

*(Convenience Translation of Consolidated Financial Statements and
Related Disclosures and Footnotes Originally Issued in Turkish)*

Alternatifbank A.Ş.

Consolidated Financial Statements and Notes as of and
For the Three-Month Period Ended 31 March 2024 With
Independent Auditor's Review Report



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Convenience Translation of the Review Report Originally Prepared and Issued in Turkish to English

To the Board of Directors of Alternatifbank Anonim Şirketi

Introduction

We have reviewed the accompanying consolidated balance sheet of Alternatifbank Anonim Şirketi ("the Bank") and its subsidiaries (together will be referred as "the Group") as at 31 March 2024 and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the three month period then ended, and notes, comprising a summary significant accounting policies and other explanatory information. The Group management is responsible for the preparation and fair presentation of these consolidated interim financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No. 26333 dated 1 November 2006, and other regulations on accounting records of banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and the requirements of Turkish Accounting Standard 34 "Interim Financial Reporting" for the matters not regulated by the aforementioned legislations (together referred as "BRSA Accounting and Reporting Legislation"). Our responsibility is to express a conclusion on these consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Basis for Qualified Conclusion

The Group started to account its head office building at revalued amount instead of cost amount under the Turkish Accounting Standards 16 Property, Plant and Equipment as of 31 December 2018. The revaluation surplus in respect of the evaluation performed by valuation companies authorized by the Capital Markets Board ("CMB") and the Banking Regulation and Supervision Agency ("BRSA") is accounted under equity as accumulated revaluation increase/decrease of fixed assets. The Group management performed the revaluation of this asset based on its revalued amount as of 27 December 2022, and adjusted the carrying amount of this asset in its consolidated financial statements as of January 2023. On 26 January 2024 performed the revaluation of this asset By The Group management and adjusted the amount of this asset in its consolidated financial statements as of 31 March 2024 As of 31 December 2023, no revaluation has been performed by Group management for this asset. If a revaluation had been performed for this asset as of 31 December 2023, property, plant and equipment (net) and other comprehensive income or expenses not to be reclassified to profit or loss within equity would have increased by TL 690,506 thousands and TL 483,354 thousands respectively, while deferred tax asset would have decreased by TL 207,152 thousands in the consolidated financial statements in the accompanying consolidated financial statements. Additionally, as of the interim period ending on 31 March 2024, accumulated other comprehensive income or expenses not to be reclassified in profit or loss would have been lower by an amount of TL 483,354.

The purpose and scope of the "General Communiqué of Tax Procedure Law No. 555" of Republic of Türkiye Ministry of Treasury and Finance published in the Official Gazette dated 30 December 2023 and numbered 32414 is to determine the principles and procedures regarding to inflation adjustments to be recognised in accordance with Article 298 of Law No. 213 and provisional Article 33 in 2023 and following accounting periods based on the fulfilment of the conditions for adjustments. The group management did not subject the tax-based financial statements to inflation adjustment as of 31 December 2023, but reflected the adjustment in their financial statements as of 31 March 2024. As of 31 March 2024, in the unconsolidated financial statements, deferred tax assets, deferred tax income, and therefore the net profit for the period, would need to be decreased by TL 136,601 thousand, while the retained earnings account would need to be increased by TL 136,601 thousand, and the account for accumulated other comprehensive income or expenses not to be reclassified to profit or loss would need to be decreased by TL 25,979 (as of 31 December 2023: deferred tax assets, deferred tax income, and therefore the net profit for the period would need to be increased by TL 136,601 thousand, while the account for accumulated other comprehensive income or expenses not to be reclassified to profit or loss would need to be increased by TL 25,979).

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraphs, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the consolidated financial position of Alternatifbank A.Ş. and its subsidiaries as at 31 March 2024 and its consolidated financial performance and its consolidated cash flows for the three month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.



Report on Other Legal and Regulatory Requirements Arising From Legislation

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

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Ebru Koçak, SMMM
Partner

30 April 2024
İstanbul, Türkiye

**THE CONSOLIDATED FINANCIAL REPORT OF
ALTERNATİFBANK A.Ş. AS OF AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

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The consolidated financial report as of and for the three-month period prepared in accordance with the communiqué of “Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks” as regulated by the Parent Banking Regulation and Supervision Agency, comprises the following sections.

- GENERAL INFORMATION ABOUT THE GROUP
- CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP
- EXPLANATIONS ON THE ACCOUNTING POLICIES APPLIED IN THE CURRENT PERIOD
- INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP
- EXPLANATIONS AND DISCLOSURES ON THE CONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS AND DISCLOSURES
- EXPLANATIONS ON AUDITORS’ LIMITED REVIEW REPORT
- INTERIM ACTIVITY REPORT

Associates, subsidiaries and special purpose entities whose financial statements have been consolidated in the consolidated financial report are as follows:

Subsidiaries:

1. Alternatif Yatırım Menkul Değerler A.Ş.
2. Alternatif Finansal Kiralama A.Ş.
3. Omurga Gayrimenkul ve Girişim Sermayesi Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu

The accompanying consolidated financial statements and notes to these financial statements for the three-month period ended which are expressed, unless otherwise stated, **in thousands of Turkish Lira (TL)** , have been prepared and presented based on the accounting books of the Parent Bank in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations of these, and have been independently reviewed and presented as attached.

Omer Hussain I H Al-Fardan	Ozan Kırmızı	Hamdi İlkey Girgin	Ahmet Akın
Chairman of the Board of Directors	CEO	Financial Control and Planning Executive Vice President	International and Legal Reporting Manager
Halil Sedat Ergür	Leonie Ruth Lethbridge	Antonio Francisco Gamez Munoz	
Member of the Board of Directors and Chairman of the Board Audit and Compliance Committee	Member of the Board of Directors and Member of the Board Audit and Compliance Committee	Member of the Board of Directors and Member of the Board Audit and Compliance Committee	

The authorised contact person for questions on this financial report:

Name-Surname/Title : Ahmet Akın / International and Legal Reporting Manager
Telephone Number : 0 212 315 70 77
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SECTION ONE

General Information About the Parent Bank

I.	Explanations on the Establishment Date and Initial Status of the Parent Bank, and History Including the Changes in the Former Status	1
II.	Explanations on the Capital Structure, Shareholders who Directly or Indirectly, Solely or Jointly Undertake the Management and Control of the Parent Bank, any Changes in the Period, and Information on the Parent Bank's Risk Group	1
III.	Explanation on the Board of directors, members of the audit committee, president and executive vice presidents, changes in these matters (if any) and shares in the Parent Bank	2
IV.	Information on the Parent Bank's Qualified Shareholders	3
V.	Summary information on the Parent Bank's activities and services	3
VI.	Differences between the communique on preparation of consolidated financial statements of banks and Turkish Accounting Standards and short explanation about the institutions subject to line-by-line method or proportional consolidated and institutions which are deducted from equity or not included in these three methods	3
VII.	Existing or potential, actual or legal obstacles to immediate transfer of equity, or repayment of debt between the Parent Bank and its subsidiaries	3

SECTION TWO

Consolidated Financial Statements

I.	Balance sheet (Statement of Financial Position)	4-5
II.	Off-balance sheet items	6
III.	Statement of profit or loss	7
IV.	Statement of profit or loss and other comprehensive income	8
V.	Statement of changes in shareholders' equity	9-10
VI.	Statement of cash flows	11

SECTION THREE

Explanations on Accounting Policies

I.	Basis of presentation	12
II.	Strategy of using financial instruments and foreign currency transactions	12
III.	Consolidated Subsidiaries	13
IV.	Interest income and expense	14
V.	Fee and commission income and expense	14
VI.	Financial assets	14-16
VII.	Impairment of financial assets	16-17
VIII.	Offsetting financial assets	18
IX.	Sales and repurchase agreements and securities lending transactions	18
X.	Assets held for sale and discontinued operations	18
XI.	Goodwill and other intangible assets	19
XII.	Property and equipment	19
XIII.	Leasing transactions	20
XIV.	Provisions, contingent assets and liabilities	21
XV.	Obligations related to employee rights	21
XVI.	Taxation	21-23
XVII.	Additional explanations on borrowings	23
XVIII.	Share certificates and issuance of share certificates	23
XIX.	Avalized drafts and acceptances	23
XX.	Government incentives	23
XXI.	Profit reserves and profit distribution	23
XXII.	Earnings per share	23
XXIII.	Related parties	24
XXIV.	Cash and cash equivalents	24
XXV.	Explanations on the accounting policies of the current period	24
XXVI.	Explanations on accounting policies, changes in accounting estimates and errors standard	24
XXVII.	Explanations on other matters	24
XXVIII.	Explanations on other segments	24-25

SECTION FOUR

Information on the Financial Position and Risk Management of the Parent Bank

I.	Explanations on shareholders' equity	26-31
II.	Explanations on credit risk	31
III.	Explanations on currency risk	31-32
IV.	Explanations on interest rate risk	33-35
V.	Explanations on share certificates	36
VI.	Explanations on liquidity risk management and liquidity coverage ratio	36-43
VII.	Explanations on leverage ratio	44-45
VIII.	Fair values of financial assets and liabilities	45
IX.	Transactions carried out on behalf of customer and items held in trust	45
X.	Explanation on the risk management	46-49
XI.	Explanation on hedge accounting	50

SECTION FIVE

Explanations and Notes on Consolidated Financial Statements

I.	Explanations and notes on the assets	51-62
II.	Explanations and notes on liabilities	63-69
III.	Explanations and notes on off-balance sheet accounts	70-71
IV.	Explanations and notes on income statement	72-77
V.	Explanations and notes on changes in shareholders' equity	78
VI.	Explanations and notes on statement of cash flows	78
VII.	Explanations and notes on parent Bank's risk group	78-80
VIII.	Explanations on the domestic, foreign, off-shore branches or affiliates and foreign representative offices of the parent bank	80
IX.	Explanations and notes on subsequent events	80

SECTION SIX

Other Explanations and Notes

I.	Other explanations related to the Parent Bank's operations	81
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SECTION SEVEN

Explanations on Auditor's Limited Review Report

I.	Explanations on independent auditor's review report	82
II.	Explanations and footnotes prepared by Independent auditor	82

SECTION EIGHT

Interim Activity Report

I.	Interim period activity report consisting bank Chairman and CEO's evaluation in reference to interim period activities	83-84
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ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated).

SECTION ONE

GENERAL INFORMATION ABOUT THE GROUP

I. Explanations on the Establishment Date and Initial Status of the Parent Bank, and History Including the Changes in the Former Status

Alternatifbank A.Ş. (“the Parent Bank” or “the Parent Bank”), was established in Istanbul on 6 November 1991 and started Banking activities on February 1992. The Parent Bank’s ordinary shares started to be traded in Istanbul Stock Exchange on 3 July 1995. The Parent Bank is still a privately owned commercial bank status and provides banking services through 24 (31 December 2023: 24) branches.

The Parent Bank made an application to Capital Market Board and Borsa İstanbul A.Ş. about to leave the partnership and delisting the stock-exchange quotation in accordance with clauses of Capital Market Board “Squeeze-out and Sell-out Rights Communiqué” on 11 July 2014. “Capital Issue Document” prepared for the capital increase allocated to controlling shareholder Commercial Bank of Qatar in the context of the process of squeeze-out and sell-out rights from the minority in accordance with “Squeeze-out and Sell-out Rights Communiqué” has been approved by Capital Market Board on 23 July 2015. As of this date, Alternatifbank A.Ş. delisted from the stock-exchange.

II. Explanations on the Capital Structure, Shareholders who Directly or Indirectly, Solely or Jointly Undertake the Management and Control of the Parent Bank, any Changes in the Period, and Information on the Parent Bank’s Risk Group

As of 31 March 2024, 100% of the shares of the Parent Bank are owned by The Commercial Bank (P.S.Q.C.). Shareholder’s structure of the Parent Bank is as follows:

Name/Commercial Name	31 March 2024		31 December 2023	
	Share Amount	Share Ratio	Share Amount	Share Ratio
The Commercial Bank (P.S.Q.C)	2,213,740	100%	2,213,740	100%
Total	2,213,740	100%	2,213,740	100%

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

GENERAL INFORMATION ABOUT THE GROUP (Continued)

III. Explanation on the Board of Directors, Members of the Audit Committee, President and Executive Vice Presidents, Changes in These Matters (if any) and Shares in the Parent Bank

Title	Name	Responsibility⁽¹⁾	Indirect Share Capital (%)
Chairman of the Board of Directors	Omer Hussain I H Al-Fardan	Chairman of the Board	-
Member of the Board of Directors	Joseph Abraham	Vice-Chairman of the Board of Directors, Chairman of the Executive Committee of the Board, Chairman of the Remuneration and Corporate Governance Committee of the Board, Alternate Member of the Board Credit Committee	-
	Mohd Ismail M Mandani Al-Emadi	Member of the Board of Directors, Chairman of the Board Risk Committee, and Member of the Board Credit Committee	-
	Rajbhushan Buddhiraju	Member of the Board of Directors, Member of the Executive Committee of the Board, Member of the Board Risk Committee and Member of the Board Credit Committee	-
	Halil Sedat Ergür	Member of the Board of Directors, Chairman of the Board Audit and Compliance Committee and Member of the Board Risk Committee	-
	Zafer Kurtul	Member of the Board of Directors, Chairman of the Board Credit Committee, Member of the Executive Committee of the Board, and Member of the Board Remuneration and Corporate Governance Committee	-
	Leonie Ruth Lethbridge	Member of the Board of Directors, Member of the Board Audit and Compliance Committee and Member of the Board Remuneration and Corporate Governance Committee	-
	Antonio Francisco Gamez Munoz	Member of the Board of Directors, Member of the Board Audit and Compliance Committee, Member of the Board Risk Committee, and Member of the Board Credit Committee	-
Member of the Board of Directors and CEO	Ozan Kırmızı	Member of the Board of Directors, Member of the Credit Committee, Member of the Executive Committee of the Board, CEO	-
Executive Vice Presidents ⁽¹⁾	Didem Şahin Çakmak	Corporate Banking	-
	Burcu Yangaz	Commercial Banking	-
	Gökay Dede	Retail and Digital Banking	-
	Zafer Vatansever	Information Technologies and Operation	-
	Ayşe Akbulut	Credit Granting	-
	Bekir Seçkin Mutlubaş	Restructuring & Legal Follow Up	-
	Bike Tarakçı	Human Resources	-
	Hamdi İlkey Girgin	Financial Affairs and Planning	-
	Boğaç Levent Güven	Treasury and Financial Institutions	-
Head of Internal Audit	Ömer Faruk Gönener	Head of Internal Audit	-

(1) Bike Tarakçı started to work as Deputy General Manager of Human Resources as of 2 January 2024.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

GENERAL INFORMATION ABOUT THE GROUP (Continued)

IV. Information on the Parent Bank's Qualified Shareholders

According to the Parent Banking Act No: 5411 regarding definition of Qualified Shares and Bank Transactions that are subject to Permission and Indirect Shareholding Regulation's article 13, direct and indirect qualified shareholders of the Parent Bank's Capital is as follows.

Name/Commercial Title	Share Amounts (Nominal)	Share Rates	Paid-in Capital (Nominal)	Unpaid Portion
The Commercial Bank (P.Q.S.C.)	2,213,740	100.00%	2,213,740	-

V. Summary Information on the Parent Bank's Activities and Services

The Parent Bank's operations are extending TL and foreign currency cash and non cash loans, performing capital market transactions, opening deposit and making other banking transactions according to regulation principles given by the Parent Bank's Articles of Association.

As of 31 March 2024, the Parent Bank has 24 branches (31 December 2023: 24 branches).

As of 31 March 2024, the Parent Bank has 750 employees (31 December 2023: 804 employees).

Parent Bank and its subsidiaries that are consolidated with the Parent Bank are called "Group" as a whole. As of 31 March 2024, The Group has 828 employees (31 December 2023: 881 employees).

VI. Differences Between the Communique on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and Short Explanation About the Institutions Subject to Line-by-Line Method or Proportional Consolidation and Institutions Which Are Deducted From Equity or Not Included in These Three Methods

None.

VII. Existing or Potential, Actual or Legal Obstacles to Immediate Transfer of Equity, or Repayment of Debt between the Parent Bank and Its Subsidiaries

None.

ALTERNATİFBANK A.Ş.
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)		Notes	Reviewed Current Period 31 March 2024			Audited Prior Period 31 December 2023		
		(Section Five)	TL	FC	Total	TL	FC	Total
I.	ASSETS							
I.	FINANCIAL ASSETS (NET)		6,173,749	16,642,557	22,816,306	6,545,647	14,615,100	21,160,747
1.1	Cash and Cash Equivalents		2,210,950	11,878,237	14,089,187	2,862,222	10,141,045	13,003,267
1.1.1	Cash and Balances with Central Bank	I-a	1,162,045	8,266,561	9,428,606	2,676,518	7,223,029	9,899,547
1.1.2	Banks	I-d	598,269	3,611,676	4,209,945	36,847	2,918,016	2,954,863
1.1.3	Money Market Placements		451,960	-	451,960	150,540	-	150,540
1.1.4	Expected Credit Losses (-)		1,324	-	1,324	1,683	-	1,683
1.2	Financial Assets at Fair Value Through Profit or Loss		69,593	46,351	115,944	69,516	28,975	98,491
1.2.1	Government Debt Securities		37,473	46,351	83,824	27,847	28,975	56,822
1.2.2	Equity Instruments		-	-	-	-	-	-
1.2.3	Other Financial Assets		32,120	-	32,120	41,669	-	41,669
	Financial Assets at Fair Value Through Other							
1.3	Comprehensive Income	I-f	3,366,467	3,867,361	7,233,828	3,298,406	3,523,330	6,821,736
1.3.1	Government Debt Securities		3,351,925	3,867,361	7,219,286	3,283,864	3,523,330	6,807,194
1.3.2	Equity Instruments		14,542	-	14,542	14,542	-	14,542
1.3.3	Other Financial Assets		-	-	-	-	-	-
1.4	Derivative Financial Assets	I-c	526,739	850,608	1,377,347	315,503	921,750	1,237,253
1.4.1	Derivative Financial Assets at Fair Value Through Profit or Loss		522,030	850,608	1,372,638	298,041	921,750	1,219,791
	Derivative Financial Assets at Fair Value Through Other							
1.4.2	Comprehensive Income		4,709	-	4,709	17,462	-	17,462
	FINANCIAL ASSETS MEASURED AT AMORTIZED							
II.	COST (NET)		21,321,058	22,910,586	44,231,644	20,079,419	23,585,190	43,664,609
2.1	Loans	I-g	18,331,418	12,895,710	31,227,128	17,255,624	13,981,708	31,237,332
2.2	Lease Receivables	I-l	1,704,261	2,525,313	4,229,574	1,738,417	2,361,454	4,099,871
2.3	Factoring Receivables		380,104	-	380,104	173,099	-	173,099
2.4	Other Financial Assets Measured at Amortized Cost	I-h	1,566,273	8,085,771	9,652,044	1,528,898	8,072,767	9,601,665
2.4.1	Government Debt Securities		1,532,719	8,085,771	9,618,490	1,447,818	8,072,767	9,520,585
2.4.2	Other Financial Assets		33,554	-	33,554	81,080	-	81,080
2.5	Expected Credit Losses (-)		660,998	596,208	1,257,206	616,619	830,739	1,447,358
III.	PROPERTY AND EQUIPMENT HELD FOR SALE							
	PURPOSE AND RELATED TO DISCONTINUED							
	OPERATIONS (NET)	I-r	505,019	-	505,019	525,885	-	525,885
3.1	Held for Sale Purpose		505,019	-	505,019	525,885	-	525,885
3.2	Related to Discontinued Operations		-	-	-	-	-	-
IV.	EQUITY INVESTMENTS							
4.1	Investments in Associates (Net)	I-i	-	-	-	-	-	-
4.1.1	Accounted Under Equity Method		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		-	-	-	-	-	-
4.2	Subsidiaries (Net)	I-j	-	-	-	-	-	-
4.2.1	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2	Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
4.3	Entities under Common Control (Joint Venture) (Net)	I-k	-	-	-	-	-	-
4.3.1	Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	TANGIBLE ASSETS (Net)	I-n	1,850,848	-	1,850,848	1,175,084	-	1,175,084
VI.	INTANGIBLE ASSETS (Net)	I-o	251,993	-	251,993	239,425	-	239,425
6.1	Goodwill		21,151	-	21,151	21,151	-	21,151
6.2	Other		230,842	-	230,842	218,274	-	218,274
VII.	INVESTMENT PROPERTY (Net)	I-p	-	-	-	-	-	-
VIII.	CURRENT TAX ASSET		-	-	-	-	-	-
IX.	DEFERRED TAX ASSET	I-q	446,865	-	446,865	461,718	-	461,718
X.	OTHER ASSETS	I-s	1,189,132	112,255	1,301,387	830,811	77,893	908,704
TOTAL ASSETS			31,738,664	39,665,398	71,404,062	29,857,989	38,278,183	68,136,172

The accompanying explanations and notes are integral part of these financial statements.

ALTERNATİFBANK A.Ş.
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)		Reviewed Current Period 31 March 2024			Audited Prior Period 31 December 2023		
LIABILITIES	Notes (Section Five)	TL	FC	Total	TL	FC	Total
I. DEPOSITS	II-a	12,587,079	12,298,113	24,885,192	16,650,021	8,270,708	24,920,729
II. FUNDS BORROWED	II-c	1,139,977	19,463,272	20,603,249	665,234	19,180,126	19,845,360
III. MONEY MARKET BALANCES		121,653	5,932,125	6,053,778	133,734	5,210,765	5,344,499
IV. MARKETABLE SECURITIES ISSUED (Net)		335,372	-	335,372	418,904	-	418,904
4.1 Bills		335,372	-	335,372	418,904	-	418,904
4.2 Assets Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES		414,473	305,437	719,910	194,519	511,810	706,329
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss	II-b	414,473	305,437	719,910	181,628	511,810	693,438
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	II-f	-	-	-	12,891	-	12,891
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES	II-e	9,652	-	9,652	16,067	-	16,067
X. PROVISIONS	II-g	255,593	55,470	311,063	260,873	40,119	300,992
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reverse for Employee Benefits		49,560	-	49,560	35,743	-	35,743
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		206,033	55,470	261,503	225,130	40,119	265,249
XI. CURRENT TAX LIABILITY	II-h	397,023	-	397,023	332,359	-	332,359
XII. DEFERRED TAX LIABILITY		-	-	-	-	-	-
XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	II-i	-	-	-	-	-	-
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS	II-j	-	9,283,371	9,283,371	-	8,252,097	8,252,097
14.1 Loans		-	2,483,555	2,483,555	-	2,210,222	2,210,222
14.2 Other Debt Instruments		-	6,799,816	6,799,816	-	6,041,875	6,041,875
XV. OTHER LIABILITIES		1,401,487	629,668	2,031,155	1,233,960	703,933	1,937,893
XVI. SHAREHOLDERS' EQUITY	II-k	6,916,237	(141,940)	6,774,297	6,178,287	(117,344)	6,060,943
16.1 Paid-in Capital		2,213,740	-	2,213,740	2,213,740	-	2,213,740
16.2 Capital Reserves		54	-	54	54	-	54
16.2.1 Share Premium		54	-	54	54	-	54
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		-	-	-	-	-	-
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		1,262,487	-	1,262,487	752,230	-	752,230
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		(443,299)	(141,940)	(585,239)	(233,156)	(117,344)	(350,500)
16.5 Profit Reserves		3,330,964	-	3,330,964	1,562,908	-	1,562,908
16.5.1 Legal Reserves		219,768	-	219,768	123,335	-	123,335
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		3,111,196	-	3,111,196	1,439,573	-	1,439,573
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit Or Loss		552,266	-	552,266	1,882,488	-	1,882,488
16.6.1 Prior Years' Profit/Loss		(416)	-	(416)	(53,022)	-	(53,022)
16.6.2 Current Year Profit/Loss		552,682	-	552,682	1,935,510	-	1,935,510
16.7 Non-Controlling Interests	II-l	25	-	25	23	-	23
TOTAL LIABILITIES AND EQUITY		23,578,546	47,825,516	71,404,062	26,083,958	42,052,214	68,136,172

The accompanying explanations and notes are integral part of these financial statements.

ALTERNATİFBANK A.Ş.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated).

II.	OFF-BALANCE SHEET ITEMS	Notes (Section Five)	Reviewed Current Period 31 March 2024			Audited Prior Period 31 December 2023		
			TL	FC	Total	TL	FC	Total
A	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		50,062,697	86,160,017	136,222,714	39,232,767	70,199,204	109,431,971
I.	GUARANTEES AND WARRANTIES	III-a-3.i	17,268,882	13,932,811	31,201,693	12,671,851	13,585,435	26,257,286
1.1	Letters of Guarantee	III-a-2.ii	13,092,913	7,724,155	20,817,068	9,917,701	7,773,767	17,691,468
1.1.1	Guarantees Subject to State Tender Law		49,466	15,361	64,827	55,766	14,143	69,909
1.1.2	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3	Other Letters of Guarantee		13,043,447	7,708,794	20,752,241	9,861,935	7,759,624	17,621,559
1.2	Bank Acceptances	III-a-2.i	-	314,390	314,390	-	321,825	321,825
1.2.1	Import Letter of Acceptance		-	308,274	308,274	-	310,671	310,671
1.2.2	Other Bank Acceptances		-	6,116	6,116	-	11,154	11,154
1.3	Letters of Credit	III-a-2.i	19	4,744,065	4,744,084	-	4,577,760	4,577,760
1.3.1	Documentary Letters of Credit		19	4,712,578	4,712,597	-	4,565,879	4,565,879
1.3.2	Other Letters of Credit		-	31,487	31,487	-	11,881	11,881
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantees		-	1,150,201	1,150,201	-	912,083	912,083
1.9	Other Warranties		4,175,950	-	4,175,950	2,754,150	-	2,754,150
II.	COMMITMENTS		2,074,366	3,543,587	5,617,953	2,183,317	2,243,494	4,426,811
2.1	Irrevocable Commitments		1,882,966	3,117,027	4,999,993	2,119,833	2,082,830	4,202,663
2.1.1	Asset Purchase and Sales Commitments		524,892	3,117,027	3,641,919	946,493	2,082,830	3,029,323
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4	Commitments for Loan Limits	III-a-1	743,992	-	743,992	628,087	-	628,087
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheques		170,432	-	170,432	124,645	-	124,645
2.1.8	Tax and Fund Liabilities from Export Commitments		3,738	-	3,738	3,738	-	3,738
2.1.9	Commitments for Credit Card Limits		180,229	-	180,229	159,025	-	159,025
2.1.10	Promotion Commitments for Credit Cards and Banking Services		-	-	-	-	-	-
2.1.11	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		259,683	-	259,683	257,845	-	257,845
2.2	Revocable Commitments		191,400	426,560	617,960	63,484	160,664	224,148
2.2.1	Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		191,400	426,560	617,960	63,484	160,664	224,148
III.	DERIVATIVE FINANCIAL INSTRUMENTS	III-b	30,719,449	68,683,619	99,403,068	24,377,599	54,370,275	78,747,874
3.1	Hedging Derivative Financial Instruments		-	-	-	800,000	-	800,000
3.1.1	Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2	Transactions for Cash Flow Hedge		-	-	-	800,000	-	800,000
3.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2	Trading Derivative Financial Instruments		30,719,449	68,683,619	99,403,068	23,577,599	54,370,275	77,947,874
3.2.1	Forward Foreign Currency Buy/Sell Transactions		7,150,744	9,311,171	16,461,915	6,537,388	7,159,042	13,696,430
3.2.1.1	Forward Foreign Currency Transactions-Buy		6,231,458	2,018,049	8,249,507	6,537,388	460,511	6,997,899
3.2.1.2	Forward Foreign Currency Transactions-Sell		919,286	7,293,122	8,212,408	-	6,698,531	6,698,531
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		16,778,809	38,875,503	55,654,312	14,935,965	31,863,477	46,799,442
3.2.2.1	Foreign Currency Swap-Buy		-	18,913,638	18,913,638	-	14,259,165	14,259,165
3.2.2.2	Foreign Currency Swap-Sell		14,178,809	4,882,865	19,061,674	11,035,965	3,493,944	14,529,909
3.2.2.3	Interest Rate Swap-Buy		1,300,000	7,539,500	8,839,500	1,950,000	7,055,184	9,005,184
3.2.2.4	Interest Rate Swap-Sell		1,300,000	7,539,500	8,839,500	1,950,000	7,055,184	9,005,184
3.2.3	Foreign Currency, Interest rate and Securities Options		6,789,896	10,617,256	17,407,152	2,104,246	5,279,893	7,384,139
3.2.3.1	Foreign Currency Options-Buy		2,755,832	5,812,830	8,568,662	984,392	2,716,120	3,700,512
3.2.3.2	Foreign Currency Options-Sell		4,034,064	4,804,426	8,838,490	1,119,854	2,563,773	3,683,627
3.2.3.3	Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4	Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6	Other		-	9,879,689	9,879,689	-	10,067,863	10,067,863
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		124,575,088	229,846,556	354,421,644	119,307,073	210,317,986	329,625,059
IV.	ITEMS HELD IN CUSTODY		15,450,196	30,245,926	45,696,122	14,381,758	23,988,292	38,370,050
4.1	Customer Fund and Portfolio Balances		1,800,867	-	1,800,867	1,700,072	-	1,700,072
4.2	Investment Securities Held in Custody		197,397	8,423,504	8,620,901	147,480	4,504,028	4,651,508
4.3	Cheques Received for Collection		1,640,393	25,926	1,666,319	1,452,379	18,275	1,470,654
4.4	Commercial Notes Received for Collection		116,533	19,026	135,559	56,661	67,844	124,505
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		11,695,006	21,777,470	33,472,476	11,025,166	19,398,145	30,423,311
4.8	Custodians		-	-	-	-	-	-
V.	PLEDGES RECEIVED		109,091,573	198,992,851	308,084,424	104,884,851	185,765,040	290,649,891
5.1	Marketable Securities		1,072,363	-	1,072,363	1,555,363	-	1,555,363
5.2	Guarantee Notes		62,073,877	80,352,320	142,426,197	58,026,621	75,655,577	133,682,198
5.3	Commodity		655,058	1,769,592	2,424,650	667,058	1,642,474	2,309,532
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		39,546,324	113,139,948	152,686,272	39,264,631	104,924,465	144,189,096
5.6	Other Pledged Items		5,743,951	3,730,991	9,474,942	5,371,178	3,542,524	8,913,702
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		33,319	607,779	641,098	40,464	564,654	605,118
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)			174,637,785	316,006,573	490,644,358	158,539,840	280,517,190	439,057,030

The accompanying explanations and notes are integral part of these financial statements.

ALTERNATİFBANK A.Ş.**CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***III. STATEMENT OF PROFIT OR LOSS**

INCOME AND EXPENSE ITEMS			Reviewed Current Period 1 January - 31 March 2024	Reviewed Prior Period 1 January - 31 March 2023
	Note (Section Five)			
I. INTEREST INCOME	IV-a		3,173,988	1,608,804
1.1 Interest on Loans			2,177,543	1,071,086
1.2 Interest Received from Reserve Deposits			12,250	215
1.3 Interest Received from Banks			52,793	24,912
1.4 Interest Received from Money Market Placements			5,706	10,695
1.5 Interest Received from Marketable Securities Portfolio			686,594	333,604
1.5.1 Fair Value Through Profit or Loss			9,067	(6,672)
1.5.2 Fair Value Through other Comprehensive Income			452,474	178,631
1.5.3 Measured at Amortized Cost			225,053	161,645
1.6 Finance Lease Income			215,055	128,196
1.7 Other Interest Income			24,047	40,096
II. INTEREST EXPENSES (-)	IV-b		2,500,251	1,165,191
2.1 Interest on Deposits			1,345,501	735,671
2.2 Interest on Funds Borrowed			779,972	363,565
2.3 Interest on Money Market Borrowings			249,155	51,065
2.4 Interest on Securities Issued			40,479	9,531
2.5 Leasing Interest Expense			2,472	2,928
2.6 Other Interest Expense			82,672	2,431
III. NET INTEREST INCOME (I - II)			673,737	443,613
IV. NET FEES AND COMMISSIONS INCOME / EXPENSES			78,201	396
4.1 Fees and Commissions Received			120,188	112,206
4.1.1 Non-cash Loans			69,453	39,707
4.1.2 Other	IV-i		50,735	72,499
4.2 Fees and Commissions Paid (-)			41,987	111,810
4.2.1 Non-cash Loans			515	126
4.2.2 Other	IV-i		41,472	111,684
V. DIVIDEND INCOME	IV-c		-	30
VI. NET TRADING INCOME	IV-d		59,577	293,732
6.1 Securities Trading Gains / (Losses)			1,557	18,860
6.2 Derivative Financial Instruments Gains / Losses			661,087	209,341
6.3 Foreign Exchange Gains / Losses			(603,067)	65,531
VII. OTHER OPERATING INCOME	IV-e		71,920	34,295
VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII)			883,435	772,066
IX. EXPECTED CREDIT LOSSES (-)	IV-f		(206,428)	10,434
X. OTHER PROVISION EXPENSES (-)	IV-f		21,225	4,764
XI. PERSONNEL EXPENSES (-)	IV-g		294,405	158,793
XII. OTHER OPERATING EXPENSES (-)	IV-g		227,858	188,755
XIII. NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)			546,375	409,320
XIV. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER			-	-
XV. PROFIT / (LOSS) ON EQUITY METHOD			-	-
XVI. GAIN / (LOSS) ON NET MONETARY POSITION			-	-
PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+...+XVI)	IV-h		546,375	409,320
XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)	IV-h		6,309	(96,297)
18.1 Provision for Current Income Taxes			(41,161)	(76,318)
18.2 Deferred Tax Expense Effect (+)			-	-
18.3 Deferred Tax Income Effect (-)			47,470	(19,979)
XIX. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVI±XVII)	IV-i		552,684	313,023
XX. INCOME ON DISCONTINUED OPERATIONS			-	-
20.1 Income on Assets Held for Sale			-	-
20.2 Income on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Venture)			-	-
20.3 Income on Other Discontinued Operations			-	-
XXI. LOSS FROM DISCONTINUED OPERATIONS (-)			-	-
21.1 Loss from Assets Held for Sale			-	-
21.2 Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Venture)			-	-
21.3 Loss from Other Discontinued Operations			-	-
PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XX-XXI)			-	-
XXII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)			-	-
23.1 Provision for Current Income Taxes			-	-
23.2 Deferred Tax Expense Effect (+)			-	-
23.3 Deferred Tax Income Effect (-)			-	-
XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)			-	-
XXV. NET PROFIT/LOSS (XIX+XXIV)			552,684	313,023
25.1 Group's Profit / Loss	IV-i		552,682	313,022
25.2 Minority Shares (-)	IV-i		2	1
Earning / Loss per share (Full TL)			0.2497	0.1414

The accompanying explanations and notes are integral part of these financial statements.

ALTERNATİFBANK A.Ş.**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***IV. PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Reviewed Current Period 1 January - 31 March 2024	Reviewed Prior Period 1 January - 31 March 2023
I. CURRENT PERIOD PROFIT/LOSS	552,684	313,023
II. OTHER COMPREHENSIVE INCOME	275,518	190,491
2.1 Not Reclassified Through Profit or Loss	510,257	160,551
2.1.1 Property and Equipment Revaluation Increase/Decrease	685,015	235,864
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurement Gain/Loss	(11,324)	(21,796)
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(163,434)	(53,517)
2.2 Reclassified Through Profit or Loss	(234,739)	29,940
2.2.1 Foreign Currency Translation Differences	-	-
2.2.2 Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	(320,646)	(50,159)
2.2.3 Cash Flow Hedge Income/Loss	(15,204)	89,645
2.2.4 Foreign Net Investment Hedge Income/Loss	-	-
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit	101,111	(9,546)
III. TOTAL COMPREHENSIVE INCOME (I+II)	828,202	503,514

The accompanying explanations and notes are integral part of these financial statements.

ALTERNATİFBANK A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2024
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated).

							Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss								
Prior Period 1 January - 31 March 2023		Note (Section Five)	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except for Minority Shares	Minority shares	Total Shareholders' Equity
I.	Prior Period End Balance		2,213,740	54	-	443	321,427	(13,659)	-	-	59,576	(56,598)	660,261	(213,381)	1,066,252	4,038,115	19	4,038,134
II.	Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I+II)		2,213,740	54	-	443	321,427	(13,659)	-	-	59,576	(56,598)	660,261	(213,381)	1,066,252	4,038,115	19	4,038,134
IV.	Total Comprehensive Income		-	-	-	-	176,898	(16,347)	-	-	(37,325)	67,265	-	-	313,022	503,513	1	503,514
V.	Capital Increase by Cash	II-k	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase by Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Paid-in capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds to Shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	913,050	153,202	(1,066,252)	-	-	-
11.1	Dividends paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	913,050	153,202	(1,066,252)	-	-	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance (III+...+XVI+XVII+XVIII)			2,213,740	54	-	443	498,325	(30,006)	-	-	22,251	10,667	1,573,311	(60,179)	313,022	4,541,628	20	4,541,648

1. Accumulated revaluation increase/decrease of fixed asset,
2. Accumulated remeasurement gain/loss of defined benefit pension plan,
3. Other (shares of investments valued by equity method in other comprehensive income not classified through profit or loss and other accumulated amounts of other comprehensive income items not reclassified through other profit or loss),
4. Foreign currency translation differences,
5. Accumulated revaluation and/or remeasurement gain/loss of the financial assets at fair value through other comprehensive income,
6. Other (cash flow hedge gain/loss, shares of investments valued by equity method in other comprehensive income classified through profit or loss and other accumulated amounts of other comprehensive income items reclassified through other profit or loss)

The accompanying explanations and notes are integral part of these financial statements.

ALTERNATİFBANK A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2024
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated).

Current Period 1 January - 31 March 2024		Note (Section Five)	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except for Minority Shares		Total Shareholders' Equity
							1	2	3	4	5	6				Minority Shares	Minority shares	
I.	Prior Period End Balance		2,213,740	54	-	-	789,748	(37,518)	-	-	(360,024)	9,524	1,562,908	(53,022)	1,935,510	6,060,920	23	6,060,943
II.	Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I+II)		2,213,740	54	-	-	789,748	(37,518)	-	-	(360,024)	9,524	1,562,908	(53,022)	1,935,510	6,060,920	23	6,060,943
IV.	Total Comprehensive Income		-	-	-	-	518,184	(7,927)	-	-	(224,096)	(10,643)	-	-	552,682	828,200	2	828,202
V.	Capital Increase by Cash	II-k	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase by Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Paid-in capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds to Shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes		-	-	-	-	-	-	-	-	-	-	-	4,689	-	4,689	-	4,689
XI.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	1,768,056	47,917	(1,935,510)	(119,537)	-	(119,537)
11.1	Dividends paid		-	-	-	-	-	-	-	-	-	-	-	-	(119,537)	(119,537)	-	(119,537)
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	1,768,056	47,917	(1,815,973)	-	-	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance (III+...+XVI+XVII+XVIII)			2,213,740	54	-	-	1,307,932	(45,445)	-	-	(584,120)	(1,119)	3,330,964	(416)	552,682	6,774,272	25	6,774,297

1. Accumulated revaluation increase/decrease of fixed asset,
2. Accumulated remeasurement gain/loss of defined benefit pension plan,
3. Other (shares of investments valued by equity method in other comprehensive income not classified through profit or loss and other accumulated amounts of other comprehensive income items not reclassified through other profit or loss),
4. Foreign currency translation differences,
5. Accumulated revaluation and/or remeasurement gain/loss of the financial assets at fair value through other comprehensive income,
6. Other (cash flow hedge gain/loss, shares of investments valued by equity method in other comprehensive income classified through profit or loss and other accumulated amounts of other comprehensive income items reclassified through other profit or loss)

The accompanying explanations and notes are integral part of these financial statements.

ALTERNATİFBANK A.Ş.
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

VI. STATEMENT OF CASH FLOWS

	Notes (Section Five)	Reviewed 1 January - 31 March 2024	Reviewed 1 January - 31 March 2023
A. CASH FLOWS FROM BANKING OPERATIONS			
I.1 Operating Profit/(Loss) Before Changes in Operating Assets and Liabilities		819,525	651,281
1.1.1 Interest Received		3,152,179	1,033,456
1.1.2 Interest Paid		(2,447,562)	(810,692)
1.1.3 Dividend Received		-	30
1.1.4 Fees and Commissions Received		178,540	291,501
1.1.5 Other Income		1,242,377	617,607
1.1.6 Collections from Previously Written-off Loans and Other Receivables		66,419	186,849
1.1.7 Payments to Personnel and Service Suppliers		(381,068)	(239,247)
1.1.8 Taxes Paid		(55,392)	(119,431)
1.1.9 Other		(935,968)	(308,792)
I.2 Changes in Operating Assets and Liabilities		(2,555,375)	(2,271,185)
1.2.1 Net Increase/(Decrease) in Financial Assets at Fair Value Through Profit or Loss		(15,718)	(670,417)
1.2.2 Net Increase/(Decrease) in Due from Banks and Other Financial Institutions		(1,243,159)	1,142,004
1.2.3 Net Increase/(Decrease) in Loans		(163,412)	5,165,566
1.2.4 Net Increase/(Decrease) in Other Assets		(286,474)	(697,770)
1.2.5 Net Increase/(Decrease) in Bank Deposits		(304,930)	(312,520)
1.2.6 Net Increase/(Decrease) in Other Deposits		225,193	(8,210,213)
1.2.7 Net Increase/Decrease in Financial Liabilities at Fair Value Through Profit or Loss		-	-
1.2.8 Net Increase/(Decrease) in Funds Borrowed		(405,724)	546,288
1.2.9 Net Increase/(Decrease) in Payables		-	-
1.2.10 Net Increase/(Decrease) in Other Liabilities		(361,151)	765,877
I. Net Cash Provided from Banking Operations		(1,735,850)	(1,619,904)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Provided from Investing Activities		685,378	436,528
2.1 Cash Paid for Acquisition of Investments, Associates and Subsidiaries		-	-
2.2 Cash Obtained from Disposal of Investments, Associates and Subsidiaries		-	-
2.3 Purchases of Property and Equipment		(35,804)	(8,719)
2.4 Disposals of Property and Equipment		65,920	24,499
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(7,652)	-
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		(131,989)	378,246
2.7 Purchase of Financial Assets Measured at Amortised Cost		(25,000)	(617,265)
2.8 Sale of Financial Assets Measured at Amortised Cost		819,903	659,767
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities		(32,302)	(495,124)
3.1 Cash Obtained from Funds Borrowed and Securities Issued		173,352	42,731
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		(197,091)	(530,000)
3.3 Issued Capital Instruments		-	-
3.4 Dividends Paid		-	-
3.5 Payments for Finance Leases		(8,563)	(7,855)
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		900,566	137,501
V. Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III+IV)		(182,208)	(1,540,999)
VI. Cash and Cash Equivalents at Beginning of the Period		9,651,722	6,412,868
VII. Cash and Cash Equivalents at End of the Period		9,469,514	4,871,869

The accompanying explanations and notes are integral part of these financial statements

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. Basis of Presentation

As prescribed in the Article 37 of the Parent Banking Act No. 5411, the Parent Bank prepares its financial statements and underlying documents in accordance with the "Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks" and other regulations, explanations and circulars on accounting and financial reporting principles announced by the Parent Banking Regulation and Supervision Agency ("BRSA") and Turkish Accounting Standards ("TAS") published by Public Oversight Accounting and Auditing Standards Authority ("POA") except for BRSA regulations. TAS consists of Turkish Accounting Standards, Turkish Financial Reporting Standards and related appendices and interpretations.

The consolidated financial statements have been prepared in TL, under the historical cost basis as modified in accordance with inflation adjustments applied until 31 December 2004, except for the financial assets and liabilities carried at fair value. Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.

The preparation of consolidated financial statements in conformity with BRSA Accounting and Reporting Legislation requires the use of certain critical accounting estimates by the Parent Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement.

In the announcement dated 23 November 2023 made by the POA, it was stated that the financial statements of companies applying TFRS for the annual reporting period ending on or after 31 December 2023 must be presented adjusted for the inflation effect within the scope of Financial Reporting in High Inflation Economies ("TAS 29"), however authorities or organizations authorized to regulate and supervise their fields are given the freedom to determine different transition dates for the implementation of inflation accounting. In this context, BRSA, with its decision dated 12 December 2023 and numbered 10744, decided that the financial statements of banks, financial leasing, factoring, financing, savings financing and asset management companies dated 31 March 2024 will not be subject to the inflation adjustment required within the scope of TMS 29.

The differences between accounting principles, as described in the preceding paragraphs and accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

The accounting policies and valuation principles applied in the preparation of these financial statements and valuation principles are defined and applied in accordance with BRSA Accounting and Reporting Legislation. Those accounting policies and valuation principles are explained in Notes II to XXVIII below.

Additional paragraph for convenience translation to English:

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

II. Explanations Strategy of Using Financial Instruments and Foreign Currency Transactions

A major portion of the Parent Bank's funding has fixed interest rates; almost all TL placements consist of low-risk short-term transactions. Liquidity risk is monitored closely and the adequacies of available resources (which will be due within a certain period of fulfillment of obligations) are closely monitored. The maturity structure of placements is aimed to be in line with the maturities of resources of the country to the extent permitted by current conditions.

Risk bearing short term positions of currency, interest or price movements in money and capital markets is evaluated within the trading risk. The Parent Bank evaluated the required economic capital for trading risk and based on that risk limits are determined. This portfolio, being priced by the market on a daily basis and the limits are monitored on a daily basis. Risk limits are approved by Board of Directors once a year following the approval of the budget except a revision is required due to the economic conditions.

The Bank does not have any investment in foreign companies as of 31 March 2024 and 31 December 2023.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

III. Consolidated Subsidiaries

The consolidated financial statements have been prepared in accordance with the procedures listed in the "Communiqués related to the Regulation on the Preparation of the Consolidated Financial Statements of Banks" and the "Turkish Accounting Standard for Consolidated and Separate Financial Statements" ("TFRS 10") published in the Official Gazette No. 26340 dated 8 November 2006.

The financial statements of the subsidiaries, which were prepared in accordance with the prevailing principles and rules regarding financial accounting and reporting standards according to the Turkish Commercial Code and/or Financial Leasing Law and/or communiqués of the Capital Market Board, are duly adjusted in order to present their financial statements in accordance with TAS and TFRS.

Accounting policy of the subsidiaries when different from the parent bank, differences are harmonized in the financial statements according with the principle of importance. Subsidiaries financial statements are prepared as of 31 March 2024.

Consolidation principles for subsidiaries:

Subsidiaries (including special purpose entity), in which Group has power to control the financial and operating policies for the benefit of the Parent Bank, either (a) through the power to exercise more than 50% of the voting rights relating to shares in the companies owned directly and indirectly by itself; or (b) although not having the power to exercise more than 50% of the using rights, otherwise having the power to exercise control over the financial and operating policies, have been fully consolidated.

Control is evident when the Parent Bank owns, either directly or indirectly, the majority of the share capital of the company or owns the privileged shares or owns the right of controlling the operations of the company in accordance with the agreements made with other shareholders or owns the right of appointment or the designation of the majority of the board of directors of the company.

Subsidiaries are consolidated with full consolidation method by considering the outcomes of their activities and the size of their assets and shareholders' equity in scope of the materiality principle. Financial statements of the related subsidiaries are included in the consolidated financial statements beginning from their acquisition date. If necessary, accounting policies of subsidiaries may have been changed in order to ensure consistency with the policies adopted by the Group.

In accordance with the full consolidation method, balance sheet, income statement and off balance sheet items of the subsidiaries have been consolidated line by line with the balance sheet, income statement and off balance sheet of the Parent Bank. The book value of the investments of the Group in each subsidiary has been netted off with the portion of each subsidiary's capital that belongs to the Group. Unrealized gains/losses and balances resulting from the transactions among the subsidiaries included in consolidation have been eliminated. In order to determine the net income of the Group, minority interest income of the consolidated subsidiaries have been identified and deducted from the net income of the subsidiary. In the consolidated balance sheet, minority interest has been presented separately from the liabilities and the shares of the Group shareholders. Also, in the income statement, minority interest has been presented separately.

The subsidiaries included in consolidation, their title, their place of incorporation, their main activities and their effective shareholding rates are as follows:

Title	Activity center (City/Country)	Activity	Ownership rates (%)	Indirect Ownership rates (%)
Alternatif Yatırım Menkul Değerler A.Ş.	İstanbul/Türkiye	Investment Management	100.00	100.00
Alternatif Finansal Kiralama A.Ş.	İstanbul/Türkiye	Leasing	99.99	99.99
Omurga Gayrimenkul ve Girişim Sermayesi Portföy Yönetimi A.Ş. İkinci	İstanbul/Türkiye	Investment Fund	100.00	100.00

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

IV. Interest Income and Expense

Interest income and expenses are recognized in the income statement by using the "Effective interest rate method". Net book value of the non-performing loans (Gross Book Value - Expected Credit Loss) are rediscounted through effective interest rate and recognized through the gross book value of the non-performing loan.

V. Fee and Comission Income and Expense

Except for the Parent Banking services revenues are recognized as income at the time of collection, commission income related with the cash and non-cash loans are deferred and recognized as income by using with the effective interest rate method in accordance with TFRS 15 "Revenue from Contracts with Customers" standard. Depending on nature of fees and commission income derived from agreements and asset purchases for third parties are recognized as income when realized.

Fees and commission expenses paid to the other institutions are recognized as operation cost in the prepaid expense and recorded using the effective interest rate method and reflected to expense accounts in related period according to periodicity.

VI. Financial Assets

The Group categorizes its financial assets as "Fair Value Through Profit/Loss", "Fair Value Through Other Comprehensive Income" or "Measured at Amortized Cost". Such financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part three Issued for classification and measurement of the financial instruments published in the Official Gazette No. 29953 dated 19 January 2017 by the Public Oversight Accounting and Auditing Standards Authority. Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than "Financial Assets at Fair Value Through Profit or Loss", transaction costs are added to fair value or deducted from fair value.

The Group recognizes a financial asset into financial statements when it becomes a party to the contractual terms of a financial instrument. During the first recognition of a financial asset into the financial statements, business model determined by Bank management and the nature of contractual cash flows of the financial asset are taken into consideration. When the business model determined by the Parent Bank's management is changed, all affected financial assets are reclassified and this reclassification is applied prospectively. In such cases, no adjustments are made to earnings, losses or interests that were previously recorded in the financial statements.

a. Financial Assets at Fair Value through Profit or Loss

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

b. Financial Assets at Fair Value through Other Comprehensive Income

A financial asset is measured at fair value through other comprehensive income when both of the following conditions are provided:

- Financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell,
- Financial asset with contractual terms that lead to cash flows are solely payments of principal and interest at certain dates.

Valuation of such assets is based on its fair value. "Unrealized gains and losses" arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income reflected and impairment of the asset and they are accounted under the "Accumulated other comprehensive income or expense to be reclassified through profit or loss" under shareholders' equity.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VI. Financial Assets (Continued)

b. Financial Assets at Fair Value through Other Comprehensive Income (Continued)

In case of sales, the realized gain/(losses) are recognized directly in the income statement. During initial recognition an entity may irrevocably elect to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in the other comprehensive income.

c. Financial Assets Measured at Amortized Cost

A financial asset is measured at amortized cost when both of the following conditions are provided:

- Financial assets within a business model that aims to hold to collect contractual cash flows,
- Financial asset with contractual terms that lead to cash flows are solely payments of principal and interest at certain dates.

Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using "Effective Interest Rate Method". Interest income obtained from financial assets measured at amortized cost is accounted in income statement.

d. Derivative Financial Assets

The Group uses derivative financial instruments to hedge its foreign currency and interest rate risk.

The major derivative instruments utilized by the Group are foreign currency swaps, interest rate swaps, currency forwards, currency futures and currency options.

Derivatives are initially recorded with their fair values and related transaction costs as of the contract date are recorded on gain or loss. The following periods of initial reporting, they are measured with their fair values. The result of this assessment, offsetting debit and credits stemming from each contract debit and credits are reflected to the financial statements as a contract-based single asset and liability. The recognition method of profit/loss is based on whether the related derivative is hedged or not, and the content of the hedged instrument.

The Group notifies in written the relationship between hedging instrument and related account, risk management aims of hedge and strategies and the methods using to measure of the hedge effectiveness. The Group evaluates the method of hedge whether to be effective on the expected changes in fair values in this process or not or each result of hedge effectiveness whether to be between the range of 80% and 125%.

Changes in fair values of derivative transactions determined as hedge for fair value are recorded in profit or loss together with changes in hedging asset or liability. The difference in current values of derivative transactions fair value hedge is shown in "Trading gains/losses on derivative financial instruments" account. In the balance sheet, change in fair value of hedge asset or liability during the hedge accounting to be effective is shown with the related asset or liability. In case of inferring hedge accounting, corrections made to the value of hedge account using straight-line amortization method within the days to maturity are reflected to "Trading gains/losses on derivative financial instruments" account in income statement.

Derivative financial instruments of the Group are classified under "TFRS 9 Financial Instruments" ("TFRS 9"), "Derivative Financial Assets Designated at Fair Value through Profit or (Loss)" or "Derivative Financial Assets Designated at Fair Value through Other Comprehensive Income". In accounting policy choice, TFRS 9 provides the option of postponing the acceptance of TFRS 9 hedge accounting and continuing with TAS 39 "Hedge accounting". In this context, the Group continued to apply TAS 39 "Hedge accounting".

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VI. Financial Assets (Continued)

d. Derivative Financial Assets (Continued)

The notional amounts of derivative transactions are recorded in off-balance sheet accounts based on their contractual amounts. "Financial instruments at fair value through profit or loss" are measured at fair value. If the fair value of derivative financial instruments is positive, it is disclosed under the main account "financial assets at fair value through profit or loss" in "derivative financial assets held for trading" and if the fair value difference is negative, it is disclosed under "derivative financial liabilities held for trading". Fair value changes are recorded under "Derivative Financial Transactions Gains/(Losses)" in the income statement. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

Referring to to the regulations by BRSA on swap markets, regulations dated 9th February 2020 and 12nd February 2020, the Bank has updated the yield curves used in the fair value calculations of the forward-swap derivatives from FX Implied Swap (up to 2 years) and FX CCS (for more than 2 years) to Overnight Index Swap (up to 3 months, inclusive), FX Implied Swap (from 3 months to 2 years), and FX CCS (for more than 2 years). The changes in question did not cause any significant impact on financial statements.

e. Loans

Loans are financial assets which are created by providing money, goods or services to the debtor. Loans are recognized at acquisition cost which is reflecting the fair value after that measured at amortized cost using the effective interest rate method. Any fees and other similar charges paid for assets received as collateral are not considered as part of the transaction cost and reflected in the expense accounts.

Cash loans in personal and corporate loans, according to the Uniform Chart of Accounts ("UCA") and Prospectus are recognized in accordance with their original balances in the account specified.

The foreign exchange indexed commercial and individual loans are being monitored by the exchange rate of the opening date over Turkish Lira in the TL accounts. Repayments are calculated at the exchange rate at the date of payment, the resulting exchange differences are recognized in the income and expense account.

VII. Impairment of Financial Assets

The Group allocates impairment for expected loss on financial assets measured at amortized cost and measured at fair value through other comprehensive income.

As of 1 January 2018, the Group recognizes provisions for impairment in accordance with TFRS 9 requirements according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 June 2016 numbered 29750.

In this framework, as of 31 December 2017, method of provisions for impairment as set out in accordance with the related legislation of BRSA is changed by applying the expected credit loss model under TFRS 9.

The Group estimates the expected credit losses for a financial lease based on the probabilities determined by taking into account the probable outcomes and estimates the fair value of the money and the estimates of past events, current conditions and future economic conditions at reasonable rates, and reflects supportable information during the reporting period.

The Group calculates the expected loss provisions collectively or individually according to the level of risk determined by the Group.

Within the scope of internal policies, the Group, evaluates the calculation of credit losses in accordance with TFRS 9, as an individual assessment based on expert opinion. In this context, the Group takes into account the weight of the estimating the probability of scenario of the occurrence or failure of the related loan losses and reduced expected cash flows to the reporting date with effective interest rate.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. Impairment of Financial Assets (Continued)

The Group uses three basic parameters in the calculation of expected credit loss as default rate, loss in default and default amount. The calculation is also based on these scenarios, time value of money, the historical observed data and the forecasting of the macroeconomic situation.

In the calculation of expected credit loss, the group includes the prospective macroeconomic information in to the credit risk parameters. In this context, economic models based on the relationship of credit risk parameters with macroeconomic variables are established based on multi-scenario, and the models mainly take into account the basic macroeconomic variables such as Gross Domestic Product (GDP) and Unemployment Rates. The efficiency and adequacy of the models used in the calculation of credit losses are reviewed at regular intervals. In the light of the said data, the Parent Bank has been revised the macroeconomic indicators for the future in the expected credit loss calculation.

Financial assets included in TFRS 9, is divided into three stages according to the change in loan quality after initial recognition and the expected credit loss is calculated according to the stage:

- Stage 1: For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk is recorded in the amount of 12-month expected credit losses.
- Stage 2: In the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. For these assets, lifetime expected credit losses are recognized.
- Stage 3: Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized.

➤ **Definition of Default:**

Default means, when the borrower's payment obligations which against to the Group, delays more than 90 days from the date of payment in part or in full, or he is not pay.

➤ **Considered as a significant increase in credit risk;**

- Overdue receivables of more than 30 days
- Receivables followed in close monitoring portfolio
- Restructured receivables due to payment difficulties
- Receivables from non-problematic consumer loans from individual customers with problematic consumer loans
- Receivables exceeding the established thresholds for the differences between the default probabilities measured at the time of the financial statements and the default probabilities observed at the reporting date.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VIII. Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Group has a legally enforceable right to offset the recognized amounts and to collect/pay related financial assets and liabilities on a net basis, or there is an intention to realize the asset and settle the liability simultaneously. Otherwise, any related financial assets and liabilities are not offset.

IX. Sales and Repurchase Agreements and Securities Lending Transactions

Funds obtained by the Parent Bank from repurchase agreements ("repo") are accounted under "Money Market Balances" in liabilities.

The Group's repurchase agreements are composed short-term government bonds and treasury bills. Financial assets subject to repurchase agreements, parallel to the classification of financial instruments, the fair value recognition in profit or loss, are classified as available for sale or held to maturity financial assets. Repo subjected financial assets' income recognized in interest income, while expenses paid under repurchase agreements are recognized in interest expenses.

Funds given against securities purchased under agreements to resell ("Reverse Repo") are accounted under "Money Market Placements" on the balance sheet.

X. Assets Held For Sale and Discontinued Operations

In accordance with TFRS 5 standard ("Non-current Assets Held for Sale and Discontinued Operations"), a tangible asset (or a group of assets to be disposed) classified as "asset held for resale" is measured at lower of carrying value and fair value less costs to sell. An asset (or a group of assets to be disposed) is regarded as "asset held for resale" only when the sale is highly probable and the asset (or a group of assets to be disposed) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset should be actively in the market at a price consistent with its fair value.

The Group classified assets that were acquired due to non-performing receivables, as assets held for sale.

A discontinued operation is a part of the Parent Bank's business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement.

As of 31 March 2024 and 31 December 2023 The Group has no discontinued operations.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XI. Goodwill and Other Intangible Assets

Group has TL 21,151 goodwill in consolidated financial statements as of balance sheet date (31 December 2023: TL 21,151).

Goodwill is the amount that exceeds the cost of buying of fair value expressed as the amount of the group share in net identifiable assets of the Group's purchased subsidiaries. Annual impairment test is performed for goodwill every year and shown as deducting accumulated impairment from cost of goodwill. Provision for impairment on goodwill is not reversed.

As a result of the disposal of the business that gain or loss occurs includes the carrying amount goodwill related to disposed business.

Goodwill is distributed to cash generating units for impairment test. Distributions are made to benefit from the business combination in which the goodwill arose expected to cash-generating units or groups. The recoverable amount of the cash-generating unit is determined based on value in used calculations. These calculations require the use of estimates.

The intangible assets which are purchased before 1 January 2005 have been restated for the effects of inflation and the intangible assets after this date are presented with their purchase cost, accumulated depreciation and amortization and impairment. According to the regular amortization method, long term assets depreciate regarding to their useful lives. The amortization method and the period are reviewed in each year-end. The intangible assets are mainly consisted of software programs and rights and according to the straight line method of depreciation, they amortize in between 3 to 15 years.

XII. Property and Equipment

Property and equipment is measured at its cost when initially recognized and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. Subsequently, property and equipment are carried at cost less accumulated depreciation and provision for impairment, if any.

Properties and equipments are being depreciated by applying the straight-line method, in accordance with the Tax Procedure Law which estimates the useful lives.

The depreciation charge for items remaining in property and equipment for less than an accounting period at the balance sheet date is calculated in proportion to the period the item remained in property and equipment.

If properties and equipments' value, adjusted for inflation (until 31 December 2004) is higher than the current value, exceeding amount is being allocated for impairment and determined amounts are reflected in the financial statements. Expenditures for the repair and renewal of property and equipment are recognised as expense. There are no pledges, mortgages or other restrictions on the properties and equipments.

Tangible assets within the property's net book value by comparing the fair value determined as of the last year by a licensed real estate appraisal companies, In case of an indication of the presence related to the fair value impairment, the recoverable amount of the asset "Turkey Related to Impairment Accounting Standards" ("TAS 36 ") are estimated within the framework and the recoverable amount is below the asset's book value, a provision for impairment is separated and formed is recognized in "Other Operating Expenses" in the relevant period.

Gains or losses on disposals of property, plant and equipment are recognized in the statement of profit or loss as the difference between the net book value and the carrying amount of the property, plant and equipment.

The Parent Bank has started to account properties under the tangible assets with their revalued amount instead of cost values in accordance with "TAS 16 Plant and Equipment" on 31 December 2018. As of 31 March 2024, the revaluation difference arising from the valuations made by the appraisal firms authorized by Capital Markets Board ("CMB") and BRSA is accounted in Investment Properties Revaluation Differences line under the Shareholders' Equity.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIII. Leasing Transactions

Financial leasing transactions as a lessee

The Parent Bank assesses whether the contract has the quality of a lease or whether the lease includes the transaction at the beginning of a contract. In case the contract is transferred for a certain period of time to control the use of the asset defined for a price, it is either leased or includes a lease. The Parent Bank reflects the existence of a right of use and a lease liability to the financial statements at the effective date of the lease.

Right of use assets:

The right to use asset is first recognized by cost method and includes:

- The initial measurement amount of the lease obligation,
- The amount obtained by deducting all the rental incentives received from all lease payments made at or before the beginning of the lease;
- All initial direct costs incurred by the Parent Bank and

When the Parent Bank applying the cost method, the existence of the right to use:

- Accumulated depreciation and accumulated impairment losses are deducted and
- Measures the restatement of the lease obligation at the restated cost.

The Parent Bank applies depreciation obligations in TAS 16 property Tangible Assets while depreciating its right of use asset.

The Lease Obligations:

At the effective date of the lease, the Parent Bank measures its leasing liability at the present value of the lease payments not paid at that time. Lease payments are discounted using the Parent Bank's average borrowing interest rates, if that rate can be easily determined. If this rate can not be easily determined, the Parent Bank uses the Parent Bank's alternative borrowing interest rate.

The lease payments included in the measurement of the lease liability consist of the payments to be made for the right of use during the lease term of the underlying asset and the unpaid payments at the effective date of the lease. After the effective date of the lease, the Parent Bank measures the leasing liability as follows:

- Increase the book value to reflect the interest on the lease obligation
- Reduces the book value to reflect the lease payments made and
- The book value is measured to reflect reassessments and restructuring, or reflect to fixed lease payments as of revised nature.

The interest on the lease liability for each period in the lease period is the amount calculated by applying a fixed periodic interest rate to the remaining balance of the lease liability. "TFRS 16 Leasing" Standard was promulgated in Official Gazette No. 29826, dated 16 April 2018 to be applied in the accounting period starting on 31 December 2018. The Parent Bank applied TFRS 16 "Leasing" standard, which replaced TAS 17 "Leasing", as of 1 January 2019, the date of first implementation.

As of 31 March 2024, net right of use assets are amounting to TL 20,735 and net lease liabilities are amounting to TL 9,652, respectively (31 December 2023: net right of use assets TL 23,053, net lease liabilities TL 16,067).

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIV. Provisions, Contingent Asset and Liabilities

Provisions and contingent liabilities except for the specific and general provisions recognized for loans and other receivables are accounted in accordance with the "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" ("TAS 37").

Provisions are recognized when the Parent Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are determined by using the Parent Bank Management's best expectation of expenses in fulfilling the obligation, and discounted to present value if material. When the amount of the obligation cannot be estimated and there is no possibility of an outflow of resources from the Parent Bank, it is considered that a "Contingent" liability exists and it is disclosed in the related notes to the financial statements.

XV. Obligations Related To Employee Rights

Obligations related to employee termination and vacation rights are accounted in accordance with "Turkish Accounting Standard for Employee Rights" ("TAS 19"). Under the Turkish Labor Law, the Parent Bank is required to pay a specific amount to the employees who have retired or whose employment is terminated other than for the reasons specified in the Turkish Labor Law. The reserve for employment termination benefits represents the present value of the estimated total reserve for the future probable obligation arising from this liability. Actuarial gains and losses are accounted for under equity.

XVI. Taxation

a. Corporate tax

Article 32 of the Corporate Tax Law No. 5520, which regulates the corporate tax rate is amended with "Law on the Amendment of Additional Motor Vehicles Tax for Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amendments to Some Laws and the Decree Law No. 375", which includes the regulation on increase in corporate tax rate from 20% to 25% for the institutions other than banks and financial institutions and from 25% to 30% for banks and financial institutions, entered into force after being published in the Official Gazette dated 15 July 2023 and numbered 32249. This rate implemented tax base by adding non-deductible expenses and deducting other exemptions to business profit according to tax requirements. If the profit is not distributed, no other tax are paid.

With the "Law on Giving Tax Procedure Law and Corporate Tax Law", which was accepted on the agenda of the Turkish Grand National Assembly on 20 January 2022, the application of discount accounting was started from the record on 31 December 2023.

Dividends paid to non-resident corporations, which have a place of business in Turkey or to resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 10%. An increase in capital via issuing bonus shares is not considered as profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporate tax quarterly at a current rate on their corporate income. Advance tax is declared by the 15th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations which is for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

A 75% portion of the capital (With the Law, No. 7061 Amendment of Certain Taxes and Laws and Other Acts promulgated in the Official Gazette, dated 5 December 2017, the exemption applied as 75% was decreased to 50% to be effective as of the promulgation of the Law for the mentioned sale of properties.) gains derived from the sale of equity investments and immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special account under shareholder's equity for five years.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVI. Taxation (Continued)

a. Corporate tax (Continued)

There is no practice of reconciling with the tax authority regarding taxes to be paid in Turkey. Tax returns are required to be filled and delivered to the related tax office until the evening of the 25th of the fourth month following the balance sheet date. Tax returns are open for five years from the beginning of the year following the date of filing during which period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

The corporate tax effects related to transactions accounted for directly in equity are also shown in equity. The corporate tax effects related to transactions accounted for directly in equity are also shown in equity. As of 31 December 2023, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/ Ç of the Tax Procedure Law. These conditions are both the exceed in the increase of Producer Price Index in the last 3 accounting periods including current period by 100% and the exceed in the increase in the current period by 10%. However, temporary article 33 has been added on the Tax Procedure Law No. 213 with the regulation made with the Tax Procedure Law and the Law on Change in Corporate Tax Law No. 7352 published in the Official Gazette No.31734 dated 29 January 2022, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. According to this, the financial statements for the 2022 and 2023 accounting periods, including the provisional tax periods, are not subject to inflation adjustment, and for the 2023 accounting period; are not subject to inflation adjustment as of the provisional tax periods, and the financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. Profit/loss difference arising from inflation adjustment in the financial statements are to be shown in previous years' profit/loss accounts and does not affect the corporate tax base.

According to Article 17 of the Law No. 7491 on Amendments to Certain Laws and Decree Laws published in the Official Gazette No. 32413 dated 28 December 2023, it has become law that profit/loss differences arising from the inflation adjustment to be made in the 2024 and 2025 accounting periods, including the provisional tax periods, do not be taken into account in determining the income of banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361 dated 21 November 2012, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. Within the scope of this paragraph, the President is granted the authority to extend the periods determined herein, including interim tax periods, for a period equal to one accounting period.

With the Communiqué Amending the General Communiqué on Tax Procedure Law (line no. 547) published in the Official Gazette No. 32073 on 14 January 2023, the procedures and principles of the law articles that allow the revaluation of immovables and depreciable economic assets have been rearranged. Accordingly, economic assets subject to depreciation in the Bank's balance sheet are subject to revaluation provided that they meet the conditions in the Tax Procedure Law Provisional Article 32 and Reiterated Article 298/ç. Since the financial statements were subject to inflation adjustment as of March 31, 2024, real estate and depreciable economic assets were not subject to revaluation as of March 31, 2024. Corporate tax is calculated by taking into account the depreciation allocated on the revalued amounts of real estate and depreciable economic assets until December 31, 2023.

b. Deferred taxes

The Group calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12") and the related decrees of the BRSA concerning income taxes. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

Article 32 of the Corporate Tax Law No. 5520, which regulates the corporate tax rate is amended with "Law on the Amendment of Additional Motor Vehicles Tax for Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amendments to Some Laws and the Decree Law No. 375" , which includes the regulation on increase in corporate tax rate from 20% to 25% for the institutions other than banks and financial institutions and from 25% to 30% for banks and financial institutions, entered into force after being published in the Official Gazette dated 15 July 2023 and numbered 32249. With the same article (article 21) of the aforementioned law, it is ensured that the corporate tax rate, which was applied with a reduction by 1% to the earnings of the exporting companies exclusively from exports, is applied with a reduction by 5% in order to promote export.

This amendment will be effective for the earnings of the corporations in 2023 and for the following tax periods, starting from the declarations that must be submitted after 1 October 2023. It will be effective in the tax calculation of the profits of the institutions subject to the special accounting period, obtained in the special accounting period starting in the 2023 calendar year and in the following taxation periods.

As of 31 March 2024, 30% deferred tax has been calculated for assets and liabilities by the Bank.

Deferred tax liabilities are recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized.

The calculated deferred tax asset and deferred tax liability are presented as net in these financial statements.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVI. Taxation (Continued)

c. Transfer pricing

Transfer pricing is regulated through article 13 of Corporate Tax Law titled "Transfer Pricing through camouflage of earnings". Detailed information for the practice regarding the subject is found in the "General Communiqué on Disguised Profit Distribution via Transfer Pricing". According to the aforementioned regulations, in the case of making purchase or sales of goods or services with relevant persons/corporations at a price that is determined against "arm's length principle", the gain is considered to be distributed implicitly through transfer pricing and such distribution of gains is not subject to deductions in means of corporate tax.

XVII. Additional Explanations on Borrowings

Debt instruments with different characteristics such as syndicated borrowings and post-financing obtained from foreign financial institutions, marketable securities issued in domestic and foreign markets and money market borrowings are major funding source of the Parent Bank. Mentioned borrowings are carried initially at acquisition cost and subsequently recognized at the discounted value calculated using by "Effective interest rate method".

XVIII. Explanations on Share Certificates and Issuance of Share Certificates

At capital increases, the Parent Bank accounts the difference between the issued value and nominal value as share issue premium under shareholders' equity, in the case where the issued value is higher than the nominal value.

There is no decision of the Parent Bank for dividend distribution after the balance sheet date.

XIX. Explanations on Avalized Drafts And Acceptances

Guaranteed bills and acceptances shown as liabilities against assets are included in the "Off-balance sheet commitments".

XX. Explanations on Government Incentives

As of 31 March 2024, the Group has not investment allowance which has not used been.

XXI. Profit Reserves And Profit Distribution

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to the legal reserve requirement referred to below. Under the Turkish Commercial Code ("TCC") the legal reserves are composed of first and second reserves. The TCC requires first reserves to be 5% of the profit until the total reserve is equal to 20% of issued and fully paid-in share capital. Second reserves are required to be 10% of all cash profit distributions that are in excess of 5% of the issued and fully paid-in share capital. However holding companies are exempt from this application. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

In accordance with the decision of the Ordinary General Assembly dated 27 March 2024, The Parent Bank has decided to allocate 5% of the legal reserve over the net distributable profit, TL 119,537 will be paid in cash as dividend to the shareholders after BRSA approval and transfer the remaining amount to the extraordinary reserves within the framework of the Articles of Association and the Turkish Commercial Code.

XXII. Earnings Per Share

Earnings per share disclosed in the income statement are calculated by dividing net profit/(loss) for the year to the weighted average number of shares outstanding during the period concerned.

	31 March 2024	31 March 2023
Group's Profit/(Loss)	552,682	313,022
Weighted Average Number of Issued Ordinary Shares (Thousand)	2,213,740	2,213,740
Earnings/(Losses) Per Share (Disclosed in full TL)	0.2497	0.1414

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period.

No bonus shares were issued in 2024 (31 December 2023: None).

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XXIII. Related Parties

For the purpose of these financial statements, shareholders, key management personnel and board members together with their families and companies controlled by/affiliated with them, and associated companies are considered and referred to as related parties in accordance with "Turkish Accounting Standard for Related Parties" ("TAS 24").

The transactions with related parties are disclosed in detail in Note VII. of Section Five.

XXIV. Cash and Cash Equivalents

For the purposes of preparation of the cash flow statement, "Cash" includes cash, effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and "Cash equivalents" include interbank money market placements and time deposits at banks with original maturity periods of less than three months.

XXV. Changes in Accounting Policies of the Current Period

None.

XXVI. Explanations on Accounting Policies, Changes in Accounting Estimates and Errors Standard

In addition to the restatement above, comparative information is reclassified, where necessary, reconciliation to the presentation of the current period financial statements or to ensure the reporting integrity.

XXVII. Explanations on Other Matters

None.

XXVIII. Operating Segments

Information about operating segments which are determined in line with organizational and internal reporting structure of the Group, are disclosed.

- a) The Parent Bank provides basic banking services in corporate/commercial banking and treasury.
- b) Corporate banking services consists of automatic money transfers, current accounts, deposits, open loan transactions as well as option and other derivative instruments that are used for banking operations.
- c) Investment banking services consists of trading of financial instruments and fund management.
- d) The Parent Bank's one of the subsidiary Alternatif Yatırım A.Ş. provides capital market activities in accordance with Capital Market Law and relevant legislations. In accordance with the law and within the authorization and permits given, the Company operates in the company brokerage, portfolio management, margin trading, Short Selling and Lending and Borrowing of Securities, investment advisory, the securities exchange with buy-back sell-back commitment, intermediation for public offering , intermediation for the derivative instruments exchange.

According to the Law, the Company received an authority certificate from the Capital Market Board to create the company's portfolio, to managing and to make changes in the portfolio when it is necessary. Parent Bank's another subsidiary Alternatif Finansal Kiralama A.Ş., established in 1997 to operate in Turkey, within the framework of 3226 Financial Leasing Law, with following permission from Undersecretariat of Treasury. Company has been operating its activities within the framework of BRSA's 'Regulations on the Establishment and Procedures of the Financial Leasing, Factoring and Financing Company', published in the Official Gazette No. 28627 in 24 April 2013.

- e) Other operations consist of subsidiaries and joint ventures, tangible assets, intangible assets, deferred tax asset and equity amounts and other income/loss accounts associated with these accounts.
- f) The Group's software requirements, possible software updates and additional software requirements to compete with other firms are provided by the Parent Bank.
- g) According to the table provided, share of each Group's operating segment in the Balance sheet is as follows; corporate/retail banking 48%, investment banking 46% and other 6%.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XXVIII. Operating Segments (Continued)

Major balance sheet and income statement items according to operating segments

31 March 2024	Corporate / Retail Banking	Investment Banking	Other	Total Operations of the Group
Net Interest Income / (Expense)	662,304	11,433	-	673,737
Net Fees and Commissions Income and Other Operating Income	111,877	38,244	-	150,121
Trading Profit/Loss	39,967	19,610	-	59,577
Dividend Income	-	-	-	-
Impairment Provision for Loans and Other Receivables (-) ^(*)	207,689	(1,261)	(21,225)	185,203
Other Operating Expenses (-)	(458,474)	(63,789)	-	(522,263)
Profit Before Taxes	563,362	4,237	(21,225)	546,375
Tax Provision				6,309
Minority	-	-	2	2
Net Profit for the Period				552,684
31 March 2024				
Segment Assets	34,493,951	33,055,091	3,855,020	71,404,062
Investments in Associates and Subsidiaries	-	-	-	-
Total Assets	34,493,951	33,055,091	3,855,020	71,404,062
Segment Liabilities	28,591,225	24,558,350	11,480,190	64,629,765
Shareholders' Equity	-	-	6,774,297	6,774,297
Total Liabilities	28,591,225	24,558,350	18,254,487	71,404,062

(*) Impairment provision for loans and other receivables indicates expected credit losses and other provision expenses.

31 March 2023	Corporate / Retail Banking	Investment Banking	Other	Total Operations of the Group
Net Interest Income / (Expense)	136,765	306,848	-	443,613
Net Fees and Commissions Income and Other Operating Income	14,703	19,988	-	34,691
Trading Profit/(Loss)	386,641	(92,909)	-	293,732
Dividend Income	-	30	-	30
Impairment Provision for Loans and Other Receivables (-) ^(*)	(11,752)	1,318	(4,764)	(15,198)
Other Operating Expenses (-)	(313,808)	(33,740)	-	(347,548)
Profit Before Taxes	212,549	201,535	(4,764)	409,320
Tax Provision				(96,297)
Minority Shares	-	-	1	1
Net Profit for the Period				313,023
31 December 2023				
Segment Assets	34,078,714	31,363,182	2,694,276	68,136,172
Investments in Associates and Subsidiaries	-	-	-	-
Total Assets	34,078,714	31,363,182	2,694,276	68,136,172
Segment Liabilities	27,475,257	24,251,840	10,348,132	62,075,229
Shareholders' Equity	-	-	6,060,943	6,060,943
Total Liabilities	27,475,257	24,251,840	16,409,075	68,136,172

(*) Impairment provision for loans and other receivables indicates expected credit losses and other provision expenses.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION FOUR

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK

I. Explanations on Shareholders' Equity

The standard rate of the capital adequacy of the Group is 27.23% (31 December 2023: 29.23%). The standard rate of the capital adequacy of the Parent Bank is 28.86% (31 December 2023: 30.88%).

The calculation of the standard rate of the Capital adequacy is made within framework of the "Regulation on the Measurement and Assessment of the Capital Adequacy of Banks (Regulation)", which was published in Official Gazette No.29111 dated 6 September 2014.

	31 March 2024	31 December 2023
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Parent Bank	2,213,740	2,213,740
Share issue premiums	54	54
Reserves	3,330,964	1,562,908
Gains recognized in equity as per TAS	1,565,411	738,427
Profit	553,060	1,935,888
Current Period Profit	552,682	1,935,510
Prior Period Profit	378	378
Minority Shares	25	23
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	-	-
Common Equity Tier 1 Capital Before Deductions	7,663,254	6,451,040
Deductions from Common Equity Tier 1 Capital		
Valuation adjustments calculated as per the 1 st clause of article 9.(i) of the Regulation on Bank Capital	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	46,238	232,715
Improvement costs for operating leasing (-)	25,026	24,590
Goodwill (net of related tax liability)	21,151	21,151
Other intangibles other than mortgage-servicing rights (net of related tax liability)	230,842	218,274
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Parent Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Parent Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Parent Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Parent Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Parent Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Parent Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK
(Continued)

I. Explanations on Shareholders' Equity (Continued)

a. Information on Shareholders' Equity

Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital		
Total Deductions From Common Equity Tier I Capital	323,257	496,730
Total Common Equity Tier I Capital	7,339,997	5,954,310
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums		
Debt instruments and the related issuance premiums defined by the BRSA ^(**)	8,878,485	8,095,505
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)		
Third parties' share in the Tier II Capital		
Third parties' share in the Tier II Capital (Temporary Article 3)		
Additional Tier I Capital before Deductions	8,878,485	8,095,505
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Parent Bank in its own Additional Tier I Capital		
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.		
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Parent Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital		
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Parent Bank Owns more than 10% of the Issued Share Capital		
Other items to be defined by the BRSA (-)		
Transition from the Core Capital to Continue to deduce Components		
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-)		
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-)		
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)		
Total Deductions From Additional Tier I Capital		
Total Additional Tier I Capital	8,878,485	8,095,505
Total Tier I Capital (Tier I Capital=Common Equity Tier I Capital+Additional Tier I Capital)	16,218,482	14,049,815
TIER II CAPITAL		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)		
Third parties' share in the Tier II Capital		
Third parties' share in the Tier II Capital (Temporary Article 3)		
Provisions (Amounts explained in the first paragraph of the article 8 of the Regulation on Bank Capital) ^(*)	588,112	537,088
Tier II Capital Before Deductions	588,112	537,088
Deductions From Tier II Capital		
Direct and indirect investments of the Parent Bank on its own Tier II Capital (-)		
Investments in Equity Instruments Issued by Banks and Financial Institutions Invested in Bank's Tier II Capital and Having Conditions Stated in the Article 8 of the Regulation		
Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Parent Bank does not own 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)		
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier II Capital of Consolidated Banks and Financial Institutions where the Parent Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)		
Other items to be defined by the BRSA (-)		
Total Deductions from Tier II Capital		
Total Tier II Capital	588,112	537,088
Total Capital (The sum of Tier I Capital and Tier II Capital)	16,806,594	14,586,903
Total Tier I Capital and Tier II Capital (Total Equity)	16,806,594	14,586,903

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK
(Continued)

I. Explanations on Shareholders' Equity (Continued)

a. Information on Shareholders' Equity (Continued)

Loans granted against the articles 50 and 51 of the Parent Banking law	4,390	3,334
Net book values of movables and immovables exceeding the limit defined in the Article 57, clause 1 of the Parent Banking Law and the assets acquired against overdue receivables and held for sale but retained more than three years	-	-
Other items to be defined by the BRSA	-	-
Items to be Deducted from sum of Tier I and Tier II (Capital) during the Transition Period	-	-
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the Parent Bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the Parent Bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the Parent Bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
TOTAL CAPITAL		
Total Capital (The sum of Tier I Capital and Tier II Capital)	16,802,204	14,583,569
Total risk weighted amounts (*)	61,705,875	49,886,118
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	11.90%	11.94%
Tier I Capital Adequacy Ratio (%)	26.28%	28.16%
Capital Adequacy Ratio (%)	27.23%	29.23%
BUFFERS		
Total Additional CET1 Capital Requirement Ratio (%)	2.50%	2.50%
Capital conservation buffer requirement (%)	2.50%	2.50%
Bank specific counter-cyclical buffer requirement (%)	0.00%	0.00%
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	7.40%	7.44%
Amounts below the Excess Limits as per the Deduction Principles	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Parent Bank owns 10% or less of the issued share capital	-	-
Total of net long positions of the investments in Tier I capital of unconsolidated banks and financial institutions where the Parent Bank owns more than 10% or less of the issued share capital	-	-
Remaining Mortgage Servicing Rights	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	588,112	537,088
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	588,112	537,088
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

(*) According to the article of BRSA dated 12 December 2023 and numbered 10747, the foreign exchange buying rates announced by the CBRT as of 26 June 2023 were used in the calculation of the amount subject to credit risk.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK
(Continued)

I. Explanations on Shareholders' Equity (Continued)

b. Details on Subordinated Liabilities

Issuer	The Commercial Bank (P.S.Q.C.)
Unique identifier (eg CUSIP, ISIN)	-
Governing law(s) of the instrument	Regulation on Equity of Banks (Published in the Official Gazette Nr. 28756 dated 5 September 2013)
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	No
Eligible on Unconsolidated/ consolidated / both unconsolidated and consolidated	Valid on Consolidated and Unconsolidated Basis
Instrument type	TIER-I Subordinated Loan
Amount recognised in regulatory capital (Currency in million TRL, as of most recent reporting date)	2,421,405
Par value of instrument (Million TRL)	2,421,405
Accounting classification	347
Original date of issuance	30.06.2015
Demand or time	Demand
Original maturity date	10 years + 1 day
Issuer call subject to prior supervisory approval	- Depending on regulatory as a reason BRSA has the right to refund.
Optional call date, contingent call dates and redemption amount	-
Subsequent call dates, if applicable	-
Coupons / dividends	
Fixed or floating dividend/coupon	Fixed
Coupon rate and any related index	9.85%
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	Discretionary
Existence of step up or other incentive to redeem	-
Non-cumulative or cumulative	Non-cumulative
Convertible or non-convertible	
If convertible, conversion trigger	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	
If write-down, write-down trigger	When unsustainable situation is realized, value decrement is realized.
If write-down, full or partial	Partial or completely value decrement is should be realized.
If write-down, permanent or temporary	Permanent
If temporary write-down, description of write-up mechanism	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After claims, deposit holders, other creditors and instruments included in the calculation of supplementary capital
Whether conditions which stands in article of 7 and 8 of Banks' shareholder equity law are possessed or not	Possess
According to article 7 and 8 of Banks' shareholders equity law that are not possessed	-

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGAMENT OF THE PARENT BANK
(Continued)

I. Explanations on Shareholders' Equity (Continued)

b. Details on Subordinated Liabilities (Continued)

Issuer	Alternatifbank A.Ş.
Unique identifier (eg CUSIP, ISIN)	XS2327872524
Governing law(s) of the instrument	English Law / Turkish Law on Subordinate Law
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	No
Eligible on Unconsolidated/ consolidated / both unconsolidated and consolidated	Valid on Consolidated and Unconsolidated Basis
Instrument type	Eurobond
Amount recognised in regulatory capital (Currency in million TRL, as of most recent reporting date)	6,457,080
Par value of instrument (Million TRL)	6,457,080
Accounting classification	347
Original date of issuance	31.03.2021
Demand or time	Demand
Original maturity date	-
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	After 5 th year
Subsequent call dates, if applicable	After 5 th year
Coupons / dividends	
Fixed or floating dividend/coupon	Fixed
Coupon rate and any related index	First 5 year 10.50% Fixed, following 5 year MS+9.546% Fixed No interest will be charged for the value reduced after the value
Existence of a dividend stopper	decrement date
Fully discretionary, partially discretionary or mandatory	Discretionary
Existence of step up or other incentive to redeem	-
Non-cumulative or cumulative	Non-cumulative
Convertible or non-convertible	
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts int	-
Write-down feature	
If write-down, write-down trigger (s)	When unsustainable situation is realized,value decrement is realized and less than 5.125%
If write-down, full or partial	Partial or completely value decrement is should be realized.
If write-down, permanent or temporary	Temporary
If temporary write-down, description of write-up mechanism	When unsustainable situation is realized,value decrement is realized and higher than 5.125%
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Before core capital, after all creditors
Whether conditions which stands in article of 7 and 8 of Banks' shareholder equity law are possessed or not	Possess
According to article 7 and 8 of Banks' shareholders equity law that are not possessed	-

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGAMENT OF THE PARENT BANK
(Continued)

I. Explanations on Shareholders' Equity (Continued)

The Internal Assessment Process of Internal Capital Adequacy Regarding the Current and Future Operations

The ultimate objective of the internal assessment process of capital requirement is to sustain considering assess the capital adequacy of the Parent Bank in line with the risk profile and risk appetite by considering the Parent Bank's strategies, credit growth prospects, structure of assets and liabilities, future funding sources and liquidity, and dividend distribution policy and possible fluctuations in the capital due to the economic cycle.

Within this scope, legal and internal capital requirements are assessed prospectively, along with the annual targets of the Parent Bank, in parallel to the preparation of 5 year strategic plans. In the process of assessing internal capital requirements, the credit risk, market risk, and operational risks, in the first pillar, and the interest rate risk resulting from the Parent Banking accounts, concentration risk, business risk, reputation risk, model risk, and exchange risk are also included.

The risks that the Parent Bank can encounter due to its operations are being evaluated in budget works and the possible capital requirements according to The Parent Bank's goal and strategies are evaluated.

The evaluation of legal and internal capital ratio requirements considers normal conditions as well as the stress conditions. The stress scenarios are designed after estimation of post macroeconomic variables, the effects of these variables on the loan costs and market risk factors (exchange rate, interest rates etc.). The effects of stress scenarios on capital, income, risk weighted assets and capital requirement are calculated.

Internal assessment of internal capital requirement is considered by the Parent Bank as an improving process and further upgrades to this method is planned for the future.

II. Explanations on Credit Risk

Not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

III. Explanations on Currency Risk

The difference between the Parent Bank's foreign currency denominated and foreign currency indexed on and off-balance sheet assets and liabilities is defined as the "Net Foreign Currency Position" and it is the basis of currency risk. Another important dimension of the currency risk is the change in the exchange rates of different foreign currencies in "Net Foreign Currency Position" (cross currency risk).

The Parent Bank keeps the amount at currency risk within the legal limits and monitors the foreign currency positions daily/momentarily. Even though the Parent Bank's determined foreign currency limit is minimal compared to the legal limit, the positions throughout the year did not exceed the limits. Term option contracts such as swap and forward are used for hedging the currency risk. Stress tests are performed to mitigate the fluctuations of the exchange rates.

The Parent Bank's publicly announced foreign exchange bid rates as of the date of the financial statements and for the last five days prior to that date

Rate used:	USD	EUR
29.03.2024	32.2854	34.8023
28.03.2024	32.2596	34.8189
27.03.2024	32.1650	34.8285
26.03.2024	32.1005	34.8336
25.03.2024	32.0592	34.6819

The Parent Bank's foreign currency bid rates for the reporting date and average of 30 days before the reporting day is as follows:

USD: TL 31.9545

EUR: TL 34.7098

As of 31 March 2024;	USD	EUR
Rate Used:	TL 32.2854	TL 34.8023

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK
(Continued)

III. Explanations on Currency Risk (Continued)

a. Information on currency risk of the Group

The Group's real foreign currency position, both in financial and economic terms, is presented in the table below:

	EURO	USD	Other FC	Total
31 March 2024				
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	1,658,013	6,313,947	294,601	8,266,561
Banks	1,111,207	1,900,650	599,819	3,611,676
Financial Assets at Fair Value Through Profit and Loss (*)	14,078	217,145	33	231,256
Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	3,867,361	-	3,867,361
Loans (**)	9,219,021	5,783,554	-	15,002,575
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Financial Assets Measured at Amortised Cost	-	8,085,771	-	8,085,771
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets (***)	64,439	47,814	2	112,255
Total Assets	12,066,758	26,216,242	894,455	39,177,455
Liabilities				
Bank Deposits	59,649	21,554	52,549	133,752
Foreign Currency Deposits	3,428,670	7,400,825	1,334,866	12,164,361
Money Market Funds	-	5,932,125	-	5,932,125
Funds Borrowed From Other Financial Institutions	5,154,757	23,229,831	362,055	28,746,643
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	164,454	194,388	2,224	361,066
Derivative Financial Liabilities For Hedging Purposes	-	-	-	-
Other Liabilities (****)	125,257	(68,098)	1,323	58,482
Total Liabilities	8,932,787	36,710,625	1,753,017	47,396,429
Net Balance Sheet Position	3,133,971	(10,494,383)	(858,562)	(8,218,974)
Net Off Balance Sheet Position	(2,658,094)	11,801,372	626,466	9,769,744
Financial Derivative Assets	11,458,900	26,661,815	1,692,098	39,812,813
Financial Derivative Liabilities	14,116,994	14,860,443	1,065,632	30,043,069
Non-Cash Loans (*****)	4,739,581	7,051,256	2,141,974	13,932,811
31 December 2023				
Total Assets	10,806,706	26,419,748	462,500	37,688,954
Total Liabilities	8,044,631	32,418,771	1,153,429	41,616,831
Net Balance Sheet Position	2,762,075	(5,999,023)	(690,929)	(3,927,877)
Net Off balance Sheet Position	(2,557,814)	6,580,998	553,192	4,576,376
Financial Derivative Assets	9,228,752	19,595,382	1,028,463	29,852,597
Financial Derivative Liabilities	11,786,566	13,014,384	475,271	25,276,221
Non-Cash Loans	5,274,574	6,185,669	2,125,192	13,585,435

(*) Accruals of derivative assets held for trading amounting to TL 665,703 (31 December 2023: TL 767,894) have been deducted from fair value through profit and loss.

(**) FC indexed loans and accruals amounting to TL 177,760 (31 December 2023: TL 178,665) are included in loans.

(***) There is no accrual of spot transaction as of 31 March 2024. (31 December 2023: None.)

(****) Accruals of derivative liabilities held for trading amounting to TL 429,087 as of 31 March 2024 have been deducted from other liabilities (31 December 2023: TL 435,383).

(*****) No effect on net off-balance sheet position.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK
(Continued)

IV. Explanations on Interest Rate Risk

Assets, liabilities and off-balance sheet items' interest rate sensitivity are measured.

The expected impact on the financial position and on the cash flow of the Group due to the fluctuations in the market interest rates are being followed within the framework of Asset-Liability management principles and also interest rate risk limits restricted on balance sheet by the Board of Directors. These limits also impose restriction to indirect profit centers can carry on maturity mismatches.

The Group has not encountered to any significant interest rate risk in the last period.

Average interest rates applied to monetary financial instruments reflect market rates.

a. Interest rate sensitivity of assets, liabilities and off-balance sheet items (based on re-pricing dates)

31 March 2024	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic Turkey	8,481,291	-	-	-	-	947,315	9,428,606
Banks (**) (****)	1,398,839	-	-	-	-	2,809,782	4,208,621
Financial Assets at Fair Value Through Profit and Loss	589,978	136,743	667,950	59,820	27,825	6,266	1,488,582
Money Market Placements	451,960	-	-	-	-	-	451,960
Financial Assets at Fair Value Through Other Comprehensive Income (***)	1,564,161	1,683,156	3,976,679	-	-	14,541	7,238,537
Loans (****)	16,055,196	1,917,228	9,325,966	7,935,635	33,669	(686,127)	34,581,567
Financial Assets Measured at Amortised Cost (****)	6,749,749	742,725	1,954,507	-	205,063	(1,967)	9,650,077
Other Assets (*)	1,411	-	-	-	-	4,354,701	4,356,112
Total Assets	35,292,585	4,479,852	15,925,102	7,995,455	266,557	7,444,511	71,404,062
Liabilities							
Bank Deposits (**)	223,301	99,381	-	-	-	59,344	382,026
Other Deposits	16,620,122	2,785,205	355,032	640	-	4,742,167	24,503,166
Money Market Funds	2,701,177	3,292,644	-	-	-	59,957	6,053,778
Miscellaneous Payables	-	-	-	-	-	1,078,127	1,078,127
Marketable Securities Issued	99,790	235,582	-	-	-	-	335,372
Funds Borrowed From Other Financial Institutions	3,218,420	8,713,036	8,254,102	7,247,463	2,453,599	-	29,886,620
Other Liabilities and Shareholders' Equity (***)	232,918	56,638	441,427	42,352	28,328	8,363,310	9,164,973
Total Liabilities	23,095,728	15,182,486	9,050,561	7,290,455	2,481,927	14,302,905	71,404,062
Balance Sheet Long Position	12,196,857	-	6,874,541	705,000	-	-	19,776,398
Balance Sheet Short Position	-	(10,702,634)	-	-	(2,215,370)	(6,858,394)	(19,776,398)
Off-Balance Sheet Long Position	-	-	1,172,231	-	-	-	1,172,231
Off-Balance Sheet Short Position	(172,683)	(103,402)	(287,461)	(256,765)	-	-	(820,311)
Total Position	12,024,174	(10,806,036)	7,759,311	448,235	(2,215,370)	(6,858,394)	351,920

(*) Investments in associates and subsidiaries, tangible and intangible fixed assets, miscellaneous receivables, deferred tax assets and other assets are classified as non-interest bearing assets.

(**) Precious metal bank account is presented under "Other deposits".

(***) Tax payables, levies, charges and premiums, provisions and shareholders equity are classified as non-interest bearing other liabilities.

(****) Expected loss provision for financial assets is presented non-interest bearing on the table. Amounted to TL 1,324 were deducted from non-interest banks, amounted to TL 1,967 were deducted from non-interest financial assets measured at amortised.

(*****) Receivables from leasing transactions are included. In addition, non-performing receivables are shown in the Non-interest bearing column after netting out with expected loss provisions.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK
(Continued)

IV. Explanations on Interest Rate Risk (Continued)

a. Interest rate sensitivity of assets, liabilities and off-balance sheet items (based on re-pricing dates)
(Continued)

31 December 2023	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic Turkey	7,360,015	-	-	-	-	2,539,532	9,899,547
Banks (*)	1,019,533	-	-	-	-	1,933,647	2,953,180
Financial Assets at Fair Value Through Profit and Loss	679,428	(67,594)	445,261	256,819	4,368	-	1,318,282
Money Market Placements	150,540	-	-	-	-	-	150,540
Financial Assets at Fair Value Through Other Comprehensive Income	3,984,529	495,494	2,344,633	-	-	14,542	6,839,198
Loans and Receivables (*) (****)	12,117,564	6,405,337	5,206,889	11,156,913	51,622	(873,450)	34,064,875
Financial Assets Measured at Amortised Cost (*)	155,482	2,659,404	6,604,364	-	182,415	(1,931)	9,599,734
Other Assets (**)	411,184	-	-	-	-	2,899,632	3,310,816
Total Assets	25,878,275	9,492,641	14,601,147	11,413,732	238,405	6,511,972	68,136,172
Liabilities							
Bank Deposits (***)	642,607	20,113	-	-	-	23,226	685,946
Other Deposits	16,641,081	3,261,529	731,151	-	-	3,601,022	24,234,783
Money Market Funds	3,602,443	1,742,056	-	-	-	-	5,344,499
Miscellaneous Payables	4,683	-	-	-	-	1,172,983	1,177,666
Marketable Securities Issued	-	115,839	303,065	-	-	-	418,904
Funds Borrowed From Other Financial Institutions	3,459,678	7,475,565	7,914,923	7,037,069	2,210,222	-	28,097,457
Other Liabilities and Shareholders' Equity (***)	431,360	20,642	41,127	262,750	7,893	7,413,145	8,176,917
Total Liabilities	24,781,852	12,635,744	8,990,266	7,299,819	2,218,115	12,210,376	68,136,172
Balance Sheet Long Position	1,096,423	-	5,610,881	4,113,913	-	-	10,821,217
Balance Sheet Short Position	-	(3,143,103)	-	-	(1,979,710)	(5,698,404)	(10,821,217)
Off-Balance Sheet Long Position	-	38,031	266,504	-	-	-	304,535
Off-Balance Sheet Short Position	(394,261)	-	-	-	-	-	(394,261)
Total Position	702,162	(3,105,072)	5,877,385	4,113,913	(1,979,710)	(5,698,404)	(89,726)

(*) Investments in associates and subsidiaries, tangible and intangible fixed assets, miscellaneous receivables, deferred tax assets and other assets are classified as non-interest bearing assets.

(**) Precious metal bank account is presented under "Other deposits".

(***) Tax payables, levies, charges and premiums, provisions and shareholders equity are classified as non-interest bearing other liabilities.

(****) Expected loss provision for financial assets is presented non-interest bearing on the table. Amounted to TL 1,683 were deducted from non-interest banks, amounted to TL 1,931 were deducted from non-interest financial assets measured at amortised.

(*****) Receivables from leasing transactions are included. In addition, frozen receivables are shown in non-interest bearing column after netting out with expected loss provisions.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK
(Continued)

IV. Explanations on Interest Rate Risk (Continued)

b. Interest rate risk arising from banking accounts

Not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

c. Average interest rates applied to monetary financial instruments

The following average interest rates have been calculated by weighting the rates with their principal amounts as of the balance sheet date.

31 March 2024 (*)	EURO	USD	OTHER FC	TL
Assets	(%)	(%)	(%)	(%)
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	-
Banks	-	-	-	-
Financial Assets at Fair Value Through Profit and Loss	-	7.38	-	46.22
Money Market Placements	-	-	-	52.99
Financial Assets at Fair Value Through Other Comprehensive Income	-	5.31	-	84.97
Loans and Receivables	7.66	8.64	-	47.64
Financial Assets Measured at Amortised Cost	-	4.94	-	44.03
Liabilities				
Bank Deposits	-	0.03	-	44.42
Other Deposits	1.33	2.26	-	48.83
Money Market Funds	-	7.27	-	25.50
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	6.65	8.67	-	37.74

(*) Represents Parent Bank's interest rates.

31 December 2023 (*)	EURO	USD	OTHER FC	TL
Assets	(%)	(%)	(%)	(%)
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	-
Banks	-	5.68	-	-
Financial Assets at Fair Value Through Profit and Loss	-	7.35	-	40.60
Money Market Placements	-	-	-	43.79
Financial Assets Available-for-Sale	-	5.31	-	42.94
Loans	8.10	9.70	-	42.11
Held-to-Maturity Investments	-	4.87	-	25.68
Liabilities				
Bank Deposits	-	5.37	-	38.69
Other Deposits	0.73	2.28	-	39.37
Money Market Funds	-	7.74	-	30.00
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	6.80	8.36	-	33.11

(*) Represents Parent Bank's interest rates.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGAMENT OF THE PARENT BANK
(Continued)

V. Explanation on share certificates

None.

VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio

There is a liquidity limit approved and monitored on a weekly basis by the Parent Bank Risk Committee. This limit is used by the Assets-Liability Management Committee for deciding to funding sources composition and pricing policy.

Maturity and interest rate mismatches impact on profitability and capital is measured using scenario analysis.

The Parent Bank's most important source of liquidity is deposits denominated in TL and foreign exchange deposit accounts. In addition, there are also borrowing opportunities available from Borsa İstanbul repo market, Takas Bank and Interbank market.

In accordance with the framework of BRSA's "Regulation on calculation of Bank's liquidity coverage ratio", published in Official Gazette no. 28948 as of 2019, dated 21 March 2014, as of 2019 the deposit banks are subject to set 100% and 80% liquidity ratios for Foreign Currency accordingly. The liquidity ratio is calculated by dividing the high quality liquid assets by net cash outflows.

1.a. Information on liquidity risk management regarding how to provide communication with the Board of Directors and lines of business for risk capacity of the Parent Bank, liquidity risk, responsibility and structure of management, reporting of Parent Bank's liquidity risk, liquidity risk strategy, policies and practices.

Liquidity risk management aims to take necessary measures in a timely manner and correct way with respect to potential liquidity shortage caused by cash flow mismatches of Parent Bank's balance sheet structure and/or market conditions. It is on ground of the meeting the liquidity needs cash and disposable borrowing resources at specified level and time of held deposits and other liabilities creating liquidity. The Parent Bank monitors liquidity position both in terms of foreign currency and total liquidity basis.

According to the liquidity risk management about the liquidity position, necessary guidance to the line of businesses and pricing are performed by the Asset and Liability Management Department by taking into account the cash flow of the Parent Bank with maturities. Liquidity risk informations are reported regularly to the such Asset and Liability Committee and Management Risk Committees. The liquidity risk parameters determined within the frame of liquidity risk parameters are monitored and reported to the business units by Risk Management consistently. The actions need to be taken in conditions such as convergence and excess of limits are decided by Asset-Liability Committee.

1.b. Information on the centralization degree of liquidity management and funding strategy and the operation between the Parent Bank and the Parent Bank's shareholders:

The responsibility of liquidity risk management in accordance with the risk appetite determined by the Board of Directors belongs to the Treasury Asset-Liability Management Department. Risk Management Department is responsible for determining the level of bank-wide liquidity risk and its measurement, monitoring and reporting. Liquidity management and funding strategies of Parent Bank and its shareholders are determined by Parent Bank's Asset and Liability Management Committees and monitored by the Treasury Department.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK
(Continued)

VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

1.c. Information on the Parent Bank's funding strategy including policies on diversity of fund terms and resources

For the Parent Bank's effective, correct and sustainable liquidity risk management, it is provided to be followed by the relevant committees with the approval of Liquidity Management Policy Board. The Parent Bank's core funding source has been targeted as a deposit. Non-deposit funding sources are used to provide a variety of core sources and maturities. These resources are mainly syndicated loans, subordinated loans and bond issuances. Despite term of deposits are determined by market conditions and generally on short term basis, it is aimed to collect the deposits of customers who have high stickiness to the Parent Bank. Non-deposit sources also preferred because they are more long-term resources.

1.d. Information on liquidity management on the basis of currencies constitute the minimum five percentage of the Parent Bank's total liabilities

Turkish Lira, US Dollars and Euros are the currencies that constitute the minimum five per cent of the Parent Bank's liabilities. It is intended to have effective foreign currency and liquidity risk management analysing these currencies on foreign exchange and total liquidity management basis. Liquidity gap analysis are measured and managed with the same way. Deposits and other long term sources should be preferred, performing liquidity management on currency basis, in order to avoid the increase of market risk fluctuations on foreign currency positions.

1.e. Information on current liquidity risk mitigation techniques

Liquid assets as defined under Basel III are held with the intention of liquidity risk management managing the Parent Bank's liquidity risk. Market liquidity and maturity of liquid assets are considered as risk reduction for liquidity management. In this context, the range of liquid assets is important in the management of liquidity risk. Potential risks are minimized by avoiding concentration of liquid assets during the potential liquidity needs and the Parent Bank's ability to fulfill its obligations.

1.f. Information on the use of stress testing

Within legal framework stress tests on the basis of the liquidity risk are performed at the beginning of the each year. The test results are presented with the details of the stress test and ICAAP report annually. The Board of Directors approve the stress test results and they are shared with the BRSA during the process. In addition to these stress tests, cash flow and liquidity position analyzes are maintained according to the Parent Bank's internal needs. In addition, the liquidity risk stress tests are conducted regularly on a monthly basis and reported to the senior management together with the results.

1.g. General information about the emergency and contingency liquidity plan

Information on emergency and contingency liquidity plan is detailed in the Parent Bank "Emergency Funding Plan Policy". Definitions regarding the liquidity crisis and actions that the Parent Bank may take against a liquidity crisis that may occur in the market are implemented the action plan outlined. The Parent Bank's special liquidity crisis levels set out in alarm conditions and the parameters to be monitored as an indicator are detailed. Crisis Committee members and the Committee's duties and responsibilities are determined for the Parent Bank's stress scenarios specific to the market and the Parent Bank.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK
(Continued)

VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

2. Liquidity Coverage Ratio

The Parent Bank's calculated liquidity coverage ratios are presented as below pursuant to "Measurement and Assessment of the Liquidity Coverage Ratios of Banks" published in the Official Gazette on 21 March 2014 and numbered 28948. The highest and lowest values of the average of last three months consolidated foreign currency and total liquidity coverage ratios are as follows:

31 March 2024	Consideration Ratio Unapplied to Total Value (*)		Consideration Ratio Applied to Total Value (*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS				
1 High Quality Liquid Assets			12,675,487	8,413,509
CASH OUTFLOWS				
2 Retail and Small Business Customers	15,887,918	5,823,950	1,292,682	582,401
3 Stable Deposits	5,922,325	-	296,116	-
4 Less Stable Deposit	9,965,593	5,823,950	996,566	582,401
5 Unsecured Wholesale Funding	13,206,791	7,937,673	9,734,369	5,797,640
6 Operational Deposits	-	-	-	-
7 Non-operational Deposits	6,331,734	3,639,983	3,301,596	1,649,763
8 Other Unsecured Fundings	6,875,057	4,297,690	6,432,773	4,147,877
9 Secured Funding			-	-
10 Other Cash Outflows	707,447	707,673	707,447	707,673
11 Derivative cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	707,447	707,673	707,447	707,673
12 Obligations related to structured financial products	-	-	-	-
13 Commitments related to debts to financial markets and other off-balance sheet obligations	-	-	-	-
14 Other revocable off-balance sheet commitments and contractual obligations	254,229	254,229	12,711	12,711
15 Other irrevocable or conditionally revocable off-balance sheet obligations	28,497,387	12,866,979	4,488,982	1,388,203
16 TOTAL CASH OUTFLOWS			16,236,191	8,488,628
CASH INFLOWS				
17 Secured lending	34,512	-	-	-
18 Unsecured lending	12,307,600	6,830,818	9,616,148	6,038,821
19 Other cash inflows	394,760	363,452	394,760	363,452
20 TOTAL CASH INFLOWS	12,736,872	7,194,270	10,010,908	6,402,273
			Total Adjusted Values	
21 TOTAL HIGH QUALITY ASSETS STOCKS			12,675,487	8,413,509
22 TOTAL CAH OUTFLOWS			6,225,284	2,454,860
23 LIQUIDITY COVERAGE RATIO (%)			212.78%	353.77%

(*) The average of the consolidated liquidity coverage ratio calculated by taking the monthly simple arithmetic average for the last three months, the average of the liquidity coverage ratio calculated by taking the weekly simple arithmetic average for the last three months.

The lowest, highest and average Liquidity Coverage Ratios in three months period of 2024 are given in the table below.

31 March 2024	Highest	Date	Lowest	Date	Average
TL+FC	282.9%	31.01.2024	173.5%	29.02.2024	212.8%
FC	410.9%	31.01.2024	281.9%	29.02.2024	353.8%

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK
(Continued)

VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

2. Liquidity Coverage Ratio (Continued)

		Consideration Ratio		Consideration Ratio	
		Unapplied to Total Value (*)		Applied to Total Value (*)	
31 December 2023		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS					
1	High Quality Liquid Assets			12,857,548	7,004,578
CASH OUTFLOWS					
2	Retail and Small Business Customers	17,104,540	5,035,253	1,482,296	503,525
3	Stable Deposits	4,563,161	-	228,158	-
4	Less Stable Deposit	12,541,379	5,035,253	1,254,138	503,525
5	Unsecured Wholesale Funding	14,233,622	6,965,168	10,753,974	4,984,432
6	Operational Deposits	-	-	-	-
7	Non-operational Deposits	8,381,296	3,699,242	5,048,123	1,854,300
8	Other Unsecured Fundings	5,852,326	3,265,926	5,705,851	3,130,132
9	Secured Funding			-	-
10	Other Cash Outflows	908,113	905,950	908,113	905,950
11	Derivative cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	908,113	905,950	908,113	905,950
12	Obligations related to structured financial products	-	-	-	-
13	Commitments related to debts to financial markets and other off-balance sheet obligations	-	-	-	-
14	Other revocable off-balance sheet commitments and contractual obligations	246,054	245,973	12,303	12,299
15	Other irrevocable or conditionally revocable off-balance sheet obligations	25,033,221	12,706,505	3,910,664	1,360,523
16	TOTAL CASH OUTFLOWS			17,067,350	7,766,729
CASH INFLOWS					
17	Secured lending	27,520	-	-	-
18	Unsecured lending	13,642,833	7,476,827	10,411,556	6,058,993
19	Other cash inflows	97,768	101,868	97,768	101,868
20	TOTAL CASH INFLOWS	13,768,121	7,578,695	10,509,324	6,160,861
				Total Adjusted Values	
21	TOTAL HIGH QUALITY ASSETS STOCKS			12,857,548	7,004,578
22	TOTAL CAH OUTFLOWS			6,558,025	2,036,479
23	LIQUIDITY COVERAGE RATIO (%)			196.37%	345.05%

(*) The average of the consolidated liquidity coverage ratio calculated by taking the monthly simple arithmetic average for the last three months, the average of the liquidity coverage ratio calculated by taking the weekly simple arithmetic average for the last three months.

The lowest, highest and average Liquidity Coverage Ratios in the three months of 2023 are given in the table below.

31 December 2023	Highest	Date	Lowest	Date	Average
TL+FC	204.9%	31.12.2023	189.1%	31.10.2023	196.4%
FC	366.3%	31.10.2023	325.4%	30.11.2023	345.1%

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK
(Continued)

VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

3. Banks explanations as a minimum regarding the liquidity ratio:

3.a Important factors affected by the results of Liquidity Coverage Ratio and the change of the items taken into account in the ratio calculation over time.

Despite all components have significant role, bond and reverse repurchase amounts cash outflows/unsecured debts of due to banks line, cash outflows/irrevocable commitments or revocable contingent commitments of off balance sheet liabilities, cash inflows/unsecured receivables of due from financial institutions are high volatile assets. Related items have an effective role on variability of ratio.

3.b Explanations on the components of high-quality liquid assets:

High-quality assets is generated by cash balances and Central Bank and issued debt securities by those with 0% risk weightings of credit quality level risk. The changes in the reverse repo balance at the period effects high-quality asset stock value.

3.c Funding source components and the intensity of them in all funds

Basically deposits, loans and subordinated loans as unsecured debt items have the most significant portion in Parent Bank's funding balances. As of 31 March 2024, the proportion of total liabilities to all deposits of the Parent Bank is 35% and borrowings constitutes 29% portion whereas subordinate debt is 13%. Secured borrowings such as repo transactions has lower portion (8%).

3.d Information about the outflows arising from derivative transactions and the possible completing collateral transactions

Cash outflows arising from derivative product balances are occurred when the derivative products liabilities are higher than the receivables. Cash outflows arising from derivative product balances are occurred when bank derivative product liabilities are higher than the derivative receivables. Net cash outflows declined in the periods when the cash inflows arising from derivative products are higher than the derivative liabilities. As of 31 March 2024, there are no derivative liabilities (31 December 2023: TL 2,654). In addition, cash outflows balances are reported with calculation against the change of derivatives fair value. This calculation is performed by checking the output margin within last 24 months of the counterparty balance. The maximum value in the past 24 months is considered as cash outflow as of reporting date. In this context, according to calculations as of 31 March 2024, the liability balance is computed as TL 758,849 in case of a change in fair value of derivatives products (31 December 2023: TL 761,747).

3.e Counterparty and fund resources on the basis of products and concentration limits on collaterals

As of 31 March 2024, approximately 66% of time deposit cap arised from retail banking. The remaining time deposits are constituted from legal entities. Another significant funding resource of borrowings generated from foreign banks (99%). As of 31 March 2024, 27% of the subordinated loans which are subject to capital adequacy calculations provided from The Commercial Bank (P.S.Q.C.).

3.f The liquidity risk for the potential funding needs for the Parent Bank itself , the branches in foreign countries and its consolidated partnerships with considering the operational and legal factors inhibiting the liquidity transfer

In the current position of the Parent Bank and its consolidated subsidiaries, there are no such risks drawing attention.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK
(Continued)

VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

3. Banks explanations as a minimum regarding the liquidity ratio: (Continued)

3.g The information about the other cash inflows and outflows located in the liquidity leverage ratio calculation but not located in the second paragraph of disclosure template and considered as related with liquidity profile

In this context, there is no excluded cash inflow and outflow in statements on the current situation.

Breakdown of assets and liabilities according to their outstanding maturities

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and Over	Unclassified	Total
31 March 2024								
Assets								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	947,315	8,481,291	-	-	-	-	-	9,428,606
Due From Banks ^(****)	3,309,120	900,825	-	-	-	-	(1,324)	4,208,621
Financial Assets at Fair Value Through Profit and Loss	1,557	476,861	115,984	770,219	81,542	42,419	-	1,488,582
Money Market Placements	-	451,960	-	-	-	-	-	451,960
Financial Assets at Fair Value Through Other Comprehensive Income ^(****)	4,709	56,500	-	1,249,239	3,981,109	1,932,439	14,541	7,238,537
Loans ^(*****)	-	15,071,993	2,413,116	8,202,541	7,297,399	2,282,638	(686,120)	34,581,567
Financial Assets Measured at Amortised Cost ^(****)	-	12	17,800	1,181,173	7,389,804	1,063,255	(1,967)	9,650,077
Other Assets ^(*) ^(****)	75	90,103	3,122	98,550	9,245	3,543	4,151,474	4,356,112
Total Assets	4,262,776	25,529,545	2,550,022	11,501,722	18,759,099	5,324,294	3,476,604	71,404,062
Liabilities								
Bank Deposits ^(***)	59,344	223,301	99,381	-	-	-	-	382,026
Other Deposits	4,742,195	16,620,119	2,785,180	355,032	640	-	-	24,503,166
Funds Borrowed From Other Financial Institutions ^(**)	-	1,359,627	3,743,861	14,727,456	809,703	9,245,973	-	29,886,620
Money Market Funds	59,957	2,180,168	3,813,653	-	-	-	-	6,053,778
Marketable Securities Issued	-	99,790	235,582	-	-	-	-	335,372
Miscellaneous Payables	-	45,168	-	-	-	-	1,032,959	1,078,127
Other Liabilities	4,645	1,439,925	58,102	446,640	37,040	28,328	7,150,293	9,164,973
Total Liabilities	4,866,141	21,968,098	10,735,759	15,529,128	847,383	9,274,301	8,183,252	71,404,062
Liquidity Gap	(603,365)	3,561,447	(8,185,737)	(4,027,406)	17,911,716	(3,950,007)	(4,706,648)	-
31 December 2023								
Total Assets	4,474,937	19,901,051	7,916,840	6,641,637	22,425,539	4,936,835	1,839,333	68,136,172
Total Liabilities	3,632,237	23,644,724	12,055,301	11,495,896	1,583,587	8,222,592	7,501,835	68,136,172
Liquidity Gap	842,700	(3,743,673)	(4,138,461)	(4,854,259)	20,841,952	(3,285,757)	(5,662,502)	-

(*) It consists of other asset and liabilities accounts that do not convert to cash in a short time such as fixed assets, associates and subsidiaries, goods, deferred tax assets and non-performing loans, which constitute the balance sheet.

(**) As explained in Section Three Footnote Number XXVI, primary subordinated loan amounting to TL 8,878,485 is shown in the column "Over 5 years" in "Funds borrowed from other financial institutions".

(***) Precious metal bank account is presented under "Other Deposits".

(****) Expected loss provision for financial assets is presented non-interest bearing on the table. Amounted to TL 1,324 were deducted from non-interest banks, amounted to TL 1,967 were deducted from non-interest financial assets measured at amortised cost.

(*****) Lease receivables are included. In addition, frozen receivables are shown in the interests-free column after netting out with expected loss provisions.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK
(Continued)

VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

Net Stable Funding Ratio

Current Period		Unweighted Amount According to Residual Maturity				Total Weighted Amount
		Non Maturity	Residual maturity of less than 6 months	Residual maturity of six months and longer but less than one year	Residual maturity of one year or more	
Available stable funding						
1	Capital Instruments	-	-	-	17,129,851	17,129,851
2	Tier 1 Capital and Tier 2 Capital	-	-	-	17,129,851	17,129,851
3	Other Capital Instruments					
4	Real-person and Retail Customer Deposits	1,851,513	13,357,762	19,016	640	13,965,714
5	Stable Deposits	331,057	4,852,485	9,979	-	4,933,844
6	Less Stable Deposits	1,520,456	8,505,278	9,037	640	9,031,870
7	Other Obligations	2,994,580	32,432,725	14,142,389	733,672	10,754,370
8	Operational deposits	-	-	-	-	-
9	Other Obligations	2,994,580	32,432,725	14,142,389	733,672	10,754,370
10	Liabilities equivalent to interconnected assets					
11	Other Liabilities	2,346,068	1,789,502	-	-	-
12	Derivative liabilities				339,023	
13	All other equity not included in the above categories	2,007,045	1,789,502	-	-	-
14	Available stable funding					41,849,935
Required stable funding						
15	Required stable funding					3,546,713
16	Deposits held at financial institutions for operational purposes	-	-	-	-	-
17	Performing Loans	6,163,011	15,501,016	7,222,010	10,967,370	25,019,421
18	Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	-	450,563	-	-	45,056
19	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	2,894,799	3,193,856	510,198	361,062	3,990,038
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	3,213,029	11,812,584	6,677,673	10,567,022	20,883,652
21	Loans with a risk weight of less than or equal to %35	21,310	1,596,873	820,564	351,290	1,450,909
22	Residential mortgages	55,183	44,013	34,139	38,317	99,851
23	Residential mortgages with a risk weight of less than or equal to %35	55,183	44,013	34,139	38,317	99,851
24	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	-	-	969	824
25	Assets equivalent to interconnected liabilities					
26	Other Assets	6,268,441	1,788,379	126,779	-	5,524,620
27	Physical traded commodities, including gold	-				-
28	Initial margin posted or given guarantee fund to central counterparty				103,834	88,259
29	Derivative Assets				1,246,135	907,112
30	Derivative Liabilities before the deduction of the variation margin				573,479	57,348
31	Other Assets not included above	4,344,993	1,788,379	126,779	-	4,471,901
32	Off-balance sheet commitments		32,183,932	-	-	1,609,197
33	Total Required stable funding					35,699,951
34	Net Stable Funding Ratio (%)					117.23%

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK
(Continued)

VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

Net Stable Funding Ratio (Continued)

Prior Period		Unweighted Amount According to Residual Maturity				Total Weighted Amount
		Non Maturity	Residual maturity of less than 6 months	Residual maturity of six months and longer but less than one year	Residual maturity of one year or more	
Available stable funding						
1	Capital Instruments	-	-	-	15,083,633	15,083,633
2	Tier 1 Capital and Tier 2 Capital	-	-	-	15,083,633	15,083,633
3	Other Capital Instruments	-	-	-	-	-
4	Real-person and Retail Customer Deposits	1,643,247	15,109,645	14,231	-	15,331,182
5	Stable Deposits	252,927	4,557,126	5,357	-	4,574,639
6	Less Stable Deposits	1,390,321	10,552,519	8,874	-	10,756,542
7	Other Obligations	2,004,829	34,391,120	10,119,579	461,941	7,834,633
8	Operational deposits	-	-	-	-	-
9	Other Obligations	2,004,829	34,391,120	10,119,579	461,941	7,834,633
10	Liabilities equivalent to interconnected assets					
11	Other Liabilities	2,655,239	1,469,541	-	-	-
12	Derivative liabilities		649,664			
13	All other equity not included in the above categories	2,005,576	1,469,541	-	-	-
14	Available stable funding					38,249,448
Required stable funding						
15	Required stable funding					4,018,358
16	Deposits held at financial institutions for operational purposes	-	-	-	-	-
17	Performing Loans	4,606,077	19,841,775	3,666,261	9,883,441	22,740,064
18	Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	-	150,155	-	-	15,016
19	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	2,006,861	4,243,551	154,216	258,585	2,979,087
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	2,405,851	15,381,132	3,473,351	9,567,769	19,530,196
21	Loans with a risk weight of less than or equal to %35	51,043	1,520,929	229,414	322,067	1,117,693
22	Residential mortgages	193,364	57,769	38,695	56,307	210,518
23	Residential mortgages with a risk weight of less than or equal to %35	193,364	57,769	38,695	56,307	210,518
24	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	9,168	-	780	5,247
25	Assets equivalent to interconnected liabilities					
26	Other Assets	5,552,301	1,509,510	114,581	-	4,462,035
27	Physical traded commodities, including gold	-				-
28	Initial margin posted or given guarantee fund to central counterparty		53,694			45,640
29	Derivative Assets		1,174,110			524,446
30	Derivative Liabilities before the deduction of the variation margin		649,787			64,979
31	Other Assets not included above	3,674,710	1,509,510	114,581	-	3,826,970
32	Off-balance sheet commitments		26,920,707	-	-	1,346,035
33	Total Required stable funding					32,566,492
34	Net Stable Funding Ratio (%)					117.45%

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK
(Continued)

VII. Explanations on Leverage Ratio

Contractual maturity analysis of the Group's derivative instruments:

Not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

Comparison Summary Table of Total Risk and Total Assets Amounts in the Consolidated Financial Statements prepared in accordance with Turkish Accounting Standards.

		31 March 2024 (*)	31 December 2023(*)
1	Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards	70,485,431	69,643,219
2	The difference between total assets prepared in accordance with Turkish Accounting Standards (*) and total assets in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements"	-	-
3	The difference between the amounts of derivative financial instruments and credit derivatives in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	628,853	655,197
4	The difference between the amounts of securities or commodity financing transactions in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	-	-
5	The difference between the amounts of off-balance items in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	(7,134,033)	(5,634,483)
6	Other differences between the amounts in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	44,877,270	36,755,835
7	Total risk amount	108,857,521	101,419,768

(*) Amounts in the table are three-month average amounts.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK
(Continued)

VII. Explanations on Leverage Ratio (Continued)

Comparison Summary Table of Total Risk and Total Assets Amounts in the Consolidated Financial Statements prepared in accordance with Turkish Accounting Standards (Continued)

Explanations about the aspects that cause the difference between the leverage ratios of current and prior years

The Group's leverage ratio is 14.48% calculated in compliance with "Regulation on Measurement and Evaluation of Leverage Levels of Banks" which was not consolidated. (31 December 2023: 13.79%). Increase in the leverage ratio is mainly due to the decrease in total risk. Regulation has been arrived at a decision of the minimum leverage ratio of 3%.

		31 March 2024 (*)	31 December 2023(*)
	Assets in Balance Sheet		
1	On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	70,485,431	69,643,219
2	Assets deducted in determining Tier 1 capital	(275,148)	(248,325)
3	Total on-balance sheet risks (sum of lines 1 and 2) Derivative financial instruments and credit derivatives	70,210,283	69,394,894
	Derivative financial instruments and credit derivatives		
4	Replacement cost associated with all derivative financial instruments and credit derivatives	1,060,115	940,558
5	Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives	628,853	655,197
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5 Securities or commodity financing transactions (SCFT))	1,688,968	1,595,755
	Securities or commodity financing transactions		
7	Risks from SCFT assets of off-balance sheet	-	-
8	Risks from brokerage activities related exposures	-	-
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8) Other off-balance sheet transactions	-	-
	off-balance sheet transactions		
10	Gross notional amounts of off-balance sheet transactions	44,092,303	36,063,602
11	(Adjustments for conversion to credit equivalent amounts)	(7,134,033)	(5,634,483)
12	Total risks of off-balance sheet items (sum of lines 10 and 11) Capital and total risks	36,958,270	30,429,119
	Capital and Total Risk		
13	Tier 1 capital	15,765,147	13,982,880
14	Total risks (sum of lines 3, 6, 9 and 12) Leverage ratio	108,857,521	101,419,768
	Leverage ratio		
15	Leverage ratio (%)	14.48%	13.79%

(*) Amounts in the table are three-month average amounts.

VIII. Fair values of financial assets and liabilities

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

IX. Transactions carried out on behalf of customers and items held in trust

None (31 December 2023: None).

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK
(Continued)

X. Explanations on the Risk Management

a. Risk Management and General Information on Risk Weighted Amount

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. According to the Communiqué these notes have to be presented on a quarterly basis. Due to usage of standard approach for the calculation of capital adequacy by the Parent Bank, the following tables have not been presented as of 31 March 2024.

- RWA flow statements of credit risk exposures under Internal Rating Based (IRB)
- RWA flow statements of CCR exposures under the Internal Model Method (IMM)
- RWA flow statements of market risk exposures under an Internal Model Approach (IMA)

1. The Parent Bank's risk management approach

Bank's risk management approach is defined as creating added value for shareholders, customers and employees in parallel with the Parent Bank general business strategy by increasing the efficiency of Bank activities within the framework of risk-return relationship in accordance with the best practices and legal requirements.

The Risk Strategy and its governance are set by the Board of Directors (the Board). The Board has the ultimate responsibility for the management of all risks assumed and faced by the Parent Bank. The Board manages risk through the Audit & Compliance; Risk; Executive Committees.

While the risk appetite at the Parent Bank is linked to the overall risk management framework and business strategy of the Parent Bank, the update of Risk Appetite statement approved by the Board and monitoring of the Parent Bank's risk profile management are provided within Risk Management Department general responsibility.

Banking risks include in general credit risk, market risk, operational risk, liquidity risk, interest rate risk in banking accounts, concentration risk, country risk, strategic risk and reputation risk and Bank risk appetite is a statement of the limits of these risks.

Risk Appetite monitoring activities are reported to the Board Risk Committee and Audit Committee. In case of any Risk Appetite threshold breach occurs, it is ensured that the risk management treatment and business controls are implemented to bring the exposure levels for each metric back within an acceptable range as approved by the BOD. Issues related to Bank's work programs and business objectives are discussed in the Board Risk Committee, and necessary acknowledgment, monitoring and approval processes are performed herein.

Practices of defining, measuring with analytical methods, analyzing, reporting risks and regularly monitoring the general risk levels in order to ensure systematical management of incurred consolidated and unconsolidated-based risks of the Parent Bank and its affiliates are performed.

The Parent Bank identifies, measures, assesses, monitors the risks it is exposed to by way of using internationally recognised quantitative and analytical techniques found suitable for the Parent Bank in particular, and reports related results to the Top Management. The Parent Bank also monitors the compliance of credit facilities and treasury operations etc. with the Parent Bank's risk policies, administers internal reporting and monitors the results on a regular basis.

The Parent Bank adopts an integrated approach to stress-testing and conduct stress tests on a bank-wide basis and on a consolidated basis where applicable, providing a spectrum of perspectives at portfolio and risk-specific levels.

Stress tests are conducted for key risk factors within Market Risk, Credit Risk, Operational Risk, Structural Interest Rate Risk, Concentration Risk and Liquidity Risk areas and other risks if deem material level and the impact of stress is measured on the Parent Bank's solvency and liquidity.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK
(Continued)

X. Explanations on the Risk Management (Continued)

a. Risk Management and General Information on Risk Weighted Amount (Continued)

1. The Parent Bank's risk management approach (Continued)

Risk management model has 3 level protection strategy designed with the purpose of efficient management of the risks:

1. Protection Level (Risk-taking departments): All business units of the Parent Bank which are directly responsible from controlling and reducing to minimum levels the risks resulting from the activities conducted by each one of the units as per the Parent Bank standards and policies.
2. Protection Level (Risk Management): Risk Management Department which is responsible from developing risk management methodologies, instruments and guidances to be used in managing risks and the principal responsible of presenting such documents to the usage of related people. Risk Management Department is supported by specialized departments in terms of risk management such as Internal Control, Compliance, Legal, Human Resources, Information Technologies, and Financial Control. Furthermore, risk watching does also belong to this protection level in addition to provide assistance to determine the risk reducing actions.
3. Protection Level (Internal Audit), Responsibility of assessment for effectiveness and compliance of risk management framework and application of it in the whole organization belongs to Internal Audit.

2. Overview of Risk Weighted Amount

		Risk Weighted Amount		Minimum capital requirement
		31 March 2024	31 December 2023	31 March 2024
1	Credit risk (excluding counterparty credit risk) (CCR)	54,101,881	43,865,533	4,328,151
2	Standardised approach (SA)	54,101,881	43,865,533	4,328,151
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	1,418,481	1,872,181	113,478
	Standardised approach for counterparty credit risk (SA-CCR)	1,418,481	1,872,181	113,478
6	Internal model method (IMM)	-	-	-
7	Basic risk weight approach to internal models equity position in the Parent Banking account	-	-	-
8	Investments made in collective investment companies – look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach	-	-	-
10	Investments made in collective investment companies - 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRBratings-based approach (RBA)	-	-	-
14	IRB Supervisory Formula Approach (SFA)	-	-	-
15	SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	1,773,950	1,678,388	141,916
17	Standardised approach (SA)	1,773,950	1,678,388	141,916
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	4,411,563	2,470,016	352,925
20	Basic Indicator Approach	4,411,563	2,470,016	352,925
21	Standard Approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	61,705,875	49,886,118	4,936,470

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK
(Continued)

X. Explanations on the Risk Management (Continued)

b. Explanations on linkages between financial statements and risk amounts

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

c. Explanations on credit risk

1. Credit Quality of Assets

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

2. Changes In Stock of Defaulted Loans And Debt Securities

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

3. Credit Risk Mitigation Techniques

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

4. Consolidated Credit Risk Exposure and Credit Risk Mitigation Techniques

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

5. Consolidated Exposures by Asset Classes and Risk Weights

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

d. Explanations on counterparty credit risk

1. Consolidated Counterparty Credit Risk (CCR) Approach Analysis

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

2. Consolidated Capital Requirement for Credit Valuation Adjustment (CVA)

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

3. CCR Exposures by Risk Class and Risk Weights

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

4. Collaterals for Consolidated CCR

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

5. Credit Derivatives

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

6. Central counterparty risks (CCR):

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK
(Continued)

X. Explanations on the Risk Management (Continued)

e. Explanations on market risk

1. Consolidated Market Risk -Standard Approach

		RWA (current period)	RWA (prior period)
	Outright products		
1	Interest rate risk (general and specific)	128,450	130,800
2	Equity risk (general and specific)	-	-
3	Foreign exchange risk	1,542,637	1,500,738
4	Commodity risk	-	-
	Options	-	-
5	Simplified approach	-	-
6	Delta-plus method	102,863	46,850
7	Scenario approach	-	-
8	Securitisation	-	-
9	Total	1,773,950	1,678,388

f. Explanations on operational risk

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

g. Explanations on banking book interest rate risk

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

h. Explanations on -credit risk mitigation techniques

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

i. Explanations on risk management objectives and policies

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

XI. Explanation on Hedge Accounting

Starting from 24 March 2014, the Parent Bank has hedged the fair value effects of changes in libor interest rates, fixed interest rate with maturity 5 years funding by using interest rate swap. The nominal value of interest rate swap is TL 55,000 with maturity 5 years respectively.

As of 24 March 2019, the difference of TL 379 resulting from the changes in the fair values of the loans that are subject to fair value hedge accounting has been amortized until 25 December 2023.

The Parent Bank evaluates the method of hedge whether to be effective on the expected changes in fair values in this process or not or each result of hedge effectiveness whether to be between the range of 80% and 125%.

Changes in fair values of derivative transactions determined as hedge for fair value are recorded in profit or loss together with changes in hedging asset or liability. The difference in current values of derivative transactions fair value hedge is shown in "Trading Gains/Losses on derivative financial instruments" account. In the balance sheet, change in fair value of hedge asset or liability during the hedge accounting to be effective is shown with the related asset or liability. If the underlying hedge does not conform to the hedge accounting requirements, according to the adjustments made to the carrying value (amortised cost) of the hedged item, for which the risk is hedged by a portfolio hedge, are amortized with the straight line method within the time to maturity and recognized under the "Trading Gains/Losses on derivative financial instruments" account.

The Parent Bank applies cash flow hedge accounting using interest rate swaps to hedge its TL and FC deposits with short term cyclical basis. The Parent Bank implements effectiveness tests at the balance sheet dates for hedge accounting; the effective parts are accounted as defined in TAS 39, in financial statements under equity "Hedging reserves", whereas the amount concerning ineffective part is associated with income statement.

Alternative Financial Lease applies cash flow hedge accounting in accordance with TAS 39 through currency swap transactions in the derivatives portfolio in order to hedge their foreign currency finance lease receivables from the cash flow risk arising from changes in the exchange rate. Finance lease receivables in foreign currency in the company's current portfolio are designated as "hedging items" and currency swap transactions are designated as "hedging instruments". The Company applies effectiveness tests for cash flow hedge accounting at each balance sheet date, the active parts are accounted under equity in the financial statements as "Accumulated Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss" as defined in TAS 39, and the amount related to the ineffective part is accounted for associated with the income statement.

Derivative financial instruments which used as hedging instruments in Cash Flow Hedge accounting are swap interest transactions. Those derivative financial instruments are summarized in the following table:

	31 March 2024			31 December 2023		
	Principal Amount (*)	Asset	Liability	Principal Amount (*)	Asset	Liability
Derivative financial instruments						
Interest rate swaps	-	4,709	-	800,000	17,462	12,891
Total	-	4,709	-	800,000	17,462	12,891

(*) The sum of purchase and sale legs of the transactions.

In cash flow hedge accounting, when the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked; the hedging gains and losses that were previously recognized under equity are transferred to profit or loss when the cash flows of the hedged items are realized.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

SECTION FIVE

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Notes on Assets

a. Information on Cash and Balances with the Central Bank of Republic of Turkey ("CBRT")

1. Information on cash and the account of the CBRT

	31 March 2024		31 December 2023	
	TL	FC	TL	FC
Cash/Foreign Currency	52,196	308,819	54,515	314,904
CBRT	1,109,849	7,949,573	2,620,239	6,887,477
Other	-	8,169	1,764	20,648
Total	1,162,045	8,266,561	2,676,518	7,223,029

2. Information on the account of the CBRT

	31 March 2024		31 December 2023	
	TL	FC	TL	FC
Demand Unrestricted Amount (*)	740,972	3,752,300	2,337,679	3,857,784
Time Unrestricted Amount	-	-	-	-
Reserve Requirement	368,877	4,197,273	282,560	3,029,693
Total	1,109,849	7,949,573	2,620,239	6,887,477

(*) The reserve requirement hold as average has been classified under "Central Bank Demand Unrestricted Account" pursuant to the correspondence with BRSA as of 3 January 2008.

3. Information on reserve requirements

According to the CBRT's communique No. 2013/15 on Required Reserves, required reserves are established at the CBRT for Turkish currency and foreign currency liabilities. Required Reserves can be kept in Turkish Lira, USD, EUR and standard gold in accordance with the "Communique on Required Reserves" at the CBRT. According to the Communique on Required Reserves published in the Official Gazette dated 31.12.2022 and numbered 32060, the possibility of establishing Turkish Lira required reserves in gold was terminated as of 23 June 2023.

As of 31 March 2024, the Turkish lira required reserve ratios are determined to be within the range of 0% - 8% depending on the maturity structure of deposits denominated in Turkish Lira (31 December 2023: 0% - 8%), and other foreign currency liabilities within the range of 5% - 30% (31 December 2023: 5% - 30%).

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

As of 31 March 2024, the Parent Bank have no financial assets at fair value through profit/loss subject to repo transactions (31 December 2023: None) and have no financial assets at fair value through profit and loss given as collateral/blocked amount (31 December 2023: None).

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes on Assets (Continued)

c. Positive differences related to derivative financial assets

	31 March 2024 (*)		31 December 2023	
	TL	FC	TL	FC
Forward Transactions	13,862	6,125	45,159	15,224
Swap Transactions	177,145	779,788	184,329	867,536
Options	331,023	64,695	68,553	38,990
Total	522,030	850,608	298,041	921,750

(*) Hedging derivative financial assets are excluded

d. Information on banks

1. Information on banks

	31 March 2024		31 December 2023	
	TL	FC	TL	FC
Banks				
Domestic	598,269	474,396	36,847	978,796
Foreign	-	3,137,280	-	1,939,220
Total	598,269	3,611,676	36,847	2,918,016

2. Information on foreign banks:

Not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

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

As of 31 March 2024, financial assets at fair value through other comprehensive income given as collateral/blocked are amounting to TL 1,151,315 (31 December 2023: TL 902,801). As of 31 March 2024, financial assets at fair value through other comprehensive income those subject to repurchase agreements TL 3,331,590 (31 December 2023: TL 2,991,397). As of 31 March 2024, the share certificates amounted to TL 14,542 (31 December 2023: TL 14,542).

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

	31 March 2024	31 December 2023
Debt Securities	7,599,042	7,211,226
Quoted on Stock Exchange	7,599,042	7,211,226
Not Quoted	-	-
Share Certificates	14,542	14,542
Quoted on Stock Exchange	1	1
Not Quoted	14,541	14,541
Impairment Provision (-)	379,756	404,032
Total	7,233,828	6,821,736

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes on Assets (Continued)

g. Explanations on loans

1. Information on all types of loan or advance balances given to shareholders and employees of the Parent Bank

	31 March 2024		31 December 2023	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted To Shareholders	-	4,030	-	3,742
Corporate Shareholders	-	4,030	-	3,742
Real Person Shareholders	-	-	-	-
Indirect Loans Granted To Shareholders	833	607	771	1,607
Loans Granted To Employees	18,848	-	15,930	-
Total	19,681	4,637	16,701	5,349

2. Information on the first and second group loans and other receivables including loans that have been restructured or rescheduled and other receivables

Current Period		Loans Under Close Monitoring		
		Loans Not Subject to restructuring	Restructured Loans	
			Amendments on Conditions of Contract	Refinancing
Cash Loans (*)	Standard Loans			
Non-Specialized Loans	27,321,386	1,304,247	2,574,601	-
Corporate Loans	-	-	-	-
Export Loans	7,099,859	39,985	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	2,564,368	-	-	-
Consumer Loans	298,797	1,945	73	-
Credit Cards	54,259	2,447	-	-
Other	17,304,103	1,259,870	2,574,528	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	27,321,386	1,304,247	2,574,601	-

(*) Standard and closely monitored leasing receivables amounting to TL 3,874,298 and TL 193,167 are not included.

Prior Period		Loans Under Close Monitoring		
		Loans Not Subject to restructuring	Restructured Loans	
			Amendments on Conditions of Contract	Refinancing
Cash Loans (*)	Standard Loans			
Non-Specialized Loans	24,847,476	4,006,788	2,157,232	-
Corporate Loans	-	-	-	-
Export Loans	5,164,371	19,927	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	3,750,123	-	-	-
Consumer Loans	262,222	7,350	88	-
Credit Cards	61,158	5,387	-	-
Other	15,609,602	3,974,124	2,157,144	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	24,847,476	4,006,788	2,157,232	-

(*) Standard and closely monitored leasing receivables amounting to TL 3,764,658 and TL 162,174 are not included.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes on Assets (Continued)

g. Explanations on loans (Continued)

2. Information on the first and second group loans and other receivables including loans that have been restructured or rescheduled and other receivables (Continued)

Current Period (*)

	Standard Loans	Loans Under Close Monitoring
12 Month Expected Credit Losses	185,348	-
Significant Increase in Credit Risk	-	622,618

(*) Expected loss provision amounting to TL 1,967 calculated for financial assets measured at amortized cost is not included.

Prior Period (*)

	Standard Loans	Loans Under Close Monitoring
12 Month Expected Credit Losses	68,009	-
Significant Increase in Credit Risk	-	915,033

(*) Expected loss provision amounting to TL 1,931 calculated for financial assets measured at amortized cost is not included.

3. Loans according to their maturity structure

Not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes on Assets (Continued)

g. Explanations on loans (Continued)

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

	Short-term	Medium and Long-term	Total
Consumer Loans-TL	81,325	190,402	271,727
Real Estate Loans	-	35,712	35,712
Automotive Loans	23	2,092	2,115
Consumer Loans	81,302	152,598	233,900
Other	-	-	-
Consumer Loans-FC Indexed	-	-	-
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	17,827	-	17,827
With Installments	2,229	-	2,229
Without Installments	15,598	-	15,598
Individual Credit Cards- FC	367	-	367
With Installments	-	-	-
Without Installments	367	-	367
Personnel Loans-TL	3,650	13,409	17,059
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	3,650	13,409	17,059
Other	-	-	-
Personnel Loans-FC Indexed	-	-	-
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	1,521	-	1,521
With Installments	237	-	237
Without Installments	1,284	-	1,284
Personnel Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Credit Deposit Account-TL (Individuals) (*)	12,029	-	12,029
Credit Deposit Account-FC (Individuals)	-	-	-
Total	116,719	203,811	320,530

(*) TL 268 of the credit deposit account consists of loans extended to personnel.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes on Assets (Continued)

g. Explanations on loans (Continued)

5. Information on commercial installment loans and corporate credit cards

	Short-term	Medium and long-term	Total
Commercial Loans With Installments-TL	121,967	2,176,654	2,298,621
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	121,967	2,176,654	2,298,621
Other	-	-	-
Commercial Loans With Installment-FC Indexed	-	36,305	36,305
Real Estate Loans	-	36,305	36,305
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Loans With Installment-FC	-	2,240,811	2,240,811
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	2,240,811	2,240,811
Other	-	-	-
Corporate Credit Cards-TL	36,380	18	36,398
With Installment	622	18	640
Without Installment	35,758	-	35,758
Corporate Credit Cards-FC	593	-	593
With Installment	-	-	-
Without Installment	593	-	593
Overdraft Accounts – TL(Corporate)	87,134	-	87,134
Overdraft Accounts – FC (Corporate)	-	-	-
Total	246,074	4,453,788	4,699,862

6. Loans according to types of borrowers

Not prepared in compliance with the article 25 of the communiqué “financial statements and related disclosures and footnotes to be announced to public by banks”.

7. Distribution of domestic and foreign loans

Related loans are classified according to the location of the customers.

	31 March 2024	31 December 2023
Domestic Loans	31,199,681	31,010,720
Foreign Loans	553	776
Total	31,200,234	31,011,496

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes on Assets (Continued)

g. Explanations on loans (Continued)

8. Loans given to investments in associates and subsidiaries

As of 31 March 2024, there are no loans granted to associates and subsidiaries amount (31 December 2023: None).

9. Information on specific provisions provided against loans or provisions for default (Stage 3)

	31 March 2024	31 December 2023
Loans with Limited Collectability	31,058	25,285
Loans with Doubtful Collectability	5,405	9,566
Uncollectible Loans	411,576	428,253
Total	448,039	463,104

10. Information on non-performing loans (Net)

(i). Information on non-performing loans restructured or rescheduled and other receivables

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
31 March 2024			
Gross Amounts Before Provisions	-	1,026	54,607
Restructured Loans	-	1,026	54,607
31 December 2023			
Gross Amounts Before Provisions	-	-	61,766
Restructured Loans	-	-	61,766

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
31 December 2023	57,558	57,681	456,735
Addition (+)	39,290	11,902	12,360
Transfers from Other Categories of Non-performing Loans (+)	-	1,019	10,503
Transfers to Other Categories of Non-performing Loans (-)	(1,019)	(10,503)	-
Collections (-)	(19,035)	(1,170)	(46,214)
Write-offs (-)	-	-	-
Sold Portfolio	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
31 March 2024 (*)	76,794	58,929	433,384
Specific Provision (-)	31,058	5,405	411,576
Net Balance on Balance Sheet	45,736	53,524	21,808

(*) Financial lease receivables amounting to TL 162,109 are included.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes on Assets (Continued)

g. Explanations on loans (Continued)

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

(iii). Information on non-performing loans granted as foreign currency loans

The Group has no non-performing loans denominated in foreign currency loans as at the balance sheet date (31 December 2023: None).

(iv). Information on non-performing loans based on types of borrowers

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
31 March 2024 (Net)	45,736	53,524	21,808
Loans to Real Persons and Legal Entities (Gross)	76,794	58,929	433,384
Specific Provision Amount (-)	31,058	5,405	411,576
Loans to Real Persons and Legal Entities (Net)	45,736	53,524	21,808
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
31 December 2023 (Net)	32,273	48,115	28,482
Loans to Real Persons and Legal Entities (Gross)	57,558	57,681	456,735
Specific Provision Amount (-)	25,285	9,566	428,253
Loans to Real Persons and Legal Entities (Net)	32,273	48,115	28,482
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

(v). Information on interest accruals, rediscounts, valuation differences and their equivalents calculated for non-performing loans in accordance with TFRS 9

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
Current Period (Net)	-	-	-
Interest accruals and valuation differences	-	-	54,136
Provision (-)	-	-	(54,136)
Prior Period (Net)	-	-	-
Interest accruals and valuation differences	-	-	51,944
Provision (-)	-	-	(51,944)

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes on Assets (Continued)

g. Explanations on loans (Continued)

11. Explanation on liquidation policy for uncollectible loan and receivable

Not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

12. Explanations on write-off policy

Not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

h. Information on financial assets measured at amortised cost

1. Information on financial assets subject to repurchase agreements and those given as collateral/blocked

(i) Financial assets measured at amortised cost

As of 31 March 2024 there are financial assets measured at amortised cost given as collateral amounting to TL 9,652,044 (31 December 2023: TL 9,601,665).

	31 March 2024		31 December 2023	
	TL	FC	TL	FC
Given as collateral/blocked	703,252	2,304,839	640,363	2,908,905
Subject to repurchase agreements	-	5,207,826	-	5,163,862
Other	863,021	573,106	888,535	-
Total	1,566,273	8,085,771	1,528,898	8,072,767

2. Information on debt securities measured at amortised cost

	31 March 2024	31 December 2023
Government Bonds	8,085,771	8,072,767
Treasury Bills	1,532,719	1,447,818
Other Government Debt Securities	-	-
Total	9,618,490	9,520,585

3. Information on financial assets measured at amortised cost

	31 March 2024	31 December 2023
Debt Securities	9,652,044	9,601,665
Quoted to Stock Exchange	9,652,044	9,601,665
Not Quoted to Stock Exchange	-	-
Impairment Provision (-)	-	-
Total	9,652,044	9,601,665

4. Movement of financial assets measured at amortised cost

	31 March 2024	31 December 2023
Balance at the Beginning of the Period	9,601,665	7,007,615
Foreign Currency Differences on Monetary Assets	845,282	3,814,210
Purchases	25,000	2,041,292
Disposals Through Sales and Redemptions(*)	(819,903)	(3,261,452)
Impairment Provision (-)	-	-
Balance at the End of the Period	9,652,044	9,601,665

(*) Includes nondecisive financial asset sales.

i. Information on investments in associates (Net)

Group has no associates as of 31 March 2024 (31 December 2023: None).

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes on Assets (Continued)

j. Information on subsidiaries (Net)

1. Information on shareholders' equity of the significant subsidiaries

There is no deficit of regulatory limits on capital structure of the subsidiaries which are included in the consolidated capital adequacy ratio calculation in accordance with the capital adequacy ratio limits.

2. Information on unconsolidated subsidiaries

There is no unconsolidated subsidiary (31 December 2023: None).

3. Information on consolidated subsidiaries

No	Title	Address (City/ Country)	Bank's share percentage, if different voting percentage (%)	Bank's Risk Group Share (%)
1	Alternatif Yatırım Menkul Değerler A.Ş.	İstanbul/Türkiye	100.00	100.00
2	Alternatif Finansal Kiralama A.Ş.	İstanbul/Türkiye	99.99	99.99

Main financial figures of the consolidated subsidiaries in the order of the above table

No	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss (**)	Fair Value
1(*)	602,985	90,957	13,832	22,923	7,871	(90)	5,079	-
2(*)	4,538,017	477,118	156,563	217,393	-	8,687	9,322	-

(*) The above mentioned subsidiaries' financial data are taken from the financial statements prepared for the BRSA consolidation as of 31 March 2024.

(**) These balances represents data of 31 March 2023.

Information about equity component of the consolidated subsidiaries:

	Alternatif Finansal Kiralama A.Ş.	Alternatif Yatırım Menkul Değerler A.Ş.
TIER I Capital	400,999	90,471
Paid-in Capital	200,000	67,000
Capital Reserves	155,597	10,735
Current and Prior Period Net Profit	47,981	(90)
Current and Prior Period Net (Loss)	-	15,096
Intangible Assets (-)	2,579	2,270
TIER II Capital	-	-
Deduction from Capital	-	-
Net Usable Capital	400,999	90,471

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes on Assets (Continued)

j. Information on subsidiaries (Net) (Continued)

4. The movement of the subsidiaries

	31 March 2024	31 December 2023
Balance at the beginning of the period	340,580	325,580
Movements during the period	-	15,000
Purchases (*)(**)	-	32,338
Transfers	-	-
Bonus Shares Obtained	-	-
Share in Current Year Income	-	-
Sales	-	(17,338)
Revaluation (Decrease) / Increase	-	-
Provision for Impairment	-	-
Balance at the End of the Period	340,580	340,580
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*) According to the Extraordinary General Assembly decision made on 22 June 2023, the paid capital of Alternatif Yatırım Menkul Değerler A.Ş. was increased by TL 49,300, TL 15,000 in cash, TL 34,300 from internal resources and its paid in capital to TL 67,000.

(**) 17,338 TL based on the receivables of a loan customer on 13 September 2023. Amount of shares were taken over and the date was 10 October 2023 has been transferred as of.

5. Sectoral information on financial subsidiaries and the related carrying amounts

Subsidiaries	31 March 2024	31 December 2023
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	292,165	292,165
Finance Companies	-	-
Other Financial Subsidiaries	48,415	48,415

6. Quoted subsidiaries

None (31 December 2023: None).

k. Information on joint ventures

There are no joint ventures (31 December 2023: None).

l. Information on finance lease receivables (Net)

Finance lease receivable of the Group is amounting to TL 4,229,574 (31 December 2023: TL 4,099,871).

m. Information on hedging derivative financial assets

	31 March 2024		31 December 2023	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	4,709	-	17,462	-
Net Investment Hedge in a foreign operation	-	-	-	-
Total	4,709	-	17,462	-

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes on Assets (Continued)

n. Tangible assets

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

o. Intangible assets

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

p. Information on investment property

There is no investment property as of 31 March 2024 (31 December 2023: None).

q. Explanations about deferred tax asset

As of 31 March 2024, the Group has deferred tax asset amounting to TL 446,865 (31 December 2023: TL 461,718 deferred tax asset) in the financial statements.

As of 31 March 2024 and 31 December 2023, the details of temporary differences and deferred tax assets and liabilities are presented below:

	31 March 2024		31 December 2023	
	Tax Base	Deferred Tax Amount	Tax Base	Deferred Tax Amount
Deferred Tax Asset / (Liability)				
Tangible Assets Base Differences	817,430	245,229	721,138	216,733
Provisions	1,120,543	336,245	1,716,626	515,038
Valuation of Financial Assets	(614,224)	(184,267)	(1,013,076)	(302,005)
Commission Deferral	49,037	14,711	22,700	6,810
Financial Losses (*)	90,020	27,006	73,535	22,061
Other	24,861	7,941	10,240	3,081
Net Deferred Tax Assets		446,865		461,718

(*) Includes tax assets calculated from financial losses. Deferred tax asset calculated from movable losses is calculated from financial losses for financial year of 2022. Since the subsidiary included in consolidation, plans to generate sufficient taxable income to offset these amounts in the future, a total of TL 27,006 has been reflected in its deferred tax assets. (31 December 2023: Deferred tax asset calculated from movable losses is calculated from financial losses for financial year of 2022. Since the Bank plans to generate sufficient taxable income to offset these amounts in the future, a total of TL 22,061 has been reflected in its deferred tax assets).

	1 January -31 March 2024	1 January -31 March 2023
1 January Net Deferred Tax Asset/(Liability)	461,718	161,003
Deferred Tax (Expense)/Income	47,470	(19,979)
Deferred tax recognized in other comprehensive income	(62,323)	(63,063)
Net Deferred Tax Asset/(Liability)	446,865	77,961

r. Movement of assets held for resale and discontinued operations

	31 March 2024	31 December 2023
Beginning of the period	525,885	487,833
Disposals (-)	(20,866)	(87,495)
Additions	-	125,547
Current period depreciation (-)	-	-
Impairment provision addition/ return (-)	-	-
End of the Period	505,019	525,885

s. Information on other assets

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes on Liabilities

a. Information on deposits

1. Information on maturity structure of deposits/the funds collected

(i) 31 March 2024:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months -1 year	1 year and over	Accumulated Deposits	Total
Saving Deposits	549,034	-	4,254,112	2,017,865	1,443,454	251,750	18,697	-	8,534,912
Foreign Currency Deposits	3,475,043	-	2,446,574	5,298,116	33,788	14,105	36,909	-	11,304,535
Residents in Turkey	3,364,366	-	2,381,163	5,157,067	30,936	14,105	36,909	-	10,984,546
Residents Abroad	110,677	-	65,411	141,049	2,852	-	-	-	319,989
Public Sector Deposits	60,384	-	-	-	-	-	-	-	60,384
Commercial Deposits	423,965	-	1,707,675	815,592	563,772	158	230,343	-	3,741,505
Other Institutions Deposits	6,141	-	5,322	4,053	32	-	-	-	15,548
Precious Metal Deposits	227,628	-	179,561	372,750	56,482	9,861	-	-	846,282
Bank Deposits	108,238	-	86,349	108,878	78,561	-	-	-	382,026
The CBRT	59,957	-	-	-	-	-	-	-	59,957
Domestic Banks	87	-	-	-	-	-	-	-	87
Foreign Banks	48,194	-	86,349	108,878	78,561	-	-	-	321,982
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	4,850,433	-	8,679,593	8,617,254	2,176,089	275,874	285,949	-	24,885,192

(ii). 31 December 2023:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months -1 year	1 year and over	Accumulated Deposits	Total
Saving Deposits	626,976	-	4,657,950	4,598,460	1,487,632	199,527	27,087	-	11,597,632
Foreign Currency Deposits	2,346,969	-	1,778,435	2,984,536	68,344	15,602	48,138	-	7,242,024
Residents in Turkey	2,252,306	-	1,768,701	2,843,429	68,135	15,602	31,726	-	6,979,899
Residents Abroad	94,663	-	9,734	141,107	209	-	16,412	-	262,125
Public Sector Deposits	25,994	-	-	-	-	-	-	-	25,994
Commercial Deposits	401,462	-	982,862	2,359,797	690,500	154	219,835	-	4,654,610
Other Institutions Deposits	3,122	-	3,961	13,506	29	-	-	-	20,618
Precious Metal Deposits	196,530	-	135,272	307,074	28,224	6,151	20,654	-	693,905
Bank Deposits	23,222	-	395,639	267,085	-	-	-	-	685,946
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	138	-	-	-	-	-	-	-	138
Foreign Banks	23,084	-	395,639	267,085	-	-	-	-	685,808
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	3,624,275	-	7,954,119	10,530,458	2,274,729	221,434	315,714	-	24,920,729

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes on Liabilities (Continued)

a. Information on deposits (Continued)

2. Information on saving deposits insurance

- (i). Information on saving deposits under the guarantee of the saving deposits insurance fund and exceeding the limit of deposit insurance fund

	Under the Guarantee of Deposit Insurance		Exceeding Limit of the Deposit Insurance	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Saving Deposits				
Saving Deposits	4,595,402	3,780,601	3,943,484	7,821,858
Foreign Currency Savings Deposit	1,740,190	996,163	4,839,924	4,092,017
Other Deposits in the Form of Savings Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	-	-	-	-

3. The explanation of if the centrally located bank's savings deposits held at its branch in Turkey and the special current accounts of individuals that are not subject to commercial transactions are covered by insurance in the country where the headquarters is located, this should be disclosed

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

4. Saving deposits which are not under the guarantee of saving deposit insurance fund

	31 March 2024	31 December 2023
Deposits and Other Accounts in Foreign Branches	-	-
Deposits and Other Accounts of Main Shareholders and their Families	-	-
Deposits and Other Accounts of President of Board of Directors, Members of Board of Directors, Vice General Managers and Their Families	38,082	63,804
Deposits and Other Accounts of Property Assets Value due to Crime which is in the Scope of Article 282 of Numbered 5237 "TCL" Dated 26/9/2004	-	-
Deposits in Banks Incorporated in Turkey Exclusively for Off-shore Banking Operations	-	-

b. Table of negative differences for trading derivative financial liabilities

1. Information on derivative financial liabilities

	31 March 2024 (*)		31 December 2023 (*)	
	TL	FC	TL	FC
Forward Transactions	29,764	13,424	16,802	2,372
Swap Transactions	166,310	228,032	126,987	478,666
Futures Transactions	-	-	-	-
Options	218,399	63,981	37,839	30,772
Total	414,473	305,437	181,628	511,810

(*) Derivative financial liabilities for hedging purpose are excluded.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes on Liabilities (Continued)

c. Information on banks and other financial institutions

1. General information on banks and other financial institutions

	31 March 2024		31 December 2023	
	TL	FC	TL	FC
The CBRT Borrowings	-	118,033	-	109,305
From Domestic Banks and Institutions	1,134,472	1,613,722	660,131	1,098,785
From Foreign Banks, Institutions and Funds	5,505	17,731,517	5,103	17,972,036
Total	1,139,977	19,463,272	665,234	19,180,126

2. Information on maturity profile of borrowings

	31 March 2024		31 December 2023	
	TL	FC	TL	FC
Short-term	888,178	3,235,254	559,098	1,618,860
Medium and Long-term	251,799	16,228,018	106,136	17,561,266
Total	1,139,977	19,463,272	665,234	19,180,126

3. Disclosures for concentration areas of bank's liabilities

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

d. Information on other foreign liabilities

Other foreign liabilities amounting to TL 953,007 are included in "Other Liabilities" (31 December 2023: TL 760,211) and do not exceed 10% of the total balance sheet.

e. Information on financial lease agreements

i) Explanations on liabilities arising from financial leasing transactions:

	31 March 2024		31 December 2023	
	Gross	Net	Gross	Net
Less than 1 year	4,258	1,810	8,740	3,586
1-4 year	9,013	3,832	14,693	6,029
More than 4 year	9,430	4,010	15,725	6,452
Total	22,701	9,652	39,158	16,067

f. Information on hedging derivative financial liabilities

	31 March 2024		31 December 2023	
	TL	FC	TL	FC
Fair Value Hedges	-	-	-	-
Cash Flow Hedges (*)	-	-	12,891	-
Foreign Currency Investment Hedges	-	-	-	-
Total	-	-	12,891	-

(*) Explained in Section Four Footnote Number XI.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes on Liabilities (Continued)

g. Information on provisions

1. Provisions for employee benefits

In accordance with Turkish Labor Law, the reserve for employment termination benefits is calculated as the present value of the probable future obligation in case of the retirement of employees. TAS 19 necessitates actuarial validation methods to calculate the liabilities of enterprises.

As of 31 March 2024, in accordance with the revised TAS 19 Standard, Actuarial loss has recognized under the equity, amount of after deferred tax TL 7,927 (31 March 2023: TL 16,347 loss).

The following actuarial assumptions were used in the calculation of total liabilities.

	31 March 2024	31 December 2023
Discount Rate (%)	1.93	1.93
Possible Retirement Rate (%)	86.67	86.67

The principal actuarial assumption is that the maximum liability will increase in line with inflation.

As of 31 March 2024, The Group has provision for employee termination benefits amount of 31,864 (31 December 2023: TL 23,618), provision of unused vacation amount of TL 17,696 (31 December 2023: TL 12,125).

2. Information on Provisions Related with the Foreign Currency Difference of Foreign Currency Indexed Loans

As of 31 March 2024, there is no provision related to the foreign currency difference of foreign currency indexed loans (31 December 2023: None). When the provision related to the foreign currency difference of foreign currency indexed loans occurs, these amounts are netted with loans in the financial statements.

3. Provisions for non-cash loans that are not indemnified or converted into cash

	31 March 2024	31 December 2023
Provisions for Unindemnified Non-cash Loan	152,928	120,123
Bonus Provision	35,726	80,496
Provision for Litigation and Claims	68,770	62,072
Other	4,079	2,558
Total	261,503	265,249

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes on Liabilities (Continued)

h. Explanations on Tax Liabilities

1. Information on current tax liability

As of 31 March 2024, the current tax liability is TL 257,877 (31 December 2023: TL 215,227).

(i) Information on taxes payable

	31 March 2024	31 December 2023
Corporate Tax Payable	257,877	215,227
Tax on Securities Income	30,050	26,094
Banking Insurance Transaction Tax (BITT)	39,726	45,324
Tax on Real Estate	776	762
Value Added Tax Payable	996	3,355
Other	28,676	13,660
Total	358,101	304,422

(ii) Information on premium payables

	31 March 2024	31 December 2023
Social Security Premiums - Employee	13,450	9,690
Social Security Premiums - Employer	14,946	10,726
Bank Pension Fund Premiums - Employee	-	-
Bank Pension Fund Premiums - Employer	-	-
Pension Fund Deposit and Provisions - Employee	-	-
Pension Fund Deposit and Provisions - Employer	-	-
Unemployment Insurance - Employee	956	750
Unemployment Insurance - Employer	1,911	1,349
Other	7,659	5,422
Total	38,922	27,937

2. Deferred tax liability

None (31 December 2023: None).

i. Liabilities for assets held for sale and assets of discontinued operations

Not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

j. Subordinated debts

Not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes on Liabilities (Continued)

k. Information on shareholders' equity

1. Presentation of paid-in capital (As of nominal; non-adjusted amounts according to inflation)

	31 March 2024	31 December 2023
Common Stock (*)	2,213,740	2,213,740
Preferred Stock	-	-

(*) It refers to the nominal capital.

2. Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share capital ceiling (As of nominal; non-adjusted amounts according to inflation):

The Parent Bank applies registered share capital system. The Parent Bank's registered capital is TL 4,000,000,000 (Four billion Turkish Liras) and all are divided into 4.000.000.000 shares in the name of the holder with a nominal value of TL 1,00 (one Turkish Lira).

3. Information about the share capital increases and their sources in the current period: None.

4. Information on additions from revaluation reserves to capital in the current period: None.

5. Information on capital increases from capital reserves during the current period: None.

6. Information on prior period's indicators on the Group's income, profitability and liquidity, and possible effects of these future assumptions on the Group's equity due to uncertainties of these indicators

The interest, liquidity, and foreign exchange risk on on-balance sheet and off-balance sheet assets and liabilities are managed by the Parent Bank within several risk limits and legal limits.

7. Information on privileges given to shares representing the capital: None.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes on Liabilities (Continued)

k. Information on shareholders' equity (Continued)

8. Information on marketable securities valuation reserve

	31 March 2024		31 December 2023	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(442,180)	(141,940)	(242,680)	(117,344)
Foreign Currency Difference	-	-	-	-
Total	(442,180)	(141,940)	(242,680)	(117,344)

9. Information on other capital reserves

None.

l. Information on minority interests

	31 March 2024	31 December 2023
Balance at the Beginning of the Period	23	19
Current Year Income	2	4
Dividends Paid	-	-
Purchase from Minority Interests	-	-
Other	-	-
Balance at the End of the Period	25	23

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and Notes on Off-Balance Sheet Accounts

a. Information on off balance sheet commitments

1. The amount and type of irrevocable commitments

According to Direct Debiting System, there is TL 743,992 irrevocable loan commitments as of 31 March 2024 (31 December 2023: TL: 628,087).

2. Type and amount of probable losses and obligations arising from off-balance sheet items

There are no probable losses and obligations arising from off-balance sheet items. Obligations arising from off-balance sheet are disclosed in "Off-Balance Sheet Commitments".

(i). Non-cash loans including guarantees, the Parent Bank avalized and acceptance loans, collaterals that are accepted as financial guarantees and other letters of credit

	31 March 2024	31 December 2023
Letter of Credits	4,744,084	4,577,760
Bank Acceptance Loans	314,390	321,825
Guarantees and Collaterals	1,150,201	912,083
Total	6,208,675	5,811,668

(ii). Guarantees, sureties and other similar guarantees

	31 March 2024	31 December 2023
Definite Letter of Guarantees	19,348,562	16,109,036
Advance Letter of Guarantees	923,651	1,012,882
Temporary Letter of Guarantee	162,044	201,674
Letter of Guarantees Given to Customs	382,811	367,876
Total	20,817,068	17,691,468

3. Non-cash loans

(i). Total amount of non-cash loans

	31 March 2024	31 December 2023
Non-Cash Loans against Cash Risks	11,453,419	8,852,350
With Original Maturity of 1 Year or Less	2,447,074	1,611,432
With Original Maturity of More Than 1 Year	9,006,345	7,240,918
Other Non-Cash Loans	19,748,274	17,404,936
Total	31,201,693	26,257,286

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and Notes on Off-Balance Sheet Accounts (Continued)

a. Information on off balance sheet commitments(Continued)

3. Non-cash loans (Continued)

(ii). Other information on non-cash loans

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

(iii). Non-cash loans classified under Group I and II:

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

b. Information on derivative financial instruments

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

c. Explanations on credit derivatives and risk exposures on credit derivatives

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

d. Explanations on contingent liabilities and assets

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

e. Explanations on services rendered on behalf of third parties

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Notes on Income Statement

a. Information on interest income

1. Information on interest income on loans

	31 March 2024		31 March 2023	
	TL	FC	TL	FC
Short-term Loans	1,449,356	255,411	682,110	183,333
Medium/Long-term Loans	411,493	40,521	136,179	58,585
Interest on Loans Under Follow-up	20,762	-	10,879	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total (*)	1,881,611	295,932	829,168	241,918

(*) Includes fee and commission income related with cash loans.

2. Information on interest income on banks

	31 March 2024		31 March 2023	
	TL	FC	TL	FC
From the CBRT (*)	2,103	12,250	-	215
From Domestic Banks	11,486	9,843	2,761	4,018
From Foreign Banks	2,330	27,031	1,371	16,762
Headquarters and Branches Abroad	-	-	-	-
Total	15,919	49,124	4,132	20,995

(*) Interest incomes from Turkish Lira and Foreign Currency reserves, unrestricted accounts and reserve options which provided by CBRT has shown in "From the CBRT" line.

3. Information on interest income on marketable securities

	31 March 2024		31 March 2023	
	TL	FC	TL	FC
From Financial Assets At Fair Value Through Other Comprehensive Income	398,351	54,123	147,606	31,025
From Financial Assets Measured at Amortised Cost at Fair Value Through Profit or Loss	113,264	111,789	98,854	62,791
From Financial Assets at Fair Value Through Profit or Loss	8,472	595	(7,105)	433
Total	520,087	166,507	239,355	94,249

4. Information on interest income received from investments in associates and subsidiaries:

None (31 March 2023: None).

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Notes on Income Statement (Continued)

b. Information on interest expense

1. Information on interest expense on borrowings

	31 March 2024		31 March 2023	
	TL	FC	TL	FC
Banks	31,016	468,141	36,499	247,937
CBRT	-	-	423	-
Domestic Banks	30,491	1,434	35,983	15,144
Foreign Banks	525	466,707	93	232,793
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	280,815	-	79,129
Total (*)	31,016	748,956	36,499	327,066

(*) Includes fee and commission expense related with cash loans.

2. Information on interest expense given to investments in associates and subsidiaries

None (31 March 2023: None).

3. Information on interest expense to marketable securities issued

	31 March 2024	31 March 2023
Interest Expense to Marketable Securities Issued	40,479	9,531

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Notes on Income Statement (Continued)

b. Information on interest expense (Continued)

4. Information on interest rate and maturity structure of deposits

31 March 2024	Demand Deposit	Time Deposit					Accumulated Deposit	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Lira								
Bank Deposits	-	32,567	-	-	-	-	-	32,567
Savings Deposits	-	594,507	223,120	143,157	26,419	1,127	-	988,330
Public Deposits	-	-	-	-	-	-	-	-
Commercial Deposits	-	91,230	146,163	43,880	-	10,508	-	291,781
Other Deposits	-	794	1,213	3	-	2	-	2,012
Deposit with 7 days notification	-	-	-	-	-	-	-	-
Total	-	719,098	370,496	187,040	26,419	11,637	-	1,314,690
Foreign Currency	-	-	-	-	-	-	-	-
Foreign Currency Account	-	5,953	22,534	322	85	646	-	29,540
Bank Deposits	-	514	-	-	-	-	-	514
Deposit with 7 days notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	70	521	84	16	66	-	757
Total	-	6,537	23,055	406	101	712	-	30,811
Grand Total	-	725,635	393,551	187,446	26,520	12,349	-	1,345,501

31 March 2023	Demand Deposit	Time Deposit					Accumulated Deposit	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Lira								
Bank Deposits	-	7,165	-	-	-	-	-	7,165
Savings Deposits	-	136,191	255,642	13,369	-	8,982	-	414,184
Public Deposits	-	-	-	-	-	-	-	-
Commercial Deposits	-	73,037	131,822	41,264	-	42,280	-	288,403
Other Deposits	-	1,434	947	6	13	3	-	2,403
Deposit with 7 days notification	-	-	-	-	-	-	-	-
Total	-	217,827	388,411	54,639	13	51,265	-	712,155
Foreign Currency	-	-	-	-	-	-	-	-
Foreign Currency Account	-	1,485	16,380	375	493	2,746	-	21,479
Bank Deposits	-	1,648	-	-	-	-	-	1,648
Deposit with 7 days notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	22	221	35	5	106	-	389
Total	-	3,155	16,601	410	498	2,852	-	23,516
Grand Total	-	220,982	405,012	55,049	511	54,117	-	735,671

5. Given interest amount on repurchase agreement

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks”.

6. Informations on leasing expense

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks”.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Notes on Income Statement (Continued)

b. Information on interest expense (Continued)

7. Information on given interest for factoring transaction

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

c. Information on dividend income

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

d. Information on trading income/loss (Net)

	31 March 2024	31 March 2023
Income	53,981,058	20,725,512
Income from Capital Market Transactions	1,845	19,941
Derivative Financial Transactions	973,729	815,043
Foreign Exchange Gains	53,005,484	19,890,528
Loss (-)	53,921,481	20,431,780
Loss from Capital Market Transactions	288	1,081
Derivative Financial Transactions	312,642	605,702
Foreign Exchange Loss	53,608,551	19,824,997
Net Income/(Loss)	59,577	293,732

e. Explanations about other operating income

For the period ended 31 March 2024, other operating income includes income from assets to be disposed, adjustment to previous years's expenses and income from other operations. The amount of the banks other operating income in the current period is TL 71,920 (31 March 2023: TL 34,295).

f. Expected Provision Losses and Other Provision Losses

	31 March 2024	31 March 2023
Expected Credit Loss	(206,428)	10,434
12 month expected credit loss (stage 1)	142,010	(39,110)
Significant increase in credit risk (stage 2)	(335,541)	90,966
Non-performing loans (stage 3)	(12,897)	(41,422)
Marketable Securities Impairment Expense	1,189	1,275
Financial Assets at Fair Value Through Profit or Loss	1,189	1,176
Financial Assets at Fair Value Through Other Comprehensive Income	-	99
Investments in Associates, Subsidiaries and Joint Ventures Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other	20,036	3,489
Total	(185,203)	15,198

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Notes on Income Statement (Continued)

g. Information related to personnel expenses and other operating expenses

	31 March 2024	31 March 2023
Personnel Expenses	286,720	152,151
Reserve For Employee Termination Benefits	1,257	6,219
Unused Vacation	6,428	423
Bank Welfare Fund Provision For Asset Deficits	-	-
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	15,273	12,476
Impairment Expenses of Intangible Assets	-	-
Impairment Expense of Goodwill	-	4,000
Amortisation Expenses of Intangible Assets	25,604	10,448
Impairment Expenses of Equity Participations Accounted for under Equity Method	-	-
Impairment Expenses of Assets Held For Sale	-	-
Depreciation Expenses of Assets Held for Sale	-	-
Impairment Expenses of Tangible Assets Held for Sale	-	-
Other Operating Expenses	147,211	133,535
Operational Lease Expenses	1,390	388
Maintenance Expenses	2,518	2,835
Advertising Expenses	4,900	6,942
Other Expenses	138,403	123,370
Loss on Sales of Assets	156	871
Other (*)	39,614	27,425
Total	522,263	347,548

(*) Other operating charges is TL 30,321 except premium of SDIF and tax amounting to TL 9,293 (31 March 2023: Other operating charges is TL 19,233 except premium of SDIF and tax amounting to TL 8,192).

h. Explanations on profit and loss from continuing operations before tax

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

i. Provision for taxes on income from continuing operations

As of 31 March 2024, the Group has TL 41,161 tax expense (31 March 2023: TL 76,318), and deferred tax income amounting to TL 47,470 (31 March 2023: TL 19,979 deferred tax expense).

j. Net operating profit/loss after taxes including net profit/loss from discontinued operations

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Notes on Income Statement (Continued)

k. Information on net income/loss for the period

- 1) Interest income from ordinary banking transactions is TL 3,173,988 (31 March 2023: TL 1,608,804), interest expense is TL 2,500,251 (31 March 2023: TL 1,165,191).
 - 2) Information on any change in the accounting estimates has no profit/loss effect on current period or consequent periods.
- l. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are shown below:**

Fees and Commissions Received - Other	31 March 2024	31 March 2023
Credit Card Pos Commissions	2,319	20,549
Banking Service Income	-	852
Insurance Commissions	27,262	24,540
Credit Early Termination Compensation	98	290
Account Management Fee Commission	564	747
Transfer Commissions	143	201
Brokerage Commissions	6,567	4,303
Expertise Commissions	846	475
Export Letters of Credit Commissions	1,838	6,033
Other	11,098	14,509
Total	50,735	72,499
Fees and Commissions Paid - Other	31 March 2024	31 March 2023
Clearing Commissions	8,407	7,237
Debit Card Fees and Commissions	17	17,883
Commissions Granted to Correspondent Banks	1,865	389
Fees and Commissions on Foreign Currency Transactions	1,410	17
Transfer Commissions	739	504
Commissions for Effective and Future	1,108	14
CBRT Interbank Money Market	403	342
Other (*)	27,523	85,298
Total	41,472	111,684

	31 March 2024	31 March 2023
Minority Shares (-)	2	1

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. Explanations and Notes on Changes in Shareholders' Equity

Not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

VI. Explanations and Notes on Statement of Cash Flows

Not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

VII. Explanations and Notes on the Parent Bank's Risk Group

a. The volume of transactions relating to the Group's risk group, outstanding loan and deposit transactions and profit and loss of the period

31 March 2024

	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Parent Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-cash
Group's Risk Group (*)(**)						
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	-	3,742	771	1,607
Balance at the End of the Period	-	-	-	4,030	833	607
Interest and Commission Income Received	-	-	-	123	1,343	1,351

(*) Defined in the 49th article of paragraph 2 of the Parent Banking Act No. 5411.

(**) The information in table above includes banks as well as loans and receivables.

31 December 2023

	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Parent Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-cash
Group's Risk Group (*)(**)						
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	-	292	1,012,705	4,222
Balance at the End of the Period	-	-	-	3,742	771	1,607
Interest and Commission Income Received (***)	-	-	-	174	17,590	29

(*) Defined in the 49th article of paragraph 2 of the Parent Banking Act No. 5411.

(**) The information in table above includes banks as well as loans and receivables.

(***) 31 March 2023 balances used for income accounts.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

VII. Explanations and Notes on the Parent Bank's Risk Group (Continued)

a. The volume of transactions relating to the Group's risk group, outstanding loan and deposit transactions and profit and loss of the period (Continued)

Information on deposits of the Group's risk group

Group's Risk Group ^(*)	Associates , subsidiaries and joint ventures		Direct and indirect shareholders of the Parent Bank		Other real and legal persons that have been included in the risk group	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Deposit						
Beginning of the Period ^(**)	-	-	-	-	90,557	68,723
End of the Period ^(**)	-	-	-	-	72,069	90,557
Interest Expense on Deposits ^(***)	-	-	-	-	-	5

(*) Defined in the 49th article of paragraph 2 of the Parent Banking Act No. 5411.

(**) The information in table above includes banks as well as loans and receivables.

(***) 31 March 2023 balances used for expense accounts.

Information on forward and option agreements and other derivative instruments with the Parent Bank's risk group

Group's Risk Group ^(*)	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Parent Bank		Other real and legal persons that have been included in the risk group	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Transactions for Trading Purposes						
Beginning of the Period ^(**)	-	-	-	-	-	-
End of the Period ^(**)	-	-	-	-	-	-
Total Profit/Loss ^(***)	-	-	4,491	-	-	-
Transactions for Hedging Purposes						
Beginning of the Period ^(**)	-	-	-	-	-	-
End of the Period ^(**)	-	-	-	-	-	-
Total Profit/Loss ^(***)	-	-	-	-	-	-

(*) Defined in the 49th article of paragraph 2 of the Parent Banking Act No. 5411.

(**) The balances at the beginning and end of the periods are disclosed as the total of purchase and sell amounts of derivative financial instruments.

(***) Represents 31 March 2023 balances.

b. With respect to the Parent Bank's risk group

- The relations with entities that are included in the Group's risk group and controlled by the Parent Bank irrespective of the relationship between the parties:

The Parent Bank performs various transactions with group companies during its banking activities. These are commercial transactions realised with market prices.

- The type of transaction, the amount and its ratio to total transaction volume, the amount of significant items and their ratios to total items, pricing policy and other issues

	Total Risk Group	Share in Financial Statements (%)
Deposit	72,069	0.29
Non-cash Loans	4,637	0.01
Loans	833	0.00
Subordinated Loans	2,483,555	26.75

These transactions are priced according to the Parent Bank's pricing policy and they are in line with the market prices.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

VII. Explanations and Notes on the Parent Bank's Risk Group (Continued)

b. With respect to the Parent Bank's risk group (Continued)

3. Equity accounted transactions:

None.

4. Information on transactions such as purchase-sale of immovable and other assets, purchase-sale of service, agent agreements, financial lease agreements, transfer of the information gained as a result of research and development, license agreements, financing (including loans and cash or in kind capital), guarantees, collaterals and management contracts:

As of 31 March 2024, there is no financial leasing agreement between the Parent Bank and Alternatif Finansal Kiralama A.Ş. The Parent Bank also has cost sharing agreements with Alternatif Finansal Kiralama A.Ş. and Alternatif Yatırım Menkul Değerler A.Ş.

The Parent Bank allocate cash and non-cash loans to risk group of the Parent Bank in limit of Bank Law and that amount is 0.01% of total cash and non-cash loan amount (31 December 2023: 0.01%).

5. Information on Other Liabilities

None.

c. Information regarding benefits provided to the Group's key management

Benefits provided to the Group's key management amount to TL 36,862 as of 31 March 2024 (31 March 2023: TL 28,743).

VIII. Explanations on the domestic, foreign and off-shore branches or affiliates and foreign representative offices of the Parent Bank

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

IX. Explanations and Notes on Subsequent Events

None.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

SECTION SIX

OTHER EXPLANATIONS AND NOTES

I. Other Explanations Related To The Parent Bank's Operations

Summaries about the Parent Bank's rates from international credit rating agencies

Fitch Ratings: March 2024	
Foreign Currency	
Long Term	B
Short Term	B
Local Currency	
Long Term	B+
Short Term	B
National Note	AA(tur)
Shareholder Support Note	b
Financial Capacity Note	b-
Outlook	Positive

Moody's: January 2024	
Foreign Currency	
Long Term	B2
Short Term	NP
Local Currency	
Long Term	B1
Short Term	NP
National Long Term	Aa1.tr
National Short Term	TR-1
Outlook	Positive

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated).

SECTION SEVEN

EXPLANATIONS ON AUDITORS’ LIMITED REVIEW REPORT

I. Explanations on Independent Auditors’ Report

Group’s consolidated financial statements and footnotes to be disclosed to public as of 31 March 2024 have been reviewed by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the independent auditor’s review report dated 30 April 2024 has been presented at the beginning of this report.

II. Explanations and Footnotes Prepared by Independent Auditor

None.

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

SECTION EIGHT

INTERIM ACTIVITY REPORT

I. Interim Activity Report Consisting Bank Chairman and CEO's Evaluation in Reference to Interim Activities
Abstract Financial Information about the Term Activity Results

The consolidated financial statements with explanations related to these and financial data compatible to footnotes that prepared according to Financial Tables that will be Announced to Public by Banks with Explanations Related to these and Footnotes Communique which has been regulated by Council of Bank Audit and Regulation regarding to the Parent Bank's 1 January - 31 March 2024 activity period is below.

	31 March 2024	31 December 2023	31 March 2023
Loans(net)	34,579,600	34,062,944	30,533,871
Securities	17,001,816	16,521,892	11,463,582
Total Assets	24,885,192	24,920,729	23,808,946
Deposits	71,404,062	68,136,172	53,032,054
Equity	6,774,297	6,060,943	4,541,648
Profit / (Loss) Before Taxes	546,375	2,442,971	409,320
Profit / (Loss)	552,684	1,935,514	313,023

Message from the Chairman

Esteemed Stakeholders,

We emerge from a period marked by fluctuating global risk perceptions and rising expectations of central bank rate cuts. However, recent data, particularly persistent inflation in the US and robust employment indicators, have led to a postponement of these expectations to the second half of the year. This shift aligns with the ongoing geopolitical uncertainties, including the Ukraine-Russia conflict and rising tensions in the Middle East, which are contributing to elevated global commodity prices. We anticipate continued risk volatility and the potential emergence of new challenges in the coming months.

From an economic perspective, the first quarter of the year witnessed an upward revision of global growth expectations, initially set at 3.1% at the beginning of the year. This revision is attributed to the stronger-than-anticipated growth projections for developed economies, which have been adjusted from 1.5% to 1.7%.

Turning our attention to the Turkish economy, we observe that the first quarter of 2024 was marked by the Central Bank of the Republic of Türkiye (CBRT)'s proactive approach in addressing inflationary pressures. The CBRT implemented a combination of tightening monetary and macroprudential measures. Alongside these measures, we witnessed the conduct of local elections, an event that remained independent of the prevailing economic policies. This, in our view, represents a positive development for the Turkish economy, demonstrating a commitment to policy continuity. Looking ahead, we anticipate that the CBRT's efforts to combat inflation will continue unabated throughout the remainder of the year.

As Commercial Bank, we are proud to commemorate our 50th anniversary this year. Drawing upon our half-century of experience, we remain steadfast in our unwavering support for the Turkish economy and banking sector. For over a decade, we have been a proud shareholder of Alternatif Bank, and we are delighted to witness its remarkable transformation in recent years. Guided by its new strategy centered on "digitalization and exceptional customer experience," Alternatif Bank is confidently striding towards the future. Its performance and financial achievements in the first quarter serve as a testament to the bank's unwavering commitment to its goals.

We hold unwavering faith in Alternatif Bank's ability to continue generating exceptional value for its customers, society, and the Turkish economy, just as it has done so remarkably in the past. We extend our heartfelt congratulations to the entire Alternatif Bank family for their achievements during the past period.

Yours faithfully,

Omar Hussain Alfardan
Board Chairman

ALTERNATİFBANK A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

INTERIM ACTIVITY REPORT (Continued)

I. Interim Activity Report Consisting Bank Chairman and CEO's Evaluation in Reference to Interim Activities (Continued)

Message from the CEO

Dear stakeholders,

We have completed another challenging quarter marked by the ongoing conflict between Russia and Ukraine and the escalating tensions between Israel and Iran in Middle East. Rising geopolitical uncertainties have gradually created volatility in the markets, particularly leading to an increase in commodity prices. During this period, the inflation process continued to be a determining factor in the global economy, while the most important issue in the first quarter of 2024 was the course of inflation, which remained high in the US, and the delayed interest rate cut process.

Looking at the Turkish economy, in the first quarter of the year, we observed that the Central Bank of the Republic of Türkiye (CBRT) pursued partly simplifying and partly tightening steps towards macroprudential measures as well as the ongoing tightening in monetary policy. Local elections held at the end of the first quarter were one of the important agenda items for the Turkish economy. The fact that the current economic policies were independent of the election results was a positive development for the markets. In the rest of the year, the effects of high inflation and the new measures taken and to be taken by the CBRT will be decisive in the economic outlook for 2024.

As Alternatif Bank, we have successfully completed the first quarter of 2024, a period when economic dynamics have been so volatile and macroeconomic uncertainties have continued, with successful financial results in line with our defined targets. With our competent team, strong corporate governance standards, and intense efforts in the field of individuals and digitization, we have continued to fulfill our responsibilities to our stakeholders and the country's economy by taking steady steps towards our goals.

Looking at our consolidated first quarter 2024 figures, we see that our total asset size has reached TL 71 billion. We have maintained our high asset quality by implementing effective balance sheet management in the first three months of the year. During this period, the support provided by our Bank to the country's economy with cash (including financial leasing receivables) and non-cash loans reached TL 66 billion. The Bank's equity also reached TL 6.8 billion, while its capital adequacy ratio was 27.2% during this period. With the successful performance we have demonstrated as of the first quarter of 2024, Alternatif Bank's consolidated net profit was TL 553 million.

During this period, we began to see the results of our 'pursuit of excellence in customer satisfaction', which is an important place among our strategic priorities. In this sense, we were pleased to offer our renewed mobile application to our customers by implementing another milestone that we consider important. With our service model that combines the ease of digital banking, which is one of the most important points that makes us stand out in competition, with the human touch, and our renewed mobile application, I believe that we have once again demonstrated our Bank's claim in the field of individual and digital banking.

The first quarter of the year was also a period when we carried out important work in our lending processes in line with our customer base expansion goals with strong growth. During this period, we completed and put into production our Pre-Approved Limit Automation project. I believe that we will make significant progress with the developments and applications that we aim to complete by the end of the year in the lending processes that we accelerated in the first three months of the year.

In addition to the fundamental mission we undertake in the banking sector and the successfully carried out activities in this direction, we continue our work on the Accessible Banking journey without slowing down. In the first quarter of 2024, we shared with the public the results of our research project that we started in August 2023 to measure our social impact in the field of Accessible Banking. We are also proud that this project is the first comprehensive social impact research that can be an example in Türkiye on the subject of Accessible Banking. The research objectively showed that our Bank is progressing with the right steps in reaching the change and impact it wants to create. The comprehensive measurements and findings we obtained with the study will shape our work in the following process.

Our unwavering commitment to healthy growth and the achievement of our ambitious financial goals is firmly anchored in the unwavering trust placed in us by our shareholder, Commercial Bank, alongside our robust capital structure and sound corporate governance framework. With the strength we derive from this support and the dedicated approach of our experts in their fields, we are moving forward towards our long-term growth goals as Alternatif Bank. On this occasion, I would like to thank all my colleagues, our valued customers, our shareholder, whose support we always feel, our valuable Board of Directors who guide us with their experience and experience, and all our stakeholders.

King regards,

Ozan Kırılmaz
CEO