

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

## **Alternatifbank A.Ş.**

Consolidated Financial Statements and Notes as of and  
For the Six-Month Period Ended 30 June 2024 With  
Independent Auditor's Review Report



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

To the Board of Directors of Alternatifbank Anonim Şirketi

### *Introduction*

We have reviewed the accompanying consolidated balance sheet of Alternatifbank Anonim Şirketi (“the Bank”) and its subsidiaries (together will be referred as “the Group”) as at 30 June 2024 and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders’ equity, consolidated statement of cash flows for the six month period then ended, and notes, comprising a summary significant accounting policies and other explanatory information. The Group management is responsible for the preparation and fair presentation of these consolidated interim financial information in accordance with the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Reporting Legislation which includes “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette No. 26333 dated 1 November 2006, and other regulations on accounting records of banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and the requirements of Turkish Accounting Standard 34 “*Interim Financial Reporting*” for the matters not regulated by the aforementioned legislations (together referred as “BRSA Accounting and Reporting Legislation”). Our responsibility is to express a conclusion on these consolidated interim financial information based on our review.

### *Scope of Review*

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



#### *Basis for Qualified Conclusion*

The Group started to account its head office building at revalued amount instead of cost amount under the Turkish Accounting Standards 16 Property, Plant and Equipment as of 31 December 2018. The revaluation surplus in respect of the evaluation performed by valuation companies authorized by the Capital Markets Board (“CMB”) and the Banking Regulation and Supervision Agency (“BRSA”) is accounted under equity as accumulated revaluation increase/decrease of fixed assets. The Group management performed the revaluation of this asset based on its revalued amount as of 27 December 2022, and adjusted the carrying amount of this asset in its consolidated financial statements as of January 2023. On 26 January 2024 performed the revaluation of this asset By The Group management and adjusted the amount of this asset in its consolidated financial statements as of 30 June 2024 As of 31 December 2023, no revaluation has been performed by Group management for this asset. If a revaluation had been performed for this asset as of 31 December 2023, property, plant and equipment (net) and other comprehensive income or expenses not to be reclassified to profit or loss within equity would have increased by TL 690,506 thousands and TL 483,354 thousands respectively, while deferred tax asset would have decreased by TL 207,152 thousands in the consolidated financial statements in the accompanying consolidated financial statements. Additionally, as of the interim period ending on 30 June 2024, accumulated other comprehensive income or expenses not to be reclassified in profit or loss would have been lower by an amount of TL 483,354.

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

#### *Qualified Conclusion*

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraphs, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the consolidated financial position of Alternatifbank A.Ş. and its subsidiaries as at 30 June 2024 and its consolidated financial performance and its consolidated cash flows for the six month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.



*Report on Other Legal and Regulatory Requirements Arising From Legislation*

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

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

A handwritten signature in blue ink, appearing to read 'Ebru Koçak', written in a cursive style.

Ebru Koçak, SMMM  
Partner

31 July 2024  
İstanbul, Türkiye

**THE CONSOLIDATED FINANCIAL REPORT OF  
ALTERNATİFBANK A.Ş. AS OF AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

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

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

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

**Subsidiaries:**

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

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

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

The authorised contact person for questions on this financial report:

Name-Surname/Title : Ahmet Akın / International and Legal Reporting Manager  
Telephone Number : 0 212 315 70 77  
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**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

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

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**SECTION ONE**

**GENERAL INFORMATION ABOUT THE GROUP**

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

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

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

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

As of 30 June 2024, 100% of the shares of the Parent Bank are owned by The Commercial Bank (P.S.Q.C.). Shareholder's structure of the Parent Bank is as follows:

Name/Commercial Name	30 June 2024		31 December 2023	
	Share Amount	Share Ratio	Share Amount	Share Ratio
The Commercial Bank (P.S.Q.C)	2,213,740	100%	2,213,740	100%
<b>Total</b>	<b>2,213,740</b>	<b>100%</b>	<b>2,213,740</b>	<b>100%</b>

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

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

**GENERAL INFORMATION ABOUT THE GROUP (Continued)**

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

<b>Title</b>	<b>Name</b>	<b>Responsibility</b>	<b>Indirect Share Capital (%)</b>
Chairman of the Board of Directors	Omer Hussain I H Al-Fardan	Chairman of the Board	-
Member of the Board of Directors	Joseph Abraham	Vice-Chairman of the Board of Directors, Chairman of the Executive Committee of the Board, Chairman of the Remuneration and Corporate Governance Committee of the Board, Alternate Member of the Board Credit Committee	-
	Mohd Ismail M Mandani Al-Emadi	Member of the Board of Directors, Chairman of the Board Risk Committee, and Member of the Board Credit Committee	-
	Salem Khalaf A A Al-Mannai	Member of the Board of Directors, Member of the Executive Committee of the Board	-
	Halil Sedat Ergür	Member of the Board of Directors, Chairman of the Board Audit and Compliance Committee and Member of the Board Risk Committee	-
	Zafer Kurtul	Member of the Board of Directors, Chairman of the Board Credit Committee, Member of the Executive Committee of the Board, and Member of the Board Remuneration and Corporate Governance Committee	-
	Leonie Ruth Lethbridge	Member of the Board of Directors, Member of the Board Audit and Compliance Committee and Member of the Board Remuneration and Corporate Governance Committee	-
	Antonio Francisco Gamez Munoz	Member of the Board of Directors, Member of the Board Audit and Compliance Committee, Member of the Board Risk Committee, and Alternate 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 <sup>(1)</sup>	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 CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

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

**GENERAL INFORMATION ABOUT THE GROUP (Continued)**

**IV. Information on the Parent Bank's Qualified Shareholders**

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

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

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

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

As of 30 June 2024, the Parent Bank has 24 branches (31 December 2023: 24 branches).

As of 30 June 2024, the Parent Bank has 749 employees (31 December 2023: 804 employees).

Parent Bank and its subsidiaries that are consolidated with the Parent Bank are called "Group" as a whole. As of 30 June 2024, The Group has 827 employees (31 December 2023: 881 employees).

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

None.

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

None.

**ALTERNATİFBANK A.Ş.**  
**CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**  
**AS OF 30 JUNE 2024**

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

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)		Notes	Reviewed Current Period 30 June 2024			Audited Prior Period 31 December 2023		
		(Section Five)	TL	FC	Total	TL	FC	Total
I.	FINANCIAL ASSETS (NET)		5,502,339	13,594,289	19,096,628	6,545,647	14,615,100	21,160,747
1.1	Cash and Cash Equivalents		1,482,911	9,162,417	10,645,328	2,862,222	10,141,045	13,003,267
1.1.1	Cash and Balances with Central Bank	I-a	1,389,207	6,544,269	7,933,476	2,676,518	7,223,029	9,899,547
1.1.2	Banks	I-d	94,742	2,618,148	2,712,890	36,847	2,918,016	2,954,863
1.1.3	Money Market Placements		-	-	-	150,540	-	150,540
1.1.4	Expected Credit Losses (-)		1,038	-	1,038	1,683	-	1,683
1.2	Financial Assets at Fair Value Through Profit or Loss		70,955	32,895	103,850	69,516	28,975	98,491
1.2.1	Government Debt Securities		18,274	32,895	51,169	27,847	28,975	56,822
1.2.2	Equity Instruments		-	-	-	-	-	-
1.2.3	Other Financial Assets		52,681	-	52,681	41,669	-	41,669
	Financial Assets at Fair Value Through Other Comprehensive							
1.3	Income	I-f	3,593,524	3,902,902	7,496,426	3,298,406	3,523,330	6,821,736
1.3.1	Government Debt Securities		3,578,982	3,902,902	7,481,884	3,283,864	3,523,330	6,807,194
1.3.2	Equity Instruments		14,542	-	14,542	14,542	-	14,542
1.3.3	Other Financial Assets		-	-	-	-	-	-
1.4	Derivative Financial Assets	I-c	354,949	496,075	851,024	315,503	921,750	1,237,253
1.4.1	Derivative Financial Assets at Fair Value Through Profit or Loss		354,949	496,075	851,024	298,041	921,750	1,219,791
	Derivative Financial Assets at Fair Value Through Other Comprehensive							
1.4.2	Income		-	-	-	17,462	-	17,462
	FINANCIAL ASSETS MEASURED AT AMORTIZED COST							
II.	(NET)		22,377,365	26,032,048	48,409,413	20,079,419	23,585,190	43,664,609
2.1	Loans	I-g	19,516,231	15,879,599	35,395,830	17,255,624	13,981,708	31,237,332
2.2	Lease Receivables	I-l	1,552,813	2,571,926	4,124,739	1,738,417	2,361,454	4,099,871
2.3	Factoring Receivables		177,422	-	177,422	173,099	-	173,099
2.4	Other Financial Assets Measured at Amortized Cost	I-h	1,650,208	8,155,124	9,805,332	1,528,898	8,072,767	9,601,665
2.4.1	Government Debt Securities		1,611,458	8,155,124	9,766,582	1,447,818	8,072,767	9,520,585
2.4.2	Other Financial Assets		38,750	-	38,750	81,080	-	81,080
2.5	Expected Credit Losses (-)		519,309	574,601	1,093,910	616,619	830,739	1,447,358
III.	PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE							
	AND RELATED TO DISCONTINUED OPERATIONS (NET)	I-r	566,920	-	566,920	525,885	-	525,885
3.1	Held for Sale Purpose		566,920	-	566,920	525,885	-	525,885
3.2	Related to Discontinued Operations		-	-	-	-	-	-
IV.	EQUITY INVESTMENTS		-	-	-	-	-	-
4.1	Investments in Associates (Net)	I-i	-	-	-	-	-	-
4.1.1	Accounted Under Equity Method		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		-	-	-	-	-	-
4.2	Subsidiaries (Net)	I-j	-	-	-	-	-	-
4.2.1	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2	Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
4.3	Entities under Common Control (Joint Venture) (Net)	I-k	-	-	-	-	-	-
4.3.1	Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	TANGIBLE ASSETS (Net)	I-n	1,857,845	-	1,857,845	1,175,084	-	1,175,084
VI.	INTANGIBLE ASSETS (Net)	I-o	313,752	-	313,752	239,425	-	239,425
6.1	Goodwill		21,151	-	21,151	21,151	-	21,151
6.2	Other		292,601	-	292,601	218,274	-	218,274
VII.	INVESTMENT PROPERTY (Net)	I-p	-	-	-	-	-	-
VIII.	CURRENT TAX ASSET		-	-	-	-	-	-
IX.	DEFERRED TAX ASSET	I-q	610,596	-	610,596	461,718	-	461,718
X.	OTHER ASSETS	I-s	951,143	517,564	1,468,707	830,811	77,893	908,704
TOTAL ASSETS			32,179,960	40,143,901	72,323,861	29,857,989	38,278,183	68,136,172

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

**ALTERNATİFBANK A.Ş.**  
**CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**  
**AS OF 30 JUNE 2024**

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

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)		Reviewed Current Period 30 June 2024			Audited Prior Period 31 December 2023		
LIABILITIES	Notes (Section Five)	TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	<b>II-a</b>	<b>15,927,925</b>	<b>8,654,525</b>	<b>24,582,450</b>	<b>16,650,021</b>	<b>8,270,708</b>	<b>24,920,729</b>
<b>II. FUNDS BORROWED</b>	<b>II-c</b>	<b>1,250,539</b>	<b>17,152,349</b>	<b>18,402,888</b>	<b>665,234</b>	<b>19,180,126</b>	<b>19,845,360</b>
<b>III. MONEY MARKET BALANCES</b>		<b>1,591,210</b>	<b>8,855,120</b>	<b>10,446,330</b>	<b>133,734</b>	<b>5,210,765</b>	<b>5,344,499</b>
<b>IV. MARKETABLE SECURITIES ISSUED (Net)</b>		-	-	-	<b>418,904</b>	-	<b>418,904</b>
4.1 Bills		-	-	-	418,904	-	418,904
4.2 Assets Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
<b>V. FUNDS</b>		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
<b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		-	-	-	-	-	-
<b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>		<b>163,400</b>	<b>589,128</b>	<b>752,528</b>	<b>194,519</b>	<b>511,810</b>	<b>706,329</b>
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss	II-b	163,400	589,128	752,528	181,628	511,810	693,438
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	II-f	-	-	-	12,891	-	12,891
<b>VIII. FACTORING LIABILITIES</b>		-	-	-	-	-	-
<b>IX. LEASE LIABILITIES</b>	<b>II-e</b>	<b>1,678</b>	-	<b>1,678</b>	<b>16,067</b>	-	<b>16,067</b>
<b>X. PROVISIONS</b>	<b>II-g</b>	<b>244,625</b>	<b>53,946</b>	<b>298,571</b>	<b>260,873</b>	<b>40,119</b>	<b>300,992</b>
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reverse for Employee Benefits		53,780	-	53,780	35,743	-	35,743
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		190,845	53,946	244,791	225,130	40,119	265,249
<b>XI. CURRENT TAX LIABILITY</b>	<b>II-h</b>	<b>366,713</b>	-	<b>366,713</b>	<b>332,359</b>	-	<b>332,359</b>
<b>XII. DEFERRED TAX LIABILITY</b>		-	-	-	-	-	-
<b>XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>	<b>II-i</b>	-	-	-	-	-	-
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XIV. SUBORDINATED DEBT INSTRUMENTS</b>	<b>II-j</b>	-	<b>9,201,818</b>	<b>9,201,818</b>	-	<b>8,252,097</b>	<b>8,252,097</b>
14.1 Loans		-	2,464,593	2,464,593	-	2,210,222	2,210,222
14.2 Other Debt Instruments		-	6,737,225	6,737,225	-	6,041,875	6,041,875
<b>XV. OTHER LIABILITIES</b>		<b>696,430</b>	<b>651,359</b>	<b>1,347,789</b>	<b>1,233,960</b>	<b>703,933</b>	<b>1,937,893</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>II-k</b>	<b>7,068,349</b>	<b>(145,253)</b>	<b>6,923,096</b>	<b>6,178,287</b>	<b>(117,344)</b>	<b>6,060,943</b>
16.1 Paid-in Capital		2,213,740	-	2,213,740	2,213,740	-	2,213,740
16.2 Capital Reserves		54	-	54	54	-	54
16.2.1 Share Premium		54	-	54	54	-	54
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		-	-	-	-	-	-
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		1,308,580	-	1,308,580	752,230	-	752,230
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		(525,467)	(145,253)	(670,720)	(233,156)	(117,344)	(350,500)
16.5 Profit Reserves		3,330,964	-	3,330,964	1,562,908	-	1,562,908
16.5.1 Legal Reserves		219,768	-	219,768	123,335	-	123,335
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		3,111,196	-	3,111,196	1,439,573	-	1,439,573
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit Or Loss		740,451	-	740,451	1,882,488	-	1,882,488
16.6.1 Prior Years' Profit/Loss		2,711	-	2,711	(53,022)	-	(53,022)
16.6.2 Current Year Profit/Loss		737,740	-	737,740	1,935,510	-	1,935,510
16.7 Non-Controlling Interests	II-l	27	-	27	23	-	23
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>27,310,869</b>	<b>45,012,992</b>	<b>72,323,861</b>	<b>26,083,958</b>	<b>42,052,214</b>	<b>68,136,172</b>

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

**ALTERNATİFBANK A.Ş.**  
**CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS**  
**AS OF 30 JUNE 2024**

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

II.	OFF-BALANCE SHEET ITEMS	Notes	Reviewed Current Period 30 June 2024			Audited Prior Period 31 December 2023			
			(Section Five)	TL	FC	Total	TL	FC	Total
A	OFF-BALANCE SHEET COMMITMENTS (I+II+III)			39,169,822	83,707,537	122,877,359	39,232,767	70,199,204	109,431,971
I.	GUARANTEES AND WARRANTIES	III-a-3.i		19,793,887	15,177,838	34,971,725	12,671,851	13,585,435	26,257,286
1.1	Letters of Guarantee	III-a-2.ii		14,133,840	8,168,750	22,302,590	9,917,701	7,773,767	17,691,468
1.1.1	Guarantees Subject to State Tender Law			35,083	16,873	51,956	55,766	14,143	69,909
1.1.2	Guarantees Given for Foreign Trade Operations			-	-	-	-	-	-
1.1.3	Other Letters of Guarantee			14,098,757	8,151,877	22,250,634	9,861,935	7,759,624	17,621,559
1.2	Bank Acceptances	III-a-2.i		-	391,182	391,182	-	321,825	321,825
1.2.1	Import Letter of Acceptance			-	384,963	384,963	-	310,671	310,671
1.2.2	Other Bank Acceptances			-	6,219	6,219	-	11,154	11,154
1.3	Letters of Credit	III-a-2.i		1,097	5,437,989	5,439,086	-	4,577,760	4,577,760
1.3.1	Documentary Letters of Credit			1,097	5,382,949	5,384,046	-	4,565,879	4,565,879
1.3.2	Other Letters of Credit			-	55,040	55,040	-	11,881	11,881
1.4	Prefinancing Given as Guarantee			-	-	-	-	-	-
1.5	Endorsements			-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of the Republic of Turkey			-	-	-	-	-	-
1.5.2	Other Endorsements			-	-	-	-	-	-
1.6	Securities Issue Purchase Guarantees			-	-	-	-	-	-
1.7	Factoring Guarantees			-	-	-	-	-	-
1.8	Other Guarantees			-	1,179,917	1,179,917	-	912,083	912,083
1.9	Other Warranties			5,658,950	-	5,658,950	2,754,150	-	2,754,150
II.	COMMITMENTS			3,242,249	5,873,180	9,115,429	2,183,317	2,243,494	4,426,811
2.1	Irrevocable Commitments			3,108,922	5,235,183	8,344,105	2,119,833	2,082,830	4,202,663
2.1.1	Asset Purchase and Sales Commitments			1,668,814	5,235,183	6,903,997	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		841,713	-	841,713	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			153,407	-	153,407	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			177,799	-	177,799	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			263,451	-	263,451	257,845	-	257,845
2.2	Revocable Commitments			133,327	637,997	771,324	63,484	160,664	224,148
2.2.1	Revocable Commitments for Loan Limits			-	-	-	-	-	-
2.2.2	Other Revocable Commitments			133,327	637,997	771,324	63,484	160,664	224,148
III.	DERIVATIVE FINANCIAL INSTRUMENTS	III-b		16,133,686	62,656,519	78,790,205	24,377,599	54,370,275	78,747,874
3.1	Hedging Derivative Financial Instruments			-	-	-	800,000	-	800,000
3.1.1	Transactions for Fair Value Hedge			-	-	-	-	-	-
3.1.2	Transactions for Cash Flow Hedge			-	-	-	800,000	-	800,000
3.1.3	Transactions for Foreign Net Investment Hedge			-	-	-	-	-	-
3.2	Trading Derivative Financial Instruments			16,133,686	62,656,519	78,790,205	23,577,599	54,370,275	77,947,874
3.2.1	Forward Foreign Currency Buy/Sell Transactions			1,702,387	8,257,879	9,960,266	6,537,388	7,159,042	13,696,430
3.2.1.1	Forward Foreign Currency Transactions-Buy			1,021,547	3,871,876	4,893,423	6,537,388	460,511	6,997,899
3.2.1.2	Forward Foreign Currency Transactions-Sell			680,840	4,386,003	5,066,843	-	6,698,531	6,698,531
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates			4,692,613	29,070,339	33,762,952	14,935,965	31,863,477	46,799,442
3.2.2.1	Foreign Currency Swap-Buy			-	8,924,649	8,924,649	-	14,259,165	14,259,165
3.2.2.2	Foreign Currency Swap-Sell			3,492,613	5,718,654	9,211,267	11,035,965	3,493,944	14,529,909
3.2.2.3	Interest Rate Swap-Buy			600,000	7,213,518	7,813,518	1,950,000	7,055,184	9,005,184
3.2.2.4	Interest Rate Swap-Sell			600,000	7,213,518	7,813,518	1,950,000	7,055,184	9,005,184
3.2.3	Foreign Currency, Interest rate and Securities Options			9,738,686	18,950,936	28,689,622	2,104,246	5,279,893	7,384,139
3.2.3.1	Foreign Currency Options-Buy			4,067,666	10,103,265	14,170,931	984,392	2,716,120	3,700,512
3.2.3.2	Foreign Currency Options-Sell			5,671,020	8,847,671	14,518,691	1,119,854	2,563,773	3,683,627
3.2.3.3	Interest Rate Options-Buy			-	-	-	-	-	-
3.2.3.4	Interest Rate Options-Sell			-	-	-	-	-	-
3.2.3.5	Securities Options-Buy			-	-	-	-	-	-
3.2.3.6	Securities Options-Sell			-	-	-	-	-	-
3.2.4	Foreign Currency Futures			-	-	-	-	-	-
3.2.4.1	Foreign Currency Futures-Buy			-	-	-	-	-	-
3.2.4.2	Foreign Currency Futures-Sell			-	-	-	-	-	-
3.2.5	Interest Rate Futures			-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy			-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell			-	-	-	-	-	-
3.2.6	Other			-	6,377,365	6,377,365	-	10,067,863	10,067,863
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)			129,789,032	230,264,498	360,053,530	119,307,073	210,317,986	329,625,059
IV.	ITEMS HELD IN CUSTODY			17,820,670	32,011,024	49,831,694	14,381,758	23,988,292	38,370,050
4.1	Customer Fund and Portfolio Balances			4,182,950	-	4,182,950	1,700,072	-	1,700,072
4.2	Investment Securities Held in Custody			198,631	10,249,150	10,447,781	147,480	4,504,028	4,651,508
4.3	Cheques Received for Collection			1,496,012	37,076	1,533,088	1,452,379	18,275	1,470,654
4.4	Commercial Notes Received for Collection			91,852	19,341	111,193	56,661	67,844	124,505
4.5	Other Assets Received for Collection			-	-	-	-	-	-
4.6	Assets Received for Public Offering			-	-	-	-	-	-
4.7	Other Items Under Custody			11,851,225	21,705,457	33,556,682	11,025,166	19,398,145	30,423,311
4.8	Custodians			-	-	-	-	-	-
V.	PLEDGES RECEIVED			111,939,326	197,696,931	309,636,257	104,884,851	185,765,040	290,649,891
5.1	Marketable Securities			1,104,045	-	1,104,045	1,555,363	-	1,555,363
5.2	Guarantee Notes			64,306,408	78,134,249	142,440,657	58,026,621	75,655,577	133,682,198
5.3	Commodity			655,058	1,790,393	2,445,451	667,058	1,642,474	2,309,532
5.4	Warranty			-	-	-	-	-	-
5.5	Immovable			40,199,308	114,137,694	154,337,002	39,264,631	104,924,465	144,189,096
5.6	Other Pledged Items			5,674,507	3,634,595	9,309,102	5,371,178	3,542,524	8,913,702
5.7	Pledged Items-Depository			-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES			29,036	556,543	585,579	40,464	564,654	605,118
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)				168,958,854	313,972,035	482,930,889	158,539,840	280,517,190	439,057,030

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

**ALTERNATİFBANK A.Ş.****CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***III. STATEMENT OF PROFIT OR LOSS**

INCOME AND EXPENSE ITEMS		Note (Section Five)	Reviewed Current Period 1 January 2024- 30 June 2024	Reviewed Current Period 1 April 2024- 30 June 2024	Reviewed Prior Period 1 January 2023- 30 June 2023	Reviewed Prior Period 1 April 2023- 30 June 2023
<b>I.</b>	<b>INTEREST INCOME</b>	<b>IV-a</b>	<b>6,747,839</b>	<b>3,573,851</b>	<b>3,448,835</b>	<b>1,840,031</b>
1.1	Interest on Loans		4,725,081	2,547,538	2,355,572	1,284,486
1.2	Interest Received from Reserve Deposits		80,814	68,564	1,241	1,026
1.3	Interest Received from Banks		106,026	53,233	52,461	27,549
1.4	Interest Received from Money Market Placements		29,100	23,394	34,794	24,099
1.5	Interest Received from Marketable Securities Portfolio		1,320,156	633,562	665,611	332,007
1.5.1	Fair Value Through Profit or Loss		20,098	11,031	(3,922)	2,750
1.5.2	Fair Value Through other Comprehensive Income		874,717	422,243	343,511	164,880
1.5.3	Measured at Amortized Cost		425,341	200,288	326,022	164,377
1.6	Finance Lease Income		448,516	233,461	295,122	166,926
1.7	Other Interest Income		38,146	14,099	44,034	3,938
<b>II.</b>	<b>INTEREST EXPENSES (-)</b>	<b>IV-b</b>	<b>5,218,204</b>	<b>2,717,953</b>	<b>2,632,290</b>	<b>1,467,099</b>
2.1	Interest on Deposits		3,004,843	1,659,342	1,505,113	769,442
2.2	Interest on Funds Borrowed		1,587,100	807,128	979,592	616,027
2.3	Interest on Money Market Borrowings		482,432	233,277	127,182	76,117
2.4	Interest on Securities Issued		50,365	9,886	11,432	1,901
2.5	Leasing Interest Expense		5,086	2,614	6,222	3,294
2.6	Other Interest Expense		88,378	5,706	2,749	318
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>1,529,635</b>	<b>855,898</b>	<b>816,545</b>	<b>372,932</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME / EXPENSES</b>		<b>207,229</b>	<b>129,028</b>	<b>(117,328)</b>	<b>(117,724)</b>
4.1	Fees and Commissions Received		269,171	148,983	258,040	145,834
4.1.1	Non-cash Loans		149,417	79,964	83,564	43,857
4.1.2	Other	IV-i	119,754	69,019	174,476	101,977
4.2	Fees and Commissions Paid (-)		61,942	19,955	375,368	263,558
4.2.1	Non-cash Loans		1,000	485	313	187
4.2.2	Other	IV-i	60,942	19,470	375,055	263,371
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>IV-c</b>	<b>328</b>	<b>328</b>	<b>45</b>	<b>15</b>
<b>VI.</b>	<b>NET TRADING INCOME</b>	<b>IV-d</b>	<b>(433,539)</b>	<b>(493,116)</b>	<b>1,452,006</b>	<b>1,158,274</b>
6.1	Securities Trading Gains / (Losses)		2,727	1,170	67,784	48,924
6.2	Derivative Financial Instruments Gains / Losses		225,116	(435,971)	1,477,294	1,267,953
6.3	Foreign Exchange Gains / Losses		(661,382)	(58,315)	(93,072)	(158,603)
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>IV-e</b>	<b>113,930</b>	<b>42,010</b>	<b>73,470</b>	<b>39,175</b>
<b>VIII.</b>	<b>GROSS OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>1,417,583</b>	<b>534,148</b>	<b>2,224,738</b>	<b>1,452,672</b>
<b>IX.</b>	<b>EXPECTED CREDIT LOSSES (-)</b>	<b>IV-f</b>	<b>(371,725)</b>	<b>(165,297)</b>	<b>317,746</b>	<b>307,312</b>
<b>X.</b>	<b>OTHER PROVISION EXPENSES (-)</b>	<b>IV-f</b>	<b>28,343</b>	<b>7,118</b>	<b>22,534</b>	<b>17,770</b>
<b>XI.</b>	<b>PERSONNEL EXPENSES (-)</b>	<b>IV-g</b>	<b>526,257</b>	<b>231,852</b>	<b>313,182</b>	<b>154,389</b>
<b>XII.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>IV-g</b>	<b>475,448</b>	<b>247,590</b>	<b>366,565</b>	<b>177,810</b>
<b>XIII.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)</b>		<b>759,260</b>	<b>212,885</b>	<b>1,204,711</b>	<b>795,391</b>
<b>XIV.</b>	<b>AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		-	-	-	-
<b>XV.</b>	<b>PROFIT / (LOSS) ON EQUITY METHOD</b>		-	-	-	-
<b>XVI.</b>	<b>GAIN / (LOSS) ON NET MONETARY POSITION</b>		-	-	-	-
<b>XVII.</b>	<b>TAXES (XIII+...+XVI)</b>	<b>IV-h</b>	<b>759,260</b>	<b>212,885</b>	<b>1,204,711</b>	<b>795,391</b>
<b>XVIII.</b>	<b>TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>IV-h</b>	<b>(21,516)</b>	<b>(27,825)</b>	<b>(70,088)</b>	<b>26,209</b>
18.1	Provision for Current Income Taxes		(162,092)	(120,931)	(66,532)	9,786
18.2	Deferred Tax Expense Effect (+)		-	-	-	-
18.3	Deferred Tax Income Effect (-)		140,576	93,106	(3,556)	16,423
<b>XIX.</b>	<b>NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVI±XVII)</b>	<b>IV-i</b>	<b>737,744</b>	<b>185,060</b>	<b>1,134,623</b>	<b>821,600</b>
<b>XX.</b>	<b>INCOME ON DISCONTINUED OPERATIONS</b>		-	-	-	-
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		-	-	-	-
<b>XXI.</b>	<b>LOSS FROM DISCONTINUED OPERATIONS (-)</b>		-	-	-	-
21.1	Loss from Assets Held for Sale		-	-	-	-
21.2	Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Venture)		-	-	-	-
21.3	Loss from Other Discontinued Operations		-	-	-	-
<b>XXII.</b>	<b>PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XX-XXI)</b>		-	-	-	-
<b>XXIII.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-	-	-
23.1	Provision for Current Income Taxes		-	-	-	-
23.2	Deferred Tax Expense Effect (+)		-	-	-	-
23.3	Deferred Tax Income Effect (-)		-	-	-	-
<b>XXIV.</b>	<b>NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		-	-	-	-
<b>XXV.</b>	<b>NET PROFIT/LOSS (XIX+XXIV)</b>		<b>737,744</b>	<b>185,060</b>	<b>1,134,623</b>	<b>821,600</b>
25.1	Group's Profit / Loss	IV-i	737,740	185,058	1,134,621	821,599
25.2	Minority Shares (-)	IV-i	4	2	2	1
	Earning / Loss per share (Full TL)		0.33326	(0.17928)	0.51254	0.37114

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

**ALTERNATİFBANK A.Ş.****CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 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 - 30 June 2024	Reviewed Prior Period 1 January - 30 June 2023
<b>I. CURRENT PERIOD PROFIT/LOSS</b>	<b>737,744</b>	<b>1,134,623</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>236,130</b>	<b>204,875</b>
<b>2.1 Not Reclassified Through Profit or Loss</b>	<b>556,350</b>	<b>339,078</b>
2.1.1 Property and Equipment Revaluation Increase/Decrease	698,102	230,349
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurement Gain/Loss	(11,799)	(21,375)
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	(129,953)	130,104
<b>2.2 Reclassified Through Profit or Loss</b>	<b>(320,220)</b>	<b>(134,203)</b>
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	(444,870)	(248,404)
2.2.3 Cash Flow Hedge Income/Loss	(13,605)	68,678
2.2.4 Foreign Net Investment Hedge Income/Loss	-	-
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit	138,255	45,523
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>973,874</b>	<b>1,339,498</b>

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

**ALTERNATİFBANK A.Ş.**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2023**

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

							Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss								
Prior Period 1 January - 30 June 2023		Note (Section Five)	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except for Minority Shares	Minority shares	Total Shareholders' Equity
I.	Prior Period End Balance		2,213,740	54	-	443	321,427	(13,659)	-	-	59,576	(56,598)	660,261	(213,381)	1,066,252	4,038,115	19	4,038,134
II.	Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I+II)		2,213,740	54	-	443	321,427	(13,659)	-	-	59,576	(56,598)	660,261	(213,381)	1,066,252	4,038,115	19	4,038,134
IV.	Total Comprehensive Income		-	-	-	-	355,109	(16,031)	-	-	(185,712)	51,509	-	-	1,134,621	1,339,496	2	1,339,498
V.	Capital Increase by Cash	II-k	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase by Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Paid-in capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds to Shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	931,696	134,556	(1,066,252)	-	-	-
11.1	Dividends paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	931,696	134,556	(1,066,252)	-	-	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance (III+...+XVI+XVII+XVIII)			2,213,740	54	-	443	676,536	(29,690)	-	-	(126,136)	(5,089)	1,591,957	(78,825)	1,134,621	5,377,611	21	5,377,632

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

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

**ALTERNATİFBANK A.Ş.**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2024**

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

Current Period 1 January - 30 June 2024		Note (Section Five)	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except for Minority Shares		Total Shareholders' Equity
							1	2	3	4	5	6				Minority Shares	Minority shares	
<b>I.</b>	<b>Prior Period End Balance</b>		2,213,740	54	-	-	789,748	(37,518)	-	-	(360,024)	9,524	1,562,908	(53,022)	1,935,510	6,060,920	23	6,060,943
<b>II.</b>	<b>Corrections and Accounting Policy Changes Made According to TAS 8</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III.</b>	<b>Adjusted Beginning Balance (I+II)</b>		2,213,740	54	-	-	789,748	(37,518)	-	-	(360,024)	9,524	1,562,908	(53,022)	1,935,510	6,060,920	23	6,060,943
<b>IV.</b>	<b>Total Comprehensive Income</b>		-	-	-	-	564,609	(8,259)	-	-	(310,696)	(9,524)	-	-	737,740	973,870	4	973,874
<b>V.</b>	<b>Capital Increase by Cash</b>	II-k	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI.</b>	<b>Capital Increase by Internal Sources</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII.</b>	<b>Paid-in capital inflation adjustment difference</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII.</b>	<b>Convertible Bonds to Shares</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX.</b>	<b>Subordinated Debt Instruments</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X.</b>	<b>Increase/Decrease by Other Changes</b>		-	-	-	-	-	-	-	-	-	-	-	7,816	-	7,816	-	7,816
<b>XI.</b>	<b>Profit Distribution</b>		-	-	-	-	-	-	-	-	-	-	1,768,056	47,917	(1,935,510)	(119,537)	-	(119,537)
11.1	Dividends paid		-	-	-	-	-	-	-	-	-	-	-	-	(119,537)	(119,537)	-	(119,537)
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	1,768,056	47,917	(1,815,973)	-	-	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period-End Balance (III+...+XVI+XVII+XVIII)</b>			2,213,740	54	-	-	1,354,357	(45,777)	-	-	(670,720)	-	3,330,964	2,711	737,740	6,923,069	27	6,923,096

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

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



**ALTERNATİFBANK A.Ş.**  
**CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

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

**VI. STATEMENT OF CASH FLOWS**

	Notes (Section Five)	Reviewed 1 January - 30 June 2024	Reviewed 1 January - 30 June 2023
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating Profit/(Loss) Before Changes in Operating Assets and Liabilities</b>		<b>(280,604)</b>	<b>(3,694,379)</b>
1.1.1 Interest Received		6,487,051	2,936,452
1.1.2 Interest Paid		(5,356,427)	(1,911,226)
1.1.3 Dividend Received		328	45
1.1.4 Fees and Commissions Received		381,102	258,793
1.1.5 Other Income		930,616	2,188,156
1.1.6 Collections from Previously Written-off Loans and Other Receivables		186,899	337,639
1.1.7 Payments to Personnel and Service Suppliers		(575,695)	(403,365)
1.1.8 Taxes Paid		(44,831)	(79,598)
1.1.9 Other		(2,289,647)	(7,021,275)
<b>1.2 Changes in Operating Assets and Liabilities</b>		<b>(4,589,803)</b>	<b>3,504,411</b>
1.2.1 Net (Increase)/Decrease in Financial Assets at Fair Value Through Profit or Loss		(10,791)	(683,434)
1.2.2 Net (Increase)/Decrease in Due from Banks and Other Financial Institutions		(546,369)	278,009
1.2.3 Net (Increase)/Decrease in Loans		(3,865,624)	4,809,734
1.2.4 Net (Increase)/Decrease in Other Assets		(1,336,002)	318,579
1.2.5 Net Increase/(Decrease) in Bank Deposits		(295,038)	706,204
1.2.6 Net Increase/(Decrease) in Other Deposits		86,330	(4,662,400)
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		(2,284,561)	3,297,400
1.2.9 Net Increase/(Decrease) in Payables		-	-
1.2.10 Net Increase/(Decrease) in Other Liabilities		3,662,252	(559,681)
<b>I. Net Cash Provided from Banking Operations</b>		<b>(4,870,407)</b>	<b>(189,968)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net Cash Provided from Investing Activities</b>		<b>600,418</b>	<b>387,296</b>
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		(133,295)	(39,408)
2.4 Disposals of Property and Equipment		81,211	67,140
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(7,652)	(234,962)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		(124,105)	367,092
2.7 Purchase of Financial Assets Measured at Amortised Cost		(51,320)	(704,772)
2.8 Sale of Financial Assets Measured at Amortised Cost		835,579	932,206
2.9 Other		-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net Cash Provided from Financing Activities</b>		<b>494,626</b>	<b>(442,237)</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued		530,817	104,241
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		(17,750)	(530,000)
3.3 Issued Capital Instruments		-	-
3.4 Dividends Paid		-	-
3.5 Payments for Finance Leases		(18,441)	(16,478)
3.6 Other		-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>		<b>864,399</b>	<b>2,388,097</b>
<b>V. Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III+IV)</b>		<b>(2,910,964)</b>	<b>2,143,188</b>
<b>VI. Cash and Cash Equivalents at Beginning of the Period</b>		<b>9,651,722</b>	<b>6,412,868</b>
<b>VII. Cash and Cash Equivalents at End of the Period</b>		<b>6,740,758</b>	<b>8,556,056</b>

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

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

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

**SECTION THREE**

**EXPLANATIONS ON ACCOUNTING POLICIES**

**I. Basis of Presentation**

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

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

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

In the announcement dated 23 November 2023 made by the POA, it was stated that the financial statements of companies applying TFRS for the annual reporting period ending on or after 31 December 2023 must be presented adjusted for the inflation effect within the scope of Financial Reporting in High Inflation Economies ("TAS 29"), however authorities or organizations authorized to regulate and supervise their fields are given the freedom to determine different transition dates for the implementation of inflation accounting. In this context, BRSA, with its decision dated 12 December 2023 and numbered 10744, decided that the financial statements of banks, financial leasing, factoring, financing, savings financing and asset management companies dated 30 June 2024 will not be subject to the inflation adjustment required within the scope of TMS 29.

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

**Additional paragraph for convenience translation to English:**

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

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

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

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

The Bank does not have any investment in foreign companies as of 30 June 2024 and 31 December 2023.

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

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

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**III. Consolidated Subsidiaries**

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

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

Accounting policy of the subsidiaries when different from the parent bank, differences are harmonized in the financial statements according with the principle of importance. Subsidiaries financial statements are prepared as of 30 June 2024.

*Consolidation principles for subsidiaries:*

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

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

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

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

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

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

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

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

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**IV. Interest Income and Expense**

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

**V. Fee and Comission Income and Expense**

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

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

**VI. Financial Assets**

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

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

**a. Financial Assets at Fair Value through Profit or Loss**

Financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from 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.

**b. Financial Assets at Fair Value through Other Comprehensive Income**

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

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

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

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

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

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**VI. Financial Assets (Continued)**

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

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

**c. Financial Assets Measured at Amortized Cost**

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

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

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

**d. Derivative Financial Assets**

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

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

Derivative financial instruments of the Parent 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 Group continued to apply TAS 39 "Hedge accounting".

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**VI. Financial Assets (Continued)**

**d. Derivative Financial Assets (Continued)**

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

**e. Loans**

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

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

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

**VII. Impairment of Financial Assets**

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

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

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

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

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

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

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**VII. Impairment of Financial Assets (Continued)**

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

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

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

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

➤ **Definition of Default:**

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

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

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

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**VIII. Offsetting Financial Instruments**

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

**IX. Sales and Repurchase Agreements and Securities Lending Transactions**

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

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

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

**X. Assets Held For Sale and Discontinued Operations**

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

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

A discontinued operation is a part of the Group'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 30 June 2024 and 31 December 2023 The Group has no discontinued operations.



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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XI. Goodwill and Other Intangible Assets**

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

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

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

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

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

**XII. Property and Equipment**

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

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

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

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

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

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

The Parent Bank has started to account properties under the tangible assets with their revalued amount instead of cost values in accordance with "TAS 16 Plant and Equipment" on 31 December 2018. As of 30 June 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.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XIII. Leasing Transactions**

**Financial leasing transactions as a lessee**

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

**Right of use assets:**

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

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

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

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

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

**The lease obligations:**

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

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

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

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

As of 30 June 2024, net right of use assets are amounting to TL 18,297 and net lease liabilities are amounting to TL 1,678, respectively (31 December 2023: net right of use assets TL 23,053, net lease liabilities TL 16,067).

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XIV. Provisions, Contingent Asset and Liabilities**

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

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

**XV. Obligations Related To Employee Rights**

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

**XVI. Taxation**

**a. Corporate tax**

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

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

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

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

As stipulated in the Corporate Tax Law, gains derived from the sale of equity investments and immovable properties held for at least two years (the exemption applied as 50% of gain from sale of properties and 75% of gain from sale of equity investments) are tax exempt, if such gains are added to paid-in capital or held in a special account under shareholder's equity for five years. With the Law, No. 7456 promulgated in the Official Gazette, dated 15 July 2023, the exemption has been abolished for the properties to be acquired after the publication date of the decision, and if the properties acquired before this date are sold after the effective date of the decision, 25% of the sales gain will be exempt from corporate tax. 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.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XVI. Taxation (Continued)**

**a. Corporate tax (Continued)**

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

The corporate tax effects related to transactions accounted for directly in equity are also shown in equity. The corporate tax effects related to transactions accounted for directly in equity are also shown in equity. As of 31 December 2023, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298 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 30 June 2024, real estate and depreciable economic assets were not subject to revaluation as of 30 June 2024. Corporate tax is calculated by taking into account the depreciation allocated on the revalued amounts of real estate and depreciable economic assets.

**b. Deferred taxes**

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

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

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XVI. Taxation (Continued)**

**b. Deferred taxes (Continued)**

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 30 June 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.

**c. Transfer pricing**

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

**XVII. Additional Explanations on Borrowings**

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

**XVIII. Explanations on Share Certificates and Issuance of Share Certificates**

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

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

**XIX. Explanations on Avalized Drafts And Acceptances**

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

**XX. Explanations on Government Incentives**

As of 30 June 2024, the Group has not investment allowance which has not used been.

**XXI. Profit Reserves And Profit Distribution**

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

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

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**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.

	<b>30 June 2024</b>	<b>30 June 2023</b>
Group's Profit/(Loss)	737,740	1,134,621
Weighted Average Number of Issued Ordinary Shares (Thousand)	2,213,740	2,213,740
<b>Earnings/(Losses) Per Share (Disclosed in full TL)</b>	<b>0.33326</b>	<b>0.51254</b>

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

**XXV. Changes in Accounting Policies of the Current Period**

None.

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

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

**XXVII. Explanations on Other Matters**

None.

**XXVIII. Operating Segments**

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

- The Parent Bank provides basic banking services in corporate/commercial banking and treasury.
- 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.
- Investment banking services consists of trading of financial instruments and fund management.
- The Parent Bank's one of the subsidiary Alternatif Yatırım A.Ş. provides capital market activities in accordance with Capital Market Law and relevant legislations. In accordance with the law and within the authorization and permits given, the Company operates in the company brokerage, portfolio management, margin trading, Short Selling and Lending and Borrowing of Securities, investment advisory, the securities exchange with buy-back sell-back commitment, intermediation for public offering, intermediation for the derivative instruments exchange.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XXVIII. Operating Segments (Continued)**

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

e) Other operations consist of subsidiaries and joint ventures, tangible assets, intangible assets, deferred tax asset and equity amounts and other income/loss accounts associated with these accounts.

f) The Group's software requirements, possible software updates and additional software requirements to compete with other firms are provided by the Parent Bank.

g) According to the table provided, share of each Group's operating segment in the Balance sheet is as follows; corporate/retail banking 54%, investment banking 40% and other 6%.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XXVIII. Operating Segments (Continued)**

**Major balance sheet and income statement items according to operating segments**

<b>30 June 2024</b>	<b>Corporate / Retail Banking</b>	<b>Investment Banking</b>	<b>Other</b>	<b>Total Operations of the Group</b>
Net Interest Income / (Expense)	1,501,431	28,204	-	1,529,635
Net Fees and Commissions Income and Other Operating Income	252,349	68,810	-	321,159
Trading Profit/Loss	(544,240)	110,701	-	(433,539)
Dividend Income	-	328	-	328
Impairment Provision for Loans and Other Receivables (-)*	375,197	(3,472)	(28,343)	343,382
Other Operating Expenses (-)	(877,921)	(123,784)	-	(1,001,705)
Profit Before Taxes	706,814	80,788	(28,343)	759,260
Tax Provision	-	-	-	(21,516)
Minority	-	-	4	4
<b>Net Profit for the Period</b>				<b>737,744</b>
<b>30 June 2024</b>				
Segment Assets	38,685,782	29,214,822	4,423,257	72,323,861
Investments in Associates and Subsidiaries	-	-	-	-
<b>Total Assets</b>	<b>38,685,782</b>	<b>29,214,822</b>	<b>4,423,257</b>	<b>72,323,861</b>
Segment Liabilities	28,261,848	26,198,554	10,940,363	65,400,765
Shareholders' Equity	-	-	6,923,096	6,923,096
<b>Total Liabilities</b>	<b>28,261,848</b>	<b>26,198,554</b>	<b>17,863,459</b>	<b>72,323,861</b>

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

<b>30 June 2023</b>	<b>Corporate / Retail Banking</b>	<b>Investment Banking</b>	<b>Other</b>	<b>Total Operations of the Group</b>
Net Interest Income / (Expense)	152,835	663,710	-	816,545
Net Fees and Commissions Income and Other Operating Income	(81,446)	37,588	-	(43,858)
Trading Profit/(Loss)	1,612,867	(160,861)	-	1,452,006
Dividend Income	-	45	-	45
Impairment Provision for Loans and Other Receivables (-)*	(318,241)	495	(22,534)	(340,280)
Other Operating Expenses (-)	(613,514)	(66,233)	-	(679,747)
Profit Before Taxes	752,500	474,744	(22,534)	1,204,711
Tax Provision	-	-	-	(70,088)
Minority Shares	-	-	2	2
<b>Net Profit for the Period</b>				<b>1,134,623</b>
<b>31 December 2023</b>				
Segment Assets	34,078,714	31,363,182	2,694,276	68,136,172
Investments in Associates and Subsidiaries	-	-	-	-
<b>Total Assets</b>	<b>34,078,714</b>	<b>31,363,182</b>	<b>2,694,276</b>	<b>68,136,172</b>
Segment Liabilities	27,475,257	24,251,840	10,348,132	62,075,229
Shareholders' Equity	-	-	6,060,943	6,060,943
<b>Total Liabilities</b>	<b>27,475,257</b>	<b>24,251,840</b>	<b>16,409,075</b>	<b>68,136,172</b>

(\*) 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 PARENT BANK**

**I. Explanations on Shareholders' Equity**

The standard rate of the capital adequacy of the Group is 25.42% (31 December 2023: 29.23%). The standard rate of the capital adequacy of the Parent Bank is 26.63% (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 Shareholders' Equity**

	30 June 2024	31 December 2023
<b>COMMON EQUITY TIER 1 CAPITAL</b>		
Paid-in capital following all debts in terms of claim in liquidation of the Parent Bank	2,213,740	2,213,740
Share issue premiums	54	54
Reserves	3,330,964	1,562,908
Gains recognized in equity as per TAS	1,606,529	738,427
Profit	740,451	1,935,888
Current Period Profit	737,740	1,935,510
Prior Period Profit	2,711	378
Minority Shares	27	23
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	-	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>7,891,765</b>	<b>6,451,040</b>
<b>Deductions from Common Equity Tier 1 Capital</b>		
Valuation adjustments calculated as per the 1 <sup>st</sup> clause of article 9.(i) of the Regulation on Bank Capital	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	49,446	232,715
Improvement costs for operating leasing (-)	30,135	24,590
Goodwill (net of related tax liability)	21,151	21,151
Other intangibles other than mortgage-servicing rights (net of related tax liability)	292,601	218,274
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Parent Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Parent Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Parent Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Parent Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Parent Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Parent Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-

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

**I. Explanations on Shareholders' Equity (Continued)**

**a. Information on Shareholders' Equity (Continued)**

Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital		
<b>Total Deductions From Common Equity Tier I Capital</b>	<b>393,333</b>	<b>496,730</b>
<b>Total Common Equity Tier I Capital</b>	<b>7,498,432</b>	<b>5,954,310</b>
<b>ADDITIONAL TIER I CAPITAL</b>		
Preferred Stock not Included in Common Equity and the Related Share Premiums		
Debt instruments and the related issuance premiums defined by the BRSA <sup>(**)</sup>	9,027,205	8,095,505
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)		
Third parties' share in the Tier II Capital		
Third parties' share in the Tier II Capital (Temporary Article 3)		
<b>Additional Tier I Capital before Deductions</b>	<b>9,027,205</b>	<b>8,095,505</b>
<b>Deductions from Additional Tier I Capital</b>		
Direct and indirect investments of the Parent Bank in its own Additional Tier I Capital		
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.		
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Parent Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital		
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Parent Bank Owns more than 10% of the Issued Share Capital		
Other items to be defined by the BRSA (-)		
<b>Transition from the Core Capital to Continue to deduce Components</b>		
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-)		
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-)		
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)		
<b>Total Deductions From Additional Tier I Capital</b>		
<b>Total Additional Tier I Capital</b>	<b>9,027,205</b>	<b>8,095,505</b>
<b>Total Tier I Capital (Tier I Capital=Common Equity Tier I Capital+Additional Tier I Capital)</b>	<b>16,525,637</b>	<b>14,049,815</b>
<b>TIER II CAPITAL</b>		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)		
Third parties' share in the Tier II Capital		
Third parties' share in the Tier II Capital (Temporary Article 3)		
Provisions (Amounts explained in the first paragraph of the article 8 of the Regulation on Bank Capital) <sup>(*)</sup>	517,509	537,088
<b>Tier II Capital Before Deductions</b>	<b>517,509</b>	<b>537,088</b>
<b>Deductions From Tier II Capital</b>		
Direct and indirect investments of the Parent Bank on its own Tier II Capital (-)		
Investments in Equity Instruments Issued by Banks and Financial Institutions Invested in Bank's Tier II Capital and Having Conditions Stated in the Article 8 of the Regulation		
Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Parent Bank does not own 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)		
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier II Capital of Consolidated Banks and Financial Institutions where the Parent Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)		
Other items to be defined by the BRSA (-)		
<b>Total Deductions from Tier II Capital</b>		
<b>Total Tier II Capital</b>	<b>517,509</b>	<b>537,088</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>17,043,146</b>	<b>14,586,903</b>
<b>Total Tier I Capital and Tier II Capital (Total Equity)</b>	<b>17,043,146</b>	<b>14,586,903</b>

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

**I. Explanations on Shareholders' Equity (Continued)**

**a. Information on Shareholders' Equity (Continued)**

Loans granted against the articles 50 and 51 of the Parent Banking law	5,347	3,334
Net book values of movables and immovables exceeding the limit defined in the Article 57, clause 1 of the Parent Banking Law and the assets acquired against overdue receivables and held for sale but retained more than three years	-	-
Other items to be defined by the BRSA	-	-
<b>Items to be Deducted from sum of Tier I and Tier II (Capital) during the Transition Period</b>	-	-
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the Parent Bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the Parent Bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the Parent Bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
<b>TOTAL CAPITAL</b>		
Total Capital (The sum of Tier I Capital and Tier II Capital)	17,037,799	14,583,569
Total risk weighted amounts (*)	67,020,169	49,886,118
<b>CAPITAL ADEQUACY RATIOS</b>		
Core Capital Adequacy Ratio (%)	11.19%	11.94%
Tier I Capital Adequacy Ratio (%)	24.66%	28.16%
Capital Adequacy Ratio (%)	25.42%	29.23%
<b>BUFFERS</b>		
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 (%)	6.69%	7.44%
<b>Amounts below the Excess Limits as per the Deduction Principles</b>		
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Parent Bank owns 10% or less of the issued share capital	-	-
Total of net long positions of the investments in Tier I capital of unconsolidated banks and financial institutions where the Parent Bank owns more than 10% or less of the issued share capital	-	-
Remaining Mortgage Servicing Rights	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
<b>Limits related to provisions considered in Tier II calculation</b>		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	517,509	537,088
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	517,509	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	-	-
<b>Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)</b>		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

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

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

**I. Explanations on Shareholders' Equity (Continued)**

**b. Details on Subordinated Liabilities**

<b>Issuer</b>	<b>The Commercial Bank (P.S.Q.C.)</b>
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)
<b>Regulatory treatment</b>	
Subject to 10% deduction as of 1/1/2015	No
Eligible on Unconsolidated/ consolidated / both unconsolidated and consolidated	Valid on Consolidated and Unconsolidated Basis
Instrument type	TIER-I Subordinated Loan
Amount recognised in regulatory capital (Currency in million TRL, as of most recent reporting date)	2,461,965
Par value of instrument (Million TRL)	2,461,965
Accounting classification	347
Original date of issuance	30.06.2015
Demand or time	Demand
Original maturity date	10 years + 1 day
Issuer call subject to prior supervisory approval	- Depending on regulatory as a reason BRSA has the right to refund.
Optional call date, contingent call dates and redemption amount	-
Subsequent call dates, if applicable	-
<b>Coupons / dividends</b>	
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
<b>Convertible or non-convertible</b>	
If convertible, conversion trigger	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
<b>Write-down feature</b>	
If write-down, write-down trigger	When unsustainable situation is realized, value decrement is realized.
If write-down, full or partial	Partial or completely value decrement is should be realized.
If write-down, permanent or temporary	Permanent
If temporary write-down, description of write-up mechanism	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After claims, deposit holders, other creditors and instruments included in the calculation of supplementary capital
Whether conditions which stands in article of 7 and 8 of Banks' shareholder equity law are possessed or not	Possess
According to article 7 and 8 of Banks' shareholders equity law that are not possessed	-

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

**I. Explanations on Shareholders' Equity (Continued)**

**b. Details on Subordinated Liabilities (Continued)**

Issuer	Alternatifbank A.Ş.
Unique identifier (eg CUSIP, ISIN)	XS2327872524
Governing law(s) of the instrument	English Law / Turkish Law on Subordinate Law
<b>Regulatory treatment</b>	
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)	6,565,240
Par value of instrument (Million TRL)	6,565,240
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	Once every 5 years
Subsequent call dates, if applicable	Once every 5 years
<b>Coupons / dividends</b>	
Fixed or floating dividend/coupon	Fixed
Coupon rate and any related index	First 5 year 10.50% Fixed, following 5 year MS+9.546% Fixed No interest will be charged for the value reduced after the value
Existence of a dividend stopper	decrement date
Fully discretionary, partially discretionary or mandatory	Discretionary
Existence of step up or other incentive to redeem	-
Non-cumulative or cumulative	Non-cumulative
<b>Convertible or non-convertible</b>	
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts int	-
<b>Write-down feature</b>	
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	-

**INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGAMENT OF THE PARENT BANK  
(Continued)****I. Explanations on Shareholders' Equity (Continued)****The Internal Assessment Process of Internal Capital Adequacy Regarding the Current and Future Operations**

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

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

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

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

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

**II. Explanations on Credit Risk**

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

**III. Explanations on Currency Risk**

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

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

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

<b>Rate used:</b>	<b>USD</b>	<b>EUR</b>
28.06.2024	32.8262	35.1284
27.06.2024	32.8417	35.1212
26.06.2024	32.9040	35.1801
25.06.2024	32.9015	35.2869
24.06.2024	32.8078	35.1702

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

USD: TL 32.4905

EUR: TL 34.9595

As of 30 June 2024;

**Rate Used:**

**USD**

TL 32.8262

**EUR**

TL 35.1284

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

**III. Explanations on Currency Risk (Continued)**

**a. Information on currency risk of the Group**

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

	EURO	USD	Other FC	Total
<b>30 June 2024</b>				
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	530,712	5,715,184	298,373	6,544,269
Banks	386,483	2,025,203	206,462	2,618,148
Financial Assets at Fair Value Through Profit and Loss (*)	424	358,163	44	358,631
Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	3,902,902	-	3,902,902
Loans (**)	9,089,290	8,949,666	-	18,038,956
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Financial Assets Measured at Amortised Cost	-	8,155,124	-	8,155,124
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets (***)	174,200	338,274	5,090	517,564
<b>Total Assets</b>	<b>10,181,109</b>	<b>29,444,516</b>	<b>509,969</b>	<b>40,135,594</b>
<b>Liabilities</b>				
Bank Deposits	7,972	6,679	19,080	33,731
Foreign Currency Deposits	2,633,520	4,992,368	994,906	8,620,794
Money Market Funds	-	8,855,120	-	8,855,120
Funds Borrowed From Other Financial Institutions	5,342,116	20,651,628	360,423	26,354,167
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	324,114	167,804	5,900	497,818
Derivative Financial Liabilities For Hedging Purposes	-	-	-	-
Other Liabilities (****)	68,851	113,707	1,154	183,712
<b>Total Liabilities</b>	<b>8,376,573</b>	<b>34,787,306</b>	<b>1,381,463</b>	<b>44,545,342</b>
<b>Net Balance Sheet Position</b>	<b>1,804,536</b>	<b>(5,342,790)</b>	<b>(871,494)</b>	<b>(4,409,748)</b>
<b>Net Off Balance Sheet Position</b>	<b>(1,705,713)</b>	<b>4,523,823</b>	<b>1,365,309</b>	<b>4,183,419</b>
Financial Derivative Assets	15,833,884	16,115,444	2,055,406	34,004,734
Financial Derivative Liabilities	17,539,597	11,591,621	690,097	29,821,315
<b>Non-Cash Loans (*****)</b>	<b>5,684,168</b>	<b>7,341,011</b>	<b>2,152,659</b>	<b>15,177,838</b>
<b>31 December 2023</b>				
Total Assets	10,806,706	26,419,748	462,500	37,688,954
Total Liabilities	8,044,631	32,418,771	1,153,429	41,616,831
<b>Net Balance Sheet Position</b>	<b>2,762,075</b>	<b>(5,999,023)</b>	<b>(690,929)</b>	<b>(3,927,877)</b>
<b>Net Off balance Sheet Position</b>	<b>(2,557,814)</b>	<b>6,580,998</b>	<b>553,192</b>	<b>4,576,376</b>
Financial Derivative Assets	9,228,752	19,595,382	1,028,463	29,852,597
Financial Derivative Liabilities	11,786,566	13,014,384	475,271	25,276,221
<b>Non-Cash Loans</b>	<b>5,274,574</b>	<b>6,185,669</b>	<b>2,125,192</b>	<b>13,585,435</b>

(\*) Accruals of derivative assets held for trading amounting to TL 170,339 (31 December 2023: TL 767,894) have been deducted from fair value through profit and loss.

(\*\*) FC indexed loans and accruals amounting to TL 162,032 (31 December 2023: TL 178,665) are included in loans.

(\*\*\*) There is no accrual of spot transaction as of 30 June 2024. (31 December 2023: None.)

(\*\*\*\*) Accruals of derivative liabilities held for trading amounting to TL 467,650 as of 30 June 2024 have been deducted from other liabilities (31 December 2023: TL 435,383).

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

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**(Continued)**

**IV. Explanations on Interest Rate Risk**

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

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

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

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

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

30 June 2024	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic Turkey	6,809,143	-	-	-	-	1,124,333	7,933,476
Banks (**) (****)	756,484	-	-	-	-	1,955,368	2,711,852
Financial Assets at Fair Value Through Profit and Loss	411,238	124,189	297,122	96,291	22,043	3,991	954,874
Money Market Placements	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income (***)	4,370,973	491,978	2,618,933	-	-	14,542	7,496,426
Loans (****)	6,240,560	4,711,279	14,665,410	11,219,784	2,358,863	(589,821)	38,606,075
Financial Assets Measured at Amortised Cost (****)	159,002	2,075,243	7,344,962	-	226,125	(1,994)	9,803,338
Other Assets (*)	189,830	-	-	-	-	4,627,990	4,817,820
<b>Total Assets</b>	<b>18,937,230</b>	<b>7,402,689</b>	<b>24,926,427</b>	<b>11,316,075</b>	<b>2,607,031</b>	<b>7,134,409</b>	<b>72,323,861</b>
<b>Liabilities</b>							
Bank Deposits	257,177	115,473	-	-	-	20,547	393,197
Other Deposits (**)	16,604,408	2,941,369	920,781	-	-	3,722,695	24,189,253
Money Market Funds	10,202,367	243,963	-	-	-	-	10,446,330
Miscellaneous Payables	7,261	-	-	-	-	939,474	946,735
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	3,617,053	6,054,589	8,429,162	7,039,309	2,464,593	-	27,604,706
Other Liabilities and Shareholders' Equity (***)	258,126	109,950	310,777	147,006	19,552	7,898,229	8,743,640
<b>Total Liabilities</b>	<b>30,946,392</b>	<b>9,465,344</b>	<b>9,660,720</b>	<b>7,186,315</b>	<b>2,484,145</b>	<b>12,580,945</b>	<b>72,323,861</b>
<b>Balance Sheet Long Position</b>	<b>-</b>	<b>-</b>	<b>15,265,707</b>	<b>4,129,760</b>	<b>122,886</b>	<b>-</b>	<b>19,518,353</b>
<b>Balance Sheet Short Position</b>	<b>(12,009,162)</b>	<b>(2,062,655)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,446,536)</b>	<b>(19,518,353)</b>
Off-Balance Sheet Long Position	-	-	1,169,498	-	-	-	1,169,498
Off-Balance Sheet Short Position	(465,350)	(150,056)	(333,084)	(261,385)	-	-	(1,209,875)
<b>Total Position</b>	<b>(12,474,512)</b>	<b>(2,212,711)</b>	<b>16,102,121</b>	<b>3,868,375</b>	<b>122,886</b>	<b>(5,446,536)</b>	<b>(40,377)</b>

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

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

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

(\*\*\*\*) Expected loss provision for financial assets is presented non-interest bearing on the table. Amounted to TL 1,038 were deducted from non-interest banks, amounted to TL 1,994 were deducted from non-interest financial assets measured at amortised.

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



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

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

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

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

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

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

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**IV. Explanations on Interest Rate Risk (Continued)**

**b. Interest rate risk arising from banking accounts**

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

**c. Average interest rates applied to monetary financial instruments**

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

<b>30 June 2024 (*)</b>	<b>EURO</b>	<b>USD</b>	<b>OTHER FC</b>	<b>TL</b>
	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	20.00
Banks	-	5.90	-	-
Financial Assets at Fair Value Through Profit and Loss	-	6.56	-	13.36
Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	5.31	-	43.50
Loans and Receivables	7.40	8.16	-	50.47
Financial Assets Measured at Amortised Cost	-	4.94	-	26.32
<b>Liabilities</b>				
Bank Deposits	-	0.04	-	48.80
Other Deposits	1.20	1.95	-	49.66
Money Market Funds	-	7.51	-	49.44
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	6.09	8.87	-	42.00

(\*) Represents Parent Bank's interest rates.

<b>31 December 2023 (*)</b>	<b>EURO</b>	<b>USD</b>	<b>OTHER FC</b>	<b>TL</b>
	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>
<b>Assets</b>				
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
<b>Liabilities</b>				
Bank Deposits	-	5.37	-	38.69
Other Deposits	0.73	2.28	-	39.37
Money Market Funds	-	7.74	-	30.00
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	6.80	8.36	-	33.11

(\*) Represents Parent Bank's interest rates.

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**V. Explanation on share certificates**

None.

**VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**1.e. Information on current liquidity risk mitigation techniques**

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

**1.f. Information on the use of stress testing**

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

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

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

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

**2. Liquidity Coverage Ratio**

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

		Consideration Ratio Unapplied to Total Value (*)		Consideration Ratio Applied to Total Value (*)	
30 June 2024		TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS</b>					
1	High Quality Liquid Assets			13,111,439	8,935,727
<b>CASH OUTFLOWS</b>					
2	Retail and Small Business Customers	16,673,058	5,537,604	1,342,667	553,760
3	Stable Deposits	6,492,792	-	324,640	-
4	Less Stable Deposit	10,180,266	5,537,604	1,018,027	553,760
5	Unsecured Wholesale Funding	14,067,610	9,164,576	10,146,454	6,554,013
6	Operational Deposits	-	-	-	-
7	Non-operational Deposits	6,941,386	4,429,259	3,108,813	1,906,146
8	Other Unsecured Fundings	7,126,224	4,735,317	7,037,641	4,647,867
9	Secured Funding			-	-
10	Other Cash Outflows	498,754	508,503	498,754	508,503
11	Derivative cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	498,754	508,503	498,754	508,503
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	399,369	399,369	19,968	19,968
15	Other irrevocable or conditionally revocable off-balance sheet obligations	33,633,385	14,349,251	5,403,364	1,532,725
16	<b>TOTAL CASH OUTFLOWS</b>			<b>17,411,207</b>	<b>9,168,969</b>
<b>CASH INFLOWS</b>					
17	Secured lending	41,669	-	-	-
18	Unsecured lending	11,428,721	6,582,278	9,236,526	5,913,367
19	Other cash inflows	157,407	151,762	157,407	151,762
20	<b>TOTAL CASH INFLOWS</b>	<b>11,627,797</b>	<b>6,734,040</b>	<b>9,393,933</b>	<b>6,065,129</b>
				<b>Total Adjusted Values</b>	
21	<b>TOTAL HIGH QUALITY ASSETS STOCKS</b>			<b>13,111,439</b>	<b>8,935,727</b>
22	<b>TOTAL CAH OUTFLOWS</b>			<b>8,017,274</b>	<b>3,103,839</b>
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>164.59%</b>	<b>289.63%</b>

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

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

30 June 2024	Highest	Date	Lowest	Date	Average
TL+FC	173.90%	30.04.2024	148.87%	30.06.2024	163.92%
FC	317.03%	30.04.2024	258.19%	31.05.2024	289.94%

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

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

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

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

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**(Continued)**

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

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

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

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

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

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

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

Basically deposits, loans and subordinated loans as unsecured debt items have the most significant portion in Parent Bank's funding balances. As of 30 June 2024, the proportion of total liabilities to all deposits of the Parent Bank is 34% and borrowings constitutes 25% portion whereas subordinate debt is 13%. Secured borrowings such as repo transactions has lower portion (14%).

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

Cash outflows arising from derivative product balances are occurred when the derivative products liabilities are higher than the receivables. Cash outflows arising from derivative product balances are occurred when bank derivative product liabilities are higher than the derivative receivables. Net cash outflows declined in the periods when the cash inflows arising from derivative products are higher than the derivative liabilities. As of 30 June 2024, derivative receivables amounting to TL 277,300 (31 December 2023: TL 2,654). In addition, cash outflows balances are reported with calculation against the change of derivatives fair value. This calculation is performed by checking the output margin within last 24 months of the counterparty balance. The maximum value in the past 24 months is considered as cash outflow as of reporting date. In this context, according to calculations as of 30 June 2024, the liability balance is computed as TL 356,431 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 30 June 2024, approximately 72% of time deposit cap arised from retail banking. The remaining time deposits are constituted from legal entities. Another significant funding resource of borrowings generated from foreign banks (99%). As of 30 June 2024, 27% of the subordinated loans which are subject to capital adequacy calculations provided from The Commercial Bank (P.S.Q.C.).

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

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

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**(Continued)**

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

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

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

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

**Breakdown of assets and liabilities according to their outstanding maturities**

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and Over	Unclassified	Total
<b>30 June 2024</b>								
<b>Assets</b>								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	1,124,333	6,809,143	-	-	-	-	-	7,933,476
Due From Banks <sup>(****)</sup>	1,956,406	756,484	-	-	-	-	(1,038)	2,711,852
Financial Assets at Fair Value Through Profit and Loss	-	447,063	11,726	404,458	68,917	22,710	-	954,874
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income <sup>(****)</sup>	3,991	36,422	-	2,208,241	3,233,578	1,999,652	14,542	7,496,426
Loans <sup>(*****)</sup>	-	6,169,652	4,782,160	14,665,411	11,219,784	2,358,882	(589,814)	38,606,075
Financial Assets Measured at Amortised Cost <sup>(****)</sup>	-	16	17,588	1,272,124	7,386,729	1,128,875	(1,994)	9,803,338
Other Assets <sup>(*)</sup> <sup>(****)</sup>	48,806	280,236	3,790	93,852	7,065	3,344	4,380,727	4,817,820
<b>Total Assets</b>	<b>3,133,536</b>	<b>14,499,016</b>	<b>4,815,264</b>	<b>18,644,086</b>	<b>21,916,073</b>	<b>5,513,463</b>	<b>3,802,423</b>	<b>72,323,861</b>
<b>Liabilities</b>								
Bank Deposits	20,547	257,177	115,473	-	-	-	-	393,197
Other Deposits <sup>(***)</sup>	3,722,695	16,604,405	2,941,372	920,781	-	-	-	24,189,253
Funds Borrowed From Other Financial Institutions <sup>(**)</sup>	-	1,790,665	3,606,992	12,420,444	662,508	9,124,097	-	27,604,706
Money Market Funds	-	9,609,844	716,990	119,496	-	-	-	10,446,330
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	58,504	-	-	-	-	888,231	946,735
Other Liabilities	5,201	910,240	111,414	268,829	190,506	19,552	7,237,898	8,743,640
<b>Total Liabilities</b>	<b>3,748,443</b>	<b>29,230,835</b>	<b>7,492,241</b>	<b>13,729,550</b>	<b>853,014</b>	<b>9,143,649</b>	<b>8,126,129</b>	<b>72,323,861</b>
<b>Liquidity Gap</b>	<b>(614,907)</b>	<b>(14,731,819)</b>	<b>(2,676,977)</b>	<b>4,914,536</b>	<b>21,063,059</b>	<b>(3,630,186)</b>	<b>(4,323,706)</b>	<b>-</b>
<b>31 December 2023</b>								
Total Assets	4,474,937	19,901,051	7,916,840	6,641,637	22,425,539	4,936,835	1,839,333	68,136,172
Total Liabilities	3,632,237	23,644,724	12,055,301	11,495,896	1,583,587	8,222,592	7,501,835	68,136,172
<b>Liquidity Gap</b>	<b>842,700</b>	<b>(3,743,673)</b>	<b>(4,138,461)</b>	<b>(4,854,259)</b>	<b>20,841,952</b>	<b>(3,285,757)</b>	<b>(5,662,502)</b>	<b>-</b>

(\*) 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 9,027,205 is shown in the column "Over 5 years" in "Funds borrowed from other financial institutions".

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

(\*\*\*\*) Expected loss provision for financial assets is presented non-interest bearing on the table. Amounted to TL 1,038 were deducted from non-interest banks, amounted to TL 1,994 were deducted from non-interest financial assets measured at amortised cost.

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



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**(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	
<b>Available stable funding</b>						
1	Capital Instruments	-	-	-	17,436,479	17,436,479
2	Tier 1 Capital and Tier 2 Capital	-	-	-	17,436,479	17,436,479
3	Other Capital Instruments					
4	Real-person and Retail Customer Deposits	1,742,128	14,923,731	137,794	-	15,468,564
5	Stable Deposits	360,331	6,437,179	108,026	-	6,560,259
6	Less Stable Deposits	1,381,797	8,486,552	29,768	-	8,908,306
7	Other Obligations	2,000,618	34,794,577	10,825,370	564,118	10,612,278
8	Operational deposits	-	-	-	-	-
9	Other Obligations	2,000,618	34,794,577	10,825,370	564,118	10,612,278
10	Liabilities equivalent to interconnected assets					
11	Other Liabilities	2,204,602	3,429,909	-	-	-
12	Derivative liabilities				593,804	
13	All other equity not included in the above categories	1,610,799	3,429,909	-	-	-
14	<b>Available stable funding</b>					<b>43,517,322</b>
<b>Required stable funding</b>						
15	Required stable funding					1,275,399
16	Deposits held at financial institutions for operational purposes	-	-	-	-	-
17	Performing Loans	5,996,863	14,033,740	10,846,509	11,096,860	26,242,038
18	Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	-	-	-	-	-
19	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	1,788,979	2,423,066	1,043,928	56,999	2,731,401
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	4,115,342	11,535,564	9,760,176	10,984,756	23,355,704
21	Loans with a risk weight of less than or equal to 35%	336,193	1,221,529	758,136	300,050	1,403,390
22	Residential mortgages	92,542	75,110	42,405	54,087	154,066
23	Residential mortgages with a risk weight of less than or equal to 35%	92,542	75,110	42,405	54,087	154,066
24	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	-	-	1,019	866
25	Assets equivalent to interconnected liabilities					
26	Other Assets	6,476,846	3,447,280	104,434	-	5,469,549
27	Physical traded commodities, including gold	-				-
28	Initial margin posted or given guarantee fund to central counterparty				-	-
29	Derivative Assets				696,445	102,642
30	Derivative Liabilities before the deduction of the variation margin				593,804	59,380
31	Other Assets not included above	5,186,597	3,447,280	104,434	-	5,307,527
32	Off-balance sheet commitments		35,846,149	-	-	1,792,307
33	<b>Total Required stable funding</b>					<b>34,779,293</b>
34	<b>Net Stable Funding Ratio (%)</b>					<b>125.12%</b>

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

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**VII. Explanations on Leverage Ratio**

**Contractual maturity analysis of the Group's derivative instruments:**

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

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

		<b>30 June 2024 (*)</b>	<b>31 December 2023(*)</b>
<b>1</b>	Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards	71,792,810	69,643,219
<b>2</b>	The difference between total assets prepared in accordance with Turkish Accounting Standards (*) and total assets in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements"	-	-
<b>3</b>	The difference between the amounts of derivative financial instruments and credit derivatives in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	532,953	655,197
<b>4</b>	The difference between the amounts of securities or commodity financing transactions in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	-	-
<b>5</b>	The difference between the amounts of off-balance items in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	(8,828,392)	(5,634,483)
<b>6</b>	Other differences between the amounts in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	51,236,379	36,755,835
<b>7</b>	<b>Total risk amount</b>	<b>114,733,750</b>	<b>101,419,768</b>

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

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**(Continued)**

**VII. Explanations on Leverage Ratio (Continued)**

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

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

The Group's leverage ratio is 14.20% calculated in compliance with "Regulation on Measurement and Evaluation of Leverage Levels of Banks" which was not consolidated. (31 December 2023: 13.79%). Increase in the leverage ratio is mainly due to the decrease in total risk. Regulation has been arrived at a decision of the minimum leverage ratio of 3%.

		30 June 2024 (*)	31 December 2023(*)
	<b>Assets in Balance Sheet</b>		
1	On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	71,792,810	69,643,219
2	Assets deducted in determining Tier 1 capital	(332,017)	(248,325)
3	<b>Total on-balance sheet risks (sum of lines 1 and 2) Derivative financial instruments and credit derivatives</b>	<b>71,460,793</b>	<b>69,394,894</b>
	<b>Derivative financial instruments and credit derivatives</b>		
4	Replacement cost associated with all derivative financial instruments and credit derivatives	815,615	940,558
5	Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives	532,953	655,197
6	<b>Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5 Securities or commodity financing transactions (SCFT))</b>	<b>1,348,568</b>	<b>1,595,755</b>
	<b>Securities or commodity financing transactions</b>		
7	Risks from SCFT assets of off-balance sheet	-	-
8	Risks from brokerage activities related exposures	-	-
9	<b>Total risks related with securities or commodity financing transactions (sum of lines 7 to 8) Other off-balance sheet transactions</b>	<b>-</b>	<b>-</b>
	<b>off-balance sheet transactions</b>		
10	Gross notional amounts of off-balance sheet transactions	50,752,781	36,063,602
11	(Adjustments for conversion to credit equivalent amounts)	(8,828,392)	(5,634,483)
12	<b>Total risks of off-balance sheet items (sum of lines 10 and 11) Capital and total risks</b>	<b>41,924,389</b>	<b>30,429,119</b>
	<b>Capital and Total Risk</b>		
13	Tier 1 capital	16,291,593	13,982,880
14	<b>Total risks (sum of lines 3, 6, 9 and 12) Leverage ratio</b>	<b>114,733,750</b>	<b>101,419,768</b>
	<b>Leverage ratio</b>		
15	<b>Leverage ratio (%)</b>	<b>14.20%</b>	<b>13.79%</b>

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

**VIII. Fair values of financial assets and liabilities**

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

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

None (31 December 2023: None).

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**INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK**  
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**X. Explanations on the Risk Management**

**a. Risk Management and General Information on Risk Weighted Amount**

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. According to the Communiqué these notes have to be presented on a quarterly basis. Due to usage of standard approach for the calculation of capital adequacy by the Parent Bank, the following tables have not been presented as of 30 June 2024.

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

**1. The Parent Bank's risk management approach**

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

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

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

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

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

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

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

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

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

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

**X. Explanations on the Risk Management (Continued)**

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

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

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

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

**2. Overview of Risk Weighted Amount**

		Risk Weighted Amount		Minimum capital requirement
		30 June 2024	31 December 2023	30 June 2024
1	Credit risk (excluding counterparty credit risk) (CCR)	60,354,673	43,865,533	4,828,374
2	Standardised approach (SA)	60,354,673	43,865,533	4,828,374
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	1,762,508	1,872,181	141,001
	Standardised approach for counterparty credit risk (SA-CCR)	1,762,508	1,872,181	141,001
6	Internal model method (IMM)	-	-	-
7	Basic risk weight approach to internal models equity position in the Parent Banking account	-	-	-
8	Investments made in collective investment companies – look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach	-	-	-
10	Investments made in collective investment companies - 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach (RBA)	-	-	-
14	IRB Supervisory Formula Approach (SFA)	-	-	-
15	SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	491,425	1,678,388	39,314
17	Standardised approach (SA)	491,425	1,678,388	39,314
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	4,411,563	2,470,016	352,925
20	Basic Indicator Approach	4,411,563	2,470,016	352,925
21	Standard Approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>67,020,169</b>	<b>49,886,118</b>	<b>5,361,614</b>

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

**X. Explanations on the Risk Management (Continued)**

**b. Explanations on linkages between financial statements and risk amounts**

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

**c. Explanations on credit risk**

**1. Credit Quality of Assets**

Current Year	Gross carrying value in consolidated financial statements prepared in accordance with Turkish Accounting Standards (TAS)		Allowances/amortisation and impairments	Net values (a+b-c)
	Defaulted (a)	Non-defaulted (b)	c	d
1 Loans	502,089	35,379,863	1,092,691	34,789,261
2 Debt securities	-	17,842,198	436,590	17,405,608
3 Off-balance sheet exposures	109,430	32,849,552	54,359	32,904,623
4 <b>Total</b>	<b>611,520</b>	<b>86,071,613</b>	<b>1,583,640</b>	<b>85,099,492</b>

Previous Year	Gross carrying value in consolidated financial statements prepared in accordance with Turkish Accounting Standards (TAS)		Allowances/amortisation and impairments	Net values (a+b-c)
	Defaulted (a)	Non-defaulted (b)	c	d
1 Loans	571,974	28,719,949	1,446,146	27,845,777
2 Debt securities	-	17,076,579	404,147	16,672,432
3 Off-balance sheet exposures	90,100	22,001,435	51,313	22,040,222
4 <b>Total</b>	<b>662,074</b>	<b>67,797,963</b>	<b>1,901,606</b>	<b>66,558,431</b>

**2. Changes in Stock of Defaulted Loans and Debt Securities**

		Amount (Current Year)	Amount (Previous Year)
1	<b>Defaulted loans and debt securities at end of the previous reporting period</b>	<b>662,074</b>	<b>875,316</b>
2	Loans and debt securities that have defaulted since the last reporting period	113,976	693,659
3	Receivables back to non-defaulted status	-	-
4	Amounts written off	(1,459)	(134,000)
5	Other changes	(163,071)	(772,901)
6	<b>Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)</b>	<b>611,520</b>	<b>662,074</b>

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

**X. Explanations on the Risk Management (Continued)**

**c. Explanations on credit risk (Continued)**

**3. Credit Risk Mitigation Techniques**

		Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
	<b>Current Year</b>							
1	Loans	33,710,545	1,078,716	421,289	-	-	-	-
2	Debt securities	17,405,608	-	-	-	-	-	-
3	<b>Total</b>	<b>51,116,153</b>	<b>1,078,716</b>	<b>421,289</b>	-	-	-	-
4	Of which defaulted	(545,740)	10,209	6,042	-	-	-	-

		Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
	<b>Previous Year</b>							
1	Loans	25,596,973	2,248,804	709,652	-	-	-	-
2	Debt securities	16,672,432	-	-	-	-	-	-
3	<b>Total</b>	<b>42,269,405</b>	<b>2,248,804</b>	<b>709,652</b>	-	-	-	-
4	Of which defaulted	(848,341)	12,956	5,838	-	-	-	-



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

**X. Explanations on the Risk Management (Continued)**

**c. Explanations on credit risk (Continued)**

**4. Consolidated Credit Risk Exposure and Credit Risk Mitigation Techniques**

	Risk Classes (Current Year)	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA Density
1	Exposures to central governments or central banks	24,788,734	-	24,832,765	-	-	0.0%
2	Exposures to regional and local governments or local authorities	-	-	-	-	-	0.0%
3	Exposures to public sector entities	-	5,840	-	2,559	2,559	100.0%
4	Exposures to multilateral development banks	-	-	-	-	-	0.0%
5	Exposures to international organizations	-	-	-	-	-	0.0%
6	Exposures to institutions	8,478,048	4,962,965	2,636,016	4,432,505	2,385,878	33.8%
7	Exposures to corporates	28,408,501	31,769,128	27,333,283	25,629,915	42,420,383	80.1%
8	Retail exposures	176,430	491,620	173,555	37,983	158,714	75.0%
9	Exposures secured by residential property	268,690	149,504	249,491	83,603	116,583	35.0%
10	Exposures secured by commercial real estate	480,656	54,972	480,656	27,434	254,045	50.0%
11	Past-due loans	83,089	-	79,568	-	111,546	140.2%
12	High risk categories by the Agency Board	6,608,169	27,591	6,585,302	1,104	13,138,757	199.5%
13	Exposures in the form of covered bonds	-	-	-	-	-	0.0%
14	Exposures to institutions and corporates with a short term credit assessment	-	-	-	-	-	0.0%
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	0.0%
16	Other exposures	3,751,288	51	3,751,288	51	3,368,898	89.8%
17	Investments in equities	-	-	-	-	-	0.0%
18	<b>Total</b>	<b>73,043,605</b>	<b>37,461,671</b>	<b>66,121,924</b>	<b>30,215,154</b>	<b>61,957,363</b>	<b>64.3%</b>

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

**X. Explanations on the Risk Management (Continued)**

**c. Explanations on credit risk (Continued)**

**4. Consolidated Credit Risk Exposure and Credit Risk Mitigation Techniques (Continued)**

	Risk Classes (Previous Year)	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA Density
1	Exposures to central governments or central banks	25,964,646	-	26,000,194	-	-	0.0%
2	Exposures to regional and local governments or local authorities	-	-	-	-	-	0.0%
3	Exposures to public sector entities	-	4,425	-	1,856	1,856	100.0%
4	Exposures to multilateral development banks	-	-	-	-	-	0.0%
5	Exposures to international organizations	-	-	-	-	-	0.0%
6	Exposures to institutions	4,488,935	5,918,381	2,242,191	5,538,939	2,961,433	38.1%
7	Exposures to corporates	24,222,482	20,227,919	23,462,008	15,695,333	31,811,013	81.2%
8	Retail exposures	182,874	480,803	175,956	41,989	159,275	73.1%
9	Exposures secured by residential property	340,164	146,462	308,818	84,552	137,680	35.0%
10	Exposures secured by commercial real estate	115,418	32,777	115,418	18,424	66,921	50.0%
11	Past-due loans	96,169	-	92,028	-	124,376	135.2%
12	High risk categories by the Agency Board	4,210,279	12,672	4,193,397	427	8,353,181	199.2%
13	Exposures in the form of covered bonds	-	-	-	-	-	0.0%
14	Exposures to institutions and corporates with a short term credit assessment	-	-	-	-	-	0.0%
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	0.0%
16	Other exposures	2,601,444	51	2,601,442	53	1,970,334	75.7%
17	Investments in equities	-	-	-	-	-	0.0%
18	<b>Total</b>	<b>62,222,411</b>	<b>26,823,490</b>	<b>59,191,452</b>	<b>21,381,573</b>	<b>45,586,069</b>	<b>56.6%</b>

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

**X. Explanations on the Risk Management (Continued)**

**c. Explanations on credit risk (Continued)**

**5. Consolidated Exposures by Asset Classes and Risk Weights**

Regulatory portfolio (Current Period)		0%	10%	20%	35% secured by real estate mortgage	50% secured by real estate mortgage	50%	75%	100%	150%	200%	Others	Total risk amount (post-CCF and CRM)
1	Exposures to central governments or central banks	24,832,765	-	-	-	-	-	-	-	-	-	-	24,832,765
2	Exposures to regional and local governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Exposures to public sector entities	-	-	-	-	-	-	-	2,559	-	-	-	2,559
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to institutions	-	-	3,830,408	-	-	3,236,633	-	1,480	-	-	-	7,068,521
7	Exposures to corporates	46,832	-	6,417,935	-	-	10,723,240	59	35,775,132	-	-	-	52,963,198
8	Retail exposures	-	-	-	-	-	-	211,295	243	-	-	-	211,538
9	Exposures secured by residential property	-	-	-	333,094	-	-	-	-	-	-	-	333,094
10	Exposures secured by commercial real estate	-	-	-	-	508,090	-	-	-	-	-	-	508,090
11	Past-due loans	-	-	-	-	-	-	-	15,610	63,958	-	-	79,568
12	High risk categories by the Agency Board	-	-	-	-	-	-	-	-	270,438	6,282,248	33,720	6,586,406
13	Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	-	-
16	Investments in equities	-	-	-	-	-	-	-	-	-	-	-	-
17	Other exposures	382,372	-	84	-	-	-	-	3,368,883	-	-	-	3,751,339
18	<b>Total</b>	<b>25,261,969</b>	<b>-</b>	<b>10,248,427</b>	<b>333,094</b>	<b>508,090</b>	<b>13,959,873</b>	<b>211,354</b>	<b>39,163,907</b>	<b>334,396</b>	<b>6,282,248</b>	<b>33,720</b>	<b>96,337,078</b>

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

**X. Explanations on the Risk Management (Continued)**

**c. Explanations on Credit Risk (Continued)**

**5. Consolidated Exposures by Asset Classes and Risk Weights (Continued)**

		0%	10%	20%	35% secured by real estate mortgage	50% secured by real estate mortgage	50%	75%	100%	150%	200%	Others	Total risk amount (post-CCF and CRM)
	<b>Regulatory portfolio (Prior Period)</b>												
1	Exposures to central governments or central banks	26,000,194	-	-	-	-	-	-	-	-	-	-	26,000,194
2	Exposures to regional and local governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Exposures to public sector entities	-	-	-	-	-	-	-	1,856	-	-	-	1,856
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to institutions	-	-	3,136,596	-	-	4,620,842	-	23,692	-	-	-	7,781,130
7	Exposures to corporates	-	-	4,716,508	-	-	7,146,238	13	27,294,582	-	-	-	39,157,341
8	Retail exposures	8,264	-	-	-	-	-	201,622	8,059	-	-	-	217,945
9	Exposures secured by residential property	-	-	-	393,370	-	-	-	-	-	-	-	393,370
10	Exposures secured by commercial real estate	-	-	-	-	133,842	-	-	-	-	-	-	133,842
11	Past-due loans	-	-	-	-	-	282	-	26,769	64,977	-	-	92,028
12	High risk categories by the Agency Board	-	-	-	-	-	-	-	-	121,895	4,063,102	8,827	4,193,824
13	Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	-	-
16	Investments in equities	-	-	-	-	-	-	-	-	-	-	-	-
17	Other exposures	619,521	-	14,547	-	-	-	-	1,967,427	-	-	-	2,601,495
18	<b>Total</b>	<b>26,627,979</b>	<b>-</b>	<b>7,867,651</b>	<b>393,370</b>	<b>133,842</b>	<b>11,767,362</b>	<b>201,635</b>	<b>29,322,385</b>	<b>186,872</b>	<b>4,063,102</b>	<b>8,827</b>	<b>80,573,025</b>

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

**X. Explanations on the Risk Management (Continued)**

**d. Explanations on counterparty credit risk**

**1. Consolidated Counterparty Credit Risk (CCR) Approach Analysis**

	Current Period	Replacement cost	Potential future exposure	EEPE(Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	Standardised Approach - CCR (for derivatives)	833,704	206,719		1.4	1,456,591	559,429
2	Internal Model Method (for derivative financial instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions))					3,100,994	1,043,627
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					3,100,994	1,043,627
6	<b>Total</b>						<b>1,603,056</b>

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

**X. Explanations on the Risk Management (Continued)**

**d. Explanations on counterparty credit risk (Continued)**

**1. Consolidated Counterparty Credit Risk (CCR) Approach Analysis (Continued)**

	Prior Period	Replacement cost	Potential future exposure	EEPE(Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	Standardised Approach - CCR (for derivatives)	826,217	379,098		1.4	1,687,442	378,892
2	Internal Model Method (for derivative financial instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions))					3,751,759	1,341,699
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					3,751,759	1,341,699
6	<b>Total</b>						<b>1,720,591</b>

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

**X. Explanations on the Risk Management (Continued)**

**d. Explanations on counterparty credit risk (Continued)**

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

	<b>Current Period</b>	<b>EAD post-CRM</b>	<b>RWA</b>
	Total portfolio value with comprehensive approach CVA capital adequacy	-	-
1	(i) Value at Risk component (including the 3×multiplier)		-
2	(ii) Stressed Value at Risk component (including the 3×multiplier)		-
3	Total portfolio value with simplified approach CVA adequacy	170,236	159,818
4	Total subject to the CVA capital obligation	170,236	159,818

	<b>Prior Period</b>	<b>EAD post-CRM</b>	<b>RWA</b>
	Total portfolio value with comprehensive approach CVA capital adequacy	-	-
1	(i) Value at Risk component (including the 3×multiplier)		-
2	(ii) Stressed Value at Risk component (including the 3×multiplier)		-
3	Total portfolio value with simplified approach CVA adequacy	153,434	151,645
4	Total subject to the CVA capital obligation	153,434	151,645

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

**X. Explanations on the Risk Management (Continued)**

**d. Explanations on Counterparty Credit Risk (CCR) (Continued):**

**3. CCR Exposures by Risk Class and Risk Weights**

Risk weight/ Risk classes	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure (*)
Central governments and central banks receivables	-	-	-	-	-	-	-	-	-
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
International organizations receivables	-	-	-	-	-	-	-	-	-
Banks and intermediary institutions receivables	-	-	2,901,794	466,907	-	1,458	-	-	3,370,159
Corporate receivables	46,832	-	379,297	98,191	59	662,328	-	-	1,186,707
Retail receivables	-	-	-	-	125	-	-	-	125
Mortgage receivables	-	-	-	-	-	-	-	-	-
Non performing receivables	-	-	-	-	-	-	-	-	-
High risk defined receivables	-	-	-	-	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-
Short term credit rated banks and intermediary institutions receivables	-	-	-	-	-	-	-	-	-
Collective investment undertaking investments	-	-	-	-	-	-	-	-	-
Equity investments	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>46,832</b>	<b>-</b>	<b>3,281,091</b>	<b>565,098</b>	<b>184</b>	<b>663,786</b>	<b>-</b>	<b>-</b>	<b>4,556,991</b>

(\*) The amount of related to the capital adequacy calculation after applying counterparty credit risk measurement techniques



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

**X. Explanations on the Risk Management (Continued)**

**d. Explanations on Counterparty Credit Risk (CCR) (Continued)**

**3. CCR Exposures by Risk Class and Risk Weights (Continued)**

Risk weight/ Risk classes	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure (*)
Central governments and central banks receivables	655,899	-	-	-	-	-	-	-	655,899
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
International organizations receivables	-	-	-	-	-	-	-	-	-
Banks and intermediary institutions receivables	-	-	2,122,484	2,292,938	-	2,067	-	-	4,417,489
Corporate receivables	-	-	231,940	65,308	13	67,916	-	-	365,177
Retail receivables	-	-	-	-	31	512	-	-	543
Mortgage receivables	-	-	-	-	-	-	-	-	-
Non performing receivables	-	-	-	-	-	-	-	-	-
High risk defined receivables	-	-	-	-	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-
Short term credit rated banks and intermediary institutions receivables	-	-	-	-	-	-	-	-	-
Collective investment undertaking investments	-	-	-	-	-	-	-	-	-
Equity investments	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>655,899</b>	<b>-</b>	<b>2,354,424</b>	<b>2,358,246</b>	<b>44</b>	<b>70,495</b>	<b>-</b>	<b>-</b>	<b>5,439,108</b>

(\*) The amount of related to the capital adequacy calculation after applying counterparty credit risk measurement techniques

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

**X. Explanations on the Risk Management (Continued)**

**d. Explanations on Counterparty Credit Risk (CCR) (Continued)**

**4. Collaterals for Consolidated CCR**

	Fair value of collateral received		Fair value of collateral given		Fair value of collateral received	Fair value of collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
<b>Current Period</b>						
Cash-domestic currency	-	-	-	-	1,491,165	-
Cash-foreign currency	-	1,976,617	-	10,156,620	10,628,445	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
<b>Total</b>	-	1,976,617	-	10,156,620	12,119,610	-

	Fair value of collateral received		Fair value of collateral given		Fair value of collateral received	Fair value of collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
<b>Prior Period</b>						
Cash-domestic currency	-	-	-	-	263	155,594
Cash-foreign currency	-	7,687,340	-	2,690,965	8,086,534	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
<b>Total</b>	-	7,687,340	-	2,690,965	8,086,797	155,594

**5. Credit Derivatives**

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".

**6. Central counterparty risks (CCR)**

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

**X. Explanations on the Risk Management (Continued)**

**e. Explanations on market risk**

**1. Consolidated Market Risk -Standard Approach**

		<b>RWA (current period)</b>	<b>RWA (prior period)</b>
	<b>Outright products</b>		
1	Interest rate risk (general and specific)	150,638	130,800
2	Equity risk (general and specific)	-	-
3	Foreign exchange risk	264,300	1,500,738
4	Commodity risk	-	-
	<b>Options</b>		
5	Simplified approach	-	-
6	Delta-plus method	76,487	46,850
7	Scenario approach	-	-
8	Securitisation	-	-
9	<b>Total</b>	<b>491,425</b>	<b>1,678,388</b>

**f. Explanations on operational risk**

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

**g. Explanations on banking book interest rate risk**

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

**h. Explanations on -credit risk mitigation techniques**

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

**i. Explanations on risk management objectives and policies**

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

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

**XI. Explanation on Hedge Accounting**

Starting from 24 March 2014, the Parent Bank hedged its fair value loans with equal installments and fixed interest rates with an average maturity of 5 years, and the changes in the fair value resulting from the movements in Libor interest rates, through a swap interest transaction with a nominal value of TL 55,000 and a maturity of 5 years, made on 24 March 2014, balanced by applying hedge accounting.

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

At the beginning of the association and throughout the ongoing process, the Parent Bank evaluates whether the hedging method is effective on the changes in the expected fair values of the relevant instruments in the period in which the method is applied, or whether the effectiveness of each hedge on the actual results is between 80% and 125%.

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

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

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

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

	30 June 2024			31 December 2023		
	Principal Amount (*)	Asset	Liability	Principal Amount (*)	Asset	Liability
<b>Derivative financial instruments</b>						
Interest rate swaps	-	-	-	800,000	17,462	12,891
<b>Total</b>	-	-	-	<b>800,000</b>	<b>17,462</b>	<b>12,891</b>

(\*) 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.

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**SECTION FIVE**

**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS**

**I. Explanations and Notes on Assets**

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

**1. Information on cash and the account of the CBRT**

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Cash/Foreign Currency	43,651	278,375	54,515	314,904
CBRT	1,345,556	6,265,789	2,620,239	6,887,477
Other	-	105	1,764	20,648
<b>Total</b>	<b>1,389,207</b>	<b>6,544,269</b>	<b>2,676,518</b>	<b>7,223,029</b>

**2. Information on the account of the CBRT**

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Demand Unrestricted Amount (*)	1,175,308	2,554,648	2,337,679	3,857,784
Time Unrestricted Amount	-	-	-	-
Reserve Requirement	170,248	3,711,141	282,560	3,029,693
<b>Total</b>	<b>1,345,556</b>	<b>6,265,789</b>	<b>2,620,239</b>	<b>6,887,477</b>

(\*) 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 December 2022 and numbered 32060, the possibility of establishing Turkish Lira required reserves in gold was terminated as of 23 June 2023.

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

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

As of 30 June 2024, the Parent Bank have no financial assets at fair value through profit/loss subject to repo transactions (31 December 2023: None) and have no financial assets at fair value through profit and loss given as collateral/blocked amount (31 December 2023: None).

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. Explanations and Notes on Assets (Continued)**

**c. Positive differences related to derivative financial assets**

	30 June 2024 (*)		31 December 2023	
	TL	FC	TL	FC
Forward Transactions	75,047	5,327	45,159	15,224
Swap Transactions	82,777	401,105	184,329	867,536
Options	197,125	89,643	68,553	38,990
<b>Total</b>	<b>354,949</b>	<b>496,075</b>	<b>298,041</b>	<b>921,750</b>

(\*) Hedging derivative financial assets are excluded

**d. Information on banks**

**1. Information on banks**

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Banks				
Domestic	94,742	1,046,388	36,847	978,796
Foreign	-	1,571,760	-	1,939,220
<b>Total</b>	<b>94,742</b>	<b>2,618,148</b>	<b>36,847</b>	<b>2,918,016</b>

**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 30 June 2024, financial assets at fair value through other comprehensive income given as collateral/blocked are amounting to TL 456,959 (31 December 2023: TL 902,801). As of 30 June 2024, financial assets at fair value through other comprehensive income those subject to repurchase agreements TL 4,661,957 (31 December 2023: TL 2,991,397). As of 30 June 2024, the share certificates amounted to TL 14,542 (31 December 2023: TL 14,542).

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

	30 June 2024	31 December 2023
Debt Securities	7,918,375	7,211,226
Quoted on Stock Exchange	7,918,375	7,211,226
Not Quoted	-	-
Share Certificates	14,542	14,542
Quoted on Stock Exchange	1	1
Not Quoted	14,541	14,541
Impairment Provision (-)	436,491	404,032
<b>Total</b>	<b>7,496,426</b>	<b>6,821,736</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. Explanations and Notes on Assets (Continued)**

**g. Explanations on loans**

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

	30 June 2024		31 December 2023	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted To Shareholders	-	4,068	-	3,742
Corporate Shareholders	-	4,068	-	3,742
Real Person Shareholders	-	-	-	-
Indirect Loans Granted To Shareholders	316	1,607	771	1,607
Loans Granted To Employees	20,538	-	15,930	-
<b>Total</b>	<b>20,854</b>	<b>5,675</b>	<b>16,701</b>	<b>5,349</b>

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

Current Period		Loans Under Close Monitoring		
		Loans Not Subject to restructuring	Restructured Loans	
			Amendments on Conditions of Contract	Refinancing
Cash Loans (*)	Standard Loans			
Non-Specialized Loans	31,169,183	1,400,847	2,628,917	-
Corporate Loans	-	-	-	-
Export Loans	8,334,989	117,880	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	2,229,593	-	-	-
Consumer Loans	315,866	2,336	164	-
Credit Cards	54,382	3,180	-	-
Other	20,234,353	1,277,451	2,628,753	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>31,169,183</b>	<b>1,400,847</b>	<b>2,628,917</b>	<b>-</b>

(\*) Standard and closely monitored leasing receivables amounting to TL 3,848,759 and TL 148,196 are not included.

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

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

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. Explanations and Notes on Assets (Continued)**

**g. Explanations on loans (Continued)**

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

Current Period (\*)

	Standard Loans	Loans Under Close Monitoring
12 Month Expected Credit Losses	217,635	-
Significant Increase in Credit Risk	-	477,401

(\*) Expected loss provision amounting to TL 1,994 calculated for financial assets measured at amortized cost is not included.

Prior Period (\*)

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

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

3. Loans according to their maturity structure

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



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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. Explanations and Notes on Assets (Continued)**

**g. Explanations on loans (Continued)**

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

	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
Consumer Loans-TL	106,978	181,280	288,258
Real Estate Loans	-	32,779	32,779
Automotive Loans	-	1,569	1,569
Consumer Loans	106,978	146,932	253,910
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	19,684	-	19,684
With Installments	2,281	-	2,281
Without Installments	17,403	-	17,403
Individual Credit Cards- FC	421	-	421
With Installments	-	-	-
Without Installments	421	-	421
Personnel Loans-TL	6,152	12,357	18,509
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	6,152	12,357	18,509
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	1,654	-	1,654
With Installments	199	-	199
Without Installments	1,455	-	1,455
Personnel Credit Cards-FC	7	-	7
With Installments	-	-	-
Without Installments	7	-	7
Credit Deposit Account-TL (Individuals) (*)	11,599	-	11,599
Credit Deposit Account-FC (Individuals)	-	-	-
<b>Total</b>	<b>146,495</b>	<b>193,637</b>	<b>340,132</b>

(\*) TL 368 of the credit deposit account consists of loans extended to personnel.

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. Explanations and Notes on Assets (Continued)**

**g. Explanations on loans (Continued)**

**5. Information on commercial installment loans and corporate credit cards**

	<b>Short-term</b>	<b>Medium and long-term</b>	<b>Total</b>
Commercial Loans With Installments-TL	154,419	2,835,815	2,990,234
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	154,419	2,835,815	2,990,234
Other	-	-	-
Commercial Loans With Installment-FC Indexed	-	29,859	29,859
Real Estate Loans	-	29,859	29,859
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Loans With Installment-FC	-	2,458,373	2,458,373
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	2,458,373	2,458,373
Other	-	-	-
Corporate Credit Cards-TL	35,275	4	35,279
With Installment	409	4	413
Without Installment	34,866	-	34,866
Corporate Credit Cards-FC	517	-	517
With Installment	-	-	-
Without Installment	517	-	517
Overdraft Accounts – TL(Corporate)	85,310	-	85,310
Overdraft Accounts – FC (Corporate)	-	-	-
<b>Total</b>	<b>275,521</b>	<b>5,324,051</b>	<b>5,599,572</b>

**6. Loans according to types of borrowers**

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

**7. Distribution of domestic and foreign loans**

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

	<b>30 June 2024</b>	<b>31 December 2023</b>
Domestic Loans	35,198,345	31,010,720
Foreign Loans	602	776
<b>Total</b>	<b>35,198,947</b>	<b>31,011,496</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. Explanations and Notes on Assets (Continued)**

**g. Explanations on loans (Continued)**

**8. Loans given to investments in associates and subsidiaries**

As of 30 June 2024, there are no loans granted to associates and subsidiaries amount (31 December 2023: None).

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

	<b>30 June 2024</b>	<b>31 December 2023</b>
Loans with Limited Collectability	15,242	25,285
Loans with Doubtful Collectability	21,782	9,566
Uncollectible Loans	360,631	428,253
<b>Total</b>	<b>397,655</b>	<b>463,104</b>

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

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and other receivables with limited collectability</b>	<b>Loans and other receivables with doubtful collectability</b>	<b>Uncollectible loans and other receivables</b>
<b>30 June 2024</b>			
Gross Amounts Before Provisions	-	-	22,974
Restructured Loans	-	-	22,974
<b>31 December 2023</b>			
Gross Amounts Before Provisions	-	-	61,766
Restructured Loans	-	-	61,766

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and other receivables with limited collectability</b>	<b>Loans and other receivables with doubtful collectability</b>	<b>Uncollectible loans and other receivables</b>
<b>31 December 2023</b>	<b>57,558</b>	<b>57,681</b>	<b>456,735</b>
Addition (+)	78,323	12,092	28,058
Transfers from Other Categories of Non-performing Loans (+)	-	60,421	36,042
Transfers to Other Categories of Non-performing Loans (-)	(60,421)	(36,042)	-
Collections (-)	(38,141)	(2,312)	(146,446)
Write-offs (-)	-	-	(1,459)
Sold Portfolio	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>30 June 2024 (*)</b>	<b>37,319</b>	<b>91,840</b>	<b>372,930</b>
Specific Provision (-)	15,242	21,782	360,631
<b>Net Balance on Balance Sheet</b>	<b>22,077</b>	<b>70,058</b>	<b>12,299</b>

(\*) Financial lease receivables amounting to TL 127,784 are included.

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. Explanations and Notes on Assets (Continued)**

**g. Explanations on loans (Continued)**

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

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

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

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and other receivables with limited collectability</b>	<b>Loans and other receivables with doubtful collectability</b>	<b>Uncollectible loans and other receivables</b>
<b>30 June 2024 (Net)</b>	<b>22,077</b>	<b>70,058</b>	<b>12,299</b>
Loans to Real Persons and Legal Entities (Gross)	37,319	91,840	372,930
Specific Provision Amount (-)	15,242	21,782	360,631
Loans to Real Persons and Legal Entities (Net)	22,077	70,058	12,299
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
<b>31 December 2023 (Net)</b>	<b>32,273</b>	<b>48,115</b>	<b>28,482</b>
Loans to Real Persons and Legal Entities (Gross)	57,558	57,681	456,735
Specific Provision Amount (-)	25,285	9,566	428,253
Loans to Real Persons and Legal Entities (Net)	32,273	48,115	28,482
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and other receivables with limited collectability</b>	<b>Loans and other receivables with doubtful collectability</b>	<b>Uncollectible loans and other receivables</b>
<b>Current Period (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Interest accruals and valuation differences	-	-	50,343
Provision (-)	-	-	(50,343)
<b>Prior Period(Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Interest accruals and valuation differences	-	-	54,136
Provision (-)	-	-	(54,136)

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. Explanations and Notes on Assets (Continued)**

**g. Explanations on loans (Continued)**

11. Explanation on liquidation policy for uncollectible loan and receivable

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

12. Explanations on write-off policy

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

**h. Information on financial assets measured at amortised cost**

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

(i) Financial assets measured at amortised cost

As of 30 June 2024 there are financial assets measured at amortised cost given as collateral amounting to TL 9,805,332 (31 December 2023: TL 9,601,665).

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Given as collateral/blocked	37,166	290,171	640,363	2,908,905
Subject to repurchase agreements	331,923	7,447,782	-	5,163,862
Other	1,281,119	417,171	888,535	-
<b>Total</b>	<b>1,650,208</b>	<b>8,155,124</b>	<b>1,528,898</b>	<b>8,072,767</b>

2. Information on debt securities measured at amortised cost

	30 June 2024	31 December 2023
Government Bonds	8,155,124	8,072,767
Treasury Bills	1,611,458	1,447,818
Other Government Debt Securities	-	-
<b>Total</b>	<b>9,766,582</b>	<b>9,520,585</b>

3. Information on financial assets measured at amortised cost

	30 June 2024	31 December 2023
<b>Debt Securities</b>	<b>9,805,332</b>	<b>9,601,665</b>
Quoted to Stock Exchange	9,805,332	9,601,665
Not Quoted to Stock Exchange	-	-
Impairment Provision (-)	-	-
<b>Total</b>	<b>9,805,332</b>	<b>9,601,665</b>

4. Movement of financial assets measured at amortised cost

	30 June 2024	31 December 2023
Balance at the Beginning of the Period	9,601,665	7,007,615
Foreign Currency Differences on Monetary Assets	987,926	3,814,210
Purchases	51,320	2,041,292
Disposals Through Sales and Redemptions(*)	(835,579)	(3,261,452)
Impairment Provision (-)	-	-
<b>Balance at the End of the Period</b>	<b>9,805,332</b>	<b>9,601,665</b>

(\*) Includes nondecisive financial asset sales.

**i. Information on investments in associates (Net)**

Group has no associates as of 30 June 2024 (31 December 2023: None).

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. Explanations and Notes on Assets (Continued)**

**j. Information on subsidiaries (Net)**

1. Information on shareholders' equity of the significant subsidiaries

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

2. Information on unconsolidated subsidiaries

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

3. Information on consolidated subsidiaries

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

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

No	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss (**)	Fair Value
1(*)	358,473	104,987	13,197	48,881	17,592	6,540	10,711	-
2(*)	4,596,884	510,716	156,357	454,788	-	42,285	21,344	-

(\*) The above mentioned subsidiaries' financial data are taken from the financial statements prepared for the BRSA consolidation as of 30 June 2024.

(\*\*) These balances represents data of 30 June 2023.

Information about equity component of the consolidated subsidiaries:

	Alternatif Finansal Kiralama A.Ş.	Alternatif Yatırım Menkul Değerler A.Ş.
<b>TIER I Capital</b>	<b>434,693</b>	<b>106,832</b>
Paid-in Capital	200,000	77,000
Capital Reserves	155,597	10,735
Current and Prior Period Net Profit	81,579	6,543
Current and Prior Period Net (Loss)	-	14,884
Intangible Assets (-)	2,483	2,330
<b>TIER II Capital</b>	<b>-</b>	<b>-</b>
<b>Deduction from Capital</b>	<b>-</b>	<b>-</b>
<b>Net Usable Capital</b>	<b>434,693</b>	<b>106,832</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. Explanations and Notes on Assets (Continued)**

**j. Information on subsidiaries (Net) (Continued)**

**4. The movement of the subsidiaries**

	<b>30 June 2024</b>	<b>31 December 2023</b>
<b>Balance at the beginning of the period</b>	<b>340,580</b>	<b>325,580</b>
<b>Movements during the period</b>	<b>10,000</b>	<b>15,000</b>
Purchases (*)(**)	10,000	32,338
Transfers	-	-
Bonus Shares Obtained	-	-
Share in Current Year Income	-	-
Sales	-	(17,338)
Revaluation (Decrease) / Increase	-	-
Provision for Impairment	-	-
<b>Balance at the End of the Period</b>	<b>350,580</b>	<b>340,580</b>
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(\*) In order to increase the paid capital of Alternatif Yatırım Menkul Değerler A.Ş by TL 10,000 in cash, obligatory processes have been initiated.

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

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

<b>Subsidiaries</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	292,165	292,165
Finance Companies	-	-
Other Financial Subsidiaries	58,415	48,415

**6. Quoted subsidiaries**

None (31 December 2023: None).

**k. Information on joint ventures**

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

**l. Information on finance lease receivables (Net)**

Finance lease receivable of the Group is amounting to TL 4,124,739 (31 December 2023: TL 4,099,871).

**m. Information on hedging derivative financial assets**

	<b>30 June 2024</b>		<b>31 December 2023</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	-	-	17,462	-
Net Investment Hedge in a foreign operation	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>17,462</b>	<b>-</b>

**ALTERNATİFBANK A.Ş.**  
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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. Explanations and Notes on Assets (Continued)**

**n. Tangible assets**

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

**o. Intangible assets**

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

**p. Information on investment property**

There is no investment property as of 30 June 2024 (31 December 2023: None).

**q. Explanations about deferred tax asset**

As of 30 June 2024, the Group has deferred tax asset amounting to TL 610,596 (31 December 2023: TL 461,718 deferred tax asset) in the financial statements.

As of 30 June 2024 and 31 December 2023, the details of temporary differences and deferred tax assets and liabilities are presented below:

	30 June 2024		31 December 2023	
	Tax Base	Deferred Tax Amount	Tax Base	Deferred Tax Amount
Deferred Tax Asset / (Liability)				
Tangible Assets Base Differences	935,887	280,767	721,138	216,733
Provisions	990,087	297,321	1,716,626	515,038
Valuation of Financial Assets	(50,034)	(15,010)	(1,013,076)	(302,005)
Commission Deferral	75,107	22,531	22,700	6,810
Financial Losses (*)	61,774	18,532	73,535	22,061
Other	21,523	6,455	10,240	3,081
<b>Net Deferred Tax Assets</b>		<b>610,596</b>		<b>461,718</b>

(\*) Includes tax assets calculated from financial losses. Deferred tax asset calculated from movable losses is calculated from financial losses for financial year of 2022. Since the subsidiary included in consolidation, plans to generate sufficient taxable income to offset these amounts in the future, a total of TL 18,532 has been reflected in its deferred tax assets. (31 December 2023: Deferred tax asset calculated from movable losses is calculated from financial losses for financial year of 2022. Since the Bank plans to generate sufficient taxable income to offset these amounts in the future, a total of TL 22,061 has been reflected in its deferred tax assets).

	1 January -30 June 2024	1 January -30 June 2023
1 January Net Deferred Tax Asset/(Liability)	461,718	161,003
Deferred Tax (Expense)/Income	140,576	(3,556)
Deferred tax recognized in other comprehensive income	8,302	175,627
<b>Net Deferred Tax Asset/(Liability)</b>	<b>610,596</b>	<b>333,074</b>

**r. Movement of assets held for resale and discontinued operations**

	30 June 2024	31 December 2023
Beginning of the period	525,885	487,833
Disposals (-)	(25,115)	(87,495)
Additions	66,150	125,547
Current period depreciation (-)	-	-
Impairment provision addition/ return (-)	-	-
<b>End of the Period</b>	<b>566,920</b>	<b>525,885</b>

**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".



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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**II. Explanations and Notes on Liabilities**

**a. Information on deposits**

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

**(i) 30 June 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
<b>Saving Deposits</b>	692,867	-	5,424,565	2,995,867	2,266,924	583,454	79,974	-	12,043,651
<b>Foreign Currency Deposits</b>	2,268,930	-	2,878,797	2,531,389	67,759	34,510	652	-	7,782,037
Residents in Turkey	2,142,861	-	2,825,233	2,432,070	67,330	3,857	652	-	7,472,003
Residents Abroad	126,069	-	53,564	99,319	429	30,653	-	-	310,034
<b>Public Sector Deposits</b>	71,793	-	-	-	-	-	-	-	71,793
<b>Commercial Deposits</b>	460,237	-	1,658,889	846,578	217,806	5,381	234,550	-	3,423,441
<b>Other Institutions Deposits</b>	5,304	-	8,440	4,534	11,296	-	-	-	29,574
<b>Precious Metal Deposits</b>	223,564	-	162,917	374,011	70,820	7,445	-	-	838,757
<b>Bank Deposits</b>	20,547	-	153,797	103,380	115,473	-	-	-	393,197
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	71	-	-	-	-	-	-	-	71
Foreign Banks	20,476	-	153,797	103,380	115,473	-	-	-	393,126
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	3,743,242	-	10,287,405	6,855,759	2,750,078	630,790	315,176	-	24,582,450

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

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**II. Explanations and Notes on Liabilities (Continued)**

**a. Information on deposits (Continued)**

2. Information on saving deposits insurance

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

	Under the Guarantee of Deposit Insurance		Exceeding Limit of the Deposit Insurance	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
<b>Saving Deposits</b>				
Saving Deposits	5,654,082	3,780,601	6,396,890	7,821,858
Foreign Currency Savings Deposit	1,346,186	996,163	3,317,800	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 Türkiye 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

	30 June 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	118,701	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

	30 June 2024 (*)		31 December 2023 (*)	
	TL	FC	TL	FC
Forward Transactions	648	63,081	16,802	2,372
Swap Transactions	-	442,338	126,987	478,666
Futures Transactions	-	-	-	-
Options	162,752	83,709	37,839	30,772
<b>Total</b>	<b>163,400</b>	<b>589,128</b>	<b>181,628</b>	<b>511,810</b>

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

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**II. Explanations and Notes on Liabilities (Continued)**

**c. Information on banks and other financial institutions**

**1. General information on banks and other financial institutions**

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
The CBRT Borrowings	-	119,496	-	109,305
From Domestic Banks and Institutions	1,243,327	1,804,737	660,131	1,098,785
From Foreign Banks, Institutions and Funds	7,212	15,228,116	5,103	17,972,036
<b>Total</b>	<b>1,250,539</b>	<b>17,152,349</b>	<b>665,234</b>	<b>19,180,126</b>

**2. Information on maturity profile of borrowings**

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Short-term	1,000,676	3,192,821	559,098	1,618,860
Medium and Long-term	249,863	13,959,528	106,136	17,561,266
<b>Total</b>	<b>1,250,539</b>	<b>17,152,349</b>	<b>665,234</b>	<b>19,180,126</b>

**3. Disclosures for concentration areas of bank's liabilities**

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

**d. Information on other foreign liabilities**

Other foreign liabilities amounting to TL 401,054 are included in "Other Liabilities" (31 December 2023: TL 760,211) and do not exceed 10% of the total balance sheet.

**e. Information on financial lease agreements**

**i) Explanations on liabilities arising from financial leasing transactions:**

	30 June 2024		31 December 2023	
	Gross	Net	Gross	Net
Less than 1 year	5,533	331	8,740	3,586
1-4 year	10,269	613	14,693	6,029
More than 4 year	12,285	734	15,725	6,452
<b>Total</b>	<b>28,087</b>	<b>1,678</b>	<b>39,158</b>	<b>16,067</b>

**f. Information on hedging derivative financial liabilities**

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Fair Value Hedges	-	-	-	-
Cash Flow Hedges (*)	-	-	12,891	-
Foreign Currency Investment Hedges	-	-	-	-
<b>Total</b>	-	-	<b>12,891</b>	-

(\*) Explained in Section Four Footnote Number XI.

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**II. Explanations and Notes on Liabilities (Continued)**

**g. Information on provisions**

**1. Provisions for employee benefits**

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

As of 30 June 2024, in accordance with the revised TAS 19 Standard, Actuarial loss has recognized under the equity, amount of after deferred tax TL 8,259 (30 June 2023: TL 16,031 loss).

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

	<b>30 June 2024</b>	<b>31 December 2023</b>
Discount Rate (%)	1.93	1.93
Possible Retirement Rate (%)	86.67	86.67

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

As of 30 June 2024, The Group has provision for employee termination benefits amount of TL 31,864 (31 December 2023: TL 23,618), provision of unused vacation amount of TL 21,916 (31 December 2023: TL 12,125).

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

As of 30 June 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**

	<b>30 June 2024</b>	<b>31 December 2023</b>
Provisions for Unindemnified Non-cash Loan	151,507	120,123
Bonus Provision	15,327	80,496
Provision for Litigation and Claims	71,780	62,072
Other	6,177	2,558
<b>Total</b>	<b>244,791</b>	<b>265,249</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**II. Explanations and Notes on Liabilities (Continued)**

**h. Explanations on Tax Liabilities**

**1. Information on current tax liability**

As of 30 June 2024, the current corporate tax liability is TL 190,674 (31 December 2023: TL 215,227).

**(i) Information on taxes payable**

	<b>30 June 2024</b>	<b>31 December 2023</b>
Corporate Tax Payable	190,674	215,227
Tax on Securities Income	53,012	26,094
Banking Insurance Transaction Tax (BITT)	55,232	45,324
Tax on Real Estate	785	762
Value Added Tax Payable	171	3,355
Other	28,727	13,660
<b>Total</b>	<b>328,601</b>	<b>304,422</b>

**(ii) Information on premium payables**

	<b>30 June 2024</b>	<b>31 December 2023</b>
Social Security Premiums - Employee	12,759	9,690
Social Security Premiums - Employer	14,296	10,726
Bank Pension Fund Premiums - Employee	-	-
Bank Pension Fund Premiums - Employer	-	-
Pension Fund Deposit and Provisions - Employee	-	-
Pension Fund Deposit and Provisions - Employer	-	-
Unemployment Insurance - Employee	916	750
Unemployment Insurance - Employer	1,791	1,349
Other	8,350	5,422
<b>Total</b>	<b>38,112</b>	<b>27,937</b>

**2. Deferred tax liability**

None (31 December 2023: None).

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

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

**j. Subordinated debts**

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

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**II. Explanations and Notes on Liabilities (Continued)**

**k. Information on shareholders' equity**

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

	<b>30 June 2024</b>	<b>31 December 2023</b>
Common Stock (*)	2,213,740	2,213,740
Preferred Stock	-	-

(\*) It refers to the nominal capital.

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

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

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

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

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

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

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

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

**ALTERNATİFBANK A.Ş.**  
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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**II. Explanations and Notes on Liabilities (Continued)**

**k. Information on shareholders' equity (Continued)**

**8. Information on marketable securities valuation reserve**

	<b>30 June 2024</b>		<b>31 December 2023</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(525,467)	(145,253)	(242,680)	(117,344)
Foreign Currency Difference	-	-	-	-
<b>Total</b>	<b>(525,467)</b>	<b>(145,253)</b>	<b>(242,680)</b>	<b>(117,344)</b>

**9. Information on other capital reserves**

None.

**l. Information on minority interests**

	<b>30 June 2024</b>	<b>31 December 2023</b>
<b>Balance at the Beginning of the Period</b>	<b>23</b>	<b>19</b>
Current Year Income	4	4
Dividends Paid	-	-
Purchase from Minority Interests	-	-
Other	-	-
<b>Balance at the End of the Period</b>	<b>27</b>	<b>23</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**III. Explanations and Notes on Off-Balance Sheet Accounts**

**a. Information on off balance sheet commitments**

**1. The amount and type of irrevocable commitments**

According to Direct Debiting System, there is TL 841,713 irrevocable loan commitments as of 30 June 2024 (31 December 2023: TL 628,087).

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

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

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

	<b>30 June 2024</b>	<b>31 December 2023</b>
Letter of Credits	5,439,086	4,577,760
Bank Acceptance Loans	391,182	321,825
Guarantees and Collaterals	1,179,917	912,083
<b>Total</b>	<b>7,010,185</b>	<b>5,811,668</b>

**(ii). Guarantees, sureties and other similar guarantees**

	<b>30 June 2024</b>	<b>31 December 2023</b>
Definite Letter of Guarantees	20,698,095	16,109,036
Advance Letter of Guarantees	1,035,902	1,012,882
Temporary Letter of Guarantee	190,947	201,674
Letter of Guarantees Given to Customs	377,646	367,876
<b>Total</b>	<b>22,302,590</b>	<b>17,691,468</b>

**3. Non-cash loans**

**(i). Total amount of non-cash loans**

	<b>30 June 2024</b>	<b>31 December 2023</b>
Non-Cash Loans against Cash Risks	12,316,929	8,852,350
With Original Maturity of 1 Year or Less	3,804,652	1,611,432
With Original Maturity of More Than 1 Year	8,512,277	7,240,918
Other Non-Cash Loans	22,654,796	17,404,936
<b>Total</b>	<b>34,971,725</b>	<b>26,257,286</b>



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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**a. Information on off balance sheet commitments(Continued)**

3. Non-cash loans (Continued)

(ii). Other information on non-cash loans

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

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

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

**b. Information on derivative financial instruments**

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

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

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

**d. Explanations on contingent liabilities and assets**

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

**e. Explanations on services rendered on behalf of third parties**

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

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**IV. Explanations and Notes on Income Statement**

**a. Information on interest income**

**1. Information on interest income on loans**

	30 June 2024		30 June 2023	
	TL	FC	TL	FC
Short-term Loans	3,118,190	490,564	1,478,750	402,377
Medium/Long-term Loans	956,353	105,181	264,726	187,858
Interest on Loans Under Follow-up	54,793	-	21,861	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
<b>Total (*)</b>	<b>4,129,336</b>	<b>595,745</b>	<b>1,765,337</b>	<b>590,235</b>

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

**2. Information on interest income on banks**

	30 June 2024		30 June 2023	
	TL	FC	TL	FC
From the CBRT (*)	60,132	23,999	78	1,241
From Domestic Banks	25,647	18,919	3,842	9,607
From Foreign Banks	5,970	52,173	5,346	33,588
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>91,749</b>	<b>95,091</b>	<b>9,266</b>	<b>44,436</b>

(\*) 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**

	30 June 2024		30 June 2023	
	TL	FC	TL	FC
From Financial Assets At Fair Value Through Other Comprehensive Income	766,829	107,888	265,054	78,457
From Financial Assets Measured at Amortised Cost at Fair Value Through Profit or Loss	217,567	207,774	180,082	145,940
From Financial Assets at Fair Value Through Profit or Loss	18,843	1,255	(4,936)	1,014
<b>Total</b>	<b>1,003,239</b>	<b>316,917</b>	<b>440,200</b>	<b>225,411</b>

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

None (30 June 2023: None).

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**IV. Explanations and Notes on Income Statement (Continued)**

**b. Information on interest expense**

**1. Information on interest expense on borrowings**

	30 June 2024		30 June 2023	
	TL	FC	TL	FC
Banks	163,075	908,736	88,446	678,875
CBRT	-	-	535	-
Domestic Banks	161,738	2,156	87,734	4,842
Foreign Banks	1,337	906,580	177	674,033
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	515,289	-	212,271
<b>Total (*)</b>	<b>163,075</b>	<b>1,424,025</b>	<b>88,446</b>	<b>891,146</b>

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

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

None (30 June 2023: None).

**3. Information on interest expense to marketable securities issued**

	30 June 2024	30 June 2023
Interest Expense to Marketable Securities Issued	50,365	11,432

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**IV. Explanations and Notes on Income Statement (Continued)**

**b. Information on interest expense (Continued)**

**4. Information on interest rate and maturity structure of deposits**

30 June 2024	Demand Deposit	Time Deposit					Accumulated Deposit	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
<b>Turkish Lira</b>								
Bank Deposits	-	81,334	-	-	-	-	-	81,334
Savings Deposits	-	1,265,764	548,230	386,624	67,689	5,012	-	2,273,319
Public Deposits	-	-	-	-	-	-	-	-
Commercial Deposits	-	238,002	229,724	91,849	-	21,400	-	580,975
Other Deposits	-	1,599	1,691	688	-	1	-	3,979
Deposit with 7 days notification	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>1,586,699</b>	<b>779,645</b>	<b>479,161</b>	<b>67,689</b>	<b>26,413</b>	-	<b>2,939,607</b>
<b>Foreign Currency</b>								
Foreign Currency Account	-	16,190	44,475	450	252	919	-	62,286
Bank Deposits	-	1,405	-	-	-	-	-	1,405
Deposit with 7 days notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	146	1,065	234	34	66	-	1,545
<b>Total</b>	-	<b>17,741</b>	<b>45,540</b>	<b>684</b>	<b>286</b>	<b>985</b>	-	<b>65,236</b>
<b>Grand Total</b>	-	<b>1,604,440</b>	<b>825,185</b>	<b>479,845</b>	<b>67,975</b>	<b>27,398</b>	-	<b>3,004,843</b>

30 June 2023	Demand Deposit	Time Deposit					Accumulated Deposit	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
<b>Turkish Lira</b>								
Bank Deposits	-	16,386	-	-	-	-	-	16,386
Savings Deposits	-	269,846	526,624	21,492	-	17,433	-	835,395
Public Deposits	-	-	-	-	-	-	-	-
Commercial Deposits	-	162,973	280,608	55,751	-	79,369	-	578,701
Other Deposits	-	8,620	4,219	6	19	3	-	12,867
Deposit with 7 days notification	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>457,825</b>	<b>811,451</b>	<b>77,249</b>	<b>19</b>	<b>96,805</b>	-	<b>1,443,349</b>
<b>Foreign Currency</b>								
Foreign Currency Account	-	6,028	38,431	656	936	6,860	-	52,911
Bank Deposits	-	7,964	-	-	-	-	-	7,964
Deposit with 7 days notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	53	614	54	6	162	-	889
<b>Total</b>	-	<b>14,045</b>	<b>39,045</b>	<b>710</b>	<b>942</b>	<b>7,022</b>	-	<b>61,764</b>
<b>Grand Total</b>	-	<b>471,870</b>	<b>850,496</b>	<b>77,959</b>	<b>961</b>	<b>103,827</b>	-	<b>1,505,113</b>

5. Given interest amount on repurchase agreement

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

6. Informations on leasing expense

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

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**IV. Explanations and Notes on Income Statement (Continued)**

**b. Information on interest expense (Continued)**

7. Information on given interest for factoring transaction

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

**c. Information on dividend income**

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

**d. Information on trading income/loss (Net)**

	<b>30 June 2024</b>	<b>30 June 2023</b>
<b>Income</b>	<b>106,451,751</b>	<b>93,060,911</b>
Income from Capital Market Transactions	2,857	68,880
Derivative Financial Transactions	1,448,688	2,926,290
Foreign Exchange Gains	105,000,206	90,065,741
<b>Loss (-)</b>	<b>106,885,290</b>	<b>91,608,905</b>
Loss from Capital Market Transactions	130	1,096
Derivative Financial Transactions	1,223,572	1,448,996
Foreign Exchange Loss	105,661,588	90,158,813
<b>Net Income/(Loss)</b>	<b>(433,539)</b>	<b>1,452,006</b>

**e. Explanations about other operating income**

For the period ended 30 June 2024, other operating income includes income from assets to be disposed, adjustment to previous years's expenses and income from other operations. The amount of the banks other operating income in the current period is TL 113,930 (30 June 2023: TL 73,470).

**f. Expected Provision Losses and Other Provision Losses**

	<b>30 June 2024</b>	<b>30 June 2023</b>
Expected Credit Loss	(371,725)	317,746
12 month expected credit loss (stage 1)	171,816	(65,313)
Significant increase in credit risk (stage 2)	(484,226)	349,167
Non-performing loans (stage 3)	(59,315)	33,892
Marketable Securities Impairment Expense	2,378	2,364
Financial Assets at Fair Value Through Profit or Loss	2,378	2,364
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
Investments in Associates, Subsidiaries and Joint Ventures Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other	25,965	20,170
<b>Total</b>	<b>(343,382)</b>	<b>340,280</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**IV. Explanations and Notes on Income Statement (Continued)**

**g. Information related to personnel expenses and other operating expenses**

	<b>30 June 2024</b>	<b>30 June 2023</b>
Personnel Expenses	514,061	303,797
Reserve For Employee Termination Benefits	2,672	7,158
Unused Vacation	9,524	2,227
Bank Welfare Fund Provision For Asset Deficits	-	-
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	31,079	25,337
Impairment Expenses of Intangible Assets	-	-
Impairment Expense of Goodwill	-	12,000
Amortisation Expenses of Intangible Assets	57,408	19,670
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	305,790	242,749
Operational Lease Expenses	1,477	3,100
Maintenance Expenses	4,183	4,922
Advertising Expenses	12,246	12,736
Other Expenses	287,884	221,991
Loss on Sales of Assets	1,625	905
Other (*)	79,546	65,904
<b>Total</b>	<b>1,001,705</b>	<b>679,747</b>

(\*) Other operating charges is TL 17,590 except premium of SDIF and tax amounting to TL 61,956 (30 June 2023: Other operating charges is TL 19,951 except premium of SDIF and tax amounting to TL 45,953).

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

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

**i. Provision for taxes on income from continuing operations**

As of 30 June 2024, the Group has TL 162,092 tax expense (30 June 2023: TL 66,532), and deferred tax income amounting to TL 140,576 (30 June 2023: TL 3,556 deferred tax expense).

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

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

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**IV. Explanations and Notes on Income Statement (Continued)**

**k. Information on net income/loss for the period**

- 1) Interest income from ordinary banking transactions is TL 6,747,839 (30 June 2023: TL 3,448,835), interest expense is TL 5,218,204 (30 June 2023: TL 2,632,290).
  - 2) Information on any change in the accounting estimates has no profit/loss effect on current period or consequent periods.
- l. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are shown below:**

<b>Fees and Commissions Received - Other</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
Credit Card Pos Commissions	4,777	37,598
Banking Service Income	-	1,095
Insurance Commissions	66,827	71,241
Credit Early Termination Compensation	248	613
Account Management Fee Commission	2,697	1,623
Transfer Commissions	286	389
Brokerage Commissions	12,929	7,591
Expertise Commissions	1,351	869
Export Letters of Credit Commissions	3,901	21,080
Other	26,738	32,377
<b>Total</b>	<b>119,754</b>	<b>174,476</b>
<b>Fees and Commissions Paid - Other</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
Clearing Commissions	2,883	13,713
Debit Card Fees and Commissions	17,015	31,900
Commissions Granted to Correspondent Banks	2,819	2,611
Fees and Commissions on Foreign Currency Transactions	34	34
Transfer Commissions	1,803	1,201
Commissions for Effective and Future	2,868	3,694
CBRT Interbank Money Market	778	606
Other (*)	32,742	321,296
<b>Total</b>	<b>60,942</b>	<b>375,055</b>

(\*) As of June 30, 2023, the Bank's balance includes the commission amount calculated at a rate of 2% of the risks covered under the risk participation agreement signed with its main shareholder, The Commercial Bank (P.S.Q.C.). The relevant agreement was terminated as of December 31, 2023.

	<b>30 June 2024</b>	<b>30 June 2023</b>
Minority Shares (-)	4	2

**ALTERNATİFBANK A.Ş.**  
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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**V. Explanations and Notes on Changes in Shareholders' Equity**

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

**VI. Explanations and Notes on Statement of Cash Flows**

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

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

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

**30 June 2024**

	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Parent Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-cash
<b>Group's Risk Group (*)(**)</b>						
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	-	3,742	771	1,607
Balance at the End of the Period	-	-	-	4,068	316	1,607
Interest and Commission Income Received	-	-	-	240	1,343	1,362

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

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

**31 December 2023**

	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Parent Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-cash
<b>Group's Risk Group (*)(**)</b>						
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	-	292	1,012,705	4,222
Balance at the End of the Period	-	-	-	3,742	771	1,607
Interest and Commission Income Received (***)	-	-	-	337	17,610	45

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

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

(\*\*\*) 30 June 2023 balances used for income accounts.



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

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

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

Information on deposits of the Group's risk group

Bank's Risk Group <sup>(*)</sup>	Associates , subsidiaries and joint ventures		Direct and indirect shareholders of the Parent Bank		Other real and legal persons that have been included in the risk group	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023	30 June 2024	31 December 2023
<b>Deposit</b>						
Beginning of the Period <sup>(**)</sup>	-	-	-	-	90,557	68,723
End of the Period <sup>(**)</sup>	-	-	-	-	129,103	90,557
<b>Interest Expense on Deposits <sup>(***)</sup></b>	-	-	-	-	-	7

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

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

(\*\*\*) 30 June 2023 balances used for expense accounts.

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

Bank's Risk Group <sup>(*)</sup>	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Parent Bank		Other real and legal persons that have been included in the risk group	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023	30 June 2024	31 December 2023
<b>Transactions for Trading Purposes</b>						
Beginning of the Period <sup>(**)</sup>	-	-	-	-	-	-
End of the Period <sup>(**)</sup>	-	-	-	-	-	-
<b>Total Profit/Loss <sup>(***)</sup></b>	-	-	9,388	6,425	-	-
<b>Transactions for Hedging Purposes</b>						
Beginning of the Period <sup>(**)</sup>	-	-	-	-	-	-
End of the Period <sup>(**)</sup>	-	-	-	-	-	-
<b>Total Profit/Loss <sup>(***)</sup></b>	-	-	-	-	-	-

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

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

(\*\*\*) Represents 30 June 2023 balances.

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

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

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

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

	<b>Total Risk Group</b>	<b>Share in Financial Statements (%)</b>
Deposit	129,103	0.53%
Non-cash Loans	5,675	0.02%
Loans	316	0.00%
Subordinated Loans	2,464,593	26.78%

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

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

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

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

3. Equity accounted transactions:

None.

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

As of 30 June 2024, there is no financial leasing agreement between the Parent Bank and Alternatif Finansal Kiralama A.Ş. The Parent Bank also has cost sharing agreements with Alternatif Finansal Kiralama A.Ş. and Alternatif Yatırım Menkul Değerler A.Ş.

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

5. Information on Other Liabilities

None.

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

Benefits provided to the Group's key management amount to TL 61,200 as of 30 June 2024 (30 June 2023: TL 42,689).

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

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

**IX. Explanations and Notes on Subsequent Events**

None.

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**SECTION SIX**

**OTHER EXPLANATIONS AND NOTES**

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

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

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

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

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**SECTION SEVEN**

**EXPLANATIONS ON AUDITORS’ LIMITED REVIEW REPORT**

**I. Explanations on Independent Auditors’ Report**

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

**II. Explanations and Footnotes Prepared by Independent Auditor**

None.

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**SECTION EIGHT**

**INTERIM ACTIVITY REPORT**

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

The consolidated financial statements with explanations related to these and financial data compatible to footnotes that prepared according to Financial Tables that will be Announced to Public by Banks with Explanations Related to these and Footnotes Communique which has been regulated by Council of Bank Audit and Regulation regarding to the Parent Bank's 1 January – 30 June 2024 activity period is below.

	<b>30 June 2024</b>	<b>31 December 2023</b>	<b>30 June 2023</b>
Loans(net)	38,604,081	34,062,944	33,521,499
Securities	17,405,608	16,521,892	13,552,063
Total Assets	24,582,450	24,920,729	26,752,949
Deposits	72,323,861	68,136,172	64,956,944
Equity	6,923,096	6,060,943	5,377,632
Profit / (Loss) Before Taxes	759,260	2,442,971	1,204,711
Profit / (Loss)	737,744	1,935,514	1,134,623

**Message from the Chairman**

Dear Stakeholders,

We recognize that the growth trend in the worldwide economy has not weakened, while global inflation remains high due to fluctuations in energy and food prices. However, the continuation of inflationary pressures to some extent has led to the maintenance of tight monetary policy. While large economies such as the USA and China have slowed down, the economies of certain developing countries have started to recover. Despite the limited interest rate cuts that began in Europe, we expect high interest rates in the USA to be maintained until the end of the year.

From a geopolitical perspective in the first half of the year, we see that the ongoing war between Russia and Ukraine, and the tension in the Asia-Pacific region, have had an impact on global trade and energy markets, causing disruptions in supply chains and cost increases.

When we look at the Turkish economy, foreign capital inflows grew significantly stronger after the elections, as the Central Bank of the Republic of Türkiye returned to orthodox monetary policies. We believe that it is a positive development for the Turkish economy that the Central Bank strengthened its reserves with its purchases in the second quarter of the year. We project that the fight against inflation will continue without interruption through the steps to be taken in the rest of the year.

As Commercial Bank, we observe the performance displayed by the Turkish economy in rough times thanks to its flexible and dynamic structure, as well as the strong structure of the banking sector. We firmly believe in the dynamism and growth potential of Türkiye, which we always consider a valuable business partner, despite the developments in the economy and inflation. In this context, we, as Commercial Bank, will continue to offer uninterrupted support to Alternatif Bank to achieve its long-term goals.

The successful performance of the strong management team and the competent human resources working with dedication play a key role in Alternatif Bank's progress towards its goals. In this context, we sincerely believe that our Bank will continue to increase the value it creates for the Turkish economy and the banking sector with the support we provide.

Yours faithfully,

Omar Hussain Alfardan  
Chairman of the Board

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

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

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**INTERIM ACTIVITY REPORT (Continued)**

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

**Message from the CEO**

Dear Stakeholders,

The global landscape of the first half of 2024 was significantly impacted by the ongoing Russia-Ukraine conflict in Eastern Europe and escalating tensions in the Asia-Pacific region. From an economic standpoint, while global growth exhibited a marked slowdown in the second quarter, persistent inflationary pressures necessitated the continuation of tight monetary policies.

In the Turkish economy, we observed an increase in foreign capital inflows following the elections, strengthening the reserves of the Central Bank of the Republic of Türkiye (CBRT) with purchases made in the first half of the year. Additionally, the highest levels of inflation were left behind in the second quarter of the year.

When we look at our consolidated figures for the second quarter of 2024, we see that our total asset size has reached TL 72 billion. We have carried out effective balance sheet management by maintaining our high asset quality in the first six months of the year. In this period, the support provided by our Bank to the national economy through cash (including financial leasing receivables) and non-cash loans reached TL 74 billion. Our bank's equity also reached TL 6.9 billion, while our capital adequacy ratio stood at 25.4% during this period. With the successful performance we have demonstrated in the first half of 2024, Alternatif Bank's consolidated net profit amounted to TL 738 million.

We have continued to accelerate our efforts in 'digital transformation,' a key strategic priority. Our aim is to extend our digitalization initiatives beyond individual customers to encompass all customer segments. In line with this goal, we have expanded our digital transformation efforts in Corporate and Commercial Banking following our success in Retail Banking. With the introduction of our VOV Corporate Account product, specifically designed for corporate customers in the second quarter, we aim to diversify our balance sheet and expand our customer portfolio. Through our investments in digital transformation and the development of innovative products, we will continue to align with our strategy of becoming 'Türkiye's most efficient bank with a superior digital experience.'

At Alternatif Bank, we possess significant expertise in financing foreign trade. By combining this expertise with our financing capacity, we are focused on growing together with our customers and creating mutual value. Our successful endeavors in foreign trade have enabled us to strengthen our position in the sector. As a testament to our achievements, we were honored to receive the 'Best Partner Bank' award this year under the International Finance Corporation (IFC)'s Foreign Trade Guarantee Program, thanks to our high volume of SME transactions. Furthermore, we were once again awarded the 'Most Active User in Türkiye' and 'Green Transaction of the Year' awards by the European Bank for Reconstruction and Development (EBRD) this year. Being recognized as 'Most Active User in Türkiye' for seven consecutive years underscores our leadership and innovative approach in the foreign trade sector. We are well aware of the importance of foreign trade to the Turkish economy. With our expertise in this area and the wide range of products we offer to our customers, we will continue to contribute to the development of our economy.

Our ongoing journey of success at Alternatif Bank is made possible by the unwavering support of our shareholder, Commercial Bank, and the dedication of our highly skilled and competent employees. With our people-centric banking approach, we will continue to work with all our might to create value for our customers, stakeholders, and the national economy. I would like to express my gratitude to all my colleagues, our valued customers, our supportive shareholder, our guiding Board of Directors, and all our stakeholders.

King regards,

Ozan Kırmızı  
CEO