

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

# Alternatifbank A.Ş.

**Unconsolidated 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 Unconsolidated Financial Statements**

*Qualified Opinion*

We have audited the unconsolidated financial statements of Alternatifbank Anonim Şirketi ("the Bank") which comprise the unconsolidated balance sheet as at 31 December 2024 and the unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows for the 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 unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of Alternatifbank Anonim Şirketi as at 31 December 2024, and its unconsolidated financial performance and its unconsolidated 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 Bank started to account its head office building at revalued amount instead of cost amount under the Turkish Accounting Standards 16 Property, Plant and Equipment as of 31 December 2018. The revaluation surplus in respect of the evaluation performed by valuation companies authorized by the Capital Markets Board ("CMB") and the Banking Regulation and Supervision Agency ("BRSA") is accounted under equity as accumulated revaluation increase/decrease of fixed assets. Since the carrying value of this asset was not adjusted to the revalued amount in the unconsolidated financial statements dated 31 December 2023, a qualified opinion was given regarding the unconsolidated financial statements for this fiscal period. As a result of this issue, if this asset had been revalued as of 31 December 2023, the Bank's other comprehensive income not to be reclassified in the profit or loss account presented in the unconsolidated profit or loss and other comprehensive income statement for the year ending 31 December 2024, would have been lower by an amount of TL 441,213 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 bank 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 unconsolidated financial statements prepared as of 31 December 2024, would have needed to be lower by TL 134,572 thousand, the account of profit or loss of previous years would have needed to be increased by TL 134,572 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 TL 25,979 thousand.

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 Unconsolidated Financial Statements* section of our report. We declare that we are independent of the Bank 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 unconsolidated 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 unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated 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 unconsolidated 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 49% of the Bank's total assets.</p> <p>The Bank 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 Bank applies the "expected credit loss model" in determining the impairment of financial assets in accordance with the Regulation and Standard. The model which</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 Bank's impairment accounting policy compared with the Regulation and Standard.</li> <li>• We evaluated the Bank's business model and methodology and the evaluation of the calculations carried out with the control</li> </ul>

<p>contains significant assumptions and estimates is reviewed by the Bank management annually.</p> <p>The significant assumptions and estimates of the Bank 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 Bank 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 unconsolidated financial statements related to impairment provisions.</li> </ul>
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*Responsibilities of Management and Those Charged with Governance for the Unconsolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the unconsolidated 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 unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Bank'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 Bank or to cease operations, or has no realistic alternative but to do so.

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

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

Responsibilities of auditors in an audit are as follows:

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 unconsolidated 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 unconsolidated 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 Bank'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 Bank'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 unconsolidated 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 Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 unconsolidated 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

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

Ebru Koçak, SMMM  
Partner

3 February 2025  
İstanbul, Turkey

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

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The unconsolidated financial report as of and for the year ended 31 December 2024 prepared in accordance with the communiqué of “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks” as regulated by the Banking Regulation and Supervision Agency, comprises the following sections.

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE ACCOUNTING POLICIES APPLIED IN THE CURRENT PERIOD
- INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
- EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS AND DISCLOSURES
- INDEPENDENT AUDITOR'S REPORT

The accompanying unconsolidated 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

The authorised contact person for questions on this financial report:

Name-Surname / Title : Ahmet Akın / International and Legal Reporting Manager  
Telephone Number : 0 212 315 70 77  
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**SECTION ONE**  
**GENERAL INFORMATION ABOUT THE BANK**

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

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

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

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

As of 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>

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

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

<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 İlkay Girgin	Financial Affairs and Planning	-
	Boğaç Levent Güven	Treasury and Financial Institutions	-
Head of Internal Audit	Ömer Faruk Gönener	Head of Internal Audit	-

(1) Bike Tarakçı has designated to Executive Vice President of Human Resources as of 2 January 2024.

(2) Gökay 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 BANK (Continued)**

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

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

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

As of 31 December 2024, the Bank has 19 branches (31 December 2023: 24 branches) and has 714 employees (31 December 2023: 804 employees).

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

None.

**ALTERNATİFBANK A.Ş.**

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

**AS AT 31 DECEMBER 2024**

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

**SECTION TWO**  
**UNCONSOLIDATED 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
<b>I. FINANCIAL ASSETS (NET)</b>		<b>7,899,335</b>	<b>17,721,045</b>	<b>25,620,380</b>	<b>6,603,822</b>	<b>14,596,960</b>	<b>21,200,782</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>3,654,533</b>	<b>13,163,779</b>	<b>16,818,312</b>	<b>2,825,843</b>	<b>10,122,905</b>	<b>12,948,748</b>
1.1.1 Cash and Balances with Central Bank	I-a	3,641,741	8,509,462	12,151,203	2,676,518	7,223,029	9,899,547
1.1.2 Banks	I-d	14,576	4,654,317	4,668,893	462	2,899,876	2,900,338
1.1.3 Money Market Placements		-	-	-	150,540	-	150,540
1.1.4 Expected Credit Losses (-)		1,784	-	1,784	1,677	-	1,677
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>		<b>375</b>	<b>5,166</b>	<b>5,541</b>	<b>11,812</b>	<b>28,975</b>	<b>40,787</b>
1.2.1 Government Debt Securities		375	5,166	5,541	11,812	28,975	40,787
1.2.2 Equity Instruments		-	-	-	-	-	-
1.2.3 Other Financial Assets		-	-	-	-	-	-
<b>1.3 Financial Assets at Fair Value Through Other Comprehensive Income</b>	I-f	<b>3,829,352</b>	<b>4,089,708</b>	<b>7,919,060</b>	<b>3,450,664</b>	<b>3,523,330</b>	<b>6,973,994</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		16,504	-	16,504	13,782	-	13,782
1.3.3 Other Financial Assets		115,191	-	115,191	153,018	-	153,018
<b>1.4 Derivative Financial Assets</b>		<b>415,075</b>	<b>462,392</b>	<b>877,467</b>	<b>315,503</b>	<b>921,750</b>	<b>1,237,253</b>
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss	I-c	408,311	462,392	870,703	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>23,632,548</b>	<b>27,609,760</b>	<b>51,242,308</b>	<b>18,802,953</b>	<b>22,179,558</b>	<b>40,982,511</b>
<b>2.1 Loans</b>	I-g	<b>21,303,327</b>	<b>19,443,660</b>	<b>40,746,987</b>	<b>17,679,607</b>	<b>14,847,755</b>	<b>32,527,362</b>
<b>2.2 Lease Receivables</b>	I-l	-	-	-	-	-	-
<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>475,922</b>	<b>236,046</b>	<b>711,968</b>	<b>578,651</b>	<b>740,964</b>	<b>1,319,615</b>
<b>III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (NET)</b>	I-s	<b>963,253</b>	-	<b>963,253</b>	<b>405,658</b>	-	<b>405,658</b>
3.1 Held for Sale Purpose		963,253	-	963,253	405,658	-	405,658
3.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>IV. EQUITY INVESTMENTS</b>		<b>350,580</b>	-	<b>350,580</b>	<b>340,580</b>	-	<b>340,580</b>
<b>4.1 Investments in Associates (Net)</b>	I-i	-	-	-	-	-	-
4.1.1 Accounted Under Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
<b>4.2 Subsidiaries (Net)</b>	I-j	<b>350,580</b>	-	<b>350,580</b>	<b>340,580</b>	-	<b>340,580</b>
4.2.1 Unconsolidated Financial Subsidiaries		350,580	-	350,580	340,580	-	340,580
4.2.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
<b>4.3 Entities under Common Control (Joint Venture) (Net)</b>	I-k	-	-	-	-	-	-
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
<b>V. TANGIBLE ASSETS (Net)</b>	I-n	<b>2,060,617</b>	-	<b>2,060,617</b>	<b>1,070,062</b>	-	<b>1,070,062</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>	I-o	<b>404,914</b>	-	<b>404,914</b>	<b>211,935</b>	-	<b>211,935</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		404,914	-	404,914	211,935	-	211,935
<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>816,111</b>	-	<b>816,111</b>	<b>427,288</b>	-	<b>427,288</b>
<b>X. OTHER ASSETS</b>	I-t	<b>1,165,792</b>	<b>129,417</b>	<b>1,295,209</b>	<b>338,601</b>	<b>49,350</b>	<b>387,951</b>
<b>TOTAL ASSETS</b>		<b>37,524,041</b>	<b>45,460,222</b>	<b>82,984,263</b>	<b>28,200,899</b>	<b>36,825,868</b>	<b>65,026,767</b>

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

**ALTERNATİFBANK A.Ş.**

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

**AS AT 31 DECEMBER 2024**

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

<b>I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)</b>	<b>Notes (Section Five)</b>	<b>Audited Current Period 31 December 2024</b>			<b>Audited Prior Period 31 December 2023</b>		
		<b>TL</b>	<b>FC</b>	<b>Total</b>	<b>TL</b>	<b>FC</b>	<b>Total</b>
<b>LIABILITIES</b>							
<b>I. DEPOSITS</b>	II-a	22,772,309	14,866,807	37,639,116	16,690,111	8,357,423	25,047,534
<b>II. FUNDS BORROWED</b>	II-c	25,205	14,315,366	14,340,571	48,383	17,815,215	17,863,598
<b>III. MONEY MARKET BALANCES</b>		752,998	10,909,069	11,662,067	263	5,210,765	5,211,028
<b>IV. MARKETABLE SECURITIES ISSUED (Net)</b>		-	-	-	-	-	-
4.1 Bills		-	-	-	-	-	-
4.2 Assets Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
<b>V. BORROWER FUNDS</b>		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
<b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		-	-	-	-	-	-
<b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>		89,423	498,340	587,763	181,628	511,810	693,438
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	-	-	-
<b>VIII. FACTORING LIABILITIES</b>		-	-	-	-	-	-
<b>IX. LEASE LIABILITIES</b>	II-e	8,778	-	8,778	16,067	-	16,067
<b>X. PROVISIONS</b>	II-g	218,777	28,478	247,255	250,975	40,119	291,094
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reverse for Employee Benefits		45,623	-	45,623	31,880	-	31,880
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		173,154	28,478	201,632	219,095	40,119	259,214
<b>XI. CURRENT TAX LIABILITY</b>	II-h	203,900	-	203,900	323,691	-	323,691
<b>XII. DEFERRED TAX LIABILITY</b>		-	-	-	-	-	-
<b>XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>	II-i	-	-	-	-	-	-
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XIV. SUBORDINATED DEBT INSTRUMENTS</b>	II-k	-	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
<b>XV. OTHER LIABILITIES</b>	II-d	782,975	665,497	1,448,472	869,281	595,891	1,465,172
<b>XVI. SHAREHOLDERS' EQUITY</b>	II-l	7,056,707	(102,113)	6,954,594	5,980,392	(117,344)	5,863,048
16.1 Paid-in capital		2,213,740	-	2,213,740	2,213,740	-	2,213,740
16.2 Capital Reserves		54	-	54	54	-	54
16.2.1 Share Premium		54	-	54	54	-	54
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		-	-	-	-	-	-
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		1,746,545	-	1,746,545	707,228	-	707,228
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		(523,197)	(102,113)	(625,310)	(231,101)	(117,344)	(348,445)
16.5 Profit Reserves		3,170,554	-	3,170,554	1,404,660	-	1,404,660
16.5.1 Legal Reserves		204,704	-	204,704	110,433	-	110,433
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		2,965,850	-	2,965,850	1,294,227	-	1,294,227
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit Or Loss		449,011	-	449,011	1,885,811	-	1,885,811
16.6.1 Prior Years' Profit/Loss		380	-	380	380	-	380
16.6.2 Current Year Profit/Loss		448,631	-	448,631	1,885,431	-	1,885,431
<b>TOTAL LIABILITIES AND EQUITY</b>		31,911,072	51,073,191	82,984,263	24,360,791	40,665,976	65,026,767

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

**ALTERNATİFBANK A.Ş.**  
**UNCONSOLIDATED STATEMENT OF OFF BALANCE SHEET ITEMS**  
**AS AT 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
A.	<b>OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		42,564,260	82,601,158	125,165,418	38,913,757	70,020,771	108,934,528
I.	<b>GUARANTEES AND WARRANTIES</b>	III-a-3i	22,099,608	16,378,022	38,477,630	12,416,325	13,573,554	25,989,879
1.1	Letters of Guarantee	III-a-2,ii	16,255,434	7,458,604	23,714,038	9,662,175	7,773,767	17,435,942
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		16,227,846	7,442,029	23,669,875	9,606,409	7,759,624	17,366,033
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	7,221,198	7,222,272	-	4,565,879	4,565,879
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		-	-	-	-	-	-
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
II.	<b>COMMITMENTS</b>		2,468,011	3,919,311	6,387,322	2,119,833	2,082,830	4,202,663
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		-	-	-	-	-	-
2.2.1	Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>	III-b	17,996,641	62,303,825	80,300,466	24,377,599	54,364,387	78,741,986
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	62,303,825	79,000,466	23,577,599	54,364,387	77,941,986
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	25,822,649	31,845,520	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	7,130,300	7,730,300	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	5,274,005	7,378,251
3.2.3.1	Foreign Currency Options-Buy		4,765,658	13,834,175	18,599,833	984,392	2,713,176	3,697,568
3.2.3.2	Foreign Currency Options-Sell		4,484,742	14,101,522	18,586,264	1,119,854	2,560,829	3,680,683
3.2.3.3	Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4	Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6	Other		-	4,919,567	4,919,567	-	10,067,863	10,067,863
B.	<b>CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>	121,250,634	205,635,037	326,885,671	102,901,925	178,132,624	281,034,549	
IV.	<b>ITEMS HELD IN CUSTODY</b>		4,618,804	12,564,178	17,182,982	3,657,899	6,289,724	9,947,623
4.1	Customer Fund and Portfolio Balances		2,603,011	-	2,603,011	1,395,695	-	1,395,695
4.2	Investment Securities Held in Custody		-	11,493,604	11,493,604	60	4,504,028	4,504,088
4.3	Cheques Received for Collection		1,185,702	106,034	1,291,736	1,451,138	9,969	1,461,107
4.4	Commercial Notes Received for Collection		82,260	3,352	85,612	56,365	66,908	123,273
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		747,831	961,188	1,709,019	754,641	1,708,819	2,463,460
4.8	Custodians		-	-	-	-	-	-
V.	<b>PLEDGES RECEIVED</b>		116,596,117	192,531,709	309,127,826	99,203,562	171,278,246	270,481,808
5.1	Marketable Securities		1,424,468	-	1,424,468	1,555,363	-	1,555,363
5.2	Guarantee Notes		69,799,043	70,012,190	139,811,233	52,345,332	61,168,783	113,514,115
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		-	-	-	-	-	-
VI.	<b>ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		35,713	539,150	574,863	40,464	564,654	605,118
	<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		163,814,894	288,236,195	452,051,089	141,815,682	248,153,395	389,969,077

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

**ALTERNATİFBANK A.Ş.**  
**UNCONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

II. INCOME AND EXPENSE ITEMS	Notes (Section (Five))	Audited	
		Current Period 1 January - 31 December 2024	Prior Period 1 January - 31 December 2023
<b>I. INTEREST INCOME</b>			
1.1 Interest on Loans	IV-a	13,511,046	8,431,268
1.2 Interest Received from Reserve Deposits		9,853,127	6,169,628
1.3 Interest Received from Banks		466,818	17,942
1.4 Interest Received from Money Market Placements		685,415	151,470
1.5 Interest Received from Marketable Securities Portfolio		40,463	71,553
1.5.1 Fair Value through Profit or Loss		2,439,681	1,954,152
1.5.2 Fair Value through other Comprehensive Income		3,542	2,384
1.5.3 Measured at Amortized Cost		1,579,571	1,194,146
1.6 Finance Lease Interest Income		856,568	757,622
1.7 Other Interest Income		-	-
		25,542	66,523
<b>II. INTEREST EXPENSES (-)</b>	IV-b	<b>11,358,223</b>	<b>6,541,517</b>
2.1 Interest on Deposits		7,460,459	3,954,865
2.2 Interest on Funds Borrowed		2,343,295	2,053,932
2.3 Interest on Money Market Borrowings		1,439,052	403,921
2.4 Interest on Securities Issued		-	13,302
2.5 Leasing Interest Expense		13,683	12,884
2.6 Other Interest Expense		101,734	102,613
		<b>2,152,823</b>	<b>1,889,751</b>
<b>III. NET INTEREST INCOME (I - II)</b>		<b>503,574</b>	<b>(149,074)</b>
<b>IV. NET FEES AND COMMISSIONS INCOME / EXPENSES</b>		<b>600,191</b>	<b>500,105</b>
4.1 Fees and Commissions Received		331,816	199,191
4.1.1 Non-cash Loans		268,375	300,914
4.1.2 Other	IV-1	96,617	649,179
4.2 Fees and Commissions Paid (-)		214	183
4.2.1 Non-cash Loans		96,403	648,996
4.2.2 Other		404	2,261,424
		(1,063,681)	(456,001)
<b>V. DIVIDEND INCOME</b>	IV-c	<b>63,052</b>	<b>10,032</b>
<b>VI. NET TRADING INCOME</b>	IV-d	<b>(1,059,316)</b>	<b>1,972,808</b>
6.1 Securities Trading Gains / (Losses)		3,961	167,385
6.2 Derivative Financial Instruments Gains / Losses		404	-
6.3 Foreign Exchange Gains / Losses (Net)		(1,063,681)	(456,001)
<b>VII. OTHER OPERATING INCOME</b>	IV-e	<b>188,994</b>	<b>183,328</b>
<b>VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>1,849,127</b>	<b>3,906,845</b>
<b>IX. EXPECTED CREDIT LOSSES (-)</b>	IV-f	<b>(706,557)</b>	<b>88,078</b>
<b>X. OTHER PROVISION EXPENSES (-)</b>	IV-f	<b>37,543</b>	<b>39,140</b>
<b>XI. PERSONNEL EXPENSES (-)</b>	IV-g	<b>1,016,887</b>	<b>678,314</b>
<b>XII. OTHER OPERATING EXPENSES (-)</b>	IV-g	<b>1,223,656</b>	<b>713,608</b>
<b>XIII. NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)</b>		<b>277,598</b>	<b>2,387,705</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>277,598</b>	<b>2,387,705</b>
<b>XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	IV-i	<b>171,033</b>	<b>(502,274)</b>
18.1 Provision for Current Income Taxes		(57,951)	(405,650)
18.2 Deferred Tax Income Effect (+)		-	(96,624)
18.3 Deferred Tax Expense Effect (-)		228,984	-
<b>XIX. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVII±XVIII)</b>	IV-j	<b>448,631</b>	<b>1,885,431</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>448,631</b>	<b>1,885,431</b>
Earning / (loss) per share		0.2027	0.8517

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

**ALTERNATİFBANK A.Ş.**

**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**IV. PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	<b>Audited Current Period</b> 1 January - 31 December 2024	<b>Audited Prior Period</b> 1 January - 31 December 2023
<b>I. CURRENT PERIOD INCOME / LOSS</b>	<b>448,631</b>	<b>1,885,431</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>762,452</b>	<b>80,028</b>
<b>2.1 Not Reclassified Through Profit or Loss</b>	<b>1,039,317</b>	<b>428,915</b>
2.1.1 Property and Equipment Revaluation Increase / Decrease	1,011,677	210,579
2.1.2 Intangible Assets Revaluation Increase / Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurement Gain / Loss	(15,383)	(33,979)
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	40,301	252,315
<b>2.2 Reclassified Through Profit or Loss</b>	<b>(276,865)</b>	<b>(348,887)</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	(377,225)	(592,167)
2.2.3 Cash Flow Hedge Income / Loss	(19,178)	93,352
2.2.4 Income (Loss) Related with Hedges of Net Investments in Foreign Operations	-	-
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Losses	-	-
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	119,538	149,928
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>1,211,083</b>	<b>1,965,459</b>

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

**ALTERNATİFBANK A.Ş.**  
**UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

	Notes (Section Five)	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Prior Period Profit Reserve	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Shareholders Equity
						1	2	3	4	5	6				
<b>I.</b>	<b>Prior Period 1 January - 31 December 2023</b>					291,569	(13,256)	-	-	59,052	(58,610)	493,371	(115,303)	1,026,972	3,897,589
<b>II.</b>	<b>Corrections and Accounting Policy Changes Made According to TAS 8</b>					-	-	-	-	-	-	-	-	-	-
2.1	Effects of Errors					-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies					-	-	-	-	-	-	-	-	-	-
<b>III.</b>	<b>Adjusted Beginning Balance (I+II)</b>					291,569	(13,256)	-	-	59,052	(58,610)	493,371	(115,303)	1,026,972	3,897,589
<b>IV.</b>	<b>Total Comprehensive Income</b>					452,700	(23,785)	-	-	(418,141)	69,254	-	-	1,885,431	1,965,459
<b>V.</b>	<b>Capital Increase by Cash</b>	II-1				-	-	-	-	-	-	-	-	-	-
<b>VI.</b>	<b>Capital Increase by Internal Sources</b>					-	-	-	-	-	-	-	-	-	-
<b>VII.</b>	<b>Effect of Inflation on Paid-in Capital</b>					-	-	-	-	-	-	-	-	-	-
<b>VIII.</b>	<b>Convertible Bonds to Share</b>					-	-	-	-	-	-	-	-	-	-
<b>IX.</b>	<b>Subordinated Debt Instruments</b>					-	-	-	-	-	-	-	-	-	-
<b>X.</b>	<b>Increase/Decrease by Other Changes</b>					-	-	-	-	-	-	-	-	-	-
<b>XI.</b>	<b>Profit Distribution</b>					-	-	-	-	-	-	911,289	115,683	(1,026,972)	-
11.1	Dividends Distributed					-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves					-	-	-	-	-	-	911,289	115,683	(1,026,972)	-
11.3	Other					-	-	-	-	-	-	-	-	-	-
<b>Period-End Balance (III+.....+X+XI)</b>						744,269	(37,041)	-	-	(359,089)	10,644	1,404,660	380	1,885,431	5,863,048

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.**  
**UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

	Notes (Section Five)	Paid-in Capital	Share Premium s	Share Cancellation Profits	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Shareholders Equity
						1	2	3	4	5	6				
<b>Current Period 1 January - 31 December 2024</b>															
<b>I. Prior Period End Balance (*)</b>		2,213,740	54	-	-	744,269	(37,041)	-	-	(359,089)	10,644	1,404,660	380	1,885,431	5,863,048
<b>Corrections and Accounting Policy Changes Made According to TAS 8</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Adjusted Beginning Balance (I+II)</b>		2,213,740	54	-	-	744,269	(37,041)	-	-	(359,089)	10,644	1,404,660	380	1,885,431	5,863,048
<b>IV. Total Comprehensive Income</b>		-	-	-	-	1,047,363	(10,768)	2,722	-	(263,440)	(13,425)	-	-	448,631	1,211,083
V. Capital Increase by Cash	II-1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Effect of Inflation on Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds to Share		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by Other Changes (*)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. Profit Distribution</b>		-	-	-	-	-	-	-	-	-	-	1,765,894	-	(1,885,431)	(119,537)
11.1 Dividends Distributed		-	-	-	-	-	-	-	-	-	-	-	-	(119,537)	(119,537)
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	1,765,894	-	(1,765,894)	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period-End Balance (III+.....+X+XI)</b>		2,213,740	54	-	-	1,791,632	(47,809)	2,722	-	(622,529)	(2,781)	3,170,554	380	448,631	6,954,594

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.**  
**UNCONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).*

**VI. STATEMENT OF CASH FLOWS**

		Notes (Section Five)	Audited Current Period 1 January - 31 December 2024	Audited Prior Period 1 January - 31 December 2023
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>				
<b>1.1 Operating Profit / (Loss) Before Changes in Operating Assets and Liabilities</b>			<b>(2,793,072)</b>	<b>(7,103,665)</b>
1.1.1 Interest Received			12,226,213	7,325,477
1.1.2 Interest Paid			(11,755,884)	(6,030,998)
1.1.3 Dividend Received			63,052	10,032
1.1.4 Fees and Commissions Received			698,830	882,770
1.1.5 Other Income			1,241,262	3,270,912
1.1.6 Collections from Previously Written-off Loans and Other Receivables			639,200	729,420
1.1.7 Payments to Personnel and Service Suppliers			(1,089,917)	(758,538)
1.1.8 Taxes Paid			(729,332)	(512,119)
1.1.9 Other	VI-c		(4,086,496)	(12,020,621)
<b>1.2 Changes in Operating Assets and Liabilities</b>			<b>2,967,300</b>	<b>7,370,665</b>
1.2.1 Net (increase)/decrease in Financial Assets at Fair Value Through Profit or Loss			34,197	(16,656)
1.2.2 Net (increase)/decrease in Due from Banks and Other Financial Institutions			(1,641,305)	98,616
1.2.3 Net (increase)/decrease in Loans			(7,904,502)	4,516,226
1.2.4 Net (increase)/decrease in Other Assets			(1,821,659)	1,185,800
1.2.5 Net increase/(decrease) in Bank Deposits			166,475	171,116
1.2.6 Net increase/(decrease) in Other Deposits			11,918,397	(3,788,170)
1.2.7 Net increase/(decrease) in Financial Liabilities at Fair Value Through Profit or Loss			-	-
1.2.8 Net increase/(decrease) in Funds Borrowed			(3,654,335)	5,477,359
1.2.9 Net increase/(decrease) in Payables			-	-
1.2.10 Net increase/(decrease) in Other Liabilities	VI-c		5,870,032	(273,626)
<b>I. Net Cash Provided from Banking Operations</b>			<b>174,228</b>	<b>267,000</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>II. Net Cash Provided from Investing Activities</b>			<b>96,719</b>	<b>229,901</b>
2.1 Cash Paid for Acquisition of Investments, Associates and Subsidiaries			(10,000)	(15,000)
2.2 Cash Obtained from Disposal of Investments, Associates and Subsidiaries			-	-
2.3 Purchases of Property and Equipment			(391,921)	(386,948)
2.4 Disposals of Property and Equipment			105,608	161,756
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	960,739
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			-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>III. Net Cash Provided from Financing Activities</b>			<b>(40,622)</b>	<b>(628,568)</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued			-	-
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued			(1,649)	(592,679)
3.3 Issued Capital Instruments			-	-
3.4 Dividends Paid			-	-
3.5 Payments for Finance Leases			(38,973)	(35,889)
3.6 Other			-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>	VI-c		<b>1,998,040</b>	<b>3,569,697</b>
<b>V. Net Increase / (Decrease) in Cash and Cash Equivalents (I+II+III+IV)</b>			<b>2,228,365</b>	<b>3,438,030</b>
<b>VI. Cash and Cash Equivalents at Beginning of the Period</b>	VI-a-3, i		<b>9,614,631</b>	<b>6,176,601</b>
<b>VII. Cash and Cash Equivalents at End of the Period</b>	VI-a-3, ii		<b>11,842,996</b>	<b>9,614,631</b>

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

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

**VI. STATEMENT OF PROFIT DISTRIBUTION**

	<b>31 December 2024 (*)</b>	<b>31 December 2023 (**)</b>
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1.1. CURRENT YEAR INCOME	277,598	2,387,705
1.2. TAXES AND DUTIES PAYABLE (±)	171,033	(502,274)
1.2.1. Corporate Tax (Income tax)	(57,951)	(405,650)
1.2.2. Income withholding tax	-	-
1.2.3. Other taxes and duties (***)	228,984	(96,624)
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>448,631</b>	<b>1,885,431</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 Director of the 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.

(\*\*\*) 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.

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

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

In the announcement dated 23 November 2023 made by the POA, it was stated that the financial statements of companies applying TFRS for the annual reporting period ending on or after 31 December 2023 must be presented adjusted for the inflation effect within the scope of Financial Reporting in High Inflation Economies ("TAS 29"), however authorities or organizations authorized to regulate and supervise their fields are given the freedom to determine different transition dates for the implementation of inflation accounting. In this context, BRSA, with its decision dated 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 unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

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

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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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)

### III. Explanations on Associates, Subsidiaries and Joint Ventures

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

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

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

### IV. Interest Income and Expense

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

### V. Fee and Commission Income and Expense

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

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

### VI. Financial Assets

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

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

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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE 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)

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

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

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

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

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

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

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

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

#### d. Derivative Financial Assets

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

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

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

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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE 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)

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

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

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

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

###### e. Loans

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

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

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

##### VII. Impairment of Financial Assets

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

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

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## EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

#### ➤ Definition of Default:

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

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

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

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**VIII. Offsetting Financial Instruments**

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

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

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

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

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

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

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

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

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

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

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XI. Goodwill and Other Intangible Assets**

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

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

**XII. Property and Equipment**

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

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

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

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

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

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

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

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## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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## EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

### XIII. Leasing Transactions

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

#### Right of use assets:

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

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

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

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

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

#### The lease obligations:

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

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

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

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

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

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XIV. Provisions, Contingent Commitments and Contingent Assets**

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

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

**XV. Obligations Related to Employee Rights**

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

**XVI. Taxation**

**a. Corporate tax**

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

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

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

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

As stipulated in the Corporate Tax Law, gains derived from the sale of equity investments and immovable properties held for at least two years (the exemption applied as 50% of gain from sale of properties and 75% (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.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XVI. Taxation (Continued)**

**a. Corporate tax (Continued)**

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

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

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

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

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

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

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024**

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)****XVI. Taxation (Continued)****c. Transfer pricing**

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

**XVII. Additional Explanations on Borrowings**

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

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

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

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

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

**XX. Explanations on Government Incentives**

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

**ALTERNATİFBANK A.Ş.**  
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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>
Profit/(Loss) Attributable to Shareholders	448,631	1,885,431
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>0.2027</b>	<b>0.8517</b>

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares "bonus shares" to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period.

No bonus shares were issued in 2024 (31 December 2023: None).

**XXIII. Related Parties**

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

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

**XXIV. Cash And Cash Equivalents**

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

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

None.

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

None.

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

None.

**XXVIII. Operating Segments**

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

- a) The Bank provides basic banking services in corporate/commercial banking and treasury.
- b) Corporate banking services consists of automatic money transfers, current accounts, deposits, open loan transactions as well as option and other derivative instruments that are used for banking operations.
- c) Investment banking services consists of trading of financial instruments and fund management.
- d) Other operations consist of subsidiaries and joint ventures, tangible assets, intangible assets, deferred tax asset and equity amounts and other income/loss accounts associated with these accounts.
- e) The Bank's software requirements, possible software updates and additional software requirements to compete with other firms are provided by the Bank.
- f) According to the table provided, share of each Bank's operating segment in the Balance sheet is as follows; corporate/retail banking 49%, investment banking 44% and other 7%.

**ALTERNATİFBANK A.Ş.**

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XXVIII. Operating Segments (Continued)**

**Major balance sheet and income statement items based on operating segments**

<b>31 December 2024</b>	<b>Corporate / Retail Banking</b>	<b>Investment Banking</b>	<b>Other</b>	<b>Total Operations of the Bank</b>
Net Interest Income/ (Expense)	2,130,885	21,938	-	2,152,823
Net Fees and Commissions Income and Other Operating Income	606,239	86,329	-	692,568
Trading Profit/(Loss)	(1,299,945)	240,629	-	(1,059,316)
Dividend Income		63,052	-	63,052
Impairment Provision for Loans and Other Receivables (-) (*)	711,338	(4,781)	(37,543)	669,014
Other Operating and Personnel Expenses (-)	(2,067,671)	(172,872)	-	(2,240,543)
Profit/(Loss) Before Taxes	80,847	234,294	(37,543)	277,598
Tax Provision	-	-	-	171,033
<b>Net Profit for the Period</b>				<b>448,631</b>
<b>31 December 2024</b>				
Segment Assets	40,031,615	36,523,574	6,078,494	82,633,683
Investments in Associates and Subsidiaries	-	-	350,580	350,580
<b>Total Assets</b>	<b>40,031,615</b>	<b>36,523,574</b>	<b>6,429,074</b>	<b>82,984,263</b>
Segment Liabilities	37,639,116	26,588,650	11,801,903	76,029,671
Shareholders' Equity	-	-	6,954,594	6,954,592
<b>Total Liabilities</b>	<b>37,639,116</b>	<b>26,588,650</b>	<b>18,756,497</b>	<b>82,984,263</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 Bank</b>
Net Interest Income/(Expense)	2,165,789	(276,038)	-	1,889,751
Net Fees and Commissions Income and Other Operating Income	34,254	-	-	34,254
Trading Profit/(Loss)	-	1,972,808	-	1,972,808
Dividend Income	-	10,032	-	10,032
Impairment Provision for Loans and Other Receivables (-) (*)	(83,571)	(4,507)	(39,140)	(127,218)
Other Operating and Personnel Expenses (-)	(1,337,412)	(54,510)	-	(1,391,922)
Profit/(Loss) Before Taxes	779,060	1,647,785	(39,140)	2,387,705
Tax Provision				(502,274)
<b>Net Profit for the Period</b>				<b>1,885,431</b>
<b>31 December 2023</b>				
Segment Assets	31,205,258	30,786,662	2,694,267	64,686,187
Investments in Associates and Subsidiaries	-	-	340,580	340,580
<b>Total Assets</b>	<b>31,205,258</b>	<b>30,786,662</b>	<b>3,034,847</b>	<b>65,026,767</b>
Segment Liabilities	25,047,536	23,768,064	10,348,119	59,163,719
Shareholders' Equity	-	-	5,863,048	5,863,048
<b>Total Liabilities</b>	<b>25,047,536</b>	<b>23,768,064</b>	<b>16,211,167</b>	<b>65,026,767</b>

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

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**

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**SECTION FOUR**

**INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK**

**I. Explanations on Shareholders' Equity**

The standard rate of the capital adequacy of the Bank is 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 Shareholder's 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	3,170,554	1,404,660
Gains recognized in equity as per TAS	2,074,516	744,647
Profit	449,011	1,885,811
Current Period Profit	448,631	1,885,431
Prior Period Profit	380	380
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	-	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>7,907,875</b>	<b>6,248,912</b>
<b>Deductions from Common Equity Tier 1 Capital</b>		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	50,592	177,906
Improvement costs for operating leasing (-)	35,092	24,549
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	404,914	211,935
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
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 BRS	-	-
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>490,598</b>	<b>414,390</b>
<b>Total Common Equity Tier 1 Capital</b>	<b>7,417,277</b>	<b>5,834,522</b>

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**

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

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

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

<b>ADDITIONAL TIER I CAPITAL</b>		
Preferred Stock not Included in Common Equity and the Related Share Premiums		
Debt instruments and premiums approved by BRSA	9,702,083	8,095,505
Debt instruments and premiums approved by BRSA(Temporary Article 4)		
<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 tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)		
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)		
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)		
<b>Total Deductions From Additional Tier I Capital</b>	<b>9,702,083</b>	<b>8,095,505</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>17,119,360</b>	<b>13,930,027</b>
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA		
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)		
Provisions (Article 8 of the Regulation on the Equity of Banks) (*)	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 of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions		
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)		
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank		
Other items to be defined by the BRSA (-)		
<b>Total Deductions from Tier II Capital</b>	<b>372,301</b>	<b>537,088</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>17,491,661</b>	<b>14,467,115</b>
<b>Deductions from Total Capital</b>		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the 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		

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components			
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds			
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds			
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds			
<b>TOTAL CAPITAL</b>			
Total Capital (The sum of Tier I Capital and Tier II Capital)	17,485,772	14,463,781	
Total risk weighted amounts	62,579,813	46,836,028	
<b>CAPITAL ADEQUACY RATIOS</b>			
Core Capital Adequacy Ratio (%)	11.85%	12.46%	
Tier 1 Capital Adequacy Ratio (%)	27.36%	29.74%	
Capital Adequacy Ratio (%)	27.94%	30.88%	
<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 (%)	7.35%	7.96%	
<b>Amounts below the Excess Limits as per the Deduction Principles</b>			
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital			
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital			
Remaining Mortgage Servicing Rights			
Amount arising from deferred tax assets based on temporary differences			
<b>Limits related to provisions considered in Tier II calculation</b>			
General provisions for standard based receivables (before 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.**

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

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

**b. Details on Subordinated Liabilities**

<b>Issuer</b>	<b>The Commercial Bank (P.S.Q.C.)</b>
Unique identifier (eg CUSIP, ISIN)	
Governing law(s) of the instrument	Regulation on Equity of Banks (Published in the Official Gazette Nr. 28756 dated 5 September 2013)
<b>Regulatory treatment</b>	
Subject to 10% deduction as of 1/1/2015	No
Eligible on Unconsolidated/ consolidated / both unconsolidated and consolidated	Valid on Consolidated and Unconsolidated Basis
Instrument 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 UNCONSOLIDATED FINANCIAL STATEMENTS**

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

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

**b. Details on Subordinated Liabilities (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 UNCONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

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

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

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

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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)****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 Bank'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 Bank'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 do not have specific provisions with specific control limits and the risk arising from these contracts are limited with the Bank's global risk framework. Bank'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 Bank's internal rating application. Risk ratings of the borrowers are used for credit maturities.

Bank'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.

Bank is not active in international banking market.

The share of receivables of the 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 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 Bank's 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 UNCONSOLIDATED 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)**

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

<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	9,405,854	8,232,772
Contingent and Non-Contingent Corporate Receivables	59,866,516	49,126,889
Contingent and Non-Contingent Retail Receivables	678,292	230,077
Contingent and Non-Contingent Receivables Secured by Residential Property	783,378	869,592
Non-Performing Receivables	176,304	81,760
Receivables Identified as High Risk by the Board	1,756,786	6,002,561
Secured by Mortgages	-	-
Securitization Positions	-	-
Short-term Receivables from Banks, Brokerage Houses and Corporates	-	-
Investments Similar to Collective Investment Funds	-	-
Other Receivables	5,119,076	4,208,781
<b>Total</b>	<b>106,676,964</b>	<b>96,020,804</b>

<sup>(\*)</sup> Represents the risk amounts after credit conversion factors.

<sup>(\*\*)</sup> Average risk amounts are calculated by the arithmetic average of the 2024 risk amounts.

<b>Risk Group</b>	<b>Prior 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	2,203	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	7,384,621	7,134,866
Contingent and Non-Contingent Corporate Receivables	37,745,980	39,427,917
Contingent and Non-Contingent Retail Receivables	103,847	151,128
Contingent and Non-Contingent Receivables Secured by Residential Property	559,287	759,830
Non-Performing Receivables	35,672	151,627
Receivables Identified as High Risk by the Board	4,211,258	2,599,551
Secured by Mortgages	-	-
Securitization Positions	-	-
Short-term Receivables from Banks, Brokerage Houses and Corporates	-	-
Investments Similar to Collective Investment Funds	-	-
Other Receivables	2,697,811	3,125,506
<b>Total</b>	<b>78,705,325</b>	<b>74,067,317</b>

<sup>(\*)</sup> Represents the risk amounts after credit conversion factors.

<sup>(\*\*)</sup> Average risk amounts are calculated by the arithmetic average of the 2023 risk amounts.

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE UNCONSOLIDATED 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)**

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

**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	32,033,109	4,433,637	722,250	57,022	37,246,018
Loans under Close Monitoring	2,861,639	469,044	5,619	5,100	3,341,402
Non-performing Loans	399,607	58,823	112	140	458,682
Expected credit losses (-) (*)	434,242	274,895	1,107	1,724	711,968
<b>Total</b>	<b>34,860,113</b>	<b>4,686,609</b>	<b>726,874</b>	<b>60,538</b>	<b>40,334,134</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	22,216,851	3,597,588	261,800	61,267	26,137,506
Loans under Close Monitoring	2,803,676	3,347,519	7,438	5,387	6,164,020
Non-performing Loans	222,373	176,459	16	87	398,935
Expected credit losses (-) (*)	622,939	695,192	506	978	1,319,615
<b>Total</b>	<b>24,619,961</b>	<b>6,426,374</b>	<b>268,748</b>	<b>65,763</b>	<b>31,380,846</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	2,227	26,582	19,887	624	49,320
Past due 30-60 Days	7,591	2,600	1,894	124	12,209
Past due 60-90 Days	67	-	2,195	18	2,280
<b>Total</b>	<b>9,885</b>	<b>29,182</b>	<b>23,976</b>	<b>766</b>	<b>63,809</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	755,824	531,981	9,862	1,059	1,298,726
Past due 30-60 Days	1,957	16,209	6,109	197	24,472
Past due 60-90 Days	8,354	1,317	501	2	10,174
<b>Total</b>	<b>766,135</b>	<b>549,507</b>	<b>16,472</b>	<b>1,258</b>	<b>1,333,372</b>

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE UNCONSOLIDATED 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)**

**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 AC (Net)	Total
Japan JCR's Rating BB (*)	5,541	7,902,556	10,908,174	18,816,271
<b>Total</b>	<b>5,541</b>	<b>7,902,556</b>	<b>10,908,174</b>	<b>18,816,271</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 AC (Net)	Other Bonds Net)
Japan JCR's Rating BB+ (*)	40,787	6,960,212	9,601,665	16,602,664
<b>Total</b>	<b>40,787</b>	<b>6,960,212</b>	<b>9,601,665</b>	<b>16,602,664</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 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)	98.85%	98.67%
Standard (C)	0.03%	0.07%
Substandard (D)	0.01%	0.03%
Impaired (E)	1.11%	1.23%
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	4,636,669	3,158,275	128,629	3,585	7,927,158
Non-performing Loans	103,148	198,703	932	22	302,805
<b>Total</b>	<b>4,739,817</b>	<b>3,356,978</b>	<b>129,561</b>	<b>3,607</b>	<b>8,229,963</b>

31 December 2023	Corporate/Commercial	SME	Consumer	Credit Cards	Total
Loans Under Close Monitoring	1,037,602	2,824,830	3,032	46	3,865,510
Non-performing Loans	70,447	125,580	22	28	196,077
<b>Total</b>	<b>1,108,049</b>	<b>2,950,410</b>	<b>3,054</b>	<b>74</b>	<b>4,061,587</b>

Type of collaterals	31 December 2024	31 December 2023
Real-estate mortgage	3,320,016	1,260,437
Vehicle pledge	828,215	72,818
Cash and cash equivalents	911,298	439,702
Other	3,170,434	2,288,630
<b>Total</b>	<b>8,229,963</b>	<b>4,061,587</b>

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE UNCONSOLIDATED 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)**

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

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

31 December 2024	Risk Categories (*)										Other Receivables	Total
	Contingent and Non-Contingent Receivables from Central Governments or Central Banks	Contingent and Non-Contingent Receivables from Administrative Units and Non-Commercial	Contingent and Non-Contingent Receivables from Banks and Intermediaries	Contingent and Non-Contingent Corporate Receivables	Contingent and Non-Contingent Retail Receivables	Contingent and Non-Contingent Receivables Secured by Residential Property	Non-Performing Receivables	Receivables Identified as High Risk by the Board				
Domestic	28,888,008	2,750	4,751,148	59,866,516	677,502	783,378	1,756,786	176,304	-	-	96,902,392	
EU Countries	-	-	3,362,273	-	28	-	-	-	-	-	3,362,301	
OECD Countries (**)	-	-	44,897	-	22	-	-	-	-	-	44,919	
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	
USA, Canada	-	-	770,023	-	-	-	-	-	-	-	770,023	
Other Countries	-	-	477,513	-	740	-	-	-	-	-	478,253	
Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-	-	350,580	350,580	
Unallocated Assets/Liabilities (***)	-	-	-	-	-	-	-	-	-	4,768,496	4,768,496	
<b>Total</b>	<b>28,888,008</b>	<b>2,750</b>	<b>9,405,854</b>	<b>59,866,516</b>	<b>678,292</b>	<b>783,378</b>	<b>1,756,786</b>	<b>176,304</b>	<b>5,119,076</b>	<b>106,676,964</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 UNCONSOLIDATED 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)**

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

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

	Risk Categories (*)										Other Receivables	Total
	Contingent and Non-Contingent Receivables from Central Governments or Central Banks	Contingent and Non-Contingent Receivables from Administrative Units and Non-Commercial	Contingent and Non-Contingent Receivables from Banks and Intermediaries	Contingent and Non-Contingent Corporate Receivables	Contingent and Non-Contingent Retail Receivables	Contingent and Non-Contingent Receivables Secured by Residential Property	Non-Performing Receivables	Receivables Identified as High Risk by the Board				
<b>31 December 2023</b>												
Domestic	25,964,646	2,203	1,957,929	37,707,306	103,258	559,287	4,211,065	35,672	-	70,541,366		
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	-	-	-	-	-	-	-	-	-	340,580	340,580	
Unallocated Assets/Liabilities (***)	-	-	-	-	-	-	-	-	-	2,357,231	2,357,231	
<b>Total</b>	<b>25,964,646</b>	<b>2,203</b>	<b>7,384,621</b>	<b>37,745,980</b>	<b>103,847</b>	<b>559,287</b>	<b>4,211,258</b>	<b>35,672</b>	<b>2,697,811</b>	<b>78,705,325</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 UNCONSOLIDATED 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)

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

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

31 December 2024	Risk Categories (*)											
	1	2	3	4	5	6	7	8	9	TL	FC	Total
<b>Sectors/Counterparties</b>												
<b>Agriculture</b>	-	-	-	<b>249,678</b>	<b>280</b>	-	<b>4</b>	-	-	<b>160,678</b>	<b>89,284</b>	<b>249,962</b>
Farming and Stockbreeding	-	-	-	249,621	274	-	4	-	-	160,615	89,284	249,899
Forestry	-	-	-	53	-	-	-	-	-	53	-	53
Fishery	-	-	-	4	6	-	-	-	-	10	-	10
<b>Manufacturing</b>	-	-	-	<b>19,318,937</b>	<b>26,409</b>	<b>56,818</b>	<b>50,096</b>	<b>865,251</b>	-	<b>12,108,927</b>	<b>8,208,584</b>	<b>20,317,511</b>
Mining and Quarrying	-	-	-	416,584	874	2	10	-	-	310,749	106,721	417,470
Production	-	-	-	17,596,066	25,509	56,816	50,086	865,251	-	11,465,492	7,128,236	18,593,728
Electricity, Gas and Water	-	-	-	1,306,287	26	-	-	-	-	332,686	973,627	1,306,313
<b>Construction</b>	-	-	-	<b>3,933,831</b>	<b>7,880</b>	<b>367,924</b>	<b>1,381</b>	<b>801,309</b>	-	<b>1,895,948</b>	<b>3,216,377</b>	<b>5,112,325</b>
<b>Services</b>	-	<b>2,549</b>	<b>9,145,773</b>	<b>24,830,051</b>	<b>31,003</b>	<b>227,904</b>	<b>90,436</b>	<b>17,012</b>	-	<b>20,576,731</b>	<b>13,767,997</b>	<b>34,344,728</b>
Wholesale and Retail Trade	-	-	-	5,923,236	21,406	113,946	87,323	17,010	-	3,795,248	2,367,673	6,162,921
Hotel, Food and Beverage services	-	-	-	137,720	975	-	336	-	-	106,282	32,749	139,031
Transportation and Telecom	-	-	-	2,369,771	2,605	59,552	132	-	-	1,241,197	1,190,863	2,432,060
Financial Institutions	-	-	<b>9,145,773</b>	<b>10,722,429</b>	<b>140</b>	<b>1</b>	<b>1</b>	-	-	<b>11,787,069</b>	<b>8,081,275</b>	<b>19,868,344</b>
Real Estate and Rental Services	-	-	-	1,496,001	51	-	-	-	-	756,518	739,534	1,496,052
Self-employment Services	-	-	-	2,919,203	3,457	54,405	2,644	2	-	1,626,343	1,353,368	2,979,711
Educational Services	-	-	-	43	354	-	-	-	-	397	-	397
Health and Social Services	-	<b>2,549</b>	-	<b>1,261,648</b>	<b>2,015</b>	-	-	-	-	<b>1,263,677</b>	<b>2,535</b>	<b>1,266,212</b>
<b>Other</b>	<b>28,888,008</b>	<b>201</b>	<b>260,081</b>	<b>11,534,019</b>	<b>612,720</b>	<b>130,732</b>	<b>34,387</b>	<b>73,214</b>	<b>5,119,076</b>	<b>33,193,076</b>	<b>13,459,362</b>	<b>46,652,438</b>
<b>TOTAL</b>	<b>28,888,008</b>	<b>2,750</b>	<b>9,405,854</b>	<b>59,866,516</b>	<b>678,292</b>	<b>783,378</b>	<b>176,304</b>	<b>1,756,786</b>	<b>5,119,076</b>	<b>67,935,360</b>	<b>38,741,604</b>	<b>106,676,964</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 UNCONSOLIDATED 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)

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

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

31 December 2023	Risk Categories (*)												
	1	2	3	4	5	6	7	8	9	TL	FC	Total	
<b>Sectors/Counterparties</b>													
<b>Agriculture</b>	-	-	-	162,638	508	18,234	4	112,157	-	272,578	20,963	293,541	
Farming and Stockbreeding	-	-	-	151,658	360	18,234	4	112,157	-	262,406	20,007	282,413	
Forestry	-	-	-	63	-	-	-	-	-	63	-	63	
Fishery	-	-	-	10,917	148	-	-	-	-	10,109	956	11,065	
<b>Manufacturing</b>	-	-	-	11,276,742	15,321	80,388	15,213	1,474,486	-	7,065,092	5,797,058	12,862,150	
Mining and Quarrying	-	-	-	508,500	480	-	3	-	-	433,290	75,693	508,983	
Production	-	-	-	9,716,044	14,787	80,388	15,210	1,373,869	-	6,299,071	4,901,227	11,200,298	
Electricity, Gas and Water	-	-	-	1,052,198	54	-	-	100,617	-	332,731	820,138	1,152,869	
<b>Construction</b>	-	-	-	3,480,701	4,306	75,322	7,287	1,086,281	-	1,742,238	2,911,659	4,653,897	
<b>Services</b>	655,899	1,850	6,984,773	17,479,441	20,341	290,971	10,538	994,285	-	15,143,614	11,294,484	26,438,098	
Wholesale and Retail Trade	-	-	-	5,363,503	11,798	133,696	6,991	405,370	-	4,752,680	1,168,678	5,921,358	
Hotel, Food and Beverage services	-	-	-	30,729	691	2,045	342	-	-	26,531	7,276	33,807	
Transportation and Telecom	-	-	-	1,393,306	2,154	63,984	418	220,161	-	743,781	936,242	1,680,023	
Financial Institutions	655,899	-	6,984,773	7,967,570	359	-	-	-	-	7,678,432	7,930,169	15,608,601	
Real Estate and Rental Services	-	-	-	715,783	575	2,472	-	176,529	-	317,994	577,365	895,359	
Self-employment Services	-	-	-	1,731,114	3,478	85,210	2,406	192,182	-	1,341,776	672,614	2,014,390	
Educational Services	-	-	-	33	468	-	-	-	-	501	-	501	
Health and Social Services	-	1,850	-	277,403	818	3,564	381	43	-	281,919	2,140	284,059	
<b>Other</b>	25,308,747	353	399,848	5,346,458	63,371	94,372	2,630	544,049	2,697,811	25,025,191	9,432,448	34,457,639	
<b>TOTAL</b>	25,964,646	2,203	7,384,621	37,745,980	103,847	559,287	35,672	4,211,258	2,697,811	49,248,713	29,456,612	78,705,325	

(\*) 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

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

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

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

Current Period:

<b>Risk classifications</b>	<b>Term To Maturity (*)</b>				
	<b>1 Month</b>	<b>1-3 Month</b>	<b>3-6 Month</b>	<b>6-12 Month</b>	<b>Over 1 year</b>
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	2,715	-	-	-	35
Contingent and Non-Contingent Receivables from Banks and Intermediaries	5,809,713	1,277,592	2,133,269	145,626	39,654
Contingent and Non-Contingent Corporate Receivables	10,697,463	10,999,539	11,445,073	13,840,957	12,883,484
Contingent and Non-Contingent Retail Receivables	86,502	28,142	55,299	375,886	132,463
Contingent and Non-Contingent Receivables Secured by Residential Property	58,407	155,322	64,347	106,626	398,676
Non-Performing Receivables	-	-	-	-	176,304
Receivables Identified as High Risk by the Board	87,569	-	-	13,463	1,655,754
Other Receivables	-	-	-	-	-
<b>TOTAL</b>	<b>20,322,761</b>	<b>12,460,595</b>	<b>13,697,988</b>	<b>14,482,558</b>	<b>40,593,986</b>

(\*) Risk amounting to TL 5,119,076 without maturity, is not taken into consideration in the table above.

Prior Period:

<b>Risk classifications</b>	<b>Term To Maturity (*)</b>				
	<b>1 Month</b>	<b>1-3 Month</b>	<b>3-6 Month</b>	<b>6-12 Month</b>	<b>Over 1 year</b>
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	1,856	-	312	-	35
Contingent and Non-Contingent Receivables from Banks and Intermediaries	5,243,699	1,245,908	546,843	131,812	216,359
Contingent and Non-Contingent Corporate Receivables	11,388,846	6,792,667	3,940,240	7,188,410	8,435,817
Contingent and Non-Contingent Retail Receivables	62,205	9,363	9,569	11,412	11,298
Contingent and Non-Contingent Receivables Secured by Residential Property	94,907	59,977	125,697	161,015	117,691
Non-Performing Receivables	-	-	-	-	35,672
Receivables Identified as High Risk by the Board	1,374,869	1,412,006	514,151	573,259	336,973
Other Receivables	-	-	-	-	-
<b>TOTAL</b>	<b>20,756,645</b>	<b>9,712,832</b>	<b>5,201,116</b>	<b>8,065,908</b>	<b>32,271,013</b>

(\*) Risk amounting to TL 2,697,811 without maturity, is not taken into consideration in the table above.

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

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

**i. Exposures by risk weights:**

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	29,926,020	-	11,273,539	346,816	21,566,327	678,278	41,058,979	1,733,903	-	93,102	5,889
<b>2</b>	Amount after Credit Risk Mitigation	29,945,221	-	11,260,620	334,207	21,544,779	622,987	40,747,863	1,727,314	-	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	26,589,276	-	7,985,805	425,445	12,528,856	83,723	26,876,266	144,025	4,063,102	8,827	3,334
<b>2</b>	Amount after Credit Risk Mitigation	26,601,929	-	7,831,264	393,370	12,492,927	75,514	26,461,406	121,348	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>	-	<b>538</b>		-	<b>538</b>
1.1	Farming and Stockbreeding	-	534		-	534
1.2	Forestry	-	-		-	-
1.3	Fishery	-	4		-	4
<b>2</b>	<b>Manufacturing</b>	<b>1,116,356</b>	<b>109,245</b>		<b>146,182</b>	<b>60,211</b>
2.1	Mining and Quarrying	-	2,787		-	2,777
2.2	Production	1,003,059	105,859		138,324	56,835
2.3	Electricity, Gas and Water	113,297	599		7,858	599
<b>3</b>	<b>Construction</b>	<b>1,000,783</b>	<b>17,228</b>		<b>60,625</b>	<b>16,960</b>
<b>4</b>	<b>Services</b>	<b>1,052,170</b>	<b>171,715</b>		<b>104,824</b>	<b>77,114</b>
4.1	Wholesale and Retail Trade	754,775	155,130		102,619	62,841
4.2	Accommodation and Dining	91	2,265		9	2,264
4.3	Transportation and Telecom	977	2,381		25	2,376
4.4	Financial Institutions	81	209		9	209
4.5	Real Estate and Rental Services	4,268	692		26	692
4.6	Professional Services	291,978	10,639		2,136	8,333
4.7	Educational Services	-	-		-	-
4.8	Health and Social Services	-	399		-	399
<b>5</b>	<b>Other</b>	<b>172,093</b>	<b>159,956</b>		<b>6,466</b>	<b>53,065</b>
	<b>TOTAL</b>	<b>3,341,402</b>	<b>458,682</b>		<b>318,097</b>	<b>207,888</b>

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**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**

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

**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>519</b>	<b>33</b>	<b>519</b>
1.1	Farming and Stockbreeding	1,928	514	33	514
1.2	Forestry	-	-	-	-
1.3	Fishery	-	5	-	5
<b>2</b>	<b>Manufacturing</b>	<b>1,078,266</b>	<b>98,021</b>	<b>132,518</b>	<b>85,852</b>
2.1	Mining and Quarrying	2,292	3,137	72	3,134
2.2	Production	919,328	94,150	121,491	81,984
2.3	Electricity, Gas and Water	156,646	734	10,955	734
<b>3</b>	<b>Construction</b>	<b>3,229,542</b>	<b>55,902</b>	<b>448,942</b>	<b>48,130</b>
<b>4</b>	<b>Services</b>	<b>1,824,570</b>	<b>221,748</b>	<b>311,132</b>	<b>212,862</b>
4.1	Wholesale and Retail Trade	775,363	177,007	141,682	170,663
4.2	Accommodation and Dining	1,504	10,557	9	10,550
4.3	Transportation and Telecom	16,207	16,510	561	16,220
4.4	Financial Institutions	295	60	3	60
4.5	Real Estate and Rental Services	7,946	3,051	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	141,079	336	-	336
<b>5</b>	<b>Other</b>	<b>29,714</b>	<b>22,745</b>	<b>617</b>	<b>19,951</b>
	<b>TOTAL</b>	<b>6,164,020</b>	<b>398,935</b>	<b>893,242</b>	<b>367,314</b>

**k. Information related with Value Adjustments and Change in Provisions:**

Current Period:

		Opening Balance	Charge of the Period	Provision Cancellations	Value Adjustments	Closing Balance
<b>1</b>	Expected credit losses for stage 3	367,314	97,380	(237,160)	(19,646)	207,888
<b>2</b>	Expected credit losses for stage 1 and stage 2	951,083	319,737	(886,514)	117,703	502,009

Prior Period:

		Opening Balance	Charge of the Period	Provision Cancellations	Value Adjustments	Closing Balance
<b>1</b>	Expected credit losses for stage 3	550,976	133,304	(124,656)	(192,310)	367,314
<b>2</b>	Expected credit losses for stage 1 and stage 2	532,040	732,521	(663,270)	349,795	951,086

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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)****III. Explanations on Currency Risk**

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

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

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

<b>Rate used:</b>	<b>USD</b>	<b>EUR</b>
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 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**

TL 35.2803

**EUR**

TL 36.7362

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## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

	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	1,097,236	3,370,418	186,663	4,654,317
Financial Assets at Fair Value Through Profit and Loss (*)	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 (**)	7,416,815	11,923,663	-	19,340,478
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 (***)	2,666	126,721	30	129,417
<b>Total Assets</b>	<b>9,144,399</b>	<b>35,707,422</b>	<b>554,514</b>	<b>45,406,335</b>
<b>Liabilities</b>				
Bank Deposits	10,161	45,251	79,088	134,500
Foreign Currency Deposits	3,852,700	8,764,774	2,114,833	14,732,307
Money Market Funds	-	10,909,069	-	10,909,069
Funds Borrowed From Other Financial Institutions	5,012,570	19,194,543	-	24,207,113
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	418,661	211,950	1,371	631,982
Derivative Financial Liabilities For Hedging Purposes	-	-	-	-
Other Liabilities (****)	(40,276)	46,508	961	7,193
<b>Total Liabilities</b>	<b>9,253,816</b>	<b>39,172,095</b>	<b>2,196,253</b>	<b>50,622,164</b>
<b>Net Balance Sheet Position</b>	<b>(109,417)</b>	<b>(3,464,673)</b>	<b>(1,641,739)</b>	<b>(5,215,829)</b>
<b>Net Off-Balance Sheet Position</b>	<b>234,787</b>	<b>1,944,162</b>	<b>1,487,022</b>	<b>3,665,971</b>
Financial Derivative Assets	16,413,239	14,358,776	2,212,883	32,984,898
Financial Derivative Liabilities	16,178,452	12,414,614	725,861	29,318,927
<b>Non-Cash Loans (*****)</b>	<b>7,312,648</b>	<b>7,626,740</b>	<b>1,438,634</b>	<b>16,378,022</b>
<b>31 December 2023(*****)</b>				
<b>Total Assets</b>	<b>9,496,761</b>	<b>26,315,933</b>	<b>423,945</b>	<b>36,236,639</b>
<b>Total Liabilities</b>	<b>7,351,807</b>	<b>31,725,282</b>	<b>1,153,504</b>	<b>40,230,593</b>
<b>Net Balance Sheet Position</b>	<b>2,144,954</b>	<b>(5,409,349)</b>	<b>(729,559)</b>	<b>(3,993,954)</b>
<b>Net Off-Balance Sheet Position</b>	<b>(2,009,292)</b>	<b>6,365,089</b>	<b>553,192</b>	<b>4,908,989</b>
Financial Derivative Assets	9,228,752	19,379,473	1,028,463	29,636,688
Financial Derivative Liabilities	11,238,044	13,014,384	475,271	24,727,699
Non-Cash Loans	5,262,693	6,185,669	2,125,192	13,573,554

(\*) Accruals of derivative assets held for trading amounting to TL 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 spot transaction rediscount 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 UNCONSOLIDATED 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)****III. Explanations on Currency Risk (Continued)****b. Sensitivity to Foreign Exchange Risk**

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.

	31 December 2024		31 December 2023	
	Effect on Profit or (Loss)	Effect on Equity	Effect on Profit or (Loss)	Effect on Equity
USD	(141,840)	(152,051)	95,574	95,574
EUR	12,537	12,537	13,566	13,566
Other currencies	(15,472)	(15,472)	(17,637)	(17,637)
<b>Total, net</b>	<b>(144,775)</b>	<b>(154,986)</b>	<b>91,503</b>	<b>91,503</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	141,840	152,051	(95,574)	(95,574)
EUR	(12,537)	(12,537)	(13,566)	(13,566)
Other currencies	15,472	15,472	17,637	17,637
<b>Total, net</b>	<b>144,775</b>	<b>154,986</b>	<b>(91,503)</b>	<b>(91,503)</b>

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

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## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

##### IV. Explanations on Interest Rate Risk

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

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

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

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

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

31 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>							
Cash (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 (**)(****)	2,911,209	-	-	-	-	1,755,900	4,667,109
Financial Assets at Fair Value Through Profit and Loss	113,327	354,803	348,123	48,649	11,342	-	876,244
Money Market Placements	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	4,883,969	575,866	2,449,485	-	-	16,504	7,925,824
Loans (****)	8,090,158	6,459,964	16,407,814	8,712,977	916,504	(251,218)	40,336,199
Financial Assets Measured at Amortised Cost (****)	180,179	2,427,021	8,039,534	-	261,440	(2,065)	10,906,109
Other Assets (*)	-	-	-	-	-	6,121,575	6,121,575
<b>Total Assets</b>	<b>24,633,265</b>	<b>9,817,654</b>	<b>27,244,956</b>	<b>8,761,626</b>	<b>1,189,286</b>	<b>11,337,476</b>	<b>82,984,263</b>
<b>Liabilities</b>							
Bank Deposits (**)	721,842	-	-	-	-	124,733	846,575
Other Deposits	25,868,438	4,138,121	1,226,159	60	-	5,559,763	36,792,541
Money Market Funds	8,826,648	268,744	2,566,675	-	-	-	11,662,067
Miscellaneous Payables	-	-	-	-	-	883,269	883,269
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	2,488,165	4,597,257	6,395,548	8,104,618	2,646,730	-	24,232,318
Other Liabilities and Shareholders' Equity (***)	94,043	165,682	192,418	173,104	10,122	7,932,124	8,567,493
<b>Total Liabilities</b>	<b>37,999,136</b>	<b>9,169,804</b>	<b>10,380,800</b>	<b>8,277,782</b>	<b>2,656,852</b>	<b>14,499,889</b>	<b>82,984,263</b>
<b>Balance Sheet Long Position</b>	<b>-</b>	<b>647,850</b>	<b>16,864,156</b>	<b>483,844</b>	<b>-</b>	<b>-</b>	<b>17,995,850</b>
<b>Balance Sheet Short Position</b>	<b>(13,365,871)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,467,566)</b>	<b>(3,162,413)</b>	<b>(17,995,850)</b>
<b>Off-Balance Sheet Long Position</b>	<b>-</b>	<b>355,660</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>355,660</b>
<b>Off-Balance Sheet Short Position</b>	<b>(627,444)</b>	<b>-</b>	<b>(369,613)</b>	<b>(317,818)</b>	<b>-</b>	<b>-</b>	<b>(1,314,875)</b>
<b>Total Position</b>	<b>(13,993,315)</b>	<b>1,003,510</b>	<b>16,494,543</b>	<b>166,026</b>	<b>(1,467,566)</b>	<b>(3,162,413)</b>	<b>(959,215)</b>

(\*) Expected credit losses for financial assets is presented non-interest bearing on the table. Amounted to TL 1,784 were deducted from non-interest banks, amounted to TL 2,065 were deducted from non-interest financial assets measured at amortised.

(\*\*) Property and equipment held for sale purpose and related to discontinued operations, investments in associates and subsidiaries, tangible and intangible fixed assets, deferred tax assets and other assets are classified as non-interest bearing assets.

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

(\*\*\*\*) Taxes payable, charges, duties and premiums, provisions and shareholders' equity are classified as non-interest bearing liabilities.

**ALTERNATİFBANK A.Ş.**

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

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

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

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

31 December 2023	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic Turkey							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic Turkey	7,360,015	-	-	-	-	2,539,532	9,899,547
Banks (*)	884,869	-	-	-	-	2,013,792	2,898,661
Financial Assets at Fair Value Through Profit and Loss	641,841	(81,847)	442,650	253,566	4,368	-	1,260,578
Money Market Placements	150,540	-	-	-	-	-	150,540
Financial Assets at Fair Value Through Other Comprehensive Income (*)	3,984,529	495,494	2,497,651	-	-	13,782	6,991,456
Loans (*)	12,215,661	6,080,137	4,590,902	9,363,198	51,622	(918,743)	31,382,777
Financial Assets Measured at Amortised Cost (*)	155,482	2,659,404	6,604,364	-	182,415	(1,931)	9,599,734
Other Assets (**)	-	-	-	-	-	2,843,474	2,843,474
<b>Total Assets</b>	<b>25,392,937</b>	<b>9,153,188</b>	<b>14,135,567</b>	<b>9,616,764</b>	<b>238,405</b>	<b>6,489,906</b>	<b>65,026,767</b>
<b>Liabilities</b>							
Bank Deposits (***)	642,607	20,113	-	-	-	23,226	685,946
Other Deposits	16,687,747	3,261,529	731,151	-	-	3,681,161	24,361,588
Money Market Funds	3,468,972	1,742,056	-	-	-	-	5,211,028
Miscellaneous Payables	-	-	-	-	-	780,038	780,038
Marketable Securities Issued	-	530	(530)	-	-	-	-
Funds Borrowed From Other Financial Institutions	3,054,660	6,023,125	8,657,503	6,170,185	2,210,222	-	26,115,695
Other Liabilities and Shareholders' Equity (****)	431,360	20,642	41,127	262,750	7,893	7,108,700	7,872,472
<b>Total Liabilities</b>	<b>24,285,346</b>	<b>11,067,995</b>	<b>9,429,251</b>	<b>6,432,935</b>	<b>2,218,115</b>	<b>11,593,125</b>	<b>65,026,767</b>
<b>Balance Sheet Long Position</b>	<b>1,107,591</b>	<b>-</b>	<b>4,706,316</b>	<b>3,183,829</b>	<b>-</b>	<b>-</b>	<b>8,997,736</b>
<b>Balance Sheet Short Position</b>	<b>-</b>	<b>(1,914,807)</b>	<b>-</b>	<b>-</b>	<b>(1,979,710)</b>	<b>(5,103,219)</b>	<b>(8,997,736)</b>
Off-Balance Sheet Long Position	-	38,031	266,536	-	-	-	304,567
Off-Balance Sheet Short Position	(394,261)	-	-	-	-	-	(394,261)
<b>Total Position</b>	<b>713,330</b>	<b>(1,876,776)</b>	<b>4,972,852</b>	<b>3,183,829</b>	<b>(1,979,710)</b>	<b>(5,103,219)</b>	<b>(89,694)</b>

(\*) Expected credit losses 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.

(\*\*) Property and equipment held for sale purpose and related to discontinued operations, investments in associates and subsidiaries, tangible and intangible fixed assets, current tax assets and deferred tax assets are classified as other assets.

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

(\*\*\*\*) Taxes payable, charges, duties and premiums, provisions and shareholders' equity are classified as non-interest bearingx liabilities.

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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)****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.

<b>31 December 2024</b>	<b>Applied Shock (+/- x basis point)</b>	<b>Gains/ Losses</b>	<b>Gains/ Equity-Losses/ Equity</b>
1.TRY	+500bps	(389,742)	(2.23)%
	-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%
	-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>

<b>31 December 2023</b>	<b>Applied Shock (+/- x basis point)</b>	<b>Gains/ Losses</b>	<b>Gains/ Equity-Losses/ Equity</b>
1.TRY	+500bps	(188,789)	(1.31)%
	-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%
	-200 bps	(295,512)	(2.04)%
<b>Total (For Negative Shocks)</b>		<b>(161,960)</b>	<b>(1.12)%</b>
<b>Total (For Positive Shocks)</b>		<b>24,294</b>	<b>0.17%</b>

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**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**

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

**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.

<b>31 December 2024</b>	<b>Euro</b>	<b>Usd</b>	<b>Other FC</b>	<b>TL</b>
<b>Assets</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</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

<b>31 December 2023</b>	<b>Euro</b>	<b>Usd</b>	<b>Other FC</b>	<b>TL</b>
<b>Assets</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</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	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

**V. Explanation on Stock Position Risk**

None.

**INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (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 Bank Risk Committee. This limit is used by the Assets-Liability Management Committee for deciding to funding sources composition and pricing policy.

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

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

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

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

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

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

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

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

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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE 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)

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

Turkish Lira, US Dollars and Euros are the currencies that constitute the minimum five percentage of the 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 Bank's liquidity risk. Market liquidity and maturity of liquid assets are considered as risk reduction for liquidity management. In this context, the range of liquid assets is important in the management of liquidity risk. Potential risks are minimized by avoiding concentration of liquid assets during the potential liquidity needs and the Bank's ability to fulfill its obligations.

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

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

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

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

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**

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

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

**2. Liquidity Coverage Ratio**

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

31 December 2024	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			14,822,763	8,089,159
<b>CASH OUTFLOWS</b>				
Retail and Small Business Customers	21,462,146	4,982,953	1,746,300	498,295
Stable Deposits	7,998,293	-	399,915	-
Less Stable Deposit	13,463,853	4,982,953	1,346,385	498,295
Unsecured Wholesale Funding	18,043,826	11,685,534	11,570,681	7,242,925
Operational Deposits	-	-	-	-
Non-operational Deposits	11,728,139	7,733,759	5,403,250	3,437,320
Other Unsecured Fundings	6,315,687	3,951,775	6,167,431	3,805,605
Secured Funding			-	-
Other Cash Outflows	543,352	516,884	543,352	516,884
Derivative cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	543,352	516,884	543,352	516,884
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	594,907	594,907	29,745	29,745
Other irrevocable or conditionally revocable off-balance sheet obligations	36,837,585	15,148,117	6,070,086	1,566,750
<b>TOTAL CASH OUTFLOWS</b>			<b>19,960,164</b>	<b>9,854,599</b>
<b>CASH INFLOWS</b>				
Secured lending	3,310	-	-	-
Unsecured lending	10,414,926	8,074,797	8,956,718	7,378,134
Other cash inflows	146,104	109,068	146,104	109,068
<b>TOTAL CASH INFLOWS</b>	<b>10,564,340</b>	<b>8,183,865</b>	<b>9,102,822</b>	<b>7,487,202</b>
<b>Total Adjusted Values</b>				
<b>TOTAL HIGH QUALITY ASSETS STOCKS</b>			<b>14,822,763</b>	<b>8,089,159</b>
<b>TOTAL CAH OUTFLOWS</b>			<b>10,857,342</b>	<b>2,836,008</b>
<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>137.70%</b>	<b>295.99%</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	175.73%	27.12.2024	126.10%	11.10.2024	137.70%
FC	355.60%	27.12.2024	223.38%	29.11.2024	295.99%

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

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

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

	Consideration Ratio Unapplied to Total Value (*)		Consideration Ratio Applied to Total Value (*)	
	TL+FC	FC	TL+FC	FC
<b>31 December 2023</b>				
<b>HIGH QUALITY LIQUID ASSETS</b>				
High Quality Liquid Assets			12,852,790	7,004,193
<b>CASH OUTFLOWS</b>				
Retail and Small Business Customers	17,099,607	5,031,307	1,481,896	503,131
Stable Deposits	4,561,311	-	228,066	-
Less Stable Deposit	12,538,296	5,031,307	1,253,830	503,131
Unsecured Wholesale Funding	13,617,256	6,805,708	10,135,597	4,823,736
Operational Deposits	-	-	-	-
Non-operational Deposits	8,733,976	3,975,504	5,398,691	2,129,232
Other Unsecured Fundings	4,883,280	2,830,204	4,736,906	2,694,504
Secured Funding			-	-
Other Cash Outflows	904,748	900,831	904,748	900,831
Derivative cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	904,748	900,831	904,748	900,831
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	247,387	247,387	12,369	12,369
Other irrevocable or conditionally revocable off-balance sheet obligations	25,044,398	12,708,803	3,912,032	1,360,694
<b>TOTAL CASH OUTFLOWS</b>			<b>16,446,642</b>	<b>7,600,761</b>
<b>CASH INFLOWS</b>				
Secured lending	27,630	-	-	-
Unsecured lending	13,317,810	7,346,959	10,207,312	5,978,954
Other cash inflows	102,137	106,595	102,137	106,595
<b>TOTAL CASH INFLOWS</b>	<b>13,447,577</b>	<b>7,453,554</b>	<b>10,309,449</b>	<b>6,085,549</b>
<b>Total Adjusted Values</b>				
<b>TOTAL HIGH QUALITY ASSETS STOCKS</b>			<b>12,852,790</b>	<b>7,004,193</b>
<b>TOTAL CAH OUTFLOWS</b>			<b>6,156,942</b>	<b>2,117,913</b>
<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>214.82%</b>	<b>343.36%</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	279.96%	06.10.2023	176.32%	27.10.2023	214.82%
FC	418.33%	06.10.2023	234.22%	01.12.2023	343.36%

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE 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)

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

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

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

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

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

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

Basically deposits, loans and subordinated loans as unsecured debt items have the most significant portion in Bank's funding balances. As of 31 December 2024, the proportion of total liabilities to all deposits of the bank is 45% and borrowings constitutes 17% portion whereas subordinate debt is 12%. Secured borrowings such as repo transactions has lower portion (14%).

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

Cash outflows arising from derivative product balances are occurred when the derivative products liabilities are higher than the receivables. Cash outflows arising from derivative product balances are occurred when bank derivative product liabilities are higher than the derivative receivables. Net cash outflows decreases when cash inflows originating from derivative instruments exceed derivative liabilities. As of 31 December 2024, derivative liabilities are amounting to TL 153,000 (31 December 2023: None). In addition, cash outflow balances are reported with calculation against the change of derivatives fair value. This calculation is performed by checking the output margin within last 24 months of the counterparty balance. The maximum value in the past 24 months is considered as cash outflow as of reporting date. In this context, according to calculations as of 31 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, 65% of the Bank's time deposit cap arised from retail banking. The remaining time deposits are constituted from legal entities. Another significant funding resource of borrowings generated from foreign banks (99%). As of 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 bank itself, the branches in foreign countries and its consolidated partnerships with considering the operational and legal factors inhibiting the liquidity transfer

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

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## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

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

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and Over	Unclassified	Total
<b>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 (****)	1,757,684	2,911,209	-	-	-	-	(1,784)	4,667,109
Financial Assets at Fair Value Through Profit and Loss	-	49,988	374,870	358,086	81,369	11,931	-	876,244
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	965,356	2	1,485,156	3,232,597	2,226,209	16,504	7,925,824
Loans	-	4,809,911	7,432,436	14,263,737	10,648,471	3,432,862	(251,218)	40,336,199
Financial Assets Measured at Amortised Cost (****)	-	7	967,855	892,405	7,790,978	1,256,929	(2,065)	10,906,109
Other Assets (*)	286,642	260,325	234,880	24,740	925	2,942	5,311,121	6,121,575
<b>Total Assets</b>	<b>5,741,106</b>	<b>17,451,219</b>	<b>9,010,043</b>	<b>17,024,124</b>	<b>21,754,340</b>	<b>6,930,873</b>	<b>5,072,558</b>	<b>82,984,263</b>
<b>Liabilities</b>								
Bank Deposits (***)	124,733	721,842	-	-	-	-	-	846,575
Other Deposits	5,559,763	25,868,434	4,138,125	1,226,159	60	-	-	36,792,541
Funds Borrowed From Other Financial Institutions	-	2,689,586	2,630,625	8,180,489	919,600	9,812,018	-	24,232,318
Money Market Funds	-	8,227,229	903,485	2,531,353	-	-	-	11,662,067
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	883,269	883,269
Other Liabilities (**)	-	792,250	159,862	172,725	172,190	10,122	7,260,344	8,567,493
<b>Total Liabilities</b>	<b>5,684,496</b>	<b>38,299,341</b>	<b>7,832,097</b>	<b>12,110,726</b>	<b>1,091,850</b>	<b>9,822,140</b>	<b>8,143,613</b>	<b>82,984,263</b>
<b>Liquidity Gap</b>	<b>56,610</b>	<b>(20,848,122)</b>	<b>1,177,946</b>	<b>4,913,398</b>	<b>20,662,490</b>	<b>(2,891,267)</b>	<b>(3,071,055)</b>	<b>-</b>
<b>31 December 2023</b>								
<b>Total Assets</b>	<b>4,555,074</b>	<b>19,427,275</b>	<b>7,526,636</b>	<b>6,023,039</b>	<b>20,783,027</b>	<b>4,936,843</b>	<b>1,774,873</b>	<b>65,026,767</b>
<b>Total Liabilities</b>	<b>3,704,387</b>	<b>23,007,890</b>	<b>11,114,483</b>	<b>11,631,286</b>	<b>393,367</b>	<b>8,222,592</b>	<b>6,952,762</b>	<b>65,026,767</b>
<b>Liquidity Gap</b>	<b>850,687</b>	<b>(3,580,615)</b>	<b>(3,587,847)</b>	<b>(5,608,247)</b>	<b>20,389,660</b>	<b>(3,285,749)</b>	<b>(5,177,889)</b>	<b>-</b>

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

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

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

(\*\*\*\*) Expected loss provision for financial assets is presented non-interest bearing on the table. Amounted to TL 1,784 were deducted from unclassified banks, amounted to TL 2,065 were deducted from unclassified financial assets measured at amortised cost.

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

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

**3.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 (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	31,581,800	4,351,721	1,444,246	86	-	37,377,853
Funds Borrowed From Other Financial Institutions	2,733,844	2,757,017	8,856,124	1,921,120	19,514,101	35,782,206
Money Market Funds	8,262,336	912,751	2,592,598	-	-	11,767,685
Marketable Securities Issued	-	-	-	-	-	-
<b>Total</b>	<b>43,426,284</b>	<b>8,021,489</b>	<b>12,892,968</b>	<b>1,921,206</b>	<b>19,514,101</b>	<b>85,776,048</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	20,471,299	3,397,589	839,826	-	-	24,708,714
Funds Borrowed From Other Financial Institutions	825,072	5,865,992	11,159,750	5,404,472	12,103,479	35,358,765
Money Market Funds	3,469,196	1,769,714	-	-	-	5,238,910
Marketable Securities Issued	-	-	-	-	-	-
<b>Total</b>	<b>25,436,885</b>	<b>11,054,641</b>	<b>11,999,576</b>	<b>5,404,472</b>	<b>12,103,479</b>	<b>65,999,053</b>

##### Contractual maturity analysis of the Bank'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	-	-	200,000	1,100,000	-	1,300,000
Hedging Derivative Financial Instruments	-	-	744,577	592,370	-	5,049,282
Forward Foreign Exchange Transactions	2,074,217	1,638,118	2,074,594	14,709,624	141,120	31,845,520
Money and Interest Rate Swaps	9,788,556	5,131,626	19,333,570	-	-	37,186,097
Options	2,221,519	15,631,008	-	-	-	4,919,567
Other	94,189	4,825,378	-	-	-	-
<b>Total</b>	<b>14,178,481</b>	<b>27,226,130</b>	<b>22,352,741</b>	<b>16,401,994</b>	<b>141,120</b>	<b>80,300,466</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	4,418,842	6,353,761	2,923,827	-	-	13,696,430
Money and Interest Rate Swaps	16,360,038	10,280,668	6,048,368	13,992,616	117,752	46,799,442
Options	240,662	3,230,555	3,907,034	-	-	7,378,251
Other	62,462	2,304,657	7,556,737	144,007	-	10,067,863
<b>Total</b>	<b>21,082,004</b>	<b>22,969,641</b>	<b>20,435,966</b>	<b>14,136,623</b>	<b>117,752</b>	<b>78,741,986</b>

**ALTERNATİFBANK A.Ş.**

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

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

**3.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 (Continued)**

**Collaterals in terms of Risk Groups**

	<b>31 December 2024</b>					
	<b>Risk Groups</b>	<b>Amount</b>	<b>Financial Guarantees (*)</b>	<b>Other/ Physical Guarantees</b>	<b>Guarantees and Credit Derivatives</b>	
<b>1</b>	Contingent and Non-Contingent Receivables from Central Governments or Central Banks	28,888,008	-	-	-	-
<b>2</b>	Contingent and Non-Contingent Receivables from Regional Government or Domestic Government	2,750	70	-	-	-
<b>3</b>	Contingent and Non-Contingent Receivables from Banks and Intermediaries	9,405,854	-	-	-	-
<b>4</b>	Contingent and Non-Contingent Corporate Receivables	59,866,516	415,059	-	-	-
<b>5</b>	Contingent and Non-Contingent Retail Receivables	678,292	72,856	-	-	-
<b>6</b>	Contingent and Non-Contingent Receivables Secured by Residential Property	783,378	12,829	-	-	-
<b>7</b>	Non-Performing Receivables	176,304	415	-	-	-
<b>8</b>	Receivables Determined as High Risk by the Committee	1,756,786	12,809	-	-	-
<b>9</b>	Other Receivables	5,119,076	-	-	-	-
<b>10</b>	<b>Total</b>	<b>106,676,964</b>	<b>514,038</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	<b>31 December 2023</b>					
	<b>Risk Groups</b>	<b>Amount</b>	<b>Financial Guarantees (*)</b>	<b>Other/ Physical Guarantees</b>	<b>Guarantees and Credit Derivatives</b>	
<b>1</b>	Contingent and Non-Contingent Receivables from Central Governments or Central Banks	25,964,646	-	-	-	-
<b>2</b>	Contingent and Non-Contingent Receivables from Regional Government or Domestic Government	2,203	695	-	-	-
<b>3</b>	Contingent and Non-Contingent Receivables from Banks and Intermediaries	7,384,621	137	-	-	-
<b>4</b>	Contingent and Non-Contingent Corporate Receivables	37,745,980	639,598	-	-	-
<b>5</b>	Contingent and Non-Contingent Retail Receivables	103,847	23,047	-	-	-
<b>6</b>	Contingent and Non-Contingent Receivables Secured by Residential Property	559,287	32,838	-	-	-
<b>7</b>	Non-Performing Receivables	35,672	316	-	-	-
<b>8</b>	Receivables Determined as High Risk by the Committee	4,211,258	28,371	-	-	-
<b>9</b>	Other Receivables	2,697,811	-	-	-	-
<b>10</b>	<b>Total</b>	<b>78,705,325</b>	<b>725,002</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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

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

**Net Stable Funding Ratio**

	Current Period	Unweighted Amount According to Residual Maturity				Total Weighted Amount
		Non Maturity	Residual maturity of less than 6 months	Residual maturity of six months and longer but less than one year	Residual maturity of one year or more	
<b>Available stable funding</b>						
1	Capital Instruments	-	-	-	17,981,881	17,981,881
2	Tier 1 Capital and Tier 2 Capital	-	-	-	17,981,881	17,981,881
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	3,617,527	36,272,024	7,410,723	962,308	12,603,872
8	Operational deposits	-	-	-	-	-
9	Other Obligations	3,617,527	36,272,024	7,410,723	962,308	12,603,872
10	Liabilities equivalent to interconnected assets					
11	Other Liabilities	2,122,117	2,494,622	-	-	-
12	Derivative liabilities				460,779	
13	All other equity not included in the above categories	1,661,337	2,494,622	-	-	-
14	<b>Available stable funding</b>					<b>51,113,285</b>
<b>Required stable funding</b>						
15	Required stable funding					964,617
16	Deposits held at financial institutions for operational purposes	-	-	-	-	-
17	Performing Loans	5,928,203	21,779,950	8,103,039	9,761,826	26,078,658
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	1,622,719	6,428,067	492,336	177,364	3,010,461
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	4,145,684	15,187,600	7,574,533	9,491,683	22,792,031
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	7,488,378	2,561,246	669,422	0	7,301,689
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	6,000,444	2,561,246	669,422	-	6,735,678
32	Off-balance sheet commitments				39,608,613	-
33	<b>Total Required stable funding</b>					<b>36,325,394</b>
34	<b>Net Stable Funding Ratio (%)</b>					<b>140.71%</b>

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## **NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

##### VII. Explanations on Leverage Ratio

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

The Bank's unconsolidated leverage ratio is 13.13% and calculated in compliance with "Regulation on Measurement and Evaluation of Leverage Levels of Banks" (31 December 2023: 14.16%). 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)	82,033,447	66,781,713
<b>2</b>	Assets deducted in determining Tier 1 capital	(402,775)	(218,039)
<b>3</b>	<b>Total on-balance sheet risks (sum of lines 1 and 2) Derivative financial instruments and credit derivatives</b>	<b>81,630,672</b>	<b>66,563,674</b>
<b>Derivative financial instruments and credit derivatives</b>			
<b>4</b>	Replacement cost associated with all derivative financial instruments and credit derivatives	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	54,090,233	34,916,872
<b>11</b>	(Adjustments for conversion to credit equivalent amounts)	(9,426,056)	(5,139,871)
<b>12</b>	<b>Total risks of off-balance sheet items (sum of lines 10 and 11) Capital and total risks</b>	<b>44,664,177</b>	<b>29,777,001</b>
<b>Capital and Total Risk</b>			
<b>13</b>	Tier 1 capital	16,738,100	13,866,575
<b>14</b>	<b>Total risks (sum of lines 3, 6, 9 and 12) Leverage ratio</b>	<b>127,479,264</b>	<b>97,936,430</b>
<b>Leverage ratio</b>			
<b>15</b>	<b>Leverage ratio (%)</b>	<b>13.13%</b>	<b>14.16%</b>

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

##### VIII. Explanations on 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 placement and deposits represents the amount to be paid upon request. The expected fair value of the fixed rate deposits are determined by calculating the discounted cash flows using the Bank's current interest rates as of balance sheet date.

The expected fair value of fixed rate loans and receivables are determined by calculating the discounted cash flows using the current market interest rates. For the loans with floating interest rates, it is assumed that the carrying value reflects the fair value.

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2024

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

##### VIII. Explanations on 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>63,832,332</b>	<b>51,008,601</b>	<b>64,445,321</b>	<b>51,657,463</b>
Interbank money market placements		150,540	-	150,540
Due from banks	4,668,893	2,900,338	4,668,893	2,900,338
Financial Assets at Fair Value through Other Comprehensive Income	7,919,060	6,973,994	7,919,060	6,973,994
Financial Assets Measured at Amortised Cost	10,908,174	9,601,665	10,098,541	8,961,066
Loans and Receivables	40,336,205	31,382,064	41,758,827	32,671,525
<b>Financial Liabilities</b>	<b>74,416,770</b>	<b>57,154,295</b>	<b>75,273,236</b>	<b>58,305,331</b>
Bank Deposits	846,575	685,946	846,575	685,946
Other Deposits	36,792,541	24,361,588	36,785,629	24,361,237
Funds Borrowed from Other Financial Institutions	24,232,318	26,115,695	25,095,696	27,267,082
Securities Issued	-	-	-	-
Funds Provided under Purchase Agreement	11,662,067	5,211,028	11,662,067	5,211,028
Miscellaneous Payables	883,269	780,038	883,269	780,038

###### b. Classification of Fair Value

TFRS 13 sets classification of valuation techniques according to the inputs used in valuation techniques based on fair value calculations which are whether observable or not.

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2)
- Unobservable inputs (Level 3)

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

31 December 2024	Level 1	Level 2	Level 3	Total
<b>Financial Assets at Fair Value Through Profit or Loss</b>	<b>5,541</b>	-	-	<b>5,541</b>
Government Debt Securities	5,541	-	-	5,541
Share Certificates	-	-	-	-
Other Financial Assets	-	-	-	-
<b>Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>7,803,869</b>	<b>115,191</b>	-	<b>7,919,060</b>
Government Debt Securities	7,787,365	-	-	7,787,365
Share Certificates	16,504	-	-	16,504
Other Financial Assets (*)	-	115,191	-	115,191
<b>Loans at Fair Value Through Profit or Loss</b>	-	-	-	-
Derivative Financial Assets at Fair Value Through Profit or Loss	-	870,703	-	870,703
Derivative Financial Assets at Fair Value Through Other Comprehensive Income	-	6,764	-	6,764
<b>Total Assets</b>	<b>7,809,410</b>	<b>992,658</b>	-	<b>8,802,068</b>
<b>Derivative Financial Liabilities at Fair Value Through Profit or Loss</b>	-	<b>586,012</b>	-	<b>586,012</b>
Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	-	1,751	-	1,751
<b>Total Liabilities</b>	-	<b>587,763</b>	-	<b>587,763</b>

(\*) Amounting of TL 115,191 of the other assets consists of the Omurga Gayrimenkul ve Girişim Sermayesi Portföy Yönetimi A.Ş. second real estate investment fund, it is 100% owned by Alternatifbank A.Ş. The assets of the fund consist of real estate purchased in 2023, and the real estate amount is kept at fair value according to the comparable method. For this reason, the fund was presented as level 2 in 2023.

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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)****VIII. Explanations on Fair Values of Financial Assets and Liabilities (Continued)****b. Classification of Fair Value (Continued)**

31 December 2023	Level 1	Level 2	Level 3	Total
<b>Financial Assets at Fair Value Through Profit or Loss</b>	<b>40,787</b>	-	-	<b>40,787</b>
Government Debt Securities	40,787	-	-	40,787
Share Certificates	-	-	-	-
Other Financial Assets	-	-	-	-
<b>Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>6,820,976</b>	<b>153,018</b>	-	<b>6,973,994</b>
Government Debt Securities	6,807,194	-	-	6,807,194
Share Certificates	13,782	-	-	13,782
Other Financial Assets (*)	-	153,018	-	153,018
<b>Loans at Fair Value Through Profit or Loss</b>	-	-	-	-
Derivative Financial Assets at Fair Value Through Profit or Loss	-	1,219,791	-	1,219,791
Derivative Financial Assets at Fair Value Through Other Comprehensive Income	-	17,462	-	17,462
<b>Total Assets</b>	<b>6,861,763</b>	<b>1,390,271</b>	-	<b>8,252,034</b>
<b>Derivative Financial Liabilities at Fair Value Through Profit or Loss</b>	-	693,438	-	693,438
<b>Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income</b>	-	-	-	-
<b>Total Liabilities</b>	-	<b>693,438</b>	-	<b>693,438</b>

(\*) Amounting of TL 153,018 of the other assets consists of the Omurga Gayrimenkul ve Girişim Sermayesi Portföy Yönetimi A.Ş. second real estate investment fund, it is 100% owned by Alternatifbank A.Ş. A.Ş. The assets of the fund consist of real estate purchased in 2023, and the real estate amount is kept at fair value according to the comparable method. For this reason, the fund was presented as level 2 in 2023.

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

None (31 December 2023: None).

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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)

### 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 and Compliance; Risk; Executive Committees.

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

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

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

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

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

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

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

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

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE 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)

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

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

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

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

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

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

		Risk Weighted Amount		Minimum capital requirement
		31 December 2024	31 December 2023	31 December 2024
1	Credit risk (excluding counterparty credit risk) (CCR)	55,341,903	41,100,263	4,427,352
2	Standardised approach (SA)	55,341,903	41,100,263	4,427,352
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	2,168,215	1,872,180	173,457
5	Standardised approach for counterparty credit risk (SA-CCR)	2,168,215	1,872,180	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	958,838	1,653,513	76,707
17	Standardised approach (SA)	958,838	1,653,513	76,707
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	4,110,857	2,210,072	328,869
20	Basic Indicator Approach	4,110,857	2,210,072	328,869
21	Standard Approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	<b>Total(1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>62,579,813</b>	<b>46,836,028</b>	<b>5,006,385</b>

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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)****X. Explanations on the Risk Management (Continued)****b. 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 UNCONSOLIDATED 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)**

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

**b. 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>
Risk Committee	Credit Risk Management	<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		<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 UNCONSOLIDATED 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)

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

#### b. 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	458,682	35,596,189	709,897	35,344,974
2 Debt securities	-	19,112,813	280,038	18,832,775
3 Off-balance sheet exposures	106,388	35,591,415	70,280	35,627,523
4 Total	<b>565,070</b>	<b>90,300,417</b>	<b>1,060,215</b>	<b>89,805,272</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	398,935	26,613,963	1,318,401	25,694,501
2 Debt securities	-	17,171,133	404,147	16,766,986
3 Off-balance sheet exposures	89,320	22,002,493	51,313	22,040,500
4 Total	<b>488,255</b>	<b>65,787,589</b>	<b>1,773,857</b>	<b>64,501,987</b>

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

		Amount (Current Period)	Amount (Prior Period)
1	<b>Defaulted loans and debt securities at end of the previous reporting period</b>	<b>488,255</b>	<b>733,751</b>
2	Loans and debt securities that have defaulted since the last reporting period	943,810	636,754
3	Receivables back to non-defaulted status	-	-
4	Amounts written off(*)	(221,498)	(128,465)
5	Other changes	(645,497)	(753,785)
6	<b>Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)</b>	<b>565,070</b>	<b>488,255</b>

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

##### 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.

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE UNCONSOLIDATED 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)**

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

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

**4. Qualitative requirements to be declared to public about credit risk mitigation techniques (Continued)**

**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.

<b>Current Period</b>		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	34,129,369	1,215,605	508,894	-	-	-	-
2	Debt securities	18,832,775	-	-	-	-	-	-
3	<b>Total</b>	<b>52,962,144</b>	<b>1,215,605</b>	<b>508,894</b>	-	-	-	-
4	Of which defaulted	(301,160)	86,053	5,144	-	-	-	-

<b>Prior Period</b>		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	22,800,580	2,893,921	719,163	-	-	-	-
2	Debt securities	16,766,986	-	-	-	-	-	-
3	<b>Total</b>	<b>39,567,566</b>	<b>2,893,921</b>	<b>719,163</b>	-	-	-	-
4	Of which defaulted	(894,411)	12,956	5,838	-	-	-	-

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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)

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

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

##### 5. 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		Corparate Receivables
			Receivables that original maturities are lower than 3 months	Receivables that original maturities are higher than 3 months	
1	AAA to AA-	0%	20%	20%	20%
2	A+ to A-	20%	20%	50%	50%
3	BBB+ to BBB	50%	20%	50%	100%
4	BB+ to BB-	100%	50%	100%	100%
5	B+ to B-	100%	50%	100%	150%
6	CCC and lower	150%	150%	150%	150%

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE UNCONSOLIDATED 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)**

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

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

**6. Credit Risk Exposure and Credit Risk Mitigation Techniques- Standard Approach**

	Current Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		Risk Classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA
1	Exposures to central governments or central banks	29,651,586	-	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	8,951,793	5,020,026	4,890,321	4,515,533	3,934,873	41.8%
7	Exposures to corporates	31,887,022	34,651,122	31,634,959	27,885,195	45,471,708	76.4%
8	Retail exposures	616,950	492,677	573,561	49,409	467,228	75.0%
9	Exposures secured by residential property	298,931	85,435	286,441	47,767	116,973	35.0%
10	Exposures secured by commercial real estate	436,563	-	436,562	-	218,281	50.0%
11	Past-due loans	176,303	1	173,999	1	166,492	95.7%
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 corporates with a short term credit assessment	-	-	-	-	-	0.0%
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	0.0%
16	Other exposures	5,119,076	-	5,119,076	-	4,083,371	79.8%
17	Equity share investments	-	-	-	-	-	0.0%
18	<b>Total</b>	<b>78,888,474</b>	<b>40,268,578</b>	<b>73,775,343</b>	<b>32,500,751</b>	<b>57,413,072</b>	<b>53.6%</b>

**ALTERNATİFBANK A.Ş.**

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**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)**

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

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

**6. Credit Risk Exposure and Credit Risk Mitigation Techniques - Standard Approach (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>	<b>On-balance sheet amount</b>	<b>Off-balance sheet amount</b>	<b>On-balance sheet amount</b>	<b>Off-balance sheet amount</b>	<b>RWA</b>
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	4,092,357	5,918,518	1,845,613	5,538,939	2,774,059	37.6%
7	Exposures to corporates	21,951,306	20,267,852	21,414,384	15,711,688	29,303,787	78.9%
8	Retail exposures	71,756	441,008	66,072	25,591	64,524	70.4%
9	Exposures secured by residential property	340,164	146,462	308,817	84,553	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	35,672	-	31,531	-	33,630	106.7%
12	High risk categories by the Agency Board	4,204,923	12,671	4,188,371	426	8,345,640	199.2%
13	Exposures in the form of covered bonds	-	-	-	-	-	0.0%
14	Exposures to institutions and corporates with a short term credit assessment	-	-	-	-	-	0.0%
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	0.0%
16	Other exposures	2,697,811	-	2,697,811	-	2,092,702	77.6%
17	Equity share investments	-	-	-	-	-	0.0%
<b>18</b>	<b>Total</b>	<b>59,474,053</b>	<b>26,823,713</b>	<b>56,668,211</b>	<b>21,381,477</b>	<b>42,820,799</b>	<b>54.9%</b>

**ALTERNATİFBANK A.Ş.**

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

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

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

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

Regulatory portfolio (Current Period)		0%	10%	20%	35% secured by real estate mortgage	50% secured by real estate mortgage	50%	75%	100%	150%	200% (*)	Others	Total risk amount (post-CCF and CRM)
1	Exposures to central governments or central banks	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	-	-	2,767,779	-	-	6,513,515	-	124,560	-	-	-	9,405,854
7	Exposures to corporates	-	-	8,492,020	-	-	14,509,652	17	36,518,465	-	-	-	59,520,154
8	Retail exposures	-	-	-	-	-	-	622,970	-	-	-	-	622,970
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	-	-	-	-	-	85,050	-	18,915	70,035	-	-	174,000
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	Equity share investments	-	-	-	-	-	-	-	-	-	-	-	-
17	Other exposures	1,035,047	-	821	-	-	-	-	4,083,208	-	-	-	5,119,076
18	<b>Total</b>	<b>29,945,221</b>	-	<b>11,260,620</b>	<b>334,208</b>	<b>436,562</b>	<b>21,108,217</b>	<b>622,987</b>	<b>40,747,863</b>	<b>1,727,314</b>	-	<b>93,102</b>	<b>106,276,094</b>

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

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

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

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

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

Regulatory portfolio (Prior Period)		0%	10%	20%	35% secured by real estate mortgage	50% secured by real estate mortgage	50%	75%	100%	150%	200%	Others	Total risk amount (post-CCF and CRM)
1	Exposures to central governments or central banks	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	-	-	3,100,210	-	-	4,260,649	-	23,693	-	-	-	7,384,552
7	Exposures to corporates	-	-	4,716,506	-	-	8,098,154	13	24,311,399	-	-	-	37,126,072
8	Retail exposures	8,264	-	-	-	-	-	75,501	7,898	-	-	-	91,663
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	4,480	-	-	31,531
12	High risk categories by the Agency Board	-	-	-	-	-	-	-	-	116,868	4,063,102	8,827	4,188,797
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	Equity share investments	-	-	-	-	-	-	-	-	-	-	-	-
17	Other exposures	593,471	-	14,548	-	-	-	-	2,089,792	-	-	-	2,697,811
18	<b>Total</b>	<b>26,601,929</b>	-	<b>7,831,264</b>	<b>393,370</b>	<b>133,842</b>	<b>12,359,085</b>	<b>75,514</b>	<b>26,461,407</b>	<b>121,348</b>	<b>4,063,102</b>	<b>8,827</b>	<b>78,049,688</b>

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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)

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

###### c. 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 Underwriting 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 underwriting teams and operation units.

###### 2. 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 UNCONSOLIDATED FINANCIAL STATEMENTS**

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

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

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

**2. 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	1,687,441	378,892
2	Internal Model Method (for derivative financial instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)				-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)				-	-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions))					3,751,759	1,341,699
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					3,751,759	1,341,699
6	<b>Total</b>						<b>1,720,591</b>

**3. 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

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

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

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

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

**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	112,417	17	771,667	-	-	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>-</b>	<b>-</b>	<b>2,001,507</b>	<b>1,743,250</b>	<b>105</b>	<b>896,210</b>	<b>-</b>	<b>-</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 UNCONSOLIDATED FINANCIAL STATEMENTS**

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

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

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

**4. CCR Exposures by Risk Class and Risk Weights (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>-</b>	<b>2,354,424</b>	<b>2,358,246</b>	<b>44</b>	<b>70,495</b>	<b>-</b>	<b>-</b>	<b>5,439,108</b>

(\*) 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 UNCONSOLIDATED FINANCIAL STATEMENTS**

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

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

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

**5. Collaterals for 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>

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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)****X. Explanations on the Risk Management (Continued)****c. Explanations on Counterparty Credit Risk (CCR) (Continued)****6. Credit Derivatives**

	<b>A</b>	<b>B</b>
	<b>Protection bought</b>	<b>Protection sold</b>
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****d. Securitisation Explanations:**

None.

**e. 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.

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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)****X. Explanations on the Risk Management (Continued)****e. Explanations on Market Risk (Continued)****2. 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	727,350	1,475,863
4	Commodity risk	-	-
<b>Options</b>			
5	Simplified approach	-	-
6	Delta-plus method	134,213	46,850
7	Scenario approach	-	-
8	Securitisation	-	-
9	<b>Total</b>	<b>958,838</b>	<b>1,653,513</b>

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 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.

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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)****X. Explanations on the Risk Management (Continued)****e. Explanations on Market Risk (Continued)****2. Market Risk -Standard Approach (Continued)**

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	68,925	121,817
(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)	76,707	132,281
<b>(X) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x IX)</b>	<b>958,838</b>	<b>1,653,513</b>

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

	<b>31 December 2024</b>			<b>31 December 2023</b>		
	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>
Interest Rate Risk	10,427	12,962	6,902	11,299	27,203	4,523
Common Stock Risk	-	-	-	-	-	-
Currency Risk	85,695	326,591	21,275	97,366	134,735	33,245
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>1,301,893</b>	<b>4,352,125</b>	<b>493,063</b>	<b>1,435,174</b>	<b>2,159,425</b>	<b>661,675</b>

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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)****X. Explanations on the Risk Management (Continued)****e. Explanations on Market Risk (Continued)****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. 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):**

<b>Current Period</b>	<b>31 December 2024</b>
Interest Rate Contracts	21,150,354
Foreign Exchange Rate Contracts	30,983,871
Commodity Contracts	2,702,315
Equity Shares Related Contracts	-
Other	-
Gross Positive Fair Values	4,641,072
Netting Benefits	-
Net Current Exposure Amount	-
Collaterals Received	-
Net Derivative Position	4,641,072

<b>Prior Period</b>	<b>31 December 2023</b>
Interest Rate Contracts	20,529,565
Foreign Exchange Rate Contracts	26,094,267
Commodity Contracts	6,551,074
Equity Shares Related Contracts	-
Other	-
Gross Positive Fair Values	5,439,108
Netting Benefits	-
Net Current Exposure Amount	-
Collaterals Received	-
Net Derivative Position	5,439,108

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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)****X. Explanations on the Risk Management (Continued)****f. 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 4,110,863.

The annual gross income is calculated 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 (Annual) :**

	<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	806,779	1,995,330	3,775,262	2,192,457	15	328,869
Amount Subject to Operational Risk (Total*12,5)						4,110,863

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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)****XI. Explanation 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.

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

The Bank applies cash flow hedge accounting using interest rate swaps to hedge its TL and FC deposits with short term cyclical basis. The Bank implements effectiveness tests at the balance sheet dates for hedge accounting; the effective parts are accounted as defined in TAS 39, in financial statements under equity "Hedging reserves", whereas the amount concerning ineffective part is associated with income statement. The Company applies effectiveness tests for cash flow hedge accounting at each balance sheet date, the active parts are accounted under equity in the financial statements as "Accumulated Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss" as defined in TAS 39, and the amount related to the ineffective part is accounted for associated with the income statement. Derivative financial instruments which used as hedging instruments in Cash Flow Hedge accounting are swap interest transactions. Those derivative financial instruments are summarized in the following table:

	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	-
<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>-</b>

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

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

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

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

	31 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 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 communiqué No. 2013/15 on Required Reserves, required reserves are established at the CBRT for Turkish currency and foreign currency liabilities. Required Reserves can be kept in Turkish Lira, USD, EUR and standard gold in accordance with the "Communiqué on Required Reserves" at the CBRT. According to the Communiqué on Required Reserves published in the Official Gazette dated 31 December 2022 and numbered 32060, the possibility of establishing Turkish Lira required reserves in 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%).

# ALTERNATİFBANK A.Ş.

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

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

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

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

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

	31 December 2024 (*)		31 December 2023 (*)	
	TL	FC	TL	FC
Forward Transactions	60,726	13,889	45,159	15,224
Swap Transactions	248,335	331,153	184,329	867,536
Options	99,250	117,350	68,553	38,990
<b>Total</b>	<b>408,311</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	14,576	2,960,225	462	960,656
Foreign	-	1,694,092	-	1,939,220
<b>Total</b>	<b>14,576</b>	<b>4,654,317</b>	<b>462</b>	<b>2,899,876</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	-	-
USD, Canada	1,051,776	1,542,326	-	-
OECD Countries	30,722	23,312	-	-
Off-Shore Banking Region	-	-	-	-
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). Real estate investment fund amounting to TL 115,191 (31 December 2023: TL 153,018). As of 31 December 2024, the share certificates amounting to TL 16,504 (31 December 2023: TL 13,782).

# ALTERNATİFBANK A.Ş.

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

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

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

	31 December 2024	31 December 2023
Debt Securities	8,182,536	7,364,244
Quoted on Stock Exchange	8,067,345	7,211,226
Not Quoted (*)	115,191	153,018
Share Certificates	16,504	13,782
Quoted on Stock Exchange	1	1
Not Quoted	16,503	13,781
Impairment Provision (-)	279,980	404,032
<b>Total</b>	<b>7,919,060</b>	<b>6,973,994</b>

(\*) Omurga Gayrimenkul ve Girişim Sermayesi Portföy Yönetimi A.Ş. also includes second real estate investment fund, it is 100% owned by Alternatifbank A.Ş.

#### g. Explanations on loans

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

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

#### Current Period:

Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Restructured Loans		
		Loans Not Subject to Restructuring	Loans with Revised Contract Terms	Refinance
Non-specialized Loans	37,246,018	568,855	2,772,547	-
Loans given to enterprises	-	-	-	-
Export Loans	9,257,797	74,298	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	2,629,076	-	-	-
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>37,246,018</b>	<b>568,855</b>	<b>2,772,547</b>	<b>-</b>

# ALTERNATİFBANK A.Ş.

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

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

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

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

#### Prior Period:

Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Loans Not Subject to Restructuring	Loans with Revised Contract Terms	Refinance
		Restructured Loans		
Non-specialized Loans	26,137,506	4,006,788	2,157,232	-
Loans given to enterprises	-	-	-	-
Export Loans	5,164,371	19,927	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	5,040,153	-	-	-
Consumer Loans	262,222	7,350	88	-
Credit Cards	61,158	5,387	-	-
Other	15,609,602	3,974,124	2,157,144	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>26,137,506</b>	<b>4,006,788</b>	<b>2,157,232</b>	<b>-</b>

#### Current Period (\*)

	Standard Loans	Loans Under Close Monitoring
12 Month Expected Credit Losses	183,912	-
Significant Increase in Credit Risk	-	318,097

(\*) Expected loss provision amounting to TL 2,065 calculated for financial assets measured at amortized cost is not included.

#### Prior Period (\*)

	Standard Loans	Loans Under Close Monitoring
12 Month Expected Credit Losses	57,845	-
Significant Increase in Credit Risk	-	893,242

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

#### 3. Loans according to their maturity structure

Cash Loans	Standart Loans	Loans Under Close Monitoring		
		Loans not Subject to restructuring	Loans with Revised Contract Terms	Refinance
		Restructured Loans		
Short-term Loans and Other Receivables	22,881,149	248,824	236,030	-
Non-specialised Loans	22,881,149	248,824	236,030	-
Specialised Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-Term Loans and Other Receivables	14,364,869	320,031	2,536,517	-
Non-specialised Loans	14,364,869	320,031	2,536,517	-
Specialised Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>37,246,018</b>	<b>568,855</b>	<b>2,772,547</b>	<b>-</b>

**ALTERNATİFBANK A.Ş.**

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

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

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

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

	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
Consumer Loans-TL	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 personal loans.

**ALTERNATİFBANK A.Ş.**

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

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

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

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

	<b>Short-term</b>	<b>Medium and long-term</b>	<b>Total</b>
Commercial Installments Loans-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 Installments Loans-FC Indexed	-	16,399	16,399
Real Estate Loans	-	16,399	16,399
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Installments Loans-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
Credit Deposit Account-TL (Legal Person)	82,442	-	82,442
Credit Deposit Account-FC (Legal Person)	-	-	-
<b>Total</b>	<b>312,221</b>	<b>8,558,348</b>	<b>8,870,569</b>

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

	<b>31 December 2024</b>	<b>31 December 2023</b>
Public	-	-
Private	40,587,420	32,301,526
<b>Total</b>	<b>40,587,420</b>	<b>32,301,526</b>

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

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

	<b>31 December 2024</b>	<b>31 December 2023</b>
Domestic Loans	40,586,635	32,300,750
Foreign Loans	785	776
<b>Total</b>	<b>40,587,420</b>	<b>32,301,526</b>

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

As of 31 December 2024, there are loans granted to associates and subsidiaries amount to TL 189,498 (31 December 2023: TL 1,249,882).

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

	<b>31 December 2024</b>	<b>31 December 2023</b>
Loans with Limited Collectability	24,580	1,298
Loans with Doubtful Collectability	53,898	5,969
Uncollectible Loans	129,410	360,047
<b>Total</b>	<b>207,888</b>	<b>367,314</b>

**ALTERNATİFBANK A.Ş.**

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**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

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

10. Information on non-performing loans (Net)

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
<b>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>
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
<b>31 December 2023</b>	1,311	17,359	380,265
Addition (+)	880,845	37,900	1,700
Transfers from Other Categories of Non-performing Loans (+)	-	202,041	44,698
Transfers to Other Categories of Non-performing Loans (-)	(202,041)	(44,698)	-
Collections (-)	(492,908)	(2,642)	(143,650)
Write-offs (-)	(83,322)	-	(138,176)
Sold Portfolio (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
<b>31 December 2024</b>	103,885	209,960	144,837
Specific Provisions (-)	24,580	53,898	129,410
<b>Net Balance on Balance Sheet</b>	<b>79,305</b>	<b>156,062</b>	<b>15,427</b>

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

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

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

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

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

	<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>79,305</b>	<b>156,062</b>	<b>15,427</b>
Loans to Real Persons and Legal Entities (Gross)	103,885	209,960	144,837
Specific Provision Amount (-)	(24,580)	(53,898)	(129,410)
Loans to Real Persons and Legal Entities (Net)	79,305	156,062	15,427
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
<b>31 December 2023 (Net)</b>	<b>13</b>	<b>11,390</b>	<b>20,218</b>
Loans to Real Persons and Legal Entities (Gross)	1,311	17,359	380,265
Specific Provision Amount (-)	(1,298)	(5,969)	(360,047)
Loans to Real Persons and Legal Entities (Net)	13	11,390	20,218
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

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

	<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>	<b>-</b>	<b>-</b>	<b>-</b>
Interest accruals and valuation differences	-	-	51,944
Provision (-)	-	-	(51,944)

# ALTERNATİFBANK A.Ş.

## NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED 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

	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>

###### 3. Financial assets measured at amortised cost

	31 December 2024	31 December 2023
<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	-	-
Impairment Provision (-)	-	-
<b>Total</b>	<b>10,908,174</b>	<b>9,601,665</b>

###### 4. Movement of financial assets measured at amortised cost

	31 December 2024	31 December 2023
Balance at the Beginning of the Period	9,601,665	7,007,615
Effect of Reclassifications and Measurements in accordance with TFRS 9	1,700,744	3,814,210
Transfers from Investment Securities Available for Sale	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)

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

# ALTERNATİFBANK A.Ş.

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

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

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

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

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

##### 2. Information on subsidiaries

No	Title	Address (City/ Country)	Bank's share percentage, if different voting percentage (%)	Bank's Risk Group Share (%)
1	Alternatif 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 BRSAs consolidation as of 31 December 2024.

##### 3. The movement of the subsidiaries

	31 December 2024	31 December 2023
<b>Balance at the Beginning of the Period</b>	<b>340,580</b>	<b>325,580</b>
<b>Movements During the Period</b>	<b>10,000</b>	<b>15,000</b>
Purchases <sup>(*)</sup> (**)	10,000	32,338
Transfers	-	-
Bonus Shares Obtained	-	-
Share in Current Year Income	-	-
Sales	-	(17,338)
Revaluation (Decrease) / Increase	-	-
Provision for Impairment	-	-
<b>Balance at the End of the Period</b>	<b>350,580</b>	<b>340,580</b>
<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.

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

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

Subsidiaries	31 December 2024	31 December 2023
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	292,165	292,165
Finance Companies	-	-
Other Financial Subsidiaries	58,415	48,415

5. Subsidiaries quoted on stock exchange

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

**k. Information on joint ventures**

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

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

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

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

	31 December 2024 (*)		31 December 2023 (*)	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
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 Four Footnote Number XI.

**ALTERNATİFBANK A.Ş.**

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

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

**n. Tangible assets**

<b>Current Period</b>	<b>Real Estates(**)</b>	<b>Motor Vehicles</b>	<b>Other Tangible Assets</b>	<b>Financial Leasings</b>	<b>Total</b>
Cost	803,623	215,403	143,603	53,769	1,216,398
Accumulated Depreciation (-)	22,208	15,060	79,933	29,135	146,336
<b>31 December 2023 Net Book Value</b>	<b>781,415</b>	<b>200,343</b>	<b>63,670</b>	<b>24,634</b>	<b>1,070,062</b>
Additions	2,379	7,968	40,116	12,807	63,270
Disposals Cost (-)	-	21,701	2,922	9,756	34,379
Disposals Depreciation (-)	-	(6,631)	(9,666)	(6,640)	(22,937)
Impairment (*)	996,977	-	-	-	996,977
Depreciation (-)	4,186	21,181	23,958	8,925	58,250
<b>Cost at Period End</b>	<b>1,802,979</b>	<b>201,670</b>	<b>180,797</b>	<b>56,820</b>	<b>2,242,266</b>
<b>Accumulated Depreciation at Period End (-)</b>	<b>26,394</b>	<b>29,610</b>	<b>94,225</b>	<b>31,420</b>	<b>181,649</b>
<b>31 December 2024 Net Book Value</b>	<b>1,776,585</b>	<b>172,060</b>	<b>86,572</b>	<b>25,400</b>	<b>2,060,617</b>

<b>Prior Period</b>	<b>Real Estates(**)</b>	<b>Motor Vehicles</b>	<b>Other Tangible Assets</b>	<b>Financial Leasings</b>	<b>Total</b>
Cost	586,710	53,410	110,605	62,936	813,661
Accumulated Depreciation (-)	18,070	9,280	70,445	28,191	125,986
<b>31 December 2022 Net Book Value</b>	<b>568,640</b>	<b>44,130</b>	<b>40,160</b>	<b>34,745</b>	<b>687,675</b>
Additions	6,334	185,699	40,329	6,757	239,119
Disposals Cost (-)	-	23,706	7,331	15,924	46,961
Disposals Depreciation (-)	-	(6,321)	(6,385)	(6,394)	(19,100)
Impairment	210,579	-	-	-	210,579
Depreciation (-)	4,138	12,101	15,873	7,338	39,450
<b>Cost at Period End (*)</b>	<b>803,623</b>	<b>215,403</b>	<b>143,603</b>	<b>53,769</b>	<b>1,216,398</b>
<b>Accumulated Depreciation at Period End (-)</b>	<b>22,208</b>	<b>15,060</b>	<b>79,933</b>	<b>29,135</b>	<b>146,336</b>
<b>31 December 2023 Net Book Value</b>	<b>781,415</b>	<b>200,343</b>	<b>63,670</b>	<b>24,634</b>	<b>1,070,062</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 210,414 and TL 26,394 (31 December 2023: TL 208,035 and TL 22,208).

# ALTERNATİFBANK A.Ş.

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

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

###### o. Intangible assets

###### 1. Information on movements between the beginning and end of the period

	31 December 2024	31 December 2023
<b>Beginning of the Period</b>	<b>211,935</b>	<b>131,616</b>
Internally Generated Amounts	-	-
Additions due to Mergers, Transfers and Acquisitions	328,651	152,286
Disposals	-	(76)
Amount Accounted under Revaluation Reserve	-	-
Impairment	-	-
Impairment Reversal	-	-
Amortisation (-)	135,672	71,891
Net Foreign Currency Difference From Foreign Investments in Associates	-	-
Other Changes in Book Value	-	-
<b>End of the Period</b>	<b>404,914</b>	<b>211,935</b>

###### 2. Gross carrying value and accumulated depreciation at the beginning and at the end of the period

	31 December 2024	31 December 2023
Gross Carrying Value	778,989	451,221
Accumulated Depreciation (-)	374,075	239,286
<b>Net Carrying Value</b>	<b>404,914</b>	<b>211,935</b>

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

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

###### r. Explanations about deferred tax provision

As of 31 December 2024, the Bank has deferred tax asset amounting to TL 816,111 (31 December 2023: TL 427,288 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
Deferred Tax Asset / (Liability)				
Tangible Assets Base Differences	1,461,916	438,575	724,853	217,456
Provisions	757,150	227,145	1,670,380	501,114
Valuation of Financial Assets	383,789	115,137	(993,637)	(298,091)
Commission Deferral	117,513	35,254	22,697	6,809
Financial Losses	-	-	-	-
Other	-	-	-	-
<b>Net Deferred Tax Assets</b>		<b>816,111</b>		<b>427,288</b>

	1 January– 31 December 2024	1 January– 31 December 2023
1 January Net Deferred Tax Asset/(Liability)	427,288	121,669
Deferred Tax (Expense)/Income	228,984	(96,624)
Deferred tax recognized in Other Comprehensive Income	159,839	402,243
<b>31 December Net Deferred Tax Asset/(Liability)</b>	<b>816,111</b>	<b>427,288</b>

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and Notes on Assets (Continued)****s. Movement of assets held for resale and discontinued operations**

	<b>31 December 2024</b>	<b>31 December 2023</b>
Beginning of the period	405,658	487,833
Disposals (-)	(16,105)	(87,495)
Additions	573,700	5,320
Current period depreciation (-)	-	-
Impairment provision addition/ return	-	-
<b>End of the Period</b>	<b>963,253</b>	<b>405,658</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:

None (31 December 2023: None).

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED 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
Saving Deposits	1,193,091	-	9,235,825	5,153,639	1,069,043	115,555	127,007	-	16,894,160
Foreign Currency Deposits	3,509,756	-	2,645,289	7,429,099	117,857	24,978	703	-	13,727,682
Residents in Turkey	3,400,419	-	2,608,084	7,086,156	95,909	10,303	703	-	13,201,574
Residents Abroad	109,337	-	37,205	342,943	21,948	14,675	-	-	526,108
Public Sector Deposits	250,234	-	-	-	-	-	-	-	250,234
Commercial Deposits	374,611	-	1,338,359	2,767,696	381,754	14,406	23,928	-	4,900,754
Other Institutions Deposits	5,578	-	3,514	40,892	105	-	-	-	50,089
Precious Metal Deposits	226,493	-	197,103	470,872	69,932	5,222	-	-	969,622
Bank Deposits	124,733	-	721,842	-	-	-	-	-	846,575
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	115	-	176,226	-	-	-	-	-	176,341
Foreign Banks	124,618	-	545,616	-	-	-	-	-	670,234
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5,684,496</b>	-	<b>14,141,932</b>	<b>15,862,198</b>	<b>1,638,691</b>	<b>160,161</b>	<b>151,638</b>	-	<b>37,639,116</b>

(ii). 31 December 2023:

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

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

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

2. Information on saving deposits insurance

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

	<b>Under the Guarantee of Deposit Insurance</b>		<b>Exceeding Limit of the Deposit Insurance</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Saving Deposits</b>				
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

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

	<b>31 December 2024 (*)</b>		<b>31 December 2023 (*)</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Forward Transactions	13	33,851	16,802	2,372
Swap Transactions	-	399,964	126,987	478,666
Futures Transactions	-	-	-	-
Options	87,659	64,525	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 UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
The CBRT Borrowings	-	126,393	-	109,305
From Domestic Banks and Institutions	18,031	932	43,279	57,209
From Foreign Banks, Institutions and Funds	7,174	14,188,041	5,104	17,648,701
<b>Total</b>	<b>25,205</b>	<b>14,315,366</b>	<b>48,383</b>	<b>17,815,215</b>

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

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Short-term	25,205	1,324,122	48,383	681,445
Medium and Long-term	-	12,991,244	-	17,133,770
<b>Total</b>	<b>25,205</b>	<b>14,315,366</b>	<b>48,383</b>	<b>17,815,215</b>

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

None.

###### d. Information on other foreign liabilities

Other foreign liabilities amounting to TL 565,202 are included in "Other Liabilities" (31 December 2023: TL 529,557) and do not exceed 10% of the total balance sheet.

###### e. Information on financial lease agreements

	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

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Fair Value Hedges	-	-	-	-
Cash Flow Hedges (*)	1,751	-	-	-
Foreign Currency Investment Hedges	-	-	-	-
<b>Total</b>	<b>1,751</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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

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

In accordance with the TAS 19 Standard, Actuarial losses has recognized under the equity, amount of after deferred tax TL 10,768 as of 1 January - 31 December 2024 period (31 December 2023: TL 23,785 Loss).

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
Ratio Used for Probability of Pension (%)	86.67	86.67

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

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>21,433</b>	<b>21,003</b>
Current Period Service Cost	3,682	2,365
Interest Cost	3,439	3,875
Paid Compensation	(27,074)	(38,836)
Termination Cost	14,339	(953)
Actuarial Gain/(Loss)	15,383	33,979
<b>Balance at the end of the period</b>	<b>31,202</b>	<b>21,433</b>

As of 31 December 2024, The Bank has provision for employee benefits amount of TL 31,202 (31 December 2023: TL 21,433) provision of unused vacation amount of TL 14,421 TL (31 December 2023: TL 10,447).

**2. Information on Provisions Related with the Foreign Currency Difference of Foreign 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
Provision for Litigation and Claims	77,767	61,810
Provision for the Impairment due Settlement Date	13,453	74,729
Provision for Miscellaneous Receivables	730	2,552
<b>Total</b>	<b>201,632</b>	<b>259,214</b>

**ALTERNATİFBANK A.Ş.**

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

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

**h. Information on taxes payable**

**1. Information on current tax liability**

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

**(i) Information on taxes payable**

	<b>31 December 2024</b>	<b>31 December 2023</b>
Taxation of Marketable Securities	99,213	25,139
Banking Insurance Transaction Tax (BITT)	58,744	45,324
Value Added Tax Payable	5,774	3,313
Property Tax	373	372
Foreign Exchange Transaction Tax	665	704
Corporate Tax Payable	-	210,568
Other	19,861	11,919
<b>Total</b>	<b>184,630</b>	<b>297,339</b>

**(ii) Information on premium payables**

	<b>31 December 2024</b>	<b>31 December 2023</b>
Social Security Premiums - Employee	6,458	8,969
Social Security Premiums - Employer	7,228	10,039
Bank Pension Fund Premiums - Employee	-	-
Bank Pension Fund Premiums - Employer	-	-
Pension Fund Deposit and Provisions - Employee	-	-
Pension Fund Deposit and Provisions - Employer	-	-
Unemployment Insurance - Employee	461	641
Unemployment Insurance - Employer	923	1,281
Other	4,200	5,422
<b>Total</b>	<b>19,270</b>	<b>26,352</b>

**i. Deferred tax liability**

As of 31 December 2024, there is no deferred tax liability (31 December 2023: None).

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

As of 31 December 2024, there is no liabilities for assets held for sale and assets of discontinued operations (31 December 2023: None).

**k. Subordinated debts**

Detail information related to subordinated debts are explained in I.b.

	<b>31 December 2024</b>		<b>31 December 2023</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
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 calculation	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debts	-	-	-	-
<b>Total</b>		<b>9,891,747</b>		<b>8,252,097</b>

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and Notes on Liabilities (Continued)****I. 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 Bank applies registered share capital system. The 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 commitments up until the end of the fiscal year and the subsequent interim period : None.

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

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

## 7. There is no privileges given to shares representing the capital

## 8. Information on marketable securities valuation reserve

	<b>31 December 2024</b>		<b>31 December 2023</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From Investments in Associates, Subsidiaries, and Joint Ventures	2,722	-	-	-
Valuation Difference	(520,415)	(102,113)	(241,744)	(117,344)
Foreign Currency Difference	-	-	-	-
<b>Total</b>	<b>(517,693)</b>	<b>(102,113)</b>	<b>(241,744)</b>	<b>(117,344)</b>

## 9. Information on other capital reserves

None.

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****III. Explanations and Notes on Off-Balance Sheet Accounts****a. Information on off balance sheet commitments****1. The amount and type of irrevocable commitments**

According to Direct Debiting System, there is TL 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, 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	7,222,272	4,565,879
Bank Acceptance Loans	624,838	321,825
Guarantees and Collaterals	1,073,382	912,083
<b>Total</b>	<b>8,920,492</b>	<b>5,799,787</b>

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

	<b>31 December 2024</b>	<b>31 December 2023</b>
Definite Letter of Guarantees	22,597,796	16,109,295
Advance Letter of Guarantee	632,686	757,097
Letter of Guarantees Given to Customs	400,808	367,876
Temporary Letter of Guarantees	82,748	201,674
<b>Total</b>	<b>23,714,038</b>	<b>17,435,942</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	24,514,396	17,137,529
<b>Total</b>	<b>38,477,630</b>	<b>25,989,879</b>

**ALTERNATİFBANK A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**

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

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

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

**3. Non-cash loans (Continued)**

**(ii). Other information on non-cash loans**

	31 December 2024				31 December 2023			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
<b>Agricultural</b>	<b>134,458</b>	<b>0.61</b>	<b>42,028</b>	<b>0.26</b>	<b>89,973</b>	<b>0.72</b>	<b>12,511</b>	<b>0.09</b>
Farming and Livestock	134,266	0.61	42,028	0.26	89,781	0.72	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>28.89</b>	<b>6,013,170</b>	<b>36.71</b>	<b>3,598,572</b>	<b>28.99</b>	<b>3,968,373</b>	<b>29.24</b>
Mining	312,447	1.41	105,474	0.64	277,830	2.24	118,882	0.88
Production	5,458,483	24.70	5,897,086	36.01	3,168,233	25.52	3,801,192	28.00
Electric, Gas, Water	614,616	2.78	10,610	0.06	152,509	1.23	48,299	0.36
<b>Construction</b>	<b>525,077</b>	<b>2.38</b>	<b>345,985</b>	<b>2.11</b>	<b>574,622</b>	<b>4.63</b>	<b>1,212,949</b>	<b>8.94</b>
<b>Services</b>	<b>10,914,106</b>	<b>49.39</b>	<b>7,199,362</b>	<b>43.96</b>	<b>5,994,043</b>	<b>48.29</b>	<b>5,100,425</b>	<b>37.58</b>
Wholesale and Retail Trade	1,254,292	5.68	2,750,515	16.79	1,449,696	11.68	1,293,346	9.53
Hotel and Food Services	11,508	0.05	25,090	0.15	15,720	0.13	0.00	0.00
Transportation and Telecommunication	756,338	3.42	921,813	5.63	394,625	3.18	863,568	6.36
Financial Institutions	8,380,236	37.92	1,351,109	8.25	3,741,244	30.13	1,307,580	9.63
Real Estate and Leasing Ser.	14,465	0.07	1,854,450	11.32	21,750	0.18	1,415,397	10.43
Professional Services	366,886	1.66	289,459	1.77	355,507	2.86	213,792	1.58
Education Services	712	0.00	0	0.00	712	0.01	0	0.00
Health and Social Services	129,669	0.59	6,926	0.04	14,789	0.12	6,742	0.05
<b>Other</b>	<b>4,140,419</b>	<b>18.74</b>	<b>2,777,477</b>	<b>16.96</b>	<b>2,159,115</b>	<b>17.39</b>	<b>3,279,296</b>	<b>24.15</b>
<b>Total</b>	<b>22,099,606</b>	<b>100.00</b>	<b>16,378,022</b>	<b>100.00</b>	<b>12,416,325</b>	<b>100.00</b>	<b>13,573,554</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	16,197,452	7,315,814	57,982	142,790
Bank Acceptances	-	624,838	-	-
Letters of Credit	1,074	7,221,198	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	5,793,600	1,073,382	49,500	-
<b>Total</b>	<b>21,992,126</b>	<b>16,235,232</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	9,614,382	7,668,502	47,793	105,265
Bank Acceptances	-	189,353	-	132,472
Letters of Credit	-	4,565,879	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	2,754,150	912,083	-	-
<b>Total</b>	<b>12,368,532</b>	<b>13,335,817</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 UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****III. Explanations and Notes on Off-Balance Sheet Accounts (Continued)****b. Information on derivative financial instruments**

	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Types of Trading Transactions</b>		
<b>Foreign Currency Related Derivative Transactions (I)</b>	<b>58,620,299</b>	<b>49,863,755</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	7,378,251
Securities Options	-	-
<b>Interest Related Derivative Transactions (II)</b>	<b>15,460,600</b>	<b>18,010,368</b>
Forward Rate Agreements	-	-
Interest Rate Swaps	15,460,600	18,010,368
Interest Rate Options	-	-
Interest Rate Futures	-	-
<b>Other Trading Transactions (III)</b>	<b>4,919,567</b>	<b>10,067,863</b>
<b>A. Total Trading Derivative Transactions (I+II+III)</b>	<b>79,000,466</b>	<b>77,941,986</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>80,300,466</b>	<b>78,741,986</b>

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

As of 31 December 2024, The Bank has no commitment which related to "Credit-linked Bond" (31 December 2023: None).

**d. Contingent liabilities and assets**

As of 31 December 2024, outstanding legal claims against the Bank have been considered as contingent liabilities amounting to TL 104,775 and TL 77,767 provision is provided against these legal cases (31 December 2023: Contingent Liability: TL 108,991, Provision: TL 61,810).

**e. Services rendered on behalf of third parties**

The 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

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**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**

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

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

**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	2,369,361	291,347	747,286	317,431
Interest on Loans Under Follow-up	86,384	-	74,563	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
<b>Total (*)</b>	<b>8,549,362</b>	<b>1,303,765</b>	<b>4,814,594</b>	<b>1,355,034</b>

(\*) Includes fee and commission income received for 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	31,163	47,746	16,651	35,198
From Foreign Banks	-	99,295	38	94,997
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>979,469</b>	<b>172,764</b>	<b>21,275</b>	<b>148,137</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	1,611	1,931	526	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>1,796,605</b>	<b>643,076</b>	<b>1,439,203</b>	<b>514,949</b>

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

	31 December 2024	31 December 2023
Interest Received from Associates and Subsidiaries	131,733	166,468

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. Explanations And Notes on Income Statement (Continued)****b. Information on interest expense****1. Information on interest expense on borrowings**

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Banks	16,122	1,468,318	9,350	1,321,280
CBRT	-	-	535	-
Domestic Banks	13,079	2,473	8,112	7,437
Foreign Banks	3,043	1,465,845	703	1,313,843
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	858,855	-	723,302
<b>Total (*)</b>	<b>16,122</b>	<b>2,327,173</b>	<b>9,350</b>	<b>2,044,582</b>

*(\*) Includes fee and commission expense related with cash loans.***2. Information on interest expense given to investments in associates and subsidiaries**

	31 December 2024	31 December 2023
Interest Paid to Associates and Subsidiaries	4,341	10,517

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

	31 December 2024	31 December 2023
Information on Interest Expense to Marketable Securities Issued	-	13,302

**ALTERNATİFBANK A.Ş.**

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

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

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

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

31 December 2024	Demand Deposit	Time Deposit						Total
		Up to 1 Months	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	-	636,981	627,494	149,119	1,713	34,560	-	1,449,867
Other Deposits	-	2,709	26,887	3,023	-	2	-	32,621
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>4,021,840</b>	<b>2,175,906</b>	<b>818,583</b>	<b>209,209</b>	<b>63,848</b>	-	<b>7,289,386</b>
<b>Foreign Currency</b>								
Foreign Currency Account	-	37,765	120,587	1,360	782	923	-	161,417
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>44,247</b>	<b>123,007</b>	<b>1,986</b>	<b>844</b>	<b>989</b>	-	<b>171,073</b>
<b>Grand Total</b>	-	<b>4,066,087</b>	<b>2,298,913</b>	<b>820,569</b>	<b>210,053</b>	<b>64,837</b>	-	<b>7,460,459</b>

31 December 2023	Demand Deposit	Time Deposit						Total
		Up to 1 Months	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	-	301,811	763,827	141,126	-	99,004	-	1,305,768
Other Deposits	-	14,805	7,586	7	19	2	-	22,419
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>1,196,021</b>	<b>2,247,837</b>	<b>258,624</b>	<b>2,648</b>	<b>123,154</b>	-	<b>3,828,284</b>
<b>Foreign Currency</b>								
Foreign Currency Account	-	15,701	80,447	1,147	1,273	8,908	-	107,476
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>32,963</b>	<b>81,849</b>	<b>1,265</b>	<b>1,290</b>	<b>9,214</b>	-	<b>126,581</b>
<b>Grand Total</b>	-	<b>1,228,984</b>	<b>2,329,686</b>	<b>259,889</b>	<b>3,938</b>	<b>132,368</b>	-	<b>3,954,865</b>

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. Explanations And Notes on Income Statement (Continued)****b. Information on interest expense (Continued)**

5. Given interest amount on repurchase agreement

As of 31 December 2024, given interest amount on repurchase agreement is amounting to TL 1,439,052 (31 December 2023: TL 403,921).

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**

There is dividend income amounting to TL 63,052 as of 31 December 2024 (31 December 2023: TL 10,032).

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

	31 December 2024	31 December 2023
<b>Income</b>	<b>213,895,955</b>	<b>182,411,233</b>
Income from Capital Market Transactions	4,210	168,301
Derivative Financial Transactions	2,407,169	5,215,627
Foreign Exchange Gains	211,484,576	177,027,305
<b>Loss (-)</b>	<b>214,955,271</b>	<b>180,438,425</b>
Loss from Capital Market Transactions	249	916
Derivative Financial Transactions	2,406,765	2,954,203
Foreign Exchange Loss	212,548,257	177,483,306
<b>Net Income/(Loss)</b>	<b>(1,059,316)</b>	<b>1,972,808</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 188,994 (31 December 2023: TL 183,328).

**ALTERNATİFBANK A.Ş.**

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

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

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

	<b>31 December 2024</b>	<b>31 December 2023</b>
Expected Credit Loss	(706,557)	88,078
12 month expected credit loss (stage 1)	84,300	(64,318)
Significant increase in credit risk (stage 2)	(647,056)	141,622
Non-performing loans (stage 3)	(143,801)	10,774
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	32,762	34,372
<b>Total</b>	<b>(669,014)</b>	<b>127,218</b>

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

	<b>31 December 2024</b>	<b>31 December 2023</b>
Personnel Expenses	1,008,113	669,187
Reserve for Employee Termination Benefits	4,800	5,673
Unused Vacation	3,974	3,454
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	58,250	49,294
Impairment Expenses of Intangible Assets	-	-
Impairment Expense of Goodwill	-	-
Amortisation Expenses of Intangible Assets	135,672	71,891
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	647,556	462,368
Operational Lease Expenses	3,693	1,563
Maintenance Expenses	8,218	7,084
Advertising Expenses	31,680	38,495
Other Expenses	603,965	415,226
Loss on Sales of Assets	226,040	29,858
Other (*)	156,138	100,197
<b>Total</b>	<b>2,240,543</b>	<b>1,391,922</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 charges is TL 19,716 (31 December 2023: TL 11,176).

**ALTERNATİFBANK A.Ş.**

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

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

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

	<b>31 December 2024</b>	<b>31 December 2023</b>
Net Interest Income	2,152,823	1,889,751
Net Fees And Commissions Income/Expense	503,574	(149,074)
Personnel Expenses (-)	(1,016,887)	(678,314)
Dividend Income	63,052	10,032
Trading Income / Loss (Net)	(1,059,316)	1,972,808
Other Operating Income	188,994	183,328
Provision For Loan Losses And Other Receivables (-)	669,014	(127,218)
Other Operating Expenses (-)	(1,223,656)	(713,608)
<b>Income/ Loss Before Tax From Continuing Operations</b>	<b>277,598</b>	<b>2,387,705</b>

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

As of 31 December 2024, the Bank has current tax expense amounting to TL 57,951 (31 December 2023: TL 405,650 current tax expense), and deferred tax income amounting to TL 228,984 (31 December 2023: TL 96,624 deferred tax expense).

<b>Confirmation of provision for taxes:</b>	<b>1 January-31 December 2024</b>	<b>1 January-31 December 2023</b>
Profit/(loss) before taxes	277,598	2,387,705
<b>Legal tax rate</b>	<b>30%</b>	<b>30%</b>
Calculated taxes	83,279	716,311
Effect of disallowable expenses	426	2,883
Other	(254,738)	(216,920)
<b>Provision for taxes</b>	<b>(171,033)</b>	<b>502,274</b>

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

Bank's net operating profit from discontinued operations amount is TL 448,631 (31 December 2023: TL 1,885,431)

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

- 1) Interest income from ordinary banking transactions is TL 13,511,046 (31 December 2023: TL 8,431,268), interest expense is TL 11,358,223 (31 December 2023: TL 6,541,517).
- 2) Information on any change in the accounting estimates has no profit/loss effect on current period or consequent periods.

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. Explanations And Notes on Income Statement (Continued)**

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

<b>Fees and Commissions Received - Other</b>	<b>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
Expertise Commissions	2,484	2,062
Export Letters of Credit Commissions	21,145	32,677
Other	48,241	43,042
<b>Total</b>	<b>268,375</b>	<b>300,914</b>
<b>Fees and Commissions Paid - Other</b>	<b>31 December 2024</b>	<b>31 December 2023</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
Bonds Commissions	-	-
Commissions Granted to Correspondent Banks	11,717	9,073
Transfer Commissions	4,086	2,831
Commissions for Effective and Future Transactions	4,553	5,052
CBRT Interbank Money Market	1,523	1,184
Other (*)	25,947	549,003
<b>Total</b>	<b>96,403</b>	<b>648,996</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).

**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. Information on available for sale financial assets:**

“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.

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****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:

	<b>31 December 2023</b>	<b>31 December 2022</b>
<b>Cash</b>	<b>369,419</b>	<b>271,277</b>
<b>Cash Equivalents</b>	<b>9,245,212</b>	<b>5,905,324</b>
CBRT	6,195,302	3,229,504
Deposits in Bank and Other Financial Inst.	2,899,910	2,075,820
Money Markets	150,000	600,000
<b>Total Cash and Cash Equivalents</b>	<b>9,614,631</b>	<b>6,176,601</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:

	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Cash</b>	<b>595,030</b>	<b>369,419</b>
<b>Cash Equivalents</b>	<b>11,247,966</b>	<b>9,245,212</b>
CBRT	6,579,449	6,195,302
Deposits in Bank and Other Financial Inst.	4,668,517	2,899,910
Money Markets	-	150,000
<b>Total Cash and Cash Equivalents</b>	<b>11,842,996</b>	<b>9,614,631</b>

**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 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 4,086,496 (31 December 2023: TL 12,020,621 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 5,870,032 (31 December 2023: TL 273,626 decrease) 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 1,998,040 as of 31 December 2024 (31 December 2023: TL 3,569,697).

# ALTERNATİFBANK A.Ş.

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

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

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

31 December 2024

	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-cash
<b>Bank's Risk Group (*) (**) </b>						
Loans and Other Receivables						
Balance at the Beginning of the Period	1,249,882	256	-	3,742	771	1,607
Balance at the End of the Period	189,498	3,255	-	4,254	650	1,357
Interest and Commission Income Received	131,733	-	-	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

	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-cash
<b>Bank's Risk Group (*) (**) </b>						
Loans and Other Receivables						
Balance at the Beginning of the Period	693,553	284	-	292	1,012,705	4,222
Balance at the End of the Period	1,249,882	256	-	3,742	771	1,607
Interest and Commission Income Received	166,468	-	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.

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

<b>Bank's Risk Group (*)</b>	Associates , subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
<b>Deposit</b>						
Beginning of the Period	126,805	198,031	-	-	90,557	68,723
End of the Period	92,744	126,805	-	-	143,589	90,557
Interest Expense on Deposits	4,341	10,517	-	-	-	2

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

# ALTERNATİFBANK A.Ş.

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

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

- a. The volume of transactions relating to the Bank's risk group, outstanding loan and deposit transactions and profit and loss of the period (Continued)
4. Information on forward and option agreements and other derivative instruments with the Bank's risk group

Bank's Risk Group (*)	Associates , subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	31 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>	<b>20,784</b>	<b>21,483</b>	<b>24,027</b>	<b>15,034</b>	-	-
<b>Transactions for hedging purposes</b>						
Beginning of the Period (**)	-	-	-	-	-	-
End of the Period (**)	-	-	-	-	-	-
<b>Total Profit / Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	-	-

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

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

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

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

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

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

	Total Risk Group	Share in Financial Statements (%)
Deposits	236,333	0.63%
Non-cash Loans	8,866	0.02%
Loans	190,148	0.47%
Subordinated Loan	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.

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 Bank and Alternatif Finansal Kiralama A.Ş. The Bank has also cost sharing agreements with Alternatif Finansal Kiralama A.Ş. and Alternatif Menkul Değerler A.Ş. The Bank allocates cash and non-cash loans to the risk group of the Bank within limits of Banking Laws and that amount is 0.25% of total cash and non-cash loan amount (31 December 2023: 2.15%).

**ALTERNATİFBANK A.Ş.****NOTES TO THE UNCONSOLIDATED 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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****VII. Explanations and Notes on Bank's Risk Group (Continued)****b. With respect to the Bank's risk group (Continued)****5. Information on Other Liabilities**

None.

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

Benefits provided to the Bank's key management amount to TL 98,283 as of 31 December 2024 (31 December 2023: TL 83,141).

**VIII. Explanations and Notes on The Domestic, Foreign, Off-Shore Branches and Foreign Representatives of The Bank****a. Information on the Bank's domestic, foreign branches and foreign representatives:**

	Number	Number of Employees	Country of Incorporation		
				Total Asset	Statutory share capital
Domestic Branch	19	714			
Foreign Representative Office	-	-	-		
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	10,452	5,694
Tax Advisory	-	-
Other Assurance Services	1,165	-
Other Services except Audit	-	-
<b>Total</b>	<b>11,617</b>	<b>5,694</b>

**ALTERNATİFBANK A.Ş.**  
**NOTES TO THE UNCONSOLIDATED 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**

**I. Other Explanations Related to Bank's Operations**

**Summary information about the Bank's rates from international credit rating agencies**

<b>Fitch Ratings: September 2024</b>	
Foreign Currency	
Long Term	BB-
Short Term	B
Local Currency	
Long Term	BB-
Short Term	B
National Note	AA(tur)
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 UNCONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2024***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***SECTION SEVEN****EXPLANATIONS ON THE AUDITORS' LIMITED REPORT****I. Explanations on the Independent Auditors' Report**

The Bank's unconsolidated 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.