

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

**Alternatifbank A.Ş.**

Unconsolidated Financial Statements and Notes as of  
and For the Nine-Month Period Ended 30 September  
2024 With Independent Auditor's Review Report



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## **Convenience Translation of the Review Report Originally issued in Turkish to English**

To the Board of Directors of Alternatifbank Anonim Şirketi

### *Introduction*

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

### *Scope of Review*

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

### *Basis for Qualified Conclusion*

The Bank started to account its head office building at revalued amount instead of cost amount under the Turkish Accounting Standards 16 Property, Plant and Equipment as of 31 December 2018. The revaluation surplus in respect of the evaluation performed by valuation companies authorized by the Capital Markets Board ("CMB") and the Banking Regulation and Supervision Agency ("BRSA") is accounted under equity as accumulated revaluation increase/decrease of fixed assets. The Bank management performed the revaluation of this asset based on its revalued amount as of 27 December 2022, and adjusted the carrying amount of this asset in its unconsolidated financial statements as of January 2023. On 26 January 2024 performed the revaluation of this asset By The Bank management and adjusted the amount of this asset in its unconsolidated financial statements as of 30 September 2024. As of 31 December 2023, no revaluation has been performed by Bank management for this asset. If a revaluation had been performed for this asset as of 31 December 2023, property, plant and equipment (net) and other comprehensive income or expenses not to be reclassified to profit or loss within equity would have increased by TL 630,304 thousands and TL 441,213 thousands respectively, while deferred tax asset would have decreased by TL 189,091 thousands in the unconsolidated financial statements in the accompanying unconsolidated financial statements. Additionally, as of the interim period ending on 30 Septemebr 2024, accumulated other comprehensive income or expenses not to be reclassified in profit or loss would have been lower by an amount of TL 441,213.

The purpose and scope of the "General Communiqué of Tax Procedure Law No. 555" of Republic of Türkiye Ministry of Treasury and Finance published in the Official Gazette dated 30 December 2023 and numbered 32414 is to determine the principles and procedures regarding to inflation adjustments to be recognised in accordance with Article 298 of Law No. 213 and provisional Article 33 in 2023 and following accounting periods based on the fulfilment of the conditions for adjustments. The Bank management did not subject the tax-based financial statements to inflation adjustment as of 31 December 2023, but reflected the adjustment in their financial statements as of 30 September 2024. As of 30 September 2024, in the unconsolidated financial statements, deferred tax assets, deferred tax income, and therefore the net profit for the period, would need to be decreased by TL 134,572 thousand, while the retained earnings account would need to be increased by TL 134,572 thousand, and the account for accumulated other comprehensive income or expenses not to be reclassified to profit or loss would need to be decreased by TL 25,979 (as of 31 December 2023: deferred tax assets, deferred tax income, and therefore the net profit for the period would need to be increased by TL 134,572 thousand, while the account for accumulated other comprehensive income or expenses not to be reclassified to profit or loss would need to be increased by TL 25,979).

### *Qualified Conclusion*

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



*Report on Other Regulatory Requirements Arising From Legislation*

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

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

A handwritten signature in blue ink, appearing to read 'Ebru Koçak'.

Ebru Koçak SMMM  
Partner

31 October 2024  
İstanbul, Türkiye

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

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The unconsolidated 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 Banking Regulation and Supervision Agency, comprises the following sections.

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

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

Omer Hussain I H  
Al-Fardan

Chairman of the Board  
of Directors

Ozan Kırmızı

CEO

Hamdi İlkay Girgin

Financial Control and  
Planning Executive  
Vice President

Ahmet Akın

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

Alternatifbank A.Ş. ("the Bank") was established in Istanbul on 6 November 1991 and started banking activities on February 1992. The Bank's ordinary shares started to be traded in Istanbul Stock Exchange on 3 July 1995. The Bank is still a privately owned commercial bank status and provides banking services through 19 (31 December 2023: 24) branches.

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

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

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

Name/Commercial Name	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 UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

### GENERAL INFORMATION ABOUT THE BANK (Continued)

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

<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 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 UNCONSOLIDATED 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 BANK (Continued)****IV. Explanation on the Bank's Qualified Shareholders**

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

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

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

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

As of 30 September 2024, the Bank has 19 branches (31 December 2023: 24 branches) and has 740 employees (31 December 2023: 804 employees).

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

None.

**ALTERNATİFBANK A.Ş.**

**UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**

**AS OF 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>ASSETS</b>							
<b>I. FINANCIAL ASSETS (NET)</b>		<b>6,883,535</b>	<b>17,423,273</b>	<b>24,306,808</b>	<b>6,603,822</b>	<b>14,596,960</b>	<b>21,200,782</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>2,594,525</b>	<b>12,442,393</b>	<b>15,036,918</b>	<b>2,825,843</b>	<b>10,122,905</b>	<b>12,948,748</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	801,753	5,229,981	6,031,734	462	2,899,876	2,900,338
1.1.3 Money Market Placements		-	-	-	150,540	-	150,540
1.1.4 Expected Credit Losses (-)		1,634	-	1,634	1,677	-	1,677
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>		<b>369</b>	<b>29,106</b>	<b>29,475</b>	<b>11,812</b>	<b>28,975</b>	<b>40,787</b>
1.2.1 Government Debt Securities		369	29,106	29,475	11,812	28,975	40,787
1.2.2 Equity Instruments		-	-	-	-	-	-
1.2.3 Other Financial Assets		-	-	-	-	-	-
<b>Financial Assets at Fair Value Through Other Comprehensive Income</b>		<b>I-f</b>	<b>3,946,155</b>	<b>4,236,712</b>	<b>8,182,867</b>	<b>3,450,664</b>	<b>3,523,330</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		13,782	-	13,782	13,782	-	13,782
1.3.3 Other Financial Assets		139,189	-	139,189	153,018	-	153,018
<b>1.4 Derivative Financial Assets</b>		<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	I-c	342,486	715,062	1,057,548	298,041	921,750	1,219,791
Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	17,462	-	17,462
<b>II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)</b>		<b>20,153,141</b>	<b>26,215,601</b>	<b>46,368,742</b>	<b>18,802,953</b>	<b>22,179,558</b>	<b>40,982,511</b>
<b>2.1 Loans</b>	I-g	<b>18,848,570</b>	<b>17,891,699</b>	<b>36,740,269</b>	<b>17,679,607</b>	<b>14,847,755</b>	<b>32,527,362</b>
<b>2.2 Lease Receivables</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
<b>2.5 Expected Credit Losses (-)</b>		<b>509,601</b>	<b>212,194</b>	<b>721,795</b>	<b>578,651</b>	<b>740,964</b>	<b>1,319,615</b>
<b>III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (NET)</b>	I-r	<b>949,929</b>	-	<b>949,929</b>	<b>405,658</b>	-	<b>405,658</b>
3.1 Held for Sale Purpose		949,929	-	949,929	405,658	-	405,658
3.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>IV. EQUITY INVESTMENTS</b>		<b>350,580</b>	-	<b>350,580</b>	<b>340,580</b>	-	<b>340,580</b>
<b>4.1 Investments in Associates (Net)</b>		-	-	-	-	-	-
4.1.1 Accounted Under Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
<b>4.2 Subsidiaries (Net)</b>	I-j	<b>350,580</b>	-	<b>350,580</b>	<b>340,580</b>	-	<b>340,580</b>
4.2.1 Unconsolidated Financial Subsidiaries		350,580	-	350,580	340,580	-	340,580
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>1,704,862</b>	-	<b>1,704,862</b>	<b>1,070,062</b>	-	<b>1,070,062</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>	I-o	<b>334,790</b>	-	<b>334,790</b>	<b>211,935</b>	-	<b>211,935</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		334,790	-	334,790	211,935	-	211,935
<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>800,763</b>	-	<b>800,763</b>	<b>427,288</b>	-	<b>427,288</b>
<b>X. OTHER ASSETS</b>	I-s	<b>1,184,296</b>	<b>145,427</b>	<b>1,329,723</b>	<b>338,601</b>	<b>49,350</b>	<b>387,951</b>
<b>TOTAL ASSETS</b>		<b>32,456,386</b>	<b>43,784,301</b>	<b>76,240,687</b>	<b>28,200,899</b>	<b>36,825,868</b>	<b>65,026,767</b>

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

**ALTERNATİFBANK A.Ş.**
**UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**
**AS OF 30 SEPTEMBER 2024**
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

I.	BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)	Note	Reviewed Current Period			Audited Prior Period		
			30 September 2024			31 December 2023		
	LIABILITIES	(Section Five)	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	II-a	18,992,718	11,796,460	30,789,178	16,690,111	8,357,423	25,047,534
II.	FUNDS BORROWED	II-c	30,879	13,566,601	13,597,480	48,383	17,815,215	17,863,598
III.	MONEY MARKET BALANCES		2,506,306	10,316,935	12,823,241	263	5,210,765	5,211,028
IV.	MARKETABLE SECURITIES ISSUED (Net)							
4.1	Bills		-	-	-	-	-	-
4.2	Assets Backed Securities		-	-	-	-	-	-
4.3	Bonds		-	-	-	-	-	-
V.	FUNDS		-	-	-	-	-	-
5.1	Borrower Funds		-	-	-	-	-	-
5.2	Other		-	-	-	-	-	-
<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>								
VII.	DERIVATIVE FINANCIAL LIABILITIES		91,136	728,839	819,975	181,628	511,810	693,438
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	-	-	-	-	-	-
VIII.	FACTORING LIABILITIES		-	-	-	-	-	-
IX.	LEASE LIABILITIES (Net)	II-e	12,355	-	12,355	16,067	-	16,067
X.	PROVISIONS	II-g	239,675	37,964	277,639	250,975	40,119	291,094
10.1	Restructuring Provisions		-	-	-	-	-	-
10.2	Reverse for Employee Benefits		50,413	-	50,413	31,880	-	31,880
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		189,262	37,964	227,226	219,095	40,119	259,214
XI.	CURRENT TAX LIABILITY	II-h	143,038	-	143,038	323,691	-	323,691
XII.	DEFERRED TAX LIABILITY		-	-	-	-	-	-
<b>LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>								
XIII.		II-i	-	-	-	-	-	-
13.1	Held for Sale Purpose		-	-	-	-	-	-
13.2	Related to Discontinued Operations		-	-	-	-	-	-
XIV.	SUBORDINATED DEBT INSTRUMENTS	II-j	-	9,451,594	9,451,594	-	8,252,097	8,252,097
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
XV.	OTHER LIABILITIES	II-d	972,335	647,068	1,619,403	869,281	595,891	1,465,172
XVI.	SHAREHOLDERS' EQUITY	II-k	6,748,651	(41,867)	6,706,784	5,980,392	(117,344)	5,863,048
16.1	Paid-in capital		2,213,740	-	2,213,740	2,213,740	-	2,213,740
16.2	Capital Reserves		54	-	54	54	-	54
16.2.1	Share Premium		54	-	54	54	-	54
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		-	-	-	-	-	-
16.3	Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		1,305,116	-	1,305,116	707,228	-	707,228
16.4	Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		(554,022)	(41,867)	(595,889)	(231,101)	(117,344)	(348,445)
16.5	Profit Reserves		3,170,554	-	3,170,554	1,404,660	-	1,404,660
16.5.1	Legal Reserves		204,704	-	204,704	110,433	-	110,433
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		2,965,850	-	2,965,850	1,294,227	-	1,294,227
16.5.4	Other Profit Reserves		-	-	-	-	-	-
16.6	Profit Or Loss		613,209	-	613,209	1,885,811	-	1,885,811
16.6.1	Prior Years' Profit/Loss		380	-	380	380	-	380
16.6.2	Current Year Profit/Loss		612,829	-	612,829	1,885,431	-	1,885,431
<b>TOTAL LIABILITIES AND EQUITY</b>			<b>29,737,093</b>	<b>46,503,594</b>	<b>76,240,687</b>	<b>24,360,791</b>	<b>40,665,976</b>	<b>65,026,767</b>

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

**ALTERNATİFBANK A.Ş.**  
**UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS**  
**AS OF 30 SEPTEMBER 2024**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

II.	OFF-BALANCE SHEET ITEMS	(Section Five)	Reviewed Current Period 30 September 2024			Audited Prior Period 31 December 2023		
			TL	FC	Total	TL	FC	Total
<b>A.</b>	<b>OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>37,778,028</b>	<b>87,490,835</b>	<b>125,268,863</b>	<b>38,913,757</b>	<b>70,020,771</b>	<b>108,934,528</b>
<b>I.</b>	<b>GUARANTEES AND WARRANTIES</b>	<b>III-a-3,i</b>	<b>21,165,790</b>	<b>14,983,245</b>	<b>36,149,035</b>	<b>12,416,325</b>	<b>13,573,554</b>	<b>25,989,879</b>
1.1	Letters of Guarantee	III-a-2,ii	14,135,990	7,943,405	22,079,395	9,662,175	7,773,767	17,435,942
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		14,114,818	7,926,621	22,041,439	9,606,409	7,759,624	17,366,033
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	5,155,248	5,711,098		4,565,879	4,565,879
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							
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 Warranties		6,473,950		6,473,950	2,754,150		2,754,150
<b>II.</b>	<b>COMMITMENTS</b>		<b>1,972,837</b>	<b>2,856,842</b>	<b>4,829,679</b>	<b>2,119,833</b>	<b>2,082,830</b>	<b>4,202,663</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							
2.2.1	Revocable Commitments for Loan Limits							
2.2.2	Other Revocable Commitments							
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>III-b</b>	<b>14,639,401</b>	<b>69,650,748</b>	<b>84,290,149</b>	<b>24,377,599</b>	<b>54,364,387</b>	<b>78,741,986</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	69,650,748	84,290,149	23,577,599	54,364,387	77,941,986
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	31,392,133	36,461,144	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	7,835,292	8,435,292	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
3.2.2.5	Foreign Currency, Interest Rate and Securities Options		8,514,072	26,706,890	35,220,962	2,104,246	5,274,005	7,378,251
3.2.2.6	Foreign Currency Options-Buy		4,123,458	13,432,089	17,555,547	984,392	2,713,176	3,697,568
3.2.2.7	Foreign Currency Options-Sell		4,390,614	13,274,801	17,665,415	1,119,854	2,560,829	3,680,683
3.2.2.8	Interest Rate Options-Buy							
3.2.2.9	Interest Rate Options-Sell							
3.2.2.10	Securities Options-Buy							
3.2.2.11	Securities Options-Sell							
3.2.2.12	Foreign Currency Futures							
3.2.2.13	Foreign Currency Futures-Buy							
3.2.2.14	Foreign Currency Futures-Sell							
3.2.2.15	Interest Rate Futures							
3.2.2.16	Interest Rate Futures-Buy							
3.2.2.17	Interest Rate Futures-Sell							
3.2.2.18	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>115,060,823</b>	<b>208,287,629</b>	<b>323,348,452</b>	<b>102,901,925</b>	<b>178,132,624</b>	<b>281,034,549</b>
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>		<b>4,623,259</b>	<b>13,367,700</b>	<b>17,990,959</b>	<b>3,657,899</b>	<b>6,289,724</b>	<b>9,947,623</b>
4.1	Customer Fund and Portfolio Balances		2,706,920		2,706,920	1,395,695		1,395,695
4.2	Investment Securities Held in Custody			12,066,262	12,066,262	60	4,504,028	4,504,088
4.3	Cheques Received for Collection		1,097,094	20,163	1,117,257	1,451,138	9,969	1,461,107
4.4	Commercial Notes Received for Collection		71,414		71,414	56,365	66,908	123,273
4.5	Other Assets Received for Collection							
4.6	Assets Received for Public Offering							
4.7	Other Items Under Custody		747,831	1,281,275	2,029,106	754,641	1,708,819	2,463,460
4.8	Custodians							
<b>V.</b>	<b>PLEDGES RECEIVED</b>		<b>110,391,311</b>	<b>194,383,827</b>	<b>304,775,138</b>	<b>99,203,562</b>	<b>171,278,246</b>	<b>270,481,808</b>
5.1	Marketable Securities		1,177,772		1,177,772	1,555,363		1,555,363
5.2	Guarantee Notes		62,116,640	69,974,683	132,091,323	52,345,332	61,168,783	113,514,115
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>152,838,851</b>	<b>295,778,464</b>	<b>448,617,315</b>	<b>141,815,682</b>	<b>248,153,395</b>	<b>389,969,077</b>

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

**ALTERNATİFBANK A.Ş.**  
**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE INTERIM PERIOD 1 JANUARY - 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>9,589,431</b>	<b>3,259,263</b>	<b>5,464,253</b>	<b>2,240,555</b>
1.1 Interest on Loans		7,276,785	2,463,735	4,024,413	1,594,509
1.2 Interest Received from Reserve Deposits		215,492	134,678	4,623	3,382
1.3 Interest Received from Banks		189,875	102,129	103,470	53,386
1.4 Interest Received from Money Market Placements		37,026	7,926	68,928	34,134
1.5 Interest Received from Marketable Securities Portfolio		1,849,741	547,177	1,199,046	528,367
1.5.1 Fair Value through Profit or Loss		2,913	407	1,583	437
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 Interest Income		-	-	-	-
1.7 Other Interest Income		20,512	3,618	63,773	26,777
<b>II. INTEREST EXPENSES (-)</b>	IV-b	<b>7,875,009</b>	<b>2,997,432</b>	<b>4,185,897</b>	<b>1,694,098</b>
2.1 Interest on Deposits		4,960,094	1,952,656	2,486,295	975,598
2.2 Interest on Funds Borrowed		1,923,707	600,596	1,400,039	560,695
2.3 Interest on Money Market Borrowings		880,496	426,932	241,006	119,651
2.4 Interest on Securities Issued		-	-	13,302	1,870
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>1,714,422</b>	<b>261,831</b>	<b>1,278,356</b>	<b>546,457</b>
<b>IV. NET FEES AND COMMISSIONS INCOME / EXPENSES</b>		<b>340,144</b>	<b>131,381</b>	<b>(82,767)</b>	<b>12,523</b>
4.1 Fees and Commissions Received		407,208	156,185	392,721	151,258
4.1.1 Non-cash Loans		240,243	90,825	136,442	52,876
4.1.2 Other	IV-1	166,965	65,360	256,279	98,382
4.2 Fees and Commissions Paid (-)		67,064	24,804	475,488	138,735
4.2.1 Non-cash Loans		142	55	124	77
4.2.2 Other	IV-1	66,922	24,749	475,364	138,658
<b>V. DIVIDEND INCOME</b>	IV-c	<b>30,052</b>	-	-	-
<b>VI. NET TRADING INCOME</b>	IV-d	<b>(724,130)</b>	<b>(269,458)</b>	<b>1,977,390</b>	<b>562,731</b>
6.1 Securities Trading Gains / (Losses)		3,444	1,210	166,426	106,566
6.2 Derivative Financial Instruments Gains / Losses		141,061	(74,309)	2,079,447	574,767
6.3 Foreign Exchange Gains / Losses		(868,635)	(196,359)	(268,483)	(118,602)
<b>VII. OTHER OPERATING INCOME</b>	IV-e	<b>128,155</b>	<b>29,050</b>	<b>91,253</b>	<b>21,777</b>
<b>VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>1,488,643</b>	<b>152,804</b>	<b>3,264,232</b>	<b>1,143,488</b>
<b>IX. EXPECTED CREDIT LOSSES (-)</b>	IV-f	<b>(673,617)</b>	<b>(333,182)</b>	<b>308,656</b>	<b>12,321</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>734,462</b>	<b>251,303</b>	<b>480,559</b>	<b>192,646</b>
<b>XII. OTHER OPERATING EXPENSES (-)</b>	IV-g	<b>872,529</b>	<b>428,425</b>	<b>507,041</b>	<b>168,303</b>
<b>XIII. NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)</b>		<b>521,863</b>	<b>(198,805)</b>	<b>1,938,594</b>	<b>763,370</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</b>					
<b>(XIII+...+XVI)</b>	IV-h	<b>521,863</b>	<b>(198,805)</b>	<b>1,938,594</b>	<b>763,370</b>
<b>XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	IV-i	<b>90,966</b>	<b>101,968</b>	<b>(319,293)</b>	<b>(254,811)</b>
18.1 Provision for Current Income Taxes		(194,290)	(32,198)	(413,831)	(350,028)
18.2 Deferred Tax Expense Effect (+)		-	-	-	679
18.3 Deferred Tax Income Effect (-)		285,256	134,166	94,538	94,538
<b>XIX. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS</b>					
<b>(XVII±XVIII)</b>	IV-j	<b>612,829</b>	<b>(96,837)</b>	<b>1,619,301</b>	<b>508,559</b>
<b>XX. 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 Income on Other Discontinued Operations		-	-	-	-
<b>XXI. 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 Loss from Other Discontinued Operations		-	-	-	-
<b>XXII. 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>XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS</b>					
<b>(XXII±XXIII)</b>					
<b>XXV. NET PROFIT/LOSS (XIX+XXIV)</b>	IV-k	<b>612,829</b>	<b>(96,837)</b>	<b>1,619,301</b>	<b>508,559</b>
Earning / (loss) per share (Full TL)		0.2768	(0.0437)	0.7315	0.2297

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

**ALTERNATİFBANK A.Ş.****UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE INTERIM PERIOD 1 JANUARY - 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>612,829</b>	<b>1,619,301</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>350,444</b>	<b>121,277</b>
<b>2.1 Not Reclassified Through Profit or Loss</b>	<b>597,888</b>	<b>317,802</b>
2.1.1 Property and Equipment Revaluation Increase / Decrease	635,655	212,449
2.1.2 Intangible Assets Revaluation Increase / Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurement Gain / Loss	(18,406)	(30,609)
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	(19,361)	135,962
<b>2.2 Reclassified Through Profit or Loss</b>	<b>(247,444)</b>	<b>(196,525)</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	(339,819)	(382,563)
2.2.3 Cash Flow Hedge Income / Loss	(15,205)	101,924
2.2.4 Income (Loss) Related with Hedges of Net Investments in Foreign Operations	-	-
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Losses	-	-
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	107,580	84,114
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>963,273</b>	<b>1,740,578</b>

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

**ALTERNATİFBANK A.Ş.**

**UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2023**

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

	Reviewed	Prior Period 1 January – 30 September 2023	Notes (Section Five)	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss					Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss					Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Shareholders Equity
				Paid-in Capital	Share Premiums	Share Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves		
I.	Prior Period End Balance	2,213,740	54	-	-	291,569	(13,256)	-	-	-	59,052	(58,610)	493,371	(115,303)	1,026,972	3,897,589
	Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I+II)	2,213,740	54	-	-	291,569	(13,256)	-	-	59,052	(58,610)	493,371	(115,303)	1,026,972	3,897,589	
IV.	Total Comprehensive Income	-	-	-	-	339,228	(21,426)	-	-	(271,779)	75,254	-	-	-	1,619,301	1,740,578
V.	Capital Increase by Cash	II-k	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase by Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Effect of Inflation on Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds to Share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	911,291	115,681	(1,026,972)	-	-
11.1	Dividends Distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	911,291	115,681	(1,026,972)	-	-
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Period-End Balance (III+...+ X+XI)</b>	<b>2,213,740</b>	<b>54</b>	<b>-</b>	<b>-</b>	<b>630,797</b>	<b>(34,682)</b>	<b>-</b>	<b>-</b>	<b>(212,727)</b>	<b>16,644</b>	<b>1,404,662</b>	<b>378</b>	<b>1,619,301</b>	<b>5,638,167</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 an integral part of these financial statements.

**ALTERNATİFBANK A.Ş.**

**UNCONSOLIDATED 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).

	Note (Section Five)					Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss		Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss		Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Shareholders Equity		
		Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5					
<b>I.</b>	<b>Prior Period End Balance</b>	<b>2,213,740</b>	<b>54</b>	<b>-</b>	<b>-</b>	<b>744,269</b>	<b>(37,041)</b>	<b>-</b>	<b>-</b>	<b>(359,089)</b>	<b>10,644</b>	<b>1,404,660</b>	<b>380</b>	<b>1,885,431</b>	<b>5,863,048</b>
<b>II.</b>	<b>Corrections and Accounting Policy Changes Made According to TAS 8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
2.1	Effects of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	
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>744,269</b>	<b>(37,041)</b>	<b>-</b>	<b>-</b>	<b>(359,089)</b>	<b>10,644</b>	<b>1,404,660</b>	<b>380</b>	<b>1,885,431</b>	<b>5,863,048</b>
<b>IV.</b>	<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>610,772</b>	<b>(12,884)</b>	<b>-</b>	<b>-</b>	<b>(236,800)</b>	<b>(10,644)</b>	<b>-</b>	<b>-</b>	<b>612,829</b>	<b>963,273</b>
<b>V.</b>	<b>Capital Increase by Cash</b>	<b>II-k</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>VI.</b>	<b>Capital Increase by Internal Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>VII.</b>	<b>Effect of Inflation on Paid-in Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>VIII.</b>	<b>Convertible Bonds to Share</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>IX.</b>	<b>Subordinated Debt Instruments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>X.</b>	<b>Increase/Decrease by Other Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>XI.</b>	<b>Profit Distribution</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,765,894</b>	<b>-</b>	<b>(1,885,431)</b>	<b>(119,537)</b>	
11.1	Dividends Distributed	-	-	-	-	-	-	-	-	-	-	-	-	(119,537)	
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	1,765,894	-	(1,765,894)	-	
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Period-End Balance (III+...+ X+XI)</b>	<b>2,213,740</b>	<b>54</b>	<b>-</b>	<b>-</b>	<b>1,355,041</b>	<b>(49,925)</b>	<b>-</b>	<b>-</b>	<b>(595,889)</b>	<b>-</b>	<b>3,170,554</b>	<b>380</b>	<b>612,829</b>	<b>6,706,784</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 an integral part of these financial statements.

**ALTERNATİFBANK A.Ş.**  
**UNCONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2024**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)*

**VI. STATEMENT OF CASH FLOWS**

	Note (Section Five)	Reviewed Current Period 1 January - 30 September 2024	Reviewed Prior Period 1 January - 30 September 2023
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
1.1 Operating Profit/ (Loss) Before Changes in Operating Assets and Liabilities		(1,879,255)	(4,545,132)
1.1.1 Interest Received		8,797,590	5,002,963
1.1.2 Interest Paid		(8,179,583)	(3,642,320)
1.1.3 Dividend Received		30,052	-
1.1.4 Fees and Commissions Received		515,458	400,086
1.1.5 Other Income		1,149,188	2,888,227
1.1.6 Collections from Previously Written-off Loans and Other Receivables		528,321	303,308
1.1.7 Payments to Personnel and Service Suppliers		(805,724)	(557,189)
1.1.8 Taxes Paid		(701,910)	(119,332)
1.1.9 Other		(3,212,647)	(8,820,875)
1.2 Changes in Operating Assets and Liabilities		988,642	6,072,244
1.2.1 Net (increase)/decrease in Financial Assets at Fair Value Through Profit or Loss		10,843	4,929
1.2.2 Net (increase)/decrease in Due from Banks and Other Financial Institutions		(736,122)	49,656
1.2.3 Net (increase)/decrease in Loans		(3,740,325)	3,885,084
1.2.4 Net (increase)/decrease in Other Assets		(1,820,147)	213,100
1.2.5 Net increase/(decrease) in Bank Deposits		(38,976)	347,305
1.2.6 Net increase/(decrease) in Other Deposits		5,657,561	(3,656,025)
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		(5,079,486)	3,812,703
1.2.9 Net increase/(decrease) in Payables		-	-
1.2.10 Net increase/(decrease) in Other Liabilities		6,735,294	1,415,492
<b>I. Net Cash Provided from Banking Operations</b>		<b>(890,613)</b>	<b>1,527,112</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net Cash Provided from Investing Activities</b>		<b>563,498</b>	<b>414,642</b>
2.1 Cash Paid for Acquisition of Investments, Associates and Subsidiaries		(10,000)	(15,000)
2.2 Cash Obtained from Disposal of Investments, Associates and Subsidiaries		-	-
2.3 Purchases of Property and Equipment		(277,541)	137,233
2.4 Disposals of Property and Equipment		78,892	71,139
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		6,449	1,349,038
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>35,343</b>	<b>(568,609)</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued		64,023	(12,881)
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		-	(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>1,643,776</b>	<b>3,348,716</b>
<b>V. Net Increase/ (Decrease) in Cash and Cash Equivalents (I+II+III+IV)</b>		<b>1,352,004</b>	<b>4,721,861</b>
<b>VI. Cash and Cash Equivalents at Beginning of the Period</b>		<b>9,614,631</b>	<b>6,176,601</b>
<b>VII. Cash and Cash Equivalents at End of the Period</b>		<b>10,966,635</b>	<b>10,898,462</b>

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

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 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 Banking Act No. 5411, the Bank prepares its financial statements and underlying documents in accordance with the "Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks" and other regulations, explanations and circulars on accounting and financial reporting principles announced by the Banking Regulation and Supervision Agency ("BRSA") and Turkish Accounting Standards ("TAS") published by Public Oversight Accounting and Auditing Standards Authority ("POA") except for BRSA regulations. TAS consists of Turkish Accounting Standards, Turkish Financial Reporting Standards and related appendices and interpretations.

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

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

In the announcement dated 23 November 2023 made by the POA, it was stated that the financial statements of companies applying TFRS for the annual reporting period ending on or after 31 December 2023 must be presented adjusted for the inflation effect within the scope of Financial Reporting in High Inflation Economies ("TAS 29"), however authorities or organizations authorized to regulate and supervise their fields are given the freedom to determine different transition dates for the implementation of inflation accounting. In this context, BRSA, with its decision dated 12 December 2023 and numbered 10744, decided that the financial statements of banks, financial leasing, factoring, financing, savings financing and asset management companies will not be subject to the inflation adjustment required within the scope of TMS 29 until 1 January 2025. In this context, inflation adjustment required within the scope of TMS 29 is not implemented while preparing the financial statements as of 30 September 2024.

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 unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

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

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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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. Explanations on Associates, Subsidiaries and Joint Ventures

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

The Bank has not any recognize as foreign currency association and subsidiaries as of 30 September 2024 and 31 December 2023.

The Bank has not any joint ventures as of 30 September 2024 and 31 December 2023.

### IV. Interest Income and Expense

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

### V. Fee and Commission Income and Expense

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

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

### VI. Financial Assets

The Bank categorizes its financial assets as "Fair Value through Profit/Loss", "Fair Value Through Other Comprehensive Income" or "Measured at Amortized Cost". Such financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 Issued for classification and measurement of the financial instruments published in the Official Gazette No. 29953 dated 19 January 2017 by the Public Oversight Accounting and Auditing Standards Authority. Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than "Financial Assets at Fair Value through Profit or Loss", transaction costs are added to fair value or deducted from fair value.

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

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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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#### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

##### VI. Financial Assets (Continued)

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

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

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

Valuation of such assets is based on its fair value. "Unrealized gains and losses" arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income reflected and impairment of the asset and they are accounted under the "Accumulated other comprehensive income or expense to be reclassified through profit or loss" under shareholders' equity. In case of sales, the realized gain/losses are recognized directly in the income statement. During initial recognition an entity may irrevocably elect to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in the other comprehensive income.

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

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

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

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

###### d. Derivative Financial Assets

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

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

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

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

Changes in fair values of derivative transactions determined as hedge for fair value are recorded in profit or loss together with changes in hedging asset or liability.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

## EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

### VI. Financial Assets (Continued)

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

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

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

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

#### e. Loans

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

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

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

### VII. Impairment of Financial Assets

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

As of 1 January 2018, the Bank recognizes provisions for impairment in accordance with TFRS 9 requirements according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 June 2016 numbered 29750. In this framework, as of 31 December 2017, method of provisions for impairment as set out in accordance with the related legislation of BRSA is changed by applying the expected credit loss model under TFRS 9.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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)

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

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

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

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

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

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

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

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

#### ➤ Definition of Default:

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

#### ➤ Considered as a significant increase in credit risk:

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

# ALTERNATİFBANK A.Ş.

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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 Bank has a legally enforceable right to offset the recognized amounts and to collect/pay related financial assets and liabilities on a net basis, or there is an intent on to realize the asset and settle the liability simultaneously. Otherwise, any related financial assets and liabilities are not offset.

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

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

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

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

### **X. Assets Held for Sale and Discontinued Operations**

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

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

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

As of 30 September 2024 and 31 December 2023 The Bank has no discontinued operations.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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)

### XI. Goodwill and Other Intangible Assets

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

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

### XII. Property and Equipment

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

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

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

If properties and equipments' value, adjusted for inflation (until 31 December 2004) is higher than the current value, exceeding amount is being allocated for impairment and determined amounts are reflected in the financial statements. Gain or loss resulting from disposals of the property and equipment is reflected to the income statement as the difference between the net proceeds and net book value. Expenditures for the repair and renewal of property and equipment are recognised as expense. There are no pledges, mortgages or other restrictions on the properties and equipments.

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

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

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

### XIII. Leasing Transactions

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

#### **Right of use assets:**

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

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

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

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

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

#### **The lease obligations:**

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

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

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

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

As of 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 UNCONSOLIDATED 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 Commitments and Contingent Assets**

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

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

##### **XV. Obligations Related to Employee Rights**

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

##### **XVI. Taxation**

###### **a. Corporate tax**

Article 32 of the Corporate Tax Law No. 5520, which regulates the corporate tax rate is amended with "Law on the Amendment of Additional Motor Vehicles Tax for Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amendments to Some Laws and the Decree Law No. 375", which includes the regulation on increase in corporate tax rate from 20% to 25% for the institutions other than banks and financial institutions and from 25% to 30% for banks and financial institutions, entered into force after being published in the Official Gazette dated 15 July 2023 and numbered 32249. This rate implemented tax base by adding non-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.

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.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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)

### XVI. Taxation (Continued)

#### a. Corporate tax (Continued)

The corporate tax effects related to transactions accounted for directly in equity are also shown in equity. The corporate tax effects related to transactions accounted for directly in equity are also shown in equity. As of 31 December 2023, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298 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 Bank calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12") and the related decrees of the BRSA concerning income taxes. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

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

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

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

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

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

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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)****c. Transfer pricing**

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

**XVII. Additional Explanations on Borrowings**

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

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

At capital increases, the Bank accounts the difference between the issued value and nominal value as “share issue premium under shareholders” in equity, in the case where the issued value is higher than the nominal value. There is no decision of Bank for dividend distribution after the balance sheet date.

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

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

**XX. Explanations on Government Incentives**

As of 30 September 2024 and 31 December 2023, the Bank does not have any government incentives.

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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)****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 Bank has decided to allocate 5% of the legal reserve over the net distributable profit, TL 119,537 will be paid in cash as dividend to the shareholders after BRSA approval and transfer the remaining amount to the extraordinary reserves within the framework of the Articles of Association and the Turkish Commercial Code.

**XXII. Earnings Per Share**

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

	<b>30 September 2024</b>	<b>30 September 2023</b>
Profit/(Loss) Attributable to Shareholders	612,829	1,619,301
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>0.2768</b>	<b>0.7315</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 the cash flow statement, "Cash" includes cash, effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and "Cash equivalents" include interbank money market placements and time deposits at banks with original maturity periods of less than three months.

**XXV. Amendments Accounting Policies of the Current Period**

None.

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

None.

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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)****XXVII. Explanations on Other Matters**

None.

**XXVIII. Operating Segments**

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

- a) The Bank provides basic banking services in corporate/commercial banking and treasury.
- b) Corporate banking services consists of automatic money transfers, current accounts, deposits, open loan transactions as well as option and other derivative instruments that are used for banking operations.
- c) Investment banking services consists of trading of financial instruments and fund management.
- d) Other operations consist of subsidiaries and joint ventures, tangible assets, intangible assets, deferred tax asset and equity amounts and other income/loss accounts associated with these accounts.
- e) The Bank's software requirements, possible software updates and additional software requirements to compete with other firms are provided by the Bank.
- f) According to the table provided, share of each Bank's operating segment in the Balance sheet is as follows; corporate/retail banking 47%, investment banking 46% and other 7%.

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE UNCONSOLIDATED 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 based on operating segments**

<b>30 September 2024</b>	<b>Corporate / Retail Banking</b>	<b>Investment Banking</b>	<b>Other</b>	<b>Total Operations of the Bank</b>
Net Interest Income/ (Expense)	1,704,487	9,935	-	1,714,422
Net Fees and Commissions Income and Other Operating Income	405,301	62,998	-	468,299
Trading Profit/Loss	(895,391)	171,261	-	(724,130)
Dividend Income		30,052	-	30,052
Impairment Provision for Loans and Other Receivables (-) <sup>(*)</sup>	677,196	(3,579)	(33,406)	640,211
Other Operating Expenses (-)	(1,483,765)	(123,226)	-	(1,606,991)
Profit Before Taxes	407,828	147,441	(33,406)	521,863
Tax Provision				90,966
<b>Net Profit for the Period</b>				<b>612,829</b>
<b>30 September 2024</b>				
Segment Assets	36,013,794	34,581,393	5,294,920	75,890,107
Investments in Associates and Subsidiaries	-	-	350,580	350,580
<b>Total Assets</b>	<b>36,013,794</b>	<b>34,581,393</b>	<b>5,645,500</b>	<b>76,240,687</b>
Segment Liabilities	30,789,178	27,240,696	11,504,029	69,533,903
Shareholders' Equity	-	-	6,706,784	6,706,784
<b>Total Liabilities</b>	<b>30,789,178</b>	<b>27,240,696</b>	<b>18,210,813</b>	<b>76,240,687</b>

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

<b>30 September 2023</b>	<b>Corporate / Retail Banking</b>	<b>Investment Banking</b>	<b>Other</b>	<b>Total Operations of the Bank</b>
Net Interest Income	164,433	1,113,923	-	1,278,356
Net Fees and Commissions Income and Other Operating Income	(15,411)	23,897	-	8,486
Trading Profit/Loss	2,263,785	(286,395)	-	1,977,390
Dividend Income	-	-	-	-
Impairment Provision for Loans and Other Receivables (-) <sup>(*)</sup>	(305,090)	(3,566)	(29,382)	(338,038)
Other Operating Expenses (-)	(915,760)	(71,840)	-	(987,600)
Profit Before Taxes	1,191,957	776,019	(29,382)	1,938,594
Tax Provision				(319,293)
<b>Net Profit for the Period</b>				<b>1,619,301</b>
<b>31 December 2023</b>				
Segment Assets	31,205,258	30,786,662	2,694,267	64,686,187
Investments in Associates and Subsidiaries	-	-	340,580	340,580
<b>Total Assets</b>	<b>31,205,258</b>	<b>30,786,662</b>	<b>3,034,847</b>	<b>65,026,767</b>
Segment Liabilities	25,047,536	23,768,064	10,348,119	59,163,719
Shareholders' Equity	-	-	5,863,048	5,863,048
<b>Total Liabilities</b>	<b>25,047,536</b>	<b>23,768,064</b>	<b>16,211,167</b>	<b>65,026,767</b>

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

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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 BANK****I. Explanations on Shareholders' Equity**

The standard rate of the capital adequacy of the 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 Shareholder's 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 Bank	2,213,740	2,213,740
Share issue premiums	54	54
Reserves	3,170,554	1,404,660
Gains recognized in equity as per TAS	1,653,540	744,647
Profit	613,209	1,885,811
Current Period Profit	612,829	1,885,431
Prior Period Profit	380	380
Minority shares		
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>7,651,097</b>	<b>6,248,912</b>
<b>Deductions from Common Equity Tier 1 Capital</b>		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	49,926	177,906
Improvement costs for operating leasing (-)	31,137	24,549
Goodwill (net of related tax liability)		
Other intangibles other than mortgage servicing rights (net of related tax liability)	334,790	211,935
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)		
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk		
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision		
Gains arising from securitization transactions		
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities		
Defined-benefit pension fund net assets		
Direct and indirect investments of the Bank in its own Common Equity		
Shares obtained contrary to the 4th clause of the 56th Article of the Law		
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank		
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank		
Portion of mortgage servicing rights exceeding 10% of the Common Equity		

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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 BANK (Continued)

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

##### a. Information on Shareholder's Equity (Continued)

Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity		
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks		
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital		
Excess amount arising from mortgage servicing rights		
Excess amount arising from deferred tax assets based on temporary differences		
Other items to be defined by the BRSA		
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital		
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>415,853</b>	<b>414,390</b>
<b>Total Common Equity Tier 1 Capital</b>	<b>7,235,244</b>	<b>5,834,522</b>
<b>ADDITIONAL TIER I CAPITAL</b>		
Preferred Stock not Included in Common Equity and the Related Share Premiums		
Debt instruments and premiums approved by BRSA	9,383,275	8,095,505
Debt instruments and premiums approved by BRSA(Temporary Article 4)		
<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 Bank in its own Additional Tier I Capital		
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.		
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital		
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital		
Other items to be defined by the BRSA (-)		
<b>Transition from the Core Capital to Continue to deduce Components</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)		
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)		
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)		
<b>Total Deductions From Additional Tier I Capital</b>		
<b>Total Additional Tier I Capital</b>	<b>9,383,275</b>	<b>8,095,505</b>
<b>Total Tier I Capital (Tier I Capital=Common Equity Tier 1 Capital+Additional Tier I Capital)</b>	<b>16,618,519</b>	<b>13,930,027</b>
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA		
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)		
Provisions (Article 8 of the Regulation on the Equity of Banks) (*)	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 Bank on its own Tier II Capital (-)		
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions		
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)		
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank		
Other items to be defined by the BRSA (-)		
<b>Total Deductions from Tier II Capital</b>		
<b>Total Tier II Capital</b>	<b>367,714</b>	<b>537,088</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>16,986,233</b>	<b>14,467,115</b>
<b>Total Tier I Capital and Tier II Capital (Total Equity)</b>	<b>16,986,233</b>	<b>14,467,115</b>

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE UNCONSOLIDATED 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 BANK (Continued)**

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

**a. Information on Shareholder's Equity (Continued)**

Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	5,566	3,334
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Three Years	-	-
Other items to be defined by the BRSA	-	-
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</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 bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
<b>TOTAL CAPITAL</b>		
Total Capital (The sum of Tier I Capital and Tier II Capital)	16,980,667	14,463,781
Total risk weighted amounts(*)	67,601,264	46,836,028
<b>CAPITAL ADEQUACY RATIOS</b>		
Core Capital Adequacy Ratio (%)	10.70%	12.46%
Tier 1 Capital Adequacy Ratio (%)	24.58%	29.74%
Capital Adequacy Ratio (%)	25.12%	30.88%
<b>BUFFERS</b>		
Total Additional CET1 Capital Requirement Ratio (%)	2.50%	2.50%
Capital conservation buffer requirement (%)	2.50%	2.50%
Bank specific counter-cyclical buffer requirement (%)	0.00%	0.00%
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	6.20%	7.96%
<b>Amounts below the Excess Limits as per the Deduction Principles</b>		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Remaining Mortgage Servicing Rights	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
<b>Limits related to provisions considered in Tier II calculation</b>		
General provisions for standard based receivables (before tenthousandtwentyfive 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	-	-

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

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
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**INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)**

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

**b. Details on Subordinated Liabilities**

<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 tFCe	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 (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument tFCe convertible into	-
If convertible, specify issuer of instrument it converts into	-
<b>Write-down feature</b>	
If write-down, write-down trigger (s)	When unsustainable situation is realized value decrement is realized.
If write-down, full or partial	Partial or completely value decrement is should be realized.
If write-down, permanent or temporary	Permanent
If temporary write-down, description of write-up mechanism	-
Position in subordination hierarchy in liquidation (specify instrument tfcce 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 UNCONSOLIDATED 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 BANK (Continued)

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

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

Issuer	Alternatİfbank A.Ş.
Unique identifier (eg CUSIP, ISIN)	XS2327872524
Governing law(s) of the instrument	English Law / Turkish Law on Subordinate Law
<b>Regulatory treatment</b>	
Subject to 10% deduction as of 1/1/2015	No
Eligible on Unconsolidated/ consolidated / both unconsolidated and consolidated	Valid on Consolidated and Unconsolidated Basis
Instrument type	Eurobond
Amount recognised in regulatory capital (Currency in million TRL, as of most recent reporting date)	6,824,200
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 No interest will be charged for the value reduced after the value decrement date
Existence of a dividend stopper	Discretionary
Fully discretionary, partially discretionary or mandatory	-
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 UNCONSOLIDATED 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 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 Bank in line with the risk profile and risk appetite by considering the 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 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 Banking accounts, concentration risk, business risk, reputation risk, model risk, and exchange risk are also included.

The risks that the Bank can encounter due to its operations are being evaluated in budget works and the possible capital requirements according to The 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 Bank as an improving process and further upgrades to this method is planned for the future.

### II. Explanations on Credit Risk

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

### III. Explanations on Currency Risk

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

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

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

Rate used:	USD	EUR
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 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;

Rate used:

USD

TL 34.1210

EUR

TL 38.1714

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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 BANK (Continued)

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

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

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

	EUR	USD	Other FC	Total
<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	208,826	4,869,779	151,376	5,229,981
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 (**)	8,563,696	9,264,432	-	17,828,128
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 (***)	10,201	135,225	1	145,427
<b>Total Assets</b>	<b>9,463,782</b>	<b>33,673,493</b>	<b>525,850</b>	<b>43,663,125</b>
<b>Liabilities</b>				
Bank Deposits	2,765	92,369	553,030	648,164
Foreign Currency Deposits	2,441,640	7,505,068	1,201,588	11,148,296
Money Market Funds	-	10,316,935	-	10,316,935
Funds Borrowed From Other Financial Institutions	4,177,137	18,841,058	-	23,018,195
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	264,238	228,736	1,337	494,311
Derivative Financial Liabilities For Hedging Purposes	-	-	-	-
Other Liabilities (****)	32,905	238,768	925	272,598
<b>Total Liabilities</b>	<b>6,918,685</b>	<b>37,222,934</b>	<b>1,756,880</b>	<b>45,898,499</b>
<b>Net Balance Sheet Position</b>	<b>2,545,097</b>	<b>(3,549,441)</b>	<b>(1,231,030)</b>	<b>(2,235,374)</b>
<b>Net Off-Balance Sheet Position</b>	<b>(1,950,237)</b>	<b>3,038,997</b>	<b>1,395,318</b>	<b>2,484,078</b>
Financial Derivative Assets	17,426,405	16,340,202	2,300,806	36,067,413
Financial Derivative Liabilities	19,376,642	13,301,205	905,488	33,583,335
Non-Cash Loans (*****)	6,393,890	6,681,579	1,907,776	14,983,245
<b>31 December 2023</b>				
<b>Total Assets</b>	<b>9,496,761</b>	<b>26,315,933</b>	<b>423,945</b>	<b>36,236,639</b>
<b>Total Liabilities</b>	<b>7,351,807</b>	<b>31,725,282</b>	<b>1,153,504</b>	<b>40,230,593</b>
<b>Net Balance Sheet Position</b>	<b>2,144,954</b>	<b>(5,409,349)</b>	<b>(729,559)</b>	<b>(3,993,954)</b>
<b>Net Off-Balance Sheet Position</b>	<b>(2,009,292)</b>	<b>6,365,089</b>	<b>553,192</b>	<b>4,908,989</b>
Financial Derivative Assets	9,228,752	19,379,473	1,028,463	29,636,688
Financial Derivative Liabilities	11,238,044	13,014,384	475,271	24,727,699
<b>Non-Cash Loans</b>	<b>5,262,693</b>	<b>6,185,669</b>	<b>2,125,192</b>	<b>13,573,554</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 have been deducted from other liabilities as of 30 September 2024 (31 December 2023: TL 435,383).

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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 BANK (Continued)

#### IV. Explanations on Interest Rate Risk

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

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

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

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

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

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 (*****)	3,644,169	-	-	-	-	2,385,931	6,030,100
Financial Assets at Fair Value Through Profit and Loss	205,531	67,193	628,827	176,918	8,554	-	1,087,023
Money Market Placements	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	1,654,016	1,879,540	4,635,529	-	-	13,782	8,182,867
Loans (*****)	6,600,187	2,507,580	15,882,519	10,531,155	884,114	(308,499)	36,097,056
Financial Assets Measured at Amortised Cost (*****)	7,112,992	803,518	2,113,414	-	243,027	(1,265)	10,271,686
Other Assets (*)	-	-	-	-	-	5,565,137	5,565,137
<b>Total Assets</b>	<b>26,098,973</b>	<b>5,257,831</b>	<b>23,260,289</b>	<b>10,708,073</b>	<b>1,135,695</b>	<b>9,779,826</b>	<b>76,240,687</b>
<b>Liabilities</b>							
Bank Deposits (**)	420,669	-	-	-	-	222,442	643,111
Other Deposits	20,060,709	4,919,060	317,887	63	-	4,848,348	30,146,067
Money Market Funds	12,474,623	260,224	-	-	-	88,394	12,823,241
Miscellaneous Payables	-	-	-	-	-	820,778	820,778
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	3,853,948	6,119,938	3,623,594	6,826,139	2,625,455	-	23,049,074
Other Liabilities and Shareholders' Equity (***)	268,461	101,126	443,887	138,579	7,350	7,799,013	8,758,416
<b>Total Liabilities</b>	<b>37,078,410</b>	<b>11,400,348</b>	<b>4,385,368</b>	<b>6,964,781</b>	<b>2,632,805</b>	<b>13,778,975</b>	<b>76,240,687</b>
<b>Balance Sheet Long Position</b>	-	-	<b>18,874,921</b>	<b>3,743,292</b>	-	-	<b>22,618,213</b>
<b>Balance Sheet Short Position</b>	<b>(10,979,437)</b>	<b>(6,142,517)</b>	-	-	<b>(1,497,110)</b>	<b>(3,999,149)</b>	<b>(22,618,213)</b>
Off-Balance Sheet Long Position	-	380,708	-	-	-	-	380,708
Off-Balance Sheet Short Position	(958,831)	-	(175,641)	(319,474)	-	-	(1,453,946)
<b>Total Position</b>	<b>(11,938,268)</b>	<b>(5,761,809)</b>	<b>18,699,280</b>	<b>3,423,818</b>	<b>(1,497,110)</b>	<b>(3,999,149)</b>	<b>(1,073,238)</b>

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

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

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

(\*\*\*\*) Expected loss provision for financial assets is presented non-interest bearing on the table. Amounted to TL 1,634 were deducted from non-interest banks, amounted to TL 1,265 were deducted from non-interest financial assets measured at amortised cost.

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

# ALTERNATİFBANK A.Ş.

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

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

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

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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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 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.

<b>30 September 2024</b>	<b>EUR</b>	<b>USD</b>	<b>Other FC</b>	<b>TL</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	-	-	-	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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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 BANK (Continued)

### V. Explanation on Stock Position Risk

None.

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

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

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

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

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

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

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

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

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

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

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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

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

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

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

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

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

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

In addition, the liquidity risk stress tests are conducted regularly on a monthly basis and reported to the senior management together with the results.

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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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 BANK (Continued)

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

###### 2. Liquidity Coverage Ratio

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

30 September 2024	Consideration Ratio		Consideration Ratio	
	Unapplied to Total Value (*)	Applied to Total Value (*)	Unapplied to Total Value (*)	Applied to Total Value (*)
<b>HIGH QUALITY LIQUID ASSETS</b>				
1 High Quality Liquid Assets			11,757,686	7,477,310
<b>CASH OUTFLOWS</b>				
2 Retail and Small Business Customers	18,129,526	4,753,991	1,456,781	475,399
3 Stable Deposits	7,123,431	-	356,172	-
4 Less Stable Deposit	11,006,095	4,753,991	1,100,609	475,399
5 Unsecured Wholesale Funding	13,129,960	7,376,820	9,338,743	5,153,041
6 Operational Deposits	-	-	-	-
7 Non-operational Deposits	7,409,887	4,231,015	3,648,179	2,035,733
8 Other Unsecured Funding's	5,720,073	3,145,805	5,690,564	3,117,308
9 Secured Funding				
10 Other Cash Outflows	364,516	364,516	364,516	364,516
Derivative cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	364,516	364,516	364,516	364,516
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	516,913	516,913	25,846	25,846
14 Other irrevocable or conditionally revocable off-balance sheet obligations	35,397,736	14,199,875	5,757,389	1,544,792
<b>16 TOTAL CASH OUTFLOWS</b>			<b>16,943,275</b>	<b>7,563,594</b>
17 Secured lending	41,951	-	-	-
18 Unsecured lending	10,239,559	7,116,102	8,333,373	6,308,522
19 Other cash inflows	197,422	198,242	197,422	198,242
<b>20 TOTAL CASH INFLOWS</b>	<b>10,478,932</b>	<b>7,314,344</b>	<b>8,530,795</b>	<b>6,506,764</b>
			<b>Total Adjusted Value</b>	
<b>21 TOTAL HIGH QUALITY ASSETS STOCKS</b>			<b>11,757,686</b>	<b>7,477,310</b>
<b>22 TOTAL CASH OUTFLOWS</b>			<b>8,412,480</b>	<b>1,924,852</b>
<b>23 LIQUIDITY COVERAGE RATIO (%)</b>			<b>142.23%</b>	<b>400.89%</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 last three months period of 2024 are given in the table below.

30 September 2024	Highest	Date	Lowest	Date	Average
TL+FC	166.62%	05.07.2024	112.81%	20.09.2024	142.23%
FC	499.46%	23.08.2024	313.34%	26.07.2024	400.89%

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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 BANK (Continued)

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

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

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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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 BANK (Continued)

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

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

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

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

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

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

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

Basically deposits, loans and subordinated loans as unsecured debt items have the most significant portion in Bank's funding balances. As of 30 September 2024, the proportion of total liabilities to all deposits of the bank is 40% and borrowings constitutes 18% portion whereas subordinate debt is 12%. Secured borrowings such as repo transactions has lower portion (17%).

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

Cash outflows arising from derivative product balances are occurred when bank derivative product liabilities are higher than the derivative receivables. Net cash outflows declined in the periods when the cash inflows arising from derivative products are higher than the derivative liabilities. As of 30 September 2024, there are no derivative receivables (31 December 2023: None). In addition, cash outflow balances are reported with calculation against the change of derivatives fair value. This calculation is performed by checking the output margin within last 24 months of the counterparty balance. The maximum value in the past 24 months is considered as cash outflow as of reporting date. In this context, according to calculations as of 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, 65% of the Bank's time deposit cap arised from retail banking. The remaining time deposits are constituted from legal entities. Another significant funding resource of borrowings generated from foreign banks (99%). As of 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 bank itself, the branches in foreign countries and its consolidated partnerships with considering the operational and legal factors inhibiting the liquidity transfer

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

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

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

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## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and Over	Unclassified	Total
<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 (****)	2,387,565	3,644,169	-	-	-	-	(1,634)	6,030,100
Financial Assets at Fair Value Through Profit and Loss	-	181,613	58,396	703,667	124,358	18,989	-	1,087,023
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income (*****)	-	36,003	559,529	1,810,741	3,555,139	2,207,673	13,782	8,182,867
Loans(*****)	-	3,954,392	3,222,089	17,051,936	8,730,286	3,446,852	(308,499)	36,097,056
Financial Assets Measured at Amortised Cost (*****)	-	13	370,828	972,322	7,729,019	1,200,769	(1,265)	10,271,686
Other Assets (*) (****)	133,000	416,384	143,541	68,251	5,486	3,143	4,795,332	5,565,137
<b>Total Assets</b>	<b>4,645,305</b>	<b>15,114,652</b>	<b>4,354,383</b>	<b>20,606,917</b>	<b>20,144,288</b>	<b>6,877,426</b>	<b>4,497,716</b>	<b>76,240,687</b>
<b>Liabilities</b>								
Bank Deposits	222,442	420,669	-	-	-	-	-	643,111
Other Deposits (**)	4,848,348	20,060,703	4,919,066	317,887	63	-	-	30,146,067
Funds Borrowed From Other Financial Institutions (**)	-	1,939,313	2,268,552	9,467,335	-	9,373,874	-	23,049,074
Money Market Funds	88,394	11,874,071	768,573	92,203	-	-	-	12,823,241
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	820,778	820,778
Other Liabilities	-	1,098,143	101,128	443,859	137,534	7,350	6,970,402	8,758,416
<b>Total Liabilities</b>	<b>5,159,184</b>	<b>35,392,899</b>	<b>8,057,319</b>	<b>10,321,284</b>	<b>137,597</b>	<b>9,381,224</b>	<b>7,791,180</b>	<b>76,240,687</b>
<b>Liquidity Gap</b>	<b>(513,879)</b>	<b>(20,278,247)</b>	<b>(3,702,936)</b>	<b>10,285,633</b>	<b>20,006,691</b>	<b>(2,503,798)</b>	<b>(3,293,464)</b>	<b>-</b>
<b>31 December 2023</b>								
<b>Total Assets</b>	<b>4,555,074</b>	<b>19,427,275</b>	<b>7,526,636</b>	<b>6,023,039</b>	<b>20,783,027</b>	<b>4,936,843</b>	<b>1,774,873</b>	<b>65,026,767</b>
<b>Total Liabilities</b>	<b>3,704,387</b>	<b>23,007,890</b>	<b>11,114,483</b>	<b>11,631,286</b>	<b>393,367</b>	<b>8,222,592</b>	<b>6,952,762</b>	<b>65,026,767</b>
<b>Liquidity Gap</b>	<b>850,687</b>	<b>(3,580,615)</b>	<b>(3,587,847)</b>	<b>(5,608,247)</b>	<b>20,389,660</b>	<b>(3,285,749)</b>	<b>(5,177,889)</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 Deposit".

(\*\*\*\*) Expected loss provision for financial assets is presented non-interest bearing on the table. Amounted to TL 1,634 were deducted from unclassified banks, amounted to TL 1,265 were deducted from unclassified financial assets measured at amortised cost.

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

### Contractual maturity analysis of the Bank's derivative instruments:

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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

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

#### Net Stable Funding Ratio

Current Period		Unweighted Amount According to Residual Maturity				Total Weighted Amount
		Non Maturity	Residual maturity of less than 6 months	Residual maturity of six months and longer but less than one year	Residual maturity of one year or more	
<b>Available stable funding</b>						
1	Capital Instruments	-	-	-	17,401,708	17,401,708
2	Tier 1 Capital and Tier 2 Capital	-	-	-	17,401,708	17,401,708
3	Other Capital Instruments	-	-	-	-	-
4	Real-person and Retail Customer Deposits	1,831,398	16,419,698	167,089	63	16,936,387
5	Stable Deposits	406,728	6,698,283	94,198	63	6,839,308
6	Less Stable Deposits	1,424,671	9,721,415	72,891	-	10,097,079
7	Other Obligations	3,316,839	40,843,877	6,503,921	-	9,646,768
8	Operational deposits	-	-	-	-	-
9	Other Obligations	3,316,839	40,843,877	6,503,921	-	9,646,768
10	Liabilities equivalent to interconnected assets					
11	Other Liabilities	2,514,365	1,611,946	-	-	-
12	Derivative liabilities				709,933	
13	All other equity not included in the above categories	1,804,433	1,611,946	-	-	-
14	<b>Available stable funding</b>					<b>43,984,863</b>
<b>Required stable funding</b>						
15	Required stable funding					955,151
16	Deposits held at financial institutions for operational purposes	-	-	-	-	-
17	Performing Loans	5,858,209	18,594,936	9,174,113	8,810,577	24,730,069
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	1,920,821	5,258,160	1,010,864	217,391	3,432,368
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	3,743,988	13,224,201	8,130,131	8,553,735	21,073,293
21	<i>Loans with a risk weight of less than or equal to 35%</i>	30,724	912,686	311,803	253,966	797,293
22	Residential mortgages	193,399	112,575	33,117	38,406	223,520
23	<i>Residential mortgages with a risk weight of less than or equal to 35%</i>	193,399	112,575	33,117	38,406	223,520
24	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	-	-	1,045	888
25	Assets equivalent to interconnected liabilities					
26	Other Assets	7,498,158	1,610,577	179,908	-	6,294,951
27	Physical traded commodities, including gold	--				-
28	Initial margin posted or given guarantee fund to central counterparty				140,470	119,399
29	Derivative Assets				926,266	216,333
30	Derivative Liabilities before the deduction of the variation margin				726,825	72,683
31	Other Assets not included above	5,704,597	1,610,577	179,908	-	5,886,536
32	Off-balance sheet commitments		37,408,179	-	-	1,870,409
33	<b>Total Required stable funding</b>					<b>33,850,580</b>
34	<b>Net Stable Funding Ratio (%)</b>					<b>129.94%</b>

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## NOTES TO THE UNCONSOLIDATED 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 BANK (Continued)

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

##### Net Stable Funding Ratio (Continued)

Prior Period	Unweighted Amount According to Residual Maturity				Total Weighted Amount
	Non Maturity	Residual maturity of less than 6 months	Residual maturity of six months and longer but less than one year	Residual maturity of one year or more	
<b>Available stable funding</b>					
1 Capital Instruments	-	-	-	14,881,127	14,881,127
2 Tier 1 Capital and Tier 2 Capital	-	-	-	14,881,127	14,881,127
3 Other Capital Instruments	-	-	-	-	-
4 Real-person and Retail Customer Deposits	1,643,247	15,109,645	14,231	-	15,331,182
5 Stable Deposits	252,927	4,557,126	5,357	-	4,574,639
6 Less Stable Deposits	1,390,321	10,552,519	8,874	-	10,756,542
7 Other Obligations	2,062,017	32,519,962	9,949,476	140,729	7,428,370
8 Operational deposits	-	-	-	-	-
9 Other Obligations	2,062,017	32,519,962	9,949,476	140,729	7,428,370
10 Liabilities equivalent to interconnected assets					
11 Other Liabilities	2,583,837	1,469,541	-	-	-
12 Derivative liabilities				649,664	
13 All other equity not included in the above categories	1,934,173	1,469,541	-	-	-
14 Available stable funding					<b>37,640,678</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	4,595,258	19,196,175	2,687,575	8,911,748	21,074,958
18 Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	-	150,155	-	-	15,016
19 Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	1,996,042	4,661,014	154,216	1,124,633	3,896,935
20 Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	2,405,851	14,318,068	2,494,664	7,730,029	16,947,243
21 Loans with a risk weight of less than or equal to 35%	51,043	1,520,929	229,414	322,067	1,117,693
22 Residential mortgages	193,364	57,769	38,695	56,307	210,518
23 Residential mortgages with a risk weight of less than or equal to 35%	193,364	57,769	38,695	56,307	210,518
24 Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	9,168	-	780	5,247
25 Assets equivalent to interconnected liabilities					
26 Other Assets	5,265,484	1,509,510	31,621	-	4,092,258
27 Physical traded commodities, including gold	-				-
28 Initial margin posted or given guarantee fund to central counterparty				53,694	45,640
29 Derivative Assets				1,174,110	524,446
30 Derivative Liabilities before the deduction of the variation margin				649,787	64,979
31 Other Assets not included above	3,387,893	1,509,510	31,621	-	3,457,193
32 Off-balance sheet commitments		26,920,848	-	-	1,346,042
33 Total Required stable funding					<b>30,531,616</b>
34 Net Stable Funding Ratio (%)					<b>123.28%</b>

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## NOTES TO THE UNCONSOLIDATED 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 BANK (Continued)

#### VII. Explanations on Leverage Ratio

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

The Bank's unconsolidated leverage ratio is 14.18% and calculated in compliance with "Regulation on Measurement and Evaluation of Leverage Levels of Banks" (31 December 2023: 14.16%). Increase in the leverage ratio is mainly due to the decrease in total risk. Regulation has been arrived at a decision of the minimum leverage ratio of 3%.

		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)	72,725,898	66,781,713
<b>2</b>	Assets deducted in determining Tier 1 capital	(335,782)	(218,039)
<b>3</b>	<b>Total on-balance sheet risks (sum of lines 1 and 2) Derivative financial instruments and credit derivatives</b>	<b>72,390,116</b>	<b>66,563,674</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 (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)</b>	<b>-</b>	<b>-</b>
	<b>Off-balance sheet transactions</b>		
<b>10</b>	Gross notional amounts of off-balance sheet transactions	51,620,810	34,916,872
<b>11</b>	(Adjustments for conversion to credit equivalent amounts)	(8,831,628)	(5,139,871)
<b>12</b>	<b>Total risks of off-balance sheet items (sum of lines 10 and 11)</b>	<b>42,789,182</b>	<b>29,777,001</b>
	<b>Capital and Total Risk</b>		
<b>13</b>	Tier 1 capital	16,506,990	13,866,575
<b>14</b>	<b>Total risks (sum of lines 3, 6, 9 and 12)</b>	<b>116,442,553</b>	<b>97,936,430</b>
	<b>Leverage ratio</b>		
<b>15</b>	<b>Leverage ratio (%)</b>	<b>14.18%</b>	<b>14.16%</b>

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

#### VIII. Explanations on Fair Values of Financial Assets and Liabilities

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

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

None (31 December 2023: None).

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## NOTES TO THE UNCONSOLIDATED 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 BANK (Continued)

### X. Explanations on the Risk Management

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

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

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

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

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

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

Risk Appetite monitoring activities are reported to the Board Risk Committee and Audit Committee. In case of any Risk Appetite threshold breach occurs, it is ensured that the risk management treatment and business controls are implemented to bring the exposure levels for each metric back within an acceptable range as approved by the 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 Bank and its affiliates are performed.

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

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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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 BANK (Continued)

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

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

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

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

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

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

		Risk Weighted Amount		Minimum capital requirement
		30 September 2024	31 December 2023	
1	Credit risk (excluding counterparty credit risk) (CCR)	59,940,842	41,100,263	4,795,267
2	Standardised approach (SA)	59,940,842	41,100,263	4,795,267
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	2,561,802	1,872,180	204,944
5	Standardised approach for counterparty credit risk (SA-CCR)	2,561,802	1,872,180	204,944
6	Internal model method (IMM)	-	-	-
7	Basic risk weight approach to internal models equity position in the banking account	-	-	-
8	Investments made in collective investment companies – look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach	-	-	-
10	Investments made in collective investment companies - 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach (RBA)	-	-	-
14	IRB Supervisory Formula Approach (SFA)	-	-	-
15	SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	987,763	1,653,513	79,021
17	Standardised approach (SA)	987,763	1,653,513	79,021
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	4,110,857	2,210,072	328,869
20	Basic Indicator Approach	4,110,857	2,210,072	328,869
21	Standard Approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>67,601,264</b>	<b>46,836,028</b>	<b>5,408,101</b>

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## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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

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

Not prepared in compliance with the Article 25 of the 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 UNCONSOLIDATED 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 BANK (Continued)****X. Explanations on the Risk Management (Continued)****e. Explanations on securitisations**

None.

**f. Explanations on market risk**

		<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	695,775	1,475,863
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>987,763</b>	<b>1,653,513</b>

**g. 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".

**h. 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".

**i. 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".

**j. 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 UNCONSOLIDATED 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 BANK (Continued)****XI. Explanation on Hedge Accounting**

Starting from 24 March 2014, the 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 will be amortized until 25 December 2023.

At the beginning of the association and throughout the ongoing process, the 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.

As of 30 September 2024, the Bank has no derivative transactions determined as fair value hedging.

The Bank applies cash flow hedge accounting using interest rate swaps to hedge its TL and FC deposits with short term cyclical basis. The 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. 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	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>800,000</b>	<b>17,462</b>	<b>-</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 UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS****I. Explanations and Notes on Assets****a. Information on cash and balances with the Central Bank of Republic of Turkey ("CBRT")**

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

	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 Restricted 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 BRSAs 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%).

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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

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

	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	801,753	3,042,637	462	960,656
Foreign	-	2,187,344	-	1,939,220
<b>Total</b>	<b>801,753</b>	<b>5,229,981</b>	<b>462</b>	<b>2,899,876</b>

###### 2. Information on foreign banks:

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

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

As of 30 September 2024, financial assets at fair value through other comprehensive income given as collateral/blocked 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). Real estate investment fund amounting to TL 139,189 (31 December 2023: 153,018). As of 30 September 2024, the share certificates amounting to TL 13,782 (31 December 2023: TL 13,782).

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

	30 September 2024	31 December 2023
Debt Securities	8,400,242	7,364,244
Quoted on Stock Exchange	8,261,053	7,211,226
Not Quoted(*)	139,189	153,018
Share Certificates	13,782	13,782
Quoted on Stock Exchange	1	1
Not Quoted	13,781	13,781
Impairment Provision (-)	231,157	404,032
<b>Total</b>	<b>8,182,867</b>	<b>6,973,994</b>

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

**ALTERNATİFBANK A.Ş.**

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

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

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

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

**g. Explanations on loans**

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

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

Current Period		Loans Under Close Monitoring		
		Restructured Loans		
		Loans Not Subject to Restructuring	Loans with Revised Contract Terms	Refinance
Cash Loans(*)	Standard Loans			
Non-specialized Loans	33,043,839	455,343	2,907,176	-
Loans given to enterprises	-	-	-	-
Export Loans	8,167,912	89,956	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	2,514,440	-	-	-
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>33,043,839</b>	<b>455,343</b>	<b>2,907,176</b>	<b>-</b>

(\*) Factoring receivables are included.

Prior Period		Loans Under Close Monitoring		
		Restructured Loans		
		Loans Not Subject to Restructuring	Loans with Revised Contract Terms	Refinance
Cash Loans(*)	Standard Loans			
Non-specialized Loans	27,676,082	1,304,247	2,574,601	-
Loans given to enterprises	-	-	-	-
Export Loans	7,099,859	39,985	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	2,919,064	-	-	-
Consumer Loans	298,797	1,945	73	-
Credit Cards	54,259	2,447	-	-
Other	17,304,103	1,259,870	2,574,528	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>27,676,082</b>	<b>1,304,247</b>	<b>2,574,601</b>	<b>-</b>

(\*) Factoring receivables are included.

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

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

Current Period (\*)

	<b>Standard Loans</b>	<b>Loans Under Close Monitoring</b>
12 Month Expected Credit Losses	180,711	-
Significant Increase in Credit Risk	-	303,271

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

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

3. Loans according to their maturity structure

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

**ALTERNATİFBANK A.Ş.**

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

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

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

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

**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 consist of personal loans.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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

	Short-term	Medium and long-term	Total
Commercial Installments Loans-TL	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 Installments Loans-FC Indexed	-	23,529	23,529
Real Estate Loans	-	23,529	23,529
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Installments Loans-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
Credit Deposit Account-TL (Legal Person)	73,953	-	73,953
Credit Deposit Account-FC (Legal Person)	-	-	-
<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.

	30 September 2024	31 December 2023
Domestic Loans	36,405,683	32,300,750
Foreign Loans	675	776
<b>Total</b>	<b>36,406,358</b>	<b>32,301,526</b>

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

As of 30 September 2024, there are loans granted to associates and subsidiaries amount to TL 198,822 (31 December 2023: TL 1,249,882).

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

	30 September 2024	31 December 2023
Loans with Limited Collectability	46,041	1,298
Loans with Doubtful Collectability	15,913	5,969
Uncollectible Loans	174,588	360,047
<b>Total</b>	<b>236,542</b>	<b>367,314</b>

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

10. Information on non-performing loans (Net)

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

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
<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 total non-performing loans:

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
<b>31 December 2023</b>	<b>1,311</b>	<b>17,359</b>	<b>380,265</b>
Addition (+)	683,702	12,275	25,042
Transfers from Other Categories of Non-performing Loans (+)	-	48,825	24,406
Transfers to Other Categories of Non-performing Loans (-)	(48,825)	(24,406)	-
Collections (-)	(479,066)	(2,295)	(46,960)
Write-offs (-)	(83,322)	-	(97,083)
Sold Portfolio (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
<b>30 September 2024</b>	<b>73,800</b>	<b>51,758</b>	<b>285,670</b>
Specific Provisions (-)	46,041	15,913	174,588
<b>Net Balance on Balance Sheet</b>	<b>27,759</b>	<b>35,845</b>	<b>111,082</b>

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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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

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

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
<b>30 September 2024 (Net)</b>	<b>27,759</b>	<b>35,845</b>	<b>111,082</b>
Loans to Real Persons and Legal Entities (Gross)	73,800	51,758	285,670
Specific Provision Amount (-)	(46,041)	(15,913)	(174,588)
Loans to Real Persons and Legal Entities (Net)	27,759	35,845	111,082
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>13</b>	<b>11,390</b>	<b>20,218</b>
Loans to Real Persons and Legal Entities (Gross)	1,311	17,359	380,265
Specific Provision Amount (-)	(1,298)	(5,969)	(360,047)
Loans to Real Persons and Legal Entities (Net)	13	11,390	20,218
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

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

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group 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)

11. Explanation on liquidation policy for uncollectible loan and receivable

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".

12. Explanations on write-off policy

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

**ALTERNATİFBANK A.Ş.**

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

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

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

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

**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).

	<b>30 September 2024</b>		<b>31 December 2023</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
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

	<b>30 September 2024</b>	<b>31 December 2023</b>
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. Financial assets measured at amortised cost

	<b>30 September 2024</b>	<b>31 December 2023</b>
<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

	<b>30 September 2024</b>	<b>31 December 2023</b>
Balance at the Beginning of the Period	9,601,665	7,007,615
Effect of Reclassifications and Measurements in accordance with IFRS 9	1,444,636	3,814,210
Transfers from Investment Securities Available for Sale (*)	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>

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

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

The Bank has no investments in associates as of 30 September 2024 (31 December 2023: None).

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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

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

###### 2. Information on subsidiaries

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

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

No	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss <sup>(1)</sup>	Prior Period Profit / Loss <sup>(**)</sup>	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 30 September 2023 data.

###### 3. 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 <sup>(*)</sup> (**)	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.

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and Notes on Assets (Continued)****j. Information on subsidiaries (Net) (Continued)**

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

Subsidiaries	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

5. Subsidiaries quoted on stock exchange

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

**k. Information on joint ventures**

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

**l. Information on lease receivables (net)**

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

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

	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>Fair Value Hedge</b>	-	-	<b>17,462</b>	-

**n. Tangible assets**

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

**o. Intangible assets**

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

**p. Information on investment property**

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

As of 30 September 2024, the Bank has deferred tax asset amounting to TL 800,763 (31 December 2023: TL 427,288 defered 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	809,903	242,971	724,853	217,456
Provisions	770,813	231,244	1,670,380	501,114
Valuation of Financial Assets	979,937	293,981	(993,637)	(298,091)
Commission Deferral	108,557	32,567	22,697	6,809
Financial Losses	-	-	-	-
Other	-	-	-	-
<b>Net Deferred Tax Assets</b>		<b>800,763</b>		<b>427,288</b>

	1 January 2024 – 30 September 2024	1 January 2023 – 30 September 2023
1 January Net Deferred Tax Asset/(Liability)	427,288	121,669
Deferred Tax (Expense)/Income	285,256	94,538
Deferred tax recognized in other comprehensive income	88,219	220,076
<b>30 September Net Deferred Tax Asset/(Liability)</b>	<b>800,763</b>	<b>436,283</b>

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

	30 September 2024	31 December 2023
Beginning of the period	405,658	487,833
Disposals (-)	(7,370)	(87,495)
Additions	551,641	5,320
Current period depreciation (-)	-	-
Impairment provision addition/ return	-	-
<b>End of the Period</b>	<b>949,929</b>	<b>405,658</b>

##### s. Information on other assets

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

**ALTERNATİFBANK A.Ş.**

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

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

**II. Explanations and Notes on Liabilities**

**a. Information on deposits**

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

1 (i). 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
Saving Deposits	886,617	-	6,910,123	3,953,040	964,865	645,151	113,498	-	13,473,294
Foreign Currency Deposits	2,709,065	-	1,586,050	6,080,367	58,695	51,375	679	-	10,486,231
Residents in Turkey	2,596,983	-	1,510,292	5,979,038	40,148	10,353	679	-	10,137,493
Residents Abroad	112,082	-	75,758	101,329	18,547	41,022	-	-	348,738
Public Sector Deposits	540,453	-	-	-	-	-	-	-	540,453
Commercial Deposits	467,975	-	1,110,552	2,536,788	259,505	18,239	40,108	-	4,433,167
Other Institutions Deposits	5,105	-	12,599	216,710	12,825	-	-	-	247,239
Precious Metal Deposits	239,133	-	181,886	452,631	84,010	8,023	-	-	965,683
Bank Deposits	222,442	-	367,156	53,513	-	-	-	-	643,111
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>5,070,790</b>	-	<b>10,168,366</b>	<b>13,293,049</b>	<b>1,379,900</b>	<b>722,788</b>	<b>154,285</b>	-	<b>30,789,178</b>

1 (ii). 31 December 2023:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	months -1 year	1 year and over	Accumulated Deposits	Total
Saving Deposits	626,976	-	4,657,950	4,598,460	1,487,632	199,527	27,087	-	11,597,632
Foreign Currency Deposits	2,388,020	-	1,824,100	2,984,536	68,344	15,602	48,138	-	7,328,740
Residents in Turkey	2,293,357	-	1,814,366	2,843,429	68,135	15,602	31,726	-	7,066,615
Residents Abroad	94,663	-	9,734	141,107	209	-	16,412	-	262,125
Public Sector Deposits	25,994	-	-	-	-	-	-	-	25,994
Commercial Deposits	440,550	-	983,865	2,359,797	690,500	154	219,835	-	4,694,701
Other Institutions Deposits	3,120	-	3,961	13,506	29	-	-	-	20,616
Precious Metal Deposits	196,530	-	135,272	307,074	28,224	6,151	20,654	-	693,905
Bank Deposits	23,222	-	395,640	267,084	-	-	-	-	685,946
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	138	-	-	-	-	-	-	-	138
Foreign Banks	23,084	-	395,640	267,084	-	-	-	-	685,808
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,704,412</b>	-	<b>8,000,788</b>	<b>10,530,457</b>	<b>2,274,729</b>	<b>221,434</b>	<b>315,714</b>	-	<b>25,047,534</b>

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

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

2. Information on saving deposits insurance

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

	Under the Guarantee of Deposit Insurance		Exceeding Limit of the Deposit Insurance	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
<b>Saving Deposits</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 communiqué "Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks".

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

	30 September 2024	31 December 2023
Deposits and Other Accounts in Foreign Branches	-	-
Deposits and Other Accounts of Main Shareholders and their Families	-	-
Deposits and Other Accounts of President of Board of Directors, Members of Board of Directors, Vice General Managers and Their Families	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

	30 September 2024 (*)		31 December 2023 (*)	
	TL	FC	TL	FC
Forward Transactions	-	1,490	16,802	2,372
Swap Transactions	-	546,367	126,987	478,666
Futures Transactions	-	-	-	-
Options	91,136	180,982	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 UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

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

1. General information on banks and other financial institutions

	30 September 2024		31 December 2023	
	TL	FC	TL	FC
The CBRT Borrowings	-	127,524	-	109,305
From Domestic Banks and Institutions	23,692	955	43,279	57,209
From Foreign Banks, Institutions and Funds	7,187	13,438,122	5,104	17,648,701
<b>Total</b>	<b>30,879</b>	<b>13,566,601</b>	<b>48,383</b>	<b>17,815,215</b>

2. Information on maturity profile of borrowings

	30 September 2024		31 December 2023	
	TL	FC	TL	FC
Short-term	30,879	127,804	48,383	681,445
Medium and Long-term	-	13,438,797	-	17,133,770
<b>Total</b>	<b>30,879</b>	<b>13,566,601</b>	<b>48,383</b>	<b>17,815,215</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 liabilities**

Other foreign liabilities amounting to TL 646,994 are included in "Other Liabilities" (31 December 2023: TL 529,557) and do not exceed 10% of the total balance sheet.

**e. Information on financial lease agreements**

i). Information of financial lease liabilities

	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**

None (31 December 2023: None).

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and Notes on Liabilities (Continued)****g. Information on provisions****1. Provisions for employee benefits**

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

In accordance with the revised TAS 19 Standard, Actuarial losses has recognized under the equity, amount of after deferred tax TL 12,884 as of 30 September 2024 (30 September 2023: TL 21,426 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
Ratio Used for Probability of Pension (%)	86.67	86.67

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

As of 30 September 2024, The Bank has provision for employee benefits amount of TL 35,925 (31 December 2023: TL 21,433) provision of unused vacation amount of TL 14,488 (31 December 2023: TL 10,447).

**2. Information on Provisions Related with the Foreign Currency Difference of Foreign 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
Provision for Litigation and Claims	75,184	61,810
Bonus Provision	13,011	74,729
Provision for Miscellaneous Receivables	5,183	2,552
<b>Total</b>	<b>227,226</b>	<b>259,214</b>

**h. Information on taxes payable****1. Information on current tax liability**

As of 30 September 2024, there is no corporate tax liability (31 December 2023: 210,568).

**(i) Explanations on Tax Liabilities**

	<b>30 September 2024</b>	<b>31 December 2023</b>
Corporate Tax Payable	-	210,568
Taxation of Marketable Securities	60,626	25,139
Banking Insurance Transaction Tax (BITT)	43,949	45,324
Value Added Tax Payable	2,099	3,313
Property Tax	434	372
Foreign Exchange Transaction Tax	644	704
Other	16,436	11,919
<b>Total</b>	<b>124,188</b>	<b>297,339</b>

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and Notes on Liabilities (Continued)****h. Information on taxes payable (Continued)****1. Information on current tax liability (Continued)****(ii) Information on premium payables**

	<b>30 September 2024</b>	<b>31 December 2023</b>
Social Security Premiums - Employee	6,445	8,969
Social Security Premiums - Employer	7,210	10,039
Bank Pension Fund Premiums - Employee	-	-
Bank Pension Fund Premiums - Employer	-	-
Pension Fund Deposit and Provisions - Employee	-	-
Pension Fund Deposit and Provisions - Employer	-	-
Unemployment Insurance - Employee	460	641
Unemployment Insurance - Employer	921	1,281
Other	3,814	5,422
<b>Total</b>	<b>18,850</b>	<b>26,352</b>

**2. Deferred tax liability**

None (31 December 2023: None).

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

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

**j. Subordinated debts**

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

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and Notes on Liabilities (Continued)****k. Information on shareholders' equity**

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

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

3. Information about the share capital increases and their sources in the current period: None.
4. Information on additions from revaluation reserves to capital in the current period: None.
5. Information on capital commitments up until the end of the fiscal year and the subsequent interim period: None.
6. Information on prior period's indicators on the Bank's income, profitability and liquidity, and possible effects of these future assumptions on the Bank's equity due to uncertainties of these indicators

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

7. There is no privileges given to shares representing the capital
8. Information on marketable securities valuation reserve

	<b>30 September 2024</b>		<b>31 December 2023</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(554,022)	(41,867)	(241,744)	(117,344)
Foreign Currency Difference	-	-	-	-
<b>Total</b>	<b>(554,022)</b>	<b>(41,867)</b>	<b>(241,744)</b>	<b>(117,344)</b>

9. Information on other capital reserves

None.

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****III. Explanations and Notes on Off-Balance Sheet Accounts****a. Information on off balance sheet commitments****1. The amount and type of irrevocable commitments**

According to Direct Debiting System, there is TL 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, 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	5,711,098	4,565,879
Bank Acceptance Loans	587,826	321,825
Guarantees and Collaterals	1,296,766	912,083
<b>Total</b>	<b>7,595,690</b>	<b>5,799,787</b>

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

	<b>30 September 2024</b>	<b>31 December 2023</b>
Definite Letter of Guarantees	20,802,839	16,109,295
Advance Letter of Guarantee	785,179	757,097
Letter of Guarantees Given to Customs	90,013	367,876
Temporary Letter of Guarantees	401,364	201,674
<b>Total</b>	<b>22,079,395</b>	<b>17,435,942</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	23,740,223	17,137,529
<b>Total</b>	<b>36,149,035</b>	<b>25,989,879</b>

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****III. Explanations and Notes on Off-Balance Sheet Accounts (Continued)****a. Information on off balance sheet commitments (Continued)**

3. Non-cash loans (Continued)

(ii). Other information on non-cash loans

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

# ALTERNATİFBANK A.Ş.

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

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

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

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

##### 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	1,646,843	213,118	470,495	227,173
Interest on Loans Under Follow-up	86,758	-	66,394	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
<b>Total (*)</b>	<b>6,340,081</b>	<b>936,704</b>	<b>3,065,306</b>	<b>959,107</b>

(\*) Includes fee and commission income received for 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	19,672	31,557	10,123	22,738
From Foreign Banks	-	76,233	20	67,800
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>271,900</b>	<b>133,467</b>	<b>12,932</b>	<b>95,161</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	307,002	314,040	283,511	240,314
From Financial Assets At Fair Value Through Profit or Loss	1,266	1,647	145	1,438
<b>Total</b>	<b>1,369,612</b>	<b>480,129</b>	<b>832,578</b>	<b>366,468</b>

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

	30 September 2024	30 September 2023
Interest Received from Associates and Subsidiaries	111,805	112,872

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED 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	12,561	1,179,733	6,278	949,551
CBRT	-	-	535	-
Domestic Banks	10,371	2,424	5,409	6,170
Foreign Banks	2,190	1,177,309	334	943,381
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	731,413	-	444,210
<b>Total (*)</b>	<b>12,561</b>	<b>1,911,146</b>	<b>6,278</b>	<b>1,393,761</b>

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

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

	30 September 2024	30 September 2023
Interest Paid to Associates and Subsidiaries	3,079	9,020

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

	30 September 2024	30 September 2023
Interest Expense to Marketable Securities Issued	-	13,302

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

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

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

30 September 2024	Demand Deposit	Time Deposit						Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit	
<b>Turkish Lira</b>								
Bank Deposits	-	121,942	-	-	-	-	-	<b>121,942</b>
Savings Deposits	-	2,045,490	981,698	587,061	139,537	17,090	-	<b>3,770,876</b>
Public Deposits	-	-	-	-	-	-	-	-
Commercial Deposits	-	416,551	369,708	127,140	-	30,899	-	<b>944,298</b>
Other Deposits	-	2,447	14,314	2,174	-	2	-	<b>18,937</b>
Deposit with 7 Days	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,586,430</b>	<b>1,365,720</b>	<b>716,375</b>	<b>139,537</b>	<b>47,991</b>	-	-	<b>4,856,053</b>
<b>Foreign Currency</b>								
Foreign Currency	-	121,942	-	-	-	-	-	<b>121,942</b>
Bank Deposits	-	25,547	68,993	764	505	921	-	<b>96,730</b>
Deposit with 7 Days	-	4,816	-	-	-	-	-	<b>4,816</b>
Precious Metal	-	-	-	-	-	-	-	-
<b>Total</b>	<b>30,606</b>	<b>70,690</b>	<b>1,199</b>	<b>559</b>	<b>987</b>	-	-	<b>104,041</b>
<b>Grand Total</b>	<b>2,617,036</b>	<b>1,436,410</b>	<b>717,574</b>	<b>140,096</b>	<b>48,978</b>	-	-	<b>4,960,094</b>

30 September 2023	Demand Deposit	Time Deposit						Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit	
<b>Turkish Lira</b>								
Bank Deposits	-	35,109	-	-	-	-	-	<b>35,109</b>
Savings Deposits	-	487,786	895,976	27,618	-	21,736	-	<b>1,433,116</b>
Public Deposits	-	-	-	-	-	-	-	-
Commercial Deposits	-	225,703	496,469	88,234	-	90,076	-	<b>900,482</b>
Other Deposits	-	11,645	6,097	6	19	3	-	<b>17,770</b>
Deposit with 7 Days	-	-	-	-	-	-	-	-
Notification	-	-	-	-	-	-	-	-
<b>Total</b>	<b>760,243</b>	<b>1,398,542</b>	<b>115,858</b>	<b>19</b>	<b>111,815</b>	-	-	<b>2,386,477</b>
<b>Foreign Currency</b>								
Foreign Currency Account	-	10,777	64,167	878	1,216	8,162	-	<b>85,200</b>
Bank Deposits	-	13,240	-	-	-	-	-	<b>13,240</b>
Deposit with 7 Days	-	-	-	-	-	-	-	-
Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	87	983	80	8	220	-	<b>1,378</b>
<b>Total</b>	<b>24,104</b>	<b>65,150</b>	<b>958</b>	<b>1,224</b>	<b>8,382</b>	-	-	<b>99,818</b>
<b>Grand Total</b>	<b>784,347</b>	<b>1,463,692</b>	<b>116,816</b>	<b>1,243</b>	<b>120,197</b>	-	-	<b>2,486,295</b>

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

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

5. Given interest amount on repurchase agreement

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

6. Information's on leasing expense

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

7. Information on given interest for factoring transaction

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

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 SEPTEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. Explanations And Notes on Income Statement (Continued)****c. Justify on dividend income**

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

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

	<b>30 September 2024</b>	<b>30 September 2023</b>
<b>Income</b>	<b>165,868,142</b>	<b>138,316,532</b>
Income from Capital Market Transactions	3,556	167,328
Derivative Financial Transactions	1,891,178	4,414,592
Foreign Exchange Gains	163,973,408	133,734,612
<b>Loss (-)</b>	<b>166,592,272</b>	<b>136,339,142</b>
Loss from Capital Market Transactions	112	902
Derivative Financial Transactions	1,750,117	2,335,145
Foreign Exchange Loss	164,842,043	134,003,095
<b>Net Income/ (Loss)</b>	<b>(724,130)</b>	<b>1,977,390</b>

**e. Explanations about other operating income**

For the period ended 30 September 2024, other operating income includes income from assets to be disposed of adjustment to previous year's expenses and income from other operations. The amount of the banks other operating income in the current period is TL 128,155 (30 September 2023: TL 91,253).

**f. Expected provision losses and other provision losses**

	<b>30 September 2024</b>	<b>30 September 2023</b>
Expected Credit Loss	(673,617)	308,656
12 month expected credit loss (stage 1)	99,350	(75,402)
Significant increase in credit risk (stage 2)	(661,885)	114,893
Non-performing loans (stage 3)	(111,082)	269,165
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	-	-
Joint Ventures	-	-
Other	29,827	25,816
<b>Total</b>	<b>(640,211)</b>	<b>338,038</b>

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED 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	726,821	473,232
Reserve for Employee Termination Benefits	3,600	5,073
Unused Vacation	4,041	2,254
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	44,764	36,437
Impairment Expenses of Intangible Assets	-	-
Impairment Expense of Goodwill	-	-
Amortisation Expenses of Intangible Assets	92,320	50,192
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	447,736	341,816
Other Expenses	1,613	1,153
Advertising Expenses	5,091	5,694
Maintenance Expenses	15,338	20,030
Operational Lease Expenses	425,694	314,939
Loss on Sales of Assets	180,571	4,516
Other (*)	107,138	74,080
<b>Total</b>	<b>1,606,991</b>	<b>987,600</b>

(\*) Other operating charges is TL 14,360 except premium of SDIF and tax amounting to TL 92,778 (30 September 2023: Other operating charges is TL 8,378 except Premium of SDIF and tax amounting to TL 65,702).

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. Explanations And Notes on Income Statement (Continued)****h. Justify on profit and loss from continuing operations before tax**

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

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

As of 30 September 2024, the Bank has current tax expense amounting to TL 194,290 (30 September 2023: TL 413,831 current tax expense), and deferred tax income amounting to TL 285,256 (30 September 2023: TL 94,538 deferred tax expense).

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

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

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

1) Interest income from ordinary banking transactions is TL 9,589,431 (30 September 2023: TL 5,464,253), interest expense is TL 7,875,009 (30 September 2023: TL 4,185,897).

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

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

**I. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are shown below:**

<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
Account Management Fee Commission	12,662	2,648
Export Letters of Credit Commissions	2,472	1,310
Credit Early Termination Compensation	412	599
Transfer Commissions	2,042	1,511
Expertise Commissions	7,649	32,667
Other	34,181	31,666
<b>Total</b>	<b>166,965</b>	<b>256,279</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
Bonds Commissions	-	-
Fees and Commissions on Foreign Currency Transactions	52	51
Transfer Commissions	2,871	1,978
Commissions for Effective and Future Transactions	4,084	4,463
CBRT Interbank Money Market	1,167	876
Other (*)	18,908	394,391
<b>Total</b>	<b>66,922</b>	<b>475,364</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.

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

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

**VI. Explanations And Notes on Statement Of Cash Flows**

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

**ALTERNATİFBANK A.Ş.**

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

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

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

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

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

**30 September 2024**

	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Bank's Risk Group (*) (**)</b>						
Loans and Other Receivables						
Balance at the Beginning of the Period	1,249,882	256	-	3,742	771	1,607
Balance at the End of the Period	198,822	96,256	-	4,420	308	1,357
Interest and Commission Income Received	111,805	-	-	350	1,345	1,373

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

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

**31 December 2023**

	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Bank's Risk Group (*) (**) (***)</b>						
Loans and Other Receivables						
Balance at the Beginning of the Period	693,553	284	-	292	1,012,705	4,222
Balance at the End of the Period	1,249,882	256	-	3,742	771	1,607
Interest and Commission Income Received (***)	112,872	-	-	512	17,568	37

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

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

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

Information on deposits of the Bank's risk group

<b>Bank's Risk Group (*)</b>	Associates , subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	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	126,805	198,031	-	-	90,557	68,723
End of the Period	64,083	126,805	-	-	106,605	90,557
Interest Expense on Deposits (**)	3,079	9,020	-	-	-	4

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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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

Bank's Risk Group (*)	Associates , subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	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 (**)	-	-	-	-	-	-
End of the Period (**)	-	-	-	-	-	-
<b>Total Profit / Loss (***)</b>	<b>30,631</b>	<b>14,829</b>	<b>11,604</b>	<b>11,303</b>	-	-
<b>Transactions for hedging purposes</b>						
Beginning of the Period (**)	-	-	-	-	-	-
End of the Period (**)	-	-	-	-	-	-
<b>Total Profit / Loss (***)</b>	-	-	-	-	-	-

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

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

(\*\*\*) 30 September 2023 balances used for income / expense accounts

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

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

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

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

	Total Risk Group	Share in Financial Statements (%)
Deposits	170,688	0.55
Non-cash Loans	102,033	0.28
Loans	199,130	0.54
Subordinated Loan	2,625,455	27.78

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

###### 3. Equity accounted transactions

None.

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

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

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

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

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

The Bank allocates cash and non-cash loans to the risk group of the Bank within limits of Banking Laws and that amount is 0.41% of total cash and non-cash loan amount (31 December 2023: 2.15%).

5. Information on Other Liabilities

None.

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

Benefits provided to the Bank's key management amount to TL 75,695 as of 30 September 2024 (30 September 2023: TL 36,696).

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

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

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

None.

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 SEPTEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***SECTION SIX****OTHER EXPLANATIONS****I. Other Explanations Related to Bank's Operations****Summary information about the 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)
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 UNCONSOLIDATED 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 THE AUDITOR'S REVIEW REPORT**

**I. Explanations on the Independent Auditor's Review Report**

The Bank's unconsolidated financial statements and footnotes to be disclosed to public as of 30 September 2024 have been reviewed by KMPG 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 UNCONSOLIDATED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 SEPTEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***SECTION EIGHT****I. Interim Period Activity Report Consisting Bank Chairman and CEO's Evaluation in Reference to Interim Period Activities****Abstract Financial Information About the Term Activity Results**

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

<b>Actual Figures</b>	<b>30 September 2024</b>	<b>31 December 2023</b>	<b>30 September 2023</b>
Loans	36,097,062	31,382,064	31,458,959
Marketable securities	18,485,293	16,616,446	15,598,922
Deposits	30,789,178	25,047,534	26,449,158
Total Assets	76,240,687	65,026,767	65,496,100
Equity	6,706,784	5,863,048	5,638,167
Profit / Loss Before Taxes	521,863	2,387,705	1,938,594
Profit / Loss	612,829	1,885,431	1,619,301

**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

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 30 SEPTEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***I. Interim Period Activity Report Consisting Bank Chairman and CEO's Evaluation in Reference to Interim Period Activities (Continued)****Message from the CEO**

Dear Stakeholders,

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