DENİZBANK AG

ANNUAL REPORT

2014

SBERBANK Mitglied der Sberbank Gruppe

DenizBank AG

CONTENTS

AGENDA OF THE ANNUAL GENERAL MEETING

The 19th Annual General Meeting of DenizBank AG was held on March 27, 2015.

1. Resolution on the distribution of profits
2. Resolution on the discharge of the Management Board for the 2014 financial year
3. Resolution on the discharge of the Supervisory Board for the 2014 financial year
4. Resolution of the Election/Appointment of the Supervisory Board
5. Resolution from the Appointment of the Auditor for the financial year 2016
6. Resolution on the increase in share capital
7. Resolution on the amendment of the Articles of Association in point 5.1
8. Resolution on the impact of investments DenizBank AG and Deniz Real Estate Service GmbH
9. Resolution on the appointment of a land register, mortgage through the CR Erdberg One GmbH & Co KG

SUPERVISORY BOARD'S REPORT

Despite the continued challenges faced by the global financial industry, DenizBank AG again delivered outstanding results.

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 regarding the expansion of the business in Austria and Germany, and developments in Russia and Turkey, as well as on significant lending commitments, investments and other important matters.

During the 2014 financial year, the Supervisory Board met on the following dates; April 2, July 16, September 12, October 15, November 11 and December 16. 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. The Management Board regularly communicates information regarding the Bank's intended business strategies, position, development and key transactions both in writing and verbally, in a 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. The Audit Committee of the Supervisory Board is provided with reports on a regular basis from the Internal Audit, Controlling, Legal, HR, Compliance & Anti Money Laundering, Risk Management and Credit Risk Management Departments.

The 2014 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. With the 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.

Mr. Suavi Demircioglu was appointed by the General Assembly on November 20, 2014 as a Member 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 respected banks in the region.

Vienna, March 2015

The Supervisory Board

SERGEY GORKOV
CHAIRMAN OF THE SUPERVISORY BOARD

MANAGEMENT BOARD'S REPORT

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

Overall Economic Conditions

European banks have been operating under increasingly difficult conditions since the financial crisis began. Slow economic growth, a low interest rate environment and an increased necessity for loan loss provisioning contributed to a widespread reduction in profitability. New regulatory measures demand active improvement of solvency and liquidity ratios as well as a strengthening of the refinancing structures for all banks. With the introduction of the Single Supervisory Mechanism (SSM) the ECB is now acting as a supervisory authority for the largest 130 banks in the Euro monetary area. Before assuming its new responsibility in November 2014, a comprehensive asset quality review and stress test was conducted. Thirteen banks of the Euro monetary area have failed this comprehensive test and required EUR 10 billion capitalization.

Economic recovery in the Eurozone remained subdued during 2014. The central banks' reference rates reached historical lows and credit demand remained weak. The currency union is now fighting against a prolonged period of low inflation, influenced by decreasing world oil prices and an abundance of liquidity. Even negative interest rates were introduced by the ECB for its deposit facility. Some commercial banks have thus started to pass these costs to large corporate depositors. Additionally the ECB has established two securities purchase programs for ABS and Covered Bonds. The ease of the ECB's monetary policy has resulted in a depreciation of the Euro and record lows for yields of core Euro government bonds, such as Germany and Austria.

The unemployment rate in Europe has overall marginally improved during 2014, but is not even close to pre-crisis levels, in particular in peripheral Euro countries. Politically, the escalation of the situation in East Ukraine had a negative impact on the financial performance of European banks exposed to Eastern Europe through increased provisioning levels, resulting in lower consolidated profits. The Russian ruble reached all-time lows versus the Euro and the US Dollar and continues to be under pressure. Economic developments in Turkey during 2014 were marked by relatively high volatility in the Turkish lira exchange rate, particularly before the presidential elections. Low Euro sovereign yields, however, have contributed to an increased demand for Turkish investment grade bonds and quality assets.

Thanks to our vision and stable business model we continued to enhance our market share as well as our reputation in the market. Through 2014 we expanded our business lines and market share in all of our home markets: Austria, Germany, Russia and Turkey. Our geographic differentiation allowed us to address regional imbalances in a timely manner and to improve our overall profit.

Business Performance

The year 2014 was marked by further business growth. We again increased the number of customers significantly with service- and demand-oriented client support provided by branches as well as online banking (www.denizbank.at for Austria, www.denizbank.de for Germany). We have opened an additional 17 branches in Austria and Germany. Three of these were opened in Vienna (Mariahilfer Straße, Hitzinger Hauptstraße, Großgrünmarkt); four in Lower Austria (Amstetten, Krems, Mödling, St. Pölten); and one in Upper Austria (Steyr); as well as nine new branches in Germany (Duisburg, Essen, Düsseldorf, Dresden, Wiesbaden, Köln, Augsburg, Karlsruhe, Leipzig). In 2014 we were present with 26 branches in Austria, and 16 branches in Germany. With extended opening hours including Saturdays, a phone contact center and the online banking portal, we are close to our customers and at all times reachable.

Furthermore we offer our private and corporate customers our foreign payment service, which is also used by clients who are not in an ongoing business relationship with the Bank.

The cooperation with MoneyGram, which allows quick payment transactions worldwide, will be continued, providing our customers with access to about 334,000 payment offices around the world.

Specializing in foreign trade financing, business contracts and start-ups in Turkey, our Bank is an important partner in dynamically growing bilateral trade and investment relationships for both private and corporate customers. The dense branch network of our parent company in Turkey facilitates our broad offerings for foreign trade and business contract services, especially to medium-sized companies. Our customers thereby profit from group-wide synergies with DenizBank Financial Services and Sberbank Group.

The rapidly expanding DenizBank Financial Services Group owns almost 100% of DenizBank AG. Our parent company DenizBank A.Ş., Turkey is among the five largest private banks in Turkey, with 715 branches in Turkey, a powerful corporate banking and corporate finance franchise and a workforce of more than 15,000 people. As part of this Turkish group we have a strong focus on our mutual customers.

In September 2012, the Russian Sberbank acquired Deniz Financial Services Group. Sberbank is the largest bank in Russia; it accounts for almost one-third of all Russian banking sector assets and employs about 300,000 people. The Central Bank of the Russian Federation (Central Bank of

Russia - CBR) is the major shareholder of Sberbank, holding 50% of the total share capital plus one voting share. Other shares are held by more than 224,000 international and domestic investors, predominantly institutional. The Bank has the largest distribution network in Russia with about 17,000 branches as well as a strong international presence that extended beyond the CIS region - Kazakhstan, Ukraine and Belarus - to eight countries in Central and Eastern Europe via Sberbank Europe AG (former VBI International); and in Turkey via DenizBank. Sberbank has representative offices in Germany and China, a branch in India and operations in Switzerland via Sberbank (Switzerland) AG. Sberbank also provides investment banking, financial advisory services and operations in global markets via Sberbank CIB (former Troika Dialog). Trading platforms are located in London and New York.

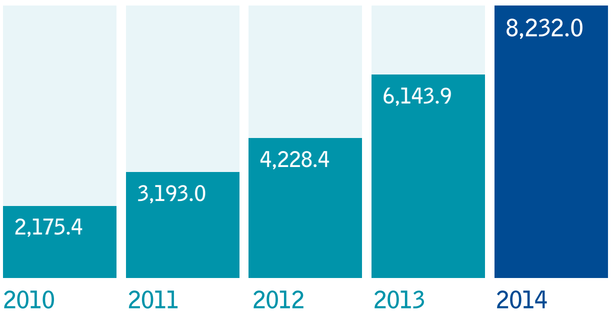
DenizBank AG operates 16 foreign branches in Germany with a lead branch in Frankfurt under the name DenizBank (Wien) AG, Zweigniederlassung Frankfurt/Main. Other than the opening of our additional branches, no other significant changes were reported during the reporting year. With local personal advice, a comprehensive and multilingual online banking platform and the modern contact center, the branch attends optimally to its clients and is recording a constant increase in customer numbers.

DenizBank AG owns 51% of the share capital of CJSC DenizBank Moscow. The remaining 49% is held by DenizBank A.Ş., Turkey. The Subsidiary is contributing essentially to the realization of business opportunities for clients of both shareholders. Furthermore, the Bank has a 51% shareholding in Deniz Finansal Kiralama A.Ş., Istanbul, Turkey, specializing in the leasing business with commercial clients in Turkey. This company is a market leader in Turkey, ranking among the top five in its segment. The Bank holds 100% of Deniz Immobilien Service GmbH and, together with this company, 100% of CR Erdberg Eins GmbH & Co KG, both in Vienna, for the property and office building of its Head Office in Erdberg, Vienna.

Review of Balance Sheet Items

The total balance sheet per year end 2014 amounts to 8,231,966,048.60 EUR; 2,088,116 kEUR above the previous year's figure of 6,143,850 kEUR.

Development of Balance Sheet Total in €mn



Supported by a strong market presence, customer loans increased from 4,697,668 kEUR to 6,107,373,201.93 EUR.

During 2014, 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, amounts lent to banks were recorded at 1,159,482,317.96 EUR (31.12.2013: 755,558 kEUR).

The fixed-income securities portfolio was increased from 425,056 kEUR to 581,994,397.44 EUR as of December 31, 2014.

Despite the global financial crisis we significantly strengthened our deposit base in our home markets in Austria, Germany, Russia and Turkey, as well as our liquidity position. This reflects the vital trust of our customers in DenizBank AG. Amounts owed to customers, including savings deposits, increased by 37.55% to 6,862,410,239.55 EUR (31.12.2013: 4,989,005 kEUR). The funding is complemented by amounts owed to banks of 422,083,100.02 EUR (31.12.2013: 478,106 kEUR).

The traditional savings book remains in high demand. We could meet the increased customer demand for security and proximity with an optimized product portfolio. Our savings deposits increased above average from 1,614,857 kEUR at year-end 2013 by EUR 536,362 kEUR to 2,151,218,750.41 EUR at year-end 2014; the proportion of savings deposits with agreed maturities accounted for 90% of this total.

As an Austrian bank, DenizBank AG Austria is subject without restriction to the Austrian provisions governing the protection of deposits and investor compensation (Section 93 ff Austrian Banking Act). DenizBank AG is member of the statutory guarantee facility of the Banks and Bankers, the Einlagensicherung der Banken und Bankiers Gesellschaft m.b.H.

Changes in significant balance sheet positions 2014	in kEUR
Balance Sheet	+ 2,088,116
Loans to Customers	+ 1,409,706
Loans to Credit Institutions	+ 403,924
Amounts owed to Credit Institutions	- 56,023
Amounts owed to Customers	+ 1,873,405
Thereof savings deposits	+ 536,361
Shareholder's Equity	+ 135,420

No subordinated debt was recorded at year-end 2014 (31.12.2013: 0 kEUR).

After allocation of retained earnings and the reserve per section 57/5 of the Austrian Banking Act amounting to 135,420,110.00 EUR, our total capital amounts to 770,092,946.20 EUR at the end of 2014 (31.12.2013: 634,673 kEUR).Our capital adequacy ratio of 11.78% of the risk-weighted assessment basis exceeds the legally required ratio of 8.00% by more than 47%.

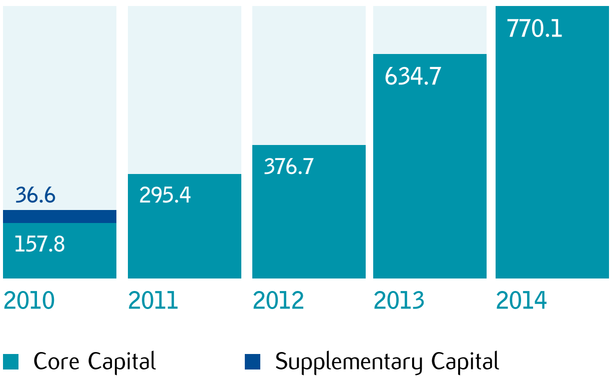
Review of Income Statement Items

Net interest income of 166,481,399.03 EUR (31.12.2013: 124,638 kEUR) and net commission income of 2,773,875.20 EUR (31.12.2013: 433 kEUR) reflect our excellent earning position. We can report an operating income of 159,332,637.74 EUR (31.12.2013: 125,274 kEUR) which is 34,058 kEUR or 27.19% above the level of the previous year.

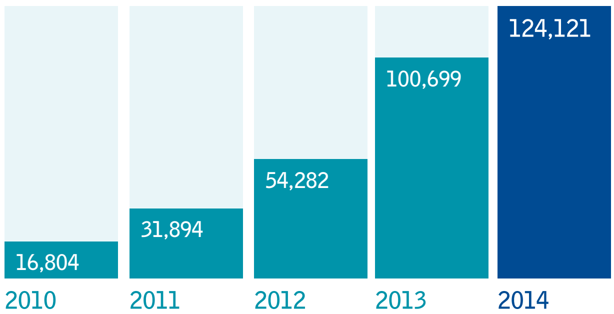
In 2014, we continued our investments in personnel and IT and we had a business growth of 34%; our operational expenses increased slightly to 35,211,322.84 EUR (31.12.2013: 24,575 kEUR).

Our operating result in 2014, supported by tight cost management, was reported at 124,121,314.90 EUR (31.12.2013: 100,699 kEUR).

Development of shareholder's capital in €mn



Development of operating result in kEUR



Our result of ordinary activities accounts to 146,111,774.54 EUR (31.12.2013: 107,033 kEUR).

Consequently, net income after taxes totaled 135,420,110.00 EUR (31.12.2013: 98,024 kEUR).

Due to the very positive earning situation and following the allocation to the reserve under section 57/5 ABA with an amount of 15,559,001.00 EUR, the Management Board proposes to transfer a sum of 119,861,109.00 EUR to the retained earnings.

Ratios

	2014	2013	2012	2011	2010
Equity Ratio (%)[1]	11.78	12.65*	11.02*	11.73*	10.07*
Return on Equity (%)[2]	19.28	19.41	13.61	9.97	10.77
Earnings before taxes (kEUR)	146,112	107,033	55,536	31,281	16,713
Earnings before income taxes/employee (kEUR)	396.7	391.2	256.4	167.3	93.2
Loan Deposit Ratio (%)	89.00	94.16	88.92	87.94	82.19
Net interest margin (%)[3]	2.32	2.40	1.93	1.68	1.52
Cost Income Ratio (%)[4]	21.53	20.87	25.99	35.39	48.79
Cash flow from operating activities (kEUR)	7,451.6	(134,183)	(28,704)	(2,322)	(39,140)
Cash flow from investment activities (kEUR)	(5,150.7)	(2,944)	(1,080)	(824)	(674)
Cash flow from financing activities (kEUR)	0	160,001	34,999	78,366	40,000

[1] *Eligible capital/total RWA*
[2] *Profit after tax/average equity*
[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 in the version of 2013.*

BUSINESS & SUPPORT LINES

CORPORATE AND COMMERCIAL BANKING

DenizBank AG serves as a portal for DenizBank Financial Services Group in Austria with a full array of banking products through a specialized Corporate and Commercial Banking team. DenizBank AG provides all kinds of products and services ranging from but not limited to Cash Loans, Letters of Guarantee, Trade Finance, Cash and Account Management.

Utilizing a customer-oriented approach, DenizBank AG Corporate Banking is well-known for its excellent customer relationship management, innovative and flexible perspectives, highly qualified human resources, financial advisory services, ability to produce tailor-made services and an extensive product line that includes products on demand. The Bank is able to provide all major financial services under one roof and to serve as customers' sole banking partner, particularly for international companies with activities in its home markets of Austria, Germany, Turkey and Russia.

RETAIL BANKING

Since its establishment in 1996, DenizBank AG has pursued a transparent and respectful business policy, fully aware that a bank's primary asset is its clients' trust. The recent economic and financial developments have proven this policy again to be accurate and timeless a portfolio of over 160,000 customers and sustainable growth reaffirm DenizBank AG's successful course in creating a solid brand in banking. Today, DenizBank AG is a bank that stands for competence and trust. This success story is mainly attributable to the principles of prudent banking, proximity to our clients and a transparent product portfolio.

DenizBank AG operates with a network of 26 branches in Austria and 16 branches in Germany. We combine the individual advisory services in our branches with the convenience of online banking and the 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 on the advantages of our efficiency to our customers.

With a clear and transparent product portfolio backed with excellent service levels, DenizBank AG offers its clients customized solutions. Furthermore, due to the consistent focus on classic and conservative banking, DenizBank AG has built a foundation of trust that fulfills its customers' growing needs for security and transparency.

TREASURY, FINANCIAL INSTITUTIONS & TRADE FINANCE

DenizBank AG continued to expand and intensify its correspondent relationships, especially those with Austrian banks and foreign financial institutions, in 2014 in line with Group standards, focusing also on customers' demands.

The synergy, in terms of the shared experience and market access within the DenizBank Financial Services Group, has provided the Bank a significant competitive advantage. The services offered by DenizBank AG are centered 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 key relationships with strong, reliable banks, with an aim to facilitate and enhance DenizBank AG's transactional banking activities as well as to improve and diversify the Bank's wholesale funding capacity. The Bank provides financial solutions exclusively to meet the needs of financial institutions and banks, such as arranging credit lines and syndicated loans through its correspondents based on reciprocity principles.

In line with the increasing importance of global compliance, particularly concerning commercial banks, financial institutions further focused on KYC (Know Your Customer) requirements, properly performing the necessary customer due diligence for all correspondent banks and the coordination of related departments within the Bank.

The Financial Institutions Department is also responsible for syndication of international loans to corporate and financial institution clients in primary and secondary loan markets.

DenizBank AG, as a member of ITFA (International Trade and Forfaiting Association) and as Chair of the CEE-CIS and Turkey Regional Committee, offers a wide range of trade and forfaiting services designed to meet short- to medium-term trade financing requirements of customers, including letters of guarantee, counter guarantees, Bills of Exchange and foreign trade documentary collections.

DenizBank AG pursues a strategy of building long-term key relationships with strong, reliable banks, with an aim to facilitate and enhance DenizBank AG's transactional banking activities.

IT & OPERATIONS

IT and Operations continued its focus on increasing efficiency in 2014. The Departments continued to simplify and automate internal workflows, aiming to reduce efforts and risks. IT Investment decisions are taken with regard to scalability, considering the ongoing expansion of the bank. Running contracts are regularly reviewed and renegotiated in order to reduce costs and improve service quality. Consequently the cost development in IT and Operations delivered a valuable contribution to the positive performance of the Bank's excellent Cost/Income Ratio.

IT and Operations continuously targets to automate standardized processes as far as possible and thus reduce the risk of operational errors. Opportunities for improvements are identified by evaluating processes with regard to efficiency, effectiveness and operational risk. With the innovative and award-winning core banking application, "Internext," DenizBank could implement a high number of those potential improvements.

Also in 2014, IT and Operations was successful in delivering high service quality and in contributing to the business strategy targets. Leading other topics, compliance is a key target for DenizBank AG. The major projects in 2014 related to regulatory changes were SEPA, Basel III, FATCA, EMIR and MiFID II. In all items, DenizBank AG has continued and partially completed its preparations in order to be compliant on time.

As part of the Bank's growth, the IT Infrastructure Department extends and improves the hardware landscape, where upgrades are performed in line with corporate group standards. Investments in adequate but scalable systems and technologies lay the foundation for efficient growth in the upcoming years. All changes are supervised by the IT-Security Officer, who is responsible for monitoring the compliance of the bank to its IT processes and standards. To ensure continuous business service, potential system failure risks are continuously analyzed and reduced.

ANTI-MONEY LAUNDERING

The main function of the AML Department is to control and monitor business activities and support related units with risk approach knowledge in accordance with national and supranational regulations and legislation. The AML Department acts as an independent unit and informs the Management Board regarding important issues and provides recommendations as necessary. The internal procedures and risk analyses are updated regularly and annually according to the latest changes in the Banking Law or National/International Regulators. The AML Unit is also supported by other Units such as IT, which plays an important role in system checks and scenario analyses; and Compliance and Internal Audit, which also act as independent units and have close relationships with each other and AML.

Staff training is a priority: every employee was trained two times in the recent year and all branches have been audited by the AML Department. The purpose of these branch visits is to check and ensure the correct use of this information in the field and to avoid AML-related regulatory risks. All AML staff had their annual external training to stay up to date with regulatory developments.

The AML Unit uses an effective IT system for the daily and scenario-based checks. This includes the defined risk approach due the Business line of DenizBank AG. Our growth trend requires an automated and efficient process for monitoring, risk scoring and controlling daily business. The IT infrastructure is developed on a continuous basis according to legal changes.

COMPLIANCE

Our internal compliance guidelines, based on the Standard Compliance Code of the Austrian Banks, are compulsory for all our employees in their daily work. Adherence to these codes and regulations is audited regularly by an independent compliance officer who reports directly to the Management Board.

The Management Board is aware of the importance of the effectiveness of Compliance rules and supports the compliance officer in the implementation of compliance standards. Assessing and minimizing legal and reputational risks is a basic measure to ensure the functioning of the banking operation and, thus, for professional client service as well as a good relationship of confidence with the financial authorities. Within this framework, the Compliance Officer is in close contact with the Management Board of DenizBank AG and provides strategic recommendations as an independent unit regarding compliance issues. All compliance-relevant guidelines and manuals are consistently reviewed and any changes in legislation are immediately considered.

Staff trainings take place on an ongoing basis. The goal of the trainings is to inform employees regarding compliance-relevant regulations and instruct them on applying these rules in their day-to-day job responsibilities.

FINANCIAL CONTROL AND ACCOUNTING

Accounting and Financial Control operate as two separate departments under one division. The Accounting Department is responsible for maintaining and managing all financial records of DenizBank AG. The Department's additional tasks are the preparation of external and internal MIS reports, including IFRS statements for consolidation purposes, internal budgeting, budget realization, and statutory reporting.

The Financial Control Department aims to give reasonable, timely, independent and objective assurance that all transactions comply with the principles of sound financial management, transparency, efficiency and effectiveness.

Furthermore, the Financial Control Department seeks to ensure the compliance of transactions with relevant legislation and internal policies, based on the applied controls, through utilizing a systematic and disciplined approach to evaluate risk and improve the effectiveness of control and governance processes. The extensive controls in place allow for reliable financial reporting throughout the organization, which leads to a more solid financial management of DenizBank AG.

The Financial Control Department is an important part of the internal control system (ICS) of DenizBank AG, which cooperates closely with the Risk Management, Audit and Legal Departments, and with Internal Control as well as Compliance and AML Officer.

Our core banking system, with its enhanced reporting options, enables DenizBank AG to conduct minimum manual interference over transactions within the context of financial control.

HUMAN RESOURCES

The DenizBank AG Human Resources Department acts as a central department executing the company policy with the mission to extend the company culture to every single employee in each business unit.

Staying loyal to the primary principle of recruiting the right person for the right job, DenizBank AG hired 162 new candidates during 2014. DenizBank AG is proud to be able to offer promising career paths for both young people and senior staff, paying special attention to talents within the organization. These opportunities towards career planning have resulted in a lower employee turnover rate of about 5.2% compared to previous years and sector average, as well as an increase in long-term commitments.

Continuous training programs are provided to staff members through both e-learning and class training. While assuring the completion of the legally compulsory trainings on Security, Data Protection, Compliance and Anti-Money-Laundering, staff were also given the opportunity to attend various business and soft skills courses. These programs raised the levels of technical knowledge and personal development among employees. The expansion of training and development opportunities alongside professional human resources management demonstrates that DenizBank AG continues to set high standards in organizational development and employee job satisfaction.

DenizBank AG, as a provider of fair organizational opportunities, has also proven to be one of the most favorable workplaces among employees.

DenizBank AG Employee Profile	2013	2014	% Change
Employee Information			
Staff at the head office	161	194	20
Staff at the branches	145	222	53
Total staff	306	416	36
Demographic Profile			
Male	162	209	29
Female	144	207	44
Average age	30.25	30.47	1
Educational Profile			
University degree	106	162	53
Postgraduate degree	200	254	27
Number of staff fluent in one foreign language	304	413	36
Number of nationalities	15	20	33

Remuneration & Compensation Report:

In accordance with the EU's revised Capital Requirements Directive and changes in the Austrian Banking Act, DenizBank AG implemented a remuneration policy and established a remuneration committee.

The remuneration policy maintains a solid and efficient remuneration system and ensures sound and effective risk management in DenizBank AG. Employees whose professional activities have a material impact on DenizBank AG`s risks, profile and could subject the Bank to material financial risks, fall into the scope of the remuneration policy. The defined policies aim to prevent the staff from undertaking risks that are not in line with the risk absorption possibilities. The remuneration policy contributes to safeguarding a sound capital base and incorporates 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 order to enable competent and independent judgment on remuneration policies and practices and the incentives created for managing risk, capital and liquidity. The chairman and the two other members of the Remuneration Committee are members of the Supervisory Board of DenizBank AG, who do not perform any executive functions within the Bank. The Remuneration Committee agrees with the Management Board quantitative and qualitative goals in line with the long term strategy avoiding conflicts of interest.

Remuneration in DenizBank AG is performance related, and awarded in a manner that promotes sound risk management rather than excessive risk-taking. The total amount of remuneration is based on a combination of individual and business unit performance, and the Bank's overall results. The Management Board implements the long-term strategy by agreeing on individual, departmental and company goals with the senior staff. When assessing individual performance, financial and non-financial criteria are taken into account. The variable compensation is covered by a payment in cash and a non-cash component, whereby 50% of the gross bonus payment is deferred over a period of five 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 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 and in compliance with internal and regulatory guidelines and requirements.

To secure adequate capitalization 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 is a further element of our basic strategic considerations and defined along two scenarios: going concern (normal scenario) and gone concern (liquidation case).

Structure and Organization of Risk Management:

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 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 the Management Board takes the necessary steps for identification, measurement, controlling, and limitation of risks as well as the efficiency of internal controls.

The Credit Follow-up and Financial Analyses Departments are responsible for portfolio management, credit risk steering and the monitoring of the loan book as well as the rating assessment of the Bank's credit customers. One of the key elements of the credit approval process is a detailed risk assessment of each credit customer, where the creditworthiness of the counterparty is evaluated according to an internal rating model, which assigns each rating result by the probability of default determined for that particular customer class.

Credit risk steering for the overall credit portfolio is performed in particular for specific industry groups, currencies and rating classes.

Within the framework of the overall bank risk management governance, we also execute the control and supervision of all business relevant risks in 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 well-established internal control system of DenizBank AG ensures that all essential risks are identified and assessed on a regular basis to allow for prompt responses.

A comprehensive, objective and transparent disclosure of risks to the DenizBank AG Management and Supervisory boards is part of the regular risk monitoring process.

Standardized 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.

In line with its conservative risk strategy DenizBank AG prefers to develop its business with companies that are known within the Group (DenizBank Financial Services Group and Sberbank) as transactions with these customers, with whom the Bank has a sound and longstanding business relationship, offer the most security. As a result of the execution of mutual business with the parent company and its strong engagement with Turkey, DenizBank AG is strongly dependent on economic developments in Turkey. DenizBank AG is managing the relevant risks based on its professional knowledge and competence, its adequate risk management system and the strong support of its parent company DenizBank A.Ş., which is the fifth largest private bank in Turkey.

DenizBank AG follows the principle of proportionality for applying adequate methods of risk management concerning relevant risks for the Bank.

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 the Bank's risk bearing activities 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 Credit spread risk 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 (merely refinancing risk) Risks of money laundering and terrorist financing Business risk Reputation risk Risks arising from the macroeconomic environment Risks of excessive leverage

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 a parallel shift in the yield curve. The FX risk on the overall bank level is determined through a Value at Risk (VaR) calculation based on the RiskMetrics model. The VaR calculation incorporates all positions of the banking and trading book including existing derivatives.

To hedge market risks related to loans denominated in a foreign currency, foreign currency derivatives are used. Those are supplemented, to a lesser extent, with FX options. Besides, interest rate derivatives are used to hedge the interest rate risk in the bank book.

Financial Derivative Instruments in EUR

FX Swaps	3,236,213,139.00
Interest Rate Swaps	1,619,402,071.95
Cross Currency Swaps	121,169,530.42
FX Options	935,651.16
Total	4,977,720,392.53

The quantitative assessment and consideration of credit risk concerning the risk-bearing capacity analyses is determined through the method of a modified 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 while determining the available risk coverage capital by considering not the budgeted but the already-realized gross income as risk coverage in the liquidation scenario.

The quantification of other risks (liquidity, reputation risks and risks arising from the macroeconomic environment) is determined through a percentage premium of 5% on the risk potential of the aforementioned quantifiable risks.

The risk-bearing capacity analysis shall ensure appropriate limitation of the overall risk potential, thus protecting the continued existence of the Bank. In the respective 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 the 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 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 at all times. For the gone-concern scenario, the utilization of the risk-bearing capacity during 2014 was within the risk coverage capital.

To simulate an extraordinary increase of overall risk potential and in order to quantify a related 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. These tests have resulted in a positive assessment of the available risk coverage capital for such scenarios.

Liquidity Risk Management:

Within the overall Bank Risk Management Process, DenizBank AG strives to implement adequate methods for efficient liquidity risk management in terms of proportionality. The Bank also 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 and GAP analysis, stress testing and liquidity coverage ratio.

The liquidity GAP analyses represents an overall view of liquidity positions over an appropriate period, comparing expected inflows and outflows within a specific maturity bracket and identifying a gap (net positive or negative cash flow balance) for each such bracket, enabling active management of liquidity positions.

In addition, appropriate scenarios are considered for the liquidity report, differentiated between a general market scenario (syncretic stress scenario) and an institution-specific scenario (idiosyncratic stress 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 Ratio = Liquidity Buffer / Net Cash Outflow (30-days).

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.

The Risk Committee regularly controls the risk-bearing capacity of the Bank at all times. For the gone-concern scenario, the utilization of the risk-bearing capacity during 2014 was within the risk coverage capital.

DenizBank AG, through its effective and efficient risk-management, regards itself well-positioned for its current business activities as well as future challenges.

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 risk potential for refinancing risk is considered as a percentage premium to the quantifiable risks within the risk-bearing capacity analysis. Market liquidity risk is considered through haircuts taken on the collateral value of eligible securities.

Disclosure:

With the Disclosure Report per 31.12.2014 DenizBank AG is in compliance with the regulations of Articles 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). This report offers the recipients a comprehensive overview of the risk structure and the risk management of the Bank on overall and single risk levels and contains information about the organizational structure of risk management, capital structure, minimum capital requirements and risk capital situation, and risk management systems as well as remuneration policy and practices.

The Bank has established a remuneration policy to ensure a solid and efficient compensation framework in line with its risk management systems. The remuneration policy shall ensure that employees are not taking any risks that are outside the Bank's risk appetite. Thus it avoids excessive risk taking, contributing to an effective risk management. Furthermore the remuneration policy helps to protect a solid capital base and contains measures for the avoidance of conflicts of interest.

DenizBank AG, through its effective and efficient risk-management, regards itself well-positioned for its current business activities as well as future challenges.

RESEARCH & DEVELOPMENT

In line with the strategic targets of the bank, the Business Development department contributed to the expansion and further growth of the bank.

In this respect, 2014 was an efficient year where the Business Development department realized the opening of 16 new branches. In addition to the new branch openings, the department also contributed to the overall business growth by launching a new savings product for retail customers in Austria and Germany. Business Development also was responsible for the training and support of the branch employees for this product.

Furthermore, the Deniz Sparplan product was successfully launched in 2014.

Significant Developments after Reporting Date

No significant events occurred after the balance sheet date.

Preview and latest developments

DenizBank AG is committed to fulfilling its mission to enhance the lasting value that we create for our customers, business partners, shareholders and employees. This vision is to sustain our conduit role between Europe, Turkey and Russia, and to attain a top position among 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 a 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.

Continued Investment in the Customer-Centric Retail Banking Strategy

With our customer-centric strategy and the consequent investment in our branch and online banking channels, we have paved the way for the Bank's future profitable growth.

One of the most important pillars of the customer-centric strategy will continue to be the delivery of high-level services with tailor-made solutions and customized products. The Bank will keep investing in the DenizBank AG brand in both Austria and Germany to strengthen the customer-based brand equity in the market.

Further Development of the State-of-Art Banking Platform and New Technologies

The business targets, including an expanded customer base and transaction volume, as well as the introduction of new products and services, together lead to the required further development of our banking platform, which shall support the growth of the business in terms of scalability and continuity. The Bank will invest further into the development of an IT-powered infrastructure under prudent corporate governance and banking principles.

Strengthened Capital Base

Thanks to our shareholders and our successful bottom-line results, the Bank will continue to strengthen its capital base in order to sustain growth as well as preparing for upcoming regulatory requirements.

What's next in 2015?

The economic forecast for Austria remains uncertain. While the long-anticipated tax reform will not come into effect before 2016, developments in Eastern Europe, a rising unemployment rate and limitations for government spending weigh heavily on growth prospects; while some support might come from the solid position of Austria's main trading partner Germany, a further depreciating Euro and low commodity prices. The growth in Emerging Economies will continue to outpace the growth in Developed Countries. As DenizBank is well diversified across these regions, our future prospects are very positive.

DenizBank was bestowed with the „Most Innovative Bank of the Year" award at the 2014 BAI Banking Innovation Awards, granted by the United States-based Bank Administration Institute (BAI) and American Bankers Association (ABA), the most prestigious institutions in the banking administration sphere of the global financial services industry. To this end, DenizBank AG will build on this success with continued investments in IT and infrastructure. As a member of the DenizBank Group, DenizBank AG profits from the cutting-edge IT solutions delivered by InterTech, the subsidiary of DenizBank-Group, and will develop its banking infrastructure to further enhance its IT-based product portfolio and increase the standard of the banking sector in Austria and Germany. Intervision, the new banking system to be introduced in 2015, will enable even more efficient solutions and provide top-quality services to the customers of DenizBank AG.

Another focus at DenizBank AG will be on active risk management of interest and exchange rate developments, as Central Banks around the globe are expected to embark on competing monetary policies. These actions might reduce the competitiveness of other currencies, consequently paving the way for further actions. In Europe, a hike of the main refinancing rate seems unlikely in the short term, given its low growth and inflation rates.

Concerns about a credit crunch due to higher capital requirements, strained funding or deteriorating asset quality persist but the probability of materialization has diminished. Therefore DenizBank AG will continue with its active stance in terms of managing assets and liabilities.

We would like to express our sincere thanks to all employees, who played a vital role in achieving such a remarkable performance through their excellent team spirit. Our thanks also go to our main shareholder, DenizBank Financial Services Group, our business partners and, in particular, our clients, who entrusted us with their financial business.

Vienna, March 27th, 2015

The Management Board

AHMET MESUT ERSOY *Chairman of the Management Board, CEO*	**DR. THOMAS ROZNOVSKY** *Member of the Management Board, CFO*
MEHMET ULVİ TANER *Member of the Management Board*	**TUNCAY AKDEVELİOĞLU** *Member of the Management Board, CRO*

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 ULVİ TANER
Management Board Member

DR. TUNCAY AKDEVELİOĞLU
Management Board Member, CRO

SUPERVISORY BOARD

SERGEY GORKOV
Chairman Moscow, Deputy Chairman of the Board Sberbank Russia, Member of the Board of Directors DenizBank A.Ş.

HAKAN ATEŞ
Chairman, Istanbul, President and CEO of DenizBank A.Ş.

DERYA KUMRU
Vice Chairman, Istanbul, Executive Vice President of DenizBank A.Ş.

WOUTER VAN ROSTE
Member Istanbul, Member of the Board of Directors of DenizBank A.Ş.

ALEXANDER VEDYAKHIN
Member Istanbul, Member of the Board of Directors and CRO of DenizBank A.Ş.

SUAVİ DEMİRCİOĞLU
Member Istanbul, Member of the Board of Directors and CFO of DenizBank A.Ş.

DR. KURT HEINDL
Member Vienna, Former Member of the Parliament, Consultant

REPRESENTATIVES OF THE AUSTRIAN FEDERAL MINISTRY OF FINANCE BANKING SUPERVISION DIVISION

Andreas Staritz, AR
Director International Financial Institutions

Mag. Lisa Mandl, MR
Director Deputy International Financial Institutions

HOLDER OF PROCURATION

CHRISTIAN MAYR
Treasury

ASLI KURT-KUDUG
Controlling & Accounting

DANIEL MAYR, MSC.
IT & Organization

MELEK AY
Risk Management

ÖZGÜR KAYA
Credit Risk Management

MAG. SEMİH ÖZCAN
Financial institutions & Trade Finance

DEPARTMENT HEADS

MAG. ROLAND GLEISBERG
Internal Audit

MAG. REYHAN STARK, MA
Human Resources

DR. ROBERT KREPP
Legal Department

MAG. YANKİ EYÜBOGLU
Retail Marketing

MUZAFFER LALE
Accounting Department

MAG. MİHTER UĞUR
Credit & Trade Operations

FARUK ALKIŞ
IT Infrastructure

MAG. WANG MAXIMILIAN
Business Development

İBRAHIM GÖKHAN YILMAZ
AML

MAG. SANDRA KRAJCER
Compliance

MAG. OSMAN SAĞLAM
Backoffice

LEVENT KORKMAZ
Contact Center

OZAN ZEYTİNOĞLU
Core Banking Applications

YASEMIN ALTINYAY
Private Banking

BRANCHES AUSTRIA

YAŞAR YEŞİLYURT
Division Head Branches, Austria

BRANCHES GERMANY

BERİN KUTLUTAN
Representative of the Branch
Branch Manager Market

BALANCE SHEET AS OF DECEMBER 31, 2014

Assets			31.12.2014	prior year
		EUR	EUR	kEUR
1.	Cash and balances with central banks		126,629,296.93	124,328
2.	Treasury bills			
	a) Treasury bills and similar bills		341,100,000.00	314,445
3.	Loans and advances to credit institutions			
	a) repayable on demand	93,070,760.20		35,454
	b) other loans and advances	1,066,411,557.76		720,104
			1,159,482,317.96	755,558
4.	Loans and advances to customers		6,107,373,201.93	4,697,668
5.	Bonds and other fixed income securities			
	a) issued by public sector entities	171,432,037.25		71,001
	b) issued by other borrowers	69,404,790.29		39,515
			240,836,827.54	110,516
6.	Shares and other non-fixed income securities		57,569.90	95
7.	Investments in subsidiaries			
	thereof: credit institutions EUR 16,453,424.78 (p.y.:16,453 kEUR)		131,651,534.88	16,463
8.	Intangible fixed assets		784,576.12	918
9.	Tangible fixed assets		7,801,263.33	4,192
	thereof: Land and buildings occupied by a credit institution for its own activities EUR 0.00 (p.y.:0 kEUR)			
10.	Other assets		96,838,379.47	101,833
11.	Deferred expenses		19,411,080.54	17,834
			8,231,966,048.60	6,143,850
Off-balance sheet items				
1.	Foreign assets		7,536,845,010.44	5,444,766

[1] *31.12.2013: Reserve according to section 23/6 ABA (in the version of 31.12.2013)*

[2] *31.12.2013: Total qualifying capital according to section 23/14 ABA (in the version of 31.12.2013) thereof capital according to section 23/14/7 ABA (in the version of 31.12.2013)*

[3] *31.12.2013: Capital requirements pursuant to section 22/1 ABA (in the version of 31.12.2013)*

Liabilities and Shareholders' Equity	EUR	31.12.2014 EUR	prior year kEUR
1. Amounts owed to credit institutions			
a) repayable on demand	48,231,477.00		52,961
b) with agreed maturity dates or periods of notice	373,851,623.02		425,145
		422,083,100.02	478,106
2. Amounts owed to customers			
a) Savings deposits			
thereof:			
aa) repayable on demand	213,140,160.32		132,789
bb) with agreed maturity dates or periods of notice	1,938,078,590.09		1,482,068
		2,151,218,750.41	1,614,857
b) Other liabilities			
thereof:			
aa) repayable on demand	1,181,990,003.50		935,479
bb) with agreed maturity dates or periods of notice	3,529,201,485.64		2,438,669
		4,711,191,489.14	3,374,148
		6,862,410,239.55	4,989,005
3. Other liabilities		172,097,832.74	39,681
4. Deferred income		33,278.95	0
5. Provisions			
a) Provisions for severance payments	469,360.00		400
b) Provisions for taxes	1,623,832.48		151
c) Other provisions	3,155,458.66		1,834
		5,248,651.14	2,385
5A. Funds for general bank risks		600,000.00	600
6. Subscribed capital		159,830,455.63	159,830
7. Capital reserves			
a) share premium		232,624,636.46	232,625
8. Retained earnings			
a) other retained earnings		312,532,073.11	192,671
9. Reserve according to section 57/5 ABA [1]		64,505,781.00	48,947
		8,231,966,048.60	6,143,850

Off-balance sheet items		
1. Contingent liabilities	167,652,655.91	168,620
thereof: Guarantees and assets pledged as collateral assets	167,652,655.91	168,620
2. Commitments	9,146,878.72	3,070
thereof: commitments arising from repurchase transactions EUR 0.00 (p.y.:0 kEUR)		
3. Commitments arising from fiduciary transactions	0.00	18,024
4. Total qualifying capital according to part 2 Regulation (EU) No 575/2013 [2]	769,308,370.08	633,755
thereof: subordinated loan according to part 2 title 1 chapter4 Regulation (EU) Nr. 575/2013 EUR 0.00 (p.y.:0 kEUR)		
5. Capital requirements pursuant to Art 92 of Regulation (EU) No 575/2013 [3]	530,940,023.80	400,890
thereof: Capital requirements pursuant to Art 92 para. 1 point (a) of Regulation (EU) No 575/2013	11.78%	n/a
thereof: Capital requirements pursuant to Art 92 para. 1 point (b) of Regulation (EU) No 575/2013	11.78%	n/a
thereof: Capital requirements pursuant to Art 92 para. 1 point (c) of Regulation (EU) No 575/2013	11.78%	n/a
6. Foreign liabilities	3,110,808,288.82	2,057,404

PROFIT AND LOSS ACCOUNT FOR THE FINANCIAL YEAR 2014

		31.12.2014		prior year
		EUR	EUR	kEUR
1.	Interest and similar income		336,861,746.93	250,811
	thereof: from fixed-income securities			
	EUR 16,928,232.49 (p.y.: 13,108 kEUR)			
2.	Interest and similar expenses		-170,380,347.90	-126,173
I. NET INTEREST INCOME			166,481,399.03	124,638
3.	Fee and commission income		9,220,068.92	6,955
4.	Fee and commission expenses		-6,446,193.72	-6,522
5.	Income from financial transactions		-10,011,364.95	17
6.	Other operating income		88,728.46	186
II. OPERATING INCOME			159,332,637.74	125,274
7.	General administrative expenses			
	a) Personnel expenses			
	thereof:			
	aa) Salaries	-13,695,702.05		-9,914
	bb) Social security contributions and other			
	compulsory contributions	-3,462,602.27		-2,500
	cc) Other employee benefits	-356,370.58		-251
	dd) Expenses for pension benefits	-172,939.52		-138
	ee) Expenses for severance payments and contributions			
	to external pension funds	-299,356.07		-272
			-17,986,970.49	-13,075
	b) Other administrative expenses		-15,460,290.22	-9,974
			-33,447,260.71	-23,049
8.	Depreciation and amortization in respect of intangible			
	and tangible fixed assets		-1,675,303.29	-1,256
9.	Other operating expenses		-88,758.84	-270
III. OPERATING EXPENSES			-35,211,322.84	-24,575
IV. OPERATING RESULT			124,121,314.90	100,699
10.	Expenses from valuation of loans and allocation to provisions			
	for contingent liabilities and loan risks		-659,585.59	-6,559
11.	Income from valuation of loans and allocation to provisions			
	for contingent liabilities and loan risks		22,633,752.87	12,893
12.	Income from valuation of securities valued as financial fixed assets		16,292.36	0
V. RESULT OF ORDINARY ACTIVITIES			146,111,774.54	107,033
13.	Taxes on income		-9,368,546.96	-7,221
14.	Taxes, other than taxes on income		-1,323,117.58	-1,788
VI. PROFIT FOR THE YEAR			135,420,110.00	98,024
15.	Changes in reserves			
	thereof: Allocation to the reserve according			
	to section 23/6 ABA EUR 15,559,001.00 (p.y.: 15,443 kEUR)		-135,420,110.00	-98,024
VII. NET PROFIT			0.00	0

DEVELOPMENT OF FIXED ASSETS

Development of fixed assets as of December 31. 2014									
	Acquisition costs 1.1.2014 EUR	Additions EUR	Disposals EUR	Adjustments EUR	Acquisition costs 31.12.2014 EUR	Accumulated Depreciation EUR	Book value 31.12.2014 EUR	Book value 1.1.2014 EUR	Depreciation of the year EUR
I. Intangible fixed assets									
1. Software and rights	4,230,930.48	288,130.46	68,636.68	0.00	4,450,424.26	3,665,848.14	784,576.12	918,323.14	421,877.48
2. Payments on account	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	2,514.02	2,514.02	0.00	0.00	0.00	0.00	0.00	2,514.02
	4,230,930.48	290,644.48	71,150.70	0.00	4,450,424.26	3,665,848.14	784,576.12	918,323.14	424,391.50
II. Tangible fixed assets									
1. Installations in third parties' buildings	4,910,202.91	2,953,487.15	42,361.64	0.00	7,821,328.42	2,622,586.16	5,198,742.26	2,857,773.38	612,518.26
2. Fixture, furniture and office equipment	3,922,506.20	1,815,872.15	103,066.28	0.00	5,635,312.07	3,032,791.00	2,602,521.07	1,334,342.44	547,693.53
3. Low value assets	0.00	90,700.00	90,700.00	0.00	0.00	0.00	0.00	0.00	90,700.00
	8,832,709.11	4,860,059.30	236,127.92	0.00	13,456,640.49	5,655,377.16	7,801,263.33	4,192,115.82	1,250,911.79
III. Financial assets									
1. Treasury bills and similar bills	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Bonds and other fixed income securities									
issued by public borrower	31,812,500.00	0.00	0.00	0.00	31,812,500.00	0.00	31,812,500.00	31,812,500.00	0.00
issued by other borrowers	4,984,000.00	0.00	4,984,000.00	0.00	0.00	0.00	0.00	4,984,000.00	0.00
3. Investments in subsidiaries	16,463,424.78	115,188,110.10	0.00	0.00	131,651,534.88	0.00	131,651,534.88	16,463,424.78	0.00
4. Shares and other non-fixed income securities	5,069.07	0.00	0.00	0.00	5,069.07	0.00	5,069.07	5,069.07	0.00
	53,264,993.85	115,188,110.10	4,984,000.00	0.00	163,469,103.95	0.00	163,469,103.95	53,264,993.85	0.00
	66,328,633.44	120,338,813.88	5,291,278.62	0.00	181,376,168.70	9,321,225.30	172,054,943.40	58,375,432.81	1,675,303.29

NOTES TO THE FINANCIAL STATEMENTS 2014 (TRANSLATED)

I. General Information

The annual financial statements of DenizBank AG as of December 31, 2014 were prepared according to generally accepted accounting principles and provide a true and fair view of the Company's financial and earnings position.

The valuation and the presentation of all the items in the financial statements are in line with the provisions of the Austrian Commercial Code (ACC) and the special rules of the Austrian Banking Act (ABA).

Accounting policies

The structure of the balance sheet and the profit and loss account for the year 2014 complies with the requirements of Appendix 2 to Article 1 of section 43 ABA. Items without any value in the financial year and the previous year were omitted. The principle of completeness has been applied and the valuation of the assets, provisions and liabilities follows the general rules of individual assessment and valuation under the going concern assumption.

Pursuant to the general regulations and taking into consideration the special risks of the banking business, gains are not recognized if unrealized at the balance sheet date. Appropriate specific reserves and provisions cover all identifiable risks of loss.

The presentation of own funds items was changed in the financial statements pursuant to amended Appendix 2 to section 43 ABA based on the introduction of CRR, the disclosure of prior year figures have not been restated to the new legislation. Thus, the previous year's figures are partially comparable.

In fiscal year 2013 "Treasury bills and other bills eligible for refinancing with central banks" were classified as financial assets amounting to 19,831 kEUR under fixed assets (Annex 3/1), which have been fully reclassified to "Debt securities including fixed-income securities" in fiscal year 2014. At the year-end 2014 "Debt securities including fixed-income securities" classified as financial assets amount to 31,812,500.00 EUR.

All items denominated in foreign currencies are accounted for using the spot middle exchange rate of the balance sheet date pursuant to section 58/1 ABA. Foreign exchange is reported at the foreign exchange rate as of the balance sheet date.

The positive or negative fair values of derivatives are registered under other assets or other liabilities.

Assets

Available for sale securities are measured at lower of historical cost or market price at the balance sheet date. Securities held for trading are valued at the market price at the balance sheet date. Securities intended to be held as long-term investments are valued at historical cost pursuant to section 56/1-3 ABA. All bonds refer to fixed interest bearing, admitted to stock exchange trading and domestic or foreign securities which were issued by states, credit institutions or companies. Fixed interest bearing, non-admitted to stock exchange trading bonds are shown among other receivables.

A trading book is kept since January 1, 2005, which amounts to 104,111.59 EUR (31.12.2013: 366 kEUR).

Cash at banks, loans to credit institutions and non-bank customers, securities available for sale, bills of exchange and other accounts receivable are measured at the lower of historical cost or market price pursuant to section 207 ACC. A write-up pursuant to section 208 ACC was not carried out because of reasons of the determination of taxable income. The forbearance to write-up because of tax purposes amounted to 0.00 EUR (31.12.2013: 725 kEUR).

Deferred tax assets determined pursuant to section 198/10 ABA amounting to 5,948.00 EUR (31.12.2013: 23 kEUR) have not been recognized in the fiscal year.

Intangible and tangible fixed assets are recorded at the net book value and are depreciated under the terms of the straight-line method over the estimated economic useful life. Management estimated the economic useful life for investments in leased buildings at 10 years and software, furniture and office equipment at 2 to 10 years.

Low value assets with acquisition costs up to 400.00 EUR are fully depreciated in the year of acquisition pursuant to section 13 of Austrian Income Tax Act. They are shown in the enclosed table "Development of Fixed Assets" under the columns "additions", "disposals" and "depreciation of the year". Commitments arising from the use of tangible assets not disclosed in the balance sheet are 3,744,983.49 EUR (31.12.2013: 1,700 kEUR) for the following fiscal year and 19,354,571.40 EUR (31.12.2013: 10,569 kEUR) for the following five years.

Liabilities

The provisions for severance payments were calculated by an actuarial method using an interest rate of 2.5%, with an assumed retirement age of 60 years for women and 65 years for men. The provision for severance payments pursuant to section 14 Austrian Income Tax Act is valued at 469,360.00 EUR (31.12.2013: 397 kEUR).

Other provisions take into account all risks and pending losses which emerged in the current or past financial year until the effective date of the preparation of the balance sheet and are measured considering the principle of prudence. Other provisions refer mainly to unused vacation days and bonuses payable to personnel. Liabilities are accounted for at their face value or at the amount repayable.

NOTES TO THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

1. Assets

Cash and balances with Central Banks

Cash and balances with Central Banks increased by 2,301 kEUR to 126,629,296.63 EUR (31.12.2013: 124,328 kEUR).

Treasury Bills

This item amounts to 341,100,000.00 EUR as of the balance sheet date (31.12.2013: 314,445 kEUR). The nominal of treasury bills that are pledged to the credit institutions amount to 272,000,000.00 EUR (31.12.2013: 265,000 kEUR).

Loans and Advances to Credit Institutions

Loans and advances to credit institutions increased by 403,924 kEUR to 1,159,482,317.96 EUR (31.12.2013: 755,558 kEUR). Loans to affiliated companies amount to 187,087,963.17 EUR (31.12.2013: 166,639 kEUR) as of the balance sheet date, thereof 5,573,655.38 EUR (31.12.2013: 5,475 kEUR) subordinated. The position comprises no fiduciary transactions (31.12.2013: 18,024 kEUR).

Loans and Advances to Customers

Loans and advances to customers increased by 1,409,706 kEUR from 4,697,668 kEUR as of December 31, 2013 to 6,107,373,201.93 EUR as of the balance sheet date. This position includes loans to affiliated companies of 120,180,155.36 EUR (31.12.2013: 20,000 kEUR).

Loans and advances to credit institutions and non-bank customers with agreed maturity dates have the following remaining maturities:

	Amounts of EUR due from			
	Credit Institutions		Customers	
	31.12.2014	31.12.2013*	31.12.2014	31.12.2013*
Up to 3 months	963,273,107.65	562,324	148,601,961.60	96,640
3 months up to 1 year	54,618,276.91	93,502	423,075,222.68	197,744
1 year up to 5 years	42,946,215.31	59,527	2,219,976,360.73	1,965,057
More than 5 years	5,573,957.89	4,750	3,308,317,636.93	2,434,559

** 31.12.2013 figures in kEUR*

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

	Loans and advances of EUR to			
	Credit Institutions		Customers	
	31.12.2014	31.12.2013*	31.12.2014	31.12.2013*
Turkey	186,788,331.44	196,145	5,705,699,897.97	4,304,388
Austria	307,804,600.66	349,126	797,948.27	2,976
Other countries	664,889,385.86	210,288	400,875,355.69	390,304

** 31.12.2013 figures in kEUR*

Bonds and Other Fixed-Income Securities

Bonds and other fixed-income securities increased from 110,516 kEUR to 240,836,827.54 EUR as of the balance sheet date.

As of the balance sheet date the Company held listed securities with a book value of 19,830,500.00 EUR (31.12.2013: 19,831 kEUR) and non-listed securities with a book value of 11,982,000.00 EUR (31.12.2013: 11,982 kEUR) which are valued as fixed assets pursuant to section 56/1 ABA. Listed available for sale securities amount to 208,973,019.29 EUR (31.12.2013: 93,274 kEUR) and securities held for trading amount to 51,610.75 EUR as of December 31, 2014 (31.12.2013: 276 kEUR).

There are no fixed interest-bearing securities with a remaining maturity of less than one year (31.12.2013: 39,991 kEUR). Repurchase Agreements pursuant to section 50/4 ABA do not exist (31.12.2013: 0 kEUR).

Financial Instruments pursuant to section 237a/1/1 ACC

Non-current financial assets measured above their fair value are presented as follows:

of EUR	Book value 31.12.2014	Hidden liabilities	Book value 31.12.2013*	Hidden liabilities
Treasury bills	0.00	0	19,831	162
Bonds and other fixed income securities	31,812,500.00	0	16,966	0

** 31.12.2013 figures in kEUR*

The hidden reserves amount to 1,278,365.00 EUR (31.12.2013: 1,269 kEUR).

AfS Portfolio pursuant to Article 237a/1/1 of ACC:

The bonds and other fixed-income securities classified under AfS Portfolio have a book value of 550,073,019.28 EUR (31.12.2013: 387,889 kEUR). The hidden reserves amount to 11,883,743.88 EUR (31.12.2013: 974 kEUR).

Shares and Other Non-Fixed-Income Securities

As of December 31, 2014 shares in non-listed companies are valued at 52.58 EUR (31.12.2013: 0 kEUR) and equity funds amount to 52,448.25 EUR (31.12.2013: 90 kEUR). The shares in the equity fund with a value of 52,448.25 EUR (31.12.2013: 90 kEUR) are accounted as held for trading.

Investments in Subsidiaries

In December 2003, a 51% share in JSC Deniz Bank, Moscow has been acquired. DenizBank AG, Vienna received a Letter of Comfort, dated March 20, 2009, from the main shareholder DenizBank A.S. that any losses to be recorded in the books of DenizBank AG arising whatsoever from the investment in Dexia Bank, Moscow will be irrevocably covered by DenizBank A.S.. Taking into consideration the net profit of 6,955,942.28 EUR (31.12.2013: 9,395 kEUR) for the year 2014; the shareholders' equity of JSC Deniz Bank, Moscow amounts to 45,659,881.41 EUR (31.12.2013: 60,688 kEUR). In September 2014, 51% shares of Deniz Finansal Kiralama A.S. have been acquired. With consideration of the net profit for the year 2014 amounting to 20,017,738.05 EUR, the shareholders' equity of Deniz Finansal Kiralama A.S. amounts to 170,659,848.14 EUR. Denizbank AG has acquired 99.9% shares of CR Erdberg GmbH & Co KG also in September 2014. Deniz Immobilien Service GmbH was founded in 2013 and 100% of its shares belong to DenizBank AG and the shareholders' equity amounts to 35,000.00 EUR (31.12.2013: 10 kEUR).

This position consists of non-listed securities of affiliated companies amounting 112,829,985.11 EUR (31.12.2013: 16,453 kEUR).

Intangible Fixed Assets

Intangible fixed assets amount to 784,576.12 EUR (31.12.2013: 918 kEUR) and mainly consist of purchased software.

Tangible Fixed Assets

Investments in fixed assets totaling 4,860,059.30 EUR (31.12.2013: 2,503 kEUR) are reduced by depreciation amounting to 1,250,911.79 EUR (31.12.2013: 834 kEUR). The tangible assets increased from 4,192 kEUR by 3,609 kEUR to 7,801,263.33 EUR (31.12.2013: 4,192 kEUR). The development of the fixed assets is shown in detail at the enclosed table „Development of Fixed Assets“ pursuant to section 226 ACC.

Other Assets

This position mainly contains clearing positions of 3,952,989.47 EUR (31.12.2013: 32,807 kEUR) and the positive fair value of foreign exchange derivatives of 2,445,367.84 EUR (31.12.2013: 36,643 kEUR).

Other assets contain deferred interest income of 92,885,390.00 EUR (31.12.2013: 69,026 kEUR), which will be payable after the balance sheet date.

Deferred Expenses

Deferred expenses amount to 19,411,080.54 EUR as of balance sheet date (31.12.2013: 17,834 kEUR). This position consist mainly provisions which are paid before the balance sheet date for the next periods.

Total Assets

Total Assets of DenizBank AG amount to 8,231,966,048.60 EUR (31.12.2013: 6,143,850 kEUR) as of December 31, 2014 and exceed the prior year's amount by 2,088,116 kEUR. The total of assets not denominated in EUR is reported at 4,110,455,202.48 EUR (31.12.2013: 3,342,440 kEUR). Total liabilities denominated in currencies other than EUR amount to 1,078,067,386.44 EUR (31.12.2013: 1,007,034 kEUR).

Off Balance Sheet Items

Foreign assets total is 7,536,845,010.44 EUR as per year end (31.12.2013: 5,444,766 kEUR).

2. Liabilities and Shareholders' Equity

Amounts owed to Credit Institutions

Deposits by banks decreased from 478,106 kEUR by 56,023 kEUR to 422,083,100.02 EUR, which consist of payables on demand as well as payables with agreed maturity dates or periods of notice. Deposits by affiliated companies amount to 42,171,987.56 EUR as of the balance sheet date (31.12.2013: 136,379 kEUR).

Amounts owed to Customers

Customers' deposits increased from 4,989,005 kEUR to 6,862,410,239.55 EUR as of December 31, 2014. Savings deposits increased by 536,361 kEUR to 2,151,218,750.41 EUR as of December 31, 2014 (31.12.2013: 1,614,857 kEUR). The percentage of deposits with agreed maturity or period of notice is 90%. The deposits do not contain guilt-edged securities. Deposits by affiliated companies amount to 1,582,586.47 EUR (31.12.2013: 942 kEUR). The position contains no fiduciary transactions (31.12.2013: 18,024 kEUR).

Liabilities with agreed maturity dates have the following remaining maturity:

	Amounts of EUR due from			
	Credit Institutions		Customers	
	31.12.2014	31.12.2013*	31.12.2014	31.12.2013*
Up to 3 months	370,557,001.49	134,145	804,568,739.74	662,163
3 months up to 1 year	3,294,621.53	3,000	1,723,822,847.39	1,263,058
1 year up to 5 years	0.00	288,000	2,866,076,226.02	1,952,516
More than 5 years	0.00	0	72,812,262.58	43,000

** 31.12.2013 figures in kEUR*

Other Liabilities

The other liabilities totaled 172,097,832.74 EUR (31.12.2013: 39,681 kEUR) as of the balance sheet date and increased by 132,413 kEUR in comparison to the previous year. This item includes accrued interest expenses of 55,551,105.60 EUR (31.12.2013: 36,439 kEUR), which will be payable after the balance sheet date.

The negative fair value of foreign exchange derivatives amounting to 111,118,417.13 EUR (31.12.2013: 5,363 kEUR) are recorded under other liabilities.

Deferred Income

On the balance sheet date, deferred income amounts to 33,278.95 EUR (31.12.2013: 0 kEUR).

Provisions

The total of provisions amounts to 5,248,651.14 EUR (31.12.2013: 2,385 kEUR) and increased by 2,863 kEUR in comparison to previous year. This position comprises provisions for severance payments 469,360.00 EUR (31.12.2013: 400 kEUR), provisions for tax payments 1,623,832.48 EUR (31.12.2013: 151 kEUR), and other provisions 3,155,458.66 EUR (31.12.2013: 1,834 kEUR), which mainly refer to personnel expenses.

Supplementary Capital

As of reporting period there was no supplementary capital (31.12.2013: 0 kEUR).

Subscribed Capital

The subscribed capital amounts to 159,830,455.63 EUR as of December 31, 2014 (31.12.2013: 159,830 kEUR) and is divided into 219,931 shares which are registered in the name of the principal shareholders.

Capital Reserves

The capital reserves amount to 232,624,636.46 EUR by the year end (31.12.2013: 232,625 kEUR).

Retained Earnings

After increasing the reserves under section 57/5 ABA the management decided to allocate the profit for the year with 119,861,109.00 EUR (31.12.2013: 82,581 kEUR) to the retained earnings.

Reserves Pursuant to Section 57/5 ABA

This obligatory reserve was increased by allocation of 15,559,001.00 EUR as of December 31, 2014 (31.12.2013: 15,443 kEUR). The mandatory reserve totals 64,505,781.00 EUR as of the balance sheet date (31.12.2013: 48,947 kEUR).

Off Balance Sheet Items

Contingent liabilities include letter of guarantees amounting to 167,652,655.91 EUR (31.12.2013: 168,620 kEUR). Commitments, which are arising from not utilized credit facilities, amount to 9,146,878.72 EUR (31.12.2013: 3,070 kEUR). Foreign liabilities amount to 3,110,808,288.82 EUR. Previous year's figure has been adjusted by 98.024 kEUR to 2,057,404 kEUR.

Total qualifying capital pursuant to section 23/14 ABA

in EUR	31.12.2014	31.12.2013*
Subscribed capital	159,830,455.63	159,830
Capital reserves	232,624,636.46	232,625
Retained earnings	312,532,073.11	192,671
Reserve pursuant to section 23/6 ABA	64,505,781.00	48,947
Untaxed reserves	-	-
Profit for the year	-	-
Funds for general bank risks	600,000.00	600
	770,092,946.20	634,673
Less book value of intangible fixed assets	-784,576.12	-918
Core Capital	769,308,370.08	633,755
Supplementary capital	-	-
Total qualifying capital	769,308,370.08	633,755
as a % of the assesment basis purs. to section 22 ABA	12.00%	13.05%
Total Capital Ratio	11.78%	12.65%**

**31.12.2013 figures in kEUR*

***Equity ratio pursuant to legislation in 2013*

Return on assets of fiscal year 2014 amounts to 1.65% (31.12.2013: 1.60%), calculated as the ratio of net profit after tax to total assets as of balance sheet date. Return on average equity amounts to 19.30% (31.12.2013: 19.41%), which is calculated as the ratio of net profit after tax to average equity.

Consolidated qualifying capital

in EUR	31.12.2014	31.12.2013*
Subscribed capital	159,830,455.63	159,830
Capital reserves	232,624,636.46	232,625
Retained earnings	319,963,958.98	192,878
Liability reserve	64,505,781.00	48,947
Funds for general bank risks	600,000.00	600
Minority interest	74,422,515.73	26,119
Deduction positions	-1,889,081.51	-2,120
Difference arising from the consolidation of equity and subsidiaries	-6,709,169.82	-1,926
Core capital	843,349,096.47	656,953
Supplementary capital	3,461,142.08	1,910
therof minority interest	1,361,280.59	-
Total qualifying capital	846,810,238.55	658,863
As a percentage of risk-weighted assets	11.70%	13.53%
Total capital ratio	11.51%	13.04%

**31.12.2013 figures in kEUR*

***Equity ratio pursuant to legislation in 2013*

Additional Information

Statement of derivative financial instruments which are not settled:

31.12.2014	Nominal value	Positive market value	Negative market value
Forwards	3,236,213,139.00	2,405,053.93	111,132,470.16
Interest Rate Swaps	1,619,402,071.95	21,055,684.97	20,675,581.81
thereof Banking book	1,214,891,689.32	1,006,845.99	626,742.84
Cross Currency Swaps	121,169,530.42	1,862,074.63	1,862,074.63
FX Optionen	935,651.16	8,425.99	8,425.99
Total	4,977,720,392.53	25,331,239.52	133,678,552.59

31.12.2013 in kEUR	Nominal value	Positive market value	Negative market value
Forwards	2,824,108	35,031	5,114
Interest Rate Swaps	316,629	2,260	2,260
thereof Banking book	0	0	0
Cross Currency Swaps	104,480	3,136	3,136
FX Optionen	10,585	130	130
Bund Futures*	150,800	0	0
Total	3,406,602	40,557	10,639

** The positive and negative fair values are neutralized through daily margining*

Negative market value of foreign exchange forward transactions amounting to 111,118,417.13 EUR (31.12.2013: 5,363 kEUR) has been recorded in other liabilities.
Other than that provision amounting to 626,742.84 EUR (31.12.2013: 0 kEUR) has been set for contingent losses regarding negative market value of derivatives. Provisions for contingent losses regarding negative market value of derivatives must have been established for the amount of EUR 21,919,339.60 (31.12.2013: 5.526 kEUR) if hedging transactions were not taken into account per balance sheet date of the annual financial statement.

The exposure values of derivative financial instruments have been calculated based on the Mark-to-Market Method. Interest rate and currency swaps are valued by discounted future cash flows based on the market interest rates, which are effective on the balance sheet date, for the remaining duration of contracts. FX Options are valued using a Black-Scholes approach. To determine the fair value of forward transaction the contracted forward rate and the forward rate, which is effective on the balance sheet date, for the remaining duration are compared. The resulting value is discounted under consideration of market interest rate of respective currency which is effective on the balance sheet date.

Deniz Bank AG concludes interest rate swaps 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 the risks arising from fixed and variable payments of primary transaction and its hedge item are nearly fully compensated. As a result volatile evaluation components in income statement are eliminated, planning and forecasting quality is increased and fair value risks arising from fluctuating significant reference interest rate curves are neutralized. The fair values of interest rate and cross currency swap transactions are shown in the table above. The maturities are determined based on each type of transaction from short term to long term.

Assessment on a qualitative basis (critical term match) is carried at the date of designation and at the balance sheet date while the main features (Nominal, currency, settlement date, maturity date, reference interest rate, payment frequency, repayment structure, day count convention) of customer transaction and its hedge item are identical. Therefore no prospective effectiveness has been calculated.

In fiscal year 2014 a hedge relation amounting to 36,136,768.42 EUR (31.12.2013: 0 kEUR) has been prematured.

3. Profit and Loss Account

Net Interest Income

The net interest result including interest from fixed-income securities, interest expenses and similar expenses increased by 41,843 kEUR to 166,481,399.03 EUR (31.12.2013: 124,638 kEUR).

Split according to geographical markets

Net Interest Income	31.12.2014	31.12.2013*
Austria	193,076,443.64	140,119
Germany	(26,595,044.61)	(15,481)
Total	166,481,399.03	124,638

** 31.12.2013 figures in kEUR*

Operating Income

The operating income including net interest income, net fee and commission income, the net trading result and other operating revenues increased by 34,058 kEUR or 27.19% to 159,332,637.74 EUR (31.12.2013: 125,274 kEUR). The operating income is composed of the following amounts.

		Fee and commission income	Fee and commission expense	Income/ Expense from financial transactions	Other operating income
2014	Austria	8,877,418.62	-6,367,796.47	-10,046,057.19	69,706.75
	Germany	342,650.30	-78,397.25	34,692.24	19,021.71
	Total	9,220,068.92	-6,446,193.72	-10,011,364.95	88,728.46
2013*	Austria	6,719	-6,439	21	157
	Germany	237	-84	-4	29
	Total	6,955	-6,522	17	186

** 31.12.2013 figures in kEUR*

Operating Expenses

Operating expenses increased from 24,575 kEUR by 10,636 kEUR to 35,211,322.84 EUR. Personnel expenses increased by 4,912 kEUR to 17,986,970.49 EUR (2013: 13,075 kEUR). The other administrative expenses increased from 9,974 kEUR to 15,460,290.22 EUR including rent and leasing expenses totaling 2,359,897.04 EUR (2013: 1,406 kEUR).

Operating Result

Our operating result increased by 23,422 kEUR to 124,121,314.90 EUR (2013: 100,699 kEUR).

Pre-Tax Profit for the year

The pre-tax profit for the year is reported with 146,111,774.54 EUR and is by 39,079 kEUR or 36.51% higher than the result of the year 2013 (107,033 kEUR).

Taxes on Income

Taxes on income amount to 9,368,546.96 EUR (2013: 7,221 kEUR). Due to the double tax treaty between Turkey and Austria a fictitious withholding of 26,759,155.88 EUR tax from interest income for the year 2014 EUR (2013: 19,062 kEUR) could be offset in the full amount of the taxes.

Profit for the year

The profit for the year increased from 98,024 kEUR to 135,420,110.00 EUR by 38.15% or 37,396 kEUR after consideration of the taxes.

Changes in Reserves

The changes of reserves total 135,420,110.00 EUR (2013: 98,024 kEUR) and comprise the allocation to the reserve under section 57/5 ABA 15,559,001.00 EUR (2013: 15,443 kEUR) and the allocation to the retained earnings of 119,861,109.00 EUR (2013: 82,581 kEUR).

Retained and Distributed Earnings

The net profit of the financial year 2014 was allocated to the profit reserves and this position amounts to 0.00 EUR.

Other Information

DenizBank AG is included in the consolidated financial statements of DenizBank A.S., Istanbul (subgroup) and until September 2012 of the former parent company, Dexia S.A., Brussels. After the acquisition of the parent company Denizbank AS by Sberbank of Russia, registered in Moscow, DenizBank AG is included in the consolidated financial statements of Sberbank of Russia. DenizBank AG prepares consolidated financial statements in Vienna. The consolidated financial statements are deposited at the respective locations.

Denizbank AG has 15 sub-branches which are followed up under main-branch Frankfurt am Main on consolidated basis:

Branch Frankfurt am Main	2013*	2014
Nature of activities	Universal banking	Universal banking
Geographical location	Germany	Germany
Net interest income in EUR	-15,481	-26,595,044.61
Operating income in EUR	-15,303	-26,277,077.61
Number of employees (FTE)	50	99
Profit or loss before tax in EUR	-19,528	-34,299,424.12
Tax on profit or loss in EUR	297	947,230.19
Public subsidies received	0	0.00

** 31.12.2013 figures in kEUR*

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

31.12.2014 Name	Location	Shareholders' equity*	Share in %	Net profit*
DenizBank Moscow	Moscow	45,659,881.41	51.00%	6,955,942.28
Deniz Finansal Kiralama AS	Istanbul	170,659,848.14	51.00%	20,017,738.05
CR Erdberg Eins GmbH & Co KG	Vienna	13,964,334.30	99.90%	659,599.49
Deniz Immobilien Service GmbH	Vienna	26,478.67	100.00%	-8,521.33

**31.12.2014*

On a monthly basis average, the Company employed 365 employees (2013: 269 employees).

The remuneration for members of the Management Board amounts to 1,122,668.41 EUR (2013: 999 kEUR). Commitments accounting 9,000.00 EUR (2013: 9 kEUR) were assumed for the Management Board. The expenses for severance payments and retirement pay of the members of the Management Board and executives pursuant to section 80/1 Austrian Stock Corporation Act amounts to 83,974.20 EUR (2013: 75 kEUR). Expenses for severance payments and retirement pay for non-executive employees totaled 340,883.74 EUR (2013: 332 kEUR) including expenses for severance payments of 51,578.00 EUR (2013: 43 kEUR) and expenses for the employee welfare fund of 133,441.53 EUR (2013: 167 kEUR).

In 2014 the expenses for audits amount to 310,395.90 EUR (2013: 203 kEUR), thereof 118,049.28 EUR is for half year's audit (2013: 0 kEUR) and 37,800.00 EUR is for quarter year's audit (2013: 59 kEUR).

Disclosure:

The disclosure report as of December 31, 2014 of DenizBank AG fulfills the disclosure requirements pursuant to Article 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 emoluments of the Supervisory Board amount to 105,000.00 EUR (2013: 102 kEUR).

The members of the Supervisory Board in 2014 are as follows:

Sergey Gorkov, Chairman
Hakan Ateş, Deputy-Chairman
Derya Kumru, Deputy-Chairman
Dr. Kurt Heindl, Member
Wouter van Roste, Member
Alexander Vedyakhin, Member
Suavi Demircioğlu, Member (since November 27, 2014)

Following State Commissioners were appointed:

Amtsdirektor Andreas Staritz
MR Mag. Lisa Mandl, Deputy

Following members of the Management Board for the financial year 2014 respectively until the preparation of financial statement were appointed:

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

The company is registered at the commercial register at the commercial court in Vienna under the number FN 142199t.

Vienna, March 27th, 2015

Management Board

AHMET MESUT ERSOY
Chairman of the Management Board, CEO

DR. THOMAS ROZNOVSKY
Member of the Management Board, CFO

MEHMET ULVİ TANER
Member of the Management Board

TUNCAY AKDEVELİOĞLU
Member of the Management Board, CRO

AUDITOR'S REPORT

DenizBank AG, Vienna December 31, 2014

TRANSLATION

5. AUDITOR'S REPORT *)

Report on the Financial Statement

We have audited the accompanying financial statements, including the accounting system, of Denizbank AG, Vienna, for the fiscal year from January 1, 2014 to December 31, 2014. These financial statements comprise the balance sheet as of December 31, 2014, the income statement for the fiscal year ended December 31, 2014, and the notes.

Management's Responsibility for the Financial Statements and for the Accounting System

The Company's management is responsible for the accounting system and for the preparation and fair presentation of these financial statements in accordance with Austrian Generally Accepted Accounting Principles and the Austrian Banking Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

DenizBank AG, Vienna December 31, 2014

TRANSLATION

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of December 31, 2014 and of its financial performance for the fiscal year from January 1, 2014 to December 31, 2014 in accordance with Austrian Generally Accepted Accounting Principles.

Comments on the Management Report

Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report is consistent with the financial statements.

In our opinion, the management report is consistent with the financial statements.

Vienna, March 27, 2015

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Wolfgang Tobisch mp
Certified Auditor / Wirtschaftsprüfer

Mag. Andrea Stippl mp
Certified Auditor / Wirtschaftsprüferin

*) This report is a translation of the original report in German, which is solely valid. Publication of the financial statements together with our auditor's opinion may only be made if the financial statements and the management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

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