

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

# Alternatifbank A.Ş.

**Consolidated Financial Statements and Notes  
For the Year Ended 31 December 2024  
With Independent Auditor's Report**



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**Convenience Translation of the Independent Auditor's Report Originally Prepared and  
Issued in Turkish to English**

To the Shareholders of Alternatifbank Anonim Şirketi

**A) Audit of the Consolidated Financial Statements**

*Qualified Opinion*

We have audited the consolidated financial statements of Alternatifbank Anonim Şirketi ("the Bank") and its subsidiaries (together will be referred as "the Group") which comprise the consolidated balance sheet as at 31 December 2024 and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, except for the effect of the matter described in the Basis For Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Alternatifbank Anonim Şirketi and its subsidiaries as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the "Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation" which includes the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No. 26333 dated 1 November 2006, and other regulations on accounting records of banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and requirements of Turkish Financial Reporting Standards ("TFRS") for the matters not regulated by the aforementioned legislations.

**Basis for Qualified Opinion**

The Group started to account its head office building at revalued amount instead of cost amount under the Turkish Accounting Standards 16 Property, Plant and Equipment as of 31 December 2018. The revaluation surplus in respect of the evaluation performed by valuation companies authorized by the Capital Markets Board ("CMB") and the Banking Regulation and Supervision Agency ("BRSA") is accounted under equity as accumulated revaluation increase/decrease of fixed assets. Since the carrying value of this asset was not adjusted to the revalued amount in the consolidated financial statements dated 31 December 2023, a qualified opinion was given regarding the consolidated financial statements for this fiscal period. As a result of this issue, if this asset had been revalued as of 31 December 2023, the Group's other comprehensive income not to be reclassified in the profit or loss account presented in the consolidated profit or loss and other comprehensive income statement for the year ending 31 December 2024, would have been lower by an amount of TL 483,354 thousand.

The purpose and scope of the “General Communiqué of Tax Procedure Law No. 555” of Republic of Türkiye Ministry of Treasury and Finance published in the Official Gazette dated 30 December 2023 and numbered 32414 is to determine the principles and procedures regarding to inflation adjustments to be recognised in accordance with Article 298 of Law No. 213 and provisional Article 33 in 2023 and following accounting periods based on the fulfilment of the conditions for adjustments. The Group management did not subject the tax-based financial statements to inflation correction as of 31 December 2023, within the scope of this regulation and reflected the regulation in its financial statements as of 31 December 2024. If the tax-based financial statements had been subjected to inflation correction as of 31 December 2023, and the deferred tax effect had been calculated over temporary differences, the deferred tax income and consequently the net profit for the period in the consolidated financial statements prepared as of 31 December 2024, would have needed to be lower by TL 136,601 thousand, the account of profit or loss of previous years would have needed to be increased by TL 136,601 thousand, and the account of other comprehensive income not to be reclassified in the profit or loss which is in the other comprehensive income statement would have needed to be lower by 25,979 TL.

We conducted our audit in accordance with the “Regulation on Independent Audit of the Banks” (“BRSA Auditing Regulation”) published in the Official Gazette No.29314 dated 2 April 2015 by BRSA and Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (“POA”) (“Standards on Auditing issued by POA”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We declare that we are independent of the Group in accordance with the Code of Ethics for Auditors issued by POA (*including Independence Standards*) (“POA’s Code of Ethics”) and the ethical requirements in the regulations issued by POA that are relevant to audit of consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA’s Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section we have determined the matters described below to be the key audit matters to be communicated in our report.

#### *Impairment of loans measured at amortised cost*

The details of accounting policies and significant estimates and assumptions for impairment of loans measured at amortised cost are presented Note VIII of Section Three to the consolidated financial statements.

<b><i>Key audit matter</i></b>	<b><i>How the matter is addressed in our audit</i></b>
<p>As of 31 December 2024, loans measured at amortised cost comprise 46% of the Group’s total assets.</p> <p>The Group recognizes its loans measured at amortised cost in accordance with the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside (the “Regulation”) published on the Official Gazette No. 29750 dated 22 June 2016 which became effective on 1 January 2018 and TFRS 9 Financial Instruments standard (“Standard”).</p> <p>The Group applies the “expected credit loss model” in determining the impairment of financial assets in accordance with the Regulation and Standard. The model which contains significant assumptions and estimates is reviewed</p>	<p>Our audit procedures for auditing the impairment of loans measured at amortised cost include below:</p> <ul style="list-style-type: none"> <li>• We tested the design and operating effectiveness of the controls on lending, collateralization, collection, follow-up, classification and impairment procedures are tested with the involvement of information risk management specialists.</li> <li>• We evaluated the adequacy of the subjective and objective criteria that is defined in the Group’s impairment accounting policy compared with the Regulation and Standard.</li> <li>• We evaluated the Group’s business model and methodology and the evaluation of the calculations carried out with the control</li> </ul>

<p>by the Group management annually.</p> <p>The significant assumptions and estimates of the Group management are as follows:</p> <ul style="list-style-type: none"> <li>• significant increase in credit risk,</li> <li>• incorporating the forward looking macroeconomic information in calculation of credit risk,</li> <li>• design and implementation of expected credit loss model.</li> </ul> <p>The determination of the impairment of loans measured at amortised cost depends on the credit default status, the model based on the change in the credit risk at the initial recognition date and the classification of the loans measured at amortised cost according to the model.</p> <p>The Group calculates expected credit losses on both individual and collective basis. Individual provisions consider the estimated future cash flows of the asset and the market value of the collateral provided for credit transactions.</p> <p>The collective basis expected credit loss calculation is based on processes which are modelled by using current and past data sets and incorporating the future expectations. The completeness and accuracy of data sets in the model are also considered. The forward-looking expectations are reflected by macroeconomic models.</p> <p>Impairment on loans measured at amortised cost was considered to be a key audit matter, due to its complex structure, the level of judgments of management and significance of the estimates and assumptions as explained above.</p>	<p>testing and detail analysis with the involvement of specialists.</p> <ul style="list-style-type: none"> <li>• We performed loan reviews for selected loan samples which include a detailed examination of loan files and related information and evaluation of their classification. In this context, the current status of the loan customer has been evaluated by including the macroeconomic variables.</li> <li>• For the expected credit loss calculations for individually assessed loans, we evaluated the accuracy of the loss allowances by including prospective cash flow information, collateral values and macroeconomic expectations.</li> <li>• We tested the accuracy and completeness of the data in calculation of the data in the calculation models for the loans which are assessed on collective basis. We recalculated the expected credit loss calculation. The models used for the calculation of the risk parameters were examined and recalculated.</li> <li>• We assessed the macroeconomic models that are used to reflect forward looking expectations and tested the effect of the risk parameters by recalculation method.</li> <li>• We evaluated the qualitative and quantitative criteria, which are used in determining the significant increase in credit risk.</li> <li>• We evaluated the adequacy of the disclosures in the consolidated financial statements related to impairment provisions.</li> </ul>
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*Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the BRSA Accounting and Reporting Legislation, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Responsibilities of auditors in an audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with BRSA Auditing Regulation and Standards on Auditing issued by POA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with BRSA Auditing Regulation and Standards on Auditing issued by POA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**B) Report on Other Legal and Regulatory Requirements**

1) Pursuant to the fourth paragraph of Article 402 of the Turkish Commercial Code (“TCC”) numbered 6102; no significant matter has come to our attention that causes us to believe that the Bank’s bookkeeping activities for the period 1 January - 31 December 2024 are not in compliance with TCC and provisions of the Bank’s articles of association in relation to financial reporting.

2) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Ebru Koçak, SMMM  
Partner

3 February 2025  
İstanbul, Turkey

**ALTERNATİFBANK A.Ş. AND ITS FINANCIAL SUBSIDIARIES CONSOLIDATED FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2024**

Headquarters Address : Ayazağa Mah. Azerbaycan Cad. No:3M/1 2D Blok Sarıyer/İstanbul  
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The consolidated financial report as of and for the year-end 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 GROUP
- CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP
- EXPLANATIONS ON THE ACCOUNTING POLICIES APPLIED IN THE CURRENT PERIOD
- INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP
- EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS AND DISCLOSURES
- INDEPENDENT AUDITOR'S REPORT

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

**Subsidiaries:**

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

The accompanying consolidated financial statements and notes to these financial statements for the year-end 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 audited 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
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Halil Sedat Ergür Member of the Board of Directors and Chairman of the Board Audit and Compliance Committee	Antonio Francisco Gamez Munoz Member of the Board of Directors and Member of the Board Audit and Compliance Committee
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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

**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 .....	1
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 .....	1
III.	Explanation on the Board of directors, members of the audit committee, president and executive vice presidents, changes in these matters (if any) and shares in the Parent Bank .....	2
IV.	Information on the Parent Bank's Qualified Shareholders .....	3
V.	Summary information on the Parent Bank's activities and services .....	3
VI.	Differences between the communiqué on preparation of consolidated financial statements of banks and Turkish Accounting Standards and short explanation about the institutions subject to line-by-line method or proportional consolidated and institutions which are deducted from equity or not included in these three methods .....	3
VII.	Existing or potential, actual or legal obstacles to immediate transfer of equity, or repayment of debt between the Parent Bank and its subsidiaries .....	3

**SECTION TWO**  
**Consolidated Financial Statements**

I.	Balance sheet (Statement of Financial Position).....	4-5
II.	Off-balance sheet items .....	6
III.	Income statement .....	7
IV.	Statement of profit or loss and other comprehensive income .....	8
V.	Statement of changes in shareholders' equity.....	9-10
VI.	Statement of cash flows .....	11
VII.	Statement of Profit Distribution .....	12

**SECTION THREE**  
**Explanations on Accounting Policies**

I.	Basis of presentation .....	13
II.	Strategy of using financial instruments and foreign currency transactions .....	13
III.	Consolidated Subsidiaries .....	14
IV.	Interest income and expense .....	15
V.	Fee and commission income and expense .....	15
VI.	Financial assets .....	15-17
VII.	Impairment of financial assets.....	17-18
VIII.	Offsetting financial assets .....	18
IX.	Sales and repurchase agreements and securities lending transactions .....	19
X.	Assets held for sale and discontinued operations .....	19
XI.	Goodwill and other intangible assets .....	19
XII.	Property and equipment .....	20
XIII.	Leasing transactions .....	21
XIV.	Provisions, contingent assets and liabilities.....	22
XV.	Obligations related to employee rights .....	22
XVI.	Taxation.....	22-24
XVII.	Additional explanations on borrowings.....	24
XVIII.	Share certificates and issuance of share certificates.....	24
XIX.	Avvalized drafts and acceptances.....	24
XX.	Government incentives .....	24
XXI.	Profit reserves and profit distribution .....	25
XXII.	Earnings per share .....	25
XXIII.	Related parties .....	25
XXIV.	Cash and cash equivalents.....	25
XXV.	Explanations on the Accounting Policies of the Current Period .....	25
XXVI.	Explanations on Accounting Policies, Changes in Accounting Estimates and Errors Standard .....	25
XXVII.	Explanations on Other Matters .....	25
XXVIII.	Operating Segments.....	26-27

**SECTION FOUR**  
**Information on the Financial Position and Risk Management of the Group**

I.	Explanations on shareholders' equity .....	28-33
II.	Explanations on credit risk .....	33-43
III.	Explanations on currency risk.....	43-45
IV.	Explanations on interest rate risk .....	46-49
V.	Explanations on share certificates .....	49
VI.	Explanations on liquidity risk management and liquidity coverage ratio .....	50-59
VII.	Explanations on leverage ratio .....	60-61
VIII.	Fair values of financial assets and liabilities .....	61-63
IX.	Transactions carried out on behalf of customer and items held in trust.....	63
X.	Explanation on the risk management .....	64-87
XI.	Explanation on hedge accounting .....	88

**SECTION FIVE**  
**Explanations and Disclosures on Consolidated Financial Statements**

I.	Explanations and notes on the assets .....	89-103
II.	Explanations and notes on liabilities .....	104-110
III.	Explanations and notes on off-balance sheet accounts.....	111-113
IV.	Explanations and notes on income statement.....	114-118
V.	Explanations and Notes on Changes in Shareholders' Equity.....	119
VI.	Explanations and Notes on Statement Of Cash Flows .....	119-120
VII.	Explanations and Notes on Parent Bank's Risk Group .....	120-122
VIII.	Explanations on The Domestic, Foreign, Off-Shore Branches or Affiliates and Foreign Representative Offices of The Parent Bank .....	122
IX.	Explanations and notes on subsequent events .....	122
X.	Fees related with the services provided by independent auditors/independent audit agencies .....	122

**SECTION SIX**  
**Other Explanations and Notes**

I.	Other explanations related to the Parent Bank's operations .....	123
----	--	-----

**SECTION SEVEN**  
**Explanations on Independent Audit Report**

I.	Explanations on Independent Audit Report .....	124
II.	Explanations and footnotes prepared by independent auditor .....	124

**SECTION ONE**

**GENERAL INFORMATION ABOUT THE GROUP**

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

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

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

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

Name/Commercial Name	31 December 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>

(Convenience Translation of Independent Auditor's Originally Issued In Turkish)

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024**

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

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

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

<b>Title</b>	<b>Name</b>	<b>Responsibility</b>	<b>Indirect Share Capital (%)</b>
Chairman of the Board of Directors	Omer Hussain I H Al-Fardan	Chairman of the Board	-
Member of the Board of Directors <sup>(3)</sup>	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, 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, and CEO	-
Executive Vice Presidents <sup>(1)(2)</sup>	Didem Şahin	Corporate Banking	-
	Burcu Yangaz	Commercial Banking	-
	Zafer Vatansever	Information Technologies and Operation	-
	Ayşe Akbulut	Credit Allocation	-
	Bekir Seçkin Mutlubaş	Restructuring and Legal Follow-up	-
	Bike Tarakçı	Human Resources	-
	Hamdi İlkkay 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 has designated to Executive Vice President of Human Resources as of 2 January 2024.

(2) Gökkay Dede resigned as Executive Vice President of Retail and Digital Banking as of 1 October 2024.

(3) Leonie Ruth Lethbridge resigned as of 30 January 2025 and Muhammad Noman Ali was appointed as deputy.

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

**IV. Information on the Parent 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 Parent Bank's Capital is as follows.

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

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

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

As of 31 December 2024, the Parent Bank has 19 branches (31 December 2023: 24 branches)

As of 31 December 2024, the Parent Bank has 714 employees (31 December 2023: 804 employees).

Parent Bank and its subsidiaries that are consolidated with the Parent Bank are called "Group" as a whole. As of 31 December 2024, The Group has 790 employees (31 December 2023: 881 employees).

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

None.

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

None.

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

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

**SECTION TWO**  
**CONSOLIDATED FINANCIAL STATEMENTS**

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)	Notes (Section Five)	Audited Current Period 31 December 2024			Audited Prior Period 31 December 2023		
		TL	FC	Total	TL	FC	Total
	ASSETS						
<b>I. FINANCIAL ASSETS (NET)</b>		<b>7,938,775</b>	<b>17,816,962</b>	<b>25,755,737</b>	<b>6,545,647</b>	<b>14,615,100</b>	<b>21,160,747</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>3,737,840</b>	<b>13,259,696</b>	<b>16,997,536</b>	<b>2,862,222</b>	<b>10,141,045</b>	<b>13,003,267</b>
1.1.1 Cash and Balances with Central Bank	I-a	3,641,741	8,509,462	12,151,203	2,676,518	7,223,029	9,899,547
1.1.2 Banks	I-d	97,884	4,750,234	4,848,118	36,847	2,918,016	2,954,863
1.1.3 Money Market Placements		-	-	-	150,540	-	150,540
1.1.4 Expected Credit Losses (-)		1,785	-	1,785	1,683	-	1,683
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>		<b>62,898</b>	<b>5,166</b>	<b>68,064</b>	<b>69,516</b>	<b>28,975</b>	<b>98,491</b>
1.2.1 Government Debt Securities		19,961	5,166	25,127	27,847	28,975	56,822
1.2.2 Equity Instruments		-	-	-	-	-	-
1.2.3 Other Financial Assets		42,937	-	42,937	41,669	-	41,669
<b>1.3 Financial Assets at Fair Value Through Other Comprehensive Income</b>	I-f	<b>3,714,921</b>	<b>4,089,708</b>	<b>7,804,629</b>	<b>3,298,406</b>	<b>3,523,330</b>	<b>6,821,736</b>
1.3.1 Government Debt Securities		3,697,657	4,089,708	7,787,365	3,283,864	3,523,330	6,807,194
1.3.2 Equity Instruments		17,264	-	17,264	14,542	-	14,542
1.3.3 Other Financial Assets		-	-	-	-	-	-
<b>1.4 Derivative Financial Assets</b>	I-c	<b>423,116</b>	<b>462,392</b>	<b>885,508</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		416,352	462,392	878,744	298,041	921,750	1,219,791
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income	I-m	6,764	-	6,764	17,462	-	17,462
<b>II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)</b>		<b>25,047,543</b>	<b>30,588,128</b>	<b>55,635,671</b>	<b>20,079,419</b>	<b>23,585,190</b>	<b>43,664,609</b>
<b>2.1 Loans</b>	I-g	<b>21,113,829</b>	<b>19,443,660</b>	<b>40,557,489</b>	<b>17,255,624</b>	<b>13,981,708</b>	<b>31,237,332</b>
<b>2.2 Lease Receivables</b>	I-l	<b>1,632,930</b>	<b>3,050,973</b>	<b>4,683,903</b>	<b>1,738,417</b>	<b>2,361,454</b>	<b>4,099,871</b>
<b>2.3 Factoring Receivables</b>		<b>299,115</b>	-	<b>299,115</b>	<b>173,099</b>	-	<b>173,099</b>
<b>2.4 Other Financial Assets Measured at Amortized Cost</b>	I-h	<b>2,506,028</b>	<b>8,402,146</b>	<b>10,908,174</b>	<b>1,528,898</b>	<b>8,072,767</b>	<b>9,601,665</b>
2.4.1 Government Debt Securities		1,742,450	8,402,146	10,144,596	1,447,818	8,072,767	9,520,585
2.4.2 Other Financial Assets		763,578	-	763,578	81,080	-	81,080
<b>2.5 Expected Credit Losses (-)</b>		<b>504,359</b>	<b>308,651</b>	<b>813,010</b>	<b>616,619</b>	<b>830,739</b>	<b>1,447,358</b>
<b>III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (NET)</b>		<b>1,041,271</b>	-	<b>1,041,271</b>	<b>525,885</b>	-	<b>525,885</b>
3.1 Held for Sale Purpose	I-s	1,041,271	-	1,041,271	525,885	-	525,885
3.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>IV. EQUITY INVESTMENTS</b>		-	-	-	-	-	-
<b>4.1 Investments in Associates (Net)</b>	I-i	-	-	-	-	-	-
4.1.1 Accounted Under Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
<b>4.2 Subsidiaries (Net)</b>	I-j	-	-	-	-	-	-
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
<b>4.3 Entities under Common Control (Joint Venture) (Net)</b>	I-k	-	-	-	-	-	-
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
<b>V. TANGIBLE ASSETS (Net)</b>	I-n	<b>2,261,629</b>	-	<b>2,261,629</b>	<b>1,175,084</b>	-	<b>1,175,084</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>	I-o	<b>433,226</b>	-	<b>433,226</b>	<b>239,425</b>	-	<b>239,425</b>
6.1 Goodwill		21,151	-	21,151	21,151	-	21,151
6.2 Other		412,075	-	412,075	218,274	-	218,274
<b>VII. INVESTMENT PROPERTY (Net)</b>	I-p	-	-	-	-	-	-
<b>VIII. CURRENT TAX ASSET</b>		<b>230,891</b>	-	<b>230,891</b>	-	-	-
<b>IX. DEFERRED TAX ASSET</b>	I-r	<b>823,216</b>	-	<b>823,216</b>	<b>461,718</b>	-	<b>461,718</b>
<b>X. OTHER ASSETS</b>	I-t	<b>1,395,977</b>	<b>167,180</b>	<b>1,563,157</b>	<b>830,811</b>	<b>77,893</b>	<b>908,704</b>
<b>TOTAL ASSETS</b>		<b>39,172,528</b>	<b>48,572,270</b>	<b>87,744,798</b>	<b>29,857,989</b>	<b>38,278,183</b>	<b>68,136,172</b>

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

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

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

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)	Notes (Section Five)	Audited Current Period 31 December 2024			Audited Prior Period 31 December 2023		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	II-a	22,767,503	14,778,869	37,546,372	16,650,021	8,270,708	24,920,729
II. FUNDS BORROWED	II-c	791,336	17,372,602	18,163,938	665,234	19,180,126	19,845,360
III. MONEY MARKET BALANCES		805,868	10,909,069	11,714,937	133,734	5,210,765	5,344,499
IV. MARKETABLE SECURITIES ISSUED (Net)		303,946	-	303,946	418,904	-	418,904
4.1 Bills		303,946	-	303,946	418,904	-	418,904
4.2 Assets Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
V. BORROWER FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES		89,423	498,340	587,763	194,519	511,810	706,329
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss	II-b	87,672	498,340	586,012	181,628	511,810	693,438
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	II-f	1,751	-	1,751	12,891	-	12,891
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES	II-e	8,778	-	8,778	16,067	-	16,067
X. PROVISIONS	II-g	228,971	28,478	257,449	260,873	40,119	300,992
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reverse for Employee Benefits		50,155	-	50,155	35,743	-	35,743
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		178,816	28,478	207,294	225,130	40,119	265,249
XI. CURRENT TAX LIABILITY	II-h	210,927	-	210,927	332,359	-	332,359
XII. DEFERRED TAX LIABILITY		-	-	-	-	-	-
XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	II-i	-	-	-	-	-	-
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS	II-j	-	9,891,747	9,891,747	-	8,252,097	8,252,097
14.1 Loans		-	2,646,729	2,646,729	-	2,210,222	2,210,222
14.2 Other Debt Instruments		-	7,245,018	7,245,018	-	6,041,875	6,041,875
XV. OTHER LIABILITIES		1,019,111	769,103	1,788,214	1,233,960	703,933	1,937,893
XVI. SHAREHOLDERS' EQUITY	II-k	7,372,840	(102,113)	7,270,727	6,178,287	(117,344)	6,060,943
16.1 Paid-in Capital		2,213,740	-	2,213,740	2,213,740	-	2,213,740
16.2 Capital Reserves		54	-	54	54	-	54
16.2.1 Share Premium		54	-	54	54	-	54
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		-	-	-	-	-	-
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		1,858,002	-	1,858,002	752,230	-	752,230
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		(528,708)	(102,113)	(630,821)	(233,156)	(117,344)	(350,500)
16.5 Profit Reserves		3,346,667	-	3,346,667	1,562,908	-	1,562,908
16.5.1 Legal Reserves		220,554	-	220,554	123,335	-	123,335
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		3,126,113	-	3,126,113	1,439,573	-	1,439,573
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit Or Loss		483,053	-	483,053	1,882,488	-	1,882,488
16.6.1 Prior Years' Profit/Loss		(12,808)	-	(12,808)	(53,022)	-	(53,022)
16.6.2 Current Year Profit/Loss		495,861	-	495,861	1,935,510	-	1,935,510
16.7 Non-Controlling Interests	II-l	32	-	32	23	-	23
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>33,598,703</b>	<b>54,146,095</b>	<b>87,744,798</b>	<b>26,083,958</b>	<b>42,052,214</b>	<b>68,136,172</b>

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

**ALTERNATİFBANK A.Ş.**  
**CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS**  
**AS OF 31 DECEMBER 2024**

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

II.	OFF-BALANCE SHEET ITEMS	Note (Section Five)	Audited Current Period 31 December 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>43,006,587</b>	<b>83,619,129</b>	<b>126,625,716</b>	<b>39,232,767</b>	<b>70,199,204</b>	<b>109,431,971</b>
<b>I.</b>	<b>GUARANTEES AND WARRANTIES</b>	<b>III-a-3,i</b>	<b>22,372,611</b>	<b>16,398,043</b>	<b>38,770,654</b>	<b>12,671,851</b>	<b>13,585,435</b>	<b>26,257,286</b>
1.1	Letters of Guarantee	III-a-2,ii	16,528,437	7,458,604	23,987,041	9,917,701	7,773,767	17,691,468
1.1.1	Guarantees Subject to State Tender Law		27,588	16,575	44,163	55,766	14,143	69,909
1.1.2	Guarantees Given for Foreign Trade Operations							
1.1.3	Other Letters of Guarantee		16,500,849	7,442,029	23,942,878	9,861,935	7,759,624	17,621,559
1.2	Bank Acceptances	III-a-2,i	-	624,838	624,838	-	321,825	321,825
1.2.1	Import Letter of Acceptance		-	624,838	624,838	-	310,671	310,671
1.2.2	Other Bank Acceptances		-	-	-	-	11,154	11,154
1.3	Letters of Credit	III-a-2,i	1,074	7,241,219	7,242,293	-	4,577,760	4,577,760
1.3.1	Documentary Letters of Credit		1,074	7,221,198	7,222,272	-	4,565,879	4,565,879
1.3.2	Other Letters of Credit		-	20,021	20,021	-	11,881	11,881
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantees		-	1,073,382	1,073,382	-	912,083	912,083
1.9	Other Warranties		5,843,100	-	5,843,100	2,754,150	-	2,754,150
<b>II.</b>	<b>COMMITMENTS</b>		<b>2,637,335</b>	<b>4,433,018</b>	<b>7,070,353</b>	<b>2,183,317</b>	<b>2,243,494</b>	<b>4,426,811</b>
2.1	Irrevocable Commitments		2,468,011	3,919,311	6,387,322	2,119,833	2,082,830	4,202,663
2.1.1	Asset Purchase and Sales Commitments		1,114,117	3,919,311	5,033,428	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	803,626	-	803,626	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		139,663	-	139,663	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		172,087	-	172,087	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		234,780	-	234,780	257,845	-	257,845
2.2	Revocable Commitments		169,324	513,707	683,031	63,484	160,664	224,148
2.2.1	Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		169,324	513,707	683,031	63,484	160,664	224,148
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>III-b</b>	<b>17,996,641</b>	<b>62,788,068</b>	<b>80,784,709</b>	<b>24,377,599</b>	<b>54,370,275</b>	<b>78,747,874</b>
3.1	Hedging Derivative Financial Instruments		1,300,000	-	1,300,000	800,000	-	800,000
3.1.1	Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2	Transactions for Cash Flow Hedge		1,300,000	-	1,300,000	800,000	-	800,000
3.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2	Trading Derivative Financial Instruments		16,696,641	62,788,068	79,484,709	23,577,599	54,370,275	77,947,874
3.2.1	Forward Foreign Currency Buy/Sell Transactions		1,423,370	3,625,912	5,049,282	6,537,388	7,159,042	13,696,430
3.2.1.1	Forward Foreign Currency Transactions-Buy		951,908	1,467,586	2,419,494	6,537,388	460,511	6,997,899
3.2.1.2	Forward Foreign Currency Transactions-Sell		471,462	2,158,326	2,629,788	-	6,698,531	6,698,531
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		6,022,871	26,306,892	32,329,763	14,935,965	31,863,477	46,799,442
3.2.2.1	Foreign Currency Swap-Buy		-	8,093,054	8,093,054	-	14,259,165	14,259,165
3.2.2.2	Foreign Currency Swap-Sell		4,822,871	3,468,995	8,291,866	11,035,965	3,493,944	14,529,909
3.2.2.3	Interest Rate Swap-Buy		600,000	7,614,543	8,214,543	1,950,000	7,055,184	9,005,184
3.2.2.4	Interest Rate Swap-Sell		600,000	7,130,300	7,730,300	1,950,000	7,055,184	9,005,184
3.2.3	Foreign Currency, Interest Rate and Securities Options		9,250,400	27,935,697	37,186,097	2,104,246	5,279,893	7,384,139
3.2.3.1	Foreign Currency Options-Buy		4,765,658	13,834,175	18,599,833	984,392	2,716,120	3,700,512
3.2.3.2	Foreign Currency Options-Sell		4,484,742	14,101,522	18,586,264	1,119,854	2,563,773	3,683,627
3.2.3.3	Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4	Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6	Other		-	4,919,567	4,919,567	-	10,067,863	10,067,863
<b>B.</b>	<b>CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>140,367,184</b>	<b>240,300,589</b>	<b>380,667,773</b>	<b>119,307,073</b>	<b>210,317,986</b>	<b>329,625,059</b>
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>		<b>17,475,867</b>	<b>35,169,887</b>	<b>52,645,754</b>	<b>14,381,758</b>	<b>23,988,292</b>	<b>38,370,050</b>
4.1	Customer Fund and Portfolio Balances		2,845,029	-	2,845,029	1,700,072	-	1,700,072
4.2	Investment Securities Held in Custody		251,743	11,493,604	11,745,347	147,480	4,504,028	4,651,508
4.3	Cheques Received for Collection		1,190,569	115,403	1,305,972	1,452,379	18,275	1,470,654
4.4	Commercial Notes Received for Collection		82,556	4,435	86,991	56,661	67,844	124,505
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		13,105,970	23,556,445	36,662,415	11,025,166	19,398,145	30,423,311
4.8	Custodians		-	-	-	-	-	-
<b>V.</b>	<b>PLEDGES RECEIVED</b>		<b>122,855,604</b>	<b>204,591,552</b>	<b>327,447,156</b>	<b>104,884,851</b>	<b>185,765,040</b>	<b>290,649,891</b>
5.1	Marketable Securities		1,424,468	-	1,424,468	1,555,363	-	1,555,363
5.2	Guarantee Notes		76,058,530	82,072,033	158,130,563	58,026,621	75,655,577	133,682,198
5.3	Commodity		531,788	1,274,372	1,806,160	667,058	1,642,474	2,309,532
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		38,713,610	116,486,100	155,199,710	39,264,631	104,924,465	144,189,096
5.6	Other Pledged Items		6,127,208	4,759,047	10,886,255	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>35,713</b>	<b>539,150</b>	<b>574,863</b>	<b>40,464</b>	<b>564,654</b>	<b>605,118</b>
	<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>183,373,771</b>	<b>323,919,718</b>	<b>507,293,489</b>	<b>158,539,840</b>	<b>280,517,190</b>	<b>439,057,030</b>

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

**ALTERNATİFBANK A.Ş.**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	Notes (Section Five)	Audited	
		Current Period 1 January- 31 December 2024	Prior Period 1 January - 31 December 2023
<b>III. INCOME AND EXPENSE ITEMS</b>			
<b>I. INTEREST INCOME</b>	IV-a	<b>14,380,675</b>	<b>8,937,138</b>
1.1 Interest on Loans		9,721,394	5,963,012
1.2 Interest Received from Reserve Deposits		466,818	17,942
1.3 Interest Received from Banks		727,638	161,944
1.4 Interest Received from Money Market Placements		40,463	71,553
1.5 Interest Received from Marketable Securities Portfolio		2,455,226	1,955,422
1.5.1 Fair Value Through Profit or Loss		19,087	3,654
1.5.2 Fair Value Through other Comprehensive Income		1,579,571	1,194,146
1.5.3 Measured at Amortized Cost		856,568	757,622
1.6 Finance Lease Income		897,356	681,685
1.7 Other Interest Income		71,780	85,580
<b>II. INTEREST EXPENSES (-)</b>	IV-b	<b>12,034,309</b>	<b>6,907,028</b>
2.1 Interest on Deposits		7,456,118	3,944,348
2.2 Interest on Funds Borrowed		2,901,211	2,377,667
2.3 Interest on Money Market Borrowings		1,493,107	426,250
2.4 Interest on Securities Issued		68,456	43,266
2.5 Leasing Interest Expense		13,683	12,884
2.6 Other Interest Expense		101,734	102,613
<b>III. NET INTEREST INCOME (I - II)</b>		<b>2,346,366</b>	<b>2,030,110</b>
<b>IV. NET FEES AND COMMISSIONS INCOME / EXPENSES</b>		<b>522,614</b>	<b>(216,579)</b>
4.1 Fees and Commissions Received		646,283	532,536
4.1.1 Non-cash Loans	IV-1	331,631	199,188
4.1.2 Other		314,652	333,348
4.2 Fees and Commissions Paid (-)		123,669	749,115
4.2.1 Non-cash Loans	IV-1	2,279	1,047
4.2.2 Other		121,390	748,068
<b>V. DIVIDEND INCOME</b>	IV-c	<b>328</b>	<b>270</b>
<b>VI. NET TRADING INCOME</b>	IV-d	<b>(1,009,325)</b>	<b>2,048,481</b>
6.1 Securities Trading Gains / (Losses)		17,246	183,466
6.2 Derivative Financial Instruments Gains / Losses		11,199	2,216,740
6.3 Foreign Exchange Gains / Losses (Net)		(1,037,770)	(351,725)
<b>VII. OTHER OPERATING INCOME</b>	IV-e	<b>207,316</b>	<b>204,987</b>
<b>VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>2,067,299</b>	<b>4,067,269</b>
<b>IX. EXPECTED CREDIT LOSSES (-)</b>	IV-f	<b>(727,608)</b>	<b>78,652</b>
<b>X. OTHER PROVISION EXPENSES (-)</b>	IV-f	<b>37,544</b>	<b>39,140</b>
<b>XI. PERSONNEL EXPENSES (-)</b>	IV-g	<b>1,110,709</b>	<b>737,309</b>
<b>XII. OTHER OPERATING EXPENSES (-)</b>	IV-g	<b>1,293,519</b>	<b>769,197</b>
<b>XIII. NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)</b>		<b>353,135</b>	<b>2,442,971</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>XVII. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+...+XVI)</b>	IV-h	<b>353,135</b>	<b>2,442,971</b>
<b>XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	IV-i	<b>142,735</b>	<b>(507,457)</b>
18.1 Provision for Current Income Taxes		(58,131)	(409,575)
18.2 Deferred Tax Expense Effect (+)		-	(97,882)
18.3 Deferred Tax Income Effect (-)		200,866	-
<b>XIX. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVII±XVIII)</b>	IV-j	<b>495,870</b>	<b>1,935,514</b>
<b>XX. INCOME ON DISCONTINUED OPERATIONS</b>		-	-
20.1 Income on Assets Held for Sale		-	-
20.2 Income on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Venture)		-	-
20.3 Income on Other Discontinued Operations		-	-
<b>XXI. LOSS FROM DISCONTINUED OPERATIONS (-)</b>		-	-
21.1 Loss from Assets Held for Sale		-	-
21.2 Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Venture)		-	-
21.3 Loss from Other Discontinued Operations		-	-
<b>XXII. 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 (XXII±XXIII)</b>		-	-
<b>XXV. NET PROFIT/LOSS (XIX+XXIV)</b>		<b>495,870</b>	<b>1,935,514</b>
25.1 Group's Profit / Loss		495,861	1,935,510
25.2 Minority Shares (-)	IV-l	9	4
Earning / Loss per share		0.2240	0.8743

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

**ALTERNATİFBANK A.Ş.**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**AS OF 31 DECEMBER 2024**  
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	<b>IV. STATEMENT OF PROFIT OR (LOSS) AND OTHER COMPREHENSIVE INCOME</b>	<b>Audited</b>	<b>Audited</b>
		<b>Current Period</b>	<b>Prior Period</b>
		<b>1 January -</b>	<b>1 January -</b>
		<b>31 December 2024</b>	<b>31 December 2023</b>
<b>I.</b>	<b>CURRENT PERIOD INCOME/(LOSS)</b>	<b>495,870</b>	<b>1,935,514</b>
<b>II.</b>	<b>OTHER COMPREHENSIVE INCOME</b>	<b>825,451</b>	<b>90,984</b>
<b>2.1</b>	<b>Not Reclassified Through Profit or (Loss)</b>	<b>1,105,772</b>	<b>444,462</b>
2.1.1	Property and Equipment Revaluation Increase/(Decrease)	1,078,738	231,604
2.1.2	Intangible Assets Revaluation Increase/(Decrease)	-	-
2.1.3	Defined Benefit Pension Plan Remeasurement Gain/Loss	(15,301)	(34,084)
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	2,722	-
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	39,613	246,942
<b>2.2</b>	<b>Reclassified Through Profit or (Loss)</b>	<b>(280,321)</b>	<b>(353,478)</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	(383,762)	(594,202)
2.2.3	Cash Flow Hedge Income/(Loss)	(17,578)	89,069
2.2.4	Foreign Net Investment Hedge Income/(Loss)	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or (Loss)	-	-
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or (Loss)	121,019	151,655
<b>III.</b>	<b>TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>1,321,321</b>	<b>2,026,498</b>

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

**ALTERNATİFBANK A.Ş.**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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

Prior Period 1 January - 31 December 2023	Note (Section Five)	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Income or Expense Not Reclassified through Profit or Loss		Other Comprehensive Income or Expense Reclassified through Profit or Loss		Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except for Minority Shares	Minority shares	Total Shareholders' Equity		
						1	2	3	4								
I. Prior Period End Balance		2,213,740	54	-	443	321,427	(13,659)	-	-	59,576	(56,598)	660,261	(213,381)	1,066,252	4,038,115	19	4,038,134
II. Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1 Effects of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2 Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III. Adjusted Beginning Balance (I+II)		2,213,740	54	-	443	321,427	(13,659)	-	-	59,576	(56,598)	660,261	(213,381)	1,066,252	4,038,115	19	4,038,134
IV. Total Comprehensive Income		-	-	-	-	468,321	(23,859)	-	-	(419,600)	66,122	-	-	1,935,510	2,026,494	4	2,026,498
V. Capital Increase by Cash	II-k	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI. Capital Increase by Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII. Paid-in capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII. Convertible Bonds to Shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX. Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X. Increase/Decrease by Other Changes		-	-	-	(443)	-	-	-	-	-	-	-	(3,246)	-	(3,689)	-	(3,689)
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	902,647	163,605	(1,066,252)	-	-	-
11.1 Dividends paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	902,647	163,605	(1,066,252)	-	-	-	
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Period-End Balance (III+.....+X+XI)</b>		<b>2,213,740</b>	<b>54</b>	<b>-</b>	<b>-</b>	<b>789,748</b>	<b>(37,518)</b>	<b>-</b>	<b>-</b>	<b>(360,024)</b>	<b>9,524</b>	<b>1,562,908</b>	<b>(53,022)</b>	<b>1,935,510</b>	<b>6,060,920</b>	<b>23</b>	<b>6,060,943</b>

- Accumulated Revaluation Increase/Decrease of Fixed Asset,
- Accumulated Remeasurement Gain/Loss of Defined Benefit Pension Plan,
- 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),
- Foreign Currency Translation Differences,
- Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income,
- 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 notes are an integral part of these financial statements.

**ALTERNATİFBANK A.Ş.**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

	Current Period 1 January - 31 December 2024	Note (Section Five)	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except for Minority Shares		Total Shareholders' Equity	
							1	2	3	4	5	6	Profit Reserves	Profit Reserves	Minority Shares	Minority shares		
I.	Prior Period End Balance		2,213,740	54	-	-	789,748	(37,518)	-	-	(360,024)	9,524	1,562,908	(53,022)	1,935,510	6,060,920	23	6,060,943
II.	Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1	Effects of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III.	Adjusted Beginning Balance (I+II)		2,213,740	54	-	-	789,748	(37,518)	-	-	(360,024)	9,524	1,562,908	(53,022)	1,935,510	6,060,920	23	6,060,943
IV.	Total Comprehensive Income		-	-	-	-	1,113,761	(10,711)	2,722	-	(268,016)	(12,305)	-	-	495,861	1,321,312	9	1,321,321
V.	Capital Increase by Cash	II-k	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI.	Capital Increase by Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII.	Paid-in capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII.	Convertible Bonds to Shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX.	Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X.	Increase/Decrease by Other Changes (*)		-	-	-	-	-	-	-	-	-	-	8,000	-	8,000	-	8,000	
XI.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	1,783,759	32,214	(1,935,510)	(119,537)	-	(119,537)
11.1	Dividends paid		-	-	-	-	-	-	-	-	-	-	-	-	(119,537)	(119,537)	-	(119,537)
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	1,783,759	32,214	(1,815,973)	-	-	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Period-End Balance (III+.....+X+XI)		2,213,740	54	-	-	1,903,509	(48,229)	2,722	-	(628,040)	(2,781)	3,346,667	(12,808)	495,861	7,270,695	32	7,270,727

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 notes are an integral part of these financial statements.

**ALTERNATİFBANK A.Ş.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

A.	CASH FLOWS FROM BANKING OPERATIONS	Notes (Section Five)	Audited	
			Current Period 1 January - 31 December 2024	Prior Period 1 January - 31 December 2023
1.1	<b>Operating Profit/(Loss) Before Changes in Operating Assets and Liabilities</b>		(3,225,679)	(6,483,413)
1.1.1	Interest Received		12,782,592	7,572,043
1.1.2	Interest Paid		(12,390,422)	(6,013,613)
1.1.3	Dividend Received		328	270
1.1.4	Fees and Commissions Received		744,922	915,580
1.1.5	Other Income		625,189	3,263,968
1.1.6	Collections from Previously Written-off Loans and Other Receivables		728,345	817,620
1.1.7	Payments to Personnel and Service Suppliers		(1,138,313)	(856,038)
1.1.8	Taxes Paid		(735,146)	(514,908)
1.1.9	Other	VI-c	(3,843,174)	(11,667,956)
1.2	<b>Changes in Operating Assets and Liabilities</b>		3,224,464	5,721,775
1.2.1	Net (Increase)/Decrease in Financial Assets at Fair Value Through Profit or Loss		20,796	(686,195)
1.2.2	Net (Increase)/Decrease in Due from Banks and Other Financial Institutions		(1,653,552)	77,369
1.2.3	Net (Increase)/Decrease in Loans		(9,664,916)	4,245,063
1.2.4	Net (Increase)/Decrease in Other Assets		(1,471,083)	51,425
1.2.5	Net Increase/(Decrease) in Bank Deposits		166,478	177,103
1.2.6	Net Increase/(Decrease) in Other Deposits		11,952,455	(4,002,575)
1.2.7	Net Increase/Decrease in Financial Liabilities at Fair Value Through Profit or Loss		-	-
1.2.8	Net Increase/(Decrease) in Funds Borrowed		(1,812,730)	5,289,715
1.2.9	Net Increase/(Decrease) in Payables		-	-
1.2.10	Net Increase/(Decrease) in Other Liabilities	VI-c	5,687,016	569,870
I.	<b>Net Cash Provided from Banking Operations</b>		(1,215)	(761,638)
B.	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
II.	<b>Net Cash Provided from Investing Activities</b>		72,655	663,643
2.1	Cash Paid for Acquisition of Investments, Associates and Subsidiaries		-	-
2.2	Cash Obtained from Disposal of Investments, Associates and Subsidiaries		-	-
2.3	Purchases of Property and Equipment		(429,771)	(401,580)
2.4	Disposals of Property and Equipment		109,394	165,542
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(7,652)	(1,710,806)
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income		6,449	1,390,327
2.7	Purchase of Financial Assets Measured at Amortised Cost		(756,278)	(2,041,292)
2.8	Sale of Financial Assets Measured at Amortised Cost		1,150,513	3,261,452
2.9	Other		-	-
C.	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
III.	<b>Net Cash Provided from Financing Activities</b>		264,973	(209,664)
3.1	Cash Obtained from Funds Borrowed and Securities Issued		303,946	418,904
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		-	(592,679)
3.3	Issued Capital Instruments		-	-
3.4	Dividends Paid		-	-
3.5	Payments for Finance Leases		(38,973)	(35,889)
3.6	Other		-	-
IV.	<b>Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>	VI-c	2,008,579	3,546,514
V.	<b>Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III+IV)</b>		2,344,992	3,238,855
VI.	<b>Cash and Cash Equivalents at Beginning of the Period</b>	VI-a-3, i	9,651,723	6,412,868
VII.	<b>Cash and Cash Equivalents at End of the Period</b>	VI-a-3, i	11,996,715	9,651,723

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

**ALTERNATİFBANK A.Ş.**  
**STATEMENT OF PROFIT DISTRIBUTION**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

VII. PROFIT DISTRIBUTION STATEMENT (*)	31 December 2024 (*)	31 December 2023 (**)
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1.1. CURRENT YEAR INCOME		
1.2. TAXES AND DUTIES PAYABLE (-)	277,598	2,387,705
1.2.1. Corporate Tax (Income tax)	171,033	(502,274)
1.2.2. Income withholding tax	(57,951)	(405,650)
1.2.3. Other taxes and duties (***)	-	-
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>228,984</b>	<b>(96,624)</b>
1.3. PRIOR YEAR LOSSES (-)	-	-
1.4. FIRST LEGAL RESERVES (-)	-	94,271
1.5. OTHER STATUTORY RESERVES (-)	-	-
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))<sup>(*)</sup>]</b>	<b>448,631</b>	<b>1,791,160</b>
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)	-	119,537
1.6.1. To Owners of Ordinary Shares	-	119,537
1.6.2. To Owners of Privileged Shares	-	-
1.6.3. To Owners of Preferred Shares	-	-
1.6.4. To Profit Sharing Bonds	-	-
1.6.5. To Holders of Profit and Loss Sharing Certificates	-	-
1.7. DIVIDENDS TO PERSONNEL (-)	-	-
1.8. DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9. SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1. To Owners of Ordinary Shares	-	-
1.9.2. To Owners of Privileged Share	-	-
1.9.3. To Owners of Preferred Shares	-	-
1.9.4. To Profit Sharing Bonds	-	-
1.9.5. To Holders of Profit and Loss Sharing Certificates	-	-
1.10. SECOND LEGAL RESERVES (-)	-	-
1.11. STATUTORY RESERVES (-)	-	-
1.12. EXTRAORDINARY RESERVES	-	1,671,623
1.13. OTHER RESERVES	-	-
1.14. SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION OF RESERVES</b>		
2.1. APPROPRIATED RESERVES	-	-
2.2. SECOND LEGAL RESERVES (-)	-	-
2.3. DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1. To owners of ordinary shares	-	-
2.3.2. To owners of privileged shares	-	-
2.3.3. To owners of preferred shares	-	-
2.3.4. To profit sharing bonds	-	-
2.3.5. To holders of profit and loss sharing certificates	-	-
2.4. DIVIDENDS TO PERSONNEL (-)	-	-
2.5. DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
<b>III. EARNINGS PER SHARE (****)</b>	<b>-</b>	<b>-</b>
3.1. TO OWNERS OF ORDINARY SHARES	0.2027	0.8517
3.2. TO OWNERS OF ORDINARY SHARES ( % )	20.27	85.17
3.3. TO OWNERS OF PRIVILEGED SHARES	-	-
3.4. TO OWNERS OF PRIVILEGED SHARES ( % )	-	-
<b>IV. DIVIDEND PER SHARE</b>		
4.1. TO OWNERS OF ORDINARY SHARES	-	-
4.2. TO OWNERS OF ORDINARY SHARES ( % )	-	-
4.3. TO OWNERS OF PRIVILEGED SHARES	-	-
4.4. TO OWNERS OF PRIVILEGED SHARES ( % )	-	-

(\*) Profit distribution is decided by the Board of Directors of the Parent Bank. Annual General Meeting has not been held as of reporting date.

(\*\*) Statement of profit distribution related to prior period has been approved in accordance with General Assembly Decision as of 27 March 2024, and restated after issuance of audited financial statements of 31 December 2023. The amounts published in the profit distribution table have been kept consistent with the decision of the general assembly.

(\*\*\*) According to BRSAs circular, the amount related to the current period is deferred tax income, the amount related to the previous period is deferred tax expense.

(\*\*\*\*) Full TL amount has been stated for each nominal amount of 1.000 and amounts represent the statement of profit distribution of the Parent Bank.

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 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 consolidated financial statements have been prepared in TL, under the historical cost basis as modified in accordance with inflation adjustments applied until 31 December 2004, except for the financial assets and liabilities carried at fair value. Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.

The preparation of consolidated financial statements in conformity with BRSA Accounting and Reporting Legislation requires the use of certain critical accounting estimates by the 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 5 December 2024 and numbered 11021, 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 2026. In this context, inflation adjustment required within the scope of TMS 29 is not implemented while preparing the financial statements as of 31 December 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 consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

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

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

As of 31 December 2024 and 31 December 2023, the Group does not have any investment in foreign companies.

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**III. Consolidated Subsidiaries**

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

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

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

Consolidation principles for subsidiaries:

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

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

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

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

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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

## EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

### IV. Interest Income and Expense

Interest income and expenses are recognized in the income statement by using the "Effective interest rate method". Net book value of the non-performing loans (Gross Book Value - Expected Credit Loss) are 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 Group categorizes its financial assets as "Fair Value Through Profit/Loss", "Fair Value Through Other Comprehensive Income" or "Measured at Amortized Cost". Such financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part three Issued for classification and measurement of the financial instruments published in the Official Gazette No. 29953 dated 19 January 2017 by the Public Oversight Accounting and Auditing Standards Authority. Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than "Financial Assets at Fair Value Through Profit or Loss", transaction costs are added to fair value or deducted from fair value.

The Group recognizes a financial asset into financial statements when it becomes a party to the contractual terms of a financial instrument. During the first recognition of a financial asset into the financial statements, business model determined by Bank management and the nature of contractual cash flows of the financial asset are taken into consideration. When the business model determined by the 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.

#### 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.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

#### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

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

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

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

###### d. Derivative Financial Assets

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

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

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

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

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

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

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.

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 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)**

**e. Loans**

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

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

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

**VII. Impairment of Financial Assets**

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

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

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

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

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

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

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

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

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

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

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

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

- Definition of Default:

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

- Considered as a significant increase in credit risk;

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

**VIII. Offsetting Financial Instruments**

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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#### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

##### **XI. Goodwill and Other Intangible Assets**

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

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

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

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

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

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XII. Property and Equipment**

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

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

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

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

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

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

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

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XIII. Leasing Transactions**

**Financial leasing transactions as lessee**

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

**Right of use assets:**

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

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

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

**The Lease Obligations:**

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

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

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

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

As of 31 December 2024, net right of use assets is amounting to TL 33,258 and net lease liabilities is amounting to TL 8,778 (31 December 2023: net right of use assets is TL 23,053, net lease liabilities is TL 16,067).

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

## EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

### XIV. Provisions, Contingent Asset and Liabilities

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

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

### XV. Obligations Related To Employee Rights

Obligations related to employee termination and vacation rights are accounted in accordance with "Turkish Accounting Standard for Employee Rights" ("TAS 19"). Under the Turkish Labor Law, the 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% (As of 27 November 2024, this rate was reduced to 50%.) 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 CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XVI. Taxation (Continued)**

**a. Corporate taxes (Continued)**

The corporate tax effects related to transactions accounted for directly in equity are also shown in equity. As of 31 December 2021, 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 financial statements for the 2021 and 2022 accounting periods (as of the accounting periods ending in 2022 and 2023 for those who are assigned a special accounting period), 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 articles allowing the revaluation of real estates and depreciation units have been redrawn. 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's Provisional Article 32 and Reiterated Article 298/ç. Since the financial statements were subject to inflation adjustment as of 31 December 2024, real estate and depreciable economic assets were not subject to revaluation as of 31 December 2024. Corporate tax is calculated by taking into account the depreciation allocated on the revalued amounts of real estate and depreciable economic assets.

**b. Deferred taxes**

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

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

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

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

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

The calculated deferred tax asset and deferred tax liability are presented as net in these financial statements. Deferred tax assets and liabilities of consolidated entities are presented without offsetting.

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 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. Share Certificates and Issuance of Share Certificates**

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

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

**XIX. Avalized Drafts And Acceptances**

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

**XX. Explanations on Government Incentives**

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

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XXI. Profit Reserves And Profit Distribution**

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

In accordance with the decision of the Ordinary General Assembly dated 27 March 2024, The 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>31 December 2024</b>	<b>31 December 2023</b>
Group's Profit/(Loss)	495,861	1,935,510
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>0.2240</b>	<b>0.8743</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 as of 31 December 2024 (31 December 2023: None).

**XXIII. Related Parties**

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

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

**XXIV. Cash and Cash Equivalents**

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

**XXV. Explanations on the Accounting Policies of the Current Period**

None.

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

In addition to the restatements described above, comparative information is reclassified when necessary to conform to the presentation of the current period financial statements or to maintain consistency of reporting.

**XXVII. Explanations on Other Matters**

None.

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XXVIII. Operating Segments**

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

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

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

- e) Other operations consist of subsidiaries and joint ventures, tangible assets, intangible assets, deferred tax asset and equity amounts and other income/loss accounts associated with these accounts.
- f) The Group's software requirements, possible software updates and additional software requirements to compete with other firms are provided by the Parent Bank.
- g) According to the table provided, share of each Group's operating segment in the Balance sheet is as follows; corporate/retail banking 51%, investment banking 42% and other 7%.

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XXVIII. Operating Segments (Continued)**

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

<b>31 December 2024</b>	<b>Corporate / Retail Banking</b>	<b>Investment Banking</b>	<b>Other</b>	<b>Total Operations of the Group</b>
Net Interest Income / (Expense)	2,291,725	54,641	-	2,346,366
Net Fees and Commissions Income and Other Operating Income	590,496	139,434	-	729,930
Trading Profit/Loss	(1,276,272)	266,947	-	(1,009,325)
Dividend Income	-	328	-	328
Impairment Provision for Loans and Other Receivables (-) (*)	732,327	(4,720)	(37,543)	690,064
Other Operating and Personnel Expenses (-)	(2,139,584)	(264,644)	-	(2,404,228)
Profit Before Taxes	198,692	191,986	(37,543)	353,135
Tax Provision	-	-	-	142,735
Minority	-	-	9	9
<b>Net Profit for the Period</b>				<b>495,870</b>
<b>31 December 2024</b>				
Segment Assets	44,845,006	36,821,291	6,078,501	87,744,798
Investments in Associates and Subsidiaries	-	-	-	-
<b>Total Assets</b>	<b>44,845,006</b>	<b>36,821,291</b>	<b>6,078,501</b>	<b>87,744,798</b>
Segment Liabilities	41,879,985	26,792,173	11,801,913	80,474,071
Shareholders' Equity	-	-	7,270,727	7,270,727
<b>Total Liabilities</b>	<b>41,879,985</b>	<b>26,792,173</b>	<b>19,072,640</b>	<b>87,744,798</b>

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

<b>31 December 2023</b>	<b>Corporate / Retail Banking</b>	<b>Investment Banking</b>	<b>Other</b>	<b>Total Operations of the Group</b>
Net Interest Income / (Expense)	310,461	1,719,649	-	2,030,110
Net Fees and Commissions Income and Other Operating Income	(81,147)	69,555	-	(11,592)
Trading Profit / (Loss)	2,620,557	(572,076)	-	2,048,481
Dividend Income	-	270	-	270
Impairment Provision for Loans and Other Receivables (-) (*)	(76,311)	(2,341)	(39,140)	(117,792)
Other Operating and Personnel Expenses (-)	(1,349,783)	(156,723)	-	(1,506,506)
Profit Before Taxes	1,423,777	1,058,334	(39,140)	2,442,971
Tax Provision				(507,457)
Minority Shares	-	-	4	4
<b>Net Profit for the Period</b>				<b>1,935,514</b>
<b>31 December 2023</b>				
Segment Assets	34,078,714	31,363,182	2,694,276	68,136,172
Investments in Associates and Subsidiaries	-	-	-	-
<b>Total Assets</b>	<b>34,078,714</b>	<b>31,363,182</b>	<b>2,694,276</b>	<b>68,136,172</b>
Segment Liabilities	27,475,257	24,251,840	10,348,132	62,075,229
Shareholders' Equity	-	-	6,060,943	6,060,943
<b>Total Liabilities</b>	<b>27,475,257</b>	<b>24,251,840</b>	<b>16,409,075</b>	<b>68,136,172</b>

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

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

**SECTION FOUR**  
**INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP**

**I. Explanations on Shareholders' Equity**

The standard rate of the capital adequacy of the Group is 26.56% (31 December 2023: 29.23%). The standard rate of the capital adequacy of the Parent Bank is 27.94% (31 December 2023: 30.88%).

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

**a. Information on Shareholders' Equity**

	<b>31 December 2024</b>	<b>31 December 2023</b>
<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	3,346,667	1,562,908
Gains recognized in equity as per TAS	2,123,507	738,427
Profit	496,239	1,935,888
Current Period Profit	495,861	1,935,510
Prior Period Profit	378	378
Minority Shares	32	23
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	-	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>8,180,239</b>	<b>6,451,040</b>
<b>Deductions from Common Equity Tier 1 Capital</b>		
Valuation adjustments calculated as per the 1 <sup>st</sup> clause of article 9.(i) of the Regulation on Bank Capital	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	69,708	232,715
Improvement costs for operating leasing (-)	35,123	24,590
Goodwill (net of related tax liability)	21,151	21,151
Other intangibles other than mortgage servicing rights (net of related tax liability)	412,075	218,274
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the 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 CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

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

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

**a. Information on Shareholders' 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>538,057</b>	<b>496,730</b>
<b>Total Common Equity Tier 1 Capital</b>	<b>7,642,182</b>	<b>5,954,310</b>
<b>ADDITIONAL TIER I CAPITAL</b>		
Preferred Stock not Included in Common Equity and the Related Share Premiums		
Debt instruments and the related issuance premiums defined by the BRSA	9,702,083	8,095,505
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)		
Third parties' share in the Tier II Capital		
Third parties' share in the Tier II Capital (Temporary Article 3)		
<b>Additional Tier I Capital before Deductions</b>	<b>9,702,083</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 Taxes not deducted from Tier 1 Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-)		
Net Deferred Tax Asset/Liability not deducted from Tier 1 Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-)		
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)		
<b>Total Deductions From Additional Tier I Capital</b>		
<b>Total Additional Tier I Capital</b>	<b>9,702,083</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>17,344,265</b>	<b>14,049,815</b>
<b>TIER II CAPITAL</b>		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)		
Third parties' share in the Tier II Capital		
Third parties' share in the Tier II Capital (Temporary Article 3)		
Provisions (Amounts explained in the first paragraph of the article 8 of the Regulation on Bank Capital)	372,301	537,088
<b>Tier II Capital Before Deductions</b>	<b>372,301</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 in Equity Instruments Issued by Banks and Financial Institutions Invested in Bank's Tier II Capital and Having Conditions Stated in the Article 8 of the Regulation		
Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank does not own 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)		
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier II Capital of Consolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)		
Other items to be defined by the BRSA (-)		
<b>Total Deductions from Tier II Capital</b>		
<b>Total Tier II Capital</b>	<b>372,301</b>	<b>537,088</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>17,716,566</b>	<b>14,586,903</b>
<b>The sum of Tier I Capital and Tier II Capital (Total Capital )</b>	<b>17,716,566</b>	<b>14,586,903</b>

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

Loans granted against the articles 50 and 51 of the banking law	5,889	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>Items to be Deducted from sum of Tier I and Tier II (Capital) during the Transition Period</b>	-	-
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the 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)	17,710,677	14,583,569
Total risk weighted amounts	66,683,549	49,886,118
<b>CAPITAL ADEQUACY RATIOS</b>	-	-
Core Capital Adequacy Ratio (%)	11.46%	11.94%
Tier 1 Capital Adequacy Ratio (%)	26.01%	28.16%
Capital Adequacy Ratio (%)	26.56%	29.23%
<b>BUFFERS</b>	-	-
Bank specific total Common Equity Tier 1 Capital requirement (%)	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 (%)	6.96%	7.44%
<b>Amounts below the Excess Limits as per the Deduction Principles</b>	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital	-	-
Total of net long positions of the investments in Tier I capital of unconsolidated banks and financial institutions where the bank owns more than 10% or less of the issued share capital	-	-
Remaining Mortgage Servicing Rights	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
<b>Limits related to provisions considered in Tier II calculation</b>	-	-
General provisions for standard based receivables (before tenthousandandtwentyfive limitation)	372,301	537,088
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	372,301	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	-	-

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

**b. Details on Subordinated Liabilities**

<b>Issuer</b>	<b>The Commercial Bank (P.S.Q.C.)</b>
Unique identifier (eg CUSIP, ISIN)	-
Governing law(s) of the instrument	Regulation on Equity of Banks (Published in the Official Gazette Nr. 28756 dated 5 September 2013)
<b>Regulatory treatment</b>	
Subject to 10% deduction as of 1/1/2015	No
Eligible on Unconsolidated/ consolidated / both unconsolidated and consolidated	Valid on Consolidated and Unconsolidated Basis
Instrument type	TIER-I Subordinated Loan
Amount recognised in regulatory capital (Currency in million TRL, as of most recent reporting date)	2,646,023
Par value of instrument (Million TRL)	2,646,023
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 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.
If write-down, full or partial	Partial or completely value decrement is should be realized.
If write-down, permanent or temporary	Permanent
If temporary write-down, description of write-up mechanism	
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After claims, deposit holders, other creditors and instruments included in the calculation of supplementary capital
Whether conditions which stands in article of 7 and 8 of Banks' shareholder equity law are possessed or not	Possess
According to article 7 and 8 of Banks' shareholders equity law that are not possessed	-

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

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

<b>Issuer</b>	<b>Alternatif Bank A.Ş.</b>
Unique identifier (eg CUSIP, ISIN)	ISIN: XS2327872524
Governing law(s) of the instrument	English Law/Turkish Law on subordination
<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	Bond
Amount recognised in regulatory capital (Currency in million TRL, as of most recent reporting date)	7,056,060
Par value of instrument (Million TRL)	7,056,060
Accounting classification	347
Original date of issuance	31.03.2021
Demand or time	Demand
Original maturity date	-
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	After 5 th year
Subsequent call dates, if applicable	After 5 th year
<b>Coupons / dividends</b>	
Fixed or floating dividend/coupon	Fixed
Coupon rate and any related index	Fixed 10.50% for first 5 years, fixed MS+9.546% for next 5 years
Existence of a dividend stopper	Will not charge interest for the reduced value after the decrement date
Fully discretionary, partially discretionary or mandatory	Discretionary
Existence of step up or other incentive to redeem	-
Non-cumulative or cumulative	Non-cumulative
<b>Convertible or non-convertible</b>	
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts int	-
<b>Write-down feature</b>	
If write-down, write-down trigger (s)	When unsustainable situation is realized,value decrement is realized and less than 5.125%
If write-down, full or partial	Partial or completely value decrement is should be realized.
If write-down, permanent or temporary	Temporary
If temporary write-down, description of write-up mechanism	When unsustainable situation is realized,value decrement is realized and higher than 5.125%
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Before core capital, after all creditors
Whether conditions which stands in article of 7 and 8 of Banks' shareholder equity law are possessed or not	Possess
According to article 7 and 8 of Banks' shareholders equity law that are not possessed	-

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

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

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

The risks that the Parent Bank can encounter due to its operations are being evaluated in 2024 budget works and the possible capital requirements according to The Parent Bank's goal and strategies are evaluated.

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

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

### II. Explanations on Credit Risk

#### The total amount of risks exposed after offsetting transactions, regardless of the effects of credit risk mitigation and the average amount for the risks separated by the different risk classes and types

The sectoral concentrations for loans are monitored closely in accordance with the Bank's loan policy. During the Management of Risk Committee meetings held every month, overall Bank's risk is monitored by analyzing sectoral concentration.

All transactions are within the limits determined by the Board of Directors and being monitored on a regular basis.

All loans are revised at least once a year according to the regulations. Following the revision performed according to the Group's rating methodology, the credit limits are revised or additional guarantees are requested. In the same process, risk based loan loss provisions are calculated and loan pricing policies are updated according to the results. As the expected loan losses are considered as a standard cost, they are considered in the pricing process. In case of unexpected losses, economical capital values are calculated and Group's current capital is held within the required economical capital requirements. Incomes that are reevaluated according to the risk are monitored as a performance criteria and equity sharing with the profit centers are expected to be beneficial.

Derivatives, options and other similar contracts does not have specific provisions with specific control limits and the risk arising from these contracts are limited with the Group's global risk framework. Group's current policy indicates that such items should be fully collateralized to eliminate possible risks.

Indemnified non-cash loans are subject to the same risk weight as outstanding loans matured but not yet paid.

Rescheduled loans are monitored like other loans within the Group's internal rating application. Risk ratings of the borrowers are used for credit maturities.

Group's international banking operations and loans are with the OECD countries and when the economic conditions of these operations are found to be unimportant of a part for the credit risk.

Group is not active in international banking market.

The share of receivables of the Parent Bank from its top 100 cash loan customers are 61.54% in the total cash loans (31 December 2023: 83.23%).

The share of receivables of the Parent Bank from its top 100 non-cash loan customers are 65.85% in the total non-cash loans (31 December 2023: 79.17%).

The share of cash and non-cash receivables of the Parent Bank top 100 loan customers are 9.28% (31 December 2023: 8.55%) in the overall balance sheet and off balance sheet items.

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

**II. Explanations on Credit Risk**

**Current Period**

<b>Risk Group</b>	<b>Current Period Risk Amount (*)</b>	<b>Average Risk Amount (**)</b>
Contingent and Non-Contingent Receivables from Central Governments or Central Banks	28,888,008	27,265,423
Contingent and Non-Contingent Receivables from Regional Governments or Local Authorities	-	-
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	2,750	2,949
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-
Contingent and Non-Contingent Receivables from International organizations	-	-
Contingent and Non-Contingent Receivables from banks and Intermediaries	9,722,437	8,557,465
Contingent and Non-Contingent Corporate Receivables	63,240,106	52,270,923
Contingent and Non-Contingent Retail Receivables	997,618	390,449
Contingent and Non-Contingent Receivables Secured by Residential Property	783,377	869,605
Non-Performing Receivables	224,500	136,207
Receivables Identified as High Risk by the Board	1,756,786	6,007,262
Secured by Mortgages	-	-
Securitization Positions	-	-
Short-term Receivables from Banks, Brokerage Houses and Corporates	-	-
Investments Similar to Collective Investment Funds	-	-
Other Receivables	5,059,121	4,129,842
<b>Total</b>	<b>110,674,703</b>	<b>99,630,125</b>

(\*) Represents the risk amounts after credit conversion factors.

(\*\*) Average risk amounts are calculated by the arithmetic average year of the 2024's risk amounts.

**Prior Period**

<b>Risk Group</b>	<b>Current Period Risk Amount (*)</b>	<b>Average Risk Amount (**)</b>
Contingent and Non-Contingent Receivables from Central Governments or Central Banks	25,964,646	20,714,699
Contingent and Non-Contingent Receivables from Regional Governments or Local Authorities	-	-
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	2,204	2,193
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-
Contingent and Non-Contingent Receivables from International organizations	-	-
Contingent and Non-Contingent Receivables from banks and Intermediaries	7,781,130	7,634,218
Contingent and Non-Contingent Corporate Receivables	39,764,880	41,360,399
Contingent and Non-Contingent Retail Receivables	233,531	336,193
Contingent and Non-Contingent Receivables Secured by Residential Property	559,287	759,830
Non-Performing Receivables	96,169	184,693
Receivables Identified as High Risk by the Board	4,216,615	2,615,381
Secured by Mortgages	-	-
Securitization Positions	-	-
Short-term Receivables from Banks, Brokerage Houses and Corporates	-	-
Investments Similar to Collective Investment Funds	-	-
Other Receivables	2,601,495	3,021,748
<b>Total</b>	<b>81,219,957</b>	<b>76,629,354</b>

(\*) Represents the risk amounts after credit conversion factors.

(\*\*) Average risk amounts are calculated by the arithmetic average year of the 2023's risk amounts.

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

**a. Information on types of loans and specific provisions:**

<b>31 December 2024</b>	<b>Corporate/ Commercial</b>	<b>SME</b>	<b>Consumer</b>	<b>Credit Cards</b>	<b>Total</b>
Standard Loans	36,109,951	4,433,637	796,750	57,022	41,397,360
Loans under Close Monitoring	3,057,694	469,044	8,426	5,100	3,540,264
Non-performing Loans	542,530	58,823	1,390	140	602,883
Expected credit losses (-) (*)	532,245	274,895	4,146	1,724	813,010
<b>Total</b>	<b>39,177,930</b>	<b>4,686,609</b>	<b>802,420</b>	<b>60,538</b>	<b>44,727,497</b>

(\*) Explanations about impairment of financial assets are explained in Section Third Footnote number VII.

<b>31 December 2023</b>	<b>Corporate/ Commercial</b>	<b>SME</b>	<b>Consumer</b>	<b>Credit Cards</b>	<b>Total</b>
Standard Loans	24,614,644	3,597,588	338,633	61,269	28,612,134
Loans under Close Monitoring	2,964,017	3,347,519	9,271	5,387	6,326,194
Non-performing Loans	393,122	176,459	2,305	88	571,974
Expected credit losses (-) (*)	746,441	695,192	3,535	978	1,446,146
<b>Total</b>	<b>27,225,342</b>	<b>6,426,374</b>	<b>346,674</b>	<b>65,766</b>	<b>34,064,156</b>

(\*) Explanations about impairment of financial assets are explained in Section Third Footnote number VII.

**b. Information on loans and receivables past due but not impaired:**

<b>31 December 2024</b>	<b>Corporate/ Commercial</b>	<b>SME</b>	<b>Consumer</b>	<b>Credit Cards</b>	<b>Total</b>
Past due up to 30 Days	101,038	26,582	23,000	624	151,244
Past due 30-60 Days	59,286	2,600	4,701	124	66,711
Past due 60-90 Days	24,581	-	2,195	18	26,794
<b>Total</b>	<b>184,905</b>	<b>29,182</b>	<b>29,896</b>	<b>766</b>	<b>244,749</b>

<b>31 December 2023</b>	<b>Corporate/ Commercial</b>	<b>SME</b>	<b>Consumer</b>	<b>Credit Cards</b>	<b>Total</b>
Past due up to 30 Days	876,064	531,981	16,019	1,059	1,425,123
Past due 30-60 Days	4,592	16,209	7,942	197	28,940
Past due 60-90 Days	18,733	1,317	501	2	20,553
<b>Total</b>	<b>899,389</b>	<b>549,507</b>	<b>24,462</b>	<b>1,258</b>	<b>1,474,616</b>

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

### II. Explanations on Credit Risk (Continued)

#### c. Information on debt securities, treasury bills and other bills:

31 December 2024	Financial Assets at Fair Value through P/L (Net)	Financial Assets at Fair Value through OCI (Net)	Financial Assets at Amortised Cost (Net)	Total
Japan JCR's Rating				
BB (*)	25,127	7,787,365	10,144,596	17,957,088
<b>Total</b>	<b>25,127</b>	<b>7,787,365</b>	<b>10,144,596</b>	<b>17,957,088</b>

(\*) Consists of Turkish Republic government bonds, private sector bonds and treasury bills.

31 December 2023	Financial Assets at Fair Value through P/L (Net)	Financial Assets at Fair Value through OCI (Net)	Financial Assets at Amortised Cost (Net)	Total
Japan JCR's Rating				
BB(+) (*)	56,822	6,807,194	9,520,585	16,384,601
<b>Total</b>	<b>56,822</b>	<b>6,807,194</b>	<b>9,520,585</b>	<b>16,384,601</b>

(\*) Consists of Turkish Republic government bonds, private sector bonds and treasury bills.

#### d. Information on rating concentration:

The credit risk is evaluated according to the Parent Bank's internal rating system. The loans rated according to probability of default, from the best rating (high standard), to the lowest rate (substandard) are presented in the below table and at the bottom of the table there is past due loans (impaired).

"High standard" category means that the debtor has a strong financial structure, "standard" category means that debtor has a good and sufficient financial structure, "substandard" category means that the debtor's financial structure under risk in the short and medium term.

	31 December 2024	31 December 2023
High Standard (A,B)	98.65%	98.25%
Standard (C)	0.03%	0.08%
Substandard (D)	0.01%	0.06%
Impaired (E)	1.31%	1.61%
Not rated	-	-

#### e. Fair value of collaterals (loans and advances to customers):

31 December 2024	Corporate/Commercial	SME	Consumer	Credit Cards	Total
Loans under Close Monitoring	5,034,117	3,158,275	128,721	3,585	8,324,698
Non-performing Loans	150,813	198,703	14,208	22	363,746
<b>Total</b>	<b>5,184,930</b>	<b>3,356,978</b>	<b>142,929</b>	<b>3,607</b>	<b>8,688,444</b>

31 December 2023	Corporate/Commercial	SME	Consumer	Credit Cards	Total
Loans under Close Monitoring	1,059,686	2,824,830	3,032	46	3,887,594
Non-performing Loans	120,259	125,580	3,545	28	249,412
<b>Total</b>	<b>1,179,945</b>	<b>2,950,410</b>	<b>6,577</b>	<b>74</b>	<b>4,137,006</b>

Type of Collaterals	31 December 2024	31 December 2023
Real-estate Mortgage	3,347,470	1,278,671
Cash and Cash Equivalents	1,209,486	116,482
Vehicle Pledge	949,654	439,702
Other	3,181,834	2,302,151
<b>Total</b>	<b>8,688,444</b>	<b>4,137,006</b>

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

**f. Risk profile according to the geographical concentration:**

	Contingent and Non-Contingent Receivables from Central Governments or Central Banks	Contingent and Non-Contingent Receivables from Administrative Units and Non-Commercial Enterprises	Contingent and Non-Contingent Receivables from Banks and Intermediaries	Risk Categories (*)					Receivables Identified as High Risk by the Board	Other Receivables	Total	
				Contingent and Non-Contingent Corporate Receivables	Contingent and Non-Contingent Retail Receivables	Contingent and Non-Contingent Receivables Secured by Residential Property	Non-Performing Receivables					
<b>31 December 2024</b>												
Domestic	28,888,008	2,750	5,067,729	63,240,106	996,828	783,377	1,756,786	224,500	-	100,960,084		
EU Countries	-	-	3,362,274	-	28	-	-	-	-	-	3,362,302	
OECD Countries (**)	-	-	44,898	-	22	-	-	-	-	-	44,920	
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	
USA, Canada	-	-	770,023	-	-	-	-	-	-	-	770,023	
Other Countries	-	-	477,513	-	740	-	-	-	-	-	478,253	
Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	
Unallocated Assets Liabilities (***)	-	-	-	-	-	-	-	-	-	5,059,121	5,059,121	
<b>Total</b>	<b>28,888,008</b>	<b>2,750</b>	<b>9,722,437</b>	<b>63,240,106</b>	<b>997,618</b>	<b>783,377</b>	<b>1,756,786</b>	<b>224,500</b>	<b>5,059,121</b>	<b>5,059,121</b>	<b>110,674,703</b>	

(\*) Risk categories in the Communiqué on Measurement and Assessment of Capital Adequacy of Banks.

(\*\*) OECD countries other than EU countries, USA and Canada.

(\*\*\*) Assets and liabilities are not allocated on a consistent basis.

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

**f. Risk profile according to the geographical concentration (Continued)**

	Contingent and Non-Contingent Receivables from Central Governments or Central Banks	Contingent and Non-Contingent Receivables from Administrative Units and Non-Commercial Enterprises	Contingent and Non-Contingent Receivables from Banks and Intermediaries	Risk Categories (*)					Receivables Identified as High Risk by the Board	Other Receivables	Total	
				Contingent and Non-Contingent Corporate Receivables	Contingent and Non-Contingent Retail Receivables	Contingent and Non-Contingent Receivables Secured by Residential Property	Non-Performing Receivables					
<b>31 December 2023</b>												
Domestic	25,964,646	2,204	2,354,438	39,726,206	232,942	559,287	96,169	4,216,422	-	-	73,152,314	
EU Countries	-	-	3,738,138	38,674	30	-	-	-	67	-	3,776,909	
OECD Countries (**)	-	-	49,117	-	-	-	-	-	-	-	49,117	
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	
USA, Canada	-	-	1,033,374	-	-	-	-	-	-	-	1,033,374	
Other Countries	-	-	606,063	-	559	-	-	-	126	-	606,748	
Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	
Unallocated Assets Liabilities (***)	-	-	-	-	-	-	-	-	-	2,601,495	2,601,495	
<b>Total</b>	<b>25,964,646</b>	<b>2,204</b>	<b>7,781,130</b>	<b>39,764,880</b>	<b>233,531</b>	<b>559,287</b>	<b>96,169</b>	<b>4,216,615</b>	<b>2,601,495</b>	<b>81,219,957</b>		

(\*) Risk categories in the Communiqué on Measurement and Assessment of Capital Adequacy of Banks.

(\*\*) OECD countries other than EU countries, USA and Canada.

(\*\*\*) Assets and liabilities are not allocated on a consistent basis.

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

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

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

**g. Risk profile by Sectors or Counterparties:**

Current Period Sectors/Counterparties	Risk Categories (*)									TL	FC	Total
	1	2	3	4	5	6	7	8	9			
<b>Agriculture</b>	-	-	-	<b>265,234</b>	<b>1,700</b>	-	<b>4</b>	-	-	<b>177,654</b>	<b>89,284</b>	<b>266,938</b>
Farming and Stockbreeding	-	-	-	265,177	868	-	4	-	-	176,765	89,284	266,049
Forestry	-	-	-	52	646	-	-	-	-	698	-	698
Fishery	-	-	-	5	186	-	-	-	-	191	-	191
<b>Manufacturing</b>	-	-	-	<b>21,061,845</b>	<b>186,750</b>	<b>56,817</b>	<b>82,283</b>	<b>865,251</b>	-	<b>14,044,362</b>	<b>8,208,584</b>	<b>22,252,946</b>
Mining and Quarrying	-	-	-	569,167	7,197	2	378	-	-	470,024	106,720	576,744
Production	-	-	-	19,165,011	176,881	56,815	81,905	865,251	-	13,217,627	7,128,236	20,345,863
Electricity, Gas and Water	-	-	-	1,327,667	2,672	-	-	-	-	356,711	973,628	1,330,339
<b>Construction</b>	-	-	-	<b>4,455,035</b>	<b>34,657</b>	<b>367,924</b>	<b>1,381</b>	<b>801,309</b>	-	<b>2,443,929</b>	<b>3,216,377</b>	<b>5,660,306</b>
<b>Services</b>	-	<b>2,549</b>	<b>9,462,355</b>	<b>25,474,946</b>	<b>67,172</b>	<b>227,904</b>	<b>106,444</b>	<b>17,012</b>	-	<b>21,270,734</b>	<b>14,087,648</b>	<b>35,358,382</b>
Wholesale and Retail Trade	-	-	-	6,000,341	38,422	113,947	89,830	17,010	-	3,891,877	2,367,673	6,259,550
Hotel, Food and Beverage Services	-	-	-	137,720	974	-	337	-	-	106,282	32,749	139,031
Transportation and Telecom	-	-	-	2,507,241	11,599	59,552	133	-	-	1,387,662	1,190,863	2,578,525
Financial Institutions	-	-	<b>9,462,355</b>	<b>10,534,752</b>	<b>140</b>	-	-	-	-	<b>11,596,321</b>	<b>8,400,926</b>	<b>19,997,247</b>
Real Estate and Rental Services	-	-	-	1,932,369	3,543	-	-	-	-	1,196,378	739,534	1,935,912
Self-employment Services	-	-	-	3,082,300	8,967	54,405	16,144	2	-	1,808,450	1,353,368	3,161,818
Educational Services	-	-	-	43	354	-	-	-	-	397	-	397
Health and Social Services	-	<b>2,549</b>	-	1,280,180	3,173	-	-	-	-	1,283,367	2,535	1,285,902
<b>Other</b>	<b>28,888,008</b>	<b>201</b>	<b>260,082</b>	<b>11,983,046</b>	<b>707,339</b>	<b>130,732</b>	<b>34,388</b>	<b>73,214</b>	<b>5,059,121</b>	<b>33,672,764</b>	<b>13,463,367</b>	<b>47,136,131</b>
<b>TOTAL</b>	<b>28,888,008</b>	<b>2,750</b>	<b>9,722,437</b>	<b>63,240,106</b>	<b>997,618</b>	<b>783,377</b>	<b>224,500</b>	<b>1,756,786</b>	<b>5,059,121</b>	<b>71,609,443</b>	<b>39,065,260</b>	<b>110,674,703</b>

(\*) Risk categories in the Communiqué on Measurement and Assessment of Capital Adequacy of Banks.

- 1- Contingent and Non-Contingent Receivables from Central Governments or Central Banks
- 2- Contingent and Non-Contingent Receivables from Administrative Units and Non-Commercial Enterprises
- 3- Contingent and Non-Contingent Receivables from Banks and Intermediaries
- 4- Contingent and Non-Contingent Corporate Receivables
- 5- Contingent and Non-Contingent Retail Receivables
- 6- Contingent and Non-Contingent Receivables Secured by Residential Property
- 7- Non-Performing Receivables
- 8- Receivables identified as high risk by the Board
- 9- Other

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

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

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

**g. Risk profile by Sectors or Counterparties (Continued):**

Prior Period	Risk Categories (*)												FC	Total
	1	2	3	4	5	6	7	8	9	TL				
Sectors/Counterparties														
<b>Agriculture</b>	-	-	-	<b>179,012</b>	<b>1,542</b>	<b>18,234</b>	<b>4</b>	<b>112,157</b>	-	<b>289,986</b>	<b>20,963</b>	<b>310,949</b>		
Farming and Stockbreeding	-	-	-	166,243	889	18,234	4	112,157	-	277,520	20,007	297,527		
Forestry	-	-	-	1,852	-	-	-	-	-	1,852	-	1,852		
Fishery	-	-	-	10,917	653	-	-	-	-	10,614	956	11,570		
<b>Manufacturing</b>	-	-	-	<b>12,755,977</b>	<b>60,671</b>	<b>80,387</b>	<b>26,625</b>	<b>1,474,486</b>	-	<b>8,601,088</b>	<b>5,797,058</b>	<b>14,398,146</b>		
Mining and Quarrying	-	-	-	667,180	2,488	-	3	-	-	593,978	75,693	669,671		
Production	-	-	-	11,013,757	58,129	80,387	26,622	1,373,869	-	7,651,537	4,901,227	12,552,764		
Electricity, Gas and Water	-	-	-	1,075,040	54	-	-	100,617	-	355,573	820,138	1,175,711		
<b>Construction</b>	-	-	-	<b>3,938,903</b>	<b>10,799</b>	<b>75,322</b>	<b>22,370</b>	<b>1,086,281</b>	-	<b>2,222,017</b>	<b>2,911,658</b>	<b>5,133,675</b>		
<b>Services</b>	<b>655,899</b>	<b>1,850</b>	<b>7,381,283</b>	<b>17,222,498</b>	<b>35,980</b>	<b>290,969</b>	<b>43,686</b>	<b>994,285</b>	-	<b>15,465,401</b>	<b>11,161,049</b>	<b>26,626,450</b>		
Wholesale and Retail Trade	-	-	-	5,413,344	19,014	133,694	6,992	405,370	-	4,809,736	1,168,679	5,978,415		
Hotel, Food and Beverage Services	-	-	-	30,150	1,334	2,045	17,890	-	-	44,143	7,276	51,419		
Transportation and Telecom	-	-	-	1,599,886	4,500	63,984	418	220,161	-	952,707	936,242	1,888,949		
Financial Institutions	<b>655,899</b>	-	<b>7,381,283</b>	<b>7,016,855</b>	<b>654</b>	-	-	-	-	<b>7,257,956</b>	<b>7,796,734</b>	<b>15,054,690</b>		
Real Estate and Rental Services	-	-	-	1,029,417	959	2,472	-	176,529	-	632,012	577,365	1,209,377		
Self-employment Services	-	-	-	1,820,230	6,792	85,210	18,005	192,182	-	1,449,806	672,613	2,122,419		
Educational Services	-	-	-	33	468	-	-	-	-	501	-	501		
Health and Social Services	-	1,850	-	312,583	2,259	3,564	381	43	-	318,540	2,140	320,680		
<b>Other</b>	<b>25,308,747</b>	<b>354</b>	<b>399,847</b>	<b>5,668,490</b>	<b>124,539</b>	<b>94,375</b>	<b>3,484</b>	<b>549,406</b>	<b>2,601,495</b>	<b>25,315,911</b>	<b>9,434,826</b>	<b>34,750,737</b>		
<b>TOTAL</b>	<b>25,964,646</b>	<b>2,204</b>	<b>7,781,130</b>	<b>39,764,880</b>	<b>233,531</b>	<b>559,287</b>	<b>96,169</b>	<b>4,216,615</b>	<b>2,601,495</b>	<b>51,894,403</b>	<b>29,325,554</b>	<b>81,219,957</b>		

(\*) Risk categories in the Communiqué on Measurement and Assessment of Capital Adequacy of Banks.

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- 3- Contingent and Non-Contingent Receivables from Banks and Intermediaries
- 4- Contingent and Non-Contingent Corporate Receivables
- 5- Contingent and Non-Contingent Retail Receivables
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**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

**h. Analysis of maturity-bearing exposures according to remaining maturities:**

Current Period:

Risk classifications	Term To Maturity (*)				
	1 Month	1-3 Month	3-6 Month	6-12 Month	Over 1 year
Contingent and Non-Contingent Receivables from Central Governments or Central Banks	3,580,392	-	-	-	25,307,616
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	2,549	-	-	-	201
Contingent and Non-Contingent Receivables from Banks and Intermediaries	5,119,595	1,277,592	2,133,269	145,626	1,046,355
Contingent and Non-Contingent Corporate	5,763,623	10,994,460	11,437,10	13,817,08	21,227,829
Contingent and Non-Contingent Retail Receivables	70,662	33,221	63,264	399,756	430,715
Contingent and Non-Contingent Receivables Secured by Residential Property	37,776	155,322	64,347	106,626	419,306
Non-Performing Receivables	-	-	-	-	224,500
Receivables Identified as High Risk by the Board	3	-	-	13,463	1,743,320
Other Receivables	-	-	-	-	-
<b>TOTAL</b>	<b>14,574,60</b>	<b>12,460,595</b>	<b>13,697,98</b>	<b>14,482,55</b>	<b>50,399,842</b>

(\*) Risk amounting to TL 5,059,121 without maturity, is not taken into consideration in the table above.

Prior Peiod:

Risk classifications	Term To Maturity (*)				
	1 Month	1-3 Month	3-6 Month	6-12 Month	Over 1 year
Contingent and Non-Contingent Receivables from Central Governments or Central Banks	2,590,263	192,911	64,304	-	23,117,168
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	1,850	-	313	-	41
Contingent and Non-Contingent Receivables from Banks and Intermediaries	4,780,428	1,245,908	546,843	131,812	1,076,139
Contingent and Non-Contingent Corporate	8,033,189	6,737,909	4,018,315	7,469,364	13,506,103
Contingent and Non-Contingent Retail Receivables	69,852	13,894	21,453	34,832	93,500
Contingent and Non-Contingent Receivables Secured by Residential Property	62,670	59,977	125,698	161,014	149,928
Non-Performing Receivables	-	-	-	-	96,169
Receivables Identified as High Risk by the Board	596,312	1,412,235	515,433	576,581	1,116,054
Other Receivables	-	-	-	-	-
<b>TOTAL</b>	<b>16,134,56</b>	<b>9,662,834</b>	<b>5,292,359</b>	<b>8,373,603</b>	<b>39,155,102</b>

(\*) Risk amounting to TL 2,601,495 without maturity, is not taken into consideration in the table above.

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

**i. Credit Risk by Risk Weights - Standard Approach**

Current Period:

Risk Weights	0%	10%	20%	35%	50%	75%	100%	150%	200%	500%	Deductions from Equity
<b>1</b> Amount before Credit Risk Mitigation	29,926,001	-11,356,846	346,816	21,798,140	997,604	44,374,093	1,782,100	-	93,102	-	5,889
<b>2</b> Amount after Credit Risk Mitigation	29,945,203	-11,343,927	334,208	21,776,591	924,017	44,089,522	1,775,510	-	93,102	-	5,889

Prior Period:

Risk Weights	0%	10%	20%	35%	50%	75%	100%	150%	200%	500%	Deductions from Equity
<b>1</b> Amount before Credit Risk Mitigation	26,599,856	-8,022,190	425,445	11,934,569	213,041	29,743,046	209,879	4,063,102	8,827	-	3,334
<b>2</b> Amount after Credit Risk Mitigation	26,627,979	-7,867,651	393,370	11,901,204	201,635	29,322,385	186,872	4,063,102	8,827	-	3,334

**j. Information of major sectors or type of counterparties**

Current Period

	Major Sectors / Counterparties	Loans				Value Adjustments	Provisions
		Impaired Loans	Past Due Loans				
<b>1</b>	<b>Agriculture</b>	-	3,694			-	<b>3,694</b>
1.1	Farming and Stockbreeding	-	3,690			-	3,690
1.2	Forestry	-	-			-	-
1.3	Fishery	-	4			-	4
<b>2</b>	<b>Manufacturing</b>	<b>1,249,430</b>	<b>190,759</b>			<b>153,989</b>	<b>105,084</b>
2.1	Mining and Quarrying	-	3,308			-	2,930
2.2	Production	1,136,133	186,852			145,660	101,555
2.3	Electricity, Gas and Water	113,297	599			8,329	599
<b>3</b>	<b>Construction</b>	<b>1,063,310</b>	<b>57,855</b>			<b>61,566</b>	<b>57,010</b>
<b>4</b>	<b>Services</b>	<b>1,052,676</b>	<b>190,619</b>			<b>107,006</b>	<b>77,261</b>
4.1	Wholesale and Retail Trade	755,188	157,645			103,163	62,847
4.2	Accommodation and Dining	91	2,361			240	2,360
4.3	Transportation and Telecom	1,070	802			1,432	2,418
4.4	Financial Institutions	81	209			9	209
4.5	Real Estate and Rental Services	4,268	18,561			26	692
4.6	Professional Services	291,978	10,639			2,136	8,333
4.7	Educational Services	-	-			-	-
4.8	Health and Social Services	-	402			-	402
<b>5</b>	<b>Other</b>	<b>174,848</b>	<b>159,956</b>			<b>8,190</b>	<b>53,064</b>
	<b>Total</b>	<b>3,540,264</b>	<b>602,883</b>			<b>330,920</b>	<b>296,113</b>

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

### II. Explanations on Credit Risk (Continued)

#### j. Information of major sectors or type of counterparties (Continued)

Prior Period

	Major Sectors / Counterparties	Loans			Value Adjustments	Provisions
		Impaired Loans	Past Due Loans			
<b>1</b>	<b>Agriculture</b>	<b>1,928</b>	<b>3,923</b>		<b>551</b>	<b>3,923</b>
1.1	Farming and Stockbreeding	1,928	3,918		551	3,918
1.2	Forestry	-	-		-	-
1.3	Fishery	-	5		-	5
<b>2</b>	<b>Manufacturing</b>	<b>1,129,569</b>	<b>140,443</b>		<b>138,462</b>	<b>115,091</b>
2.1	Mining and Quarrying	3,831	3,269		611	3,266
2.2	Production	969,092	136,440		126,402	111,091
2.3	Electricity, Gas and Water	156,646	734		11,449	734
<b>3</b>	<b>Construction</b>	<b>3,252,063</b>	<b>130,547</b>		<b>444,142</b>	<b>111,136</b>
<b>4</b>	<b>Services</b>	<b>1,826,746</b>	<b>274,316</b>		<b>329,876</b>	<b>213,004</b>
4.1	Wholesale and Retail Trade	775,813	177,013		137,692	170,669
4.2	Accommodation and Dining	1,504	39,329		21,203	10,648
4.3	Transportation and Telecom	17,343	15,111		2,025	16,258
4.4	Financial Institutions	295	60		3	60
4.5	Real Estate and Rental Services	7,946	28,240		256	3,051
4.6	Professional Services	882,176	14,227		168,621	11,982
4.7	Educational Services	-	-		-	-
4.8	Health and Social Services	141,669	336		76	336
<b>5</b>	<b>Other</b>	<b>115,888</b>	<b>22,745</b>		<b>2,002</b>	<b>19,950</b>
	<b>Total</b>	<b>6,326,194</b>	<b>571,974</b>		<b>915,033</b>	<b>463,104</b>

#### k. Information on Movements in Value Adjustments and Provisions Related with Value Adjustments and Change in Provisions:

		Opening Balance	Charge of the Period	Provision Cancellations	Value Adjustments	Closing Balance
<b>1</b>	Expected credit losses for stage 3	463,104	118,319	(268,563)	(16,747)	296,113
<b>2</b>	Expected credit losses for stage 1 and stage 2	983,042	319,737	(905,650)	117,703	514,832

### III. Explanations on Currency Risk

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

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

Rate used:	USD	EUR
31.12.2024	35.2803	36.7362
30.12.2024	35.2233	36.7429
27.12.2024	35.1368	36.6134
26.12.2024	35.2033	36.6076
25.12.2024	35.2162	36.6592

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

USD: TL 34.9254

EUR: TL 36.5796

As of 31 December 2024; **USD** **EUR**

**Rate Used:** TL 35.2803 TL 36.7362

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

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

	Euro	Usd	Other FC	Total
<b>31 December 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	622,649	7,519,023	367,790	8,509,462
Banks	1,193,394	3,368,300	188,540	4,750,234
Financial Assets at Fair Value Through Profit and Loss <sup>(*)</sup>	5,033	275,743	31	280,807
Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	4,089,708	-	4,089,708
Loans <sup>(**)</sup>	10,153,596	12,165,250	-	22,318,846
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Financial Assets Measured at Amortised Cost	-	8,402,146	-	8,402,146
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets <sup>(***)</sup>	37,245	129,905	30	167,180
<b>Total Assets</b>	<b>12,011,917</b>	<b>35,950,075</b>	<b>556,391</b>	<b>48,518,383</b>
<b>Liabilities</b>				
Bank Deposits	10,162	45,251	79,088	134,501
Foreign Currency Deposits	3,777,452	8,752,168	2,114,748	14,644,368
Money Market Funds	-	10,909,069	-	10,909,069
Funds Borrowed From Other Financial Institutions	7,623,061	19,641,288	-	27,264,349
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	453,412	220,901	1,371	675,684
Derivative Financial Liabilities For Hedging Purposes	-	-	-	-
Other Liabilities <sup>(****)</sup>	1,277	64,858	962	67,097
<b>Total Liabilities</b>	<b>11,865,364</b>	<b>39,633,535</b>	<b>2,196,169</b>	<b>53,695,068</b>
<b>Net Balance Sheet Position</b>	<b>146,553</b>	<b>(3,683,460)</b>	<b>(1,639,778)</b>	<b>(5,176,685)</b>
<b>Net Off Balance Sheet Position</b>	<b>(2,274)</b>	<b>2,191,344</b>	<b>1,487,022</b>	<b>3,676,092</b>
Financial Derivative Assets	16,413,239	14,605,958	2,212,883	33,232,080
Financial Derivative Liabilities	16,415,513	12,414,614	725,861	29,555,988
Non-Cash Loans <sup>(*****)</sup>	7,329,852	7,626,740	1,441,451	16,398,043
<b>31 December 2023</b>				
Total Assets	10,806,706	26,419,748	462,500	37,688,954
Total Liabilities	8,044,631	32,418,771	1,153,429	41,616,831
<b>Net Balance Sheet Position</b>	<b>2,762,075</b>	<b>(5,999,023)</b>	<b>(690,929)</b>	<b>(3,927,877)</b>
<b>Net Off balance Sheet Position</b>	<b>(2,557,814)</b>	<b>6,580,998</b>	<b>553,192</b>	<b>4,576,376</b>
Financial Derivative Assets	9,228,752	19,595,382	1,028,463	29,852,597
Financial Derivative Liabilities	11,786,566	13,014,384	475,271	25,276,221
<b>Non-Cash Loans</b>	<b>5,274,574</b>	<b>6,185,669</b>	<b>2,125,192</b>	<b>13,585,435</b>

(\*) Accruals of derivative assets held for trading amounting to TL 186,751 (31 December 2023: TL 767,894) have been deducted from fair value through profit and loss.

(\*\*) FC indexed loans and accruals amounting to TL 132,864 (31 December 2023: TL 178,665).

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

(\*\*\*\*) Accruals of derivative liabilities held for trading amounting to TL 451,027 (31 December 2023: TL 435,383) have been deducted from other liabilities.

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

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP  
(Continued)****III. Explanations on Currency Risk (Continued)****b. Currency Risk Sensitivity**

The following table details the Bank's sensitivity (excluded tax effects) to a 10% decrease in USD and EUR and other currencies to profit or loss and equity at 31 December 2024 and 31 December 2023.

At this analysis based that other variables particularly interests rates are assumed to be unchanged.

	31 December 2024		31 December 2023	
	Effect on Profit or (Loss)	Effect on Equity	Effect on Profit or (Loss)	Effect on Equity
USD	(139,001)	(149,212)	58,198	58,198
EUR	14,428	14,428	20,426	20,426
Other currency	(15,276)	(15,276)	(13,774)	(13,774)
<b>Total, Net</b>	<b>(139,849)</b>	<b>(150,060)</b>	<b>64,850</b>	<b>64,850</b>

The effect of 10 percent appreciation of TL against the following currencies in the financial statements (excluded tax effects) for the years ended 31 December 2024 and 31 December 2023 is shown in the table below:

	31 December 2024		31 December 2023	
	Effect on Profit or (Loss)	Effect on Equity	Effect on Profit or (Loss)	Effect on Equity
USD	139,001	149,212	(58,198)	(58,198)
EUR	(14,428)	(14,428)	(20,426)	(20,426)
Other currency	15,276	15,276	13,774	13,774
<b>Total, Net</b>	<b>139,849</b>	<b>150,060</b>	<b>(64,850)</b>	<b>(64,850)</b>

At this analysis based that other variables particularly interests rates are assumed to be unchanged.

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

**IV. Explanations on Interest Rate Risk**

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

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

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

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

**a. Interest Rate Sensitivity of Assets, Liabilities and Off-Balance Sheet Items (Based On Re-Pricing Dates)**

31 December 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>							
<b>Cash</b> (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic Turkey							
8,454,423	-	-	-	-	-	3,696,780	12,151,203
Banks (***) (****)	3,110,274	-	-	-	-	1,736,059	4,846,333
Financial Assets at Fair Value Through Profit and Loss	139,789	354,803	384,184	48,649	11,342	8,041	946,808
Money Market Placements	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	4,883,969	575,866	2,334,294	-	-	17,264	7,811,393
Loans (*****)	8,380,880	7,238,039	18,063,995	10,338,206	916,504	(208,062)	44,729,562
Financial Assets Measured at Amortised Cost (*****)	180,179	2,427,021	8,039,534	-	261,440	(2,065)	10,906,109
Other Assets (*)	171,790	-	-	-	-	6,181,600	6,353,390
<b>Total Assets</b>	<b>25,321,304</b>	<b>10,595,729</b>	<b>28,822,007</b>	<b>10,386,855</b>	<b>1,189,286</b>	<b>11,429,617</b>	<b>87,744,798</b>
<b>Liabilities</b>							
Bank Deposits (**)	721,842	-	-	-	-	124,733	846,575
Other Deposits	25,795,534	4,138,121	1,226,159	60	-	5,539,923	36,699,797
Money Market Funds	8,879,518	268,744	2,566,675	-	-	-	11,714,937
Miscellaneous Payables	4,600	-	-	-	-	1,070,310	1,074,910
Marketable Securities Issued	-	-	199,183	104,763	-	-	303,946
Funds Borrowed From Other Financial Institutions	2,645,781	6,651,558	7,886,825	8,224,791	2,646,730	-	28,055,685
Other Liabilities and Shareholders' Equity (***)	94,043	165,682	192,418	173,104	10,122	8,413,579	9,048,948
<b>Total Liabilities</b>	<b>38,141,318</b>	<b>11,224,105</b>	<b>12,071,260</b>	<b>8,502,718</b>	<b>2,656,852</b>	<b>15,148,545</b>	<b>87,744,798</b>
<b>Balance Sheet Long Position</b>		-	<b>16,750,747</b>	<b>1,884,137</b>	-	-	<b>18,634,884</b>
<b>Balance Sheet Short Position</b>	<b>(12,820,014)</b>	<b>(628,376)</b>		-	<b>(1,467,566)</b>	<b>(3,718,928)</b>	<b>(18,634,884)</b>
Off-Balance Sheet Long Position		355,660	484,211	-	-	-	839,871
Off-Balance Sheet Short Position	(627,444)	-	(369,613)	(317,818)	-	-	(1,314,875)
<b>Total Position</b>	<b>(13,447,458)</b>	<b>(272,716)</b>	<b>16,865,345</b>	<b>1,566,319</b>	<b>(1,467,566)</b>	<b>(3,718,928)</b>	<b>(475,004)</b>

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

(\*\*) Precious metal bank account is presented under "Bank 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 1,785 were deducted from non-interest banks, amounted to TL 2,065 were deducted from non-interest financial assets measured at amortised.

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

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP  
(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)**

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

(\*) 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. Factoring receivables are included.

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

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

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

(\*\*\*\*\* ) Receivables from leasing transactions are included.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

Interest rate risk resulting from banking accounts are evaluated in the framework of re-pricing risk, yield curve risk, base risk and option risk and interest rate risk resulting from banking accounts being managed with the international standards and with hedging transactions and limits the risk reduction.

The sensitivity of assets, liabilities and off-balance sheet items are evaluated in the Assets-Liabilities committee meetings with the developments in the market. Interest rate risk assessment process arising from banking accounts will be included interest rate position that determined as banking account by the Bank. Besides this process has been created and conducted in reference to related re-pricing and maturity data.

Due to the maturity mismatch in the balance sheet, monitoring interest rate risk exposure within the scope of duration gap, maturity gap and sensitivity analysis are used. Duration gap, maturity gap and sensitivity analysis are calculated on a two week periods to the Assets-Liabilities Committee.

In the analysis, the fair values are calculated from interest sensitive assets and liabilities at fixed interest rates through cash flow, in the variable interest rates based on the re-pricing term market interest rates, using yield curves. The terms of the demand products is settled on basing of the frequency of interest rate determination and customer behavior. These results are supported periodically by the sensitivity and scenario analysis performed to assess the effect of the market fluctuations may occur.

Interest rate risk resulting from the banking accounts is measured in accordance with "Regulation No. 28034 on Measurement and Evaluation of Interest Rate Risk resulting from Banking Accounts with Standard Shock Method", dated 23 August 2011 and legal limits based on these measurements are monitored and reported on a monthly basis.

Interest rate risk related to interest-sensitive financial instruments classified in trading portfolio is assessed within the scope of the market risk.

Branches and line of businesses, being free from the market risk, the management of market risk depends on Fund Management Group Asset and Liability Management Department (ALM) is transferred by transfer pricing system and market risk management are realized by this section centrally. ALM, in the market risk management; uses balance sheet (long-term debt) and off-balance sheet (derivatives) instruments.

31 December 2024(*)	Applied Shock (+/- x basis point)	Gains/ Losses	Gains/ Equity-Losses/ Equity
	+500bps	(389,742)	(2.23)%
1.TRY	-400 bps	347,723	1.99%
	+200 bps	(20,535)	(0.12)%
2.EURO	-200 bps	22,505	0.13%
	+200 bps	179,607	1.03%
3.USD	-200 bps	(315,041)	(1.80)%
<b>Total (For Negative Shocks)</b>		<b>(230,670)</b>	<b>(1.32)%</b>
<b>Total (For Positive Shocks)</b>		<b>55,187</b>	<b>0.32%</b>

(\*) Amounts represents Parent Bank.

31 December 2023(*)	Applied Shock (+/- x basis point)	Gains/ Losses	Gains/ Equity-Losses/ Equity
	+500bps	(188,789)	(1.31)%
1.TRY	-400 bps	171,532	1.19%
	+200 bps	(137,733)	(0.95)%
2.EURO	-200 bps	148,274	1.03%
	+200 bps	164,562	1.14%
3.USD	-200 bps	(295,513)	(2.04)%
<b>Total (For Negative Shocks)</b>		<b>(161,960)</b>	<b>(1.12)%</b>
<b>Total (For Positive Shocks)</b>		<b>24,293</b>	<b>0.17%</b>

(\*) Amounts represents Parent Bank.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

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

31 December 2024 (*)	Euro (%)	Usd (%)	Other FC (%)	TL (%)
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	42.00
Banks	-	4.70	-	-
Financial Assets at Fair Value Through Profit and Loss	-	7.79	-	13.36
Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	5.34	-	29.59
Loans and Receivables	7.02	7.68	-	46.58
Financial Assets Measured at Amortised Cost	-	4.98	-	40.56
<b>Liabilities</b>				
Bank Deposits (*)	-	0.02	-	45.91
Other Deposits (*)	2.43	3.29	-	49.69
Money Market Funds	-	6.61	-	48.00
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	4.11	8.52	-	44.96

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

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

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

##### V. Explanation on share certificates

None.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 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 GROUP (Continued)

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

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

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

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

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

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

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

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

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

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

#### **1.c. Information on the Parent 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 Parent Bank's core funding source has been targeted as a deposit. Non-deposit funding sources are used to provide a variety of core sources and maturities. These resources are mainly syndicated loans, subordinated loans and bond issuances. Despite term of deposits are determined by market conditions and generally on short term basis, it is aimed to collect the deposits of customers who have high stickiness to the Parent Bank. Non-deposit sources also preferred because they are more long-term resources.

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (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 Parent Bank's total liabilities**

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

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

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

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

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

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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

#### INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (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 consolidated foreign currency and total liquidity coverage ratios are as follows:

31 December 2024	Consideration Ratio		Consideration Ratio	
	Unapplied to Total Value (*)	Applied to Total Value (*)	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS</b>				
High Quality Liquid Assets			14,874,793	8,104,112
<b>CASH OUTFLOWS</b>				
Retail and Small Business Customers	21,523,327	4,990,851	1,751,744	499,085
Stable Deposits	8,011,779	-	400,589	-
Less Stable Deposit	13,511,548	4,990,851	1,351,155	499,085
Unsecured Wholesale Funding	18,183,994	11,662,292	11,669,345	7,181,666
Operational Deposits	-	-	-	-
Non-operational Deposits	11,589,187	7,596,385	5,226,664	3,265,817
Other Unsecured Fundings	6,594,807	4,065,907	6,442,681	3,915,849
Secured Funding			-	-
Other Cash Outflows	510,923	515,178	510,923	515,178
Derivative cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	510,923	515,178	510,923	515,178
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	-	-	-	-
Other revocable off-balance sheet commitments and contractual obligations	595,571	595,571	29,779	29,779
Other irrevocable or conditionally revocable off-balance sheet obligations	36,877,675	15,170,728	5,761,000	1,544,927
<b>TOTAL CASH OUTFLOWS</b>			<b>19,722,791</b>	<b>9,770,635</b>
<b>CASH INFLOWS</b>				
Secured lending	3,239	-	-	-
Unsecured lending	10,995,078	8,458,174	9,371,881	7,676,775
Other cash inflows	143,779	105,457	143,779	105,457
<b>TOTAL CASH INFLOWS</b>	<b>11,142,096</b>	<b>8,563,631</b>	<b>9,515,660</b>	<b>7,782,232</b>
<b>Total Adjusted Values</b>				
<b>TOTAL HIGH QUALITY ASSETS STOCKS</b>			<b>14,874,793</b>	<b>8,104,112</b>
<b>TOTAL CASH OUTFLOWS</b>			<b>10,527,929</b>	<b>2,520,762</b>
<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>142.49%</b>	<b>311.95%</b>

(\*) The average of the last three months liquidity coverage ratio calculated by monthly and weekly with simple average method.

The lowest, highest and average Liquidity Coverage Ratios last 3 months are given in the table below.

31 December 2024	Highest	Date	Lowest	Date	Average
TL+FC	155.43%	31.12.2024	132.54%	31.10.2024	142.49%
FC	339.03%	31.12.2024	292.37%	30.11.2024	311.95%

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(\*) The average of the last three months liquidity coverage ratio calculated by monthly and weekly with simple average method.

The lowest, highest and average Liquidity Coverage Ratios last 3 months are given in the table below.

31 December 2023	Highest	Date	Lowest	Date	Average
TL+FC	204.89%	31.12.2023	189.08%	31.10.2023	196.37%
FC	366.29%	31.10.2023	325.39%	30.11.2023	345.05%

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 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 GROUP (Continued)

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

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

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

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

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

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

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

Basically deposits, loans and subordinated loans as unsecured debt items have the most significant portion in Parent Bank's funding balances. As of 31 December 2024, the proportion of total liabilities to all deposits of the bank is 43% and borrowings constitutes 21% portion whereas subordinate debt is 11%. Secured borrowings such as repo transactions has lower portion (13%).

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

Cash outflows arising from derivative product balances are occurred when the derivative products liabilities are higher than the receivables. Cash outflows arising from derivative product balances are occurred when bank derivative product liabilities are higher than the derivative receivables. Net cash outflows decreases when cash inflows originating from derivative instruments exceed derivative liabilities. As of 31 December 2024, derivative net assets amounts to TL 178,412 (31 December 2023: TL 2,654). In addition, cash outflows balances are reported with calculation against the change of derivatives fair value. This calculation is performed by checking the output margin within last 24 months of the counterparty balance. The maximum value in the past 24 months is considered as cash outflow as of reporting date. In this context, according to calculations as of 31 December 2024, the liability balance is computed as TL 372,770 in case of a change in fair value of derivatives products (31 December 2023: TL 761,747).

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

As of 31 December 2024, approximately 65% of time deposit cap arised from retail banking. The remaining time deposits are constituted from legal entities. Another significant funding resource of borrowings generated from foreign banks (99%). As of 31 December 2024, 27% of the subordinated loans which are subject to capital adequacy calculations provided from The Commercial Bank (P.S.Q.C.).

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

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

###### 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.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and Over	Unclassified	Total
<b>31 December 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	3,696,780	8,454,423	-	-	-	-	-	12,151,203
Due From Banks <sup>(****)</sup>	1,737,844	3,110,274	-	-	-	-	(1,785)	4,846,333
Financial Assets at Fair Value Through Profit and Loss	-	106,660	374,870	371,978	81,369	11,931	-	946,808
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income <sup>(****)</sup>	8,041	965,356	2	1,485,156	3,109,365	2,226,209	17,264	7,811,393
Loans <sup>(*****)</sup>	-	5,096,623	8,214,521	15,919,918	12,273,700	3,432,862	(208,062)	44,729,562
Financial Assets Measured at Amortised Cost <sup>(****)</sup>	-	7	967,855	892,405	7,790,978	1,256,929	(2,065)	10,906,109
Other Assets <sup>(*)<sup>(****)</sup></sup>	286,644	487,240	235,627	25,742	925	2,942	5,314,270	6,353,390
<b>Total Assets</b>	<b>5,729,309</b>	<b>18,220,583</b>	<b>9,792,875</b>	<b>18,695,199</b>	<b>23,256,337</b>	<b>6,930,873</b>	<b>5,119,622</b>	<b>87,744,798</b>
<b>Liabilities</b>								
Bank Deposits <sup>(**)</sup>	124,733	721,842	-	-	-	-	-	846,575
Other Deposits	5,539,923	25,795,530	4,138,125	1,226,159	60	-	-	36,699,797
Funds Borrowed From Other Financial Institutions <sup>(**)</sup>	-	2,847,203	4,380,980	9,975,712	1,039,772	9,812,018	-	28,055,685
Money Market Funds	-	8,280,099	868,163	2,566,675	-	-	-	11,714,937
Marketable Securities Issued	-	-	-	199,183	104,763	-	-	303,946
Miscellaneous Payables	-	52,521	-	-	-	-	1,022,389	1,074,910
Other Liabilities <sup>(**)</sup>	8,427	911,366	139,970	172,725	172,189	10,122	7,634,149	9,048,948
<b>Total Liabilities</b>	<b>5,673,083</b>	<b>38,608,561</b>	<b>9,527,238</b>	<b>14,140,454</b>	<b>1,316,784</b>	<b>9,822,140</b>	<b>8,656,538</b>	<b>87,744,798</b>
<b>Liquidity Gap</b>	<b>56,226</b>	<b>(20,387,978)</b>	<b>265,637</b>	<b>4,554,745</b>	<b>21,939,553</b>	<b>(2,891,267)</b>	<b>(3,536,916)</b>	<b>-</b>
<b>31 December 2023</b>								
Total Assets	4,474,937	19,901,051	7,916,840	6,641,637	22,425,539	4,936,835	1,839,333	68,136,172
Total Liabilities	3,632,237	23,644,724	12,055,301	11,495,896	1,583,587	8,222,592	7,501,835	68,136,172
<b>Liquidity Gap</b>	<b>842,700</b>	<b>(3,743,673)</b>	<b>(4,138,461)</b>	<b>(4,854,259)</b>	<b>20,841,952</b>	<b>(3,285,757)</b>	<b>(5,662,502)</b>	<b>-</b>

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

(\*\*) As explained in Section Three Footnote Number XXVI, primary subordinated loan amounting to TL 9,702,083 is shown in the column "Over 5 years" in "Funds borrowed from other financial institutions".

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

(\*\*\*\*) The expected credit losses for financial assets is shown by deducting from the undistributed title in the table. Amounted to TL 1,785 were deducted from undistributed banks title, amounted to TL 2,065 were deducted from undistributed financial assets measured at amortised cost.

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

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

**Financial liabilities according to their remaining maturities:**

The table below shows the Bank's maturity distribution of certain financial liabilities other than derivatives in accordance to TFRS 7. The tables below are prepared by considering the future cash flows expected on the earliest cash flow dates.

31 December 2024	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total
<b>Liabilities</b>						
Bank Deposits	848,304	-	-	-	-	848,304
Other Deposits	31,508,896	4,351,721	1,444,246	86	-	37,304,949
Funds Borrowed From Other Financial Institutions	3,197,118	6,306,608	8,856,124	1,921,118	19,514,101	39,795,069
Money Market Funds	8,315,206	912,751	2,592,598	-	-	11,820,555
Marketable Securities Issued	-	-	260,000	180,000	-	440,000
<b>Total</b>	<b>43,869,524</b>	<b>11,571,080</b>	<b>13,152,968</b>	<b>2,101,204</b>	<b>19,514,101</b>	<b>90,208,877</b>

31 December 2023	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total
<b>Liabilities</b>						
Bank Deposits	671,318	21,346	-	-	-	692,664
Other Deposits	20,424,632	3,397,589	839,826	-	-	24,662,047
Funds Borrowed From Other Financial Institutions	2,412,928	7,484,928	10,301,428	5,088,518	12,103,479	37,391,281
Money Market Funds	3,602,667	1,769,714	-	-	-	5,372,381
Marketable Securities Issued	-	125,000	345,500	-	-	470,500
<b>Total</b>	<b>27,111,545</b>	<b>12,798,577</b>	<b>11,486,754</b>	<b>5,088,518</b>	<b>12,103,479</b>	<b>68,588,873</b>

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

	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total
<b>Current Period</b>						
Net Paid	-	-	-	-	-	-
Hedging Derivative Financial Instruments	-	-	200,000	1,100,000	-	1,300,000
Forward Foreign Exchange Transactions	2,074,217	1,638,118	744,577	592,370	-	5,049,282
Money and Interest Rate Swaps	9,788,556	5,131,626	2,558,837	14,709,624	141,120	32,329,763
Options	2,221,519	15,631,008	19,333,570	-	-	37,186,097
Other	94,189	4,825,378	-	-	-	4,919,567
<b>Total</b>	<b>14,178,481</b>	<b>27,226,130</b>	<b>22,836,984</b>	<b>16,401,994</b>	<b>141,120</b>	<b>80,784,709</b>

	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total
<b>Prior Period</b>						
Net Paid	-	-	-	-	-	-
Hedging Derivative Financial Instruments	-	800,000	-	-	-	800,000
Forward Foreign Exchange Transactions	4,418,843	6,353,761	2,923,826	-	-	13,696,430
Money and Interest Rate Swaps	16,360,037	10,280,668	6,048,369	13,992,616	117,752	46,799,442
Options	255,620	3,230,555	3,897,964	-	-	7,384,139
Other	62,462	2,304,657	7,556,737	144,007	-	10,067,863
<b>Total</b>	<b>21,096,962</b>	<b>22,969,641</b>	<b>20,426,896</b>	<b>14,136,623</b>	<b>117,752</b>	<b>78,747,874</b>

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

**Collaterals in terms of Risk Groups**

	<b>31 December 2024</b>		<b>Financial Guarantees (*)</b>	<b>Other/ Physical Guarantees</b>	<b>Guarantees and Credit Derivatives</b>
	<b>Risk Groups</b>	<b>Amount</b>			
1	Contingent and Non-Contingent Receivables from Central Governments or Central Banks	28,888,008	-	-	-
2	Contingent and Non-Contingent Receivables from Regional Government or Domestic Government	2,750	70	-	-
3	Contingent and Non-Contingent Receivables from Banks and Intermediaries	9,722,437	-	-	-
4	Contingent and Non-Contingent Corporate Receivables	63,240,106	386,317	-	-
5	Contingent and Non-Contingent Retail Receivables	997,618	91,992	-	-
6	Contingent and Non-Contingent Receivables Secured by Residential Property	783,377	12,829	-	-
7	Non-Performing Receivables	224,500	415	-	-
8	High Risk Receivables Specified by Committee	1,756,786	12,809	-	-
9	Other Receivables	5,059,121	-	-	-
<b>10</b>	<b>Total</b>	<b>110,674,703</b>	<b>504,432</b>	<b>-</b>	<b>-</b>

(\*) The financial guarantees are reported with deducting from the risk amounts before credit risk reduction and credit conversion.

	<b>31 December 2023</b>		<b>Financial Guarantees (*)</b>	<b>Other/ Physical Guarantees</b>	<b>Guarantees and Credit Derivatives</b>
	<b>Risk Groups</b>	<b>Amount</b>			
1	Contingent and Non-Contingent Receivables from Central Governments or Central Banks	25,964,646	-	-	-
2	Contingent and Non-Contingent Receivables from Regional Government or Domestic Government	2,204	695	-	-
3	Contingent and Non-Contingent Receivables from Banks and Intermediaries	7,781,130	-	-	-
4	Contingent and Non-Contingent Corporate Receivables	39,764,880	624,532	-	-
5	Contingent and Non-Contingent Retail Receivables	233,531	28,407	-	-
6	Contingent and Non-Contingent Receivables Secured by Residential Property	559,287	32,838	-	-
7	Non-Performing Receivables	96,169	316	-	-
8	High Risk Receivables Specified by Committee	4,216,615	28,701	-	-
9	Other Receivables	2,601,495	-	-	-
<b>10</b>	<b>Total</b>	<b>81,219,957</b>	<b>715,489</b>	<b>-</b>	<b>-</b>

(\*) The financial guarantees are reported with deducting from the risk amounts before credit risk reduction and credit conversion.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 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

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	-	-	-	18,254,623	18,254,623
2 Tier 1 Capital and Tier 2 Capital	-	-	-	18,254,623	18,254,623
3 Other Capital Instruments	-	-	-	-	-
4 Real-person and Retail Customer Deposits	2,066,969	20,218,903	69,294	46	20,527,532
5 Stable Deposits	521,572	7,620,588	14,605	46	7,748,970
6 Less Stable Deposits	1,545,398	12,598,315	54,689	-	12,778,561
7 Other Obligations	3,601,957	38,742,740	8,506,472	1,174,190	13,363,629
8 Operational deposits	-	-	-	-	-
9 Other Obligations	3,601,957	38,742,740	8,506,472	1,174,190	13,363,629
10 Liabilities equivalent to interconnected assets					
11 Other Liabilities	2,139,837	2,494,622	-	-	-
12 Derivative liabilities			460,779		
13 All other equity not included in the above categories	1,679,057	2,494,622	-	-	-
14 <b>Available stable funding</b>					<b>52,145,783</b>
<b>Required stable funding</b>					
15 Required stable funding					964,617
16 Deposits held at financial institutions for operational purposes	-	-	-	-	-
17 Performing Loans	5,992,651	23,214,279	9,176,273	11,647,442	28,956,542
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	1,687,166	6,493,300	464,696	42,116	2,935,625
20 Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	4,145,684	16,556,697	8,675,406	11,512,548	25,744,750
21 <i>Loans with a risk weight of less than or equal to 35%</i>	135,956	2,114,391	732,943	768,031	2,011,259
22 Residential mortgages	159,801	76,742	36,171	33,965	182,404
23 <i>Residential mortgages with a risk weight of less than or equal to 35%</i>	159,801	76,742	36,171	33,965	182,404
24 Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	87,541	-	58,814	93,762
25 Assets equivalent to interconnected liabilities					
26 Other Assets	7,938,777	2,561,246	725,398	-	7,808,063
27 Physical traded commodities, including gold	-				-
28 Initial margin posted or given guarantee fund to central counterparty				258,016	219,314
29 Derivative Assets				760,538	299,759
30 Derivative Liabilities before the deduction of the variation margin				469,380	46,938
31 Other Assets not included above	6,450,842	2,561,246	725,398	-	7,242,052
32 Off-balance sheet commitments		39,608,421	-	-	1,980,421
33 <b>Total Required stable funding</b>					<b>39,709,642</b>
34 <b>Net Stable Funding Ratio (%)</b>					<b>131.32%</b>

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)****VII. Explanations on Leverage Ratio****Comparison Summary Table of Total Risk and Total Assets Amounts in the Consolidated Financial Statements prepared in accordance with Turkish Accounting Standards.**

		<b>31 December 2024 (*)</b>	<b>31 December 2023 (*)</b>
<b>1</b>	Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards	86,382,643	69,643,219
<b>2</b>	The difference between total assets prepared in accordance with Turkish Accounting Standards and total assets in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements"	-	-
<b>3</b>	The difference between the amounts of derivative financial instruments and credit derivatives in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	455,244	655,197
<b>4</b>	The difference between the amounts of securities or commodity financing transactions in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	-	-
<b>5</b>	The difference between the amounts of off-balance items in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	(10,225,929)	(5,634,483)
<b>6</b>	Other differences between the amounts in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	56,156,638	36,755,835
<b>7</b>	<b>Total risk amount</b>	<b>132,768,596</b>	<b>101,419,768</b>

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

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

The Group's leverage ratio is 12.77% calculated in compliance with "Regulation on Measurement and Evaluation of Leverage Levels of Banks" which was not consolidated. (31 December 2023: 13.79%). Regulation has been arrived at a decision of the minimum leverage ratio of 3%.

		31 December 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)	86,382,643	69,643,219
<b>2</b>	Assets deducted in determining Tier 1 capital	(436,997)	(248,325)
<b>3</b>	<b>Total on-balance sheet risks (sum of lines 1 and 2) Derivative financial instruments and credit derivatives</b>	<b>85,945,646</b>	<b>69,394,894</b>
<b>Derivative financial instruments and credit derivatives</b>			
<b>4</b>	Replacement cost associated with all derivative financial instruments and credit derivatives	729,171	940,558
<b>5</b>	Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives	455,244	655,197
<b>6</b>	<b>Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5 Securities or commodity financing transactions (SCFT))</b>	<b>1,184,415</b>	<b>1,595,755</b>
<b>Securities or commodity financing transactions</b>			
<b>7</b>	Risks from SCFT assets of off-balance sheet	-	-
<b>8</b>	Risks from brokerage activities related exposures	-	-
<b>9</b>	<b>Total risks related with securities or commodity financing transactions (sum of lines 7 to 8) Other off-balance sheet transactions</b>	<b>-</b>	<b>-</b>
<b>Off-balance sheet transactions</b>			
<b>10</b>	Gross notional amounts of off-balance sheet transactions	55,864,464	36,063,602
<b>11</b>	(Adjustments for conversion to credit equivalent amounts)	(10,225,929)	(5,634,483)
<b>12</b>	<b>Total risks of off-balance sheet items (sum of lines 10 and 11) Capital and total risks</b>	<b>45,638,535</b>	<b>30,429,119</b>
<b>Capital and Total Risk</b>			
<b>13</b>	Tier 1 capital	16,959,855	13,982,880
<b>14</b>	<b>Total risks (sum of lines 3, 6, 9 and 12) Leverage ratio</b>	<b>132,768,596</b>	<b>101,419,768</b>
<b>15</b>	<b>Leverage ratio (%)</b>	<b>12.77%</b>	<b>13.79%</b>

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

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

#### a. Fair value measurements of financial assets and liabilities

The fair values of amortised cost assets are determined based on market prices or when this price is not available, based on market prices quoted for other securities subject to the same redemption qualifications in terms of interest, maturity and other similar conditions.

The expected fair value of the demand placements and deposits represents the amount to be paid upon request. The expected fair value of the fixed rate deposits is determined by calculating the discounted cash flow using the Parent Bank's current interest rates as of balance sheet date.

The expected fair value of loans and receivables are determined by calculating the discounted cash flows using the Bank's current interest rates for fixed interest loans. For the loans with floating interest rates, it is assumed that the book value reflects the fair value.

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

**VIII. Fair values of financial assets and liabilities (Continued)**

**a. Fair value measurements of financial assets and liabilities (Continued)**

The following table summarizes the carrying value and fair value of financial assets and liabilities

	Carrying Value		Fair Value	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
<b>Financial Assets</b>	<b>68,290,483</b>	<b>53,592,960</b>	<b>68,056,571</b>	<b>54,257,371</b>
Money Market Placements	-	150,540	-	150,540
Banks	4,848,118	2,954,863	4,848,118	2,954,863
Financial Assets at Fair Value through Other Comprehensive Income	7,804,629	6,821,736	7,804,629	6,821,736
Financial Assets Measured at Amortised Cost	10,908,174	9,601,665	8,961,066	8,961,066
Loans and Receivables	44,729,562	34,064,156	46,442,758	35,369,166
<b>Financial Liabilities</b>	<b>78,695,850</b>	<b>59,959,253</b>	<b>79,580,490</b>	<b>61,160,285</b>
Bank Deposits	846,575	685,946	846,575	685,946
Other Deposits	36,699,797	24,234,783	36,692,885	24,234,431
Funds Borrowed from Other Financial Institutions	28,055,685	28,097,457	28,947,237	29,298,841
Marketable Securities Issued	303,946	418,904	303,946	418,904
Funds Provided Under Repurchase Agreements	11,714,937	5,344,499	11,714,937	5,344,499
Miscellaneous Payables	1,074,910	1,177,664	1,074,910	1,177,664

**b. Classification of Fair Value**

TFRS 13 sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques, which establish basis for fair value calculations.

The classification regarding fair value is established as follows:

- Recorded (unadjusted) prices in active markets for identical assets or liabilities (Level 1);
- Observable data other than those quoted in the first category, directly (through prices) or indirectly (derived from prices), regarding assets or liabilities (Level 2);
- Data not based on observable market data for assets or liabilities (Level 3).

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

**VIII. Fair values of financial assets and liabilities (Continued)**

**b. Classification of Fair Value (Continued)**

Fair value levels of financial assets and liabilities that are carried at fair value in financial statements are given below:

<b>31 December 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets at Fair Value Through Profit or Loss</b>	<b>25,127</b>	<b>42,937</b>	-	<b>68,064</b>
Government Debt Securities	25,127	-	-	25,127
Share Certificates	-	-	-	-
Other Financial Assets	-	42,937	-	42,937
<b>Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>7,804,629</b>	-	-	<b>7,804,629</b>
Government Debt Securities	7,787,365	-	-	7,787,365
Share Certificates	17,264	-	-	17,264
Other Financial Assets	-	-	-	-
<b>Loans at Fair Value Through Profit or Loss</b>	-	-	-	-
<b>Derivative Financial Assets at Fair Value Through Profit or Loss</b>	-	<b>878,744</b>	-	<b>878,744</b>
<b>Derivative Financial Assets at Fair Value Through Other Comprehensive Income</b>	-	<b>6,764</b>	-	<b>6,764</b>
<b>Total Assets</b>	<b>7,829,756</b>	<b>928,445</b>	-	<b>8,758,201</b>
<b>Derivative Financial Liabilities at Fair Value Through Profit or Loss</b>	-	<b>586,012</b>	-	<b>586,012</b>
<b>Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income</b>	-	<b>1,751</b>	-	<b>1,751</b>
<b>Total Liabilities</b>	-	<b>587,763</b>	-	<b>587,763</b>

<b>31 December 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets at Fair Value Through Profit or Loss</b>	<b>56,822</b>	<b>41,669</b>	-	<b>98,491</b>
Government Debt Securities	56,822	-	-	56,822
Share Certificates	-	-	-	-
Other Financial Assets	-	41,669	-	41,669
<b>Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>6,821,736</b>	-	-	<b>6,821,736</b>
Government Debt Securities	6,807,194	-	-	6,807,194
Share Certificates	14,542	-	-	14,542
Other Financial Assets	-	-	-	-
<b>Loans at Fair Value Through Profit or Loss</b>	-	-	-	-
<b>Derivative Financial Assets at Fair Value Through Profit or Loss</b>	-	<b>1,219,791</b>	-	<b>1,219,791</b>
<b>Derivative Financial Assets at Fair Value Through Other Comprehensive Income</b>	-	<b>17,462</b>	-	<b>17,462</b>
<b>Total Assets</b>	<b>6,878,558</b>	<b>1,278,922</b>	-	<b>8,157,480</b>
<b>Derivative Financial Liabilities at Fair Value through Profit or Loss</b>	-	<b>693,438</b>	-	<b>693,438</b>
<b>Derivative Financial Liabilities at Fair Value through Other Comprehensive Income</b>	-	<b>12,891</b>	-	<b>12,891</b>
<b>Total Liabilities</b>	-	<b>706,329</b>	-	<b>706,329</b>

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

None (31 December 2023: None).

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 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 GROUP (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 31 December 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 & Compliance; Risk; Executive Committees.

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

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

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

Issues related to Bank's work programs and business objectives are discussed in the Board Risk Committee, and necessary acknowledgment, monitoring and approval processes are performed herein.

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

The Bank identifies, measures, assesses, monitors the risks it is exposed to by way of using internationally recognised quantitative and analytical techniques found suitable for the Bank in particular, and reports related results to the Top Management.

The Bank also monitors the compliance of credit facilities and treasury operations etc. with the Bank's risk policies, administers internal reporting and monitors the results on a regular basis.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

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

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

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

		Risk Weighted Amount		Minimum capital requirement
		31 December 2024	31 December 2023	
1	Credit risk (excluding counterparty credit risk) (CCR)	59,114,195	43,865,533	4,729,136
2	Standardised approach (SA)	59,114,195	43,865,533	4,729,136
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	2,168,216	1,872,181	173,457
5	Standardised approach for counterparty credit risk (SA-CCR)	2,168,216	1,872,181	173,457
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	989,575	1,678,388	79,166
17	Standardised approach (SA)	989,575	1,678,388	79,166
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	4,411,563	2,470,016	352,925
20	Basic Indicator Approach	4,411,563	2,470,016	352,925
21	Standard Approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>66,683,549</b>	<b>49,886,118</b>	<b>5,334,684</b>

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

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

**1. Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories**

Current Period	Carrying values of items						Not subject to capital requirements or subject to deduction from capital
	Carrying values as reported in published financial statements	Carrying values as reported in published legal consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	
<b>Assets</b>							
Cash and balances at central bank	12,151,203	-	12,151,203	-	-	-	-
Financial assets held for trading	946,808	-	-	921,681	-	25,127	-
Banks	4,848,118	-	4,848,118	-	-	-	-
Receivables from money markets	-	-	-	-	-	-	-
Available for sale financial assets (net)	7,804,629	-	7,804,629	-	-	-	-
Loans and receivables	39,886,895	-	39,886,895	-	-	-	-
Held to maturity securities	10,908,174	-	10,908,174	-	-	-	-
Leasing receivables	4,539,702	-	4,539,702	-	-	-	-
-Expected Credit Losses (-)	299,115	-	299,115	-	-	-	-
Hedging derivative financial assets	6,764	-	6,764	-	-	-	-
Tangible assets (net)	2,261,629	-	2,261,629	-	-	-	-
Intangible assets (net)	433,226	-	-	-	-	-	433,226
Tax assets	1,054,107	-	1,054,107	-	-	-	-
Fixed assets held for sale and related to discontinued operations (net)	1,041,271	-	1,041,271	-	-	-	-
Other assets	1,563,157	-	1,563,157	-	-	-	-
<b>Total assets</b>	<b>87,744,798</b>	-	<b>86,364,764</b>	<b>921,681</b>	-	<b>25,127</b>	<b>433,226</b>
<b>Liabilities</b>							
Deposits	37,546,372	-	-	-	-	-	37,546,372
Derivative financial liabilities held for trading	586,012	-	-	586,012	-	-	-
Loans	18,163,938	-	-	-	-	-	18,163,938
Debt to money markets	11,714,937	-	-	11,662,067	-	-	52,870
Debt securities in issue	303,946	-	-	-	-	-	303,946
Various debts	1,074,920	-	-	-	-	-	1,074,920
Other liabilities	713,294	-	-	-	-	-	713,294
Factoring liabilities	-	-	-	-	-	-	-
Leasing liabilities	8,778	-	-	-	-	-	8,778
Hedge Derivative Financial Liabilities	1,751	-	-	-	-	-	1,751
Provisions	257,449	-	-	-	-	-	257,449
Tax liability	210,927	-	-	-	-	-	210,927
Liabilities included in disposal groups classified as held for sale (net)	-	-	-	-	-	-	-
Subordinated debts	9,891,747	-	-	-	-	-	9,891,747
Equity	7,270,727	-	-	-	-	-	7,270,727
<b>Total liabilities</b>	<b>87,744,798</b>	-	-	<b>12,248,079</b>	-	-	<b>75,496,719</b>

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

**b. Linkages between financial statements and regulatory exposures (Continued)**

**1. Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories (Continued)**

<b>Prior Period</b>	<b>Carrying values of items</b>						<b>Not subject to capital requirements or deduction from capital</b>
	<b>Carrying values as reported in published financial statements</b>	<b>Carrying values as reported in published legal consolidation</b>	<b>Subject to credit risk framework</b>	<b>Subject to counterparty credit risk framework</b>	<b>Subject to the securitisation framework</b>	<b>the market risk framework</b>	
<b>Assets</b>							
Cash and balances at central bank	9,899,547	-	9,899,547	-	-	-	-
Financial assets held for trading	1,318,282	-	-	1,261,460	-	56,822	-
Banks	2,954,863	-	2,954,863	-	-	-	-
Receivables from money markets	150,540	-	-	150,540	-	-	-
Available for sale financial assets (net)	6,821,736	-	6,821,736	-	-	-	-
Loans and receivables	29,961,330	-	29,961,330	-	-	-	-
Held to maturity securities	9,601,665	-	9,601,665	-	-	-	-
Leasing receivables	3,926,832	-	3,926,832	-	-	-	-
-Expected Credit Losses (-)	173,099	-	173,099	-	-	-	-
Hedging derivative financial assets	17,462	-	17,462	-	-	-	-
Tangible assets (net)	1,175,084	-	1,175,084	-	-	-	-
Intangible assets (net)	239,425	-	-	-	-	-	239,425
Tax assets	461,718	-	461,718	-	-	-	-
Fixed assets held for sale and related to discontinued operations (net)	525,885	-	525,885	-	-	-	-
Other assets	908,704	-	908,704	-	-	-	-
<b>Total assets</b>	<b>68,136,172</b>	-	<b>66,427,925</b>	<b>1,412,000</b>	-	<b>56,822</b>	<b>239,425</b>
<b>Liabilities</b>							
Deposits	24,920,729	-	-	-	-	-	24,920,729
Derivative financial liabilities held for trading	693,438	-	-	693,438	-	-	-
Loans	19,845,360	-	-	-	-	-	19,845,360
Debt to money markets	5,344,499	-	-	5,211,028	-	-	133,471
Debt securities in issue	418,904	-	-	-	-	-	418,904
Various debts	1,177,682	-	-	-	-	-	1,177,682
Other liabilities	760,211	-	-	-	-	-	760,211
Factoring liabilities	-	-	-	-	-	-	-
Leasing liabilities	16,067	-	-	-	-	-	16,067
Hedge Derivative Financial Liabilities	12,891	-	-	-	-	-	12,891
Provisions	300,992	-	-	-	-	-	300,992
Tax liability	332,359	-	-	-	-	-	332,359
Liabilities included in disposal groups classified as held for sale (net)	-	-	-	-	-	-	-
Subordinated debts	8,252,097	-	-	-	-	-	8,252,097
Equity	6,060,943	-	-	-	-	-	6,060,943
<b>Total liabilities</b>	<b>68,136,172</b>	-	<b>5,904,466</b>	-	-	-	<b>62,231,706</b>

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

**b. Linkages between financial statements and regulatory exposures (Continued)**

**2. Main sources of differences between regulatory exposure amounts and carrying values in financial statements**

	<b>Current Period</b>	<b>Total</b>	<b>Items subject to credit risk framework</b>	<b>Items subject to counterparty credit risk framework</b>	<b>Items subject to securitisation framework</b>	<b>Items subject to market risk framework</b>
<b>1</b>	Asset carrying value amount under scope of regulatory consolidation (as in template B1)	87,744,798	86,364,764	921,681	-	25,127
<b>2</b>	Liabilities carrying value amount under regulatory scope of consolidation (as in template B1)	-	-	12,248,079	-	-
<b>3</b>	Total net amount under regulatory scope of consolidation	87,744,798	86,364,764	13,169,760	-	25,127
<b>4</b>	Off-balance sheet amounts	126,625,716	19,668,861	1,221,031	-	48,943,953
<b>5</b>	Exposure amounts considered for regulatory purposes	-	105,641,008	4,641,072	-	989,575

	<b>Prior Period</b>	<b>Total</b>	<b>Items subject to credit risk framework</b>	<b>Items subject to counterparty credit risk framework</b>	<b>Items subject to securitisation framework</b>	<b>Items subject to market risk framework</b>
<b>1</b>	Asset carrying value amount under scope of regulatory consolidation (as in template B1)	68,136,172	66,427,925	1,412,000	-	56,822
<b>2</b>	Liabilities carrying value amount under regulatory scope of consolidation (as in template B1)	-	-	5,904,466	-	-
<b>3</b>	Total net amount under regulatory scope of consolidation	68,136,172	66,427,925	7,316,466	-	56,822
<b>4</b>	Off-balance sheet amounts	109,431,971	9,312,791	1,687,349	-	34,304,043
<b>5</b>	Exposure amounts considered for regulatory purposes	-	75,133,917	5,439,108	-	1,678,388

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)****X. Explanations on the Risk Management (Continued)****c. Explanations on credit risk****1. General qualitative information about credit risk**

Credit risk is one of the most important risks that banks may expose and described as the potential loss that the Bank may suffer due to partial or complete failure of the credit customer in fulfilling his/her liabilities as per the credit contract entered. It is not described only as one of the most important risks of a Bank but managing the credit risk plays a critical role because of its magnitude within the balance sheet. Bank's risk policies cover the methodology and responsibilities regarding the management, control and monitor of the credit risk, and some other topics in connection with the credit risk limits.

In the parallel of Bank's general business strategy, to determine the fundamental principles and policies concerning the risks which the Bank might experience directly or indirectly due to all credits extended or to be extended by it in favor of real or legal entities resident both in Turkey and abroad and to define the risk management applications together with the authorizations and responsibilities regarding the management of these risks, credit risk management policies are created.

The purpose of credit risk management at the Bank is not to avoid risk completely but to take manageable level risks consciously, to control the risks for their duration, and to maximize the risk sensitive returns of the Bank by managing the risks that the bank may be exposed to within limits compatible with the Bank's risk carrying capacity.

The credit risk the Bank is exposed to is monitored and managed both at the portfolio level and isolated/singular levels both in and off the balance sheet. In an effort to keep the structure and quality of the credit portfolio of the Bank at a desired level, sector based, assurance, and credit volume distribution of the portfolio is analyzed on a regular basis. Using credit risk reduction techniques, Bank makes a point of over-collateralization especially with customers with low credibility.

Not being limited only by its credit products, the Bank conducts measurement and management of credit risks of all its products and activities.

All findings achieved as result of monitoring credits and credit risks are reported to the Board of Directors and the Senior Management regularly. Credit risk monitoring, in addition to evaluation of risk at transaction and company levels, also represents an approach to credit risk monitoring by parameters such as credit type, maturity, collateral, type of foreign currency, credit ratings, sector allowing the management of risk at the portfolio level.

All personnel being involved in the lending process are required to take all necessary precautions to help manage the process effectively. Bodies responsible for credit allocation, management, and monitoring and their responsibilities are summarized in Table below:

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

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

**1. General qualitative information about credit risk (Continued)**

Related Unit	Process	Responsibility
Board of Directors	Credit Allocation and Management	<ul style="list-style-type: none"> <li>➢ Determination of all credit allocation authorities</li> <li>➢ Determination of risk appetite and risk tolerance</li> <li>➢ Determination of Credit Risk Management Policy</li> </ul>
Credit Committee		<ul style="list-style-type: none"> <li>➢ Credit allocation, implementation of strategies, monitoring of risks, watching non-performing loans, loan provisioning</li> </ul>
CEO		<ul style="list-style-type: none"> <li>➢ Credit allocation right received from the Board.</li> </ul>
Board Risk Committee		<ul style="list-style-type: none"> <li>➢ Creating and submitting credit policies to the Board for approval</li> <li>➢ Monitoring risks based on approved policies and strategies</li> </ul>
Management Risk Committee		<ul style="list-style-type: none"> <li>➢ Creating scoring models</li> <li>➢ Policy changes due to process updates to be submitted for approval</li> <li>➢ Determination of risks that new products are carrying</li> </ul>
Risk Management Department		<ul style="list-style-type: none"> <li>➢ Identification, measurement, reporting and managing of credit risk</li> <li>➢ Development of risk-sensitive measurement systems</li> <li>➢ Preparation of periodic risk reports</li> <li>➢ Validation of risk measurement models</li> </ul>
Credit Allocation Department	Credit Risk Management	<ul style="list-style-type: none"> <li>➢ Managing credit approval processes in accordance with single obligor principle</li> <li>➢ Monitoring and managing credit risks per segments</li> <li>➢ Developing and implementing appropriate credit risk policies</li> <li>➢ Managing credit portfolio in order to minimise loss risk</li> </ul>
Credit Allocation, Risk Structuring and Legal Follow-up Department		<ul style="list-style-type: none"> <li>➢ Repayment performance of loans after the allocation</li> <li>➢ Determination of early warning signals</li> <li>➢ Starting legal follow-up actions within legislative period</li> <li>➢ Determination of action plan for close monitoring customers</li> <li>➢ Conducting of legal and administrative processes in order to close non-performing loans with lowest loss</li> <li>➢ Evaluation of loans collection abilities and send corresponding action plans for approval</li> <li>➢ Identification of processes for restructuring of loans and legal follow-up</li> </ul>
ALCO	Other	<ul style="list-style-type: none"> <li>➢ Taking decisions in order to manage within determined limits interest, maturity, currency, liquidity risks generated by the loan portfolio</li> </ul>
Treasury		<ul style="list-style-type: none"> <li>➢ Base pricing for customers with allocated credit limit</li> </ul>
International Financial Institution		<ul style="list-style-type: none"> <li>➢ Allocation of limits for domestic and foreign banks</li> <li>➢ Financial and qualitative analyzes of respective institutions</li> </ul>
Internal Control	Control and Audit	<ul style="list-style-type: none"> <li>➢ Making the necessary controls over activities in accordance with the credit policies and procedures, reporting irregularities</li> </ul>
Internal Audit		<ul style="list-style-type: none"> <li>➢ Auditing the effectiveness of the risk management and the internal control functions, compliance of credit processes to the laws, regulations and internal Bank procedures</li> </ul>

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

###### 1. General qualitative information about credit risk (Continued)

In the Bank's credit risk management, in addition to limits imposed by legislative regulations, Board of Directors defined maximum credit risk limits for risk groups and sectors are also used. These limits are determined so as not to create risk concentration.

Results of monitoring and control activities regarding credit risk management are shared with Senior Management and the committee members on a regular basis. Issues emerging from the reports are discussed at the committees and necessary actions are taken.

###### 2. Credit Quality of Assets

Current Period	Gross carrying value in consolidated financial statements prepared in accordance with Turkish Accounting Standards (TAS)		Allowances/amortisation and impairments	Net values (a+b-c)
	Defaulted (a)	Non-defaulted (b)		
1 Loans	602,883	39,244,680	810,945	<b>39,036,618</b>
2 Debt securities	-	19,060,905	280,038	<b>18,780,867</b>
3 Off-balance sheet exposures	107,198	35,587,177	70,280	<b>35,624,095</b>
<b>4 Total</b>	<b>710,081</b>	<b>93,892,762</b>	<b>1,161,263</b>	<b>93,441,580</b>

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

###### 3. Changes in Stock of Defaulted Loans and Debt Securities

		Current Period	Prior Period
<b>1</b>	<b>Defaulted loans and debt securities at end of the previous reporting period</b>	<b>662,074</b>	<b>875,316</b>
2	Loans and debt securities that have defaulted since the last reporting period	1,004,035	693,659
3	Receivables back to non-defaulted status	-	-
4	Amounts written off(*)	328,523	(134,000)
5	Other changes	(627,505)	(772,901)
<b>6</b>	<b>Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)</b>	<b>710,081</b>	<b>662,074</b>

(\*) Explanations about impairment of financial assets are explained in Section Third Footnote number VII.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 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 GROUP (Continued)

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

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

###### 4. Qualitative requirements to be declared to public about credit risk mitigation techniques

Credit risk mitigation indicates the technique used for mitigating the credit risk amount exposed to by the Bank, and credit risk measurements are conducted in accordance with the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" published in the Official Gazette no. 29511 of 23 October 2015 (legal regulation), and "Communiqué on Credit Risk Mitigation Techniques" (legal communiqué) published in the Official Gazette no. 29111 of 6 September 2014.

In this regard, the credit risk amount calculated in accordance with the legal Regulation after credit risks are mitigated for a receivable or portfolio cannot be weighed with a risk weight higher than the one applied to the credit risk amount calculated prior to credit risk mitigation.

The Bank implements one of the methods determined by legal Regulation for credit risk mitigation, and within this framework considers suitable instruments (instruments providing credit risk protection) as defined in the legal Communiqué and which can be used in credit risk mitigation.

###### **Collaterals (funded instruments providing credit risk protection):**

- Cash, gold, deposit, cash equivalent securities,
- Securities issued by the Treasury of the Republic of Turkey,
- Stocks listed on Borsa İstanbul or bonds that are convertible to stocks

###### **Guarantees (non-funded instruments providing credit risk protection):**

- Guarantees provided by the Treasury of the Republic of Turkey
- Guarantees provided by regional and local governments
- Guarantees provided by international institutions with 0% risk weighted receivables
- Guarantees provided by banks

In credit risk mitigation, the consistency between the exchange rate and maturity information of the receivables and the instrument providing credit risk protection are checked, and in case of any difference, reductions given in the legal Communiqué are taken into account for calculations.

For receivables secured with real estate property mortgages, the mortgage in question is not taken as an instrument that provides credit risk protection included in credit risk mitigation, but as a security used for identifying the asset class of the related receivable. In order to use the real estate property mortgage for identifying the asset class of the related receivable, valuation of the property must be conducted by an institution accredited by BRSA or CMB, and this valuation must be renewed at least once a year if the mortgage used for security is for commercial purposes, and at least once every three years in case it is used as a residence.

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

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

**5. Credit Risk Mitigation Techniques- Overview**

**Current Period:**

		Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	38,014,782	1,021,836	499,288	-	-	-	-
2	Debt securities	18,780,867	-	-	-	-	-	-
3	<b>Total</b>	<b>56,795,649</b>	<b>1,021,836</b>	<b>499,288</b>	-	-	-	-
4	Of which defaulted	(257,197)	86,053	5,144	-	-	-	-

**Prior Period:**

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

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)****X. Explanations on the Risk Management Objectives and Policies (Continued)****c. Explanations on Credit Risk (Continued)****6. Qualitative disclosures on banks' use of external credit ratings under the standardised approach for credit risk**

To determine the risk weights of the risk categories as per the Article 6 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", international rating firm Japan Credit Rating Agency (JCR) is started to be used as a result of rotation with 31 October 2016 instead Fitch Ratings' external risk ratings which had been used since 31 December 2012. In this context, the note set for Turkey's rating countries of long-term foreign currency, foreign currency bond issued by Treasury of the Republic of Turkey, all other foreign currency risk associated with the Republic of Turkey Central Government and assess to corresponding risk weights with limited to receivables the opposite side from foreign banks. Rating notes issued by JCR and corresponding Fitch Ratings are presented in the table below:

Japan Credit Rating Agency	Credit Quality Level
AAA to AA-	1
A+ to A-	2
BBB+ to BBB	3
BB+ to BB-	4
B+ to B-	5
CCC and lower	6

In order to ensure that the credit risk is not concentrated on the customers whose credibility is relatively low, the credits made available to the customers are classified based on the risk rating scores of the customers utilizing such credits. The amount of the credit risk which may be taken in the certain risk degrees is limited to the definite rates of the total credits. In this frame, within risk appetite, based on external ratings country risk limits and counterparty abroad financial institution risk limits are defined.

The matching of the ratings given by the Fitch Ratings International Rating Agency with the risk weights according to the credit quality level and risk classes is shown in the table below:

Credit Quality Level	Rating of Fitch Long term credit	Risk Classes			
		Contingent and Non-Contingent Receivables from Central Governments or Central Banks	Receivables from Banks and Intermediaries		Corporate Receivables
			Receivables that original maturities are lower than 3 months	Receivables that original maturities are higher than 3 months	
1	AAA between AA-	0%	20%	20%	20%
2	A+ between A-	20%	20%	50%	50%
3	BBB+ between BBB-	50%	20%	50%	100%
4	BB+ between BB-	100%	50%	100%	100%
5	B+ between B-	100%	50%	100%	150%
6	CCC+ down grades	150%	150%	150%	150%

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

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

**7. Consolidated Credit Risk Exposure and Credit Risk Mitigation Techniques- Standard Approach**

	<b>Current Period</b>	<b>Exposures before CCF and CRM</b>		<b>Exposures post-CCF and CRM</b>		<b>RWA and RWA density</b>	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA Density (%)
	<b>Risk Classes</b>						
1	Exposures to central governments or central banks	28,888,008	-	28,910,174	-	-	0.0
2	Exposures to regional and local governments or local authorities	-	-	-	-	-	0.0
3	Exposures to public sector entities	112	5,826	112	2,603	2,715	100.0
4	Exposures to multilateral development banks	-	-	-	-	-	0.0
5	Exposures to international organizations	-	-	-	-	-	0.0
6	Exposures to institutions	9,271,444	5,016,789	5,209,973	4,512,464	4,068,172	41.8
7	Exposures to corporates	35,975,394	34,620,325	35,047,931	27,872,355	48,872,572	77.7
8	Retail exposures	920,600	523,283	861,164	62,836	693,000	75.0
9	Exposures secured by residential property	298,931	85,435	286,440	47,768	116,973	35.0
10	Exposures secured by commercial real estate	436,562	-	436,562	-	218,281	50.0
11	Past-due loans	224,501	-	222,196	-	238,787	107.5
12	High risk categories by the Agency Board	1,750,138	13,491	1,750,138	243	2,951,431	168.6
13	Exposures in the form of covered bonds	-	-	-	-	-	0.0
14	Exposures to institutions and corparates with a short term credit assessment	-	-	-	-	-	0.0
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	0.0
16	Other exposures	5,059,070	51	5,059,070	51	4,023,434	79.5
17	Investments in equities	-	-	-	-	-	0.0
18	<b>Total</b>	<b>82,824,760</b>	<b>40,265,200</b>	<b>77,783,760</b>	<b>32,498,320</b>	<b>61,185,365</b>	<b>55.5</b>

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

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

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

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

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

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

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

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

**8. Consolidated Exposures by Asset Classes and Risk Weights-Standard Approach**

**Current Period:**

Regulatory portfolio		0%	10%	20%	35% secured by real estate mortgage	50% secured by real estate mortgage	50%	75%	100%	150%	200% (*)	Others	Total risk amount (post-CCF and CRM)
1	Exposures to central governments or central banks	28,910,174	-	-	-	-	-	-	-	-	-	-	28,910,174
2	Exposures to regional and local governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Exposures to public sector entities	-	-	-	-	-	-	-	2,715	-	-	-	2,715
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to institutions	-	-	2,851,087	-	-	6,746,790	-	124,560	-	-	-	9,722,437
7	Exposures to corporates	-	-	8,492,019	-	-	14,508,190	17	39,920,060	-	-	-	62,920,286
8	Retail exposures	-	-	-	-	-	-	924,000	-	-	-	-	924,000
9	Exposures secured by residential property	-	-	-	334,208	-	-	-	-	-	-	-	334,208
10	Exposures secured by commercial real estate	-	-	-	-	436,562	-	-	-	-	-	-	436,562
11	Past-due loans	-	-	-	-	-	85,049	-	18,916	118,231	-	-	222,196
12	High risk categories by the Agency Board	-	-	-	-	-	-	-	-	1,657,279	-	93,102	1,750,381
13	Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	-	-
16	Investments in equities	-	-	-	-	-	-	-	-	-	-	-	-
17	Other exposures	1,035,029	-	821	-	-	-	-	4,023,271	-	-	-	5,059,121
18	<b>Total</b>	<b>29,945,203</b>	-	<b>11,343,927</b>	<b>334,208</b>	<b>436,562</b>	<b>21,340,029</b>	<b>924,017</b>	<b>44,089,522</b>	<b>1,775,510</b>	-	<b>93,102</b>	<b>110,282,080</b>

(\*) As of 19 December 2024, 200% risk weighting was terminated by BRSA.

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

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

**8. Consolidated Exposures by Asset Classes and Risk Weights- Standard Approach (Continued)**

**Prior Period:**

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

###### d. Explanations on Counterparty Credit Risk (CCR)

###### 1. Qualitative Explanations on Counterparty Credit Risk

Main issues related to Counterparty Credit Risk management process are mentioned in the Bank's Derivatives Policy and Credit Risk policies. Counterparty credit risk for customer derivative products are internally calculated through the use of fair value method, and standard method is used for credit valuation adjustment. For such transactions, customer-based counter-trend risks are taken into account, transaction limits required by Credit Allocation department are determined, and necessary collaterals are taken. Limit/Risk realisations are monitored by Risk Management on a daily basis; realisations are relayed to respective business units, and credits are relayed to credit allocation teams and operation units.

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

	Current Period	Replacement cost	Potential future exposure	EEPE(Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	Standardised Approach - CCR (for derivatives)	634,786	237,918		1.4	1,221,786	493,864
2	Internal Model Method (for derivative financial instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)				-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)				-	-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions))				3,420,041	1,674,782	
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions				3,420,041	1,674,782	
6	<b>Total</b>						<b>2,168,646</b>

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

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

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

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

**3. Consolidated Capital Requirement For Credit Valuation Adjustment (CVA)**

	Current Period	EAD post-CRM	RWA
	Total portfolio value with comprehensive approach CVA capital adequacy	-	-
1	(i) Value at Risk component (including the 3×multiplier)		-
2	(ii) Stressed Value at Risk component (including the 3×multiplier)		-
3	Total portfolio value with simplified approach CVA adequacy	113,209	97,046
4	Total subject to the CVA capital obligation	113,209	97,046

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

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

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

**4. Consolidated CCR Exposures By Risk Class And Risk Weights-Standard Approach**

**Current Period:**

Risk weight/ Risk classes	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure (*)
Central governments and central banks receivables	-	-	-	-	-	-	-	-	-
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
International organizations receivables	-	-	-	-	-	-	-	-	-
Banks and intermediary institutions receivables	-	-	1,755,724	1,630,833	-	124,543	-	-	3,511,100
Corporate receivables	-	-	245,783	112,416	17	771,668	-	-	1,129,884
Retail receivables	-	-	-	-	88	-	-	-	88
Mortgage receivables	-	-	-	-	-	-	-	-	-
Non performing receivables	-	-	-	-	-	-	-	-	-
High risk defined receivables	-	-	-	-	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-
Short term credit rated banks and intermediary institutions receivables	-	-	-	-	-	-	-	-	-
Collective investment undertaking investments	-	-	-	-	-	-	-	-	-
Equity investments	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>2,001,507</b>	<b>1,743,249</b>	<b>105</b>	<b>896,211</b>	-	-	<b>4,641,072</b>

(\*) Total credit risk: the amount of relating to the capital adequacy calculation after applying counterparty credit risk measurement techniques

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

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

**4. Consolidated CCR Exposures By Risk Class And Risk Weights- Standard Approach (Continued)**

**Prior Period:**

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

(\*) Total credit risk: the amount of relating to the capital adequacy calculation after applying counterparty credit risk measurement techniques

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

###### 5. Collaterals for Consolidated CCR

Current Period	Collateral received		Collateral given		Fair value of collateral received	Fair value of collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	777,283	-
Cash-foreign currency	-	3,271,010	-	5,234,260	12,829,797	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>3,271,010</b>	<b>-</b>	<b>5,234,260</b>	<b>13,607,080</b>	<b>-</b>

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

###### 6. Consolidated Credit Derivatives

	A		B	
	Protection bought	Protection sold	Protection sold	Protection bought
Notionals		-	-	-
Single-name credit default swaps		-	-	-
Index credit default swaps		-	-	-
Total return swaps		-	-	-
Credit options		-	-	-
Other credit derivatives		-	-	-
Total Notionals		-	-	-
Fair Values		-	-	-
Positive fair values (asset)		-	-	-
Negative fair values (liability)		-	-	-

###### 7. Central counterparty risks (CCR): None

###### e. Securitisation Explanations:

None.

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)****X. Explanations on the Risk Management (Continued)****f. Explanations on market risk****1. Explanations on Risk Management's Objectives and Policies Related to Market Risk**

Prepared with a view to establishing an outlook on market policy, Market Risk Management Policy defines the market risk factors which the Bank is exposed to, and presents the process, measurement methods and monitoring activities to be employed for managing such risks. The manual also offers an in-depth description of the Bank's current strategy on market risk.

Basically, the Bank's market risks are classified into interest rate risk, foreign exchange risk, stock price risk, option risk and commodity risk.

For the Bank's capital adequacy ratio calculations, value at market risk is calculated by using the standard method. Moreover, daily Value at Risk is also calculated and presented as part of the Daily Risk Report prepared by Market Risk Management Unit. Currently, Value at Risk is calculated by using the historical simulation method, with 1-day lock-up period, 99% confidence interval. For Value at Risk calculations, the Bank uses its market risk software.

Market risk measurement results and limit realisations are reported daily to Treasury Management, and Treasury Management is expected to act in accordance with the limits established. Measurement and realisation results are shared with the General Manager, Board Audit Committee Chairman on a daily basis, and it is ensured that Senior Management is informed about the current market risk carried by the Bank's Trading account portfolio.

The Bank's risk appetite for market risk has been aligned with the market risk limits established in accordance with Risk Appetite Policy. Risks are hereby mitigated by means of sector-based, product-based and asset type-based diversification method.

Measurement and monitoring activities related to market risk management are conducted by Market Risk Management Unit. Treasury Operations Unit captures the transactions, which are executed by Treasury Management, in the system upon checking the suitability. Market risk positions defined as per the Bank's current Risk Appetite Policy and risk realisations are shared with Treasury Management on a daily basis in the "Daily Risk Report" prepared by Market Risk Management Unit. Treasury Management is notified and necessary action plans are requested in case of limit breaches. Additionally, Market Risk realisations are submitted to Assets and Liabilities Committee for discussion.

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

		<b>RWA (Current Period)</b>	<b>RWA (Prior Period)</b>
<b>Outright products</b>			
1	Interest rate risk (general and specific)	97,275	130,800
2	Equity risk (general and specific)	-	-
3	Foreign exchange risk	758,088	1,500,738
4	Commodity risk	-	-
<b>Options</b>			
5	Simplified approach	-	-
6	Delta-plus method	134,212	46,850
7	Scenario approach	-	-
8	Securitisation	-	-
9	<b>Total</b>	<b>989,575</b>	<b>1,678,388</b>

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)****X. Explanations on the Risk Management (Continued)****f. Explanations on Market Risk (Continued)****2. Consolidated Market Risk-Standard Approach (Continued)**

Bank's risk management operations, which are determined by the Board of Directors, are in line with the "Regulation of Internal Bank Systems" and "Regulation of Capital Adequacy Measurement and Evaluation". In order to comply with the Regulations, the Bank's operations regarding the market risk are administrated in line with the "Regulation of Internal Bank Systems" and "Regulation of Capital Adequacy Measurement and Evaluation".

Board of Directors monitors the efficiency of risk administration systems by evaluations of the Audit Committee, Management and Early Detection of Risk Committee as well as upper management's opinions and other miscellaneous reports.

The Parent Bank's risk policies and risk administration policies for the encountered market risk are being approved by the board of directors and reviewed on a regular basis. Market risk is measured and limited in compliance with international standards and capital requirements are calculated accordingly in addition to it is managed by hedging instruments to eliminate the risk.

The market risk of portfolios held for trading is calculated using the standard method and the value at risk ("VaR") methods. Standard method calculations are made on a monthly basis which is used for calculating the capital adequacy generally accepted three methods (variance, covariance, historical simulation, Monte Carlo). VaR calculations are performed on a daily basis using the historical simulation (EWMA) method. VaR calculations are made using the past 1 year data with 99% assurance and 1 day holding period (10 days for legal capital calculation). All positions in the trading portfolio are set a daily risk limit and nominal position limits and all these limits are monitored and reported to upper management. In addition, trading portfolio, value at risk increase and limit comply situations are reported to Active Passive Committee every two weeks and to upper management and Management and Early Detection of Risk Committee every three months. VaR model is tested on a backward basis to ensure reliability. In order to limit market risk, in addition to VaR and nominal position limits, there are stop loss limits on trading portfolio that are approved by the board of directors.

**3. Information on Market Risk**

	<b>31 December 2024</b>	<b>31 December 2023</b>
(I) Capital Requirement Against General Market Risk – Standard Method	7,720	10,311
(II) Capital Requirement Against Specific Risk – Standard Method	62	153
Capital Requirement Specific Risk Related to Securitization Positions-Standard Method	-	-
(III) Capital Requirement Against Currency Risk – Standard Method	71,384	123,807
(IV) Capital Requirement Against Commodity Risk – Standard Method	-	-
(V) Capital Requirement Against Exchange Risk – Standard Method	-	-
(VI) Capital Requirement Against Market Risk of Options – Standard Method	-	-
(VII) Capital Requirement Against Counterparty Credit Risk-Standard Method	-	-
(VIII) Capital Requirement Against Market Risks of Banks Applying Risk Measurement Models	-	-
(IX) Total Capital Requirement Against Market Risk (I+II+III+IV+V+VI)	79,166	134,271
<b>(X) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x IX)</b>	<b>989,575</b>	<b>1,678,388</b>

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

**f. Explanations on Market Risk (Continued)**

**4. Average Market Risk Table of Calculated Market Risk during the Period at Month Ends:**

	31 December 2024			31 December 2023		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	10,427	12,962	6,902	11,299	27,203	4,523
Common Stock Risk	-	-	-	-	-	-
Currency Risk	86,702	328,981	21,144	97,747	134,506	34,504
Commodity Risk	-	-	-	-	-	-
Exchange Risk	-	-	-	-	-	-
Counterparty Credit Risk	-	-	-	-	-	-
Option Risk	8,030	11,851	4,543	6,149	12,759	551
<b>Total Value at Risk</b>	<b>1,314,483</b>	<b>4,382,000</b>	<b>491,425</b>	<b>1,439,942</b>	<b>2,156,563</b>	<b>677,413</b>

**5. Information on Counterparty Credit Risk:**

In order to calculate the counterparty credit risk the "Fair Value" method is used which is determined by (Appendix 2) of "Regulation on Measurement and Assessment of Capital Adequacy of Banks," published in 28 June 2012 is taken into consideration. In accordance with the before-mentioned method, potential credit risk value is calculated and added to the renewal costs of the agreements with positive values.

For derivative transactions, sum of revaluation costs and accumulation of potential credit risk is considered to be the risk amount. Revaluation costs are calculated by valuation of the contract with its fair value and by multiplication of contract amount with the loan conversion rate.

**6. Quantitative Information on Counterparty Risk (Annualy):**

	31 December 2024	31 December 2023
Interest Rate Contracts	21,150,354	20,529,565
Foreign Exchange Rate Contracts	30,983,871	26,094,267
Commodity Contracts	2,702,315	6,551,074
Equity Shares Related Contracts	-	-
Other	-	-
Gross Positive Fair Values	4,641,072	5,439,108
Netting Benefits	-	-
Net Current Exposure Amount	-	-
Collaterals Received	-	-
<b>Net Derivative Position</b>	<b>4,641,072</b>	<b>5,439,108</b>

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)****X. Explanations on the Risk Management (Continued)****g. Explanations on Operational Risk:**

Amount subject to operational risk is calculated once a year with "Basic Indicator Method" in accordance with the "Regulation for Measuring and Evaluating Capital Adequacy of Banks" enforced in 31 March 2016 and updated version published in 23 October 2015 Official Gazette No.29511. As of 31 December 2024, the operational risk is calculated using the revenues of 2021, 2022 and 2023. The risk amount calculated using the "Capital Adequacy Standard Ratio" indicated in the disclosure I of the section IV amounts to TL 4,411,563.

The annual gross income is calculated over sum of net values of interest and non-interest income by deducting the profit/(loss) that is generated from available for sale and held to maturity and extraordinary income, operating expense for support services and amount collected from insurances.

**1. In the case of using the basic indicator method:**

	<b>31 December 2021</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>Total Number of Positive Year</b>	<b>Ratio (%)</b>	<b>Total</b>
Gross Income	945,549	2,177,277	3,935,675	2,352,834	15	352,925
Amount Subject to Operational Risk (Total*12,5)	-	-	-	-	-	4,411,563

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (Continued)****XI. Explanations on Hedge Accounting**

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.

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:

	31 December 2024			31 December 2023		
	Principal Amount (*)	Assets	Liabilities	Principal Amount (*)	Assets	Liabilities
<b>Derivative financial instruments</b>						
Interest rate swaps	1,300,000	6,764	1,751	800,000	17,462	12,891
<b>Total</b>	<b>1,300,000</b>	<b>6,764</b>	<b>1,751</b>	<b>800,000</b>	<b>17,462</b>	<b>12,891</b>

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

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

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***SECTION FIVE****EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS****I. Explanations and Notes on Assets****a. Information on Cash and Balances with the Central Bank of Republic of Turkey ("CBRT")**

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

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Cash/Foreign Currency	42,468	552,562	54,515	314,904
CBRT	3,598,537	7,956,790	2,620,239	6,887,477
Other	736	110	1,764	20,648
<b>Total</b>	<b>3,641,741</b>	<b>8,509,462</b>	<b>2,676,518</b>	<b>7,223,029</b>

## 2. Information on the account of the CBRT

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Demand Unrestricted Amount (*)	3,576,396	3,003,214	2,337,679	3,857,784
Time Unrestricted Amount	-	-	-	-
Time Restricted Amount	-	-	-	-
Reserve Requirement	22,141	4,953,576	282,560	3,029,693
<b>Total</b>	<b>3,598,537</b>	<b>7,956,790</b>	<b>2,620,239</b>	<b>6,887,477</b>

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

## 3. Information on reserve requirements

According to the CBRT's communique No. 2013/15 on Required Reserves, required reserves are established at the CBRT for Turkish currency and foreign currency liabilities. Required Reserves can be kept in Turkish Lira, USD, EUR and standard gold in accordance with the "Commmunique on Required Reserves" at the CBRT. According to the Communique on Required Reserves published in the Official Gazette dated 31 December 2022 and numbered 32060, the posbility of establishing Turkish Lira required reserves in foreign currency was terminated as of 1 October 2021.

As of 31 December 2024, the Turkish lira required reserve ratios are determined to be within the range of 3% - 33% depending on the maturity structure of deposits denominated in Turkish Lira (31 December 2023: 0% - 30%), and other foreign currency liabilities within the range of 5% - 30% (31 December 2023: 5% - 30%).

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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

	31 December 2024 (*)		31 December 2023 (*)	
	TL	FC	TL	FC
Forward Transactions	60,726	13,889	45,159	15,224
Swap Transactions	256,376	331,153	184,329	867,536
Options	99,250	117,350	68,553	38,990
<b>Total</b>	<b>416,352</b>	<b>462,392</b>	<b>298,041</b>	<b>921,750</b>

(\*)Hedging derivative financial assets are excluded

###### d. Information on banks

###### 1. Information on banks

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Banks				
Domestic	97,884	3,056,142	36,847	978,796
Foreign	-	1,694,092	-	1,939,220
<b>Total</b>	<b>97,884</b>	<b>4,750,234</b>	<b>36,847</b>	<b>2,918,016</b>

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

	Unrestricted Amount		Restricted Amount	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
EU Countries	609,909	304,754	-	-
USA and Canada	1,051,776	1,542,326	-	-
OECD Countries	30,722	23,312	-	-
Off-shore Banking Regions	-	-	-	-
Other	1,685	68,828	-	-
<b>Total</b>	<b>1,694,092</b>	<b>1,939,220</b>	<b>-</b>	<b>-</b>

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

As of 31 December 2024, financial assets at fair value through other comprehensive income given as collateral/blocked are amounting to TL 560,563 (31 December 2023: None). As of 31 December 2024 financial assets at fair value through other comprehensive income those subject to repurchase agreements TL 5,321,958 (31 December 2023: None). As of 31 December 2024, the share certificates amounting to TL 17,264 (31 December 2023: TL 14,542).

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

	31 December 2024	31 December 2023
Debt Securities	8,067,345	7,211,226
Quoted on Stock Exchange	8,067,345	7,211,226
Not Quoted	-	-
Share Certificates	17,264	14,542
Quoted on Stock Exchange	1	1
Not Quoted	17,263	14,541
Impairment Provision (-)	279,980	404,032
<b>Total</b>	<b>7,804,629</b>	<b>6,821,736</b>

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

###### g. Explanations on loans

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

	31 December 2024		31 December 2023	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted To Shareholders	-	4,254	-	3,742
Corporate Shareholders	-	4,254	-	3,742
Real Person Shareholders	-	-	-	-
Indirect Loans Granted To Shareholders	650	1,357	771	1,607
Loans Granted To Employees	24,101	-	15,930	-
<b>Total</b>	<b>24,751</b>	<b>5,611</b>	<b>16,701</b>	<b>5,349</b>

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

Current Period	Cash Loans (*)	Loans Under Close Monitoring		
		Standard Loans	Loans Not Subject to restructuring	Restructured Loans
			Amendments on Conditions of Contract	Refinancing
Non-Specialized Loans	37,056,520		568,855	2,772,547
Corporate Loans	-		-	-
Export Loans	9,257,797		74,298	-
Import Loans	-		-	-
Loans Given to Financial Sector	2,439,578		-	-
Consumer Loans	722,250		5,341	278
Credit Cards	57,022		5,100	-
Other	24,579,873		484,116	2,772,269
Specialized Loans	-		-	-
Other Receivables	-		-	-
<b>Total</b>	<b>37,056,520</b>		<b>568,855</b>	<b>2,772,547</b>

(\*) Standard and closely monitored leasing receivables amounting to TL 4,340,839 and TL 198,862 respectively are not included.

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

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

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

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

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

**Current Period (\*)**

	<b>Standard Loans</b>	<b>Loans Under Close Monitoring</b>
12 Month Expected Credit Losses	195,047	-
Significant Increase in Credit Risk	-	319,785

(\*) Expected loss provision amounting to TL 2,065 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	68,009	-
Significant Increase in Credit Risk	-	915,033

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

3. Loans according to their maturity structure

<b>Cash Loans</b>	<b>Standart Loans and Other Receivables</b>	<b>Loans and Other Receivables Under Close Monitoring</b>		
		<b>Not restructured</b>	<b>Restructured or rescheduled</b>	
			<b>Change in Contract Conditions</b>	<b>Refinancing</b>
<b>Short-term Loans and Other Receivables</b>	<b>22,692,096</b>	<b>248,824</b>	<b>236,030</b>	-
Non-specialised Loans	22,692,096	248,824	236,030	-
Specialised Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Medium and Long-Term Loans and Other Receivables</b>	<b>14,364,424</b>	<b>320,031</b>	<b>2,536,517</b>	-
Non-specialised Loans	14,364,424	320,031	2,536,517	-
Specialised Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>37,056,520</b>	<b>568,855</b>	<b>2,772,547</b>	-

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

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

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

	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
Consumer Loans-TL	357,223	335,677	692,900
Real Estate Loans	-	48,961	48,961
Automotive Loans	-	824	824
Consumer Loans	357,223	285,892	643,115
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	18,538	-	18,538
With Installments	2,078	-	2,078
Without Installments	16,460	-	16,460
Individual Credit Cards- FC	17	-	17
With Installments	-	-	-
Without Installments	17	-	17
Personnel Loans-TL	9,587	12,846	22,433
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	9,587	12,846	22,433
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	1,392	-	1,392
With Installments	132	-	132
Without Installments	1,260	-	1,260
Personnel Credit Cards-FC	3	-	3
With Installments	-	-	-
Without Installments	3	-	3
Credit Deposit Account-TL (Individuals) (*)	12,536	-	12,536
Credit Deposit Account-FC (Individuals)	-	-	-
<b>Total</b>	<b>399,296</b>	<b>348,523</b>	<b>747,819</b>

(\*) TL 273 of the credit deposit account are personnel loans.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

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

	Short-term	Medium and long-term	Total
Commercial Loans With Installments-TL	187,607	4,641,188	4,828,795
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	187,607	4,641,188	4,828,795
Other	-	-	-
Commercial Loans With Installment-FC Indexed	-	16,399	16,399
Real Estate Loans	-	16,399	16,399
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Loans With Installment-FC	-	3,900,761	3,900,761
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	3,900,761	3,900,761
Other	-	-	-
Corporate Credit Cards-TL	41,624	-	41,624
With Installment	1,819	-	1,819
Without Installment	39,805	-	39,805
Corporate Credit Cards-FC	548	-	548
With Installment	-	-	-
Without Installment	548	-	548
Overdraft Accounts – TL(Corporate)	82,442	-	82,442
Overdraft Accounts – FC (Corporate)	-	-	-
<b>Total</b>	<b>312,221</b>	<b>8,558,348</b>	<b>8,870,569</b>

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

	31 December 2024	31 December 2023
Public	-	-
Private	40,397,922	31,011,496
<b>Total</b>	<b>40,397,922</b>	<b>31,011,496</b>

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

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

	31 December 2024	31 December 2023
Domestic Loans	40,397,137	31,010,720
Foreign Loans	785	776
<b>Total</b>	<b>40,397,922</b>	<b>31,011,496</b>

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

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

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

	31 December 2024	31 December 2023
Loans with Limited Collectability	50,500	25,285
Loans with Doubtful Collectability	57,188	9,566
Uncollectible Loans	188,425	428,253
<b>Total</b>	<b>296,113</b>	<b>463,104</b>

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

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

10. Information on non-performing loans (Net)

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and other receivables with limited collectability</b>	<b>Loans and other receivables with doubtful collectability</b>	<b>Uncollectible loans and other receivables</b>
<b>31 December 2024</b>			
Gross Amounts Before Provisions	-	-	5,129
Restructured Loans	-	-	5,129
<b>31 December 2023</b>			
Gross Amounts Before Provisions	-	-	61,766
Restructured Loans	-	-	61,766

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and other receivables with limited collectability</b>	<b>Loans and other receivables with doubtful collectability</b>	<b>Uncollectible loans and other receivables</b>
<b>31 December 2023 (*)</b>	<b>57,558</b>	<b>57,681</b>	<b>456,735</b>
Addition (+)	935,735	37,900	7,117
Transfers from Other Categories of Non-performing Loans (+)	-	222,041	64,698
Transfers to Other Categories of Non-performing Loans (-)	(222,041)	(64,698)	-
Collections (-)	(537,229)	(3,007)	(188,109)
Write-offs (-)	(83,322)	-	(138,176)
Sold Portfolio (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
<b>31 December 2024</b>	<b>150,701</b>	<b>249,917</b>	<b>202,265</b>
Specific Provision (-)	50,500	57,188	188,425
<b>Net Balance on Balance Sheet</b>	<b>100,201</b>	<b>192,729</b>	<b>13,840</b>

(\*) Non performing financial leasing receivables amounting to TL 144,201 has included.

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

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

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

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

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

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and other receivables with limited collectability</b>	<b>Loans and other receivables with doubtful collectability</b>	<b>Uncollectible loans and other receivables</b>
<b>31 December 2024 (Net)</b>	<b>100,201</b>	<b>192,729</b>	<b>13,840</b>
Loans to Real Persons and Legal Entities (Gross)	150,701	249,917	202,265
Specific Provision Amount (-)	50,500	57,188	188,425
Loans to Real Persons and Legal Entities (Net)	100,201	192,729	13,840
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
<b>31 December 2023 (Net)</b>	<b>32,273</b>	<b>48,115</b>	<b>28,482</b>
Loans to Real Persons and Legal Entities (Gross)	57,558	57,681	456,735
Specific Provision Amount (-)	25,285	9,566	428,253
Loans to Real Persons and Legal Entities (Net)	32,273	48,115	28,482
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and other receivables with limited collectability</b>	<b>Loans and other receivables with doubtful collectability</b>	<b>Uncollectible loans and other receivables</b>
<b>Current Period (Net)</b>	-	-	-
Interest accruals and valuation differences	-	-	71,022
Provision (-)	-	-	(71,022)
<b>Prior Period(Net)</b>	-	-	-
Interest accruals and valuation differences	-	-	51,944
Provision (-)	-	-	(51,944)

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and Notes on Assets (Continued)****g. Explanations on loans (Continued)**

## 11. Explanation on liquidation policy for uncollectible loan and receivable

Collection of uncollectible loans and other receivables is collected through the liquidation of collaterals and by legal procedures.

## 12. Explanations on write-off policy

Uncollectible loans and other receivables are recovered through legal proceedings and liquidation of collaterals or they are written off with Board decision in accordance with the Tax Procedural Law.

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

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

## (i) Financial assets measured at amortised cost

As of 31 December 2024 there are financial assets measured at amortised cost given as collateral amounting to TL 10,908,174 (31 December 2023: TL 9,601,665) .

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Given as collateral/blocked	231,286	-	640,363	2,908,905
Subject to repurchase agreements	-	8,355,365	-	5,163,862
Other	2,274,742	46,781	888,535	-
<b>Total</b>	<b>2,506,028</b>	<b>8,402,146</b>	<b>1,528,898</b>	<b>8,072,767</b>

## 2. Information on debt securities measured at amortised cost

## (i) Financial assets measured at amortised cost

	31 December 2024	31 December 2023
Government Bonds	8,402,146	8,072,767
Treasury Bills	1,742,450	1,447,818
Other Government Debt Securities	-	-
<b>Total</b>	<b>10,144,596</b>	<b>9,520,585</b>

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and Notes on Assets (Continued)****h. Information on financial assets measured at amortised cost (Continued)****3. Financial assets measured at amortised cost**

	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Debt Securities</b>	<b>10,908,174</b>	<b>9,601,665</b>
Quoted to Stock Exchange	10,908,174	9,601,665
Not Quoted to Stock Exchange	-	-
<b>Impairment Provision (-)</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>10,908,174</b>	<b>9,601,665</b>

**4. Movement of financial assets measured at amortised cost**

	<b>31 December 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 TFRS 9	1,700,744	3,814,210
Foreign Currency Differences on Monetary Assets	756,278	2,041,292
Disposals Through Sales and Redemptions	(1,150,513)	(3,261,452)
Impairment Provision (-)	-	-
<b>Balance at the End of the Period</b>	<b>10,908,174</b>	<b>9,601,665</b>

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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

- 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.

- Information on unconsolidated subsidiaries

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

- Information on consolidated subsidiaries

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

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

No	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / (Loss)	Prior Period Profit / (Loss)	Fair Value
1(*)	298,476	94,954	14,254	77,803	15,545	(1,912)	21,804	-
2(*)	5,105,125	582,011	192,164	918,676	-	89,322	43,247	-

(\*) The above mentioned subsidiaries' financial data are taken from the financial statements prepared for the BRSA consolidation as of 31 December 2023.

Information about equity component of the consolidated subsidiaries:

	Alternatif Finansal Kiralama A.Ş.	Alternatif Menkul Değerler A.Ş.
<b>TIER I Capital</b>	<b>482,001</b>	<b>97,692</b>
Paid-in Capital	200,000	77,000
Capital Reserves	155,597	26,438
Current and Prior Period Net Profit	128,617	(1,912)
Current and Prior Period Net (Loss)	-	(641)
Intangible Assets (-)	2,213	3,193
<b>TIER II Capital</b>	<b>-</b>	<b>-</b>
<b>Deductions from Capital</b>	<b>-</b>	<b>-</b>
<b>Net Usable Capital</b>	<b>482,001</b>	<b>97,692</b>

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

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

**4. The movement of the subsidiaries**

	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Balance at the beginning of the period</b>	<b>340,580</b>	<b>325,580</b>
<b>Movements during the period</b>	<b>10,000</b>	<b>15,000</b>
Purchases <sup>(*)</sup> ( <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>
<b>Capital Commitments</b>	<b>-</b>	<b>-</b>
<b>Share Percentage at the End of the Period (%)</b>	<b>-</b>	<b>-</b>

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

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

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

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

**6. Quoted subsidiaries**

None (31 December 2023: None).

**k. Information on joint ventures**

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

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

Finance lease receivable of the Group is amounting to TL 4,683,903 (31 December 2023: TL 4,099,871).

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

	<b>31 December 2024</b>		<b>31 December 2023</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Fair Value Hedge <sup>(*)</sup>	-	-	-	-
Cash Flow Hedge	6,764	-	17,462	-
Net Investment Hedge in a foreign operation	-	-	-	-
<b>Total</b>	<b>6,764</b>	<b>-</b>	<b>17,462</b>	<b>-</b>

(\*) Explained in Section Third Footnote XI.

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

**n. Tangible assets**

	Real Estates(**)	Motor Vehicles	Other Tangible Assets	Financial Leasings	Total
Cost	879,363	247,301	144,951	53,768	1,325,383
Accumulated Depreciation (-)	24,388	18,080	76,312	31,519	150,299
<b>31 December 2023 Net Book Value</b>	<b>854,975</b>	<b>229,221</b>	<b>68,639</b>	<b>22,249</b>	<b>1,175,084</b>
Additions	2,379	15,178	28,220	12,807	58,584
Disposals Cost	-	21,701	3,228	9,756	34,685
Disposals Depreciation (-)	-	(6,631)	(20,105)	(6,640)	(33,376)
Impairment (*)	1,091,831	-	-	-	1,091,831
Depreciation (-)	4,501	25,140	22,803	10,117	62,561
<b>Cost at Period End</b>	<b>1,973,573</b>	<b>240,778</b>	<b>169,943</b>	<b>56,819</b>	<b>2,441,113</b>
<b>Accumulated Depreciation at Period End (-)</b>	<b>28,889</b>	<b>36,589</b>	<b>79,010</b>	<b>34,996</b>	<b>179,484</b>
<b>31 December 2024 Net Book Value</b>	<b>1,944,684</b>	<b>204,189</b>	<b>90,933</b>	<b>21,823</b>	<b>2,261,629</b>

	Real Estates(**)	Motor Vehicles	Other Tangible Assets	Financial Leasings	Total
Cost	642,916	58,067	112,880	62,935	876,798
Accumulated Depreciation (-)	19,932	10,807	59,285	29,383	119,407
<b>31 December 2022 Net Book Value</b>	<b>622,984</b>	<b>47,260</b>	<b>53,595</b>	<b>33,552</b>	<b>757,391</b>
Additions	6,137	212,940	41,284	6,757	267,118
Disposals Cost	1,294	23,706	9,213	15,924	50,137
Disposals Depreciation (-)	-	(6,321)	(6,385)	(6,394)	(19,100)
Impairment (*)	231,604	-	-	-	231,604
Depreciation (-)	4,456	13,594	23,412	8,530	49,992
<b>Cost at Period End</b>	<b>879,363</b>	<b>247,301</b>	<b>144,951</b>	<b>53,768</b>	<b>1,325,383</b>
<b>Accumulated Depreciation at Period End (-)</b>	<b>24,388</b>	<b>18,080</b>	<b>76,312</b>	<b>31,519</b>	<b>150,299</b>
<b>31 December 2023 Net Book Value</b>	<b>854,975</b>	<b>229,221</b>	<b>68,639</b>	<b>22,249</b>	<b>1,175,084</b>

(\*) Bank applies a revaluation model for buildings in accordance with TAS 16 "Accounting Standard for Tangible Fixed Assets". For this purpose, the fair value of the purchased headquarter building has been determined by an independent valuation firm authorized by the BRSA and the Capital Markets Board. As a result of the revaluation study, the increase in the book value of the buildings has been transferred to the accumulated other comprehensive income or expenses account that will not be reclassified in profit or loss in the equity account group.

(\*\*) If the buildings had been carried at cost value, cost and accumulated depreciation as of 31 December 2024 would have been TL 226,154 and TL 28,885 (31 December 2023: TL 223,775 and TL 24,382).

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

###### o. Intangible assets

###### 1. Information on movements of goodwill values between the beginning and end of the period

	Current Period	Prior Period
Gross Value at the Beginning of the Period	21,151	33,151
Accumulated Depreciation (-)	-	-
Impairment Provision (-)	-	-
Movement During the Period	-	-
Addition Goodwill	-	-
Assets and Liabilities Arising from Changes in Value of Correction	-	(12,000)
During the Period Discontinue an Operation and Goodwill Partially or Completely Removed from an Asset (-)	-	-
Depreciation (-)	-	-
Impairment Provision (-)	-	-
Reversal of Impairment Provision (-)	-	-
Book Value Occuring Other Changes	-	-
Gross Value at the End of the Period	21,151	21,151
Accumulated Depreciation (-)	-	-
Impairment Provision (-)	-	-
<b>Net Book Value at the End of the Period</b>	<b>21,151</b>	<b>21,151</b>

###### 2. Gross carrying value and accumulated depreciation values at the beginning and end of the period

	31 December 2024	31 December 2023
Gross Carrying Value	792,327	462,876
Accumulated Depreciation (-)	380,252	244,602
<b>Net Book Value</b>	<b>412,075</b>	<b>218,274</b>

###### 3. Information on movements between the beginning and end of the period

	31 December 2024	31 December 2023
<b>Beginning of the Period</b>	<b>218,274</b>	<b>137,139</b>
Internally Generated Amounts	-	-
Additions due to Mergers, Transfers and Acquisitions	331,957	154,822
Disposals	-	(76)
Amount Accounted under Revaluation Reserve	-	-
Impairment	-	-
Impairment Reversal	-	-
Amortisation (-)	138,156	73,611
Net Foreign Currency Difference From Foreign Investments in Associates	-	-
Other Changes in Book Value	-	-
<b>End of the Period</b>	<b>412,075</b>	<b>218,274</b>

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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

###### r. Explanations about deferred tax provision

As of 31 December 2024, the Group has deferred tax asset amounting to TL 823,216 (31 December 2023: TL 461,718 deferred tax asset) in the financial statements.

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

	31 December 2024		31 December 2023	
	Tax Base	Deferred Tax Amount	Tax Base	Deferred Tax Amount
<b>Deferred Tax Asset / (Liability)</b>				
Tangible Assets Base Differences	1,462,017	438,605	721,138	216,733
Provisions	785,683	235,705	1,716,626	515,038
Valuation of Financial Assets	398,210	119,463	(1,013,076)	(302,005)
Commission Deferral	117,513	35,254	22,700	6,810
Financial Losses	-	-	73,535	22,061
Other	(19,370)	(5,811)	10,240	3,081
<b>Net Deferred Tax Assets</b>		<b>823,216</b>		<b>461,718</b>

(\*) There are no tax assets calculated from tax losses. (31 December 2023: Includes tax assets calculated from financial losses. Deferred tax asset calculated from movable losses is calculated from financial losses for financial year of 2023. Since the subsidiary included in consolidation, plans to generate sufficient taxable income to offset these amounts in the future, a total of TL 22,061 has been reflected in its deferred tax assets.)

	1 January -31 December 2024	1 January -31 December 2023
1 January Net Deferred Tax Asset/(Liability)	461,718	161,003
Deferred Tax (Expense)/Income	200,866	(97,882)
Deferred tax recognized in other comprehensive income	160,632	398,597
<b>31 December Net Deferred Tax Asset/(Liability)</b>	<b>823,216</b>	<b>461,718</b>

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

	31 December 2024	31 December 2023
1 January Assets Held For Resale And Discontinued Operations	525,885	487,833
Disposals (-)	(58,314)	(87,495)
Additions	573,700	125,547
Current period depreciation (-)	-	-
Impairment provision addition/ return	-	-
<b>31 December Assets Held For Resale And Discontinued Operations</b>	<b>1,041,271</b>	<b>525,885</b>

###### t. Information on other assets

Other assets in the balance sheet, balance sheet excluding off-balance sheet commitments exceed 10% of the total while at least 20% of their name and the amount of sub-accounts (31 December 2023: None).

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

##### II. Explanations and Notes on Liabilities

###### a. Information on deposits

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

(i) 31 December 2024:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months -1 year	1 year and over	Accumulated Deposits	Total
<b>Saving Deposits</b>	<b>1,193,091</b>	-	<b>9,235,825</b>	<b>5,153,639</b>	<b>1,069,043</b>	<b>115,555</b>	<b>127,007</b>	-	<b>16,894,160</b>
<b>Foreign Currency Deposits</b>	<b>3,491,618</b>	-	<b>2,575,489</b>	<b>7,429,099</b>	<b>117,857</b>	<b>24,978</b>	<b>703</b>	-	<b>13,639,744</b>
Residents in Turkey	3,382,281	-	2,538,284	7,086,156	95,909	10,303	703	-	13,113,636
Residents Abroad	109,337	-	37,205	342,943	21,948	14,675	-	-	526,108
<b>Public Sector Deposits</b>	<b>250,234</b>	-	-	-	-	-	-	-	<b>250,234</b>
<b>Commercial Deposits</b>	<b>372,909</b>	-	<b>1,335,252</b>	<b>2,767,696</b>	<b>381,754</b>	<b>14,406</b>	<b>23,928</b>	-	<b>4,895,945</b>
<b>Other Institutions Deposits</b>	<b>5,577</b>	-	<b>3,514</b>	<b>40,896</b>	<b>105</b>	-	-	-	<b>50,092</b>
<b>Precious Metal Deposits</b>	<b>226,493</b>	-	<b>197,103</b>	<b>470,872</b>	<b>69,932</b>	<b>5,222</b>	-	-	<b>969,622</b>
<b>Bank Deposits</b>	<b>124,733</b>	-	<b>721,842</b>	-	-	-	-	-	<b>846,575</b>
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	115	-	176,226	-	-	-	-	-	176,341
Foreign Banks	124,618	-	545,616	-	-	-	-	-	670,234
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5,664,655</b>	-	<b>14,069,025</b>	<b>15,862,202</b>	<b>1,638,691</b>	<b>160,161</b>	<b>151,638</b>	-	<b>37,546,372</b>

(ii). 31 December 2023:

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

###### 2. Information on saving deposits insurance

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

Saving Deposits	Under the Guarantee of Deposit Insurance		Exceeding Limit of the Deposit Insurance	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Saving Deposits	6,965,410	3,780,601	9,913,214	7,821,858
Foreign Currency Savings Deposit	1,107,839	996,163	4,199,594	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. Saving deposits at domestic branches of foreign banks in Turkey under the coverage of foreign insurance

None.

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

	31 December 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	117,800	63,804
Deposits and Other Accounts of Property Assets Value due to Crime which is in the Scope of Article 282 of Numbered 5237 "TCL" Dated 26/9/2004	-	-
Deposits in Banks Incorporated in Turkey Exclusively for Off-shore Banking Operations	-	-

###### b. Table of negative differences for trading derivative financial liabilities

###### 1. Information on derivative financial liabilities

	31 December 2024 (*)		31 December 2023 (*)	
	TL	FC	TL	FC
Forward Transactions	13	33,852	16,802	2,372
Swap Transactions	-	399,964	126,987	478,666
Futures Transactions	-	-	-	-
Options	87,659	64,524	37,839	30,772
<b>Total</b>	<b>87,672</b>	<b>498,340</b>	<b>181,628</b>	<b>511,810</b>

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

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

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
The CBRT Borrowings	-	126,393	-	109,305
From Domestic Banks and Institutions	784,162	2,543,767	660,131	1,098,785
From Foreign Banks, Institutions and Funds	7,174	14,702,442	5,103	17,972,036
<b>Total</b>	<b>791,336</b>	<b>17,372,602</b>	<b>665,234</b>	<b>19,180,126</b>

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

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Short-term	517,948	4,381,358	559,098	1,618,860
Medium and Long-term	273,388	12,991,244	106,136	17,561,266
<b>Total</b>	<b>791,336</b>	<b>17,372,602</b>	<b>665,234</b>	<b>19,180,126</b>

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

None.

###### d. Information on other foreign liabilities

Other foreign liabilities amounting to TL 713,294 are included in "Other Liabilities" (31 December 2023: TL 760,211) and do not exceed 10% of the total balance sheet.

###### e. Information on financial lease agreements

###### i) Explanations on liabilities arising from financial leasing transactions

	31 December 2024		31 December 2023	
	Gross	Net	Gross	Net
Less than 1 year	4,046	1,447	8,740	3,586
1-4 year	17,925	6,410	14,693	6,029
More than 4 year	2,577	921	15,725	6,452
<b>Total</b>	<b>24,548</b>	<b>8,778</b>	<b>39,158</b>	<b>16,067</b>

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

Related to information on hedging derivative financial liabilities negative amount is TL 1,751 (31 December 2023: TL 12,891)

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Fair Value Hedges	-	-	-	-
Cash Flow Hedges (*)	1,751	-	12,891	-
Foreign Currency Investment Hedges	-	-	-	-
<b>Total</b>	<b>1,751</b>		<b>12,891</b>	

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

###### 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 have been recognized under the equity, amount of after deferred tax TL 10,711 (31 December 2023: TL 23,859 Loss).

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and Notes on Liabilities (Continued)****g. Information on provisions (Continued)****1. Provisions for employee benefits (Continued)**

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

	<b>31 December 2024</b>	<b>31 December 2023</b>
Discount Rate (%)	2.81	1.93
Possible Retirement rate (%)	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.

Movement of provision for employee termination benefits is as follows:

	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Prior Period Ending Balance</b>	<b>23,618</b>	<b>23,341</b>
Current Period Service Cost	3,682	2,365
Interest Cost	3,843	5,137
Paid Compensation	(27,781)	(40,809)
Termination Cost	14,792	(500)
Actuarial Gain/(Loss)	15,301	34,084
<b>Balance at the end of the period</b>	<b>33,455</b>	<b>23,618</b>

As of 31 December 2024, The Group has provision for employee termination benefits amount of TL 33,455 (31 December 2023: TL 23,618), provision of unused vacation amount of TL 16,700 (31 December 2023: TL 12,125)

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

As of 31 December 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>31 December 2024</b>	<b>31 December 2023</b>
Provisions for Unindemnified Non-cash Loan	109,682	120,123
Bonus Provision	17,643	80,496
Provision for Litigation and Claims	79,466	62,072
Other	503	2,558
<b>Total</b>	<b>207,294</b>	<b>265,249</b>

**h. Explanations on Tax Liabilities****1. Information on current tax liability**

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

###### h. Explanations on Tax Liabilities (Continued)

###### 1. Information on current tax liability (Continued)

###### (i) Information on taxes payable

	31 December 2024	31 December 2023
Taxation of Marketable Securities	102,244	26,094
Banking Insurance Transaction Tax (BITT)	58,744	45,324
Value Added Tax Payable	736	762
Property Tax	5,944	3,355
Corporate Tax Payable	-	215,227
Other	22,155	13,660
<b>Total</b>	<b>189,823</b>	<b>304,422</b>

###### (ii) Information on premium payables

	31 December 2024	31 December 2023
Social Security Premiums - Employee	6,839	9,690
Social Security Premiums - Employer	8,271	10,726
Bank Pension Fund Premiums - Employee	-	-
Bank Pension Fund Premiums - Employer	-	-
Pension Fund Deposit and Provisions - Employee	-	-
Pension Fund Deposit and Provisions - Employer	-	-
Unemployment Insurance - Employee	500	750
Unemployment Insurance - Employer	1,294	1,349
Other	4,200	5,422
<b>Total</b>	<b>21,104</b>	<b>27,937</b>

###### 2. Deferred tax liability

As of 31 December 2024, there is no deferred tax liability (31 December 2023: None).

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

None (31 December 2023: None).

###### j. Subordinated debts

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
To be included in the calculation of additional capital borrowing instruments	-	9,891,747	-	8,252,097
Subordinated loans	-	2,646,729	-	2,210,222
Subordinated debts	-	7,245,018	-	6,041,875
Debt instruments to be included in contribution capital	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debts	-	-	-	-
<b>Total</b>	<b>-</b>	<b>9,891,747</b>	<b>-</b>	<b>8,252,097</b>

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and Notes on Liabilities (Continued)****k. Information on shareholders' equity**

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

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

(\*) It refers to the nominal capital.

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

The Parent Bank applies registered share capital system. The Parent Bank's registered capital is TL 4,000,000,000.00 (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 increases from capital reserves during the current period: None.

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

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

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

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and Notes on Liabilities (Continued)****k. Information on shareholders' equity (Continued)**

## 8. Information on marketable securities valuation reserve

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	2,722	-	-	-
Valuation Difference	(525,927)	(102,113)	(242,680)	(117,344)
Foreign Currency Difference	-	-	-	-
<b>Total</b>	<b>(523,205)</b>	<b>(102,113)</b>	<b>(242,680)</b>	<b>(117,344)</b>

## 9. Information on other capital reserves

None.

**I. Information on minority interests**

	31 December 2024	31 December 2023
<b>Balance at the Beginning of the Period</b>	<b>23</b>	<b>19</b>
Current Year Income	9	4
Dividends Paid	-	-
Purchase from Minority Interests	-	-
Other	-	-
<b>Balance at the End of the Period</b>	<b>32</b>	<b>23</b>

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****III. Explanations and Notes on Off-Balance Sheet Accounts****a. Information on off balance sheet commitments****1. The amount and type of irrevocable commitments**

According to Direct Debiting System, there is TL 803,626 irrevocable loan commitments as of 31 December 2024 (31 December 2023: TL: 628,087).

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

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

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

	<b>31 December 2024</b>	<b>31 December 2023</b>
Letter of Credits	7,242,293	4,577,760
Bank Acceptance Loans	624,838	321,825
Guarantees and Collaterals	1,073,382	912,083
<b>Total</b>	<b>8,940,513</b>	<b>5,811,668</b>

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

	<b>31 December 2024</b>	<b>31 December 2023</b>
Definite Letter of Guarantees	82,748	16,109,036
Advance Letter of Guarantee	22,594,539	1,012,882
Temporary Letter of Guarantees	908,946	201,674
Letter of Guarantees Given to Customs	400,808	367,876
<b>Total</b>	<b>23,987,041</b>	<b>17,691,468</b>

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

	<b>31 December 2024</b>	<b>31 December 2023</b>
Non-Cash Loans against Cash Risks	13,963,234	8,852,350
With Original Maturity of 1 Year or Less	5,262,076	1,611,432
With Original Maturity of More Than 1 Year	8,701,158	7,240,918
Other Non-Cash Loans	24,807,420	17,404,936
<b>Total</b>	<b>38,770,654</b>	<b>26,257,286</b>

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

###### 3. Non-cash loans (Continued)

###### (ii). Information about risk concentration on the basis of sector within the non-cash loans account:

	31 December 2024				31 December 2023			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
<b>Agricultural</b>	<b>134,458</b>	<b>0.60</b>	<b>42,028</b>	<b>0.26</b>	<b>89,973</b>	<b>0.71</b>	<b>12,511</b>	<b>0.09</b>
Farming and Livestock	134,266	0.60	42,028	0.26	89,781	0.71	12,511	0.09
Forestry	175	0.00	0	0.00	175	0.00	0	0.00
Fishing	17	0.00	0	0.00	17	0.00	0	0.00
<b>Manufacturing</b>	<b>6,385,546</b>	<b>28.54</b>	<b>6,013,170</b>	<b>36.67</b>	<b>3,598,572</b>	<b>28.40</b>	<b>3,968,373</b>	<b>29.21</b>
Mining	312,447	1.40	105,474	0.64	277,830	2.19	118,882	0.88
Production	5,458,483	24.40	5,897,086	35.97	3,168,233	25.00	3,801,192	27.97
Electric, Gas, Water	614,616	2.74	10,610	0.06	152,509	1.20	48,299	0.36
<b>Construction</b>	<b>525,077</b>	<b>2.35</b>	<b>345,985</b>	<b>2.11</b>	<b>574,622</b>	<b>4.53</b>	<b>1,212,949</b>	<b>8.93</b>
<b>Services</b>	<b>10,914,106</b>	<b>48.78</b>	<b>7,199,362</b>	<b>43.90</b>	<b>6,249,570</b>	<b>49.32</b>	<b>5,112,305</b>	<b>37.63</b>
Wholesale and Retail Trade	1,254,292	5.61	2,750,515	16.77	1,449,696	11.44	1,293,346	9.52
Hotel and Food Services	11,508	0.05	25,090	0.15	15,720	0.12	0.00	0.00
Transportation and Telecommunication	756,338	3.38	921,813	5.62	394,625	3.11	863,568	6.36
Financial Institutions	8,380,236	37.46	1,351,109	8.24	3,996,771	31.54	1,319,460	9.71
Real Estate and Leasing Ser.	14,465	0.06	1,854,450	11.31	21,750	0.17	1,415,397	10.42
Professional Services	366,886	1.64	289,459	1.77	355,507	2.81	213,792	1.57
Education Services	712	0.00	0	0.00	712	0.01	0	0.00
Health and Social Services	129,669	0.58	6,926	0.04	14,789	0.12	6,742	0.05
<b>Other</b>	<b>4,413,424</b>	<b>19.73</b>	<b>2,797,498</b>	<b>17.06</b>	<b>2,159,114</b>	<b>17.04</b>	<b>3,279,297</b>	<b>24.14</b>
<b>Total</b>	<b>22,372,611</b>	<b>100</b>	<b>16,398,043</b>	<b>100</b>	<b>12,671,851</b>	<b>100.00</b>	<b>13,585,435</b>	<b>100.00</b>

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

31 December 2024	Group I		Group II	
	TL	FC	TL	FC
<b>Non-Cash Loans (*)</b>				
Letters of Guarantee	16,470,455	7,315,814	57,982	142,790
Bank Acceptances	-	624,838	-	-
Letters of Credit	1,074	7,241,219	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	5,793,600	1,073,382	49,500	-
<b>Total</b>	<b>22,265,129</b>	<b>16,255,253</b>	<b>107,482</b>	<b>142,790</b>

31 December 2023	Group I		Group II	
	TL	FC	TL	FC
<b>Non-Cash Loans (*)</b>				
Letters of Guarantee	9,869,908	7,668,502	47,793	105,265
Bank Acceptances	-	189,353	-	132,472
Letters of Credit	-	4,577,760	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	2,754,150	912,083	-	-
<b>Total</b>	<b>12,624,058</b>	<b>13,347,698</b>	<b>47,793</b>	<b>237,737</b>

(\*) The amount of non-cash loans of customers which were classified as non-performing receivables is TL 117,172 and check risk amounts are TL 11,140 (31 December 2023: TL 108,841 and TL 11,363).

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

**b. Information on derivative financial instruments**

	Current Period	Period Period
<b>Types of Trading Transactions</b>		
<b>Foreign Currency Related Derivative Transactions (I)</b>	<b>58,620,299</b>	<b>49,869,643</b>
Currency Forward Transactions	5,049,282	13,696,430
Currency Swap Transactions	16,384,920	28,789,074
Futures Transactions	-	-
Options	37,186,097	7,384,139
Securities Options	-	-
<b>Interest Related Derivative Transactions (II)</b>	<b>15,944,843</b>	<b>18,010,368</b>
Forward Rate Agreements	-	-
Interest Rate Swaps	15,944,843	18,010,368
Interest Rate Options	-	-
Interest Rate Futures	-	-
<b>Other Trading Derivative Transactions (III)</b>	<b>4,919,567</b>	<b>10,067,863</b>
<b>A. Total Trading Derivative Transactions (I+II+III)</b>	<b>79,484,709</b>	<b>77,947,874</b>
<b>Types of Hedging Transactions</b>		
Fair Value Hedges	-	-
Cash Flow Hedges	1,300,000	800,000
Foreign Currency Investment Hedges	-	-
<b>B. Total Hedging Derivatives</b>	<b>1,300,000</b>	<b>800,000</b>
<b>Total Derivative Transactions (A+B)</b>	<b>80,784,709</b>	<b>78,747,874</b>

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

None (31 December 2023: None).

**d. Contingent liabilities and assets**

As of 31 December 2024, outstanding legal claims against the group have been considered as contingent liabilities amounting to TL 106,474 and TL 79,466 provision is provided against these legal cases (31 December 2023 Contingent Liability: TL 109,253, Provision: TL 62,072).

**e. Services rendered on behalf of third parties**

The Parent Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

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

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Short-term Loans	6,093,617	1,012,418	3,992,745	1,037,603
Medium/Long-term Loans	2,277,427	251,548	629,459	228,642
Interest on Loans Under Follow-up	86,384	-	74,563	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
<b>Total (*)</b>	<b>8,457,428</b>	<b>1,263,966</b>	<b>4,696,767</b>	<b>1,266,245</b>

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

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

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
From the CBRT (*)	948,306	25,723	4,586	17,942
From Domestic Banks	53,100	46,712	14,594	35,148
From Foreign Banks	18,691	101,924	11,171	96,445
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>1,020,097</b>	<b>174,359</b>	<b>30,351</b>	<b>149,535</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

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
From Financial Assets At Fair Value Through Profit or Loss	17,156	1,931	1,796	1,858
From Financial Assets at Fair Value Through Other Comprehensive Income	1,357,206	222,365	1,018,958	175,188
From Financial Assets Measured at Amortised Cost	437,788	418,780	419,719	337,903
<b>Total</b>	<b>1,812,150</b>	<b>643,076</b>	<b>1,440,473</b>	<b>514,949</b>

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

None (31 December 2023:None).

###### b. Information on interest expense

###### 1. Information on interest expense on borrowings

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Banks	353,754	1,688,333	120,155	1,534,210
CBRT	-	-	535	-
Domestic Banks	350,711	2,473	118,917	7,437
Foreign Banks	3,043	1,685,860	703	1,526,773
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	859,124	-	723,302
<b>Total (*)</b>	<b>353,754</b>	<b>2,547,457</b>	<b>120,155</b>	<b>2,257,512</b>

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

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

None (31 December 2023: None).

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

	31 December 2024	31 December 2023
Information on Interest Expense to Marketable Securities Issued	68,456	43,266

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

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

**4. Information on interest expense on borrowings**

31 December 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	-	162,690	-	-	-	-	-	162,690
Savings Deposits	-	3,219,460	1,521,525	666,441	207,496	29,286	-	5,644,208
Public Deposits	-	-	-	-	-	-	-	-
Commercial Deposits	-	633,674	627,494	149,119	1,713	34,560	-	1,446,560
Other Deposits	-	2,709	26,887	3,023	-	2	-	32,621
Deposit with 7 days notification	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>4,018,533</b>	<b>2,175,906</b>	<b>818,583</b>	<b>209,209</b>	<b>63,848</b>	-	<b>7,286,079</b>
<b>Foreign Currency</b>								
Foreign Currency Account	-	36,731	120,587	1,360	782	923	-	160,383
Bank Deposits	-	6,140	-	-	-	-	-	6,140
Deposit with 7 days notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	342	2,420	626	62	66	-	3,516
<b>Total</b>	-	<b>43,213</b>	<b>123,007</b>	<b>1,986</b>	<b>844</b>	<b>989</b>	-	<b>170,039</b>
<b>Grand Total</b>	-	<b>4,061,746</b>	<b>2,298,913</b>	<b>820,569</b>	<b>210,053</b>	<b>64,837</b>	-	<b>7,456,118</b>

31 December 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	-	72,706	-	-	-	-	-	72,706
Savings Deposits	-	806,699	1,476,424	117,491	2,629	24,148	-	2,427,391
Public Deposits	-	-	-	-	-	-	-	-
Commercial Deposits	-	291,344	763,827	141,126	-	99,004	-	1,295,301
Other Deposits	-	14,805	7,586	7	19	2	-	22,419
Deposit with 7 days notification	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>1,185,554</b>	<b>2,247,837</b>	<b>258,624</b>	<b>2,648</b>	<b>123,154</b>	-	<b>3,817,817</b>
<b>Foreign Currency</b>								
Foreign Currency Account	-	15,651	80,447	1,147	1,273	8,908	-	107,426
Bank Deposits	-	17,125	-	-	-	-	-	17,125
Deposit with 7 days notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	137	1,402	118	17	306	-	1,980
<b>Total</b>	-	<b>32,913</b>	<b>81,849</b>	<b>1,265</b>	<b>1,290</b>	<b>9,214</b>	-	<b>126,531</b>
<b>Grand Total</b>	-	<b>1,218,467</b>	<b>2,329,686</b>	<b>259,889</b>	<b>3,938</b>	<b>132,368</b>	-	<b>3,944,348</b>

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

As of 31 December 2024, given interest amount on repurchase agreement is amounting to TL 1,493,107 (31 December 2023: TL 426,250).

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

###### 6. Informations on leasing expense

	31 December 2024	31 December 2023
Leasing Expense	13,683	12,884

###### 7. Information on given interest for factoring transaction

None (31 December 2023: None).

###### c. Information on dividend income

The Group has dividend income amounting to TL 328 as of 31 December 2024 (31 December 2023: TL 270).

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

	31 December 2024	31 December 2023
<b>Income</b>	<b>214,613,907</b>	<b>183,784,036</b>
Income from Capital Market Transactions	17,495	185,394
Derivative Financial Transactions	2,429,636	5,217,675
Foreign Exchange Gains	212,166,776	178,380,967
<b>Loss (-)</b>	<b>215,623,232</b>	<b>181,735,555</b>
Loss from Capital Market Transactions	249	1,928
Derivative Financial Transactions	2,418,437	3,000,935
Foreign Exchange Loss	213,204,546	178,732,692
<b>Net Income/(Loss)</b>	<b>(1,009,325)</b>	<b>2,048,481</b>

###### e. Explanations about other operating income

For the period ended 31 December 2024, other operating income includes income from assets to be disposed, adjustment to previous years's expenses and income from other operations. The amount of the banks other operating income in the current period is TL 207,316 (31 December 2023: TL 204,987).

###### f. Expected Provision Losses and Other Provision Losses

	31 December 2024	31 December 2023
Expected Credit Loss	(727,608)	78,652
12 month expected credit loss (stage 1)	85,205	(64,240)
Significant increase in credit risk (stage 2)	(667,160)	138,258
Non-performing loans (stage 3)	(145,653)	4,634
Marketable Securities Impairment Expense	4,781	4,768
Financial Assets at Fair Value Through Profit or Loss	4,781	4,768
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
Investments in Associates, Subsidiaries and Joint Ventures Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other	32,763	34,372
<b>Total</b>	<b>(690,064)</b>	<b>117,792</b>

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

	31 December 2024	31 December 2023
Personnel Expenses	1,098,713	725,950
Reserve For Employee Termination Benefits	5,796	7,059
Unused Vacation	6,200	4,300
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	62,561	52,845
Impairment Expenses of Intangible Assets	-	-
Impairment Expense of Goodwill	-	12,000
Depreciation Expenses of Intangible Assets	138,156	73,611
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	691,404	487,606
Operational Lease Expenses	6,651	3,490
Maintenance Expenses	10,242	8,552
Advertising Expenses	31,698	38,495
Other Expenses	642,813	437,069
Loss on Sales of Assets	226,040	29,858
Other (*)	175,358	113,277
<b>Total</b>	<b>2,404,228</b>	<b>1,506,506</b>

(\*) Except the Saving Deposit Insurance Fund (SDIF) premium and tax/duties amounting to TL 136,422 (31 December 2023: TL 89,021), other operating expenses are TL 38,936 (31 December 2023: TL 24,256).

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

	31 December 2024	31 December 2023
Net Interest Income	2,346,366	2,030,110
Net Fees And Commissions Income / Expenses	522,614	(216,579)
Personnel Expenses (-)	1,110,709	737,309
Dividend Income	328	270
Net Trading Income	(1,009,325)	2,048,481
Other Operating Income	207,316	204,987
Expected Credit Losses And Other Provisions Expenses (-)	(727,608)	78,652
Other Provision Expenses (-)	37,544	39,140
Other Operating Expenses (-)	1,293,519	769,197
<b>Profit/(Loss) From Continued Operations Before Taxes</b>	<b>353,135</b>	<b>2,442,971</b>

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

As of 31 December 2024, the Group current tax expense is TL 58,131 (31 December 2023: TL 409,575) and deferred tax expense is TL 200,866 (31 December 2023: TL 97,882 deferred tax income).

Confirmation of provision for taxes:	1 January-31 December 2024	1 January-31 December 2023
Profit/(loss) before taxes	353,135	2,442,971
<b>Legal tax rate</b>	<b>30%</b>	<b>30%</b>
Calculated taxes	105,941	732,891
Effect of disallowable expenses	426	2,883
Other	(249,102)	(228,317)
<b>Provision for taxes</b>	<b>(142,735)</b>	<b>507,457</b>

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

Group's net operating profit is TL 495,870 (31 December 2023: TL 1,935,514).

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

- 1) Interest income from ordinary banking transactions is TL 14,380,675 (31 December 2023: TL 8,937,138), interest expense is TL 12,034,309 (31 December 2023: TL 6,907,028).
- 2) Information on any change in the accounting estimates has no profit/loss effect on current period or consequent periods.

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

<b>Fees and Commissions Received – Other</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Credit Card Pos Commissions	9,639	50,257
/Banking Service Income		1,119
Insurance Commissions	136,570	165,815
Credit Early Termination Compensation	24,907	1,661
Account Management Fee Commission	24,858	3,506
Transfer Commissions	531	775
Brokerage Commissions	25,830	20,115
Expertise Commissions	2,484	2,062
Export Letters of Credit Commissions	21,145	32,677
Other	68,688	55,361
<b>Total</b>	<b>314,652</b>	<b>333,348</b>
<b>Fees and Commissions Paid – Other</b>		
Debit Card Fees and Commissions	44,888	57,080
Clearing Commissions	3,620	24,704
Fees and Commissions on Foreign Currency Transactions	69	69
Commissions Granted to Correspondent Banks	11,717	9,073
Transfer Commissions	4,086	2,831
Pos Transaction Commissions Paid	–	–
Commissions for Effective and Future Transactions	4,553	5,052
CBRT Interbank Money Market	1,523	1,184
Other	50,934	648,075
<b>Total</b>	<b>121,390</b>	<b>748,068</b>

(\*) It includes the commission amount calculated at the rate of 2% of the risks subject to the risk participation agreement signed with the Commercial Bank (P.S.Q.C.).

	<b>31 December 2024</b>	<b>31 December 2023</b>
Minority Shares Profit or (Loss)	9	4

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****V. Explanations and Notes on Changes in Shareholders' Equity****a. Information on profit distribution:**

In the Ordinary General Assembly Meeting of the Parent Bank held on 27 March 2024 regarding the 2023 Activity Year; Operating Profit Before Tax is TL 2,387,705 and after deducting the corporate tax of TL 502,274 from this amount in accordance with the legislation, legal reserves TL 94,271 has been deducted from remaining balance TL 1,885,431 and cash dividend distribution to shareholders amounting to TL 119,537 based on BRSA approval and remaining balance has been transferred to the extraordinary reserve amounting to TL 1,671,623 with the decision of the General Assembly.

**b. Financial assets at fair value through other comprehensive income :**

“Unrealised gain/loss” arising from changes in the fair value of securities classified as available-for-sale are not recognized in current year profit and loss statement but recognized in the “Marketable securities value increase fund” account under equity, until the financial assets are derecognised, sold, disposed or impaired.

**c. Information on increase/decrease amounts result from the merger:**

None.

**d. Information on share issue premium:**

Explained in details in note XVIII. of Section Three.

**VI. Explanations and Notes on Statement of Cash Flows****a. Information on cash and cash equivalent assets:**

## 1. Components of cash and cash equivalents and the accounting policy applied in their determination:

Cash and foreign currency together with demand deposits at banks including the CBRT are defined as “Cash”; Interbank money market and time deposits in banks with original maturities of less than three months are defined as “Cash Equivalents”.

## 2. Effect of a change on the accounting policies: None.

## 3. Reconciliation of cash and cash equivalent items with balance sheet and cash flow statements:

## 3.(i). Cash and cash equivalents at the beginning of period:

	31 December 2023	31 December 2022
<b>Cash</b>	<b>369,419</b>	<b>271,276</b>
<b>Cash Equivalents</b>	<b>9,282,304</b>	<b>6,141,592</b>
CBRT	6,195,302	3,229,504
Banks and Other Financial Institutions	2,937,002	2,312,088
Money Markets	150,000	600,000
<b>Total Cash and Cash Equivalents</b>	<b>9,651,723</b>	<b>6,412,868</b>

The total amount from the operations occurring in the prior period is the total cash and cash equivalents amount at the beginning of the current period.

## 3.(ii). Cash and cash equivalents at the end of the period:

	31 December 2024	31 December 2023
<b>Cash</b>	<b>595,030</b>	<b>369,419</b>
<b>Cash Equivalents</b>	<b>11,401,685</b>	<b>9,282,304</b>
CBRT	6,579,449	6,195,302
Deposits in Banks and other financial institutions	4,822,236	2,937,002
Money Markets	-	150,000
<b>Total Cash and Cash Equivalents</b>	<b>11,996,715</b>	<b>9,651,723</b>

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

### VI. Explanations and Notes on Statement of Cash Flows (Continued)

#### b. Information on cash and cash equivalents that are not in use due to legal limitations and other reasons:

TL 4,975,717 of unfixed principal amount in the account of Central Bank of Turkey is required reserve established in FX and gold, for the TRY, FX and gold liabilities of the Parent Bank (31 December 2023: TL 3,312,253).

#### c. The effects of the change in foreign exchange rates on cash and cash equivalents:

Decrease in "Other Account" amounting to TL 3,843,174 (31 December 2023: TL 11,667,956 decrease) which is classified under "Operating profit before changes in operating assets and liabilities" basically includes Fee and Commissions, Other Operating Expenses excluding Personnel Expenses, Foreign Exchange Gains/Losses as well as Provision and Depreciation that do not create cash in/outflow.

Increase in "Net increase/decrease in other liabilities" amounting to TL 5,687,016 (31 December 2023: TL 569,870 increase) which is classified under "Operating profit before changes in operating assets and liabilities" includes changes in Miscellaneous Payables, Other Liabilities, Taxes Payable, Charges, Duties and Premiums.

The effects of the change in foreign exchange rates on cash and cash equivalents are calculated approximately TL 2,008,579 as of 31 December 2024 (31 December 2023: TL 3,546,514).

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

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

#### 31 December 2024

Group's Risk Group (*) <sup>(**)</sup>	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
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	-	3,742	771	1,607
Balance at the End of the Period	-	-	-	4,254	650	1,357
Interest and Commission Income Received	-	-	-	454	2,569	2,607

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

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

#### 31 December 2023

Group's Risk Group (*) <sup>(**)</sup>	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
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	-	292	1,012,705	4,222
Balance at the End of the Period	-	-	-	3,742	771	1,607
Interest and Commission Income Received	-	-	18	646	17,580	54

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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

##### 1. Information on deposits of the Group's risk group

Group's Risk Group (*)	Associates , subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Deposit						
Beginning of the Period (**)	-	-	-	-	90,557	68,723
End of the Period (**)	-	-	-	-	143,589	90,557
Interest Expense on Deposits	-	-	-	-	-	2

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

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

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

Group's Risk Group (*)	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
<b>Transactions for Trading Purposes</b>						
Beginning of the Period (**)	-	-	-	-	-	-
End of the Period (**)	-	-	-	-	-	-
<b>Total Profit/Loss</b>	-	-	24,027	15,034	-	-
<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 paragraph 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.

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

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

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

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

	Total Risk Group	Share in Financial Statements (%)
Deposit	143,589	0.38%
Non-cash Loans	5,611	0.01%
Loans	650	0.00%
Subordinated Loans	2,646,729	26.76%

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 CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****VII. Explanations and Notes on the Parent Bank's Risk Group (Continued)****b. With respect to the Parent Bank's risk group (Continued)**

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

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

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

5. Information on Other Liabilities

None. (31 December 2023: TL None).

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

Benefits provided to the Group's key management amount to TL 116,556 as of 31 December 2024 (31 December 2023: TL 94,602).

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

	Number	Number of Employees	Country of Incorporation	Statutory share capital	
				Total Asset	
Domestic Branch	19	790			
Foreign Representative	-	-	-		
Foreign Branch	-	-	-	-	-
Off-Shore Banking Region Branch	-	-	-	-	-

**b. Explanations on opening, closing of a branch or agency of the Bank or changing its organizational structure significantly**

In 2024, 5 branches were closed and no new branches were opened.

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

None.

**X. Fees related with the services provided by independent auditors/independent audit agencies**

In accordance with the decision made by Public Oversight Accounting and Auditing Standards Authority dated 26 March 2021, fees, based on the given reporting period, in relation to the services provided by independent auditors or independent audit agencies are presented in the following table.

	Current Period	Prior Period
Audit	14,508	7,730
Tax Advisory	-	-
Other Assurance Services	1,165	-
Other Services except Audit	-	-
<b>Total</b>	<b>15,673</b>	<b>7,730</b>

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

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**SECTION SIX**  
**OTHER EXPLANATIONS AND NOTES**

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

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

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

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

**ALTERNATİFBANK A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***SECTION SEVEN****EXPLANATIONS ON INDEPENDENT AUDIT REPORT****I. Explanations on Independent Auditors' Report**

Group's consolidated financial statements and footnotes to be disclosed to public as of 31 December 2024 have been audited by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the independent auditors' report dated 3 February 2025 has been presented at the beginning of this report.

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

None.