

*(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 Nine-Month Period Ended 30 September 2024  
With Independent Auditor's Review Report

KPMG Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.  
İş Kuleleri Kule 3 Kat:2-9  
Levent 34330 İstanbul  
Tel +90 212 316 6000  
Fax +90 212 316 6060  
[www.kpmg.com.tr](http://www.kpmg.com.tr)

**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 September 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 nine 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 September 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 September 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 September 2024. As of 30 September 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 September 2024 and its consolidated financial performance and its consolidated cash flows for the nine 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'.

Ebru Koçak, SMMM  
Partner

31 October 2024  
İstanbul, Türkiye

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

Headquarter Address : Ayazağa Mah. Azerbaycan Cad. No:3M/1 2D Blok Sarıyer/İstanbul  
Telephone : 0 212 315 65 00  
Fax : 0 212 233 15 00  
Web site : [www.alternatifbank.com.tr](http://www.alternatifbank.com.tr)  
E-mail : [malikontrol@alternatifbank.com.tr](mailto:malikontrol@alternatifbank.com.tr)

The consolidated financial report as of and for the nine-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 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 nine-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

Chairman of the Board  
of Directors

Ozan Kırmızı

CEO

Hamdi İlkay Girgin

Ahmet Akın

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  
Fax Number : 0 262 672 15 38

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**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 SEPTEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***SECTION ONE****GENERAL INFORMATION ABOUT THE GROUP****I. Explanations on the Establishment Date and Initial Status of the Parent Bank, and History Including the Changes in the Former Status**

Alternatifbank A.Ş. ("the Parent Bank" or "the Parent Bank"), was established in Istanbul on 6 November 1991 and started Banking activities on February 1992. The Parent Bank's ordinary shares started to be traded in Istanbul Stock Exchange on 3 July 1995. The Parent Bank is still a privately owned commercial bank status and provides banking services through 19 (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 September 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 September 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 SEPTEMBER 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**

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Indirect Share Capital (%)</u>
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	-
	Shahnawaz Rashid	Member of the Board of Directors, Member of the Executive Committee of the Board, and Member of the Board Credit Committee	-
Member of the Board of Directors and CEO	Ozan Kırmızı	Member of the Board of Directors, Member of the Credit Committee, Member of the Executive Committee of the Board, CEO	-
Executive Vice Presidents <sup>(1)(2)</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 Tarakçı	Human Resources	-
	Hamdi İlkay Girgin	Financial Affairs and Planning	
	Boğaç Levent Güven	Treasury and Financial Institutions	-
Head of Internal Audit	Ömer Faruk Gönener	Head of Internal Audit	-

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

(2) Gökay Dede resigned as of 1 October 2024.

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2024**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

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**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 September 2024, the Parent Bank has 19 branches (31 December 2023: 24 branches).

As of 30 September 2024, the Parent Bank has 740 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 September 2024, The Group has 816 employees (31 December 2023: 881 employees).

**VI. Differences Between the Communiqué 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 SEPTEMBER 2024**

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

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)		Notes	Reviewed Current Period 30 September 2024			Audited Prior Period 31 December 2023		
			(Section Five)	TL	FC	Total	TL	FC
<b>ASSETS</b>								
<b>I. FINANCIAL ASSETS (NET)</b>				<b>6,977,985</b>	<b>17,675,654</b>	<b>24,653,639</b>	<b>6,545,647</b>	<b>14,615,100</b>
<b>1.1 Cash and Cash Equivalents</b>				<b>2,744,646</b>	<b>12,694,774</b>	<b>15,439,420</b>	<b>2,862,222</b>	<b>10,141,045</b>
1.1.1 Cash and Balances with Central Bank	I-a	1,794,406	7,212,412	9,006,818	2,676,518	7,223,029	9,899,547	
1.1.2 Banks	I-d	951,881	5,482,362	6,434,243	36,847	2,918,016	2,954,863	
1.1.3 Money Market Placements		-	-	-	150,540	-	150,540	
1.1.4 Expected Credit Losses (-)		1,641	-	1,641	1,683	-	1,683	
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>				<b>83,127</b>	<b>29,106</b>	<b>112,233</b>	<b>69,516</b>	<b>28,975</b>
1.2.1 Government Debt Securities		18,718	29,106	47,824	27,847	28,975	56,822	
1.2.2 Equity Instruments		-	-	-	-	-	-	
1.2.3 Other Financial Assets		64,409	-	64,409	41,669	-	41,669	
<b>Financial Assets at Fair Value Through Other Comprehensive</b>								
<b>1.3 Income</b>	I-f	<b>3,807,726</b>	<b>4,236,712</b>	<b>8,044,438</b>	<b>3,298,406</b>	<b>3,523,330</b>	<b>6,821,736</b>	
1.3.1 Government Debt Securities		3,793,184	4,236,712	8,029,896	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		-	-	-	-	-	-	
<b>1.4 Derivative Financial Assets</b>	I-c	<b>342,486</b>	<b>715,062</b>	<b>1,057,548</b>	<b>315,503</b>	<b>921,750</b>	<b>1,237,253</b>	
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		342,486	715,062	1,057,548	298,041	921,750	1,219,791	
Derivative Financial Assets at Fair Value Through Other Comprehensive		-	-	-	-	-	-	
1.4.2 Income		-	-	-	-	17,462	-	17,462
<b>FINANCIAL ASSETS MEASURED AT AMORTIZED COST</b>								
<b>II. (NET)</b>		<b>21,432,507</b>	<b>29,118,845</b>	<b>50,551,352</b>	<b>20,079,419</b>	<b>23,585,190</b>	<b>43,664,609</b>	
<b>2.1 Loans</b>	I-g	<b>18,649,748</b>	<b>17,891,699</b>	<b>36,541,447</b>	<b>17,255,624</b>	<b>13,981,708</b>	<b>31,237,332</b>	
<b>2.2 Lease Receivables</b>	I-l	<b>1,503,790</b>	<b>2,969,517</b>	<b>4,473,307</b>	<b>1,738,417</b>	<b>2,361,454</b>	<b>4,099,871</b>	
<b>2.3 Factoring Receivables</b>		<b>77,317</b>	-	<b>77,317</b>	<b>173,099</b>	-	<b>173,099</b>	
<b>2.4 Other Financial Assets Measured at Amortized Cost</b>	I-h	<b>1,736,855</b>	<b>8,536,096</b>	<b>10,272,951</b>	<b>1,528,898</b>	<b>8,072,767</b>	<b>9,601,665</b>	
2.4.1 Government Debt Securities		1,674,578	8,536,096	10,210,674	1,447,818	8,072,767	9,520,585	
2.4.2 Other Financial Assets		62,277	-	62,277	81,080	-	81,080	
2.5 Expected Credit Losses (-)		<b>535,203</b>	<b>278,467</b>	<b>813,670</b>	<b>616,619</b>	<b>830,739</b>	<b>1,447,358</b>	
<b>III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (NET)</b>	I-r	<b>1,047,010</b>	-	<b>1,047,010</b>	<b>525,885</b>	-	<b>525,885</b>	
3.1 Held for Sale Purpose		1,047,010	-	1,047,010	525,885	-	525,885	
3.2 Related to Discontinued Operations		-	-	-	-	-	-	
<b>IV. EQUITY INVESTMENTS</b>		-	-	-	-	-	-	
<b>4.1 Investments in Associates (Net)</b>	I-i	-	-	-	-	-	-	
4.1.1 Accounted Under Equity Method		-	-	-	-	-	-	
4.1.2 Unconsolidated Associates		-	-	-	-	-	-	
<b>4.2 Subsidiaries (Net)</b>	I-j	-	-	-	-	-	-	
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-	
4.2.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-	
<b>4.3 Entities under Common Control (Joint Venture) (Net)</b>	I-k	-	-	-	-	-	-	
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-	
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-	
<b>V. TANGIBLE ASSETS (Net)</b>	I-n	<b>1,871,252</b>	-	<b>1,871,252</b>	<b>1,175,084</b>	-	<b>1,175,084</b>	
<b>VI. INTANGIBLE ASSETS (Net)</b>	I-o	<b>363,165</b>	-	<b>363,165</b>	<b>239,425</b>	-	<b>239,425</b>	
6.1 Goodwill		21,151	-	21,151	21,151	-	21,151	
6.2 Other		342,014	-	342,014	218,274	-	218,274	
<b>VII. INVESTMENT PROPERTY (Net)</b>	I-p	-	-	-	-	-	-	
<b>VIII. CURRENT TAX ASSET</b>		<b>94,490</b>	-	<b>94,490</b>	-	-	-	
<b>IX. DEFERRED TAX ASSET</b>	I-q	<b>807,984</b>	-	<b>807,984</b>	<b>461,718</b>	-	<b>461,718</b>	
<b>X. OTHER ASSETS</b>	I-s	<b>1,368,135</b>	<b>181,085</b>	<b>1,549,220</b>	<b>830,811</b>	<b>77,893</b>	<b>908,704</b>	
<b>TOTAL ASSETS</b>		<b>33,962,528</b>	<b>46,975,584</b>	<b>80,938,112</b>	<b>29,857,989</b>	<b>38,278,183</b>	<b>68,136,172</b>	

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 SEPTEMBER 2024**

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

I.	BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)	Notes (Section Five)	Reviewed Current Period 30 September 2024			Audited Prior Period 31 December 2023		
			TL	FC	Total	TL	FC	Total
<b>I.</b>	<b>DEPOSITS</b>	II-a	<b>18,984,889</b>	<b>11,740,206</b>	<b>30,725,095</b>	<b>16,650,021</b>	<b>8,270,708</b>	<b>24,920,729</b>
<b>II.</b>	<b>FUNDS BORROWED</b>	II-c	<b>888,218</b>	<b>16,643,934</b>	<b>17,532,152</b>	<b>665,234</b>	<b>19,180,126</b>	<b>19,845,360</b>
<b>III.</b>	<b>MONEY MARKET BALANCES</b>		<b>2,636,427</b>	<b>10,316,935</b>	<b>12,953,362</b>	<b>133,734</b>	<b>5,210,765</b>	<b>5,344,499</b>
<b>IV.</b>	<b>MARKETABLE SECURITIES ISSUED (Net)</b>		<b>104,470</b>	-	<b>104,470</b>	<b>418,904</b>	-	<b>418,904</b>
4.1	Bills		104,470	-	104,470	418,904	-	418,904
4.2	Assets Backed Securities		-	-	-	-	-	-
4.3	Bonds		-	-	-	-	-	-
<b>V.</b>	<b>FUNDS</b>		-	-	-	-	-	-
5.1	Borrower Funds		-	-	-	-	-	-
5.2	Other		-	-	-	-	-	-
<b>VI.</b>	<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		-	-	-	-	-	-
<b>VII.</b>	<b>DERIVATIVE FINANCIAL LIABILITIES</b>		<b>105,153</b>	<b>728,839</b>	<b>833,992</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	91,136	728,839	819,975	181,628	511,810	693,438
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	II-f	14,017	-	14,017	12,891	-	12,891
<b>VIII.</b>	<b>FACTORING LIABILITIES</b>		-	-	-	-	-	-
<b>IX.</b>	<b>LEASE LIABILITIES</b>	II-e	<b>12,355</b>	-	<b>12,355</b>	<b>16,067</b>	-	<b>16,067</b>
<b>X.</b>	<b>PROVISIONS</b>	II-g	<b>247,927</b>	<b>37,964</b>	<b>285,891</b>	<b>260,873</b>	<b>40,119</b>	<b>300,992</b>
10.1	Restructuring Provisions		-	-	-	-	-	-
10.2	Reverse for Employee Benefits		55,125	-	55,125	35,743	-	35,743
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		192,802	37,964	230,766	225,130	40,119	265,249
<b>XI.</b>	<b>CURRENT TAX LIABILITY</b>	II-h	<b>152,802</b>	-	<b>152,802</b>	<b>332,359</b>	-	<b>332,359</b>
<b>XII.</b>	<b>DEFERRED TAX LIABILITY</b>		-	-	-	-	-	-
<b>XIII.</b>	<b>LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>	II-i	-	-	-	-	-	-
13.1	Held for Sale Purpose		-	-	-	-	-	-
13.2	Related to Discontinued Operations		-	-	-	-	-	-
<b>XIV.</b>	<b>SUBORDINATED DEBT INSTRUMENTS</b>	II-j	-	<b>9,451,594</b>	<b>9,451,594</b>	-	<b>8,252,097</b>	<b>8,252,097</b>
14.1	Loans		-	2,625,455	2,625,455	-	2,210,222	2,210,222
14.2	Other Debt Instruments		-	6,826,139	6,826,139	-	6,041,875	6,041,875
<b>XV.</b>	<b>OTHER LIABILITIES</b>		<b>1,121,150</b>	<b>766,107</b>	<b>1,887,257</b>	<b>1,233,960</b>	<b>703,933</b>	<b>1,937,893</b>
<b>XVI.</b>	<b>SHAREHOLDERS' EQUITY</b>	II-k	<b>7,041,009</b>	<b>(41,867)</b>	<b>6,999,142</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		1,392,232	-	1,392,232	752,230	-	752,230
16.4	Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		(558,919)	(41,867)	(600,786)	(233,156)	(117,344)	(350,500)
16.5	Profit Reserves		3,346,667	-	3,346,667	1,562,908	-	1,562,908
16.5.1	Legal Reserves		220,554	-	220,554	123,335	-	123,335
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		3,126,113	-	3,126,113	1,439,573	-	1,439,573
16.5.4	Other Profit Reserves		-	-	-	-	-	-
16.6	Profit Or Loss		647,206	-	647,206	1,882,488	-	1,882,488
16.6.1	Prior Years' Profit/Loss		(12,780)	-	(12,780)	(53,022)	-	(53,022)
16.6.2	Current Year Profit/Loss		659,986	-	659,986	1,935,510	-	1,935,510
16.7	Non-Controlling Interests	II-l	29	-	29	23	-	23
<b>TOTAL LIABILITIES AND EQUITY</b>			<b>31,294,400</b>	<b>49,643,712</b>	<b>80,938,112</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 SEPTEMBER 2024**

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

<b>II. OFF-BALANCE SHEET ITEMS</b>		<b>Notes</b>	<b>Reviewed Current Period</b>			<b>Audited Prior Period</b>		
			<b>30 September 2024</b>			<b>31 December 2023</b>		
		<b>(Section Five)</b>	<b>TL</b>	<b>FC</b>	<b>Total</b>	<b>TL</b>	<b>FC</b>	<b>Total</b>
<b>A</b>	<b>OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>38,094,660</b>	<b>89,380,795</b>	<b>127,475,455</b>	<b>39,232,767</b>	<b>70,199,204</b>	<b>109,431,971</b>
<b>I.</b>	<b>GUARANTEES AND WARRANTIES</b>	<b>III-a-3,i</b>	<b>21,325,272</b>	<b>15,000,449</b>	<b>36,325,721</b>	<b>12,671,851</b>	<b>13,585,435</b>	<b>26,257,286</b>
1.1	Letters of Guarantee	III-a-2.ii	14,295,472	7,943,405	22,238,877	9,917,701	7,773,767	17,691,468
1.1.1	Guarantees Subject to State Tender Law		21,172	16,784	37,956	55,766	14,143	69,909
1.1.2	Guarantees Given for Foreign Trade Operations							
1.1.3	Other Letters of Guarantee		14,274,300	7,926,621	22,200,921	9,861,935	7,759,624	17,621,559
1.2	Bank Acceptances	III-a-2.i	-	587,826	587,826	-	321,825	321,825
1.2.1	Import Letter of Acceptance		-	587,826	587,826	-	310,671	310,671
1.2.2	Other Bank Acceptances		-	-	-	-	11,154	11,154
1.3	Letters of Credit	III-a-2.i	555,850	5,172,452	5,728,302	-	4,577,760	4,577,760
1.3.1	Documentary Letters of Credit		555,850	5,155,248	5,711,098	-	4,565,879	4,565,879
1.3.2	Other Letters of Credit		-	17,204	17,204	-	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		-	1,296,766	1,296,766	-	912,083	912,083
1.9	Other Warrantees		6,473,950	-	6,473,950	2,754,150	-	2,754,150
<b>II.</b>	<b>COMMITMENTS</b>		<b>2,129,987</b>	<b>3,495,258</b>	<b>5,625,245</b>	<b>2,183,317</b>	<b>2,243,494</b>	<b>4,426,811</b>
2.1	Irrevocable Commitments		1,972,837	2,856,842	4,829,679	2,119,833	2,082,830	4,202,663
2.1.1	Asset Purchase and Sales Commitments		490,462	2,856,842	3,347,304	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	904,325	-	904,325	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		150,545	-	150,545	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		179,119	-	179,119	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		244,648	-	244,648	257,845	-	257,845
2.2	Revocable Commitments		157,150	638,416	795,566	63,484	160,664	224,148
2.2.1	Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		157,150	638,416	795,566	63,484	160,664	224,148
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>III-b</b>	<b>14,639,401</b>	<b>70,885,088</b>	<b>85,524,489</b>	<b>24,377,599</b>	<b>54,370,275</b>	<b>78,747,874</b>
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		14,639,401	70,885,088	85,524,489	23,577,599	54,370,275	77,947,874
3.2.1	Forward Foreign Currency Buy/Sell Transactions		1,056,318	4,759,070	5,815,388	6,537,388	7,159,042	13,696,430
3.2.1.1	Forward Foreign Currency Transactions-Buy		1,042,806	1,798,225	2,841,031	6,537,388	460,511	6,997,899
3.2.1.2	Forward Foreign Currency Transactions-Sell		13,512	2,960,845	2,974,357	-	6,698,531	6,698,531
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		5,069,011	32,626,473	37,695,484	14,935,965	31,863,477	46,799,442
3.2.2.1	Foreign Currency Swap-Buy		52,773	9,605,480	9,658,253	-	14,259,165	14,259,165
3.2.2.2	Foreign Currency Swap-Sell		3,816,238	6,116,069	9,932,307	11,035,965	3,493,944	14,529,909
3.2.2.3	Interest Rate Swap-Buy		600,000	9,069,632	9,669,632	1,950,000	7,055,184	9,005,184
3.2.2.4	Interest Rate Swap-Sell		600,000	7,835,292	8,435,292	1,950,000	7,055,184	9,005,184
3.2.3	Foreign Currency, Interest rate and Securities Options		8,514,072	26,706,890	35,220,962	2,104,246	5,279,893	7,384,139
3.2.3.1	Foreign Currency Options-Buy		4,123,458	13,432,089	17,555,547	984,392	2,716,120	3,700,512
3.2.3.2	Foreign Currency Options-Sell		4,390,614	13,274,801	17,665,415	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		-	6,792,655	6,792,655	-	10,067,863	10,067,863
<b>B.</b>	<b>CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>133,214,245</b>	<b>244,165,487</b>	<b>377,379,732</b>	<b>119,307,073</b>	<b>210,317,986</b>	<b>329,625,059</b>
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>		<b>16,599,759</b>	<b>36,260,721</b>	<b>52,860,480</b>	<b>14,381,758</b>	<b>23,988,292</b>	<b>38,370,050</b>
4.1	Customer Fund and Portfolio Balances		2,977,216	-	2,977,216	1,700,072	-	1,700,072
4.2	Investment Securities Held in Custody		251,496	12,066,262	12,317,758	147,480	4,504,028	4,651,508
4.3	Cheques Received for Collection		1,101,961	29,858	1,131,819	1,452,379	18,275	1,470,654
4.4	Commercial Notes Received for Collection		71,710	1,089	72,799	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		12,197,376	24,163,512	36,360,888	11,025,166	19,398,145	30,423,311
4.8	Custodians		-	-	-	-	-	-
<b>V.</b>	<b>PLEDGES RECEIVED</b>		<b>116,568,233</b>	<b>207,368,664</b>	<b>323,936,897</b>	<b>104,884,851</b>	<b>185,765,040</b>	<b>290,649,891</b>
5.1	Marketable Securities		1,177,772	-	1,177,772	1,555,363	-	1,555,363
5.2	Guarantee Notes		68,293,562	82,959,520	151,253,082	58,026,621	75,655,577	133,682,198
5.3	Commodity		629,148	1,918,061	2,547,209	667,058	1,642,474	2,309,532
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		40,039,799	119,247,795	159,287,594	39,264,631	104,924,465	144,189,096
5.6	Other Pledged Items		6,427,952	3,243,288	9,671,240	5,371,178	3,542,524	8,913,702
5.7	Pledged Items-Depository		-	-	-	-	-	-
<b>VI.</b>	<b>ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>46,253</b>	<b>536,102</b>	<b>582,355</b>	<b>40,464</b>	<b>564,654</b>	<b>605,118</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>			<b>171,308,905</b>	<b>333,546,282</b>	<b>504,855,187</b>	<b>158,539,840</b>	<b>280,517,190</b>	<b>439,057,030</b>

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 SEPTEMBER 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 September 2024	Reviewed Current Period 1 July 2024- 30 September 2024	Reviewed Prior Period 1 January 2023- 30 September 2023	Reviewed Prior Period 1 July 2023- 30 September 2023
<b>I. INTEREST INCOME</b>	IV-a	<b>10,233,569</b>	<b>3,485,730</b>	<b>5,844,745</b>	<b>2,395,910</b>
1.1 Interest on Loans		7,164,980	2,439,899	3,911,541	1,555,969
1.2 Interest Received from Reserve Deposits		215,492	134,678	4,623	3,382
1.3 Interest Received from Banks		219,410	113,384	108,532	56,071
1.4 Interest Received from Money Market Placements		37,026	7,926	68,928	34,134
1.5 Interest Received from Marketable Securities Portfolio		1,870,765	550,609	1,199,768	534,157
1.5.1 Fair Value Through Profit or Loss		23,937	3,839	2,305	6,227
1.5.2 Fair Value Through other Comprehensive Income		1,225,786	351,069	673,638	330,127
1.5.3 Measured at Amortized Cost		621,042	195,701	523,825	197,803
1.6 Finance Lease Income		670,573	222,057	476,495	181,373
1.7 Other Interest Income		55,323	17,177	74,858	30,824
<b>II. INTEREST EXPENSES (-)</b>	IV-b	<b>8,398,821</b>	<b>3,180,617</b>	<b>4,442,943</b>	<b>1,810,653</b>
2.1 Interest on Deposits		4,957,015	1,952,172	2,477,275	972,162
2.2 Interest on Funds Borrowed		2,349,950	762,850	1,654,985	675,393
2.3 Interest on Money Market Borrowings		925,007	442,575	251,763	124,581
2.4 Interest on Securities Issued		56,137	5,772	13,665	2,233
2.5 Leasing Interest Expense		7,803	2,717	9,790	3,568
2.6 Other Interest Expense		102,909	14,531	35,465	32,716
<b>III. NET INTEREST INCOME (I - II)</b>		<b>1,834,748</b>	<b>305,113</b>	<b>1,401,802</b>	<b>585,257</b>
<b>IV. NET FEES AND COMMISSIONS INCOME / EXPENSES</b>		<b>353,227</b>	<b>145,998</b>	<b>(135,669)</b>	<b>(18,341)</b>
4.1 Fees and Commissions Received		445,959	176,788	416,723	158,683
4.1.1 Non-cash Loans		240,061	90,644	136,440	52,876
4.1.2 Other	IV-1	205,898	86,144	280,283	105,807
4.2 Fees and Commissions Paid (-)		92,732	30,790	552,392	177,024
4.2.1 Non-cash Loans		1,609	609	584	271
4.2.2 Other	IV-1	91,123	30,181	551,808	176,753
<b>V. DIVIDEND INCOME</b>	IV-c	<b>328</b>	<b>-</b>	<b>45</b>	<b>-</b>
<b>VI. NET TRADING INCOME</b>	IV-d	<b>(689,039)</b>	<b>(255,500)</b>	<b>2,027,906</b>	<b>575,900</b>
6.1 Securities Trading Gains / (Losses)		3,951	1,224	180,139	112,355
6.2 Derivative Financial Instruments Gains / Losses		119,329	(105,787)	2,052,149	574,855
6.3 Foreign Exchange Gains / Losses		(812,319)	(150,937)	(204,382)	(111,310)
<b>VII. OTHER OPERATING INCOME</b>	IV-e	<b>140,013</b>	<b>26,083</b>	<b>97,041</b>	<b>23,571</b>
<b>VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>1,639,277</b>	<b>221,694</b>	<b>3,391,125</b>	<b>1,166,387</b>
<b>IX. EXPECTED CREDIT LOSSES (-)</b>	IV-f	<b>(703,458)</b>	<b>(331,733)</b>	<b>315,627</b>	<b>(2,119)</b>
<b>X. OTHER PROVISION EXPENSES (-)</b>	IV-f	<b>33,406</b>	<b>5,063</b>	<b>29,382</b>	<b>6,848</b>
<b>XI. PERSONNEL EXPENSES (-)</b>	IV-g	<b>800,711</b>	<b>274,454</b>	<b>521,406</b>	<b>208,224</b>
<b>XII. OTHER OPERATING EXPENSES (-)</b>	IV-g	<b>920,855</b>	<b>445,407</b>	<b>545,091</b>	<b>178,526</b>
<b>XIII. NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)</b>		<b>587,763</b>	<b>(171,497)</b>	<b>1,979,619</b>	<b>774,908</b>
<b>XIV. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		-	-	-	-
<b>XV. PROFIT / (LOSS) ON EQUITY METHOD</b>		-	-	-	-
<b>XVI. GAIN / (LOSS) ON NET MONETARY POSITION</b>		-	-	-	-
<b>PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+...+XVI)</b>	IV-h	<b>587,763</b>	<b>(171,497)</b>	<b>1,979,619</b>	<b>774,908</b>
<b>XVII. TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	IV-i	<b>72,229</b>	<b>93,745</b>	<b>(319,284)</b>	<b>(249,196)</b>
18.1 Provision for Current Income Taxes		(194,290)	(32,198)	(417,626)	(351,094)
18.2 Deferred Tax Expense Effect (+)		-	-	-	-
18.3 Deferred Tax Income Effect (-)		266,519	125,943	98,342	101,898
<b>NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS</b>	IV-j	<b>659,992</b>	<b>(77,752)</b>	<b>1,660,335</b>	<b>525,712</b>
<b>XVIII. INCOME ON DISCONTINUED OPERATIONS</b>		-	-	-	-
20.1 Income on Assets Held for Sale		-	-	-	-
Income on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Venture)		-	-	-	-
20.2		-	-	-	-
20.3 Income on Other Discontinued Operations		-	-	-	-
<b>XIX. LOSS FROM DISCONTINUED OPERATIONS (-)</b>		-	-	-	-
21.1 Loss from Assets Held for Sale		-	-	-	-
Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Venture)		-	-	-	-
21.2		-	-	-	-
21.3 Loss from Other Discontinued Operations		-	-	-	-
<b>PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XX-XXI)</b>		-	-	-	-
<b>XXIII. 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>NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		-	-	-	-
<b>XXV. NET PROFIT/LOSS (XIX+XXIV)</b>		<b>659,992</b>	<b>(77,752)</b>	<b>1,660,335</b>	<b>525,712</b>
25.1 Group's Profit / Loss	IV-l	659,986	(77,754)	1,660,332	525,711
25.2 Minority Shares (-)	IV-l	6	2	3	1
Earning / Loss per share (Full TL)		0.29813	(0.03513)	0.75001	0.23748

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 SEPTEMBER 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 September 2024	Reviewed Prior Period 1 January - 30 September 2023
<b>I. CURRENT PERIOD PROFIT/LOSS</b>	<b>659,992</b>	<b>1,660,335</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>389,716</b>	<b>132,547</b>
<b>2.1 Not Reclassified Through Profit or Loss</b>	<b>640,002</b>	<b>333,325</b>
2.1.1 Property and Equipment Revaluation Increase/Decrease	687,500	234,153
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurement Gain/Loss	(18,444)	(30,749)
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	(29,054)	129,921
<b>2.2 Reclassified Through Profit or Loss</b>	<b>(250,286)</b>	<b>(200,778)</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	(345,483)	(385,033)
2.2.3 Cash Flow Hedge Income/Loss	(13,604)	98,559
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	108,801	85,696
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>1,049,708</b>	<b>1,792,882</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 SEPTEMBER 2023**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

Prior Period 1 January - 30 September 2023	Note (Section Five)	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified		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				Minority Shares	Minority shares			
<b>I. Prior Period End Balance</b>		<b>2,213,740</b>	<b>54</b>	-	<b>443</b>	<b>321,427</b>	<b>(13,659)</b>	-	-	<b>59,576</b>	<b>(56,598)</b>	<b>660,261</b>	<b>(213,381)</b>	<b>1,066,252</b>	<b>4,038,115</b>	<b>19</b>	<b>4,038,134</b>
<b>II. 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. Adjusted Beginning Balance (I+II)</b>		<b>2,213,740</b>	<b>54</b>	-	<b>443</b>	<b>321,427</b>	<b>(13,659)</b>	-	-	<b>59,576</b>	<b>(56,598)</b>	<b>660,261</b>	<b>(213,381)</b>	<b>1,066,252</b>	<b>4,038,115</b>	<b>19</b>	<b>4,038,134</b>
<b>IV. Total Comprehensive Income</b>		-	-	-	-	<b>354,849</b>	<b>(21,524)</b>	-	-	<b>(273,543)</b>	<b>72,765</b>	-	-	<b>1,660,332</b>	<b>1,792,879</b>	<b>3</b>	<b>1,792,882</b>
<b>V. Capital Increase by Cash</b>	II-k	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>VI. Capital Increase by Internal Sources</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>VII. Paid-in capital inflation adjustment difference</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>VIII. Convertible Bonds to Shares</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>IX. Subordinated Debt Instruments</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>X. Increase/Decrease by Other Changes</b>		-	-	-	<b>(443)</b>	-	-	-	-	-	-	-	<b>443</b>	-	-	-	
<b>XI. Profit Distribution</b>		-	-	-	-	-	-	-	-	-	<b>902,647</b>	<b>163,605</b>	<b>(1,066,252)</b>	-	-	-	
11.1 Dividends paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	<b>902,647</b>	<b>163,605</b>	<b>(1,066,252)</b>	-	-	-	
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Period-End Balance (III+...+XVI+XVII+XVIII)</b>		<b>2,213,740</b>	<b>54</b>	-	-	<b>676,276</b>	<b>(35,183)</b>	-	-	<b>(213,967)</b>	<b>16,167</b>	<b>1,562,908</b>	<b>(49,333)</b>	<b>1,660,332</b>	<b>5,830,994</b>	<b>22</b>	<b>5,831,016</b>

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 SEPTEMBER 2024**

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

	Current Period 1 January - 30 September 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			Total Equity Except for Minority Sharesy shares			Total Shareholders' Equity		
							1	2	3	4	5	6	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)			
<b>I.</b>	<b>Prior Period End Balance</b>		<b>2,213,740</b>	<b>54</b>	<b>-</b>	<b>-</b>	<b>789,748</b>	<b>-37,518</b>	<b>-</b>	<b>-</b>	<b>-360,024</b>	<b>9,524</b>	<b>1,562,908</b>	<b>-53,022</b>	<b>1,935,510</b>	<b>6,060,920</b>	<b>23</b>	<b>6,060,943</b>
<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>		<b>2,213,740</b>	<b>54</b>	<b>-</b>	<b>-</b>	<b>789,748</b>	<b>(37,518)</b>	<b>-</b>	<b>-</b>	<b>(360,024)</b>	<b>9,524</b>	<b>1,562,908</b>	<b>(53,022)</b>	<b>1,935,510</b>	<b>6,060,920</b>	<b>23</b>	<b>6,060,943</b>
<b>IV.</b>	<b>Total Comprehensive Income</b>		-	-	-	-	<b>652,913</b>	<b>(12,911)</b>	-	-	<b>(240,762)</b>	<b>(9,524)</b>	-	-	<b>659,986</b>	<b>1,049,702</b>	<b>6</b>	<b>1,049,708</b>
<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>		-	-	-	-	-	-	-	-	-	-	<b>8,028</b>	-	<b>8,028</b>	-	<b>8,028</b>	
<b>XI.</b>	<b>Profit Distribution</b>		-	-	-	-	-	-	-	-	-	<b>1,783,759</b>	<b>32,214</b>	<b>(1,935,510)</b>	<b>(119,537)</b>	-	<b>(119,537)</b>	
11.1	Dividends paid		-	-	-	-	-	-	-	-	-	-	<b>(119,537)</b>	<b>(119,537)</b>	-	<b>(119,537)</b>		
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	<b>1,783,759</b>	<b>32,214</b>	<b>(1,815,973)</b>	-	-	-	
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Period-End Balance (III+...+XVI+XVII+XVIII)</b>			<b>2,213,740</b>	<b>54</b>	<b>-</b>	<b>-</b>	<b>1,442,661</b>	<b>(50,429)</b>	<b>-</b>	<b>-</b>	<b>(600,786)</b>	<b>-</b>	<b>3,346,667</b>	<b>(12,780)</b>	<b>659,986</b>	<b>6,999,113</b>	<b>29</b>	<b>6,999,142</b>

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 SEPTEMBER 2024**

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

**VI. STATEMENT OF CASH FLOWS**

	Notes (Section Five)	Reviewed 1 January- 30 September 2024	Reviewed 1 January - 30 September 2023
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating Profit/(Loss) Before Changes in Operating Assets and Liabilities</b>		<b>(1,442,898)</b>	<b>(4,133,604)</b>
1.1.1 Interest Received		9,787,748	4,866,902
1.1.2 Interest Paid		(8,670,972)	(3,513,406)
1.1.3 Dividend Received		328	45
1.1.4 Fees and Commissions Received		554,209	424,088
1.1.5 Other Income		1,139,821	2,880,431
1.1.6 Collections from Previously Written-off Loans and Other Receivables		608,895	384,885
1.1.7 Payments to Personnel and Service Suppliers		(841,658)	(625,188)
1.1.8 Taxes Paid		(702,246)	(122,830)
1.1.9 Other		(3,319,023)	(8,428,531)
<b>1.2 Changes in Operating Assets and Liabilities</b>		<b>1,218,843</b>	<b>5,244,457</b>
1.2.1 Net (Increase)/Decrease in Financial Assets at Fair Value Through Profit or Loss		(14,751)	(656,231)
1.2.2 Net (Increase)/Decrease in Due from Banks and Other Financial Institutions		(736,202)	28,656
1.2.3 Net (Increase)/Decrease in Loans		(5,281,038)	3,854,308
1.2.4 Net (Increase)/Decrease in Other Assets		(1,445,449)	(919,475)
1.2.5 Net Increase/(Decrease) in Bank Deposits		(38,973)	353,700
1.2.6 Net Increase/(Decrease) in Other Deposits		5,720,280	(4,421,202)
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		(3,126,576)	4,651,849
1.2.9 Net Increase/(Decrease) in Payables		-	-
1.2.10 Net Increase/(Decrease) in Other Liabilities		6,141,552	2,352,852
<b>I. Net Cash Provided from Banking Operations</b>		<b>(224,055)</b>	<b>1,110,853</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net Cash Provided from Investing Activities</b>		<b>513,817</b>	<b>771,598</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		(218,430)	(65,998)
2.4 Disposals of Property and Equipment		82,678	74,925
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(7,652)	(1,656,153)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		(116,129)	1,890,439
2.7 Purchase of Financial Assets Measured at Amortised Cost		(73,320)	(615,065)
2.8 Sale of Financial Assets Measured at Amortised Cost		846,670	1,143,450
2.9 Other		-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net Cash Provided from Financing Activities</b>		<b>(279,091)</b>	<b>(464,572)</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued		885,063	91,156
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		(1,135,474)	(530,000)
3.3 Issued Capital Instruments		-	-
3.4 Dividends Paid		-	-
3.5 Payments for Finance Leases		(28,680)	(25,728)
3.6 Other		-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>		<b>1,678,194</b>	<b>3,385,382</b>
<b>V. Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III+IV)</b>		<b>1,688,865</b>	<b>4,803,261</b>
<b>VI. Cash and Cash Equivalents at Beginning of the Period</b>		<b>9,651,723</b>	<b>6,412,868</b>
<b>VII. Cash and Cash Equivalents at End of the Period</b>		<b>11,340,588</b>	<b>11,216,129</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 SEPTEMBER 2024**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)*

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**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 September 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 September 2024 and 31 December 2023.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 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 September 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 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 SEPTEMBER 2024

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

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#### **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 rediscouned 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.

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### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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#### 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.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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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 September 2024 and 31 December 2023 The Group has no discontinued operations.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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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 September 2024, the revaluation difference arising from the valuations made by the appraisal firms authorized by Capital Markets Board ("CMB") and BRSA is accounted in Investment Properties Revaluation Differences line under the Shareholders' Equity.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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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 September 2024, net right of use assets are amounting to TL 35,663 and net lease liabilities are amounting to TL 12,355, respectively (31 December 2023: net right of use assets TL 23,053, net lease liabilities TL 16,067).

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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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-deductable 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.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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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 September 2024, real estate and depreciable economic assets were not subject to revaluation as of 30 September 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.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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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 September 2024, 30% deferred tax has been calculated for assets and liabilities by the Parent 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 September 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.

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 SEPTEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)***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 September 2024</b>	<b>30 September 2023</b>
Group's Profit/(Loss)	659,986	1,660,332
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>0.29813</b>	<b>0.75001</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.

- a) The Parent Bank provides basic banking services in corporate/commercial banking and treasury.
- b) Corporate banking services consists of automatic money transfers, current accounts, deposits, open loan transactions as well as option and other derivative instruments that are used for banking operations.
- c) Investment banking services consists of trading of financial instruments and fund management.
- d) The Parent Bank's one of the subsidiary Alternatif Menkul Değerler 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.

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 SEPTEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)*

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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 50%, investment banking 43% and other 7%.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

#### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

##### XXVIII. Operating Segments (Continued)

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

	Corporate / Retail Banking	Investment Banking	Other	Total Operations of the Group
<b>30 September 2024</b>				
Net Interest Income / (Expense)	1,794,332	40,416	-	1,834,748
Net Fees and Commissions Income and Other Operating Income	396,096	97,144	-	493,240
Trading Profit/Loss	(871,685)	182,646	-	(689,039)
Dividend Income	-	328	-	328
Impairment Provision for Loans and Other Receivables (-) <sup>(*)</sup>	707,353	(3,895)	(33,406)	670,052
Other Operating Expenses (-)	(1,535,901)	(185,665)	-	(1,721,566)
Profit Before Taxes	490,193	130,974	(33,406)	587,763
Tax Provision				72,229
Minority	-	-	6	6
<b>Net Profit for the Period</b>				<b>659,992</b>
<b>30 September 2024</b>				
Segment Assets	40,731,477	34,911,707	5,294,928	80,938,112
Investments in Associates and Subsidiaries	-	-	-	-
<b>Total Assets</b>	<b>40,731,477</b>	<b>34,911,707</b>	<b>5,294,928</b>	<b>80,938,112</b>
Segment Liabilities	34,964,671	27,470,261	11,504,038	73,938,970
Shareholders' Equity	-	-	6,999,142	6,999,142
<b>Total Liabilities</b>	<b>34,964,671</b>	<b>27,470,261</b>	<b>18,503,180</b>	<b>80,938,112</b>

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

	Corporate / Retail Banking	Investment Banking	Other	Total Operations of the Group
<b>30 September 2023</b>				
Net Interest Income / (Expense)	284,472	1,117,330	-	1,401,802
Net Fees and Commissions Income and Other Operating Income	(86,020)	47,392	-	(38,628)
Trading Profit/(Loss)	2,287,185	(259,279)	-	2,027,906
Dividend Income	-	45	-	45
Impairment Provision for Loans and Other Receivables (-) <sup>(*)</sup>	(313,640)	(1,987)	(29,382)	(345,009)
Other Operating Expenses (-)	(959,562)	(106,935)	-	(1,066,497)
Profit Before Taxes	1,212,434	796,566	(29,382)	1,979,619
Tax Provision				(319,284)
Minority Shares	-	-	3	3
<b>Net Profit for the Period</b>				<b>1,660,335</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.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

## SECTION FOUR

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

#### I. Explanations on Shareholders' Equity

The standard rate of the capital adequacy of the Group is 24.02% (31 December 2023: 29.23%). The standard rate of the capital adequacy of the Parent Bank is 25.12% (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 September 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	3,346,667	1,562,908
Gains recognized in equity as per TAS	1,681,057	738,427
Profit	660,364	1,935,888
Current Period Profit	659,986	1,935,510
Prior Period Profit	378	378
Minority Shares	29	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>7,901,911</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 (-)	68,485	232,715
Improvement costs for operating leasing (-)	31,170	24,590
Goodwill (net of related tax liability)	21,151	21,151
Other intangibles other than mortgage-servicing rights (net of related tax liability)	342,014	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 4 <sup>th</sup> 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 2 <sup>nd</sup> clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Parent Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

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

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 1 Capital</b>	<b>462,820</b>	<b>496,730</b>
<b>Total Common Equity Tier 1 Capital</b>	<b>7,439,091</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>	9,383,275	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>9,383,275</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 1 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>9,383,275</b>	<b>8,095,505</b>
<b>Total Additional Tier I Capital</b>	<b>16,822,366</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) (*)	367,714	537,088
<b>Tier II Capital Before Deductions</b>	<b>367,714</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>367,714</b>	<b>537,088</b>
<b>Total Tier II Capital</b>	<b>17,190,080</b>	<b>14,586,903</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>17,190,080</b>	<b>14,586,903</b>
<b>Total Tier I Capital and Tier II Capital (Total Equity)</b>	<b>17,190,080</b>	<b>14,586,903</b>

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

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

Loans granted against the articles 50 and 51 of the Parent Banking law	5,566	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 <u>Provisional Article 2 of the Regulation on Banks' Own Funds</u>	-	-
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 <u>Provisional Article 2 of the Regulation on Banks' Own Funds</u>	-	-
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 <u>Provisional Article 2 of the Regulation on Banks' Own Funds</u>	-	-
<b>TOTAL CAPITAL</b>		
Total Capital (The sum of Tier I Capital and Tier II Capital)	17,184,514	14,583,569
Total risk weighted amounts (*)	71,548,401	49,886,118
<b>CAPITAL ADEQUACY RATIOS</b>		
Core Capital Adequacy Ratio (%)	10.40%	11.94%
Tier 1 Capital Adequacy Ratio (%)	23.51%	28.16%
Capital Adequacy Ratio (%)	24.02%	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 (%)	0.00%	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 tenthousandandtwentyfive limitation)	367,714	537,088
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	367,714	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.

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

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

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

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

**b. Details on Subordinated Liabilities**

<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)	2,559,075
Par value of instrument (Million TRL)	2,559,075
Accounting classification	347
Original date of issuance	30.06.2015
Demand or time	Demand
Original maturity date	10 years + 1 day -Illegality, - After 5th year, -Taxation reason and
Issuer call subject to prior supervisory approval	-Depending on regulatory as a reason BRSA has the right to refund.
Optional call date, contingent call dates and redemption amount	-
Subsequent call dates, if applicable	-
<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	-

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

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

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

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

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

<b>Issuer</b>	<b>Alternatifbank A.Ş.</b>
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)	6,824,200
Par value of instrument (Million TRL)	6,824,200
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
Existence of a dividend stopper	No interest will be charged for the value reduced after the value decrement date
Fully discretionary, partially discretionary or mandatory	Discretionary
Existence of step up or other incentive to redeem	-
Non-cumulative or cumulative	Non-cumulative
<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 into	-
<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	-

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

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

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

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

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

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

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

#### II. Explanations on Credit Risk

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

#### III. Explanations on Currency Risk

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

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

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

Rate used:	USD	EUR
30.09.2024	34.1210	38.1714
27.09.2024	34.0900	38.0180
26.09.2024	34.0982	38.0092
25.09.2024	34.0894	38.1426
24.09.2024	34.0815	37.9305

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 33.9660

EUR: TL 37.7456

As of 30 September 2024;

**USD**

**EUR**

**Rate Used:** TL 34.1210 TL 38.1714

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

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

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

	<b>EURO</b>	<b>USD</b>	<b>Other FC</b>	<b>Total</b>
<b>30 September 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	679,947	6,157,993	374,472	7,212,412
Banks	403,156	4,912,963	166,243	5,482,362
Financial Assets at Fair Value Through Profit and Loss (*)	1,112	473,256	1	474,369
Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	4,236,712	-	4,236,712
Loans (**)	11,243,914	9,487,458	-	20,731,372
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Financial Assets Measured at Amortised Cost	-	8,536,096	-	8,536,096
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets (***)	41,827	139,257	1	181,085
<b>Total Assets</b>	<b>12,369,956</b>	<b>33,943,735</b>	<b>540,717</b>	<b>46,854,408</b>
<b>Liabilities</b>				
Bank Deposits	2,766	92,369	553,030	648,165
Foreign Currency Deposits	2,404,273	7,486,268	1,201,500	11,092,041
Money Market Funds	-	10,316,935	-	10,316,935
Funds Borrowed From Other Financial Institutions	6,392,040	19,321,032	382,456	26,095,528
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	318,195	234,046	1,337	553,578
Derivative Financial Liabilities For Hedging Purposes	-	-	-	-
Other Liabilities (****)	89,620	241,824	926	332,370
<b>Total Liabilities</b>	<b>9,206,894</b>	<b>37,692,474</b>	<b>2,139,249</b>	<b>49,038,617</b>
<b>Net Balance Sheet Position</b>	<b>3,163,062</b>	<b>(3,748,739)</b>	<b>(1,598,532)</b>	<b>(2,184,209)</b>
<b>Net Off Balance Sheet Position</b>	<b>(2,573,344)</b>	<b>3,278,226</b>	<b>1,767,322</b>	<b>2,472,204</b>
Financial Derivative Assets	17,426,405	16,579,431	2,672,810	36,678,646
Financial Derivative Liabilities	19,999,749	13,301,205	905,488	34,206,442
Non-Cash Loans (*****)	<b>6,411,094</b>	<b>6,681,579</b>	<b>1,907,776</b>	<b>15,000,449</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 269,799 (31 December 2023: TL 767,894) have been deducted from fair value through profit and loss.

(\*\*) FC indexed loans and accruals amounting to TL 148,623 (31 December 2023: TL 178,665) are included in loans.

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

(\*\*\*\*) Accruals of derivative liabilities held for trading amounting to TL 605,095 as of 30 September 2024 have been deducted from other liabilities (31 December 2023: TL 435,383).

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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

#### IV. Explanations on Interest Rate Risk

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

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

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

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

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

30 September 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	6,882,078	-	-	-	-	2,124,740	9,006,818
Banks (***) (*****)	4,055,748	-	-	-	-	2,376,854	6,432,602
Financial Assets at Fair Value Through Profit and Loss	255,228	67,193	661,888	176,918	8,554	-	1,169,781
Money Market Placements	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income (*****)	1,654,016	1,879,540	4,496,340	-	-	14,542	8,044,438
Loans (*****)	6,869,711	3,312,307	17,505,308	11,955,678	884,114	(247,452)	40,279,666
Financial Assets Measured at Amortised Cost (*****)	7,112,992	803,518	2,113,414	-	243,027	(1,265)	10,271,686
Other Assets (*)	127,424	-	-	-	-	5,605,697	5,733,121
<b>Total Assets</b>	<b>26,957,197</b>	<b>6,062,558</b>	<b>24,776,950</b>	<b>12,132,596</b>	<b>1,135,695</b>	<b>9,873,116</b>	<b>80,938,112</b>
<b>Liabilities</b>							
Bank Deposits	420,669	-	-	-	-	222,442	643,111
Other Deposits (**)	20,005,696	4,919,060	317,887	63	-	4,839,278	30,081,984
Money Market Funds	12,604,744	260,224	-	-	-	88,394	12,953,362
Miscellaneous Payables	27,318	-	-	-	-	951,454	978,772
Marketable Securities Issued	-	-	-	104,470	-	-	104,470
Funds Borrowed From Other Financial Institutions	3,873,675	6,997,628	6,579,445	6,907,543	2,625,455	-	26,983,746
Other Liabilities and Shareholders' Equity (****)	268,461	101,126	443,887	138,579	7,350	8,233,264	9,192,667
<b>Total Liabilities</b>	<b>37,200,563</b>	<b>12,278,038</b>	<b>7,341,219</b>	<b>7,150,655</b>	<b>2,632,805</b>	<b>14,334,832</b>	<b>80,938,112</b>
<b>Balance Sheet Long Position</b>	-	-	<b>17,435,731</b>	<b>4,981,941</b>	-	-	<b>22,417,672</b>
<b>Balance Sheet Short Position</b>	<b>(10,243,366)</b>	<b>(6,215,480)</b>	-	-	<b>(1,497,110)</b>	<b>(4,461,716)</b>	<b>(22,417,672)</b>
Off-Balance Sheet Long Position	-	380,708	1,234,308	-	-	-	1,615,016
Off-Balance Sheet Short Position	(958,831)	-	(175,641)	(319,474)	-	-	(1,453,946)
<b>Total Position</b>	<b>(11,202,197)</b>	<b>(5,834,772)</b>	<b>18,494,398</b>	<b>4,662,467</b>	<b>(1,497,110)</b>	<b>(4,461,716)</b>	<b>161,070</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 1,641 were deducted from non-interest banks, amounted to TL 1,265 were deducted from non-interest financial assets measured at amortised.

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

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

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

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

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

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

31 December 2023	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
<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.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

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

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

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

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

30 September 2024 (*)	EURO (%)	USD (%)	OTHER FC (%)	TL (%)
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	42.00
Banks	-	5.11	-	7.65
Financial Assets at Fair Value Through Profit and Loss	-	7.17	-	13.36
Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	5.31	-	44.71
Loans and Receivables	7.12	8.03	-	47.38
Financial Assets Measured at Amortised Cost	-	4.94	-	27.29
<b>Liabilities</b>				
Bank Deposits	-	0.03	-	47.11
Other Deposits	1.95	2.70	-	50.23
Money Market Funds	-	7.36	-	50.23
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	5.44	8.72	-	45.43

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

31 December 2023 (*)	EURO (%)	USD (%)	OTHER FC (%)	TL (%)
<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.

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)***INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK  
(Continued)****V. Explanation on share certificates**

None.

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

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

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

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

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

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

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

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

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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

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

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

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

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

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

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

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

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

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

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

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

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

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

**2. Liquidity Coverage Ratio**

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

<b>30 September 2024</b>	<b>Consideration Ratio</b>		<b>Consideration Ratio</b>	
	<b>Unapplied to Total Value (*)</b>	<b>TL+FC</b>	<b>Applied to Total Value (*)</b>	<b>TL+FC</b>
<b>HIGH QUALITY LIQUID ASSETS</b>				
1 High Quality Liquid Assets			11,765,720	7,478,684
<b>CASH OUTFLOWS</b>				
2 Retail and Small Business Customers	18,140,072	4,755,246	1,457,789	475,525
3 Stable Deposits	7,124,576	-	356,229	-
4 Less Stable Deposit	11,015,496	4,755,246	1,101,560	475,525
5 Unsecured Wholesale Funding	13,294,263	7,296,018	9,487,618	5,061,876
6 Operational Deposits	-	-	-	-
7 Non-operational Deposits	7,314,718	4,131,094	3,537,213	1,925,096
8 Other Unsecured Fundings	5,979,545	3,164,924	5,950,405	3,136,780
9 Secured Funding			-	-
10 Other Cash Outflows	365,002	365,002	365,002	365,002
Derivative cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	365,002	365,002	365,002	365,002
11 Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	-	-	-	-
13 Other revocable off-balance sheet commitments and contractual obligations	518,387	518,387	25,919	25,919
14 Other irrevocable or conditionally revocable off-balance sheet obligations	35,416,696	14,202,322	5,761,000	1,544,927
<b>16 TOTAL CASH OUTFLOWS</b>			<b>17,097,328</b>	<b>7,473,249</b>
<b>CASH INFLOWS</b>				
17 Secured lending	41,121	-	-	-
18 Unsecured lending	10,722,484	7,405,477	8,682,365	6,528,611
19 Other cash inflows	190,834	191,208	190,834	191,208
<b>20 TOTAL CASH INFLOWS</b>	<b>10,954,439</b>	<b>7,596,685</b>	<b>8,873,199</b>	<b>6,719,819</b>
<b>Total Adjusted Values</b>				
<b>21 TOTAL HIGH QUALITY ASSETS STOCKS</b>			<b>11,765,720</b>	<b>7,478,684</b>
<b>22 TOTAL CASH OUTFLOWS</b>			<b>8,224,129</b>	<b>1,868,312</b>
<b>23 LIQUIDITY COVERAGE RATIO (%)</b>			<b>145.58%</b>	<b>407.45%</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.

<b>30 September 2024</b>	<b>Highest</b>	<b>Date</b>	<b>Lowest</b>	<b>Date</b>	<b>Average</b>
TL+FC	156.2%	31.08.2024	127.0%	30.09.2024	145.58%
FC	434.9%	31.08.2024	386.9%	30.09.2024	407.45%

**ALTERNATİFBANK A.Ş.**

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

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

**2. Liquidity Coverage Ratio (Continued)**

	Consideration Ratio 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
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	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	-	-	-	-
Other revocable off-balance sheet commitments and contractual obligations	246,054	245,973	12,303	12,299
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>
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%

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

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

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

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

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

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

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

Basically deposits, loans and subordinated loans as unsecured debt items have the most significant portion in Parent Bank's funding balances. As of 30 September 2024, the proportion of total liabilities to all deposits of the Parent Bank is 38% and borrowings constitutes 22% portion whereas subordinate debt is 12%. Secured borrowings such as repo transactions has lower portion (16%).

###### 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. 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 September 2024, the liability balance is computed as TL 392,766 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 September 2024, approximately 65% 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 (95%). As of 30 September 2024, 27% of the subordinated loans which are subject to capital adequacy calculations provided from The Commercial Bank (P.S.Q.C.).

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

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

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

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

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

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

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

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

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

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and Over	Unclassified	Total
<b>30 September 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	2,124,740	6,882,078	-	-	-	-	-	9,006,818
Due From Banks <sup>(****)</sup>	2,378,495	4,055,748	-	-	-	-	(1,641)	6,432,602
Financial Assets at Fair Value Through Profit and Loss	-	258,711	58,396	709,327	124,358	18,989	-	1,169,781
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income <sup>(*****)</sup>	-	36,003	559,529	1,810,741	3,415,950	2,207,673	14,542	8,044,438
Loans <sup>(*****)</sup>	-	4,219,925	4,030,807	18,674,725	10,154,809	3,446,852	(247,452)	40,279,666
Financial Assets Measured at Amortised Cost <sup>(****)</sup>	-	13	370,828	972,322	7,729,019	1,200,769	(1,265)	10,271,686
Other Assets <sup>(*)</sup> <sup>(*****)</sup>	133,002	566,027	144,820	68,251	5,486	3,143	4,812,392	5,733,121
<b>Total Assets</b>	<b>4,636,237</b>	<b>16,018,505</b>	<b>5,164,380</b>	<b>22,235,366</b>	<b>21,429,622</b>	<b>6,877,426</b>	<b>4,576,576</b>	<b>80,938,112</b>
<b>Liabilities</b>								
Bank Deposits	222,442	420,669	-	-	-	-	-	643,111
Other Deposits <sup>(***)</sup>	4,839,278	20,005,690	4,919,066	317,887	63	-	-	30,081,984
Funds Borrowed From Other Financial Institutions <sup>(**)</sup>	-	1,959,034	2,659,322	12,423,186	568,330	9,373,874	-	26,983,746
Money Market Funds	88,394	12,004,192	733,251	127,525	-	-	-	12,953,362
Marketable Securities Issued	-	-	-	-	104,470	-	-	104,470
Miscellaneous Payables	-	91,308	-	-	-	-	887,464	978,772
Other Liabilities	6,710	1,216,767	101,128	443,859	137,534	7,350	7,279,319	9,192,667
<b>Total Liabilities</b>	<b>5,156,824</b>	<b>35,697,660</b>	<b>8,412,767</b>	<b>13,312,457</b>	<b>810,397</b>	<b>9,381,224</b>	<b>8,166,783</b>	<b>80,938,112</b>
<b>Liquidity Gap</b>	<b>(520,587)</b>	<b>(19,679,155)</b>	<b>(3,248,387)</b>	<b>8,922,909</b>	<b>20,619,225</b>	<b>(2,503,798)</b>	<b>(3,590,207)</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 9,383,275 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 1,641 were deducted from non-interest banks, amounted to TL 1,265 were deducted from non-interest financial assets measured at amortised cost.

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

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGAMENT OF THE PARENT BANK  
(Continued)**

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

**Net Stable Funding Ratio**

Current Period		Unweighted Amount According to Residual Maturity			Total Weighted Amount
		Non Maturity	Residual maturity of less than 6 months	Residual maturity of six months and longer but less than one year	
<b>Available stable funding</b>					
1	Capital Instruments	-	-	-	17,652,900
2	Tier 1 Capital and Tier 2 Capital	-	-	-	17,652,900
3	Other Capital Instruments	-	-	-	-
4	Real-person and Retail Customer Deposits	1,831,398	16,419,698	167,089	63
5	Stable Deposits	406,728	6,698,283	94,198	63
6	Less Stable Deposits	1,424,671	9,721,415	72,891	-
7	Other Obligations	3,312,755	42,692,782	7,790,789	662,546
8	Operational deposits	-	-	-	-
9	Other Obligations	3,312,755	42,692,782	7,790,789	662,546
10	Liabilities equivalent to interconnected assets				
11	Other Liabilities	2,534,246	1,611,946	-	-
12	Derivative liabilities				709,933
13	All other equity not included in the above categories	1,824,313	1,611,946	-	-
14	<b>Available stable funding</b>				<b>45,542,035</b>
<b>Required stable funding</b>					
15	Required stable funding				955,151
16	Deposits held at financial institutions for operational purposes	-	-	-	-
17	Performing Loans	5,925,021	20,177,076	10,217,577	10,538,444
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	1,987,634	5,501,600	985,920	67,903
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	3,743,988	14,562,901	9,198,539	10,431,090
21	<i>Loans with a risk weight of less than or equal to 35%</i>	30,724	912,686	311,803	253,966
22	Residential mortgages	193,399	112,575	33,117	38,406
23	<i>Residential mortgages with a risk weight of less than or equal to 35%</i>	193,399	112,575	33,117	38,406
24	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	-	-	1,045
25	Assets equivalent to interconnected liabilities				
26	Other Assets	7,893,475	1,610,577	251,416	-
27	Physical traded commodities, including gold	-			-
28	Initial margin posted or given guarantee fund to central counterparty				140,470
29	Derivative Assets				926,266
30	Derivative Liabilities before the deduction of the variation margin				726,825
31	Other Assets not included above	6,099,914	1,610,577	251,416	-
32	Off-balance sheet commitments		37,407,984	-	-
33	<b>Total Required stable funding</b>				<b>37,058,069</b>
34	<b>Net Stable Funding Ratio (%)</b>				<b>122.89%</b>

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

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

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

**Net Stable Funding Ratio (Continued)**

Prior Period		Unweighted Amount According to Residual Maturity			Total Weighted Amount
		Non Maturity	Residual maturity of less than 6 months	Residual maturity of six months and longer but less than one year	
<b>Available stable funding</b>					
1	Capital Instruments	-	-	-	15,083,633
2	Tier 1 Capital and Tier 2 Capital	-	-	-	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
8	Operational deposits	-	-	-	-
9	Other Obligations	2,004,829	34,391,120	10,119,579	461,941
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
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
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
21	<i>Loans with a risk weight of less than or equal to 35%</i>	51,043	1,520,929	229,414	322,067
22	Residential mortgages	193,364	57,769	38,695	56,307
23	<i>Residential mortgages with a risk weight of less than or equal to 35%</i>	193,364	57,769	38,695	56,307
24	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	9,168	-	780
25	Assets equivalent to interconnected liabilities				
26	Other Assets	5,552,301	1,509,510	114,581	-
27	Physical traded commodities, including gold	-			-
28	Initial margin posted or given guarantee fund to central counterparty				53,694
29	Derivative Assets				1,174,110
30	Derivative Liabilities before the deduction of the variation margin				649,787
31	Other Assets not included above	3,674,710	1,509,510	114,581	-
32	Off-balance sheet commitments		26,920,707	-	-
33	<b>Total Required stable funding</b>				<b>32,566,492</b>
34	<b>Net Stable Funding Ratio (%)</b>				<b>117.45%</b>

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK  
(Continued)****VII. Explanations on Leverage Ratio****Contractual maturity analysis of the Group's derivative instruments:**

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

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

		<b>30 September 2024 (*)</b>	<b>31 December 2023(*)</b>
<b>1</b>	Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards	76,974,843	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	480,104	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	(9,614,111)	(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	53,781,859	36,755,835
<b>7</b>	<b>Total risk amount</b>	<b>121,622,695</b>	<b>101,419,768</b>

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

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK  
(Continued)****VII. Explanations on Leverage Ratio (Continued)****Comparison Summary Table of Total Risk and Total Assets Amounts in the Consolidated Financial Statements prepared in accordance with Turkish Accounting Standards (Continued)****Explanations about the aspects that cause the difference between the leverage ratios of current and prior years**

The Group's leverage ratio is 13.73% 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 September 2024 (*)	31 December 2023(*)
<b>Assets in Balance Sheet</b>			
<b>1</b>	On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	76,974,843	69,643,219
<b>2</b>	Assets deducted in determining Tier 1 capital	(369,457)	(248,325)
<b>3</b>	<b>Total on-balance sheet risks (sum of lines 1 and 2) Derivative financial instruments and credit derivatives</b>	<b>76,605,386</b>	<b>69,394,894</b>
<b>Derivative financial instruments and credit derivatives</b>			
<b>4</b>	Replacement cost associated with all derivative financial instruments and credit derivatives	783,151	940,558
<b>5</b>	Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives	480,104	655,197
<b>6</b>	<b>Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5) Securities or commodity financing transactions (SCFT)</b>	<b>1,263,255</b>	<b>1,595,755</b>
<b>Securities or commodity financing transactions</b>			
<b>7</b>	Risks from SCFT assets of off-balance sheet	-	-
<b>8</b>	Risks from brokerage activities related exposures	-	-
<b>9</b>	<b>Total risks related with securities or commodity financing transactions (sum of lines 7 to 8) Other off-balance sheet transactions off-balance sheet transactions</b>	<b>-</b>	<b>-</b>
<b>10</b>	Gross notional amounts of off-balance sheet transactions	53,368,165	36,063,602
<b>11</b>	(Adjustments for conversion to credit equivalent amounts)	(9,614,111)	(5,634,483)
<b>12</b>	<b>Total risks of off-balance sheet items (sum of lines 10 and 11) Capital and total risks</b>	<b>43,754,054</b>	<b>30,429,119</b>
<b>Capital and Total Risk</b>			
<b>13</b>	Tier 1 capital	16,704,261	13,982,880
<b>14</b>	<b>Total risks (sum of lines 3, 6, 9 and 12) Leverage ratio</b>	<b>121,622,695</b>	<b>101,419,768</b>
<b>15</b>	<b>Leverage ratio (%)</b>	<b>13.73%</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 communiqué "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

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

None (31 December 2023: None).

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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

#### X. Explanations on the Risk Management

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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

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

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

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

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

###### 2. Overview of Risk Weighted Amount

		Risk Weighted Amount		Minimum capital requirement 30 September 2024
		30 September 2024	31 December 2023	
1	Credit risk (excluding counterparty credit risk) (CCR)	63,570,249	43,865,533	5,085,620
2	Standardised approach (SA)	63,570,249	43,865,533	5,085,620
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	2,561,801	1,872,181	204,944
	Standardised approach for counterparty credit risk			
5	risk (SA-CCR)	2,561,801	1,872,181	204,944
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	1,004,788	1,678,388	80,383
17	Standardised approach (SA)	1,004,788	1,678,388	80,383
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>71,548,401</b>	<b>49,886,118</b>	<b>5,723,872</b>

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

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

Not prepared in compliance with the Article 25 of the 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

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".

##### 2. Changes In Stock of Defaulted Loans And Debt Securities

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".

##### 3. Credit Risk Mitigation Techniques

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".

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

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".

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

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. Explanations on counterparty credit risk

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

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".

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

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".

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

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".

##### 4. Collaterals for Consolidated 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".

##### 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".

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 SEPTEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK  
(Continued)****X. Explanations on the Risk Management (Continued)****e. Explanations on market risk****1. Consolidated Market Risk -Standard Approach**

		<b>RWA (current period)</b>	<b>RWA (prior period)</b>
<b>Outright products</b>			
1	Interest rate risk (general and specific)	143,850	130,800
2	Equity risk (general and specific)	-	-
3	Foreign exchange risk	712,800	1,500,738
4	Commodity risk	-	-
<b>Options</b>			
5	Simplified approach	-	-
6	Delta-plus method	148,138	46,850
7	Scenario approach	-	-
8	Securitisation	-	-
9	<b>Total</b>	<b>1,004,788</b>	<b>1,678,388</b>

**f. Explanations on operational 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".

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

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

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".

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

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

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 SEPTEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE PARENT BANK  
(Continued)****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 September 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>-</b>	<b>-</b>	<b>-</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.

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2024**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

**SECTION FIVE**

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

**I. Explanations and Notes on Assets**

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

1. Information on cash and the account of the CBRT

	30 September 2024		31 December 2023	
	TL	FC	TL	FC
Cash/Foreign Currency	43,346	520,204	54,515	314,904
CBRT	1,745,016	6,662,474	2,620,239	6,887,477
Other	6,044	29,734	1,764	20,648
<b>Total</b>	<b>1,794,406</b>	<b>7,212,412</b>	<b>2,676,518</b>	<b>7,223,029</b>

2. Information on the account of the CBRT

	30 September 2024		31 December 2023	
	TL	FC	TL	FC
Demand Unrestricted Amount (*)	1,745,016	2,628,273	2,337,679	3,857,784
Time Unrestricted Amount	-	-	-	-
Reserve Requirement	-	4,034,201	282,560	3,029,693
<b>Total</b>	<b>1,745,016</b>	<b>6,662,474</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 communiqué 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 "Communiqué on Required Reserves" at the CBRT. According to the Communiqué 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 September 2024, the Turkish lira required reserve ratios are determined to be within the range of 3% - 15% 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 September 2024, the Parent Bank have no financial assets at fair value through profit/loss subject to repo transactions (31 December 2023: None) and have no financial assets at fair value through profit and loss given as collateral/blocked amount (31 December 2023: None).

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

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

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

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

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

	30 September 2024 (*)		31 December 2023	
	TL	FC	TL	FC
Forward Transactions	56,243	35,769	45,159	15,224
Swap Transactions	162,714	468,452	184,329	867,536
Options	123,529	210,841	68,553	38,990
<b>Total</b>	<b>342,486</b>	<b>715,062</b>	<b>298,041</b>	<b>921,750</b>

(\*) Hedging derivative financial assets are excluded

**d. Information on banks**

1. Information on banks

	30 September 2024		31 December 2023	
	TL	FC	TL	FC
Banks				
Domestic	951,881	3,295,018	36,847	978,796
Foreign	-	2,187,344	-	1,939,220
<b>Total</b>	<b>951,881</b>	<b>5,482,362</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 collateralblocked**

As of 30 September 2024, financial assets at fair value through other comprehensive income given as collateralblocked are amounting to TL 377,307 (31 December 2023: TL 902,801). As of 30 September 2024, financial assets at fair value through other comprehensive income those subject to repurchase agreements TL 6,464,413 (31 December 2023: TL 2,991,397). As of 30 September 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 September 2024	31 December 2023
Debt Securities	8,261,053	7,211,226
Quoted on Stock Exchange	8,261,053	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 (-)	231,157	404,032
<b>Total</b>	<b>8,044,438</b>	<b>6,821,736</b>

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

###### g. Explanations on loans

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

	30 September 2024		31 December 2023	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Shareholders	-	4,420	-	3,742
Corporate Shareholders	-	4,420	-	3,742
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	308	1,357	771	1,607
Loans Granted To Employees	23,534	-	15,930	-
<b>Total</b>	<b>23,842</b>	<b>5,777</b>	<b>16,701</b>	<b>5,349</b>

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

Current Period	Standard Loans	Loans Under Close Monitoring		
		Loans Not Subject to restructuring	Restructured Loans	
			Amendments on Conditions of Contract	Refinancing
Non-Specialized Loans	32,845,017	455,343	2,907,176	-
Corporate Loans	-	-	-	-
Export Loans	8,167,912	89,956	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	2,315,618	-	-	-
Consumer Loans	352,530	5,171	238	-
Credit Cards	52,829	4,546	-	-
Other	21,956,128	355,670	2,906,938	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>32,845,017</b>	<b>455,343</b>	<b>2,907,176</b>	<b>-</b>

(\*) Standard and closely monitored leasing receivables amounting to TL 4,171,456 and TL 148,926 are not included.

Prior Period	Standard Loans	Loans Under Close Monitoring		
		Loans Not Subject to restructuring	Restructured Loans	
			Amendments on Conditions of Contract	Refinancing
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.

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 SEPTEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and Notes on Assets (Continued)****g. Explanations on loans (Continued)**

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

Current Period (\*)

	<b>Standard Loans</b>	<b>Loans Under Close Monitoring</b>
12 Month Expected Credit Losses	190,918	-
Significant Increase in Credit Risk	-	303,528

(\*) Expected loss provision amounting to TL 1,265 calculated for financial assets measured at amortized cost is not included.

Prior Period (\*)

	<b>Standard Loans</b>	<b>Loans Under Close Monitoring</b>
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".

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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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	141,716	183,504	325,220
Real Estate Loans	-	31,753	31,753
Automotive Loans	-	1,198	1,198
Consumer Loans	141,716	150,553	292,269
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	19,459	-	19,459
With Installments	2,576	-	2,576
Without Installments	16,883	-	16,883
Individual Credit Cards- FC	18	-	18
With Installments	-	-	-
Without Installments	18	-	18
Personnel Loans-TL	7,944	13,487	21,431
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	7,944	13,487	21,431
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	188	-	188
Without Installments	1,466	-	1,466
Personnel Credit Cards-FC	22	-	22
With Installments	-	-	-
Without Installments	22	-	22
Credit Deposit Account-TL (Individuals) (*)	11,288	-	11,288
Credit Deposit Account-FC (Individuals)	-	-	-
<b>Total</b>	<b>182,101</b>	<b>196,991</b>	<b>379,092</b>

(\*) TL 427 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	102,783	3,390,640	3,493,423
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	102,783	3,390,640	3,493,423
Other	-	-	-
Commercial Loans With Installment-FC Indexed	-	23,529	23,529
Real Estate Loans	-	23,529	23,529
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Loans With Installment-FC	51,299	2,654,470	2,705,769
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	51,299	2,654,470	2,705,769
Other	-	-	-
Corporate Credit Cards-TL	35,690	-	35,690
With Installment	401	-	401
Without Installment	35,289	-	35,289
Corporate Credit Cards-FC	532	-	532
With Installment	-	-	-
Without Installment	532	-	532
Overdraft Accounts – TL(Corporate)	73,953	-	73,953
Overdraft Accounts – FC (Corporate)	-	-	-
<b>Total</b>	<b>264,257</b>	<b>6,068,639</b>	<b>6,332,896</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 September 2024</b>	<b>31 December 2023</b>
Domestic Loans	36,206,861	31,010,720
Foreign Loans	675	776
<b>Total</b>	<b>36,207,536</b>	<b>31,011,496</b>

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

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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 September 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 September 2024</b>	<b>31 December 2023</b>
Loans with Limited Collectability	57,589	25,285
Loans with Doubtful Collectability	20,297	9,566
Uncollectible Loans	240,073	428,253
<b>Total</b>	<b>317,959</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 September 2024</b>			
Gross Amounts Before Provisions	-	-	9,151
Restructured Loans	-	-	9,151
<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 (+)	737,179	12,275	32,025
Transfers from Other Categories of Non-performing Loans (+)	-	78,265	47,249
Transfers to Other Categories of Non-performing Loans (-)	(78,265)	(47,249)	-
Collections (-)	(522,803)	(2,469)	(83,623)
Write-offs (-)	(83,322)	-	(97,083)
Sold Portfolio	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>30 September 2024 (*)</b>	<b>110,347</b>	<b>98,503</b>	<b>355,303</b>
Specific Provision (-)	57,589	20,297	240,073
<b>Net Balance on Balance Sheet</b>	<b>52,758</b>	<b>78,206</b>	<b>115,230</b>

(\*) Financial lease receivables amounting to TL 152,925 are included.

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

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

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

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

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

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

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

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

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
<b>30 September 2024 (Net)</b>	<b>52,758</b>	<b>78,206</b>	<b>115,230</b>
Loans to Real Persons and Legal Entities (Gross)	110,347	98,503	355,303
Specific Provision Amount (-)	57,589	20,297	240,073
Loans to Real Persons and Legal Entities (Net)	52,758	78,206	115,230
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>
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
<b>Current Period (Net)</b>	-	-	-
Interest accruals and valuation differences	-	-	60,341
Provision (-)	-	-	(60,341)
<b>Prior Period (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Interest accruals and valuation differences	-	-	54,136
Provision (-)	-	-	(54,136)

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

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

11. Explanation on liquidation policy for uncollectible loan and receivable

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

12. Explanations on write-off policy

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

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

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

###### (i) Financial assets measured at amortised cost

As of 30 September 2024 there are financial assets measured at amortised cost given as collateral amounting to TL 10,272,951 (31 December 2023: TL 9,601,665).

	30 September 2024		31 December 2023	
	TL	FC	TL	FC
Given as collateral/blocked	36,227	-	640,363	2,908,905
Subject to repurchase agreements	472,283	8,177,268	-	5,163,862
Other	1,228,345	358,828	888,535	-
<b>Total</b>	<b>1,736,855</b>	<b>8,536,096</b>	<b>1,528,898</b>	<b>8,072,767</b>

2. Information on debt securities measured at amortised cost

	30 September 2024	31 December 2023
Government Bonds	8,536,096	8,072,767
Treasury Bills	1,674,578	1,447,818
Other Government Debt Securities	-	-
<b>Total</b>	<b>10,210,674</b>	<b>9,520,585</b>

3. Information on financial assets measured at amortised cost

	30 September 2024	31 December 2023
<b>Debt Securities</b>	<b>10,272,951</b>	<b>9,601,665</b>
Quoted to Stock Exchange	10,272,951	9,601,665
Not Quoted to Stock Exchange	-	-
Impairment Provision (-)	-	-
<b>Total</b>	<b>10,272,951</b>	<b>9,601,665</b>

4. Movement of financial assets measured at amortised cost

	30 September 2024	31 December 2023
Balance at the Beginning of the Period	9,601,665	7,007,615
Foreign Currency Differences on Monetary Assets	1,444,636	3,814,210
Purchases	73,320	2,041,292
Disposals Through Sales and Redemptions(*)	(846,670)	(3,261,452)
Impairment Provision (-)	-	-
<b>Balance at the End of the Period</b>	<b>10,272,951</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 September 2024 (31 December 2023: None).

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

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

###### 1. Information on shareholders' equity of the significant subsidiaries

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

###### 2. Information on unconsolidated subsidiaries

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

###### 3. Information on consolidated subsidiaries

No	Title	Address (City/Country)	Bank's share percentage, if different voting percentage (%)	Bank's Risk Group Share (%)
1	Alternatif 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(*)	331,073	101,509	13,819	69,683	21,024	4,083	16,755	-
2(*)	4,970,186	531,789	158,040	683,761	-	63,357	32,453	-

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

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

Information about equity component of the consolidated subsidiaries:

	Alternatif Finansal Kiralama A.Ş.	Alternatif Menkul Değerler A.Ş.
<b>TIER I Capital</b>		
Paid-in Capital	200,000	77,000
Capital Reserves	155,597	26,438
Current and Prior Period Net Profit	102,652	4,083
Current and Prior Period Net (Loss)	-	(610)
Intangible Assets (-)	2,315	3,154
<b>TIER II Capital</b>		
<b>Deduction from Capital</b>		
<b>Net Usable Capital</b>	455,934	103,757

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### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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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

	30 September 2024	31 December 2023
<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 (%)	-	-

(\*) The paid capital of Alternatif Menkul Değerler A.Ş was increased by TL 10,000 in cash with General Assembly decision dated 14 October 2024.

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

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

Subsidiaries	30 September 2024	31 December 2023
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 4,473,307 (31 December 2023: TL 4,099,871).

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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

###### n. Tangible assets

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

###### o. Intangible assets

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

###### p. Information on investment property

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

###### q. Explanations about deferred tax asset

As of 30 September 2024, the Group has deferred tax asset amounting to TL 807,984 (31 December 2023: TL 461,718 deferred tax asset) in the financial statements.

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

	30 September 2024		31 December 2023	
	Tax Base	Deferred Tax Amount	Tax Base	Deferred Tax Amount
Deferred Tax Asset / (Liability)				
Tangible Assets Base Differences	822,219	246,666	721,138	216,733
Provisions	794,769	238,679	1,716,626	515,038
Valuation of Financial Assets	1,000,007	300,002	(1,013,076)	(302,005)
Commission Deferral	108,557	32,567	22,700	6,810
Financial Losses (*)	17,138	5,141	73,535	22,061
Other	(50,230)	(15,071)	10,240	3,081
<b>Net Deferred Tax Assets</b>		<b>807,984</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 5,141 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 September 2024	1 January -30 September 2023
1 January Net Deferred Tax Asset/(Liability)	461,718	161,003
Deferred Tax (Expense)/Income	266,519	98,342
Deferred tax recognized in other comprehensive income	79,747	215,617
<b>Net Deferred Tax Asset/(Liability)</b>	<b>807,984</b>	<b>474,962</b>

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

	30 September 2024	31 December 2023
Beginning of the period	525,885	487,833
Disposals (-)	(30,516)	(87,495)
Additions	551,641	125,547
Current period depreciation (-)	-	-
Impairment provision addition/ return (-)	-	-
<b>End of the Period</b>	<b>1,047,010</b>	<b>525,885</b>

###### s. Information on other assets

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

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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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 September 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>	<b>886,617</b>	-	<b>6,910,123</b>	<b>3,953,040</b>	<b>964,865</b>	<b>645,151</b>	<b>113,498</b>	-	<b>13,473,294</b>
<b>Foreign Currency Deposits</b>	<b>2,700,814</b>	-	<b>1,538,046</b>	<b>6,080,367</b>	<b>58,695</b>	<b>51,375</b>	<b>679</b>	-	<b>10,429,976</b>
Residents in Turkey	2,588,732	-	1,462,288	5,979,038	40,148	10,353	679	-	10,081,238
Residents Abroad	112,082	-	75,758	101,329	18,547	41,022	-	-	348,738
<b>Public Sector Deposits</b>	<b>540,453</b>	-	-	-	-	-	-	-	<b>540,453</b>
<b>Commercial Deposits</b>	<b>467,156</b>	-	<b>1,103,540</b>	<b>2,536,788</b>	<b>259,505</b>	<b>18,239</b>	<b>40,108</b>	-	<b>4,425,336</b>
<b>Other Institutions Deposits</b>	<b>5,104</b>	-	<b>12,599</b>	<b>216,714</b>	<b>12,825</b>	-	-	-	<b>247,242</b>
<b>Precious Metal Deposits</b>	<b>239,133</b>	-	<b>181,886</b>	<b>452,631</b>	<b>84,010</b>	<b>8,023</b>	-	-	<b>965,683</b>
<b>Bank Deposits</b>	<b>222,442</b>	-	<b>367,156</b>	<b>53,513</b>	-	-	-	-	<b>643,111</b>
The CBRT	88,394	-	-	-	-	-	-	-	88,394
Domestic Banks	131	-	-	-	-	-	-	-	131
Foreign Banks	133,917	-	367,156	53,513	-	-	-	-	554,586
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5,061,719</b>	-	<b>10,113,350</b>	<b>13,293,053</b>	<b>1,379,900</b>	<b>722,788</b>	<b>154,285</b>	-	<b>30,725,095</b>

(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>	<b>626,976</b>	-	<b>4,657,950</b>	<b>4,598,460</b>	<b>1,487,632</b>	<b>199,527</b>	<b>27,087</b>	-	<b>11,597,632</b>
<b>Foreign Currency Deposits</b>	<b>2,346,969</b>	-	<b>1,778,435</b>	<b>2,984,536</b>	<b>68,344</b>	<b>15,602</b>	<b>48,138</b>	-	<b>7,242,024</b>
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>	<b>25,994</b>	-	-	-	-	-	-	-	<b>25,994</b>
<b>Commercial Deposits</b>	<b>401,462</b>	-	<b>982,862</b>	<b>2,359,797</b>	<b>690,500</b>	<b>154</b>	<b>219,835</b>	-	<b>4,654,610</b>
<b>Other Institutions Deposits</b>	<b>3,122</b>	-	<b>3,961</b>	<b>13,506</b>	<b>29</b>	-	-	-	<b>20,618</b>
<b>Precious Metal Deposits</b>	<b>196,530</b>	-	<b>135,272</b>	<b>307,074</b>	<b>28,224</b>	<b>6,151</b>	<b>20,654</b>	-	<b>693,905</b>
<b>Bank Deposits</b>	<b>23,222</b>	-	<b>395,639</b>	<b>267,085</b>	-	-	-	-	<b>685,946</b>
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	138	-	-	-	-	-	-	-	138
Foreign Banks	23,084	-	395,639	267,085	-	-	-	-	685,808
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,624,275</b>	-	<b>7,954,119</b>	<b>10,530,458</b>	<b>2,274,729</b>	<b>221,434</b>	<b>315,714</b>	-	<b>24,920,729</b>

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

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

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

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

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

2. Information on saving deposits insurance

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

<b>Saving Deposits</b>	<b>Under the Guarantee of Deposit Insurance</b>		<b>Exceeding Limit of the Deposit Insurance</b>	
	<b>30 September 2024</b>	<b>31 December 2023</b>	<b>30 September 2024</b>	<b>31 December 2023</b>
Saving Deposits	5,891,408	3,780,601	7,589,916	7,821,858
Foreign Currency Savings Deposit	1,218,969	996,163	3,621,662	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

	<b>30 September 2024</b>	<b>31 December 2023</b>
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	78,226	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

	<b>30 September 2024 (*)</b>		<b>31 December 2023 (*)</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Forward Transactions	-	1,489	16,802	2,372
Swap Transactions	-	546,367	126,987	478,666
Futures Transactions	-	-	-	-
Options	91,136	180,983	37,839	30,772
<b>Total</b>	<b>91,136</b>	<b>728,839</b>	<b>181,628</b>	<b>511,810</b>

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

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

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

	30 September 2024		31 December 2023	
	TL	FC	TL	FC
The CBRT Borrowings	-	127,524	-	109,305
From Domestic Banks and Institutions	881,030	2,429,708	660,131	1,098,785
From Foreign Banks, Institutions and Funds	7,188	14,086,702	5,103	17,972,036
<b>Total</b>	<b>888,218</b>	<b>16,643,934</b>	<b>665,234</b>	<b>19,180,126</b>

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

	30 September 2024		31 December 2023	
	TL	FC	TL	FC
Short-term	598,082	2,833,131	559,098	1,618,860
Medium and Long-term	290,136	13,810,803	106,136	17,561,266
<b>Total</b>	<b>888,218</b>	<b>16,643,934</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 communiqué "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 908,474 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 September 2024		31 December 2023	
	Gross	Net	Gross	Net
Less than 1 year	7,835	2,186	8,740	3,586
1-4 year	15,087	4,210	14,693	6,029
More than 4 year	21,352	5,959	15,725	6,452
<b>Total</b>	<b>44,274</b>	<b>12,355</b>	<b>39,158</b>	<b>16,067</b>

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

	30 September 2024		31 December 2023	
	TL	FC	TL	FC
Fair Value Hedges	-	-	-	-
Cash Flow Hedges (*)	14,017	-	12,891	-
Foreign Currency Investment Hedges	-	-	-	-
<b>Total</b>	<b>14,017</b>	<b>-</b>	<b>12,891</b>	<b>-</b>

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

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 SEPTEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and Notes on Liabilities (Continued)****g. Information on provisions****1. Provisions for employee benefits**

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

As of 30 September 2024, in accordance with the revised TAS 19 Standard, Actuarial loss has recognized under the equity, amount of after deferred tax TL 12,911 (30 September 2023: TL 21,524 loss).

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

	<b>30 September 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 September 2024, The Group has provision for employee termination benefits amount of TL 38,429 (31 December 2023: TL 23,618), provision of unused vacation amount of TL 16,696 (31 December 2023: TL 12,125).

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

As of 30 September 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 September 2024</b>	<b>31 December 2023</b>
Provisions for Unindemnified Non-cash Loan	133,848	120,123
Bonus Provision	16,137	80,496
Provision for Litigation and Claims	75,473	62,072
Other	5,308	2,558
<b>Total</b>	<b>230,766</b>	<b>265,249</b>

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 SEPTEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and Notes on Liabilities (Continued)****h. Explanations on Tax Liabilities****1. Information on current tax liability**

As of 30 September 2024, there is no corporate tax liability (31 December 2023: TL 215,227).

**(i) Information on taxes payable**

	<b>30 September 2024</b>	<b>31 December 2023</b>
Corporate Tax Payable	-	215,227
Tax on Securities Income	62,660	26,094
Banking Insurance Transaction Tax (BITT)	43,949	45,324
Tax on Real Estate	847	762
Value Added Tax Payable	2,246	3,355
Other	22,517	13,660
<b>Total</b>	<b>132,219</b>	<b>304,422</b>

**(ii) Information on premium payables**

	<b>30 September 2024</b>	<b>31 December 2023</b>
Social Security Premiums - Employee	6,825	9,690
Social Security Premiums - Employer	8,216	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	494	750
Unemployment Insurance - Employer	1,234	1,349
Other	3,814	5,422
<b>Total</b>	<b>20,583</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 communique "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

**j. Subordinated debts**

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

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 SEPTEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and Notes on Liabilities (Continued)****k. Information on shareholders' equity**

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

	<b>30 September 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.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 SEPTEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and Notes on Liabilities (Continued)****k. Information on shareholders' equity (Continued)**

## 8. Information on marketable securities valuation reserve

	30 September 2024		31 December 2023	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(558,919)	(41,867)	(242,680)	(117,344)
Foreign Currency Difference	-	-	-	-
<b>Total</b>	<b>(558,919)</b>	<b>(41,867)</b>	<b>(242,680)</b>	<b>(117,344)</b>

## 9. Information on other capital reserves

None.

**l. Information on minority interests**

	30 September 2024	31 December 2023
<b>Balance at the Beginning of the Period</b>	<b>23</b>	<b>19</b>
Current Year Income	6	4
Dividends Paid	-	-
Purchase from Minority Interests	-	-
Other	-	-
<b>Balance at the End of the Period</b>	<b>29</b>	<b>23</b>

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 SEPTEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****III. Explanations and Notes on Off-Balance Sheet Accounts****a. Information on off balance sheet commitments****1. The amount and type of irrevocable commitments**

According to Direct Debiting System, there is TL 904,325 irrevocable loan commitments as of 30 September 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 availed and acceptance loans, collaterals that are accepted as financial guarantees and other letters of credit

	<b>30 September 2024</b>	<b>31 December 2023</b>
Letter of Credits	5,728,302	4,577,760
Bank Acceptance Loans	587,826	321,825
Guarantees and Collaterals	1,296,766	912,083
<b>Total</b>	<b>7,612,894</b>	<b>5,811,668</b>

(ii). Guarantees, sureties and other similar guarantees

	<b>30 September 2024</b>	<b>31 December 2023</b>
Definite Letter of Guarantees	20,706,580	16,109,036
Advance Letter of Guarantees	1,040,920	1,012,882
Temporary Letter of Guarantee	90,013	201,674
Letter of Guarantees Given to Customs	401,364	367,876
<b>Total</b>	<b>22,238,877</b>	<b>17,691,468</b>

**3. Non-cash loans**

(i). Total amount of non-cash loans

	<b>30 September 2024</b>	<b>31 December 2023</b>
Non-Cash Loans against Cash Risks	12,408,812	8,852,350
With Original Maturity of 1 Year or Less	4,080,797	1,611,432
With Original Maturity of More Than 1 Year	8,328,015	7,240,918
Other Non-Cash Loans	23,916,909	17,404,936
<b>Total</b>	<b>36,325,721</b>	<b>26,257,286</b>

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

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

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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".

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

###### a. Information on interest income

###### 1. Information on interest income on loans

	30 September 2024		30 September 2023	
	TL	FC	TL	FC
Short-term Loans	4,606,480	723,586	2,528,417	731,934
Medium/Long-term Loans	1,574,837	173,319	418,309	166,487
Interest on Loans Under Follow-up	86,758	-	66,394	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
<b>Total (*)</b>	<b>6,268,075</b>	<b>896,905</b>	<b>3,013,120</b>	<b>898,421</b>

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

###### 2. Information on interest income on banks

	30 September 2024		30 September 2023	
	TL	FC	TL	FC
From the CBRT (*)	252,228	25,677	2,789	4,623
From Domestic Banks	36,457	31,119	4,766	22,895
From Foreign Banks	11,926	77,495	8,911	69,171
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>300,611</b>	<b>134,291</b>	<b>16,466</b>	<b>96,689</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 September 2024		30 September 2023	
	TL	FC	TL	FC
From Financial Assets At Fair Value Through Other Comprehensive Income	1,061,344	164,442	548,922	124,716
From Financial Assets Measured at Amortised Cost at Fair Value Through Profit or Loss	307,002	314,040	283,511	240,314
From Financial Assets at Fair Value Through Profit or Loss	22,290	1,647	867	1,438
<b>Total</b>	<b>1,390,636</b>	<b>480,129</b>	<b>833,300</b>	<b>366,468</b>

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

None (30 September 2023: None).

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 SEPTEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. Explanations and Notes on Income Statement (Continued)****b. Information on interest expense****1. Information on interest expense on borrowings**

	30 September 2024		30 September 2023	
	TL	FC	TL	FC
Banks	271,655	1,346,613	168,471	1,042,304
CBRT	-	-	535	-
Domestic Banks	269,465	2,424	167,602	- 54,516
Foreign Banks	2,190	1,344,189	334	1,096,820
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	731,682	-	444,210
<b>Total (*)</b>	<b>271,655</b>	<b>2,078,295</b>	<b>168,471</b>	<b>1,486,514</b>

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

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

None (30 September 2023: None).

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

	30 September 2024	30 September 2023
Interest Expense to Marketable Securities Issued	56,137	13,665

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

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

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

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

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

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

30 September 2024	Demand Deposit	Time Deposit						Accummulated 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	-	121,942	-	-	-	-	-	-	121,942
Savings Deposits	-	2,045,492	981,698	587,061	139,537	17,090	-	-	3,770,878
Public Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	-	413,910	369,708	127,140	-	30,899	-	-	941,657
Other Deposits	-	2,447	14,314	2,174	-	2	-	-	18,937
Deposit with 7 days notification	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2,583,791</b>	<b>1,365,720</b>	<b>716,375</b>	<b>139,537</b>	<b>47,991</b>	<b>-</b>	<b>-</b>	<b>4,853,414</b>
<b>Foreign Currency</b>									
Foreign Currency Account	-	25,109	68,993	764	505	921	-	-	96,292
Bank Deposits	-	4,816	-	-	-	-	-	-	4,816
Deposit with 7 days notification	-	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	241	1,697	435	54	66	-	-	2,493
<b>Total</b>	<b>-</b>	<b>30,166</b>	<b>70,690</b>	<b>1,199</b>	<b>559</b>	<b>987</b>	<b>-</b>	<b>-</b>	<b>103,601</b>
<b>Grand Total</b>	<b>-</b>	<b>2,613,957</b>	<b>1,436,410</b>	<b>717,574</b>	<b>140,096</b>	<b>48,978</b>	<b>-</b>	<b>-</b>	<b>4,957,015</b>

30 September 2023	Demand Deposit	Time Deposit						Accummulated 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	-	35,109	-	-	-	-	-	-	35,109
Savings Deposits	-	487,786	895,976	27,618	-	21,736	-	-	1,433,116
Public Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	-	216,526	496,469	88,234	-	90,076	-	-	891,305
Other Deposits	-	11,645	6,097	6	19	3	-	-	17,770
Deposit with 7 days notification	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>751,066</b>	<b>1,398,542</b>	<b>115,858</b>	<b>19</b>	<b>111,815</b>	<b>-</b>	<b>-</b>	<b>2,377,300</b>
<b>Foreign Currency</b>									
Foreign Currency Account	-	10,934	64,167	878	1,216	8,162	-	-	85,357
Bank Deposits	-	13,240	-	-	-	-	-	-	13,240
Deposit with 7 days notification	-	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	87	983	80	8	220	-	-	1,378
<b>Total</b>	<b>-</b>	<b>24,261</b>	<b>65,150</b>	<b>958</b>	<b>1,224</b>	<b>8,382</b>	<b>-</b>	<b>-</b>	<b>99,975</b>
<b>Grand Total</b>	<b>-</b>	<b>775,327</b>	<b>1,463,692</b>	<b>116,816</b>	<b>1,243</b>	<b>120,197</b>	<b>-</b>	<b>-</b>	<b>2,477,275</b>

**5. Given interest amount on repurchase agreement**

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. Informations on leasing expense**

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

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 SEPTEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. Explanations and Notes on Income Statement (Continued)****b. Information on interest expense (Continued)****7. Information on given interest for factoring transaction**

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

**c. Information on dividend income**

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

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

	<b>30 September 2024</b>	<b>30 September 2023</b>
<b>Income</b>	<b>166,400,815</b>	<b>139,382,923</b>
Income from Capital Market Transactions	4,063	181,119
Derivative Financial Transactions	1,880,661	4,427,220
Foreign Exchange Gains	164,516,091	134,774,584
<b>Loss (-)</b>	<b>167,089,854</b>	<b>137,355,017</b>
Loss from Capital Market Transactions	112	980
Derivative Financial Transactions	1,761,332	2,375,071
Foreign Exchange Loss	165,328,410	134,978,966
<b>Net Income/(Loss)</b>	<b>(689,039)</b>	<b>2,027,906</b>

**e. Explanations about other operating income**

For the period ended 30 September 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 140,013 (30 September 2023: TL 97,041).

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

	<b>30 September 2024</b>	<b>30 September 2023</b>
Expected Credit Loss	(703,458)	315,627
12 month expected credit loss (stage 1)	99,703	(74,332)
Significant increase in credit risk (stage 2)	(683,418)	118,311
Non-performinf loans (stage 3)	(119,743)	271,648
Marketable Securities Impairment Expense	3,579	3,566
Financial Assets at Fair Value Through Profit or Loss	3,579	3,566
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	29,827	25,816
<b>Total</b>	<b>(670,052)</b>	<b>345,009</b>

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 SEPTEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. Explanations and Notes on Income Statement (Continued)****g. Information related to personnel expenses and other operating expenses**

	<b>30 September 2024</b>	<b>30 September 2023</b>
Personnel Expenses	790,938	511,896
Reserve For Employee Termination Benefits	4,018	6,396
Unused Vacation	5,755	3,114
Bank Welfare Fund Provision For Asset Deficits	-	-
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	47,877	38,949
Impairment Expenses of Intangible Assets	-	-
Impairment Expense of Goodwill	-	12,000
Amortisation Expenses of Intangible Assets	94,137	51,445
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	478,332	359,101
Operational Lease Expenses	3,722	2,499
Maintenance Expenses	6,428	6,627
Advertising Expenses	15,356	20,030
Other Expenses	452,826	329,945
Loss on Sales of Assets	180,571	4,516
Other (*)	119,938	79,080
<b>Total</b>	<b>1,721,566</b>	<b>1,066,497</b>

(\*) Other operating charges is TL 27,160 except premium of SDIF and tax amounting to TL 92,778 (30 September 2023: Other operating charges is TL 13,378 except premium of SDIF and tax amounting to TL 65,702).

**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 September 2024, the Group has TL 194,290 tax expense (30 September 2023: TL 417,626), and deferred tax income amounting to TL 266,519 (30 September 2023: TL 98,342 deferred tax expense).

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

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

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

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

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

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

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

1) Interest income from ordinary banking transactions is TL 10,233,569 (30 September 2023: TL 5,844,745), interest expense is TL 8,398,821 (30 September 2023: TL 4,442,943).

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 September 2024</b>	<b>30 September 2023</b>
Credit Card Pos Commissions	7,257	48,200
Banking Service Income	-	1,119
Insurance Commissions	100,290	136,559
Credit Early Termination Compensation	2,472	1,310
Account Management Fee Commission	12,662	2,648
Transfer Commissions	412	599
Brokerage Commissions	19,209	14,232
Expertise Commissions	2,042	1,511
Export Letters of Credit Commissions	7,649	32,667
Other	53,905	41,438
<b>Total</b>	<b>205,898</b>	<b>280,283</b>
<b>Fees and Commissions Paid - Other</b>	<b>30 September 2024</b>	<b>30 September 2023</b>
Clearing Commissions	3,397	21,449
Debit Card Fees and Commissions	28,730	47,239
Commissions Granted to Correspondent Banks	7,713	4,917
Fees and Commissions on Foreign Currency Transactions	52	51
Transfer Commissions	2,871	1,978
Commissions for Effective and Future	4,084	4,463
CBRT Interbank Money Market	1,167	876
Other (*)	43,109	470,835
<b>Total</b>	<b>91,123</b>	<b>551,808</b>

(\*) As of 30 September 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 31 December 2023.

	<b>30 September 2024</b>	<b>30 September 2023</b>
Minority Shares (-)	6	3

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 SEPTEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****V. Explanations and Notes on Changes in Shareholders' Equity**

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

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

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

**VII. Explanations and Notes on the Parent Bank's Risk Group****a. The volume of transactions relating to the Group's risk group, outstanding loan and deposit transactions and profit and loss of the period****30 September 2024**

<b>Group's Risk Group</b> <sup>(*)</sup> <sup>(**)</sup>	<b>Associates, subsidiaries and joint ventures</b>		<b>Direct and indirect shareholders of the Parent Bank</b>		<b>Other real and legal persons that have been included in the risk group</b>	
	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-cash</b>
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	-		3,742	771
Balance at the End of the Period	-	-	-		4,420	308
Interest and Commission Income Received	-	-	-		350	1,345
						1,373

(\*) 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**

<b>Group's Risk Group</b> <sup>(*)</sup> <sup>(**)</sup>	<b>Associates, subsidiaries and joint ventures</b>		<b>Direct and indirect shareholders of the Parent Bank</b>		<b>Other real and legal persons that have been included in the risk group</b>	
	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-cash</b>
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	-		292	1,012,705
Balance at the End of the Period	-	-	-		3,742	771
Interest and Commission Income Received <sup>(***)</sup>	-	-	-		512	17,568
						37

(\*) 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 September 2023 balances used for income accounts.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

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

Information on deposits of the Group's risk group

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 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023
<b>Deposit</b>						
Beginning of the Period <sup>(**)</sup>	-	-	-	-	90,557	68,723
End of the Period <sup>(**)</sup>	-	-	-	-	106,605	90,557
<b>Interest Expense on Deposits <sup>(***)</sup></b>					-	4

(\*) 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 September 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 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 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>			<b>11,604</b>	<b>11,303</b>	-	-
<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 September 2023 balances.

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

1. 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.

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

	Total Risk Group	Share in Financial Statements (%)
Deposit	106,605	0.35%
Non-cash Loans	5,777	0.02%
Loans	308	0.00%
<b>Subordinated Loans</b>	<b>2,625,455</b>	<b>27.78%</b>

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

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

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

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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, agentagreements, 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 September 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 Menkul Degerler 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 87,106 as of 30 September 2024 (30 September 2023: TL 66,633).

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

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

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

None.

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2024**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

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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: September 2024</b>	
Foreign Currency	
Long Term	BB-
Short Term	B
Local Currency	
Long Term	BB-
Short Term	B
National Note	AA(tur)
Shareholder Support Note	bb-
Financial Capacity Note	b
Outlook	Stable

<b>Moody's: July 2024</b>	
Foreign Currency	
Long Term	Ba3
Short Term	NP
Local Currency	
Long Term	Ba2
Short Term	NP
National Long Term	Aaa.tr
National Short Term	TR-1
Outlook	Positive

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2024**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

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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 September 2024 have been reviewed by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the independent auditor's review report dated 31 October 2024 has been presented at the beginning of this report.

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

None.

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 SEPTEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***SECTION EIGHT****INTERIM ACTIVITY REPORT****I. Interim Activity Report Consisting Bank Chairman and CEO's Evaluation in Reference to Interim Activities  
Abstract Financial Information about the Term Activity Results**

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

	<b>30 September 2024</b>	<b>31 December 2023</b>	<b>30 September 2023</b>
Loans(net)	40,278,401	34,062,944	33,923,226
Securities	18,429,622	16,521,892	15,495,068
Total Assets	30,725,095	24,920,729	25,771,989
Deposits	80,938,112	68,136,172	68,730,269
Equity	6,999,142	6,060,943	5,831,016
Profit / (Loss) Before Taxes	587,763	2,442,971	1,979,619
Profit / (Loss)	659,992	1,935,514	1,660,335

**Message from the Chairman**

Dear Stakeholders,

During the course of the third quarter of 2024, both the global and Turkish economy went through a period shaped by multiple factors from different domains. While geopolitical risks persisted worldwide, economic growth expectations fell below projections. In the developed countries, central banks' interest rate hikes, aimed at controlling inflation, have put pressure on growth. Additionally, rising energy prices and geopolitical tensions in Europe have negatively affected economic growth. These developments have increased capital costs and tightened liquidity conditions, leading to higher credit risks and, particularly, greater challenges in accessing external financing.

In the Turkish economy, we observed that the Central Bank of the Republic of Turkey continues to keep interest rates high as part of its efforts to combat inflation. High-interest rates have increased borrowing costs, causing a slowdown, especially in private sector investments.

As we always emphasise, Commercial Bank remains fully confident in the robust potential of the Turkish economy and strong foundations of the banking sector, marked by its flexible and dynamic structure.

This year marks the 50th anniversary of Commercial Bank and the 11th year of our journey with our subsidiary, Alternatif Bank. Drawing strength from our shared values and unwavering trust over the past 11 years, we continue to support Alternatif Bank's long-term goals. We wholeheartedly believe that Alternatif Bank will continue its journey in the Turkish banking sector successfully, contributing further to the national economy and regional trade.

Best regards,

Omar Hussain Alfardan  
Chairman of the Board

**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,

In the last quarter, as we observed global developments, we noted a more balanced picture in the U.S. economy despite the challenges in the global economy. While the slowdown continues in the European and Chinese economies, we have seen a decline in inflation, prompting discussions around easing tight monetary policies. In particular, interest rate cuts in Europe and the U.S. have supported this process. Looking ahead, we anticipate that interest rate reductions will continue gradually.

When we examine the Turkish economy, we observe that the Central Bank of the Republic of Turkey (CBRT) has implemented strong economic policies in the third quarter. The current account deficit has decreased, CBRT reserves have increased, and capital inflows have gained momentum. Although the desired levels have not yet been reached in an environment affected by price increases, the downward trend continues. Looking ahead, expectations for interest rate cuts from the CBRT have gradually started to emerge.

In reviewing our consolidated figures for the third quarter of 2024, we observe that our total assets have reached TL 81 billion. During the third quarter, we maintained a high quality of assets while effectively managing our balance sheet. During this period, our bank's support to the national economy through cash (including financial leasing receivables) and non-cash loans amounted to TL 77 billion. Our bank's equity also reached TL 7 billion, while our capital adequacy ratio stood at 24% during this period. With the performance we demonstrated in the third quarter of 2024, Alternatif Bank's consolidated net profit amounted to TL 660 million.

We continue our efforts to provide a seamless customer experience through our digital solutions that simplify banking applications for everyone. We have recently celebrated the first anniversary of our Digital Branch, which we launched last year, integrating digital banking services with a human touch. By gathering customers who connect via video calls under the roof of our Digital Branch, we have begun to differentiate ourselves in the competitive landscape by assigning a specialized 'Portfolio Manager' to each customer without any minimum limit requirement. With this service, we have now reached a working volume of TL 4 billion. When our Digital Branch first launched, its working volume was behind all other branches. However, it has quickly risen to become the leader in the individual banking segment.

In the last quarter, we continued our activities in the area of 'digital transformation' which holds significant importance among the strategic priorities we established at the beginning of the year. Our instant credit application for non-customers, launched in September, has become one of the driving forces behind our growth in consumer loans. The fact that approximately 45% of the total consumer loan balance is composed of risk balances from pre-approved limits further demonstrates that we are making progress in line with the strategy we set at the beginning of the year.

We view Accessible Banking, which has increasingly become synonymous with our Bank in the Turkish banking sector, as both a vital extension of our pursuit of excellence in employee and customer experience—a key strategic objective—and as an integral part of our brand identity. We are committed to ensuring that every project we undertake in this field contributes to financial inclusion. Through our successful initiatives in Accessible Banking and financial inclusion, we were honored to be recognized as 'Turkey's Best Bank in Diversity and Inclusion' at the 2024 Excellence Awards organized by Euromoney, one of the world's leading banking and finance publications. We believe that this prestigious award is a testament to our dedication and pioneering approach in the fields of diversity and financial inclusion, and it holds great significance for us. I am confident that this achievement will serve as a source of motivation for our Bank and empower us in reaching our future goals.

As Alternatif Bank, while progressing steadily toward our long-term growth objectives, we consider our strong capital structure and corporate governance approach—bolstered by the confidence of our shareholder, Commercial Bank—as our greatest strengths. In this journey of success built on these solid foundations, we will continue to work with our dedicated and expert team, driven by our mission to create value for our customers, stakeholders, and our country. I extend my sincere gratitude to our supportive shareholder, our guiding Board of Directors, our valued customers, and all our stakeholders.

Respectfully,

Ozan Kirmizi  
CEO