

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

Alternatifbank A.Ş.

Unconsolidated 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 issued in Turkish to English

To the Board of Directors of Alternatifbank Anonim Şirketi

Introduction

We have reviewed the unconsolidated balance sheet of Alternatifbank Anonim Şirketi ("the Bank") as at 31 March 2024 and the unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows for the three month period then ended, and notes, comprising significant accounting policies and other explanatory information. The Bank management is responsible for the preparation and fair presentation of these unconsolidated interim financial information in accordance with the Banking Regulation and Supervision Agency 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 Agency ("BRSA") 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 regulations (together referred as "BRSA Accounting and Financial Reporting Legislation"). Our responsibility is to express a conclusion on these unconsolidated 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 opinion.

Basis for Qualified Conclusion

The Bank 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 Bank 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 unconsolidated financial statements as of January 2023. On 26 January 2024 performed the revaluation of this asset By The Bank management and adjusted the amount of this asset in its unconsolidated financial statements as of 31 March 2024. As of 31 December 2023, no revaluation has been performed by Bank 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 630,304 thousands and TL 441,213 thousands respectively, while deferred tax asset would have decreased by TL 189,091 thousands in the unconsolidated financial statements in the accompanying unconsolidated 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 441,213.

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 Bank 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 134,572 thousand, while the retained earnings account would need to be increased by TL 134,572 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 134,572 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 paragraph, nothing has come to our attention that causes us to believe that the accompanying unconsolidated interim financial information does not present fairly, in all material respects, its unconsolidated financial position of Alternatifbank A.Ş. as at 31 March 2024 and its unconsolidated financial performance and unconsolidated cash flows for the three month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.



Report on Other 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 unconsolidated interim financial information is not consistent, in all material respects, with the reviewed unconsolidated 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 UNCONSOLIDATED 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 Banking Regulation and Supervision Agency, comprises the following sections.

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

The accompanying consolidated financial statements and notes to these financial statements for the three-month period which are expressed, unless otherwise stated, **in thousands of Turkish Lira (TL)** , have been prepared and presented based on the accounting books of the 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:

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SECTION ONE**GENERAL INFORMATION ABOUT THE BANK****I. Explanations on the Establishment Date and Initial Status of the Bank, and History Including the Changes in the Former Status**

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

The 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 Bank, any Changes in the Period, and Information on the Bank's Risk Group

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

Name/Commercial Name	31 March 2024		31 December 2023	
	Share	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 UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***GENERAL INFORMATION ABOUT THE BANK (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 Bank**

Title	Name	Responsibility	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 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 Board Risk Committee and Member of the Board Credit Committee	-
	Halil Sedat Ergür	Member of the Board of Directors, Member of the Board Audit and Compliance Committee, Member of the Board Risk Committee, and Alternate Member of the Board Credit 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 Tarakcı	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 Tarakcı started to work as Deputy General Manager of Human Resources as of 2 January 2024.

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

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

GENERAL INFORMATION ABOUT THE BANK (Continued)**IV. Explanation on the Bank's Qualified Shareholders**

According to the 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 Bank's Capital is explained below.

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

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

The 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 Bank's Articles of Association.

As of 31 March 2024, the Bank has 24 branches (31 December 2023: 24 branches) and has 750 employees (31 December 2023: 804 employees).

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

None.

ALTERNATİFBANK A.Ş.
UNCONSOLIDATED 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 (Section Five)	Reviewed Current Period 31 March 2024			Audited Prior Period 31 December 2023		
ASSETS			TL	FC	Total	TL	FC	Total
I FINANCIAL ASSETS (NET)			6,182,348	16,617,152	22,799,500	6,603,822	14,596,960	21,200,782
1.1 Cash and Cash Equivalents			2,115,587	11,852,832	13,968,419	2,825,843	10,122,905	12,948,748
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		502,903	3,586,271	4,089,174	462	2,899,876	2,900,338
1.1.3 Money Market Placements			451,960	-	451,960	150,540	-	150,540
1.1.4 Expected Credit Losses (-)			1,321	-	1,321	1,677	-	1,677
1.2 Financial Assets at Fair Value Through Profit or Loss			19,339	46,351	65,690	11,812	28,975	40,787
1.2.1 Government Debt Securities			19,339	46,351	65,690	11,812	28,975	40,787
1.2.2 Equity Instruments			-	-	-	-	-	-
1.2.3 Other Financial Assets			-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	I-f		3,525,392	3,867,361	7,392,753	3,450,664	3,523,330	6,973,994
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			13,782	-	13,782	13,782	-	13,782
1.3.3 Other Financial Assets			159,685	-	159,685	153,018	-	153,018
1.4 Derivative Financial Assets			522,030	850,608	1,372,638	315,503	921,750	1,237,253
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss	I-c		522,030	850,608	1,372,638	298,041	921,750	1,219,791
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income	I-m		-	-	-	17,462	-	17,462
FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)			19,648,042	20,824,174	40,472,216	18,802,953	22,179,558	40,982,511
2.1 Loans	I-g		18,331,419	13,250,405	31,581,824	17,679,607	14,847,755	32,527,362
2.2 Lease Receivables			-	-	-	-	-	-
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 (-)			629,754	512,002	1,141,756	578,651	740,964	1,319,615
III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (NET)	I-r		402,003	-	402,003	405,658	-	405,658
3.1 Held for Sale Purpose			402,003	-	402,003	405,658	-	405,658
3.2 Related to Discontinued Operations			-	-	-	-	-	-
IV. EQUITY INVESTMENTS			340,580	-	340,580	340,580	-	340,580
4.1 Investments in Associates (Net)			-	-	-	-	-	-
4.1.1 Accounted Under Equity Method			-	-	-	-	-	-
4.1.2 Unconsolidated Associates			-	-	-	-	-	-
4.2 Subsidiaries (Net)	I-j		340,580	-	340,580	340,580	-	340,580
4.2.1 Unconsolidated Financial Subsidiaries			340,580	-	340,580	340,580	-	340,580
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		1,685,302	-	1,685,302	1,070,062	-	1,070,062
VI. INTANGIBLE ASSETS (Net)	I-o		224,240	-	224,240	211,935	-	211,935
6.1 Goodwill			-	-	-	-	-	-
6.2 Other			224,240	-	224,240	211,935	-	211,935
VII. INVESTMENT PROPERTY (Net)	I-p		-	-	-	-	-	-
VIII. CURRENT TAX ASSET			-	-	-	-	-	-
IX. DEFERRED TAX ASSET	I-q		430,249	-	430,249	427,288	-	427,288
X. OTHER ASSETS	I-s		648,025	83,854	731,879	338,601	49,350	387,951
TOTAL ASSETS			29,560,789	37,525,180	67,085,969	28,200,899	36,825,868	65,026,767

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

ALTERNATİFBANK A.Ş.
UNCONSOLIDATED 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		
		Note (Section Five)	TL	FC	Total	TL	FC	Total
	LIABILITIES							
I.	DEPOSITS	II-a	12,593,505	12,449,874	25,043,379	16,690,111	8,357,423	25,047,534
II.	FUNDS BORROWED	II-c	48,724	17,343,601	17,392,325	48,383	17,815,215	17,863,598
III.	MONEY MARKET BALANCES		2,144	5,932,125	5,934,269	263	5,210,765	5,211,028
IV.	MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
4.1	Bills		-	-	-	-	-	-
4.2	Assets Backed Securities		-	-	-	-	-	-
4.3	Bonds		-	-	-	-	-	-
V.	FUNDS		-	-	-	-	-	-
5.1	Borrower Funds		-	-	-	-	-	-
5.2	Other		-	-	-	-	-	-
	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH							
VI.	PROFIT OR LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES		414,473	305,259	719,732	181,628	511,810	693,438
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss	II-b	414,473	305,259	719,732	181,628	511,810	693,438
	Derivative Financial Liabilities at Fair Value Through Other							
7.2	Comprehensive Income	II-f	-	-	-	-	-	-
VIII.	FACTORING LIABILITIES		-	-	-	-	-	-
IX.	LEASE LIABILITIES (Net)	II-e	9,652	-	9,652	16,067	-	16,067
X.	PROVISIONS	II-g	249,338	55,470	304,808	250,975	40,119	291,094
10.1	Restructuring Provisions		-	-	-	-	-	-
10.2	Reverse for Employee Benefits		45,447	-	45,447	31,880	-	31,880
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		203,891	55,470	259,361	219,095	40,119	259,214
XI.	CURRENT TAX LIABILITY	II-h	373,758	-	373,758	323,691	-	323,691
XII.	DEFERRED TAX LIABILITY		-	-	-	-	-	-
	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR							
	SALE AND RELATED TO DISCONTINUED OPERATIONS							
XIII.	(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	II-d	985,334	523,249	1,508,583	869,281	595,891	1,465,172
XVI.	SHAREHOLDERS' EQUITY	II-k	6,658,032	(141,940)	6,516,092	5,980,392	(117,344)	5,863,048
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		-	-	-	-	-	-
	Accumulated Other Comprehensive Income or Loss Not Reclassified							
16.3	Through Profit or Loss		1,177,127	-	1,177,127	707,228	-	707,228
	Accumulated Other Comprehensive Income or Loss Reclassified							
16.4	Through Profit or Loss		(442,655)	(141,940)	(584,595)	(231,101)	(117,344)	(348,445)
16.5	Profit Reserves		3,170,554	-	3,170,554	1,404,660	-	1,404,660
16.5.1	Legal Reserves		204,704	-	204,704	110,433	-	110,433
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		2,965,850	-	2,965,850	1,294,227	-	1,294,227
16.5.4	Other Profit Reserves		-	-	-	-	-	-
16.6	Profit Or Loss		539,212	-	539,212	1,885,811	-	1,885,811
16.6.1	Prior Years' Profit/Loss		380	-	380	380	-	380
16.6.2	Current Year Profit/Loss		538,832	-	538,832	1,885,431	-	1,885,431
	TOTAL LIABILITIES AND EQUITY		21,334,960	45,751,009	67,085,969	24,360,791	40,665,976	65,026,767

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

ALTERNATİFBANK A.Ş.
UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS
AS OF 31 MARCH 2024

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

II. OFF- BALANCE SHEET ITEMS		Reviewed Current Period 31 March 2024			Audited Prior Period 31 December 2023			
		(Section Five)	TL	FC	Total	TL	FC	Total
A.	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		49,768,741	85,701,970	135,470,711	38,913,757	70,020,771	108,934,528
I.	GUARANTEES AND WARRANTIES	III-a-3,i	17,166,326	13,901,324	31,067,650	12,416,325	13,573,554	25,989,879
1.1	Letters of Guarantee	III-a-2,ii	12,990,357	7,724,155	20,714,512	9,662,175	7,773,767	17,435,942
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		12,940,891	7,708,794	20,649,685	9,606,409	7,759,624	17,366,033
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	4,712,578	4,712,597	-	4,565,879	4,565,879
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		-	-	-	-	-	-
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		1,882,966	3,117,027	4,999,993	2,119,833	2,082,830	4,202,663
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		-	-	-	-	-	-
2.2.1	Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	III-b	30,719,449	68,683,619	99,403,068	24,377,599	54,364,387	78,741,986
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	54,364,387	77,941,986
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	5,274,005	7,378,251
3.2.3.1	Foreign Currency Options-Buy		2,755,832	5,812,830	8,568,662	984,392	2,713,176	3,697,568
3.2.3.2	Foreign Currency Options-Sell		4,034,064	4,804,426	8,838,490	1,119,854	2,560,829	3,680,683
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)		107,807,228	195,485,069	303,292,297	102,901,925	178,132,624	281,034,549
IV.	ITEMS HELD IN CUSTODY		3,973,167	10,518,369	14,491,536	3,657,899	6,289,724	9,947,623
4.1	Customer Fund and Portfolio Balances		1,498,945	-	1,498,945	1,395,695	-	1,395,695
4.2	Investment Securities Held in Custody		-	8,423,504	8,423,504	60	4,504,028	4,504,088
4.3	Cheques Received for Collection		1,610,094	17,051	1,627,145	1,451,138	9,969	1,461,107
4.4	Commercial Notes Received for Collection		116,237	18,015	134,252	56,365	66,908	123,273
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		747,891	2,059,799	2,807,690	754,641	1,708,819	2,463,460
4.8	Custodians		-	-	-	-	-	-
V.	PLEDGES RECEIVED		103,800,742	184,358,921	288,159,663	99,203,562	171,278,246	270,481,808
5.1	Marketable Securities		1,072,363	-	1,072,363	1,555,363	-	1,555,363
5.2	Guarantee Notes		56,783,046	65,718,390	122,501,436	52,345,332	61,168,783	113,514,115
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)			157,575,969	281,187,039	438,763,008	141,815,682	248,153,395	389,969,077

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

ALTERNATİFBANK A.Ş.
UNCONSOLIDATED 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		3,012,690	1,522,738
1.1 Interest on Loans			2,258,603	1,110,981
1.2 Interest Received from Reserve Deposits			12,250	215
1.3 Interest Received from Banks			43,738	23,612
1.4 Interest Received from Money Market Placements			5,706	10,695
1.5 Interest Received from Marketable Securities Portfolio			678,723	340,744
1.5.1 Fair Value through Profit or Loss			1,196	468
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 Interest Income			-	-
1.7 Other Interest Income			13,670	36,491
II. INTEREST EXPENSES (-)	IV-b		2,361,224	1,117,905
2.1 Interest on Deposits			1,345,558	737,105
2.2 Interest on Funds Borrowed			695,803	317,286
2.3 Interest on Money Market Borrowings			234,719	48,624
2.4 Interest on Securities Issued			-	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)			651,466	404,833
IV. NET FEES AND COMMISSIONS INCOME / EXPENSES			83,547	(2,806)
4.1 Fees and Commissions Received			113,014	101,604
4.1.1 Non-cash Loans			69,454	39,708
4.1.2 Other	IV-l		43,560	61,896
4.2 Fees and Commissions Paid (-)			29,467	104,410
4.2.1 Non-cash Loans			59	31
4.2.2 Other	IV-l		29,408	104,379
V. DIVIDEND INCOME	IV-c		-	-
VI. NET TRADING INCOME	IV-d		47,412	291,922
6.1 Securities Trading Gains / (Losses)			1,425	11,160
6.2 Derivative Financial Instruments Gains / Losses			657,246	226,788
6.3 Foreign Exchange Gains / Losses			(611,259)	53,974
VII. OTHER OPERATING INCOME	IV-e		62,002	33,282
VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII)			844,427	727,231
IX. EXPECTED CREDIT LOSSES (-)	IV-f		(194,207)	5,700
X. OTHER PROVISION EXPENSES (-)	IV-f		21,225	4,764
XI. PERSONNEL EXPENSES (-)	IV-g		272,191	145,069
XII. OTHER OPERATING EXPENSES (-)	IV-g		212,201	177,198
XIII. NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)			533,017	394,500
XIV. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER			-	-
XV. PROFIT / (LOSS) ON EQUITY METHOD			-	-
XVI. GAIN / (LOSS) ON NET MONETARY POSITION			-	-
XVII. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+...+XVI)	IV-h		533,017	394,500
XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)	IV-h		5,815	(93,704)
18.1 Provision for Current Income Taxes			(41,161)	(75,539)
18.2 Deferred Tax Expense Effect (+)			-	(18,165)
18.3 Deferred Tax Income Effect (-)			46,976	-
XIX. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVII±XVIII)	IV-j		538,832	300,796
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 on 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			-	-
XXII. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XX-XXI)			-	-
XXIII. 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)	IV-k		538,832	300,796
Earning / (loss) per share (Full TL)			0.2434	0.1359

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

ALTERNATİFBANK A.Ş.**UNCONSOLIDATED 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 2024- 31 March 2024	Reviewed Prior Period 1 January 2023- 31 March 2023
I. CURRENT PERIOD PROFIT / LOSS	538,832	300,796
II. OTHER COMPREHENSIVE INCOME	233,749	171,884
2.1 Not Reclassified Through Profit or Loss	469,899	145,167
2.1.1 Property and Equipment Revaluation Increase / Decrease	626,857	215,036
2.1.2 Intangible Assets Revaluation Increase / Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurement Gain / Loss	(11,227)	(21,480)
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	(145,731)	(48,389)
2.2 Reclassified Through Profit or Loss	(236,150)	26,717
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	(322,662)	(50,011)
2.2.3 Cash Flow Hedge Income / Loss	(15,204)	85,389
2.2.4 Income (Loss) Related with Hedges of Net Investments in Foreign Operations	-	-
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Losses	-	-
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	101,716	(8,661)
III. TOTAL COMPREHENSIVE INCOME (I+II)	772,581	472,680

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

ALTERNATİFBANK A.Ş.
UNCONSOLIDATED 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).

Reviewed	Prior Period 1 January - 31 March 2023	Notes (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 Shareholders Equity
							1	2	3	4	5	6				
I.	Prior Period End Balance		2,213,740	54	-	-	291,569	(13,256)	-	-	59,052	(58,610)	493,371	(115,303)	1,026,972	3,897,589
II.	Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Errors ^(*)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I+II)		2,213,740	54	-	-	291,569	(13,256)	-	-	59,052	(58,610)	493,371	(115,303)	1,026,972	3,897,589
IV.	Total Comprehensive Income		-	-	-	-	161,277	(16,110)	-	-	(37,325)	64,042	-	-	300,796	472,680
V.	Capital Increase by Cash	II-k	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase by Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Effect of Inflation on Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds to Share		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	911,289	115,683	(1,026,972)	-
11.1	Dividends Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	911,289	115,683	(1,026,972)	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance (III+...+ X+XI)			2,213,740	54	-	-	452,846	(29,366)	-	-	21,727	5,432	1,404,660	380	300,796	4,370,269

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 an integral part of these financial statements.

ALTERNATİFBANK A.Ş.
UNCONSOLIDATED 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									
Current Period 1 January - 31 March 2024		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 Shareholders Equity
I.	Prior Period End Balance		2,213,740	54	-	-	744,269	(37,041)	-	-	(359,089)	10,644	1,404,660	380	1,885,431	5,863,048
II.	Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I+II)		2,213,740	54	-	-	744,269	(37,041)	-	-	(359,089)	10,644	1,404,660	380	1,885,431	5,863,048
IV.	Total Comprehensive Income		-	-	-	-	477,758	(7,859)	-	-	(225,506)	(10,644)	-	-	538,832	772,581
V.	Capital Increase by Cash	II-k	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase by Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Effect of Inflation on Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds to Share		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	1,765,894	-	(1,885,431)	(119,537)
11.1	Dividends Distributed		-	-	-	-	-	-	-	-	-	-	-	-	(119,537)	(119,537)
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	1,765,894	-	(1,765,894)	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance (III+...+ X+XI)			2,213,740	54	-	-	1,222,027	(44,900)	-	-	(584,595)	-	3,170,554	380	538,832	6,516,092

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 an integral part of these financial statements.

ALTERNATİFBANK A.Ş.
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2024
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

VI. STATEMENT OF CASH FLOWS

	Note (Section Five)	Reviewed Current Period 1 January - 31 March 2024	Reviewed Prior Period 1 January - 31 March 2023
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit/ (Loss) Before Changes in Operating Assets and Liabilities		290,300	520,614
1.1.1 Interest Received		2,621,699	1,695,815
1.1.2 Interest Paid		(2,341,935)	(1,174,829)
1.1.3 Dividend Received		-	-
1.1.4 Fees and Commissions Received		171,366	280,899
1.1.5 Other Income		1,228,486	614,784
1.1.6 Collections from Previously Written-off Loans and Other Receivables		45,282	175,811
1.1.7 Payments to Personnel and Service Suppliers		(341,239)	(223,731)
1.1.8 Taxes Paid		(69,014)	(119,337)
1.1.9 Other		(1,024,345)	(728,798)
1.2 Changes in Operating Assets and Liabilities		(2,267,968)	(1,644,493)
1.2.1 Net increase/(decrease) in Financial Assets at Fair Value Through Profit or Loss		(24,588)	(17,165)
1.2.2 Net increase/(decrease) in Due from Banks and Other Financial Institutions		(1,243,141)	1,163,232
1.2.3 Net increase/(decrease) in Loans		894,927	4,859,587
1.2.4 Net increase/(decrease) in Other Assets		(215,759)	295,217
1.2.5 Net increase/(decrease) in Bank Deposits		(304,933)	(318,511)
1.2.6 Net increase/(decrease) in Other Deposits		256,578	(8,005,291)
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		(1,634,886)	635,227
1.2.9 Net increase/(decrease) in Payables		-	-
1.2.10 Net increase/(decrease) in Other Liabilities		3,834	(256,789)
I. Net Cash Provided from Banking Operations		(1,977,668)	(1,123,879)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Provided from Investing Activities		801,203	46,321
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		(54,631)	(14,742)
2.4 Disposals of Property and Equipment		62,134	20,713
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(7,652)	(2,152)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		6,449	-
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		51,230	(495,124)
3.1 Cash Obtained from Funds Borrowed and Securities Issued		256,884	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		901,409	134,387
V. Net Increase/ (Decrease) in Cash and Cash Equivalents (I+II+III+IV)		(223,826)	(1,438,295)
VI. Cash and Cash Equivalents at Beginning of the Period		9,614,631	6,176,601
VII. Cash and Cash Equivalents at End of the Period		9,390,805	4,738,306

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

ALTERNATİFBANK A.Ş.
NOTES TO THE UNCONSOLIDATED 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 Banking Act No. 5411, the 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 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 unconsolidated 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 unconsolidated financial statements in conformity with BRSA Accounting and Reporting Legislation requires the use of certain critical accounting estimates by the 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 will not be subject to the inflation adjustment required within the scope of TMS 29 until 1 January 2025. In this context, inflation adjustment required within the scope of TMS 29 is not implemented while preparing the financial statements as of 31 March 2024.

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:Y

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 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.

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

A major portion of the 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 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 UNCONSOLIDATED 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. Explanations on Associates, Subsidiaries and Joint Ventures

The Bank has two subsidiaries resided in Turkey, which are Alternatif Finansal Kiralama A.Ş., Alternatif Yatırım Menkul Değerler A.Ş. Non-public traded subsidiaries are Alternatif Finansal Kiralama A.Ş. ve Alternatif Yatırım Menkul Değerler A.Ş., they are accounted for cost value according to "Individual Financial Statements" ("TAS 27") and if they have provision for impairment, provision is deducted, after reflected to financial statements.

The Bank has not any recognize as foreign currency association and subsidiaries as of 31 March 2024 and 31 December 2023.

The Bank has not any joint ventures as of 31 March 2024 and 31 December 2023.

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 Commission Income and Expense

Except for the 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 Bank 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 3 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 Bank 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 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 at fair value through profit/loss are 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 shortterm 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.

ALTERNATİFBANK A.Ş.
NOTES TO THE UNCONSOLIDATED 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

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

The major derivative instruments utilized by the Bank 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 Bank 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 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.

ALTERNATİFBANK A.Ş.
NOTES TO THE UNCONSOLIDATED 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 difference in fair values of derivative transactions used for fair value hedge is presented in the used for fair value hedge is presented in the "Trading Gains/Losses on derivative financial instruments" account. In the balance sheet, the 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 Bank 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 Bank continued to apply TAS 39 "Hedge accounting".

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.

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 Bank 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 Bank 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.

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NOTES TO THE UNCONSOLIDATED 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 Bank 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 Bank calculates the expected credit loss individually or by grouping the financial assets that bear the common credit risk characteristics according to the risk level determined by the bank.

Within the scope of internal policies, the Bank, evaluates the calculation of credit losses in accordance with TFRS 9, as an individual assessment based on expert opinion. In this context, the Bank 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.

The Bank 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 Bank 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 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 Bank, 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 UNCONSOLIDATED 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 Bank 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 intent on 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 Bank from repurchase agreements ("repo") are accounted under "Money Market Balances" in liabilities.

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

A discontinued operation is a part of the 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 Bank has no discontinued operations.

ALTERNATİFBANK A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XI. Goodwill and Other Intangible Assets

There is no goodwill in unconsolidated financial statements as of balance sheet date.

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. Gain or loss resulting from disposals of the property and equipment is reflected to the income statement as the difference between the net proceeds and net book value. 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 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 UNCONSOLIDATED 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

The 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 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 Bank

When the 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 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 Bank measures its leasing liability at the present value of the lease payments not paid at that time. Lease payments are discounted using the Bank's average borrowing interest rates, if that rate can be easily determined. If this rate can not be easily determined, the Bank uses the 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 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 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 UNCONSOLIDATED 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 Commitments and Contingent Assets

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 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 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 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 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.

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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVI. Taxation (Continued)

a. Corporate tax (Continued)

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 Bank 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.

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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 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 Bank accounts the difference between the issued value and nominal value as "share issue premium under shareholders" in equity, in the case where the issued value is higher than the nominal value. There is no decision of 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 and 31 December 2023, the Bank does not have any government incentives.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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	30 March 2023
Profit/(Loss) Attributable to Shareholders	538,832	300,796
Weighted Average Number of Issued Ordinary Shares (Thousand)	2,213,740	2,213,740
Earnings/(Losses) Per Share (Disclosed in full TL)	0.2434	0.1359

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).

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 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. Amendments Accounting Policies of the Current Period

None.

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

None.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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 Bank, are disclosed.

- a) The 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) 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.
- e) The Bank's software requirements, possible software updates and additional software requirements to compete with other firms are provided by the Bank.
- f) According to the table provided, share of each Bank's operating segment in the Balance sheet is as follows; corporate/retail banking 46%, investment banking 49% and other 5%.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XXVIII. Operating Segments (Continued)

Major balance sheet and income statement items based on operating segments

	Corporate / Retail Banking	Investment Banking	Other	Total Operations of the Bank
31 March 2024				
Net Interest Income/ (Expense)	650,619	847	-	651,466
Net Fees and Commissions Income and Other Operating Income	120,639	24,910	-	145,549
Trading Profit/Loss	30,406	17,006	-	47,412
Dividend Income	-	-	-	-
Impairment Provision for Loans and Other Receivables (-) (*)	195,396	(1,189)	(21,225)	172,982
Other Operating Expenses (-)	(442,069)	(42,323)	-	(484,392)
Profit Before Taxes	554,991	(749)	(21,225)	533,017
Tax Provision				5,815
Net Profit for the Period				538,832
31 March 2024				
Segment Assets	30,437,339	32,452,865	3,855,185	66,745,389
Investments in Associates and Subsidiaries	-	-	340,580	340,580
Total Assets	30,437,339	32,452,865	4,195,765	67,085,969
Segment Liabilities	25,043,379	24,046,326	11,480,172	60,569,877
Shareholders' Equity	-	-	6,516,092	6,516,092
Total Liabilities	25,043,379	24,046,326	17,996,264	67,085,969

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

	Corporate / Retail Banking	Investment Banking	Other	Total Operations of the Bank
31 March 2023				
Net Interest Income	92,337	312,496	-	404,833
Net Fees and Commissions Income and Other Operating Income	20,516	9,960	-	30,476
Trading Profit/Loss	394,792	(102,870)	-	291,922
Dividend Income	-	-	-	-
Impairment Provision for Loans and Other Receivables (-) (*)	(4,524)	(1,176)	(4,764)	(10,464)
Other Operating Expenses (-)	(299,173)	(23,094)	-	(322,267)
Profit Before Taxes	203,948	195,316	(4,764)	394,500
Tax Provision				(93,704)
Net Profit for the Period				300,796
31 December 2023				
Segment Assets	31,205,258	30,786,662	2,694,267	64,686,187
Investments in Associates and Subsidiaries	-	-	340,580	340,580
Total Assets	31,205,258	30,786,662	3,034,847	65,026,767
Segment Liabilities	25,047,536	23,768,064	10,348,119	59,163,719
Shareholders' Equity	-	-	5,863,048	5,863,048
Total Liabilities	25,047,536	23,768,064	16,211,167	65,026,767

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

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SECTION FOUR

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK

I. Explanations on Shareholders' Equity

The standard rate of the capital adequacy of the 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

a. Information on Shareholder's Equity

	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 Bank	2,213,740	2,213,740
Share issue premiums	54	54
Reserves	3,170,554	1,404,660
Gains recognized in equity as per TAS	1,539,659	744,647
Profit	539,212	1,885,811
Current Period Profit	538,832	1,885,431
Prior Period Profit	380	380
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	7,463,219	6,248,912
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	44,900	177,906
Improvement costs for operating leasing (-)	25,057	24,549
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	224,240	211,935
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 Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-

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

I. Explanations on Shareholders' Equity (Continued)

a. Information on Shareholder's Equity (Continued)

Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions From Common Equity Tier 1 Capital	294,197	414,390
Total Common Equity Tier 1 Capital	7,169,022	5,834,522
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	8,878,485	8,095,505
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	8,878,485	8,095,505
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the 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 tax liabilities 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 (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
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 1 Capital+Additional Tier I Capital)	16,047,507	13,930,027
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks) (*)	588,112	537,088
Tier II Capital Before Deductions	588,112	537,088
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
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)	16,635,619	14,467,115
Total Tier I Capital and Tier II Capital (Total Equity)	16,635,619	14,467,115

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

I. Explanations on Shareholders' Equity (Continued)

a. Information on Shareholder's Equity (Continued)

Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	4,390	3,334
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Three Years	-	-
Other items to be defined by the BRSA	-	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	-	-
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not 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 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 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)	16,631,229	14,463,781
Total risk weighted amounts(*)	57,629,721	46,836,028
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	12.44%	12.46%
Tier 1 Capital Adequacy Ratio (%)	27.85%	29.74%
Capital Adequacy Ratio (%)	28.86%	30.88%
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 (%)	7.94%	7.96%
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
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	-	-

(*) In accordance to the BRSA article no 10747 dated 12 December 2023, credit risk is calculated by using CBRT's foreign exchange rates dated 26 June 2023.

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INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE 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 tFCe	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
	-Illegality, - After 5th year, -Taxation reason and
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 (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument tFCe convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	
If write-down, write-down trigger (s)	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 tFCe 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	-

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INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE 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
Existence of a dividend stopper		No interest will be charged for the value reduced after the value 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 into		-
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		-

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INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE 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 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 Bank keeps the amount at currency risk within the legal limits and monitors the foreign currency positions daily/momentarily. Even though the 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 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 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

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

III. Explanations on Currency Risk (Continued)

a. Information on currency risk of the Bank

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

	EUR	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	1,105,193	1,901,333	579,745	3,586,271
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 (**)	7,316,539	5,599,624	-	12,916,163
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 (***)	39,302	44,550	2	83,854
Total Assets	10,133,125	26,029,731	874,381	37,037,237
Liabilities				
Bank Deposits	59,648	21,554	52,549	133,751
Foreign Currency Deposits	3,540,124	7,441,056	1,334,943	12,316,123
Money Market Funds	-	5,932,125	-	5,932,125
Funds Borrowed From Other Financial Institutions	3,806,449	22,820,523	-	26,626,972
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	128,773	188,923	2,224	319,920
Derivative Financial Liabilities For Hedging Purposes	-	-	-	-
Other Liabilities (****)	63,342	(71,634)	1,323	(6,969)
Total Liabilities	7,598,336	36,332,547	1,391,039	45,321,922
Net Balance Sheet Position	2,534,789	(10,302,816)	(516,658)	(8,284,685)
Net Off-Balance Sheet Position	(2,074,782)	11,564,581	274,306	9,764,105
Financial Derivative Assets	11,458,900	26,425,024	1,339,938	39,223,862
Financial Derivative Liabilities	13,533,682	14,860,443	1,065,632	29,459,757
Non-Cash Loans (*****)	4,708,094	7,051,256	2,141,974	13,901,324
31 December 2023				
Total Assets	9,496,761	26,315,933	423,945	36,236,639
Total Liabilities	7,351,807	31,725,282	1,153,504	40,230,593
Net Balance Sheet Position	2,144,954	(5,409,349)	(729,559)	(3,993,954)
Net Off-Balance Sheet Position	(2,009,292)	6,365,089	553,192	4,908,989
Financial Derivative Assets	9,228,752	19,379,473	1,028,463	29,636,688
Financial Derivative Liabilities	11,238,044	13,014,384	475,271	24,727,699
Non-Cash Loans	5,262,693	6,185,669	2,125,192	13,573,554

(*) 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 have been deducted from other liabilities as of 31 March 2024 (31 December 2023: TL 435,383).

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

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INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE 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 bank 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 Bank has not encountered to any significant interest rate risk in 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 (****)	1,197,656	-	-	-	-	2,890,197	4,087,853
Financial Assets at Fair Value Through Profit and Loss	556,353	136,026	664,047	59,820	22,082	-	1,438,328
Money Market Placements	451,960	-	-	-	-	-	451,960
Financial Assets at Fair Value Through Other Comprehensive Income	1,564,161	1,683,156	4,131,654	-	-	13,782	7,392,753
Loans (*****)	15,800,006	1,365,622	8,107,999	6,247,626	33,669	(732,783)	30,822,139
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	-	-	-	-	3,812,842	3,814,253
Total Assets	34,802,587	3,927,529	14,858,207	6,307,446	260,814	6,929,386	67,085,969
Liabilities							
Bank Deposits (**)	223,301	99,381	-	-	-	59,344	382,026
Other Deposits	16,697,897	2,785,205	355,032	640	-	4,822,579	24,661,353
Money Market Funds	2,581,668	3,292,644	-	-	-	59,957	5,934,269
Miscellaneous Payables	-	-	-	-	-	652,852	652,852
Marketable Securities Issued	-	530	(530)	-	-	-	-
Funds Borrowed From Other Financial Institutions	3,186,536	7,586,132	6,649,613	6,799,816	2,453,599	-	26,675,696
Other Liabilities and Shareholders' Equity (***)	232,918	56,638	441,427	42,352	28,328	7,978,110	8,779,773
Total Liabilities	22,922,320	13,820,530	7,445,542	6,842,808	2,481,927	13,572,842	67,085,969
Balance Sheet Long Position	11,880,267	-	7,412,665	-	-	-	19,292,932
Balance Sheet Short Position	-	(9,893,001)	-	(535,362)	(2,221,113)	(6,643,456)	(19,292,932)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	(172,683)	(103,402)	(287,461)	(256,765)	-	-	(820,311)
Total Position	11,707,584	(9,996,403)	7,125,204	(792,127)	(2,221,113)	(6,643,456)	(820,311)

(*) Investments in associates and subsidiaries are classified as tangible and intangible fixed assets, sundry receivables, deferred tax assets, other assets and other 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 1,321 were deducted from non-interest banks, amounted to TL 1,967 were deducted from non-interest financial assets measured at amortised cost.

(*****) Frozen receivables are shown in the Non-interests bearing column after netting out with expected loss provisions.

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INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE 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 (*)	884,869	-	-	-	-	2,013,792	2,898,661
Financial Assets at Fair Value Through Profit and Loss	641,841	(81,847)	442,650	253,566	4,368	-	1,260,578
Money Market Placements	150,540	-	-	-	-	-	150,540
Financial Assets Available-for-Sale	3,984,529	495,494	2,497,651	-	-	13,782	6,991,456
Loans (*)	12,215,661	6,080,137	4,590,902	9,363,198	51,622	(918,743)	31,382,777
Held-to-Maturity Investments (*)	155,482	2,659,404	6,604,364	-	182,415	(1,931)	9,599,734
Other Assets (**)	-	-	-	-	-	2,843,474	2,843,474
Total Assets	25,392,937	9,153,188	14,135,567	9,616,764	238,405	6,489,906	65,026,767
Liabilities							
Bank Deposits (***)	642,607	20,113	-	-	-	23,226	685,946
Other Deposits	16,687,747	3,261,529	731,151	-	-	3,681,161	24,361,588
Money Market Funds	3,468,972	1,742,056	-	-	-	-	5,211,028
Miscellaneous Payables	-	-	-	-	-	780,038	780,038
Marketable Securities Issued	-	530	(530)	-	-	-	-
Funds Borrowed From Other Financial Institutions	3,054,660	6,023,125	8,657,503	6,170,185	2,210,222	-	26,115,695
Other Liabilities and Shareholders' Equity (****)	431,360	20,642	41,127	262,750	7,893	7,108,700	7,872,472
Total Liabilities	24,285,346	11,067,995	9,429,251	6,432,935	2,218,115	11,593,125	65,026,767
Balance Sheet Long Position	1,107,591	-	4,706,316	3,183,829	-	-	8,997,736
Balance Sheet Short Position	-	(1,914,807)	-	-	(1,979,710)	(5,103,219)	(8,997,736)
Off-Balance Sheet Long Position	-	38,031	266,536	-	-	-	304,567
Off-Balance Sheet Short Position	(394,261)	-	-	-	-	-	(394,261)
Total Position	713,330	(1,876,776)	4,972,852	3,183,829	(1,979,710)	(5,103,219)	(89,694)

(*) Expected loss provision for financial assets is presented non-interest bearing on the table. Amounted to TL 1,677 were deducted from non-interest banks, amounted to TL 1,931 were deducted from non-interest financial assets measured at amortised cost.

(**) Investments in associates and subsidiaries are classified as tangible and intangible fixed assets, sundry receivables, deferred tax assets, other assets and other 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.

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INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE 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 communique "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	EUR	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

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

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

V. Explanation on Stock Position Risk

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 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 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 "Regulation on calculation of Bank's liquidity coverage ratio", published in Official Gazette no. 28948, dated 21 March 2014, as of 2019 the deposit banks are subject to set 100% and 80% liquidity ratios for Total and 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 Bank, liquidity risk, responsibility and structure of management, reporting of 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 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. 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 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 Bank and the 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 Bank and its shareholders are determined by Bank's Asset and Liability Management Committees and monitored by the Treasury Department.

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

For the 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 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 Bank. Non-deposit sources also preferred because they are more long-term resources.

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

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

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

Turkish Lira, US Dollars and Euros are the currencies that constitute the minimum five per cent of the Bank's liabilities. It is intended to have effective foreign currency and liquidity risk management analyzing 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 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 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 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 Bank "Emergency Funding Plan Policy". Definitions regarding the liquidity crisis and actions that the Bank may take against a liquidity crisis that may occur in the market are implemented the action plan outlined. The Bank's special liquidity crisis levels set out in alarm conditions and the parameters to be monitored as an indicator are detailed. Liquidity Crisis Committee members and the Committee's duties and responsibilities are determined for the Bank's stress scenarios specific to the market and the Bank.

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

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

2. Liquidity Coverage Ratio

The 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 unconsolidated foreign currency and total liquidity coverage ratios are as follows:

		Consideration Ratio Unapplied to Total Value (*)		Consideration Ratio Applied to Total Value (*)	
		TL+FC	FC	TL+FC	FC
31 March 2024					
HIGH QUALITY LIQUID ASSETS					
1	High Quality Liquid Assets			12,648,516	8,408,983
CASH OUTFLOWS					
2	Retail and Small Business Customers	15,894,630	5,827,589	1,293,353	582,759
3	Stable Deposits	5,922,197	-	296,110	-
4	Less Stable Deposit	9,972,433	5,827,589	997,243	582,759
5	Unsecured Wholesale Funding	12,783,486	7,828,379	9,300,158	5,680,501
6	Operational Deposits	-	-	-	-
7	Non-operational Deposits	6,841,752	3,766,180	3,523,203	1,768,790
8	Other Unsecured Funding's	5,941,734	4,062,199	5,776,955	3,911,711
9	Secured Funding			-	-
10	Other Cash Outflows	707,398	707,454	707,398	707,454
11	Derivative cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	707,398	707,454	707,398	707,454
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	254,699	254,699	12,735	12,735
15	Other irrevocable or conditionally revocable off-balance sheet obligations	28,503,304	12,867,838	4,491,025	1,388,523
16	TOTAL CASH OUTFLOWS			15,804,669	8,371,972
CASH INFLOWS					
17	Secured lending	35,271	-	-	-
18	Unsecured lending	12,069,136	6,712,210	9,503,037	5,979,047
19	Other cash inflows	396,669	365,610	396,669	365,610
20	TOTAL CASH INFLOWS	12,501,076	7,077,820	9,899,706	6,344,657
				Total Adjusted Value	
21	TOTAL HIGH QUALITY ASSETS STOCKS			12,648,516	8,408,983
22	TOTAL CAH OUTFLOWS			5,932,069	2,495,468
23	LIQUIDITY COVERAGE RATIO (%)			227.52%	351.90%

(*) 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 last three months period of 2024 are given in the table below.

31 March 2024	Highest	Date	Lowest	Date	Average
TL+FC	352.58%	12.01.2024	159.83%	01.01.2024	227.52%
FC	455.97%	12.01.2024	267.73%	01.01.2024	351.90%

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

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

2. Liquidity Coverage Ratio (Continued)

		Consideration Ratio Unapplied to Total Value (*)		Consideration Ratio Applied to Total Value (*)	
31 December 2023		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS					
1	High Quality Liquid Assets			12,852,790	7,004,193
CASH OUTFLOWS					
2	Retail and Small Business Customers	17,099,607	5,031,307	1,481,896	503,131
3	Stable Deposits	4,561,311	-	228,066	-
4	Less Stable Deposit	12,538,296	5,031,307	1,253,830	503,131
5	Unsecured Wholesale Funding	13,617,256	6,805,708	10,135,597	4,823,736
6	Operational Deposits	-	-	-	-
7	Non-operational Deposits	8,733,976	3,975,504	5,398,691	2,129,232
8	Other Unsecured Fundings	4,883,280	2,830,204	4,736,906	2,694,504
9	Secured Funding			-	-
10	Other Cash Outflows	904,748	900,831	904,748	900,831
	Derivative cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	904,748	900,831	904,748	900,831
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	247,387	247,387	12,369	12,369
15	Other irrevocable or conditionally revocable off-balance sheet obligations	25,044,398	12,708,803	3,912,032	1,360,694
16	TOTAL CASH OUTFLOWS			16,446,642	7,600,761
CASH INFLOWS					
17	Secured lending	27,630	-	-	-
18	Unsecured lending	13,317,810	7,346,959	10,207,312	5,978,954
19	Other cash inflows	102,137	106,595	102,137	106,595
20	TOTAL CASH INFLOWS	13,447,577	7,453,554	10,309,449	6,085,549
				Total Adjusted Value	
21	TOTAL HIGH QUALITY ASSETS STOCKS			12,852,790	7,004,193
22	TOTAL CAH OUTFLOWS			6,156,942	2,117,913
23	LIQUIDITY COVERAGE RATIO (%)			214.82%	343.36%

(*) 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 last three months period of 2023 are given in the table below.

31 December 2023	Highest	Date	Lowest	Date	Average
TL+FC	279.96%	06.10.2023	176.32%	27.10.2023	214.82%
FC	418.33%	06.10.2023	234.22%	01.12.2023	343.36%

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INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE 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 Bank's funding balances. As of 31 March 2024, the proportion of total liabilities to all deposits of the bank is 37% and borrowings constitutes 26% portion whereas subordinate debt is 14%. Secured borrowings such as repo transactions has lower portion (9%).

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 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 assets (31 December 2023: None). In addition, cash outflow 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, 66% of the Bank's 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 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 Bank and its consolidated subsidiaries, there are no such risks drawing attention.

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.

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

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

	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 (****)	3,389,532	699,642	-	-	-	-	(1,321)	4,087,853
Financial Assets at Fair Value Through Profit and Loss	-	438,527	115,267	766,316	81,542	36,676	-	1,438,328
Money Market Placements	-	451,960	-	-	-	-	-	451,960
Financial Assets at Fair Value Through Other Comprehensive Income (****)	-	56,500	-	1,249,239	4,140,794	1,932,439	13,781	7,392,753
Loans(*****)	-	14,823,472	1,854,841	6,984,574	5,609,390	2,282,638	(732,776)	30,822,139
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 (*) (****)	73	66,746	3,122	98,550	9,245	3,543	3,632,974	3,814,253
Total Assets	4,336,920	25,018,150	1,991,030	10,279,852	17,230,775	5,318,551	2,910,691	67,085,969
Liabilities								
Bank Deposits (***)	59,344	223,301	99,381	-	-	-	-	382,026
Other Deposits	4,822,607	16,697,894	2,785,180	355,032	640	-	-	24,661,353
Funds Borrowed From Other Financial Institutions (**)	-	1,227,952	3,078,804	13,122,967	-	9,245,973	-	26,675,696
Money Market Funds	59,957	2,108,641	3,800,993	(35,322)	-	-	-	5,934,269
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	652,852	652,852
Other Liabilities	-	1,335,347	58,102	446,640	37,040	28,328	6,874,316	8,779,773
Total Liabilities	4,941,908	21,593,135	9,822,460	13,889,317	37,680	9,274,301	7,527,168	67,085,969
Liquidity Gap	(604,988)	3,425,015	(7,831,430)	(3,609,465)	17,193,095	(3,955,750)	(4,616,477)	-
31 December 2023								
Total Assets	4,555,074	19,427,275	7,526,636	6,023,039	20,783,027	4,936,843	1,774,873	65,026,767
Total Liabilities	3,704,387	23,007,890	11,114,483	11,631,286	393,367	8,222,592	6,952,762	65,026,767
Liquidity Gap	850,687	(3,580,615)	(3,587,847)	(5,608,247)	20,389,660	(3,285,749)	(5,177,889)	-

(*) 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 Deposit".

(****) Expected loss provision for financial assets is presented non-interest bearing on the table. Amounted to TL 1,321 were deducted from unclassified banks, amounted to TL 1,967 were deducted from unclassified financial assets measured at amortised cost.

(*****) Frozen receivables are shown in the interests-free column after netting out with expected loss provisions.

Contractual maturity analysis of the Bank's derivative 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".

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INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE 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	-	-	-	16,929,438	16,929,438
2	Tier 1 Capital and Tier 2 Capital	-	-	-	16,929,438	16,929,438
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	3,071,622	31,212,775	12,704,099	-	9,301,553
8	Operational deposits	-	-	-	-	-
9	Other Obligations	3,071,622	31,212,775	12,704,099	-	9,301,553
10	Liabilities equivalent to interconnected assets					
11	Other Liabilities	2,280,945	1,789,502	-	-	-
12	Derivative liabilities				339,023	
13	All other equity not included in the above categories	1,941,923	1,789,502	-	-	-
14	Available stable funding					40,196,705
Required stable funding						
15	Required stable funding					3,546,713
16	Deposits held at financial institutions for operational purposes	-	-	-	-	-
17	Performing Loans	5,923,816	14,328,440	6,506,119	9,189,985	22,325,216
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	2,655,605	3,193,856	864,893	361,062	3,928,192
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	3,213,029	10,640,008	5,607,087	8,789,637	18,251,293
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	6,015,945	1,796,125	47,028	-	5,200,119
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	4,092,497	1,796,125	47,028	-	4,147,400
32	Off-balance sheet commitments		32,184,127	-	-	1,609,206
33	Total Required stable funding					32,681,254
34	Net Stable Funding Ratio (%)					123.00%

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INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE 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	-	-	-	14,881,127	14,881,127
2	Tier 1 Capital and Tier 2 Capital	-	-	-	14,881,127	14,881,127
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	2,062,017	32,519,962	9,949,476	140,729	7,428,370
8	Operational deposits	-	-	-	-	-
9	Other Obligations	2,062,017	32,519,962	9,949,476	140,729	7,428,370
10	Liabilities equivalent to interconnected assets					
11	Other Liabilities	2,583,837	1,469,541	-	-	-
12	Derivative liabilities				649,664	
13	All other equity not included in the above categories	1,934,173	1,469,541	-	-	-
14	Available stable funding					37,640,678
Required stable funding						
15	Required stable funding					4,018,358
16	Deposits held at financial institutions for operational purposes	-	-	-	-	-
17	Performing Loans	4,595,258	19,196,175	2,687,575	8,911,748	21,074,958
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	1,996,042	4,661,014	154,216	1,124,633	3,896,935
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	2,405,851	14,318,068	2,494,664	7,730,029	16,947,243
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	5,265,484	1,509,510	31,621	-	4,092,258
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	3,387,893	1,509,510	31,621	-	3,457,193
32	Off-balance sheet commitments		26,920,848	-	-	1,346,042
33	Total Required stable funding					30,531,616
34	Net Stable Funding Ratio (%)					123.28%

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

VII. Explanations on Leverage Ratio

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

The Bank's unconsolidated leverage ratio is 14.90% and calculated in compliance with "Regulation on Measurement and Evaluation of Leverage Levels of Banks" (31 December 2023: 14.16%). 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)	66,935,390	66,781,713
2 Assets deducted in determining Tier 1 capital	(242,917)	(218,039)
3 Total on-balance sheet risks (sum of lines 1 and 2) Derivative financial instruments and credit derivatives	66,692,473	66,563,674
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 (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)	-	-
Off-balance sheet transactions		
10 Gross notional amounts of off-balance sheet transactions	42,997,924	34,916,872
11 (Adjustments for conversion to credit equivalent amounts)	(6,671,650)	(5,139,871)
12 Total risks of off-balance sheet items (sum of lines 10 and 11)	36,326,274	29,777,001
Capital and Total Risk		
13 Tier 1 capital	15,594,587	13,866,575
14 Total risks (sum of lines 3, 6, 9 and 12)	104,707,715	97,936,430
Leverage ratio		
15 Leverage ratio (%)	14.89%	14.16%

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

VIII. Explanations on Fair Values of Financial Assets and Liabilities

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".

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

None (31 December 2023: None).

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INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE 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 Bank, the following tables have not been presented as of 30 June 2023:

- 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 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 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 Bank. The Board manages risk through the Audit & Compliance; Risk; Executive Committees.

While the risk appetite at the Bank is linked to the overall risk management framework and business strategy of the Bank, the update of Risk Appetite statement approved by the Board and monitoring of the 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 Bank and its affiliates are performed.

The 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 Bank in particular, and reports related results to the Top Management. The Bank also monitors the compliance of credit facilities and treasury operations etc. with the Bank's risk policies administer internal reporting and monitor the results on a regular basis.

The 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 Bank's solvency and liquidity.

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

X. Explanations on the Risk Management (Continued)

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

1. The 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 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 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)	50,058,203	41,100,263	4,004,656
2	Standardised approach (SA)	50,058,203	41,100,263	4,004,656
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	1,706,623	1,872,180	136,530
5	Standardised approach for counterparty credit risk (SA-CCR)	1,706,623	1,872,180	136,530
6	Internal model method (IMM)	-	-	-
7	Basic risk weight approach to internal models equity position in the banking account	-	-	-
8	Investments made in collective investment companies – look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach	-	-	-
10	Investments made in collective investment companies - 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRBratings-basedapproach(RBA)	-	-	-
14	IRB Supervisory Formula Approach (SFA)	-	-	-
15	SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	1,754,038	1,653,513	140,323
17	Standardised approach (SA)	1,754,038	1,653,513	140,323
18	Internal model approaches (IMM)	-	-	-
19	OperationalRisk	4,110,857	2,210,072	328,869
20	Basic Indicator Approach	4,110,857	2,210,072	328,869
21	StandardApproach	-	-	-
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)	57,629,721	46,836,028	4,610,378

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INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE 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".

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

X. Explanations on the Risk Management (Continued)

e. Explanations on securitisations

None.

f. Explanations on market risk

		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	1,522,725	1,475,863
4	Commodity risk	-	-
	Options		
5	Simplified approach	-	-
6	Delta-plus method	102,863	46,850
7	Scenario approach	-	-
8	Securitisation	-	-
9	Total	1,754,038	1,653,513

g. 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".

h. 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".

i. 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".

j. 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".

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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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 balanced the fair value effects of changes in libor interest rates, fixed interest rate by applying hedge accounting with the interest rate swap nominal value of TL 55,000 with maturity 5 years.

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 will be amortized until 25 December 2023.

The 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.

As of 31 March 2024, the Bank has no derivative transactions determined as fair value hedging.

The 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.

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	-	-	-	800,000	17,462	-
Total	-	-	-	800,000	17,462	-

(*) 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 UNCONSOLIDATED 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 UNCONSOLIDATED 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 Restricted 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%).

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes on Assets (Continued)

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

As of 31 March 2024, the 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).

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	502,903	448,991	462	960,656
Foreign	-	3,137,280	-	1,939,220
Total	502,903	3,586,271	462	2,899,876

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). Real estate investment fund amounting to TL 159,685 (31 December 2023: 153,018). As of 31 March 2024, the share certificates amounting to TL 13,782 (31 December 2023: TL 13,782).

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

	31 March 2024	31 December 2023
Debt Securities	7,758,727	7,364,244
Quoted on Stock Exchange	7,599,042	7,211,226
Not Quoted(*)	159,685	153,018
Share Certificates	13,782	13,782
Quoted on Stock Exchange	1	1
Not Quoted	13,781	13,781
Impairment Provision (-)	379,756	404,032
Total	7,392,753	6,973,994

(*) Omurga Gayrimenkul ve Girişim Sermayesi Portföy Yönetimi which is 100% owned by Alternatifbank also includes the second real estate investment fund

ALTERNATİFBANK A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED 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 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		
		Restructured Loans		
		Loans Not Subject to Restructuring	Loans with Revised Contract Terms	Refinance
Cash Loans(*)	Standard Loans			
Non-specialized Loans	27,676,082	1,304,247	2,574,601	-
Loans given to enterprises	-	-	-	-
Export Loans	7,099,859	39,985	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	2,919,064	-	-	-
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	27,676,082	1,304,247	2,574,601	-

(*) Factoring receivables are included.

Prior Period		Loans Under Close Monitoring		
		Restructured Loans		
		Loans Not Subject to Restructuring	Loans with Revised Contract Terms	Refinance
Cash Loans(*)	Standard Loans			
Non-specialized Loans	26,137,506	4,006,788	2,157,232	-
Loans given to enterprises	-	-	-	-
Export Loans	5,164,371	19,927	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	5,040,153	-	-	-
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	26,137,506	4,006,788	2,157,232	-

(*) Factoring receivables are included.

ALTERNATİFBANK A.Ş.**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31 MARCH 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED 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	174,219	-
Significant Increase in Credit Risk	-	606,360

(*) 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	57,845	-
Significant Increase in Credit Risk	-	893,242

(*) 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 communique "financial statements and related disclosures and footnotes to be announced to public by banks".

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED 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 consist of personal loans.

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED 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 Installments Loans-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 Installments Loans-FC Indexed	-	36,305	36,305
Real Estate Loans	-	36,305	36,305
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Installments Loans-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
Credit Deposit Account-TL (Legal Person)	87,134	-	87,134
Credit Deposit Account-FC (Legal Person)	-	-	-
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 communique "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	31,554,377	32,300,750
Foreign Loans	553	776
Total	31,554,930	32,301,526

8. Loans given to investments in associates and subsidiaries

As of 31 March 2024, there are loans granted to associates and subsidiaries amount to TL 354,696 (31 December 2023: TL 1,249,882).

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

	31 March 2024	31 December 2023
Loans with Limited Collectability	16,801	1,298
Loans with Doubtful Collectability	3,510	5,969
Uncollectible Loans	339,659	360,047
Total	359,970	367,314

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes on Assets (Continued)

g. Explanations on loans (Continued)

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 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	1,311	17,359	380,265
Addition (+)	33,588	11,902	7,855
Transfers from Other Categories of Non-performing Loans (+)	-	1,019	12,205
Transfers to Other Categories of Non-performing Loans (-)	(1,019)	(12,205)	-
Collections (-)	(183)	(1,170)	(43,929)
Write-offs (-)	-	-	-
Sold Portfolio (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
31 March 2024	33,697	16,905	356,396
Specific Provisions (-)	16,801	3,510	339,659
Net Balance on Balance Sheet	16,896	13,395	16,737

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

As at the balance sheet date there are no non-performing loans denominated in foreign currencies (31 December 2023: None).

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes on Assets (Continued)

g. Explanations on loans (Continued)

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

(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)	16,896	13,395	16,737
Loans to Real Persons and Legal Entities (Gross)	33,697	16,905	356,396
Specific Provision Amount (-)	(16,801)	(3,510)	(339,659)
Loans to Real Persons and Legal Entities (Net)	16,896	13,395	16,737
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
31 December 2023 (Net)	13	11,390	20,218
Loans to Real Persons and Legal Entities (Gross)	1,311	17,359	380,265
Specific Provision Amount (-)	(1,298)	(5,969)	(360,047)
Loans to Real Persons and Legal Entities (Net)	13	11,390	20,218
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)

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".

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes on Assets (Continued)

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. 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
Effect of Reclassifications and Measurements in accordance with IFRS 9	845,282	3,814,210
Transfers from Investment Securities Available for Sale (*)	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

(*) The amount consist immaterial sale of financial asset.

i. Information on investments in associates (Net)

The Bank has no investments in associates as of 31 March 2024 (31 December 2023: None).

ALTERNATİFBANK A.Ş.**NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED 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 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/Turkey	100.00	100.00
2	Alternatif Finansal Kiralama A.Ş.	İstanbul/Turkey	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 ¹	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 31 March 2023 data.

3. 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.

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes on Assets (Continued)

j. Information on subsidiaries (Net) (Continued)

4. 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

5. Subsidiaries quoted on stock exchange

There are no subsidiaries quoted on stock exchange (31 December 2023: None).

k. Information on joint ventures

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

l. Information on lease receivables (net)

There are no receivables from lease transactions (31 December 2023: None).

m. Information on hedging derivative financial assets

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

n. Tangible assets

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".

o. Intangible assets

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".

p. Information on investment property

There is no investment property (31 December 2023: None).

ALTERNATİFBANK A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes on Assets (Continued)

q. Explanations about deferred tax asset

As of 31 March 2024, the Bank has deferred tax asset amounting to TL 430,249 (31 December 2023: TL 427,288 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	809,907	242,972	724,853	217,456
Provisions	1,081,467	324,440	1,670,380	501,114
Valuation of Financial Assets	(506,247)	(151,874)	(993,637)	(298,091)
Commission Deferral	49,037	14,711	22,697	6,809
Financial Losses	-	-	-	-
Other	-	-	-	-
Net Deferred Tax Assets	1,434,163	430,249		427,288

	1 January 2024 – 31 March 2024	1 January 2023 – 31 March 2023
1 January Net Deferred Tax Asset/(Liability)	427,288	121,669
Deferred Tax (Expense)/Income	46,976	(18,165)
Deferred tax recognized in other comprehensive income	(44,015)	(57,050)
31 March Net Deferred Tax Asset/(Liability)	430,249	46,454

r. Movement of assets held for resale and discontinued operations

	31 March 2024	31 December 2023
Beginning of the period	405,658	487,833
Disposals (-)	(3,655)	(87,495)
Additions	-	5,320
Current period depreciation (-)	-	-
Impairment provision addition/ return	-	-
End of the Period	402,003	405,658

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.
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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes on Liabilities

a. Information on deposits

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

1 (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	3,549,632	-	2,523,747	5,298,116	33,788	14,105	36,909	-	11,456,297
Residents in Turkey	3,438,955	-	2,458,336	5,157,067	30,936	14,105	36,909	-	11,136,308
Residents Abroad	110,677	-	65,411	141,049	2,852	-	-	-	319,989
Public Sector Deposits	60,384	-	-	-	-	-	-	-	60,384
Commercial Deposits	429,789	-	1,708,281	815,592	563,772	158	230,343	-	3,747,935
Other Institutions Deposits	6,142	-	5,322	4,047	32	-	-	-	15,543
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	4,930,847	-	8,757,372	8,617,248	2,176,089	275,874	285,949	-	25,043,379

1 (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	2,388,020	-	1,824,100	2,984,536	68,344	15,602	48,138	-	7,328,740
Residents in Turkey	2,293,357	-	1,814,366	2,843,429	68,135	15,602	31,726	-	7,066,615
Residents Abroad	94,663	-	9,734	141,107	209	-	16,412	-	262,125
Public Sector Deposits	25,994	-	-	-	-	-	-	-	25,994
Commercial Deposits	440,550	-	983,865	2,359,797	690,500	154	219,835	-	4,694,701
Other Institutions Deposits	3,120	-	3,961	13,506	29	-	-	-	20,616
Precious Metal Deposits	196,530	-	135,272	307,074	28,224	6,151	20,654	-	693,905
Bank Deposits	23,222	-	395,640	267,084	-	-	-	-	685,946
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	138	-	-	-	-	-	-	-	138
Foreign Banks	23,084	-	395,640	267,084	-	-	-	-	685,808
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	3,704,412	-	8,000,788	10,530,457	2,274,729	221,434	315,714	-	25,047,534

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED 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	227,854	126,987	478,666
Futures Transactions	-	-	-	-
Options	218,399	63,981	37,839	30,772
Total	414,473	305,259	181,628	511,810

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

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED 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	43,219	30,117	43,279	57,209
From Foreign Banks, Institutions and Funds	5,505	17,195,451	5,104	17,648,701
Total	48,724	17,343,601	48,383	17,815,215

2. Information on maturity profile of borrowings

	31 March 2024		31 December 2023	
	TL	FC	TL	FC
Short-term	48,724	1,287,060	48,383	681,445
Medium and Long-term	-	16,056,541	-	17,133,770
Total	48,724	17,343,601	48,383	17,815,215

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 liabilities

Other foreign liabilities amounting to TL 855,727 are included in "Other Liabilities" (31 December 2023: TL 529,557) and do not exceed 10% of the total balance sheet.

e. Information on financial lease agreements

i). Information of financial lease liabilities

	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

None (31 December 2023: None)

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FOR THE PERIOD ENDED 31 MARCH 2024

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED 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.

In accordance with the revised TAS 19 Standard, Actuarial losses has recognized under the equity, amount of after deferred tax TL 7,859 as of 31 March 2024 (31 March 2023: TL 16,110 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
Ratio Used for Probability of Pension (%)	86.67	86.67

The principal actuarial assumption is that the maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation.

As of 31 March 2024, The Bank has provision for employee benefits amount of TL 29,843 (31 December 2023: 21,433) provision of unused vacation amount of 15,604 TL (31 December 2023: TL 10,447).

2. Information on Provisions Related with the Foreign Currency Difference of Foreign 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
Provision for Litigation and Claims	68,406	61,810
Bonus Provision	34,407	74,729
Provision for Miscellaneous Receivables	3,620	2,552
Total	259,361	259,214

h. Information on taxes payable

1. Information on current tax liability

As of 31 March 2024, the current tax liability is TL 251,270 (31 December 2023: 210,568).

(i) Explanations on Tax Liabilities

	31 March 2024	31 December 2023
Corporate Tax Payable	251,270	210,568
Taxation of Marketable Securities	28,671	25,139
Banking Insurance Transaction Tax (BITT)	39,726	45,324
Value Added Tax Payable	586	3,313
Property Tax	326	372
Foreign Exchange Transaction Tax	3,138	704
Other	12,465	11,919
Total	336,182	297,339

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes on Liabilities (Continued)

h. Information on taxes payable (Continued)

1. Information on current tax liability (Continued)

(ii) Information on premium payables

	31 March 2024	31 December 2023
Social Security Premiums - Employee	12,906	8,969
Social Security Premiums - Employer	14,245	10,039
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	922	641
Unemployment Insurance - Employer	1,844	1,281
Other	7,659	5,422
Total	37,576	26,352

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 communique "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 communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

ALTERNATİFBANK A.Ş.**NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED 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 Bank applies registered share capital system. The 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 (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 commitments up until the end of the fiscal year and the subsequent interim period : None.****6. Information on prior period's indicators on the Bank's income, profitability and liquidity, and possible effects of these future assumptions on the Bank'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 Bank within several risk limits and legal limits.

7. There is no privileges given to shares representing the capital**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	(442,655)	(141,940)	(241,744)	(117,344)
Foreign Currency Difference	-	-	-	-
Total	(442,655)	(141,940)	(241,744)	(117,344)

9. Information on other capital reserves

None.

ALTERNATİFBANK A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED 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, 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	4,712,597	4,565,879
Bank Acceptance Loans	314,390	321,825
Guarantees and Collaterals	1,150,201	912,083
Total	6,177,188	5,799,787

(ii). Guarantees, sureties and other similar guarantees

	31 March 2024	31 December 2023
Definite Letter of Guarantees	19,501,767	16,109,295
Advance Letter of Guarantee	667,890	757,097
Letter of Guarantees Given to Customs	162,044	367,876
Temporary Letter of Guarantees	382,811	201,674
Total	20,714,512	17,435,942

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	19,614,231	17,137,529
Total	31,067,650	25,989,879

ALTERNATİFBANK A.Ş.
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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED 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".

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED 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	457,787	75,287	149,850	84,809
Interest on Loans Under Follow-up	20,762	-	10,879	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
Total (*)	1,927,905	330,698	842,839	268,142

(*) Includes fee and commission income received for 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	4,760	9,852	3,495	3,846
From Foreign Banks	-	27,023	-	16,271
Headquarters and Branches Abroad	-	-	-	-
Total	6,863	49,125	3,495	20,332

(*) 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	35	433
From Financial Assets Measured at Amortised Cost	113,264	111,789	147,606	31,025
From Financial Assets At Fair Value Through Profit or Loss	601	595	98,854	62,791
Total	512,216	166,507	246,495	94,249

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

	31 March 2024	31 March 2023
Interest Received from Associates and Subsidiaries	81,060	39,895

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED 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	4,169	410,819	2,362	236,339
CBRT	-	-	423	-
Domestic Banks	3,644	1,434	1,846	3,546
Foreign Banks	525	409,385	93	232,793
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	280,815	-	78,585
Total (*)	4,169	691,634	2,362	314,924

(*) Includes fee and commission income received for cash loans.

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

	31 March 2024	31 March 2023
Interest Paid to Associates and Subsidiaries	57	1,434

3. Information on interest expense to marketable securities issued

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

ALTERNATİFBANK A.Ş.
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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED 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

	Demand Deposit	Time Deposit					Accumulated Deposit	Total
31 March 2024		Up to 1 Months	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	-	91,278	146,163	43,880	-	10,508	-	291,829
Other Deposits	-	794	1,213	3	-	2	-	2,012
Deposit with 7 Days	-	-	-	-	-	-	-	-
Total	-	719,146	370,496	187,040	26,419	11,637	-	1,314,738
Foreign Currency								
Foreign Currency	-	5,962	22,534	322	85	646	-	29,549
Bank Deposits	-	514	-	-	-	-	-	514
Deposit with 7 Days	-	-	-	-	-	-	-	-
Precious Metal	-	70	521	84	16	66	-	757
Total	-	6,546	23,055	406	101	712	-	30,820
Grand Total	-	725,692	393,551	187,446	26,520	12,349	-	1,345,558

		Time Deposit						Total
31 March 2023	Demand Deposit	Up to 1 Months	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit	
Turkish Lira								
Bank Deposits	-	7,165	-	-	-	-	-	7,165
Savings Deposits	-	136,191	255,642	13,369	-	8,982	-	414,184
Public Deposits	-	-	-	-	-	-	-	-
Commercial Deposits	-	74,643	131,822	41,264	-	42,280	-	290,009
Other Deposits	-	1,434	947	6	13	3	-	2,403
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Total	-	219,433	388,411	54,639	13	51,265	-	713,761
Foreign Currency								
Foreign Currency Account	-	1,313	16,380	375	493	2,746	-	21,307
Bank Deposits	-	1,648	-	-	-	-	-	1,648
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	22	221	35	5	106	-	389
Total	-	2,983	16,601	410	498	2,852	-	23,344
Grand Total	-	222,416	405,012	55,049	511	54,117	-	737,105

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

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations And Notes on Income Statement (Continued)

b. Information on interest expense (Continued)

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. Information's 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".

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".

ALTERNATİFBANK A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations And Notes on Income Statement (Continued)

c. Justify 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	53,756,264	20,561,402
Income from Capital Market Transactions	1,713	12,162
Derivative Financial Transactions	963,886	828,188
Foreign Exchange Gains	52,790,665	19,721,052
Loss (-)	53,708,852	20,269,480
Loss from Capital Market Transactions	288	1,002
Derivative Financial Transactions	306,640	601,400
Foreign Exchange Loss	53,401,924	19,667,078
Net Income/ (Loss)	47,412	291,922

e. Explanations about other operating income

For the period ended 31 March 2024, other operating income includes income from assets to be disposed of 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 62,002 (31 March 2023: TL 33,282).

f. Expected provision losses and other provision losses

	31 March 2024	31 March 2023
Expected Credit Loss	(194,207)	5,700
12 month expected credit loss (stage 1)	140,977	(37,212)
Significant increase in credit risk (stage 2)	(330,008)	85,666
Non-performing loans (stage 3)	(5,176)	(42,754)
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	-	-
Joint Ventures	-	-
Other	20,036	3,489
Total	(172,982)	10,464

ALTERNATİFBANK A.Ş.**NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED 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	265,833	139,960
Reserve for Employee Termination Benefits	1,200	5,109
Unused Vacation	5,158	-
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	14,186	11,732
Impairment Expenses of Intangible Assets	-	-
Impairment Expense of Goodwill	-	-
Amortisation Expenses of Intangible Assets	25,040	14,052
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	137,555	128,434
Other Expenses	702	118,952
Advertising Expenses	1,998	6,942
Maintenance Expenses	4,900	2,538
Operational Lease Expenses	129,955	2
Loss on Sales of Assets	156	871
Other (*)	35,264	22,109
Total	484,392	322,267

(*) Other operating charges is TL 30,321 except premium of SDIF and tax amounting to TL 4,943 (31 March 2023: Other operating charges is TL 19,233 except Premium of SDIF and tax amounting to TL 2,876).

ALTERNATİFBANK A.Ş.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024**

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations And Notes on Income Statement (Continued)

h. Justify 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. Explanations on for taxes on income from continuing operations

As of 31 March 2024, the Bank has current tax expense amounting to TL 41,161 (31 March 2023: TL 75,539 current tax expense), and deferred tax income amounting to TL 46,976 (31 March 2023: TL 18,165 deferred tax expense).

j. Explanations on 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".

k. Explanations on on net income/loss for the period

1) Interest income from ordinary banking transactions is TL 3,012,690 (31 March 2023: TL 1,522,738), interest expense is TL 2,361,224 (31 March 2023: TL 1,117,905).

2) Information on any change in the accounting estimates has no profit/loss effect on current period or consequent periods.

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

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations And Notes on Income Statement (Continued)

- I. 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	27,662	24,540
Account Management Fee Commission	564	747
Export Letters of Credit Commissions	98	290
Credit Early Termination Compensation	143	201
Transfer Commissions	846	475
Expertise Commissions	1,838	6,033
Other	10,090	8,209
Total	43,560	61,896
Fees and Commissions Paid - Other	31 March 2024	31 March 2023
Clearing Commissions	1,865	7,237
Debit Card Fees and Commissions	8,407	17,883
Commissions Granted to Correspondent Banks	1,410	389
Bonds Commissions	-	-
Fees and Commissions on Foreign Currency Transactions	17	17
Transfer Commissions	739	504
Commissions for Effective and Future Transactions	1,108	14
CBRT Interbank Money Market	403	342
Other	15,459	77,993
Total	29,408	104,379

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".

ALTERNATİFBANK A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VII. Explanations and Notes on Bank's Risk Group

a. The volume of transactions relating to the Bank'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 Bank		Other real and legal persons that have been included in the risk group	
Bank's Risk Group (*) (**)	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	1,249,882	256	-	3,742	771	1,607
Balance at the End of the Period	354,696	256	-	4,030	833	607
Interest and Commission Income Received	81,060	-	-	123	1,343	1,351

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

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

31 December 2023

	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
Bank's Risk Group (*) (**)	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	693,553	284	-	292	1,012,705	4,222
Balance at the End of the Period	1,249,882	256	-	3,742	771	1,607
Interest and Commission Income Received (***)	39,895	-	-	174	17,590	29

(*) Defined in the 49th article of subsection 2 of the 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.

3. Information on deposits of the Bank's risk group

Bank's Risk Group (*)	Associates , subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
Deposit	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Beginning of the Period	126,805	198,031	-	-	90,557	68,723
End of the Period	158,187	126,805	-	-	72,069	90,557
Interest Expense on Deposits (**)	57	1,434	-	-	-	5

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

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

ALTERNATİFBANK A.Ş.**NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****VII. Explanations and Notes on Bank's Risk Group (Continued)****a. The volume of transactions relating to the Bank's risk group, outstanding loan and deposit transactions and profit and loss of the period (Continued)****4. Information on forward and option agreements and other derivative instruments with the Bank's risk group**

Bank's Risk Group (*)	Associates , subsidiaries and joint ventures		Direct and indirect shareholders of the 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 (***)	11,275	10,329	4,491	-	-	-
Transactions for hedging purposes						
Beginning of the Period (**)	-	-	-	-	-	-
End of the Period (**)	-	-	-	-	-	-
Total Profit / Loss (***)	-	-	-	-	-	-

(*) Defined in the 49th article of subsection 2 of the 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.

(***) 31 March 2023 balances used for income / expense accounts

b. With respect to the Bank's risk group**1. The relations with entities that are included in the Bank's risk group and controlled by the Bank irrespective of the relationship between the parties**

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

2. 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 (%)
Deposits	230,256	0.92%
Non-cash Loans	4,893	0.02%
Loans	355,529	1.13%
Subordinated Loan	2,483,555	26.75%

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

3. Equity accounted transactions

None.

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

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**VII. Explanations and Notes on Bank's Risk Group (Continued)****b. With respect to the Bank's risk group (Continued)**

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 Bank and Alternatif Finansal Kiralama A.Ş. The Bank has also cost sharing agreements with Alternatif Finansal Kiralama A.Ş. and Alternatif Yatırım Menkul Değerler A.Ş.

The Bank allocates cash and non-cash loans to the risk group of the Bank within limits of Banking Laws and that amount is 0.58% of total cash and non-cash loan amount (31 December 2023: 2.15%).

5. Information on Other Liabilities

None.

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

Benefits provided to the Bank's key management amount to TL 31,047 as of 31 March 2024 (31 March 2023: TL 24,890).

VIII. Explanations and Notes on The Domestic, Foreign, Off-Shore Branches and Foreign Representatives of The Bank

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.

IX. Explanations and Notes on Subsequent Events

None.

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

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SECTION SIX

OTHER EXPLANATIONS

I. Other Explanations Related to Bank's Operations

Summary information about the 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)
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

SECTION SEVEN

EXPLANATIONS ON THE AUDITOR'S REVIEW REPORT

I. Explanations on the Independent Auditor's Review Report

The Bank's unconsolidated financial statements and footnotes to be disclosed to public as of 31 March 2024 have been reviewed by KMPG 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 UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

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

SECTION EIGHT

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

Abstract Financial Information About the Term Activity Results

The unconsolidated 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 bank's 1 January – 31 March 2024 activity period is below.

Actual Figures	31 March 2024	31 December 2023	31 March 2023
Loans	30,821,379	31,382,064	28,352,970
Marketable securities	17,110,487	16,616,446	11,421,825
Deposits	25,043,379	25,047,534	23,926,264
Total Assets	67,085,969	65,026,767	50,348,021
Equity	6,516,092	5,863,048	4,370,269
Profit / Loss Before Taxes	533,017	2,387,705	394,500
Profit / Loss	538,832	1,885,431	300,796

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 UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024

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

I. Interim Period Activity Report Consisting Bank Chairman and CEO's Evaluation in Reference to Interim Period 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 Kırmızı
CEO