DENIZBANK AG
ANNUAL REPORT
2017

SBERBANK Mitglied der Sberbank Gruppe

DenizBank AG

CONTENTS

AGENDA OF THE ANNUAL GENERAL MEETING

22nd Annual General Meeting of DenizBank AG was held on 26th April 2018.

1. Resolution on the distribution of profits

2. Resolution on the discharge of the Management Board for the 2018 financial year

3. Resolution on the discharge of the Supervisory Board for the 2018 financial year

4. Resolution of the Election/Appointment of the Supervisory Board

SUPERVISORY BOARD REPORT

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

Despite the continued challenges posed to the global financial industry, DenizBank AG again delivered an outstanding result. Bolstered by strong capitalization and a dynamic funding base, DenizBank AG took advantage of the opportunities offered in the market while applying a strict risk management policy.

The Management Board has reported to the Supervisory Board about the expansion of the business in Austria and Germany, developments in Russia and Turkey, as well as significant lending commitments, investments and other important matters.

During the 2017 financial year, the Supervisory Board met on the following dates; April 24th, July 15th, November 6th and December 12th. The duties of this Board were instituted in accordance with the Law and the Articles of Association. The Board is responsible for continuously supervising the activities of the Bank's Management Board. Information about the Bank's intended business strategies, position, development and key transactions is communicated both in writing and verbally by the Management Board in a regular, comprehensive and timely manner.

The Management Board submits regular reports on the extent to which group risk exposure limits have been utilized. The Supervisory Board also conducts other in-depth examinations of key risk control aspects and has established Audit, Risk, Credit Approval, Nomination and Remuneration Committees to supervise the Bank's business in line with its regulatory mandates. The Supervisory Board and its Audit Committee duly noted and approved the results of the audit; the final examination revealed no deficiencies. Internal Audit, Controlling, Legal, HR, Compliance & Anti Money Laundering, Risk Management and Credit Risk Management Departments provided the Audit Committee of the Supervisory Board with reports on a regular basis.

The 2017 DenizBank AG financial statements and Management Report were prepared in accordance with the UGB (Austrian Enterprise Code) and audited by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Vienna. The Supervisory Board has acknowledged the results timely through its Audit Committee and confirmed the audited financials. In addition, the Supervisory Board has validated the Nonfinancial Report 2017 of DenizBank AG and reported to the Shareholders Meeting accordingly.

With recommendation of the Audit Committee, the Supervisory Board approved the Management Report and proposal for use of net profit and approved the Balance Sheet in accordance with § 96 (4) of the Corporation Law.

Ms. Svetlana Segaydak's resigned as member of the Supervisory Board on 1st March 2017. Mr. Suavi Demircioglu resigned as member of the Supervisory Board on 29th March 2017. By shareholders resolution Mr. Ruslan Abil was appointed on 17th July 2017 and Mr. Pavel Barchugov was appointed on 8th September 2017 as members of the Supervisory Board.

The Supervisory Board has every reason to be proud of the Bank's accomplishments since its acquisition in September 2002.

We are confident that DenizBank AG will continue to demonstrate a successful performance in the coming years. DenizBank Financial Services Group with all its strength and expertise, the Supervisory Board and the shareholders all support the Management Board in their drive toward becoming one of the most influential and admired banks in the region.

Vienna, April 2018

The Supervisory Board

HAKAN ATEŞ
CHAIRMAN OF THE SUPERVISORY BOARD

MANAGEMENT REPORT

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

Overall Economic Conditions

Despite continued volatility on the financial markets and an intensification of some geopolitical hotspots, the year 2017 showed with an almost global, synchronous and widely spread economic growth an unexpected pleasant course. While 94 countries were in a recession in 2009, only 15 countries reported an economic downturn at the end of 2017. As a result, many growth forecasts have been revised upwards by international organizations and economic researchers. Due to significant increase in private consumption and attractive investment in fixed assets, the Austrian economy has recorded a strong growth. In addition, the remarkable good foreign demand has to be also mentioned here. The economic upturn was temporarily hampered by domestic political uncertainties, which were eliminated after the national elections with the forming of a new coalition government. In our second main market, Germany, the forming of a government needed longer, but this did not harm the continuity of the economic strength. Fortunately both economies registered a decrease in unemployment rates.

On the monetary policy side, no interest rate changes were on the agenda in the Euro area. The European Central Bank has not changed the interest rates throughout the year, but reduced its monthly volume of bond purchases in April and again in October. Leading and confidence indicators indicate a sustained and robust economy of the European Union.

With the decrease of the rating review by the rating agency Fitch and the constitutional referendum on the presidential system in April, accompanied by a devaluation of Turkish Lira, Turkey experienced a renewed challenging year. The Turkish central bank sustainably supported the currency by increasing its late-flow liquidity rate, the base rate. The country's financial sector continued its robust position, due to strong capital resources, solvency and liquidity and has remained profitable as a result of continued high credit growth. Thanks to the government's fiscal policy measures, the Turkish economy has grown significantly towards the end of 2017 again.

Business Performance

The year 2017 was marked by a consolidation of the branch business with clearly rising customer numbers. We are represented in Austria with 27 branches and in Germany with 16 branches. With long opening hours including Saturdays, our contact center and the multi-lingual online banking portal (www.denizbank.at for Austria, www.denizbank.de for Germany), we are close to our customers and always accessible to them.

For our private and corporate customers, we also offer our well-known foreign payment service, which is also used by customers who are not in a constant business relationship with the bank.

The cooperation with MoneyGram for a worldwide fast payment service will be continued, whereby our customers will be provided with approximately 350,000 MoneyGram payment offices in more than 200 countries.

As a Turkey specialist for foreign trade finance, business processing and initiation our credit institution is an important partner for companies and private customers within the framework of dynamically growing bilateral trading and investment volumes. Through the dense branch network of our parent company in Turkey, we want to offer our comprehensive service of foreign trade finance and business processing especially to medium-sized entrepreneurs. Our customers also benefit from the internal synergies within the DenizBank Financial Services Group and the Sberbank Group.

The expanding DenizBank Financial Services Group holds almost 100% of DenizBank AG. With 694 bank branches, a strong corporate banking and corporate finance platform and approximately 15,000 employees, our owner, DenizBank A.Ş., is one of the five largest private banks in Turkey.

In September 2012, the Russian Sberbank acquired Deniz Financial Services Group. Sberbank is the largest bank in Russia and accounts for almost 1/3 of all Russian banking sector assets and employs over 311,000 people. The Bank has the largest distribution network in Russia with about 14.3 thousand branches and promotes banking via remote channels. In its activity, Sberbank aims to implement transformative digital technologies and increase process efficiency to ensure long-term sustainable development and create value for all stakeholders – clients, employees, shareholders, society and state.
Sberbank's international footprint is spread through subsidiary banks in the CIS region (Kazakhstan, Ukraine, Belarus), Turkey via DenizBank, Switzerland, Austria and countries of Central and Eastern Europe via Sberbank Europe as well as through a branch in India and representative offices in Germany and China.
Sberbank's major shareholder is the Central Bank of Russia, which owns 50% of the Bank's share capital plus one voting share, while the remaining shareholder base is represented by a wide range of international and domestic investors. The Bank's ordinary and preferred shares have been publicly traded in Russia since 1996, while Sberbank's American Depositary Shares are listed on the London Stock Exchange, admitted to trading on the Frankfurt Stock Exchange and, trade over the counter in the United States.

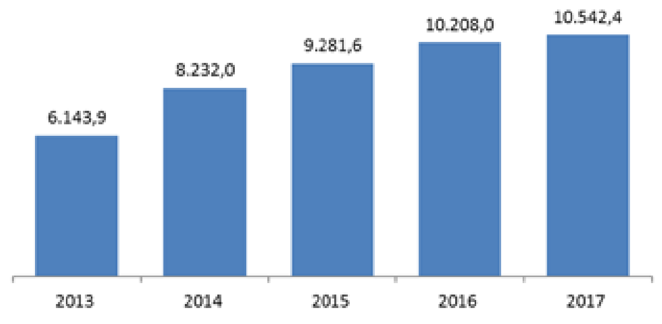
DenizBank AG operates sixteen branches in Germany with a lead branch in Frankfurt am Main under the name DenizBank (Wien) AG, Zweigstelle Frankfurt/Main. There were no significant changes during the reporting year. With a personal, on-site personal consultation, a comprehensive, multi-lingual online banking platform and a state-of-the-art contact center, the branch optimally manages its customers and registers a sustained increase in the number of customers.

DenizBank AG holds 51% of the shares of JSC DenizBank Moscow. The subsidiary company contributes significantly to the realization of business opportunities for customers of both shareholders. The bank also holds a 51% stake in Deniz Finansal Kiralama A.Ş., Istanbul, Turkey, which specializes in the leasing business with commercial customers in Turkey. This company is one of the market leaders in Turkey and is among the top five in the industry. The remaining 49% in both companies is held by DenizBank A.Ş., Turkey. In addition, DenizBank AG holds 100% of Deniz Immobilien Service GmbH as well as 100% of CR Erdberg Eins GmbH & Co KG, both situated in Vienna. The premises and buildings of the company headquarter in Vienna Erdberg are kept through these participations.

Review of Balance Sheet Items

The balance sheet total for the year 2017 amounts to 10,542,373,154.92 EUR, which is 334,353 kEUR above the previous year's figure of 10,208,020 kEUR.

Development of Balance Sheet Total in €mn



During 2017, DenizBank AG at all times had sufficient liquidity and was able to provide selected bank counterparties with excess liquidity. At the end of the year, loans to banks were recorded at 799,618,329.23 EUR (31/12/2016: 900,955 kEUR).

The securities portfolio decreased from 300,679 kEUR to 64,443,585.22 EUR as of December 31st, 2017.

Our deposit base and liquidity position was significantly strengthened in our home markets Austria and Germany, as well as in Russia and Turkey. This reflects our customers' vital trust in DenizBank AG. Liabilities to customers, including savings deposits, increased by 1.62% to 8,294,049,584.69 EUR (31/12/2016: 8,162,108 kEUR). The funding is complemented by amounts owed to banks worth 766,771,032.56 EUR (31/12/2016: 700,247 kEUR).

The traditional savings book remains in high demand. We were able to meet the increased customer demand for security and proximity with an optimized product portfolio. Our savings deposits decreased from 2,512,336 kEUR in 2016 by 17,003 kEUR to 2,495,332,823.38 EUR in 2017, whereby the share with an agreed maturity or notice period amounted to 78%.

As an Austrian bank, DenizBank AG is subjected to Austrian legal regulations of the deposit insurance and investor compensation (Article 93 ff Austrian Banking Act). DenizBank AG is a member of the statutory guarantee facility of the Banks and Bankers, the Einlagensicherung der Banken und Bankiers Gesellschaft m.b.H.

Changes of significant balance sheet positions 2017	in KEUR
Balance sheet	+334,353
Loans to customers	-135,589
Loans to credit institutions	-101,337
Amounts owed to credit institutions	+66,524
Amounts owed to customers	+131,942
Thereof saving deposits	-17,003
Shareholder's equity	+219,112

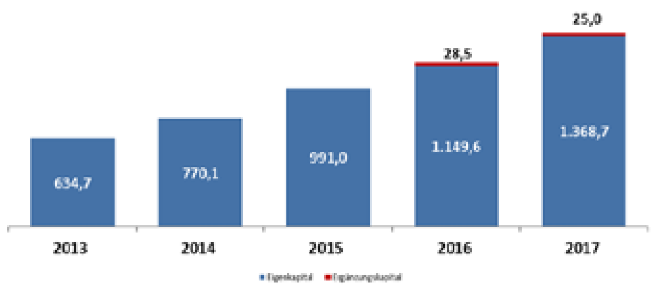
No supplementary capital was recorded during the financial year. Supplementary capital amounting to 25,014,591.84 EUR was recorded during the financial year (31/12/2016: 28,460 kEUR).

At the extraordinary general meeting on September 8th, 2017, an increase of the subscribed capital was concluded. The registered shares increased from 263,964 by 27,521 to 291,845 shares, which are registered in the name of the shareholder DenizBank AS. The face value of the subscribed capital increased from 191,830,557.72 EUR by 20,000,336.33 EUR to 211,830,894.05 EUR. The capital increase was issued at 250% and was paid immediately by cash by DenizBank A.S. The capital increase was registered at the commercial register on October 17th, 2017.

After the allocation of retained earnings as well as the liabilities reserve according to article 57 para. 5 BWG worth 169,111,106.94 EUR, the total equity amounts to 1,393,699,499.91 EUR as of the financial year 2017 (31/12/2016: 1,178,034 kEUR).

Our total capital ratio is 18.35% of the total receivable amount.

Development of equity in €mn



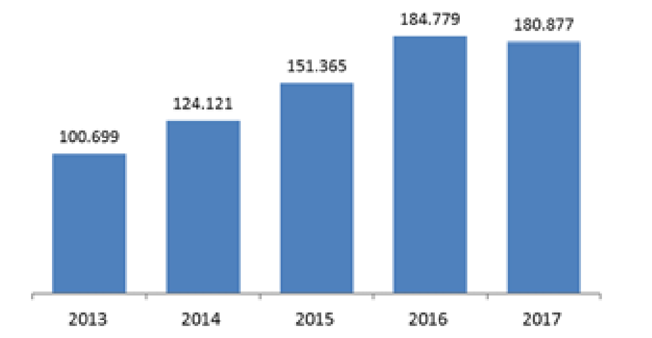
Review of Income Statement Items

Net interest income of 213,346,647.18 EUR (31/12/2016: 207,675 kEUR) and net com-mission income of 15,582,662.22 EUR (31/12/2016: 19,212 kEUR) reflect our excellent earning position. Operating income amounts to 232,465,700.24 EUR (31/12/2016: 233,740 kEUR).

As our investments in the areas of personnel and IT continued in the year 2017 and we had a balance sheet growth of 3%, our operational expenses increased to 51,589,071.88 EUR (31/12/2016: 48.960 kEUR).

Consequently our operating result 2017, decreased slightly to 180,876,628.36 EUR (31/12/2016: 184,779 kEUR).

Development of operating result in kEUR



Our result of ordinary activities amounts to 183,567,423.29 EUR (31/12/2016: 161,944 kEUR)

Net income after taxes totalled 169,111,106.94 EUR (31/12/2016: 159,214 kEUR).

Due to a very positive earnings situation and after allocation to the liabilities reserve under article 57 para. 5 BWG worth 2,278,194.00 EUR, the Management Board proposes to transfer the sum of 166,832,912.94 EUR to the retained earnings.

Ratios

	2017	2016	2015	2014	2013
Total capital ratio (%)[1]	18.35	15.31	13.24	11.78	12.65*
Return on equity (%)[2]	13.43	14.88	16	19.28	19.41
Profit before taxes (kEUR)	183,567	161,944	144,742	146,112	107,033
Profit before income taxes/average employee (kEUR)	380,7	358,3	325,7	396,7	391,2
Loans/Deposit Ratio (%)					
Net interest margin (%)[3]	92.31	95.46	88.46	89	94.16
Cost-Income-Ratio (%)[4]	2.06	2.13	2.09	2.32	2.4
Cost-Income-Ratio (%)[4]	20.71	19.69	21.28	21.53	20.87

[1] *Equity capital / Total RWA*
[2] *Profit after taxes / Average equity capital*
[3] *Net interest income / Average asset size*
[4] *(Administrative expenses + depreciation + Taxes (excl. taxes on income) / (net interest income + net fee and commission income)*
* *Equity ratio pursuant to legislation version 2013 BUSINESS*

BUSINESS & SUPPORT LINES

CORPORATE & COMMERCIAL BANKING

As a representative of the DenizBank Financial Services Group in Austria, DenizBank AG offers a comprehensive range of products and services for commercial corporate customers involving deposits, cash advances, letters of credit, commercial finance, account and cash management.

DenizBank AG is oriented towards its customers and is known as a business bank for corporate customers and customer-oriented relationship management, for innovative, flexible and tailor-made solutions, for qualified personnel, for its financial advisory services, as well as for a broad product portfolio. The bank is a competent bank partner primarily for all corporate clients with international focus and business activities in the domestic markets of Austria and Germany as well as Turkey and Russia.

RETAIL BANKING

With its activities in retail banking in Austria and Germany, DenizBank AG has maintained a transparent and considerate business policy since its inception in 1996, fully aware of the fact that customer trust is the most important asset of a bank. The recent economic and financial developments have proven this policy again to be accurate and timeless: a portfolio of over twohundred thousand customers and a sustainable growth reaffirms DenizBank AG's successful course in creating a solid brand in the banking sector. Today DenizBank AG represents a bank that stands for competence and trust.

DenizBank AG operates with a network of 27 branches in Austria and 16 branches in Germany. We combine the individual advisory services in our branches with the convenience of online banking as well as services of our Contact Centers in Austria and Germany. This integrated service approach is highly appreciated by our customers. DenizBank AG also stands for efficiency. Equipped with a lean organizational structure and a state-of-the-art banking system, we pass the advantages of our efficiency on to our customers.

Due to our sales cooperation for intermediation of insurance products of Allianz Elementar Versicherungs AG and private loans of Santander Consumer Bank GmbH, we could expand our clear and transparent product portfolio during the last fiscal year. Furthermore, due to the consistent focus on classical and conservative banking, DenizBank AG has built a foundation of trust that fulfils its customers' growing needs for security and transparency.

TREASURY, FINANCIAL INSTITUTIONS & TRADE FINANCE

In 2017 DenizBank AG continued to expand its correspondent banking relationships based on customer requirements especially with Austrian banks and foreign financial institutions in line with the overall banking strategy.

The synergy, in terms of shared experience and market access within DenizBank Financial Services Group, has given the bank a significant competitive advantage. The services offered by DenizBank AG are centred on the funding of trade flows, especially in the form of (structured) trade finance and documentary business.

DenizBank AG pursues a strategy of building long-term relationships with strong and reliable banks in order to expand transaction banking activities as well as to diversify the refinancing capacity of the bank. The bank also provides customized solutions to financial Institutions and banks, such as arranging credit lines and syndicated loans for correspondent banks based on a reciprocal basis.

In line with the globally increasing importance of compliance regulations, particularly concerning commercial banks, the department further focused on KYC (Know Your Customer) requirements, acquiring necessary information from correspondent banks and internal coordination of involved departments.

The department Financial Institutions is responsible for syndication of international loans to companies and institutional clients both in primary and secondary loan markets.

As a member of the International Trade and Forfaiting Association (ITFA), which is chaired by its bodies for CEE-CIS and Turkey, DenizBank AG offers a large number of trade and forfaiting services for short and medium-term customers, including letters of credit, guarantees, bills of exchange and documentary collection.

Denizbank AG is a competent bank partner primarily for all corporate clients with international focus and business activities in the domestic markets of Austria and Germany as well as Turkey and Russia.

IT & ORGANISATION

In 2017, IT & Operations focused once again on improving operational efficiency. The departments simplify and automate internal processes in order to reduce lead times and operational risks. Due to the continuous growth of the bank, all investment decisions are taken in consideration of scalability. Existing contracts are continuously reviewed to reduce costs and increase service quality. The efforts made have contributed to the bank's excellent cost-income ratio.

IT / organization aims to automate work processes as far as possible in order to reduce the operational error risk. Improvement possibilities are identified by analysing and assessing processes in terms of efficiency, effectiveness and operational risk.

In 2017, IT & Operations succeeded in delivering high-quality service and contributing to the strategic business objectives. Compliance with the legal regulations is one of the main goals for DenizBank AG. The most important projects in this regard during 2017 were EMIR and MiFID II. DenizBank AG has successfully continued and partially completed its work in all areas, thus ensuring the company's compliance.

In line with the bank's growth strategy, the IT infrastructure department improves and expands the hardware landscape while respecting corporate standards. By investing in adequate but scalable systems and technologies, we are creating the basis for further growth in the coming years. All changes are accompanied by the IT security officer, who constantly monitors compliance with the bank's IT processes and standards. In order to ensure continuous operation the risk of system failures is constantly analysed and reduced.

ANTI-MONEY LAUNDERING

The main task of the AML (Anti Money Laundering) department is to ensure ongoing control and monitoring of the bank's business activities within the framework of a risk-oriented approach and to ensure the support of the entities concerned, in compliance with national and international terrorist financing and anti-money laundering legislation.

The AML department acts as an independent body, which provides the Management Board with direct information on important topics and provides necessary recommendations. The internal processes and risk analyses are constantly updated in accordance with the respective applicable laws. The department is also supported by other departments, such as IT, which play an extremely important role in the preparation of systematic controls and scenario analyses, as well as compliance and internal auditing, which also cooperate closely as independent control entities in the bank.

In 2017 the entire staff was trained twice and there were AML examinations of the branches. The main focus of branch audits is to make the processes more efficient and guarantee consistent procedures within the bank. The focus of employee training is not only to inform about all relevant regulations and legal obligations, but also to give employees instructions for correct behaviour in the day-to-day business and possible cases of money laundering and terrorism financing.
In addition to the manual monitoring of AML and compliance within the framework of national and supranational legislation, a functioning IT infrastructure is essential for the control, monitoring and limitation of AML and compliance risks resulting from automated processes. This is why the IT infrastructure is continually developed in accordance with law changes.

With a well-functioning IT infrastructure and an experienced, professional and efficient AML team, DenizBank AG is adequately prepared to cope with future challenges of the banking community.

COMPLIANCE

Our internal compliance guidelines are based on the standard compliance code of the Austrian banking industry and are compulsory for all employees in their daily work. Compliance with the code and the relevant regulations is regularly checked by the independent compliance officer who reports directly to the Management Board.

The Management Board is aware of the importance of effective compliance rules and supports the compliance officer in the implementation of the compliance policy. The assessment and minimization of legal and reputation risks is a basic function for securing a functioning bank business, professional customer service and a trusting cooperation with the supervisory authorities.

Within this framework, the Compliance Officer is in close contact with the entire Board and provides strategic recommendations on compliance issues as an independent entity. All relevant directives and manuals are regularly revised, and corresponding changes in the legislation are immediately taken into account.

Employees are trained regularly. The objectives of these trainings are to inform employees about compliance-relevant regulations and to give instructions for their practical implementation in the exercise of daily responsibilities.

With effect from January 3rd, 2018, new legal requirements of the European guideline and regulation on markets with financial instruments (MiFID II/ MiFIR) came into force. The main focus of the MiFID II regulations is to ensure more transparency in the capital markets. Stricter procedural rules are intended to better protection of investors in future. Therefore, the new regulations attach particular importance on documentation of services provided to customers and the quality of the order execution ("Best Execution"). Additionally, trade transparency with regard to so-called OTC derivatives (non-exchange-traded derivatives) was significantly improved by new reporting information and reporting systems – in this context, in particular the "Basic information sheets" concerning PRIIPs are explicitly executed.

The implementation of the MiFID II regulations is carried out in close cooperation with the compliance function of our company. A regular monitoring and the immediate adaption on legal changes will be also required at this point. Training regarding the MiFID II regulations should ensure a quick implementation and should inform our employees of the latest compliance-relevant changes.

FINANCIAL CONTROL & ACCOUNTING

Financial Control and Accounting operate as two separate departments under one division. The Accounting Department is responsible for the implementation and management of the entire financial accounting of DenizBank AG. Additional tasks of the department include the preparation of external and internal MIS reports, including the IFRS financial statements for consolidation, internal budgeting, budget implementation, and statutory reporting. The goal of the Financial Control department is to ensure that the principles of a sound financial management, transparency, efficiency and effectiveness are adhered to in all transactions, in a timely manner, independently and objectively. In addition, the Controlling department is committed to ensure that relevant laws and internal guidelines are adhered to on the basis of applied controls, using a systematic and disciplined approach to assess risks and improve the effectiveness of controls and governance processes. The extensive controls make reliable financial reports possible in all areas of the bank which leads to a more solid financial management of DenizBank AG. The Financial Controlling department is an important part of DenizBank AG's internal control system (ICS). It works closely with the risk management, auditing, the legal department, internal controlling, as well as Compliance and AML officers. The core banking system with its enhanced reporting capabilities makes it possible for DenizBank AG to carry out minimal manual interventions in the transactions of Financial Controlling.

HUMAN RESOURCES

The personnel department of DenizBank AG, as a staff department, implements the company policy and has the task of passing on the corporate culture to every single employee in each business unit.
By consistently implementing the principle of finding the right person for the right job, the DenizBank AG hired 80 new employees in 2017. Meanwhile it kept the fluctuation rate below the 11% average of the industry. DenizBank AG is proud of the fact that it can offer promising career paths for young people as well as for experienced staff, paying special attention to the talents within the organization. Permanent training programs are offered to all employees through e-learning and seminars. In addition to conducting legally compulsory training courses on security, data protection, compliance and money laundering, employees are given the opportunity to participate in various courses for specialists. This not only improves the level of technical knowledge, but also the long-term satisfaction of employees in their job. In addition, the expansion of the training and development unit demonstrates that DenizBank AG continues to set high standards in organizational development and employee job satisfaction.

DenizBank AG has positioned itself as a provider of fair career opportunities as one of the most attractive employers.

DenizBank AG employee profile	2016	2017	Change %
Employee Information			
Staff at the head office	206	230	11.65
Staff at the branches	232	238	2.59
Total staff	438	468	6.85
Demographic Profile			
Male	216	238	10.19
Female	222	230	3.6
Average Age	31.43	32.15	2.29
Educational Profile			
University degree	187	210	12.3
Postgraduate degree	251	258	2.79
Number of staff fluent in one foreign language	436	466	6.88
Number of nationalities	20	17	-15

Remuneration & Compensation Report

In accordance with the revised EU Directive 575/2013 (Capital Requirements Regulation - CRR) and the amendments to the Austrian Banking Act, DenizBank AG has set a remuneration policy and formed a Remuneration Committee.

The purpose of the remuneration policy is to ensure a solid and efficient remuneration system and risk management at DenizBank AG. Employees whose professional activities have a significant influence on the risk profile and may subject the bank to material financial risks fall into the scope of the remuneration policy. The purpose of the defined guidelines is to ensure that employees avoid risks that do not coincide with the risk appetite of DenizBank AG. The remuneration policy helps to secure a sound capital base and includes measures to avoid conflicts of interest.

The Remuneration Committee contributes to the prevention of excessive risk taking and the consistency of the remuneration policy with effective risk management. The Committee is constituted in such manner as to enable competent and independent assessment of remuneration policies and practices, as well as incentives established for managing risk, capital and liquidity. The Chairman and the other two members of the Remuneration Committee are members of the Supervisory Board of DenizBank AG, who do not perform any executive functions in the bank. The Remuneration Committee agrees with the Management Board quantitative and qualitative objectives with regard to the long-term strategy to avoid conflicts of interest. This ensures that there is clear distinction between operational and control functions, that the abilities and the requirements of independent members of the management body are observed, and that the role of internal committees, including the remuneration committee, the avoidance of conflicts of interest and the internal reporting as well as the rules according governing transactions between related parties are observed.

The remuneration in DenizBank AG is performance-related and designed to promote sound risk management and does not induce excessive risk-taking. The total remuneration is based on a combination of individual and business unit performance as well as the overall results of the bank. The Management Board implements the long-term strategy by defining individual, departmental and corporate objectives together with senior staff. When assessing individual performance, financial and nonfinancial criteria are taken into account. The variable compensation is covered by a payment in cash, and non-cash component, whereby 50% of the gross bonus payment is being deferred over a period of 5 years, indexed to the share price of the underlying stock. At the end of each respective year, the amount is measured against the indexed share price (max. variability 10%) and the predefined percentage of the amount is granted to the beneficiary. The total sum of obligations of variable remunerations may not significantly worsen the equity position of the Bank.

RISK MANAGEMENT

Risk Management is an integral component of the strategic management of DenizBank AG and involves all areas of the Bank.

Selective risk-taking in line with our business strategy and risk appetite and the active management of such risks are core banking functions of DenizBank AG. Through our risk policy, we aim for early systematic identification of risks in order to manage and ring-fence such risks in line with the business strategy in compliance with internal and regulatory guidelines and requirements.

To secure adequate capitalization and liquidity across all relevant risks and, subsequently, the ongoing operations of the bank, appropriate procedures and systems are in place at DenizBank AG. All banking and operational risks are managed, controlled and limited through appropriate methods.

Risk strategy

DenizBank AG follows certain general risk policy principles, including the regular involvement of the Management Board in daily business, securing the risk bearing capacity of the bank and the avoidance of conflicts of interest. In addition to these principles, we have defined an adequate overall bank risk strategy. This risk strategy is characterized by a conservative approach to specific banking risks and the acceptance of risk only in such areas of business where we have respective systems and knowledge in place to assess the relevant risks appropriately. The risk appetite constitutes a further influencing factor for the risk-strategy attitude of DenizBank AG and includes quantitative indicators which are main management tools on the risk side.

Structure and Organisation of Risk Management

The organisation of risk management is based on the avoidance of conflict of interests and secures a standardized risk management process. To ensure an effective management of conflicts of interests, a strict separation of the functions of market and after-market is implemented at DenizBank. The functions risk steering and control are performed independent from the market functions.

The Management Board of DenizBank AG has the ultimate responsibility for risk management. The Management Board decides the risk strategy and defines the general principles for risk management, including its remuneration policy and practices as well as limits for relevant risks and procedures to control of such risks. An independent Risk Management Department and a Risk Committee assist the Board in the execution of its respective duties. The main responsibilities of these entities are the identification, assessment, management and control of risks.

The Supervisory Board controls the risk strategy and the organizational structure on a regular basis and ensures that Management Board takes the necessary steps for identification, measurement, controlling, and limitation of risks as well as the efficiency of internal controls.

The functionally qualified subcommittees of the Supervisory Board – Audit, Nomination, Remuneration and Risk Committees – enable the management to take the necessary actions.

The Internal Control System is an integral part of the overall Risk Management. Within this framework, the control and supervision of all business relevant risks in the context of the regular cycle of the overall bank risk steering is executed by the Internal Audit, AML, Legal, Compliance, Controlling and IT Security departments.

Overall Bank Risk Management

DenizBank AG follows the principle of proportionality for applying adequate methods of risk management concerning relevant risks for the bank. Besides meeting the minimum capital requirements and an intensified consideration and specification of adequate overall bank risk management and provision of risk capital on the basis of bank-specific risk profiles the Basel framework also requires an increased disclosure.

With regard to the calculation of the regulatory minimum capital requirements, DenizBank AG applies the regulatory standard methods for market risk, the standardized approach for credit risk and the basic indicator approach for operational risk.

The requirements with regard to overall bank risk management at DenizBank AG are implemented through the application of a bank-individual ICAAP (Internal Capital Adequacy Assessment Process) on an overall level.

DenizBank AG commands an adequate system for the steering, controlling and supervision of all risks, proportional to the conducted business.

The internal control system of DenizBank AG ensures that all essential risks are identified and assessed on a regular basis to allow for prompt responses.

Standardized and transparent risk reporting is performed at regular intervals and provides an adequate information level on essential positions of the bank to all relevant parties and decision-making bodies, enabling a prompt evaluation of all respective risks.

The definition of limits for all relevant risks and related procedures to control such risks warrant the compliance with the risk-bearing capacity and risk strategy of the Bank as defined by the Board.

Workshops, as well as internal and external training beyond the basics of risk management increase the risk awareness of bank employees.

Risk-bearing capacity analysis represents the basis for the risk strategy of DenizBank AG, as the risks associated to businesses can only be covered up to a certain amount of the available risk coverage capital. The type and size of risk bearing activities of the Bank are limited by the available risk coverage capital.

Quantification of the risk-bearing capacity covers unexpected losses from the following material risk categories:

Credit Risk	Default risk in the classic loan business Issuer risk in the trading and bank book Migration risk (Country) Concentration risk Risk arising from FX-loans Residual risk from credit risk mitigation techniques Counterparty credit risk
Market Risk	Loss of value caused by changed market conditions for interest rates, currencies, share and option prices
Operational Risk	Inadequacy or failure of internal processes, employees, system, or external events incl. legal risk
Other Risks	Liquidity risk (refinancing risk) Risk from Money Laundering and Terrorism Finance Business risk Reputation risk Risks arising from the macroeconomic environment Risk from excessive indebtedness

The risk bearing analysis is performed monthly on consolidated basis along the defined scenarios for Going and Gone Concern. For the Going Concern the prime target is the conservation of shareholder values. A continued business has to be secured even if losses occur during the observation period. For the Gone Concern the main objective is the protection of all creditor claims; even in an extreme situation (i.e. realization of all relevant risks) creditors should be protected from possible losses available bank assets.

Specific systems are applied for the calculation of potential market risk, reflecting various risk categories. The quantification of the interest rate risk on the overall bank level is conducted through a sensitivity analysis, based on historical yield curves for relevant currencies. The FX risk on the overall bank level is determined through a Value at Risk (VaR) calculation based on the RiskMetrics model. To hedge market risks related to loans denominated in a foreign currency, foreign currency derivatives are used. Besides, interest rate derivatives are used to hedge the interest rate risk in the bank book.

Financial derivative instruments in EUR (nominal value) 31.12.2017

Forward exchange transaction	2,470,949,517.03
Interest Rate Swaps without hedging	986,332,465.85
Interest Rate Swaps with hedging	478,720,831.29
Cross Currency Swaps	96,087,597.31
Total	4,032,090,411.48

The credit spread risk is calculated based on a modified duration approach taking into account historical developments.

The quantitative assessment and consideration of credit risk concerning the risk-bearing capacity analyses is determined through the method of the IRB foundation approach.

When calculating the unexpected loss for credit risk, the internal rating and the collateral are taken into consideration, where the probability of default (PD) of a debtor is internally calculated or estimated.

For the quantification of the operational risk, regulatory basic indicator approach is utilized.

Business risk is considered as a part of determination of the available risk cover assets.
The liquidation risk (refinancing risk) is calculated in line with stress scenario and respective capital allocated. The stress scenario reflects the additional refinancing costs for up to one year for DenizBank.

The macroeconomic risks are addressed by stressing defined macroeconomic indicators and calculating its effects on the earnings and risk profile of DenizBank. As a result of the policy of the bank concerning mutual transactions with the parent company and its considerable exposure in Turkey, DenizBank AG is directly depending on economic developments in Turkey.

The country risk of Turkey is rated by the international rating agencies Moody's and Fitch respectively with Ba1 and BB+ at non-investment grade level.

In the risk-bearing capacity models, risks resulting from defined risk categories are added to an overall potential loss value to assess the sustainability of those risks; consequently, such potential loss is compared to the available risk coverage capital in both going-concern and gone-concern scenarios. The adequate coverage of total measured risk on overall bank level (overall bank risk potential) at all times by the available risk coverage capital is the key element of the risk-bearing analysis.

Risk coverage capital is defined as the sum of all financial means of a bank which are available as risk cover.

At DenizBank AG, we have defined three risk cover categories and risk coverage capital, ranked according to their respective public awareness and availability; individual risk cover positions can be either allocated to one or more risk cover categories.

Consequently, risk coverage capital consists mainly of available capital and the reserves include unrealized gains and available interim profits.

The Risk Committee regularly controls the risk-bearing capacity of the bank.

To simulate an extraordinary increase of overall risk potential and in order to quantify a related negative impact on earnings and the risk bearing capacity, DenizBank AG runs several stress tests. Such tests create scenarios where certain extraordinary external events can cause an increase in risk.

Liquidity risk management

DenizBank AG has robust internal strategies and procedures for the measurement, steering and control of liquidity risks and adequate liquidity buffers.

The purpose of liquidity risk management is to ensure the unrestricted ability of the bank to meet its financial obligations at all times, not only under normal conditions, but also in stress situations. Such unrestricted ability is ensured when, at all times, cash outflows are covered by cash inflows and other liquidity measures, such as liquidity buffers.

Relevant for DenizBank AG are the liquidity sub-risks, insolvency, refinancing and market liquidity.

To determine insolvency risk, various instruments are applied, such as liquidity analysis, stress testing and liquidity coverage ratio.

Through the liquidity GAP analysis a gap (net positive or negative cash flow balance) for each maturity bracket is calculated, enabling active management of liquidity positions.

In addition, appropriate scenarios are considered for the liquidity report, differentiated between a general market scenario and an institution-specific scenario as well as the regulatory stress scenario according to the CRR.

Liquidity Coverage Ratio is the primary control value of the liquidity position of DenizBank AG and calculates the amount of highly liquid assets (liquidity buffer) for coverage of net liquidity outflows within one month. For the calculation of the liquidity coverage ratio, the short-term net liquidity requirement is mapped against the current value of the liquidity buffer.

Liquidity buffers are freely available and unrestricted liquid assets (surplus liquidity or additional realizable liquidity), which are available for the coverage of short-term liquidity needs under stress conditions. The maintenance of a liquidity buffer and its active control are integral parts of the liquidity risk management of DenizBank AG.

Intraday liquidity management and planning derives from the liquidity position of DenizBank AG, which is defined through the value of the Liquidity Coverage Ratio. Daily liquidity management ensures adequate liquidity beyond the minimum threshold of 30 days, which is sufficient to maintain long term business operations. A shorter period of five days is also considered to ensure the solvency of the bank even in extreme short term stress scenarios.

The Refinancing Risk is considered within the risk bearing analysis and the relevant capital requirement calculated. Market liquidity risk is considered through haircuts taken on the collateral value of eligible securities.

Disclosure:

With the disclosure report as of December 31st, 2017, DenizBank AG complies with the disclosure requirements pursuant to section 431 to 455 of EU Directive 575/2013 (Capital Requirements Regulation - CRR).
This report provides a comprehensive overview of the risk structure and risk management of DenizBank AG at both the overall bank level and the single risk level, and includes information on the organizational structure of risk management, the equity capital structure, minimum requirements and risk capital situation, risk management systems as well as remuneration policy and practices.

With the non-financial report as of December 31st, 2017, DenizBank AG fulfils the obligation to disclose according to the Sustainability and Diversity Improvement Act as well as the relevant regulations of the Austrian Commercial Code and the Stock Corporation Act.

The disclosure report of DenizBank AG is available on the bank's website (http://www.denizbank.at).

DenizBank AG has robust internal strategies and procedures for the measurement, steering and control of liquidity risks and adequate liquidity buffers.

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

Research and Development

The business development department was set up to support the growth targets within the overall bank strategy. The department is responsible for the planning, development and implementation of new products, services and sales channels in order to implement the bank's business objectives.

In addition, the department is coordinating the introduction of new products and existing offers in new markets in the New Product Committee.

Important occurrences after the end of the reporting year

With the amendment of the regulation of capital buffers by FMA, since the beginning of 2018 DenizBank AG has to maintain a capital buffer of 1% for the systematic concentration risk on individual and consolidated basis, in addition to the legal minimum capital ratio. The bank will conscientiously accomplish these additional regulatory requirements. After the end of the financial year, there were no events affecting the financial statements and the financial, assets, earnings and risk situation.

Outlook and latest developments

DenizBank AG strives to fulfil its mission to achieve sustainable value for its customers, business partners, shareholders and employees. The vision is to sustain the conduit role between Europe, Turkey and Russia, and to attain a top position amongst foreign owned banks in Austria by commanding a loyal clientele. The strategy is to deliver high level services with tailor-made solutions and customized full-fledged banking products through state of the art, multi-channeled, IT powered infrastructure under prudent corporate governance and banking principles.

In order to sustain the profitable growth and consequently to realize the strategic targets, DenizBank AG will keep focusing on three important pillars of the business strategy.

Continuous investment of the customer-oriented strategy in retail banking

With the focus on customer proximity and the successful establishment of our branch network in Austria and Germany as well as online banking, we have laid the foundation for a solid business development.

One of the most important pillars of our customer-oriented strategy remains the supply of high-quality tailor-made products.

Development of the modern banking platform and new technologies

The business objectives, including an increase in customer numbers, transaction volumes, and the introduction of new products and services, require further development of our banking systems to ensure growth in terms of scalability and continuity. The bank will invest further to the development of IT powered infrastructure under prudent corporate governance.

Strengthened Capital Base

Thanks to our shareholders and our successful results for the year, we will further strengthen our equity structure both to support our growth path and to meet future regulatory requirements.

What's next in 2018?

The outlook for Austria's economic growth in 2018 has brightened with the recovery of the economic framework in Europe. However, uncertainties still persists due to open questions about the Brexit and the imponderability of the impulses form the USA and China.

The economic development in Turkey remains challenging given the geopolitical situation, but there are already some signs of recovery, i.a. in the recently weakening tourism sector. However, our positioning in this area provide us the opportunity to operate sustainably and profitably, whereby the concentration risk Turkey will be further reduced on the asset side. The concentration risks in overall credit commitment subsist in the sectors of tourism, energy supply and construction, which are to be monitored as a part of an ongoing sector analysis and are to be reduced as a part of a European diversification strategy.

DenizBank AS, Turkey, received the "Winner Internal Process Innovation" award at the 2017 BAI Banking Innovation Awards. This award is presented by the prestigious American Bank Administration Institute (BAI) and the prestigious American Bankers Association (ABA). Building on this success, DenizBank AG will continue to invest in IT and infrastructure. DenizBank AG can benefit from the innovative IT solutions of Intertech, which belongs to the DenizBank Group. To expand our IT-based product portfolio, we will continue to expand our infrastructure in Austria as well as in Germany. The Intervision banking system, which was implemented already in 2016, offers us efficient solutions and our customers an additional improved service quality.

In the context of an expected volatile environment for the Euro, active interest management and currency management remain in focus, especially since the central banks around the globe are expected to continue unabated their monetary policy competition. An increase in the reference interest rate in the euro area seems unlikely given relatively high unemployment and inflation expectations.

We would like to sincerely thank all the employees, who played an essential role in achieving this remarkable effort trough their excellent team spirit. Out thanks applied also to our shareholders, the DenizBank Financial Services Group, our business partners and especially to our clients, who have entrusted us their financial affairs.

Vienna, April 18th, 2018

The Management Board

AHMET MESUT ERSOY
CHAIRMAN

DR. THOMAS ROZNOVSKY
MEMBER

MEHMET ULVI TANER
MEMBER

TUNCAY AKDEVELIOGLU
MEMBER

CENK IZGI
MEMBER

DIRECTORS AND OFFICERS OF THE BANK

DENIZBANK AG MANAGEMENT BOARD


Ahmet Mesut ERSOY
Chairman of the Management Board, CEO


Dr. Thomas ROZNOVSKY*
Management Board Member, CFO


Mehmet Ulvi TANER
Management Board Member


Dr. Tuncay AKDEVELIOGLU
Management Board Member, CRO


Cenk IZGI
Management Board Member

SUPERVISORY BOARD


HAKAN ATES
Chairman Istanbul President & CEO of DenizBank A.S.


Derya KUMRU
Deputy Chairman Istanbul, Executive Vice President of DenizBank A.S


Wouter van ROSTE
Member Istanbul Member of the Board of Directors of DenizBank A.S


Alexander VEDYAKHIN
Member Istanbul Member of the Board of Directors & CRO, of DenizBank A.S


Timur KOZINTSEV
Member Istanbul Member of the Board of Directors of DenizBank A.S


Ruslan ABIL
Member Istanbul Member of the Board of Directors of DenizBank A.S.


Hayri CANSEVER **
Member Istanbul Member of the Board of Directors of DenizBank A.S.


Pavel BARCHUGOV ***
Non-Executive Member of the Board of Directors at DenizBank A.S. & CRO of Sberbank Russia


Dr. Kurt HEINDL****
Member Vienna, Former Member of the Parliament, Consultant

REPRESENTATIVES OF THE AUSTRIAN FEDERAL MINISTRY OF FINANCE BANKING SUPERVISION DIVISION

MR RegRat Andreas STARITZ, BA, MA
State Commissioner
Financial Institutions

Hofrat Josef WEIDINGER, BA
Deputy State Commissioner
Financial Institutions

HOLDER OF PROCURATION


Christian MAYR
Treasury


Asli KURT-KUDUG
Controlling & Accounting & Financial Reporting & Financial Control

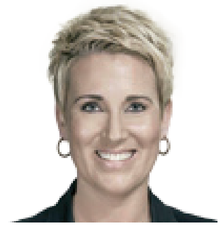

Melek AY
Risk Management


Özgür KAYA
Credit Risk Management


Mag. Semih ÖZCAN
Financial institutions & Trade Finance

* end of work on 31.08.2018
** start of work on 26.04.2018
*** start of work on 04.09.2017
**** end of work on 30.06.2018

DEPARTMENT HEADS


Mag. Dina Karin HÖSELE *
Internal Audit


Mag. Reyhan STARK, MA
Human Resources


Dr. Robert KREPP
Legal Department


Mag. Yanki EYÜBOGLU
Retail Marketing


Muzaffer LALE M.A.
Accounting Department &
Financial Reporting


Elif TACETTINOGLU
Credit & Trade Operations


Emin Can TÜRÜDÜ **
IT Infrastructure


Sebnem CALISKAN
Business Development


Ibrahim Gökhan YILMAZ
AML


Mag. Sandra KRAJCER-GOUGE
Compliance


Mag. Osman SAGLAM
Organization


Sükrü YILDIRAN
Back Office


Levent KORKMAZ
Contact Center


Regaip Can ASILYAZICI ***
Core Banking Applications


Mag. Kerem KUDUG ****
Priority Banking


Güven YILMAZ
Internal Control


Naz SERBETCIOGLU
Financial Control

BRANCHES AUSTRIA


Yasar YESILYURT
Division Head Branches
Austria

BRANCHES GERMANY


Berin KUTLUTAN
Representative of the Branch Branch Manager Market Frankfurt

* end of work on 31.08.2018
** start of work on 26.04.2018
*** start of work on 04.09.2017
**** end of work on 30.06.2018

BALANCE SHEET AS OF DECEMBER 31, 2017

Assets	31/12/2017		31/12/2016
	EUR	EUR	prior year kEUR
1, Cash in hand. balances with central banks		1,715,885,224.27	950,711
2, Treasury bills and other bills eligible for refinancing with central banks			
a) Treasury bills and similar securities		0.00	218,197
3, Loans and advances to credit institutions			
a) Repayable on demand	37,102,976.00		126,332
b) Other loans and advances	762,515,353.23		774,623
		799,618,329.23	900,955
4, Loans and advances to customers		7,656,267,100.06	7,791,856
5, Debt securities including fixed-income securities			
a) issued by public bodies	26,869,500.00		31,836
b) issued by other borrowers	37,548,010.55		40,632
		64,417,510.55	72,468
6, Shares and other variable-yield securities		26,074.67	14
7, Shares in affiliated undertakings			
thereof. Shares in credit institutions EUR 16.453.424,78 (p,y,. 16,453 kEUR)		131,651,534.88	131,652
8, Intangible fixed assets		2,833,482.07	2,469
9, Tangible assets		9,002,291.88	8,838
thereof. Land and buildings occupied by a credit institution			
for its own activities EUR 0.00 (p,y,. 0 kEUR)			
10, Other assets		143,681,120.28	107,562
11, Prepayments and accrued income		13,062,042.25	16,899
12, Deferred tax assets		5,928,444.78	6,399
		10,542,373,154.92	10,208,020
Off-balance sheet items			
1, Foreign assets		9,079,543,155.37	9,101,148

	Liabilities and Shareholders' Equity	31/12/2017		31/12/2016
		EUR	EUR	prior year kEUR
1,	Liabilities to credit institutions			
	a) Repayable on demand	75,241,032.56		49,331
	b) With agreed maturity dates or periods of notice	691,530,000.00		650,916
			766,771,032.56	700,247
2,	Liabilities to customers (non-banks)			
	a) Savings deposits			
	thereof.			
	aa) Repayable on demand	554,203,428.85		438,264
	bb) With agreed maturity dates or periods of notice	1,941,129,394.53		2,074,072
			2,495,332,823.38	2,512,336
	b) Other liabilities			
	thereof.			
	aa) Repayable on demand	1,733,866,825.57		1,440,675
	bb) With agreed maturity dates or periods of notice	4,064,849,935.74		4,209,097
			5,798,716,761.31	5,649,772
			8,294,049,584.69	8,162,108
3,	Other liabilities		64,371,364.59	154,474
4,	Accruals and deferred income		3,524,072.11	249
5,	Provisions			
	a) Provisions for severance payments	1,002,901.00		830
	b) Provisions for taxation	11,952,520.50		1,653
	c) Other provisions	7,002,179.56		10,425
			19,957,601.06	12,908
6,	Supplementary capital pursuant to chapter 4 of title I of part 2 of Regulation (EU) No 575/2013		25,014,591.84	28,460
7,	Subscribed capital		211,830,894.05	191,831
8,	Capital reserves			
	a) Comitted		310,625,651.86	280,625
9,	Retained earnings			
	a) Other reserves		770,063,494.16	603,231
10,	Liability reserve pursuant to section 57/5 BWG		76,164,868.00	73,887
			10,542,373,154.92	10,208,020

	Off-balance sheet items		
1,	Contingent liabilities	200,466,401.17	158,777
	thereof. Guarantees and assets pledged		
	as collateral security	90,277,000.17	124,191
2,	Commitments	18,794,246.79	10,271
	thereof. Commitments arising from repurchase transactions EUR 0.00 (p,y,. 0 kEUR)		
3,	Commitments arising from agency services	0.00	0
4,	Total qualifying capital according to part 2 Regulation (EU) No 575/2013	1,390,866,017.84	1,175,564
	thereof. Subordinated loan according to part 2 title 1 chapter 4		
	Regulation (EU) Nr, 575/2013 EUR 25.014.591,84 (p,y,. 28,460 kEUR)		
5,	Capital requirements pursuant to Art 92 of Regulation (EU) No 575/2013	7,579,236,890.24	7,680,757
	thereof. Capital requirements pursuant to Art 92 para, 1 point (a) of Regulation (EU) No 575/2013	18.02%	14.93%
	thereof. Capital requirements pursuant to Art 92 para, 1 point (b) of Regulation (EU) No 575/2013	18.02%	14.93%
	thereof. Capital requirements pursuant to Art 92 para, 1 point (c) of Regulation (EU) No 575/2013	18.35%	15.31%
6,	Foreign liabilities	4,593,091,081.31	4,540,906

INCOME STATEMENT FOR THE PERIOD FROM 01. JANUARY - 31. DECEMBER 2017

	2017 EUR	2017 EUR	2016 KEUR
1, Interest receivable and similar income		430,554,542.98	432,675
from fixed-income securities EUR 3,454,153.19 (p.y.. 18,378 kEUR)			
2, Interest payable and similar expenses		-217,207,895.80	-225,000
I, NET INTEREST INCOME		213,346,647.18	207,675
3, Commissions receivable		20,445,663.02	24,944
4, Commissions payable		-4,863,000.80	-5,732
5, Net profit or net loss on financial operations		816,985.11	5,409
6, Other operating income		2,719,405.73	1,444
II, OPERATING INCOME		232,465,700.24	233,740
7, General administrative expenses			
a) Staff costs thereof.			
aa) Wages and salaries	-18,887,457.76		-17,705
bb) Expenses for statutory social contributions and compulsory			
contributions relate contributions related to wages and salaries d to wages and salaries	-4,582,552.25		-4,352
cc) Other social expenses	-449,709.87		-436
dd) Expenses for pension and assistance	-272,801.38		-271
ee) Expenses for severance payments and contributions			
to severance and retirement funds	-667,541.35		-476
		-24,860,062.61	-23,240
b) Other administrative expenses		-17,204,828.78	-16,731
		-42,064,891.39	-39,971
8, Value adjustments in respect of asset items 8 and 9			
		-2,607,010.93	-2,223
9, Other operating expenses		-6,917,169.56	-6,767
III, OPERATING EXPENSES		-51,589,071.88	-48,961
IV, OPERATING RESULT		180,876,628.36	184,779
10, Value adjustments in respect of loans and advances and provisions			
for contingent liabilities and for commitments			
		-19,541,593.45	-31,178
11, Value re-adjustments in respect of loans and advances and provisions			
for contingent liabilities and for commitments			
		22,175,388.38	8,343
12, Value re-adjustments in respect of transferable securities held as			
financial fixed assets		57,000.00	0
		183,567,423.29	161,944
13, Extraordinary income thereof		0.00	600
Withdrawals from the fund for general banking risks. EUR 0.00 (p.y.. 600 kEUR)			
14, Extraordinary result		0.00	600
15, Tax on profit		-11,721,019.18	-840
thereof. Income/Expenses from deferred taxes. EUR 470,248.82 (p.y.. 6,399 kEUR)			
16, Other taxes not reported under item 15		-2,735,297.17	-2,490
VI, PROFIT FOR THE YEAR AFTER TAX		169,111,106.94	159,214
17, Changes in reserves			
thereof. Allocation to liability reserve EUR 2,278,194.00 (p.y.. 2,315 kEUR)		-169,111,106.94	-159,214
VII, NET INCOME FOR THE YEAR		0.00	0
18, Profit brought forward		0.00	0
VIII, NET PROFIT FOR THE YEAR		0.00	0

DEVELOPMENT OF FIXED ASSETS AS OF DECEMBER 31, 2017

	Cost of acquisition or production					Accumulated Depreciation						Book value	
	Acquisition costs 01/01/2017 EUR	Additions EUR	Disposals EUR	Adjustments EUR	Acquisition costs 31/12/2017 EUR	Accumulated Depreciation 01/01/2017 EUR	Additions EUR	Write-ups EUR	Disposals EUR	Adjust-ments EUR	Accumulated Depreciation 31/12/2017 EUR	Book value 31/12/2017 EUR	Book value 31/12/2016 EUR
I, Intangible fixed assets													
1, Software and rights	7,108,917.14	1,172,306.31	0.00	0.00	8,281,223.45	4,639,935.78	807,805.60	0.00	0.00	0.00	5,447,741.38	2,833,482.07	2,468,981.36
2, Payments on account	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3, Low value assets - Software	0.00	502.13	502.13	0.00	0.00	0.00	502.13	0.00	502.13	0.00	0.00	0.00	0.00
	7,108,917.14	1,172,808.44	502.13	0.00	8,281,223.45	4,639,935.78	808,307.73	0.00	502.13	0.00	5,447,741.38	2,833,482.07	2,468,981.36
II, Tangible fixed assets													
1, Installations in third parties buildings	10,167,425.65	915,289.89	0.00	0.00	11,082,715.54	4,192,319.49	997,228.24	0.00	0.00	0.00	5,189,547.73	5,893,167.81	5,975,106.16
2, Fixture. furniture and office equipment	6,365,268.34	1,026,215.86	172,301.64	0.00	7,219,182.56	3,502,444.47	778,070.25	0.00	170,456.23	0.00	4,110,058.49	3,109,124.07	2,862,823.87
3, Low value assets	0.00	23,404.71	23,404.71	0.00	0.00	0.00	23,404.71	0.00	23,404.71	0.00	0.00	0.00	0.00
	16,532,693.99	1,964,910.46	195,706.35	0.00	18,301,898.10	7,694,763.96	1,798,703.20	0.00	193,860.94	0.00	9,299,606.22	9,002,291.88	8,837,930.03
III, Financial assets													
1, Treasury bills and other bills eligible for refinancing with central banks	10,000,000.00	0.00	10,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,000,000.00
2, Debt securities including fixed-income securities													
issued by public bodies	31,812,500.00	0.00	4,943,000.00	0.00	26,869,500.00	0.00	0.00	0.00	0.00	0.00	0.00	26,869,500.00	31,812,500.00
issued by other borrowers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3, Shares in affiliated undertakings	131,651,534.88	0.00	0.00	0.00	131,651,534.88	0.00	0.00	0.00	0.00	0.00	0.00	131,651,534.88	131,651,534.88
4, Shares and other variable-yield securities	5,069.07	0.00	0.00	0.00	5,069.07	0.00	0.00	0.00	0.00	0.00	0.00	5,069.07	5,069.07
	173,469,103.95	0.00	14,943,000.00	0.00	158,526,103.95	0.00	0.00	0.00	0.00	0.00	0.00	158,526,103.95	173,469,103.95
	197,110,715.08	3,137,718.90	15,139,208.48	0.00	185,109,225.50	12,334,699.74	2,607,010.93	0.00	194,363.07	0.00	14,747,347.60	170,361,877.90	184,776,015.34

NOTES TO THE FINANCIAL STATEMENTS 2017

General Information

The annual financial statements of DenizBank AG for the fiscal year 2017 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 December 31st, 2017 were drawn up by the Management Board in compliance with the regulations of the Austrian Commercial Code (UGB) as amended by the 2014 Austrian Financial Reporting Amendment Act (RÄG) and the special regulations of the Austrian Banking Act (BWG).

Accounting policies

The structure of the balance sheet and the profit and loss account for the year 2017 complies with the requirements of Appendix 2 section 1 of article 43 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 features of the banking business, the principle of prudence was applied. Only profits and gains realised at the balance sheet date were listed and all recognisable risks and impending losses were taken into account.

Fixed-income securities that have not been admitted to the official stock exchange were reported as loans and advances to banks. In the assets analysis of the fiscal year 2017 these securities were also listed as loans and advances to banks. Fixed-income securities that have not been admitted to the official stock exchange amount to 0.00 EUR in 2017 (31/12/2016: 10,000 kEUR).

Foreign currency amounts were valued at the mean rate of exchange pursuant to article 58 para. 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 formed.

The assessment of provisions has been made in accordance with article 211 UGB with the estimated settlement amount. Provisions with a remaining term of more than one year were discounted at an interest rate of 3.5%. Provisions for severance obligations were recognized using the amount resulting from actuarial principles.

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

Pursuant to article 201 para. 2 Z 7 UGB, flat-rate value adjustments for claims on the corresponding items in the balance sheet were assessed by means of a calculation of the amount of the receivables in the event of default.

Assets

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 intended to be held as long-term investments were valued pursuant to article 56 para. 1-3 BWG. 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.

A trading book is kept since January 01st, 2005. The volume amounts to 21,005.60 EUR (31/12/2016: 33 kEUR).

Cash 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. In compliance with article 906 para. 32 UGB, there is a write-up obligation for assets, which were subjected to depreciation pursuant to article 204 para. 2 or article 207 UGB.

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" .Commitments arising from the use of tangible assets not shown in the balance sheet amount to 3,850,000.00 EUR (31/12/2016: 4,038 kEUR) for the following fiscal year and 20,650,660.00 EUR (31/12/2016: 21,172 kEUR) for the following five years.

Liabilities

The provisions for severance obligations were determined on the basis of recognized actuarial principles according to the "projected unit credit method"pursuant to IAS 19. Actuarial gains and losses were recognized in the income statement. Interest expenses on severance provisions as well as the effects of actuarial gains and losses were listed in personnel expenses. The calculation was based on an interest rate of 1.5% (31/12/2016: 2.0%) with an assumed retirement age of 60 years for women and 65 years for men. The average interest rate of the last 7 years on the basis of the 15-year German federal bond was used as a source for this calculation. The value at the reporting date for the annual financial statements accounts for 1,002,901.00 EUR (31/12/2016: 830 kEUR). The calculations for all social capital reserves applied to employees were based on the „AVÖ 2008-P –Calculation Basis for Pension Insurance - Pagler & Pagler". In addition, a valorisation basis of 2.2% (31/12/2016: 2.2%) was used. The fluctuation rate was not considered in the determination of the provisions for severance payments. Amendments in provisions and income from changes in calculation interest rates are booked under personnel expenses.

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. Other provisions were mainly set up for claims for vacations and premiums. Pursuant to article 211 para. 1 UGB, liabilities must be stated at their settlement amount (formerly nominal value or repayment amount).

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 1,715,885,224.27 EUR (31/12/2016: 950,711 kEUR) at year-end. The position has increased by 765,174 kEUR compared to previous year.

Treasury bills

On annual reporting date debt securities issued by public authorities amount to 0.00 EUR (31/12/2016: 218,197 kEUR). No securities were pledged at the end of the period (31/12/2016: 0 kEUR).

Loans and advances to credit institutions

Loans and advances to credit institutions decreased by 101,337 kEUR to 799,618,329.23 EUR (31/12/2016: 900,955 kEUR) during the reporting period. Loans to affiliated companies amount to 555,498,544.16 EUR (31/12/2016: 495,418 kEUR), whereas 5,583,819.73 EUR (31/12/2016: 5,699 kEUR) thereof were regarded as subordinated. The fiduciary transactions included in loans and advances to credit institutions amount to 54,898,481.80 EUR (31/12/2016: 0 kEUR). The position includes no unlisted bond (31/12/2016: 10,000 kEUR), which was valued as fixed-asset according to article 56 para. 1 BWG. As of December 31st, 2017 the amount of 1,682,590.00 EUR (31/12/2016: 1,429 kEUR) was booked as general provisions for loans and advances to credit institutions.

Loans and advances to customers

Loans and advances to customers decreased by 135,589 kEUR from 7,791,856 kEUR to 7,656,267,100.06 EUR compared to previous year. Loans to affiliated companies amount to 108,100,000.00 EUR (31/12/2016: 89,700 kEUR). As of December 31st, 2017 20,070,333.13 EUR (31/12/2016: 20,414 kEUR) were booked as general provisions for loans and advances to customers.

Loans and advances to credit institutions and customers that are not daily due include amounts with the following terms of maturity (remaining term):

	Amounts in EUR due from			
	Credit institutions		Customers	
	31/12/2017	31/12/2016*	31/12/2017	31/12/2016*
Up to 3 months	612,686,914.72	499,000	479,340,238.21	282,326
3 months up to 1 year	118,546,619.18	159,075	802,550,106.26	751,205
1 year up to 5 years	26,682,233.84	112,278	2,176,658,566.87	2,368,779
more than 5 years	5,583,819.73	5,699	4,201,713,714.29	4,398,897

* 31/12/16 figures in kEUR

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

	Loans and advances in EUR to			
	Credit institutions		Customers	
	31/12/2017	31/12/2016*	31/12/2017	31/12/2016*
Turkey	22,609,750.80	121,266	5,209,183,655.40	6,064,092
Austria	3,669,292.43	13,784	85,353,162.19	48,321
Other countries	773,339,286.00	765,904	2,361,730,282.47	1,679,443

* 31/12/16 figures in kEUR

The country risk of Turkey is included in the risk-bearing capacity analysis, both as a credit concentration and as part of macroeconomic risks. On the one hand, foreign currency risks exist for loans to customers in a currency other than their local currency. On the other hand, there is a foreign currency risk for the bank for loans not granted in Euro. As of December 31st, 2017, the volume of loans granted in USD amounted to 2,969,928,089.75 EUR (31/12/2016: 3,624,983 kEUR), the loans granted in TRY had the equivalent value of 27,776,908.85 EUR (31/12/2016: 56,319 kEUR). The Bank has essentially hedged this risk through extensive currency swaps. At the end of the year loans in the sectors tourism, energy and construction amounted to 1,521,851,481.65 EUR (31/12/2016: 1,322,264 kEUR), 1,161,435,759.41 EUR (31/12/2016: 1,130,240 kEUR), and 269,403,567.33 EUR (31/12/2016: 598,658 kEUR) respectively. In the context of existing risk-minimizing contractual arrangements, silent participations in credit exposures worth 122,070,340.44 EUR (31/12/2016: 269,528 kEUR) were transferred to the parent company within the reporting period.

Debt securities including fixed-income securities

The position bonds and other fixed-income securities decreased from 72,468 kEUR to 64,417,510.55 EUR compared to previous year.

At closing date unlisted securities worth 11,982,000.00 EUR (31/12/2016: 11,982 kEUR) and listed securities amounting to 14,887,500.00 EUR (31/12/2016: 19,831 kEUR) were held. The securities were valued as fixed assets according to article 56 para. 1 BWG. Listed current asset securities have a book value of 37,615,613.71 EUR (31/12/2016: 40,745 kEUR). As of December 31st, 2017, 67,603.16 EUR (31/12/2016: 113 kEUR) were booked as general provisions for securities.

The portfolio contains fixed-interest securities with a remaining term of less than one year worth 4,988,956.91 EUR (31/12/2016: 4,944 kEUR). At year-end, there were no repurchase agreements pursuant to article 50 para. 4 BWG (31/12/2016: 0 kEUR).

Financial Instruments in accordance with article 237a para. 1 Z 1 UGB

There are no financial instruments classified as financial investments, reported above fair value:

	Book value 31/12/2017	Hidden reserves Lasten	Book value 31/12/2016*	Hidden reserves Lasten
Loans and advances to credit institutions	0.00	0	10,000	0
Treasury bills and other bills	0.00	0	0	0
Debt securities issued by public bodies	26,869,500	0	31,813	0

* 31/12/16 figures in kEUR

Hidden reserves amount to 929,850.00 EUR (31/12/2016: 1,327 kEUR).

Current assets in accordance with article 237a para. 1 Z 1 UGB

Securities classified as current assets have a book value of 37,615,613.71 EUR (31/12/2016: 258,942 kEUR). Hidden reserves amount to 471,073.54 EUR (31/12/2016: 250 kEUR).

Shares and other variable-yield securities

At the end of the year shares in unlisted companies were valued at 5,069.07 EUR (31/12/2016: 5 kEUR) and equity funds amount to 21,005.60 EUR (31/12/2016: 9 kEUR). The shares in equity fund worth 21,005.60 EUR (31/12/2016: 9 kEUR) are accounted as held for trading.

Shares in affiliated undertakings

In December 2003, a 51% share in JSC DenizBank, Moscow was acquired. DenizBank AG, Vienna received a Letter of Comfort, dated March 20th, 2009, from the main shareholder DenizBank A.S., Istanbul stating that any losses to be recorded in the books of DenizBank AG, Vienna arising in connection with the investment in JSC DenizBank, Moscow will be irrevocably covered by DenizBank A.S., Istanbul. Taking into account the net profit of 10,805,502.38 EUR (31/12/2016: 10,827 kEUR) for the year 2017, the shareholders' equity amounts to 72,638,857.87 EUR (31/12/2016: 66,730 kEUR). In September 2014, 51% of the shares of Deniz Finansal Kiralama A.S. were acquired. With consideration of the net profit amounting to 19,569,184.64 EUR (31/12/2016: 20,603 kEUR) at the end of 2017, the equity capital of Deniz Finansal Kiralama A.S. reached 158,429,731.70 EUR (31/12/2016: 170,294 kEUR).

Also in September 2014, DenizBank AG, Vienna acquired 99.9% of the shares of CR Erdberg GmbH & Co KG. Deniz Immobilien Service GmbH was founded in 2013 and is owned 100% by DenizBank AG, Vienna. The share capital of Deniz Immobilien Service GmbH amounts to 35,000.00 EUR (31/12/2016: 35 kEUR).

This position consists of unlisted securities of affiliated companies amounting to 112,829,985.11 EUR (31/12/2016: 112,830 kEUR) at the balance sheet date.

Intangible fixed assets

Amounting to 2,833,482.07 EUR (31/12/2016: 2,469 kEUR) intangible fixed assets mainly consist of purchased computer software.

Tangible assets

Reduced by a depreciation amount of 1,798,703.20 EUR (31/12/2016: 1,644 kEUR) investments in tangible assets areworth 1,964,910.46 EUR (31/12/2016: 2,403 kEUR). Tangible assets increased from 8,838 kEUR by 164 kEUR to 9,002,291.89 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 Appendix 3/1.

Other assets

At the balance sheet date this position mainly contains clearing items in the amount of 3,188,022.83 EUR (31/12/2016: 13,408 kEUR) as well as a positive market value of forward exchange transactions (FX Swaps, FX Forwards) amounting to 60,168,685.94 EUR (31/12/2016: 3,081 kEUR).

Other assets contain deferred interest income worth a total of 80,324,411.51 EUR (31/12/2016: 91,074 kEUR), which will be payable after the balance sheet date.

Prepayments and accrued income

At the end of the year prepayments and accrued income amounts to 13,062,042.25 EUR (31/12/2016: 16,899 kEUR). This position mainly consists of commissions, which were paid for the next periods, prior balance sheet date.

Deferred tax assets

Deferred taxes on assets in the amount of 5,928,444.78 EUR (31/12/2016: 6,399 kEUR) were determined by the end of the year, which is the result of the temporary difference between the tax value of provisions for severance payments and their book value as well as flat-rate value adjustments for deferred credit risks. A tax rate of 25%, which was in force at the balance sheet date, was used in the deferred tax calculation.

Total assets

The total assets of DenizBank AG reached 10,542,373,154.92 EUR (31/12/2016: 10,208,020 kEUR) at the end of 2017, exceeding prior year's amount by 334,353 kEUR. The total of assets not denominated in EUR was reported as 3,259,686,166.61 EUR (31/12/2016: 3,943,871 kEUR). The total of liabilities denominated in currencies other than EUR amount to 1,007,312,258.41 EUR (31/12/2016: 1,119,813 kEUR).

Off-balance-sheet items

As per end of the year, the bank's foreign assets amountto 9,079,543,155.37 EUR (31/12/2016: 9,101,148 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 700,247 kEUR by 66,524 kEUR to 766,771,032.56 EUR. Liabilities to affiliated companies amount to 591,442,995.99 EUR (31/12/2016: 617,340 kEUR) at the balance sheet date.

Liabilities to customers

In comparison to previous year, liabilities to customers increased from 8,162,108 kEUR to 8,294,049,584.69 EUR. The savings deposits contained therein, realized a decrease of 17,003 kEUR, reaching a current level of 2,495,332,823.38 EUR (31/12/2016: 2,512,336 kEUR) at the balance sheet date. The percentage of saving deposits with agreed maturity or period of notice is 78%. The saving deposits do not contain trustee savings deposits. Liabilities to affiliated companies amount to 2,070,180.81 EUR (31/12/2016: 1,507 kEUR). There are fiduciary transactions included in the position liabilities to customers in the amount of 54,898,481.80 (31/12/2016: 0 kEUR).

Liabilities to credit institutions and customers that are not daily due include amounts with the following terms of maturity (remaining term):

	Amounts in EUR due from			
	Credit institutions		Customers	
	31/12/2017	31/12/2016*	31/12/2017	31/12/2016*
Up to 3 months	620,000,000.00	579,386	1,208,346,889.24	1,024,178
3 months up to 1 year	0.00	0	2,017,434,181.04	2,578,339
1 year up to 5 years	71,530,000.00	71,530	2,611,211,755.30	2,539,246
More than 5 years	0.00	0	168,986,504.69	141,407

* 31/12/16 figures in kEUR

Other liabilities

As of December 31st, 2017 other liabilities amount to 64,371,364.59 EUR (31/12/2016: 154,475 kEUR). Other liabilities include accrued interest expenses worth 58,921,588.66 EUR (31/12/2016: 65,078 kEUR), which are payable after year end.

Other liabilities also include negative assessment values of forward exchange transactions in the amount of 158,089.73 EUR (31/12/2016: 83,373 kEUR).

Accruals and deferred income

On balance sheet date, accruals and deferred income amounts to 3,524,072.11 EUR (31/12/2016: 249 kEUR).

Provisions

The total of provisions are valued at 19,957,601.06 EUR (31/12/2016: 12,908 kEUR) showing an increase of 7,049 kEUR compared to last year. This position includes provisions for severance payments worth 1,002,901.00 EUR (31/12/2016: 830 kEUR), provisions for taxation at the amount of 11,952,520.50 EUR (31/12/2016: 1,653 kEUR) as well as 7,002,179.56 EUR (31/12/2016: 10,425 kEUR) worth of other provisions, which mainly refer to guarantee credits in the amount of 1,644,719.74 EUR (31/12/2016: 3,404 kEUR), contingent losses of derivatives worth 982,761.60 EUR (31/12/2016: 3,544 kEUR) and general administrative expense provisions amounting to 4,374,698.22 EUR (31/12/2016: 3,477 kEUR).

Supplementary capital

In 2016 a total of 30.00 million USD subordinated loan contributions from Denizbank A.S. were recorded, consisting of 15.00 million USD each (05/06/2016 and 09/30/2016).The subordinated loans will run until 05/06/2023 and 09/30/2023 at an interest rate of 7%. As of year-end, the supplementary capital amounts to 25,014,591.84 EUR (31/12/2016: 28,460 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 section 77 of regulation 575/2013 (EU) of 06/26/2013 are fulfilled. Earlier repayment is only possible with the permission of the responsible supervisory authority and upon fulfilment of the requirements of section 78 para. 4 of regulation 575/2013 (EU) of 06/26/2013. 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 211,830,894.05 EUR (31/12/2016: 191,831 kEUR) and is divided into 291,485 shares which are registered in the name of the principal shareholders. In the extraordinary meeting on September 8th, 2017, the increase of subscribed capital from 191,830,557.72 EUR by 20,000,336.33 EUR to 211,830,894.05 EUR (of 263,964 shares by 27,521 to 291,485 shares in the name of DenizBank A.S. with an issuing price of 250%) was decided and was to be paid completely in cash immediately. The capital increase was registered at the commercial register on October 17th, 2017.

Capital reserves

As the year drew to a close capital reserves had a value of 310,625,651.86 EUR (31/12/2016: 280,625 kEUR) and consist entirely of tied-up capital reserves.

Retained earnings

Due to a positive earnings situation the bank has decided that, after an allocation to the liabilities reserve, the profit for the year in the amount of 166,832,912.94 EUR (31/12/2016: 156,899 kEUR) will be attributed to the retained earnings which amount to 770,063,494.16 EUR (31/12/2016: 603,231 kEUR) at the balance sheet date.

Liability reserve pursuant to section 57/5 BWG

During the fiscal year an allocation of the liabilities reserve worth 2,278,194.00 EUR (31/12/2016: 2,315 kEUR) was initiated. This lead to a total sum of 76,164,868.00 EUR (31/12/2016: 73,887 kEUR) at the end of the year.

Off-balance-sheet Items

Contingent liabilities include guarantees and letters of creditworth 200,466,401.17 EUR (31/12/2016: 158,777 kEUR). Credit risks arising from not-utilized credit facilities amount to 18,794,246.79 EUR (31/12/2016: 10,271 kEUR). Foreign liabilities amount to 4,593,091,081.31 EUR (31/12/2016: 4,540,906 kEUR).

Total qualifying capital

in EUR	31/12/2017	31/12/2016*
Subscribed capital	211,830,894.05	191,831
Capital reserves	310,625,651.86	280,625
Retained earnings	770,063,494.16	603,231
Liabilities reserve	76,164,868.00	73,887
Net retained profit	0.00	0
	1,368,684,908.07	1,149,574
Positions to be deducted	-2,833,482.07	-2,470
Core capital	1,365,851,426.00	1,147,104
Supplementary capital	25,014,591.84	28,460
Equity capital	1,390,866,017.84	1,175,564
Total capital ratio	18.35%	15.31%

* 31/12/16 figures in kEUR

Return on assets for the fiscal year 2017 has a value of 1.60% (31/12/2016: 1.56%), 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 13.43% (31/12/2016: 14.88%), which was calculated as the ratio of net profit after tax divided by the average equity.

Consolidated eligible equity capital

in EUR	31/12/2017	31/12/2016*
Subscribed Capital	211,830,894.05	191,831
Capital reserves	310,625,651.86	280,625
Retained earnings	770,063,494.16	603,231
Liabilities reserve	76,164,868.00	73,887
Minority interest	20,081,823.31	32,539
Positions to be deducted	-3,977,043.73	-3,781
Difference arising from contribution of equity capital and shares	-52,232,898.66	-30,889
Net retained profit not inteded for distribution	50,381,419.00	39,396
Core captial	1,382,938,207.99	1,186,839
Supplementary Capital	28,627,253.81	33,024
therein minority interest	1,371,473.66	2,017
Equity capital	1,411,565,461.80	1,219,863
Total capital ratio	16.92%	14.27%

* 31/12/16 figures in kEUR

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:

31/12/2017 in EUR	Nominal value	Positive market value	Negative market value
Forward exchange transactions	2,470,949,517.03	60,168,685.94	158,089.73
Interest Rate Swaps without hedging relationship	986,332,465.85	6,060,617.90	987,315.61
Interest Rate Swaps with hedging relationship	478,720,831.29	16,542,107.06	16,542,107.06
Cross Currency Swaps	96,087,597.31	1,621,833.45	1,621,833.45
Total	4,032,090,411.48	84,393,244.35	19,309,345.85

31/12/2016 in TEUR	Nominal value	Positive market value	Negative market value
Forward exchange transactions	3,232,908	3,081	83,373
Interest Rate Swaps without hedging relationship	551,329	968	3,544
Interest Rate Swaps with hedging relationship	1,110,316	22,051	22,051
Cross Currency Swaps	1,757	122	123
FX Options	1,350	0	0
Total	4,897,660	26,222	109,091

A negative market value of forward exchange transactions amounting to 158,089.73 EUR (31/12/2016: 83,373 kEUR) was recorded in other liabilities. Furthermore, provisions amounting to 982,761.60 EUR (31/12/2016: 3,544 kEUR) have been set as contingent losses regarding the negative market value of derivatives. Without hedging transactions provisions for contingent losses worth 18,163,940.51 EUR (31/12/2016: 22,174 kEUR) would have been taken into consideration on the balance sheet date.

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 on the basis of 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.

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.

In the fiscal year 2017 no hedge relations (31/12/2016: 2,183,683 kEUR) were prematurely terminated. As a result of the termination of the hedge relations, a profit of 3,262 kEUR was generated in 2016.

3. Profit and Loss Account

Net Interest Income

The net interest result including interest from fixed-income securities, interest expenses and similar expenses showed an increase of 5,672 kEUR amounting to 213,346,647.18 EUR (31/12/2016: 207,675 kEUR) at the balance sheet date. This includes interest expenses for subordinated liabilities in the amount of 1,881,809.84 EUR (31/12/2016: 884 kEUR).

Distribution according to geographical markets:

Net Interest Income	31/12/2017	31/12/2016*
Austria	246,456,693.93	244,324
Germany	-33,110,046.75	-36,649
Total	213,346,647.18	207,675

* 31/12/16 figures 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 a decrease of 1,274 kEUR or 0.55% amounting to 232,465,700.24 EUR (31/12/2016: 233,740 kEUR). The operating income consists of the following amounts:

		"Fee and commission income"	"Fee and commission expense"	Income/Expense from financial transactions	Other operating income
2017	Austria	19,417,025.41	-4,797,324.71	1,196,541.17	2,706,623.81
	Germany	1,028,637.61	-65,676.09	-379,556.06	12,781.92
	Total	20,445,663.02	-4,863,000.80	816,985.11	2,719,405.73
2016*	Austria	24,182	-5,664	5,209	1,391
	Germany	762	-68	200	52
	Total	24,944	-5,732	5,409	1,443

* 31/12/16 figures in kEUR

Operating Expenses

Operating expenses realized a growth of 2,628 kEUR resulting in an increase from 48,961 kEUR to 51,589,071.88 EUR during the reporting period. Personnel expenses increased by 1,621 kEUR to 24,860,062.61 EUR (31/12/2016: 23,239 kEUR). Other administrative expenses increased from 16,731 kEUR to 17,204,828.78 EUR. This position includes rent and leasing expenses totalling 3,696,127.31 EUR (31/12/2016: 3,651 kEUR). Other operating expenses amount to 6,917,169.56 EUR (31/12/2016: 6,767 kEUR), containing the amounts resulting from paid contributions tothe resolution fund and deposit protection scheme worth 6,732,576.78 EUR (31/12/2016: 6,418 kEUR).

Operating Result

Compared to previous year the operating result showed a decrease of 3,902 kEUR amounting to 180,876,628.36 EUR (31/12/2016: 184,779 kEUR).

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

This position contains valuation losses of securities in current assets in the amount of 1,466,724.30 EUR (31/12/2016: 5,839 kEUR), and value adjustments and written-off receivables in the amount of 4,130.46 EUR (31/12/2016: 9 kEUR), as well as allocations to flat-rate value adjustments for deferred credit risks in the amount of 18,070,738.69 EUR (31/12/2016: 25,361 kEUR).

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

The realized profits resulting from the sale of securities amount to 1,778,644.52 EUR (31/12/2016: 23 kEUR). The realised profit according from the sale of securities amount 87,051.16 (31/12/2016: 7,955 kEUR) and the income from the reversal of value adjustments of loans and advances is worth 20,309,692.70 EUR (31/12/2016: 388 kEUR).

Profit or loss on ordinary activities

The result from ordinary business activities amount to 183,567,423.29 EUR (31/12/2016: 161,944 kEUR) exceeding previous year's number by 21,623 kEUR or 13.35%.

Extraordinary income

There were no extraordinary income recorded in 2017 (31/12/2016: 600 kEUR).

Tax on profit

Taxes on income and earnings amount to 11,721,019.18 EUR (31/12/2016: 840 kEUR). Due to the double tax treaty between Turkey and Austria a notional withholding tax from interest income at the value of 33,506,228.65 EUR (31/12/2016: 39,133 kEUR) could be credited against the corporate tax for 2017. The deferred tax decrease by 471 kEUR amounting 5,928,444.78 EUR (31/12/2016: 6,399 kEUR) as of December 31st, 2017.

Profit for the year after tax

Compared to last year's result of 159,214 kEUR the profit increased by 9,897 kEUR or 6.22% reaching 169,111,106.94 EUR at the balance sheet date.

Changes in reserves

The changes in reserves totalling 169,111,106.94 EUR (31/12/2016: 159,214 kEUR) were caused by an allocation to the liabilities reserve in the amount of 2,278,194.00 EUR (31/12/2016: 2,315 kEUR) as well as an allocation to retained earnings worth 166,832,912.94 EUR (31/12/2016: 156,899 kEUR).

Net profit for the year

Due to the allocation of the profit to the reserves similar to previous years, no net profit will be shown in the financial statements.

Other Information

DenizBank AG is included as a subsidiary in the consolidated financial statements of DenizBank A.S., Istanbul. Since the acquisition of the parent company Denizbank A.S. by Sberbank of Russia, which is registered in Moscow, DenizBank AG is also included in the consolidated financial statements of Sberbank of Russia. DenizBank AG prepares its own consolidated financial statement in Vienna. The consolidated financial statements are deposited at the respective locations of the companies.

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

Branch Frankfurt am Main	2017	2016*
Nature of activities	Universal banking	Universal banking
Geographical location	Germany	Germany
Net interest income in EUR	-33,110,046.75	-36,649
Operating income in EUR	-32,513,859.37	-35,703
Number of employees (FTE)	107	100
Profit before tax in EUR	-42,121,946.30	-44,749
Tax on profit in EUR	-1,066,962.49	-649
Public subsidies received	0.00	0

* 31/12/16 figures in kEUR

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

31/12/2017 Name	Location	Shareholders' equity*	Share in %	Net profit*
DenizBank Moscow	Moscow	72,638,857.87	51.00%	10,805,502.38
Deniz Finansal Kiralama AS	Istanbul	158,429,731.70	51.00%	19,569,184.64
CR Erdberg Eins GmbH & Co KG	Vienna	16,044,834.41	99.90%	697,096.70
Deniz Immobilien Service GmbH	Vienna	22,729.20	100.00%	-1,197.03

* 31.12.2017

During the financial year 2017 an average number of 475 (31/12/2016: 445 employees) people were employed.

The yearly remuneration for members of the Management Board amounts to 1,458,106.26 EUR (31/12/2016: 1,336 kEUR). Commitments worth 0.00 EUR (31/12/2016: 5 kEUR) were assumed for the Management Board. The expenses for severance payments and pensions for members of the Management Board as well as executives, pursuant to article 80 para. 1 AktG, amount to 128,600.47 EUR (31/12/2016: 81 kEUR). Expenses for severance payments and pensions for non-executive employees totalled 552,017.57 EUR (31/12/2016: 475 kEUR). Expenses for severance payments in the amount of 116,658.00 EUR (31/12/2016: 57 kEUR) and expenses for the employee welfare fund worth 184,011.23 EUR (31/12/2016: 171 kEUR) were included in this amount.

Expenses in connection with auditing amount to 298,976.00 EUR (31/12/2016: 327 kEUR), where of 36,000.00 EUR (31/12/2016: 48 kEUR) can be attributed to half year's audit and 63,576.00 EUR (31/12/2016: 84 kEUR) were attributable to quarter year's audit.

Disclosure:

In the disclosure report from December 31st, 2017 DenizBank AG fulfils the disclosure requirements pursuant to section 431-455 of the EU directive 575/2013 (Capital Requirements Regulation – CRR). 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 142,845.00 EUR (31/12/2016: 123 kEUR).

In 2017 the members of the Supervisory Board are as follows:

Hakan Ates, Chairman
Derya Kumru, Deputy-Chairman
Dr. Kurt Heindl, Member
Wouter Van Roste, Member
Alexander Vedyakhin, Member
Svetlana Sagaydak (until 03/2017)
Suavi Demircioglu, Member (until 04/2017)
Timor Kozintsev, Member
Ruslan Abil, Member (from 07/2017)
Pavel Barchugov, Member (from 09/2017)

Following State Commissioners were appointed:

Andreas Staritz, BA, MA, Ministerialrat Regierungsrat
Hofrat Josef Weidinger, BA, Stellvertreter

In 2017 and during the preparation of the financial statements for 2017 the Management Board consisted of following members:

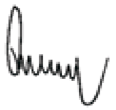
Ahmet Mesut Ersoy, Chairman
Dr. Thomas Roznovsky, Member
Mehmet Ulvi Taner, Member
Tuncay Akdevelioglu, Member
Cenk Izgi, Member

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

Vienna, April 18th, 2018

Management Board

AHMET MESUT ERSOY
CHAIRMAN



DR. THOMAS ROZNOVSKY
MEMBER

MEHMET ULVI TANER
MEMBER

TUNCAY AKDEVELIOGLU
MEMBER

CENK IZGI
MEMBER

4. AUDITOR'S REPORT *

Report on the Financial Statements

Audit Opinion

We have audited the financial statements of

DENIZBANK AG, VIENNA,

These financial statements comprise the balance sheet as of December 31, 2017, the income statement for the fiscal year then ended and the notes.

Based on our audit the accompanying financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Company as of December 31, 2017 and its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles and banking regulatory requirements.

Basis for Opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following „EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and 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 the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the fiscal year. 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.

In the following, we describe the key audit matters from our perspective:

1. Valuation of loans and advances to customers, including provision for contingent loan losses
2. Valuation of derivatives that are valued by means of valuation models

1. Valuation of loans and advances to customers, including provision for contingent loan losses

Description:

Loans and advances to customers are disclosed in the financial statements 2017 of DenizBank AG with an amount of EUR 7,656.3 million. To take account contingent loan losses in the loan portfolio individual provisions (EUR 1.5 million) and a portfolio provision (EUR 20.1 million) are recognized.

As part of the credit monitoring, the Company determines the need for individual provisions. This is done through ongoing monitoring of the credit portfolio and adjustment of rating levels, which are subject to amendments due to the creditworthiness of borrowers, their payment behaviour and the valuation of collaterals. These incorporated parameters are subject to considerable estimation uncertainty.

The portfolio provision is determined with the help of statistical models and are subject to considerable estimation uncertainty due to the underlying parameters (e.g. credit default risk within rating levels).

Based on these reasons, we identified the valuation of loans and advances to customers, including provision for contingent loan losses as a key audit matter.

The management board of DenizBank AG explains the reporting and valuation methods of provisions in the notes. For further details, we refer to the information provided by the management board in note „I. General Information" and note „11. Notes to the Balance Sheet and the Profit and Loss Accounts".

How we addressed the matter in the context of the audit:

We have reviewed the company's credit monitoring process and assessed whether it is capable of detecting defaults early enough. Therefore we held meetings with responsible employees and assessed the internal guidelines if they are appropriate for identifying default events and determining risk-provisioning requirements. We have checked selected controls with regard to their conception and effectiveness based on random samples.

We identified on random samples the credit portfolio, whether loss risks were recognized early enough an individual valuation allowances were made in an adequate amount. The choice of random samples is risk-orientated and under the consideration of customer ratings. In the case of established value adjustment requirements, we have evaluated the assessment of the Management Board with regard to future cash flows and the assumptions made for the valuation of loan collateral.

In the case of portfolio provisions, we have examined both the underlying calculation model and the parameters used to determine their appropriateness. We also examined the data quality of the underlying database and verified the arithmetical correctness of the portfolio value adjustment.

In addition, we have assessed whether the Managing Board has correctly described the assessment procedure in the notes and whether the information is complete.

2. Valuation of derivatives, which are valuated with help of valuation models

DenizBank AG discloses in its financial statements 2017 derivatives with a material amount which are valuated with through valuation models.

The valuation of these derivatives requires the fair value to be determined using recognized valuation models and methods, as no market or stock exchange prices are available.

When measuring using recognised valuation models, the selection of these valuation models and methods, the selection of the input parameters used and the discretionary decisions associated with the selection of the input parameters, which are subject to estimation uncertainties, are of decisive importance in determining the fair value to be attributed.

For these reasons, we have identified the valuation of derivatives, which are valued with the help of valuation models, as a material aspect of our audit.

The management of DenizBank AG explains the valuation of derivatives in the Notes.

For further details we refer to the information provided by the management in Note „I. General Information" and „II."Notes to the Balance Sheet and the Profit and Loss Accounts".

How we addressed the matter in the context of the audit:

We have examined the valuation processes and the design and effectiveness of the main controls of DenizBank AG with regard to the data basis for the valuation of derivatives that are valued using valuation models. In measuring these derivatives, we have assessed the assumptions and methods used by DenizBank AG for their appropriateness. We have assessed the valuation of these derivatives and their valuation on a sample basis.

In addition, we have assessed whether the Managing Board has correctly described the assessment procedure in the Notes and whether the information is complete.

Responsibilities of Management and of the Audit Committee for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles and banking regulatory requirements, for them to present a true and fair view of the assets, the financial position and the financial performance of the Company and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do 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, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or taken together, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Comments on the Management Report

Pursuant to Austrian Generally Accepted Accounting Principles, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the management report was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the management report in accordance with Austrian Generally Accepted Accounting Principles and banking regulatory requirements.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the management report.

Opinion

In our opinion, the management report for the Company was prepared in accordance with the valid legal requirements and is consistent with the financial statements.

Statement

Based on the findings during the audit of the financial statements and due to the thus obtained understanding concerning the Company and its circumstances no material misstatements in the management report came to our attention.

Other information

The legal representatives are responsible for the other information. Other information includes all information in the annual report, except the annual financial statements, the management report and the auditor's report. The annual report will probably be made available to us after the date of the audit opinion. Our audit opinion on the financial statements does not cover this other information and we will give no assurance of any kind.

In connection with our audit of the annual financial statements, it is our responsibility to read this other information as soon as it is available and to assess whether it is materially inconsistent with the annual financial statements in terms of the understanding gained during the audit, or other wise appears materially misrepresented.

Additional information in accordance with Article 10 EU regulation

We were elected as auditor by the ordinary general meeting at April 14, 2016. We were appointed by the Supervisory Board on April 14, 2016. We are auditors without cease since 2014.

We confirm that the audit opinion in the Section „Report on the financial statements" is consistent with the additional report to the audit committee referred to in Article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

Vienna, April 18, 2018

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Andrea Stippl mp	ppa MMag. Roland Unterweger mp
Wirtschaftsprüferin / Certified Public Accountant	Wirtschaftsprüfer / Certified Public Accountant

**) This report is a translation of the original report in German, which is solely valid. Publication or sharing with third parties of the financial statements together with our auditor's opinion is only allowed if the financial statements and the management report are identical with the German audited version. This audit opinion is only applicable to the German and complete financial statements with the management report. Section 281 paragraph 2 UGB (Austrian Company Code) applies to alternated versions.*

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