DENIZBANK AG

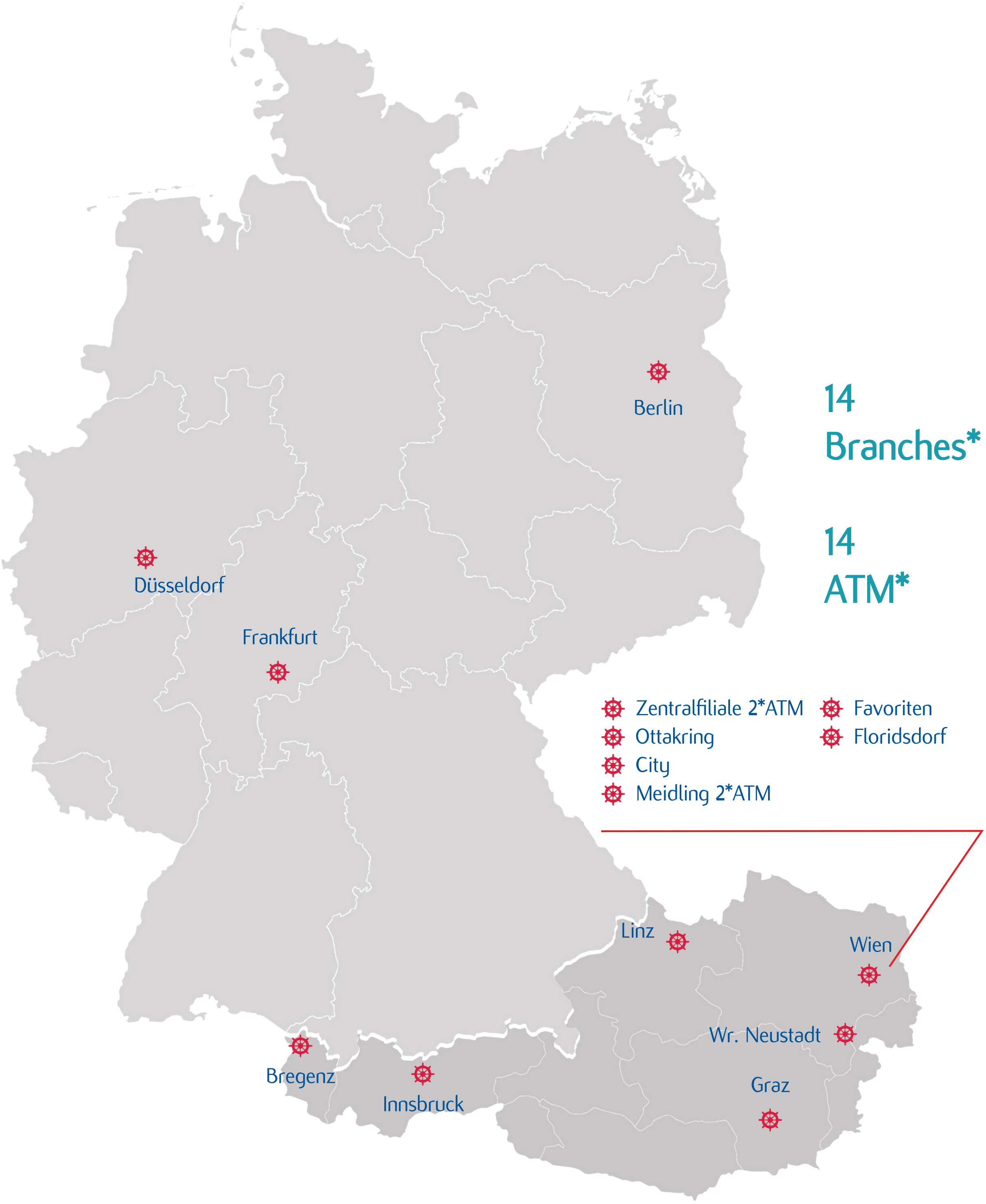
ANNUAL REPORT

CONTENTS

AGENDA OF THE ANNUAL GENERAL MEETING

1. Approval of the annual financial statements 2024 of DenizBank AG, including the notes and the non-financial report, and the report of the Supervisory Board
2. Appropriation of the net profit of the financial year 2024.
3. Discharge of the members of the Management for the financial year 2024.
4. Discharge of the members of the Supervisory for the financial year 2024.
5. Appointment of the members of the Supervisory Board.

DENIZBANK AG BRANCHES IN AUSTRIA & GERMANY



14
Branches*

14
ATM*

External ATMs

Konsulat	1130 Wien, Hietzinger Hauptstrasse 29	Bosfor Reisebüro	1040 Wien, Südtiroler Platz 7
Neue WU	1020 Wien, Bauteil O1, Südportalstraße	Santander	1020 Wien, Taborstraße 46A
Backstube	1050 Wien, Neubaugürtel 25	Santander	1100 Wien, Troststraße 54-56
3Shop	1100 Wien, Gudrunstraße 162	Santander	1160 Wien, Ottakringer Straße 31
ATIB	1100 Wien, Gudrunstraße 189	B&V	1110 Wien, Simmeringer Hauptstr. 52
Übersetzungsbüro	1160 Wien, Brunnengasse 74/2	Großmarkt Wien	1230 Wien, Laxenburger Str. 367

* Austria & Germany in total

MANAGEMENT REPORT

The rapidly expanding DenizBank Financial Services Group holds almost 100% of DenizBank AG.

ECONOMIC ENVIRONMENT

The global economy in 2024 demonstrated moderate growth and a decline in inflation rates, reflecting the impacts of tighter monetary policies by central banks and an easing in supply chain disruptions. Global GDP growth stood at 3.1%, while inflation fell to 4.6%, marking a gradual stabilization after years of economic turbulence. While developed economies experienced a more pronounced reduction in inflation, emerging markets faced persistent pressures due to currency depreciation and geopolitical uncertainties.

Energy prices were a key driver of economic performance in 2024. Brent crude oil traded within the $80-90 range, and natural gas prices dropped, providing relief to energy-dependent regions like Europe. Supply chains, which were severely disrupted during the pandemic, saw significant improvements, enabling smoother trade flows and manufacturing processes. Despite these positives, risks such as China's economic slowdown, tightening credit markets in the U.S., and ongoing geopolitical tensions, particularly in Eastern Europe, acted as headwinds to global growth.

In Europe, economic activity remained subdued, with modest growth rates across major economies. Germany, the largest economy in the region, grew by a mere 0.2%, reflecting weak industrial output and structural challenges in sectors like automotive manufacturing. Inflation in Germany fell to 2.8%, supported by declining energy prices, but unemployment remained elevated at 6.0%. Austria, on the other hand, experienced slightly better growth at 0.6%, driven by a recovery in tourism and service sectors. Inflation in Austria eased to 2.1%, while unemployment held steady at 6.1%, thanks to government incentives and increased investment in renewable energy.

Turkey's economy, meanwhile, exhibited stronger growth at 4.5%, propelled by domestic demand and government-led investments. However, inflation persisted at high levels, ending the year at 44.38%, underscoring the challenges of stabilizing prices amidst currency volatility. Export performance, while robust, was constrained by weakening demand in key trading partners. Nevertheless, Turkey's current account deficit narrowed slightly, reflecting improved export revenues and reduced import dependency in certain sectors.

BUSINESS PERFORMANCE AND ECONOMIC SITUATION

In July 2019 Emirates NBD Bank PJSC acquired DenizBank Financial Services Group, which also DenizBank AG is a part of. Emirates NBD is a leading banking group in the MENAT (Middle East, North Africa and Türkiye) region with a presence in 13 countries, serving over 9 million active customers. Emirates NBD Group serves its customers (individuals, businesses, governments, and institutions) and helps them realise their financial objectives through a range of banking products and services including retail banking, corporate and institutional banking, Islamic banking, investment banking, private banking, asset management, global markets and treasury, and brokerage operations. The Group has operations in the UAE, Egypt, India, Türkiye, the Kingdom of Saudi Arabia, Singapore, the United Kingdom and Bahrain and representative offices in China and Indonesia with a total of 859 branches and 4,512 ATMs / SDMs. Emirates NBD is the leading financial services brand in the UAE with a Brand value of USD 3.89 billion.

DenizBank Financial Services Group, which now belongs to ENBD, holds 100% of DenizBank AG with the exception of two shares. With 630 bank branches, a strong corporate banking and corporate finance platform and approximately 15,000 employees, DenizBank A.S., the direct owner of DenizBank AG, is one of the five largest private banks in Türkiye.

In this context, DenizBank AG is a Türkiye specialist for foreign trade financing, business transactions and business initiations in line with dynamically growing bilateral trade and investment volumes. DenizBank AG is therefore an important partner for companies and private customers with business relations in this region. The parent company's dense network of branches in Türkiye enables DenizBank AG to offer comprehensive services for foreign trade financing and business transactions, especially to medium-sized businesses. Customers also benefit from the synergies within the DenizBank Financial Services Group and the new partner ENBD.

The course change initiated in the past in the strategic orientation of the bank was continued in 2024. The goal is to establish itself as a solid niche bank among the large number of banks in Austria and Germany with a concentrated product portfolio of high-quality, tailored financial services, long-term customer loyalty and a sustainable business model. The focus remains on ongoing digitalization and on the product side in the areas of Corporate Banking, Financial Institutions & Trade Finance (FI & TF) and securities investments.

The most important business area continues to be corporate banking, which comprises loans to companies, including trade finance, note loans, cash-secured loans and other loans to international companies. By reducing its Turkish assets, the bank is focusing on international lending. Relationships with banks and financial institutions were strengthened, participation in syndicates increased and the proportion of trade finance products on the bank's balance sheet was increased. As an accredited bank in Europe that offers financing guaranteed by export credit agencies (ECA), DenizBank AG focuses on profiting from this business.

The aim is to support importers (borrowers) seeking long-term financing for the purchase of machinery/equipment under the protection of business risks and political risks through the highly rated ECAs of European countries such as OeKB (Austria), Euler Hermes (Germany), SERV (Switzerland), SACE (Italy) and CREDENDO (Belgium). Commodity Trade Finance is another business area that grew significantly in the financial year. The activities of the still relatively young Commodity Trade Finance department have gained considerable momentum and already account for a significant proportion of the bank's balance sheet.

The primary business segment of DenizBank AG are loans to financial institutions and customers.

As part of the pursued digitalisation strategy, DenizBank AG also focused on the continuous expansion and further development of its digital product and service solutions in the past financial year.

The banking organization itself remains close to the market. Innovative digital services are supported by 11 operational branches in Austria and 3 branches in Germany. DenizBank AG is close to its customers with long opening hours, with one service center each in Austria and Germany, as well as its multilingual internet banking portal (www.denizbank.at and www.denizbank.de) and the DenizMobile app are available to the customers. In addition to its branches, DenizBank AG also operates a central office in Frankfurt am Main in Germany under the name DenizBank (Wien) AG, Zweigstelle Frankfurt/Main. Thanks to the excellent personal advice provided locally in the branches, the comprehensive multilingual internet banking platform and the modern equipped service center, the branch also offers its customers comprehensive service.

Private and corporate customers are furthermore offered a foreign payment service, which is also used by customers who do not have a permanent business relationship with DenizBank AG. The successful cooperation with MoneyGram will be continued to ensure fast payment transactions worldwide, providing DenizBank AG customers with around 430,000 MoneyGram payment points in over 200 countries.

The refinancing of DenizBank AG is primarily characterized by customer liabilities. Our customers' trust in our bank is also strengthened by the fact that DenizBank AG, as an Austrian bank, is subject to the Austrian regulations on deposit protection and investor compensation (section 93 ff BWG). DenizBank AG is a member of the statutory protection scheme for banks and bankers, the Einlagensicherung AUSTRIA GmbH.

Our Participations

DenizBank AG holds 100% of Deniz Immobilien Service GmbH and together with this subsidiary 100% of CR Erdberg Eins GmbH & Co KG, both based in Vienna. Due to this holdings, land and buildings of the headquarters in Vienna Erdberg are in possession of DenizBank AG.

FINANCIAL PERFORMANCE INDICATORS FOR THE PAST FINANCIAL YEAR 2024

Development of Balance Sheet

The total assets for the year 2024 amounts to 6,299,088,714.00 EUR, which is 660,461 kEUR higher than previous year's figure of 5,638,628 kEUR.

The main driver of this development was the increase of deposits of Corporate Banking and Priority Banking, which led to a diversification of deposits.

Development of Total Assets in kEUR

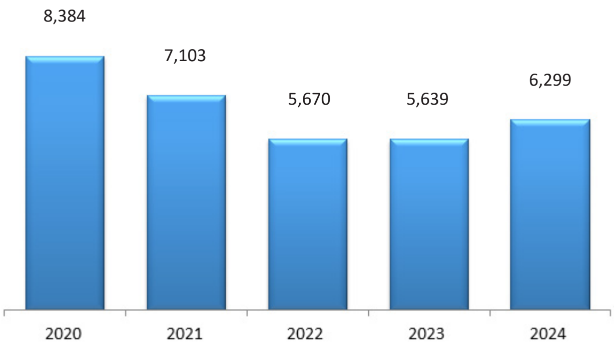


Figure 1: Development of the Total Assets of DenizBank AG

Loans and advances to customers decreased during the financial year 2024 to 1,954,043,433.67 EUR (previous year: 2,361,861 kEUR), which represents a decline of approximately 17.3%.

The resulting liquidity surplus could be provided to selected banks. At the end of the year, receivables from banks increased to 2,323,481,026.94 EUR (previous year: 1,695,300 kEUR) and balances against central banks increased to 1,396,275,939.35 EUR (previous year: 1,028,039 kEUR).

The portfolio of securities, mainly consisting of government bonds, decreased by 68,071 kEUR to 103,299,856.16 EUR (previous year: 171,371 kEUR). Bonds and other fixed-income securities including accruals increased by 166,823 kEUR to 462,673,450.46 EUR (previous year: 171,371 kEUR).

Total liabilities to customers (including savings deposits) increased by 14.8% to 4,635,181,525.24 EUR (previous year: 4,039,187 kEUR). Savings deposits declined by 37,123 kEUR to 756,953,198.04 EUR at the end of 2024 (previous year: 794,076 kEUR) and the share with an agreed term or period of notice was 70% (previous year: 67%).

Liabilities to credit institutions increased by 66,977 kEUR in the amount to 234,077,400.74 EUR (previous year: 167,100 kEUR). This position includes since December 30th, 2024 a MREL-eligible unsecured senior loan amounting at USD 185,000,000.00 (EUR 178,072,961.79) with a maturity of 3 years and an interest rate of 7%.

Key balance sheet indicators

Changes in key balance sheet items in 2024	in kEUR	in %
Total assets	660,461	11.7%
Loans to customers	-407,818	-17.3%
Loans to credit institutions	628,181	37.1%
Liabilities to credit institutions	66,977	40.1%
Liabilities to customers	595,994	14.8%
Thereof savings deposits	-37,123	-4.7%
Equity	-33,306	-2.4%
Own funds	173,226	15.0%

Table 1: Key balance sheet indicators of DenizBank AG

Total qualifying capital in kEUR

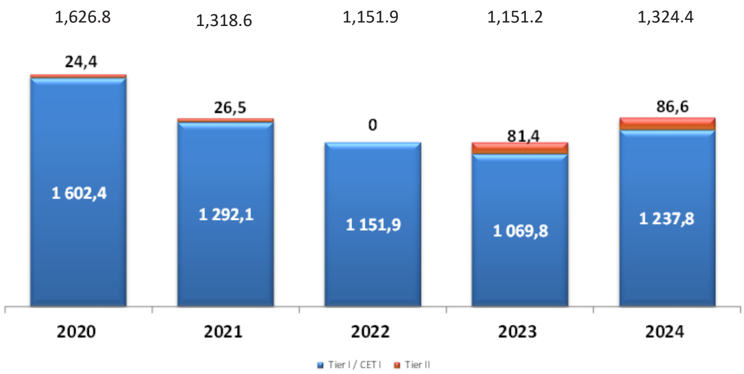


Figure 2: Total qualifying capital of DenizBank AG

The supplementary capital amounted to 86,630,089.52 EUR (previous year: 81,448 kEUR) at the closing date for the annual financial statements.

The own funds amount to 1,324,425,683.07 EUR at the end of 2024 (previous year: 1,151,200 kEUR). There are no changes in retained earnings (previous year: 200,000 kEUR). The liability reserve in accordance with section 57 (5) BWG remains unchanged amounting 77,952,088.00 EUR (previous year: 77,952 kEUR).

The total capital ratio of DenizBank AG is 42.46 % of the total capital requirements (previous year: 36.36 %) and thus could be increased by a further 6.09% points.

Review of Income Statement Items

The net interest income of 158,896,352.86 EUR increased by 34,788 kEUR or 18% compared to the previous year 193,674 kEUR, mainly due to the decrease of loans to customers and the market interests. The net commission income decreased by 21% in comparison to the previous year and amounts in 2024 at 6,907,798.40 EUR (previous year: 8,711 kEUR). There was also a payout from the subsidiary CR Erdberg Eins GmbH & Co KG in the amount of EUR 6,500,000.00 (previous year: 0 kEUR).

The financial result decreased from 4,627 kEUR by 3,473 kEUR to 1,153,971.26 EUR of profit in 2024. This is mainly due to the realized profit from a cross currency swap that was closed in the previous year.

As a result of these effects, the operating income decreased by 16% to 173,939,436.01 EUR from 207,918 kEUR in the previous year.

Operating expenses increased from 53,672 kEUR in the previous year to 65,949,439.37 EUR in 2024 mainly due to an increase in personnel expenses and the write-off of the credit card project "Liv".

Consequently, the operating result of DenizBank AG decreased to 107,989,996.64 EUR (previous year: 154,246 kEUR).

Development of the operating result in kEUR

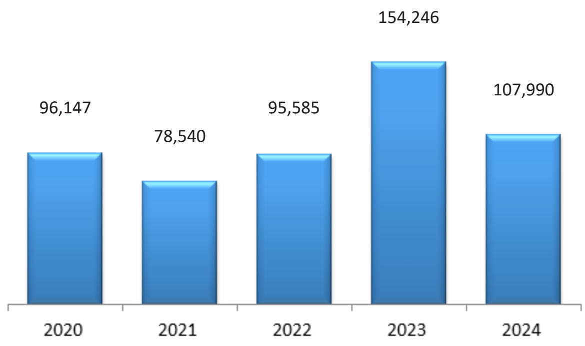


Figure 3: Development of the operating result of DenizBank AG

Thus, the profit on ordinary activities for 2024 amounts to 192,602,818.60 EUR (previous year: 149,178 kEUR), the net profit for the year after taxes was 161,391,646.08 EUR (previous year: 124,972 kEUR). The increase compared to the operating result is mainly due to value re-adjustments regarding loans.

There was no movement in retained earnings (previous year: 200,000 kEUR).

Key earnings and structural figures

	2020	2021	2022	2023	2024
Total capital ratio (%)[1]	31.19	33.35	34.50	36.36	42.45
Tier II (%)	30.73	32.68	34.50	33.79	39.67
Return on equity (%)[2]	0.27	2.44	4.14	9.45	12.75
Profitbefore taxes (kEUR)	2,651	42,904	66,580	149,178	192,603
EBT/average employees (kEUR)	5.5	94.5	163.99	403.18	559.89
Loan/deposit ratio (%)	72.33	67.67	67.82	58.47	42.16
Net interest margin (%)[3]	1.60	1.56	1.97	3.43	2.66
Cost-Income Ratio (%)[4]	32.57	39.49	36.29	25.31	32.89

Table 2: Key earnings and structural figures of DenizBank AG

[1] *Own funds/total outstanding amount*
[2] *Net income after taxes/average equity*
[3] *Net interest income/average total assets*
[4] *(Administrative expenses+depreciation and amortization + taxes (excluding income taxes)) / (Net interest income+net commission income)*

The decrease of the net interest margin results in particular from the increase of costs for customer deposits and the decrease of the market rates.

Other information

Digital Operational Resilience Act (DORA) DORA came into force on January 16, 2023 and will apply from January 17th, 2025. The aim is to improve the digital operational resilience of financial institutions across the EU and to further harmonize the requirements. This regulatory framework covers key areas such as risk management, incident management and reporting, digital operational resilience testing and the management of information and communication technologies (ICT) third party risks. DORA mandates the European Supervisory Authorities to jointly develop 13 policy instruments in two packages. The first set of technical standards was introduced in June 2023. The aim of the technical standards is to create consistent and detailed requirements in the areas of ICT risk management, major ICT-related incident reporting and third-party ICT risk management. DenizBank AG has made intensive efforts to meet the requirements of DORA and its technical standards on time. It can be confidently stated that DenizBank AG stands out favourably in market comparisons on this regard.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Risk report

Key risk figures

Selected key risk figures of DenizBank AG are presented below:

in EUR million	31.12.2024	31.12.2023
CET-1 ratio	39.67%	33.79%
Total Capital Requirement ratio	42.45%	36.36%
MREL in % Total Risk Exposure Amount	42.45%	36.36%
Leverage ratio	19.53%	18.91%
Liquidity coverage ratio (LCR)	417.03%	783.71%
ICAAP Utilisation (Gone Concern Scenario)	39.36%	58.87%
Economic Value of Equity – EVE (in % Tier 1)	0.76 %	0.89%
Net interest Income (NII) Sensitivity (in % Tier 1)	3.08 %	n/a

Table 3: Key risk figures of DenizBank AG

These ratios are documented in DenizBank AG's Risk Appetite Statement, which contains a list of strategic indicators. The compliance with these indicators plays an essential role for the bank's fundamental financial health and operational business success.

Economic capital

The management of internal capital adequacy (economic capital) at DenizBank AG is performed based on the Gone Concern perspective. The following chart presents the distribution of economic capital requirement according to type of risk as at 31.12.2024:

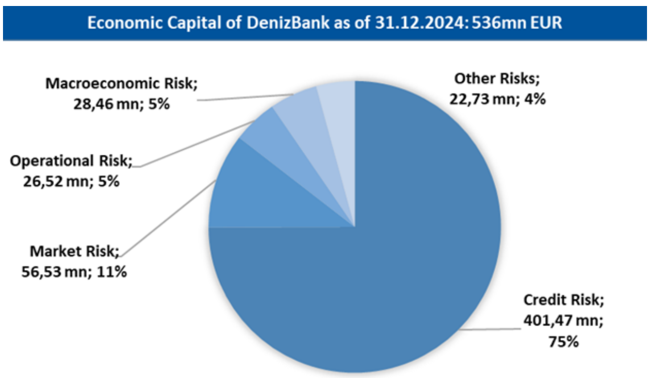


Figure 4: Economic capital requirement by risk type as of 31.12.2024

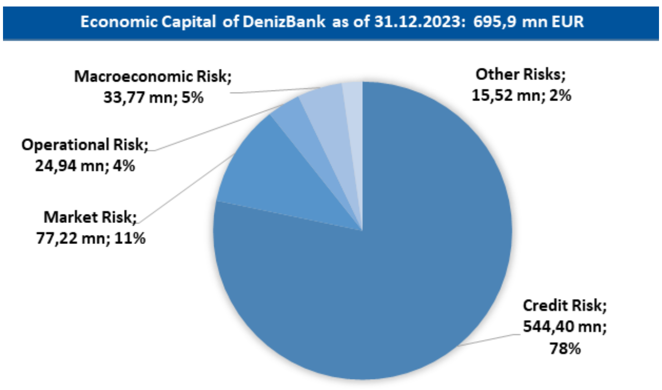


Figure 5: Economic capital requirement by risk type as of 31.12.2023

Risk profile:

Based on the results of the risk identification and materiality assessment, the following risk types are assessed as most significant:

- Credit risk (including default risk, concentration risk, risk of foreign currency loans)
- Macroeconomic risks
- Market risks
- Operational risk (incl. Legal & Compliance risk)
- Business risk
- Liquidity risk

The materiality assessment does not consider any risk mitigation measures taken.

In the reporting period changes were made in sector classifications mainly regarding holding companies. The adjustments between the sectors make it only partly possible for comparison with previous periods.
As of the reporting date, DenizBank AG had the following sector concentrations on the assets side, after taking into account collateral (excluding investments with central banks):

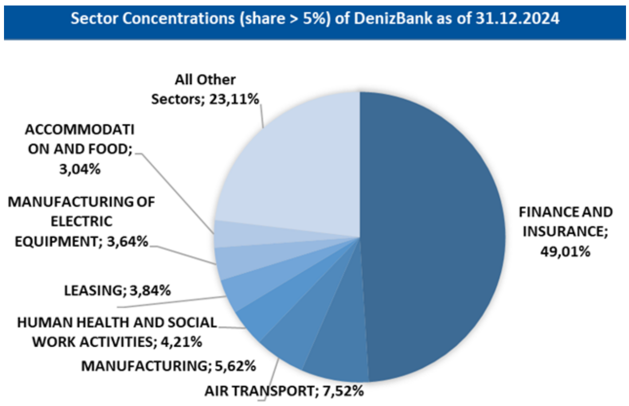


Figure 6: Sector concentration as of 31.12.2024

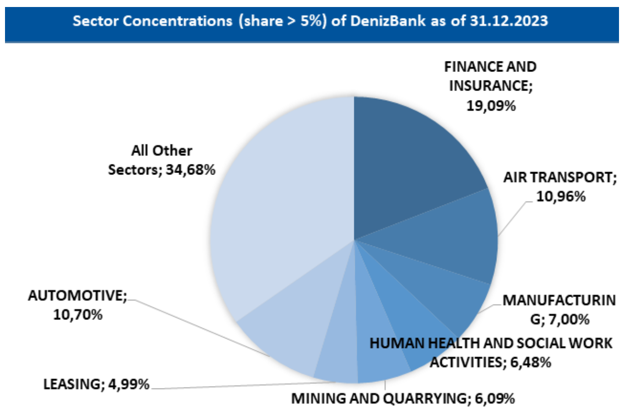


Figure 7: Sector concentration as of 31.12.2023

The "Loans & Advances" portfolio (excl. central bank funds) of DenizBank AG shows the following composition in terms of rating allocation, based on the internal rating scale (1 = best credit rating; 25 = worst credit rating), the composition of the portfolio as of the reporting date is as follows:

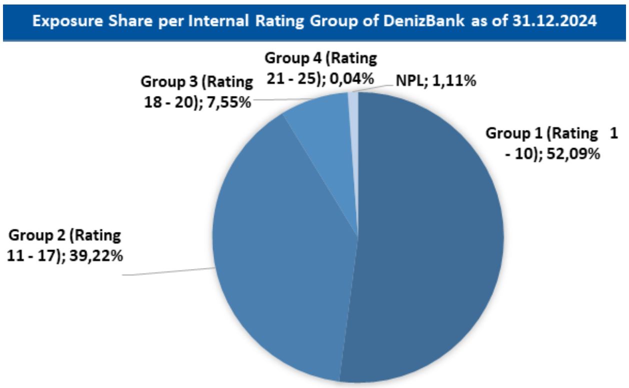


Figure 8: Exposure at Default - Allocation according to Internal Rating Scale as of 31.12.2024

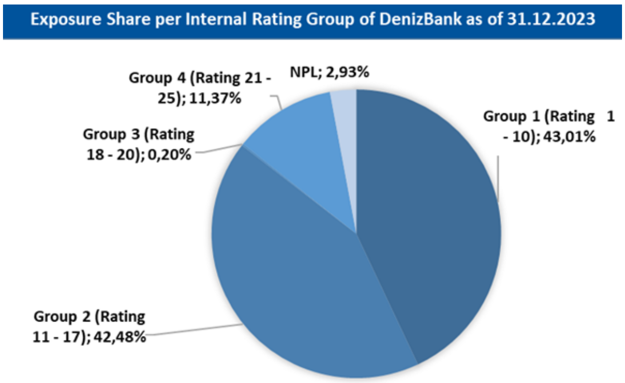


Figure 9: Exposure at Default - Allocation according to Internal Rating Scale as of 31.12.2023

Risk-relevant developments in the past financial year

In the reporting year, total assets were stabilised at the level envisaged in the budget. The bank's change in business focus towards ECA-collateralised long-term loans and commodity trade finance transactions also resulted in a slight improvement in RWA while maintaining a very comfortable equity position, which led to an increase in regulatory capital ratios.

The deposit interest rates, which had been increased due to higher market interest rates, were reduced by the bank in the light of the ECB's interest rate cuts and weakening inflation in 2024. The refinancing costs for USD were also kept stable. These effects led to significant net interest income for the bank despite a difficult market environment.

The NPL portfolio was significantly reduced in 2024 and the remaining portfolio of non-performing loans has a total coverage (specific provisions + collaterals pledged) of >100%.

Possible risk-relevant developments in the coming financial year

The cautious and forward-looking planning of refinancing sources and costs will be a key management aspect.
On the earnings side, compensating for the expiring lending business with the new business orientation in a normalising interest rate environment will be a challenge.
The transformation to a carbon-neutral economy and the consideration of ESG factors in all processes will also have a significant impact on the entire financial system and therefore also on the bank. Further diversification of assets to generate long-term earnings is therefore essential, taking into account all relevant risk aspects.

Risk goverenance and strategy

DenizBank AG has implemented a sound risk management process, which is forward-looking and tailored to the bank's governance and strategy, in order to ensure adequate capital and liquidity resources and therefore to secure the bank’s sustainable continued maintenance.

The relevant risks are systematically identified, measured, managed and limited. In this context, the bank defined and implemented a comprehensive risk strategy that is executed within a clearly defined governance structure.

DenizBank's risk strategy reflects its attitude towards risk assumption and risk management. The risk strategy covers the following contents:

- Risk governance principles
- Target risk structure
- Risk Appetite Statement

Risk governance principles

The risk governance principles represent the entirety of the central rules of conduct necessary for dealing with the bank’s risks. From risk management perspective, these principles are fundamental for a uniform understanding of corporate objectives.

The key risk governance principles of DenizBank are defined as follows:

- Prudent risk management
- Conscious assumption of risks
- Ensuring risk transparency
- Avoidance of conflicts of interest
- Permanent ensuring of risk-bearing capacity
- Achieving an adequate return on equity
- Compliance with legal requirements
- Development of an appropriate risk culture

Target risk structure

The target risk structure is determined by the Management Board considering the business model and the business strategy as well as the current risk structure. The definition of the target risk structure includes strategic considerations relating to which risks and to what extent these risks will be accepted in the future and which risks should be avoided.

Additionally, the target risk structure provides the basis for risk management measures, such as the setting of new or the adjustment of existing limits, both at total bank level and at the level of individual risk types.

Risk Appetite Statement (RAS)

The risk appetite determines the appropriate maximum of risks, which the bank is willing to accept in order to effectively execute its business strategy and reach given business targets.

The bank's RAS contains a list of strategic indicators, where the compliance with these indicators plays an essential role from risk governance perspective during business activities. The indicators are defined for the key risk categories such as liquidity, capital, profitability, development of asset quality, concentration and interest sensitivity. The indicators are monitored via an adequate limit system, to identify adverse developments at an early stage.

Limit violations are subject to an escalation procedure, which can trigger designated management measures, depending on the status of the limit violation.

The Enterprise Risk Management department is responsible for the monthly monitoring of the RAS indicators and the RAS reporting to Management Board.

Structure and organisation of Risk Management Framework

The governance structure of DenizBank AG is focusing on the avoidance of conflicts of interest. Moreover, it ensures a standardized monitoring process within the risk management framework process. The governance structure relies on the "Three Lines of Defence" model.

In order to minimize conflicts of interest, DenizBank AG pursues a clear structural separation (separation of functions and responsibilities) between the market and after-market departments. Consequently, the separation between market and after-market (organizational structure) and a clear definition of tasks and responsibilities (process organization) ensures that activities, which are incompatible with each other, are executed by different organizational units. The control functions such as Enterprise Risk Management, Compliance, AML and Internal Audit are performed independently from the front office responsibilities. The separation of duties on the operating entity level of DenizBank AG is also reflected in the bank's organisational chart and the allocation of responsibilities at Management Board level.

The following chart presents the hierarchies and structure of DenizBank's risk management and control framework and the individual organizational units involved.

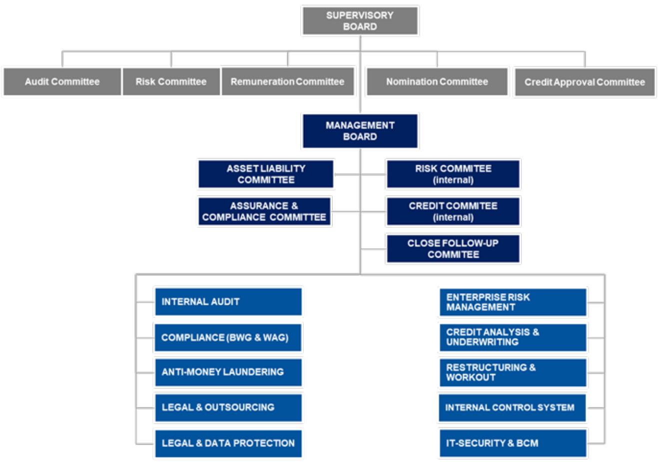


Figure 10: Organizational structure of the risk management system of DenizBank AG

The Management Board bears the overall responsibility for both, the risk management as well as for risk controlling in accordance with the DenizBank's framework of risk management. Additionally, the Management Board defines the strategic framework for all relevant risks of the Bank. As a result, all departments of the Bank must subsequently comply with the relevant guidelines and practises. In addition, the Management Board sets appropriate risk limits (pre-management) and, as the legal addressee of DenizBank's risk management units, takes formal decisions on matters relevant to risk management.

The main role and responsibility of the DenizBank's Supervisory Board is to advise and monitor the Management Board of the bank. At regular intervals, Supervisory Board reviews the risk strategy and the organizational structure. Additionally, it ensures that the Management Board takes all necessary measures to identify, measure, assess, monitor, steer and limit the risks. Consequently, the effectiveness of internal controls is also monitored by Supervisory Board.

The professionally qualified committees of the Supervisory Board - the Audit Committee, the Nomination Committee, the Remuneration Committee and the Risk Committee - contribute to the fulfilment of the Supervisory Board's functions.

The following table summarizes the tasks and responsibilities of the main units involved in the risk management and control process:

Unit	Main responsibilities
Supervisory Board	- Advising and monitoring the Management Board - Review and approval of the risk strategy including risk appetite - Monitoring the effectiveness of the risk management system, the internal control system and the internal audit system - Ensuring the implementation of the risk strategy in connection with the identification, assessment, management and monitoring of risks as well as capital adequacy and liquidity
Risk Committee according to the Article 39d BWG	- Advising the Supervisory Board on the Bank's current and future risk appetite and strategy - Monitoring the implementation of the risk strategy in conjunction with the identification, assessment, management and monitoring of risks as well as capital adequacy and liquidity - Review / monitoring of pricing in line with the risk strategy
Audit Committee according to § 63a (4) BWG	- Monitoring the effectiveness of the risk management system, the internal control system and the internal audit system - Monitoring and assessment of the completeness of the financial statements
Nomination Committee according to § 29 BWG	- Identifying candidates to fill vacant positions in the management / executive board and submitting the corresponding proposals to the Supervisory Board - Support of the Supervisory Board in preparing proposals to the Annual General Meeting for filling vacant positions on the Supervisory Board - Assessment of the knowledge, skills and experience of both the managers and the individual members of the supervisory board as well as of the respective body as a whole and their communication to the supervisory board
Remuneration Committee according to § 39c BWG	- Review of the competent and independent formulation and assessment of remuneration policies and practices relating to the management, monitoring and mitigation of risks, capital adequacy and liquidity - Supervision of remuneration policies, practices and incentive structures related to remuneration - Advising the Supervisory Board on compensation issues, including those relating to the Bank's risk and risk management
Credit Approval Committee	- Granting of loans in accordance with the supervisory regulations and the Articles of Association
Management Board	- Implementation of the strategies and principles approved by the Supervisory Board - Developing appropriate policies, systems and procedures to identify, assess, manage and monitor risks arising from all banking and operational activities and remuneration policies and practices - Establishment of an organisational structure with clear separation of tasks and responsibilities - Ensuring the effective execution of delegated tasks - Establishing an appropriate internal control governance - Monitoring the adequacy and effectiveness of internal control systems
Risk Committee	- Monitoring of the Bank's business activities in accordance with the risk appetite defined by entire Management Board - Monitoring and implementation of appropriate risk governance principles, procedures and methods for business activities
Enterprise Risk Management	- Provision of appropriate risk measurement methods and instruments - Creation of risk guidelines and control regulations - Assessment, control and monitoring of all risks relevant to the Bank by using appropriate methods and instruments of risk controlling - Risk reporting - Review & update of the risk management process
Restructuring & Workout	- Operational credit risk management - Monitoring the loan book and the collateral portfolio - Management of defaulted loan customers and exploiting of collaterals provided
Credit Analysis & Underwriting	- Creditworthiness assessment of credit customers - Monitoring the economic situation of credit customers

Unit	Main responsibilities
Internal Audit	- Audit of the legality, regularity and appropriateness of the entire company - Review of the effectiveness of the internal control system and the risk management system
Compliance (BWG; WAG)	- Monitoring of the current relevant legislation - Ensuring the legal conformity of all relevant processes in the bank - Identification of actual or potential deviations from laws, regulations, codes and standards and internal guidelines
Anti- Money Laundering	- Implementation of a mechanism to effectively combat money laundering and the financing of terrorism within the framework of the legal provisions and the instructions of the Management Board - Monitoring and ensuring compliance with all money laundering regulations
Data Protection Officer	-Monitoring compliance with the Data Protection Act and advising the Management Board and employees on data protection issues - In case of suspicion of violation of the lawful state, creation of this state and, if necessary, reporting to the data protection commission
Internal Control Systems Officer	- Central coordination & control of ICS requirements - Control definition and monitoring of control effectiveness

Table 4: Tasks of the main units involved in the risk management process of DenizBank AG

Total bank risk management

A comprehensive process for the effective identification, quantification, management and limit setting of risks and associated with this an adequate internal capital and liquidity capacity comprise the fundamental basis for business activities of DenizBank AG.

The Internal Capital Adequacy Assessment Process (ICAAP) according to Pillar 2 represents one fundamental component of total bank risk management of DenizBank AG. With the total bank stress tests for Pillar 2 the adequacy of the internal economic capital as further assessed in an adverse market environment.

An additional fundamental component represents the Internal Liquidity Adequacy Assessment Process (ILAAP) according to Pillar 2, ensuring a sufficient liquidity adequacy of the Bank. The appropriateness of the available liquidity buffer is challenged by conducting internal liquidity stress tests to safeguard liquidity even in a crisis situation. Moreover, a Contingency Funding Plan including liquidity raising measures is implemented to ensure liquidity of DenizBank AG at any time.

Regulatory capital and liquidity adequacy

In addition to the ICAAP and ILAAP, DenizBank AG ensures the regulatory required capital and liquidity adequacy. The process includes the monitoring of RWAs, regulatory capital requirements, limit systems, the total bank stress tests for Pillar 1 and the Recovery Plan.

From a liquidity perspective, the available liquidity buffer, maturity mismatches of assets and liabilities as well as the liquidity in- and outflows are monitored.

Regulatory minimum own funds requirements

Credit institutions are obliged to hold eligible own Credit institutions are obliged to hold eligible own funds being available at any time in order to cover the risks incurred in the course of their business activities. The regulatory own funds requirements are calculated in accordance with the Article 92 CRR and cover the regulatory capital requirements for credit risk, market risk and operational risk.

As of reporting date, DenizBank AG maintained a Total Capital Requirement ratio of 42.45%.

in EUR million	31.12.2024	31.12.2023
For credit risk	222.01	225.60
For market risk	0.00	0.00
For operational risk	26.52	24.94
Risk of credit valuation adjustment (CVA)	1.08	2.77
Total own funds requirement	249.61	253.31

Table 5: Regulatory Minimum Own Funds Requirements

Credit risk

The calculation of own funds requirements for credit risk is based on the standardized approach pursuant to Articles 111 to 141 CRR.

For the purposes of credit risk mitigation (Part 4 Title II Chapter 4 Section 1 CRR) the comprehensive method (pursuant to Articles 223 to 224 CRR) for treatment of collaterals is applied.

Within the calculation of the regulatory own funds, collaterals considered by DenizBank AG are used to reduce credit risk.

The non-performing loan portfolio (NPL portfolio) amounts to 41,954,215.94 EUR as of 31.12.2024 (previous year: 115,717 kEUR), which corresponds to a regulatory NPL ratio of 1,11% (previous year: 2.93%). Specific loan loss provisions (SLLP) related to NPL amount to 41,918,351.23 EUR (previous year: 115,717 kEUR).

Market risk

The calculation of own fund requirements for market risk is based on the standardized approach.

Operational risk

The calculation of regulatory capital requirements for operational risk is based on the Basic Indicator Approach as referred to Article 315 CRR. In accordance with the Basic Indicator Approach, the minimum own funds requirement for operational risk is 15% of the relevant indicator. The relevant indicator is calculated as the three year average of operating income in accordance with Article 316 CRR.

Risk of a credit valuation adjustment (CVA)

The determination of own funds requirements in order to cover the CVA risk is based on the standardized approach pursuant to Article 384 CRR.

Regulatory own funds

The following table presents the composition of regulatory own funds for DenizBank AG:

in EUR million	31.12.2024	31.12.2023
Subscribed capital	231.83	231.83
Capital reserves	340.63	340.63
Retained earnings	207.92	207.92
Liabilities reserve	77.95	77.95
Net profit	388.41	427,01
Intented distribution of net profit	0.00	-200.00
Position to be deducted	-8.94	-15.59
Total Tier 1 Capital	1.237.80	1,069.75
Supplementary capital	86.63	81.45
Total Capital	1.324.43	1,151.20

Table 6: Prudential own funds requirements

Internal Capital Adequacy Assessment Process (ICAAP)

The requirements of Pillar 2 regarding an effective total bank risk management and the adequacy of the risk coverage capacity are covered by DenizBank AG by the Internal Capital Adequacy Assessment Process (ICAAP) calculations on a total bank level.

All banking and operational risks are managed, monitored and limited by using adequate methods. In accordance with a proportionality principle, the structure of the risk management system is designed by the type, scope, complexity and risk content of business activities.

The fundamental components of total bank risk management comprise risk identification, materiality assessment, risk strategy, risk-bearing capacity calculation, stress testing framework, limit system and risk reporting.

At DenizBank AG, the required amount of risk capital to ensure solvency of the Bank at a given confidence level and time horizon (economic capital) is estimated based on the Gone Concern perspective.

Economic capital by risk type

The following table presents the economic capital of DenizBank AG split by main risk types:

in EUR million	31.12.2024	31.12.2023
Credit risk	401.47	544.40
Market risk	56.53	77.22
Operational risk	26.52	24.94
Macroeconomic risk	28.46	33.77
Other risk	22.73	15.52
Total Risk Capital	535.72	695.85

Table 7: Economic capital (total risk capital in gone concern perspective of ICAAP calculation)

Risk identification and materiality assessment

As part of the annual risk inventory, all material risks the Bank is exposed to, are identified, evaluated and documented in a structured manner. The risk identification is focusing on creating a uniform, bank-wide understanding of the existence, definition and characteristics of the various risk types.

The identified risk types are assessed in terms of their characteristics within the risk materiality assessment. The assessment shall involve especially the potential impact on financial position (including capital requirements), financial performance and liquidity position of DenizBank. Based on this evaluation, a risk profile or rather an actual risk structure can be derived for DenizBank.

The key results of the materiality assessment are used for modelling the risk-bearing capacity and accordingly for designing stress test frameworks.

Risk-bearing capacity calculation

The risk-bearing capacity calculation (RBCC) is executed monthly based on defined scenarios Going Concern and Gone Concern. For this purpose, the individual risk types are summed-up to an overall risk potential and needs to be covered with the available risk coverage capital. The fundamental condition of the RBCC is that the total of the measured risks at the Group level (overall bank risk potential) needs to be covered by the total available risk coverage capital at any time - both in the Going Concern and the Gone Concern. The risk coverage capital essentially comprises of eligible equity and the available profit surplus of ordinary activities.

The primary objective of the Going Concern scenario is to secure the claims of equity providers. The continued maintenance of the bank shall also be ensured if losses occur during the observation period. The Going Concern scenario is calibrated to a confidence level of 95%. In contrast, the objective of the Gone Concern scenario is defined as securing creditors' claims. Even in an extreme situation (confidence level of 99.9%), bank creditors will be served from the remaining risk coverage capital of DenizBank AG and therefore protected from losses.

The RBCC is fundamental for the sustainable business decisions of DenizBank, since business transactions and their inherent risks can only be borne up-to a certain limit by the available risk coverage capital. The nature and extent of the risk-bearing activities of the DenizBank AG determine an appropriate level of the risk coverage capacity.

The results of the RBCC are reported to the monthly Risk Committee, which monitors the safeguarding of risk coverage capacity at any time.

The risk-bearing capacity analysis covers unexpected losses from the following material risks categories:

Credit risk	- Default risk in the classic loan business - Issuer risk in the trading and banking book - Counterparty credit risk (incl. CVA) - Concentration risk (country, sector & single name) - Migration risk - Risk arising from FX-loans - Residual risk from credit risk mitigation techniques - Sustainability risk (ESG)
Market risk	- Interest rate risk - Credit spread risk - Foreign exchange risk
Operational risk	Inadequacies or failures of internal procedures, employees and systems or external events, including legal risks
Macroeconomic risk	- GDP (Increase in PDs) - Exchange rates (Increase in EAD) - Sustainability risk (ESG)
Other risk	- Liquidity risk (refinancing risk) - Risk of money laundering and terrorist financing - Business risk - Reputation risk - Risk from excessive indebtedness

Table 8: Major risks of DenizBank AG

Credit risk

Risk measurement

For credit risk estimation in the RBCC, the Foundation IRB approach has been implemented. The credit risk relates to the unexpected loss of credit risk-relevant positions of DenizBank's portfolio.

When determining the unexpected loss of credit risks, both the internal rating and the eligible collaterals are considered, whereby the probability of default of a debtor is estimated by internal rating methodology.

The credit default risk refers to the unexpected loss of credit transactions (excluding debt instruments and derivatives) calculated under the Foundation IRB approach.

The issuer risk refers to the unexpected loss of debt instruments in the banking book determined by using the Foundation IRB approach.

The capital requirement for the counterparty risk for derivative positions includes two components: the default risk and the CVA risk. The counterparty credit risk relates to the unexpected loss of derivatives estimated by using the Foundation IRB approach. The CVA risk is measured by applying the standardized approach pursuant to Article 384 CRR.

The assessment of the migration risk eexplicitly relates to the assumption that the loan customer's creditworthiness is deteriorating. The difference between the unexpected losses before and after the reduction of customers' credit rating is the result for the risk value of migration risk.

The estimation of risk from foreign currency loans is performed within the DenizBank AG rating models. Based on a defined stress scenario where the customers are re-rated, the foreign exchange risk of customers (FX risk) is calculated. The difference between the unexpected losses of credit ratings before and after FX stress scenario reflects the risk value of the FX risk from foreign currency loans.

Due to receivables secured by real estate, DenizBank is consequently faced with the residual risk from credit risk mitigation techniques. Thus, the LGD for receivables secured by real estate is increased to quantify the residual risk of credit risk mitigation techniques.

The estimation of the concentration risk is based on a Herfindahl-Hirschman model, which covers the aspects of concentration relating to single name, sector and country.

The quantification of sustainability risks (ESG) is based on a premium for ESG-exposed sectors, whereby the severity level for the individual sectors is based on the portfolio analysis as part of the “Double Materiality Assessment” in accordance with the ESRS.

Risk management and mitigation

The diversification of loan portfolio shall be accelerated by extending business transactions in European countries, especially by purchasing bonds, promissory note loans and granting bilateral and syndicated loans.

DenizBank AG implemented internal credit rating models, applied for different customer segments and using several indicators.

In general, only adequate eligible collaterals with sufficient marketability are pledged when granting of loans. The financial assets pledged as collaterals consist of cash collateral, real estate and guarantees and consequently contribute to the decline of credit risk. The effectiveness of the provided collateral is ensured by the strict implementation of all regulatory requirements and their management over the entire term of the respective loan. In order to identify potential value volatility over time, the collaterals are regularly valued or revalued.

Furthermore, limit setting is an instrument of DenizBank AG to restrict deliberately the credit risk, including i.a. specific limits for country concentrations, sector concentrations and foreign currency loans.

Market risk

Risk measurement

The interest rate risk risk at total bank level is estimated by performing a sensitivity analysis, which is based on a non-parallel shift of the interest rate curve for relevant currencies.

The FX risk is determined at total bank level by using a Value at Risk (VaR) calculation.

The credit spread risk is estimated by Modified Duration formula, considering historical developments. It is assumed that an increase of risk premiums for all instruments leads to an immediate reduction in the value of bonds.

Risk management and mitigation

In order to hedge FX risk resulting from foreign currency loans, DenizBank AG uses FX derivative instruments.

In addition, interest rate derivatives are designated to hedge the interest rate risk in the banking book:

Derivative financial instruments in EUR (nominal value)	31.12.2024	31.12.2023
Forward exchange transactions	740,235,951.67	614,373,371.74
Interest Rate Swaps without hedging	0.00	6,000,000.00
Interest Rate Swaps in a hedging	197,419,031.68	273,775,422.28
Cross Currency Swaps	74,255,839.37	90,641,387.84
Total amount	1,011,910,822.72	984,790,181.86

Table 9: Volume of derivative financial instruments

Operational risk

Risk measurement

The operational risk is estimated with the basic indicator approach pursuant to Article 315 CRR.

In order to ensure a confidence level of 99.9%, the value calculated according to the basic indicator approach is applied for both scenarios Going Concern and Gone Concern.

Risk management and mitigation

The operational risk limitation and management is ensured by an effective internal control system. All significant operational risks are identified and assessed at regular intervals, enabling the Bank to initiate at an early stage necessary countermeasures.

In addition, DenizBank AG used qualitative methods like maintaining a loss database and conducting risk self-assessments. Furthermore, risk analyses are also performed as part of the product launch and outsourcing process.

Contingency plans, plans for maintaining business operations and plans for restoring critical resources (e.g. IT systems, communication systems, buildings) are implemented and documented. The plans are regularly tested and reviewed and, if necessary, updated.

Additionally, as part of operational risk management, DenizBank AG enters into insurance arrangements (computer operational interruption, loss of information, hardware, etc.).

Macroeconomic risks

Risk measurement

Macroeconomic risks are estimated by using stress tests. The macroeconomic scenarios are applied to assess the effects of changes in the economic environment on the risk and financial situation of DenizBank AG. Additionally, an ESG stress factor is quantified for the total portfolio based on the ESG score.

Risk management and mitigation

In order to counteract macroeconomic risks, the market situation and changes in the legal framework are continuously monitored and analysed. Especially the review and assessment of macroeconomic parameters on which DenizBank's business strategy is based on is in the focus.

Liquidity risk

Risk measurement

The liquidity risk (refinancing risk) is estimated based on a stress scenario, assuming increased refinancing costs of DenizBank AG. The liquidity gaps of all maturity buckets up to one year need to be closed by applied elevated refinancing costs. The result is used as risk capital and needs to be covered by capital.

There is no capital charge for the insolvency and market liquidity risk under the RBCC. An appropriate ILAAP is implemented in order to identify, monitor and hedge these risks.

Risk management and mitigation

The management methods used by DenizBank are as follows:

- Risk limitation: limit system
- Risk diversification: diversification of counterparties, higher number and smaller volumes per counterparty, region, industry or different business segments
- Risk provisioning: liquidity buffer, counterbalancing capacity, contingency funding plans
- Capital coverage for refinancing risk

Business risk

The business risk primarily arises from a sustained decline in interest rate dependent business, ultimately contributing to the reduction of net interest income.

Risk measurement

For consideration of the business risk in the Gone Concern and the Going Concern perspective, the budgeted result for “net fee & commission” is used as risk amount, which needs to be covered by the risk-bearing capacity.

Risk management and mitigation

In order to counteract business risk, the diversification of the Bank's assets and liabilities is being promoted. In addition, the market situation, the competitive position, customer behaviour and changes in the legal framework are monitored continuously and promptly.

Stress testing framework

DenizBank AG has implemented sound stress tests on total bank level, that are performed on a regular basis to simulate a sharp increase in the bank's total risks and to quantify the negative effects on the financial performance, capital base and capital adequacy.

The annual total bank stress test of DenizBank AG, covering Pillar 1 capital ratios as well as Pillar 2 (ICAAP), is designed as scenario analysis. The scenarios (idiosyncratic, market, combined) reflect different assumptions regarding their impact in case of a stress.

In addition to the total bank stress tests, focusing on the capital impact, liquidity stress tests are conducted on a monthly basis as part of the ILAAP framework. The liquidity stress tests are designed as scenarios (idiosyncratic, market, combined) with different assumptions and are calculated separately for the main currencies of DenizBank AG.

Limit system and escalation procedures

The limit setting for all relevant risks and the use of procedures for monitoring risks ensure that the risks taken are in line with the risk strategy defined by the Management Board and that the Bank's risk-bearing capacity is not exceeded. In addition, the limit system, in combination with clearly defined escalation procedures, ensures that information is reported immediately to the Management Board, relevant departments and committees, thereby enabling an early response to potential or increased risks.

Risk reporting

Risk reporting is a standardised process and takes place at regular intervals. Consequently, it ensures that all relevant committees and decision-makers are appropriately informed regarding the Bank's key risk positions. Thus, negative developments are detected and analysed at an early stage and appropriate measures may be initiated to prevent negative impact on the Bank.

Control process

The appropriateness and effectiveness of the risk management system is ensured by process-integrated (internal) and process-independent (external) controls.

The results of the monitoring measures (especially discovered deficiencies) are reported and evaluated in an appropriate manner so that necessary measures can be taken to improve and eliminate the deficiencies.

The Internal Audit department ensures by the process-independent auditing of DenizBank AG's risk management system an appropriate level of quality of internal controls.

The Internal Audit department reviews the risk management system on an annual basis and reports to the Management Board on the audit results and discovered deficiencies. Furthermore, it monitors the mitigation of deficiencies and informs the Management Board on the status of implementation.

Liquidity risk management (ILAAP)

DenizBank's ILAAP framework ensures that suitable strategies, principles, procedures and systems are in place to identify, measure, manage and monitor liquidity risk. These are in line with the complexity, risk profile and risk tolerance defined by the Management Board and are reflected i.a. in the amount of the liquidity buffer held to cover unexpected liquidity outflows.

The required liquidity buffer is determined both by the regulatory Liquidity Coverage Ratio ("LCR") and by the internal liquidity risk stress tests. Liquidity risk stress testing is an integral part of the liquidity risk management of DenizBank AG and is used to identify possible stress events.

Apart from an appropriate liquidity buffer, additional measures and limits are defined as part of the ILAAP framework in order to minimize the negative effects of liquidity risk and to be able to withstand liquidity stress situations. DenizBank AG also ensures that its refinancing structure is sufficiently diversified and that the availability of various refinancing sources is reviewed at regular intervals.

DenizBank AG's refinancing strategy is designed to ensure a solid financing structure. This is based on customer deposits, a diversified (in terms of maturities, markets and segments) medium- to long-term refinancing structure and the avoidance of dependency on short-term funding via the money market.

In order to counteract any liquidity bottlenecks as quickly and purposefully as possible, DenizBank AG has prepared a contingency funding plan, which regulates the processes and responsibilities in the event of a liquidity squeeze. The contingency funding plan also contains measures that can be implemented within a short period of time to generate liquidity in order to avert damage to the bank (illiquidity in the most extreme case). Once defined early warning indicators are triggered, measures are initiated if necessary. In addition, the contingency funding plan defines DenizBank's "liquidity status", which ranges from "normal" to "severe crisis" and is dependent on the violation of the defined threshold values of the limits.

The Enterprise Risk Management department is responsible for setting the liquidity risk management guidelines, including the principles, assumptions, methods and limits applied. The Risk Management department is also responsible for monitoring liquidity risk and checking compliance with liquidity risk-related limits and preparing the corresponding risk report.

The Treasury & Financial Markets department handles the operational implementation of the liquidity strategy and the active planning, management and supply of liquidity and liquidity buffers within the framework of external and internal guidelines.

Regulatory liquidity ratios

- Liquidity Coverage Ratio ("LCR")

In Pillar 1, the monitoring of liquidity risk is done with the LCR, which is a measure of the Bank's liquidity risk position. The calculation is based on a stress scenario defined by the regulator, assuming a stress period of 30 days. The calculated net liquidity outflows need to be covered with an appropriate amount of liquidity buffer.

in EUR million	31.12.2024	31.12.2023
Liquidity buffer	1,591.7	1,239.8
Net cash outflow	381.7	158.2
Liquidity Coverage Ratio (LCR)	417.0%	783.7%

Table 10: Liquidity Coverage Ratio (LCR)

- Net stable funding ratio ("NSFR")

The Net Stable Funding Ratio (NSFR) compares the available volume of the stable funding with positions requiring stable funding. This ratio ensures that the Bank maintains a minimum amount of stable funding over a period of one year, based on the liquidity characteristics of its assets.

in EUR million	RSF /ASF weighed	< 6 months	≥ 6 < 12 months	≥12 months	HQLA
Required stable funding	2,494.30	1,562.70	847.24	2,002.79	1,591.74
Available stable funding	4,745.37	3,251.53	604.72	1,895.36	-
Net Stable Funding Ratio (NSFR)	190.25%				

TTable 11: Net Stable Funding Ratio (NSFR) as of 31.12.2024

in EUR million	RSF /ASF weighed	< 6 months	≥ 6 < 12 months	≥ 12 months	HQLA
Required stable funding	2,666.73	1,619.74	691.94	2,371.34	1,239.97
Available stable funding	4,736.44	2,799.21	803.69	1,966.02	-
Net Stable Funding Ratio (NSFR)	177.61%				

Table 12: Net Stable Funding Ratio (NSFR) as of 31.12.2023

Recovery plan:

DenizBank AG has prepared a Recovery Plan in accordance with the "Bankensanierungs- und –abwicklungsgesetz" (BaSAG), which is updated annually.

The Recovery Plan serves as a preparation for coping with crisis situations and aims to identify suitable options for recovery measures in order to strengthen the Bank's resistance to systemic and idiosyncratic risks.

Within the framework of the Recovery Plan, recovery indicators from various categories (solvency, liquidity, asset quality, profitability, macroeconomic indicators) and corresponding quantitative triggers (thresholds) are defined in accordance with regulatory requirements. The triggering of recovery indicators identifies potential crisis situations ("recovery case") and defines the point in time at which DenizBank AG must take measures to prevent or mitigate negative impacts. For this purpose, a governance process is triggered when the predefined thresholds are breached, considering the implementation of specific recovery measures if deemed necessary.

The Enterprise Risk Management department coordinates the preparation and maintenance of the Recovery Plan and is responsible for the ongoing monitoring of the recovery indicators. It therefore performs a central supervisory and coordination function within the scope of DenizBank's recovery planning. In addition, the department has a coordinating function in the event of a recovery case and monitors the effectiveness of the measures implemented to restore the violated limits.

Disclosure:

With the annual disclosure report as of reporting date, DenizBank AG complies with the disclosure requirements pursuant to Articles 431 to 455 of Regulation (EU) No 575/2013 (Capital Requirements Regulation - CRR).

This report provides the addressees with a comprehensive overview of the risk structure and risk management of DenizBank AG, both at the total bank level and at the level of individual risks. It includes information on the organizational structure of risk management, the capital structure, minimum capital requirements and risk capital amounts, the risk management systems and remuneration policy and practices.

With the Non-Financial Report as of 31.12.2024, DenizBank AG complies with the disclosure obligations in accordance with the Sustainability and Diversity Improvement Act and the corresponding provisions of the Austrian Commercial Code (UGB) and the Austrian Stock Corporation Act (AktG).

The disclosure report and the non-financial report of DenizBank AG are available on the website of DenizBank (http://www.denizbank.at).

Prevention of money laundering and combating Terrorism

The main task of the Anti-Money Laundering (AML) Department is to ensure the ongoing review and monitoring of the Bank's business activities on the basis of a risk-oriented approach. In addition, the department supports other departments and divisions in complying with national and international regulations on Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFTF).

In this context, the AML Department acts as an independent unit informing the Management Board directly on important issues (e.g. changes in legislation and related measures with regard to AML and CFT, information on IT-system requirements and notification reports) and suspicious transactions. Hence, AML Department provides strategically relevant recommendations for possible future courses of action.

The internal processes and risk analyses are constantly updated in accordance with the respective applicable laws. Other departments, such as IT, also support the department, which plays an essentially important role in the preparation of systematic controls and scenario analyses. Furthermore, the Bank's Compliance and Internal Audit departments work closely with the AML Department as additional independent control bodies.

In accordance with The Financial Market Anti-Money Laundering Act, banks are required to apply group-wide strategies and procedures aiming to prevent money laundering and financing of terrorism financing in order to provide exchange of information within the group. The banks AML Policy is reviewed and updated on a yearly basis (last updated in 4th quarter 2024).

During 2024, branch employees as well as employees of other operational departments were daily supported by AML Department in all AML-relevant matters. The support activities include monitoring of account openings, verifying the source of funds, conducting due diligence of customers and identification of conspicuous transactions and customers' behaviour. Employee trainings are focusing not just on providing information on all relevant regulations and legal obligations, but also on giving instructions on correctly conducting day-to-day business and on identifying possible cases of money laundering and financing of terrorism as well.

Compliance

The main task of the Compliance Department of DenizBank AG is to ensure conformity with the legal provisions applicable to DenizBank AG and the voluntarily assumed obligations. In addition, the Compliance Department ensures anchoring of employee integrity into corporate culture.

The Compliance Department is an independent staff department, which reports directly to the Management Board. Because of the importance of effective compliance rules, the Management Board supports the Compliance Officer in the implementation of the compliance policy. DenizBank AG regards the identification and mitigation of legal and reputational risks as a fundamental aspect of ensuring reliable banking operations and professional customer service. Therefore, the Compliance Officer closely cooperates with the Management Board and provides strategic recommendations on compliance issues as an independent unit.

The internal compliance rules of DenizBank AG are based on the one hand on European and national legal provisions (in particular related to banking regulations as well as securities supervision, capital market and stock exchange laws), and on the other hand on the Standard Compliance Code of the Austrian banking industry and Guidelines and Minimum Standards of European and Austrian Regulators (esp. EBA, ESMA and FMA). Conflicts of interest between customers of DenizBank AG and employees are governed by clearly defined provisions such as specific guidelines relating to anti-corruption, the avoidance of conflict of interest, accepting and granting of gifts.

In order to ensure compliance with all provisions and regulations, the compliance relevant policies and procedures have been adopted and are being reviewed on a regular basis.

The mandatory training for all new employees contributes to a proactive awareness of importance of compliance issues. For employees in certain compliance-intensive business areas, the additional intensive training is provided in order to prepare them effectively for their special tasks.

HUMAN RESOURCES

Personnel

In the financial year 2024, the bank hired 49 new employees, with particular attention being paid to the experience, skills and cultural fit of the new employees in the recruiting process. DenizBank AG is proud to offer diverse career paths not only for young people but also for experienced staff, paying special attention to the development of employees, by identifying talents within the organization and supporting their careers during the yearly promotion process.

Sustainable training and further education, which is the responsibility of the Learning & Development department, plays a key role in promoting talent and is therefore an essential part of the corporate strategy. The strategic orientation of DenizBank AG is reflected in the training offers. The technical, methodological and social skills of the employees are trained in order to be able to guarantee long-term stable benefits for the continued competitiveness of DenizBank AG.

	2023	2024	Change in %
Total number of employees at year-end	357	332	-7.00%
thereof at the head office	253	270	6.72%
thereof in the branches	104	62	-40.38%
thereof women	194	172	-11.34%
thereof men	163	160	-1.84%
Average number of employees in the fiscal year	370	344	-7.03%
Demographic structure			
Percentage of women	54.34%	51.81%	-2.53%
Percentage of men	45.66%	48.19%	2.53%
Education and training			
University degree	188	192	2.13%
Other school-leaving qualifications	169	140	-17.15%
Nationalities	22	20	-9.09%

Table 13: Key figures of the structure of DenizBank AG

Remuneration & compensation report

In accordance with EU Directive 575/2013 (Capital Requirements Regulation – "CRR") and the amendments to the Austrian Banking Act, both a remuneration policy and a remuneration committee were installed at DenizBank AG.

The purpose of the remuneration policy is to ensure a solid and efficient remuneration system and risk management in DenizBank AG for all employees. Employees whose professional activities have a significant impact on the risk profile of DenizBank AG must not be tempted by the remuneration policy to take excessive risks. The defined guidelines aim to ensure that employees avoid risks that do not match DenizBank AG's risk appetite. The remuneration policy helps to ensure a healthy capital and liquidity base and includes measures to avoid conflicts of interest.

The remuneration policy is gender-neutral and based on the principle of equal remuneration for equal work respectively work of equal value for male and female employees.

The Remuneration Committee is responsible for ensuring that excessive risk-taking is avoided and that the remuneration policy is consistent with effective risk management. It is composed in such a way that it can provide competent and independent judgement on remuneration policies and practices as well as the incentives created for risk, capital and liquidity management. The Chairman and the other two members of the Remuneration Committee are members of the Supervisory Board of DenizBank AG who do not exercise any executive functions in the bank. At least one of the members of the Remuneration Committee is a compensation professional who has expertise and practical experience in the field of compensation.

The Remuneration Committee coordinates the objectives with the Management Board in relation to the long-term strategy for avoiding conflicts of interest. This ensures that there is a clear distinction between operational and control functions and that the skills and requirements for the independence of the members of the management body and internal reporting and the requirements for transactions between related parties are complied with.

In general, the remuneration of all DenizBank AG employees corresponds to their authority, duties, expertise and responsibilities. It is performance-related and is measured from the point of view of avoiding excessive risks. Total compensation is based on an evaluation of individual performance and skills as well as the overall results of the bank. When evaluating individual performance, quantitative and qualitative criteria are taken into account.

BUSINESS SEGMENTS

Financial institutions (FI) & trade finance

The FI & Trade Finance combines both ECA covered commercial loans and trade finance transactions such as forfaiting, structured trade finance and FI loan trading activities in one division. In addition, FI & Trade Finance is responsible for limit procurement and monitoring for banks and sovereigns.

The core task of the division is to create group customers and group synergies. FI & Trade Finance offers a wide range of services and provides financial solutions for European and international corporate customers, institutional and public companies and banks.

The main purpose of the division is to originate and facilitate the business connection of the ECA covered transactions of international companies. For this purpose, FI & Trade Finance works closely with European ECAs, Austrian companies as well as with the Corporate Banking Department and Corporate Branch Network of DenizBank Financial Group. It supports the high-quality transactions of the companies that operate on the basis of a global network principle. In addition, FI & Trade Finance can finance the trade transactions of its customers through its broad, global relationships with international banks. The division increases cash flow and makes a significant contribution to the bank's earnings by providing loans and deposits to companies.

FI & Trade Finance recognizes that global sustainability challenges, such as climate change and resource scarcity, are critical and must be addressed. FI & Trade Finance places great emphasis on implementing the sustainability strategy for investments, promoting sustainability in financial markets and promoting ESG integration across the bank. In addition, the division invests in sustainable finance products and services and mobilizes capital to make progress on important issues such as climate change, inclusive growth and the circular economy.

Retail banking

Current Developments at DenizBank AG
With its headquarters in Vienna, DenizBank AG currently operates 14 branches, including 11 in Austria and 3 in Germany. The bank remains committed to continuously improving its retail banking products and optimizing its internal processes.

New Product Launch: DenizSmart Current Account and DenizSmart Pension
As part of this strategy, DenizBank AG has introduced the *DenizSmart* Current Account and *DenizSmart Pension*. These products have been repositioned and brought into greater focus to better meet customer needs.

Strengthening Through New and Existing Partnerships
In Germany, a new partnership with *Pro Check* has been established, enabling the bank to offer and broker installment loans. The Pro Check platform provides access to a wide range of banks, enhancing the loan offerings significantly. In addition, existing collaborations have delivered expected results:
- With *Santander* in consumer loans
- With *Wüstenrot* in savings and construction financing products
- With *MoneyGram* in international money transfers

The partnership with Wüstenrot, in particular, has shown outstanding performance.

Digitization in Deposit Services
Digitization remains a key focus for DenizBank AG. Over 50% of savings accounts are now opened online. In the area of daily savings accounts, numerous campaigns have been launched to attract new customers.
The positive trend continues in online transfers as well, driven by competitive fees and successful reactivation campaigns targeting inactive customers.

Outlook for 2025: Growth and Innovation in Focus
For the upcoming year, DenizBank AG has outlined ambitious plans to strengthen its market position:

- Customer Acquisition in Current and Savings Accounts
  - Investment in digital marketing campaigns
  - Launch of loyalty programs to ensure long-term customer retention
- Advancing Digitization
  - Increased focus on acquiring and activating online and mobile users
  - Targeted campaigns to boost mobile service adoption
- Dynamic Pricing Strategy
  - Continuous monitoring of competitors and adapting pricing strategies accordingly
- Expanding Partnerships
  - Establishing new collaborations to further grow commission income
- Optimizing Branch Structure
  - Expanding the one-stop-shopping model in more branches to enhance customer experience and improve operational efficiency

With this strategy, DenizBank AG is setting the stage for sustainable growth and a strong customer-centric approach.

Treasury

The Treasury and Financial Markets Department (TFM) of DenizBank AG is poised to further reinforce its strategic role in the bank's ongoing success during the 2024-2025 period. In light of global economic uncertainties and fluctuating market conditions, TFM will continue to leverage its expertise in liquidity management, risk mitigation, and financial innovation, effectively navigating emerging challenges while driving long-term value creation.

The ongoing decline in interest rates presents a significant opportunity for the bank to recalibrate its strategies. In this dynamic environment, the TFM Department remains committed to meticulously managing interest rate risks, optimizing liquidity, and ensuring preparedness for market volatility. The reduction in interest rates offers the potential for lower refinancing costs, enhancing operational efficiency while necessitating a review of borrowing strategies and investment policies to align with current market conditions.

Organisation

The organization department supports the employees of DenizBank AG in Austria and Germany with its subdivision Facility Management.

In 2024 the focus was again on increasing efficiency and the optimal use of available resources.

The Facility Management Team was able to modernize the branches of DenizBank AG and support the sales management team in increasing the efficiency of the branch network. Some branches have already switched to latest ATM system to provide the best energy efficiency in this area. A photovoltaic system was installed into operation on the roof of the company headquarters, which supplies parts of the building technology with self-generated electricity. Furthermore, the lightning in the Headquater was replaced with energy-saving LED Lights. In order to have further energy saving potential, motion detectors were installed in all tea-kitchens, restrooms and in the garbage room, which automatically switch off the LED lightning after a while. In further steps, the branches were also converted to energy-saving LED Lights. In the branches, certain areas that are not often frequented will also be equipped with motion detectors in order to save further energy.

A hybrid vehicle was added to DenizBank AG car fleet, which runs purely electrically in city traffic and thus significantly reduces pollutant emissions and noise pollution in road traffic. When selecting business partners, facility management continues to focus on regionality and sustainability.

Information Systems

Core Banking & User Parameter

The core banking team is responsible for the stability of the software production environment and has carried out activities to resolve the findings in the environment and prevent their recurrence.
The team has supported or directly carried out user acceptance tests for the software projects were made in the bank and also for the resolution of the detected findings.

The User and Parameter management team is responsible for user authorizations in the core banking applications and user management of 3rd party applications. The team has carried out the user-based authorizations both for core banking applications and 3rd party applications. In addition to user-based authorizations User and Parameter Management team is also responsible for parameter management in core banking applications and carried out parameter related transactions.

IT Infrastructure

Over the past year, the IT Infrastructure Department has successfully executed several key initiatives aimed at optimizing operations, ensuring regulatory compliance, and driving innovation.

The One Device Policy was introduced to streamline device usage and reduce costs associated with maintaining multiple resources. This project not only minimized operational expenses but also eliminated inconsistencies, reduced maintenance challenges, and mitigated potential IT security risks. Investments were made in newer, more efficient devices, ensuring better performance and a seamless user experience. To modernize our IT infrastructure, significant investments were directed toward upgrading branch equipment. This modernization initiative ensures that our branches operate with up-to-date, cost-effective technology, reducing operational effort while enhancing efficiency.

In alignment with our commitment to environmental sustainability, we continued our efforts in remarketing outdated IT devices. Usable devices were either donated to nonprofit organizations or remarketed responsibly, extending their lifecycle and reducing electronic waste. Also, while collaborating with service providers DenizBank AG demonstrates high flexibility in adapting SLA and contractual terms to enhance environmental sustainability. Our ongoing efforts to address End-of-Life (EoL) systems have seen near completion, with the majority of outdated systems successfully upgraded, replaced, or decommissioned. These efforts ranged from minor upgrades to transformative projects, all driven by regulatory requirements, technological advancements, or internal group mandates.

As part of our adherence to the DORA (Digital Operational Resilience Act) framework, we implemented significant process adaptations and made strategic investments to enhance resilience and redundancy. These included upgrading our IT infrastructure, acquiring new tools such as an asset management system, and bolstering branch technology to ensure full redundancy and reliability.

Also, we have developed dashboards with a globally known monitoring tool to enhance real-time monitoring and analytics, enable efficient system oversight and data-driven decision-making. Among others, the one provides immediate insights into user behavior and tracking login and logoff trends. The other visualizes key metrics such as load, average response times and error rates, while also monitoring the overall health of the OpenBanking service.

Finally, the network optimization project addressed improvement opportunities identified during the DRC Tests in 2023. Collaborating with our main service provider, we transitioned from manual workflows to fully automated processes in Vienna, significantly enhancing network availability while reducing downtime and reliance on manual interventions.

IT-Security, IT Risk Management, Business Continuity and Resilience, Identity and Access Management, Digital Fraud

DenizBank's Information Security Policies and Processes are designed to enforce principles and rules related to secure access, data confidentiality and integrity, authentication, and non-repudiation. The maturity level of DenizBank's information security practices is assessed and verified annually by independent audit firms. Continuous improvement plans are implemented to elevate this maturity level further.

In collaboration with Intertech, DenizBank's group technology company, the Bank has established an ICT Security Governance Framework that integrates people, processes, and technology, fostering a synergistic environment.
With the ICT security and cybersecurity management services provided by Intertech:

• DenizBank's digital transformation goals are taken with minimized security risks.

• Architectural requirements compliant with information security policies are fulfilled.

• Stringent technical measures and controls are applied to ensure the security of customer confidentiality, banking secrets, and personal data.

• Vulnerabilities are actively identified and remediated.

• The necessary infrastructure and resources are allocated for effective information security monitoring.

• Advanced security solutions and management practices are deployed to ensure the security of various layers and the assets within them.

Key Initiatives and Developments in 2024:

In 2024, the IT Security Department underwent an organizational restructuring to enhance its operational efficiency:

• The Business Continuity, Identity Access Management, and Digital Fraud units were brought under the IT Security Department.

• A dedicated ICT Risk Management Unit, reporting directly to the Management Board, was established.

Notable achievements within this framework include:

Digital Operational Resilience Act (DORA) Compliance:
An assessment by a specialized external consulting firm was conducted to ensure compliance with DORA, leading to improved processes.

Enhancements in Business Continuity Management:

Business continuity management and impact analysis processes were optimized, and a tool was implemented for managing these processes digitally.

Improvements were made to analysis, testing, and planning workflows, and all department managers received business continuity training.

Online training sessions and awareness campaigns, including updates through educational messages and test exercises, were organized to integrate business continuity into the organizational culture.

Training opportunities were also provided to enhance the personal development of the business continuity team.

ICT Risk Management Enhancements:

ICT risk management processes were improved, supported by dedicated resources.

Fraud Management Improvements:

Efforts to enhance fraud management processes are ongoing.

Strengthened Cybersecurity Practices:

DenizBank AG played an active role in raising awareness across the organization, implementing innovative cybersecurity solutions, managing third-party risks effectively, and analyzing and improving current and future processes and projects.

Recommendations for security enhancements were provided for both ongoing and new projects, ensuring processes are carried out securely.

Customer Awareness Against Social Engineering Attacks:

In addition to online security notifications, awareness campaigns against fraud were conducted via social media platforms.

A dedicated channel was established on DenizBank's website for customers to report IT security concerns.

Through these initiatives, DenizBank AG continues to prioritize the security of its systems, processes, and customer data, while fostering a resilient, secure, and digitally advanced environment for its stakeholders.

Project management office

In 2024, Project Management Office (PMO) encompassed a portfolio of around 190 projects, including both ongoing and completed initiatives, aimed at achieving DenizBank AG (DBAG) 's strategic goals through various strategic, regulatory, and tactical projects. Through our regulatory projects, we tackled important regulatory challenges related to PSD2, our Securities tool in the context of MiFID, Accessibility, and DORA frameworks, addressing these issues at both the ownership and implementation levels, and plan to maintain this focus in the upcoming year. Continuing the trend from previous years, DBAG's strategy prioritized digitalization by enhancing customer experiences across digital platforms such as the Internet Banking and the Mobile Banking Application.

PMO facilitated the completion of approximately 60 projects in 2024. SEPA Instant Payment and Global SWIFT adaptations are key strategic initiatives within the PMO's scope. Additionally, this year, Risk Mitigation Program has been introduced to automate operational tasks, thereby reducing risks associated with manual processes.

In 2024, one of the substantial achievements has been the revision of the Project Management Policy, which serves as a crucial resource for all project stakeholders in managing DBAG Projects effectively and efficiently. We have established a comprehensive risk assessment process to evaluate the importance of the projects, categorize them accordingly, and monitor and address risks in a timely manner.

The PMO has kept collaborating closely with business divisions to offer guidance on optimizing processes and support in consolidating business requirements documentation. Looking ahead, the PMO is tasked with developing the roadmap for the DBAG's project portfolio for 2025, overseeing the overall project budget, and coordinating all projects in collaboration with business teams and outsourced IT teams.

Finance

Finance is responsible for all financial activities of DenizBank AG and is composed of the Accounting & Tax, Management Reporting & Budget Planning and Regulatory Reporting departments.

The Accounting & Tax Department is responsible for the execution and managing of all financial accounting activities of DenizBank AG and for the preparation of IFRS financial statements for consolidation of the financial statements of the parent company. In addition, the Accounting & Tax Department is also responsible of tax law issues and supporting the business units in tax matters.

The definition and implementation of measures to achieve corporate goals and strategies, reporting to internal and external parties, and the coordination and management of the budget process are important tasks of the Management Reporting and Budget Planning department. Regulatory Reporting, on the other hand, is responsible for statutory reporting in Austria and Germany and for the timely submission of regulatory reports in accordance with CRR and BWG.

CORPORATE COMMUNICATIONS & MARKETING

In 2024, DenizBank AG continued to enhance its corporate communication and marketing strategies in Austria and Germany, focusing on digital transformation, customer satisfaction, and brand visibility. The year was marked by several key initiatives and achievements that underscored the bank's commitment to excellence in service delivery and innovation.

One of the standout accomplishments for DenizBank AG was its recognition at the Austrian and German B2B-Awards, where it secured awards for price-performance ratio and for customer satisfaction. This award was based on an extensive survey conducted by the Gesellschaft für Verbraucherstudien, which gathered evaluations from decision-makers across various industries. The recognition highlighted DenizBank AG's dedication to providing exceptional customer service and competitive offerings, reinforcing its position as a leading player in the B2B banking sector.

In line with its digitalization strategy, DenizBank AG launched several new digital channels aimed at enhancing customer experience and knowledge transfer. These included significant updates to the DenizMobile app and social media, ensuring that customers had access to user-friendly and efficient information. The focus on digital services was complemented by ongoing website optimizations that improved accessibility for users in both Austria and Germany.

The Communications and Marketing department also actively engaged in integrated marketing campaigns throughout the year. These campaigns were designed to promote new products and services while addressing the specific needs of customers. By leveraging both digital and traditional media channels, DenizBank successfully increased its brand visibility and customer acquisition rates.

Social media played a crucial role in DenizBank AG's marketing efforts. The bank's LinkedIn presence was strategically managed to showcase achievements, share customer success stories, and highlight employee branding initiatives. This approach not only fostered community engagement but also attracted potential talent to the organization.

DenizBank AG's participation in key industry events further enhanced its market presence. The bank showcased its services at various trade shows and career fairs, allowing it to connect with potential clients and recruits while strengthening relationships with industry stakeholders.

Internally, DenizBank AG focused on enhancing employee engagement through targeted communication strategies. Programs were implemented to promote a culture of collaboration and innovation among staff, ensuring that employees were well-informed about company performance and strategic goals. Additionally, employer branding initiatives were developed to position DenizBank AG as an employer of choice within the financial services sector.

As part of its commitment to sustainability at the bank, the Communications and Marketing department published a press release about DenizBank AG joining the United Nations Global Compact in July 2024, further solidifying its dedication to corporate social responsibility and sustainable development practices. The highlight of the year came in December, when DenizBank AG was awarded the best Direct Bank in Austria by financial magazine Börsianer.

Looking ahead, the Communications and Marketing department is poised to continue its focus on digital innovation, brand development, and sustainability initiatives as part of its overarching strategy for growth and excellence in marketing and communications. The achievements of 2024 have laid a strong foundation for future endeavours aimed at enhancing customer satisfaction and solidifying the bank's reputation in the financial services industry.

Research and Development

For DenizBank AG, the area of research and development plays an important role in the consistent pursuit of the digitalization strategy. Through a sustained focus on innovative digital product and service solutions, DenizBank AG aims to play its part in continuously redefining the horizon in the field of digital banking.

In order to further drive the digital transformation in the product area, the Business Development department was further expanded in the reporting year. The department is responsible for planning, developing, and launching new products, services, and sales channels, while also acting as a driving force in the analysis and ongoing development of the existing offering. In addition, the department also coordinates the introduction of new and existing products in previously untapped markets in the so-called New Product Committee.

Ultimately, the ongoing focus on research and development and the further expansion of the Business Development department will make a significant contribution to achieving the growth targets within the framework of the overall bank strategy.

MANAGEMENT BOARD AND SUPERVISORY BOARD

The Chairman of the Supervisory Board Hakan Ates and the Deputy Chairman Derya Kumru together with 6 other members form the Supervisory Board of DenizBank AG, which controls and supports the Management Board. The individual members of the Supervisory Board can be found in the notes to the 2024 annual financial statements.

The Management Board of DenizBank AG consisted of 4 members in the reporting year 2024. Mr. Hayri Cansever acts as CEO and Chairman of the Board. As a member of the Management Board, Dina Karin Hösele is primarily responsible for the control functions. Mr. Darijo Batinic has been appointed to CRO of DenizBank AG in June 2023 and Mr. Muzaffer Lale has been appointed to CFO of DenizBank AG in October 2024.

DenizBank AG strives to fulfil its mission to achieve sustainable value for its customers, business partners, shareholders and employees.

OUTLOOK 2025

Outlook and latest developments

Looking ahead to 2025, global growth is projected to rise slightly to 3.2%, while inflation is expected to decline further to 3.5%, driven by softer commodity prices and the lagged effects of monetary tightening. In Europe, Germany is forecast to grow by 1%, with inflation falling to 1.8%. Austria's economy is expected to expand by 0.9%, while inflation moderates to 2%. For Turkey, growth is anticipated at 4.0%, supported by sustained domestic demand and export recovery. Inflation in Turkey is expected to decline to 35-40%, contingent on tighter monetary policies and structural reforms aimed at boosting productivity.

Despite these optimistic projections, several risks persist. Geopolitical tensions, particularly in Eastern Europe and the Middle East, continue to pose a threat to global stability. Additionally, the lingering impacts of high global debt levels and climate-related challenges could weigh on economic performance. Policymakers will need to prioritize structural reforms, green energy investments, and international cooperation to address these challenges effectively.

DenizBank AG's strategy for 2025 is to establish itself as a solid niche bank with a concentrated product portfolio of high-quality, customized financial services, long-term customer loyalty and a sustainable business model. The focus remains on ongoing digitalization and, on the product side, in the areas of Corporate Banking, Financial Institutions & Trade Finance (FI & TF) and securities investments.

The focus next year will be on diversifying the asset structure with an emphasis on Corporate Banking, in particular Commodity Trade Finance (CTF), ECA transactions (Export Credit Agency) and Financial Institutions & Trade Finance (FI & TF).

As expected, operating expenses will again be high due to investments in technology, particularly in the area of digital banking and process management to maintain efficiency gains. The forecast reduction in the interest margin will likely be accompanied by a significant reduction in market interest rates. This effect is to be offset primarily by strict cost management.

Due to the unchanged macroeconomic uncertainty, a slight increase in savings deposits from small investors in terms of risk provisions is expected for the 2025 financial year.

On the liabilities side, the Bank is focusing on further diversifying customer deposits, which represent the Bank's main source of refinancing, with deposits from corporate customers.

Sustainability will be highlighted in the 2025 financial year and its importance will be appropriately reflected in a separate comprehensive strategy paper. On this aspect, DenizBank AG's corporate strategy is to be enriched by a further aspect and continue to meet the requirements of all stakeholders.

Strong capital base

Thanks to the support of our owners, DenizBank AG will maintain the excellent equity structure both to support the growth trajectory and for existing and upcoming regulatory requirements.

Thanks and appreciation

The past financial year 2024 was another challenging year due to the effects of the ongoing extremely tense geopolitical situation and the resulting macroeconomic distortions (including a significant rise in inflation and energy prices). Nevertheless, DenizBank AG was able to achieve a pleasing result and at the same time seize the opportunities presented by digitalization.

We would therefore like to express our sincere thanks to all employees, whose excellent team spirit played a vital role in achieving this result. We would also like to thank our shareholders, DenizBank Financial Services Group, our business partners and especially our customers who have entrusted their financial affairs to us. We will not disappoint you in the future either!

Vienna, January 20th, 2025

The Management Board

HAYRI CANSEVER
CHAIRMAN

MAG. DINA KARIN HÖSELE
MEMBER

MAG. DARIJO BATINIC
MEMBER

MUZAFFER LALE, M.A.
MEMBER

DIRECTORS AND OFFICERS OF THE BANK

SUPERVISORY BOARD

Hakan ATES
Chairman

Derya KUMRU
Deputy Chairman

Björn LENZMANN
Member

Aazar Ali KHWAJA
Member

Ruslan ABIL
Member

Bernhard RABERGER
Member

Aysenur HICKIRAN
Member

Kurt PRIBIL
Member

DENIZBANK AG MANAGEMENT BOARD

Hayri CANSEVER
Chairman of the Management Board, CEO

Darijo BATINIC
Management Board Member, CRO

Mag. Dina Karin HÖSELE
Management Board Member

Muzaffer LALE
Management Board Member, CFO

REPRESENTATIVES OF THE AUSTRIAN FEDERAL MINISTRY OF FINANCE BANKING SUPERVISION DIVISION

Dr. Veronika Daurer
State commissioners

Mag. Ana Djakovic
Deputy

SUPERVISORY BOARD REPORT

Bolstered by strong capitalization and a dynamic funding base, DenizBank AG took advantage of the opportunities offered in the market.

The Supervisory Board of DenizBank AG ("DBAG") and its committees regularly and comprehensively monitor the management of DBAG as well as the activities of the Management Board. This purpose was achieved through detailed presentations and discussions at the meetings of the Supervisory Board and Supervisory Board Committees, as well as in-depth debates on individual topics with the members of the Board of Management, who provided comprehensive explanations and evidence of DBAG's management and financial position on the basis of suitable documents.

In the reporting period 2024, the composition of the Supervisory Board remained unchanged.

Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna ("Deloitte" or "Auditor"), was elected as the Auditor for the financial year 2024 by the Annual General Meeting on 18.12.2023, on the proposal and request of the Supervisory Board, and Deloitte carried out these tasks in the financial year 2024. The 2024 annual financial statements, including the management report, were prepared in accordance with the Austrian Business Code (UGB).

On the basis of the resolution of 28.06.2023, the Supervisory Board has formed five committees from among its members (Risk Committee, Audit Committee, Remuneration Committee, Nomination Committee, and Credit Approval Committee). The composition of the committees of the Supervisory Board also remained unchanged in 2024.

Four meetings of the Audit Committee were held in the financial year 2024 (on 15.02.2024, on 06.06.2024, on 12.09.2024, and on 05.12.2024). The Audit Committee monitored the accounting process and the process of the annual audit by inspecting suitable documents, discussions with the Management Board and the Auditor, and did not find any circumstances or facts that would have given rise to objections.

Topics dealt with at the meetings of the Audit Committee and resolutions adopted there were reported at the next meeting of the full Supervisory Board.

The Audit Committee reviewed and monitored the independence of the Auditor and—after reviewing suitable information submitted to DBAG, particularly with respect to the appropriateness of the fee and the additional (non-audit) services provided to DBAG—confirmed the Auditor's independent status. While reviewing and monitoring the independence of the financial statements, the Audit Committee did not find any circumstances that would raise doubts about the independence and impartiality of the Auditor.

Furthermore, the Audit Committee monitored the effectiveness of the internal control system, the internal audit, and the risk management system by receiving regular reports from the Internal Audit Department, the ICS Officer, the Legal Department, the Compliance Officer, the Anti-Money Laundering Officer, and the IT Security and Data Protection Officer, both from the Management Board and from the persons directly entrusted with these tasks.

In addition, the audit plan, compliance plan, and the quarterly reports prepared by Internal Audit, Compliance, and other control functions were discussed in the Audit Committee. The Chairman of the Audit Committee reported on these monitoring activities to the entire Supervisory Board and stated that no deficiencies were identified.

Deloitte participated in the meetings of the Audit Committee and the Supervisory Board, which dealt with the audit of the annual financial statements. Deloitte also informed the Audit Committee about the planning and conduct of the audit of the annual financial statements.

In 2024, the Audit Committee discussed the selection of a new Auditor for the financial year 2025. It was determined that there were no grounds for exclusion or circumstances that would give rise to concerns of partiality with regard to Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. as DBAG's Auditor for the financial year 2025, and that sufficient protective measures had been taken to ensure an independent and impartial audit. The Audit Committee reported to the Supervisory Board on the findings of these investigations and subsequently proposed Ernst & Young to the Supervisory Board and the Supervisory Board to the Annual General Meeting for election as Auditors for the 2025 annual financial statements.

Four meetings of the Risk Committee were held in the financial year 2024 (on 15.02.2024, 06.06.2024, 12.09.2024, and 05.12.2024), at which the committee members discussed DBAG's overall risk situation with the Board of Management and the responsible functions. In particular, the risk categories, risk appetite and risk strategy, exchange rate risks, large exposures in accordance with Section 28b (1) of the Banking Act, limits, and NPL strategy in connection with the loan portfolio were discussed in detail.

The Remuneration Committee held a meeting on 06.06.2024, at which the Remuneration Directive and its practical application in DBAG, remuneration practices, and remuneration-related incentive structures pursuant to Section 39c of the Banking Act, as well as the remuneration of the members of the Board of Management and certain employees, were dealt with in detail.

The Nomination Committee held its meeting on 12.09.2024 and dealt with the topics pursuant to Section 29 of the Federal Banking Act. In particular, (i) the Nomination Committee conducted the assessment of the knowledge, skills, and experience of both the members of the Board of Management and the individual members of the Supervisory Board, as well as of the respective body as a whole.
(ii) assessed the structure, size, composition, and performance of the Management Board and the Supervisory Board; (ii) set the target quota for the underrepresented gender on the Management Board and the Supervisory Board for the financial year 2024.

In addition, the Nomination Committee discussed the appointment of a new member of the Board of Directors and CFO, Mr. Muzaffer LALE.

Meetings of the Credit Approval Committee, the subject of which are large exposures pursuant to Section 28b of the Banking Act in conjunction with Article 392 of the Capital Requirements Ordinance (CRR), were held as required or based on the proposal of the Management Board and/or the members of the Credit Approval Committee.

Four Supervisory Board meetings were held in the financial year 2024 (on 15.02.2024, 06.06.2024, 12.09.2024, and 05.12.2024). In the financial year 2024, no agenda items were discussed at any Supervisory Board meeting without the participation of the members of the Board of Management. No member of the Supervisory Board was present at less than half of the Supervisory Board meetings.

In the 2024 reporting period, the Supervisory Board passed seven circular resolutions dealing with the following topics: crediting of the interim profit as of 31.03.2024 and 30.09.2024, granting power of attorney, assignment of NPL claims, creation of provisions, as well as the approval of the 2024 restructuring plan.

The Board of Management and the Supervisory Board constantly monitored new legal regulations applicable to DBAG. They ensured that DBAG's internal policies and procedures were regularly reviewed, particularly in the areas of corporate governance, risk management, compliance, internal audit, financial reporting, and outsourcing, to ensure compliance with regulatory requirements. Significant updates and changes to existing policies and procedures, as necessary to adequately reflect new or amended regulations, were approved by the Board of Directors.

The 2024 annual financial statements, including the management report, the auditor's report for 2024, and the non-financial report for 2024, were examined in detail by the Supervisory Board. As a result of this examination, it was determined that there were no grounds for complaint.
In addition, the Supervisory Board reviewed the proposal submitted by the Management Board for the appropriation of profits, particularly with regard to the applicable regulatory capital requirements. There has been no cause for complaint. Against the above background, and in accordance with legal requirements (Section 108 (1) of the German Stock

Corporation Act), the Supervisory Board proposed to the Annual General Meeting that a resolution be passed on the appropriation of profits in accordance with the proposal of the Executive Board, and that the actions of the members of the Executive Board and the Supervisory Board be ratified for the financial year 2024.

Supervisory Board for the financial year 2023.

Istanbul, February 2025

On behalf of the Supervisory Board

Hakan Ates

(Chairman of the Supervisory Board)

BALANCE SHEET AS OF DECEMBER 31, 2024

Assets	12/31/2024		'prior year
	EUR	EUR	kEUR
1. Cash in hand, balances with central banks		1,404,173,823.40	1,036,761
2. Treasury bills and other bills eligible for refinancing with central banks			
a) Treasury bills and similar securities		103,299,856.16	171,371
3. Loans and advances to credit institutions			
a) Repayable on demand	82,675,293.54		132,872
b) Other loans and advances	2,240,805,733.40		1,562,428
		2,323,481,026.94	1,695,300
4. Loans and advances to customers		1,954,043,433.67	2,361,861
5. Debt securities including fixed-income securities			
a) issued by public bodies	182,757,177.68		273,329
b) issued by other borrowers	279,916,272.78		22,521
		462,673,450.46	295,850
6. Shares and other variable-yield securities		34,178.04	34
7. Shares in affiliated undertakings			
thereof: Shares in credit institutions 0.00 EUR (p.y.: 0 kEUR)		18,842,531.22	18,843
8. Intangible fixed assets		8,940,860.22	15,592
9. Tangible assets		2,888,248.62	3,024
thereof: Land and buildings occupied by a credit institution			
for its own activities EUR 0.00 (p.y.: 0 kEUR)			
10. Other assets		6,361,325.06	20,433
11. Prepayments and accrued income		3,988,940.04	4,804
12. Deferred tax assets		10,361,040.17	14,755
Total Assets		6,299,088,714.00	5,638,628
Off-balance sheet items			
1. Foreign assets		5,420,646,309.15	4,892,012

	Liabilities and Shareholders' Equity	12/31/2024		'prior year
		EUR	EUR	kEUR
1,	Liabilities to credit institutions			
	a) Repayable on demand	7,964,360.27		124,470
	b) With agreed maturity dates or periods of notice	226,113,040.47		42,630
			234,077,400.74	167,100
2,	Liabilities to customers (non-banks)			
	a) Savings deposits			
	thereof:			
	aa) Repayable on demand	223,951,712.06		263,189
	bb) With agreed maturity dates or periods of notice	533,001,485.98		530,887
			756,953,198.04	794,076
	b) Other liabilities			
	thereof:			
	aa) Repayable on demand	809,061,228.73		852,041
	bb) With agreed maturity dates or periods of notice	3,069,167,098.47		2,393,070
			3,878,228,327.20	3,245,111
			4,635,181,525.24	4,039,187
3,	Other liabilities		58,016,294.34	22,739
4,	Accruals and deferred income		0.00	10,609
5,	Provisions			
	a) Provisions for severance payments	1,238,375.00		1,257
	b) Provisions for taxation	26,553,216.52		20,829
	c) Other provisions	10,330,496.03		9,909
			38,122,087.55	31,995
6,	Supplementary capital pursuant to chapter 4 of title I of part 2			
	of Regulation (EU) No 575/2013		86,954,952.36	81,652
7,	Subscribed capital		231,831,230.38	231,831
8,	Capital reserves			
	a) Comitted		340,626,293.96	340,626
9,	Retained earnings			
	a) Other reserves		207,924,819.16	207,925
10,	Liability reserve pursuant to section 57/5 BWG		77,952,088.00	77,952
11.	Net profit		388,402,022.27	427,012
	Total Liabilities		6,299,088,714.00	5,638,628

	Off-balance sheet items		
1,	Contingent liabilities	81,095,961.08	39,209
	thereof:		
	Guarantees and assets pledged		
	as collateral security	75,643,758.10	25,151
2,	Commitments	313,949.69	188
	thereof: Commitments arising from repurchase transactions EUR 0.00 (p,y.: 0 kEUR)		
3,	Total qualifying capital according to part 2 Regulation (EU) No 575/2013	1,324,425,683.07	1,151,200
	thereof: Subordinated loan according to part 2 title 1 chapter 4		
	Regulation (EU) Nr. 575/2013 86,630,089.52 EUR (p.y.: 81,448 kEUR)		
4,	Capital requirements pursuant to Art 92 of Regulation (EU) No 575/2013	3,120,155,369.61	3,166,318
	thereof: Capital requirements pursuant to Art 92 para. 1 point (a) of Regulation (EU) No 575/2013	42.45%	36.36%
	thereof: Capital requirements pursuant to Art 92 para. 1 point (b) of Regulation (EU) No 575/2013	39.67%	33.79%
	thereof: Capital requirements pursuant to Art 92 para. 1 point (c) of Regulation (EU) No 575/2013	39.67%	33.79%
5,	Foreign liabilities	2,946,751,309.82	2,355,415

INCOME STATEMENT FOR THE PERIOD FROM 01. JANUARY - 31. DECEMBER 2024

	12/31/2024		'prior year
	EUR	EUR	kEUR
1. Interest receivable and similar income		317,171,417.32	279,726
thereof:			
from fixed-income securities 22,074,847.09 EUR (p.y.: 14,594 kEUR)			
2. Interest payable and similar expenses		-158,275,064.46	-86,053
I. NET INTEREST INCOME		158,896,352.86	193,674
3. Income from securities and participating interests		6,500,000.00	0
4. Commissions receivable		11,818,935.31	11,874
5. Commission payable		-4,911,136.91	-3,163
6. Net profit or net loss on financial operations		1,153,971.26	4,627
7. Other operating income		481,313.49	906
II. OPERATING INCOME		173,939,436.01	207,918
8. General administrative expenses			
a) Staff costs thereof			
thereof:			
aa) Wages and salaries	-24,001,643.92		-23,969
bb) Expenses for statutory social contributions and compulsory contributions relate to wages and salaries	-5,785,074.89		-5,539
cc) Other social expenses	-564,656.46		-537
dd) Expenses for pension and assistance	-447,638.59		-327
ee) Expenses for severance payments and contributions to severance and retirement funds	-1,456,012.89		-1,267
		-32,255,026.75	-31,638
b) Other administrative expenses		-15,707,101.89	-13,415
		-47,962,128.64	-45,053
9. Value adjustments in respect of asset items 8 and 9		-6,227,522.87	-5,805
10. Other operating expenses		-11,759,787.86	-2,814
III. OPERATING EXPENSES		-65,949,439.37	-53,672
IV. OPERATING RESULT		107,989,996.64	154,246
11. Value adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments		-33,877,365.06	-49,989
12. Value re-adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments		118,490,187.02	44,589
13. Income from value adjustments and income from the release of value adjustments on shares in affiliated undertaking		0.00	-29
14. Income from value re-adjustments in respect of transferable securities held as financial fixed assets, participating interests and shares in affiliated undertakings		0.00	361
V. PROFIT ON ORDINARY ACTIVITIES		192,602,818.60	149,178
15. Tax on profit		-30,874,453.59	-23,841
thereof: Income/Expenses from deferred taxes: -4,394,290.67 EUR (p.y.: +7,272 kEUR)			
16. Other taxes not reported under item 13		-336,718.93	-365
VI. PROFIT FOR THE YEAR AFTER TAX		161,391,646.08	124,972
17. Changes in reserves		0.00	200,000
thereof: Allocation to liability reserve EUR 0,00 (p.y.: 0,000 kEUR)			
VII. NET INCOME FOR THE YEAR		161,391,646.08	324,972
18. Profit brought forward		227,010,376.19	102,040
VIII. NET PROFIT FOR THE YEAR		388,402,022.27	427,012

DEVELOPMENT OF FIXED ASSETS AS OF DECEMBER 31, 2024

	Cost of acquisition or production					Accumulated Depreciation						Book value	
	Acquisition costs	Additions	Disposals	Adjustments	Acquisition costs	Accumulated Depreciation	Additions	Write-ups	Disposals	Adjust-ments	Accumulated Depreciation	Book value	Book value
	01/01/2024				12/31/2024	01/01/2024					12/31/2024	12/31/2024	12/31/2023
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible fixed assets													
1. Software and rights	37,089,963.91	5,049,091.04	9,516,739.75	0.00	32,622,315.20	21,497,644.31	5,170,036.69	0.00	2,986,226.02	0.00	23,681,454.98	8,940,860.22	15,592,319.60
2. Low value assets - Software	-2,673.93	5,773.76	3,099.83	0.00	0.00	-2,673.93	5,773.76	0.00	3,099.83	0.00	0.00	0.00	0.00
	37,087,289.98	5,054,864.80	9,519,839.58	0.00	32,622,315.20	21,494,970.38	5,175,810.45	0.00	2,989,325.85	0.00	23,681,454.98	8,940,860.22	15,592,319.60
II. Tangible fixed assets													
1. Installations in third parties buildings	7,404,344.03	288,914.49	306,008.77	0.00	7,387,249.75	5,782,279.68	439,345.25	0.00	296,397.37	0.00	5,925,227.56	1,462,022.19	1,622,064.35
2. Fixture, furniture and office equipment	7,895,860.05	606,498.35	667,975.26	0.00	7,834,383.14	6,494,319.03	567,649.28	0.00	653,811.60	0.00	6,408,156.71	1,426,226.43	1,401,541.02
3. Low value assets	0.00	44,717.89	44,717.89	0.00	0.00	0.00	44,717.89	0.00	44,717.89	0.00	0.00	0.00	0.00
	15,300,204.08	940,130.73	1,018,701.92	0.00	15,221,632.89	12,276,598.71	1,051,712.42	0.00	994,926.86	0.00	12,333,384.27	2,888,248.62	3,023,605.37
III. Financial assets													
1. Shares in affiliated undertakings	18,842,531.22	0.00	0.00	0.00	18,842,531.22	0.00	0.00	0.00	0.00	0.00	0.00	18,842,531.22	18,842,531.22
2. Shares and other variable-yield securities	34,252.42	0.00	74.38	0.00	34,178.04	0.00	0.00	0.00	0.00	0.00	0.00	34,178.04	34,252.42
	18,876,783.64	0.00	74.38	0.00	18,876,709.26	0.00	0.00	0.00	0.00	0.00	0.00	18,876,709.26	18,876,783.64
	71,264,277.70	5,994,995.53	10,538,615.88	0.00	66,720,657.35	33,771,569.09	6,227,522.87	0.00	3,984,252.71	0.00	36,014,839.25	30,705,818.10	37,492,708.61

NOTES TO THE FINANCIAL STATEMENTS 2024

I. GENERAL INFORMATION

The annual financial statements of DenizBank AG for the fiscal year 2024 were prepared according to generally accepted accounting principles and provide a true and fair view of the company's financial and earnings position.

The annual financial statements as of 31 December 2024 were drawn up by the Management Board in compliance with the regulations of the Austrian Commercial Code (UGB) and the special regulations of the Austrian Banking Act (BWG).

Accounting policies

The structure of the balance sheet and the profit and loss account corresponds to Annex 2 to Article 1 to 43 (1) BWG. Individual items without any value in the current and previous financial year were not listed. While preparing the financial statements, the principle of completeness has been applied and the continued operation of the company was assumed. The valuation of assets and liabilities was conducted under the general rules of individual assessment.

Paying particular attention to the special characteristics of the banking business, the principle of prudence was applied. Only profits and gains realized at the balance sheet date were listed, and all recognizable risks and impending losses were taken into account.

Foreign currency amounts were valued at the mean rate of exchange pursuant to Article 58 (1) BWG and currency holdings were valued at the quoted foreign exchange middle rate.

The positive or negative market values of forward exchange transactions (FX-Swaps, FX-Forwards) were listed under the balance sheet positions other assets or other liabilities. Positive market values of interest rate swaps and cross currency swaps were not reported in the balance sheet, whereas, provisions for contingent losses for negative market values of interest rate swaps and cross currency swaps were recognized. Derivatives that are designated in a hedging relationship are treated as a valuation unit in accordance with AFRAC Statement 15.

The exposure values of derivatives were calculated based on the market valuation method. Interest rate and currency swaps were calculated by discounting future cash flows based on the market interest rates applicable for the remaining term of the contract as of the balance sheet date. To determine the market value of forward exchange transactions the contracted forward rate was compared to the forward rate for the remaining term of the contract as of the balance sheet date. The resulting value was discounted under consideration of the market interest rate of the respective currency which was effective on the balance sheet date.

The accrued interest assets as well as the accrued interest liabilities were reclassified to the corresponding balance sheet items.

Temporary differences arising in the course of different corporate and tax treatments of assets, provisions, liabilities and prepayments and accrued income were recognized in form of deferred assets.

Assets

The allocation of securities to financial assets, current
The The allocation of securities to financial assets, current assets or trading portfolio is based on the decision of the Management Board in accordance with internal guidelines. Current asset securities were reported in accordance with the strict lowest value principle at the purchase price or lower stock market price at the balance sheet date. Securities held for trading were valued at market prices. The entire amount of bonds consists of fixed interest domestic or foreign securities that are admitted to stock exchange trading and were issued by states, credit institutions or companies.

Deposits at banks, loans to credit institutions and non-banks, current asset securities, bills of exchange and other receivables were valued at the lower stock market or market price pursuant to Article 207 UGB.

DenizBank AG has implemented a detailed, multi-level credit risk monitoring process including an early warning system. Credit Risk Monitoring involves several departments with clearly defined responsibilities.
At individual customer level, ongoing risk monitoring is carried out, in particular, by the operational credit department as part of the monitoring of the account administration. In addition, all credit customers are examined in detail by the respective account manager, at least once a year, and corresponding reports are created by the respective account manager. Thus, suspected cases are detected early and reported internally to ensure appropriate credit tracking. Conspicuous customers are thus closely monitored. In the event of a significant deterioration in the risk situation, a transition from customer service to back office takes place.
Provision for contingent loan losses is taken into account by specific loan loss provisions, general loan loss provisions and allowances, whereby specific loan loss provisions are calculated individually for each significant customer. Individual valuation allowances are recognized at individual

transaction level if there are indications of a significant exposure in the amount of the expected default. The amount of the specific valuation allowance is calculated as the difference between the carrying amount of the receivable and the present value of the estimated future cash flows, taking into account the realization result of collateral provided under three scenarios. In the 2024 annual financial statements, all defaulted loans were impaired at 100% due to the economic environment and the principle of prudence. The general loan loss provision for borrowers (rating classes 1 to 25) is calculated on the basis of the expected loss model, using both regulatory and internally determined parameters (in particular probability of default and loss given default). The amount of the portfolio valuation allowance is calculated on the basis of the expected loss for the next 12 months. The expected credit loss also takes into account the risks from foreign currency loans and collaterals in accordance with the existing calculation methodology.
Contract adjustments, if they are material or lead to an impairment of the asset, are analysed for possible default detection. In the assessment, the carrying amount is compared with the present value calculated from the adjusted cash flows. Significant changes in the nature and variability of future cash flows and a present value variance of more than 1% (quantitative) are considered to be material contractual adjustments. If the threshold value is exceeded with a contract adjustment, the loan is considered to be in default and is individually impaired. If the asset value loss after contract adjustment does not exceed the threshold, the performing customer with a poorer rating is taken into account for the calculation of the portfolio value adjustment.

The specific valuation allowances and the general loan loss provision are subject to estimation uncertainties, particularly with regard to the amount and timing of the estimated cash flows, the probabilities of default applied and the loss rate.

The current financial statements make use of the valuation option in accordance with Article 57 (1) and (2) of the Austrian Banking Act (BWG).

The evaluation of intangible and tangible fixed assets was made on the basis of the acquisition cost less scheduled straight-line depreciation. The useful life was estimated as 10 years (investment in leased buildings) or 2-10 years (software, furniture and office equipment) respectively. Low-value assets were fully depreciated in the year of acquisition pursuant to Article 13 EStG. They were listed under the assets analysis columns “additions”, “disposals” and “depreciation of the financial year”.

Liabilities

Pursuant to Article 211 (1) UGB the assessment of provisions has been made with the estimated settlement amount. Provisions with a remaining term of more than one year were discounted at an interest rate of 3.5% (previous year: 3.5%). Provisions for severance obligations were recognized using the amount resulting from actuarial principles.
The provision for severance obligations was calculated in accordance with recognized actuarial principles using the projected unit credit method pursuant to IAS 19.
The calculation was based on a retirement age of 60 years (women) and 65 years (men) and an interest rate of 3.1% (previous year: 3.45%). The "AVÖ 2018-P Rechnungsgrundlagen für die Pensionsversicherung - Pagler & Pagler" (actuarial principles for pension insurance - Pagler & Pagler) for salaried employees were used as the basis for calculating all social capital provisions. In addition, 3.75% (previous year: 4.0%) was used as the basis for the valorization. A fluctuation rate was not taken into account when determining the provision for severance payments.

In accordance with the principles of prudence all recognizable risks at the time of compilation of the balance sheet, as well as the liabilities whose amounts and bases are uncertain were considered in other provisions under amounts that were reasonable in commercial judgement.

II. NOTES TO THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNTS

1. ASSETS

Cash in hand, balances with central banks

Cash and balances with central banks amount to 1,404,173,823.40 EUR (previous year: 1,036,761 kEUR) at year-end and were thus 367,413 kEUR higher than in the prior year.

Treasury bills

Treasury bills and bills of exchange eligible for refinancing with the central bank were newly established in 2024 in the amount of 103,299,856.16 EUR (previous year: 171,371 kEUR). There were hidden liabilities amounting at 1,090,090.00 (previous year: 714 kEUR).

Loans and advances to credit institutions

Loans and advances to credit institutions increased by 628,181 kEUR to 2,323,481,026.94 EUR in the reporting period (previous year: 1,695,300 kEUR). This includes accrued interest in the amount of 8,547,630.97 EUR (previous year: 6,717 kEUR). Loans to affiliated companies amounted to 85,445,133.67 EUR (previous year: 22,194 kEUR) of which 5,712,556.55 EUR (previous year: 5,655 kEUR) are subordinated at the closing date for the annual financial statements. The fiduciary transactions included in loans and advances to credit institutions amount to 460,799,571.54 EUR (previous year 145,095 kEUR). A general loan loss provision was booked to cover the loans to banks in the amount of 2,107,305.52 EUR (previous year: 3,148 kEUR) as of 31 December 2024.

Regional classification of Loans & advances to credit institutions

	31.12.2024		31.12.2023*
Malta	379,802,439.22	Malta	135,445
Germany	278,584,505.47	Germany	195,607
Qatar	255,746,804.85	Qatar	243,419
Saudi-Arabia	202,136,875.52	Saudi-Arabia	113,122
Kuwait	169,623,465.88	Kuwait	95,022
UK	159,056,462.67	UK	152,000
Bahrain	132,398,708.18	Bahrain	30,414
Switzerland	119,385,515.68	Switzerland	178,256
Japan	80,076,643.64	Japan	126
UAE	78,134,079.31	UAE	61,347
Other	468,535,526.52	Other	490,543
Total	2,323,481,026.94	Total	1,695,300

*31.12.2023 amounts in kEUR

Loans and advances to customers

Loans and advances to customers decreased from 2,361,861 kEUR in the previous year by 407,818 kEUR to 1,954,043,433.67 EUR. Accrued interest amounts to 26,008,261.47 EUR (previous year: EUR 31,436 kEUR). Loans to affiliated companies amount to 180,262,634.30 EUR (previous year: 113,610 kEUR) at the accounting date. A general loan loss provision was booked to cover the loans to customers in the amount of 40,797,377.39 (previous year: 48,193 kEUR) as of 31 December 2024. Specific loan loss provisions amounted to 41,918,351.23 EUR (previous year: 115,717 kEUR) at the end of the year.

Regional classification of loans and advances to credit non-banks:

	12/31/2024		12/31/2023*
Türkiye	1,230,557,841.97	Türkiye	1,458,958
Germany	160,736,012.80	Germany	233,760
Switzerland	116,360,363.19	Switzerland	17,033
Serbia	111,101,795.55	Serbia	95,820
Austria	93,588,095.72	Austria	186,562
Cyprus	79,345,244.77	Cyprus	33,509
UK	53,685,966.59	UK	132,693
Netherlands	45,501,342.79	Netherlands	45,500
Montenegro	19,802,227.44	Montenegro	29,698
UAE	13,421,906.82	UAE	49,043
Other	29,942,636.03	Other	79,285
Total	1,954,043,433.67	Total	2,361,861

*31.12.2023 amounts in kEUR

The country risk Türkiye is rated by the international rating agencies Fitch as B+, by Moody's as B1 and by S&P as BB-.

The country risk of Türkiye is included in the risk-bearing capacity analysis, both as a credit concentration and as part of macroeconomic risks. The total engagement in Türkiye has been gradually phased out since 2016.

DenizBank AG has granted loans to customers in foreign currency that give rise to foreign currency risk. As of 31 December 2024, the volume of loans granted in USD amounted to the equivalent of 596,421,179.08 EUR (previous year: 821,614 kEUR), while loans granted in TRY had the equivalent value of 47,735.61 EUR (previous year: 97 kEUR). The Bank has essentially hedged this risk through currency swaps. As of 31 December 2024, loan commitments in the sectors Air transport amounted at EUR 285,182,349.30, Manufacturing at EUR 211,607,748.22 and Human Health and Social Work at EUR 158,349,350.73. In the previous year, the sectors Finance & Insurance with EUR 589,432,406.52, Air Transport with EUR 338,413,882.31 and consumer electronic durables with EUR 330,451,881.49 were the sectors with the highest credit engagement.

Remaining terms of loans and advances of credit institutions and customers

Loans and advances of credit institutions and customers which are not payable on demand included amounts with the following terms of maturity (remaining term):

Loan and advances of credit institutions and customers which are not payable on demand				
	Credit institutions		Customers	
	31.12.2024	31.12.2023*	31.12.2024	31.12.2023*
Up to 3 months	1,161,140,733.05	1,048,132	198,648,827.87	162,280
Over 3 months to 1 year	803,723,520.42	357,020	232,162,074.98	349,534
Over 1 year up to 5 years	277,930,615.69	160,424	903,388,864.56	1,209,774
Over 5 years	0.00	0	701,065,080.84	802,816
Total	2,242,794,869.16	1,565,577	2,035,264,848.25	2,524,403

* 31.12.2023 amounts in kEUR.

Debt securities including fixed-income securities

The position debt securities including fixed-interest securities increased from 295,850 kEUR in the previous year to 462,673,450.46 EUR at the balance sheet date. The accrued interest assets amount to 7,747,248.53 EUR (previous year: 5,478 kEUR).

Listed securities with a book value of 462,673,450.46 EUR (previous year: 296,976 kEUR) are included in current assets. As of 31 December 2024, 392,091.76 EUR (previous year: 6,604 kEUR) was booked as a general provision for securities.

The portfolio includes fixed-income securities with a remaining maturity of less than one year in amount of 191,414,448.95 EUR (previous year: 206,499 kEUR).

Hidden reserves amount to 2,710,395.63 EUR (previous year: 377 kEUR).

Shares and other variable-yield securities

At the end of the year, shares in unlisted companies were valued at 34,129.07 EUR (previous year: 34 kEUR) and equity funds amount to 48.97 EUR (previous year: 0 kEUR).

Shares in affiliated undertakings

In September 2014, DenizBank AG, Vienna, acquired 99.9% of the shares of CR Erdberg Eins GmbH & Co KG, Vienna. The book value of CR Erdberg amounts at EUR 18,786,549.77 (previous year: 18,787 kEUR).

Deniz Immobilien Service GmbH, Vienna, was founded in 2013 and is owned 100% by DenizBank AG, Vienna. The share capital of Deniz Immobilien Service GmbH, Vienna, amounts to 85,000.00 EUR (previous year: 85 kEUR). The book value of Deniz Immobilien Service GmbH amounts as per 31.12.2024 at EUR 55,981.45 (previous year: 56 kEUR).

Intangible fixed assets

Amounting to 8,940,860.22 EUR (previous year: 15,592 kEUR), intangible fixed assets mainly consist of purchased computer software. Thereof 8,444,930.12 EUR (previous year: 14,558) concern software which was purchased by an affiliated company. The decrease is mainly due to the write-off of the “LIV” credit card project.

Tangible assets

The depreciation amounts 1,051,712.42 EUR (previous year: 1,184 kEUR), additions by tangible assets are worth of 940,130.73 EUR (previous year: 1,187 kEUR). Tangible assets decreased from 3,024 kEUR by 136 kEUR to 2,888,248.62 EUR. The development of the individual tangible assets positions is shown in the assets analysis pursuant to Article 226 UGB and can be found in the enclosed attachment as Annex 3 (1).

Commitments arising from the use of tangible assets not shown in the balance sheet amount to 2,788,132.34 EUR (previous year: 3,718 kEUR) for the following fiscal year and 15,110,746.30 EUR (previous year: 16,587 kEUR) for the following five years.

Other assets

At the balance sheet date, this position mainly contains clearing items in the amount of 1,315,774.72 EUR (previous year: 1,099 kEUR) as well as a positive market value of forward exchange transactions (FX Swaps) amounting to 113,804.90 (previous year: 16,749 kEUR).

Other assets include interest income amounting to EUR 4,931,745.44 (previous year: EUR 2,585 kEUR), which will be only due and payable after the balance sheet date.

Prepayments and accrued income

At the end of the year, prepayments and accrued income amount to 3,988,940.04 EUR (previous year: 4,804 kEUR). This position mainly consists of commissions, which were paid for the next periods prior to the balance sheet date.

Deferred taxes

Deferred tax assets are recognised if there are differences between the amounts under Austrian commercial code (UGB) and Austrian tax law that are expected to reverse in later years and lead to tax reduction. Deferred taxes on assets in the amount of 10,361,040.17 EUR (previous year: 14,755 kEUR) were determined by the end of the year. This amount results from the temporary difference between the tax value from general and specific loan loss provisions for credit risks and undervaluation according to Article 57 BWG.

Total assets

The total assets of DenizBank AG reached 6,299,088,714.00 EUR (previous year: 5,638,628 kEUR) at the end of 2024 and is thus 660,461 kEUR above the previous year. The total of assets not denominated in EUR was reported as 2,433,247,674.75 EUR (previous year: 1,816,848 kEUR). The total of liabilities denominated in currencies other than EUR amount to 1,596,036,677.47 EUR (previous year: 1,149,305 kEUR).

Off-balance-sheet items

As per end of the year, the bank's foreign assets amount to 5,420,646,309.15 EUR (previous year: 4,892,012 kEUR).

2. LIABILITIES

Liabilities to credit institutions

Liabilities to credit institutions, consisting of payables on demand as well as payables with agreed maturity dates or periods of notice, increased from 167,100 kEUR by 66,977 kEUR to 234,077,400.74 EUR. Liabilities to affiliated companies amount to 182,862,966.26 EUR (previous year: 105,733 kEUR) at the balance sheet date. On the December 30th, 2024 DenizBank AG received a MREL-eligible unsecured senior loan amounting at 185,000,000.00 USD (178,072,961.79 EUR) with a maturity of 3 years and an interest rate of 7%.

Liabilities to customers

In comparison to prior year, liabilities to customers increased from 4,039,187 kEUR in the previous year to 4,635,181,525.24 EUR at the end of the year. This item includes accrued interest liabilities in the amount of 31,437,520.51 EUR (previous year: 22,072 kEUR). The savings deposits contained therein realized a decrease of 37,123 kEUR and totalled 756,953,198.04 EUR as of the balance sheet date (previous year: 794,076 kEUR). The percentage of saving deposits with agreed maturity or period of notice is 70% (previous year 67%). The saving deposits do not contain trustee savings deposits. Liabilities to affiliated companies amount to 670,820,532.51 EUR (previous year: 10,246 kEUR). The liabilities include fiduciary transactions amounting to 462,765,105.74 EUR (previous year: 146,883 kEUR).

Liabilities to credit institutions and customers grouped by residual maturities

Liabilities to credit institutions and customers that are not payable on demand included amounts with the following terms of maturity (residual maturity):

	Liabilities to			
	Credit institutions		Customers	
	31.12.2024	31.12.2023*	31.12.2024	31.12.2023*
Up to 3 months	47,970,828.09	13,030	1,908,882,067.27	1,024,264
Over 3 months to 1 year	0.00	0	1,287,211,099.10	1,129,252
Over 1 year up to 5 years	178,142,212.38	0	400,835,817.48	755,455
Over 5 years	0.00	29,600	5,239,600.60	14,986
Total	226,113,040.47	42,630	3,602,168,584.45	2,923,957

* 31.12.2023 amounts in kEUR.

DenizBank AG has the possibility to use refinancing facilities and mechanisms (including interbank transactions, loans, repo transactions, tender transactions, etc,) from various counterparties, including the parent company or central banks, to offset any maturity mismatches or funding gaps, if necessary.

Other liabilities

As of 31 December 2024, other liabilities amount to 58,016,294.34 EUR (previous year: 22,739 kEUR). Other liabilities include accrued interest expenses worth 20,694,320.96 EUR (previous year: 18,153 kEUR), which are payable after the year-end.

In 2023, an investment subsidy has been received amounting at EUR 444,169.57. The subsidy was accrued for the average usage period of the acquired assets. As of 31 December 2024 the amount is at EUR 168,686.31

Other liabilities also include negative market value of forward exchange transactions in the amount of 31,366,108.41 EUR (previous year: 655 kEUR).

Accruals and deferred income

As of the balance sheet date, accruals and deferred income amount to 0.00 EUR (previous year: 10,609 kEUR).

Provisions

The total of provisions are valued at 38,122,087.55 EUR (previous year: 31,995 kEUR) showing an increase of 6,127,401.56 EUR compared to last year. This position includes provisions for severance payments worth 1,238,375.00 EUR (previous year: 1,257 kEUR), provisions for taxation at the amount of 26,553,216.52 EUR (previous year: 20,829 kEUR) as well as 10,330,496.03 EUR (previous year: 9,909 kEUR) worth of other provisions, which mainly refer to general administrative expense provisions amounting to 9,383,739.06 EUR (previous year: 8,664 kEUR), guarantee credits in the amount of 243,811.28 EUR (previous year: 166 kEUR) and contingent losses of derivatives worth 702,945.69 EUR (previous year: 1,079 kEUR). The general administrative expense provisions include provisions for vacations and premiums in the amount of 4,908,732.49 EUR (previous year: 4,700 kEUR).

Composition of provisions

in EUR	31.12.2024	31.12.2023*
Provisions for severance payments	1,238,375.00	1,257
Provisions for taxation	26,553,216.52	20,829
Other provisions	10,330,496.03	9,909
Provisions for guarantee credits	243,811.28	166
Provisions for contingent losses of derivatives	702,945.69	1,079
Provisions for general administrative expenses	9,383,739.06	8,664
Provisions for vacations and premiums	4,908,732.49	4,700
Other provisions	4,475,006.57	3,964
Total	38,122,087.55	31,995

* 31.12.2023 amounts in kEUR.

Supplementary capital pursuant to chapter 4 of title I of part 2 of Regulation (EU) No 575/2013

In 2023 a subordinated loan was taken from DenizBank A.S. in the amount of 90 million USD. The subordinated loans will mature on 21st December 2030 at an interest rate of 9%. Supplementary capital amounted to 86,630,089.52 EUR as of the balance sheet date (previous year: 81,448 kEUR) and accrued interest amounting at EUR 324,862.84 (previous year: 204 kEUR).

The subordinated loans can only be repaid prematurely if at least five years have elapsed since the start of the term of the loan agreement and the conditions of Article 77 of Regulation (EU) No 575/2013 are fulfilled. Earlier repayment is only possible with the approval of the responsible supervisory authority and upon fulfilment of the requirements of Article 78 (4) of Regulation (EU) No 575/2013. The claims of the creditor from the subordinated loans, including interest, are fully subordinated to the claims of all non-subordinated creditors.

Subscribed capital

The subscribed capital amounts to 231,831,230.38 EUR (previous year: 231,831 kEUR) and is divided into 319,006 shares which are registered in the name of the principal shareholders.

Capital reserves

As of the year-end, capital reserves had a value of 340,626,293.96 EUR (previous year: 340,626 kEUR) and consist entirely of tied-up capital reserves.

Retained earnings

Retained earnings amount to 207,924,819.16 EUR (previous year: 207,925 kEUR) at the balance sheet date. The movement in reserves of 0.00 EUR (previous year: 200,000 kEUR) relates to the reversal of retained earnings.

Liability reserve pursuant to Article 57 (5) BWG

The liability reserve remained unchanged in the fiscal year, leading to a total sum of 77,952,088.00 EUR (previous year: 77,952 kEUR) at the end of the year.

Net profit for the year

The net profit in the balance sheet amounts to 388,402,022.27 EUR (previous year: 427,012 kEUR) and includes the net profit for the year in the amount of EUR 161,391,646.08 and as well as the retained earnings amounting to EUR 227,010,376.19.

Off-balance-sheet Items

Contingent liabilities in the amount of 81,095,961.08 EUR (previous year: 39,209 kEUR) include guarantees amounting at EUR 75,643,758.10 (previous year: 25,151 kEUR) and letters of credit of EUR 5,452,202.98 (previous year: 14,058 kEUR). Credit risks arising from not-utilized credit facilities amount to 313,949.69 EUR (previous year: 188 kEUR). Foreign liabilities amount to 2,946,751,309.82 EUR (previous year: 2,355,415 kEUR).

Total qualifying capital pursuant to part 2 of Regulation (EU) No, 575/2013

in EUR	31.12.2024	31.12.2023*
Subscribed capital	231,831,230.38	231,831
Capital reserves	340,626,293.96	340,626
Retained earnings	207,924,819.16	207,925
Liabilities reserve	77,952,088.00	77,952
Net profit of the year	388,402,022.27	427,012
Net retained profit intended for distribution	0.00	-200,001
Total	1,246,736,453.77	1,085,345
Positions to be deducted	-8,940,860.22	-15,592
Core capital	1,237,795,593.55	1,069,753
Supplementary capital	86,630,089.52	81,448
Equity capital	1,324,425,683.07	1,151,200
CET1- & T1-ratios	39.67%	33.79%
Total capital ratio	42.45%	36.36%

* 31.12.2023 amounts in kEUR.

As of 31 December 2024, DenizBank AG has a total capital ratio of 42.45%, while the CET1 and Tier 1 ratios amount to 39.67%. DenizBank AG thus has sufficient capitalization to meet regulatory capital requirements.

Return on assets for the fiscal year 2024 has a value of 2.56% (previous year: 2.22%), which was calculated as the ratio of net profit after tax divided by the total assets as of balance sheet date. Return on average equity amounts to 12.75% (previous year: 9.45%), which was calculated as the ratio of net profit after tax divided by the average equity.

Additional Information for financial derivatives in the banking book

Statement of derivative financial instruments that were not settled as per balance sheet date of the financial statement:

31.12.2024 EUR	Nominal	Positive market value	Negative market value
Forward exchange transactions	740,235,951.67	113,804.91	26,341,384.59
short-term	740,235,951.67	113,804.91	26,341,384.59
Interest Rate Swaps without hedging relationship	0.00	0.00	0.00
short-term	0.00	0.00	0.00
Interest Rate Swaps with hedging relationship	197,419,031.68	1,316,148.68	1,316,148.68
medium-term	197,419,031.68	1,316,148.68	1,316,148.68
Cross Currency Swaps without Hedging relationship	74,255,839.37	0.00	5,727,669.43
medium-term	74,255,839.37	0.00	5,727,669.43
Total	1,011,910,822.72	1,429,953.60	33,385,202.71
short-term	740,235,951.67	113,804.91	26,341,384.59
medium-term	271,674,871.05	1,316,148.68	7,043,818.12
long-term	0.00	0.00	0.00

31.12.2023 EUR	Nominal	Positive market value	Negative market value
Forward exchange transactions	614,373	16,749	310
short-term	614,373	16,749	310
Interest Rate Swaps without hedging relationship	6,000	99	0
long-term	6,000	99	0
Interest Rate Swaps with hedging relationship	273,775	3,133	3,133
long-term	273,775	3,133	3,133
Cross Currency Swaps without Hedging relationship	90,641	0	1,173
long-term	90,641	0	1,173
Total	984,790	19,981	4,616
short-term	620,373	16,848	310
medium-term	364,417	3,133	4,306
long-term	0	0	0

Other liabilities include negative market value of forward exchange transactions in the amount of 26,341,384.67 EUR (previous year: 310 kEUR), as well as the foreign currency valuation of the cross-currency swap without hedging relationship in the amount of 5,024,723.74 EUR (previous year: 345 kEUR). Provisions amounting to 702,945.69 EUR as of December 31st, 2024 (previous year: 826 kEUR) have been set as contingent losses regarding the negative market value of derivatives. Without hedging transactions provisions for contingent losses worth 1,316,148.68 EUR (previous year: 3,133 kEUR) would have been taken into consideration on the balance sheet date.

DenizBank AG concludes interest rate swap transactions and cross-currency swap transactions with customers. Market risk (interest and currency risk) resulting from these transactions is offset with a counter transaction. The transactions are structured in a way that risks arising from fixed and variable payments of the underlying hedged transaction and the hedging instrument are nearly fully compensated. As a result, volatile evaluation components in the income statement are eliminated, planning and forecasting quality is increased and fair value risks arising from fluctuating applicable reference interest rate curves are neutralized. Market values of interest rate and cross currency swap transactions are listed in the table of derivatives above. The maturities are determined based on the type of transaction, ranging from short to long term.

Assessment on a qualitative basis (critical term match) is carried out at the date of designation and balance sheet date while the main features (nominal value, currency, begin date, maturity date, reference interest rate, payment frequency, repayment structure, day count convention) of the customer transaction and its hedge item are identical. Therefore, no prospective effectiveness has been calculated. Hedge relationships were terminated prematurely in the 2024 financial year amounting at EUR 0.00 (previous year: 65,000 kEUR). Due to this, a profit amounting at EUR 0.00 (previous year: 3,003 kEUR) has been generated.

3. Profit and Loss Account

Net Interest Income

The net interest result including interest from fixed-income securities, interest expenses and similar expenses resulted in net interest income of 158,896,352.86 EUR as of the balance sheet date, which was 34,777,161.14 EUR lower than in the prior year (previous year: 193,674 kEUR). This includes interest expenses for subordinated liabilities in the amount of 7,600,498.17 EUR (previous year: 206 kEUR).

Distribution according to geographical markets. The presentation of business activities at individual country level can be found under "Other information" on page 44.

Net Interest Income	31.12.2024	31.12.2023*
Austria	161,447,274.13	195,511
Germany	-2,550,921.27	-1,837
Total	158,896,352.86	193,674

* 31.12.2023 amounts in kEUR.

Operating Income

The operating income including net interest income, net fee and commission income, income or expenses resulting from financial transactions and other operating income registered an decrease of 33,979,184.71 EUR or 16.34% to 173,938,831.42 EUR (previous year: 207,918 kEUR). The operating income consists of the following amounts:

	Region	Fee and commission income	Fee and commission expense	Income/Expense from financial transactions	Other operating income
2024	Austria	11,054,150.06	-4,874,257.42	932,140.80	388,944.30
	Germany	764,785.25	-36,879.49	221,830.46	92,369.19
	Total	11,818,935.31	-4,911,136.91	1,153,971.26	481,313.49
2023	Austria	11,257	-3,128	4,654	714
	Germany	617	-35	-27	192
	Total	11,874	-3,163	4,627	906

* 2023 amounts in kEUR.

The operating income signs a decrease to the previous year of 425 kEUR from 906 kEUR to 481,313.49 EUR compared to the previous year. This amount includes 9,510.00 EUR from the disposal of fixed assets and other operating incomes amounting at 471,803.49 EUR. The operating income also includes income from securities and participations from CR Erdberg Eins GmbH & Co KG amounting at EUR 6,500,000.00 (previous year: 0 kEUR).

Operating Expenses

Operating expenses realized an increase of 12,277 kEUR from 53,672 kEUR to 65,949,439.37 EUR. Also personnel expenses increased by 617 kEUR to 32,255,026.75 EUR (previous year: 31,638 kEUR). Other administrative expenses increased from 13,415 kEUR to 15,707,101.89 EUR. This position includes rent and leasing expenses totalling 2,788,132.34 EUR (3,718 kEUR in the previous year). Other operating expenses amount to 11,759,787.86 EUR (previous year: 2,814 kEUR) containing the amounts resulting from paid contributions to the deposit protection scheme worth 1,000,310.40 EUR (previous year: 1,271 kEUR) and the write-off of the remaining book assets in the amount of EUR 10,759,477.46 which mainly relate to the write-off of the credit card project “LIV”.

Operating Result

At 107,989,996.64 EUR, the operating result was 46,256 kEUR lower than in the previous year (previous year: 154,246 kEUR).

Value re-adjustments in respect of loans, advances, and provisions for contingent liabilities and for commitments

This position contains valuation losses of securities in current assets in the amount of 602,931.52 EUR (previous year valuation gains: 3,511 kEUR), realized losses from redemptions of securities with an amount 992,496.04 EUR (previous year: 19 kEUR), and value adjustments and written-off receivables in the amount of 32,281,937.50 EUR (previous year: 53,481 kEUR).

Income from value re-adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments

The realized profit from the redemptions of securities is 12,169,952.89 EUR (previous year: 554 kEUR). Income from the reversal of value adjustments of loans and advances is worth 106,320,234.13 EUR (previous year: 44,036 kEUR).

Income from value adjustments and income from the release of value adjustments on shares in affiliated undertaking

There was no depreciation in 2024 (previous year: 29 kEUR).

Income from value re-adjustments in respect of transferable securities held as financial fixed assets, participating interests and shares in affiliated undertakings

In 2024 there were no realized gains from the maturing of securities (previous year: 361 kEUR).

Profit or loss on ordinary activities

The reported result from ordinary business activities of 192,602,818.60 EUR was 43,425 kEUR higher than in the previous year (previous year: 149,178 kEUR).

Tax on profit

Taxes on income and earnings amount to 30,874,453.59 EUR (previous year: 23,841 kEUR). Due to the double tax treaty between Türkiye and Austria a notional withholding tax from interest income at the value of 11,714,800.00 EUR for 2024 (previous year: 12,244 kEUR) could be credited against the corporate tax for 2024. The deferred tax decreased by 4,394 kEUR from 14,755 kEUR to 10,361,040.17 EUR in the current fiscal year.

Profit for the year after tax

Profit after tax was 161,391,646.08 EUR and increased by 36,420 kEUR compared to the result of the previous year of 124,972 kEUR.

Changes in reserves

There were no changes in reserves (previous year: 200,000 k EUR).

Net profit for the year/profit distribution

The net profit in the balance sheet amounts to 388,402,022.27 EUR (previous year: 427,012 kEUR) and includes the net profit for the year in the amount of EUR 161,391,646.08 and as well as the Profit brought forward amounting to EUR 227,010,376.19. The net profit for the year will be fully carried forward.

Other Information

DenizBank AG is included as a subsidiary in the consolidated financial statements of DenizBank A.S., Istanbul. As a result of the acquisition of the shares in DenizBank A.S., Istanbul by Emirates NBD Bank PJSC, Dubai in July 2019, DenizBank AG is also included in the consolidated financial statements of Emirates NBD Bank PJSC, Dubai (largest group of companies) as at December 31st, 2019. Since selling the shares of JSC Deniz Bank, Moscow, DenizBank AG does not prepare consolidated financial statements.

The company is subject to the scope of the Minimum Taxation Act (BGBl. I No. 113/2024) for the financial year, as the relevant revenue threshold according to § 3 MinBestG has been exceeded. The calculations showed that there is no Domestic Minimum Top-Up Tax according to § 6 MinBestG for the financial year.

Main- branch in Frankfurt am Main (consolidated information):

Branch Frankfurt am Main	2024	2023*
Nature of activities	Universal Banking	Universal Banking
Geographical location	Germany	Germany
Net interest income in EUR	3,250,664.90	6,533
Operating income in EUR	4,292,770.31	7,280
Number of employees (FTE)	28	47
Profit before tax in EUR	355,959.31	27
Tax on profit in EUR	-101,446.85	-15
Public subsidies received	0.00	0

* 2023 amounts in kEUR.

DenizBank AG holds more than 20% shares in the companies listed below:

Shares in affiliated undertakings for the 2024 financial year				
Name	Location	Shareholders' equity	Share in %	Net profit/loss
CR Erdberg Eins GmbH & Co KG	Vienna	12,454,859.17	99.90%	264,876.62
Deniz Immobilien Service GmbH	Vienna	50,830.46	100.00%	-95,79

Shares in affiliated undertakings for the 2023 financial year (in kEUR)				
Name	Location	Shareholders' equity	Share in %	Net profit/loss
CR Erdberg Eins GmbH & Co KG	Vienna	18,694	99.90%	469
Deniz Immobilien Service GmbH	Vienna	51	100.00%	-5

During the financial year 2024 an average number of 344 (previous year: 370 employees) people were employed. The yearly remuneration for members of the Management Board amounts to 1,443,327.42 EUR (previous year: 2,115 kEUR). The expenses for severance payments and pensions for members of the Management Board as well as executives, pursuant to Article 80 (1) Austrian Stock Corporation Act (AktG), amount to 282,521.89 EUR (previous year: 291 kEUR). Expenses for severance payments and pensions for non-executive employees totalled 1,486,524.87 EUR (previous year: 1.294 kEUR). Expenses for severance payments in the amount of 814,309.00 EUR (previous year: 695 kEUR) and expenses for the employee welfare fund worth 284,464.33 EUR (previous year: 262 kEUR) were included in this amount.

The expenses for audit costs amounted to 370,098.85 EUR (previous year: 302 kEUR), 72,041.40 EUR (previous year: 46 kEUR) on the quarterly audits.

Significant events after the balance sheet date

After the end of the fiscal year 2024 until 27th January 2025 there were no major events or developments which could lead to a significant change in the disclosure or valuation of assets or liabilities.

Disclosure:

With the disclosure report as of December 31st, 2024 DenizBank AG fulfils the disclosure requirements pursuant to Article 431 to 455 of Regulation (EU) No 575/2013 (Capital Requirements Regulation – CRR).

With the non-financial report as of December 31st, 2024, a voluntary disclosure is made in accordance with the Sustainability and Diversity Improvement Act and the corresponding provisions of the Austrian Commercial Code and Austrian Stock Corporation Act.

The disclosure report is available on the website of the Bank (http://www.denizbank.at).

Information on the Supervisory Board and the Management Board:

The remuneration of the Supervisory Board amounts to 105,000.00 EUR (previous year: 86 kEUR).

In 2024 the members of the Supervisory Board are as follows:

Hakan Ates, Chairman
Derya Kumru, Deputy-Chairman
Björn Lenzmann, Member
Aazar Ali Khwaja, Member
Ruslan Abil, Member
Mag. Bernhard Raberger, LL.M. MSc, Member
Aysenur Hickiran, Member
Kurt Pribil, Member

Following State Commissioners are appointed:

Dr. Veronika Daurer, State Commissioner
Mag. Ana Djakovic, Deputy State Commissioner

In 2024 and during the preparation of the financial statement for 2024 the Management Board consisted of following members:

Hayri Cansever, Chairman
Mag. Dina Karin Hösele, Member
Mag. Darijo Batinic, Member
Muzaffer Lale, M.A., Member since 1st October 2024

DenizBank AG is registered at the Commercial Court of Vienna under the commercial registry number FN 142199t.

Vienna, January 27th, 2025

Management Board

HAYRI CANSEVER
CHAIRMAN

MAG. DINA KARIN HÖSELE
MEMBER

MAG. DARIJO BATINIC
MEMBER

MUZAFFER LALE, M.A.
MEMBER

5. AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DenizBank AG, Vienna,

which comprise the statement of financial position as at December 31, 2024, the income statement for the financial year then ended and notes to the financial statements.

In our opinion, the accompanying financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as at December 31, 2024, and its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles and the BWG.

Basis for Opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 and with the Austrian Generally Accepted Auditing Standards. Those standards require the application of the International Standards on Auditing (ISAs). 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 Company in accordance with laws and regulations applicable in Austria, and we have fulfilled our other professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained up to the date of our report is sufficient and appropriate to provide a basis for our opinion as of that date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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.

Recoverability of receivables from customers

Description and Issue

In its annual financial statements as of December 31, 2024, DenizBank AG reported loans and advances to customers in the amount of MEUR 1,954.0 after deduction of specific loan loss provisions of MEUR 41.9 and general loan loss provisions of MEUR 40.8.

Explanations of the valuation of loans and advances to customers can be found in the notes in point I. "General provisions" and in point II. "Explanation of the balance sheet and profit and loss account".

The assessment of the recoverability of loans and advances to customers is associated with significant estimates and assumptions. In the case of specific loan loss provision, these relate in particular to the identification of defaults, as Denizbank AG has built a loan loss provision of 100% for all defaulted loans due to the economic environment and the principle of prudence. The general loan loss provision is based on estimated probabilities of default derived from the rating category and on the Loss Given Default for collateralized and for uncollateralized exposures. Due to the volume of loans and advances to customers and the dependency of the loan loss provisions on management estimates, we have identified this area as a key audit matter.

Our response

As part of our audit, we examined DenizBank AG's lending and monitoring process, including collateral valuation. We conducted interviews with responsible staff and assessed the relevant internal policies to determine whether an adequate credit monitoring process is in place for identifying defaults and determining the need for loan loss provisions. We have tested the implementation of key controls on a sample basis.

On the basis of a sample that was determined based on risk characteristics, we tested whether defaults were identified correctly and whether specific loan loss provisions are adequate.

For general loan loss provisions, we assessed the underlying calculation model and the parameters applied to determine whether they are suitable for determining appropriate risk provisions. Furthermore, we have verified the arithmetical correctness of the calculation of the general loan loss provisions.

Responsibilities of Management and the Audit Committee for the Financial Statements

Management is responsible for the preparation of the annual financial statements that give a true and fair view of the Company's assets, liabilities, financial position and results of operations in accordance with Austrian Generally Accepted Accounting Principles and the Banking Act. In addition, management is responsible 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.

When preparing the financial statements, the legal representatives are responsible for assessing the Company's ability to continue as a going concern, for disclosing matters relating to the going concern, if relevant, and for applying the going concern accounting principle, unless the legal representatives intend either to liquidate the Company or to cease operations or have no realistic alternative to doing so. The Audit Committee is responsible for overseeing the Company's financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement resulting from 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 EU Regulation and with the with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, will always detect a material misstatement, if any. 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 EU Regulation and with the Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

In addition, the following applies:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, plan and conduct audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to serve as 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.
- We 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 Company’s internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of the directors’ 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 Company’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 auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We 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 gives a true and fair view.

We communicate with the audit committee 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.

From the matters communicated with the audit committee, 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.

Other statutory and other legal requirements

Report on the Audit of the Management Report

Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the financial statements and whether it has been prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the management report in accordance with the Austrian Commercial Code.

We conducted our audit in accordance with laws and regulations applicable with respect to the management report.

Opinion

In our opinion, the management report is prepared in accordance with the applicable legal requirements and is consistent with the financial statements.

Statement

In the light of the knowledge and understanding of the Company and its environment obtained in the course of our audit of the financial statements, we have not identified material misstatements in the management report.

Other Matters which we are required to address according to Article 10 of the EU Regulation

We were appointed as auditors by the Annual General Meeting on December 18, 2023 and were commissioned by the Supervisory Board on December 22, 2023 to audit the financial statements for the financial year ending December 31, 2024. We have been the Company's auditors without interruption since the financial year ending December 31, 2020.

We confirm that the audit opinion in the "Report on the Audit of the Financial Statements" section is consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Regulation.

We declare that we did not provide any prohibited non-audit services pursuant to Article 5 (1) of the EU Regulation and that we remained independent of the Company in conducting the audit.

Vienna

January 27, 2025

Deloitte Audit Wirtschaftsprüfungs GmbH

Dr. Peter Bitzyk
Certified Public Accountant

This report is a translation of the audit report according to section 273 of the Austrian Commercial Code (UGB). The translation is presented for the convenience of the reader only. The German wording of the audit report is solely valid and is the only legally binding version. Section 281(2) UGB applies.

Company Directory

AUSTRIA

Zentral Branch
1030 Wien, Thomas-Klestil-Platz 1
Tel: 0800 88 66 00
International: +43-(0)-505 105-3811
Fax: +43-(0)-505 105-3819
SWIFT. ESBK AT WW
FN 142199 t HG Wien, DVR: 0845981,
BLZ: 19650
zentral@denizbank.at

City Branch
1010 Wien, Kärntner Ring 14
Tel: 0800 88 66 00
International: +43-(0)-505 105-3831
Fax: +43-(0)-505 105 3839
city@denizbank.at

Favoriten Branch
1100 Wien, Favoritenstraße 102
Tel: 0800 88 66 00
International: +43-(0)-505 105-3861
Fax: +43-0-505 105- 3869
favoriten@denizbank.at

Meidling Branch
1120 Wien, Schönbrunner Straße 218-220
Tel: 0800 88 66 00
International: +43-(0)-505 105-3891
Fax: +43-(0)-505 105-3899
meidling@denizbank.at

Ottakring Branch
1160 Wien, Neulerchenfelderstr. 6-8
Tel: 0800 88 66 00
International: +43-(0)-505 105-3841
Fax: +43-(0)-505 105 3849
ottakring@denizbank.at

Floridsdorf Branch
1210 Wien, Pragerstraße 2/ Am Spitz 15
Tel: 0800 88 66 00
International: +43-(0)-505 105-3851
Fax: +43-(0)-505 105-3859
floridsdorf@denizbank.at

Wr. Neustadt Branch
2700 Wr. Neustadt, Brodtischgasse 6
Tel: 0800 88 66 00
International: +43-(0)-505 105-3941
Fax: +43-(0)-505 105-3949
wrneustadt@denizbank.at

Linz Branch
4020 Linz, Graben 16
Tel: 0800 88 66 00
International: +43-(0)-505 105-3731
Fax: +43-(0)-505 105-3739
linz@denizbank.at

Graz Branch
8010 Graz, Radetzkystr. 1-3
Tel: 0800 88 66 00
International: +43-(0)-505 105-3932
Fax: +43-(0)-505 105-3939
graz@denizbank.at

Innsbruck Branch
6020 Innsbruck, Brixnerstraße 3
Tel: 0800 88 66 00
International: +43-(0)-505 105-3761
Fax: +43-(0)-505 105-3769
innsbruck@denizbank.at

Bregenz Branch
6900 Bregenz, Römerstraße 1-3
Tel: 0800 88 66 00
International: +43-(0)-505 105-3771
Fax: +43-(0)-505 105-3779
bregenz@denizbank.at

GERMANY

Frankfurt/Main Branch office
60329 Frankfurt/Main, Germany
Münchenerstraße 7
Tel: 0800 4 88 66 00
International: 0049-69-427 2603-4601
Fax: 0049-69-427 26 03 4629
frankfurt@denizbank.de

Düsseldorf Branch
40212 Düsseldorf, Deutschland
Graf-Adolf-Straße 11
Tel: 0800 4 88 66 00
International: 0049-69-427 26 03-6181
Fax: 0049-69-427 26 03 6189
filialeduesseldorf@denizbank.de

Berlin Branch
10117 Berlin, Deutschland
Friedrichstraße 56
Tel: 0800 4 88 66 00
International: 0049-69-427 26 03-6121
Fax: 0049-69-427 26 03 6129
filialeberlin@denizbank.de