TSRS Compliant Sustainability Report 2024

Table of Contents

About the Report

Drafted by the Public Oversight, Accounting and Auditing Standards Authority (POA) and put into force upon promulgation in the Official Gazette No. 32414 (R) of December 29, 2023, Turkish Sustainability Reporting Standards (TSRS) including **Turkish Sustainability Reporting Standard 1 (TSRS 1)** - *'General Provisions for Disclosure of Sustainability-Related Financial Information'* and **Turkish Sustainability Reporting Standard 2 (TSRS 2)** - *'Climate-Related Disclosures'* are officially implemented for accounting periods beginning on or after 1 January 2024.

This report has been prepared in accordance with the aforementioned Turkish Sustainability Reporting Standards (TSRS), specifically TSRS 1 and TSRS 2, as well as the Board Resolution on the Scope of Application of the TSRS dated 27 December 2023, issued by the Public Oversight, Accounting and Auditing Standards Authority (POA).

Alternatifbank A.Ş. ("the Bank" or "Alternatifbank") has prepared its first TSRS-compliant Sustainability Report for the annual reporting period beginning on 1 January 2024 and ending on 31 December 2024. In preparing this report, the Bank has utilised the transitional reliefs provided under TSRS 1. Accordingly, only assessments related to climate-related risks and opportunities have been included, and no retrospective information or disclosures for previous periods have been presented. Furthermore, in line with the relevant transitional provision of the Board Resolution on the Scope of Application of the TSRS dated 27 December 2023, disclosures regarding Scope 3 greenhouse gas emissions have not been provided.

The report covers not only the banking operations of Alternatifbank but also its subsidiaries. Unless otherwise stated, all information and statements contained in this report refer collectively to Alternatifbank A.Ş.,Alternatif Finansal Kiralama A.Ş., Alternatif Menkul Değerler A.Ş., and the Omurga Gayrimenkul and Girişim Sermayesi Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu.

About the Bank

Having entered the Turkish banking sector in 1991, Alternatifbank became a 100% subsidiary of Commercial Bank, Qatar's first private bank and one of the region's leading and reputable financial institutions, at the end of 2016, and has since continued its operations under this structure. Alternatifbank A.Ş. has three subsidiaries based in Türkiye: Alternatif Finansal Kiralama A.Ş., Alternatif Menkul Değerler A.Ş., and the Omurga Real Estate and Girişim Sermayesi Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu. The Bank's TSRS-compliant Sustainability Report has been prepared on a consolidated basis, including climate-related disclosures of its subsidiaries, in accordance with the Procedures and Principles Regarding the Scope of Application of the Turkish Sustainability Reporting Standards, issued by the Public Oversight, Accounting and Auditing Standards Authority (POA) and published in the Official Gazette dated 16 July 2025, No. 32957.

Information regarding Alternatif Finansal Kiralama A.Ş., Alternatif Menkul Değerler A.Ş. and Omurga Gayrimenkul ve Girişim Sermayesi Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu, which are included within the reporting scope, is provided below:

Alternatif Lease

Founded in 1997 and operating as a 100% indirect subsidiary of Qatar-based Commercial Bank and a direct subsidiary of Alternatifbank A.Ş., Alternatif Finansal Kiralama A.Ş. (Alternatif Lease) is one of the leading institutions in the financial leasing sector. With its sales team dedicated to the dealer channel, Alternatif Lease produces alternative solutions to provide financing to increase the equipment sales of vendors, distributors and dealers in the sector. Small and medium-sized companies form the backbone of Alternatif Lease's portfolio.

Alternatif Lease is headquartered in Istanbul and has branch offices in Ankara, Izmir and Bursa.

Governance

Due to its status as a subsidiary, sustainability at Alternatif Lease is managed directly in line with the sustainability governance structure of Alternatifbank A.Ş.. Although there is no dedicated sustainability committee or board within the Company, the Company acts in line with the decisions and practices of Alternatifbank's Sustainability Committee.

Alternatif Menkul

Founded in 1997 and operating as a 100% indirect subsidiary of Qatar-based Commercial Bank and a direct subsidiary of Alternatifbank A.Ş., Alternatif Menkul Değerler A.Ş. (Alternatif Menkul) is a partially authorized brokerage house operating under the Capital Markets legislation. Alternatif Menkul's services include transaction brokerage, investment advisory, individual portfolio management and limited custody services in equity markets, debt securities, mutual funds and money markets as well as IPO, merger and acquisition services in corporate finance.

The Company has no branch offices / agency offices.

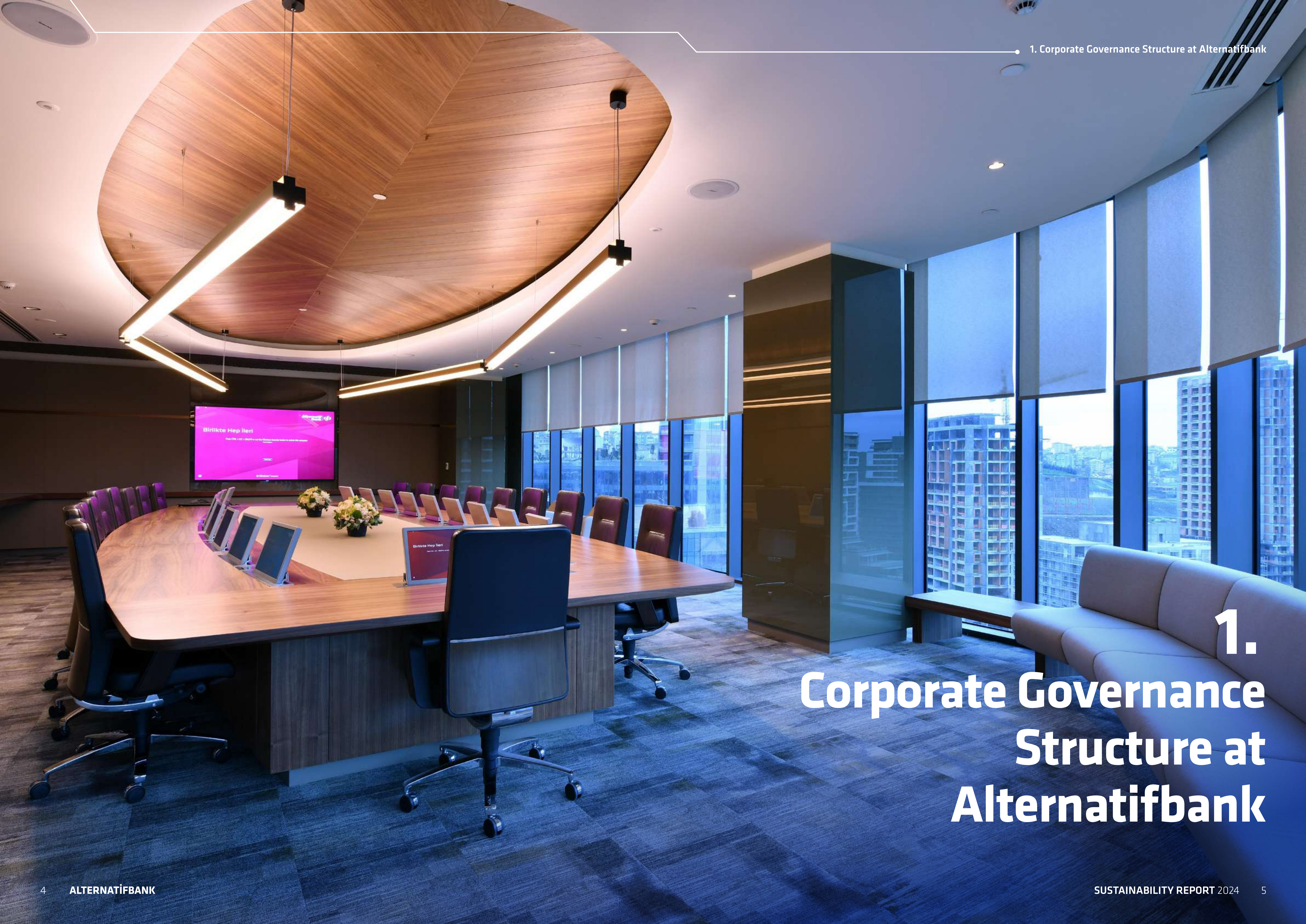
Governance

There is no dedicated committee, board or governance structure within the Company established specifically for issues related to sustainability or climate change. The Company acts in line with the decisions and practices of Alternatifbank's Sustainability Committee.

Omurga Gayrimenkul ve Girişim Sermayesi Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu

Fully owned by Alternatifbank A.Ş., Omurga Gayrimenkul ve Girişim Sermayesi Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu primarily comprises real estate investments. The fund does not possess a corporate structure and has no physical presence such as offices, employees, or vehicles. All real estate assets within the portfolio are held vacant (i.e. without tenants) and are intended to be disposed of at the earliest opportunity in line with strategic sales plans.

As the fund is subject to financial consolidation, it is included within the scope of TSRS reporting. However, it has been assessed that this structure does not represent a material contribution to, or risk in terms of, the Bank's overall environmental or social impact. Following a review of the fund's operations and potential effects, and considering its limited financial significance and lack of any climate-related risk or opportunity, further detailed disclosure has not been deemed necessary in this report.



1. Corporate Governance Structure at Alternatifbank

1. Corporate Governance Structure at Alternatifbank

With its Head Office based in Istanbul as well as 19 branch offices and an experienced workforce comprising approximately 720 people as of December 31, 2024, Alternatifbank offers high-quality financial solutions to organisations in any sector that manufacture, produce, create employment and contribute to economic development. In addition to a traditional branch office network, the Bank provides its customers with a multi-channel service infrastructure through internet banking, mobile application, Customer Contact Centre and a network of contracted ATMs serving at more than 5,000 locations.

“Alternatifbank has always treated its adherence to Corporate Governance Principles with high priority and has seen it an integral part of its journey for creating sustainable value.”

Alternatifbank has always treated its adherence to Corporate Governance Principles with high priority and has seen it an integral part of its journey for creating sustainable value. 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 Alternatifbank 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. The Bank is also closely following international developments in the corporate governance domain in order to keep abreast of the global best practice.

The highest governing organisation at Alternatifbank is the Board of Directors. The Board of Directors is responsible for ensuring that the Bank operates in line with its strategic orientation as well as the principles of long-term value creation and sustainability. The Bank carries out its corporate governance processes and ensures the necessary oversight through the Board Credit Committee, Audit and Compliance Committee, Executive Committee of the Board, Board Risk Committee, and Remuneration and Governance Committee reporting to the Board of Directors pursuant to the obligations stipulated in the relevant legislation. None of these committees has a directly executive role, but each of them contributes to the relevant operations through supervision, oversight and steering functions.

To that end, in line with the corporate governance regulations in force, potential cases that may trigger conflicts of interest are carefully monitored, thus ensuring a transparent and accountable governance environment within the Bank. Committees reporting to the Board of Directors, the Bank’s highest decision-making body, as well as Committees operating at management level fulfil their duties in accordance with the principles of fairness, transparency, accountability and responsibility. The Committees work in accordance with both the regulatory framework and the Bank’s internal policies and regulations.

Chairman and Members of the Board of Directors, Members of the Audit Committee, Chief Executive Officer and Executive Vice Presidents

Name	Title	Roles
Omar Hussain Alfardan	Chairman	-
Joseph Abraham	Vice Chairman	Chairman of the Executive Committee of the Board, Chairman of Board Remuneration and Corporate Governance Committee, Alternate Member of Board Credit Committee
Mohd Ismail M Mandani Al-Emadi	Board Member	Chairman of Board Risk Committee and Member of Board Credit Committee
Salem Al-Mannai*	Board Member	Member of the Executive Committee of the Board
Halil S. Ergür**	Board Member	Chairman of the Board Audit and Compliance Committee, Member of the Board Risk Committee
Zafer Kurtul***	Board Member	Chairman of the Board Credit Committee, Member of the Executive Committee of the Board, Member of the Remuneration and Governance Committee
Leonie Lethbridge****	Board Member	Member of the Remuneration and Corporate Governance Committee, Member of the Board Audit and Compliance Committee
Antonio Francisco Gamez Munoz	Board Member	Member of the Board Audit and Compliance Committee, Member of the Board Risk Committee, Alternate Member of the Board Credit Committee
Shahnawaz Rashid*****	Board Member	Member of the Executive Committee of the Board, Member of the Board Credit Committee
Ozan Kırmızı	Board Member, CEO	Member of the Board Credit Committee, Member of the Executive Committee of the Board
Ayşe Akbulut	Executive Vice President	Credit Underwriting Group
Hamdi İlkay 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 Group
Bike Tarakcı	Executive Vice President	Human Resources
Zafer Vatansever	Executive Vice President	Information Technologies and Operations
Burcu Yangaz*******	Executive Vice President	Business Banking Group
Egemen Baykan	Head	Risk Management
Ömer Faruk Gönener	Head	Internal Audit
Engin Turan	Head	Internal Control and Compliance
Mehmet Tekergül********	Legal Counsel	Legal
Bahadır Çakmak	Coordinator	Corporate Affairs Office

* 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.
**Halil Ergür resigned from his role as a Board Member pursuant to the Board resolution dated 24 July 2025.
***Zafer Kurtul resigned from his role as a Board Member pursuant to the Board resolution dated 24 July 2025 and Esin Aydınol was appointed as a Board Member in his lieu on the same date.
**** As per Board resolution dated 03 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.
****** Didem Şahin was appointed as Executive Vice President for Corporate and Commercial Banking on 01 March 2025.
******* Burcu Yangaz was appointed as Executive Vice President for Retail, Private and Digital Banking on 01 March 2025.
******** Mehmet Tekergül was appointed as Legal Counsel on 01 April 2024.

Note: Fahad Badar was elected as a member of the Board of Directors during the Ordinary General Assembly meeting held on 27 March 2025 and officially took office on the same date.
Note: Gökay Dede resigned as Executive Vice President for Retail and Digital Banking on 30 September 2024.

The duties of the Management Level Committees within the Bank are specified below according to the Internal Regulation of the Management Level Committees:

Executive Committee:

The Executive Committee (EXCO) is responsible for evaluating the Bank's performance on a total and business line basis against the budget, taking necessary actions in a timely manner, managing the business in line with the overall strategy, questioning the active management of customers, and monitoring the Bank's performance against the budget.

Asset and Liability Committee:

The Asset and Liability Committee is a committee of senior executives delegated by the Board of Directors to be responsible for determining interest rate risk, liquidity and other asset-liability strategies and for the overall management of Alternatifbank.

Management Credit Committee:

The Management Credit Committee is the third highest credit approval body after the Board of Directors and the Credit Committee of the Board of Directors respectively. In accordance with the Credit Approval Framework and Delegation of Credit Authorities, the MCC exercises the lending powers it is delegated by the Board of Directors through the Credit Committee of the Board of Directors.

Management Risk Committee:

The Management Risk Committee is the Bank's highest management body regarding risk-related matters. The MRC is responsible for the oversight of all aspects of risk management Bank-wide, including but not limited to Business Risk, Credit Risk, Market Risk, Operational Risk, Legal Risk, Reputational Risks and Information Security.

Watchlist Committee:

The watchlist Committee is responsible for overseeing all customers assigned with a monitoring status to ensure early identification of impaired loans and overdue amounts, facilitate corrective action plans and/or refinancing where appropriate, and initiate collection processes and/or legal proceedings where necessary.

Business Continuity Management Committee:

The Business Continuity Management Committee is responsible for Bank-wide disaster recovery management and business continuity planning. Disruptions to operations could result in losses at Bank premises or in systems that support customer operations, such as online and mobile applications. Resilient business continuity plans ensure that Alternatifbank is prepared for adverse events such as natural disasters, technological failures, cyber threats, human errors, and acts of terrorism.

IT Steering Committee:

The IT Steering Committee is responsible for developing IT strategies as well as IT tactical plans requiring IT investments and operations and for projecting, monitoring and directing the activities aiming to ensure that the existing IT operations at the Bank are delivered in an orderly manner. In addition, the IT Steering Committee is authorized to audit all IT functions and the processes, systems and applications connected to these functions against unit objectives, needs and risks, to identify areas for improvement when necessary and to devise projects for development.

Impairment and Provisions Committee:

The Impairment and Provisions Committee is the ultimate approval authority for all actions to be taken by Risk and/or Business Line teams on behalf of all Alternatifbank teams to manage losses, provisions and non-performing loans.

Compliance Risk Committee:

The Compliance Risk Committee monitors / oversees the implementation of the Compliance and Financial Crimes Risk Management Framework, including anti-money laundering and combating the financing of terrorism (AML/CFT) controls and international Sanctions and Fraud controls. Resolving issues related to Compliance and Financial Crimes Control typically involves multiple departments/units in the Bank and therefore requires a cross-functional team to effectively address these issues.

Information Security Committee:

The Information Security Committee provides oversight and assumes leadership on behalf of the Board of Directors for programs that ensure compliance with legal regulations in the field of information security and the Bank's internal security policies. It also establishes a security framework for Information Technology. When necessary, it formulates recommendations to the Board of Directors regarding this security framework.

New Product and Process Evaluation and Approval Committee:

The Bank's entire set of new and planned products, services and operations is evaluated in all aspects by the relevant business lines to determine the operational terms and conditions. The ultimate aim is to minimize commercial, financial, reputational and regulatory risks in line with the Bank's strategies..

Branch Committee:

The Branch Office Committee addresses and resolves matters regarding the opening, transfer, merger, renewal and closure of branch offices.

Information Technologies Strategy Committee:

On behalf of the Bank's Board of Directors, the Information Technologies Strategy Committee is responsible for formulating the right IT strategies to realize the Bank's strategies, making plans in line with these strategies, providing the necessary financial and human resources, reviewing the IT strategy, and ensuring effective controls for compliance with the strategies and plans. The Committee is also responsible for the effective and accurate management of existing systems, ensuring that effective controls are established on information systems to ensure the confidentiality, integrity and accessibility of information assets, and conducting effective oversight to manage the risks arising from the use of information systems, taking the emerging technologies into account.

Information Sharing Committee:

The Information Sharing Committee coordinates the sharing of secret information of customers and the Bank. The Committee evaluates and records the appropriateness of incoming requests for information sharing.

Committees convene at the frequency specified in their charters and regularly share reports on their activities and meeting results with the Board of Directors. The committees' objectives, structures, working procedures and areas of activity are clearly defined in the relevant internal regulations. This corporate structure enables Alternatifbank to integrate a governance approach matured by 33 years of experience into all levels of corporate decision-making processes and to perform its operations in line with its goal of long-term and sustainable success.

1.1. Sustainability Governance at Alternatifbank

The sustainability governance structure at Alternatifbank is implemented under the oversight of the Board of Directors and through its relevant committees. Since 2021, sustainability matters have been incorporated into the responsibilities of the Board of Directors' Remuneration and Corporate Governance Committee, thereby integrating sustainability into the Bank's corporate strategies. This integration ensures that sustainability is embedded not only at the operational level but also within the Bank's strategic decision-making processes.

In 2020, the Bank established a Sustainability Committee through the issuance of an internal Sustainability Directive. The Committee, formed at the executive level, is chaired by the CEO and comprises Executive Committee members and relevant department heads. The Committee operates directly under the authority of the Board of Directors' Remuneration and Corporate Governance Committee and reports its decisions to this committee.

Between 2020 and 2023, the Sustainability Committee convened regularly and was responsible for setting strategic sustainability directions, defining targets, and guiding implementation. During this period, sustainability strategies encompassing economic, environmental, and social dimensions were developed, and action plans aligned with the United Nations Sustainable Development Goals (UN SDGs) were established. In 2022, efforts were undertaken to strengthen sustainability governance, and in 2023, the gap analysis and corresponding action plan were approved by the Committee.

As of 2024, an Operational Sustainability Working Group (The members are listed in the "Sustainability Working Group Member List" section.) was established under the Committee. This Working Group has provided responsibility in areas such as the integration of sustainability risks, compliance with the guidelines and communiqués of the Banking Regulation and Supervision Agency (BRSA), the development of Sustainability Management System processes, the planning of internal trainings, and the preparation for reporting obligations. The Group has regularly informed the Committee on these matters. In 2024, four meetings were held on a quarterly basis, and the decisions taken within the scope of the activities carried out were communicated to the Sustainability Committee, the Executive Committee, and the relevant governance mechanisms.

The approval processes for Alternatifbank's 2024 Sustainability Report have been carried out under the oversight and supervision of the Board of Directors, the Board Risk Committee, and the Board Remuneration and Corporate Governance Committee.

As of 2025, the Sustainability Committee has resumed its meetings to update the Bank's sustainability strategies and initiated efforts to formally incorporate the Committee into the Bank's internal charter. The Board of Directors is regularly informed about sustainability-related risks and opportunities through both the Sustainability Committee and the Remuneration and Corporate Governance Committee, and provides strategic guidance accordingly. Through this governance model, Alternatifbank ensures the integration of sustainability into its corporate strategy and the effective management of related risks and opportunities.

Board of Directors

Board of Directors Remuneration and Corporate Governance Committee

Sustainability Committee

Sustainability Working Group

Committee Chair: Chief Executive Officer (CEO)

Committee Members: Executive Vice President, Retail and Digital Banking, Executive Vice President, Human Resources, Executive Vice President, Credit Allocation, Executive Vice President, Treasury and Financial Institutions, Manager, Procurement and Services Management, Manager, Commercial Loans, Manager, Brand, Communication and Sustainability, Manager, Human Resources Development and Internal Communication, Corporate Culture, Manager, Construction & Real Estate, Manager, Financial Institutions, Manager/ Coordinator, Corporate Governance Office

Committee Secretary: Manager, Brand, Communication, Sustainability and Customer Experience

2. Strategy

“Alternatifbank’s sustainability goals are based on concrete policy documents, traceable system infrastructures and result-oriented projects under environmental, social and governance (ESG) headings.”

2. Strategy

2.1. Sustainability Strategy

Alternatifbank positions its operations in the social dimension of sustainability, particularly in the field of Accessible Banking, as one of the fundamental building blocks of its corporate culture. The Bank has shaped its corporate sustainability strategy by combining its ‘Consultative and Responsible Banking’ approach it has developed in its more than 30-year history with the principles of human centric approach, inclusiveness and long-term value creation.

In line with its “Consultative and Responsible Banking” approach, Alternatifbank’s sustainability journey was institutionalized with the decision to establish the Sustainability Committee at the end of 2019, and was further reinforced in 2020 through its formal structuring with members from the Executive Committee and relevant unit managers. The Committee ensures that sustainability efforts are not solely individual actions anymore but are linked to strategic goals and implemented in coordination across the Bank. As of 2021, the sustainability agenda has been placed under the responsibility of the Board Remuneration and Corporate Governance Committee, making it monitorable before the highest decision-making body.

The operational monitoring of sustainability activities is carried out by the Brand, Communication and Sustainability Department, which also provides the Committee secretariat, strategy coordination and internal policy integration. Through this institutional structure, the Bank’s sustainability strategy has been aligned with national and international agendas, particularly the United Nations Sustainable Development Goals (SDGs).

Alternatifbank’s sustainability goals are based on concrete policy documents, traceable system infrastructures and result-oriented projects under environmental, social and governance (ESG) headings. As of 2024, the priority actions and methods can be summarized next page the following headings:

Alternatif Bank | ENGELSİZ Bankacılık

Strengthening Sustainability Management Infrastructure

Within the scope of the sustainability consultancy project carried out during the 2022-2024 period. The sustainability governance structure was reviewed. Efforts were made to improve system documentation and training contents. The policies and procedures initiated within this structure are expected to contribute to corporate standardization in the areas of environment, equality, lending processes and sustainability.

Mitigating Environmental Impacts and Combating Climate Change

The Bank’s Head Office building, which received LEED Gold Certification in 2020, along with the hybrid vehicle fleet investment initiated in 2024, contributes to its water and energy efficiency goals. Furthermore, the transition to energy-efficient, new generation ATM devices was initiated, and branch-based carbon footprint reduction was targeted through the expansion of digital banking services.

Digitalisation and Operational Sustainability

As part of the 2024 strategies, the Bank has continued on its digital transformation journey, aiming to increase customer digital penetration and STP rates, particularly through efforts focused on digital onboarding processes for both individual and corporate digital customers. This new service model has supported the branch office + digital channel, rendering an effective structure. This transformation enhances financial inclusion and contributes to resource efficiency. Open Banking offers extended services to customers through collaboration with fintech partnerships. Digital document management and digital approval processes allow for paperless banking, which enables customers to perform any banking transactions through digital channels, making a significant contribution to environmental sustainability. Operational efficiency is boosted by automated processes through the effective use of robots (RPA). Data management and analytical solutions enable effective risk management and customized solutions. Regarding the technology infrastructure, the focus is on virtualisation and energy-efficient hardware, with particular attention to a sustainable infrastructure. By effectively monitoring all these processes, information security provides effective control to create sustainable structures against possible information security risks and to ensure the healthy execution of existing processes.

Sustainability in Lending Processes

The “Social and Environmental Risk Management System Directive” has been updated within the lending processes, while credit approval through digital channels has been accelerated, and more accessible and responsible lending practices have been promoted.

Policy Alignment and Framework Documents

The institutional framework was strengthened through documents such as the Sustainability Policy, Environmental Policy and Equality-Diversity-Inclusion Policy. A strategic orientation compliant with the UN SDGs was adopted. These documents outline fundamental principles such as combating climate change, transitioning to a low-carbon economy, upholding human rights, ensuring sustainability in the supply chain, and enhancing customer satisfaction.

Data-Driven Monitoring and Reporting

Through the procedures currently under development, processes related to the internal and external communication of sustainability activities, performance indicators, top management reviews, and documentation have been standardised. As of 2025, the completion of a digital infrastructure is planned, enabling the monitoring of ESG performance impacts both within the institution and across financed activities.

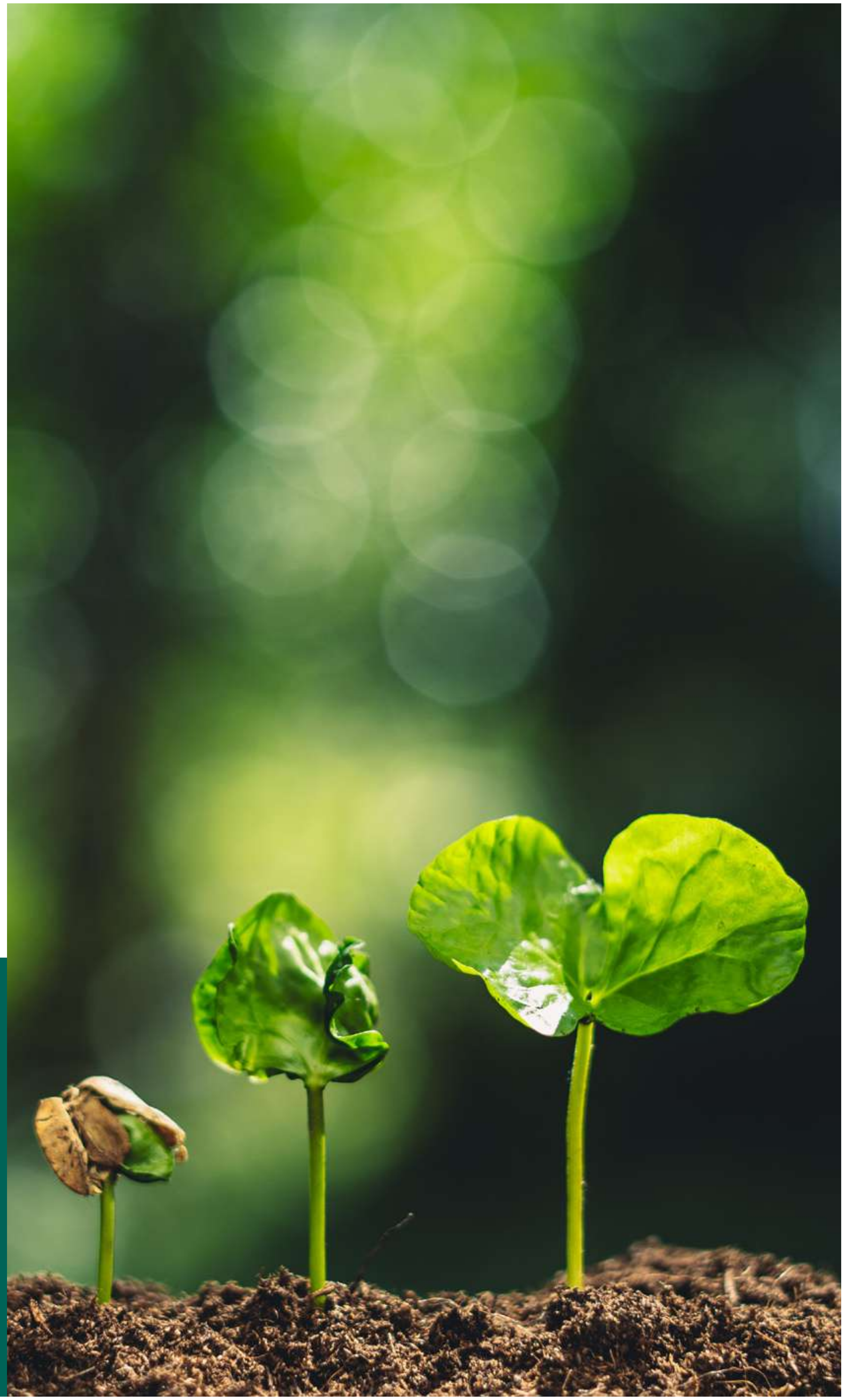
Alternatifbank regards sustainability as one of its strategic priorities and integrates it into its overall management objectives. The Bank aims to regularly share its sustainability efforts with the public on an annual basis. The targets set for 2024 are supported by digital transformation, service model and risk management steps that are structured in consideration of environmental and social impacts.

Alternatif Lease, a subsidiary of Alternatifbank, does not have any targets or directed transformation related to sustainability and climate change in its current strategic plans. However, based on the guidelines published by the Banking Regulation and Supervision Agency (BRSA) and the Banks Association of Türkiye (BAT), the Bank-led efforts will be supported.

Similarly, at Alternatif Menkul, the company's client portfolio is predominantly composed of retail clients, with a smaller share consisting of institutional clients. As Alternatif Menkul does not provide direct intermediation services for real sector financing, sustainability and climate change considerations have not yet been systematically integrated into the company's strategy. Accordingly, sustainability- and climate-related risks and opportunities have not been identified by Alternatif Menkul. However, in line with the Capital Markets Board of Türkiye's sustainability principles and the growing expectations regarding reporting and risk management for capital markets actors, Alternatif Menkul aims to develop internal processes to assess risks and opportunities related to sustainability and climate change.

Omurga Gayrimenkul ve Girişim Sermayesi Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu has been included in the scope of reporting as part of financial consolidation, and its impacts have been analysed. As the fund's size has a limited effect on consolidation, and its operations do not present a material contribution to or risk for the Bank's overall environmental and social impact, nor do they involve any climate-related risks or opportunities, it has been deemed unnecessary to provide additional detail within the scope of this report.

"Alternatifbank recognises sustainability as a strategic priority and integrates it into its overarching management objectives. The Bank is committed to disclosing its sustainability efforts to the public on an annual and regular basis."



2.2. Climate Risks

Climate risk refers to the physical risks arising from the severity, frequency and impact of natural events caused by climate change as well as the transition risks related to economic processes arising from investments.

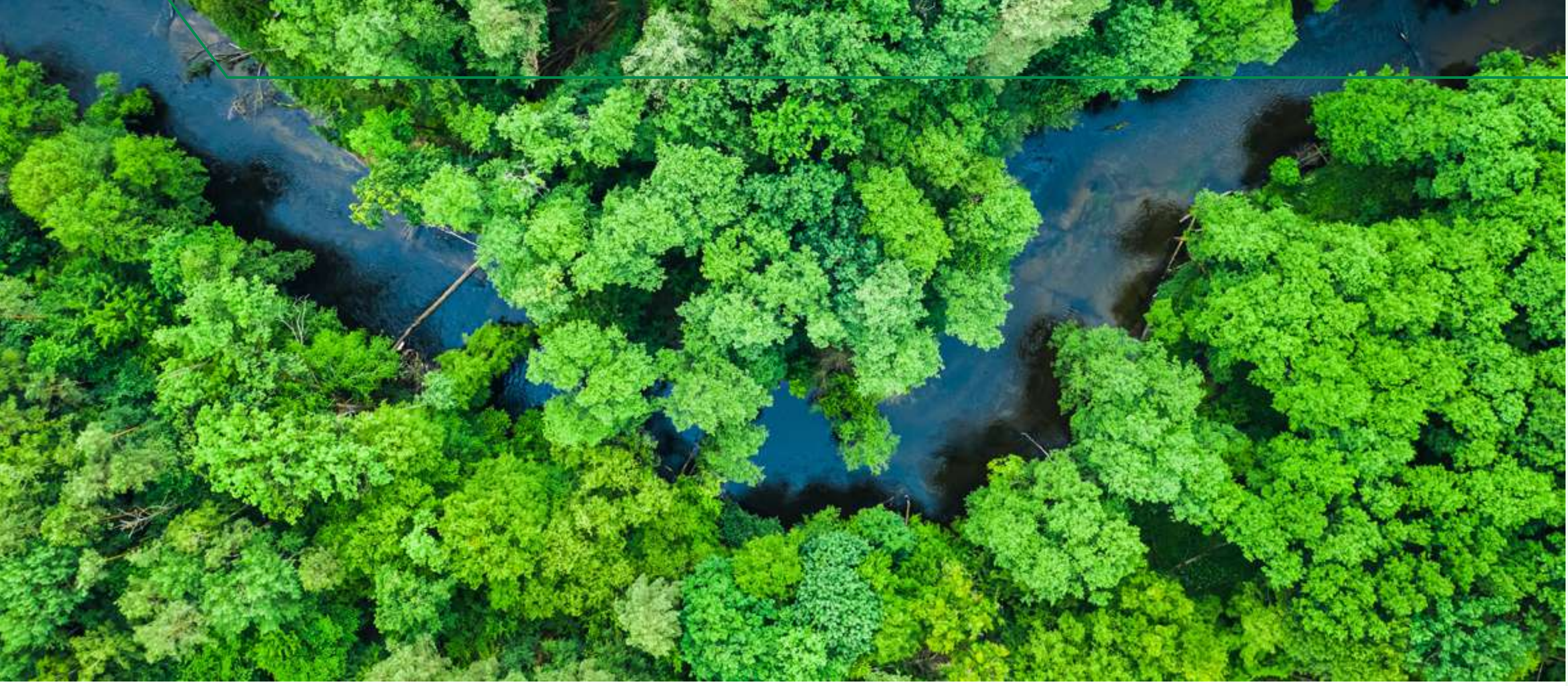
As part of risk management, stress tests for climate risks, among others, are applied as part of the Internal Capital Adequacy Assessment Process (ICAAP). Stress tests and scenario analysis are also included in the capital planning process. In addition, scenario analyses are conducted to assess the impact of combating climate change, climate adaptation and other sustainability themes on the Bank's operations, and the results are shared with senior management.

In the management of climate risks, the time perspective, the type of risk and the duration of its impact are considered under three main term categories. This approach enables the separate evaluation of short, medium and long term climate risks and supports the development of corresponding strategic actions accordingly:

Short Term (0-1 year)	Medium Term (1-5 years)	Long Term (>5 years)
Short Term (0-1 year): Rapid response to environmental risks, operational compliance and integration with regulatory requirements	**Medium Term (1-5 years):** Strategic projects, operational integration and performance improvements	**Long Term (>5 years):** Continuity-oriented investment planning, regulatory and market development preparation

In its climate risk identification and assessment processes, Alternatifbank uses multidimensional input from both internal and external sources. The main data sources and parameters used are as follows:

- Sectoral concentration analysis based on the Heat Map methodology of The Banks Association of Turkey (BAT)
- Physical risk exposure related to branch office locations (flood, extreme heat, etc.)
- Probability, impact level, Probability of Default (PD) and Loss Given Default (LGD) ratios used in stress testing and scenario analysis
- Environmental indicators based on the debtor and sector of activity, such as carbon intensity, water risk, and biodiversity sensitivity.



As part of scenario analyses, the following examples have been developed for the 2024 ICAAP activities:

- Regarding the physical damage scenario caused by floods, structural damages and operational interruptions that may occur in the designated branch office building were evaluated.
- In the scenario involving extreme heat, risks such as potential malfunctions in technological equipment, insufficient cooling system performance, and resulting threats to service continuity and physical asset damage at the identified branch were analysed.

The scenarios were simulated under the assumptions considered as 'extremely adverse', and their impact on the Bank's profit after tax and capital adequacy were analysed. During the scenario analyses, the possible effects of the existing equipment in case they are not adapted to changing climatic conditions were measured, and currently, adaptation to changing needs is regularly ensured. In addition, IT and non-IT equipment in the Bank's physical locations are covered by insurance, and the amounts that can be compensated by insurance are also considered in the scenarios. As a result of scenario analyses, the impact of the costs arising from climate risk on income/expenses under the extreme adverse scenario was calculated. Within ICAAP study, considering the Bank's existing capital and medium-term business plan, the Bank is considered to have the capacity to manage this risk. In the financial assessment dimension of the ICAAP study, the impact of physical and transition risks on the Bank is reflected through PD and LGD ratios.

Climate risks may directly and/or indirectly affect both the Bank's operations and the sectors supported as part of financial operations.

Physical Risks:

Extreme weather events such as heat waves, droughts and floods can make a negative impact on both the Bank's operational processes and the operations of its customers. Such risks can lead to financial impacts such as loss of collateral value, deterioration in cash flows and reduced capacity to repay loans.

Transition Risks:

Factors such as carbon regulations, policy changes related to energy transition, rising sustainability standards and changing market dynamics are increasing the need for structural transformation in certain sectors. Considering the potential impacts of these changes, Alternatifbank has established a risk analysis infrastructure that includes reassessment of the loan portfolio as well as climate risks.

To this end, necessary steps are currently being taken to identify risks in carbon-intensive sectors in line with the ICAAP classification and to support the transition to low-carbon and environmentally sustainable sectors.

The risk management process against climate change focuses on a complete and accurate identification of climate-related threats. Alternatifbank prioritizes these risks by considering their probability of occurrence and their possible financial impacts. In order to increase the accuracy of the assessments, the timeframes and durations of the risks are determined in detail, thus strengthening the reliability of the analyses. As a result of the relevant work, the risks have been identified as follows:

Climate Risks

Risk Definition	Risk Type (Acute-Physical)	Term	Explanation		
			Impact on Strategy, Business Model and Value Chain	Financial Impact (Standing-Performance-Cash Flows)	Planned Action
Extreme Temperature Risk	Physical	1-5 Years	IT equipment damage at branch offices due to extreme temperatures The areas where risk is concentrated include the company's assets and its operational processes.	Cost of replacing branch IT equipment and ATMs	Risks related to ensuring business continuity will continue to be managed through business continuity plans, while insurance policies for physical equipment will be renewed to minimize potential financial impacts.
Flooding Risk	Physical	1-5 Years	Equipment damage at branch offices due to flooding after excessive rainfall Risk concentration areas: company's assets, location, service model	Cost of renewing equipment at branch offices	Risks related to ensuring business continuity will continue to be managed through business continuity plans, while insurance policies for physical equipment will be renewed to minimize potential financial impacts.
Out of the sectors the Bank serves, those that could potentially be exposed to physical risks are identified: the risk of default and loss given default rates of companies in these sectors	Physical	1-5 Years	An increase in default and loss given default rates in sectors under physical risk Risk concentration areas include the company's overall value and its credit portfolio.	A decrease in income due to rising default rates and loss given default in sectors exposed to physical risks (such as mining, agriculture, hunting, and forestry). *During the reporting period, loans to sectors exposed to physical risks accounted for 2.8% of the total loan portfolio (including both cash and non-cash loans).	Under ICAAP, the sectors that could potentially be exposed to physical risks are identified, and the companies in these sectors are exposed to shocks by increasing their default and loss given default rates. Additional Profit/Loss impact is calculated.
Out of the sectors the Bank serves, those that could potentially be exposed to transition risks are identified: the risk of default and loss given default rates of companies in these sectors		1-5 Years	An increase in default and loss given default rates in sectors under transition risk Areas with concentrated risk: company value, customer base, and business model.	A decrease in income due to rising default rates and loss given default in sectors exposed to transition risks (such as machinery and equipment, energy, chemical products, electrical and electronic equipment, metal industry, other manufacturing industries, transportation equipment, rubber and plastic production, textiles and leather products). **During the reporting period, loans to sectors exposed to transition risks accounted for 33.8% of the total loan portfolio (including both cash and non-cash loans).	Under ICAAP, the sectors that could potentially be exposed to transition risks are identified, and the companies in these sectors are exposed to shocks by increasing their default and loss given default rates. Additional Profit/Loss impact is calculated.

Climate change presents not only risks but also opportunities for transformation. In this context, Alternatifbank is strategically oriented towards developing financial products that support sustainable development.

- Financing renewable energy investments,
- Energy efficiency projects, and
- Green building and infrastructure projects are some of the areas for which efforts are in place to develop financing opportunities.

However, it has been assessed that there is no need to provide itemized information regarding the current or anticipated financial impacts of these opportunities. The main reason for this is that the actions related to the identified opportunities are still at an early stage, and their potential impacts have not yet become clearly distinguishable in the financial statements. Nevertheless, within the scope of the Bank's corporate strategy, efforts to expand the range of sustainable finance products are ongoing. These products are expected to generate financial impact and be reflected in the financial statements in the upcoming periods.

2.3. Climate Compatible Business Model and Value Chain Management

Alternatifbank offers retail, commercial and corporate banking services with a customer-oriented and advise-based business model and supports these services through digital channels and branch office network.

Climate change brings both physical and transition risks that may directly or indirectly impact the Bank's business model and value chain. Carbon regulations, increase in the frequency of natural disasters, water stress and supply chain vulnerabilities, particularly in sectors such as energy, construction, agriculture and transportation where the loan portfolio is concentrated, are identified as major risk areas for the business model.

Geographically, climate risks are expected to make an impact on branch offices and financed assets located in regions where physical impacts such as floods, extreme temperatures and droughts are more intense. In addition, the climate adaptation capacity of enterprises and agricultural players, to which the Bank provides services, stands out as a critical factor for resilience in the value chain.

Moreover, opportunities emerge to restructure the business model in areas such as developing sustainability-focused products and services, expanding digital channels and providing financing to low-carbon sectors. This transformation contributes to both reducing the Bank's environmental impact and accessing new market opportunities.

2.4. Climate Change Strategy and Decision-Making Mechanism

Alternatifbank has reshaped its decision-making processes to strategically respond to climate risks and opportunities. To this end, climate topics are considered in the business model, credit policies, investment planning and operational processes, and they are integrated into financial sustainability.

Based on the Classification of Activities Supporting the Transition to a Climate-Related and Sustainable Economy methodology, steps were taken to identify risks in carbon-intensive sectors and to update credit assessment criteria for sectors at risk of transition. Accordingly, the impacts of climate-related policy and market changes are addressed more systematically in financial decision-making processes.

Decisions are implemented not only for risk mitigation but also for financing climate-smart opportunities. The development of financial products for renewable energy, energy efficiency and sustainable infrastructure projects has thus been prioritized. Moreover, resilience-building steps have been taken in physical infrastructure investments, considering climate impacts. For instance, since June 2020 various control systems such as temperature controls, protection systems against floods or fires and tracking mechanisms to monitor energy consumption in IT-specific data centres as well as flood protection measures and the use of energy-efficient equipment in branch offices have been implemented.

This strategic transformation to achieve climate-related goals was also reflected in the Bank's resource allocation processes, with technology investments, product development and internal capacity building identified as material topics. The medium-term goal is to report climate-related activities with a focus on performance and impact, monitor 'green' financing ratios and provide a more transparent information flow to investors.

2.5. Assessing the Impact of Climate Risks and Opportunities on Financial Standing

Alternatifbank has started to integrate the process of assessing the impacts of climate-related risks and opportunities on financial standing, performance and cash flows into its corporate decision-making mechanisms. To this end, the analysis of climate risks will directly affect key financial operations such as credit portfolio management and risk assessment processes.

In line with the Classification of Activities Supporting the Transition to a Climate-Related and Sustainable Economy, risks in carbon-intensive sectors were identified, and analyses were conducted by increasing the default and loss given default rates in sectors under transition risk. The results of these analyses are taken into consideration in financial scenarios for collateral assessment and revenue forecasts in the relevant sectors.

Within the scope of physical risks, the impacts of events such as floods and extreme temperatures on branch office operations and equipment were analysed, with insurance coverage and operational resilience plans being shaped accordingly. However, it has been determined that the potential impact of these risks on cash flows falls below the financial materiality threshold set by the Bank (2% of the Bank's consolidated total equity). The potential outcomes of stress scenarios have been evaluated in terms of whether they fall below or exceed this threshold.

Although the effects of climate-related risks and opportunities on the Bank's assets and liabilities have not yet resulted in a significant need for adjustment in the financial statements, a structure taking these effects into account in medium-term planning has been designed. In particular, through green financing products, a portfolio strategy oriented towards sustainable sectors, and energy efficiency investments, the long-term positive financial contribution potential of climate opportunities is assessed.

3. Risk Management

"The Sustainability Committee is responsible for identifying sustainability and climate risks and opportunities"

3. Risk Management

Alternatifbank has structured its risk management within a 'three lines of defence' approach and sustains risk identification, assessment, prioritization, monitoring and reporting processes within a holistic system. In line with the Bank's Risk Charter, Risk Regulation and Risk Appetite Policy, clear job descriptions, reporting lines and areas of responsibility have been determined for all risk types.

Risks are identified through periodic self-assessments conducted by the units within their respective areas of activity and are evaluated by the Risk Management Department. The prioritization and assessment of the identified risks are based on the probability and impact of the risk. Accordingly, scenario analysis, stress testing and scorecard methodologies are applied. The Bank has an early warning system that includes indicators for early detection of risks. To this end, Risk Committees have been established at the Bank to operate the governance structure.

The working principles of the Risk Committees are defined in writing, and the Committees meet at regular intervals to discuss predetermined agenda items. Risk limits, cases of non-compliance, recently identified risks and proposed actions against these risks are evaluated at the meetings. The Management Risk Committee (MRC) is the Bank's highest management body regarding risk-related matters. The MRC is responsible for the oversight of all aspects of Bank-wide Risk Management, including but not limited to the risks to which the Bank is exposed. The Board Risk Committee (BRC), as a Board level committee, is responsible for providing and managing all resources necessary for the establishing and operating the risk management structure. The BRC reviews the written arrangements for the Bank's risk framework and provides oversight of the Bank's entire set of risks through the MRC, the Asset-Liability Committee (ALCO), the CEO and the Head of Risk Management. The Sustainability Committee is responsible for identifying sustainability and climate risks and opportunities.

Alternatif Lease

Risk Management at Alternatif Lease

Alternatif Lease's risk management and internal control system is carried out by the company management within a holistic approach. The Company categorizes the risks that it may face as financial, operational and natural risks and develops policies to identify, monitor and minimize the effects of these risks.

Financial risks include financial factors related to asset/liability imbalance, creditworthiness and capital relations, while operational risks are associated with access to and effective use of the latest technology. Natural risks are defined as potential losses arising from fires, earthquakes and similar disasters.

Risks are monitored instantaneously. Backup and insurance practices are put in place to protect the continuity of the system in extraordinary cases. In addition, deviations related to business processes are monitored through manual controls, and the effects of environmental factors are analysed instantly.

The Company's investment expenditures are planned to cover the integration of advanced technologies and information systems security. Risk management processes are supported by regular audits conducted by Alternatifbank's Audit Committee.

Although the Company does not have a disaggregated risk management model for the identification, assessment and reporting of sustainability-related risks, corporate risk management activities are still performed. Metrics defined as part of risk management processes are regularly monitored and reported to both the relevant business units and the senior management. Subsidiaries are subject to the Bank's sustainability risk management practices.

Alternatif Menkul

Risk Management at Alternatif Menkul

Alternatif Menkul applies a structural framework that aims to identify, monitor and evaluate the main potential risks within the scope of the risk management system established in accordance with the Capital Markets Board (CMB) regulations. This system is structured under the headings of operational risk, credit risk, market risk and liquidity risk, and the relevant parameters are reviewed periodically within the framework of both internal controls and regulatory legislation.

Metrics defined as part of risk management processes are regularly monitored and reported to both the relevant business units and the senior management. To this end, the financial and operational stability of the Company is monitored, yet no special systematic analysis or scenario study is conducted for sustainability-related risks or climate-based impacts.

Risk Managemet at Omurga Gayrimenkul ve Girişim Sermayesi Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu

Omurga Gayrimenkul ve Girişim Sermayesi Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu does not have a separate legal entity or operational activity. Its entire portfolio comprises vacant (non-leased) real estate assets, which are managed in line with a sales-oriented strategy. Given the fund's limited impact on consolidation and the absence of any material environmental or social risk, no standalone risk management model or climate-related scenario analysis is currently applied.

3.1. Climate Risk and Opportunity Management Methodology

Alternatifbank adopts a strategic approach integrated into its overall risk management system when identifying risks arising from climate change. Climate risks defined accordingly are included in the Bank's general risk inventory and are analysed together with other financial and operational risks. Throughout the process, the principles of transparency, measurability and comparability are taken as a basis. The impacts of climate risks on the Bank's long-term resilience, performance and strategic goals are assessed from a holistic perspective. The Sustainability Committee is responsible for identifying sustainability and climate risks and opportunities.

Alternatifbank aims to address the impacts of climate risks on corporate operations in four main dimensions:

Financial Impact: Potential impact on the Bank's financial structure and financial indicators

Operational Impact: Interruptions or efficiency losses that may be caused in operational processes

Reputation Impact: Effects on brand equity, customer trust and public perception

Legal and Regulatory Impact: Obligation to comply with existing and future climate regulations

This analysis process not only pertains to the definition stage but is also integrated into the ICAAP studies conducted under the 'Regulation on Internal Systems and ICAAP of Banks'. To this end, the potential impacts of climate risks on capital planning are reflected in annual budgeting processes and three-year projections and monitored through senior management reporting and relevant risk committees. Alternatifbank considers climate risks not only as an environmental issue but also as a strategic financial risk area, and accordingly defines its materiality criterion in a clear and transparent manner. A threshold of 2% of the Bank's consolidated total equity has been set as the benchmark for determining whether climate risks are deemed financially material. This threshold guides the Bank's prioritization, resource allocation, and governance processes related to climate risks.

In the coming periods, Alternatifbank aims to deepen its scenario analyses for climate risks, model these risks in greater detail and integrate them into strategic decision-making mechanisms.

Alternatifbank has recently embarked on a corporate transformation process towards sustainability within an awareness of the economic, social and environmental impacts of climate change. To this end, identifying and managing climate risks and opportunities and shaping future strategic decisions accordingly are among the Bank's strategic priorities. Moreover, the Bank acts in compliance with ICAAP in this process.

Alternatifbank is aware that environmental, social and governance risks can have significant consequences on profitability and liquidity by directly affecting the Bank's operations or indirectly affecting customer operations. Customer-based ESG assessments are emphasized in lending processes, particularly in large-scale infrastructure and industrial projects, in anticipation that these risks may be higher. ESG risks are analysed as indirect risks that may apply through directly funded operations or other customer operations. In each loan offer, the customer's environmental and social risk management, compliance with legal regulations, effects of possible regulatory changes and reputational risk factors are taken into consideration. These assessments are updated at least once a year as an integral part of credit risk management.

Alternatifbank analyses sector-based ESG risks in credit assessment processes and considers the environmental, social and governance dimensions specific to each sector. Below is a summary of examples for ESG risk types in some major sectors:

Infrastructure - Real Estate and Contracting: Projects in this sector may involve social risks such as land acquisition, loss of natural habitats and forced displacement of communities. For instance, a marina project in a coastal area can create both ecosystem destruction and livelihood access problems.

Manufacturing: The most prominent risks are environmental damage, labour rights violations and product safety in raw material procurement and production processes. For instance, a production facility using heavy chemicals may pose health risks from air and water pollution.

Services Sector: Waste management and biological risks in the health sector as well as societal concerns about electromagnetic fields in telecommunications sector pose ESG risks. For instance, failure to safely dispose of hazardous wastes from hospital operations poses risks to both the environment and public health.

Petrochemicals: Contribution to climate change, impacts on marine ecosystems and potential large-scale accidents are the main ESG risks in this sector. For instance, greenhouse gas emissions from refinery operations can create long-term environmental pressures.

Utilities and Waste Management: Methane release, soil contamination and public health impacts are the main risks. For instance, storing hazardous wastes in unauthorized landfills poses both environmental and legal liability risks.

Chemical and Pharmaceutical Industry: Issues such as supply chain traceability, toxic waste management, patent infringement and animal rights are critical in these sectors. For instance, non-biodegradable packaging wastes or uncontrolled clinical trials can lead to loss of or harm to corporate reputation.

Climate-related Actions and Goals

Alternatifbank maintained efforts to reduce its environmental impact in 2024 in line with its goals of combating climate change and transitioning to a low carbon economy. To this end, practices that increase resource efficiency in the Bank's operations were implemented, and steps were taken to reduce carbon emissions.

Thanks to the infrastructure development efforts after the Head Office building was certified with the LEED Gold Certificate by the US Green Building Council (USGBC) in 2020, savings in water and energy consumption were achieved, further improving environmental performance. These improvements have strengthened the Bank's approach to sustainable building management.

In addition, the Bank's great majority of number vehicle fleet was replaced by hybrid vehicles, a concrete step towards reducing fossil fuel emissions. This practice supports Alternatifbank's goal of reducing its operational carbon footprint.

In 2024, the Bank's physical service infrastructure was integrated into digital channels through branch office digitalization efforts. This strategic transformation aims to reduce energy and resource consumption while providing customers with more agile and accessible services. To maintain service continuity during the branch office transformation process, additional ATMs were installed in existing branch offices, and an exclusive project was initiated to replace the existing ATM park with energy efficient devices.

In 2025, following the completion of all these steps, Alternatifbank plans to have the necessary data infrastructure in place to monitor and report its ESG performance in a more holistic and transparent manner. Accordingly, the Bank aims to systematically monitor and report both the impacts arising from the Bank's direct operations and the indirect environmental impacts resulting from its financing operations.

4. Metrics

4. Metrics

Alternatifbank aims to play an active role in combating climate change and transitioning to a low-carbon economy. Accordingly, the Bank plans to take climate and sustainability-oriented steps to reduce the environmental impact from its banking operations. In particular, the Bank aims to monitor and reduce the carbon footprint of financed projects and operational processes. Alternatifbank's relevant efforts intend both to strengthen environmental performance and to support a financial system in line with Türkiye's 2053 Net Zero Emission target.

As of 2024, Alternatifbank has conducted its first greenhouse gas (GHG) emissions calculations. This effort marks an important initial step in identifying the Bank's current status and contributing to the fight against climate change at an institutional level. This finding confirms the Bank's existing projections regarding the need to focus on emissions arising from electricity consumption.

However, these efforts are still at an early stage, and there is a need to further develop institutional policies and data management processes in order to define quantitative (metric-based) targets related to these impacts. In the coming period, the Bank plans to address its emission reduction strategies within a more systematic framework, identify actions aimed at reducing emissions—primarily energy efficiency measures—and establish targets and metrics accordingly, while institutionalizing the related monitoring processes.

4.1. Climate-related Metrics

4.1.1 Greenhouse Gas Emission Metrics*

2024 Greenhouse Gas Emissions of Alternatifbank and Its Subsidiaries*

Alternatifbank

Scope 1 (tons of CO_2 eq.)	Scope 2 - Location-based (tons of CO_2 eq.)	Total (tons of CO_2 eq.)
726.8173	1,408.0983	2,134.9156

* The relevant calculation covers 16 active branches of Alternatifbank as well as 9 branches that were closed during 2024.

Alternatif Finansal Kiralama A.Ş.

Scope 1 (tons of CO_2 eq.)	Scope 2 - Location-based (tons of CO_2 eq.)	Total (tons of CO_2 eq.)
72.3244	0	72.3244

* Alternatif Menkul Değerler and Alternatif Finansal Kiralama share electricity consumption jointly.

Alternatif Menkul Değerler A.Ş.

Scope 1 (tons of CO_2 eq.)	Scope 2 - Location-basedı (tons of CO_2 eq.)	Total (tons of CO_2 eq.)
25.6472	20.2000	45.8473

* Alternatif Menkul Değerler and Alternatif Finansal Kiralama share electricity consumption jointly.

Alternatifbank's greenhouse gas (GHG) emission calculations are conducted in accordance with the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)* and the *ISO 14064-1:2018* standard. The equity share approach has been adopted as the organizational boundary-setting method. The calculations include all branches across Türkiye—including those closed during 2024—as well as the Headquarters building, and subsidiaries such as Alternatif Finansal Kiralama A.Ş. and Alternatif Menkul Değerler A.Ş. Activity data for emissions were obtained from verifiable sources such as electricity and natural gas invoices, refrigerant capacities of cooling equipment, fire extinguisher capacities, and vehicle fuel consumption.

For the calculation of Scope 2 emissions, the national emission factor and location-based approach were used, based on the 'Türkiye Electricity Generation and Electricity Consumption Point Emission Factors Information Sheet (2022)' published in 2024 by the Ministry of Energy and Natural Resources of the Republic of Türkiye. The company does not have any market-based procurement contracts. In 2024, Alternatifbank conducted its greenhouse gas (GHG) emissions calculations for the first time. As this was the initial implementation of the calculation process, no institution-wide emission reduction target has yet been established. However, the Bank plans to initiate efforts to develop reduction strategies and set relevant targets based on the outcomes of the calculation process in the upcoming periods.

In line with the transition period defined under TSRS, entities are not required to disclose Scope 3 greenhouse gas emissions in the first two reporting periods. Benefiting this regulation, Alternatifbank exercises the foregoing exemption for Scope 3 emissions data in its reporting for the current period. Furthermore, efforts are underway to strengthen the data collection and monitoring infrastructure for indirect emission sources associated with the Bank's operations. In the upcoming reporting periods, following the establishment of the required data sets, the Bank aims to include Scope 3 emissions in the calculations and share them publicly.

4.2. Other Sustainability Metrics

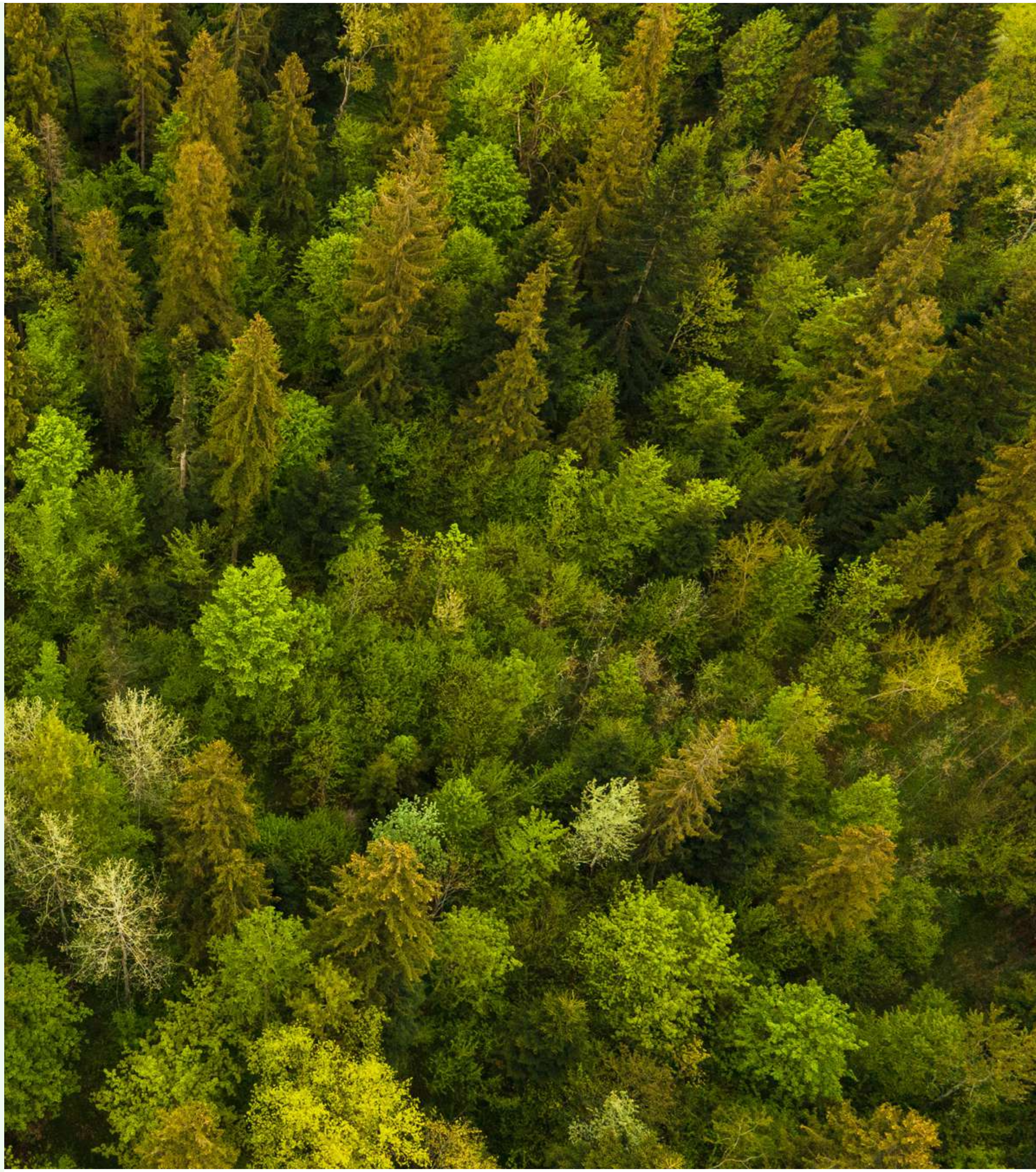
4.2.1. Energy Metrics

Electric Energy Consumption (GJ)	Natural Gas Consumption (GJ)	Total Energy Consumption (GJ)
10,746.0090	764.8698	11,510.8788

4.3. TSRS 2 Sector-Specific Guidance Standards

Alternatifbank's loan operations in 2024 are reported in accordance with the metrics defined by Volume 16 – Commercial Banks, one of the sector-specific guidance documents on the implementation of TSRS 2. Accordingly, a total of 19,751 loans were allocated, of which 13,886 were for retail loans, 1,261 were commercial loans and 4,604 were corporate loans. A breakdown of the loan portfolio reveals that TL 747,931,000 was allocated for retail loans, TL 4,969,521,000 for commercial loans and TL 35,328,650,000 for corporate loans. The foregoing data indicates that the Bank has a financing structure that is broad enough to respond to differentiated customer needs in the retail and commercial segments and that the Bank offers high-scale financing, particularly in the corporate segment.

Topic	Metric	Value	Unit	Code
Incorporating Environmental, Social and Governance Factors into Credit Analysis	Description of the approach to incorporate environmental, social and governance (ESG) factors into credit analysis	Described in section 3.1 Climate Risk and Opportunity Management Methodology	N/A	FN-CB-410a.2
Operational Metrics		**Value**	**Unit**	**Code**
Number of retail checking and savings accounts		139,070	#	FN-CB-000.B
Number of SME checking and savings accounts		1,595	#	
Amount/value of retail checking and savings accounts		22,204,544,037	TL	
Amount/value of SME checking and savings accounts		160,349,232	TL	
Number of retail loans		13,886	#	
Number of commercial loans		1,261	#	
Number of corporate loans		4,604	#	
Amount/value of retail loans		747,931,000	TL	
Amount/value of commercial loans		4,969,521,000	TL	
Amount/value of corporate loans		35,328,650,000	TL	



5.
Appendices

5. Appendices

5.1. TSRS 1 and 2 Compliance Index

TSRS 1 Compliance Index

Core Content	Standard Clause Code	Relevant Section of the Report
Governance	27.a-b	Corporate Governance Structure at Alternatifbank
Strategy	29	Strategy
	30	
	32	
	33	
	34.a-b	
	35.a-d	
	38	
	39	
Risk Management	43.a-b	Risk Management
Metrics and Targets	46	Metrics
	51.a-g	

TSRS 2 Compliance Index

Core Content	Standard Clause Code	Relevant Section of the Report
Governance	6.a-b	Corporate Governance Structure at Alternatifbank
Strategy	9.a-e	Strategy
	10.a-d	
	13.a-b	
	14.a-c	
	15.a-b	
	16.a-d	
	21.a-c	
Climate Resilience	22.a-b	Strategy
Risk Management	25.a-c	Risk Management
Metrics and Targets	28.a-c	Metrics
	29.a-g	

5.2. Independent Auditor's Limited Assurance Report

Independent Auditor's Limited Assurance Report on the Information Disclosed by Alternatifbank Anonim Şirketi and Its Subsidiaries Within the Scope of the Turkish Sustainability Reporting Standards

To the General Assembly of Alternatifbank A.Ş.,

We have undertaken a limited assurance engagement for the sustainability information ("Sustainability Information") disclosed in the TSRS-Compliant Sustainability Report of Alternatifbank A.Ş. (the "Bank") and its subsidiaries (together referred to as the "Group") for the year ended 31 December 2024, in accordance with the Turkish Sustainability Reporting Standards 1 – General Requirements for Disclosure of Sustainability-related Financial Information and Turkish Sustainability Reporting Standards 2 – Climate-related Disclosures, as issued by the Public Oversight, Accounting and Auditing Standards Authority ("POA") (together referred to as the "TSRS").

Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, as described in the section titled "Summary of Work Performed as a Basis for Our Limited Assurance Conclusion," nothing has come to our attention that causes us to believe that the Sustainability Information of the Group for the year ended 31 December 2024 has not been prepared, in all material respects, in accordance with the TSRS.

Emphasis of Matter

As disclosed in the "About the Report" section of the TSRS-Compliant Sustainability Report, the report for the year 2024 represents the Group's first sustainability report prepared in accordance with the TSRS. In this report, the Group has disclosed only climate-related risks and opportunities by applying the exemptions provided under TSRS 1, and has not presented comparative information for the prior period. However, this matter does not affect our conclusion.

As disclosed in the "About the Report" section of the TSRS-Compliant Sustainability Report, the Group has made use of the exemption from disclosing Scope 3 greenhouse gas emissions, which is valid for the first two years, in accordance with Provisional Article 3 of the Board Decision on the Scope of Implementation of the Turkish Sustainability Reporting Standards (TSRS), published in the Official Gazette dated 29 December 2023 and numbered 32414. Accordingly, as this is the Group's first report prepared in accordance with TSRS, Scope 3 greenhouse gas emissions have not been disclosed. However, this matter does not affect our conclusion.

Inherent Limitations in the Preparation of Sustainability Information

The Sustainability Information includes uncertainties based on climate-related scenarios due to the lack of data regarding the probability, timing, and impacts of potential future physical and transition climate risks.

Furthermore, greenhouse gas quantification is subject to inherent uncertainty due to limitations in the scientific knowledge used to determine the values required to combine emission factors and different types of gas emissions.

Responsibilities of Management and Those Charged with Governance for the Sustainability Information

The Group's Management is responsible for:

- Preparing the Sustainability Information in accordance with the TSRS;
- Designing, implementing, and maintaining internal control as deemed necessary to ensure that the Sustainability Information is prepared free from material misstatement, whether due to fraud or error;
- Selecting and applying appropriate sustainability reporting methodologies and making reasonable estimates and assumptions relevant to the circumstances.

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

Responsibilities of the Independent Auditor Regarding the Limited Assurance Engagement on the Sustainability Information

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;

- Reaching an independent conclusion based on the evidence obtained and the procedures performed; and
- Reporting our conclusion to the Group's management.

As we are responsible for expressing an independent conclusion on the Sustainability Information prepared by management, we are not permitted to be involved in the preparation of the Sustainability Information so as not to compromise our independence.

Application of Professional Standards

Our limited assurance engagement has been conducted in accordance with the Assurance Engagement Standard 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information," and Assurance Engagement Standard 3410, "Assurance Engagements on Greenhouse Gas Statements," issued by the Public Oversight, Accounting and Auditing Standards Authority (POA). Our responsibilities under these assurance standards are detailed in the section titled "Responsibilities of the Independent Auditor Regarding the Limited Assurance Engagement on the Sustainability Information" in our report.

We believe that the evidence obtained during our limited assurance engagement is sufficient and appropriate to provide a basis for our conclusion.

Independence and Quality Management

We have complied with the independence provisions and other ethical requirements set forth in the Code of Ethics for Independent Auditors (including Independence Standards) issued by the Public Oversight, Accounting and Auditing Standards Authority ("POA"), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

KPMG is responsible for implementing the Quality Management Standard 1 ("QMS 1")—Quality Management for Firms that Perform Audits or Reviews of Financial Statements and Other Assurance or Related Services Engagements—and, in this regard, maintaining a comprehensive quality management system, including written policies and procedures designed to ensure compliance with ethical requirements, professional standards, and applicable legal regulations.

Summary of Work Performed as a Basis for Our Limited Assurance Conclusion

We plan and perform our work to address areas where we identify a higher risk of material misstatement in the Sustainability Information. The procedures we apply are based on our professional judgment. In conducting the limited assurance engagement on the Sustainability Information, we have:

- Held discussions with the Bank's senior key personnel to understand the processes in place for obtaining the Sustainability Information for the reporting period;
- Conducted interviews with those responsible for the Sustainability Information;
- Utilized the Group's internal documentation to evaluate and review sustainability-related information;
- Assessed the disclosure and presentation of sustainability-related information;
- Through inquiries, gained an understanding of the Group's control environment and information systems related to the preparation of the Sustainability Information. However, we did not assess the design of specific control activities, obtain evidence on their implementation, nor test their operating effectiveness;
- Tested the accuracy of the Sustainability Information by comparing it on a sample basis with the Group's supporting documentation;
- Evaluated the appropriateness and consistent application of the Group's estimation methodologies. However, our procedures did not include testing the underlying data of the estimates or developing our own estimates to evaluate the Group's estimates;
- Assessed the selection of quantification methods and reporting policies for greenhouse gas emissions.

The procedures performed in a limited assurance engagement differ in nature, timing, and extent from those performed in a reasonable assurance engagement, and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than that of a reasonable assurance engagement.

Erdal Tıkmak, SMMM
Sorumlu Denetçi

4 Ağustos 2025
İstanbul, Türkiye

5.3. List of Sustainability Committee Members

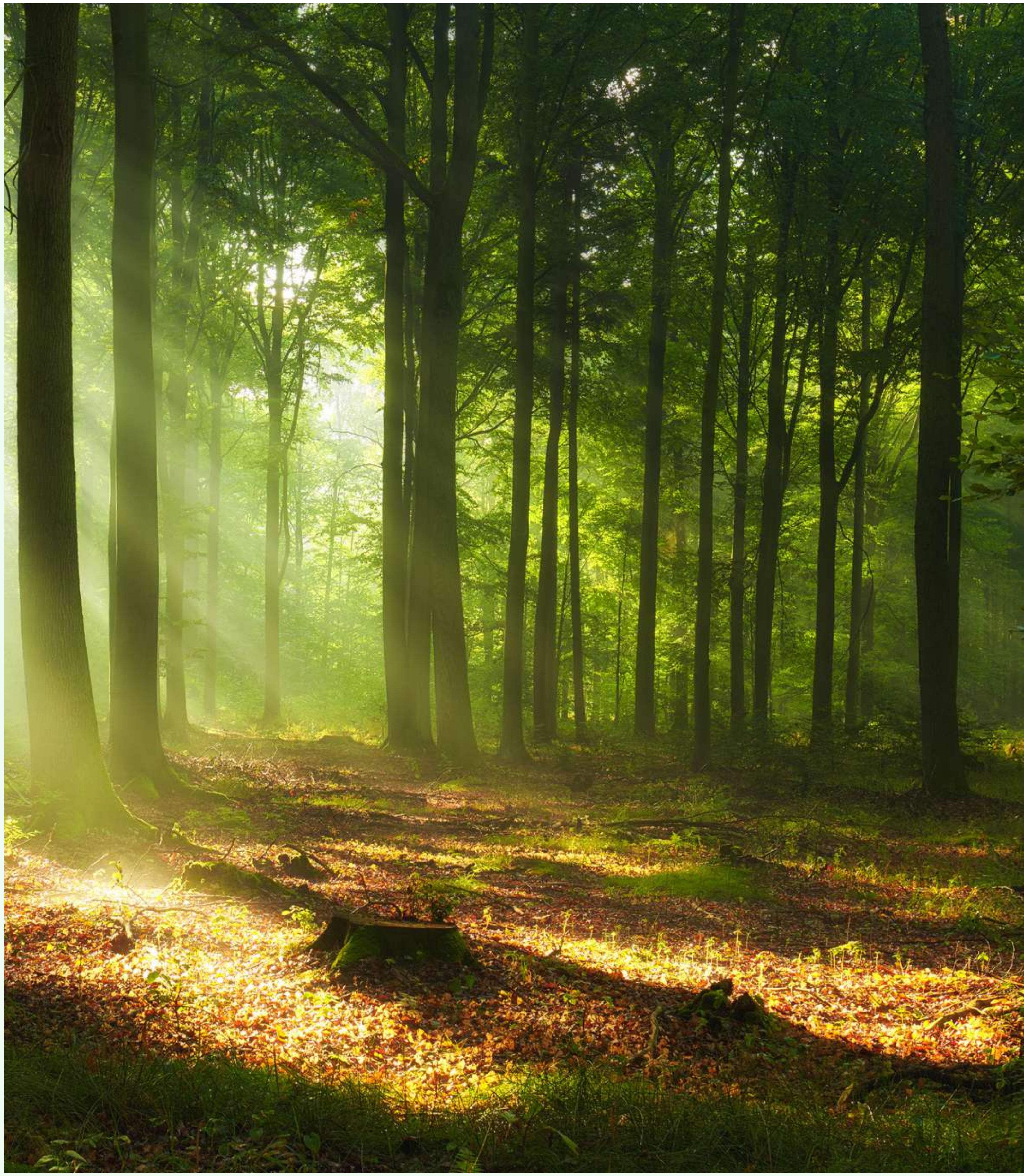
Name&Surname	Title
Ozan Kırmızı	Board Member and CEO (Committee Chair)
Hamdi İlkay Girgin	Executive Vice President
Zafer Vatansever	Executive Vice President
Gökay Dede*	Executive Vice President
Bike Tarakcı	Executive Vice President
Credit Allocation	
Ayşe Akbulut	Executive Vice President
Onur Öztay	Manager, SME Loans
Özge Aslanmartin*	Manager, Corporate Loans & FI
Seda Kurtuluş	Manager, Commercial Loans
Serdar Aksakal	Manager, Commercial Loans
Serpil Akansel*	Manager, Retail Loans
Sevgi Solmaz*	Manager, SME Loans
Commercial Banking	
Burcu Yangaz	Executive Vice President
Hakan Öğütveren*	Manager, Corporate and Trade Marketing
Treasury and Financial Institutions	
Boğaç Levent Güven	Executive Vice President
Ahmet Kınalısoy	Manager, Structured Finance
Corporate Banking	
Didem Şahin	Executive Vice President
Ayşe Banu Sönmezışık*	Manager, Project Finance and Credit Management
Yusuf Hacıibrahimoğlu*	Manager, Foreign Trade & Finance
Other	
Egemen Baykan	Head of Risk Management
Engin Turan	Head of Internal Control and Compliance
Bahadır Çakmak	Head of Corporate Affairs
Levent Ulusoy*	Manager, Brand, Communication and Sustainability
Şeyda Yücel	Manager, Operational Risk and Business Continuity
Tuğba Ata*	Manager, Procurement and Services Management
Erdem Day	Manager, Remuneration and Benefits
Asım Danışman*	Manager, Construction & Real Estate
Alper Tolga Selimoğlu	Manager, Strategy and Customer Experience

* Served in 2024, resigned in 2025.

5.4. List of Members Sustainability Working Group

Name&Surname	Title
Onur Öztay	Early Warning and Oversight Manager
Murat Tugan	Corporate Credits Manager
Fırat Geriş	Change and Process Management Supervisor
Cevat Emre Altınbaran*	Change and Process Management Supervisor
Ayşe Banu Sönmezışık*	Project Finance and Credit Management Manager
Ebru Balım	Project Finance and Credit Management Supervisor
Cansu Tosun	Corporate Banking Sales and Performance Management Supervisor
Mehmet Ardıç	Capital and Portfolio Management Supervisor
Şeyda Yücel	Operationals Risk and Business Continuity Manager
Ahmet Kınalısoy	Financial Institutions Manager
Seyhan Katı Akgün	Financial Institutions Supervisor
Ezgi Develioğlu	Strategy and Customer Experience Supervisor
Fevziye Güzelsoy*	Human Resources Supervisor
Eren Ayık	Alternatif Lease- Risk Management Manager
Levent Ulusoy*	Brand, Communication and Sustainability Manager
Nilüfer Gevenoğlu	Brand, Communication and Sustainability Supervisor
Beyza Eker*	Brand, Communication and Sustainability Intern
Cem Çetinkaya	Foreign Trade and Finance Manager
Caner Armağan	Financial Affairs- Financial Reporting Supervisor
Can Bozdağ*	Internal Control Manager
Gökhan Boldo*	Process Control Supervisor
Gülçin Taybıllı*	Corporate Compliance Supervisor
Tevfik Göker Mercimekci*	Compliance Manager
Vildan Tepeköy	Regulatory Compliance Senior Supervisor
Yasin Döngelli*	Capital and Portfolio Management Manager

* Served in 2024, resigned in 2025.



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

T: 0212 315 65 00
alternatifbank.com.tr

Report Content and Consulting:
ESCARUS (TSKB Sustainability Consultancy)

escarus
TSKB Sustainability Consultancy

Graphic Design:
Özge Egemen, kirmizitasarim.com.