

2024
ANNUAL REVIEW

Alternatif | 
Bank

A subsidiary of Commercial Bank (Qatar)

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WE ARE ADVANCING RAPIDLY TOWARDS OUR GOAL OF BECOMING A BANK THAT CREATES IMPACT THROUGH AN OUTSTANDING CUSTOMER EXPERIENCE BY SIMPLIFYING BANKING SERVICES FOR EVERYONE AND COMBINING DIGITAL & MOBILE BANKING WITH A HUMAN TOUCH.

WITH A HUMAN-CENTRIC AND RIGHTS-BASED APPROACH, WE EMBRACE THE INCLUSIVE BANKING INITIATIVE AND STRIVE TO PROVIDE ACCESSIBLE BANKING SERVICES FOR EVERYONE. AS A REFLECTION OF OUR DEDICATION TO DIVERSITY AND FINANCIAL INCLUSION, WE CONTINUOUSLY ENHANCE THE ACCESSIBILITY OF OUR MOBILE AND DIGITAL SERVICE CHANNELS. WE VIEW ACCESSIBLE BANKING AS AN ESSENTIAL PART OF OUR STRATEGIC AMBITION TO ACHIEVE EXCELLENCE IN BOTH EMPLOYEE AND CUSTOMER EXPERIENCE, AS WELL AS A FUNDAMENTAL ASPECT OF OUR BRAND IDENTITY. CREATING LASTING VALUE FOR INDIVIDUALS AND SOCIETY REMAINS OUR TOP PRIORITY.

MESSAGE FROM THE CHAIRMAN

THROUGH THEIR STRONG COOPERATION AND SHARED VISION, ALTERNATİF BANK AND COMMERCIAL BANK CONTINUE TO SUPPORT SUSTAINABLE GROWTH AND FINANCIAL STABILITY. AT THE SAME TIME, THEY REMAIN COMMITTED TO STRENGTHENING THE ECONOMIC TIES BETWEEN TÜRKİYE AND QATAR.

Dear Stakeholders,

Both the global economy and Turkish economy navigated 2024 amidst geopolitical and economic fluctuations worldwide. Key factors shaping economic policies included digitalisation, green transformation, geopolitical uncertainties, and security challenges in the Middle East. In this challenging year, marked by volatile market conditions, shifting monetary policies, and transformations in global supply chains, the financial sector once again demonstrated its resilience against crises and its ability to create value.

Particularly following the U.S. presidential elections, shifts in capital flows and migration policies have redefined global economic balances, further elevating Türkiye's geostrategic significance in this new era. Looking ahead, we anticipate that strategic partnerships between Qatar and Türkiye will continue to play a critical role in maintaining economic stability and fostering regional development.

The strategic collaboration between Türkiye and Qatar has remained a key driver of economic progress in 2024. Qatar's investments in Türkiye's energy, infrastructure, and

financial services sectors have stood as a testament to the strong partnership between the two nations. Commercial Bank and Alternatif Bank played a pivotal role in this collaboration, acting as a bridge to enhance economic integration between our countries. Sustaining and further strengthening these partnerships will remain a strategic priority, fostering shared benefits for both countries.

As Commercial Bank celebrates its half-century legacy, we have reaffirmed our commitment to building a strong and sustainable future together with Alternatif Bank. Marking the 11th year of our partnership, we continue to enhance our contributions to the Bank's growth, leveraging the synergy created through our collaboration.

The macroeconomic and geopolitical challenges of 2024 had a significant impact on both global markets and Türkiye's banking sector. Tight monetary policies and volatile market conditions made it a demanding year in terms of financial performance. However, Alternatif Bank maintained its stable position by swiftly adapting to dynamic market conditions and clearly defining its strategic priorities. In a period shaped by inflationary pressures, stringent monetary



policies, and structural reforms, the Bank remained focused on delivering the most effective solutions to its customers through its digitalisation-based, value-driven business model.

It has been a privilege to witness Alternatif Bank's impact in 2024—not only through its strong technological infrastructure and financial performance but also through its commitment to corporate governance, social responsibility, and leadership in Accessible Banking. Thanks to its well-established corporate governance principles, the Bank successfully navigated both global and local challenges without disruption, maintaining its stable and reliable structure. Its groundbreaking and innovative projects in accessible banking have continued to lead the way in the evolution of inclusive financial services, shaping the future of banking. The successes achieved in 2024 have undoubtedly been made possible by Alternatif Bank's deep-rooted governance principles, visionary strategies, and the dedication of its employees.

As we look towards 2025, we are confident that Alternatif Bank will continue to advance with the same determination, maintaining its focus on operational excellence, accelerating its investments in digitalisation, strengthening its customer-centric approach, and persistently creating value in the financial ecosystem through innovative solutions. As Commercial Bank, we remain steadfast in our commitment to supporting Alternatif Bank on this journey in line with our strategic vision.

In light of these achievements, I sincerely congratulate all employees and executives of Alternatif Bank for their invaluable contributions, we reaffirm our unwavering support for its continued success.

Yours faithfully,

Omar Hussain Alfardan
Chairman of the Board

MESSAGE FROM THE CEO

**ALTERNATİF BANK ACHIEVED SIGNIFICANT
SUCCESES THROUGH OUR CUSTOMER-CENTRIC
APPROACH, DIGITALISATION STRATEGY, AND
COMMITMENT TO SUSTAINABLE GROWTH IN 2024.**

ALTERNATİF BANK TOOK SEVERAL
IMPORTANT STEPS THROUGHOUT
THE YEAR TO ENHANCE THE
EXPERIENCE WE OFFER OUR
CUSTOMERS IN LINE WITH OUR
DIGITILISATION STRATEGY.

Dear Stakeholders,

The year 2024 will be remembered as a period when economic and political dynamics were reshaped both globally and nationally, turning uncertainties into opportunities. While the global economy was marked by the impact of inflation-control policies, fluctuations in trade and energy markets, and the economic repercussions of geopolitical tensions, key themes shaping the future economic agenda included technology-driven transformation, green finance, and sustainability initiatives.

Türkiye, in turn, experienced a simultaneous process of transformation in 2024. During this period of rebuilding macroeconomic stability, notable developments included an increase in industrial production, stronger exports, and improvements in the employment market. Meanwhile, the fight against inflation, financial stability, and large-scale infrastructure investments played a crucial role in enhancing the resilience of the national economy. Additionally, growing foreign investment incentives and strategic reforms further strengthened Türkiye's competitive position in global markets.



For Alternatif Bank, 2024 was a year in which we not only remained committed to creating social and economic value but also built deeper relationships with our customers through our customer-centric approach and efforts to enhance digital experiences. We achieved significant successes with our strong financial performance, innovative products, and technological solutions that supported sustainable growth. Throughout this process, we took decisive steps towards our strategic objectives, supported by our long-standing collaboration with our shareholder, Commercial Bank, which proudly celebrated its 50th anniversary this year. Our team of expert bankers and agile management structure have played a crucial role in driving our success. At the same time, we also marked the 33rd anniversary of Alternatif Bank, reinforcing our deep-rooted presence in the Turkish banking sector.

Strong financial performance and sustainable growth

In 2024, we maintained asset quality and carried out effective balance sheet management. Our consolidated financial results show that our total assets reached TRY 88 billion. By the end of the year, our total financial support to the national economy comprising cash and non-cash loans (including leasing receivables) amounted to TRY 83 billion. We increased our deposit volume to TRY 37.5 billion, in line

with our balance sheet optimisation strategy, ensuring the sustainability of our asset quality. Our shareholders' equity reached TRY 7.3 billion, while our capital adequacy ratio stood at 26.56%. Reflecting our strong financial performance, Alternatif Bank recorded a consolidated net profit of TRY 496 million.

Innovative solutions through digitalisation

As part of our digitalisation strategy, we took significant steps in 2024 to improve the customer experience. In this context, we redesigned our mobile banking application, our primary digital touchpoint, to offer a user-friendly interface and a superior experience. In pursuit of operational excellence, we integrated advanced technologies such as artificial intelligence and machine learning into our processes, making our data analytics and decision-making mechanisms more efficient and responsive. Moving forward, we will continue investing in flexible and sustainable technological infrastructure that aligns with our digital transformation and data-driven management objectives, ensuring the rapid and efficient delivery of banking services.

MESSAGE FROM THE CEO

THE RECOGNITION OF OUR ACCESSIBLE BANKING INITIATIVES BY EUROMONEY AT AN INTERNATIONAL LEVEL HAS BEEN A STRONG TESTAMENT TO OUR LEADERSHIP AND PIONEERING APPROACH IN DIVERSITY AND FINANCIAL INCLUSION.

Mobile Banking and Digital Branch integration: A new generation of Human-Centric digital customer experience

With our Digital Branch, designed to make banking more accessible, convenient, and personalised, we achieved remarkable success in 2024. We recorded a 366% increase in VOV Accounts and a 466% growth in Time Deposits, alongside substantial increases in Individual Loans, Investment Funds, and Securities. Our Total Transaction Volume surged 4.5 times to TRY 4 billion, while Gross Revenue soared by more than 22 times to TRY 139.4 million.

Beyond these strong growth figures, we observed a notable increase in customer satisfaction within our Digital Branch, thanks to our personalised service approach, fast response times, and customer-centric focus. These results highlight the outstanding performance of our Digital Branch in 2024 and reinforce the effectiveness of our digitalisation and customer-focused strategies.

By integrating mobile banking with our Digital Branch, we have successfully introduced a next-generation human-centred digital customer experience. This integration allows us to offer a seamless, hybrid service model that combines the efficiency of digital banking with the expertise of human interaction. Through innovative customer engagement solutions, we are redefining how customers interact with banking services, ensuring both accessibility and personalised support at every touchpoint.

Strong performance in Corporate and Business Banking

We strengthened our solid position in Corporate and Business Banking through innovative products tailored to our customers' needs. One of our key achievements was the successful launch of VOV Corporate Account in May, which exceeded TRY 1 billion in volume by the end of 2024. Additionally, we achieved 201% growth in our issued checks volume, increasing from TRY 9 billion to TRY 28 billion, further improving our ranking in the sector. With our customer-centric approach and innovative products, we remain committed to creating value for our corporate clients.

Strengthened position through success in foreign trade

Our successful efforts in foreign trade further reinforced our strong position in the sector. With our strong correspondent network, competent human resources and the support of our shareholder Commercial Bank, we focused on growing together with our customers and creating mutual value in 2024 by combining our know-how in foreign trade financing with our financing capacity. In this direction, we supported Türkiye's leading foreign trade companies and provided financing for important projects. As Alternatif Bank, we intermediated a total foreign trade volume of more than USD 2 billion in 2024. As a reward for these efforts, we were awarded the 'Best Partner Bank' award this year thanks to the high SME transaction volumes we realised within the scope of IFC's Foreign Trade Guarantee Program. In addition, we received the EBRD's 'Türkiye's Most Active User' award for the seventh consecutive year and the 'Green Transaction of the Year' award for the second consecutive year, reinforcing our leadership in foreign trade and our sustainability-oriented approach at the international level. At Alternatif Bank, we are aware of the importance of foreign trade for the Turkish economy. With our expertise in this field and the wide range of products we offer to our customers, we will continue to contribute to the development of our economy.

Record growth in Investment Funds

The 222% growth we achieved in investment funds in 2024 stands as a strong indicator of our robust financial performance. This success is the result of our innovative approach and strategic focus, which enable us to quickly respond to our customers' evolving investment needs. With the goal of delivering the best investment fund experience in the sector, we initiated a comprehensive transformation within our mobile application. We aim to introduce these enhancements to our customers in the first quarter of 2025.

Innovative approaches in Retail loans

While the increasing need for retail financing in the Turkish economy has become more pronounced, especially with the impact of economic dynamics such as inflation and wage increases, Alternatif Bank offered fast and effective solutions to these needs. We restructured our scorecards and decision support systems to adapt to current economic variables. In this way, we designed more user-friendly, fast and accessible processes to meet the financial needs of our customers. These steps enabled us to achieve an impressive growth of 214% in retail consumer loans. We also introduced “non-customer” processes in order to expand our customer base and increase financial inclusion. This innovative approach made a significant contribution not only to the inclusion of our Bank but also to the inclusion of individuals with limited access to personal finance. This success in retail loans is a tangible reflection of Alternatif Bank’s broad-based and healthy growth strategy. In the future, we will continue to make a difference in retail banking and offer added value to our customers with our dynamic and innovative approaches.

An approach that prioritizes Customer Experience

Customer experience has always been at the center of our strategy at Alternatif Bank. In line with this prioritized approach, we focused on increasing customer satisfaction at every stage of all the services we offer and providing an experience beyond expectations. With the improvements in our mobile application, we achieved a significant success in customer satisfaction and increased our net promotion score to 35,1%. This rate is above the sector averages and once again proved the trust-based relationship we have established with our customers and the effectiveness of our innovative solutions.

We also made a difference with our innovative approaches in digital marketing and communication. Thanks to a comprehensive campaign on digital platforms, we were able to promote our loan and VOV products to more than 5 million people. This campaign was an important step in both gaining new customers and increasing our brand awareness.

At Alternatif Bank, we are determined to continuously improve the customer experience and reach a wider audience with our services. In the period ahead, we will continue to strengthen our leading position in the sector with our innovative and customer-oriented strategies.

Inclusive Banking for Everyone: Accessible Banking

We view Accessible Banking as a natural extension of our pursuit of excellence in both employee and customer experience, as well as a key part of our brand identity. In every initiative we undertake, we prioritise delivering lasting social benefits and enhancing financial inclusivity. To better measure the impact of our efforts over the past five years, we partnered with Koç University Social Impact Forum (KUSIF) to conduct Türkiye’s first comprehensive social impact study in the field of Accessible Banking. This study, published in 2024, provided concrete evidence of our progress in fostering a more inclusive financial ecosystem.

Our commitment to accessibility was also recognised at an international level. We were named “Türkiye’s Best Bank for Diversity & Inclusion” at the 2024 Euromoney Awards for Excellence, a prestigious recognition that underscores our leadership in financial inclusivity. We will continue pioneering initiatives that drive a transformative mindset in the Turkish banking sector.

Shaping the future of Human Resources

At Alternatif Bank, we embrace a human resources strategy that prioritises employee satisfaction, well-being, diversity, inclusion, and flexibility. In 2024, we introduced significant innovations in employee engagement and performance management. Our new Performance-Based Incentive System (PAY) fostered a goal-oriented structure that boosted employee motivation, while our regular engagement surveys further strengthened our corporate culture.

The strides we made in 2024 reaffirmed our commitment to becoming Türkiye’s most efficient and high-performing bank. With our young and dynamic structure, human-focused approach, and digital-first strategy, we will continue to provide the best service to our customers, create social value, and shape the future of banking in 2025.

Yours sincerely,



Ozan Kırmızı
CEO

OUR VISION, MISSION AND VALUES

OUR VISION

To be the Bank of first choice in Türkiye, supported by the strength of Commercial Bank.

OUR MISSION

With our innovative vision in Corporate, Business, and Retail Banking, we are committed to making a meaningful impact by leveraging our advanced technological infrastructure, operational excellence standards, and focused banking approach. Our priority is to stand by our customers at every critical moment, offering bespoke solutions and a personalised banking experience to support them in achieving their strategic objectives and business goals.

OUR VALUES

- We engage sincerely
- We embrace our customers
- We pioneer new achievements
- We work tirelessly
- We deliver solutions

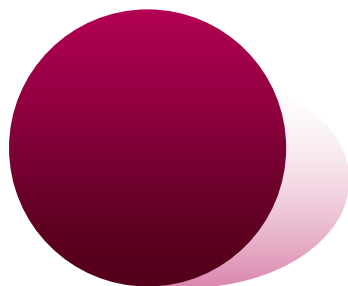
AGENDA FOR 2024 ANNUAL GENERAL MEETING

1. Opening and formation of the Presiding Board; authorising the Presiding Board to sign the minutes of the Annual General Meeting,
2. Reading out and deliberation on the Board of Directors' Annual Report of the fiscal year, External Auditor Reports and Balance Sheet and Profit/Loss Statements for 2024; taking decision on their approval,
3. Negotiation and decision on the Board of Directors proposal in relation to the Profit for 2024 Fiscal Year,
4. Approval of the appointment of the newly appointed members to the vacant Board of Directors due to the resignation of the Members of the Board of Directors appointed at the Annual General Meeting,
5. Release from liabilities of the Members of the Board of Directors who have served during the fiscal year,
6. Determination of the number, terms of office and sitting fees as well as remuneration of Members of the Board of Directors and election of the Board Members,
7. Designating the audit firm which will conduct the independent audit work of the Bank,
8. Presentation of information to the shareholders regarding bonuses paid to employees and other items distributed in the same category,
9. Informing the shareholders about the donations made during 2024,
10. Authorising the Board of Directors to issue bonds and/or bank bills within legal limits in order to generate funds for the Bank, and empowering the Board to determine the details of such transaction according to the market conditions of the day and to carry out relevant steps and procedures for the same purpose,
11. Authorising the Board of Directors Members, as per Articles 395 and 396 of the Turkish Commercial Code No. 6102, to carry out the activities that fall under the Bank's scope on their own or on behalf of third parties, to act as shareholders in companies performing such activities and to conduct other relevant transactions, and
12. Increasing registered capital ceiling and amending the articles of association regarding the capital.

CAPITAL AND SHAREHOLDING STRUCTURE

Shareholder Structure (%) (Total: TRY 2,213,740,000)

Commercial Bank (P.S.Q.C.)
100%
(TRY 2,213,739,996)



Others

0%

CB Innovation Services LLC 0% (TRY 1)
CBQ Finance Limited 0% (TRY 1)
Commercial Bank Financial Services (LLC) 0% (TRY 1)
CB Global Trading Limited 0% (TRY 1)

Shareholders with Qualifying Shares*

	Share (%)
Qatar Holding LLC (a 100% subsidiary of Qatar Investment Authority, which is owned by the State of Qatar)	16.28%

DISCLOSURES REGARDING THE SHARES, IF ANY, HELD IN THE BANK BY THE CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, AND THE CHIEF EXECUTIVE OFFICER AND EXECUTIVE VICE PRESIDENTS

Name	Title	Area of Responsibility	Shares Held (%)
Omar Hussain Alfardan	Chairman of Board of Directors	-	-
Joseph Abraham	Vice-Chairman	Chairman of Executive Committee of the Board, Chairman of Board Remuneration and Governance Committee, and Alternate Member of Board Credit Committee	-
Mohd Ismail M Mandani Al-Emadi	Member of the Board of Directors	Chairman of Board Risk Committee and Member of Board Credit Committee	-
Salem Al-Mannai*	Member of the Board of Directors	Member of Executive Committee of the Board	-
Halil S. Ergür	Member of the Board of Directors	Chairman of Board Audit and Compliance Committee and Member of Board Risk Committee	-
Zafer Kurtul	Member of the Board of Directors	Chairman of Board Credit Committee, Member of Executive Committee of the Board, and Member of Board Remuneration and Governance Committee	-
Leonie Lethbridge**	Member of the Board of Directors	Member of Board Remuneration and Governance Committee and Member of Board Audit and Compliance Committee	-
Antonio Francisco Gamez Munoz	Member of the Board of Directors	Member of Board Audit and Compliance Committee, Member of Board Risk Committee and Alternate Member of Board Credit Committee	-
Shahnawaz Rashid***	Member of the Board of Directors	Member of Executive Committee of the Board and Member of Board Credit Committee	-
Ozan Kırmızı	Member of the Board of Directors, CEO	Member of Board Credit Committee and Member of Executive Committee of the Board	-
Ayşe Akbulut	Executive Vice President	Credit Underwriting	-
Hamdi İlkey Girgin	Executive Vice President	Financial Affairs and Planning	-
Levent Güven	Executive Vice President	Treasury and Financial Institutions	-
Seçkin Mutlubaş	Executive Vice President	Restructuring and Legal Follow-up	-
Didem Şahin	Executive Vice President	Corporate Banking	-
Bike Tarakcı	Executive Vice President	Human Resources	-
Zafer Vatansever	Executive Vice President	IT and Operations	-
Burcu Yangaz	Executive Vice President	Business Banking	-
Egemen Baykan	Head of Risk Management	Risk Management	-
Ömer Faruk Gönener	Head of Internal Audit	Internal Audit	-
Engin Turan	Head of Internal Control and Compliance	Internal Control and Compliance	-

* Salem Al-Mannai was elected as a Board Member at the Annual General Meeting held on 27 March 2024. He officially started his role on 02 May 2024, after completing court swear-in.

**As per Board resolution dated 3 February 2025, Leonie Lethbridge resigned from her role as a Board Member and Muhammad Noman Ali has been appointed in her lieu.

***Following completion of court swear-in, Shahnawaz Rashid was appointed as a Board Member on 14 August 2024, replacing Rajbhushan Buddhiraaju who resigned from his role as per Board decision dated 28 June 2024.

Note: Gökay Dede resigned from his role as Retail and Digital Banking EVP on 30 September 2024.

ABOUT ALTERNATİF BANK

FOCUSED ON PROVIDING HIGH-VALUE-ADDED SOLUTIONS TO ITS CUSTOMERS, ALTERNATİF BANK CONTINUES TO SUPPORT THE TURKISH ECONOMY AND THE REAL SECTOR UNINTERRUPTEDLY WITH ITS ADVISORY AND RESPONSIBLE BANKING VISION.

Alternatif Bank is taking firm steps toward its objective of being a significant player in the market with its expert human resources, up-to-date technological infrastructure, operational excellence standards and exceptional service quality.

Focusing on providing high value-added solutions to its customers in the Corporate, Business, Retail and Digital Banking segments, Alternatif Bank continues its uninterrupted support to the Turkish economy and real sector with its vision of being an advisory and responsible bank.

Having commenced its operations in 1991, Alternatif Bank aims to provide a flawless banking experience to its customers with more than 720 employees and through physical and digital banking channels.

The Bank's effectiveness in the market significantly increased thanks to its revamped strategy and goals after, one of Qatar's prominent banks and having a deep-rooted history of 50 years, Commercial Bank's acquisition of the majority shares of Alternatif Bank in 2013 followed by the transfer of all the remaining shares in 2016.

Alternatif Bank aims to realise its vision of being the most preferred bank in Türkiye with the strength it gets from its shareholders. In this context, Alternatif Bank continues its growth journey with its experience of over 35 years, its competent employees and an understanding of "advisory and responsible banking" approach together with all its stakeholders who create employment and contribute to the Turkish economy.



ABOUT COMMERCIAL BANK

COMMERCIAL BANK IS COMMITTED TO HELPING SUPPORT THE DEVELOPMENT OF QATAR'S ECONOMY AND FUTURE SUSTAINABILITY IN LINE WITH THE GOALS OF THE ECONOMIC PILLAR OF THE QATAR NATIONAL VISION 2030

Incorporated in 1974 as the first private bank in the country, Commercial Bank is today one of the leading financial institutions in Qatar with a profitable track record since inception. We continue to play an important role in driving innovation and raising service standards in banking across the region through our investment in new technology, a clear focus on customers and prudent management.

Our country-wide network includes 28-location-strong physical network, a cornerstone of Commercial Bank's distribution approach, and 311 ATMs, and we also own and operate the exclusive 'Diners Club' franchise in Qatar and Türkiye. We are listed on the Qatar Exchange and were the first Qatari bank to list its Global Depositary Receipts on the London Stock Exchange. Commercial Bank's bonds issuances are listed on the Irish Stock Exchange and the Swiss Exchange (SIX).

Commercial Bank is committed to helping support the development of Qatar's economy and future sustainability in line with the goals of the economic pillar of the Qatar National Vision 2030. The Bank's vision is to be 'The Best Bank in Qatar' based on the foundation of its values or 5 Cs. Corporate Earnings Quality, Client Experience, Creativity and Innovation, Culture, and Compliance.

Our continual investment in technology and people, together with our strong capital base, provides a solid foundation for further growth. Commercial Bank has a robust financial position, with total assets of QAR 165.8 billion and Net profit of QAR 3,032.1 million as at 31 December 2024. The Bank enjoys strong credit ratings of 'A' rating with a Stable outlook by Fitch, and 'A-' rating with a stable outlook by S&P and 'A2' rating with a Stable outlook by Moody's.

True to our pioneering origins and history of success, we are dedicated to supporting Qatar's economic development and social infrastructure through Corporate Social Responsibility programmes and sponsorship of various events which help to raise Qatar's profile internationally.

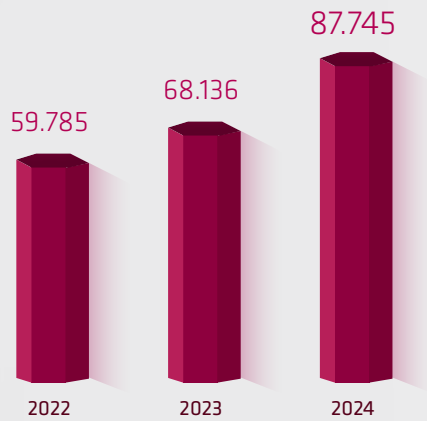
Throughout 2024, Commercial Bank won the following prestigious awards:

- "Best Mobile Banking App in the Middle East" award from Global Finance.
 - "Best Mobile Banking in Qatar" award from Global Finance.
 - "Best Mobile Banking App" award in the Middle East from MEED.
- "Best Remittance Service" award in the Middle East from MEED.
 - "Fastest Growing Credit Card Issuer" in Qatar from International Finance.
 - "The Best Card Payment Service POS/ATM" in Qatar from International Finance.
- Highest spend per account across the region on its Mastercard Limited Edition World Elite portfolio award from Mastercard
 - "Best Green Financing Initiative" from the Asian Banker.
- "Sustainable and Green Bank of the Year" in Qatar from the Asian Banker.
 - "Best Digital Bank in the Middle East" by World Finance.
 - "Best Bank in CSR" in the Middle East by World Finance
- Fastest Growing Securities Trading App – CB Waseet in Qatar by International Finance
 - Fastest Growing Brokerage House in Qatar by International Finance

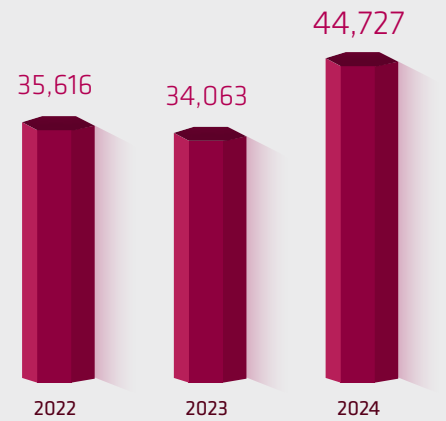
FINANCIAL INDICATORS

IN 2024, ALTERNATİF BANK PRIORITISED ENHANCING CUSTOMERS' ACCESS TO FINANCE AND THEIR CONTRIBUTION TO THE ECONOMY.

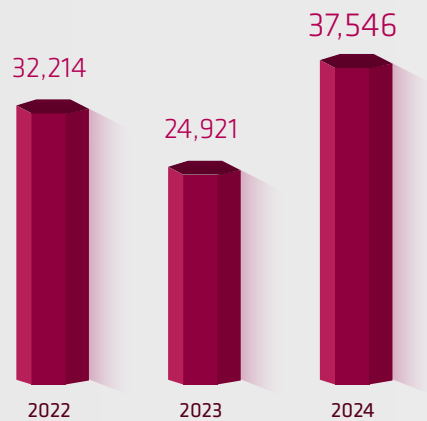
Total Assets
(TRY million)



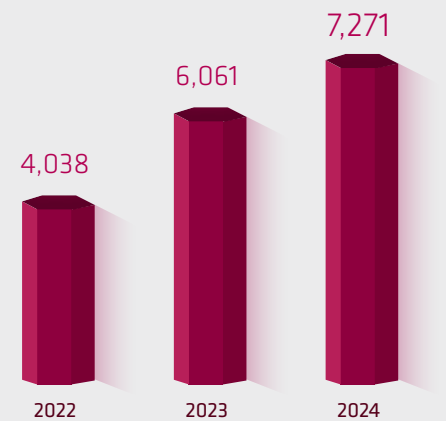
Total Loans
(Net) (TRY million)



Total Deposits
(TRY million)



Equity
(TRY million)



Total Assets

TRY **87.7** billion

Alternatif Bank's total assets increased by 29% in 2024 to reach TRY 87.7 billion.

Total Loans (Net)

TRY **44.7** billion

Alternatif Bank's total loans increased by 31% in 2024, reaching TRY 44.7 billion.

Total Deposits

TRY **37.5** billion

Deposits of Alternatif Bank as of 2024-year-end reached TRY 37.5 billion, up 51%.

Total Equity

TRY **7.3** billion

Alternatif Bank's equity increased by 20% in 2024 to reached TRY 7.3 billion.

Cash and non-cash loans.

TRY **83.5** billion

With a 38% increase in cash and non-cash loans, Alternatif Bank increased its contribution to economy to TRY 83.5 billion.

Gross Operating Income

TRY **2.1** billion

Alternatif Bank's gross operating income amounted to TRY 2.1 billion in 2024.

MILESTONES

1991

Alternatif Bank was established in Istanbul on 6 November 1991.

2013

Commercial Bank became the controlling shareholder.

2018

Alternatif Bank moved to its new Head Office building in Vadistanbul, bringing all subsidiaries and employees under the same roof.

1991

Alternatif Bank was established in Istanbul on 6 November 1991.

1992

Opening its first branch, the Bank commenced banking operations in February 1992.

1995

Alternatif Investment Trust, Türkiye's 3rd biggest investment trust, was established.

1996

Alternatif Bank started to be managed under the majority shareholding of Anadolu Group.

1997

The first ATM card, "AKart", was introduced.

Alternatif Menkul, which offers boutique investment banking services, was established.

Alternatif Lease was established to offer financial leasing services.

Alternatif Bank opened the "Tele Branch", a first in Türkiye.

1999

The Bank promoted the "Longest-Term Housing Loan", which was operated for the first time in Türkiye.

2000

The Bank launched the ad campaign "We Are Listening to You" which attracted great interest.

Alternatif Bank was awarded the ISO 9001 Quality Certification.

2001

Alternatif Bank launched its Internet Banking Branch.

2010

The Bank promoted the new "Happy Banking" concept with an ad campaign.

2012

The Bank introduced Alternatif Bank Bonus, a co-branding initiative with Bonus.

2013

Qatar's largest private bank, Commercial Bank became the controlling shareholder by purchasing a majority interest in Alternatif Bank.

2014

The Bank successfully carried out the first Eurobond issue, which was the lowest-interest rate bond issue in the Turkish banking industry.

2015

Alternatif Bank was rated "Baa3" by Moody's for the first time, after proving its financial foundations in the financial markets.

Türkiye's first credit card, Diners Club, was re-introduced to customers by Alternatif Bank.

2016

Commercial Bank, one of the major banks in the Gulf region and the first private bank in Qatar, became the 100% shareholder in Alternatif Bank after acquiring the remaining 25% shares from Anadolu Group.

2017

In a first for the Turkish banking sector, Alternatif Bank transformed the loan it obtained from Commercial Bank into additional principal capital.

2018

Alternatif Bank moved to its new Head Office building in Vadistanbul, bringing all subsidiaries and employees under the same roof.

2019

Alternatif Bank gathered its tailor-made services provided to affluent banking customers with an advisory banking approach under the roof of "Private Banking".

Alternatif Bank was the first private bank to issue TLREF Turkish Lira Overnight Reference Interest Rate indexed bonds.

2020

The Bank received the LEED Gold Certificate, the world's most well-known green building certificate, for its headquarters in Vadistanbul.

2023

The Bank brought the human touch to digital banking, elevating the customer experience to a new level.

2024

Awarded by Euromoney as 'Türkiye's Best Bank for Diversity and Inclusion'.

2020

Alternatif Bank has received three different awards from IFC and EBRD within the scope of their Foreign Trade Programmes, the 'Company of the Year' gold award in the banking sector and the 'Most Valuable Company' bronze award in the Covid-19 Response category at the Stevie International Business Awards, one of the most prestigious awards of the business world.

The Bank received the LEED Gold Certificate, the world's most well-known green building certificate, for its headquarters in Vadistanbul.

2021

Alternatif Bank received two Golden Stevie's for its successful practices in the Human Resources area at the Stevie Awards in Great Employers 2021, which is one of the most prestigious awards in the business world.

Alternatif Bank's emphasis on corporate governance principles was registered by SAHA Corporate Governance and Credit Rating Services with a Corporate Governance Rating of 9.28.

2022

Alternatif Bank received an award for its "Ecosystem Banking" project at "Big Data & Analytics" category in the IDC Türkiye Finance Technology Awards.

The Bank received an award with its "Digitalisation of Documents" project in the 2022 Banking Awards organised by the international finance publishing group, Retail Banker International at the "The Best Banking Sector COVID Initiative" category.

2023

Alternatif Bank became one of the pioneering banks in Türkiye to introduce the Rediscount Credit product based on CBRT Swap Agreements into use in a short period of time.

Digital Branch opened.

The Bank received support from the Development Facility of the European Fund for Southeast Europe (EFSE DF) for its project "Accessible Banking Terms Glossary", which is the first of its kind in Türkiye and in the banking sector.

2024

Under the Foreign Trade Programs of IFC and EBRD, the Bank won three different awards.

Alternatif Lease successfully carried out its first sukuk issuance in its history.

The Bank was awarded the "Best Bank in Türkiye for Diversity and Inclusion" at the 2024 Excellence Awards organised by Euromoney, one of the world's leading banking and finance publications.

The Bank conducted Türkiye's first social impact research in the field of Accessible Banking.

2024 HIGHLIGHTS

Chosen as Türkiye's Best Bank in Diversity and Inclusion

Alternatif Bank, aiming to make all of its services equally and easily accessible to everyone, was awarded the "Best Bank in Türkiye for Diversity and Inclusion" at the 2024 Excellence Awards organised by Euromoney, one of the world's leading banking and finance publications, as a result of its successful efforts in the "Accessible Banking" field over the past 5 years. By adopting a 360-degree perspective on Accessible Banking, the Bank continues to make a difference in the banking sector by focusing on the social dimension of sustainability and the principles of 'financial inclusion.

Crowning Its Success in Foreign Trade with International Awards

Alternatif Bank continued to crown its successful performance in financing foreign trade and the value it created for its customers with awards. The Bank was named "Best Business Partner Bank" in SME transactions in the Foreign Trade Partners Organization of the International Finance Corporation (IFC), and in the "Foreign Trade Program" run by the European Bank for Reconstruction and Development (EBRD), it won the "Türkiye's Most Active User" award for the seventh consecutive year and the "Green Deal of the Year" award for the second time.

First Social Impact Research in Accessible Banking in Türkiye

Alternatif Bank conducted research in collaboration with Koç University Social Impact Forum (KUSIF) to measure the social impact of its activities in the field of Accessible Banking, which it has been carrying out for 5 years with a "rights-based" approach. Aiming to benefit not only the banking sector but also a wide segment of society, the Bank shared the results of the first comprehensive social impact research in Türkiye regarding Accessible Banking with the public.

Alternatif Bank Mobile Application Renewed

Aiming to offer a flawless and effortless digital experience, Alternatif Bank launched its new mobile app, "Alternatif Bank Mobile," which combines the practicality of mobile banking with a human touch. Redesigned according to the trends of the digital age and changing user needs, with Alternatif Bank Mobile, individual banking customers can effortlessly carry out all their banking transactions and, with just a click, connect to their personal portfolio manager for live support.

Innovation for Corporate Clients: VOV Corporate Account

Alternatif Bank's product VOV Account, which combines the flexibility of a demand account with the return of a time deposit, was made available to institutions under the name "VOV Corporate Account." The Bank offered institutions that wanted to evaluate corporate deposits with advantageous interest rates the opportunity to earn every day with the VOV Corporate Account.

Alternatif Lease Completed Its First Sukuk Issuance

Alternatif Lease, one of Türkiye's well-established financial leasing institutions for nearly 30 years, continued to facilitate investments across the country in 2024. It successfully completed its first sukuk issuance in its history, providing its customers with more cost-effective financing opportunities.



WE SEE DIGITALISATION AS
AN INTEGRAL PART OF THE
EXPERIENCE WE OFFER,
ADVANCING OUR BANKING
SERVICES BY BLENDING
TECHNOLOGY WITH A HUMAN
TOUCH TO SIMPLIFY LIFE.

RETAIL AND DIGITAL BANKING

AIMING TO BECOME TÜRKİYE'S MOST EFFECTIVE AND EFFICIENT BANK WITH A SUPERIOR DIGITAL EXPERIENCE, ALTERNATİF BANK ELEVATED CUSTOMER EXPERIENCE TO A NEW DIMENSION IN 2024 WITH THE INNOVATIONS IMPLEMENTED.

Alternatif Bank Mobile Application Renewed

In order to make the lives of users easier and ensure they can access the services they need the most with just one click, Alternatif Bank renewed its mobile app by taking customer insight into consideration.

With the renewed app, Alternatif Bank customers can:

- Access VOV Extra Interest World, Investment Fund Buy/Sell, and My Advisors sections with just one click from the homepage after logging in to the app.
- View the products they hold in the Bank and the extra interest earned from these products with the VOV Extra Interest World feature.
- Perform investment fund buy/sell transactions, view their portfolios, and track orders/instructions with just one click using the Investment Fund Buy/Sell menu.

- In the “My Advisors” section, with the banking advisor and investment advisor options, they can call their banking advisor for banking transactions or their investment advisors for stock/derivatives transactions with just one click or leave a note to be called back.
- Easily view their card information and financial status at a glance.

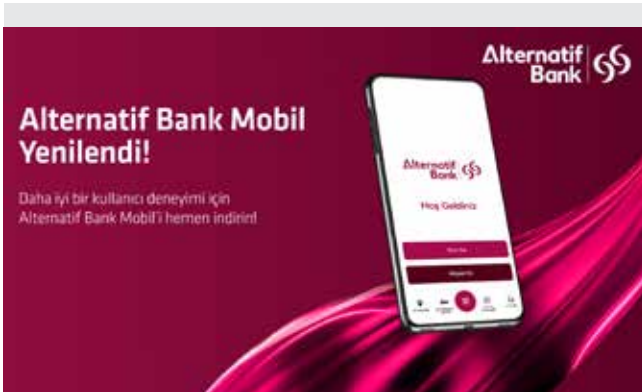
Customer Communication Centre

SL / SLA Ratios

Between January and December, our overall SL (The percentage of calls answered within the first 30 seconds in the queue, for the lost/stolen queue this duration is 20 seconds) ratio was 87.9%, our overall SLA (The percentage of calls coming into the queue that are answered) ratio was 97.1%, our lost or stolen SL ratio was 93%, and our lost or stolen SLA ratio was 97%.

Customer Communication Centre Survey Results

Among the survey data where customers rated their interaction with the Customer Communication Centre, the percentage of customers who gave a rating of 5 out of 5 was 89%.



Renewed Mobile Application

Alternatif Bank has renewed its mobile application, taking into account insight from its customers.

Major Developments in Digital Banking

Insured Loan Application

Since January, an loan with insurance option has been introduced for loan applications made through digital channels.

Bilyoner Integration

With the Bilyoner integration completed in June, Alternatif Bank customers can now make Bilyoner payments via Alternatif Bank Mobile and Internet Banking channels.

Adding FAST Transactions to the Pre-Login Screen

With FAST Transactions added to the screen before logging into Alternatif Bank Mobile, customers can now easily perform actions such as: "Request Payment", "Money Transfer", "Generate QR Code", "Manage Easy Addresses", "Secure Payment".

Request Payment

Alternatif Bank Mobile customers can now request money from others easily using details such as IBAN, phone number, email, or national ID number. Additionally, they can track and respond to incoming payment requests.

Investment Advisor

Alternatif Bank customers can now access their investment advisors with just one click. By logging into Alternatif Bank Mobile and selecting the "My Advisors" icon on the homepage, customers can call their investment advisor for stock/VIOF transactions or leave a note to request a callback

Loan with Personalised Interest Rate

Starting in July, loan applications with personalised interest rates launched on digital channels.

Customer Satisfaction Survey

Since July, selected transactions in Alternatif Bank Mobile now include customer surveys to evaluate transactions and user experience. Customers can rate their experience, specify reasons for their rating and provide feedback and suggestions.

Increase in Digital Loan Usage

Due to innovations and improvements in digital loan applications the number of digital loans used increased by approximately 5 times and the total digital loan volume grew by approximately 15.3 times.

Secure Payment

The Secure Payment process was introduced via digital channels, enabling customers to securely complete second-hand vehicle transactions.

Loan Application via Mobile

In August, loan applications via Alternatif Bank Mobile became available. This innovation allows customers to apply for a loan in just 3 steps after downloading the app and instantly check the loan amount they are eligible for.

Stock Transactions

The Stock Transactions menu was revamped to make transactions easier for customers. The menu was reorganised into Account Opening, Buy/Sell and Portfolio Viewing.

Investment Fund Buy/Sell Section

With the new "Investment Fund Buy/Sell" section added to the homepage after logging into Alternatif Bank Mobile, customers can now buy and sell investment funds with one click, view their portfolio and track fund orders and instructions.

Gold Trading Transactions

Gold trading transactions have also been simplified. In October, a new "Gold Buy/Sell" icon was added under the "Gold VOV Account" card on the homepage, enabling customers to trade gold easily with a single click.

Total Digital Deposit Balance

The total digital deposit balance increased by 128.27% in 2024 compared to 2023.

Total VOV Deposit Balance

The total VOV deposit balance grew by 131% in 2024 compared to 2023.

VOV Account Share

The VOV Account share increased to 79% in 2024.

Number of Active Digital Customers

The number of active individual digital customers grew by 15% compared to the previous period.

Credit Card Applications

As of July, customers can apply for a credit card through Alternatif Bank Mobile.

Digital Penetration

Digital penetration ratio which is the digital active customers in active retail customers has been increased to 81% in 2024 from 76.1% in 2023

Total Number of VOV Deposit Account

The total number of VOV deposit accounts increased by 41% in 2024 compared to 2023.





WITH OUR EXPERTISE IN CORPORATE
AND BUSINESS BANKING AND OUR
“ADVISORY BANKING” APPROACH, **WE
ESTABLISH LONG-TERM RELATIONS
AND ALWAYS STAND BY OUR
CUSTOMERS AS A RELIABLE AND
STRONG BUSINESS PARTNER.**

CORPORATE BANKING

ALTERNATİF BANK CONTINUED TO FOCUS ON ADAPTING TO CHANGING REGULATIONS IN THE MARKET IN 2024, WITH A CONCENTRATION ON EFFORTS TO INCREASE CAPITAL PROFITABILITY THROUGH INTEREST AND NON-INTEREST ITEMS.

The year 2024 marked a significant transformation for the Corporate Banking organisation. Initially structured as Istanbul Corporate and Anatolian Corporate, the organisation was restructured under a single Corporate Banking Central Branch to enhance agility and efficiency, providing services to all customers from a unified centre. In Ankara, where public institutions are concentrated, the Bank maintained its representation to ensure close engagement with relevant entities.

Aligning with ongoing regulatory compliance efforts, Alternatif Bank continued its growth-focused strategy in 2024, contributing to the financing needs of local and multinational companies, as well as institutions in the public and financial sectors. The Bank also intensified efforts to enhance capital profitability through interest and non-interest income sources.

To protect customers against fluctuations in interest rates, exchange rates, and commodity prices, the Bank provided cash management products, particularly in derivative transactions, as well as solutions for collections and payments.

Maintaining a focus on asset quality, Alternatif Bank Corporate Banking continued to pursue its new customer acquisition and customer deepening strategy. Thanks to its strong capability in managing regulations effectively, this strategy contributed positively to the Bank's balance sheet.

Beyond its contribution to the Bank's income statement and balance sheet, Corporate Banking also supported various sustainability initiatives in 2024. The Bank contributed to ESG (Environmental, Social, and Governance) processes within Corporate Finance, while also actively participating in working groups by closely monitoring the Banking Regulation and Supervision Agency (BRSA) and the Banks Association of Türkiye (BAT):

- Joined the Climate Risk Sub-Working Group under BAT.
- Led the Automotive Sector presentation in BAT's Heatmap Transition Risks Study, where participating banks assessed sectoral risks.
- Took part in BRSA regulatory guideline and directive draft studies, as well as Sustainability Policies and Procedures evaluation meetings within the Bank.
- Attended the assessment meeting for the draft text of the Technical Screening Criteria, prepared by the Ministry of Environment, Urbanization, and Climate Change.
- Participated in seminars and conferences on Sustainability, Green Transition and Climate Risk Management, and Green Finance.
- Closely followed the sustainable finance initiatives of BAT and Export Development Inc. (İGE).
- Became part of the European Bank for Reconstruction and Development (EBRD) Transition Planning Program.



Trade Finance Leadership

Alternatif Bank emerged as a pioneer in Türkiye by swiftly launching the Central Bank of the Republic of Türkiye (CBRT) Swap Agreement-Based Rediscount Loan, providing a critical financing solution for importers. The Bank facilitated over 500 million Chinese yuan trade finance transactions, particularly supporting imports from China.

- Played an active role in the Bank's collaboration with Escarus (TSKB Sustainability Consultancy Inc.) to develop its Sustainability Management System and Strategy.
- Conducted internal studies to analyse and support financing needs for customers' self-consumption energy investments, keeping track of industry developments.
- With the support and sensitivity of its shareholder, Commercial Bank, the Bank committed to further strengthening its role in sustainability initiatives for 2025.

Ecosystem Banking

With its Ecosystem Banking approach, Alternatif Bank aligning systems supplier and dealer payment systems with its customers and collaborated with system providers to strengthen customer acquisition efforts across other banking segments. Products such as Supplier Finance System (SFS) and Direct Debit System (DDS), which support customer growth and provide financial solutions, remained crucial for the Bank. Additionally, the Bank supported corporate clients' financing needs through issuances carried out via its subsidiary, Alternatif Menkul.

Foreign Trade Finance

Foreign trade finance remained a key strategic focus for Alternatif Bank in 2024. With its strong correspondent banking network, treasury products, and a fast, reliable operations infrastructure, the Bank continued to support its customers through its Advisory Banking approach.

Maintaining its expertise in trade finance, the Bank introduced innovative products. Notably, in line with the Central Bank of the Republic of Türkiye (CBRT)'s SWAP agreements with China, Qatar, and the United Arab Emirates, Alternatif Bank developed solutions to help businesses conduct trade in local currencies. The Bank became one of the first institutions in Türkiye to offer the SWAP Agreement-Based Rediscount Loan, which was quickly adopted by the market. It also facilitated over 500 million Chinese yuan in trade finance transactions, particularly supporting imports from China.

İGE Equity Guarantee Support Program

Under a protocol with İGE, Alternatif Bank played a crucial role in facilitating financing for SMEs engaged in exports through the İGE Equity Guarantee Support Program. The Bank also strengthened its intermediary role in CBRT and Eximbank Credit Programs, further increasing its support for exporters.

As a result of its value-driven approach and strategic initiatives, Alternatif Bank achieved significant international recognition and received the following awards:

- Best Partner Bank for SME Transactions award from the International Finance Corporation (IFC) Trade Partner Organization.
- Most Active User in Türkiye for the seventh consecutive year in the European Bank for Reconstruction and Development (EBRD) Trade Finance Program.
- Green Deal of the Year award for the second time, highlighting its commitment to sustainable finance.

2025 Targets

Following the completion of its organisational transformation, Alternatif Bank's Corporate Banking division aims to deepen relationships with existing clients by expanding financial support and cash flow participation, while also focusing on new customer acquisition.

The Bank will:

- Align with budget targets, and strategic goals while ensuring compliance with official regulations.
- Continue supporting local and multinational corporations, financial institutions, and public sector organisations in line with its growth strategy.
- Maintain its comprehensive service offering, including trade finance products, commodity and foreign exchange risk management tools, investment and fund products, and insurance solutions.
- Leverage its ecosystem approach, integrating all business units and subsidiaries to maximise synergy and customer benefits.
- Enhance its contributions to Business and SME Banking through cash management products while expanding services to corporate companies shareholders, executives, and employees, reinforcing Alternatif Bank's individual and private banking segments.
- Strengthen collaborations with key institutions such as CBRT, Türk Eximbank, İGE and DEİK (Foreign Economic Relations Board) to create added value for clients.
- Support ESG initiatives, assisting customers in their green transformation efforts.
- Align with BRSA and international sustainability regulations.
- Increase the share of sustainable financing within total loan portfolios.

BUSINESS BANKING

WITHIN THE FRAMEWORK OF ITS 'ECOSYSTEM BANKING STRATEGY', ALTERNATİF BANK BUSINESS BANKING OFFERED ITS CUSTOMERS A WIDE PRODUCT MIX INCLUDING SUPPLIER FINANCING AND INSURANCE PRODUCTS.

Embracing a banking approach that is “advisory, and responsible” and fostering long-term partnerships with its customers, Alternatif Bank continued its services in a geography covering 90% of Türkiye's industrial and commercial cycle with a total of 20 Business Banking branches, strategically located where the population and industrialisation are most concentrated in the country. In 2024, the Bank continued to support the real economy with a wide and diversified product range.

Continuing to develop long-term solutions for its customers with its advisory banking approach, the Bank offered a comprehensive product portfolio to its customers, including supplier financing, and insurance products within the framework of its “Ecosystem Banking Strategy” in Business Banking.

In 2024, Alternatif Bank Business Banking continued its strategy of controlled growth while also adopting a profitability-focused working method. The Bank is committed to enriching and deepening its product range for existing customers. It offers a variety of cash credit products, including

foreign currency loans, instalment commercial loans, TLREF-indexed loans, and short-term financing solutions such as overnight, spot, and revolving loans. In addition to cash loan products, the Bank provided non-cash loan products, including trade finance, letters and e-letters of guarantee.

Taking steps to simplify customers' operational processes, Alternatif Bank Business Banking focuses on the development and increased use of applications such as E-Signature, Supplier Finance System, Bulk Payment System, aiming to enhance efficiency and convenience for its clients.

Highlights from the 2024 performance

The Business Banking, which designed its 2024 strategy around acquiring new customers and deepening relationships with existing customers, created a new customer limit of TRY 19.7 billion by the end of 2024.

As of the end of December 2024, Business Banking had a business size of TRY 33 billion and an asset size of TRY 23.9 billion.

TRY **19.7** billion
new customer limit

TRY **33** billion
transaction size

2024 success in Business Banking

Business Banking established a new customer limit of TRY 19.7 billion by the end of the year, based on its 2024 strategy of acquiring new customers and deepening relationships with existing ones. It reached a total transaction size of TRY 33 billion and an asset size of TRY 23.9 billion.

TRY **680.6** million
VOV deposit volume

TRY **2.2** billion
Investment Fund Balance



In the VOV Deposit product launched in 2024, a volume of TRY 680.6 million was reached. The product was adopted and appreciated by customers. The Investment Fund balance, which was TRY 554 million at the end of 2023, reached TRY 2.2 billion by the end of 2024.

Alternatif Bank Business Banking, known as a reliable solution partner for customers' investments, reached a total TRY deposit volume of TRY 3 billion by the end of 2024, comprising TRY 2.6 billion in time deposits and TRY 457.3 million in demand deposits. During the same period, the total foreign currency deposits reached a volume of USD 85.8 million, with USD 62.2 million in time deposits and USD 23.6 million in demand deposits.

In the VOV Deposit product launched in 2024, a volume of TRY 680.6 billion was reached. The product was adopted and appreciated by customers. The Investment Fund balance, which was TRY 554 million at the end of 2023, reached TRY 2.2 billion by the end of 2024.

2025 Targets

Business Banking will continue to uphold its "advisory and responsible" banking approach as a principle in 2025, focusing on increasing its market share in line with its goal of becoming a cash flow bank in foreign trade financing.

Cash Management

Cash Management, which plays a critical role in key agenda items such as non-term deposit acquisition and new customer

acquisition for Alternatif Bank, is also important in terms of supporting customers' business operations, such as cash flow and financing. In the current economic environment, factors such as regulations and growth limits make cost-free resources more prominent. In this regard, Cash Management focused on products like SGK, Settlement Checks, and Tax Payments with Checks, reaching significant volumes, such as TRY 7.4 billion in accumulated SGK and TRY 28 billion in check payments by the end of the year, the highest volumes recorded over the years.

The Supplier Finance product continued to work digitally end-to-end, integrating with internet banking and two fintech platforms. Additionally, integration efforts with two new platforms began, and negotiations with another fintech for a contract reached the discussion phase. The discount volume achieved in 2024 was TRY 1.4 billion.

To significantly reduce the operational burden on commercial and corporate portfolio managers, user acceptance tests are ongoing for the implementation of an automatic balance sheet, declaration, BDR reading, and automatic spread creation project.

BUSINESS BANKING

ALTERNATİF BANK INSURANCE DEPARTMENT CONTINUED ITS ACTIVITIES IN 2024 WITH A FOCUS ON CUSTOMER SATISFACTION AND THE ADVISOR INSURANCE SERVICE APPROACH.

In line with its Individual Banking growth strategy and non fee banking approach, Alternatif Bank continued to facilitate lottery payments without any fees. The Bank expanded its product range by partnering with major industry players like Bilyoner, Nesine, Misli, and Bitalih, with discussions continuing with other sector players.

As required by the CBRT Regulations, work for BKM Open Banking integrations in Secure Payment, Payment Request, and Account Service Provider products has gone live, while development work continues for the Payment Service Provider product.

Insurance

Established with an experienced team that has worked in the insurance sector at middle and senior levels for many years, Alternatif Bank Insurance Division continued its operations by maintaining a tailor-made advisory model, focusing on customer satisfaction and the concept of advisory insurance services in 2024. Customer satisfaction initiatives were supported in parallel with the exclusive insurance model, emphasising sustainability.

As part of its bancassurance services, Alternatif Bank continued to meet its customers' needs in the individual pension, life, health, and property insurance sectors with the most comprehensive, affordable, and coverage-rich products, offering services through branches and alternative distribution channels to provide the best customer experience.

As an agent, Alternatif Bank offers individual customers products such as Comprehensive Auto Insurance (casco), DASK (Compulsory Earthquake Insurance), and Home Insurance, as well as Pension, Life, Personal Accident, and Health Insurance products. For its business and corporate customers, the Bank offers a wide range of products including liability, transportation, engineering, and electronic device insurance, tailored to the specific needs of institutions.

Transforming the traditional approach to insurance by considering the behavioural patterns of the times, Alternatif Bank integrated insurance product sales with digital



Insurance Services Went Digital

Alternatif Bank transformed the traditional approach to insurance by adapting to changing behaviours, integrating insurance product sales with digital processes, and providing customers with a simple and effortless experience.



Introduced the Pink Ribbon Product

Always expanding its product range to meet the needs of its customers, Alternatif Bank introduced the Pink Ribbon product to its customers in 2024.

processes, offering its customers a seamless and effortless experience. In 2024, the digital approval processes for property, life, and pension products were completed, enabling digital-approved sales. In addition to the sales processes, the importance of post-sale processes for customer and employee satisfaction was recognised, leading to the completion and implementation of reconciliation and renewal modules.

Always expanding its product range to meet customer needs, Alternatif Bank introduced the Pink Ribbon product to its customers in 2024.

For the sake of ensuring employee satisfaction, which the Department places great importance on, special comprehensive policies regarding health insurance were designed for Alternatif Bank employees and their dependents. At the same time, all employees were covered under life insurance.

Regarding the Bank's inherent risks, special solutions were developed with risk engineering to minimise all risks, and the main goal was to reduce costs in purchasing related insurance policies.

Due to the expiration of the 5-years exclusivity agreement for property insurance at the end of November, a 10-years exclusivity tender process was initiated for property, life, and pension products, which was managed meticulously. After a detailed and comprehensive evaluation process, and with the approval of the Bank's Board of Directors, Zurich Insurance was awarded the contract for property insurance, while Zurich Life and Life Insurance were selected for life and pension sectors. The exclusivity agreement process with Zurich Group was initiated, and simultaneously, integration work began to offer credit-linked products—credit life, credit personal accident, and commercial liability insurance products—through branches and digital channels as part of the first phase.

TREASURY GROUP

ALTERNATİF BANK TREASURY GROUP CONTINUED TO PROVIDE THE MOST SUITABLE PRODUCTS AND SERVICES TO RETAIL, BUSINESS AND CORPORATE CUSTOMERS WITH ITS SPECIALISED TEAM IN THE FIELD.

Treasury Marketing Department

Serving retail, commercial, and corporate customers, the Treasury Marketing Department continued to perform spot foreign currency trading and provide pricing options and stock market reports in order to minimise the exchange rate, interest rate and commodity risks that customers may face. In addition to these services, the department performed credit pricing, which include deposit and derivative products for branches and customers through business lines.

Asset and Liability Management and Economic Research Department

Asset and Liability Management Department was primarily engaged in liquidity management, interest risk management, and fund transfer pricing. As part of the liquidity management activities, the Department actively managed liquidity in all currencies in compliance with internal and legal limits.

Asset and Liability Management realised the fund transfer pricing (FTP), ensuring that the pricing of financial products

correctly reflected market conditions, funding costs and financial risks. In addition, appropriate FTP arrangements were suggested for the strategic promotion of certain products when deemed necessary.

Economic Research Department

Within the scope of Economic Research Department, the Treasury Group, the Bank's Senior Management and customers were regularly briefed through reports on economic developments, expectations and risks. Developments in the banking sector and the real sector were monitored and reported, presentations on the economic outlook were prepared for non-bank institutions and the Treasury Marketing Department was supported in these efforts. In addition, customer visits and reports were conducted as part of marketing activities of various business lines.

Trading Department

Comprised of three sub-units: Foreign Exchange, Interest and Derivatives, the Trading Department's competitive pricing continued to play a key role in 2024 in strengthening the



Information Flow Continued with Reports

The Treasury Group, the Bank's senior management, and customers were regularly informed through reports prepared on the economic outlook, market developments, expectations, and risks.



524%

Non-Deposit Asset Growth

240%

Increase in fund size

In 2024

- Non-deposit asset size grew by 524%.
- Fund size increase by 240% when compared with 2023.

Bank's position in capital markets and supporting Treasury Marketing through FX and FX derivatives transactions entered into with corporate and commercial customers. Effective pricing was offered to customers in accordance with their market expectations as part of options portfolio and risk parameter management efforts. The Department cooperated with other departments to develop various products that meet the needs of corporate customers with a customer-oriented approach. The Trading department, engaged in various activities within the positions and risk limits determined by the Board of Directors of Alternatif Bank, with the aim of achieving profitability targets.

Private Banking Sales and Performance Management Department

As of 2024, Alternatif Bank began offering an innovative banking experience in its Private Banking division, with a new business model tailored to unique customer preferences. By the end of the year, the Private Banking unit reached over 2,000 customers, standing out with personalised financial solutions and services. The unit continued to serve its

customers through 9 service points across Türkiye, including 4 in Istanbul and 5 in other major cities, providing access in cities such as Istanbul, Ankara, Izmir, Bursa, Antalya, and Adana.

Private Banking offered a comprehensive financial experience with a wide range of investment fund options, the support of Alternatif Menkul for transactions in organised markets, and various investment products. Thanks to this extensive range of products and services, non-deposit asset size grew by 524% in 2024, providing customers with more investment options. The fund size also increased by 240% compared to the previous year.

In line with its 2025 goals, the Private Banking unit aims to further increase asset size and service quality, develop solutions tailored to customer needs and expectations with its expert team, and strengthen relationships through special events and non-banking services to enhance customer satisfaction.

FINANCIAL INSTITUTIONS

ADOPTING A RELATIONSHIP-FOCUSED CORRESPONDENT BANKING APPROACH, ALTERNATİF BANK'S FINANCIAL INSTITUTIONS DEPARTMENT CONTINUED TO PROVIDE COMPETITIVE CONDITIONS FOR ITS CUSTOMERS ENGAGED IN FOREIGN TRADE, HELPING THEM SECURE INTERNATIONAL FINANCING SOURCES.

Within the framework of Alternatif Bank's core strategies in correspondent banking and foreign-sourced funding, the Financial Institutions division continued its activities in 2024. In line with the continuity approach in correspondent banking relationships, the division managed an extensive correspondent network while establishing new relationships to facilitate competitive overseas funding for customers engaged in foreign trade.

Financial Institutions Department strengthened the ability of Alternatif Bank to access long-term funds thanks to bond issuances in international debt capital markets, subordinated loans, bilateral loans and funds raised from multilateral financial institutions.

Strengthening and diversifying relationships

In 2024, Alternatif Bank continued its systematic efforts to strengthen existing relationships and develop new ones with correspondent banks and supranational organisations.

The Bank took initiatives to enhance the brand visibility, vision, and strategy on international platforms in front of

correspondent banks and international investors. High-level participation in international organisations and meetings was ensured for this purpose.

Maturity and lender diversification in foreign funding

Providing funds from international markets was on top of Financial Institutions Department's main operation areas in 2024.

Alternatif Bank's borrowing strategy is to conduct an effective balance sheet management through diverse instruments, maturities and lenders and to improve funding costs. Funds provided by the Bank with different maturities and from different financier profiles demonstrate the success of the strategy and is a significant and valuable factor confirming the lenders' confidence in Alternatif Bank.

Developing relationships with multilateral institutions

Having established long-standing strong relations with multilateral organisations, Alternatif Bank targeted to provide a significant contribution to the development and sustainable growth of the Turkish economy through long-term funds



Strengthened position through success in foreign trade

Alternatif Bank won the "Best Business Partner Bank" award in foreign trade transactions targeting SMEs, in collaboration with IFC. Under the EBRD's "Foreign Trade Program," the bank once again won the "Most Active User of Türkiye" award, making it the winner of this award for seven consecutive years. Additionally, the bank won the "Green Transaction of the Year" award for the second time this year, which is given to banks that facilitate trade in green technology and products in countries where the EBRD operates.

secured from the International Finance Corporation (IFC) and European Restructuring and Development Bank (EBRD). These funds include SME credits and thematic long-term funds to support strategic areas such as women entrepreneurs.

Going forward, developing relationships continuously with multilateral institutions and supporting the economy with new long-term funds to be obtained from these institutions will remain the Bank's key targets in the following periods.

Long-term correspondent relationships based on the reciprocity principle.

Alternatif Bank has a constantly growing and strengthening correspondent bank network since its establishment. Alternatif Bank places a great deal of importance on optimising this effective and broad collaboration network in line with the needs and demands of its customers as well as the developments in global financial markets.

Intermediating in all of its customers' international transactions including foreign trade and payments, and providing innovative solutions, the Bank also carried out efforts to increase the number and the volume of transactions within its existing network of correspondent banks.

Alternatif Bank establishes long-term and reciprocal relationships with the world's leading banks and financial institutions and prioritises the efficiency of its relations with its main correspondent banks.

The positive and strong contribution of external funds, which is a significant portion of Alternatif Bank's liabilities, to the Bank's total funding sources in terms of maturities and price is an evident consequence of these efforts.

Diversifying foreign trade products

Foreign trade transactions are one of the important channels that contribute to Alternatif Bank's diversified products to its customers and to maintain wholesome relations with correspondent banks.

The Bank continued to support its foreign trade customers in 2024 through its existing correspondent network and wide product range. Pursuing a further increase in the foreign trade transaction volume, which was more than USD 2 billion as of the end of 2024, is one of the key priorities of the Bank. Foreign trade transactions also facilitated the Bank's access to alternative funding sources.

Financial Institutions Department is in close cooperation with the Foreign Trade Finance and Foreign Trade Operations Department to diversify foreign trade products and respond to customers' needs. Moreover, the Bank's coordination with the Treasury Group is also strong to conduct a more focused strategy in treasury transactions with the correspondent banks. The Department also undertakes an important role in

taking appropriate steps in accordance with the Bank's targets to increase transaction volume and numbers.

Alternatif Bank is an active user of the EBRD and IFC's foreign trade guarantee programs. The active use of these programs was also recognised by EBRD and IFC, and in 2024, Alternatif Bank was awarded a total of three awards from both institutions. The Bank won the "Best Business Partner Bank" award in foreign trade transactions targeting SMEs, in collaboration with IFC. Under the EBRD's "Foreign Trade Program," the Bank once again won the "Most Active User of Türkiye" award, making it the winner of this award for seven consecutive years. Additionally, Alternatif Bank won the "Green Transaction of the Year" award for the second time this year, which is given to banks that facilitate trade in green technology and products in countries where the EBRD operates.

Both foreign trade guarantee programmes are given prominence by Alternatif Bank in terms of access to new foreign trade customers, in initiation of relationships with new correspondent banks, generating additional capacity for the Bank's foreign trade limits and securing access to international funding sources at more competitive levels.

In 2024, another foreign resource provided by the Financial Institutions Department was "Taiwan Eximbank Foreign Trade Credit". This credit was successfully renewed in 2024 and extended to customers. The credit offers maturity and pricing advantages to user customers in imports of all types of consumer and investment products with Taiwan origin.

Commercial Bank Alliance Banks Group

Commercial Bank Alliance Banks Group consists of Commercial Bank, Alternatif Bank, United Arab Bank, Commercial Bank's 40% affiliate in United Arab Emirates and the National Bank of Oman, which is a 35% affiliate of the Commercial Bank, based in Oman. As the members of alliance group, the banks work interactively, focusing on achieving process improvement and maximum synergy.

Relations with the credit rating agencies

The ratings assigned by the credit rating agencies to Alternatif Bank have significant importance for the Financial Institutions Department in terms of access to international funding sources via international borrowing instruments, and the initiation and strengthening of correspondent bank relationships.

Alternatif Bank is currently rated by Fitch Ratings and Moody's. The Financial Institutions Department plays a key role in the coordination of annual due diligence meetings with these agencies, in addition to monitoring and information flow throughout the year.

OPERATIONS

WITHIN THE OPERATIONS DIRECTORATE, 2024 WAS A YEAR IN WHICH EFFORTS IN THE FIELD OF DIGITALISATION PAID OFF AND FUNDAMENTAL CHANGES OCCURRED IN OPERATIONAL BUSINESS PRACTICES.

The Operations Directorate of Alternatif Bank, consisting of Central Operations, Treasury Operations, Transaction, and Digital Banking Operations units, continued its operational activities in 2024 with a risk- and efficiency-focused approach. With its competent staff closely monitoring development opportunities and playing a key role in transformation processes, the Operations teams remained a critical stakeholder in the Bank's digital transformation journey.

Within the Operations Directorate, 2024 was a year in which efforts in the field of digitalisation paid off and fundamental changes occurred in operational business practices. In this context, to manage all operational activities of the Bank with a more holistic approach, the Construction & Real Estate, Administrative Affairs, Security, and Service Management teams, which were previously part of different business units, were incorporated into the Operations Directorate as of November 2024.

The development of operational processes to be digital, channel-supported, and more centralised—eliminating

branch dependency, providing customers with transaction convenience, a unique customer experience, and pioneering solution proposals—will remain a key agenda item for the Operations teams in 2025.

2024 Activities

Increase in Digitalisation Rate

Thanks to system improvements aimed at enhancing customer experience and increasing the use of self-service transactions, the digitalisation rate of transactions conducted through customer accounts increased by 3 percentage points compared to the previous year, reaching 97%.

New Service Model

To respond to customer needs and demands more quickly and contribute to the digitalization journey, the New Service Model was implemented. This service model improved efficiency in operational processes and increased digitalisation rates. At the same time, it provided knowledge and resource support to Retail Banking teams.



2025 Priority in Operations

- Digital, channel-supported, and more centralised execution of operational processes
- Development of processes to eliminate branch dependency, providing customers with transaction convenience, a unique customer experience and pioneering solution proposals



Digitalisation Rate Reached 97%

Thanks to system improvements aimed at enhancing customer experience and increasing the use of self-service transactions, the digitalisation rate of transactions conducted through customer accounts increased by 3% points compared to the previous year, reaching 97%.

Centralisation of Operational Activities

To enable branches to engage more with customers and be more effective in product/service promotion, certain operational activities previously carried out at branches have started to be performed and managed centrally through technical improvements.

Developments in ATM and digital banking

Within the scope of self-service transaction banking, the daily ATM withdrawal limit for individual customers was increased from TRY 10,000 to TRY 20,000 to meet their cash needs quickly and securely.

The daily EFT limit for all customers, regardless of segment, has been increased from TRY 500,000 to TRY 1 million for transactions made via internet and mobile banking channels.

To enhance the experience of retail segment customers and support migration, additional ATMs have been placed inside branches. A project has been initiated to replace the existing ATM network with next-generation devices to improve service quality and customer satisfaction. This transition also aims to reduce the carbon footprint.

Bulk Payment Facilitation

Enhancements have been made to the bulk payment system, allowing customers to upload large-volume TRY money transfers to the bank system in a single SFTP session, enabling time and labour savings. With the improvement, customers can now submit bulk payments via email to odeme@alternatifbank.com.tr. Initiatives is ongoing to enable bulk payment data transfers through corporate internet banking.

Robotic Process Automation (RPA)

Within Operations, approximately 14 processes/workflows involving routine and repetitive tasks are now being handled by Robotic Process Automation (RPA) to simplify tasks for customers and employees.

Treasury Control and Compliance Processes

Due to the increasing complexity of financial instruments, the control and workflow processes within the Treasury Control and Compliance Unit have been restructured to ensure a more risk-focused and automated approach to monitoring treasury products and processes.



The background is a dark red gradient with a complex network of glowing red lines and nodes, resembling a circuit board or a digital network. The lines are of varying thickness and connect various points, some of which are highlighted with bright red circles or dots. The overall aesthetic is futuristic and technological.

WITH OUR HUMAN-CENTRIC BUSINESS
MODEL, WE STAND SHOULDER
TO SHOULDER WITH ALL OUR
EMPLOYEES, **MOVING FORWARD
WITH CONFIDENCE TOWARD THE
FUTURE OF OUR BANK.**

HUMAN RESOURCES

ALIGNED WITH ITS GOALS, ALTERNATIF BANK MANAGES ITS OPERATIONS WITH A STRATEGIC HUMAN RESOURCES MANAGEMENT PERSPECTIVE, EMPHASISING PROXIMITY TO EMPLOYEES AND A CONTINUOUS DEVELOPMENT PRINCIPLES.

Talent Management

Alternatif Bank's Talent Management Department aims to attract the most suitable candidates to the Bank by correctly analysing the needs of Bank's departments within the framework of its vision of human resources, as well as supporting the development of existing employees and advising them on their career paths. At the beginning of 2024, in line with this objective, the Talent Management team was restructured into two separate units: Business Partnership and Recruitment, to create a more focused structure. The Business Partnership unit was further divided into Branches & Subsidiaries and Head Office Departments. One of the most significant developments distinguishing 2024 was the increased interaction with the field due to this new structure. Since the pandemic, career interviews had been conducted remotely, but as of 2024, they resumed in person and on-site.

In 2024, in line with the principle of transparency, all positions were announced internally without any title hierarchy considerations, encouraging employees to apply for these positions.

Long-Term Internship Program

As part of Alternatif Bank's strategy to fill open positions with qualified talent, the Long-Term Internship Program (UDS) continued. This program aims to onboard third- and fourth-year university students, Master's degree students, and recent graduates into the Bank. Interns work at the Bank for a minimum of three months, fulfilling the requirements of relevant positions while gaining practical experience in the banking sector. This process allows young talents to become familiar with banking and develop in line with Alternatif Bank's values.

In 2024, as part of the UDS Program, a total of 21 interns were included across 11 Head Office departments, 8 branches, and 2 subsidiaries.

Candidates interested in joining Alternatif Bank's growing organisation, built on expertise and prudent banking principles, could submit applications through individual and career portals. Open positions were posted on the Alternatif Bank corporate website, as



The organisational structure was restructured

At the beginning of 2024, the Talent Management team was divided into two separate units, Business Partnership and Recruitment, to create a more focused structure.



Customer Experience Officer Development Program

As part of the new working model, the **Customer Experience Officer Development Program** has been designed to enhance the product knowledge and develop sales skills of employees transitioning from operations to sales roles. The program, which lasted two weeks, included 24 employees.

well as on LinkedIn, Kariyer.net, and Youthall platforms. Additionally, applications were accepted via e-mail: YetenekYonetimiBirimi@alternatifbank.com.tr

Beyond recruitment and career development, the performance management system was also restructured to elevate the success of employees and the Bank while promoting continuous development.

With the new system, managers evaluated employees. Employees also conducted self-assessments throughout the year to track their own development. Employees monitored their concrete and measurable goals set at the beginning of the year and reviewed them in October. The performance evaluation process focused on employee development through feedback and feedforward practices. Performance evaluation results played a key role in training planning and career development.

In 2024, to implement and sustain strategic priorities, the definition of “talent” was revised and standardised. Leadership competencies essential for Alternatif Bank Leaders to achieve their goals were redefined, along with their specific behavioural indicators. For Manager-level and above,

competency codes were assigned based on these behavioural indicators, enhancing internal talent development and succession planning for critical roles.

Development Management

The Development Management unit aims to strengthen employees’ technical knowledge and skills and contribute to their competency development. In line with this goal, and considering Alternatif Bank’s new strategic plans, the unit designed training programs tailored to needs in 2024. The trainings were held in a hybrid format, both online and in-person. In addition to the internal trainers, who are subject matter experts within the Bank, training sessions were also conducted with expert consultants on various topics. These training programs were planned specifically according to roles, titles, and needs based on discussions with departments.

Aiming to improve product knowledge and sales skills for employees transitioning from operations to sales under the new work model that will drive Alternatif Bank forward, the **Customer Experience Specialist Development Program** was designed. The program, which included online courses, classroom training, and hands-on screen sessions, lasted for 2 weeks and 24 employees participated.

HUMAN RESOURCES

THE YOUNG TALENT PROGRAM, WHICH BEGAN IN 2023, WAS INTEGRATED WITH BANK'S LONG-TERM INTERNSHIP PROGRAM—ONE OF ITS MOST IMPORTANT PRACTICES—TO CREATE AN END-TO-END PROCESS.

In the **2024 Development Catalog**, 64 training sessions were held across 50 different topics. The catalog included 6 leadership, 35 technical, and 23 competency-based training programs. A total of 1,155 participants attended the Development Catalog trainings, which included both online and classroom formats.

Managers who participated in the **Leadership Development Program** in 2023 presented their project presentations and individual development action plans in the first quarter of 2024. One of the responsibility projects involved organizing an event for orphaned children, providing gifts for their books and stationery needs. Another group of participants established a library at a village school in Hatay. The presentations were made to a jury. This jury consisted of trainers, Human Resources teams, and participants' Managers and Assistant General Managers.

In order to observe the impact of inflation, a critical issue in both the global and national economies, on the banking sector, financial statement analysis training in an inflationary environment was planned for the Credit Allocation, Business Banking, and Corporate Banking workgroups. The training was conducted online for 6 groups, with 104 employees participating.

Aligned with the Bank's strategies, training programs were designed for branch sales teams based on the identified development needs. Program content was prepared together with the sales and marketing teams of each business unit. The programs, including product training, sales training, and risk training, were conducted in a hybrid format. A total of 128 employees participated.

The Young Talent Program, which started in 2023, was integrated with the Bank's **Long-Term Internship Program**, one of its key practices, to form an end-to-end process. The new model aims to integrate students into corporate life during their internship, providing them with banking and personal development training, thus creating a recruitment source for employees who are familiar with the institution's culture. Those who transition to the staff as "Young Talents" will be included in differentiated training programs such as MT/ST or TechTrainee. As part of the new process, the "Developing My Competencies" e-learning package was assigned to support the personal development of existing long-term interns through the DinamiKampüs platform.

Training programs were held for employees required to obtain **Level 3 Capital Markets License** as part of their job duties. These training sessions aimed to support employees' exam preparations and provide additional resources. A total of 29 employees participated.

2024 Development Catalog

50

different topics

64

trainings

1,155

participants

Topics

6

leadership

35

technical

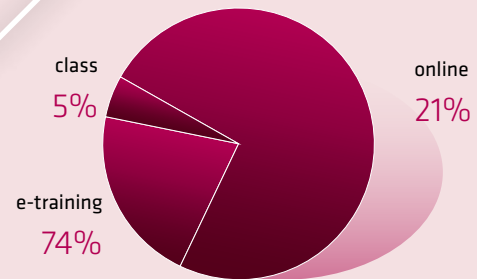
23

talent



Development Management with Numbers

49.3 days
trainings per person



As part of **mandatory legal training**, two groups of **First Aid Training sessions** were held for the Bank's first aid teams, with a total of 15 employees attending the sessions.. Additionally, two groups received **Search and Rescue and Evacuation Training from AFAD** (Disaster and Emergency Management Authority) at the AFAD Training Centre. A total of 42 employees attended. **Disaster Awareness Training from AKUT** was planned for Business Continuity Committee Members and senior management, with the training conducted face-to-face in three groups, totalling 50 employees.

The **Alternatif Bank Trainer Development Program** was designed to support internal learning and create a pool of internal trainers. The program included tips for adult education, presentation skills, online training skills, and application training. The program's training sessions will take place in 2025 after the application process starts in December.

The Alternatif Talks seminar, which features expert speakers on various topics each year, was held in December with Akan Abdula, one of the leading figures in research and future strategies in Türkiye, through a Zoom session. A total of 114 employees attended.

In addition to the special trainings organised for Alternatif Bank, employees were directed to external training and seminars based on their specific job needs, further supporting their development. Additionally, employees were provided with opportunities to attend various summits, conferences, and events to stay updated with trends.

DinamiKampüs

E-orientation training and mandatory legal training were continuously assigned through the training platform for newly hired employees. Additionally, mandatory trainings that existing employees are required to complete annually, according to regulations, were also assigned throughout the year.

As part of the **Young Talent Program**, a "Developing My Competencies" training package was created for the Bank's long-term interns and assigned to them through DinamiKampüs.

To make the e-orientation training a more enjoyable learning experience, work has begun on designing an interactive, game-based e-learning format. The goal is to complete the e-orientation training by 2025.

HUMAN RESOURCES

IN THE ‘IDEA OF THE FUTURE IS YOURS’ COMPETITION, IDEAS THAT WOULD SHED LIGHT ON BANK’S DIGITAL TRANSFORMATION JOURNEY WERE REWARDED BASED ON THEIR EVALUATIONS.

Compensation and Benefits

Within the scope of **AlterFlex**, which fits the employee’s new world, Alternatif Bank Headquarters employees were divided into three groups as remote, office and hybrid workers.

Moreover, Headquarters employees can arrange their working hours themselves. All employees at the Bank should be working at the office or online between 10:00-16:00, which are defined as core hours, but they are **flexible** to adjust their starting and ending times as well as their lunch breaks.

With the **Alternatif Summer** application, human resource was able to work from wherever they wanted for weeks during June, July and August.

An opportunity to **bridge** official holidays with weekends was provided to support work-life balance of employees.

Alternatif Bank’s compensation policy observes a fair, balanced and industry-compatible approach and applies a Total Income System, where employees can be differentiated by their individual performances.

As part of the high-performance culture, the sales incentive system PAY (Performance-based Alternatif Bank Approach)

was launched in 2024, and the performance of relevant employees in branch positions began to be rewarded on a quarterly basis. The benefits offered to Alternatif Bank employees are:

- 12 salary payments are made in a year (payments are made in gross).
- A bonus payment is made once a year, depending on the Bank’s target realisation and individual employee performance.
- With the sales incentive system PAY, employees in relevant positions receive an additional bonus payment on top of their base salary on a quarterly basis.
- Lunch is provided with meal tickets.
- Shuttle service is provided to employees working at the Head Office.
- Life insurance coverage is provided for all employees.
- All employees receive telecommunication support monthly.
- Private health insurance is provided covering employees, as well as their spouses and children.
- Health check-ups are provided for employees.



4-week remote working opportunity in the summer

With its “people-centred” approach, Alternatif Bank continued its efforts in 2024 to offer employees happier, more peaceful, and productive work environments. In this context, the Bank continued the “Alternatif Summer” program, which it launched in 2022, offering employees the opportunity to work from anywhere during 4 weeks of their choosing in July and August in 2024.

- Private Pension Plan with Company Contribution is provided for the employees who have completed 6 months of service.
- Annual paid leave policy is applied based on the following service periods:
 - From 1 year to 5 years: 15 business days
 - From 6 years to 15 years: 20 business days
 - 16 years or more: 26 business days
- Administrative vacation days are provided in addition to legal vacation days to support employees' family lives and to be on their side on their special days:
 - One day vacation on birthdays of employees
 - For those who have children in primary schools, half day vacations on the first and last days of school
 - For those who have children at high schools, one day vacation for registration transactions to high school after High School Entrance Exam (LGS).
 - Two-day vacation for Headquarters and branch employees who cannot be included in AlterFlex due to the nature of their jobs.

Organisation

The main objective of the Organisation Department is to manage the organisational structure in a synchronised and effective way with all of its functions. In line with this goal, the major responsibilities of Organisation Department include the production of concrete data through normative planning models supporting workforce planning, managing labour resource planning with the perspective of optimisation, setting out the duties and responsibilities of all components of the organisation in a clear and unambiguous manner.

In-house documents, being one of the most crucial sources of corporate memory, are published by the Organisation Department through the Digital Library platform on the Bank's portal. Necessary approvals from committees and relevant authorities are obtained before publication. Users have quick access to the required documents within the Digital Library through search features, as well as through the advanced search functionality on the main page of our Bank's portal.

Internal Communication and Corporate Culture

As part of a Human Resources strategy focused on employee satisfaction with a people-centred approach, the Internal Communication & Corporate Culture Unit aims to be by the side of Alternatif Bank employees at all times. In this context, the Unit carried out initiatives for employee satisfaction in 2024 under 3 main headings:

Employer Branding and University Events

- Özer Gülce, the Director of Information Security, met with university students and recent graduates at the "Cyber Security Day" session organised by Coderspace, where he discussed the Bank's Information Security practices.
- In March, Neslihan Şahin, the Talent Management Manager, was a speaker at the "Inspiring Women Career" event organised by Youthall. During the event, where female leaders shared their inspiring stories and experiences, she answered questions from young people regarding their career journeys.
- At the Youthall-organised "Inspiring Women Career Summit" event, which is also the Bank's main sponsor, Executive Vice Presidents Ayşe Akbulut, Bike Tarakçı, Burcu Yangaz, and Didem Şahin met with young university students during a special session on March 8. The women leaders shared their career paths and success stories, and at the end of the event, they answered questions from university students.
- Zafer Vatansever, EVP of Information Technologies and Operations, met with young people at Youthall's "Tech Career Summit." He shared his experiences with those interested in pursuing a career in technology and answered questions about the Bank.
- At the "Let's Start Today: Social Impact and Responsibility Summit" organised by Anbean, the Bank's efforts on Accessible Banking and its social responsibility projects were presented.
- Bike Tarakçı, EVP of Human Resources, and Neslihan Şahin, the Talent Management Manager, met with university students at the "Humanspire Summit" organised by Youthall. They shared tips from the Human Resources department and discussed their own career journeys.

Corporate Culture Actions

- With the "The Idea of the Future Is Yours" competition, ideas that will shed light on the Bank's digital transformation journey were rewarded based on evaluations.
- A hybrid bag painting workshop was organised for 20 young Alternatif Bank employees in celebration of April 23, National Sovereignty and Children's Day

HUMAN RESOURCES

ALTERNATİF BANK WILL CONTINUE TO STRENGTHEN THE EMPLOYER BRAND IN 2025, INCREASE EMPLOYEE MOTIVATION, AND CREATE VALUE FOR SOCIETY BY SOCIAL RESPONSIBILITY PROJECTS.

- The “Alternatif Çok” (Plenty of Alternatives) event was held at the General Directorate building for a fun gathering. It began with visiting Non-Governmental Organisations’ booths, followed by a summer greeting event with delicious snacks and music.
- A trip to Çanakkale was organised with members of the Travel and Photography Club.
- A table tennis tournament was held within the Bank. After fierce competition and memorable moments, the top 3 winners were awarded.
- Long-serving Alternatif Bank employees who have worked with great dedication for 10, 15, 20, and 25 years were presented with service awards at organised events.
- Gift boxes were distributed to all Alternatif Bank employees during the Ramadan and Sacrifice Holidays.
- The “Alternatif Yaz” (Alternative Summer) program, announced with the slogan “Alternatif Çok” (Plenty of Alternatives), was shared on social media and the digital screens at the General Directorate.
- The announcement of the Bank being named “Türkiye’s Best Bank in Diversity and Inclusion” at the Euromoney 2024 Excellence Awards was shared on internal and external communication platforms.
- On October 4th, World Animal Protection Day, Alternatif Bank employees and their pets were featured in a story series on the internal communication account.
- At the 2024 Brandweek, in which Alternatif Bank was the Accessibility sponsor, Accessibility sponsor, the session “Removing Barriers is Our Only Alternative” was held, featuring EVP of Human Resources Bike Tarakcı and Brand, Communication, Sustainability, and Customer Experience Manager Hande Yağcı. They met with participants and provided information about the Bank’s Accessible Banking initiatives, which have been ongoing for over five years with a rights-based approach. Content related to the session was shared on all communication channels before and after the event.

Internal Communication Actions

- All special day communications, scheduled annually, were shared with Alternatif Bank employees via social media and email.
- The launch communications and training communications for the new service model were prepared.
- The organisation and communication of department-specific strategy meetings were carried out.
- The launch of the portfolio campaign carried out with TEB took place in a hybrid format. During the event, the work model, shared workspaces, and goals were discussed. Additionally, high-performing employees at the Bank were awarded for their contributions to the campaign.
- During Museum Week (May 18-24), a series of contents was shared on social media featuring world-renowned museums that Alternatif Bank employees could visit online.

Recognition and Rewards

As part of Recognition and Rewards, gifts were delivered to a total of 37 who were married or welcomed a baby.

Alternatif Bank is determined to continue its efforts in 2024 to strengthen its employer brand, enhance employee motivation, and create value for society through social responsibility projects.

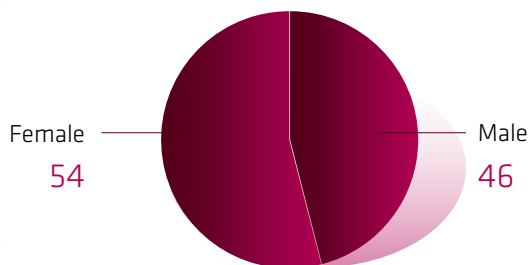
Alternatif Bank Human Resources Profile

As of 2024 year-end Alternatif Bank employee data is presented below:

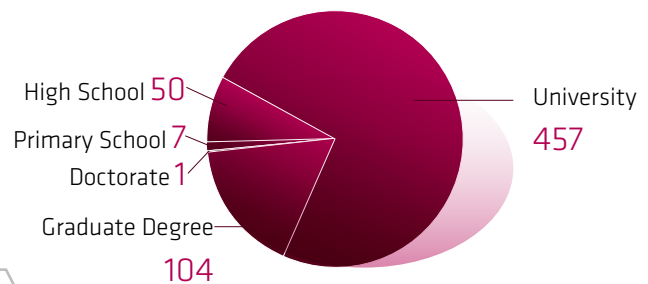
	2021	2022	2023	2024
Total Number of Employees				
Headquarters	498	470	484	456
Branches	331	250	218	163
Total	829	720	702	619
Gender				
Male employees	48%	46%	46%	46%
Female employees	52%	54%	54%	54%
Total	100%	100%	100%	100%
Average Age				
	39	39	39	39.64
Education Level				
Primary School	10	8	7	7
High School	56	57	63	50
University	629	536	516	457
Graduate Degree	133	119	115	104
Doctorate		1	1	1
Number of Employees with a Second Language	246	224	251	176
Average Seniority				
	6.4	6	6	6.2

* Figures exclude long-term interns, disabled employees, members of the Board of Directors, and outsourced employees.

Breakdown of Employees by Gender (%)



Breakdown of Employees by Education (%)





The background is a dark red gradient with a complex network of glowing red lines and nodes, resembling a circuit board or a digital network. The lines are of varying thickness and connect various circular nodes, some of which are larger and more prominent than others. The overall aesthetic is high-tech and futuristic.

FOR OVER 30 YEARS, WE HAVE BEEN
STRENGTHENING OUR COMPETENCIES
WITH TECHNOLOGY, REINFORCING
OUR PRESENCE IN THE INDUSTRY'S
COMPETITION **SUPPORTED BY**
STRONG CORPORATE FOUNDATIONS
AND SOLUTIONS THAT REFLECT OUR
INNOVATION IN THE PATH TOWARDS
DIGITALISATION.

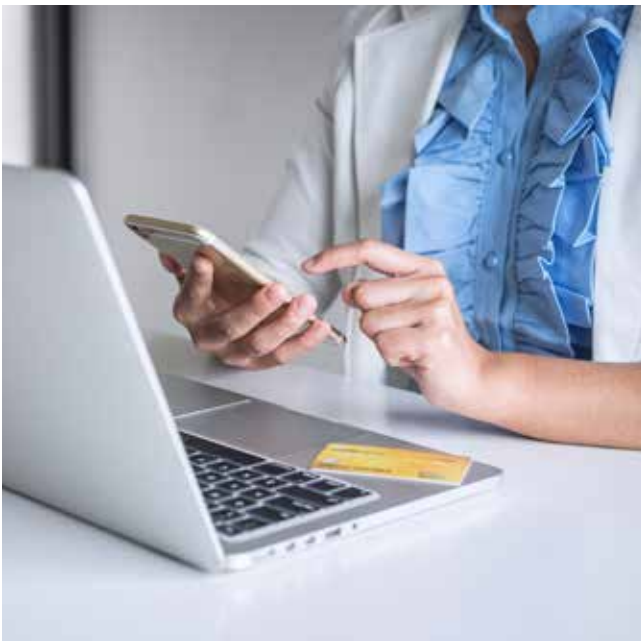
INFORMATION TECHNOLOGIES

2024 WAS A PERIOD IN WHICH ALTERNATİF BANK REAPED THE FRUITS OF STRATEGIC STEPS TAKEN TO PROVIDE HIGHER QUALITY AND MORE EFFICIENT SOLUTIONS.

In 2024, Alternatif Bank reshaped its Information Technology (IT) strategies in line with its new objectives and reviewed its processes to support them with the highest efficiency. Particularly, by adding new products and services to digital banking platforms, Bank achieved significant success in improving customer experience and acquiring new customers. 2024 was a period in which Alternatif Bank reaped the fruits of strategic steps taken to provide higher quality and more efficient solutions.

In 2024, Alternatif Bank successfully executed several projects during its digital transformation:

- **BKM Secure Payment:** With the integration of the BKM Payment Request service, BKM's secure layer service was integrated, enabling vehicle transactions with notaries and allowing money transfers in the role of Participant Bank. This service was activated on Alternatif Bank Mobile, Alternatif Bank Şirketim, and Internet Banking channels.
- **Insurance Digitalisation:** As part of this initiative, the digital approval process was implemented for Credit Life, Credit Personal Accident, and Optional Personal Accident insurance products. This made it easier for customers to obtain insurance products through digital channels.
- **VOV Corporate Account:** In the first phase of the VOV Corporate Account project, VOV accounts for real customers were defined and enabled for corporate customers to open from the branch channel. With the VOV Corporate Account, Bank aims to increase the time deposit volume of corporate customers by supporting it with demand deposits.
- **Shadow Portfolio:** In line with the new service model planned under digital transformation, Shadow Portfolio managers were assigned to serve under the Digital Branch, without changing the branch of physical branch customers. This ensured customers received services more easily through digital channels and encouraged them to use banking services through digital channels.



Increased Efficiency through Digitalisation

Thanks to the integration of automation and robotic processes, significant improvements in efficiency were achieved, particularly in the monitoring and intervention processes of anti-fraud operations. Through the review processes carried out, operational effectiveness was maximised by quickly adapting to necessary improvement and update procedures.

- **Pre-Approved Limit Automation:** As part of its customer-focused digital transformation strategy, the Bank implemented the Pre-Approved Limit Project. The project automated the entire process, starting from determining the criteria for the customer base that can be offered a pre-approved credit limit, through the credit evaluation process, to the creation of limits and customer notifications.
- Every day, customer lists are automatically generated, and the credit evaluation process is applied via decision support systems. Customers with positive results are notified of their limits via SMS. With the task management integrated into the CRM system, customer representatives began proactively serving customers who received pre-approved limits. This project automated the entire credit allocation process, improving the customer experience and increasing operational efficiency.
- **Risk-Based Pricing:** In line with its customer-focused approach and risk management strategy, the bank launched the Risk-Based Pricing Project. Within the scope of the project, a comprehensive risk assessment system was established by considering parameters such as customer credit score, credit bureau data, probability of default (PD), and customer history. Thanks to this system, each customer began to receive personalised credit interest rates, taking into account variables such as customer type, loan amount, and term. With the risk-based dynamic pricing model, differentiated interest rates were applied according to customers' risk profiles, which enhanced risk management efficiency and offered personalised pricing opportunities to customers.
- **Non-Customer Credit:** As part of its strategy to expand its customer base and digital transformation, Alternatif Bank launched the Non-Customer Credit Project. The project enabled individuals who were not bank customers to apply for credit through digital channels, have their applications instantly evaluated in the background, and quickly receive credit offers if deemed eligible. During the process,

credit limits are determined based on the applications of potential customers, remote customer acquisition is carried out through video calls, and loan disbursement operations are completed.

For existing customers, the process was simplified by directly redirecting them to the credit application screen after login. Evaluation results are instantly shared with potential customers, and in cases where the process is not immediately concluded, SMS notifications are sent. With this project, the goal was to expand the customer base and provide a seamless end-to-end customer experience through digital channels.

- **Data Management:** In recent years, financial institutions have recognised that their data assets and usage are crucial leverage sources, providing high strategic insight across a wide range of areas, from risk management and sales to marketing, product development, and operational efficiency. In response, Alternatif Bank made its data and analytics organisation a core part of its digital transformation journey. In this context, the decision was made to establish the Data & Analytics Group, with a focus on data-driven decision-making, maximizing the value of data, and providing the necessary strategic guidance and execution support.

The Data & Analytics Group consists of the following five team leaders:

1. Data Governance
2. Data Engineering
3. Data Analysis & Reporting
4. CRM & Customer Analytics
5. Risk Analytics

The new group is structured to provide strategic leadership for data and analytics initiatives, coordinate enterprise-wide data efforts, and help the organisation extract maximum value from its data assets.

INFORMATION TECHNOLOGIES

BY 2024, AN IT STRATEGY WAS ESTABLISHED TO ALIGN WITH NEW BANKING STRATEGIES. TO ENSURE IT PROJECTS ALIGN WITH THE BANK'S STRATEGY, PROJECTS WERE MONITORED WITHIN PROGRAM STRUCTURES.

Infrastructure Projects Successfully Completed in 2024:

- Throughout the year, network and security systems were optimised, kept up to date, and measures were taken to prevent cyber threats and security vulnerabilities, ensuring that systems operated at maximum efficiency.
- Branch and Headquarters voice recording systems were consolidated under one platform and upgraded to more flexible, next-generation voice recording systems.
- Large-scale infrastructure support agreements with external companies were reviewed, and new agreements were made with lower costs while maintaining the same technical specifications.
- The data and system synchronizations between the Primary Data Centre and the Disaster Recovery Data Centre were consistently maintained throughout the year, and ODM (Operational Data Management) tests were successfully completed.

IT Governance

Within the scope of IT portfolio and program management, support was provided to 14 main portfolios and 26 sub-portfolios. Additionally, 58 strategic projects were tracked under 7 programs. As of the end of September 2024, a total

of 208 projects and requests were completed. The impact of effective team management and the participation of competent personnel in teams on productivity was noticeable. In all these development and system continuity efforts, special attention was given to the efficient use of operational and investment budgets.

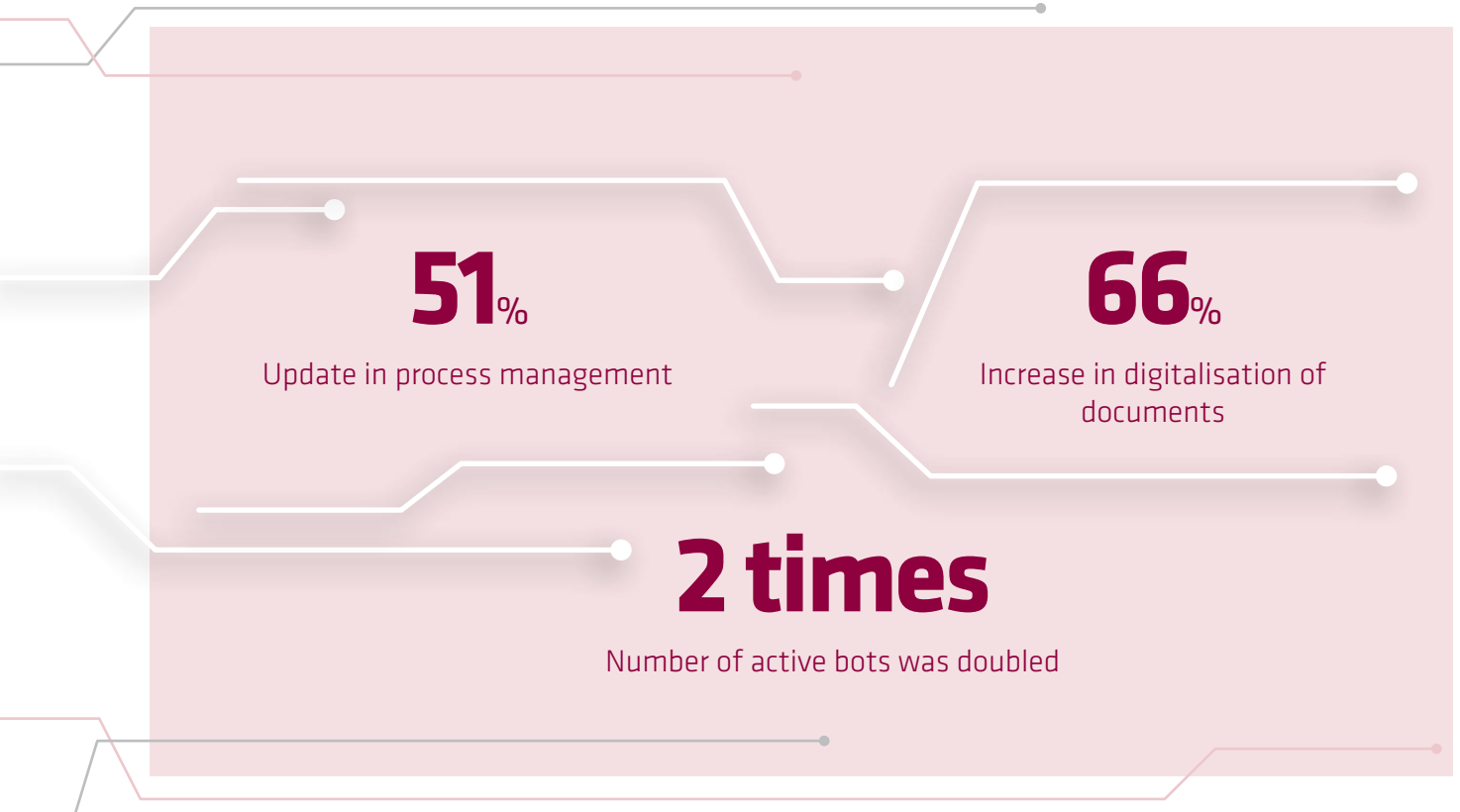
As of 2024, an IT strategy aligned with the new banking strategies was established. To ensure that IT projects align with the Bank's strategy, projects were tracked within program structures. At the beginning of the year, an event was organized to raise awareness among all IT employees about the Bank's and IT strategies and to establish these strategies as objectives. Based on the established program structure, 7 core programs were defined:

1. Individual Transformation
2. Corporate Digitalisation
3. Mobile Channel Transformation
4. Data and Analytics
5. New Service Model
6. Investment Products
7. Legally Mandated Projects have started to be tracked under programs.



Major Infrastructure Projects Completed in 2024

In 2024, several key projects were completed to strengthen Bank's technological infrastructure and enhance operational efficiency. These innovations led to significant cost savings in operations and strengthened the infrastructure with modern technologies.



Steering committees were established for each program, ensuring close monitoring with business units.

In 2024, IT Strategy and steering committees met regularly, and necessary Board of Directors briefings were held. Requests for audits from IT independent audits, the main bank CBQ AML audit, and internal Bank IT control teams were fulfilled. Risk controls of support and external service providers were included. Regular infrastructure meetings were held to monitor the requirements of new applications and process infrastructure. By focusing on change management processes, IT risks were monitored more closely. To enhance employee performance, motivation, and information security awareness, mandatory and elective training opportunities were provided in collaboration with Human Resources teams.

Process Management

As part of the implemented improvements and changes, 51% of the processes were updated. Projects focused on digitalisation and enhancing experience were implemented with a Continuous Process Management approach. The paperless transaction era was introduced in Retail Banking, enabling transaction and document approvals to be obtained digitally (via Mobile, IB, and Branch digital screens). The overall digitalisation adoption rate increased by 16%, while document approval achieved 66% increase.

Robotic Automation

With the new working model, robots focused directly on customer needs were introduced. By taking over low-value-added activities, the goal of improving employee experience, increasing efficiency, and enhancing service quality was maintained. The number of active bots was doubled, bringing the total to over 100.

INFORMATION SECURITY MANAGEMENT

INFORMATION SECURITY GOVERNANCE, APPROACHED AS A LIFECYCLE, HAS BEEN MATURED THROUGH NECESSARY REVIEWS, CURRENT TECHNOLOGICAL ADVANCEMENTS, AND METHODS.

Layered, integrated architecture for a sustainable security approach

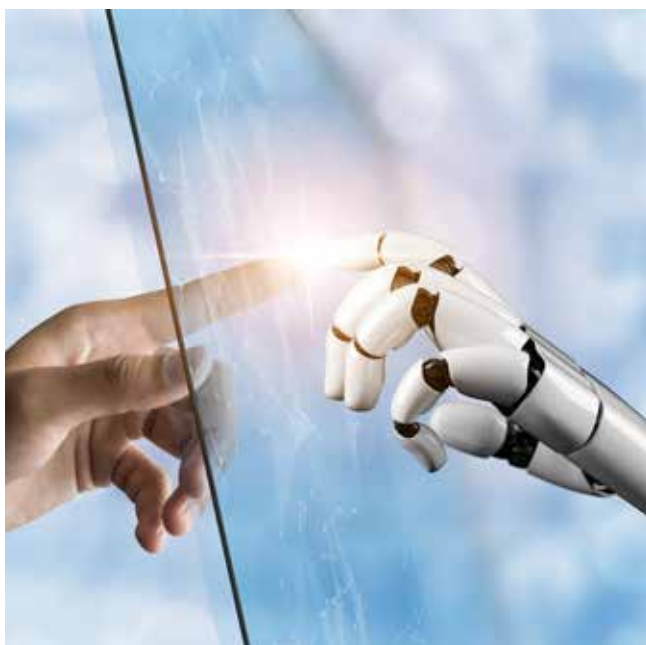
In 2024, Alternatif Bank continued its efforts to ensure the security of the digital world by enabling the safe and reliable use of infrastructures, allowing for instant intervention in alarm situations in systems, including its subsidiaries. Efforts also continued to protect against and adapt to increasing and diversifying cybersecurity threats and information security risks in a digitalised, globalised, and evolving local and global framework.

Information security governance, approached as a lifecycle, continued to mature through necessary reviews, current technological advancements, and methodologies, with value-added efforts conducted through internal and external reviews. Special sensitivity was exercised in structuring systems that support digitalisation and digital transformation vision, ensuring a security approach aligned with this framework.

Efficiency gains through automation and robotic processes

Based on a sustainable and layered architectural structure, the integration of automation and robotic processes into an increasing number of primary control activities resulted in improved efficiency in monitoring and intervention processes, particularly in anti-fraud operations. Efforts were made to ensure alignment with necessary development and update processes through continuous reviews.

Cyber drills, flexible penetration tests, regular vulnerability scans, and security tests were conducted using both internal and external resources. The security and reviews of internal and external applications, systems, servers, devices, networks, web, mobile, channels, and other components were carried out accordingly.



Increased Efficiency through Digitalisation

Thanks to the integration of automation and robotic processes, significant improvements in efficiency were achieved, particularly in the monitoring and intervention processes of anti-fraud operations. Through the review processes carried out, operational effectiveness was maximised by quickly adapting to necessary improvement and update procedures.

The Security Operations Centre (SOC), which enables centralised monitoring of complementary security systems and infrastructures, allowing for instant intervention in alarm situations in systems, was further strengthened and developed in 2024. This was achieved by enhancing and updating the SOC's security monitoring structure with changing and evolving cyber risk perceptions.

24/7 SOC and anti-fraud monitoring and response approach with end-to-end cyber threat perception

Focusing on humans, often considered the weakest link in cybersecurity but also the strongest factor when aware, awareness assessment tests were conducted against social engineering attacks frequently used by cyber threat actors. Awareness-raising activities and training programs were organised to enhance cybersecurity consciousness.

In this context, informative sessions were held for internal/external stakeholders, providing updates on current developments and threats based on received cyber intelligence. Online and classroom training sessions were assigned to maintain awareness, contributing to preventive measures.

Considering evolving work environments and remote access conditions, flexible penetration and security reviews continued to be developed within a sustainable framework. The internal/external anomaly monitoring structure was successfully maintained across all layers and systems within the Bank, including internal and external networks, server systems, endpoint and end-user devices, databases, internal and external applications, websites, new application integrations, and existing application developments.

Security testing efforts were extended to include applications reaching Bank customers through digital channels, integrations, and other required products and services. Regulatory security tests were conducted both as a result

of internal risk assessments and to ensure compliance with applicable regulations and standards.

Compliance and Standards

At Alternatif Bank, compliance with all related information security and information technology regulations, especially the Information Systems Regulation, is one of the key areas closely monitored with high sensitivity. All of these practices and activities are regularly reviewed and carried out. Integrated with the anti-fraud monitoring structure, they are also continued in conjunction with fraud prevention processes.

Alternatif Bank, which places great importance on conducting business processes within the framework of international standards, holds 7 standard certifications:

1. ISO 9001:2008 Quality Management System,
2. ISO/IEC 27001:2013 Information Security Management System,
3. ISO 10002 Customer Satisfaction Management System,
4. TS ISO/IEC 20000-1 Information Technology Service Management System,
5. ISO 22301 International Business Continuity Management,
6. BS 10012 Data Protection Personal Information Management System
7. BS 27701 Privacy Information Management System

The Information Security Management department continued its efforts in 2024 to increase these standards and renew the certifications it holds within an applicable and sustainable structure.

BRAND, COMMUNICATION AND SUSTAINABILITY

THE BRAND, COMMUNICATION AND SUSTAINABILITY DEPARTMENT ADOPTED A STRATEGY IN 2024 BASED ON TRANSPARENCY, TRUST AND CONTINUITY IN STAKEHOLDER COMMUNICATION, FOCUSING ON INCREASING THE BRAND'S VALUE THROUGH INNOVATIVE PROJECTS AND EFFECTIVE COMMUNICATION CHANNELS.

The Brand, Communication, and Sustainability Department plays a significant role in strengthening Alternatif Bank's brand awareness and conveying the bank's corporate messages and activities throughout the year to its stakeholders and the public. All 360-degree communication activities, both internal and external, are managed by the Brand, Communication and Sustainability Department.

The department carried out various communication activities throughout the year in order to enhance and protect corporate reputation and carries out activities under the main headings of brand communication, digital marketing and public relations, as well as advertising, social media, sponsorship, events, press, sustainability and social responsibility.

Media Relations

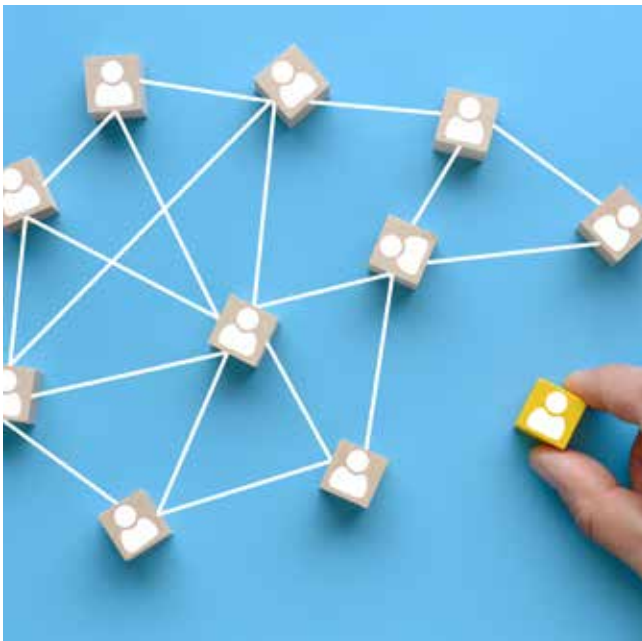
The Brand, Communication, and Sustainability Department shared Alternatif Bank's corporate statements, as well as new products and services from different business units, with the national media through press releases. In 2024, the department contributed to increasing the Bank's visibility in print, digital, and broadcast media by publishing 12 press releases.

With the Bank's spokespersons, including the CEO, Deputy CEOs and specialised managers, the department carried out numerous projects through special news features and interviews, conveying the Bank's expertise, experience, knowledge, and accumulated insights to the public.

Under the leadership of the Bank's spokespersons, the department appeared in 20 different issues of approximately 10 leading industry magazines, covering topics such as Accessible Banking, human resources, retail and business banking, leasing, the banking sector, and the general economic agenda. Additionally, a cover interview was conducted with Zafer Vatansever, Executive Vice President of Information Technology and Operations, in one of the leading publications in the information technology sector. In his comprehensive interview, Zafer Vatansever shared detailed information about the Bank's digital transformation strategy, investments in innovative technologies, and customer experience improvement-focused processes.

Conventional Advertising Activities

The Brand, Communication, and Sustainability Department continued its advertising efforts in 2024 with the goal of growth in retail and deposits. The department was featured



Effective communication with strong connections

With its Human-Centric approach, the Bank continued to expand its influence through a robust corporate communication infrastructure while bringing to life projects that create meaning for employees, customers, and society.



Brand Visibility Strengthened by Strategic Participation

The participation of institutional spokespersons in strategic events played a key role in reinforcing Alternatif Bank's leadership in the industry, enhancing brand visibility, and boosting its reputation. The shared information and vision not only raised sectoral awareness but also facilitated the establishment of strong bonds with stakeholders.

in various advertising campaigns across print, digital, and broadcast media, focusing primarily on VOV and individual loan products.

Alternatif Bank entered the TikTok platform and between November 21 and December 23, significantly contributed to business results with VOV and individual loan product ads through Influencer Marketing. Overall, 2,671 leads were generated for VOV and individual loans on TikTok during the campaign. In December, the share of TikTok in the loan traffic reached 17%.

During the Black Friday campaign in November, the Bank promoted the advantageous interest rate of individual loan products through a collaboration using radio, also supporting TikTok, which resulted in the highest volume of the year in a single night.

Sponsorships

In 2024, sponsorship activities that aligned with Alternatif Bank's corporate identity and contributed to brand perception were managed by the Brand, Communication and Sustainability Department.

Alternatif Bank sponsored the CEO Council event, organised by Fast Company, which brought together the leading business figures of the country. During the event, which addressed

critical issues shaping the future of the business world, CEO Ozan Kırmızı participated as a panellist in the session titled "Innovation & Innovation Agenda."

The Bank was also a sponsor of Capital Magazine's Reputation Summit and the Most Admired Companies in Business Award Ceremony. At the award ceremony, Burcu Yangaz, Executive Vice President of Business Banking, and Didem Şahin, Executive Vice President of Corporate Banking,, represented the Bank and presented the awards.

Under the "Accessibility Sponsorship," the Bank sponsored Brand Week Istanbul again this year, making the event more accessible for the hearing-impaired and visually impaired.

Strategic Transformation in Customer Experience and Corporate Communication Structure

In line with its customer-focused growth strategy, Alternatif Bank strengthened its organisational structure in 2024. In this context, customer experience, corporate communication, and branding were integrated under a unified approach, adopting a holistic and strategic methodology. Addressing customer experience in alignment with brand perception and communication strategies will enable the bank to respond more effectively to stakeholder expectations, contributing to the creation of sustainable value.

BRAND, COMMUNICATION AND SUSTAINABILITY

INSTITUTIONAL SPOKESPERSONS, UNDER THE COORDINATION OF THE BRAND, COMMUNICATION, AND SUSTAINABILITY DEPARTMENT, PARTICIPATED IN MANY IMPORTANT EVENTS THROUGHOUT THE YEAR AND PROVIDED INFORMATION ABOUT ALTERNATİF BANK'S AGENDA, DISCOURSE, AND PRIORITIES.

Strong Representation at Events

Throughout 2024, the participation of the Bank's spokespersons in C-Level events provided information to attendees regarding Alternatif Bank's agenda, discourse, and priorities. The Brand, Communication and Sustainability Department played an active role in coordinating participation in these events, guiding relevant spokespersons on content and presentation, and managing announcements on both internal and digital channels before, during, and after the events.

- The major events that the Bank's spokespersons attended in 2024, under the coordination of the Brand, Communication and Sustainability Department, are as follows:
- 21 February 2024 – Koç University - Careers in Social Impact & Sustainability 2024 // "Banking for a Better Tomorrow: Applications in Social Impact and Sustainability" Panel (Levent Ulusoy, Head of Brand, Communication, and Sustainability Department)
- 18 April 2024 – Eyebbrand Ceremony (Didem Şahin, EVP of Corporate Banking & Levent Ulusoy, the then- Head of Brand, Communication, and Sustainability Department)
- 18 April 2024 – Sustainability Leaders Award Ceremony 2024 (Levent Ulusoy, the then- Head of Brand, Communication, and Sustainability Department)
- 6 May 2024 – IFINTEC 2024 Financial Technologies Conference // "Building the Bank of the Future" Panel (Gökay Dede, the then- EVP of Retail and Digital Banking)
- 7 May 2024 – Let's Start Today: Social Impact and Corporate Responsibility Summit (Levent Ulusoy, Head of Brand, Communication, and Sustainability Department)
- 23-24 May 2024 – The International Arab Banking Summit Istanbul 2024 // (Didem Şahin, EVP of Corporate Banking & Levent Güven, EVP of Treasury and Financial Institutions)
- 24 May 2024 – Sales & Marketing Career Summit (Gökay Dede, the then- EVP of Retail and Digital Banking)
- 30 May 2024 – Social Impact Summit // "Equity in Capital" Panel (Levent Ulusoy, Head of Brand, Communication, and Sustainability Department)
- 4 June 2024 – ENBANTEC Cyber Security Conference and Exhibition // "How New Technologies are Changing Cyber Security Strategies" Panel (Özer Gülce, Director of Information Security Management)
- 4 October 2024 – Pathways to Paris 2024 Conference // "Green Foreign Trade" Panel (Ahmet Kinalisoy, Financial Institutions Manager)
- 8 October 2024 – 11th Retail Technologies Conference (Hazım Güvel, Director of Retail Marketing and Digital Banking)
- 31 October 2024 – Capital Reputation Summit and Most Admired Companies in Business Award Ceremony (Burcu Yangaz, EVP of Business Banking & Didem Şahin, EVP of Corporate Banking)
- 6 November 2024 – Capital & Economist, Digitalisation and Technology in Finance Summit // "The Future of Service Banking" Panel (Zafer Vatansever, EVP of Information Technology and Operations)
- 6-8 November 2024 – Brand Week Istanbul // "Removing Barriers Is Our Only Alternative" Panel (Bike Tarakcı, EVP of Human Resources & Hande Yağcı, Head of Brand, Communication, Sustainability, and Customer Experience Department)
- 8 November 2024 – Banking Sector Accessibility Workshop // "Accessibility Practices in the Banking Sector" Panel (Hande Yağcı, Head of Brand, Communication, and Sustainability Department)
- 13 November 2024 – Future of AI & Cloud Summit // "Fireside Chat: AI in Business: Transformative Use Cases and Impact" Session (Zafer Vatansever, EVP of Information Technology and Operations)
- 26 November 2024 – EBINTEC Banking Innovation Conference and Exhibition // "Building the Bank of the Future" Panel (Zafer Vatansever, EVP of Information Technology and Operations)
- 6 December 2024 – CEO Council Meeting // "Innovation & Innovation Agenda" Panel (Ozan Kırmızı, CEO)
- 11 December 2024 – Future of CISO Summit // "Secure the Future: Strategies, Innovations & Resilience" Session (Özer Gülce, Director of Information Security Management)

Visit to Anıtkabir

Under the coordination of Alternatif Bank's Brand, Communication and Sustainability Department, a visit was made to Anıtkabir in 2024 to commemorate the founder of our Republic, the late Mustafa Kemal Atatürk, and to show our commitment to the Republic, which has passed its 100th anniversary. The delegation, consisting of CEO Ozan Kırmızı and accompanying managers and employees, represented the Alternatif Bank family at the leader's spiritual resting place, renewing the promise to carry this great legacy entrusted to us to future generations in the light of his principles.





The background is a solid dark red color. It features a network of thin, light red lines that branch out and connect various points. Some of these points are small, glowing red dots, while others are larger, circular white highlights with a soft red glow around them. The lines and dots are arranged in a way that suggests a digital or technological theme, with some lines forming rectangular shapes and others more irregular paths. The overall effect is a sense of connectivity and modernity.

WE MAINTAIN OUR BANKING SERVICES
WITH A FOCUS ON “PEOPLE” AND A
“RIGHTS-BASED” APPROACH. **WE
REFLECT OUR SUSTAINABILITY
APPROACH AND VALUES TO OUR
ACTIVITIES IN A WAY THAT INVOLVES
ALL OUR STAKEHOLDERS.**

SUSTAINABILITY

ALTERNATİF BANK CONTINUED TO MAKE A DIFFERENCE IN THE BANKING SECTOR BY FOCUSING ON THE SOCIAL DIMENSION OF SUSTAINABILITY AND ITS PRINCIPLES, PARTICULARLY IN FINANCIAL INCLUSIVITY.

Alternatif Bank continued to take important steps in 2024 in the project initiated to develop the Sustainability Management System and Sustainability Strategy.

With the Sustainability Committee established in 2020, Alternatif Bank aimed to carry out and report sustainability activities within the Bank individually within a target and coordination in 2024.

In order to carry out sustainability efforts in a more planned manner, to clarify and integrate medium and long-term sustainability goals into the Bank's activities, and to make a more significant contribution to the UN Sustainable Development Goals, sustainability efforts continued in 2024.

The Bank's Sustainability efforts and actions are evaluated and approved in detail by the Sustainability Committee at the executive board level and the Remuneration and Corporate Governance Committee of the Board of Directors. The operational monitoring and coordination of sustainability activities has been carried out by the Brand, Communications

and Sustainability Department since 2021 under the Sustainability Committee established at the executive level. While leading the Bank's sustainability efforts, the Department is responsible for the functionality of the working groups and serves as the secretariat of the Sustainability Committee. The Brand, Communications and Sustainability Department is also responsible for the coordination and process management of shaping the Sustainability Strategy and increasing the Bank's contribution to the Global Goals by integrating it into operations.

Between 2022-2024, Alternatif Bank received consultancy services from Escarus (TSKB Sürdürülebilirlik Danışmanlığı A.Ş.), one of Türkiye's leading consulting companies in this field, in order to manage its sustainability efforts more efficiently and at a strategic level. The project, which was initiated with Escarus with the participation of all relevant stakeholders to develop the Bank's Sustainability Management System and Sustainability Strategy and to improve the Environmental Social Governance (ESG) structure, continued in 2024.



Bank Internal Management

The Bank's sustainability efforts and actions are thoroughly evaluated and approved at the executive level within the Sustainability Committee and the Board of Directors' Remuneration and Corporate Governance Committee.



The SDG's Alternatif Bank contributes to



The project carried out with Escarus included the following steps:

- Gap Analysis and Action Plan
- Review of Strategy and Management Structure
- System Documentation and
- Preparation of Training Documents

The Gap Analysis and Action Plan was approved by the Sustainability Committee and the documentation process, the next step of the project, continued in 2024. The policies and procedures prepared under the System Documentation step were evaluated under the coordination of the Brand, Communications and Sustainability Department, together with the relevant units within the Bank.

Work continued on the following policies:

- Environmental Policy
- Equality, Diversity and Inclusion Policy
- Environmental and Social Risk Management Policy in Lending Processes
- Sustainability Policy

Activities continued by receiving opinions from units within the Bank regarding the following draft procedures.

- Management of Environmental Impacts of Activities
- Setting Goals and Targets
- Internal and External Communication of Sustainability Related Activities
- Sustainability Related Reporting
- Senior Management Review
- Documentation Control and Archiving

In 2025, when all steps are finalised, Alternatif Bank plans to implement the necessary infrastructure to more clearly monitor and report both the organisation's own impact in terms of ESG and the impact of the activities carried out as a result of the financing it provides.

Sustainable Finance Framework

In collaboration with its shareholder, Commercial Bank, Alternatif Bank held a meeting with Standard Chartered (S&C) for the preparation of the Sustainable Finance Framework. During the meeting, which involved members of the Bank's Sustainability Working Group, the scope, content, and timeline of the framework were assessed, and the Bank's work under the SYS framework was shared with the participants.

SUSTAINABILITY

ALTERNATİF BANK CONTINUED TO TAKE SIGNIFICANT STEPS IN 2024 TO REDUCE ITS ENVIRONMENTAL IMPACT WITHIN THE FRAMEWORK OF ITS SUSTAINABILITY STRATEGY.

2024 Activities of the Sustainability Working Group

In 2024, a series of meetings were held with the participation of the members of Alternatif Bank's Sustainability Working Group to review the Climate-Related Financial Risks Management Draft Guidelines and the Green Asset Ratio Draft Communique published by the Banking Regulation and Supervision Agency (BRSA) and to evaluate the actions that the Bank needs to take.

In these meetings, it was decided to establish sub-working groups under the Sustainability Working Group to address the following topics:

- Management of Climate-Related Financial Risks
- Classification of Green Asset Ratio
- Sustainability Reporting

BAT Sustainability Working Group

Alternatif Bank is a member of the Sustainability Working Group established within the scope of the Banks Association of Türkiye (BAT). Over an 8-month period, efforts were made

to define heat map methodologies for 9 sectors, including energy, steel, and automotive. A study was conducted on the automotive sector in coordination with Alternatif Bank's Corporate Banking Project Finance unit and the Brand, Communication, and Sustainability Department, and the findings were shared with participants during the meeting.

EBRD Green Finance Academy

Alternatif Bank participated in the Climate Applications and Transition Planning Program organised by the European Bank for Reconstruction and Development (EBRD) in collaboration with BRSA and BAT for financial institutions in Türkiye in 2024. The program, aimed at improving climate applications and helping participants develop transition plans for their institutions, was represented by managers from the Financial Institutions, Risk Management, Project Finance, and Brand, Communication, and Sustainability Departments at Alternatif Bank.



Sustainability Working Group Sub-Groups:

- Management of Climate-Related Financial Risks
- Classification of Green Asset Ratio
- Sustainability Reporting



Alternatif Bank | ENGELSİZ Bankacılık

Alternatif Bank considers Accessible Banking as a key complement to its strategic objective of excellence in employee and customer experience, as well as an integral part of its brand identity. With its “human-centric” and “rights-based” approach, the Bank continued to take important steps in 2024 to ensure that all its services.

Activities to Reduce Carbon Footprint

In 2024, Alternatif Bank continued to take significant steps to reduce its environmental impact as part of its sustainability strategy. The Bank's headquarters building had been awarded the LEED Gold Certification in 2020 by the U.S. Green Building Council for environmentally friendly buildings. Infrastructure efforts were made to achieve water and energy savings, contributing to environmental sustainability goals. Additionally, renewing the vehicle fleet with hybrid cars was a critical step in reducing carbon emissions.

In 2024, Alternatif Bank initiated a transformation focused on digitalisation and sustainability by integrating its physical branch network with digital platforms. This strategic move not only strengthened the bank's goal of reducing its carbon footprint but also aimed to provide customers with a faster and more accessible banking experience, independent of time and location. During the branch transformation process, additional ATMs were installed in existing branches to ensure service continuity. A project was also launched to replace the existing ATM network with energy-efficient, next-generation devices. These efforts reaffirmed Alternatif Bank's commitment to fulfilling its responsibilities for the future with an environmentally conscious banking approach.

Accessible Banking

For more than 30 years, Alternatif Bank has been conducting its activities with a “Advisory and Responsible Banking” approach, prioritising the creation of permanent benefits for people and society in every step it takes.

As one of the strategic goals of Accessible Banking, Alternatif Bank views the pursuit of excellence in employee and customer experience as a complement and part of its brand identity. With a “human-centric” and “rights-based” perspective, the Bank aims to make all services, including those for the most disadvantaged, accessible to everyone. In every step it takes in the field of Accessible Banking, the Bank prioritises creating lasting benefits for people and society, ensuring that all projects it has implemented in this area serve financial inclusion.

Believing in the importance of providing banking services in a way that is accessible to everyone, Alternatif Bank adopted a “rights-based” approach rather than an aid-based approach. With its Accessible Banking activities that it started 5 years ago, Alternatif Bank aims to be a pioneer in changing the mentality in its sector, not just an institution that implements rules or implements its own projects.

SUSTAINABILITY

ALTERNATİF BANK AIMS TO LEAD A MINDSET SHIFT IN ITS INDUSTRY WITH THE ACCESSIBLE BANKING INITIATIVES IT LAUNCHED 5 YEARS AGO.

Taking a 360-degree approach to Accessible Banking, the Bank continued to contribute both to the efforts to remove barriers in society and to a sustainable world by realising practices and projects that are much more inclusive than other accessible banking practices in the sector. Alternatif Bank has made a difference in the sector by focusing on the social dimension of sustainability and the principles of financial inclusion with its Accessible Banking activities for more than 5 years.

Awarded as the Best Bank in Türkiye for Diversity and Inclusion

Alternatif Bank was selected as the Best Bank in Türkiye for Diversity and Inclusion at the 2024 Excellence Awards, organised by Euromoney, one of the world's leading banking and finance publications, to highlight institutions that have shown outstanding success in the financial services sector.

Having been recognised for its successful work in Accessible Banking over the last 5 years, Alternatif Bank aims to lead a mindset shift within the banking sector through its activities. In this regard, alongside knowledge and awareness efforts, the Bank has undertaken various initiatives to continuously improve the accessibility of both physical and digital service channels. Notably, the Bank has pioneered many innovative and independent projects in the banking sector, including the "Accessible Banking Terms Dictionary" and the first Social Impact Measurement in the field of Accessible Banking in Türkiye.



Success crowned with international awards

Alternatif Bank's dedicated efforts in Accessible Banking have also been recognised at the international level. The Bank was awarded "Türkiye's Best Bank in Diversity and Inclusion" at the 2024 Excellence Awards organised by Euromoney, one of the world's leading banking and finance publications based in London. This prestigious award, granted by an organisation with a 56-year legacy, serves as a strong testament to the Bank's leadership and pioneering approach in the fields of diversity and financial inclusion.

First Social Impact Research on Accessible Banking in Türkiye

Alternatif Bank, in collaboration with Koç University Social Impact Forum (KUSIF), launched a social impact research project in 2023 to measure the social impact of its Accessible Banking initiatives, which have been pursued for the past five years with a rights-based approach. The results of this research were shared with the public in April 2024. This study, titled “Social Impact Measurement and Management: The Accessible Banking Example”, is the first comprehensive social impact research on accessible banking in Türkiye, and aims to benefit not only the banking sector but also a wide segment of society.

The research showed measurable changes in different stakeholder groups as a result of the activities carried out under Accessible Banking. Notably, significant improvements were observed in the awareness and ownership levels of Alternatif Bank employees:

- Prior to the activities in the Accessible Banking field, 48% of employees considered accessible banking services important, but this rose to 92% following the Bank’s Accessible Banking initiatives.
- The rate of employees knowing about the support mechanisms needed by disabled customers increased from 33% to 87%.
- The adoption rate of rights-based language and approach among employees increased from 32% to 84% after the initiatives.
- The percentage of employees who were able to communicate correctly with disabled customers increased from 33% to 75% after the activities.

Accessibility Sponsorship

Continuing its Accessible Banking initiatives to create a rights-based and accessible banking experience for everyone, Alternatif Bank has carried on with projects that contribute to strengthening societal awareness and consciousness toward a more inclusive, accessible, and barrier-free world, under the coordination of its Brand, Communication, and Sustainability Department.

As part of this effort, the Bank positioned itself once again as the “Accessibility Sponsor” of Brand Week Istanbul 2024, the premier gathering point for the business world, brands, and creative industries. By doing so, it made the event more accessible for individuals with hearing and visual impairments.

Additionally, in the session “Removing Barriers is Our Only Alternative”, the Bank shared its pioneering efforts in financial inclusivity with attendees.

Committed to raising social awareness and fostering a more accessible world through its Accessible Banking initiatives, Alternatif Bank aimed to inspire all event participants to remove barriers and increase awareness on this critical issue. The Bank provided sign language interpretation in the Inspiration and Brands & Trends halls for hearing-impaired attendees and supported WeWalk, an application that offers audio descriptions and navigation assistance for visually impaired attendees. These initiatives helped ensure that all participants had an inclusive and inspiring experience.

Raising Awareness Through “Removing Barriers is Our Only Alternative” Panel

Held on 4-8 November 2024, Brand Week Istanbul 2024 featured over 300 speakers across more than 10 stages. As a panel sponsor, Alternatif Bank hosted the session “Removing Barriers is Our Only Alternative”, where it shared both its 30+ years of industry experience and its over five years of rights-based Accessible Banking efforts.

The session featured discussions on the Bank’s journey in Accessible Banking and was attended by notable speakers, including Duygu Kayaman, Microsoft Accessibility Team Project Manager and Vice President of Parıltı Association, Bike Tarakcı, EVP of Human Resources at Alternatif Bank and Hande Yağcı, Head of Brand, Communication, Sustainability, and Customer Experience at Alternatif Bank.

With these activities, the Bank paved the way for hearing-impaired individuals to follow such important events and culture and arts organisations and to participate more in social life.

Supporting education in collaboration with TED

Alternatif Bank, in line with its commitment to supporting education opportunities and fulfilling its social responsibility in this field, has made a donation to the Turkish Education Association (TED) Scholarship Fund, which was established under Atatürk’s leadership and has been operating for 96 years as the first non-governmental organisation in Türkiye dedicated to education. By making a donation to TED on behalf of its stakeholders and customers under the motto “Removing Barriers is Our Only Alternative”, the Bank has contributed to ensuring that more children will have access to equal opportunities in education in 2025.

ALTERNATİF BANK'S SUBSIDIARIES



Alternatif Finansal Kiralama (Alternatif Lease) successfully completed 2024 with strong financial results, maintaining its key role in investment financing through its innovative approach, expert team, and high-quality service standards. Growing in line with the expanding leasing sector, Alternatif Lease continued to provide tailored services to businesses of all sizes and for various machinery investments that contribute to the national economy. While developing customised financing models to meet the investment needs of its customers, the Company also offered consulting services to support their investment processes.

The primary objective of Alternatif Lease is to continue providing an integrated financial package in collaboration with its parent company, Alternatif Bank. In this direction, the Company aims to strengthen its existing cooperation with the Bank's customers while also building deeper and long-term relationships with mutual clients. The Company has adopted the principle of providing tailored services to all customers, regardless of their scale and transaction volume, rather than focusing solely on large clients.

To support sales financing, leasing packages were developed to address the needs of partner vendors, offering solutions to help these firms increase their sales.

To adapt to the digital world, Alternatif Lease rapidly digitalised its own processes while also providing financing for its customers' digital investments. In addition to financial support, the Company also offers consulting services to assist customers in making investment decisions. For 2025, Alternatif Lease anticipates an increase in investment demands compared to 2024.

In alignment with Alternatif Bank's "Consultant Banking" approach, Alternatif Lease has adopted tailored service and consulting as its core principle for leasing customers. In line with this vision, the company plans to continue investing in technological infrastructure in 2025 while also prioritizing internal and external training programs to enhance staff expertise and service quality.



In accordance with Alternatif Bank's "Insightful, Advisory and Responsible Banking" principle, Alternatif Investment continued its operations in 2024 with the target of always being on the side of investors in capital market services with its advisory role.

In the first seven months of 2024, Borsa Istanbul showed positive momentum, supported by the economic program that encouraged a shift to the Turkish Lira. However, in the latter part of the year, factors such as a slower-than-expected decline in inflation and the negative impact of high policy rates on corporate and bank balance sheets led to a partial reversal of these gains.

From the end of 2024 onward, Borsa Istanbul is expected to benefit from a significant interest rate cut cycle extending into 2025, making it an important alternative for TRY investors.

Value-Adding Products for Investors

Innovative products such as Short-Term Stock Recommendations and Algorithm-Based Model Portfolio served as guiding tools for investors in the stock markets. Starting off as a company which provides financial advisory and intermediary services to qualified individual and corporate customers, Alternatif Securities took a holistic approach in responding to investors' all financial needs.

In addition to intermediary services, it provides customised investment planning suggestions and customised portfolio

management services to qualified investors by taking into account their risk profiles, revenue targets, income-expense balances and asset sizes.

Alternatif Securities' Research Department played a pioneering role in the sector to provide algorithmic based stock model portfolio and short-term derivative transaction suggestions. Treasury and Investment Advisory Departments provide advisory services for the most appropriate investments for investors' needs by offering short, medium and long-term solutions with financial instruments such as fixed-income securities, investment fund, derivatives exchange, Eurobond and over-the-counter options.

Developing its competencies in corporate finance, Alternatif Securities improved its current capacity in company valuations, public offering consultancy and private sector bond issuances. The Company carried on mediating financial bond issuances of financial institutions and real sector companies.

Focusing on sustainability of its success in 2025, Alternatif Securities aims to conduct its operations with an accent on customer satisfaction while continuing developing its staff and increasing its product range.





MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

BOARD OF DIRECTORS



Omar Hussain Alfardan
Chairman

Omar Hussain Alfardan is the President and CEO of Alfardan Group, one of the most successful privately owned business companies in Qatar and the region. He has acquired sharp business acumen under the tutelage of his father Hussain Ibrahim Alfardan, a distinguished businessperson and a leading authority in natural pearls. Through his visionary approach and strategic expansion into profitable business sectors in Qatar and the region, he has driven Alfardan Group onto a path of sustained growth and enormous success.

Omar Alfardan holds prominent positions across several Alfardan subsidiaries that operate within the hospitality, properties, automotive, jewellery, exchange, investment, marine services and medical sectors. He serves as the Managing Director of Commercial Bank and Advisory Board Member at Qatar Financial Centre Authority. He is currently the Vice Chairman of the Board of Directors and Chairman of the Board Governance and Remuneration Committee of the United Arab Bank. Additionally, he is a member of the Qatari Businessmen Association, and is a founding member of Qatar Hotels Association, under the Qatari Businessmen Association's umbrella. Mr Omar Alfardan also holds the position of Managing Director at Marsa Arabia. He is a fervent supporter of charitable and social programs and serves as a Board Member in Qatar Red Crescent Society, Member of the Board of Trustees of Hamad Bin Khalifa University, Founder and Board Member of Family Business Council Gulf and Vice Chairman of the Gulf Qatari Classic Cars Association.

Mr Alfardan has served as a member of the Alternatif Bank Board of Directors since September 2014 and as Chairman of the Board of Directors since December 2016. He holds a Bachelor's Degree in Business Administration and a Master's Degree in Finance from Webster University in Geneva, Switzerland.



Joseph Abraham
Vice-Chairman

Mr. Abraham is the Group Chief Executive Officer of Commercial Bank as well as Vice-Chairman of the Board of Directors of Alternatif Bank and a Board Director of both the United Arab Bank, UAE, and the National Bank of Oman, Sultanate of Oman. He has extensive banking experience across both developed and emerging markets. Before joining Commercial Bank in June 2016, he was CEO of ANZ Indonesia (Australia and New Zealand Banking Group) based in Jakarta, a position he served in from 2008 to 2016. Mr. Abraham has an MBA from the Graduate School of Business, Stanford University, California and has worked in Indonesia, Singapore, Hong Kong, Ghana, UK and India in various country and regional banking roles with a successful track record covering general management, corporate banking, strategy, product management as well as acquisitions and integrations. Mr. Abraham was appointed as a Board Member of Alternatif Bank in April 2017.



Mohd Ismail M Mandani Al-Emadi
Board Member

Mr. Al-Emadi currently serves as a Board Member of both Commercial Bank and National Bank of Oman, in the Sultanate of Oman. With over 30 years of experience in banking and financial services experience, he held several roles at Commercial Bank from 1982 until 2007. He later became the Chief Executive Officer of Qatar Real Estate Investment Company until 2011 and served as its Director from 2003 to 2005. Additionally, Mr. Al-Emadi served as a Board Member for various companies, including Doha Securities Market in Qatar from 2000 to 2003, Qatar Shipping Co. from 2000 to 2006, and Mannai Corporation Co. (Qatar) from 2001 to 2004. He also serves as a Board Member and the Chair of the Board Risk Committee at Alternatif Bank since September 2014. Mr. Al-Emadi graduated from Holy Names College (USA) with a Bachelor of Arts degree in Business Administration and Economics.



Salem Al-Mannai
Board Member

Mr. Mannai serves as the Group CEO of the Qatar Insurance Company (QIC). He graduated from the University of South Wales and completed his master's degree at the same university in Marketing. He also holds an MBA from the University of Plymouth. He started his career at the QIC in 2001 and assumed the role of Assistant Vice President in 2010 and Deputy CEO of QLM in 2013. In 2015, he was appointed as the Deputy Group President & CEO of QIC MENA. With his extensive knowledge and experience, he was promoted to Deputy Group President & CEO of the QIC Group in 2019. He was appointed as a Board Member of Alternatif Bank in May 2024. He is also the Managing Director & Vice Chairman of QLM Life and Medical Insurance Company Q.P.S.C. and Chairman & Managing Director of Anoud Technologies LLC.



Halil S. Ergür
Board Member

Mr Halil S. Ergür is an established banker having 40-year experience in the sector. He studied Mechanical Engineering at Middle East Technical University with high honours and completed his master degree at the same department in 1982. He then obtained his MBA from Academy of Economics and Trade Ankara and his postgraduate diploma in Production Management at University of Manchester. He received Fulbright and TUBITAK scholarships. He started his career at Citibank as Management Trainee in 1984 and was promoted as Senior Branch Operations Officer in his third year. After serving at Impexbank as a Board Member and Executive Vice President, he moved to Yapı Kredi Bank in 1991 as Group Manager in charge of Operations. Between 1995 and 2000 Ergür worked at Yapı Kredi Bank initially as Executive Vice President in charge of Operations, and then as Executive Vice President in charge of Commercial Banking and Credit Underwriting in the last year. Subsequently, he took the role of CEO at Koçbank between the years 2000 and 2003. After serving as a Managing Director at Koçbank between 2003 and 2006, Ergür returned to Yapı Kredi Bank in the capacity of Managing Director, where he worked between 2005 and 2007. He assumed Board Member roles in Bell Holding and Group 4 Securicor during the period 2007-2020. Ergür was appointed as a Board Member of Alternatif Bank in March 2020. He is fluent in English and German.



Zafer Kurtul
Board Member

Mr. Kurtul received his undergraduate degree in Finance from Istanbul University, Faculty of Business Administration and obtained his MBA degree in Finance from the University of Wisconsin-Madison (USA). He held several executive roles at Citibank, BNP-Ak-Dresdner Bank and Societe Generale prior to his appointment as an EVP at Akbank in 1998. Between 2000 and 2009, Mr. Kurtul served as the CEO of Akbank and held the role of Board Vice Chairman until 2010. He then worked as the CEO and Board Member of Sabancı Holding until 2017. In the same period, he was the Board Chairman of various subsidiaries of Sabancı Holding. He was appointed as a Board Member of Alternatif Bank in 2017. Mr. Kurtul is a qualified Chartered Financial Analyst (CFA).

BOARD OF DIRECTORS



Leonie Lethbridge
Board Member

Dr Lethbridge has extensive banking leadership experience across diverse markets, and spanning 40 years in general management, transformation, operations, risk and technology management. She is Executive General Manager and Chief Operating Officer of Commercial Bank. Before joining Commercial Bank in July 2017, she was CEO of ANZ Royal, a joint venture of Australia and New Zealand Banking Group in Cambodia, and in her fifteen years at the ANZ, had a number of senior roles including Regional Chief Operating Officer Asia; Chief Operating Officer Indonesia and Acting Head of Risk Asia Pacific.

She has a successful track record in general management as well as acquisitions and integrations. Prior to her banking career, Dr Lethbridge was a management consultant, advising across sectors including Telecommunications, Banking and Finance, and Manufacturing. Her experience extends to several Board roles.

Dr Lethbridge has a PhD from the Swinburne University of Technology, a Master of Applied Science (Innovation and service management) from RMIT University and a Bachelor of Applied Science (Hons) from the University of New South Wales. She joined Alternatif Bank as a Board Member in October 2018.



Antonio Gamez Munoz
Board Member

Antonio Gamez Munoz is a highly experienced senior executive and seasoned credit professional with 28 years of experience in risk management. He joined Commercial Bank (Qatar) as the Chief Risk Officer in September 2021. Before that, he was the Head of Global Debt Finance Asia-Pacific in the group of Banco Santander based in Hong Kong from March 2021 to September 2021. Prior to that, he served as the Chief Risk Officer Asia-Pacific in Banco Santander based in Hong Kong from January 2018 to March 2021. Between February 2011 and January 2018, he worked as the Deputy Chief Risk Officer in Santander Poland. Before that, he held the position of the Chief Risk Officer in Banco Santander Private Banking from February 2008 to February 2011 and also he held the same title in Banco Santander International Private Banking from May 2004 to February 2008. He also held various other credit and risk positions within the Santander Group between August 1995 and May 2004. Mr. Gamez Munoz holds a Master's degree in Finance from Instituto de Estudios Bursatiles (Spain) and a Post-Degree in Risk Management from Instituto de Empresa (Spain). He obtained his undergraduate degree in Economics from Universidad de Navarra (Spain). He joined the Board of Directors of Alternatif Bank in September 2022.



Shahnawaz Rashid
Board Member

Mr. Shahnawaz holds an undergraduate degree in commerce and has an MBA degree, both from the Karachi University. He began his career at Citibank in 1993 and held various executive roles particularly in retail banking and finance across different geographies until 2015 including a CFO position for six years in Singapore and Thailand. He then served as the principal consultant at ACE Transformation from 2015 to 2019. With his deep expertise in the retail banking sector, he joined Commercial Bank Financial Services (CBFS) in 2019, and assumed the role of General Manager until 2022 prior to assuming his current role as Executive General Manager of Retail Banking at Commercial Bank of Qatar since March 2022. Mr. Shahnawaz holds position of Chairman of Commercial Bank Financial Services, a fully owned subsidiary of Commercial Bank of Qatar since January 2024. Mr. Shahnawaz was appointed as a Board Member of Alternatif Bank in August 2024.



Ozan Kırmızı
Board Member – CEO

Ozan Kırmızı obtained his undergraduate degree from Istanbul University Faculty of Business Administration, followed by his Master's degree in Finance and Accounting from Macquarie University. He recently completed the Executive Leadership Program at Stanford University. He joined ING Türkiye in 2006 where he held various executive positions in the digital and retail banking space and had been a driving force behind the implementation of numerous innovative digital services and applications. He served as the Retail Banking EVP at ING Türkiye and Chairman of ING Yatırım between the years 2020 and 2023. In November 2023, Ozan Kırmızı was appointed as the CEO and Board Member of Alternatif Bank. He also assumes the roles of Board Chairman of Alternatif Lease and Board Chairman of Alternatif Investment.

Board of Directors Meetings

Following table shows Board of Directors' meeting dates and members' attendance throughout 2024:

Meeting Date	Numbers of the Members Present
15.02.2024	8
02.05.2024	9
24.07.2024	9
14.10.2024	8
25.11.2024	10
16.12.2024	9

AREAS OF RESPONSIBILITY OF THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT

Name	Position	Date of appointment	Academic Degree	Area of Responsibility	Banking or Business Management Experience (years)
Omar Hussain Alfardan	Chairman	16.09.2014	Webster University (Switzerland), Bachelor of Arts in Business Administration and Master of Arts in Finance	Chairman of Board of Directors	31
Joseph Abraham	Vice-Chairman	24.04.2017	University of Delhi (India), Bachelor of Arts in Economics; University of Bombay (India), Master of Management Studies; and Stanford University (USA), Master of Business Administration	Chairman of Executive Committee of the Board, Chairman of Board Remuneration and Governance Committee, and Alternate Member of Board Credit Committee	32
Mohd Ismail M Mandani Al-Emadi	Member	16.09.2014	Holy Names College (USA), Bachelor of Arts in Business Administration and Economics	Chairman of Board Risk Committee and Member of Board Credit Committee	42
Salem Al-Mannai*	Member	02.05.2024	University of South Wales (UK), Bachelor's Degree in Management and Business; University of South Wales (UK), Master's Degree in Marketing; and Plymouth University (UK), Executive MBA Degree	Member of Executive Committee of the Board	23
Halil S. Ergür	Member	24.06.2020	Middle East Technical University, Bachelor of Science and Master of Science in Mechanical Engineering; Master of Business Administration, Academy of Economics and Trade Ankara; and Postgraduate Diploma in Production Management at University of Manchester	Chairman of Board Audit and Compliance Committee and Member of Board Risk Committee	40
Zafer Kurtul	Member	07.09.2017	Istanbul University, Bachelor of Arts in Finance; and Madison University (USA), Master of Science in Finance	Chairman of Board Credit Committee, Member of Executive Committee of the Board, and Member of Board Remuneration and Governance Committee	42
Leonie Lethbridge**	Member	09.11.2018	The University of South Wales (Australia), Bachelor of Science in Textile Technology; Royal Melbourne Institute of Technology (Australia), Master of Applied Science in Innovation and Service Management; and Swinburne University of Technology (Australia), PhD in Philosophy	Member of Board Remuneration and Governance Committee and Member of Board Audit and Compliance Committee	40
Antonio Francisco Gamez Munoz	Member	23.09.2022	Universidad de Navarra (Spain), Undergraduate degree in Economics; Instituto de Estudios Bursatiles (Spain), Master degree in Finance; and Instituto de Empresa (Spain), Post-Degree in Risk Management	Member of Board Audit and Compliance Committee, Member of Board Risk Committee and Alternate Member of Board Credit Committee	29
Shahnawaz Rashid***	Member	14.08.2024	Karachi University (Pakistan), Bachelor's Degree in Commerce and MBA Master's Degree from Karachi University (Pakistan)	Member of Executive Committee of the Board and Member of Board Credit Committee	21
Ozan Kırmızı	CEO and Member	07.11.2023	Istanbul University, Undergraduate Degree in Business Administration and Macquarie University, Master's Degree in Finance and Accounting	Member of Board Credit Committee and Member of Executive Committee of the Board	18

* Salem Al-Mannai was elected as a Board Member at the Annual General Meeting held on 27 March 2024. He officially started his role on 02 May 2024, after completing court swear-in.

**As per Board resolution dated 3 February 2025, Leonie Lethbridge resigned from her role as a Board Member and Muhammad Noman Ali has been appointed in her lieu.

***Following completion of court swear-in, Shahnawaz Rashid was appointed as a Board Member on 14 August 2024, replacing Rajbhushan Buddhiraju who resigned from his role as per Board decision dated 28 June 2024.

AREAS OF RESPONSIBILITY OF THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT

Areas of Responsibility of the Senior Management

Name	Title	Date of Appointment	Academic Degree	Area of Responsibility	Banking or Business Management Experience (years)
Ozan Kırmızı	CEO and Board Member	07.11.2023	Istanbul University, Undergraduate Degree in Business Administration and Macquarie University, Master's Degree in Finance and Accounting	CEO	18
Ayşe Akbulut	EVP	17.03.2022	Boğaziçi University, Department of Philosophy	Credit Underwriting	18
Hamdi İlkey Girgin	EVP	02.01.2020	Middle East Technical University, Economics / Imperial College London (MBA)	Financial Affairs and Planning	23
Levent Güven	EVP	08.02.2017	Istanbul Technical University, Business Administration	Treasury & Financial Institutions	28
Seçkin Mutlubaş	EVP	31.08.2023	Istanbul University Department of Economics in English / Istanbul University, Banking (Master's)	Restructuring and Legal Follow-up	18
Didem Şahin	EVP	11.10.2022	Gazi University, Economics - Department of International Relations, Gazi University, Economics (Master's) Economics at Gazi University	Corporate Banking	17
Bike Tarakcı	EVP	02.01.2024	Boğaziçi University, Guidance and Psychological Counseling / Middle East Technical University, Industrial and Organisational Psychology (Master's)	Human Resources	19
Zafer Vatansever	EVP	01.10.2022	Istanbul Technical University, Department of Management Engineering	Information Technologies & Operations	24
Burcu Yangaz	EVP	11.10.2022	Boğaziçi University, Faculty of Engineering, Department of Industrial Engineering / Istanbul University Faculty of Business Administration and Organisation (Master's)	Business Banking	24
Egemen Baykan	Head of Risk Management	01.08.2018	Middle East Technical University, Faculty of Science and Literature, Humboldt University, Econometrics (MBA)	Risk Management	21
Ömer Faruk Gönener	Head of Internal Audit	02.11.2018	Istanbul University, Department of International Relations / Koç University, Department of Graduate School of Business, Executive Management (Master's)	Internal Audit	22
Engin Turan	Head of Internal Control and Compliance, Consumer Relations Coordination Officer	19.02.2018	Middle East Technical University, Department of Political Science and Public Administration	Internal Control and Compliance, Consumer Relations Coordination Office	21
Mehmet Tekergül*	Legal Counsel	01.04.2024	Istanbul University, Faculty of Law / Kadir Has University, Private Law (Master's Degree) - Marmara University, Economic Law (Master's Degree)	Legal	19
Bahadır Çakmak	Head of Corporate Affairs	01.02.2017	Boğaziçi University, Translation-Interpreting Department and University of Law (UK), Post-Graduate Degree in Corporate Governance	Corporate Affairs	17

* Mehmet Tekergül was appointed as Legal Counsel on 1 April 2024.

Note: Gökay Dede resigned from his role as Retail and Digital Banking EVP on 30 September 2024.

TERMS OF OFFICE AND PROFESSIONAL EXPERIENCE OF EXTERNAL AUDITORS

At the Bank's 2023 Annual General Meeting held on 27 March 2024, it was decided to designate KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. as the Independent Auditor pursuant to the Banking Law, Capital Markets Board legislation and the Turkish Commercial Code. The said company conducts the independent external audit of the Bank.

COMMITTEES UNDER THE BOARD OF DIRECTORS

Committees under the Board of Directors

Alternatif Bank has always treated its adherence to Corporate Governance Principles with high priority. The Bank is in full conformity with the Corporate Governance Principles as specified under the Banking Law and Turkish Commercial Code and implements these principles with utmost care. Although Alternatif Bank is not subject to the Capital Markets Board's Corporate Governance Principles as a non-listed entity, it still gives regard to these non-mandatory principles in order to improve its corporate governance practices. In addition, the Bank closely monitors potential incidents that may cause conflict of interest as per the applicable corporate governance legislation.

In order to carry out its duties and responsibilities effectively and transparently as prescribed under the applicable legislation, our Board of Directors has established Credit Committee, Audit and Compliance Committee, Executive Committee, Remuneration and Governance Committee and Risk Committee. Board of Directors provides necessary resources and support in order to enable the committees to perform their responsibilities efficiently. Corporate Affairs Office which reports directly to the Board of Directors is in charge of setting committee meeting agendas, making meeting invitations, coordinating communication among committee members, keeping meeting resolutions and minutes, following up action points and carrying out other secretarial tasks. Board Committees hold frequent meetings as specified in their committee charter document and regularly report to the Board their activities. Following section presents information on Board Committees' objectives, compositions, working principles, activities, meeting dates and meeting participation.

Board Credit Committee

The Bank's Board Credit Committee is responsible for handling matters related to credit facilities within the limits provided in accordance with the applicable legislation. The Committee reviews, discusses, and decides on those credit proposals that are submitted for its approval by the Management. Unanimous decisions on credit proposals that fall within the delegated credit approval authority of the Board Credit Committee are executed with immediate effect. On the other hand, decisions that are taken by majority of votes are executed after the Board of Directors' approval on the matter, regardless of the fact that the concerned credit proposal falls within the delegated credit approval authority of the Board Credit Committee. The Committee consists of the following Board Members:

Board Member Name, Role within the Committee

Zafer Kurtul, Chairman
Mohd Ismail M Mandani Al-Emadi, Member
Shahnawaz Rashid, Member
Ozan Kirmizi, CEO and Member
Joseph Abraham, Alternate Member
Antonio Francisco Gamez Munoz, Alternate Member

The Committee's role, responsibilities, composition, membership requirements and other relevant information are documented in the Risk Charter as well as relevant section of the Board Committees Charter.

Activities and decisions of the Board Credit Committee are subject to the supervision of Board of Directors. Therefore, each Board Member is entitled to request any kind of information from the Board Credit Committee with respect to its activities and to perform any and all controls for this purpose.

Board Credit Committee convened a total of 14 times with the attendance of all members on the below dates during the course of 2024:

Meeting Date	Numbers of the Members Present
23.01.2024	4
20.02.2024	5
14.03.2024	4
19.03.2024	4
24.04.2024	4
02.05.2024	4
15.05.2024	4
27.06.2024	5
23.07.2024	3
28.08.2024	4
01.10.2024	4
14.10.2024	4
19.11.2024	4
11.12.2024	4

Board Audit and Compliance Committee

Board Audit and Compliance Committee assumes the duty and responsibility, on behalf of the Board of Directors, to supervise the efficiency and adequacy of the Bank's internal systems, the functioning of these systems and of accounting and reporting systems in accordance with the Banking

Law and applicable regulations, and the integrity of the information that is generated, to identify compliance, anti-money laundering and combating the financing of terrorism (AML/CFT) requirements and criteria, to carry out necessary preliminary assessment for the selection of independent audit firms and rating, valuation and support service firms by the Board of Directors, to monitor regularly the activities of these firms selected and contracted by the Board of Directors, and to ensure that internal audit activities of the subsidiaries that are subject to consolidation as per the regulations under the Banking Law are carried out in a coordinated manner on consolidated basis.

The Committee was established pursuant to Article 24 of the Banking Law No. 5411 and is composed of the following Board Members:

Board Member Name, Role within the Committee

Halil S. Ergür, Chairman

Leonie Lethbridge, Member

Antonio Francisco Gamez Munoz, Member

As per Board resolution No. 54 dated 01.07.2020, Board Member Halil S. Ergür was appointed as the Internal Systems Responsible and he is in charge of coordinating and overseeing the activities of departments that operate under the Internal Systems structure (i.e. Internal Audit Department and Internal Control and Compliance Department).

In line with the respective legislation, Committee Members do not assume any executive function within the Bank and the Committee's role, responsibilities, composition, membership requirements and other information are documented in the relevant section of the Board Committees Charter.

Board Audit and Compliance Committee convened a total of 8 times on the below dates during the course of 2024:

Meeting Date	Numbers of the Members Present
18.01.2024	2
29.02.2024	3
18.04.2024	3
23.05.2024	3
18.07.2024	3
24.09.2024	3
17.10.2024	2
07.11.2024	3

Executive Committee of the Board

Established under article 366 of the Turkish Commercial Code, the Executive Committee of the Board is authorised - outside of the powers and operations falling within the authority of the Board of Directors - to deal with matters related to overall strategy of the Bank, plans, budgets, goals, policies, to give recommendations to the Board on procedures and systems and to review the performance of the Bank in accordance with legal provisions and the Bank's Articles of Association.

The Committee is composed of the following Board Members:

Board Member Name, Role within the Committee

Joseph Abraham, Chairman

Salem Al-Mannai, Member

Zafer Kurtul, Member

Shahnawaz Rashid, Member

Ozan Kırmızı, CEO and Member

The Committee operates in accordance with the principles set out in the relevant section of the Board Committees Charter.

Executive Committee of the Board met a total of 6 times on the below dates during the course of 2024:

Meeting Date	Numbers of the Members Present
05.02.2024	4
09.07.2024	4
23.07.2024	4
08.10.2024	5
07.11.2024	5
12.12.2024	5

Board Remuneration and Governance Committee

The committee is established in accordance with the 6th principle of the Regulation on Corporate Governance Principles of Banks published by the BRSA in the Official Gazette No. 26333 of 01 November 2006 and as per the 12th paragraph of the Guidelines on Remuneration Policies and Practices of Banks adopted with the BRSA Resolution No. 6827 of 31 March 2016. This committee is responsible for evaluating the compensation and remuneration of the Members of Board of Directors, management and staff in a way considering Bank's long-term interests, in addition to setting key performance indicators in line with the Bank's long-term strategic objectives and relevant policies.

COMMITTEES UNDER THE BOARD OF DIRECTORS

The committee also assumes responsibility for monitoring Bank's compliance with the corporate governance principles, conducting improvement works and making recommendations to the Board of Directors in this respect as defined by BRSA Corporate Governance Principles.

The Committee comprises following Board Members:

Board Member Name, Role within the Committee

Joseph Abraham, Chairman
Zafer Kurtul, Member
Leonie Lethbridge, Member

The Committee's role, responsibilities, composition, membership requirements and other information are documented in the relevant section of the Board Committees Charter.

Board Remuneration and Governance Committee met twice on the below dates during the course of 2024:

Meeting Date	Numbers of the Members Present
08.01.2024	2
18.01.2024	2

Board Risk Committee

The Board Risk Committee assumes responsibility for early detection of risks causing any threat to the existence, development and survival of the Bank, for implementation of necessary measures in order to prevent risks detected and for preparation of policies and strategies that the Bank will adopt with regard to risk management as per Article 366 of the Turkish Commercial Code No. 6102 which came into effect on 01.07.2012. The composition of the Committee is as follows:

Board Member Name, Role within the Committee

Mohd Ismail M Mandani Al-Emadi, Chairman
Halil S. Ergür, Member
Antonio Francisco Gamez Munoz, Member

The Committee operates in accordance with the Board Committees Charter and Risk Charter. The Committee is the common communication platform of the Bank's Internal Systems Units and executive functions in order to facilitate assessment of the risks that the Bank is exposed to and elicits recommendations on the measures and the methods to be followed in response. Committee meetings are held at regular intervals and monitor the Bank's risk appetite, risk profile and tolerance levels established for the consolidated group as prescribed by the Bank's Risk Policy and the decisions made by the Board of Directors and ensure the implementation and supervision of the prescribed measures by the sub-committees and the relevant departments.

The Committee's role, responsibilities, composition, membership requirements and other relevant information are documented in the Risk Charter and Board Committees Charter.

The Board Risk Committee met a total of 4 times on the below dates during the course of 2024:

Meeting Date	Numbers of the Members Present
07.02.2024	4
22.02.2024	4
03.06.2024	4
10.10.2024	2

INFORMATION ON RISK MANAGEMENT POLICIES IMPLEMENTED ACCORDING TO RISK TYPES

Alternatif Bank Risk Management Department aims to identify measure, analyse, and monitor the financial and non-financial risks that the Bank is or may be exposed to, in accordance with applicable laws, rules and regulations.

Activities performed on a daily, weekly, monthly, quarterly and annual basis, depending on the nature of the issue at hand, are presented to the Bank's Senior Management.

Credit Risk

Credit risk is defined as the potential loss arising from any borrower's inability to meet, in part or in whole, its contractual obligations to the Bank. Due to the large share it takes from the balance sheet, credit risk is of the highest concern for the Bank and it is vital to manage it appropriately. Therefore, credit underwriting policies were set up to ensure the independence and integrity of risk assessment practices.

Customer selection criteria and creditworthiness evaluation, income generation and repayment capability and resources, the credit structure of contract provisions and their compatibility with customer needs, collateralisation principles, and comprehensive and healthy documentation are the core elements of credit underwriting policies. Another purpose of these policies and procedures is to ensure that all personnel who are involved in the decision-making process share the same views on similar matters and take similar actions.

Another major element of credit underwriting policies is the monitoring process that needs to be administered to ensure unproblematic repayment of the loan to the Bank once the lending relationship begins. The Bank's risk exposure, either on- or off-balance sheet, is monitored and managed both individually and on a portfolio basis. Within this scope, the NPL management system monitors the loan portfolio in a systematic fashion. Alternatif Bank's potentially non-performing customers are identified in advance and necessary actions are taken. In addition, the development of NPLs is monitored closely and reported on a regular basis.

In order to maintain the structure and quality of its loan portfolio at the desired level, the Bank analyses the distribution of this portfolio in terms of sector, collateral, loan size and rating, and also conducts scenario analyses and stress tests.

Customer selection and monitoring of their credibility are performed by expert credit teams employing internal rating systems. The rating systems are constantly reviewed and monitored for their performance independently by the Risk Management Department. The Bank undertakes constant improvement efforts for the rating systems and takes

on the development and validation of more successful statistical models for arising requirements in order to achieve compliance with Basel criteria, base customer assessments on more objective criteria and thus improve the Bank's risk measurement capability. As part of these studies, the Bank now employs this system in the evaluation of commercial and corporate customers with Moody's rating system.

Market Risk

Market risk refers to the risk of loss that may occur in the value of positions in trading accounts due to movements in interest rates, share prices and exchange rates. The Bank calculates the legal capital requirements for market risk by using the standard method, in accordance with the Banking Regulation and Supervision of Agency (BRSA) regulations. Moreover, market risks associated with trading accounts are quantified and monitored on a daily basis through the Value at Risk (VaR) method. The VaR calculations that use the historical simulation method for the last 252 business days form the basis of the Bank's risk-based trading limits. In addition, the Bank monitors its trading portfolio for losses under extraordinary conditions using Stress VaR, forecasts potential losses under extreme market movements, and tries to manage these potential losses. The trading portfolio risks, which are quantified and reported to the Bank's Management on a daily basis, are also assessed periodically at the ALCO and the Management Risk Committee meetings.

The validity of the VaR model is monitored through back testing. In this methodology, the daily VaR, which is calculated by the VaR model, is compared both with the theoretical losses or gains and also with the actual losses or gains the next business day based on the existing portfolio, and deviations, if any, are monitored.

Structural Interest Rate Risk

Structural interest rate risks are those risks that the Bank is exposed to through products such as credits, securities and deposits, which bear interest sensitivity despite being monitored in non-trading accounts. The Bank aims to keep changes in the economic value of equity within its limits, in the event that the Bank is subject to standard interest rate shocks determined by the BRSA as well as internal interest rate shocks.

In addition to the change in the Bank's net economic value, Alternatif Bank also monitors the earnings at risk (EaR) level due to interest rate fluctuations and ensures that the changes in the income that will be generated by the balance sheet remain within certain limits. Duration/gap

INFORMATION ON RISK MANAGEMENT POLICIES IMPLEMENTED ACCORDING TO RISK TYPES

reports are produced by placing those financial products that are monitored in non-trading accounts into the cash flow statements on a currency basis. According to the corresponding periods or durations. The structural interest rate risk arising from maturity mismatch is measured by applying standard interest rate shocks to the gaps on a maturity tranche basis and the risk is continuously monitored for compliance with determined limits.

The interest sensitivity of the balance sheet is measured regularly by the Risk Management Department and evaluated in Asset Liability Committee meetings. When required, interest rate risk is hedged or limited with derivatives transactions. The Asset Liability Committee takes necessary actions to maintain the Bank's net economic value and create a stable income structure. The balance sheet's interest rate risk level and the actions taken by the ALCO are also reported periodically to the Management Risk Committee.

Liquidity Risk

The purpose of liquidity risk management is to ensure that necessary precautions are taken in a timely and appropriate manner to address possible liquidity crises associated with cash-flow mismatches caused by market conditions and/or the Bank's balance sheet structure. It is founded on the premise that the Bank's cash holdings and available borrowing resources are adequate to cover, in a timely manner and at pre-determined levels, deposits and other liabilities that create a need for liquidity. The Bank monitors its liquidity position in each currency separately, as well as in terms of total liquidity.

In the framework of liquidity risk management, it is aimed at maximising the Bank's profit compared to its existing liquidity risks. Cash flow and liquidity on the Bank's balance sheet are tracked on the basis of regulatory thresholds as well as internally-defined parameters; they are tested under various stress scenarios and the results are reported to the related Committees and the Senior Management.

Operational Risk

Operational risk is defined as the possibility of a direct or indirect loss the Bank is exposed to, which is caused by people, processes, systems or external factors. The Risk Management Department is responsible for the coordination of management activities related to the identification, measurement, monitoring, and reduction of operational risks, covering the Bank and its subsidiaries. All related units, particularly the Internal Control and Board of Internal Auditors contribute to the efforts aimed at determining and eliminating the operational risks that arise during the Bank's operations. This includes the operation of the Risk Control

Self-Assessment (RCSA) processes, the identification and monitoring of Key Risk Indicators (KRIs) that signal significant risks, the evaluation and provision of recommendations regarding operational risks that may arise from new products, services, support, and external service procurement, and all other activities within the scope of Operational Risk Management. These are tools for identifying risks, and actions/controls are taken accordingly.

The compliance of all activities with applicable regulations and with the Bank's procedures and policies is closely monitored. The most important elements of the operational risk management framework are based on designing all processes across the Bank in a way that minimises operational risks; establishing an effective internal control organisation that encompasses systemic control structures; and creating and executing a tiered and transparent resolution, monitoring and management process for operational risk events. Records of events leading to monetary losses are stored in a database established to follow up on operational risks. Operational events that frequently occur or lead to significant losses are evaluated by the Operational Risk Committee, and making in depth analysis upon which necessary action plans are produced and the efficiency of control and audit is enhanced so as to manage these events.

Business Continuity Management

On February 6, 2023, the earthquake disaster that occurred in the Pazarcık and Elbistan districts of Kahramanmaraş, causing devastating effects in 10 cities, and the COVID-19 pandemic that affected the entire world between 2020 and 2022 once again highlighted the importance of bank-wide business continuity management. In this context, while the Bank put employee health and customer needs first, Business Continuity Committee coordinated regular meetings to sustain uninterrupted customer service. Business Continuity Management aims to manage the risks that threaten the continuity of the Bank's critical processes, and to ensure the recovery of these processes in targeted periods.

In 2024, the goal was to increase awareness of crisis management across the Bank through business continuity training provided throughout the organisation. In addition to the periodic online training offered to employees, a comprehensive seminar on the potential Marmara earthquake was held with the support of a consulting firm specializing in this area, with the participation of the Bank and its subsidiaries' senior management and emergency response teams. Furthermore, drill training for emergency teams was provided by a consulting organisation with expertise in this field.

Policies under the scope of Business Continuity are reviewed annually. The Bank's Disaster Centre tests and other related tests are conducted every year with the participation of the relevant units/subsidiaries/branches, and the results and actions are shared with Senior Management and the Board of Director.

Information Security Monitoring

Adopting a proactive approach to managing and taking preventive measures against Cyber Risk which is one of the most significant risks threatening the global finance markets is critical for banks to manage the potential losses in this context. Information security monitoring activities at Alternatif Bank are conducted in regards to the requirements of secondary defense mechanisms by advance identification and monitoring of risks in accordance with the international standards. Executive management and the board of directors are informed of the realisation of risk indicators which are regularly monitored.

Sustainability and Climate Risk

Climate-based financial risks are analysed in detail at our Bank. These analyses are basically grouped as funding and credit placement areas. On the funding side, Eurobond and Syndication borrowings are realised taking sustainability themes into consideration and in this framework, various key performance indicators are being monitored. Key performance indicators are effective at the cost of those borrowings.

At the assessment of credit placement extensions, there is social and environmental risk management system. Accordingly, for firms having the characteristics of SMEs, there is a matrix integrated in the Bank's credit extension system and firms are being assessed in terms of social and environmental risks using this matrix. Additionally, with the Sustainability Committee established within the Bank, short and medium-term actions of the Bank in terms of sustainability are being identified. The Bank aims to organise these plans with a target and in coordination. The Bank gets consultancy services with the purpose of developing its sustainability strategy and ESG (Environmental social governance) framework. When this project is completed, the Bank plans to implement the environmental impact in terms of financing volume of the Bank and the volume of its financing it mediates in numeric terms. The Sustainability Committee which was established at the executive management level reports to Board of Directors Remuneration and Corporate Governance Committee at the Board level.

Risk Management Activities and Developments

In addition to its strategy and growth targets, Alternatif Bank has adopted the primary goal of building a sound capital structure and a sustainable growth trajectory based on a

world-class risk management culture. In accordance with the Bank's strategies:

- Internal policies and procedures based on the Bank's strategy continued to be effectively implemented in 2024 with the aim of pursuing advanced risk management practices.
- New investments were made in measurement and evaluation systems, a major component of effective risk management, which enhanced the Bank's risk management capability. These efforts are expected to continue at an accelerated pace in 2025.
- Risk-adjusted return and effective capital allocation were raised to a more prominent role at the core of the Bank.
- Efforts were finalised to switch to a risk or return-based performance process. Implementations are put into practice across the entire Bank.
- The Bank sees Human Resources as one of the most significant factors in realising its strategy and attaining its sustainable growth goal. To expand the "risk culture to international standards" across the Bank, analytical teams were included in Risk Management team and their effectiveness increased in risk management processes.
- Oversight of the Senior Management is a key element of an effective risk management framework. Increasing the influence of the Board of Directors and Management-level committees made a major contribution to ensuring the integrity of the risk management process.

Information on the Activities and Reports of the Board of Directors Risk Committee

Board Risk Committee is responsible for the risk management of the entire Bank, including credit, market, operational, regulatory and reputational risks.

The Committee's responsibilities include assessing the risk management strategies and policies; setting limits for main risk elements the Bank faces; monitoring the breaches of limits; overseeing the risk identification, definition, measurement, Evaluation, and management processes; ensuring the accuracy of risk measurement methods and results through supervision; taking the necessary steps to create an effective internal control mechanism that encompasses risk management, information systems, and processes in an attempt to minimise the risks that can also have adverse effects on the Bank's shareholders and stakeholders; and internalising the risk culture. The Committee regularly reports its activities as well as its assessments and recommendations regarding the Bank's overall risk appetite and profile to the Board of Directors.

SENIOR MANAGEMENT



Ozan Kırmızı

Board Member and CEO

Ozan Kırmızı obtained his undergraduate degree from Istanbul University Faculty of Business Administration, followed by his Master's degree in Finance and Accounting from Macquarie University. He recently completed the Executive Leadership Program at Stanford University. He joined ING Türkiye in 2006 where he held various executive positions in the digital and retail banking space and had been a driving force behind the implementation of numerous innovative digital services and applications. He served as the Retail Banking EVP at ING Türkiye and Chairman of ING Yatırım between the years 2020 and 2023. In November 2023, Ozan Kırmızı was appointed as the CEO and Board Member of Alternatif Bank. He also assumes the roles of Board Chairman of Alternatif Lease and Board Chairman of Alternatif Securities.



Ayşe Akbulut

Executive Vice President (Credit Underwriting)

Ayşe Akbulut was graduated from Boğaziçi University, Department of Philosophy in 2006. Between 2006 and 2013, she had responsibility in different positions in the Corporate Credits Underwriting Department of Türk Ekonomi Bank. Akbulut, who worked as a Credit Underwriting Manager at Royal Bank of Scotland Türkiye Office between 2013-2017, worked as a manager in the Corporate Loans, Guarantee, Leasing and Project Finance Departments at Türkiye Finans Katılım Bank between 2017-2018. Akbulut, who started to work as Corporate and Commercial Loans Manager at Alternatif Bank in August 2018, had worked as Corporate and Commercial Loans Director from January 2021 till she was appointed as Assistant General Manager of the Credit Underwriting Group in March 2022 and she is also a member of the Board of Directors of Alternatif Lease and Alternatif Securities.



Hamdi İlkey Girgin

Executive Vice President (Financial Affairs and Planning)

Following his graduation from Middle East Technical University in 2000, Economics, Hamdi Girgin earned his master's degree in MBA from Imperial College London in 2009. Girgin was serving as Assistant Sworn Bank Auditor at Banking Regulation and Supervision Agency between 2001-2004 and Sworn Bank Auditor at the same institution between 2004-2010. He joined Alternatif Bank in December 2010 and worked as Legislation and Compliance Manager until 2020. As of 2 January 2020, Girgin was appointed as Executive Vice President of Financial Affairs and Planning. He also serves as Board Member of Alternatif Securities and Alternatif Lease.



Levent Güven

Executive Vice President (Treasury and Financial Institutions)

Levent Güven graduated from İstanbul Technical University, Management Engineering. He served as Treasury Dealer at Turkish Bank between 1996-1997, Treasury Dealer at Ulusal Bank between 1997-1998, Chief Dealer at Ottoman Bank between 1998-2001, and as Treasury Manager and Director at TEB between 2002-2017. He joined Alternatif Bank in January 2017 as Group Manager at Treasury. As of 8 February 2017, Güven was appointed Executive Vice President of Treasury. He also serves as Board Member of Alternatif Securities since March 2017. As of September 2019, Güven was appointed Executive Vice President of Treasury and Financial Institutions.



Seçkin Mutlubaş

Executive Vice President (Restructuring and Legal Follow-up)

Seçkin Mutlubaş graduated from İstanbul University Department of Economics in English in 2006 and completed his Master's degree in Banking at the same university in 2009. Between 2006-2010, he worked in the Credit Underwriting Department of the Türk Ekonomi Bankası, and between 2010-2012, in the Credit Risk Department at HSBC. Between 2012-2022, after taking part in various positions at Odeabank, he lastly served as the Senior Manager of Early Warning and Close Monitoring of SME Loans. Mutlubaş, having joined Alternatif Bank family in July 2022 and assumed the position of Loan Restructuring and Legal Follow-up Head, has been appointed as Restructuring and Legal Follow-up EVP as of August 2023.



Didem Şahin

Executive Vice President (Corporate Banking)

Didem Şahin graduated from Gazi University, Economics in 2005 and Department of International Relations in 2006 as double major. She completed her master degree in Economics at Gazi University in 2010. She started her career at Şekerbank in 2007 as Management Trainee; She worked as a Loan Evaluation Associate&Supervisor at Garanti Bank between 2007-2014 and continued her career as Customer Relationship Manager until 2015. Joining Alternatif Bank in July 2015, Şahin served as Manager at Commercial Loan Department, Head of Corporate and FI Underwriting, Corporate Branch Manager. As of September 2022, Şahin has been appointed as Executive Vice President responsible for Corporate Banking. Along with her responsibilities on Corporate Banking Sales & Performance Management, Trade Finance and Project Finance & Credit Management, She is also a member of the Board of Directors of Alternatif Securities. Şahin, who has the International Co-Active Coaching certificate, provides Internal Coaching to the bank employees.

SENIOR MANAGEMENT



Bike Tarakcı

Executive Vice President (Human Resources)

Bike Tarakcı, with over 19 years of combined experience in the industrial and banking sectors within the field of human resources, graduated from Boğaziçi University in Guidance and Psychological Counseling, subsequently completing her master's degree in Industrial and Organisational Psychology at Middle East Technical University. Beginning her career journey in 2005 at Eczacıbaşı Yapı Group, Tarakcı held diverse roles in human resources at KordSA Global between 2008 and 2011. Transitioning to the banking sector in 2012 with HSBC, she assumed responsibilities encompassing compensation, benefits, and served as a human resources business partner. Joining Standard Chartered Turkey in 2019 as the Human Resources Director, Tarakcı took charge of managing the human resources agenda. She was appointed as Executive Vice President of the Human Resources at Alternatif Bank on 2 January 2024. As a certified coach as of 2021, she is voluntarily providing coaching and mentoring to young professionals.



Zafer Vatansever

Executive Vice President (IT and Operations)

Zafer Vatansever graduated from Istanbul Technical University, Department of Management Engineering in 1999. He started his career at Toprakbank in 1999 as a Relationship Manager Corporate Banking; he worked as a Senior Business Solution Manager at TEB between 2003-2012. Between 2012-2014, he worked as the Commercial Corporate Credits Department Head at Intertech Information Technology and Marketing Inc. He worked as a Senior IT Leader (Channels, Customer, Payments) at TEB between 2014-2019. He continued his duty as Head of Operations at Aktif Bank between 2019-2021. Vatansever, who has more than 25 years of experience in banking, joined the Alternatif Bank family as of July 2021. Working as the Director of Application Development and Software Architecture Department until September 2022. Vatansever has been appointed as Executive Vice President in charge of Information Technologies and Operations on 29 September 2022.



Burcu Yangaz

Executive Vice President (Business Banking)

Burcu Yangaz graduated from Boğaziçi University, Faculty of Engineering, Department of Industrial Engineering in 2000 and completed her master's degree at Istanbul University, Faculty of Business Administration, Department of Business Management and Organisation in 2003. She started her career as a Management Trainee at Kibar Holding in 2000 and after holding various positions at Garanti BBVA Leasing between 2002-2005, she worked as a Sales Manager at Citilease Finansal Kiralama A.Ş. during 2005-2008. She worked as MME Segment Senior Manager at Citibank between 2008-2012 and as Corporate Banking Group Manager at Odeabank between 2012-2017. Yangaz joined Alternatif Bank in April 2017 as Corporate Branch Manager, and was appointed Executive Vice President in charge of Business Banking Group at Alternatif Bank as of 29 September 2022. Burcu Yangaz is also a member of the Board of Directors of Alternatif Lease.



Egemen Baykan
Head of Risk Management

Egemen Baykan graduated from Middle East Technical University, Department of Statistics in 1999, and in 2002, he completed his Master's degree in Econometrics from the Department of Economics and Business Administration at Humboldt University in Berlin, Germany. Baykan, who has domestic and international banking experience, worked in the MIS department of Finansbank in 2004-2005. Between 2005-2007, he worked as a consultant at LFS Financial Systems in Azerbaijan; between 2007-2012, he worked in Romania. He worked as a manager in the field of risk management and analytics at Credit Europe Bank. He joined Alternatif Bank Family in December 2012 as Risk Management Assistant Manager. In January 2015, Baykan was appointed as Capital and Portfolio Department Manager and in August 2018 as Risk Management Group Manager. As of January 2019 he has started to serve as Head of Risk Management.



Ömer Faruk Gönener
Head of Internal Audit (Internal Audit)

Ömer Faruk Gönener completed his education at Private German High School in 1998 and he graduated from Istanbul University, Department of International Relations in 2002. In 2023, Gönener earned a master's degree at Koç University, Department of Graduate School of Business, Executive Management. He served as Auditor, Senior Auditor and Chief Auditor at Akbank between 2003-2015, and as Sabancı Center Management Director at Sabancı Holding between 2015-2018. He joined Alternatif Bank in June 2018 as Suppliers and Cost Management Department Manager. As of 2 November 2018, Gönener was appointed Head of Internal Audit.



Engin Turan
Head of Internal Control and Compliance, Consumer Relations Coordination Officer

Engin Turan graduated from Middle East Technical University, Department of Political Science and Public Administration in 2003. After holding various positions at Yapı Kredi Bankası A.Ş. Internal Audit Department between 2003 and 2010, Turan worked as the Assistant Manager of Internal Control and Compliance at Alternatif Lease between 2010 and 2011. He worked as the Vice President of the Board of Internal Auditors at Alternatif Bank between 2011 and 2018, as the Manager of Internal Control between 2018 and 2020, and as the Compliance Officer and Head of Internal Control and Compliance at MASAK since March 2020. Since March 2020, he has been the BRSA Consumer Relations Coordination Officer and since May 2021, he has been the MASAK Compliance Officer of Alternatif Bank A.Ş. Financial Group. Since 2021, Turan has been a member of the Board of Directors of the Internal Audit Institute of Turkey (TIDE) and holds the Certified Fraud Examiner (CFE) and Certification in Risk Management Assurance (CRMA) certificates.

SENIOR MANAGEMENT



Mehmet Tekergül
Legal Counsel

Mehmet Tekergül has graduated from Istanbul University Faculty of Law in 2000 and received his Master's degree in Private Law from Kadir Has University in 2010 and his Master's degree in Law & Economics from Marmara University in 2023. Having worked as a freelance lawyer in the early years of his professional career, he started his corporate career at Şekerbank Legal Department in 2005 and worked in litigation and consultancy functions at HSBC Bank A.Ş. Legal Department between 2007 and 2015. Between 2015 and 2022, he worked as the Legal and Compliance Manager at Volkswagen Doğu Finansman A.Ş. and its group companies (factoring, insurance, operational leasing). Mehmet Tekergül, who lastly served as Legal Advisory Vice President at Türkiye Finans Katılım Bankası, has been appointed as Legal Counsel at Alternatif Bank as of April 2024.



Bahadır Çakmak
Head of Corporate Affairs

Having graduated from the Translation&Interpreting Department of Boğaziçi University in 2007, Bahadır Çakmak completed his post-graduate degree in the field of corporate governance at the University of Law, the UK in 2024. He began his professional career at PwC Türkiye's Marketing Department in 2007. After working for DLA Piper law firm between 2014-2015, he started to work at Alternatif Bank Corporate Affairs Office in May 2015. He was appointed to the Manager role in February 2017 at the same department. Çakmak served as a Corporate Governance Consultant for United Arab Bank, the UAE, during 2022 as part of a temporary secondment. He was promoted as the Head of Corporate Affairs at Alternatif Bank as of October 2022.

INTERNAL CONTROL AND COMPLIANCE

Alternatif Bank Internal Control and Compliance Department conducts its operations reporting to the Board of Directors Audit and Compliance Committee. The Department aims to provide for the execution of the Bank's operations in accordance with regulations and Bank's internal systems, taking precautions to reduce risk and providing the reliability and integrity of accounting, financial reporting and information systems.

The department consists of the Internal Control Department, Subsidiaries Coordination Department, Compliance Department and IT Control and Data Analytics Unit.

Activities of the Internal Control Department

The Internal Control Department, in coordination with the senior managers of related units, designs the internal control system, internal control activities, and how they will be performed, taking into consideration the qualities of all of the operations of the Bank. Internal control activities include the oversight of operational transactions regarding the performance of activities, the oversight of communication channels, information systems and the financial reporting system, and compliance controls.

Additionally, verification of all current and future activities of the Bank, new transactions and products to be in compliance with the legislation, the Bank's internal policies and guidelines is within the scope of the controls of the Internal Control Department.

Under the Internal Control Department, Process Control Unit, Central Control Unit, Branch Network Control Unit are organised. Through these units, the Internal Control Department conducts periodic and spot, centralised and onsite supervision, examination and control activities with a risk-focused perspective, employing sampling methodology in accordance with the annual plan so as to cover the activities of the Bank's all branches, Head Office departments and consolidated subsidiaries. SQL scenario results are effectively used at these controls.

The outcomes from the control activities are reported to the managers of related units of Alternatif Bank, the CEO and relevant senior management, and the members of the Audit and Compliance Committee under the Board of Directors. These reports and the process provide an opportunity to develop and modify various control systems by making periodic evaluations, and to taking relevant measures.

As of 2024 year-end, operating with a team of 6 employees, the Centre completed all controls that were planned to be conducted in the form of remote supervisions at the Head Office Departments and branches at the predetermined frequency and using predetermined methods; an additional 9 branches were subject to control activities.

During the year, monitoring of processes, updating and testing activities were realised within the scope of Management Declaration operations under Banking Regulation and Supervision of Agency (BRSA) regulation. In this context, 7 main banking processes were included in the scope of control.

Activities of the Subsidiaries Coordination Department

Internal Control and Compliance Department conducts monitoring and advisory activities at all stages of subsidiaries' internal control and compliance activities from planning to reporting, development of control methods, establishing implementation principles and at communication with external and regulatory institutions.

Established in 2022 the Subsidiaries Coordination Department carries out the coordination of activities to define business processes, information systems internal controls and compliance framework of the Bank's subsidiaries, Alternatif Leasing and Alternatif Securities, in coordination with the Bank and at least at the same standards as the Bank and to manage risks related with production of consolidated financial data effectively and efficiently.

Employees of the internal control and compliance department at the subsidiaries report to Audit, Compliance and Risk Committee of the Board of Directors of the subsidiaries in administrative terms but perform their duties operationally under Subsidiaries Coordination Department Manager.

In this respect, quarterly reports of internal control and compliance activities performed for subsidiaries are reviewed and the results of the reports are presented to senior management through Audit, Compliance and Risk Committee of the related subsidiary.

Activities of IT Control and Data Analytics Department

IT Control and Data Analytics Department provides for more effective and efficient processes for new risks and security requirements which will result from the increased data extent expected to emerge due to the Bank's digitalisation strategies. The activities are conducted by 3 employees.

- **IT Control function** performs compliance controls of the Bank's and its outsourced service providers' Information Systems management activities, processes supporting these activities and established Information Systems controls with the regulations, the Bank's policies, procedures and internationally accepted standards.

The IT Control Unit conducts periodic and spot controls with a risk-focused approach and sampling method, covering information systems processes as part of the annual control plan. The results of the control activities are reported to the relevant department managers, the General Manager, senior management, and the members of the

INTERNAL CONTROL AND COMPLIANCE

Board of Directors' Audit and Compliance Committee. Additionally, complaints arising under the Consumer Relations Coordination Responsibility are analyzed and reported to senior management.

- **Data Analytics function** develops scenarios to prepare reports on the effective performance of internal control and compliance activities by using special software such as SQL to pull out large volumes of data on the database and analyse them independently from Information Technologies.

Activities of Compliance Department

Compliance Department conducts activities to establish a compliance risk culture within the Bank, measurement, assessment and reporting of risks to provide effective management of risks. Corporate Compliance, Enforcements, Customer Acceptance and Customer Monitoring Departments and Legal Compliance Department provides support for the execution of Bank's applications in compliance with regulations and which monitors the regulations are positioned under the Compliance Department. The Compliance Department carries out its activities with 9 employees.

The Bank's compliance risks are assessed via the Compliance Risk Committee, thus risks are monitored and managed more effectively. Compliance Department also presents periodic reports to Audit and Compliance Committee of the Board of Directors regarding risk management activities.

Main functions of the Compliance Department are as follows:

Supporting effective management of compliance risks by acting as an advisor to top management and all employees in all areas related to compliance risks including programmes to fight against financial and economic crimes.

Measurement, control and monitoring of compliance risks.

Taking precautions for compliance of the Bank's operations realised or planned, products and processes with regulations and Commercial Bank of Qatar's standards and policies. In this context, the unit participates in self-assessment activities.

Conducting activities to increase awareness of Bank employees of compliance policies and compliance risks and delivering training within the scope of annual training programmes.

Monitoring the regulations to prevent laundering of crime revenues and financing of terror and providing coordination of relations with the regulatory agency.

The Compliance Department follows regulations from the Official Gazette and related organisations' websites on a daily basis. Actions related to internal announcements within the Bank are determined and tracked through the system. Revised regulations are interpreted and announced to relevant departments within the Bank. Also questions from Headquarters units and branches are answered within the scope of advisory services provided.

Letters received by Alternatif Bank are monitored and distributed to relevant departments by the Compliance Department. Moreover, providing for the compliance of the Bank's activities being performed and planned to be performed, compliance of new products and services with the legislation, the Bank's internal policies and procedures, organising meetings for regulatory changes and defining the responsible parties to monitor the compliance of the Bank are within the responsibility area of the department.

INTERNAL AUDIT

Internal Audit consists of Inspection Board, General Management, Subsidiaries, Process Audit Department, Branch Audit, Review and Inquiry Department and Information Technologies Department.

The Internal Audit Department, reporting directly to the Board of Directors, audits the activities of Alternatif Bank and its subsidiaries for compliance with the Bank's policies and instructions as well as laws and regulations in accordance with international standards, and assesses the efficacy and adequacy of the business processes from a risk-oriented perspective. The Inspection Board, which conducts its activities based on the principles of independence and objectivity, with competence, maximum professional care, and attention, evaluates the effectiveness of the Bank's risk management, control, and governance processes. With a systematic and disciplined approach aimed at improvement, it plays a supporting role in helping the Bank achieve its goals.

The Internal Audit Department performs its activities in compliance with international auditing standards. The Internal Audit Department was subjected to a new Quality Review by the independent auditing firm in 2020, which affirmed that the Board continues to execute its tasks in accordance with international auditing standards.

The Internal Audit Department which consists of 13 people including auditing and management teams, also carries out inquiries and investigations in addition to the aforementioned functions.

Audit reports that are drafted following the inspections are classified according to significance and priority and reported to the Audit and Compliance Committee of the Board of Directors, Senior Management, and related units. The action plans formulated in response to the identified issues are monitored by the Internal Audit and Compliance Department.

The Board of Directors closely monitors the work of the Internal Audit Department in addition to the periodic activity reports presented through the Audit and Compliance Committee.

During the 2024 operating year, the Internal Audit Department audited the operations and lending processes, audit efficiency and service quality of 11 branches and 14 processes in banking and subsidiaries audit, and 8 main processes in Information Technologies audit.

In addition to these audits, review/investigation studies on various topics were also completed throughout the year.

SUMMARY BOARD OF DIRECTORS REPORT SUBMITTED TO THE ANNUAL GENERAL MEETING

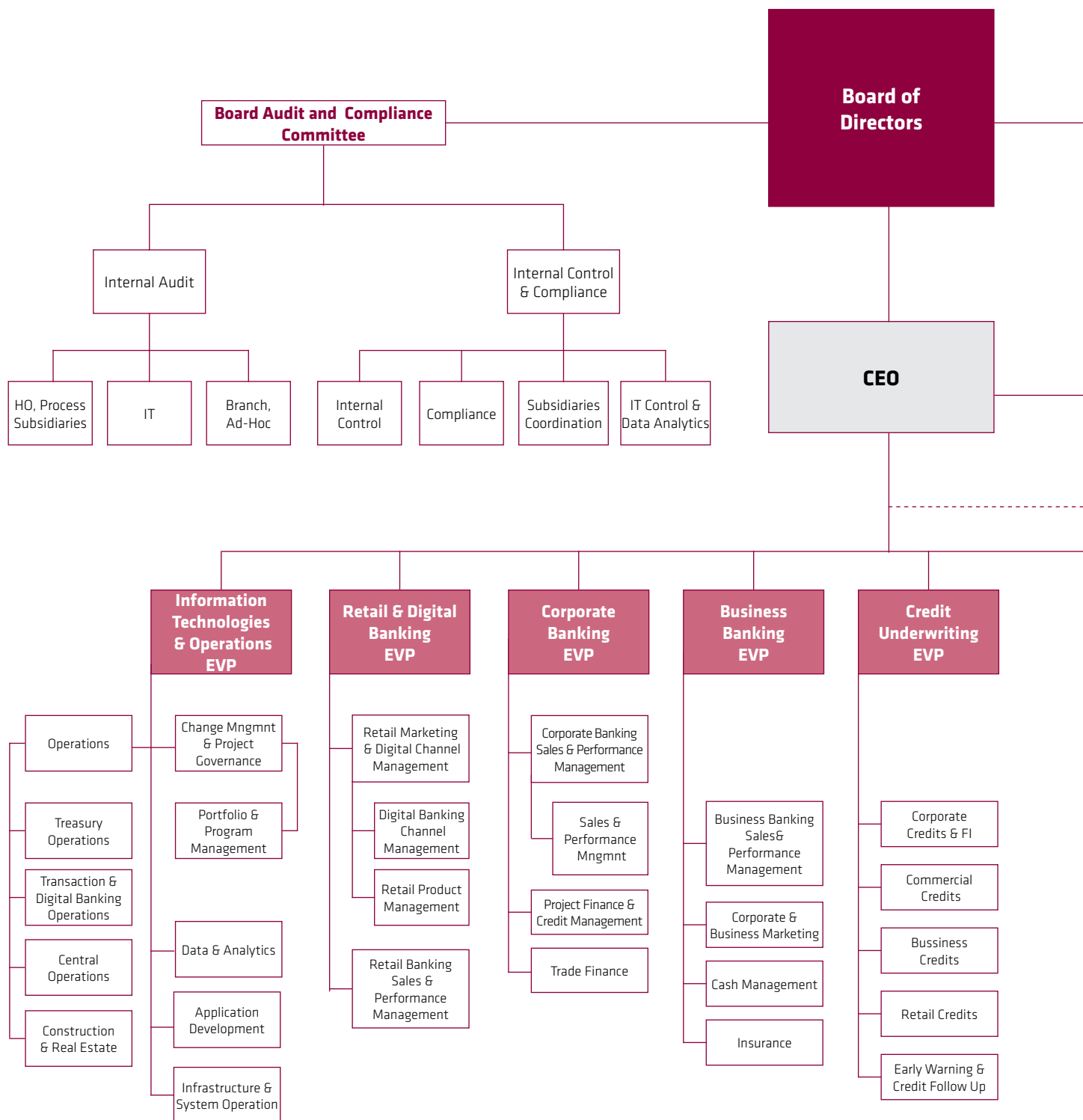
Distinguished Shareholders,

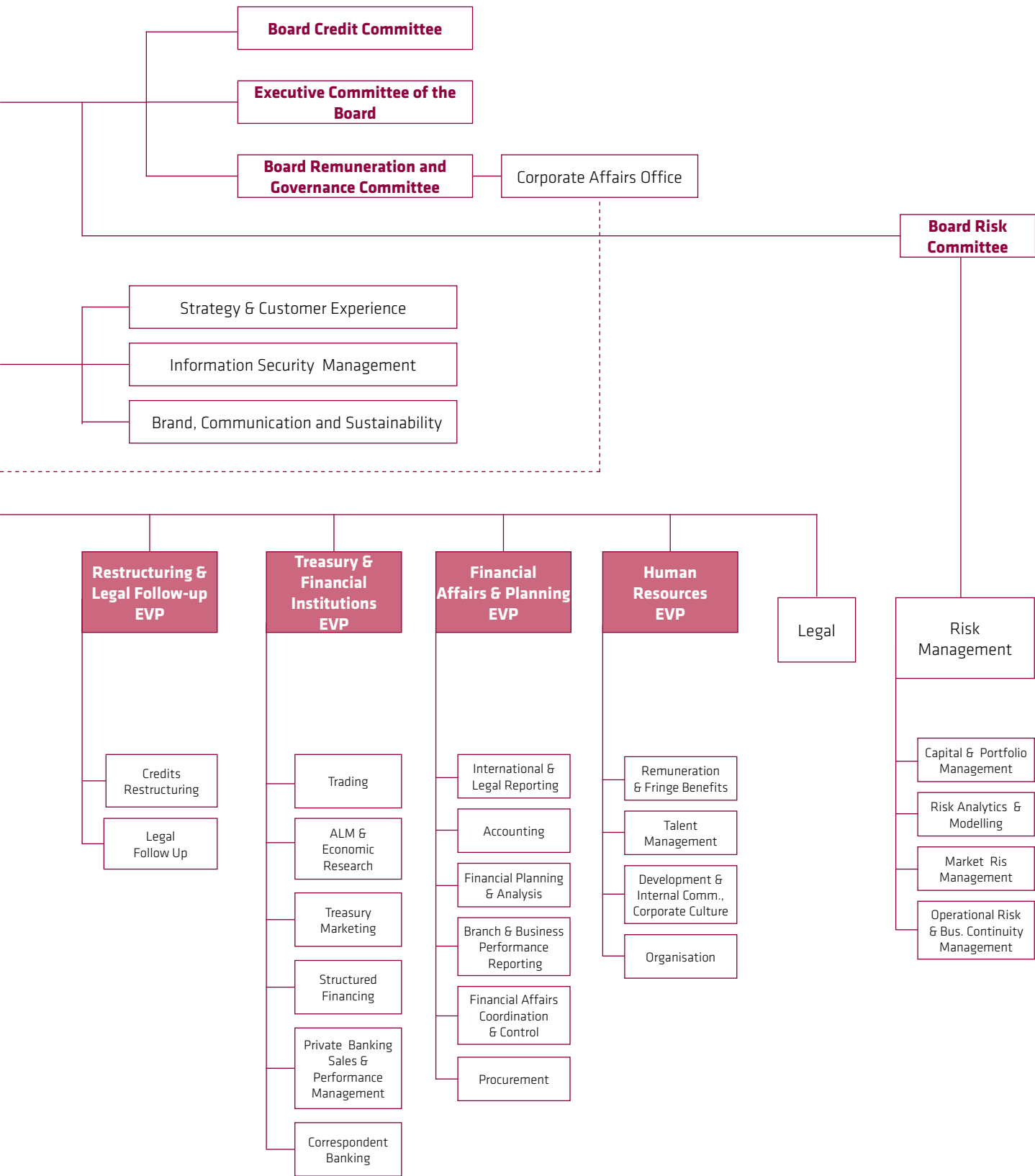
We respectfully greet our shareholders, their proxies and our guests who have honoured the 2024 Annual General Meeting, in which the Bank's financial statements for 2024 are presented for your perusal and approval. We hereby represent that we have reviewed the Bank's 2024 Annual Report and declare that it does not contain any misrepresentations and/or omissions in material aspects which might be misleading, and that it presents a fair and accurate view of the Bank's financial standing, including the material risks and uncertainties it is exposed to.

As of 31 December 2024, the Bank's results on an unconsolidated basis were as follows:

- Total assets increased 27.6% to TRY 82,984 million,
- Total loans increased 28.5% to TRY 40,334 million,
- Total securities increased 13.3% to TRY 18,833 million,
- Total deposits decreased by 50.3% to TRY 37,639 million,
- Shareholders' equity increased 18.6% to TRY 6,955 million,
- Net profit totalled TRY 449 million, and
- Capital adequacy ratio was 27.94%.

ORGANISATION CHART





EXPLANATIONS AND NOTES ABOUT THE BANK'S RISK GROUP

(TRY thousand)						
	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Real and Legal Persons in the Risk Group	
Bank's Risk Group ^(*)	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Beginning Balance	1,249,882	256	-	3,742	771	1,607
Ending Balance	189,498	3,255	-	4,254	650	1,357
Interest and Commission Income	131,733	-	-	454	2,569	2,607
	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Real and Legal Persons in the Risk Group	
Bank's Risk Group ^(*)	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Deposits						
Beginning Balance	126,805	198,031	-	-	90,557	68,723
Ending Balance	92,744	126,805	-	-	143,589	90,557
Interest Expense on Deposits	4,341	10,517	-	-	-	2

^(*) As defined in Article 49 Clause 2 of the Banking Law no. 5411.

DIVIDEND POLICY

Principles regarding Alternatif Bank's profit distribution are formulated in Article 66 of the Bank's Articles of Association.

Accordingly; net profit is the remaining amount after deducting all types of expenses, provisions and taxes from the revenue obtained by the Bank within an accounting period.

- In accordance with Article 519 of the Turkish Commercial Code, 5% of the General Legal Reserve Funds will be set aside from the amount that will be calculated by deducting the previous years' losses from this profit.

The Annual General Meeting will take the decision to make profit distributions to the shareholders from the remaining amount at a ratio and amount that will be determined in accordance with the relevant legislation.

Annual General Meeting is entitled to partially or completely set aside the remaining amount as Free Reserve Funds or to distribute it as a dividend to the shareholders. Turkish Commercial Code provisions on Reserve Funds shall be reserved. As per the provisions of the Law; unless the reserve funds, which must be set aside, are set aside, and unless the dividend, which is determined in the Articles of Association for the shareholders, is set aside; the Annual General Meeting cannot take a decision to set aside other reserve funds or to transfer the profit to the next year.

INFORMATION ON DONATIONS MADE IN 2024 AND ON EXPENSES INCURRED IN THE SCOPE OF CORPORATE SOCIAL RESPONSIBILITY PROJECTS

None.

REMUNERATION PAID TO THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

At the Bank's 2023 Annual General Meeting held on 27 March 2024, a decision was taken with respect to Board Members' remuneration.

The 2023 Annual General Meeting minutes are posted on the Bank's corporate website.

Financial benefits provided by the Bank to the senior management during 2024, including sitting fees, salaries, bonuses and dividends as well as allowances amounted to TRY 98,283 thousand.

MANAGERS OF INTERNAL SYSTEMS

Name	Duty	Date of Appointment	Academic Degree	Area of Responsibility	Banking or Business Management Experience (years)
Ömer Faruk Gönener	Chief Audit Executive	02.11.2018	Istanbul University, Department of International Relations, Koç University, Graduate School of Business Administration, Executive Business Administration (Master's)	Internal Audit	22
Egemen Baykan	Head of Risk Management	01.08.2018	Middle East Technical University, Statistics, Humboldt University, Econometrics (Master's)	Risk Management	21
Engin Turan	Head of Internal Control and Compliance, Consumer Relations Coordination Officer	23.03.2020	Middle East Technical University Department of Political Science and Public Administration	Internal Control and Compliance	21

AFFILIATION REPORT

Pursuant to Article 199 and the subsequent articles of Turkish Commercial Code No. 6102, the Bank's Board of Directors has made the following statement in its affiliation report issued in relation to the controlling company and subsidiaries thereof. It has been observed that, to the circumstances and events known to us, in all transactions carried out with the controlling company and the subsidiaries of the controlling company in the operating period between 01 January 2024 and 31 December 2024, there were no transactions performed to the benefit of the controlling company or a subsidiary thereof at the instruction of the former, nor were there any actions taken or avoided to inure to the benefit of the controlling company or a subsidiary thereof in the 2024 operating period. Therefore, we hereby represent that our Company did not sustain any losses requiring indemnification by virtue of the transactions carried out in relation to the 2024 operating year, that to the disproportionate benefits were derived, and that there were no benefits or losses requiring equalisation with the controlling shareholder and subsidiaries.

OUTSOURCED SERVICES PURSUANT TO THE REGULATION ON BANKS' PROCUREMENT OF SUPPORT SERVICES

Company Name	Description of Service
ACERPRO BİLİŞİM TEKNOLOJİLERİ A.Ş.	Development, maintenance and support services needs of the digital platform that will enable the centralised management of insurance transactions were met.
ACTIVE BİLGİSAYAR HİZMETLERİ VE TİCARET LTD. ŞTİ	Support and maintenance services of NOVA Securities software, NOVA-VOB Futures and Options Exchange programme were received.
BARİKAT BT BİLİŞİM TİCARET A.Ş.	24/7 monitoring and maintenance services for the Security Operation Centre (SOC) were received.
BİS ÇÖZÜM BİLGİSAYAR VE ENTEGRASYON HİZ. VE TİC. A.Ş.	Maintenance of modules developed for EFT and FAST transactions, additional development that may be needed on these modules and software development services within the scope of other needs were received.
BİART BİLİŞİM TEKNOLOJİLERİ LTD. ŞTİ	Outsourcing or turnkey project service was received.
BİLİN YAZILIM VE BİLİŞİM DANIŞMANLIĞI A.Ş.	All new development, maintenance and support activities related to the portal (Dinamik) where the Bank manages its human resources applications (payroll, personnel, performance management, legal transactions, etc.) were met.
CMC İLETİŞİM VE ÇAĞRI MERKEZİ HİZMETLERİ A.Ş.	Call centre service was received.
COLENDİ YAPAY ZEKA VE BÜYÜK VERİ TEKNOLOJİ HİZMETLERİ A.Ş.	TFS platform service (intermediation of invoice discount transactions) was acquired.
COLLECTURK ALACAK YÖNETİMİ VE DANIŞMANLIK A.Ş.	Call services to individual customers whose receivables are overdue for 30 days or more and directing them to collection were received.
DESMER GÜVENLİK HİZMETLERİ A.Ş.	Money transfer (CIT) service was received.
DİP BİLGİSAYAR YAZILIM TİC. LTD. ŞTİ.	Outsourced employment The company provided analysts and developers as resources for process analysis, relevant developments, and technical support services for the existing digital banking, core banking, data warehouse, and payment systems infrastructure within the scope of the services it offers to the Bank.
E-KART ELEKTRONİK KART SİSTEMLERİ SAN. VE TİC. A.Ş.	Personalisation and delivery services for raw cards (Master, Visa, TROY, Diners) to be ordered by the Bank were received.
ENQURA BİLGİ TEKNOLOJİLERİ A.Ş.	KYC and video call technology services were received for digital remote customer acquisition.
EVAM YAZILIM DANIŞMANLIK A.Ş.	Real-Time Campaign Management Software development service was received.
FATURALAB ELEKTRONİK TİCARET VE BİLİŞİM HİZMETLERİ A.Ş.	Faturalab Platform membership and maintenance service was received.
FIGO TİCARİ BİLGİ VE UYGULAMA PLATFORMU A.Ş.	Figopara platform membership service was received.
FİNEKSUS BİLİŞİM ÇÖZÜMLERİ TİC. A.Ş.	Services for maintenance, development, usage support of the SWIFT interface, outsource personnel support of the software where SWIFT transactions and reconciliations are made, software and maintenance of the Utility Payment programme, which sends and uploads incoming and outgoing files to Cash Management, software and maintenance service of Paygate Analyzer, Inspector, Search applications used by Compliance Department in suspicious transaction and blacklist scenarios were received.
GÜZEL SANATLAR ÇEK BASIM LTD. ŞTİ.	Checkbook and hologram printed letter of guarantee printing services were received.

OUTSOURCED SERVICES PURSUANT TO THE REGULATION ON BANKS' PROCUREMENT OF SUPPORT SERVICES

Company Name	Description of Service
HATKO INNOVATIVE SOLUTIONS YAZILIM DANIŞMANLIK TİC. LTD. ŞTİ.	Analyst and software resources were provided to provide process analysis, related developments and technical support services for the payment systems infrastructure available at the Bank.
HOBİM ARŞİVLEME VE BASIM HİZMETLERİ A.Ş.	All kinds of statement printing, enveloping and delivery services to PTT. Providing exchange rate quotation services for corporate customers. Making MTM calculations and controls. Integrating the Standard Approach Method. Making initial margin calculations, integrating the Internal Model Method.
INNOVANCE BİLGİ TEKNOLOJİLERİ A.Ş.	Outsourcing or turnkey project service was received.
INTEGRAL DEVELOPMENT CORPORATION	Services for a foreign exchange transaction platform where customers can carry out foreign exchange buying/selling transactions were received
IRON MOUNTAIN ARŞİVLEME HİZMETLERİ A.Ş.	Physical archive services were received.
KEY YAZILIM ÇÖZÜMLERİ A.Ş.	Invex - B Real Estate Appraisal and Appraisal Software usage and maintenance service was received.
KOÇ SİSTEM BİLGİ VE İLETİŞİM HİZMETLERİ A.Ş.	Outsourcing of pool resource procurement for all kinds of software support services were received.
KURULUM BİLİŞİM HİZMETLERİ TİC. LTD. ŞTİ.	Outsourcing employment services were received.
LINKTERA BİLGİ TEKNOLOJİLERİ A.Ş.	Software development support and outsourcing of pool resource procurement in the areas of Customer Onboarding and Treasury Front Office Application services were received.
MAGARSUS DANIŞMANLIK LTD. ŞTİ.	Identity and access management application purchasing and integration service was received.
MARO ULUSLARARASI BİLGİ TEKN. DANS. GEL. DEST. HİZ. A.Ş.	Hiring employees to perform analysis, design, development and testing processes using the information systems application development environment services were received.
METASİS TEKNOLOJİ TİCARET LTD. ŞTİ.	Outsourcing or turnkey project service was received.
MİRSİS BİLGİ TEKNOLOJİLERİ A.Ş.	Experienced and specialised outsourcing and software development service was received.
NETAŞ BİLİŞİM TEKNOLOJİLERİ A.Ş.	Outsourcing or turnkey project service was received.
OCTET EXPRESS ÖDEME KURULUŞU A.Ş.	TFS platform service (intermediation of invoice discount transactions) was received.
PAYTEN TEKNOLOJİ A.Ş.	Payment of electronic commerce transactions to workplaces to be determined by the Bank, using Asseco's Nestpay Secure Payment System and 3D Secure MPI System (Virtual POS service) services were received.
RİSK YAZILIM TEKNOLOJİLERİ DANIŞMANLIK EĞT. TİC. LTD. ŞTİ.	Transactions subject to market risk were carried out using the Counterparty Credit Risk Module.
SUPERONLINE İLETİŞİM HİZMETLERİ A.Ş.	Hosting services were received for the bank's data centers (Main and Disaster Recovery Center).
SYS TELEKOMÜNİKASYON BİLGİSAYAR ELEKTRONİK SAN. VE TİC. A.Ş.	Video call service was received.

Company Name	Description of Service
TEKFORPAY BİLİŞİM A.Ş.	Experienced and specialised outsourcing and software development service was received.
TEMP DANIŞMANLIK KURİYECİ SAĞ. HİZ. VE ENERJİ SAN. LTD. ŞTİ.	Follow-up of administrative works such as the flow of documents and mail between the Head Office and branches or between branches of our Bank, filing, archiving, tracking of receipt and declaration flow, temporary or permanent employment of personnel in the Bank for the follow-up of notary works and transactions in the enforcement office services were received.
TEPE SAVUNMA VE GÜVENLİK SİS. SAN. A.Ş.	Physical Security (Security Staff) service was received.
TMOB BİLİŞİM YAZILIM TEKNOLOJİ SİSTEMLERİ A.Ş.	Outsourcing for the renewal of the Retail Mobile Banking application service was received.
TÜRKİYE HALK BANKASI A.Ş.	Services for acceptance of our bank's consumer loans and credit card payments through Halkbank's branch network or distribution channels (electronic collection) owned by Halkbank such as internet banking, ATM, telephone banking were received.
VENHANCER BİLİŞİM VE DANIŞMANLIK HİZMETLERİ SAN. TİC. A.Ş.	Outsourcing or turnkey project service was received.
VERİ BİLGİ MERKEZİ BİLİŞİM HİZMETLERİ A.Ş.	Services for employment of analysts and software developers who will provide process analysis, relevant developments and technical support services for digital banking, core banking, data warehouse and payment systems infrastructure were received.
VERİ ENTEGRASYON ÇÖZÜMLERİ LTD. ŞTİ.	Services for purchasing the services related to the end-to-end integration of the data generated in the source systems to the business intelligence systems, as reported by Alternatif Bank within the scope of the EDWH project, and the establishment of the architectural structure related to the environments to be created for this purpose and the technologies to be used were received.
VERİPARK YAZILIM A.Ş.	Services for infrastructure developments, Internet Banking, mobile banking and software developments related to our corporate field application, providing external staff for operational CRM Transformation service and software support were received.
WECHIP ÖDEME TEKNOLOJİLERİ A.Ş.	Consultancy services on resource rental and card payment systems, if needed, in order to meet the need for experienced analysts and software developers were received.
WORLDLINE ÖDEME SİSTEM ÇÖZÜMLERİ A.Ş.	POS terminals, EFT - POS (Next Generation Payment Service Recording Devices) devices usage and maintenance service was received.

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the Shareholders of Alternatifbank Anonim Şirketi

We have audited the annual report of Alternatifbank Anonim Şirketi (the "Bank") for the period between 1 January 2024 and 31 December 2024, since we have audited the complete set consolidated and unconsolidated financial statements for this period.

In our opinion, except for the effects of the matter described in the Basis For Qualified Opinion section of our report, the consolidated and unconsolidated financial information included in the annual report and the analysis of the Board of Directors by using the information included in the audited consolidated and unconsolidated financial statements regarding the position of the Bank are consistent, in all material respects, with the audited complete set of consolidated and unconsolidated financial statements and information obtained during the audit and provides a fair presentation.

Basis for Qualified Opinion

As described in the Basis For Qualified Opinion section of Independent Auditor's Report on the complete set of audited consolidated and unconsolidated financial statements of the Bank for the period between 1 January 2024 and 31 December 2024 dated 3 February 2025.

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

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

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

Auditor’s Opinion on Complete Set of Consolidated and Unconsolidated Financial Statements

We have expressed an qualified opinion on the complete set of consolidated and unconsolidated financial statements of the Bank for the period between 1 January 2024 and 31 December 2024 on 3 February 2025.

Board of Directors’ Responsibility for the Annual Report

In accordance with the Articles 514 and 516 of the Turkish Commercial Code numbered 6102 (“TCC”) and Regulation on the Principles and Procedures Concerning the Preparation of and Publishing Annual Reports by the Bank (“Regulation”) published in the Official Gazette dated 1 November 2006 and Numbered 26333, the Bank’s management is responsible for the following regarding the annual report:

- a) The Bank’s management prepares its annual report within the first three months following the date of statement of financial position and submits it to the general assembly.
- b) The Bank’s management prepares its annual report in such a way that it reflects the operations of the year and the consolidated and unconsolidated financial position of the Bank accurately, completely, directly, true and fairly in all respects. In this report, the financial position is assessed in accordance with the Bank’s consolidated and unconsolidated financial statements. The annual report shall also clearly indicates the details about the Bank’s development and risks that might be encountered. The assessment of the Board of Directors on these matters is included in the report.
- c) The annual report also includes the matters below:
 - Significant events occurred in the Company after the reporting period,
 - The Bank’s research and development activities.
 - Financial benefits such as wages, premiums and bonuses paid to board members and key management personnel, appropriations, travel, accommodation and representation expenses, benefits in cash and kind, insurance and similar guarantees.

When preparing the annual report, the Board of Directors also considers the secondary legislation arrangements issued by the Ministry of Trade and related institutions.

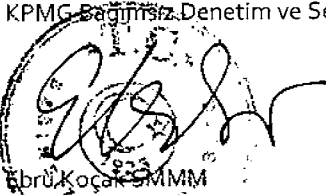
INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

Auditor's Responsibility for the Audit of the Annual Report

Our objective is to express an opinion on whether the consolidated and unconsolidated financial information included in the annual report in accordance with the TCC and the Regulation, and analysis of the Board of Directors by using the information included in the audited consolidated and unconsolidated financial statements regarding the position of the Bank are consistent with the audited consolidated and unconsolidated financial statements of the Bank and the information obtained during the audit and give a true and fair view and form a report that includes this opinion .

We conducted our audit in accordance with BRSA Auditing Regulation and Standards on Auditing issued by POA. Those standards require compliance with ethical requirements and planning of audit to obtain reasonable assurance on whether the consolidated and unconsolidated financial information included in the annual report and analysis of the Board of Directors by using the information included in the audited consolidated and unconsolidated financial statements regarding the position of the Bank are consistent with the consolidated and unconsolidated financial statements and the information obtained during the audit and provides a fair presentation.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi



Ebru Koçak SMMM
Partner
12 March 2025
İstanbul, Türkiye

STATEMENT OF RESPONSIBILITY FOR 2024

Statement of Responsibility for 2024 pursuant to Article 9 of the Communiqué on Principles of Financial Reporting in Capital Markets (No: II-14.1) issued by the Capital Markets Board of Türkiye

We have reviewed the year-end Annual Report of Alternatifbank A.Ş. for the period 1 January 2024 and 31 December 2024. Accordingly, within the frame of our roles and responsibilities at the Bank and the information we have, we hereby declare that;

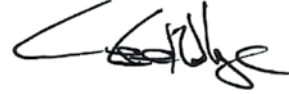
the year-end Annual Report does not contain any misrepresentations in relation to material matters or any omissions that might be misleading as of the date of the representation,

the year-end Annual Report provides a true and fair view of the development and performance of the business, and the Bank's financial position, together with the major risks and uncertainties that it is faced with.



Halil Sedat Ergür

Member of the Board of Directors and
Chairman of Board Audit and Compliance Committee



Leonie Lethbridge

Member of the Board of Directors and
Member of Board Audit and Compliance Committee



Antonio Gamez Munoz

Member of the Board of Directors and
Member of Board Audit and Compliance Committee



Ozan Kırmızı

CEO



Hamdi İlkay Girgin

Executive Vice President
Financial Affairs and Planning

IF AN EXTRAORDINARY GENERAL MEETING WAS HELD DURING THE YEAR, INFORMATION ON THE MEETING DATE, RESOLUTIONS AND OTHER ACTIONS TAKEN IN THIS RESPECT

No Extraordinary General Meeting was held in 2024.

FINANCIAL INFORMATION

FINANCIAL POSITION, PROFITABILITY AND SOLVENCY

Alternatif Bank booked a profit before tax of TRY 278 million, while total assets of the Bank went up 27.6% to TRY 82,984 million.

Assets Performance

The expansion in the Bank's assets in 2024 was driven mainly by loans which grew 28.5% year-on-year and reached TRY 40,334 million.

Liabilities Performance

The Bank's primary funding source, deposits increased 50.3% year-on-year, bringing their share on total liabilities up to 45.4%.

Shareholders' equity was recorded as TRY 6,955 million. The Bank's capital adequacy ratio in 2024 was 27.94%.

Profitability

Interest income from loans amounted to TRY 9,853 million, while interest expenses paid on deposits were TRY 7,460 million. The Bank recorded net interest income of TRY 2,153 million, net fees and commissions revenues of TRY 504 million, and gross operating income of TRY 1,849 million.

The Bank booked a net profit of TRY 449 million for 2024.

EVALUATION OF THE BANK'S CAPITAL STRENGTH AND BOARD OF DIRECTORS' ASSESSMENTS

As of year-end 2024, the Bank's capital adequacy standard ratio on an unconsolidated basis was 27.94%, which is above the minimum regulatory requirements. As a result, the Bank does not have any issues with respect to capital sufficiency, and the Bank's assets are at a level to cover its liabilities.

ASSESSMENT OF 2024 FINANCIAL RESULTS

Our Bank achieved a growth rate above the budget targets set for 2024 as its total assets grew by 28% and reached TRY 83 billion.

Loans corresponding to 49% of the total assets grew by 29% while the securities which is another significant item in the assets, grew by 13%. On the liabilities side, deposits, which are the fundamental source for funding, grew by 50% while the total deposits reached TRY 38 billion.

As the result of growth and business volume created during the year, the Bank's net income was amounted to TRY 449 million for 2024.

INFORMATION ON SPECIAL AND PUBLIC AUDITS DURING THE FISCAL YEAR

In 2024, no special audit requests were received from shareholders. In this context, the Bank did not undergo any special audits in 2024. Within the scope of public audit, audits were carried out by public institutions, particularly the Banking Regulation and Supervision Agency and the Central Bank of the Republic of Türkiye.

ADMINISTRATIVE OR JUDICIAL SANCTIONS IMPOSED ON THE BANK AND THE MEMBERS OF THE BOARD OF DIRECTORS DUE TO ACTIONS IN VIOLATION OF APPLICABLE LAWS

In 2024, there were no administrative or judicial sanctions imposed on the Members of the Board of Directors due to practices contrary to the provisions of the legislation. In 2024, the Bank paid a total administrative fine of TL 11,590,240.50 within the framework of the relevant regulations.

LAWSUITS FILED AGAINST THE BANK WITH A POTENTIAL IMPACT ON THE BANK'S FINANCIAL STANDING AND OPERATIONS, AND THEIR POSSIBLE OUTCOMES

In accordance with the precautionary principle, TRY 78 million has been set aside as provisions for lawsuits initiated against the Bank. There are no lawsuits filed against the bank with a potential impact on the bank's financial standing and operations.

CREDIT RATINGS ASSIGNED TO ALTERNATİF BANK AND RELATED EXPLANATIONS

Fitch Ratings: September 2024

Foreign Currency		
Long Term		BB-
Short Term		B
Turkish Lira		
Long Term		BB-
Short Term		B
National Note		AA (tur)
Support Note		bb-
Financial Capacity Note		b
Outlook		Stable

Moody's: July 2024

Foreign Currency		
Long Term		Ba3
Short Term		NP
Turkish Lira		
Long Term		Ba2
Short Term		NP
Long Term National Note		Aaa.tr
Short Term National Note		TR-1
Outlook		Positive

FINANCIAL HIGHLIGHTS AND KEY RATIOS FOR THE FIVE-YEAR PERIOD

Consolidated (TRY million)						
Year	Assets	Loans	Deposits	Shareholders Equity	Paid-in Capital	Net Profit for the Period
31.12.2024	87,745	44,727	37,546	7,271	2,214	496
31.12.2023	68,136	34,063	24,921	6,062	2,214	1,936
31.12.2022	59,785	35,616	32,214	4,038	2,214	1,066
31.12.2021	50,496	27,824	27,178	2,610	2,214	77
31.12.2020	36,822	23,486	18,303	2,424	2,038	122

www.alternatifbank.com.tr

Ayazağa Mah. Azerbaycan Cad.
2D Blok No: 3M/1
34485 Sarıyer/İstanbul

Trade Registry: 280445 – 228027