Interest rate risk calculation and reporting arising from banking accounts according to the "Regulation on Measurement and Assessment of the Interest Rate Risk from Banking Accounts" published in the Official Gazette no. 28034 dated 23 August 2011. The related ratio is prepared monthly as the other interest rate metrics that the Parent Bank follows. In addition, it is provided with close monitoring by weekly estimation studies and submitted to ALCO.

Cross currency swaps or interest swaps are used for the purpose of hedging up to 10 years of maturity in order to avoid the negative effects of interest risk.

The Group's economic value differences arising from the interest rate fluctuations pursuant to the "Regulation on the Measurement and Assessment of Interest Rate Risk Arising from Banking Accounts According to the Standard Shock Method" in a manner separated by different currencies are demonstrated in the following table as of 31 December 2023.

Current Period: 31 December 2023	Shocks Applied		
Type of Currency	(+/- x basis points)	Gains/Losses	Gains/Equity -Losses/Equity
1 TL	(+) 500 bps	(1.775.000)	(1,50%)
2 TL	(-) 400 bps	1.693.742	1,43%
3 Euro	(+) 200 bps	(765.322)	(0,65%)
4 Euro	(-) 200 bps	1.082.071	0,91%
5 US Dollar	(+) 200 bps	(254.801)	(0,21%)
6 US Dollar	(-) 200 bps	542.813	0,46%
Total (of positive shocks)		<b>(2.795.123)</b>	<b>(2,36%)</b>
Total (of negative shocks)		<b>3.318.626</b>	<b>2,80%</b>

Current Period: 31 December 2022	Shocks Applied		
Type of Currency	(+/- x basis points)	Gains/Losses	Gains/Equity -Losses/Equity
1 TL	(+) 500 bps	(4.653.456)	(6,37%)
2 TL	(-) 400 bps	4.421.000	6,05%
3 Euro	(+) 200 bps	(589.746)	(0,81%)
4 Euro	(-) 200 bps	766.292	1,05%
5 US Dollar	(+) 200 bps	(297.812)	(0,41%)
6 US Dollar	(-) 200 bps	453.728	0,62%
Total (of positive shocks)		<b>(5.541.014)</b>	<b>(7,59%)</b>
Total (of negative shocks)		<b>5.641.020</b>	<b>7,72%</b>

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

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

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

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

None.

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

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

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

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

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

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

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

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

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

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

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

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

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

**Information on liquidity risk mitigation techniques used**

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

**Explanations related to using the stress test**

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

**General information on the liquidity emergency and contingency plan**

In order to be prepared for the liquidity crises that may be experienced and to be able to manage them in a healthy and planned way, the “Liquidity Unexpected Situation Plan Regulation” was prepared to guide the processes. In this document, early warning indicators, action plans, duties and responsibilities of the units within the Bank are used to determine the unexpected liquidity situation.

**a. Liquidity coverage ratio**

Liquidity coverage ratios calculated in accordance with the Regulation on Calculation of Liquidity Coverage Ratio of Banks published in the Official Gazette dated 21 March 2014 and numbered 28948 are as follows. The lowest monthly consolidated foreign currency ratio for the last three months was 244,46 in October, the highest 373,94 in December, and the total lowest liquidity coverage ratio has been calculated as 277,33 in November and 351,76 in December as the highest.

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

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

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

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Current Period	Total unweighted value (*)		Total weighted value (*)	
	TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>				
1 Total High Quality Liquid Assets			228.847.553	128.102.734
<b>CASH OUTFLOWS</b>				
2 Retail deposits and deposits from small business customers, of which	492.199.583	227.150.361	46.209.801	22.715.036
3 Stable deposits	60.203.154	--	3.010.158	--
4 Less stable deposits	431.996.429	227.150.361	43.199.643	22.715.036
5 Unsecured wholesale funding, of which	174.803.023	103.978.370	102.016.311	54.193.349
6 Operational deposits	5.872.977	3.437.643	1.443.019	855.689
7 Non-operational deposits	122.039.373	82.711.594	53.682.619	35.508.527
8 Unsecured debt	46.890.673	17.829.133	46.890.673	17.829.133
9 Secured wholesale funding	--	--	--	--
10 Other cash outflows	5.737.775	12.198.121	3.587.861	10.483.438
11 Outflows related to derivative exposures and other collateral requirements	2.154.585	9.340.316	2.154.585	9.340.316
12 Outflows related to loss of funding on debt products	--	--	--	--
13 Credit and liquidity facilities	3.583.190	2.857.805	1.433.276	1.143.122
14 Other contractual funding obligations	14.819.991	14.819.431	14.819.459	14.819.431
15 Other contingent funding obligations	456.469.618	83.471.038	31.126.669	8.180.548
<b>16 TOTAL CASH OUTFLOWS</b>			<b>197.760.101</b>	<b>110.391.802</b>
<b>CASH INFLOWS</b>				
17 Secured lending	27.848.301	--	--	--
18 Unsecured lending	141.287.617	41.612.981	119.445.433	37.311.961
19 Other cash inflows	854.298	29.359.616	854.298	29.359.616
<b>20 TOTAL CASH INFLOWS</b>	<b>169.990.216</b>	<b>70.972.597</b>	<b>120.299.731</b>	<b>66.671.577</b>
			<b>Total Adjusted Value</b>	
<b>21 TOTAL HQLA</b>			<b>228.847.553</b>	<b>128.102.734</b>
<b>22 TOTAL NET CASH OUTFLOWS</b>			<b>77.460.370</b>	<b>43.720.225</b>
<b>23 LIQUIDITY COVERAGE RATIO (%)</b>			<b>304,4</b>	<b>306,4</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			145.138.394	107.855.306
<b>CASH OUTFLOWS</b>				
2 Retail deposits and deposits from small business customers, of which	283.710.235	178.616.538	27.048.203	17.861.654
3 Stable deposits	26.456.404	--	1.322.820	--
4 Less stable deposits	257.253.831	178.616.538	25.725.383	17.861.654
5 Unsecured wholesale funding, of which	123.404.190	81.949.185	67.874.826	39.803.951
6 Operational deposits	32.884.504	25.682.983	8.221.126	6.420.746
7 Non-operational deposits	65.419.037	45.781.600	34.567.608	22.908.506
8 Unsecured debt	25.100.649	10.484.602	25.086.092	10.474.699
9 Secured wholesale funding	--	--	--	--
10 Other cash outflows	4.760.342	13.558.850	3.466.425	12.572.778
11 Outflows related to derivative exposures and other collateral requirements	2.603.814	11.915.397	2.603.814	11.915.397
12 Outflows related to loss of funding on debt products	--	--	--	--
13 Credit and liquidity facilities	2.156.528	1.643.453	862.611	657.381
14 Other contractual funding obligations	4.924.313	4.923.753	4.923.781	4.923.753
15 Other contingent funding obligations	210.600.349	55.565.066	15.731.889	5.524.720
<b>16 TOTAL CASH OUTFLOWS</b>			<b>119.045.124</b>	<b>80.686.856</b>
<b>CASH INFLOWS</b>				
17 Secured lending	592.817	--	--	--
18 Unsecured lending	50.476.915	37.967.944	41.813.334	35.040.150
19 Other cash inflows	1.077.192	46.091.528	1.077.192	46.091.528
<b>20 TOTAL CASH INFLOWS</b>	<b>52.146.924</b>	<b>84.059.472</b>	<b>42.890.526</b>	<b>81.131.678</b>
			<b>Total adjusted value</b>	
<b>21 TOTAL HQLA</b>			<b>145.138.394</b>	<b>107.855.306</b>
<b>22 TOTAL NET CASH OUTFLOWS</b>			<b>76.154.598</b>	<b>20.171.714</b>
<b>23 LIQUIDITY COVERAGE RATIO (%)</b>			<b>192,3</b>	<b>538,8</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 Banks <sup>(1)</sup>	176.874.347	61.931.360	--	--	--	--	--	238.805.707
Financial Assets at Fair Value through Profit or Loss (Net)	18.408.067	19.262.673	20.080.757	11.936.737	4.735.840	--	--	74.424.074
Due from Money Markets	3.721.163	1.399.536	613.022	3.169.912	4.669.843	2.937.411	--	16.510.887
Financial Assets at Fair Value through Other Comprehensive Income	--	51.909.946	232.841	--	--	--	--	52.142.787
Loans	2.072	234.894	3.385.235	10.863.765	48.558.751	39.935.982	--	102.980.699
Financial Assets Measured at Amortised Cost <sup>(2)</sup>	--	93.551.630	145.427.059	127.565.144	144.834.588	49.753.107	8.908.085	570.039.613
Other Assets	44.168.552	--	1.625.137	18.310	14.347.318	35.239.662	--	51.230.427
<b>Total Assets</b>	<b>243.174.201</b>	<b>228.290.039</b>	<b>171.364.051</b>	<b>153.792.823</b>	<b>217.229.859</b>	<b>127.866.162</b>	<b>31.190.001</b>	<b>1.172.907.136</b>
<b>Liabilities</b>								
Bank Deposits	1.656.754	2.964.309	2.301.724	2.498.479	--	--	--	9.421.266
Other Deposits	202.626.812	230.704.641	126.665.624	152.450.395	24.946.500	490.342	--	737.884.314
Fund Borrowed	--	11.355.534	26.196.355	79.428.001	15.230.535	17.259.702	--	149.470.127
Due to Money Markets	--	30.955.141	4.549.008	20.515.393	--	--	--	56.019.542
Securities Issued	--	400.322	2.758.307	22.160.956	19.097.106	2.077.991	--	46.494.682
Miscellaneous Payables	--	--	--	--	--	--	--	--
Other Liabilities	61.432.511	3.236.119	244.932	11.186.414	406.048	396.151	96.715.030	173.617.205
<b>Total Liabilities</b>	<b>265.716.077</b>	<b>279.616.066</b>	<b>162.715.950</b>	<b>288.239.638</b>	<b>59.680.189</b>	<b>20.224.186</b>	<b>96.715.030</b>	<b>1.172.907.136</b>
<b>Net Liquidity Excess/ (Gap)</b>	<b>(22.541.876)</b>	<b>(51.326.027)</b>	<b>8.648.101</b>	<b>(134.446.815)</b>	<b>157.549.670</b>	<b>107.641.976</b>	<b>(65.525.029)</b>	<b>--</b>
<b>Net Off-balance sheet Position</b>	<b>--</b>	<b>(967.413)</b>	<b>(1.492.186)</b>	<b>2.616.040</b>	<b>72.971</b>	<b>(1.319)</b>	<b>--</b>	<b>228.093</b>
Financial Derivative Assets	--	129.968.824	70.391.676	53.758.278	53.247.530	29.176.567	--	336.542.875
Financial Derivative Liabilities	--	(130.936.237)	(71.883.862)	(51.142.238)	(53.174.559)	(29.177.886)	--	(336.314.782)
Non Cash Loans	--	25.298.164	14.645.920	50.978.932	59.151.906	3.894.628	--	153.969.550
<b>End of The Prior Period</b>								
Total Assets	100.842.582	110.221.034	44.598.111	98.294.841	161.306.835	93.703.895	16.033.816	625.001.114
Total Liabilities	172.911.946	161.471.301	96.946.959	83.343.510	25.131.834	15.548.858	69.646.706	625.001.114
<b>Net Liquidity Excess/ (Gap)</b>	<b>(72.069.364)</b>	<b>(51.250.267)</b>	<b>(52.348.848)</b>	<b>14.951.331</b>	<b>136.175.001</b>	<b>78.155.037</b>	<b>(53.612.890)</b>	<b>--</b>
<b>Net Off-balance sheet Position</b>	<b>--</b>	<b>(55.002)</b>	<b>(444.740)</b>	<b>303.951</b>	<b>174.079</b>	<b>--</b>	<b>--</b>	<b>(21.712)</b>
Financial Derivative Assets	--	100.201.745	69.046.963	26.504.850	25.015.706	23.382.201	--	244.151.465
Financial Derivative Liabilities	--	(100.256.747)	(69.491.703)	(26.200.899)	(24.841.627)	(23.382.201)	--	(244.173.177)
Non Cash Loans	--	14.269.098	9.888.342	27.961.193	36.565.489	2.316.040	--	91.000.162

(1) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (58.971).

(2) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (6.657).

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

**c. Representation of financial liabilities according to their remaining maturities in accordance with their contracts**

The undiscounted maturity breakdown of the maturity values of the Group's non-derivative financial liabilities that are subject to a contract are presented in the table below. The interest to be paid on the relevant assets and liabilities have been included to the relevant maturity buckets.

End of The Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
<b>Liabilities</b>							
Deposits	204.283.566	235.879.672	132.917.409	168.185.599	24.997.411	490.342	766.753.999
Funds borrowed (*)	--	11.771.044	28.177.809	83.883.215	24.035.498	18.719.147	166.586.713
Interbank money markets	--	31.021.731	4.851.003	21.499.673	--	--	57.372.407
Securities issued	--	1.125.358	3.646.510	22.171.797	19.188.129	2.077.991	48.209.785
<b>Total</b>	<b>204.283.566</b>	<b>279.797.805</b>	<b>169.592.731</b>	<b>295.740.284</b>	<b>68.221.038</b>	<b>21.287.480</b>	<b>1.038.922.904</b>

(\*) It includes subordinated loans.

End of The Prior Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
<b>Liabilities</b>							
Deposits	150.957.437	152.665.198	84.084.192	37.198.498	17.755.936	1.057.799	443.719.060
Funds borrowed (*)	--	10.734.808	7.822.920	34.818.819	10.143.152	17.634.840	81.154.539
Interbank money markets	--	3.348.705	3.068.228	7.534.096	--	--	13.951.029
Securities issued	--	670.720	3.519.344	2.795.744	2.018.378	--	9.004.186
<b>Total</b>	<b>150.957.437</b>	<b>167.419.431</b>	<b>98.494.684</b>	<b>82.347.157</b>	<b>29.917.466</b>	<b>18.692.639</b>	<b>547.828.814</b>

(\*) It includes subordinated loans.

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**VII. Explanations related to leverage ratio**

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

As of 31 December 2023, the leverage ratio of the DFS Group is calculated as 4,87% (31 December 2022: 6,23%). This rate is above the minimum rate. The main reason for the difference between the current period and the prior period leverage ratio is the increase in the balance sheet assets.

**Summary comparison table of total asset amount and total risk amount in the financial statements prepared in accordance with TAS :**

	<b>Current Period (**)</b>	<b>Prior Period (**)</b>
1 Total assets in the consolidated financial statements prepared in accordance with TAS (*)	1.112.016.175	616.340.392
2 Differences between the total assets in the consolidated financial statements prepared in accordance with TAS and the total assets in the consolidated financial statements prepared in accordance with Communiqué on Preparation of Consolidated Financial Statements of the Banks	(7.852.263)	(6.538.536)
3 Differences between the balances of derivative financial instruments and the loan derivatives in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	3.180.414	1.090.284
4 Differences between the balances of securities financing transactions in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	--	--
5 Differences between off- balance sheet items in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	(503)	(503)
6 Other differences in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	517.898.759	227.619.260
<b>7 Total Risk</b>	<b>1.625.242.582</b>	<b>838.510.897</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)	1.104.163.912	609.801.856
2 (Assets deducted in determining Basel III Tier I capital)	(2.950.498)	(1.401.634)
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	1.101.213.414	608.400.222
<b>Derivative exposures</b>		
4 Replacement cost	10.123.774	6.796.388
5 Add-on amount	3.180.414	1.090.284
6 Total derivative exposures (sum of lines 4 and 5)	13.304.188	7.886.672
<b>Securities or commodity collateral financing transaction exposures</b>		
7 Gross SFT assets (with no recognition of accounting netting)	24.331.789	7.353.636
8 Agent transaction exposures		
9 Total securities financing transaction exposures (sum of lines 7 and 8)	24.331.789	7.353.636
<b>Other off-balance sheet exposures</b>		
10 Off-balance sheet exposures with gross nominal amount	486.393.694	214.870.870
11 (Adjustment amount off-balance sheet exposures with credit conversion factor)	(503)	(503)
12 Total off-balance sheet exposures (sum of lines 10 and 11)	486.393.191	214.870.367
<b>Capital and total exposures</b>		
13 Tier I Capital	79.151.986	52.229.260
14 Total exposures (sum of lines 3,6,9 and 12)	1.625.242.582	838.510.897
<b>Leverage ratio</b>		
15 Leverage ratio	4,87	6,23

(\*) Quarterly average amounts.

## **VIII. Explanations related to risk management**

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

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

### **a. Risk management approach and risk weighted assets**

#### **1. Explanations related to the risk management approach**

Risks exposed as a result of the Bank’s business model are detected on a consolidated basis through the Bank’s risk identification and important evaluation process. Risk mitigation factors and monitoring activities are implemented for the important risks determined. In the Risk Appetite Statement of the Bank, limits are determined for the risks that are deemed important and the declaration is approved by the Board of Directors. Developments regarding the risk limits determined in the Risk Appetite Statement are monitored on a monthly basis and the actions foreseen in the risk appetite statement are applied in the event these limits are exceeded.

Denizbank Risk Management Group Department is an internal systems unit that operates under the Board of Directors and that are assigned to carry out risk management activities. Reports directly to the Board of Directors. Risk Management Group is responsible for the identification and measurement of risks, establishment and implementation of risk policies and implementation procedures, analysis and monitoring as well as reporting of risks within the framework of the principles determined by the Senior Management of the Bank and the Risk Management Group and approved by the Board of Directors.

In the Bank, the delegation levels generated by the customers are determined pursuant to the risk categories determined according to the limit and loan rating components within the bank.

The rating process carried out by the Credit Allocation unit is monitored and reported by the Risk Management Group.

#### **Main components and scope of the risk measurement systems**

Bank has a comprehensive risk definition process, including its subsidiaries. Process aims to define the important risks specific to the bank from a broad list, including those exposed by the banking naturally. In the determination stage of the importance level of the risks, the opinions and evaluations of the persons who are expert in this subject are taken. Evaluation results are updated every year and linked to the report and form the basis for the bank’s internal capital assessment processes.

The purpose of the activities carried out within the scope of the measurement of the risks is to establish a relationship between the risks undertaken by the bank and the expected earnings and to measure the financial risks that the bank and its subsidiaries are exposed to. The process includes testing the validity of the parameters and assumptions subject to risk measurement.

The Bank determines what kind of reports will be prepared as consolidated and as solo and the authorities to whom they will be forwarded. Ensures that an active internal audit system to be established which will prevent taking risks above the targeted risk level and limits set by the regulatory authority. When the control and reporting of the risks are made, the risk levels that are approved by the Board of Directors are taken into consideration for each risk type.

Risk Management Group ensures the coordination of the internal capital adequacy evaluation process (ICAAP) and the measurement of the risks undertaken by the bank. Within the scope of the ICAAP report, which is a result of the ICAAP process and within the framework of the 3 year strategic plan, the annual stress test report, which presents the effects of the scenarios in which macroeconomic variables are taken into consideration on the bank’s capital and liquidity, is reported to the BRSA. Bank monitors the capital adequacy level internally on a monthly basis.

#### **Disclosures on risk reporting processes provided to Board of Directors and senior management, especially the scope and main content of the reporting**

Risk Management Group performs reporting to Senior Management and Board of Directors through the Audit and Risk Committee, Asset Liability Management Committee, Model Risk Management and Validation Committee.



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Audit and Risk Committee: Holds quarterly meetings in ordinary situations. Activities performed by the Risk Management Group and risk indicators are presented to the Committee.

Model Risk Management and Validation Committee: It is the committee that the Risk model validation results, prepared within the frame of annual plan, are presented to and approved.

**Risk management, hedging and mitigation strategies of the Bank sourcing from business model and monitoring process with respect to continuing effectiveness of hedging and mitigating components**

Limits, which are defined for risks considered to be significant, are monitored on a monthly basis and actions included in risk appetite statement are taken, if required.

Additionally, taking into consideration the stress conditions of the Bank, an emergency plan regarding capital adequacy has been created in order to fulfil its strategic goals.

**2. Overview of risk weighted amounts**

	Risk Weighted Amount		Minimum Capital Requirement
	Current Period	Prior Period	Current Period
1 Credit risk (excluding counterparty credit risk) (CCR)	636.241.615	378.218.874	50.899.329
2 Standardized approach (SA)	636.241.615	378.218.874	50.899.329
3 Internal rating-based (IRB) approach	--	--	--
4 Counterparty credit risk (*)	9.761.875	7.281.466	780.950
5 Standardized approach for counterparty credit risk (SA-CCR)	9.761.875	7.281.466	780.950
6 Internal model method (IMM)	--	--	--
7 Basic risk weight approach to internal models equity position in the banking account	--	--	--
8 Investments made in collective investment companies - look-through approach	--	--	--
9 Investments made in collective investment companies - mandate-based approach	599.132	209.848	47.931
10 Investments made in collective investment companies - %1250 weighted risk approach	--	--	--
11 Settlement risk	--	--	--
12 Securitization positions in banking accounts	--	--	--
13 IRB ratings-based approach (RBA)	--	--	--
14 IRB Supervisory Formula Approach (SFA)	--	--	--
15 SA/simplified supervisory formula approach (SSFA)	--	--	--
16 Market risk	21.277.362	9.891.212	1.702.189
17 Standardized approach (SA)	21.277.362	9.891.212	1.702.189
18 Internal model approaches (IMM)	--	--	--
19 Operational Risk	48.583.935	27.986.645	3.886.715
20 Basic Indicator Approach	48.583.935	27.986.645	3.886.715
21 Standard Approach	--	--	--
22 Advanced measurement approach	--	--	--
23 The amount of the discount threshold under the equity (subject to a 250% risk weight)	--	--	--
24 Floor adjustment	--	--	--
<b>25 Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>716.463.919</b>	<b>423.588.045</b>	<b>57.317.114</b>

(\*) The amounts given in the table do not include TL 115, which is the amount subject to the Risk of CCP-Guarantee Fund Amounts.

**b. Connections between the financial statements and risk amounts**

**1. Mapping and differences between accounting consolidation and regulatory consolidation**

Regulatory consolidation refers to the consolidation that includes the consolidation of subsidiaries which are credit institutions or financial institutions in accordance with Article 5 paragraph 1 of the Communiqué on the Preparation of Consolidated Financial Statements of Banks published in the Official Gazette dated 8 November 2006 and numbered 26340. Accounting consolidation refers to the consolidation in which all of the subsidiaries are included in the scope of consolidation in accordance with the Article 5 paragraph 6 of the same communiqué, irrespective of whether these subsidiaries are credit institutions or financial institutions, or not.

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Current Period	a	b	c	d	e	f	g
	Carrying values as reported in published financial statements	Carrying values as reported in regulatory scope of consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitization framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Carrying values of items under scope of TAS							
<b>Assets</b>							
Cash and balances at central bank	238.805.301	238.805.707	238.805.707	--	--	--	--
Banks	74.434.718	74.424.074	74.483.044	--	--	--	--
Due from money markets	52.142.787	52.142.787	52.142.787	--	--	--	--
Financial assets at fair value through profit or loss	8.665.467	7.962.425	896.211	2.777.112	--	4.289.102	--
Financial assets at fair value through other comprehensive income	102.980.700	102.980.699	102.980.699	--	--	--	--
Financial assets measured at amortised cost	51.230.427	51.230.427	51.237.084	--	--	--	--
Derivative financial assets	8.548.463	8.548.462	--	8.548.462	--	--	--
Loans (net)	570.039.611	570.039.613	592.548.669	--	--	--	28.767
Investments in associates, subsidiaries and joint ventures	98.612	8.315.620	8.315.620	--	--	--	--
Tangible assets (net)	9.165.252	8.795.180	8.795.180	--	--	--	216.019
Intangible assets (net)	1.804.852	2.933.623	2.933.623	--	--	--	2.933.623
Investment properties (net)	1.591.527	1.591.527	1.591.527	--	--	--	--
Current tax assets	1.884.431	1.884.196	1.884.196	--	--	--	--
Deferred tax assets	4.441.916	4.441.916	4.441.916	--	--	--	--
Other assets	39.229.434	38.810.880	38.810.880	--	--	--	--
<b>Total assets</b>	<b>1.165.063.498</b>	<b>1.172.907.136</b>	<b>1.179.867.143</b>	<b>11.325.574</b>	<b>--</b>	<b>4.289.102</b>	<b>3.178.409</b>
<b>Liabilities</b>							
Deposits	747.033.209	747.305.580	--	--	--	--	747.305.580
Funds borrowed	126.403.469	126.403.448	--	--	--	--	126.403.448
Due to money markets	56.019.542	56.019.542	--	56.019.542	--	--	56.019.542
Securities issued	46.494.682	46.494.682	--	--	--	--	46.494.682
Funds	--	--	--	--	--	--	--
Derivative financial liabilities	2.835.851	2.835.852	--	--	--	--	2.835.852
Factoring payables	--	--	--	--	--	--	--
Leases payables	958.602	901.311	--	--	--	--	901.311
Provisions	16.439.339	16.242.296	--	--	--	--	16.242.296
Current tax liabilities	3.330.304	3.202.356	--	--	--	--	3.202.356
Deferred tax liabilities	1.442.550	1.436.432	--	--	--	--	1.436.432
Liabilities related to non-current assets "held for sale" and "discontinued operations" (net)	--	--	--	--	--	--	--
Subordinated debts	23.066.679	23.066.679	--	--	--	--	23.066.679
Other liabilities	58.645.195	58.585.350	--	--	--	--	58.585.350
Equity	82.394.076	90.413.608	--	--	--	--	90.413.608
<b>Total liabilities</b>	<b>1.165.063.498</b>	<b>1.172.907.136</b>	<b>--</b>	<b>56.019.542</b>	<b>--</b>	<b>--</b>	<b>1.172.907.136</b>

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Prior Period	a	b	c	d	e	f	g
	Carrying values of items under scope of TAS						Not subject to capital requirements or subject to deduction from capital
	Carrying values as reported in published financial statements	Carrying values as reported in regulatory scope of consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitization framework	Subject to the market risk framework	
<b>Assets</b>							
Cash and balances at central bank	112.155.614	112.155.822	112.155.822	--	--	--	--
Banks	32.882.039	32.869.362	32.907.181	--	--	--	--
Due from money markets	16.415	16.415	16.415	--	--	--	--
Financial assets at fair value through profit or loss	3.007.521	2.821.452	456.942	982.250	--	1.382.260	--
Financial assets at fair value through other comprehensive income	77.258.737	77.258.737	77.258.737	--	--	--	--
Financial assets measured at amortised cost	18.313.836	18.313.836	18.316.908	--	--	--	--
Derivative financial assets	6.531.844	6.531.844	--	6.531.844	--	--	--
Loans (net)	342.780.847	342.780.849	360.185.468	--	--	--	49.244
Investments in associates, subsidiaries and joint ventures	75.718	2.694.327	2.694.327	--	--	--	--
Tangible assets (net)	4.473.654	4.357.692	4.357.692	--	--	--	102.568
Intangible assets (net)	544.344	1.522.786	1.522.786	--	--	--	1.522.786
Investment properties (net)	709.270	709.270	709.270	--	--	--	--
Current tax assets	31.188	31.187	31.187	--	--	--	--
Deferred tax assets	4.357.630	4.357.629	4.357.629	--	--	--	--
Other assets	18.894.820	18.579.906	18.579.906	--	--	--	--
<b>Total assets</b>	<b>622.033.477</b>	<b>625.001.114</b>	<b>633.550.270</b>	<b>7.514.094</b>	<b>--</b>	<b>1.382.260</b>	<b>1.674.598</b>
<b>Liabilities</b>							
Deposits	439.227.308	439.407.011	--	--	--	--	439.407.011
Funds borrowed	50.581.504	50.581.504	--	--	--	--	50.581.504
Due to money markets	13.428.970	13.481.797	--	13.481.797	--	--	13.481.797
Securities issued	8.798.726	8.798.726	--	--	--	--	8.798.726
Funds	--	--	--	--	--	--	--
Financial liabilities at fair value through profit or loss	--	--	--	--	--	--	--
Derivative financial liabilities	3.421.532	3.421.533	--	--	--	--	3.421.533
Factoring payables	--	--	--	--	--	--	--
Leases payables	696.478	655.923	--	--	--	--	655.923
Provisions	10.419.231	10.289.777	--	--	--	--	10.289.777
Current tax liabilities	3.202.906	3.177.605	--	--	--	--	3.177.605
Deferred tax liabilities	656.717	654.432	--	--	--	--	654.432
Subordinated debts	14.561.492	14.561.492	--	--	--	--	14.561.492
Other liabilities	24.960.973	25.108.338	--	--	--	--	25.108.338
Equity	52.077.640	54.862.976	--	--	--	--	54.862.976
<b>Total liabilities</b>	<b>622.033.477</b>	<b>625.001.114</b>	<b>--</b>	<b>13.481.797</b>	<b>--</b>	<b>--</b>	<b>625.001.114</b>

**2. Main sources of differences between risk exposures and valued amounts in accordance with TAS in financial statements**

Current Period	a	b	c	d	e
	Total	Items subject to credit risk framework	Items subject to securitization framework	Items subject to counterparty credit risk framework	Items subject to market risk framework (*)
<b>1 Asset carrying value amount under scope of TAS</b>	<b>1.172.907.136</b>	<b>1.179.867.143</b>	<b>--</b>	<b>11.325.574</b>	<b>4.289.102</b>
<b>2 Liabilities carrying value amount under scope of TAS</b>	<b>56.019.542</b>	<b>--</b>	<b>--</b>	<b>56.019.542</b>	<b>--</b>
<b>3 Total net amount under regulatory scope of consolidation</b>	<b>1.116.887.594</b>	<b>1.179.867.143</b>	<b>--</b>	<b>(44.693.968)</b>	<b>4.289.102</b>
4 Off-balance sheet amounts (**)	524.427.521	83.341.328	--	--	--
5 Differences in valuations	--	--	--	--	--
6 Differences due to different netting rules (other than those already included in row 2)	--	--	--	--	--
7 Differences due to consideration of provisions	--	--	--	--	--
8 Differences due to prudential filters	--	--	--	--	16.988.260
9 Differences resulted from considering of the financial guarantees	--	(35.327.980)	--	--	--
<b>10 Risk exposures</b>	<b>1.641.315.115</b>	<b>1.227.880.491</b>	<b>--</b>	<b>(44.693.968)</b>	<b>21.277.362</b>

(\*) Financial instruments included in trading accounts according to "Communique on Measurement and Evaluation of Bank's Capital Adequacy" and principal amount subject to market risk sourcing from capital requirement calculated for foreign exchange risk are included in line of risk amounts.

(\*\*) It includes risk which are included in credit risk calculation.

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	a	b	c	d	e
Prior Period	Total	Items subject to credit risk framework	Items subject to securitization framework	Items subject to counterparty credit risk framework	Items subject to market risk framework (*)
<b>1 Asset carrying value amount under scope of TAS</b>	<b>625.001.114</b>	<b>633.550.270</b>	<b>—</b>	<b>7.514.094</b>	<b>1.382.260</b>
2 Liabilities carrying value amount under scope of TAS	13.481.797	--	--	13.481.797	--
<b>3 Total net amount under regulatory scope of consolidation</b>	<b>611.519.317</b>	<b>633.550.270</b>	<b>—</b>	<b>(5.967.703)</b>	<b>1.382.260</b>
4 Off-balance sheet amounts (**)	216.645.157	54.613.146	--	--	--
5 Differences in valuations		--	--	--	--
6 Differences due to different netting rules (other than those already included in row 2)		--	--	--	--
7 Differences due to consideration of provisions		--	--	--	--
8 Differences due to prudential filters		--	--	--	8.508.952
9 Differences resulted from considering of the financial guarantees		(16.961.333)	--	--	--
<b>10 Risk exposures</b>	<b>828.164.474</b>	<b>671.202.083</b>	<b>—</b>	<b>(5.967.703)</b>	<b>9.891.212</b>

(\*) Financial instruments included in trading accounts according to "Communique on Measurement and Evaluation of Bank's Capital Adequacy" and principal amount subject to market risk sourcing from capital requirement calculated for foreign Exchange risk are included in line of risk amounts.

(\*\*) It includes risk which are included in credit risk calculation.

### 3. Explanations on differences between amounts determined in accordance with TAS and risk exposures

#### Differences between amounts determined in accordance with TAS and risk exposures:

In derivative transactions subject to counterparty credit risk, the risk amount is calculated by the combination of renewal cost and future potential risk amounts according to the standard method in capital adequacy adjustments. In repo and reverse repo transactions, the risk amount is obtained by netting the volatility-adjusted amount applied to the security subject to the transaction with the cash amount subject to the transaction.

Amounts of items which are valued in accordance with TAS and subject to market risk indicate fair value of financial instruments held for trade. Amounts in line of risk amount related to aforementioned transactions indicate principal amount subject to market risk sourcing from capital requirement calculated related to potential losses which can be caused by interest rate risk, share price risk, exchange rate risks in scope of "Communique on Measurement and Evaluation of Bank's Capital Adequacy".

**Pursuant to the prudent valuation principles and procedures under Annex-3 to the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks, the explanations on the systems and controls used to ensure the prudence and reliability of the Bank's valuation estimates:**

The market prices in the valuation of the financial instruments recognised with the fair value are valued taking into account the indicative values announced by official institutions or data such as interest and volatility observed in the market. Bank does not carry out transactions in the markets without depth. As the discounted cash flow models are used in the valuation of over-the-counter derivative instruments in general, the valuation models that are suitable with the nature of the transactions and that are generally accepted are used for derivative transactions that include optionality.

Within the scope of the independent price determination process, the activities below are carried out for the purpose of ensuring the valuation methods and the accuracy of the data used:

- The entry of the prices of bills, bonds, stocks and the derivative products traded in organised markets and the data to be used for the valuation of the derivative products that are traded over-the-counter transactions are made independently of the executive units.
- The models to be used in the valuation of derivative products as well as the interest and volatility data are determined independently of the executive units.
- Second level controls are made periodically for market data and valuation results used in valuations.
- Valuation process validation is carried out for the models and data entries used in product valuations.
- Differences between counterparty valuations and bank valuations are regularly monitored.

**c. Credit risk**

**1. General information about credit risk**

**How the bank's business model transformed into components in the credit risk profile**

Credit risk within the body of the Parent Bank is managed within the framework of Credit Risk Management Policy approved by Board of Directors. Risk, related to credit, are defined, duties of departments are determined and main principles of credit risk management are brought in aforementioned policy document. Departments assigned in credit management and their authorization/responsibilities are defined in aforementioned document.

Loan allocation is made within the limits determined on the basis of each debtor and the group of debtors. In the credit allocation process, a lot of financial and non-financial criteria are taken into consideration within the framework of the internal rating process of the Bank. Customer segments and sectors are included in these criterias. The sectoral distribution of loans are monitored closely. According to the bank's credit policy, the rating of the companies are assessing together considering loan limits and collateralization process and the monitoring of the credit risk exposed is carried out.

In this regard, the loan portfolio of the Parent Bank shows a diversified profile in terms of customer segments and sectors.

**Criteria and approach used while determining credit risk policy and credit risk limits**

In the monitoring of the credit risks, the risk limits defined to all counterparties are monitored based on product, customer and risk groups and the risk is not allowed to exceed the limits defined. When the loan limits are determined, the payment ability of the counterparty, the characteristics of the sector, the potential impacts of geographical and economic conditions etc. factors are taken into account. When deemed appropriate, the necessary risk mitigation techniques are utilized to minimize the Bank's possible losses. During the credit research, the documents which the relevant legislation requires are taken into consideration. For limits that are extended as multi-use, the creditworthiness of the counterparty is checked regularly and the limits are revised according to the changes in the creditworthiness of the counterparty. Credit allocation authorities are determined pursuant to the customer classes and are changed where deemed necessary.

**Structure and organization of credit risk management and control function**

Credit allocation and management are carried out within the scope of the segregation of duties by different units; therefore it is ensured that the loan is evaluated objectively throughout its lifespan. In order for the accurate and objective measurement of the customer credit risk in the allocation and monitoring groups, risk models are being used. The Early Warning Systems defined in the system are used to monitor the risks of credit customers and the signals received from these systems are continuously monitored by the monitoring groups; in the event pre-determined triggers are determined, pre-determined action plans are put into practice along with the allocation groups.

**Relation between credit risk management, risk control, legal compliance and internal audit functions**

Before the newly developed credit risk models are implemented, they are subjected to a validation process and are used in the risk management processes after the approval of the Bank's Model Risk Management and Validation Committee. The validation process of the applicable credit risk models are repeated at least once a year and the results are presented to Model Risk Management and Validation Committee.

Credit Risk Control, in order to ensure the compliance of the Bank's credit risk processes to Basel regulations, operates the functioning of internal rating systems, the development of credit ratings, the documentation on the changes in credit ratings, and the analysis of compliance with internal restrictions and regularly submits the results to the Rating Committee, Compliance of the Credit Risk Control activities to the internal bank regulations and guidelines is audited regularly by the bank's internal audit units and the matters that must be improved are determined and monitored.

**Scope and main content of reporting which shall be made to the senior management and the members of board of directors regarding credit risk management function and exposed credit risk**

Risk appetite statement is approved and reviewed by the Bank's Board of Directors every year. With the risk appetite statement, the Bank combines its current risk management instruments, processes, principles and policies with a consistent approach and ensures that risk taking activities are managed within the limits agreed. Therefore, the consistency of the risk applications throughout the Bank is improved.

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**2. Credit quality of assets**

Current Period	a	b	c	d
	Gross carrying values of (according to TAS)		Specific provisions	Net values (a+b-c)
	Defaulted	Non-defaulted		
1 Loans	24.522.431	583.640.584	38.123.402	570.039.613
2 Borrowing instruments	--	154.215.711	6.657	154.209.054
3 Off-balance sheet receivables (*)	3.683.586	517.737.785	4.340.676	517.080.695
<b>4 Total</b>	<b>28.206.017</b>	<b>1.255.594.080</b>	<b>42.470.735</b>	<b>1.241.329.362</b>

(\*) It doesn't include revocable commitments and asset purchase - sales commitments.

Prior Period	a	b	c	d
	Gross carrying values of (according to TAS)		Specific provisions	Net values (a+b-c)
	Defaulted	Non-defaulted		
1 Loans	17.750.535	356.439.284	31.408.970	342.780.849
2 Borrowing instruments	--	95.574.015	3.072	95.570.943
3 Off-balance sheet receivables (*)	2.115.151	212.233.082	2.989.270	211.358.963
<b>4 Total</b>	<b>19.865.686</b>	<b>664.246.381</b>	<b>34.401.312</b>	<b>649.710.755</b>

(\*) It doesn't include revocable commitments and asset purchase - sales commitments.

**3. Changes in stock of impaired loans and debt securities**

	Current Period	Prior Period
	a (*)	a (*)
1 Impaired loans and debt securities at end of the previous reporting period	17.750.535	16.638.273
2 Loans and debt securities that have impaired since the last reporting period	17.114.577	10.881.856
3 Receivables that returned to non-impaired status	153.362	251.234
4 Amounts written off (**)	2.635.665	4.156.902
5 Other changes	(7.553.654)	(5.361.458)
<b>6 Impaired loans and debt securities at end of the reporting period (1 + 2 - 3 - 4 ± 5)</b>	<b>24.522.431</b>	<b>17.750.535</b>

(\*) It doesn't include off-balance sheet receivables.

(\*\*) It indicates sales made from non-performing loans portfolio and written off transactions.

**4. Additional explanations related to the credit quality of assets**

**(i) Scope and definitions of "overdue" receivables and "provisioned" receivables used for accounting purpose**

The Parent Bank considers loans that have overdue principal and interest payments and they are classified as second group according to the "Communiqué on "Determining the Quality of Loans and Other Receivables by Banks and Procedures and Principles of Provisions to be made" as "past due loans." Loans that have overdue principal and interest payments for more than 90 days<sup>(\*)</sup> or the debtor of which are deemed unworthy by the Bank are considered as "impaired loans".

**(ii) The part of overdue receivables (over 90 days) which are not considered as "provisioned" and the reasons for the implementation**

Loans that have overdue principal and interest payments for more than 90 days<sup>(\*)</sup> are transferred to "Nonperforming loans" accounts and the Bank calculates "specific provisions" for such loans in compliance with the "Communiqué on "Determining the Quality of Loans and Other Receivables by Banks and Procedures and Principles of Provisions to be made".

**(iii) Definitions of the methods used while determining amount of provision**

The methods used in the calculation of the provision amount are presented in Section Three, note VIII.

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(iv) **Definitions of restructured receivables**

The Bank is able to restructure both first and second group loans and other receivables, as well as non-performing loans and receivables. The restructuring in first and second group loans and other receivables include the restructuring to facilitate the repayment for the customer and the changes in the agreement conditions made with the request of the customer, independent of the credit risk of the customer. The restructuring made in non-performing loans and receivables refer to linking the loan to a new payment plan to provide the collection of the receivable.

(v) **Breakdown of receivables by geographical area**

Current Period	Loans		Borrowing instruments		Off-Balance sheet receivables		Specific provisions	Write-Off (*)
	Defaulted	Non-defaulted	Defaulted	Non-defaulted	Defaulted	Non-defaulted		
1 Domestic	22.384.647	536.046.325	--	119.178.366	3.683.586	498.932.929	14.650.346	2.635.665
2 EU Countries	1.619.943	23.991.410	--	32.909.736	--	3.651.218	594.994	--
3 OECD Countries	9	557.866	--	--	--	10.992.150	6	--
4 Off Shore Zones	--	4.356.618	--	--	--	1.006.682	--	--
5 USA, Canada	151	222.065	--	2.031.344	--	9.339	150	--
6 Other Countries	517.681	18.466.300	--	96.265	--	3.145.467	368.850	--
<b>7 Total</b>	<b>24.522.431</b>	<b>583.640.584</b>	<b>--</b>	<b>154.215.711</b>	<b>3.683.586</b>	<b>517.737.785</b>	<b>15.614.346</b>	<b>2.635.665</b>

(\*) It includes sales made from non-performing loans portfolio and amounts of write-off.

Prior Period	Loans		Borrowing instruments		Off-Balance sheet receivables		Specific provisions	Write-Off (*)
	Defaulted	Non-defaulted	Defaulted	Non-defaulted	Defaulted	Non-defaulted		
1 Domestic	17.161.599	324.598.819	--	92.952.515	2.088.167	206.096.606	13.543.510	4.156.902
2 EU Countries	50.834	18.138.694	--	2.146.991	--	1.891.038	48.800	--
3 OECD Countries	--	262.121	--	--	--	1.293.556	--	--
4 Off Shore Zones	537.600	3.345.334	--	--	519	600.816	411.570	--
5 USA, Canada	146	194.485	--	--	--	261.062	131	--
6 Other Countries	356	9.899.831	--	474.509	26.465	2.090.004	340	--
<b>7 Total</b>	<b>17.750.535</b>	<b>356.439.284</b>	<b>--</b>	<b>95.574.015</b>	<b>2.115.151</b>	<b>212.233.082</b>	<b>14.004.351</b>	<b>4.156.902</b>

(\*) It includes sales made from non-performing loans portfolio and amounts of write-off.

(vi) **Breakdown of receivables by sectors**

Current Period	Loans		Borrowing instruments		Off-Balance sheet receivables		Specific provisions	Write-Off (*)
	Defaulted	Non-defaulted	Defaulted	Non-defaulted	Defaulted	Non-defaulted		
<b>Agricultural</b>	<b>952.016</b>	<b>37.621.142</b>	<b>--</b>	<b>--</b>	<b>4.637</b>	<b>14.432.236</b>	<b>733.911</b>	<b>11.211</b>
Farming and Cattle	933.295	37.083.281	--	--	4.397	14.314.919	718.003	10.996
Forestry	18.484	6.961	--	--	--	48.316	15.692	19
Fishing	237	530.900	--	--	240	69.001	216	196
<b>Manufacturing</b>	<b>8.232.026</b>	<b>100.491.313</b>	<b>--</b>	<b>--</b>	<b>326.084</b>	<b>65.218.596</b>	<b>4.876.916</b>	<b>142.610</b>
Mining	2.174.005	5.400.957	--	--	97.314	2.531.237	1.006.090	75.373
Production	1.670.189	78.210.262	--	--	212.689	53.840.611	790.510	67.237
Electric, Gas, Water	4.387.832	16.880.094	--	--	16.081	8.846.748	3.080.316	--
<b>Construction</b>	<b>1.349.945</b>	<b>35.021.918</b>	<b>--</b>	<b>--</b>	<b>2.547.999</b>	<b>35.789.133</b>	<b>948.804</b>	<b>266.082</b>
<b>Services</b>	<b>8.404.093</b>	<b>182.403.180</b>	<b>--</b>	<b>310.194</b>	<b>617.988</b>	<b>85.902.313</b>	<b>5.259.344</b>	<b>77.951</b>
Wholesale and Retail Trade	2.780.213	62.768.941	--	--	102.340	64.531.452	2.881.024	32.215
Hotel and Restaurant Services	3.678.586	53.227.571	--	--	484.763	4.133.365	930.074	671
Transportation and telecommunication	1.478.339	40.956.182	--	1.077	26.993	10.440.040	1.136.480	25.106
Financial institution	32.866	10.758.279	--	309.117	131	4.757.887	20.706	--
Real estate and letting services	131.308	349.859	--	--	281	441.637	54.269	232
Self-employment services	92.718	--	--	--	--	--	76.275	--
Education services	59.950	2.251.964	--	--	2.192	499.771	53.773	161
Health and social services	150.113	12.090.384	--	--	1.288	1.098.161	106.743	19.566
<b>Other</b>	<b>5.584.351</b>	<b>228.103.031</b>	<b>--</b>	<b>153.905.517</b>	<b>186.878</b>	<b>316.395.507</b>	<b>3.795.371</b>	<b>2.137.811</b>
<b>Total</b>	<b>24.522.431</b>	<b>583.640.584</b>	<b>--</b>	<b>154.215.711</b>	<b>3.683.586</b>	<b>517.737.785</b>	<b>15.614.346</b>	<b>2.635.665</b>

(\*) It includes sales made from non-performing loans portfolio and amounts of write-off.

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Prior Period	Loans		Borrowing instruments		Off-Balance sheet receivables		Specific provisions	Write-Off (*)
	Defaulted	Non-defaulted	Defaulted	Non-defaulted	Defaulted	Non-defaulted		
<b>Agricultural</b>	<b>950.436</b>	<b>25.891.185</b>	--	--	<b>2.664</b>	<b>8.351.923</b>	<b>739.943</b>	<b>189.564</b>
Farming and Cattle	949.600	25.645.116	--	--	2.563	8.221.873	739.322	187.422
Forestry	518	97.396	--	--	--	15.313	366	170
Fishing	318	148.673	--	--	101	114.737	255	1.972
<b>Manufacturing</b>	<b>5.456.860</b>	<b>53.987.840</b>	--	<b>210.448</b>	<b>156.379</b>	<b>38.967.522</b>	<b>4.261.345</b>	<b>62.187</b>
Mining	128.574	2.830.359	--	--	1.772	1.199.512	125.447	25.962
Production	1.575.429	36.779.073	--	94.496	139.766	33.568.778	1.353.244	36.214
Electric, Gas, Water	3.752.857	14.378.408	--	115.952	14.841	4.199.232	2.782.654	11
<b>Construction</b>	<b>1.191.588</b>	<b>27.492.343</b>	--	--	<b>1.501.296</b>	<b>18.966.572</b>	<b>1.046.290</b>	<b>46.474</b>
<b>Services</b>	<b>6.720.520</b>	<b>116.300.790</b>	--	<b>592.387</b>	<b>379.197</b>	<b>42.644.607</b>	<b>5.514.451</b>	<b>1.305.543</b>
Wholesale and Retail Trade	1.979.062	40.212.319	--	--	54.846	29.833.603	1.732.761	269.335
Hotel and Restaurant Services	2.115.230	32.156.780	--	--	314.430	2.037.852	1.564.841	7.810
Transportation and telecommunication	548.519	20.363.817	--	75.109	6.069	7.209.436	507.882	1.014.261
Financial institution	3.298	11.278.930	--	463.856	175	2.027.414	2.738	1.701
Real estate and letting services	1.321.223	2.274.543	--	53.422	237	375.351	1.101.578	4.622
Self-employment services	127.490	--	--	--	--	--	116.823	--
Education services	102.927	1.664.708	--	--	1.895	267.163	82.971	4.043
Health and social services	522.771	8.349.693	--	--	1.545	893.788	404.857	3.771
<b>Other</b>	<b>3.431.131</b>	<b>132.767.126</b>	--	<b>94.771.180</b>	<b>75.615</b>	<b>103.302.458</b>	<b>2.442.322</b>	<b>2.553.134</b>
<b>Total</b>	<b>17.750.535</b>	<b>356.439.284</b>	--	<b>95.574.015</b>	<b>2.115.151</b>	<b>212.233.082</b>	<b>14.004.351</b>	<b>4.156.902</b>

(\*) It includes sales made from non-performing loans portfolio and amounts of write-off.

(vii) **Breakdown of receivables by remaining maturity**

Current Period	Undistributed	1 month	1-3 months	3-6 months	6-12 months	Over 1 year	Total
<b>Non-defaulted receivables</b>	--	499.885.485	71.022.350	72.960.036	160.730.705	450.995.505	1.255.594.081
1 Loans	--	124.438.188	51.904.505	47.262.801	103.788.333	256.246.757	583.640.584
2 Borrowings instruments	--	10.047.684	3.056.065	7.758.761	14.327.117	119.026.084	154.215.711
3 Off-balance sheet receivables	--	365.399.613	16.061.780	17.938.474	42.615.255	75.722.664	517.737.786
<b>Defaulted receivables</b>	28.206.017	--	--	--	--	--	28.206.017
1 Loans	24.522.431	--	--	--	--	--	24.522.431
2 Borrowings instruments	--	--	--	--	--	--	--
3 Off-balance sheet receivables	3.683.586	--	--	--	--	--	3.683.586
<b>Specific Provision</b>	<b>15.614.346</b>	--	--	--	--	--	<b>15.614.346</b>
<b>Total</b>	<b>12.591.671</b>	<b>499.885.485</b>	<b>71.022.350</b>	<b>72.960.036</b>	<b>160.730.705</b>	<b>450.995.505</b>	<b>1.268.185.752</b>

Prior Period	Undistributed	1 month	1-3 months	3-6 months	6-12 months	Over 1 year	Total
<b>Non-defaulted receivables</b>	--	179.536.227	39.803.628	41.699.110	82.886.295	320.321.121	664.246.381
1 Loans	--	56.349.836	28.533.876	29.064.453	59.434.231	183.056.888	356.439.284
2 Borrowings instruments	--	--	81.104	859.003	1.126.481	93.507.427	95.574.015
3 Off-balance sheet receivables	--	123.186.391	11.188.648	11.775.654	22.325.583	43.756.806	212.233.082
<b>Defaulted receivables</b>	19.865.686	--	--	--	--	--	19.865.686
1 Loans	17.750.535	--	--	--	--	--	17.750.535
2 Borrowings instruments	--	--	--	--	--	--	--
3 Off-balance sheet receivables	2.115.151	--	--	--	--	--	2.115.151
<b>Specific Provision</b>	<b>14.004.351</b>	--	--	--	--	--	<b>14.004.351</b>
<b>Total</b>	<b>5.861.335</b>	<b>179.536.227</b>	<b>39.803.628</b>	<b>41.699.110</b>	<b>82.886.295</b>	<b>320.321.121</b>	<b>670.107.716</b>

(viii) **Ageing analysis of overdue receivables**

Current Period	1-30 days	31-60 days	61-90 days	Over 90 days	Total
Loans	14.349.773	4.278.943	8.152.198	323.924	27.104.838
Borrowing instruments	--	--	--	--	--
Off-balance sheet receivables	--	--	--	--	--

  

Prior Period	1-30 days	31-60 days	61-90 days	Over 90 days	Total
Loans	8.580.476	1.959.751	1.251.413	3.350.853	15.142.493
Borrowing instruments	--	--	--	--	--
Off-balance sheet receivables	--	--	--	--	--



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(ix) **Breakdown of restructured receivables according to their provisioning status**

	Current Period	Prior Period
Restructured from loans under close monitoring	23.651.997	24.978.868
Restructured from non-performing loans	10.184.825	8.415.899

**5. Credit risk mitigation techniques**

Financial collaterals are valued with their up to date values as of the reporting date and involved in the credit risk mitigation process. While allocating the collateral amount to the credit extended, taking into consideration the possible losses of value that may occur in the collateral value with a prudent approach, risk mitigation effects are calculated based on collateral values and credit risk mitigation is made according to comprehensive financial collateral method. Legal validity of the real estate mortgages are ensured with the timely and duly registration of the pledge; and the changes in the market conditions that possess importance are monitored.

In the exchange rate conversion of foreign currency financial collaterals, the Central Bank's foreign exchange buying rates for 30.12.2022, which were stated in the BRSA's letter dated 31.01.2023, were taken into account in parallel with the CRET calculation.

Parent Bank makes the credit risk mitigation according to the comprehensive financial collateral method pursuant to the "Communiqué on the Credit Risk Mitigation Techniques". The currency rate nonconformities between the receivable and the collateral is taken into account based on the standard deduction rates specified in the communiqué, while the maturity nonconformity between the receivable and the collateral are taken into account based on the method specified under Article 40. In the credit risk mitigation, cash, financial debt securities, real estate mortgages and Credit Guarantee Fund sureties with Treasury support are used.

Credit policies establish an operational link between the Bank's activities and risk capacity and includes the main areas of activity in line with the target portfolio structure, risk targets for expected and unexpected losses in line with risk capacity, and limits on risk concentration. It must be ensured that limits are in compliance with the restrictions determined by the relevant legislation and regulatory and supervisory authorities. In the management of the concentration risk, the Bank uses a holistic approach in which all risk concentrations are determined, monitored and evaluated. Therefore, the concentrations in the market, sector, country and the area of activity must be taken into account as well as the loans extended to persons and companies. The Bank shows utmost care so that credit and market risk do not concentrate in a specific counterparty or risk category in accordance with its policies and internal procedures.

**6. Credit risk mitigation techniques - overview**

	A	b	c	d	e	f	g
Current Period	Exposures unsecured: revaluation amount according to TAS	Exposures secured by collateral	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	Financial guarantees, of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which secured amount
1 Loans	459.823.515	103.552.202	76.223.844	6.663.896	4.756.999	--	--
2 Borrowing instruments	154.209.054	--	--	--	--	--	--
3 Total	614.032.569	103.552.202	76.223.844	6.663.896	4.756.999	--	--
4 Of which defaulted (*)	20.474.269	7.119.367	2.821.483	612.381	79.214	--	--

(\*) It includes default figure belonging to amount before provision and off-balance sheet receivables.

	A	b	c	d	e	f	g
Prior Period	Exposures unsecured: revaluation amount according to TAS	Exposures secured by collateral	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	Financial guarantees, of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which secured amount
1 Loans	272.139.674	65.259.365	45.096.590	5.381.810	3.962.069	--	--
2 Borrowing instruments	95.570.943	--	--	--	--	--	--
3 Total	367.710.617	65.259.365	45.096.590	5.381.810	3.962.069	--	--
4 Of which defaulted (*)	14.868.688	3.846.517	1.895.296	1.150.481	128.348	--	--

(\*) It includes default figure belonging to amount before provision and off-balance sheet receivables.

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**7. Explanations on rating notes used while calculating credit risk with standard approach**

In determination of the risk weights to be applied in the capital adequacy calculation, the ratings given by Fitch rating agency are used. The scope in which the rating notes are taken into consideration is the receivables from central governments or central banks, and in order to be valid for those resident abroad, the receivables from banks and intermediary institutions and corporate receivables. In the event there is no rating regarding the receivable while determining the risk weight, the rating of the issuer must be taken into consideration.

The matching of risk ratings with risk weights according to credit quality level and risk classes are shown in Section Four, note II-n.

**8. Standardised approach - Credit risk exposed and credit risk mitigation (CRM) methods**

Current Period	a		b		c		d		e		f	
	Exposures before credit conversion factor and CRM		Exposures post-credit conversion factor and CRM		Exposures before credit conversion factor and CRM		Exposures post-credit conversion factor and CRM		RWA and RWA density		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density	RWA	RWA density
<b>Risk classifications</b>												
1 Exposures to central governments or central banks	310.352.161	4.377.200	311.643.105	4.564.832	311.643.105	4.564.832	311.643.105	4.564.832	2.296.166	%0,73	2.296.166	%0,73
2 Exposures to regional governments or local authorities	3.032.165	1.137.836	2.977.953	563.219	2.977.953	563.219	2.977.953	563.219	4.070.115	%114,94	4.070.115	%114,94
3 Exposures to public sector entities	6.895.965	2.424.840	6.895.964	1.189.337	6.895.964	1.189.337	6.895.964	1.189.337	7.534.051	%93,18	7.534.051	%93,18
4 Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	%0,00	--	%0,00
5 Exposures to international organisations	--	--	--	--	--	--	--	--	--	%0,00	--	%0,00
6 Exposures to institutions	103.883.918	7.757.808	103.883.918	6.640.292	103.883.918	6.640.292	103.883.918	6.640.292	30.097.133	%27,23	30.097.133	%27,23
7 Exposures to corporates	206.732.467	109.056.259	180.739.917	58.316.063	180.739.917	58.316.063	180.739.917	58.316.063	261.964.163	%109,58	261.964.163	%109,58
8 Retail exposures	218.942.909	362.863.166	212.172.409	12.969.670	212.172.409	12.969.670	212.172.409	12.969.670	251.463.861	%111,69	251.463.861	%111,69
9 Exposures secured by residential property	9.999.319	2.996.060	9.739.116	1.501.728	9.739.116	1.501.728	9.739.116	1.501.728	4.343.810	%38,64	4.343.810	%38,64
10 Exposures secured by commercial real estate	34.063.722	6.710.780	34.063.722	4.182.081	34.063.722	4.182.081	34.063.722	4.182.081	22.202.435	%58,05	22.202.435	%58,05
11 Past-due loans	6.266.406	267.237	5.458.270	104.132	5.458.270	104.132	5.458.270	104.132	4.547.947	%81,76	4.547.947	%81,76
12 Higher-risk categories by the Agency Board	192.764	--	192.739	--	192.739	--	192.739	--	233.285	%121,04	233.285	%121,04
13 Exposures in the form of covered bonds	--	--	--	--	--	--	--	--	--	%0,00	--	%0,00
14 Exposures to institutions and corporates with a short-term credit assessment	--	--	--	--	--	--	--	--	--	%0,00	--	%0,00
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	28.136	299	28.136	292	28.136	292	28.136	292	28.428	%100,00	28.428	%100,00
16 Other assets	56.341.465	--	56.341.465	--	56.341.465	--	56.341.465	--	48.014.307	%85,22	48.014.307	%85,22
17 Investments in equities	8.317.106	--	8.317.106	--	8.317.106	--	8.317.106	--	8.289.490	%99,67	8.289.490	%99,67
<b>18 Total</b>	<b>965.048.503</b>	<b>497.591.485</b>	<b>932.453.820</b>	<b>90.031.646</b>	<b>932.453.820</b>	<b>90.031.646</b>	<b>932.453.820</b>	<b>90.031.646</b>	<b>645.085.191</b>	<b>%63,09</b>	<b>645.085.191</b>	<b>%63,09</b>

Prior Period	a		b		c		d		e		f	
	Exposures before credit conversion factor and CRM		Exposures post-credit conversion factor and CRM		Exposures before credit conversion factor and CRM		Exposures post-credit conversion factor and CRM		RWA and RWA density		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density	RWA	RWA density
<b>Risk classifications</b>												
1 Exposures to central governments or central banks	169.496.085	2.915.335	172.271.182	3.340.747	172.271.182	3.340.747	172.271.182	3.340.747	2.599.120	1,48%	2.599.120	1,48%
2 Exposures to regional governments or local authorities	2.819.582	470.658	2.815.488	233.567	2.815.488	233.567	2.815.488	233.567	2.186.548	71,71%	2.186.548	71,71%
3 Exposures to public sector entities	--	--	--	--	--	--	--	--	--	0,00%	--	0,00%
4 Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	0,00%	--	0,00%
5 Exposures to international organisations	--	--	--	--	--	--	--	--	--	0,00%	--	0,00%
6 Exposures to institutions	30.441.014	7.613.976	30.441.014	7.018.403	30.441.014	7.018.403	30.441.014	7.018.403	11.254.905	30,05%	11.254.905	30,05%
7 Exposures to corporates	148.544.261	70.073.676	133.497.553	40.042.492	133.497.553	40.042.492	133.497.553	40.042.492	187.767.785	108,20%	187.767.785	108,20%
8 Retail exposures	131.823.121	121.708.060	129.061.342	6.606.909	129.061.342	6.606.909	129.061.342	6.606.909	132.060.873	97,34%	132.060.873	97,34%
9 Exposures secured by residential property	6.065.656	1.495.701	5.924.538	790.433	5.924.538	790.433	5.924.538	790.433	2.593.120	38,62%	2.593.120	38,62%
10 Exposures secured by commercial real estate	24.202.027	3.765.293	24.202.028	2.602.360	24.202.028	2.602.360	24.202.028	2.602.360	15.348.070	57,26%	15.348.070	57,26%
11 Past-due loans	2.875.697	77.012	2.742.622	20.893	2.742.622	20.893	2.742.622	20.893	1.782.247	64,49%	1.782.247	64,49%
12 Higher-risk categories by the Agency Board	34.237	--	34.184	--	34.184	--	34.184	--	39.343	115,09%	39.343	115,09%
13 Exposures in the form of covered bonds	--	--	--	--	--	--	--	--	--	0,00%	--	0,00%
14 Exposures to institutions and corporates with a short-term credit assessment	--	--	--	--	--	--	--	--	--	0,00%	--	0,00%
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	9	14.883	9	13.882	9	13.882	9	13.882	13.891	100,00%	13.891	100,00%
16 Other assets	30.813.034	--	30.813.034	--	30.813.034	--	30.813.034	--	25.664.859	83,29%	25.664.859	83,29%
17 Investments in equities	2.674.234	--	2.674.234	--	2.674.234	--	2.674.234	--	2.674.235	100,00%	2.674.235	100,00%
<b>18 Total</b>	<b>549.788.957</b>	<b>208.134.594</b>	<b>534.477.228</b>	<b>60.669.686</b>	<b>534.477.228</b>	<b>60.669.686</b>	<b>534.477.228</b>	<b>60.669.686</b>	<b>383.984.996</b>	<b>64,52%</b>	<b>383.984.996</b>	<b>64,52%</b>

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**9. Standardised Approach - Exposures by risk classes and risk weights**

Current Period	a	b	c	k	d	l	e	f	g	h	i	j
Risk Classifications/Risk Weight	0%	10%	20%	35% Secured with property mortgage	50% Secured with property mortgage	50%	75%	100%	150%	200%	Others	Total risk exposure (after CCF and CRM )
1 Exposures to central governments or central banks	313.071.829	--	--	--	--	1.679.884	--	1.456.224	--	--	--	316.207.937
2 Exposures to regional governments or local authorities	--	--	8.228	--	--	1.998.279	--	--	--	1.534.665	--	3.541.172
3 Exposures to public sector entities	--	--	689.062	--	--	--	--	7.396.239	--	--	--	8.085.301
4 Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	--	--	--
5 Exposures to international organisations	--	--	--	--	--	--	--	--	--	--	--	--
6 Exposures to institutions	--	--	44.486.738	--	--	30.917.372	--	5.141.527	--	--	29.978.572	110.524.209
7 Exposures to corporates	--	--	2.312.981	--	--	--	--	214.063.921	163.180	21.795.540	720.359	239.055.981
8 Retail exposures	--	--	--	--	--	--	104.751.251	15.518.310	104.851.565	--	20.953	225.142.079
9 Exposures secured by residential property	--	--	--	10.984.414	--	--	--	--	30.520	225.355	555	11.240.844
10 Exposures secured by commercial real estate	--	--	--	--	34.269.541	--	--	2.834.871	101.537	1.039.594	260	38.245.803
11 Past-due loans	--	--	--	--	--	2.439.634	--	2.712.045	410.723	--	--	5.562.402
12 Higher-risk categories by the Agency Board	--	--	--	--	--	27.644	--	56.358	108.737	--	--	192.739
13 Exposures in the form of covered bonds	--	--	--	--	--	--	--	--	--	--	--	--
14 Exposures to institutions and corporates with a short-term credit assessment	--	--	--	--	--	--	--	--	--	--	--	--
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	--	--	--	--	--	--	--	28.428	--	--	--	28.428
16 Investments in equities	27.616	--	--	--	--	--	--	8.289.490	--	--	--	8.317.106
17 Other assets	7.734.349	--	740.717	--	--	--	944	47.865.455	--	--	--	56.341.465
<b>18 Total</b>	<b>320.833.794</b>	<b>--</b>	<b>48.237.726</b>	<b>10.984.414</b>	<b>34.269.541</b>	<b>37.062.813</b>	<b>104.752.195</b>	<b>305.362.868</b>	<b>105.666.262</b>	<b>24.595.154</b>	<b>30.720.699</b>	<b>1.022.485.466</b>

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Prior Period	a	b	c	k	d	l	e	f	g	h	i	j
Risk Classifications/Risk Weight	0%	10%	20%	35% Secured with property mortgage	50% Secured with property mortgage	50%	75%	100%	150%	200%	Others	Total risk exposure (after CCF and CRM )
1 Exposures to central governments or central banks	172.660.942	--	149.971	--	--	463.781	--	2.337.235	--	--	--	175.611.929
2 Exposures to regional governments or local authorities	--	--	2.089	--	--	2.605.202	--	--	--	441.764	--	3.049.055
3 Exposures to public sector entities	--	--	--	--	--	--	--	--	--	--	--	--
4 Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	--	--	--
5 Exposures to international organisations	--	--	--	--	--	--	--	--	--	--	--	--
6 Exposures to institutions	--	--	25.185.438	--	--	11.434.781	--	493.514	--	--	345.684	37.459.417
7 Exposures to corporates	--	--	999.570	--	--	--	--	157.996.362	45.320	14.330.146	168.647	173.540.045
8 Retail exposures	--	--	--	--	--	--	83.498.090	18.124.603	33.975.739	--	69.819	135.668.251
9 Exposures secured by residential property	--	--	--	6.593.361	--	--	--	--	--	107.536	14.074	6.714.971
10 Exposures secured by commercial real estate	--	--	--	--	23.749.896	--	--	2.660.072	--	386.350	8.070	26.804.388
11 Past-due loans	--	--	--	--	--	2.007.819	--	710.412	45.284	--	--	2.763.515
12 Higher-risk categories by the Agency Board	--	--	--	--	--	5.278	--	13.310	15.596	--	--	34.184
13 Exposures in the form of covered bonds	--	--	--	--	--	--	--	--	--	--	--	--
14 Exposures to institutions and corporates with a short-term credit assessment	--	--	--	--	--	--	--	--	--	--	--	--
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	--	--	--	--	--	--	--	13.891	--	--	--	13.891
16 Investments in equities	--	--	--	--	--	--	--	2.674.234	--	--	--	2.674.234
17 Other assets	4.623.481	--	655.686	--	--	--	579	25.533.288	--	--	--	30.813.034
<b>18 Total</b>	<b>177.284.423</b>	<b>--</b>	<b>26.992.754</b>	<b>6.593.361</b>	<b>23.749.896</b>	<b>16.516.861</b>	<b>83.498.669</b>	<b>210.556.921</b>	<b>34.081.939</b>	<b>15.265.796</b>	<b>606.294</b>	<b>595.146.914</b>

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**d. Counterparty credit risk**

**1. Explanations related to counterparty credit risk (CCR)**

Policies regarding counterparty risk management are determined by the Board of Directors in accordance with the Turkish Banking Legislation, regulations of the Banking Regulation and Supervision Authority and the Board of Directors in a way to comply with international standards.

Counterparty credit risk includes derivative financial products and repo transactions. Counterparties have been separated to segments as; financial institutions, corporate-commercial customers, SME-Micro-Golden-Agriculture customers and individual customers. For the determination of the products and services to be presented to the customers, a "Compliance Test" is applied according to the product information, financial status and the transaction frequency of the customer. For customers that are classified as professional, there is no need to make a Compliance Test.

Before the transactions to be made with counterparties, the creditworthiness of the counterparty is analysed and are re-evaluated with regular intervals. Limits are determined separately for counterparties as separate and as a group for those under the same risk group. Limits are approved in the relevant credit committees according to the segments of the counterparties. Revision of the limits are made at least once a year. Where necessary, the approved limits are suspended with the approval of the Credit Committee/Credit Allocation Department.

In transactions made with financial institutions, the risk mitigation methods under international agreements such as ISDA, CSA, GMRA and EMA signed with the counterparty are used. For other counterparties, collateral adequacy ratios are monitored daily within the scope of the Bank's existing credit policies and procedures and the risk mitigation is carried out through additional collateral and margin completion where necessary. The margins to be used in the collateral agreements are reviewed regularly. Margins are determined according to the volatility and liquidity of the collateral received. The risks of the transactions that are subjected to bilateral settlement agreements and that are settles are tracked together. In the event of a decrease in the credit rating note of the bank, the bank's obligation to provide additional collateral must be tracked.

**2. Analysis of counterparty credit risk exposed by measurement approaches**

			a	b	c	d	e	f
Current Period			Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory exposure at default)	Exposure at default post CRM	RWA
1	Standardised derivatives) (*)	Approach (for	5.571.430	1.980.696		1,4	10.572.976	3.228.724
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)				--	--	--	--
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)						--	--
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)						25.078.606	5.015.721
5	VaR for for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit						--	--
6	Total							8.244.445

(\*) Counterparty credit risk for derivatives is calculated by the fair value method.

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			a	b	c	d	e	f
Prior Period			Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory exposure at default)	Exposure at default post CRM	RWA
1	Standardised Approach (for derivatives) (*)	(for	4.343.106	1.714.395		1,4	8.480.502	4.467.242
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)	(for			--	--	--	--
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)						--	--
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)						5.238.143	1.089.033
5	VaR for for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)						--	--
<b>6</b>	<b>Total</b>							<b>5.556.275</b>

(\*) Counterparty credit risk for derivatives is calculated by the fair value method.

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**3. Capital requirement for credit valuation adjustment (CVA)**

	a	b
	Exposure at default post-CRM	RWA
<b>Current Period</b>		
Total portfolios subject to the Advanced CVA capital charge		
1 Value at Risk (VaR) component (including the 3×multiplier)	--	--
2 Stressed VaR component (including the 3×multiplier)	--	--
3 All portfolios subject to the Standardised CVA capital charge	10.572.976	1.517.430
<b>4 Total subject to the CVA capital charge</b>	<b>10.572.976</b>	<b>1.517.430</b>

	a	b
	Exposure at default post-CRM	RWA
<b>Prior Period</b>		
Total portfolios subject to the Advanced CVA capital charge		
1 Value at Risk (VaR) component (including the 3×multiplier)	--	--
2 Stressed VaR component (including the 3×multiplier)	--	--
3 All portfolios subject to the Standardised CVA capital charge	8.480.502	1.725.191
<b>4 Total subject to the CVA capital charge</b>	<b>8.480.502</b>	<b>1.725.191</b>

**4. Standard approach - Counterparty credit risk by risk classes and risk weights**

Current Period	a	b	c	d	e	f	g	h	i
	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure (*)
<b>Risk Weights / Risk Classifications</b>									
Claims from central governments and central banks	4.377.125	--	--	--	--	--	--	--	--
Claims from regional and local governments	--	--	--	--	--	--	--	--	--
Claims from administration and non commercial entity	--	--	--	--	--	--	--	--	--
Claims from multilateral development banks	--	--	--	--	--	--	--	--	--
Claims from international organizations	--	--	--	--	--	--	--	--	--
Claims from institutions	--	--	27.083.807	2.773.010	--	52	--	1.291	6.803.344
Corporates	--	--	--	--	--	1.269.637	--	14.446	1.341.867
Retail portfolios	--	--	--	--	131.922	--	--	--	98.942
Claims on landed real estate	--	--	--	--	--	--	--	--	--
Past due loans	--	--	--	--	--	--	--	--	--
Claims which are determined as high risk by the board of BRSA	--	--	--	--	--	--	--	--	--
Mortgage securities	--	--	--	--	--	--	--	--	--
Securitization positions	--	--	--	--	--	--	--	--	--
Claims from corporates, banks and financial intermediaries which have short term credit rating	--	--	--	--	--	--	--	--	--
Investments which are qualified as collective investment institutions	--	--	--	--	--	292	--	--	292
Stock investment	--	--	--	--	--	--	--	--	--
Other claims	--	--	--	--	--	--	--	--	--
Other assets (**)	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>4.377.125</b>	<b>--</b>	<b>27.083.807</b>	<b>2.773.010</b>	<b>131.922</b>	<b>1.269.981</b>	<b>--</b>	<b>15.737</b>	<b>8.244.445</b>

(\*) Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.

(\*\*) Other assets: the amount excludes exposures to "Central counterparty" which are reported in Counterparty credit risk.

Prior Period	a	b	c	d	e	f	g	h	i
	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure (*)
<b>Risk Weights / Risk Classifications</b>									
Claims from central governments and central banks	651.977	--	--	--	--	--	--	--	--
Claims from regional and local governments	--	--	--	--	--	--	--	--	--
Claims from administration and non commercial entity	--	--	--	--	--	--	--	--	--
Claims from multilateral development banks	--	--	--	--	--	--	--	--	--
Claims from international organizations	--	--	--	--	--	--	--	--	--
Claims from institutions	--	--	6.813.638	3.986.699	--	2.726	--	16.143	3.359.126
Corporates	--	--	--	--	--	2.032.326	--	--	2.032.326
Retail portfolios	--	--	--	--	201.255	--	--	--	150.941
Claims on landed real estate	--	--	--	--	--	--	--	--	--
Past due loans	--	--	--	--	--	--	--	--	--
Claims which are determined as high risk by the board of BRSA	--	--	--	--	--	--	--	--	--
Mortgage securities	--	--	--	--	--	--	--	--	--
Securitization positions	--	--	--	--	--	--	--	--	--
Claims from corporates, banks and financial intermediaries which have short term credit rating	--	--	--	--	--	--	--	--	--
Investments which are qualified as collective investment institutions	--	--	--	--	--	13.882	--	--	13.882
Stock investment	--	--	--	--	--	--	--	--	--
Other claims	--	--	--	--	--	--	--	--	--
Other assets (**)	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>651.977</b>	<b>--</b>	<b>6.813.638</b>	<b>3.986.699</b>	<b>201.255</b>	<b>2.048.934</b>	<b>--</b>	<b>16.143</b>	<b>5.556.275</b>

(\*) Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.

(\*\*) Other assets: the amount excludes exposures to "Central counterparty" which are reported in Counterparty credit risk.

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**5. Collaterals used for counterparty credit risk**

	a	b	c	d	e	f
Current Period	Guarantees of Derivative		Financial Instrument		Guarantees of Other Transactions	
	Received Guarantees		Given Guarantees		Received	Given
	Appropriated	Unappropriated	Appropriated	Unappropriated	Guarantees	Guarantees
Cash-Domestic Currency	2.287.566	--	--	--	100.477	22.797.441
Cash-Foreign Currency	3.382.103	--	--	--	52.589.300	--
Government Bond-Domestic	--	--	--	--	22.781.462	100.002
Government Bond-Other	--	--	--	--	--	77.357.484
Public Bond	--	--	--	--	--	--
Corporate Bond	--	--	--	--	--	--
Stock	--	--	--	--	--	--
Other Guarantee	--	--	--	--	--	--
<b>Total</b>	<b>5.669.669</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>75.471.239</b>	<b>100.254.927</b>

	a	b	c	d	e	f
Prior Period	Guarantees of Derivative		Financial Instrument		Guarantees of Other Transactions	
	Received Guarantees		Given Guarantees		Received	Given
	Appropriated	Unappropriated	Appropriated	Unappropriated	Guarantees	Guarantees
Cash-Domestic Currency	296.420	--	--	--	5.299.879	--
Cash-Foreign Currency	163.887	--	--	--	--	--
Government Bond-Domestic	--	--	--	--	--	5.306.754
Government Bond-Other	--	--	--	--	--	--
Public Bond	--	--	--	--	--	--
Corporate Bond	--	--	--	--	--	--
Stock	--	--	--	--	--	--
Other Guarantee	--	--	--	--	--	--
<b>Total</b>	<b>460.307</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>5.299.879</b>	<b>5.306.754</b>

**6. Credit derivatives**

None.

**7. Exposures to central counterparty (CCP)**

	a	b
Current Period	Risk Amounts after CRM	RWA
<b>1 Total risks arising from qualified transactions where one of the parties is CCP</b>		
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	--	--
3 (i) OTC Derivatives	1.291	26
4 (ii) Exchange-traded Derivatives	--	--
5 (iii) Securities financing transactions	--	--
6 (iv) Netting sets where cross-product netting has been approved	--	--
7 Restricted initial margin	--	--
8 Unrestricted initial margin	--	--
9 The amount put into the guarantee fund	48.036	116
10 The amount committed to be put into the guarantee fund	--	--
<b>11 Total risks arising from non-qualified transactions where one of the parties is CCP</b>		
12 Regarding the risks arising from the transactions in the CCP (excluding the initial margin and the amount placed in the guarantee fund)	--	--
13 (i) OTC Derivatives	--	--
14 (ii) Exchange-traded Derivatives	--	--
15 (iii) Securities financing transactions	--	--
16 (iv) Netting sets where cross-product netting has been approved	--	--
17 Restricted initial margin	--	--
18 Unrestricted initial margin	--	--
19 The amount put into the guarantee fund	--	--
20 The amount committed to be put into the guarantee fund	--	--



**e. Securitization**

**1. Explanations on securitization positions**

None.

**2. Securitization positions in banking accounts**

None.

**3. Securitization positions in trading accounts**

None.

**4. Securitization positions in banking positions and capital requirements related to those - in which the Bank is the founder or the sponsor**

None.

**5. Securitization positions in banking positions and capital requirements related to those- in which the Bank is the investor**

None.

**f. Market Risk**

**1. Explanations on market risk**

Market risk refers to the risk arising from positions arising from trading transactions executed in financial markets and market movements that affect the value of these positions. Within the framework of financial risk management, in order to protect from market risk, market risk management activities were determined within the scope of "Regulation on Banks' Internal Systems and Internal Capital Adequacy Assessment Process" and "Regulation on Measurement and Evaluation of Capital Adequacy of the Bank".

Risk policies and risk limits regarding the management of market risk have been approved by the Board of Directors. Strategies for trading activities in financial markets are created and implemented within this framework.

In the management of market risk, the principle of triple defense line is applied. While there is a first level responsibility for the management of the market risk regarding the position carried by the relevant Treasury units, the monitoring and control activities at the second level are carried out independently by the Risk Management and at the third level by the Inspection Board.

In order to measure and monitor market risk, risk measurement is done daily using the internal model. In this context, in addition to the value at risk calculations made using the parametric method, various risk indicators such as interest sensitivity and option sensitivities are followed, and risk calculations are supported by scenario analysis. Market risk measurement results and all monitored risk indicators are shared daily with relevant units and senior managers.

A limit structure consisting of various risk indicators has been established in order to control market risk. These limits include the risk limits set for the monitored risk indicators, as well as various position limits and stop loss limits. The upper level limits are determined by the Board of Directors within the scope of Risk Appetite Statement. In addition, there are various limits set by the lower level Asset-Liability Committee. The risk indicators and limit uses are reported to the Audit Committee and the Asset-Liability Committee by the Risk Management unit.

In the calculation of capital adequacy, the measurement of market risk is made using the standard method. The standard method is a method whose calculation criteria are clearly determined by the BRSA and is calculated monthly. The calculation results are given in the table below. Positions subject to market risk measurements are determined by taking into account the definition of "Trading Accounts" in legal regulations.

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**2. Standardised approach**

	Current Period RWA	Prior Period RWA
<b>Outright products</b>		
1 Interest rate risk (general and specific)	2.868.946	1.001.574
2 Equity risk (general and specific)	--	--
3 Foreign exchange risk	10.289.650	3.854.900
4 Commodity risk	7.634.050	3.756.750
<b>Options</b>		
5 Simplified approach	--	--
6 Delta-plus method	484.716	1.277.988
7 Scenario approach	--	--
8 Securitization	--	--
<b>9 Total</b>	<b>21.277.362</b>	<b>9.891.212</b>

**3. Information on market risk calculated as of month-ends during the period**

Current Period: 31 December 2023			
	Average	Highest	Lowest
Interest Rate Risk	99.715	229.516	47.811
Stock Risk	--	--	--
Currency Risk	397.529	823.172	153.256
Commodity Risk	450.892	610.724	331.049
Settlement Risk	--	--	--
Option Risk	59.815	96.111	33.911
Counterparty Risk	--	--	--
<b>Total Risk Exposure Value</b>	<b>12.599.400</b>	<b>21.277.363</b>	<b>8.733.775</b>

Prior Period: 31 December 2022			
	Average	Highest	Lowest
Interest Rate Risk	71.479	161.976	37.193
Stock Risk	120	1.444	--
Currency Risk	401.113	802.746	97.388
Commodity Risk	242.991	306.154	174.332
Settlement Risk	--	--	--
Option Risk	41.868	120.717	3.013
Counterparty Risk	--	--	--
<b>Total Risk Exposure Value</b>	<b>9.469.657</b>	<b>16.098.425</b>	<b>3.899.075</b>

**g. Operational risk**

**1. Explanations on operational risk calculation**

Principal amount subject to operational risk is calculated through using year-end gross income of 2022, 2021 and 2020 of DFS Group belonging to last 3 years via "Basic Indicators Approach" dated in accordance with "Communique on Measurement and Evaluation of Bank's Capital Adequacy" published on Official Gazette dated 23 October 2015 numbered 29511.

**2. Basic indicators approach**

	31/12/2020	31/12/2021	31/12/2022	Total/Positive GI year number	Ratio(%)	Total
Gross Income	14.766.994	17.948.630	45.018.671	25.911.432	15	3.886.715
Amount Subject to Operational Risk						48.583.935

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**IX. Explanations related to presentation of financial assets and liabilities at their fair value**

**a. Fair value calculations of financial assets and liabilities**

The fair value of financial assets measured at amortised cost are determined based on market prices, or when they are not available, based on market prices quoted for other securities subject to similar terms of interest, maturity and other conditions.

The estimated fair value of demand deposits represents the amount to be paid upon request. The fair value of overnight deposits and the variable rate placements represent the book value. The estimated fair value of the fixed interest deposits is calculated by finding the discounted cash flows using market interest rates applied to similar loans and other debts.

The fair value of the loans are calculated by the discounted cash flows using current market interest rates.

Estimated fair value of banks, funds obtained from other financial institutions, securities issued and deposits is calculated by finding the discounted cash flows using current market interest rates.

The following table summarizes the carrying value and fair value of financial assets and liabilities. The carrying value represents the sum of the acquisition costs and interest accruals of financial assets and liabilities.

	<b>Book Value</b>	<b>Fair Value</b>
	<b>Current Period</b>	<b>Current Period</b>
<b>Financial Assets</b>	<b>889.006.629</b>	<b>870.189.215</b>
Interbank Money Market Placements	52.142.787	52.142.787
Banks	74.483.044	73.464.994
Financial Assets at Fair Value Through Other Comprehensive Income	102.980.699	102.980.699
Financial Assets Measured at Amortised Cost	51.237.084	43.968.672
Loans	608.163.015	597.632.063
<b>Financial Liabilities</b>	<b>999.289.931</b>	<b>994.201.864</b>
Bank Deposits	9.421.266	9.379.349
Other Deposits	737.884.314	735.384.390
Interbank Money Market Borrowings	56.019.542	56.019.542
Funds Borrowed From Other Financial Institutions	126.403.448	125.548.833
Subordinated Loans	23.066.679	21.508.075
Securities Issued	46.494.682	46.361.675

	<b>Book Value</b>	<b>Fair Value</b>
	<b>Prior Period</b>	<b>Prior Period</b>
<b>Financial Assets</b>	<b>502.655.829</b>	<b>491.198.948</b>
Interbank Money Market Placements	16.415	16.415
Banks	32.907.181	31.748.109
Financial Assets at Fair Value Through Other Comprehensive Income	77.258.737	77.258.737
Financial Assets Measured at Amortised Cost	18.316.908	19.485.497
Loans	374.156.588	362.690.190
<b>Financial Liabilities</b>	<b>526.830.530</b>	<b>520.881.337</b>
Bank Deposits	22.438.120	22.369.340
Other Deposits	416.968.891	415.046.850
Interbank Money Market Borrowings	13.481.797	13.481.797
Funds Borrowed From Other Financial Institutions	50.581.504	49.191.868
Subordinated Loans	14.561.492	12.079.242
Securities Issued	8.798.726	8.712.240

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**b. Classification of fair value**

TFRS 7 sets classification of valuation techniques according to the inputs used in valuation techniques based on fair value calculations which are whether observable or not.

Fair value levels of financial assets and liabilities that are carried at fair value in DFS Group's financial statements are given below:

<b>Current Period</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial Assets at Fair Value Through Profit or Loss	7.962.425	--	--	<b>7.962.425</b>
Public Sector Debt Securities	2.428.171	--	--	<b>2.428.171</b>
Share Certificated	896.211	--	--	<b>896.211</b>
Other Securities	4.638.043	--	--	<b>4.638.043</b>
Derivative Financial Assets at Fair Value Through Profit or Loss	--	8.548.462	--	<b>8.548.462</b>
Financial Assets at Fair Value Through Other Comprehensive Income	102.978.627	--	--	<b>102.978.627</b>
Public Sector Debt Securities	99.834.687	--	--	<b>99.834.687</b>
Other Securities	3.143.940	--	--	<b>3.143.940</b>
Loans at Fair Value Through Profit or Loss	--	--	--	<b>--</b>
<b>Total Assets</b>	<b>110.941.052</b>	<b>8.548.462</b>	<b>--</b>	<b>119.489.514</b>
Derivative Financial Liabilities at Fair Value Through Profit or Loss	--	2.835.852	--	<b>2.835.852</b>
<b>Total Liabilities</b>	<b>--</b>	<b>2.835.852</b>	<b>--</b>	<b>2.835.852</b>

<b>Prior Period</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial Assets at Fair Value Through Profit or Loss	2.821.452	--	--	<b>2.821.452</b>
Public Sector Debt Securities	1.271.509	--	--	<b>1.271.509</b>
Share Certificated	456.942	--	--	<b>456.942</b>
Other Securities	1.093.001	--	--	<b>1.093.001</b>
Derivative Financial Assets at Fair Value Through Profit or Loss	--	6.531.844	--	<b>6.531.844</b>
Financial Assets at Fair Value Through Other Comprehensive Income	77.257.107	--	--	<b>77.257.107</b>
Public Sector Debt Securities	76.224.247	--	--	<b>76.224.247</b>
Other Securities	1.032.860	--	--	<b>1.032.860</b>
Loans at Fair Value Through Profit or Loss	--	--	--	<b>--</b>
<b>Total Assets</b>	<b>80.078.559</b>	<b>6.531.844</b>	<b>--</b>	<b>86.610.403</b>
Derivative Financial Liabilities at Fair Value Through Profit or Loss	--	3.421.533	--	<b>3.421.533</b>
<b>Total Liabilities</b>	<b>--</b>	<b>3.421.533</b>	<b>--</b>	<b>3.421.533</b>

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

**Level 3:** Inputs not based on observable market data regarding assets or liabilities

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**Movement table of financial assets at level 3**

	Current Period
Balance at the beginning of the period	--
Purchases	--
Write-Off	--
Valuation differences	--
Transfers	--
<b>Balance at the end of the period</b>	<b>--</b>

Investment property of DFS Group and property held under tangible fixed assets that are recorded at fair value are classified as level 3.

**X. Explanations related to transactions carried out on behalf and account of other parties and fiduciary transactions**

**a. Whether the Group performs purchase, sales, custody, management and consultancy services on behalf and account of others, or not**

DFS Group performs purchase, sales, custody, management and consultancy services on behalf and account of others.

**b. Whether there are transactions with other financial institutions within the scope of fiduciary transaction contracts and whether there are financial services provided directly within this scope; whether such services are likely to significantly affect the Bank's financial status**

There are no fiduciary transaction contracts.

**XI. Explanations related to hedging transactions**

**a. Net investment risk**

DFS Group applies net investment hedge strategy to hedge against the currency risk arising on a consolidated basis from the net investments amounting to a total of Euro 1.231 million of one of its subsidiaries Denizbank AG. A part consisting of the same amounts of its foreign currency deposit of the Group has been defined as "hedging instrument". The effective part of the change in value of the foreign currency deposit arising from change in exchange rate has been recognised as "hedging funds" under equity.

On the other hand, as of 1 April 2014, the Parent Bank stopped applying net investment hedge accounting due to its net investment to hedge against the currency risk on the subsidiary of JSC Denizbank, and the total hedging fund which is booked under equity for that subsidiary is amounting to TL (58.164). Net investment risk calculation in Eurodeniz has been terminated due to the company's liquidation process.

Total abroad net investment hedging funds recognised under equity is amounting to TL (24.113.415) as of 31 December 2023 (31 December 2022: TL (16.728.902)).

**b. Cash flow risk**

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

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

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

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**XII. Explanations related to the consolidated segment reporting**

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

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

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

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

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

Information on business segments are presented in the following tables:

<b>Current Period (01/01/2023-31/12/2023)</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	12.138.446	8.929.559	12.866.518	5.594.318	(4.656)	<b>39.524.185</b>
Net fees and commission income	1.633.632	4.533.992	8.632.274	(107.238)	534.680	<b>15.227.340</b>
Other income/loss, net	6.424.928	3.608.118	4.949.613	(1.777.526)	(2.172.347)	<b>11.032.786</b>
<b>Total segment income</b>	<b>20.197.006</b>	<b>17.071.669</b>	<b>26.448.405</b>	<b>3.709.554</b>	<b>(1.642.323)</b>	<b>65.784.311</b>
Other operational expenses (*)	(4.064.020)	(7.280.218)	(9.823.619)	(950.811)	(735.036)	<b>(22.853.704)</b>
Provisions for expected credit loss and other provisions	4.248.383	(1.003.881)	(3.887.963)	(4.221.704)	(7.021)	<b>(4.872.186)</b>
Taxation						<b>(9.838.412)</b>
<b>Net profit from continuing operations</b>	<b>20.381.369</b>	<b>8.787.570</b>	<b>12.736.823</b>	<b>(1.462.961)</b>	<b>(2.384.380)</b>	<b>28.220.009</b>
Net profit from discontinued operations						<b>(150.807)</b>
<b>Net profit for the period</b>	<b>20.381.369</b>	<b>8.787.570</b>	<b>12.736.823</b>	<b>(1.462.961)</b>	<b>(2.384.380)</b>	<b>28.069.202</b>
<b>Current Period (31/12/2023)</b>						
Segment assets	289.490.388	149.452.716	131.041.572	536.149.518	--	<b>1.106.134.194</b>
Subsidiaries and associates						<b>8.315.620</b>
Undistributed assets						<b>58.457.322</b>
<b>Total assets</b>						<b>1.172.907.136</b>
Segment liabilities	202.870.586	180.646.489	265.772.610	369.979.705	--	<b>1.019.269.390</b>
Undistributed liabilities						<b>63.224.138</b>
Equity						<b>90.413.608</b>
<b>Total liabilities</b>						<b>1.172.907.136</b>

(\*) It also includes personnel expenses.

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<b>Prior Period (01/01/2022-31/12/2022)</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	7.893.337	5.451.266	7.600.002	10.709.095	19.197	<b>31.672.897</b>
Net fees and commission income	922.628	2.178.379	3.378.036	2.128	138.703	<b>6.619.874</b>
Other income/loss, net	2.871.326	1.361.497	1.286.916	7.163.121	(4.751.636)	<b>7.931.224</b>
<b>Total segment income</b>	<b>11.687.291</b>	<b>8.991.142</b>	<b>12.264.954</b>	<b>17.874.344</b>	<b>(4.593.736)</b>	<b>46.223.995</b>
Other operational expenses (*)	(1.913.680)	(3.470.136)	(4.724.424)	(786.215)	(230.683)	<b>(11.125.138)</b>
Provisions for expected credit loss and other provisions	(3.536.725)	(166.341)	(3.248.673)	(4.447.245)	(20.320)	<b>(11.419.304)</b>
Taxation						<b>(6.354.416)</b>
<b>Net profit from continuing operations</b>	<b>6.236.886</b>	<b>5.354.665</b>	<b>4.291.857</b>	<b>12.640.884</b>	<b>(4.844.739)</b>	<b>17.325.137</b>
Net profit from discontinued operations						<b>1.034</b>
<b>Net profit for the period</b>	<b>6.236.886</b>	<b>5.354.665</b>	<b>4.291.857</b>	<b>12.640.884</b>	<b>(4.844.739)</b>	<b>17.326.171</b>
<b>Prior Period (31/12/2022)</b>						
Segment assets	170.516.480	96.667.895	75.536.168	249.999.038	--	<b>592.719.581</b>
Subsidiaries and associates						<b>2.694.327</b>
Undistributed assets						<b>29.587.206</b>
<b>Total assets</b>						<b>625.001.114</b>
Segment liabilities	112.279.095	89.528.100	159.173.757	180.188.621	--	<b>541.169.573</b>
Undistributed liabilities						<b>28.968.565</b>
Equity						<b>54.862.976</b>
<b>Total liabilities</b>						<b>625.001.114</b>

(\*) It also includes personnel expenses.

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**SECTION FIVE**  
**DISCLOSURES AND FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**I. Explanations and disclosures related to consolidated assets**

**a. Cash and cash equivalents**

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL / Foreign Currency	1.676.910	6.758.925	1.224.346	4.223.175
Central Bank of the Republic of Turkey	98.702.818	96.178.966	7.483.910	73.426.179
Other (*)	21.198	35.466.890	--	25.798.209
<b>Total</b>	<b>100.400.926</b>	<b>138.404.781</b>	<b>8.708.256</b>	<b>103.447.563</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	38.489.129	45.047.355	7.483.910	20.133.448
Unrestricted Time Deposits	53.502.991	7.362.923	--	14.013.933
Restricted Time Deposits	6.710.698	43.768.688	--	39.278.798
<b>Total</b>	<b>98.702.818</b>	<b>96.178.966</b>	<b>7.483.910</b>	<b>73.426.179</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 Bank keeps reserve deposits at the CBRT for their TL and FC liabilities mentioned in the communiqué.

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

The interest income received from reserve requirements of the Bank with the CBRT is amounting to TL 216.357 (1 January - 31 December 2022: TL 96.849). The related interest income recognised under "Interest on Reserve Requirements".

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

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

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



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**4. Information on Banks**

**Information on Banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>				
Domestic	5.836.236	290.372	1.172.183	201.130
Foreign	461.829	67.894.607	83	31.533.785
Foreign head offices and branches	--	--	--	--
<b>Total</b>	<b>6.298.065</b>	<b>68.184.979</b>	<b>1.172.266</b>	<b>31.734.915</b>

**Information on foreign banks**

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	27.520.853	14.204.115	1.777.404	688.108
USA, Canada	9.192.374	5.269.413	--	--
OECD Countries(*)	5.969.922	3.575.442	57.699	266.638
Off shore zones	686.376	178.411	--	--
Other	23.130.612	7.351.741	21.196	--
<b>Total</b>	<b>66.500.137</b>	<b>30.579.122</b>	<b>1.856.299</b>	<b>954.746</b>

(\*) OECD countries except for EU countries, USA and Canada.

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

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

<i>Given as Collateral or Blocked Financial Assets at Fair Value Through Profit or Loss</i>	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	67	--	73	--
Other	--	--	--	--
<b>Total</b>	<b>67</b>	<b>--</b>	<b>73</b>	<b>--</b>

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

None.

**3. Other financial assets**

As of 31 December 2023, other financial assets include securities other than government debt securities and equity instruments.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	110.200	318.141	173.670	131.596
Swap Transactions	1.146.432	6.591.028	1.403.003	3.483.524
Futures Transactions	--	--	8.836	--
Options	370	382.291	42.827	1.288.388
Other	--	--	--	--
<b>Total</b>	<b>1.257.002</b>	<b>7.291.460</b>	<b>1.628.336</b>	<b>4.903.508</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.

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

Financial assets at fair value through other comprehensive income which are given as collateral consist of securities issued to various financial institutions, primarily the Central Bank of the Republic of Turkey and İstanbul Takas ve Saklama Bankası A.Ş. (Settlement and Custody Bank), for interbank money market, foreign exchange market and other transactions. These financial assets include government bonds and Eurobonds, and their total book value amounts to TL 25.386.884 (31 December 2022: TL 22.237.324).

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

<i>Given as collateral or blocked</i>	<b>Current Period</b>		<b>Prior Period</b>	
<i>Financial assets at fair value through other comprehensive income</i>	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Share Certificates	--	--	--	--
Bills, Bonds and Similar Securities	21.591.575	3.795.309	19.543.206	2.694.118
Other	--	--	--	--
<b>Total</b>	<b>21.591.575</b>	<b>3.795.309</b>	<b>19.543.206</b>	<b>2.694.118</b>

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

<i>Subject to repurchase agreements</i>	<b>Current Period</b>		<b>Prior Period</b>	
<i>Financial assets at fair value through other comprehensive income</i>	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Government Bonds	4.685.417	47.972.863	87.568	14.610.285
Treasury Bills	--	--	--	--
Other Debt Securities	--	--	--	--
Bank Bills and Bank Guaranteed Bills	--	--	--	0
Asset Backed Securities	--	--	--	--
Other	--	--	--	--
<b>Total</b>	<b>4.685.417</b>	<b>47.972.863</b>	<b>87.568</b>	<b>14.610.285</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>102.978.627</b>	<b>77.257.107</b>
Quoted on Stock Exchange (*)	102.978.627	77.257.107
Unquoted on Stock Exchange	--	--
<b>Share Certificates</b>	<b>2.072</b>	<b>1.630</b>
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	2.072	1.630
<b>Impairment Provisions (-)</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>102.980.699</b>	<b>77.258.737</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>162.491</b>	<b>--</b>	<b>93.168</b>
Corporate Shareholders	--	162.491	--	93.168
Individual Shareholders	--	--	--	--
<b>Indirect Loans Granted to Shareholders</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Loans Granted to Employees</b>	<b>584.367</b>	<b>120</b>	<b>347.083</b>	<b>155</b>
<b>Total</b>	<b>584.367</b>	<b>162.611</b>	<b>347.083</b>	<b>93.323</b>

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

Cash loans (*)	Standard Loans	Loans Under Close Monitoring		
		Not included in restructured loans	Restructured Loans	
			Changes in conditions of contract	Refinancing
<b>Non-specialized loans</b>	<b>479.293.986</b>	<b>23.209.283</b>	<b>10.531.362</b>	<b>12.182.837</b>
Corporate loans	67.695.976	2.710.380	4.204.545	756.016
Export loans	41.685.016	173.210	--	213.618
Import loans	--	--	--	--
Financial sector loans	5.099.826	--	--	--
Consumer loans	55.579.529	4.365.578	2.370.603	19.193
Credit cards	94.050.181	3.501.909	1.783.048	2.369
Others	215.183.458	12.458.206	2.173.166	11.191.641
<b>Specialized loans</b>	<b>22.214.443</b>	<b>1.408.983</b>	<b>252.101</b>	<b>212.307</b>
<b>Other receivables</b>	<b>32.586.635</b>	<b>1.275.257</b>	<b>162.553</b>	<b>310.837</b>
<b>Total</b>	<b>534.095.064</b>	<b>25.893.523</b>	<b>10.946.016</b>	<b>12.705.981</b>

(\*) It includes loans measured at amortised cost.

Stage 1 and Stage 2 Provisions for Expected Credit Loss	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12-Month provision for expected credit loss	7.528.211	--	4.920.254	--
Significant increase in credit risk	--	14.980.845	--	12.484.365
<b>Total</b>	<b>7.528.211</b>	<b>14.980.845</b>	<b>4.920.254</b>	<b>12.484.365</b>

**3. Distribution of cash loans according to maturity structure**

	Standard Loans	Loans Under Close Monitoring	
		Not Restructured	Restructured
Short-Term Loans	261.059.022	8.593.729	2.363.692
Medium and Long-Term Loans	273.036.042	17.299.794	21.288.305
<b>Total</b>	<b>534.095.064</b>	<b>25.893.523</b>	<b>23.651.997</b>

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

	Short Term	Medium or Long Term	Total
<b>Consumer Loans-TL</b>	<b>12.544.985</b>	<b>40.527.323</b>	<b>53.072.308</b>
Real estate Loans	1.761	743.954	745.715
Vehicle Loans	5.985	26.686	32.671
General Purpose Loans	12.537.239	39.756.683	52.293.922
Other	--	--	--
<b>Consumer Loans-Indexed to FC</b>	<b>--</b>	<b>58.723</b>	<b>58.723</b>
Real estate Loans	--	11.358	11.358
Vehicle Loans	--	--	--
General Purpose Loans	--	1.410	1.410
Other	--	45.955	45.955
<b>Consumer Loans-FC</b>	<b>--</b>	<b>6.322</b>	<b>6.322</b>
Real estate Loans	--	6.322	6.322
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Individual Credit Cards-TL</b>	<b>83.760.734</b>	<b>2.968.944</b>	<b>86.729.678</b>
Installment	33.747.128	2.968.944	36.716.072
Non installment	50.013.606	--	50.013.606
<b>Individual Credit Cards-FC</b>	<b>65.089</b>	<b>--</b>	<b>65.089</b>
Installment	--	--	--
Non installment	65.089	--	65.089
<b>Loans Given to Employees-TL</b>	<b>109.759</b>	<b>245.543</b>	<b>355.302</b>
Real estate Loans	--	28	28
Vehicle Loans	--	--	--
General Purpose Loans	109.759	245.515	355.274
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>780</b>	<b>780</b>
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	780	780
<b>Personnel Credit Cards - TL</b>	<b>218.098</b>	<b>1.090</b>	<b>219.188</b>
Installment	83.722	1.090	84.812
Non installment	134.376	--	134.376
<b>Personnel Credit Cards - FC</b>	<b>1.043</b>	<b>--</b>	<b>1.043</b>
Installment	--	--	--
Non installment	1.043	--	1.043
<b>Overdraft Loans-TL (Real Persons) (*)</b>	<b>8.820.539</b>	<b>--</b>	<b>8.820.539</b>
<b>Overdraft Loans-FC (Real Persons)</b>	<b>20.929</b>	<b>--</b>	<b>20.929</b>
<b>Total</b>	<b>105.541.176</b>	<b>43.808.725</b>	<b>149.349.901</b>

(\*) The overdraft account used by the personnel of the Parent Bank amounts to TL 8.054 (31 December 2022: TL 4.042).

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

	Short Term	Medium or Long Term	Total
<b>Installment Commercial Loans - TL</b>	<b>4.584.755</b>	<b>21.019.768</b>	<b>25.604.523</b>
Real estate Loans	8	82.836	82.844
Vehicle Loans	7.701	117.762	125.463
General Purpose Loans	4.577.046	18.846.467	23.423.513
Other	--	1.972.703	1.972.703
<b>Installment Commercial Loans - Indexed to FC</b>	<b>--</b>	<b>76.747.114</b>	<b>76.747.114</b>
Real estate Loans	--	1.429	1.429
Vehicle Loans	--	--	--
General Purpose Loans	--	496.459	496.459
Other	--	76.249.226	76.249.226
<b>Installment Commercial Loans - FC</b>	<b>37.628</b>	<b>27.918.941</b>	<b>27.956.569</b>
Real estate Loans	--	--	--
Vehicle Loans	--	11.102	11.102
General Purpose Loans	37.628	27.907.839	27.945.467
Other	--	--	--
<b>Corporate Credit Cards - TL</b>	<b>12.136.870</b>	<b>183.439</b>	<b>12.320.309</b>
Installment	2.214.981	183.439	2.398.420
Non installment	9.921.889	--	9.921.889
<b>Corporate Credit Cards - FC</b>	<b>2.200</b>	<b>--</b>	<b>2.200</b>
Installment	--	--	--
Non installment	2.200	--	2.200
<b>Overdraft Loans-TL (Legal Entities)</b>	<b>5.772.230</b>	<b>--</b>	<b>5.772.230</b>
<b>Overdraft Loans-FC (Legal Entities)</b>	<b>17.382</b>	<b>--</b>	<b>17.382</b>
<b>Total</b>	<b>22.551.065</b>	<b>125.869.262</b>	<b>148.420.327</b>

**6. Distribution of loans according to user**

	Current Period	Prior Period
Public	14.358.194	7.047.181
Private	569.282.390	349.358.872
<b>Total</b>	<b>583.640.584</b>	<b>356.406.053</b>

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

	Current Period	Prior Period
Domestic Loans	536.123.530	319.129.001
Foreign Loans	47.517.054	37.277.052
<b>Total</b>	<b>583.640.584</b>	<b>356.406.053</b>

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

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	829.484	--
Indirect loans granted to subsidiaries and associates	--	--
<b>Total</b>	<b>829.484</b>	<b>--</b>

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

	Current Period	Prior Period
<b>Provisions related to loans or credit impaired losses (stage 3)</b>		
Loans with Limited Collectability	2.267.572	2.967.990
Loans with Doubtful Collectability	3.447.724	2.014.523
Uncollectible Loans	9.899.050	9.021.838
<b>Total</b>	<b>15.614.346</b>	<b>14.004.351</b>

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

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

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
<b>Current Period</b>	<b>77.785</b>	<b>1.054.134</b>	<b>9.052.906</b>
(Gross amounts before the provisions)			
Restructured loans	77.785	1.054.134	9.052.906
<b>Prior Period</b>	<b>2.267.706</b>	<b>161.190</b>	<b>5.987.003</b>
(Gross amounts before the provisions)			
Restructured loans	2.267.706	161.190	5.987.003

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

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectible loans
<b>Balances at Beginning of the Period</b>	<b>4.079.499</b>	<b>2.888.776</b>	<b>10.782.260</b>
Additions (+)	6.125.756	5.745.713	5.243.108
Transfers from Other Categories of Non-Performing Loans (+)	--	2.810.177	3.692.562
Transfers from Other Categories of Non-Performing Loans (-)	2.810.177	3.692.562	--
Collections (-)	2.397.977	2.657.234	5.280.074
Write-offs (-)	--	--	1.434.951
Sales (-)	--	--	1.200.714
Corporate and Commercial Loans	--	--	11.249
Retail Loans	--	--	677.189
Credit Cards	--	--	381.646
Other	--	--	130.630
FX difference	234.386	1.251.135	1.142.748
<b>Balances at End of the Period</b>	<b>5.231.487</b>	<b>6.346.005</b>	<b>12.944.939</b>
Specific Provisions (-)	2.267.573	3.447.721	9.899.052
<b>Net Balance on Balance Sheet</b>	<b>2.963.914</b>	<b>2.898.284</b>	<b>3.045.887</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 December 2023</b>			
Balance as of the Period End	2.152.620	687.735	4.021.951
Provisions (-)	449.468	556.511	2.964.473
<b>Net Balance on Balance Sheet</b>	<b>1.703.152</b>	<b>131.224</b>	<b>1.057.478</b>
<b>Prior Period: 31 December 2022</b>			
Balance as of the Period End	722.263	585.951	2.962.447
Provisions (-)	704.489	296.577	2.195.209
<b>Net Balance on Balance Sheet</b>	<b>17.774</b>	<b>289.374</b>	<b>767.238</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 December 2023</b>	<b>2.963.914</b>	<b>2.898.284</b>	<b>3.045.887</b>
Loans Granted to Real Persons and Legal Entities (Gross)	5.231.487	6.346.005	12.944.939
Provisions (-)	2.267.573	3.447.721	9.899.052
Loans Granted to Real Persons and Legal Entities (Net)	2.963.914	2.898.284	3.045.887
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan (Net)	--	--	--
<b>Prior Period (Net): 31 December 2022</b>	<b>1.111.509</b>	<b>890.535</b>	<b>1.744.140</b>
Loans Granted to Real Persons and Legal Entities (Gross)	4.079.499	2.888.776	10.782.260
Provisions (-)	2.967.990	1.998.241	9.038.120
Loans Granted to Real Persons and Legal Entities (Net)	1.111.509	890.535	1.744.140
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loans (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loans (Net)	--	--	--

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

	Group III	Group IV	Group V
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
<b>Current Period (Net)</b>	<b>141.945</b>	<b>171.649</b>	<b>93.398</b>
Interest accruals and rediscount and valuation differences	276.875	405.884	966.898
Amount of provision (-)	134.930	234.235	873.500
<b>Prior Period (Net)</b>	<b>106.302</b>	<b>218.093</b>	<b>124.651</b>
Interest accruals and rediscount and valuation differences	395.456	398.348	1.160.649
Amount of provision (-)	289.154	180.255	1.035.998

**11. Outline of liquidation policy for uncollectible loans and other receivables**

For uncollectible loans, first of all the Bank and the customer try to reach an agreement; where these methods to not work and no results can be obtained from follow-up, all the procedures to be performed within the framework of legal legislation are carried out. These transactions last until the customers sign a pledge deficit document or a certificate of insolvency.

**12. Explanations on write-off policy**

The general policy of the Bank is to write-off the receivables that are documented as not possible to be collected during the legal follow-up process.

Write-off policy:

In accordance with the changes on "Provisioning Regulation" published in the Official Gazette No. 30961 dated 27 November 2019 by BRSA, the Parent Bank, in line with TFRS 9, may write-off part of the loans for which there is no reasonable expectation of recovery and that are classified under group 5 with a life time expected credit loss due to the default of debtor, starting from the following reporting date that the loan is classified in group 5.

Write-off is only an accounting practice in accordance with the related change in the regulation and it does not result in giving up the right on the receivable.

The Bank uses the following indicators as to the absence of reasonable expectations regarding the collection of loans:

- For receivables subject to collective assessment,
  - ✓ Maximum attempts were made by the Bank regarding collection during the legal follow-up and remained inconclusive
  - ✓ Recovery horizon is reached
  - ✓ 100% provisioning is realised
- Certain data for those who will be subject to individual assessment that their collection ability has been completely lost as a result of customer analysis and interviews

Although the Bank has applied write-off, its policies for the loans that it follows are in line with the loans it actively pursues in terms of legal collection of borrowers, subjecting loans to the sale of non-performing loans and withdrawal decisions.

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

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

**(i) Information on securities subject to repurchase agreement**

Financial assets measured at amortised cost subject to repurchase agreement amounts to TL 22.343.684 (31 December 2022: TL 5.169.389).

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

Collateralized financial assets measured at amortised cost are government bonds, book value of which amounts to TL 15.046.368 (31 December 2022: TL 3.903.075).

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

<i>Government debt securities measured at amortised cost</i>	<b>Current Period</b>	<b>Prior Period</b>
Government Bonds	51.237.084	18.316.908
Treasury Bills	--	--
Other Government Debt Securities	--	--
<b>Total</b>	<b>51.237.084</b>	<b>18.316.908</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>51.237.084</b>	<b>18.316.908</b>
Quoted on Stock Exchange	51.237.084	18.316.908
Unquoted on Stock Exchange	--	--
<b>Impairment provisions (-)</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>51.237.084</b>	<b>18.316.908</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>18.316.908</b>	<b>7.124.821</b>
Foreign exchange differences in monetary assets (*)	17.774.456	1.837.199
Purchases during the year (**)	16.732.722	10.242.395
Disposals by sale and redemption	(1.587.002)	(887.507)
<b>Impairment provisions (-)</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>51.237.084</b>	<b>18.316.908</b>

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

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

**f. Information on investments in associates**

**1. Investments in unconsolidated associates**

<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	9,00	--
2-Kredi Garanti Fonu A.Ş. <sup>(2)</sup>	Ankara/Turkey	2,00	--
3-Ege Tarım Ürünleri Lisanslı Dep. A.Ş. <sup>(3)</sup>	İzmir/Turkey	9,00	--
4-İhracatı Geliştirme A.Ş. <sup>(2)</sup>	Istanbul/Turkey	0,16	--

	<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	1.201.571	242.442	337.114	109.408	--	128.362	29.975	--
2	1.814.872	1.093.002	30.886	6.009	--	326.627	211.158	--
3	76.514	35.319	46.036	994	--	14.217	1.960	--
4	4.563.113	4.532.905	1.208	429.893	--	1.154.146	22.740	--

<sup>(1)</sup> Information on the financial statements is presented as of the period ended 30 September 2023.

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

<sup>(3)</sup> Information on the financial statements is presented as of the period ended 31 December 2023.



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**2. Investments in consolidated associates**

There are no investments in consolidated associates.

**g. Information on investments in subsidiaries**

**1. Information on shareholders' equity of major subsidiaries**

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

The amounts below are obtained from the financial data of 31 December 2023 prepared in accordance with the legislation to which Denizbank AG is subject to.

	<b>Denizbank AG</b>
Paid-in capital	7.551.647
Share premium	11.095.527
Reserves	16.706.739
Deductions from capital	101.584
<b>Total Common Equity</b>	<b>35.252.329</b>
Total additional Tier I capital	--
Deductions from capital	406.335
<b>Total Core Capital</b>	<b>34.845.994</b>
Total supplementary capital	2.653.079
<b>Capital</b>	<b>37.499.073</b>
Deductions from capital	--
<b>SHAREHOLDERS' EQUITY</b>	<b>37.499.073</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.	Istanbul/Turkey	100	--
2-Denizbank Kültür Sanat Yayıncılık Ticaret ve Sanayi A.Ş.	Istanbul/ Turkey	100	--
3-Açık Deniz Radyo ve Televizyon İletişim Yayıncılık ve Sanayi A.Ş.	Istanbul/ Turkey	--	100
4-Deniz Immobilien Service GmbH	Vienna/Austria	--	100
5-Ekspres Bilgi İşlem ve Ticaret A.Ş.	Istanbul/ Turkey	--	100
6-Neohub Teknoloji Yazılım Pazarlama ve Danışmanlık A.Ş.	Istanbul/ Turkey	--	100
7- Neo Elektronik Ticaret Bilişim Teknolojileri Yazılım ve Danışmanlık A.Ş.	Istanbul/ Turkey	--	100

<b>(*)</b>	<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	2.745.422	2.035.841	1.318.243	10.543	--	966.664	474.547	--
2	884	809	--	--	--	(77)	169	--
3	623	620	--	--	--	66	69	--
4	1.757	1.655	--	--	--	(133)	31	--
5	50.652	23.444	5.168	277	--	9.126	2.600	--
6	106.599	84.208	3.075	6	--	46.286	10.781	--
7	9.248	8.920	2.803	926	--	(105)	--	--

(\*) TAS 29 has not been applied.

The financial statements of the above subsidiaries for the period ended on 31 December 2023 are not included in the consolidation since they are non-financial subsidiaries.

**3. Information on consolidated subsidiaries**

<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.	Istanbul/Turkey	100	--	Full consolidation
4 JSC Denizbank Moskova	Moscow / Russia	100	--	Full consolidation
5 Deniz Portföy Yönetimi A.Ş.	Istanbul/Turkey	--	100	Full consolidation
6 Deniz Finansal Kiralama A.Ş.	Istanbul/Turkey	100	--	Full consolidation
7 Deniz Faktoring A.Ş.	Istanbul/Turkey	100	--	Full consolidation
8 Deniz Gayrimenkul Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	--	75	Full consolidation
9 CR Erdberg Eins GmbH & Co KG	Vienna/Austria	--	100	Full consolidation
10 Fast Pay Elektronik Para ve Ödeme Hizmetleri A.Ş.	Istanbul/Turkey	100	--	Full consolidation

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

(\*\*) Eurodeniz International Banking Unit Ltd. has entered into the liquidation process. Explanation is given in Section Three, note XI.

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(*)	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	187.180.268	44.949.045	665.583	6.846.366	351.665	3.850.983	1.420.377	--	--
2	--	--	--	--	--	--	2.019	--	--
3	10.278.554	3.339.787	25.541	2.226.361	339	1.454.437	503.002	--	--
4	15.586.120	2.313.611	57.894	528.798	17.838	689.775	723.697	--	--
5	260.099	230.406	3.422	(181)	(254)	146.959	35.592	--	--
6	21.869.494	5.241.326	5.491.939	1.664.996	--	1.602.361	660.792	--	--
7	16.494.214	3.541.838	35.157	3.510.164	--	993.481	240.602	--	--
8	2.160.638	2.101.865	3.623	41.240	405	776.148	606.008	--	--
9	1.148.867	1.006.397	843.664	866	--	2.809	5.722	--	--
10	183.267	103.368	48.482	5.655	--	4.277	(5.823)	--	--

(\*) TAS 29 has not been applied.

Includes financial statement details subject to 31 December 2023 consolidation.

(i) Movement of consolidated subsidiaries during the period

	Current Period	Prior Period
<b>Balance at the Beginning of the Period</b>	<b>4.761.417</b>	<b>4.179.527</b>
<b>Movements During the Period</b>	<b>6.290.417</b>	<b>581.890</b>
Purchases (*)	4.073.000	25.000
Bonus Shares Received(**)	1.485.170	--
Dividends from Current Year Profit	--	--
Sales (***)	--	(7.118)
Revaluation Increase, Effect of Inflation and F/X Difference	732.248	564.008
Other	--	--
Provision for Impairment	--	--
<b>Balance at the End of the Period</b>	<b>11.051.834</b>	<b>4.761.417</b>
<b>Capital Commitments</b>	--	--
<b>Share Percentage at the end of Period (%)</b>	--	--

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

In September 2023, the Bank increased the capital of Deniz Finansal Kiralama A.Ş. by TL 2.000.000 in cash and the capital of Deniz Faktoring A.Ş. by TL 2.000.000 in cash.

(\*\*) Deniz Finansal Kiralama A.Ş. It increased its paid-in capital by TL 1.133.000 from its internal sources, and Deniz Faktoring A.Ş. increased its paid-in capital by TL 352.400 from its internal sources. The Bank has accounted these amounts in "Subsidiaries" accounts.

(\*\*\*) Eurodeniz International Banking Unit has entered into the liquidation process and the investment amount in the bank is TL 7.118.

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

	Current Period	Prior Period
Banks	2.321.148	2.321.148
Insurance Companies	--	--
Factoring Companies	2.490.277	138.107
Leasing Companies	3.934.217	801.217
Finance Companies	--	--
Other Subsidiaries	2.313.310	1.508.063
<b>Total</b>	<b>11.058.952</b>	<b>4.768.535</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	1.147.787	1.204.727
Quoted on foreign markets	--	--

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

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

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

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

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	186.669	185.558	100.835	914.819	(905.140)

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

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

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

**i. Information on receivables from leasing transactions**

**1. Representation of investments in leasing transactions by remaining maturity**

	Current Period (*)		Prior Period (*)	
	Gross	Net	Gross	Net
Less than 1 year	3.278.409	2.748.739	1.918.344	1.804.362
Between 1-4 years	8.802.052	6.874.102	4.021.142	3.276.322
Over 4 years	2.346.752	1.686.857	4.075.630	3.116.017
<b>Total</b>	<b>14.427.213</b>	<b>11.309.698</b>	<b>10.015.116</b>	<b>8.196.701</b>

(\*) Non-performing lease receivables of TL 2.431.888 are not included (31 December 2022: TL 376.297).

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

	Current Period (*)	Prior Period (*)
Gross finance lease investment	14.427.213	10.015.116
Unearned finance income from finance lease (-)	3.117.515	1.818.415
Cancelled leasing amounts (-)	--	--
<b>Net investment on finance leases</b>	<b>11.309.698</b>	<b>8.196.701</b>

(\*) Non-performing lease receivables of TL 2.431.888 are not included (31 December 2022: TL 376.297).

**3. Information on operating leased**

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

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

As of 31 December 2023, the DFS Group's receivables which arise from its operational leasing agreements and will emerge in the future are distributed as follows by year:

	Current Period	Prior Period
Up to 1 year	34.929	19.783
Between 1-5 years	--	--
5 years and over	--	--
<b>Total</b>	<b>34.929</b>	<b>19.783</b>

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

None.

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**k. Information on tangible assets**

	Real Estate	Vehicles	Right-of-Use Assets	Other	Total
<b>Cost At the End Of The Prior Period</b>	757.122	2.217.014	1.512.022	2.408.141	6.894.299
Transfers	--	--	--	--	--
Acquisitions	2.588	3.639.493	973.652	577.396	5.193.129
Revaluation differences	450.688	--	--	--	450.688
Disposals	(567)	(587.477)	(38.414)	(126.366)	(752.824)
Foreign exchange differences	143.850	934	150.240	201.294	496.318
<b>Cost At the End Of The Period</b>	<b>1.353.681</b>	<b>5.269.964</b>	<b>2.597.500</b>	<b>3.060.465</b>	<b>12.281.610</b>
<b>Accumulated Depreciation At the End Of The Prior Period</b>	<b>(13.151)</b>	<b>(34.015)</b>	<b>(967.891)</b>	<b>(1.521.551)</b>	<b>(2.536.608)</b>
Transfers	--	--	--	20.195	20.195
Depreciation for the period	(17.145)	(2.150)	(533.045)	(307.717)	(860.057)
Disposals	49	15.334	38.414	111.395	165.192
Foreign exchange differences	30.037	(751)	(119.376)	(185.062)	(275.152)
<b>Accumulated Depreciation At the End Of The Period</b>	<b>(210)</b>	<b>(21.582)</b>	<b>(1.581.898)</b>	<b>(1.882.740)</b>	<b>(3.486.430)</b>
<b>Net Book Value At The End Of The Period</b>	<b>1.353.471</b>	<b>5.248.382</b>	<b>1.015.602</b>	<b>1.177.725</b>	<b>8.795.180</b>

As of 31 December 2016, in the valuation of the properties in use that are recognised under tangible fixed assets, the cost model has been changed as revaluation model in accordance with TAS 16 "Tangible Fixed Assets". The positive difference between the property values in the expertise reports prepared by the licensed appraisal companies and the net book value of the related properties is followed in the equity accounts and the negative differences are followed in the statement of profit or loss.

Revaluation difference amounting to TL 892.690 (31 December 2022: TL 442.002) is recognised under equity as a result of revaluation process.

**l. Information on intangible assets**

	Other	Goodwill	Total
<b>Cost At the End Of The Prior Period</b>	3.423.585	--	3.423.585
Transfers	--	--	--
Acquisitions	2.391.366	--	2.391.366
Revaluation differences	--	--	--
Disposals	(90.735)	--	(90.735)
Foreign exchange differences	342.138	--	342.138
<b>Cost At the End Of The Period</b>	<b>6.066.354</b>	<b>--</b>	<b>6.066.354</b>
<b>Accumulated Depreciation At the End Of The Prior Period</b>	<b>(1.900.798)</b>	<b>--</b>	<b>(1.900.798)</b>
Transfers	--	--	--
Depreciation for the period	(1.028.069)	--	(1.028.069)
Disposals	64.836	--	64.836
Foreign exchange differences	(268.700)	--	(268.700)
<b>Accumulated Depreciation At the End Of The Period</b>	<b>(3.132.731)</b>	<b>--</b>	<b>(3.132.731)</b>
<b>Net Book Value</b>	<b>2.933.623</b>	<b>--</b>	<b>2.933.623</b>

**m. Explanation on investment properties**

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

As of 31 December 2023, the DFS Group's investment properties amount to TL 1.591.527 (31 December 2022: TL 709.270) which are carried at fair value in the consolidated financial statements.

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**n. Information on deferred tax asset**

Deferred tax asset calculated within the scope of applicable regulation amounts to TL 4.441.916 (31 December 2022: TL 4.357.629) and deferred tax liability amounts to TL 1.436.432 (31 December 2022: TL 654.432). The mentioned value has been calculated by netting off the deductible and taxable temporary differences as of the balance sheet date.

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

	<b>Current Period</b>	<b>Prior Period</b>
Miscellaneous Provisions	5.778.554	3.908.989
Tax Losses (*)	440.300	--
Provision for Employee Benefits	481.964	372.613
Valuation Differences of Financial Assets	--	283.918
Unearned Revenue	155.909	130.638
<b>Deferred Tax Assets</b>	<b>6.856.727</b>	<b>4.696.158</b>
Valuation Differences of Financial Assets	(2.156.947)	--
Valuation Differences of Derivatives	(1.206.241)	(334.138)
Valuation Differences of Tangible Assets	(292.155)	(403.812)
Other	(195.900)	(255.011)
<b>Deferred Tax Liabilities</b>	<b>(3.851.243)</b>	<b>(992.961)</b>
<b>Net Deferred Tax Assets</b>	<b>3.005.484</b>	<b>3.703.197</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.

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

Eurodeniz International Banking Unit Ltd. which one of the subsidiaries of the Parent Bank has entered into the liquidation process. It is classified as discontinued operation in the financial statements until the liquidation process will be completed. Explanation is given in Section Three, note XI.

**p. Information on other assets**

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

DFS Group's total prepaid expenses are TL 6.562.102 (31 December 2022: TL 2.192.347).

**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 196.906.806 deposits within this scope as of 31 December 2023 (31 December 2022: TL 73.171.134).

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

Current Period: 31 December 2023	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	17.475.114	--	14.188.887	70.367.313	90.301.008	54.698.755	27.262.350	3.688	274.297.115
Foreign Currency Deposits (*)	142.447.705	--	28.428.173	56.538.036	17.914.876	38.065.547	34.468.321	12.998	317.875.656
Residents in Turkey	80.648.591	--	17.466.268	31.470.482	5.103.438	5.124.848	3.479.866	9.924	143.303.417
Residents Abroad	61.799.114	--	10.961.905	25.067.554	12.811.438	32.940.699	30.988.455	3.074	174.572.239
Public Sector Deposits	2.047.372	--	122.638	199.027	742	3.195	2.491	--	2.375.465
Commercial Deposits	20.864.578	--	9.401.166	16.410.454	27.409.036	28.156.586	13.801.214	--	116.043.034
Other Ins. Deposits	570.491	--	520.067	1.052.585	1.196.011	336.543	7.302	--	3.682.999
Precious Metal Deposits	19.221.552	--	165.060	2.648.361	847.004	613.366	109.438	5.264	23.610.045
Bank Deposits	1.656.754	--	2.291.258	2.354.487	2.635.078	219.540	264.149	--	9.421.266
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	34.362	--	--	456.620	402.919	--	--	--	893.901
Foreign Banks	1.620.456	--	2.291.258	1.897.867	2.232.159	219.540	264.149	--	8.525.429
Special Finan. Inst.	1.936	--	--	--	--	--	--	--	1.936
Other	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>204.283.566</b>	<b>--</b>	<b>55.117.249</b>	<b>149.570.263</b>	<b>140.303.755</b>	<b>122.093.532</b>	<b>75.915.265</b>	<b>21.950</b>	<b>747.305.580</b>

(\*) Foreign Currency Deposit Account consists of Saving Deposit customers at the amount of TL 200.227.653 and Commercial Deposit customers at the amount of TL 117.648.003.

Prior Period: 31 December 2022	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	11.756.270	--	7.316.517	27.311.244	44.764.424	2.987.232	3.768.833	3.282	97.907.802
Foreign Currency Deposits (*)	110.070.189	--	26.283.703	44.493.128	15.312.330	15.079.648	21.623.713	4.679	232.867.390
Residents in Turkey	49.717.116	--	18.697.583	32.646.333	9.905.614	4.174.855	3.369.303	4.540	118.515.344
Residents Abroad	60.353.073	--	7.586.120	11.846.795	5.406.716	10.904.793	18.254.410	139	114.352.046
Public Sector Deposits	1.117.565	--	541.338	362.896	193	--	--	--	2.021.992
Commercial Deposits	14.085.372	--	11.192.746	12.161.839	18.777.920	4.243.606	3.923.452	--	64.384.935
Other Ins. Deposits	338.732	--	222.975	643.035	430.336	89.147	18.504	--	1.742.729
Precious Metal Deposits	12.449.445	--	216.469	3.137.409	711.610	782.637	712.289	5.994	18.015.853
Bank Deposits	1.139.864	--	259.621	17.665.898	1.614.163	656.125	1.102.449	--	22.438.120
Central Bank	413.798	--	--	--	--	--	--	--	413.798
Domestic Banks	40.297	--	1.064	201.872	190.740	--	--	--	433.973
Foreign Banks	684.508	--	258.557	17.464.026	1.423.423	656.125	1.102.449	--	21.589.088
Special Finan. Inst.	1.261	--	--	--	--	--	--	--	1.261
Other	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>150.957.437</b>	<b>--</b>	<b>46.033.369</b>	<b>105.775.449</b>	<b>81.610.976</b>	<b>23.838.395</b>	<b>31.149.240</b>	<b>13.955</b>	<b>439.378.821</b>

(\*) Foreign Currency Deposit Account consists of Saving Deposit customers at the amount of TL 156.814.968 and Commercial Deposit customers at the amount of TL 76.052.422.

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**2. Information on deposit insurance**

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

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

	Saving Deposit Insurance Fund		Exceeding the Insurance Coverage Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	75.257.544	35.687.504	197.318.835	62.212.788
Foreign Currency Saving Deposits	38.701.518	23.063.342	84.924.514	83.124.491
Other Deposits in the form of Saving Deposits	--	--	--	--
Foreign Branches' Deposits under Foreign Authorities' Insurance	--	--	--	--
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	--	--	--	--
<b>Total</b>	<b>113.959.062</b>	<b>58.750.846</b>	<b>282.243.349</b>	<b>145.337.279</b>

In accordance with the "Regulation on Amending the Regulation on the Insurable Deposit and Participation Funds and Premiums to be Collected by the Savings Deposit Insurance Fund" published in the Official Gazette dated 27 August 2022 and numbered 31936, official institutions in the presence of credit institutions, credit institutions and all deposits and participation funds, except those belonging to financial institutions, have started to be insured. In this context, commercial deposits covered by the insurance amount to TL 15.167.962 and the relevant amount is not included in the footnote.

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

	Current Period	Prior Period
Deposits and Other Accounts in Foreign Branches	51.431	112.304
Deposits and Other Accounts belong to Major Shareholders with Their Parents, Spouse and Children under Their Wardship	--	--
Deposits and Other Accounts belong to Members of Board of Directors, CEO and Deputy CEO with Their Parents, Spouse and Children under Their Wardship	248.325	187.849
Deposits and Other Accounts linked to Crimes Mentioned in 282nd Article of 5237 Numbered Turkish Penal Code dated on 26/09/2004	--	--
Deposits belong to Off-Shore Banks which are established in Turkey	--	28.190
<b>Total</b>	<b>299.756</b>	<b>328.343</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	347.356	166.535	11.023	177.594
Swap Transactions	61.483	2.004.107	177.469	1.993.976
Futures Transactions	981	--	2.908	--
Options	--	255.390	--	1.058.563
Other	--	--	--	--
<b>Total</b>	<b>409.820</b>	<b>2.426.032</b>	<b>191.400</b>	<b>3.230.133</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	11.211.239	3.574.008	5.692.037	416.454
Foreign Banks, Institutions and Funds	--	111.618.201	--	44.473.013
<b>Total</b>	<b>11.211.239</b>	<b>115.192.209</b>	<b>5.692.037</b>	<b>44.889.467</b>

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**2. Maturity information of funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	11.211.239	33.473.382	5.649.469	7.630.802
Medium and Long-Term	--	81.718.827	42.568	37.258.665
<b>Total</b>	<b>11.211.239</b>	<b>115.192.209</b>	<b>5.692.037</b>	<b>44.889.467</b>

**3. Additional explanations on the areas which the Group's liabilities are concentrated**

Deposits are the most important funding source of the Group and constitute 64% of total funding source (31 December 2022: 70%). Loans received, subordinated loans, debts to money markets and securities issued constitute 21% of total funding source (31 December 2022: 14%).

**d. Information on securities issued**

	Current Period		Prior Period	
	TL	FC	TL	FC
Bonds <sup>(*)</sup>	--	39.820.534	--	4.687.007
Bills	5.157.897	1.516.251	3.616.862	494.857
Asset Backed Securities	--	--	--	--
<b>Total</b>	<b>5.157.897</b>	<b>41.336.785</b>	<b>3.616.862</b>	<b>5.181.864</b>

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

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

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

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

**f. Information on lease liabilities**

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	703.990	521.888	498.631	341.994
Between 1-4 years	512.538	334.724	408.251	267.052
Over 4 years	68.251	44.700	64.306	46.877
<b>Total</b>	<b>1.284.779</b>	<b>901.312</b>	<b>971.188</b>	<b>655.923</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 December 2023, there is no provisions for foreign exchange differences on foreign currency indexed loans (31 December 2022: None). The amount of the provision for foreign exchange differences on foreign currency indexed loans are netted against loans and receivables under assets in the financial statements.



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**2. Liabilities of provision for employee benefits**

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

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

	Current Period	Prior Period
Discount rate	5,33%	1,91%
Interest rate	24,18%	21,83%
Estimated rate of increase in salary/severance pay limit	17,90%	19,55%

As of 31 December 2023, TL 748.009 of provision for employee termination benefits (31 December 2022: TL 978.935) and TL 1.175.859 of unused vacation provisions and other rights (31 December 2022: TL 698.339) were reflected to the consolidated financial statements.

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

	Current Period	Prior Period
<b>Balance at the Beginning of the Period</b>	<b>978.935</b>	<b>320.924</b>
Changes in the period	391.089	304.137
Actuarial loss/(gain)	(65.389)	420.567
Paid in the period	(573.830)	(70.113)
FX difference	11.791	3.420
<b>Balance at the End of the Period</b>	<b>742.596</b>	<b>978.935</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 1.403.590 of other provisions represents stage 1 and stage 2 provisions for expected credit loss for non-cash loans, TL 2.937.086 is related to stage 3 provision for expected credit loss for non-cash loans that are unindemnified and not converted into cash, TL 633.452 is the provisions for the litigations against the Bank, TL 6.700.000 includes free provision and TL 2.644.311 includes other provisions.

**Prior period:**

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

**i. Explanations on tax liability**

**1. Information on current tax liability**

**(i) Information on tax provision**

As of 31 December 2023, the corporate tax provision of DFS Group amounts to TL 3.256.497 (31 December 2022: TL 6.907.352), and it has been offset with advance taxes amounting to TL 2.084.858 (31 December 2022: TL 4.653.485).

**(ii) Information on tax liabilities**

	Current Period	Prior Period
Corporate tax payables	1.171.640	2.253.867
Taxation on securities	345.323	107.059
Taxes on real estate capital gain	7.440	4.585
Banking Insurance Transaction Tax (BITT)	1.129.012	547.568
Taxes on foreign exchange transactions	21.902	17.069
Value added tax payables	87.455	28.401
Other	268.337	132.488
<b>Total</b>	<b>3.031.109</b>	<b>3.091.037</b>

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(iii) Information on premiums

	Current Period	Prior Period
Social security premiums- employee share	67.250	32.231
Social security premiums- employer share	85.110	37.704
Bank pension fund premium- employee share	--	--
Bank pension fund premium- employer share	--	--
Pension fund membership fees and provisions- employee share	--	--
Pension fund membership fees and provisions- employer share	--	--
Unemployment insurance- employee share	11.067	12.202
Unemployment insurance- employer share	7.820	4.431
Other	--	--
<b>Total</b>	<b>171.247</b>	<b>86.568</b>

2. Information on deferred tax liability

Deferred tax liability calculated within the scope of the applicable regulations amounts to TL 1.436.432 (31 December 2022: TL 654.432). The detail of deferred tax is disclosed in Note "n" of explanations and disclosures related to consolidated assets.

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

Eurodeniz International Banking Unit Ltd. which one of the subsidiaries of the Parent Bank has entered the liquidation process. It is classified as discontinued operation in the financial statements until the liquidation process will be completed. Explanation is given in Section Three, note XI.

k. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Instruments subject to common equity	--	--	--	--
Subordinated Loans	--	--	--	--
Subordinated Debt Instruments	--	--	--	--
Debt Instruments subject to tier 2 equity	--	23.066.679	--	14.561.492
Subordinated Loans	--	23.066.679	--	14.561.492
Subordinated Debt Instruments	--	--	--	--
<b>Total</b>	<b>--</b>	<b>23.066.679</b>	<b>--</b>	<b>14.561.492</b>

Information on subordinated loans is disclosed in Section Four, note I-b.

l. Information on shareholders' equity

1. Presentation of paid-in capital

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

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

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

The registered share capital system is not applied.

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

None.

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

None.

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

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

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

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

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

The Parent Bank does not have any preferred stocks.

**8. Share premiums, shares and equity instruments**

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

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

(\*\*) In the related period, the number of shares with nominal value of "one thousand" Turkish Lira was sold for "two thousand eight hundred seventy-five" Turkish Lira and TL 94.441 share premium was obtained. Inflation valuation difference until December 2004 amounts to TL 3.910 and is followed under the related account in accordance with the regulation. Share premium of TL 60 through obtained from the paid-in capital increase of TL 400.000 on 28 August 2008.

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

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

**9. Information on marketable securities value increase fund**

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and JVs	7.898.790	--	2.305.678	--
Valuation Difference	(1.704.364)	364.170	5.700.552	(2.361.679)
FX Gain or Loss	--	--	--	--
<b>Total</b>	<b>6.194.426</b>	<b>364.170</b>	<b>8.006.230</b>	<b>(2.361.679)</b>

**10. Information on hedging funds**

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

**11. Explanations on minority shares**

	Current Period	Prior Period
<b>Balance at the Beginning of the Period</b>	<b>303.767</b>	<b>151.621</b>
Minority shares in net income of consolidated subsidiaries	195.016	152.146
Increase/(decrease) in minority shares due to disposals	--	--
Other	(1.425)	--
<b>Balance at the End of the Period</b>	<b>497.358</b>	<b>303.767</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 722.310 has been accounted for in "Other Accumulated Comprehensive Income That Will Not Be Reclassified in Profit or Loss" under equities (31 December 2022: TL 359.307).

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**13. Explanations on profit distribution**

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

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

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

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

All of DFS Group's off-balance sheet loan commitments are in the nature of irrevocable commitments. As of 31 December 2023, loan granting commitments, commitments for credit card expenditure limits and commitments for cheque payments are TL 48.403.121, TL 293.746.486 and TL 12.311.768 respectively (31 December 2022: TL 30.474.774, TL 80.333.770 and TL 6.613.792 respectively). The details of these items are followed in the off-balance sheet accounts.

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

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

As of 31 December 2023, DFS Group has letters of guarantee amounting to TL 119.256.548, bill of guarantee and acceptances amounting to TL 717.588, and guarantees and warranties on letters of credit amounting to TL 23.948.861 and other guarantees and warranties amounting to TL 10.046.553.

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

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

	<b>Current Period</b>	<b>Prior Period</b>
Provisional Letters of Guarantee	2.760.789	1.771.272
Final Letters of Guarantee	71.316.334	40.203.783
Letters of Guarantee for Advances	15.360.220	6.411.154
Letters of Guarantee given to Customs Offices	537.601	370.592
Other Letters of Guarantee	29.281.604	18.024.534
<b>Total</b>	<b>119.256.548</b>	<b>66.781.335</b>

**3. Information on non-cash loans**

- (i) Total amount of non-cash loans

	<b>Current Period</b>	<b>Prior Period</b>
Non-Cash Loans Given for Obtaining Cash Loans	39.541.102	26.032.382
With Original Maturity of 1 Year or Less	39.541.102	26.032.382
With Original Maturity of More Than 1 Year	--	--
Other Non-Cash Loans	114.428.448	64.967.780
<b>Total</b>	<b>153.969.550</b>	<b>91.000.162</b>

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(ii) Information on risk concentration on sector basis within the non-cash loans account

	Current Period			
	TL	%	FC	%
<b>Agricultural</b>	<b>2.209.806</b>	<b>3,12</b>	<b>995.818</b>	<b>1,20</b>
Farming and Cattle	2.174.706	3,07	988.715	1,19
Forestry	21.454	0,03	--	--
Fishing	13.646	0,02	7.103	0,01
<b>Manufacturing</b>	<b>22.580.460</b>	<b>31,83</b>	<b>34.765.936</b>	<b>41,88</b>
Mining	1.582.013	2,23	537.502	0,65
Production	19.628.457	27,67	26.807.922	32,29
Electric, Gas, Water	1.369.990	1,93	7.420.512	8,94
<b>Construction</b>	<b>12.185.847</b>	<b>17,18</b>	<b>20.571.078</b>	<b>24,78</b>
<b>Services</b>	<b>22.846.009</b>	<b>32,21</b>	<b>20.451.372</b>	<b>24,63</b>
Wholesale and Retail Trade	15.505.355	21,86	12.870.150	15,50
Hotel and Restaurant Services	1.796.179	2,53	1.271.684	1,53
Transportation and telecommunication	2.124.728	3,00	4.473.008	5,39
Financial institutions	2.639.062	3,72	1.784.877	2,15
Real estate and letting services	64.724	0,09	8.846	0,01
Self-employment services	--	--	--	--
Education services	217.540	0,31	9.704	0,01
Health and social services	498.421	0,70	33.103	0,04
<b>Other</b>	<b>11.118.538</b>	<b>15,66</b>	<b>6.244.686</b>	<b>7,51</b>
<b>Total</b>	<b>70.940.660</b>	<b>100,00</b>	<b>83.028.890</b>	<b>100,00</b>

  

	Prior Period			
	TL	%	FC	%
<b>Agricultural</b>	<b>1.878.915</b>	<b>4,92</b>	<b>689.664</b>	<b>1,31</b>
Farming and Cattle	1.815.938	4,76	659.138	1,25
Forestry	1.434	--	--	--
Fishing	61.543	0,16	30.526	0,06
<b>Manufacturing</b>	<b>12.418.326</b>	<b>32,54</b>	<b>22.219.549</b>	<b>42,06</b>
Mining	605.242	1,59	343.115	0,65
Production	10.175.012	26,66	19.336.495	36,60
Electric, Gas, Water	1.638.072	4,29	2.539.939	4,81
<b>Construction</b>	<b>6.345.676</b>	<b>16,63</b>	<b>12.530.070</b>	<b>23,72</b>
<b>Services</b>	<b>12.225.905</b>	<b>32,03</b>	<b>13.390.791</b>	<b>25,34</b>
Wholesale and Retail Trade	8.075.980	21,16	7.569.562	14,33
Hotel and Restaurant Services	824.826	2,16	1.006.255	1,90
Transportation and telecommunication	1.598.385	4,19	3.754.353	7,11
Financial institutions	974.952	2,55	918.095	1,74
Real estate and letting services	167.297	0,44	7.638	0,01
Self-employment services	--	--	--	--
Education services	110.003	0,29	18.442	0,03
Health and social services	474.462	1,24	116.446	0,22
<b>Other</b>	<b>5.299.220</b>	<b>13,88</b>	<b>4.002.046</b>	<b>7,57</b>
<b>Total</b>	<b>38.168.042</b>	<b>100,00</b>	<b>52.832.120</b>	<b>100,00</b>

(iii) Information about the non-cash loans classified first and second group

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	62.293.508	55.799.012	761.453	402.575
Bill of Guarantee and Acceptances	--	717.588	--	--
Letters of Credit	20.096	23.909.546	--	19.219
Endorsements	--	--	--	--
Underwriting Commitments	--	--	--	--
Factoring Commitments	--	--	--	--
Other Commitments and Contingencies	7.797.103	2.180.950	68.500	--
<b>Total</b>	<b>70.110.707</b>	<b>82.607.096</b>	<b>829.953</b>	<b>421.794</b>

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**b. Information related to derivative financial instruments**

<b>Current Period</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>Hedging Purpose Derivative Transactions</b>						
<b>A. Total Hedging Purpose Derivative Transactions</b>	--	--	--	--	--	--
Fair Value Hedge Transactions	--	--	--	--	--	--
Cash Flow Hedge Transactions	--	--	--	--	--	--
Net Foreign Investment Hedge Transactions	--	--	--	--	--	--
<b>Types of Trading Transactions</b>						
<b>Foreign Currency Related Derivative Transactions (I)</b>	<b>245.125.705</b>	<b>140.106.200</b>	<b>97.728.974</b>	<b>5.663.885</b>	<b>695.409</b>	<b>489.320.173</b>
Forward FC Call Transactions	10.947.597	11.494.472	18.280.828	102.120	--	40.825.017
Forward FC Pull Transactions	9.687.336	11.064.476	16.238.076	70.652	--	37.060.540
Swap FC Call Transactions	100.629.483	48.778.561	23.769.555	2.605.499	347.045	176.130.143
Swap FC Pull Transactions	114.914.598	50.699.150	23.032.255	2.615.402	348.364	191.609.769
Options FC Call Transactions	4.292.177	8.741.890	7.953.989	160.808	--	21.148.864
Options FC Pull Transactions	4.654.514	9.327.651	8.163.555	109.404	--	22.255.124
Futures FC Call Transactions	--	--	169.696	--	--	169.696
Futures FC Pull Transactions	--	--	121.020	--	--	121.020
<b>Total of Interest Derivative Transactions (II)</b>	<b>--</b>	<b>--</b>	<b>2.740.886</b>	<b>99.936.510</b>	<b>57.659.042</b>	<b>160.336.438</b>
Swap Interest Call Transactions	--	--	1.370.443	48.938.303	27.432.197	77.740.943
Swap Interest Pull Transactions	--	--	1.370.443	48.938.301	27.432.195	77.740.939
Options Interest Call Transactions	--	--	--	1.029.953	1.397.325	2.427.278
Options Interest Pull Transactions	--	--	--	1.029.953	1.397.325	2.427.278
Securities Interest Call Transactions	--	--	--	--	--	--
Securities Interest Pull Transactions	--	--	--	--	--	--
Futures Interest Call Transactions	--	--	--	--	--	--
Futures Interest Pull Transactions	--	--	--	--	--	--
<b>Other Types of Trading Transactions (III)</b>	<b>15.779.355</b>	<b>2.169.337</b>	<b>4.430.656</b>	<b>821.698</b>	<b>--</b>	<b>23.201.046</b>
<b>B. Total Types of Trading Transactions (I + II + III)</b>	<b>260.905.060</b>	<b>142.275.537</b>	<b>104.900.516</b>	<b>106.422.093</b>	<b>58.354.451</b>	<b>672.857.657</b>
<b>Total Derivatives Transactions (A+B)</b>	<b>260.905.060</b>	<b>142.275.537</b>	<b>104.900.516</b>	<b>106.422.093</b>	<b>58.354.451</b>	<b>672.857.657</b>
<b>Prior Period</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>Hedging Purpose Derivative Transactions</b>						
<b>A. Total Hedging Purpose Derivative Transactions</b>	--	--	--	--	--	--
Fair Value Hedge Transactions	--	--	--	--	--	--
Cash Flow Hedge Transactions	--	--	--	--	--	--
Net Foreign Investment Hedge Transactions	--	--	--	--	--	--
<b>Types of Trading Transactions</b>						
<b>Foreign Currency Related Derivative Transactions (I)</b>	<b>193.720.164</b>	<b>133.145.167</b>	<b>45.680.473</b>	<b>373.402</b>	<b>--</b>	<b>372.919.206</b>
Forward FC Call Transactions	4.237.336	3.354.199	6.696.987	--	--	14.288.522
Forward FC Pull Transactions	3.637.024	3.260.735	6.610.909	--	--	13.508.668
Swap FC Call Transactions	73.325.076	20.978.194	8.563.358	272.743	--	103.139.371
Swap FC Pull Transactions	78.072.310	24.979.925	8.393.146	98.789	--	111.544.170
Options FC Call Transactions	16.475.694	40.094.097	7.733.527	1.870	--	64.305.188
Options FC Pull Transactions	16.484.531	40.217.627	7.682.546	--	--	64.384.704
Futures FC Call Transactions	737.273	127.131	--	--	--	864.404
Futures FC Pull Transactions	750.920	133.259	--	--	--	884.179
<b>Total of Interest Derivative Transactions (II)</b>	<b>450.000</b>	<b>551.754</b>	<b>810.260</b>	<b>49.296.856</b>	<b>46.764.400</b>	<b>97.873.270</b>
Swap Interest Call Transactions	225.000	250.000	405.130	24.648.428	22.620.289	48.148.847
Swap Interest Pull Transactions	225.000	250.000	405.130	24.648.428	22.620.287	48.148.845
Options Interest Call Transactions	--	25.877	--	--	761.912	787.789
Options Interest Pull Transactions	--	25.877	--	--	761.912	787.789
Securities Interest Call Transactions	--	--	--	--	--	--
Securities Interest Pull Transactions	--	--	--	--	--	--
Futures Interest Call Transactions	--	--	--	--	--	--
Futures Interest Pull Transactions	--	--	--	--	--	--
<b>Other Types of Trading Transactions (III)</b>	<b>6.288.325</b>	<b>4.841.747</b>	<b>6.215.018</b>	<b>187.076</b>	<b>--</b>	<b>17.532.166</b>
<b>B. Total Types of Trading Transactions (I + II + III)</b>	<b>200.458.489</b>	<b>138.538.668</b>	<b>52.705.751</b>	<b>49.857.334</b>	<b>46.764.400</b>	<b>488.324.642</b>
<b>Total Derivatives Transactions (A+B)</b>	<b>200.458.489</b>	<b>138.538.668</b>	<b>52.705.751</b>	<b>49.857.334</b>	<b>46.764.400</b>	<b>488.324.642</b>

**c. Information on credit derivatives and risk exposures on credit derivatives**

None.

**d. Explanations on contingent assets and liabilities**

In accordance with the precautionary principle regarding the lawsuits filed against the Group, TL 339.071 (31 December 2022: TL 311.508) provision has been set aside and these provisions are classified under "Other provisions" on the balance sheet. Except for those provisioned, other ongoing lawsuits are unlikely to result in a negative conclusion and cash outflow is not foreseen for them.

**e. Explanations on services carried out on behalf and account of other persons**

The Parent Bank provides purchase, sale, custody, management and consultancy services on behalf and account of other persons.

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

**a. Interest income**

**1. Information on interest income received from loans**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term Loans(*)	36.647.431	4.504.276	14.971.963	2.593.867
Medium and Long Term Loans(*)	23.063.077	11.619.568	15.767.577	6.143.560
Loans Under Close Monitoring	1.050.666	203.898	837.023	83.314
Premiums Received from Resource Utilisation Support Fund	--	--	--	--
<b>Total</b>	<b>60.761.174</b>	<b>16.327.742</b>	<b>31.576.563</b>	<b>8.820.741</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	2.970.669	630.146	46.038	172.029
Foreign Banks	--	871.554	1.052	165.317
Foreign Head Offices and Branches	--	--	--	--
<b>Total</b>	<b>2.970.669</b>	<b>1.501.700</b>	<b>47.090</b>	<b>337.346</b>

(\*)The interest income received from required reserves of the Parent Bank with the CBRT is TL 216.357 (1 January - 31 December 2022: TL 96.849).

**3. Information on interest income received from securities**

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	51.221	380.767	95.037	89.424
Financial Assets at Fair Value Through Other Comprehensive Income	9.317.301	3.112.048	8.227.306	1.943.510
Financial Assets Measured at Amortised Cost	11.056.997	--	2.426.491	167.573
<b>Total</b>	<b>20.425.519</b>	<b>3.492.815</b>	<b>10.748.834</b>	<b>2.200.507</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

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

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	889	22

**b. Interest expense**

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

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>	<b>2.118.937</b>	<b>8.817.219</b>	<b>810.340</b>	<b>3.229.698</b>
Central Bank of the Republic of Turkey	--	558.766	--	434.312
Domestic Banks	1.916.942	213.300	738.349	78.472
Foreign Banks	201.995	8.045.153	71.991	2.716.914
Foreign Head Offices and Branches	--	--	--	--
<b>Other Institutions</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>2.118.937</b>	<b>8.817.219</b>	<b>810.340</b>	<b>3.229.698</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	25.715	27.527

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Securities Issued	667.988	1.397.676	730.381	407.451

**4. Maturity structure of the interest expense on deposits**

Account Name	Demand Deposits	Time Deposit					Cumulative Deposit	Total
		Up to 1 Month	Up to 3 Month	Up to 6 Month	Up to 1 Year	More than 1 Year		
<b>TL</b>								
Bank Deposits	85	225.915	--	19	--	11	--	226.030
Saving Deposits	2	2.292.499	12.066.933	21.902.000	4.090.239	2.376.601	1.196	42.729.470
Public Sector Deposits	--	30.611	108.129	1.917	255	509	--	141.421
Commercial Deposits	2	2.346.263	2.818.026	8.555.738	2.985.164	1.348.040	--	18.053.233
Other Deposits	--	97.499	262.801	184.475	48.836	724	--	594.335
7 Days Call Account	--	--	--	--	--	--	--	--
<b>Total</b>	<b>89</b>	<b>4.992.787</b>	<b>15.255.889</b>	<b>30.644.149</b>	<b>7.124.494</b>	<b>3.725.885</b>	<b>1.196</b>	<b>61.744.489</b>
<b>FC</b>								
Deposits	418.024	291.165	380.213	516.230	525.578	294.176	530.617	2.956.003
Bank Deposits	109.349	350.902	15.779	--	--	--	--	476.030
7 Days Call Account	--	--	--	--	--	--	--	--
Precious Metal Deposits	3	428	4.103	1.693	3.295	7.808	48	17.378
<b>Total</b>	<b>527.376</b>	<b>642.495</b>	<b>400.095</b>	<b>517.923</b>	<b>528.873</b>	<b>301.984</b>	<b>530.665</b>	<b>3.449.411</b>
<b>Grand Total</b>	<b>527.465</b>	<b>5.635.282</b>	<b>15.655.984</b>	<b>31.162.072</b>	<b>7.653.367</b>	<b>4.027.869</b>	<b>531.861</b>	<b>65.193.900</b>

**c. Explanations on dividend income**

	Current Period	Prior Period
Financial Assets at Fair Value Through Profit or Loss	2.373	1.389
Financial Assets at Fair Value Through Other Comprehensive Income	7.339	4.042
Other (*)	31	34.377
<b>Total</b>	<b>9.743</b>	<b>39.808</b>

(\*) Presents dividend income from unconsolidated subsidiaries and associates.

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

	Current Period	Prior Period
<b>Income</b>	<b>1.900.870.131</b>	<b>1.588.450.852</b>
Capital Market Transactions	4.535.342	1.362.242
Derivative Financial Instruments	37.213.112	29.692.826
Foreign Exchange Gains	1.859.121.677	1.557.395.784
<b>Loss (-)</b>	<b>1.896.511.509</b>	<b>1.582.761.270</b>
Capital Market Transactions	1.725.633	1.163.423
Derivative Financial Instruments	26.869.623	17.788.458
Foreign Exchange Losses	1.867.916.253	1.563.809.389
<b>Net Trading Income / Loss</b>	<b>4.358.622</b>	<b>5.689.582</b>

Net gain/(loss) from foreign exchange translation differences related to derivative financial instruments amounts to TL 16.022.371 (1 January - 31 December 2022: TL 12.423.135).

**e. Information on other operating income**

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



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**f. Provisions for expected credit loss**

	Current Period	Prior Period
Expected credit loss (*)	657.619	6.972.277
12 months provision for expected credit loss (Stage 1)	1.635.623	1.248.122
Significant increase in credit risk (Stage 2)	(2.386.482)	(535.779)
NPL (Stage 3)	1.408.478	6.259.934
Provisions for securities impairment	--	--
Financial assets at fair value through profit or loss	--	--
Financial assets at fair value through other comprehensive income	--	--
Associates, subsidiaries and provisions for financial assets measured at amortised cost impairment	--	--
Associates	--	--
Subsidiaries	--	--
Joint ventures	--	--
Others	4.214.567	4.447.027
<b>Total</b>	<b>4.872.186</b>	<b>11.419.304</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.

**g. Information on other operating expenses**

	Current Period	Prior Period
Personnel Expenses (*)	11.050.191	4.751.660
Reserve for Employee Termination Benefits (*)	(493.955)	231.217
Reserve for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	860.057	536.439
Impairment Losses on Intangible Assets	--	--
Goodwill for impairment loss	--	--
Amortisation Charges of Intangible Assets	1.028.069	438.823
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	65.130	138.348
Depreciation of Assets to be Disposed	2.086	--
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	6.957.107	3.190.899
Operational Lease Expenses (**)	195.004	120.483
Repair and Maintenance Expenses	1.463.741	705.029
Advertisement Expenses	449.021	277.508
Other Expenses (***)	4.849.341	2.087.879
Losses on Sale of Assets	9.156	5.904
Other (****)	3.375.863	1.831.848
<b>Total</b>	<b>22.853.704</b>	<b>11.125.138</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 372.323, TL 184.552, TL 202.535, TL 54.419, TL 237.073, TL 2.222.949 and TL 1.575.490 respectively (1 January - 31 December 2022: TL : 199.349, TL 95.339, TL 114.426, TL 27.119, TL 196.424, TL 995.562 and TL : 459.660 respectively).

(\*\*\*\*) Other expenses comprise; BITT expenses, SDIF expenses, financial operating fees, earthquake support packages and others amounting to TL 1.181.401, TL 976.533, 341.260, 319.521 and TL 557.148 respectively (1 January - 31 December 2022: TL 827.528, TL 548.436, TL 158.258 and TL 298.002 respectively).

**h. Fees for services received from Independent Auditor / Independent Audit firms**

In accordance with the decision of the POA dated 26 March 2021, the information of the fee for the reporting period regarding the services received from the independent auditors or independent audit firms is given in the table below.

	Current Period	Prior Period
Independent audit fee (*)	24.016	13.682
Tax consultancy fee	--	--
Other assurance services fee	765	1.160
Other fee for non-audit services	2.208	287
<b>Total</b>	<b>26.989</b>	<b>15.129</b>

(\*) The 2023 independent audit fee includes the amount of TL 1.513 (2022: TL 1.450) paid to a different audit company belonging to JSC Denizbank Moscow.

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

As 1 January - 31 December 2023, DFS Group has a profit before tax from continued operations amounting to TL 38.058.421 (1 January - 31 December 2022: TL 23.679.553).

As 1 January - 31 December 2023, DFS Group has a loss before tax from discontinued operations amounting to TL 210.211 (1 January - 31 December 2022: TL 16.299 profit).

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

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

As of 1 January - 31 December 2023, the current tax charge on continued operations amounts to TL 2.909.121 (1 January - 31 December 2022: TL 6.854.869) while deferred tax charge amounts to TL 25.616.446 (1 January - 31 December 2022: TL 9.415.777) and deferred tax benefit amounts to TL 18.687.155 (1 January - 31 December 2022: TL 9.916.230).

There are no current tax expenses on discontinued operations. (1 January - 31 December 2022: TL 40).

**k. Information on continued and discontinued operations net profit/loss**

DFS Group has a net profit is amounting to TL 28.069.202 (31 December 2022: TL 17.326.171). DFS Group has a net loss from discontinued operations is amounting to TL 150.807 (31 December 2022: TL 1.034 profit).

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

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

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

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

	Current Period	Prior Period
Profit/(loss) attributable to minority shares	195.016	152.146

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

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

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

**V. Explanations related to consolidated statement of changes in shareholders' equity**

**a. Explanations on capital increase**

None.

**b. Explanations on issuance of shares**

None.

**c. Adjustments in accordance with TAS 8**

None.

**d. Explanations on profit distribution**

The authorised body of the Parent Bank regarding profit distribution is the General Assembly. As of the prepatation date of the financials, the annual ordinary General Assembly meeting has not been held yet.

**e. Other comprehensive income and expenses**

Unrealised profit/loss" generated by differences at fair values of financial assets at fair value through other comprehensive income is not reflected in the statement of profit or loss of the period till to realise one of the situations that collection of value that corresponds to a financial asset, the sale of the asset, the disposal or loss of the asset and accounted under shareholders' equity as "Securities Valuation Differences". The net amount after tax for the current period is TL (4.679.067).

The revaluation increase of tangible assets amounting to TL 450.688 was netted off with deferred tax effect amounting to TL 87.683 and accounted for under equity.

In accordance with TFRS 9, Intertech's fair value change amounting to TL 5.592.952 have been accounted under the equity.

Net amount TL 74.607 after tax regarding the actuarial profit/loss have been accounted under the equity.

Net after tax TL (7.381.382) amount of foreign net investment hedge funds have been accounted for under equity.

Foreign currency translation differences amounting to TL 13.512.581 have been accounted under the equity.

**f. Explanations on amounts transferred to reserves**

The Parent Bank transferred profit for the previous year amounting to TL 16.822.539 (31 December 2022: TL 3.369.572) to extraordinary reserves in 2023. The amount transferred to legal reserves is TL 350.475 (31 December 2022: TL 177.346).

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**VI. Explanations related to consolidated statement of cash flows**

**a. Information on cash and cash equivalents**

The components that constitute cash and cash equivalents and the accounting policy used in determining these items:

Cash, foreign currency, cash-in-transit, and demand deposits at banks including the Central Bank are defined as "Cash"; receivables from the money market with an original maturity of less than three months, term deposits in banks, investments in securities except shares are defined as "Cash Equivalent".

**1. Cash and cash equivalents at the beginning of the period**

	Current Period	Prior Period
	01/01/2023	01/01/2022
<b>Cash</b>	<b>20.518.549</b>	<b>18.497.661</b>
Cash in vault, foreign currencies and other	5.447.526	6.493.612
Banks demand deposits	15.071.023	12.004.049
<b>Cash and Cash Equivalent</b>	<b>80.232.520</b>	<b>59.859.674</b>
Interbank money market placements	116.856	237.795
Banks time deposits	79.256.878	57.828.152
Securities	858.786	1.793.727
<b>Total Cash and Cash Equivalents</b>	<b>100.751.069</b>	<b>78.357.335</b>

**2. Cash and cash equivalents at the end of the period**

	Current Period	Prior Period
	31/12/2023	31/12/2022
<b>Cash</b>	<b>26.867.795</b>	<b>14.398.378</b>
Cash in vault, foreign currencies and other	8.459.728	5.447.526
Banks demand deposits	18.408.067	8.950.852
<b>Cash and Cash Equivalent</b>	<b>252.178.743</b>	<b>86.352.691</b>
Interbank money market placements	52.142.783	116.856
Banks time deposits	198.692.868	85.377.049
Securities	1.343.092	858.786
<b>Total Cash and Cash Equivalents</b>	<b>279.046.538</b>	<b>100.751.069</b>

**b. Cash and cash equivalent assets owned by DFS Group but not in free use due to legal restrictions or other reasons**

DFS Group maintains a total reserve of TL 194.881.784, including the required reserve balances on average in the Central Bank and foreign central banks (31 December 2022: TL 80.910.089). Additionally, the restricted amount in foreign banks account is TL 1.856.299 (31 December 2022: TL 954.746).

**c. "Other" items in the statement of cash flows and effect of change in foreign currency exchange rate on cash and cash equivalents**

The "other" item amounting to TL (13.737.763) (31 December 2023: TL (10.973.310)) within the "operating profit before change in assets and liabilities subject of banking operation", consists of other operating expenses, fees and commissions given and capital market transaction losses. With the effect of these changes in the cash flow table, the cash and cash equivalents amounting to TL 100.751.069 at the beginning of the period (31 December 2022: TL 78.357.335) has become TL 279.046.538 at the end of the period (31 December 2022: TL 100.751.069).

The TL 75.458.555 within the "change in assets and liabilities subject of banking operation" (31 December 2022: TL 17.811.149); consists of changes in the "net increase (decrease) in other debts", miscellaneous payables, tax payables, fees, premiums and other liabilities.

The effect of change in foreign currency exchange rate on cash and cash equivalents consists of the rate difference arising from the conversion of the average of the cash and cash equivalent assets in foreign currency to TL with the rates from the beginning and the end of the period; and it amounts to TL 20.068.755 as of 31 December 2023 (31 December 2022: TL 25.648.403).

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

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

**Current Period**

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	34.435	109.314	241.587	93.168	3.484	--
Balance at the End of the Period	829.484	193.792	98.162	162.491	12.075	--
Interest and Commission Income	2.145	94	3.586	--	19	--

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

**Prior Period**

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	34.435	109.314	241.587	93.168	3.484	--
Interest and Commission Income	9.092	1	3.725	--	6	--

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

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

DFS Group's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder (**)		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Balance at the Beginning of the Period	409.442	281.218	33.675.803	29.596.720	104.612	51.594
Balance at the End of the Period	1.334.708	409.442	81.932.331	33.675.803	59.886	104.612
Interest and Commission Expense Paid	25.715	27.527	3.030.926	1.236.506	6.810	4.084

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

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

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

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	--	--	161.515	100.000	68.852	--
Balance at the End of the Period	--	--	6.897.617	161.515	--	68.852
Total Income/(Loss)	--	--	(73.113)	2.107	8.256	4.432
<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 December 2023, a payment of TL 431.815 (31 December 2022: TL 228.999) has been accrued to the key management of the DFS Group.

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

As of 31 December 2023, cash loans and other receivables of the risk group represent 0,2% of DFS Group's total cash loans and banks; deposits and borrowings represent 9,29% of DFS Group's total deposits and borrowings. Non-cash loans granted to risk group companies represent 0,23% of the total non-cash loans balance.

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

**VIII. Domestic, foreign and off-shore banking branches or associates and foreign representatives of the Parent Bank**

**a. Explanations relating to the Parent Bank's domestic and foreign branch and representatives**

	Number	Number of Employees	Country of Incorporations	Total Assets	Statutory Share Capital
Domestic branch	639	12.694			
Foreign representation	-	-	-		
Off shore banking region branches	1	5	1-Bahreyn	43.238.226	-
Foreign branch	1	21	2-TRNC	1.167.570	-

**b. Explanations on the subject in case the Parent Bank opens and closes domestic and foreign branch and representative and changes the organization significantly**

The Parent Bank opened 3 new branches and closed 34 branches in 2023.

The Parent Bank received approval from the BRSA on 28 June 2022 to establish a branch bank in the Turkish Republic of Northern Cyprus (TRNC); With the decision of the Parent Bank's Board of Directors dated 30 June 2022, it was decided to open a branch to operate as a Branch Bank under the TRNC Banking Law. It was decided by the TRNC Central Bank to grant permission to the Parent Bank to open a branch in TRNC, and the decision was published in the TRNC Official Gazette dated 17 February 2023. Following the decision given to the Bank for permission to open a branch in TRNC, within the scope of the Parent Bank's application dated 12 May 2023, the TRNC Central Bank decided to grant the Parent Bank an operating permit in TRNC and the decision was published in the TRNC Official Gazette dated 27 July 2023. The Kyrenia Branch and Denizbank TRNC Country Directorate, which started their operations as of 11 August 2023, were opened on 22 September 2023.

**c. The branches of associates and subsidiaries**

Denizbank AG, headquartered in Vienna, has a total of 14 branches, 11 in Austria and 3 in Germany.

JSC Denizbank Moscow, headquartered in Moscow, operates in the centrum of Moscow.

## **SECTION SIX**

### **OTHER DISCLOSURES AND FOOTNOTES**

**I. Other explanations related to DFS Group's operations**

**a. Other explanations related to DFS Group's operations**

None.

**b. Summary information about ratings of the Banks which has been assigned by the international rating agencies**

<b>Moody's*</b>		<b>Fitch Ratings**</b>	
Outlook	<b>Stable</b>	Outlook	<b>Stable</b>
Long Term Foreign Currency Deposits	<b>B3</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 16.08.2022		**As of 22.09.2023	

**c. Subsequent events**

With the decision dated 11 January 2024 and numbered 10825, BRSA determined the date of transition to TAS 29 application for banks, financial leasing, factoring, financing, savings financing and asset management companies as 1 January 2025.

## **SECTION SEVEN**

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

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

Consolidated financial statements and notes of the DFS Group are subject to independent audit by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member Firm of Deloitte Touche Tohmatsu Limited) and independent audit report dated 23 January 2024 is presented in front of the consolidated financial statements.

#### **II. Explanations and notes prepared by Independent Auditor**

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