

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

Alternatifbank A.Ş.

Unconsolidated Financial Statements and Notes as of
and For the Six-Month Period Ended 30 June 2025
With Independent Auditor's Review Report



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**Convenience Translation of the Review Report Originally Prepared and Issued in
Turkish to English**

**Independent Auditor's Report on Review of Unconsolidated Interim Financial
Statements**

To the Board of Directors of Alternatifbank A.Ş.

Introduction

We have reviewed the unconsolidated balance sheet of Alternatifbank A.Ş. ("the Bank") as at 30 June 2025 and the unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows for the six month period then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The Bank management is responsible for the preparation and fair presentation of these unconsolidated interim financial statements in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No. 26333 dated 1 November 2006, and other regulations on accounting records of banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and the requirements of Turkish Accounting Standard 34 "*Interim Financial Reporting*" for the matters not regulated by the aforementioned legislations (together referred as "BRSA Accounting and Financial Reporting Legislation"). Our responsibility is to express a conclusion on these unconsolidated interim financial statements based on our review.

Scope of Review

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



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated interim financial statements do not present fairly, in all material respects, the unconsolidated financial position of Alternatifbank A.Ş. as at 30 June 2025 and its unconsolidated financial performance and its unconsolidated cash flows for the six month period then ended in accordance with the BRSA Accounting and Reporting Legislation.

Report on Other Legal and Regulatory Requirements

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

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Ebru Koçak, SMMM
Sorumlu Denetçi

4 August 2025
İstanbul, Türkiye

**THE UNCONSOLIDATED FINANCIAL REPORT OF
ALTERNATİFBANK A.Ş. AS OF AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**

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

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

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

Omer Hussain I H Al-Fardan	Ozan Kırmızı	Hamdi İlkey Girgin	Ahmet Akın
Chairman of the Board of Directors	CEO	Financial Control and Planning Executive Vice President	International and Legal Reporting Manager
Muhammad Noman Ali	Esin Aydınol	Antonio Francisco Gamez Munoz	
Member of the Board of Directors and Chairman of the Board Audit and Compliance Committee	Member of the Board of Directors and Member of the Board Audit and Compliance Committee	Member of the Board of Directors and Member of the Board Audit and Compliance Committee	

The authorised contact person for questions on this financial report:

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SECTION ONE**GENERAL INFORMATION ABOUT THE BANK****I. Explanations on the Establishment Date and Initial Status of the Bank, and History Including the Changes in the Former Status**

Alternatifbank A.Ş. ("the Bank") was established in Istanbul on 6 November 1991 and started banking activities on February 1992. The Bank's ordinary shares started to be traded in Istanbul Stock Exchange on 3 July 1995. The Bank is still a privately owned commercial bank status and provides banking services through 15 (31 December 2024: 19) branches.

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

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

As of 30 June 2025, 100% of the shares of the Bank are owned by The Commercial Bank (P.S.Q.C.) Shareholder's structure of the Bank is as follows:

Name/Commercial Name	30 June 2025		31 December 2024	
	Share Amount	Share Ratio	Share Amount	Share Ratio
The Commercial Bank (P.S.Q.C.)	2,213,740	100%	2,213,740	100%
Total	2,213,740	100%	2,213,740	100%

ALTERNATİFBANK A.Ş.**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2025***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***GENERAL INFORMATION ABOUT THE BANK (Continued)****III. Explanation on the Board of Directors, Members of the Audit Committee, President and Executive Vice Presidents, Changes in These Matters (if any) and Shares in the Bank**

Title	Name	Responsibility	Indirect Share Capital (%)
Chairman of the Board of Directors	Omer Hussain I H Al-Fardan	Chairman of the Board	-
Member of the Board of Directors ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	Joseph Abraham	Vice-Chairman of the Board of Directors, Chairman of the Executive Committee of the Board, Chairman of the Board Remuneration and Governance Committee, and Alternate Member of the Board Credit Committee	-
	Mohd Ismail M Mandani Al-Emadi	Member of the Board of Directors, Chairman of the Board Risk Committee, and Member of the Board Credit Committee	-
	Salem Khalaf A A Al-Mannai	Member of the Board of Directors, Member of the Executive Committee of the Board	-
	Muhammad Noman Ali	Member of the Board of Directors, Chairman of the Board Audit and Compliance Committee, and Member of the Executive Committee of the Board	-
	Fahad Abdulrahman Y A Badar	Member of the Board of Directors, Member of the Executive Committee of the Board, Member of the Board Remuneration and Governance Committee, and Alternate Member of the Board Credit Committee	-
	Halil Sedat Ergür	Member of the Board of Directors, Chairman of the Board Audit and Compliance Committee, Member of the Board Risk Committee	-
	Zafer Kurtul	Member of the Board of Directors, Chairman of the Board Credit Committee, Member of the Executive Committee of the Board, and Member of the Board Remuneration and Corporate Governance Committee	-
	Antonio Francisco Gamez Munoz	Member of the Board of Directors, Member of the Board Audit and Compliance Committee, Member of the Board Risk Committee, and Member of the Board Credit Committee	-
	Shahnawaz Rashid	Member of the Board of Directors, and Member of the Board Credit Committee	-
	Esin Aydınol	Member of the Board of Directors, Chair of the Board Credit Committee, Member of the Executive Committee of the Board, Member of the Board Remuneration and Governance Committee, Member of the Board Audit and Compliance Committee, Member of the Board Risk Committee	-
Member of the Board of Directors and CEO	Ozan Kırmızı	Member of the Board of Directors, Member of the Credit Committee, Member of the Executive Committee of the Board, and CEO	-
Executive Vice Presidents	Didem Şahin	Corporate & Business Banking	-
	Burcu Yangaz	Retail, Private & Digital Banking	-
	Zafer Vatansever	Information Technologies and Operation	-
	Ayşe Akbulut	Credit Allocation	-
	Bekir Seçkin Mutlubaş	Restructuring and Legal Follow-up	-
	Bike Tarakcı	Human Resources	-
	Hamdi İlkay Girgin	Financial Affairs and Planning	-
	Boğaç Levent Güven	Treasury and Financial Institutions	-
Head of Internal Audit	Ömer Faruk Gönener	Head of Internal Audit	-

(1) Leonie Ruth Lethbridge resigned with the decision of the Board of Directors as of 3 February 2025 and Muhammad Noman Ali was appointed as deputy.

(2) Fahad Abdulrahman Y A Badar was appointed as a Board Member at the Ordinary General Assembly meeting on 27 March 2025.

(3) As of 24 July 2025, Halil Sedat Ergür and Zafer Kurtul resigned from their positions as Board Members.

(4) Esin Aydınol was appointed as a Board Member as of 24 July 2025.

ALTERNATİFBANK A.Ş.**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
ENDED 30 JUNE 2025**

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

GENERAL INFORMATION ABOUT THE BANK (Continued)**IV. Explanation on the Bank's Qualified Shareholders**

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

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

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

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

As of 30 June 2025, the Bank has 15 branches (31 December 2024: 19 branches) and has 531 employees (31 December 2024: 714 employees).

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

None.

ALTERNATİFBANK A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 30 JUNE 2025

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

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)		Notes (Section Five)	Reviewed Current Period 30 June 2025			Audited Prior Period 31 December 2024		
ASSETS			TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (NET)			7,748,096	21,871,781	29,619,877	7,899,335	17,721,045	25,620,380
1.1 Cash and Cash Equivalents			4,629,092	15,596,064	20,225,156	3,654,533	13,163,779	16,818,312
1.1.1 Cash and Balances with Central Bank	I-a		4,629,872	11,261,263	15,891,135	3,641,741	8,509,462	12,151,203
1.1.2 Banks	I-d		1,373	4,334,801	4,336,174	14,576	4,654,317	4,668,893
1.1.3 Money Market Placements			-	-	-	-	-	-
1.1.4 Expected Credit Losses (-)			2,153	-	2,153	1,784	-	1,784
1.2 Financial Assets at Fair Value Through Profit or Loss			52,539	4,615	57,154	375	5,166	5,541
1.2.1 Government Debt Securities			52,539	4,615	57,154	375	5,166	5,541
1.2.2 Equity Instruments			-	-	-	-	-	-
1.2.3 Other Financial Assets			-	-	-	-	-	-
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	I-f		2,775,506	4,640,955	7,416,461	3,829,352	4,089,708	7,919,060
1.3.1 Government Debt Securities			2,623,784	4,640,955	7,264,739	3,697,657	4,089,708	7,787,365
1.3.2 Equity Instruments			19,268	-	19,268	16,504	-	16,504
1.3.3 Other Financial Assets			132,454	-	132,454	115,191	-	115,191
1.4 Derivative Financial Assets			290,959	1,630,147	1,921,106	415,075	462,392	877,467
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss	I-c		258,903	1,630,147	1,889,050	408,311	462,392	870,703
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income	I-m		32,056	-	32,056	6,764	-	6,764
FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)			32,967,502	33,836,439	66,803,941	23,632,548	27,609,760	51,242,308
2.1 Loans	I-g		29,339,682	25,599,037	54,938,719	21,303,327	19,443,660	40,746,987
2.2 Lease Receivables	I-l		-	-	-	-	-	-
2.3 Factoring Receivables			752,068	-	752,068	299,115	-	299,115
2.4 Other Financial Assets Measured at Amortized Cost	I-h		3,450,346	8,441,283	11,891,629	2,506,028	8,402,146	10,908,174
2.4.1 Government Debt Securities			1,820,697	8,441,283	10,261,980	1,742,450	8,402,146	10,144,596
2.4.2 Other Financial Assets			1,629,649	-	1,629,649	763,578	-	763,578
2.5 Expected Credit Losses (-)			574,594	203,881	778,475	475,922	236,046	711,968
III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (NET)	I-r		584,353	-	584,353	963,253	-	963,253
3.1 Held for Sale Purpose			584,353	-	584,353	963,253	-	963,253
3.2 Related to Discontinued Operations			-	-	-	-	-	-
IV. EQUITY INVESTMENTS			405,580	-	405,580	350,580	-	350,580
4.1 Investments in Associates (Net)	I-i		-	-	-	-	-	-
4.1.1 Accounted Under Equity Method			-	-	-	-	-	-
4.1.2 Unconsolidated Associates			-	-	-	-	-	-
4.2 Subsidiaries (Net)	I-j		405,580	-	405,580	350,580	-	350,580
4.2.1 Unconsolidated Financial Subsidiaries			405,580	-	405,580	350,580	-	350,580
4.2.2 Unconsolidated Non-Financial Subsidiaries			-	-	-	-	-	-
4.3 Entities under Common Control (Joint Venture) (Net)	I-k		-	-	-	-	-	-
4.3.1 Joint Ventures Valued Based on Equity Method			-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures			-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	I-n		2,041,862	-	2,041,862	2,060,617	-	2,060,617
VI. INTANGIBLE ASSETS (Net)	I-o		481,187	-	481,187	404,914	-	404,914
6.1 Goodwill			-	-	-	-	-	-
6.2 Other			481,187	-	481,187	404,914	-	404,914
VII. INVESTMENT PROPERTY (Net)	I-p		-	-	-	-	-	-
VIII. CURRENT TAX ASSET			188,393	-	188,393	230,891	-	230,891
IX. DEFERRED TAX ASSET	I-q		856,185	-	856,185	816,111	-	816,111
X. OTHER ASSETS	I-s		2,244,374	78,782	2,323,156	1,165,792	129,417	1,295,209
TOTAL ASSETS			47,517,532	55,787,002	103,304,534	37,524,041	45,460,222	82,984,263

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

ALTERNATİFBANK A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 30 JUNE 2025

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

I.	BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)	Note (Section Five)	Reviewed Current Period 30 June 2025			Audited Prior Period 31 December 2024		
			TL	FC	Total	TL	FC	Total
	LIABILITIES							
I.	DEPOSITS	II-a	30,716,251	14,265,032	44,981,283	22,772,309	14,866,807	37,639,116
II.	FUNDS BORROWED	II-c	37,606	24,367,484	24,405,090	25,205	14,315,366	14,340,571
III.	MONEY MARKET BALANCES		1,686,155	11,453,372	13,139,527	752,998	10,909,069	11,662,067
IV.	MARKETABLE SECURITIES ISSUED (Net)	II-c	308,498	-	308,498	-	-	-
4.1	Bills		308,498	-	308,498	-	-	-
4.2	Assets Backed Securities		-	-	-	-	-	-
4.3	Bonds		-	-	-	-	-	-
V.	FUNDS		-	-	-	-	-	-
5.1	Borrower Funds		-	-	-	-	-	-
5.2	Other		-	-	-	-	-	-
	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES		272,288	1,606,337	1,878,625	89,423	498,340	587,763
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss	II-b	235,519	1,606,337	1,841,856	87,672	498,340	586,012
	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	II-f	36,769	-	36,769	1,751	-	1,751
VIII.	FACTORING LIABILITIES		-	-	-	-	-	-
IX.	LEASE LIABILITIES (Net)	II-e	42,313	-	42,313	8,778	-	8,778
X.	PROVISIONS	II-g	274,859	20,603	295,462	218,777	28,478	247,255
10.1	Restructuring Provisions		-	-	-	-	-	-
10.2	Reverse for Employee Benefits		48,031	-	48,031	45,623	-	45,623
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		226,828	20,603	247,431	173,154	28,478	201,632
XI.	CURRENT TAX LIABILITY	II-h	313,444	-	313,444	203,900	-	203,900
XII.	DEFERRED TAX LIABILITY		-	-	-	-	-	-
XIII.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	II-i	-	-	-	-	-	-
13.1	Held for Sale Purpose		-	-	-	-	-	-
13.2	Related to Discontinued Operations		-	-	-	-	-	-
XIV.	SUBORDINATED DEBT INSTRUMENTS	II-j	-	8,158,688	8,158,688	-	9,891,747	9,891,747
14.1	Loans		-	-	-	-	2,646,729	2,646,729
14.2	Other Debt Instruments		-	8,158,688	8,158,688	-	7,245,018	7,245,018
XV.	OTHER LIABILITIES	II-d	1,213,899	498,762	1,712,661	782,975	665,497	1,448,472
XVI.	SHAREHOLDERS' EQUITY	II-k	8,155,602	(86,659)	8,068,943	7,056,707	(102,113)	6,954,594
16.1	Paid-in capital		2,213,740	-	2,213,740	2,213,740	-	2,213,740
16.2	Capital Reserves		54	-	54	54	-	54
16.2.1	Share Premium		54	-	54	54	-	54
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		-	-	-	-	-	-
16.3	Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		1,840,816	-	1,840,816	1,746,545	-	1,746,545
	Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		(478,844)	(86,659)	(565,503)	(523,197)	(102,113)	(625,310)
16.5	Profit Reserves		3,170,554	-	3,170,554	3,170,554	-	3,170,554
16.5.1	Legal Reserves		204,704	-	204,704	204,704	-	204,704
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		2,965,850	-	2,965,850	2,965,850	-	2,965,850
16.5.4	Other Profit Reserves		-	-	-	-	-	-
16.6	Profit Or Loss		1,409,282	-	1,409,282	449,011	-	449,011
16.6.1	Prior Years' Profit/Loss		449,011	-	449,011	380	-	380
16.6.2	Current Year Profit/Loss		960,271	-	960,271	448,631	-	448,631
	TOTAL LIABILITIES		43,020,915	60,283,619	103,304,534	31,911,072	51,073,191	82,984,263

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

ALTERNATİFBANK A.Ş.
UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS
AS OF 30 JUNE 2025

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

II. OFF- BALANCE SHEET ITEMS		Reviewed Current Period 30 June 2025			Audited Prior Period 31 December 2024			
		(Section Five)	TL	FC	Total	TL	FC	Total
A.	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		44,666,384	131,562,628	176,229,012	42,564,260	82,601,158	125,165,418
I.	GUARANTEES AND WARRANTIES	III-a-3,i	22,122,515	21,446,023	43,568,538	22,099,608	16,378,022	38,477,630
1.1	Letters of Guarantee	III-a-2,ii	17,109,555	8,258,917	25,368,472	16,255,434	7,458,604	23,714,038
1.1.1	Guarantees Subject to State Tender Law		39,022	10,175	49,197	27,588	16,575	44,163
1.1.2	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3	Other Letters of Guarantee		17,070,533	8,248,742	25,319,275	16,227,846	7,442,029	23,669,875
1.2	Bank Acceptances	III-a-2,i	-	2,587,941	2,587,941	-	624,838	624,838
1.2.1	Import Letter of Acceptance		-	409,045	409,045	-	624,838	624,838
1.2.2	Other Bank Acceptances		-	2,178,896	2,178,896	-	-	-
1.3	Letters of Credit	III-a-2,i	4,510	9,094,167	9,098,677	1,074	7,221,198	7,222,272
1.3.1	Documentary Letters of Credit		4,510	9,094,167	9,098,677	1,074	7,221,198	7,222,272
1.3.2	Other Letters of Credit		-	-	-	-	-	-
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantees	III-a-2,i	-	1,504,998	1,504,998	-	1,073,382	1,073,382
1.9	Other Warrantees		5,008,450	-	5,008,450	5,843,100	-	5,843,100
II.	COMMITMENTS		2,125,473	4,338,239	6,463,712	2,468,011	3,919,311	6,387,322
2.1	Irrevocable Commitments		2,125,473	4,338,239	6,463,712	2,468,011	3,919,311	6,387,322
2.1.1	Asset Purchase and Sales Commitments		717,693	4,338,239	5,055,932	1,114,117	3,919,311	5,033,428
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4	Commitments for Loan Limits	III-a-1	827,813	-	827,813	803,626	-	803,626
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheques		148,380	-	148,380	139,663	-	139,663
2.1.8	Tax and Fund Liabilities from Export Commitments		3,738	-	3,738	3,738	-	3,738
2.1.9	Commitments for Credit Card Limits		204,832	-	204,832	172,087	-	172,087
2.1.10	Promotion Commitments for Credit Cards and Banking Services		-	-	-	-	-	-
2.1.11	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		223,017	-	223,017	234,780	-	234,780
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	III-b	20,418,396	105,778,366	126,196,762	17,996,641	62,303,825	80,300,466
3.1	Hedging Derivative Financial Instruments		4,500,000	-	4,500,000	1,300,000	-	1,300,000
3.1.1	Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2	Transactions for Cash Flow Hedge		4,500,000	-	4,500,000	1,300,000	-	1,300,000
3.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2	Trading Derivative Financial Instruments		15,918,396	105,778,366	121,696,762	16,696,641	62,303,825	79,000,466
3.2.1	Forward Foreign Currency Buy/Sell Transactions		2,872,030	7,935,666	10,807,696	1,423,370	3,625,912	5,049,282
3.2.1.1	Forward Foreign Currency Transactions-Buy		734,847	4,480,806	5,215,653	951,908	1,467,586	2,419,494
3.2.1.2	Forward Foreign Currency Transactions-Sell		2,137,183	3,454,860	5,592,043	471,462	2,158,326	2,629,788
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		3,670,278	32,520,762	36,191,040	6,022,871	25,822,649	31,845,520
3.2.2.1	Foreign Currency Swap-Buy		-	9,218,130	9,218,130	-	8,093,054	8,093,054
3.2.2.2	Foreign Currency Swap-Sell		2,870,278	6,459,570	9,329,848	4,822,871	3,468,995	8,291,866
3.2.2.3	Interest Rate Swap-Buy		400,000	8,421,531	8,821,531	600,000	7,130,300	7,730,300
3.2.2.4	Interest Rate Swap-Sell		400,000	8,421,531	8,821,531	600,000	7,130,300	7,730,300
3.2.3	Foreign Currency, Interest Rate and Securities Options		9,376,088	59,727,400	69,103,488	9,250,400	27,935,697	37,186,097
3.2.3.1	Foreign Currency Options-Buy		5,033,948	29,538,244	34,572,192	4,765,658	13,834,175	18,599,833
3.2.3.2	Foreign Currency Options-Sell		4,342,140	30,189,156	34,531,296	4,484,742	14,101,522	18,586,264
3.2.3.3	Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4	Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6	Other		-	5,594,538	5,594,538	-	4,919,567	4,919,567
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		153,185,695	219,645,506	372,831,201	121,250,634	205,635,037	326,885,671
IV.	ITEMS HELD IN CUSTODY		20,183,887	12,068,945	32,252,832	4,618,804	12,564,178	17,182,982
4.1	Customer Fund and Portfolio Balances		17,373,181	-	17,373,181	2,603,011	-	2,603,011
4.2	Investment Securities Held in Custody		310,840	9,957,391	10,268,231	-	11,493,604	11,493,604
4.3	Cheques Received for Collection		1,684,036	96,188	1,780,224	1,185,702	106,034	1,291,736
4.4	Commercial Notes Received for Collection		68,049	163,126	231,175	82,260	3,352	85,612
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		747,781	1,852,240	2,600,021	747,831	961,188	1,709,019
4.8	Custodians		-	-	-	-	-	-
V.	PLEDGES RECEIVED		132,970,817	206,968,104	339,938,921	116,596,117	192,531,709	309,127,826
5.1	Marketable Securities		1,415,278	-	1,415,278	1,424,468	-	1,424,468
5.2	Guarantee Notes		75,268,171	81,021,413	156,289,584	69,799,043	70,012,190	139,811,233
5.3	Commodity		925,288	1,038,542	1,963,830	531,788	1,274,372	1,806,160
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		38,415,923	118,915,686	157,331,609	38,713,610	116,486,100	155,199,710
5.6	Other Pledged Items		16,946,157	5,992,463	22,938,620	6,127,208	4,759,047	10,886,255
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		30,991	608,457	639,448	35,713	539,150	574,863
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)			197,852,079	351,208,134	549,060,213	163,814,894	288,236,195	452,051,089

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

ALTERNATİFBANK A.Ş.
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2025
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

III. STATEMENT OF PROFIT OR LOSS

INCOME AND EXPENSE ITEMS		Note (Section Five)	Reviewed Current Period 1 January 2025- 30 June 2025	Reviewed Current Period 1 April 2025- 30 June 2025	Reviewed Prior Period 1 January 2024- 30 June 2024	Reviewed Prior Period 1 April 2024- 30 June 2024
I.	INTEREST INCOME	IV-a	9,186,241	4,929,482	6,330,168	3,317,478
1.1	Interest on Loans		6,623,905	3,639,017	4,813,050	2,554,447
1.2	Interest Received from Reserve Deposits		646,004	372,002	80,814	68,564
1.3	Interest Received from Banks		434,915	105,001	87,746	44,008
1.4	Interest Received from Money Market Placements		80,354	54,638	29,100	23,394
1.5	Interest Received from Marketable Securities Portfolio		1,321,570	712,053	1,302,564	623,841
1.5.1	Fair Value through Profit or Loss		9,662	6,889	2,506	1,310
1.5.2	Fair Value through other Comprehensive Income		604,136	306,849	874,717	422,243
1.5.3	Measured at Amortized Cost		707,772	398,315	425,341	200,288
1.6	Finance Lease Interest Income		-	-	-	-
1.7	Other Interest Income		79,493	46,771	16,894	3,224
II.	INTEREST EXPENSES (-)	IV-b	7,965,373	4,276,728	4,877,577	2,516,353
2.1	Interest on Deposits		5,839,643	3,202,643	3,007,438	1,661,880
2.2	Interest on Funds Borrowed		1,037,980	542,251	1,323,111	627,308
2.3	Interest on Money Market Borrowings		1,019,629	501,387	453,564	218,845
2.4	Interest on Securities Issued		41,049	27,915	-	-
2.5	Leasing Interest Expense		6,580	971	5,086	2,614
2.6	Other Interest Expense		20,492	1,561	88,378	5,706
III.	NET INTEREST INCOME (I - II)		1,220,868	652,754	1,452,591	801,125
IV.	NET FEES AND COMMISSIONS INCOME / EXPENSES		392,490	197,585	208,763	125,216
4.1	Fees and Commissions Received		464,418	240,610	251,023	138,009
4.1.1	Non-cash Loans		166,896	86,707	149,418	79,964
4.1.2	Other	IV-l	297,522	153,903	101,605	58,045
4.2	Fees and Commissions Paid (-)		71,928	43,025	42,260	12,793
4.2.1	Non-cash Loans		129	67	87	28
4.2.2	Other	IV-l	71,799	42,958	42,173	12,765
V.	DIVIDEND INCOME	IV-c	87	87	30,052	30,052
VI.	NET TRADING INCOME	IV-d	(101,429)	(101,083)	(454,672)	(502,084)
6.1	Securities Trading Gains / (Losses)		2,411	2,700	2,234	809
6.2	Derivative Financial Instruments Gains / Losses		594,027	277,269	215,370	(441,876)
6.3	Foreign Exchange Gains / Losses		(697,867)	(381,052)	(672,276)	(61,017)
VII.	OTHER OPERATING INCOME	IV-e	1,188,006	941,714	725,957	133,433
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)		2,700,022	1,691,057	1,962,691	587,742
IX.	EXPECTED CREDIT LOSSES (-)	IV-f	258,166	130,007	286,417	(49,898)
X.	OTHER PROVISION EXPENSES (-)	IV-f	9,115	5,553	28,343	7,118
XI.	PERSONNEL EXPENSES (-)	IV-g	698,067	307,683	483,159	210,968
XII.	OTHER OPERATING EXPENSES (-)	IV-g	753,243	392,367	444,104	231,903
XIII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)		981,431	855,447	720,668	187,651
XIV.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-	-	-
XV.	PROFIT / (LOSS) ON EQUITY METHOD		-	-	-	-
XVI.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-	-	-
	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES					
XVII.	(XIII+...+XVI)	IV-h	981,431	855,447	720,668	187,651
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	IV-i	(21,160)	(31,580)	(11,002)	(16,817)
18.1	Provision for Current Income Taxes		9,901	222,048	(162,092)	(120,931)
18.2	Deferred Tax Expense Effect (+)		(31,061)	(253,628)	-	-
18.3	Deferred Tax Income Effect (-)		-	-	151,090	104,114
XIX.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVII±XVIII)	IV-j	960,271	823,867	709,666	170,834
XX.	INCOME ON DISCONTINUED OPERATIONS		-	-	-	-
20.1	Income on Assets Held for Sale		-	-	-	-
	Income on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Venture)		-	-	-	-
20.2	Income on Other Discontinued Operations		-	-	-	-
XXI.	LOSS FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1	Loss from Assets Held for Sale		-	-	-	-
	Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Venture)		-	-	-	-
21.2	Loss from Other Discontinued Operations		-	-	-	-
XXII.	PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XX-XXI)		-	-	-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
23.1	Provision for Current Income Taxes		-	-	-	-
23.2	Deferred Tax Expense Effect (+)		-	-	-	-
23.3	Deferred Tax Income Effect (-)		-	-	-	-
XXIV.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-	-	-
XXV.	NET PROFIT/LOSS (XIX+XXIV)	IV-k	960,271	823,867	709,666	170,834
	Earning / (loss) per share		0.4338	0.3722	0.3206	0.0772

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

ALTERNATİFBANK A.Ş.**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2025***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***IV. PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Reviewed Current Period 1 January- 30 June 2025	Reviewed Prior Period 1 January- 30 June 2024
I. CURRENT PERIOD PROFIT / LOSS	960,271	709,666
II. OTHER COMPREHENSIVE INCOME	154,078	195,633
2.1 Not Reclassified Through Profit or Loss	94,271	514,239
2.1.1 Property and Equipment Revaluation Increase / Decrease	(3,839)	635,466
2.1.2 Intangible Assets Revaluation Increase / Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurement Gain / Loss	(1,590)	(11,756)
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	2,763	-
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	96,937	(109,471)
2.2 Reclassified Through Profit or Loss	59,807	(318,606)
2.2.1 Foreign Currency Translation Differences	-	-
2.2.2 Valuation and / or Reclassification Income / Expense of the Financial Assets at Fair Value Through Other Comprehensive Income	115,424	(440,966)
2.2.3 Cash Flow Hedge Income / Loss	(29,815)	(15,204)
2.2.4 Income (Loss) Related with Hedges of Net Investments in Foreign Operations	-	-
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Losses	-	-
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(25,802)	137,564
III. TOTAL COMPREHENSIVE INCOME (I+II)	1,114,349	905,299

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

ALTERNATİFBANK A.Ş.
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2024

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

V. STATEMENT OF CHANGES IN EQUITY		Notes (Section Five)	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Profit/(Loss)	Current Period Profit/(Loss)	Total Shareholders Equity
							1	2	3	4	5	6				
Prior Period 1 January – 30 June 2024																
I.	Prior Period End Balance		2,213,740	54	-	-	744,269	(37,041)	-	-	(359,089)	10,644	1,404,660	380	1,885,431	5,863,048
II.	Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I+II)		2,213,740	54	-	-	744,269	(37,041)	-	-	(359,089)	10,644	1,404,660	380	1,885,431	5,863,048
IV.	Total Comprehensive Income		-	-	-	-	522,468	(8,229)	-	-	(307,962)	(10,644)	-	-	709,666	905,299
V.	Capital Increase by Cash	II-k	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase by Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Effect of Inflation on Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds to Share		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	1,765,894	-	(1,885,431)	(119,537)
11.1	Dividends Distributed		-	-	-	-	-	-	-	-	-	-	-	-	(119,537)	(119,537)
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	1,765,894	-	(1,765,894)	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance (III+...+ X+XI)			2,213,740	54	-	-	1,266,737	(45,270)	-	-	(667,051)	-	3,170,554	380	709,666	6,648,810

1. Accumulated revaluation increase/decrease of fixed asset,
2. Accumulated remeasurement gain/loss of defined benefit pension plan,
3. Other (shares of investments valued by equity method in other comprehensive income not classified through profit or loss and other accumulated amounts of other comprehensive income items not reclassified through other profit or loss),
4. Foreign currency translation differences,
5. Accumulated revaluation and/or remeasurement gain/loss of the financial assets at fair value through other comprehensive income,
6. Other (cash flow hedge gain/loss, shares of investments valued by equity method in other comprehensive income classified through profit or loss and other accumulated amounts of other comprehensive income items reclassified through other profit or loss)

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

ALTERNATİFBANK A.Ş.
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2025
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated).

V. STATEMENT OF CHANGES IN EQUITY						Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Profit/(Loss)	Current Period Profit/(Loss)	Total Shareholders Equity
Current Period 1 January – 30 June 2025						1	2	3	4	5	6				
	Note (Section Five)	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves										
I. Prior Period End Balance		2,213,740	54	-	-	1,791,632	(47,809)	2,722	-	(622,529)	(2,781)	3,170,554	380	448,631	6,954,594
II. Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)		2,213,740	54	-	-	1,791,632	(47,809)	2,722	-	(622,529)	(2,781)	3,170,554	380	448,631	6,954,594
IV. Total Comprehensive Income		-	-	-	-	92,621	(1,113)	2,763	-	80,677	(20,870)	-	-	960,271	1,114,349
V. Capital Increase by Cash	II-k	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Effect of Inflation on Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds to Share		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	-	448,631	(448,631)	-
11.1 Dividends Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	448,631	(448,631)	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance (III+...+ X+XI)		2,213,740	54	-	-	1,884,253	(48,922)	5,485	-	(541,852)	(23,651)	3,170,554	449,011	960,271	8,068,943

1. Accumulated revaluation increase/decrease of fixed asset,
2. Accumulated remeasurement gain/loss of defined benefit pension plan,
3. Other (shares of investments valued by equity method in other comprehensive income not classified through profit or loss and other accumulated amounts of other comprehensive income items not reclassified through other profit or loss),
4. Foreign currency translation differences,
5. Accumulated revaluation and/or remeasurement gain/loss of the financial assets at fair value through other comprehensive income,
6. Other (cash flow hedge gain/loss, shares of investments valued by equity method in other comprehensive income classified through profit or loss and other accumulated amounts of other comprehensive income items reclassified through other profit or loss)

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

ALTERNATİFBANK A.Ş.
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2025
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated).

VI. STATEMENT OF CASH FLOWS

	Note (Section Five)	Reviewed Current Period 1 January - 30 June 2025	Reviewed Prior Period 1 January - 30 June 2024
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit/ (Loss) Before Changes in Operating Assets and Liabilities		(3,176,681)	71,033
1.1.1 Interest Received		9,096,633	5,643,836
1.1.2 Interest Paid		(7,599,801)	(5,049,802)
1.1.3 Dividend Received		87	30,052
1.1.4 Fees and Commissions Received		575,168	362,954
1.1.5 Other Income		957,989	905,552
1.1.6 Collections from Previously Written-off Loans and Other Receivables		78,775	114,098
1.1.7 Payments to Personnel and Service Suppliers		(641,268)	(548,600)
1.1.8 Taxes Paid		(490,611)	(52,193)
1.1.9 Other		(5,153,653)	(1,334,864)
1.2 Changes in Operating Assets and Liabilities		5,513,168	(4,561,834)
1.2.1 Net (increase)/decrease in Financial Assets at Fair Value Through Profit or Loss		(51,374)	6,652
1.2.2 Net (increase)/decrease in Due from Banks and Other Financial Institutions		(1,885,558)	(546,273)
1.2.3 Net (increase)/decrease in Loans		(12,495,908)	(2,887,050)
1.2.4 Net (increase)/decrease in Other Assets		924,625	(1,647,984)
1.2.5 Net increase/(decrease) in Bank Deposits		92,895	(295,041)
1.2.6 Net increase/(decrease) in Other Deposits		7,744,854	269,644
1.2.7 Net increase/(decrease) in Financial Liabilities at Fair Value Through Profit or Loss		-	-
1.2.8 Net increase/(decrease) in Funds Borrowed		8,806,607	(3,824,021)
1.2.9 Net increase/(decrease) in Payables		-	-
1.2.10 Net increase/(decrease) in Other Liabilities		2,377,027	4,362,239
I. Net Cash Provided from Banking Operations		2,336,487	(4,490,801)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Provided from Investing Activities		(425,388)	682,845
2.1 Cash Paid for Acquisition of Investments, Associates and Subsidiaries		(55,000)	(10,000)
2.2 Cash Obtained from Disposal of Investments, Associates and Subsidiaries		-	-
2.3 Purchases of Property and Equipment		(203,893)	(167,636)
2.4 Disposals of Property and Equipment		854,356	77,425
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(1,449,291)	(7,652)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		260,882	6,449
2.7 Purchase of Financial Assets Measured at Amortised Cost		(1,076,812)	(51,320)
2.8 Sale of Financial Assets Measured at Amortised Cost		1,244,370	835,579
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities		(2,352,478)	(18,170)
3.1 Cash Obtained from Funds Borrowed and Securities Issued		307,791	18,021
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		(2,646,023)	(17,750)
3.3 Issued Capital Instruments		-	-
3.4 Dividends Paid		-	-
3.5 Payments for Finance Leases		(14,246)	(18,441)
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		1,963,034	865,409
V. Net Increase/ (Decrease) in Cash and Cash Equivalents (I+II+III+IV)		1,521,655	(2,960,717)
VI. Cash and Cash Equivalents at Beginning of the Period		11,842,996	9,614,631
VII. Cash and Cash Equivalents at End of the Period		13,364,651	6,653,914

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

ALTERNATİFBANK A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 JUNE 2025

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

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. Basis of Presentation

As prescribed in the Article 37 of the Banking Act No. 5411, the Bank prepares its financial statements and underlying documents in accordance with the "Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks" and other regulations, explanations and circulars on accounting and financial reporting principles announced by the Banking Regulation and Supervision Agency ("BRSA") and Turkish Accounting Standards ("TAS") published by Public Oversight Accounting and Auditing Standards Authority ("POA") except for BRSA regulations. TAS consists of Turkish Accounting Standards, Turkish Financial Reporting Standards and related appendices and interpretations.

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

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

In the announcement dated 23 November 2023 made by the POA, it was stated that the financial statements of companies applying TFRS for the annual reporting period ending on or after 31 December 2023 must be presented adjusted for the inflation effect within the scope of Financial Reporting in High Inflation Economies ("TAS 29"), however authorities or organizations authorized to regulate and supervise their fields are given the freedom to determine different transition dates for the implementation of inflation accounting. In this context, BRSA, with its decision dated 5 December 2024 and numbered 11021, decided that the financial statements of banks, financial leasing, factoring, financing, savings financing and asset management companies will not be subject to the inflation adjustment required within the scope of TAS 29. In this context, inflation adjustment required within the scope of TAS 29 is not implemented while preparing the financial statements as of 30 June 2025.

The accounting policies and valuation principles applied in the preparation of these financial statements and valuation principles are defined and applied in accordance with BRSA Accounting and Reporting Legislation. Those accounting policies and valuation principles are explained in Notes II to XXVIII below.

Additional paragraph for convenience translation to English:

The differences between accounting principles, as described in the preceding paragraphs and accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

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

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

The Bank does not have any investment in foreign companies as of 30 June 2025 and 31 December 2024.

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FOR THE INTERIM PERIOD ENDED 30 JUNE 2025

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

III. Explanations on Associates, Subsidiaries and Joint Ventures

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

The Bank has not any recognize as foreign currency association and subsidiaries as of 30 June 2025 and 31 December 2024.

The Bank has not any joint ventures as of 30 June 2025 and 31 December 2024.

IV. Interest Income and Expense

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

V. Fee and Commission Income and Expense

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

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

VI. Financial Assets

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

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

a. Financial Assets at Fair Value through Profit or Loss

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

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VI. Financial Assets (Continued)

b. Financial Assets at Fair Value through Other Comprehensive Income

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

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

Valuation of such assets is based on its fair value. "Unrealized gains and losses" arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income reflected and impairment of the asset and they are accounted under the "Accumulated other comprehensive income or expense to be reclassified through profit or loss" under shareholders' equity. In the case of disposal of securities at fair value through other comprehensive income, the value arising in the equity accounts as a result of fair value application is reflected in the income statement. However, for certain investments in equity instruments that would normally be measured at fair value through profit or loss, the Bank may irrevocably elect to recognize subsequent changes in fair value through other comprehensive income on initial recognition.

c. Financial Assets Measured at Amortized Cost

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

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

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

d. Derivative Financial Assets

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

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

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

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

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

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FOR THE INTERIM PERIOD ENDED 30 JUNE 2025

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VI. Financial Assets (Continued)

d. Derivative Financial Assets (Continued)

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

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

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

e. Loans

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

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

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

VII. Impairment of Financial Assets

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

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

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. Impairment of Financial Assets (Continued)

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

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

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

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

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

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

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

➤ **Definition of Default:**

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

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

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

ALTERNATİFBANK A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 JUNE 2025

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VIII. Offsetting Financial Instruments

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

IX. Sales and Repurchase Agreements and Securities Lending Transactions

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

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

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

X. Assets Held for Sale and Discontinued Operations

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

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

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

As of 30 June 2025 and 31 December 2024 The Bank has no discontinued operations.

ALTERNATİFBANK A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 JUNE 2025

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XI. Goodwill and Other Intangible Assets

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

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

XII. Property and Equipment

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

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

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

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

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

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

The Bank has started to account properties under the tangible assets with their revalued amount instead of cost values in accordance with "TAS 16 Plant and Equipment" on 31 December 2018. As of 30 June 2025, the revaluation difference arising from the valuations made by the appraisal firms authorized by Capital Markets Board ("CMB") and BRSA is accounted in Property and Equipment Revaluation Increase/Decrease line under the Shareholders' Equity.

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIII. Leasing Transactions

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

Right of use assets

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

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

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

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

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

The lease obligations:

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

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

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

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

As of 30 June 2025, net right of use assets are amounting to TL 36,367 and net lease liabilities are amounting to TL 42,313, respectively. (31 December 2024: net right of use assets TL 33,258, net lease liabilities TL 8,778).

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIV. Provisions, Contingent Commitments and Contingent Assets

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

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

XV. Obligations Related to Employee Rights

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

XVI. Taxation

a. Corporate tax

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

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

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

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

As stipulated in the Corporate Tax Law, 50% of gains derived from the sale of equity investments and immovable properties held for at least two years are tax exempt, if such gains are added to paid-in capital or held in a special account under shareholder's equity for five years. With the Law, No. 7456 promulgated in the Official Gazette, dated 15 July 2023, the exemption has been abolished for the properties to be acquired after the publication date of the decision, and if the properties acquired before this date are sold after the effective date of the decision, 25% of the sales gain will be exempt from corporate tax. Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods.

There is no practice of reconciling with the tax authority regarding taxes to be paid in Turkey. Tax returns are required to be filled and delivered to the related tax office until the evening of the last day of the fourth month following the balance sheet date. The accrued tax is paid until the end of the same month. Tax returns are open for five years from the beginning of the year following the date of filing during which period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVI. Taxation (Continued)

a. Corporate tax (Continued)

The corporate tax effects related to transactions accounted for directly in equity are also shown in equity. As of 31 December 2021, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298 of the Tax Procedure Law. These conditions are both the exceed in the increase of Producer Price Index in the last 3 accounting periods including current period by 100% and the exceed in the increase in the current period by 10%. However, temporary article 33 has been added on the Tax Procedure Law No. 213 with the regulation made with the Tax Procedure Law and the Law on Change in Corporate Tax Law No. 7352 published in the Official Gazette No.31734 dated 29 January 2022, the financial statements for the 2021 and 2022 accounting periods (as of the accounting periods ending in 2022 and 2023 for those who are assigned a special accounting period), including the provisional tax periods, are not subject to inflation adjustment, and for the 2023 accounting period; are not subject to inflation adjustment as of the provisional tax periods, and the financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. Profit/loss difference arising from inflation adjustment in the financial statements are to be shown in previous years' profit/loss accounts and does not affect the corporate tax base.

According to Article 17 of the Law No. 7491 on Amendments to Certain Laws and Decree Laws published in the Official Gazette No. 32413 dated 28 December 2023, it has become law that profit/loss differences arising from the inflation adjustment to be made in the 2024 and 2025 accounting periods, including the provisional tax periods, do not be taken into account in determining the income of banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361 dated 21 November 2012, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. Within the scope of this paragraph, the President is granted the authority to extend the periods determined herein, including interim tax periods, for a period equal to one accounting period.

With the Communiqué Amending the General Communiqué on Tax Procedure Law (line no. 547) published in the Official Gazette No. 32073 on 14 January 2023, the procedures and principles of the articles allowing the revaluation of real estates and depreciation units have been redrawn. Accordingly, economic assets subject to depreciation in the Bank's balance sheet are subject to revaluation until 30 September 2023, provided that they meet the conditions in the Tax Procedure Law's Provisional Article 32 and Reiterated Article 298/ç. Due to the inflation adjustment of the financial statements as of 31 December 2023, immovable properties and depreciable economic assets are not subject to revaluation as of 31 December 2023. Due to the realization of inflation accounting conditions, revaluation was not made after 30 September 2023, and inflation valuation was started. As a result of these transactions, the Tax Procedure Law depreciation to be subject to corporate tax is calculated over the current inflation-adjusted amounts.

b. Deferred taxes

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

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

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

As of 30 June 2025, 30% deferred tax has been calculated for assets and liabilities by the Bank.

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

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVI. Taxation (Continued)

c. Transfer pricing

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

XVII. Additional Explanations on Borrowings

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

XVIII. Explanations on Share Certificates and Issuance of Share Certificates

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

XIX. Explanations on Avalized Drafts and Acceptances

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

XX. Explanations on Government Incentives

As of 30 June 2025 and 31 December 2024, the Bank does not have any government incentives.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XXI. Profit Reserves and Profit Distribution

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

In accordance with the decision of the Ordinary General Assembly dated 27 March 2025, The Bank has decided to allocate 5% of the legal reserve over the net distributable profit, the remaining amount will not be distributed and will be allocated as Legal Reserves.

XXII. Earnings Per Share

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

	30 June 2025	30 June 2024
Profit/(Loss) Attributable to Shareholders	960,271	709,666
Weighted Average Number of Issued Ordinary Shares (Thousand)	2,213,740	2,213,740
Earnings/(Losses) Per Share (Disclosed in full TL)	0.4338	0.3206

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

The Bank has not issued any bonus shares in 2025. (31 December 2024: None).

XXIII. Related Parties

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

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

XXIV. Cash And Cash Equivalents

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

XXV. Amendments Accounting Policies of the Current Period

None.

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

None.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XXVII. Explanations on Other Matters

The Bank's current period unconsolidated financial statements are prepared comparatively with the prior period. In order to maintain consistency with the presentation of the current period unconsolidated financial statements, comparative information may be reclassified if necessary. The following comparative information has been reclassified to conform to the presentation of the current period financial statements.

Reclassifications:

Prior year provision reversals amounting to TL 626,852 presented under "Expense for Expected Losses" in the statement of profit or loss in prior periods have been reclassified under "Other Operating Income" in the comparative financial statements.

XXVIII. Operating Segments

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

- a) The Bank provides basic banking services in corporate/commercial banking and treasury.
- b) Corporate banking services consists of automatic money transfers, current accounts, deposits, open loan transactions as well as option and other derivative instruments that are used for banking operations.
- c) Investment banking services consists of trading of financial instruments and fund management.
- d) Other operations consist of subsidiaries and joint ventures, tangible assets, intangible assets, deferred tax asset and equity amounts and other income/loss accounts associated with these accounts.
- e) The Bank's software requirements, possible software updates and additional software requirements to compete with other firms are provided by the Bank.
- f) According to the table provided, share of each Bank's operating segment in the Balance sheet is as follows; corporate/retail banking 53%, investment banking 40% and other 7%.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XXVIII. Operating Segments (Continued)

Major balance sheet and income statement items based on operating segments

	Corporate / Retail Banking	Investment Banking	Other	Total Operations of the Bank
30 June 2025				
Net Interest Income/(Expense)	1,070,611	150,257	-	1,220,868
Net Fees and Commissions Income and Other Operating Income	1,647,383	(66,887)	-	1,580,496
Trading Profit/(Loss)	238,559	(339,988)	-	(101,429)
Dividend Income	-	87	-	87
Impairment Provision for Loans and Other Receivables (-)(*)	(255,802)	(2,364)	(9,115)	(267,281)
Other Operating and Personnel Expenses (-)	(1,263,687)	(187,623)	-	(1,451,310)
Profit/(Loss) Before Taxes	1,437,065	(446,519)	(9,115)	981,431
Tax Provision				(21,160)
Net Profit for the Period				960,271
30 June 2025				
Segment Assets	54,151,362	41,481,603	7,265,989	102,898,954
Investments in Associates and Subsidiaries	-	-	405,580	405,580
Total Assets	54,151,362	41,481,603	7,671,569	103,304,534
Segment Liabilities	44,981,283	39,386,473	10,867,835	95,235,591
Shareholders' Equity	-	-	8,068,943	8,068,943
Total Liabilities	44,981,283	39,386,473	18,936,778	103,304,534

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

	Corporate / Retail Banking	Investment Banking	Other	Total Operations of the Bank
30 June 2024				
Net Interest Income/(Expense)	1,448,966	3,625	-	1,452,591
Net Fees and Commissions Income and Other Operating Income	890,635	44,085	-	934,720
Trading Profit/(Loss)	(556,981)	102,309	-	(454,672)
Dividend Income	-	30,052	-	30,052
Impairment Provision for Loans and Other Receivables (-)(*)	(284,039)	(2,378)	(28,343)	(314,760)
Other Operating and Personnel Expenses (-)	(845,067)	(82,196)	-	(927,263)
Profit/(Loss) Before Taxes	653,514	95,497	(28,343)	720,668
Tax Provision				(11,002)
Net Profit for the Period				709,666
31 December 2024				
Segment Assets	40,031,615	36,523,574	6,078,494	82,633,683
Investments in Associates and Subsidiaries	-	-	350,580	350,580
Total Assets	40,031,615	36,523,574	6,429,074	82,984,263
Segment Liabilities	37,639,116	26,588,650	11,801,903	76,029,669
Shareholders' Equity	-	-	6,954,594	6,954,594
Total Liabilities	37,639,116	26,588,650	18,756,497	82,984,263

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

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SECTION FOUR

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK

I. Explanations on Shareholders' Equity

The standard rate of the capital adequacy of the Bank is 20.93% (31 December 2024: 27.94%).

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

a. Information on Shareholder's Equity

	30 June 2025	31 December 2024
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	2,213,740	2,213,740
Share issue premiums	54	54
Reserves	3,170,554	3,170,554
Gains recognized in equity as per TAS	2,166,028	2,074,516
Profit	1,409,282	449,011
Current Period Profit	960,271	448,631
Prior Period Profit	449,011	380
Minority shares	-	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	-	-
Common Equity Tier 1 Capital Before Deductions	8,959,658	7,907,875
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	72,575	50,592
Improvement costs for operating leasing (-)	26,735	35,092
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	481,187	404,914
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-

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

I. Explanations on Shareholders' Equity (Continued)

a. Information on Shareholder's Equity (Continued)

Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity		
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks		
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital		
Excess amount arising from mortgage servicing rights		
Excess amount arising from deferred tax assets based on temporary differences		
Other items to be defined by the BRSA		
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital		
Total Deductions From Common Equity Tier I Capital	580,497	490,598
Total Common Equity Tier I Capital	8,379,161	7,417,277
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums		
Debt instruments and premiums approved by BRSA	7,948,160	9,702,083
Debt instruments and premiums approved by BRSA(Temporary Article 4)		
Additional Tier I Capital before Deductions	7,948,160	9,702,083
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital		
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.		
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital		
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital		
Other items to be defined by the BRSA (-)		
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)		
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)		
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)		
Total Deductions From Additional Tier I Capital		
Total Additional Tier I Capital	7,948,160	9,702,083
Total Tier I Capital (Tier I Capital=Common Equity Tier 1 Capital+Additional Tier I Capital)	16,327,321	17,119,360
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA		
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)		
Provisions (Article 8 of the Regulation on the Equity of Banks)	412,265	372,301
Tier II Capital Before Deductions	412,265	372,301
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)		
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions		
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)		
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank		
Other items to be defined by the BRSA (-)		
Total Deductions from Tier II Capital		
Total Tier II Capital	412,265	372,301
Total Capital (The sum of Tier I Capital and Tier II Capital)	16,739,586	17,491,661
Total Tier I Capital and Tier II Capital (Total Equity)	16,739,586	17,491,661

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

I. Explanations on Shareholders' Equity (Continued)

a. Information on Shareholder's Equity (Continued)

Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	6,532	5,889
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Three Years	-	-
Other items to be defined by the BRSA	-	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	-	-
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
TOTAL CAPITAL		
Total Capital (The sum of Tier I Capital and Tier II Capital)	16,733,054	17,485,772
Total risk weighted amounts	79,935,583	62,579,813
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	10.48%	11.85%
Tier I Capital Adequacy Ratio (%)	20.43%	27.36%
Capital Adequacy Ratio (%)	20.93%	27.94%
BUFFERS		
Total Additional CET1 Capital Requirement Ratio (%)	2.50%	2.50%
Capital conservation buffer requirement (%)	2.50%	2.50%
Bank specific counter-cyclical buffer requirement (%)	0.00%	0.00%
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	5.98%	7.35%
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Remaining Mortgage Servicing Rights		
Amount arising from deferred tax assets based on temporary differences	-	-
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	412,265	372,301
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	412,265	372,301
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

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

I. Explanations on Shareholders' Equity (Continued)

b. Details on Subordinated Liabilities

Issuer		Alternatifbank A.Ş.
Unique identifier (eg CUSIP, ISIN)		XS2327872524
Governing law(s) of the instrument		English Law / Turkish Law on Subordinate Law
Regulatory treatment		
Subject to 10% deduction as of 1/1/2015		No
Eligible on Unconsolidated/ consolidated / both unconsolidated and consolidated		Valid on Consolidated and Unconsolidated Basis
Instrument type		Eurobond
Amount recognised in regulatory capital (Currency in million TL, as of most recent reporting date)		7,948,160
Par value of instrument (Million TL)		7,948,160
Accounting classification		347
Original date of issuance		31.03.2021
Demand or time		Demand
Original maturity date		-
Issuer call subject to prior supervisory approval		Yes
Optional call date, contingent call dates and redemption amount		Once every 5 years
Subsequent call dates, if applicable		Once every 5 years
Coupons / dividends		
Fixed or floating dividend/coupon		Fixed
Coupon rate and any related index		First 5 year 10.50% Fixed, following 5 year MS+9.546% Fixed
Existence of a dividend stopper		No interest will be charged for the value reduced after the value decrement date
Fully discretionary, partially discretionary or mandatory		Discretionary
Existence of step up or other incentive to redeem		-
Non-cumulative or cumulative		Non-cumulative
Convertible or non-convertible		
If convertible, conversion trigger (s)		-
If convertible, fully or partially		-
If convertible, conversion rate		-
If convertible, mandatory or optional conversion		-
If convertible, specify instrument type convertible into		-
If convertible, specify issuer of instrument it converts into		-
Write-down feature		
If write-down, write-down trigger (s)		When unsustainable situation is realized,value decrement is realized and less than 5.125%
If write-down, full or partial		Partial or completely value decrement is should be realized.
If write-down, permanent or temporary		Temporary
If temporary write-down, description of write-up mechanism		When unsustainable situation is realized,value decrement is realized and higher than 5.125%
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)		Before core capital, after all creditors
Whether conditions which stands in article of 7 and 8 of Banks' shareholder equity law are possessed or not		Possess
According to article 7 and 8 of Banks' shareholders equity law that are not possessed		-

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

I. Explanations on Shareholders' Equity (Continued)

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

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

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

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

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

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

II. Explanations on Credit Risk

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

III. Explanations on Currency Risk

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

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

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

Rate used:	USD	EUR
30.06.2025	39.7408	46.6074
27.06.2025	39.7424	46.5526
26.06.2025	39.6989	46.4941
25.06.2025	39.6392	45.9946
24.06.2025	39.5502	45.8819

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

USD: TL 39.3497
EUR: TL 45.3051

As of 30 June 2025;	USD	EUR
Rate used:	39.7408	46.6074

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

III. Explanations on Currency Risk (Continued)

a. Information on currency risk of the Bank

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

	EUR	USD	Other FC	Total
30 June 2025				
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	1,496,164	9,261,851	503,248	11,261,263
Banks	1,410,601	2,743,032	181,168	4,334,801
Financial Assets at Fair Value Through Profit and Loss (*)	9,812	1,116,885	57	1,126,754
Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	4,640,955	-	4,640,955
Loans (**)	9,300,115	16,285,586	-	25,585,701
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Financial Assets Measured at Amortised Cost	-	8,441,283	-	8,441,283
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets (***)	15,213	63,569	-	78,782
Total Assets	12,231,905	42,553,161	684,473	55,469,539
Liabilities				
Bank Deposits	64,798	602,267	11,344	678,409
Foreign Currency Deposits	2,846,884	8,006,588	2,733,151	13,586,623
Money Market Balances	-	11,453,372	-	11,453,372
Funds Borrowed From Other Financial Institutions	10,355,002	22,171,170	-	32,526,172
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	39,617	100,091	3,528	143,236
Derivative Financial Liabilities For Hedging Purposes	-	-	-	-
Other Liabilities (****)	94,449	1,099,395	1,009	1,194,853
Total Liabilities	13,400,750	43,432,883	2,749,032	59,582,665
Net Balance Sheet Position	(1,168,845)	(879,722)	(2,064,559)	(4,113,126)
Net Off-Balance Sheet Position	857,662	(766,579)	3,042,511	3,133,594
Financial Derivative Assets	27,847,975	22,592,360	4,015,645	54,455,980
Financial Derivative Liabilities	26,990,313	23,358,939	973,134	51,322,386
Non-Cash Loans (*****)	11,467,938	8,036,751	1,941,334	21,446,023
31 December 2024				
Total Assets	9,144,399	35,707,422	554,514	45,406,335
Total Liabilities	9,253,816	39,172,095	2,196,253	50,622,164
Net Balance Sheet Position	(109,417)	(3,464,673)	(1,641,739)	(5,215,829)
Net Off-Balance Sheet Position	234,787	1,944,162	1,487,022	3,665,971
Financial Derivative Assets	16,413,239	14,358,776	2,212,883	32,984,898
Financial Derivative Liabilities	16,178,452	12,414,614	725,861	29,318,927
Non-Cash Loans	7,312,648	7,626,740	1,438,634	16,378,022

(*) Accruals of derivative assets held for trading amounting to TL 508,008 (31 December 2024: TL 186,751) have been deducted from fair value through profit and loss.

(**) FC indexed loans and accruals amounting to TL 190,545 (31 December 2024: TL 132,864) are presented in loans.

(***) There is no accrual of spot transaction as of 30 June 2025 (31 December 2024: None.).

(****) Accruals of derivative liabilities held for trading amounting to TL 700,954 have been deducted from other liabilities as of 30 June 2025 (31 December 2024: TL 451,027).

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

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

IV. Explanations on Interest Rate Risk

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

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

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

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

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

30 June 2025	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic Turkey	11,675,324	-	-	-	-	4,215,811	15,891,135
Banks (*)	921,849	-	-	-	-	3,412,172	4,334,021
Financial Assets at Fair Value Through Profit and Loss	116,929	197,925	1,319,247	307,268	4,835	-	1,946,204
Money Market Placements	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	4,397,539	927,691	1,650,776	453,243	-	19,268	7,448,517
Loans (*)	9,046,525	6,419,419	25,280,788	13,507,732	926,449	(265,629)	54,915,284
Financial Assets Measured at Amortised Cost (*)	248,548	1,643,847	9,622,435	76,057	300,742	(2,972)	11,888,657
Other Assets (**)	-	-	-	-	-	6,880,716	6,880,716
Total Assets	26,406,714	9,188,882	37,873,246	14,344,300	1,232,026	14,259,366	103,304,534
Liabilities							
Bank Deposits (***)	864,914	-	-	-	-	74,092	939,006
Other Deposits	31,088,953	5,330,623	922,818	670	-	6,699,213	44,042,277
Money Market Balances	12,793,787	320,767	-	-	-	24,973	13,139,527
Miscellaneous Payables	-	-	-	-	-	556,733	556,733
Marketable Securities Issued	-	-	308,498	-	-	-	308,498
Funds Borrowed From Other Financial Institutions	386,355	5,873,985	26,303,438	-	-	-	32,563,778
Other Liabilities and Shareholders' Equity (****)	245,902	126,445	1,415,818	187,706	11,707	9,767,137	11,754,715
Total Liabilities	45,379,911	11,651,820	28,950,572	188,376	11,707	17,122,148	103,304,534
Balance Sheet Long Position	-	-	8,922,674	14,155,924	1,220,319	-	24,298,917
Balance Sheet Short Position	(18,973,197)	(2,462,938)	-	-	-	(2,862,782)	(24,298,917)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	(831,061)	(124,468)	(219,636)	-	-	-	(1,175,165)
Total Position	(19,804,258)	(2,587,406)	8,703,038	14,155,924	1,220,319	(2,862,782)	(1,175,165)

(*) Expected credit losses for financial assets is presented non-interest bearing on the table. Amounted to TL 2,153 were deducted from non-interest banks, amounted to TL 2,972 were deducted from non-interest financial assets measured at amortised.

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

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

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

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

IV. Explanations on Interest Rate Risk (Continued)

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

31 December 2024	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic Turkey	8,454,423	-	-	-	-	3,696,780	12,151,203
Banks (*)	2,911,209	-	-	-	-	1,755,900	4,667,109
Financial Assets at Fair Value Through Profit and Loss	113,327	354,803	348,123	48,649	11,342	-	876,244
Money Market Placements	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	4,883,969	575,866	2,449,485	-	-	16,504	7,925,824
Loans (*)	8,090,158	6,459,964	16,407,814	8,712,977	916,504	(251,218)	40,336,199
Financial Assets Measured at Amortised Cost (*)	180,179	2,427,021	8,039,534	-	261,440	(2,065)	10,906,109
Other Assets (**)	-	-	-	-	-	6,121,575	6,121,575
Total Assets	24,633,265	9,817,654	27,244,956	8,761,626	1,189,286	11,337,476	82,984,263
Liabilities							
Bank Deposits (***)	721,842	-	-	-	-	124,733	846,575
Other Deposits	25,868,438	4,138,121	1,226,159	60	-	5,559,763	36,792,541
Money Market Balances	8,826,648	268,744	2,566,675	-	-	-	11,662,067
Miscellaneous Payables	-	-	-	-	-	883,269	883,269
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	2,488,165	4,597,257	6,395,548	8,104,618	2,646,730	-	24,232,318
Other Liabilities and Shareholders' Equity (****)	94,043	165,682	192,418	173,104	10,122	7,932,124	8,567,493
Total Liabilities	37,999,136	9,169,804	10,380,800	8,277,782	2,656,852	14,499,889	82,984,263
Balance Sheet Long Position	-	647,850	16,864,156	483,844	-	-	17,995,850
Balance Sheet Short Position	(13,365,871)	-	-	-	(1,467,566)	(3,162,413)	(17,995,850)
Off-Balance Sheet Long Position	-	355,660	-	-	-	-	355,660
Off-Balance Sheet Short Position	(627,444)	-	(369,613)	(317,818)	-	-	(1,314,875)
Total Position	(13,993,315)	1,003,510	16,494,543	166,026	(1,467,566)	(3,162,413)	(959,215)

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

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

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

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

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

IV. Explanations on Interest Rate Risk (Continued)

b. Interest rate risk arising from banking accounts

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

c. Average interest rates applied to monetary financial instruments

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

30 June 2025	EUR	USD	Other FC	TL
Assets	(%)	(%)	(%)	(%)
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	41.16
Banks	-	-	-	-
Financial Assets at Fair Value Through Profit and Loss	-	8.08	-	59.97
Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	5.34	-	40.92
Loans and Receivables	6.71	6.90	-	46.74
Financial Assets Measured at Amortised Cost	-	5.06	-	44.86
Liabilities				
Bank Deposits	-	3.76	-	43.58
Other Deposits	1.13	3.17	-	49.58
Money Market Balances	-	5.68	-	46.03
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	46.97
Funds Borrowed From Other Financial Institutions	3.10	7.41	-	40.04

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

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

V. Explanation on Stock Position Risk

None.

VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.e. Information on current liquidity risk mitigation techniques

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

1.f. Information on the use of stress testing

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

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

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

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

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

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

2. Liquidity Coverage Ratio

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

	Consideration Ratio Unapplied to Total Value (*)		Consideration Ratio Applied to Total Value (*)	
	TL+FC	FC	TL+FC	FC
30 June 2025				
HIGH QUALITY LIQUID ASSETS				
1 High Quality Liquid Assets			16,750,981	10,603,803
CASH OUTFLOWS				
2 Retail and Small Business Customers	25,118,360	5,986,177	2,101,667	598,618
3 Stable Deposits	8,203,384	-	410,169	-
4 Less Stable Deposit	16,914,976	5,986,177	1,691,498	598,618
5 Unsecured Wholesale Funding	21,788,883	12,036,675	13,019,965	7,834,253
6 Operational Deposits	-	-	-	-
7 Non-operational Deposits	15,691,583	7,850,207	7,000,965	3,712,598
8 Other Unsecured Funding's	6,097,300	4,186,468	6,019,000	4,121,655
9 Secured Funding				
10 Other Cash Outflows	838,662	741,537	838,662	741,537
11 Derivative cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	838,662	741,537	838,662	741,537
12 Obligations related to structured financial products	-	-	-	-
13 Commitments related to debts to financial markets and other off-balance sheet obligations	-	-	-	-
14 Other revocable off-balance sheet commitments and contractual obligations	1,629,387	1,629,387	81,469	81,469
15 Other irrevocable or conditionally revocable off-balance sheet obligations	39,574,996	17,441,255	6,891,315	1,763,314
16 TOTAL CASH OUTFLOWS			22,933,078	11,019,191
CASH INFLOWS				
17 Secured lending	12,261	-	-	-
18 Unsecured lending	13,244,004	8,298,572	10,769,628	7,334,762
19 Other cash inflows	1,892,356	1,657,746	1,892,357	1,657,746
20 TOTAL CASH INFLOWS	15,148,621	9,956,318	12,661,985	8,992,508
			Total Adjusted Value	
21 TOTAL HIGH QUALITY ASSETS STOCKS			16,750,981	10,603,803
22 TOTAL CASH OUTFLOWS			10,271,093	3,032,508
23 LIQUIDITY COVERAGE RATIO (%)			163.09%	349.67%

(*) The average of the consolidated liquidity coverage ratio calculated by taking the monthly simple arithmetic average for the last three months, the average of the liquidity coverage ratio calculated by taking the weekly simple arithmetic average for the last three months.

The lowest, highest and average Liquidity Coverage Ratios in last three months period of 2025 are given in the table below.

30 June 2025	Highest	Date	Lowest	Date	Average
TL+FC	191.03%	09.05.2025	138.35%	23.05.2025	165.47%
FC	458.18%	20.06.2025	222.11%	30.05.2025	365.52%

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

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

2. Liquidity Coverage Ratio (Continued)

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

(*) The average of the consolidated liquidity coverage ratio calculated by taking the monthly simple arithmetic average for the last three months, the average of the liquidity coverage ratio calculated by taking the weekly simple arithmetic average for the last three months.

The lowest, highest and average Liquidity Coverage Ratios in last three months period of 2024 are given in the table below.

31 December 2024	Highest	Date	Lowest	Date	Average
TL+FC	175.73%	27.12.2024	126.10%	11.10.2024	137.70%
FC	355.60%	27.12.2024	223.38%	29.11.2024	295.99%

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

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

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

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

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

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

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

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

Basically deposits, loans and subordinated loans as unsecured debt items have the most significant portion in Bank's funding balances. As of 30 June 2025, the proportion of total liabilities to all deposits of the bank is 44% and borrowings constitutes 24% portion whereas subordinate debt is 8%. Secured borrowings such as repo transactions has lower portion (13%).

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

Cash outflows arising from derivative product balances are occurred when the derivative products liabilities are higher than the receivables. Net cash outflows increases when derivative liabilities exceed cash inflows originating from derivative instruments. As of 30 June 2025, derivative liabilities are amounting to TL 392,583 (31 December 2024: 153,000). In addition, cash outflow balances are reported with calculation against the change of derivatives fair value. This calculation is performed by checking the output margin within last 24 months of the counterparty balance. As of the reporting date, net margin balances for the past 24 months are calculated in 30-day periods and the maximum value calculated in the cash outflow direction is considered as cash outflow. In this context, according to calculations as of 30 June 2025, the liability balance is computed as TL 559,382 in case of a change in fair value of derivatives products (31 December 2024: TL 372,770).

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

As of 30 June 2025, 65% of the Bank's time deposit cap arised from retail banking. The remaining time deposits are constituted from legal entities. Another significant funding resource of borrowings generated from foreign banks (99%).

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

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

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

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

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

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

Breakdown of assets and liabilities according to their outstanding maturities

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and Over	Unclassified	Total
30 June 2025								
Assets								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	4,215,811	11,675,324	-	-	-	-	-	15,891,135
Due From Banks (****)	3,414,325	921,849	-	-	-	-	(2,153)	4,334,021
Financial Assets at Fair Value Through Profit and Loss	-	78,706	145,658	1,534,323	182,311	5,206	-	1,946,204
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income (****)	-	132,449	32,066	1,515,541	3,207,333	2,541,860	19,268	7,448,517
Loans(****)	-	5,723,756	7,251,262	22,159,998	15,799,571	4,246,326	(265,629)	54,915,284
Financial Assets Measured at Amortised Cost (****)	-	89,111	100,114	3,550,194	6,752,878	1,399,332	(2,972)	11,888,657
Other Assets (*) (****)	403,509	517,273	193,006	53,268	757	28,155	5,684,748	6,880,716
Total Assets	8,033,645	19,138,468	7,722,106	28,813,324	25,942,850	8,220,879	5,433,262	103,304,534
Liabilities								
Bank Deposits	74,092	864,914	-	-	-	-	-	939,006
Other Deposits (***)	6,699,213	31,088,948	5,330,628	922,818	670	-	-	44,042,277
Funds Borrowed From Other Financial Institutions (**)	-	393,258	3,069,545	18,945,172	1,997,116	8,158,687	-	32,563,778
Money Market Balances	24,974	12,640,961	320,766	152,826	-	-	-	13,139,527
Marketable Securities Issued	-	-	-	308,498	-	-	-	308,498
Miscellaneous Payables	-	-	-	-	-	-	556,733	556,733
Other Liabilities	-	1,578,113	126,446	1,433,498	187,706	11,709	8,417,243	11,754,715
Total Liabilities	6,798,279	46,566,194	8,847,385	21,762,812	2,185,492	8,170,396	8,973,976	103,304,534
Liquidity Gap	1,235,366	(27,427,726)	(1,125,279)	7,050,512	23,757,358	50,483	(3,540,714)	-
31 December 2024								
Total Assets	5,741,106	17,451,219	9,010,043	17,024,124	21,754,340	6,930,873	5,072,558	82,984,263
Total Liabilities	5,684,496	38,299,341	7,832,097	12,110,726	1,091,850	9,822,140	8,143,613	82,984,263
Liquidity Gap	56,610	(20,848,122)	1,177,946	4,913,398	20,662,490	(2,891,267)	(3,071,055)	-

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

(**) As explained in Section Three Footnote Number XXVI, primary subordinated loan amounting to TL 7,948,160 is shown in the column "Over 5 years" in "Funds borrowed from other financial institutions".

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

(****) Expected loss provision for financial assets is presented non-interest bearing on the table. Amounted to TL 2,153 were deducted from unclassified banks, amounted to TL 2,972 were deducted from unclassified financial assets measured at amortised cost.

(*****) Non-performing loans are shown in the "Unclassified" column after netting out with expected loss provisions.

Contractual maturity analysis of the Bank's derivative instruments

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

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

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

Net Stable Funding Ratio

Current Period		Unweighted Amount According to Residual Maturity				Total Weighted Amount
		Non Maturity	Residual maturity of less than 6 months	Residual maturity of six months and longer but less than one year	Residual maturity of one year or more	
Available stable funding						
1	Capital Instruments	-	-	-	17,320,081	17,320,081
2	Tier 1 Capital and Tier 2 Capital	-	-	-	17,320,081	17,320,081
3	Other Capital Instruments	-	-	-	-	-
4	Real-person and Retail Customer Deposits	2,331,980	24,203,961	19,216	673	24,321,362
5	Stable Deposits	537,437	7,881,052	3,134	673	8,001,182
6	Less Stable Deposits	1,794,542	16,322,909	16,082	-	16,320,180
7	Other Obligations	4,442,797	40,878,764	22,823,290	2,387,477	22,971,879
8	Operational deposits	-	-	-	-	-
9	Other Obligations	4,442,797	40,878,764	22,823,290	2,387,477	22,971,879
10	Liabilities equivalent to interconnected assets					
11	Other Liabilities	4,020,341	2,407,364	-	-	-
12	Derivative liabilities				1,583,900	
13	All other equity not included in the above categories	2,436,442	2,407,364	-	-	-
14	Available stable funding					64,613,321
Required stable funding						
15	Required stable funding					964,066
16	Deposits held at financial institutions for operational purposes	-	-	-	-	-
17	Performing Loans	5,803,337	22,838,435	16,323,235	13,745,430	34,477,388
18	Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	-	-	-	-	-
19	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	1,741,215	5,167,441	268,743	124,055	2,774,758
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	3,891,822	17,327,976	15,979,667	13,458,514	31,261,676
21	Loans with a risk weight of less than or equal to 35%	254,193	1,806,043	814,094	445,463	1,764,845
22	Residential mortgages	170,300	88,800	47,276	85,473	234,291
23	Residential mortgages with a risk weight of less than or equal to 35%	170,300	88,800	47,276	85,473	234,291
24	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	254,219	27,548	77,388	206,663
25	Assets equivalent to interconnected liabilities					
26	Other Assets	10,277,221	2,582,185	959,493	-	8,281,473
27	Physical traded commodities, including gold					-
28	Initial margin posted or given guarantee fund to central counterparty				879	747
29	Derivative Assets				1,833,046	249,146
30	Derivative Liabilities before the deduction of the variation margin				1,792,961	179,296
31	Other Assets not included above	6,650,335	2,582,185	959,493	-	7,852,284
32	Off-balance sheet commitments		44,769,175	-	-	2,238,459
33	Total Required stable funding					45,976,077
34	Net Stable Funding Ratio (%)					140.54%

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

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

Net Stable Funding Ratio (Continued)

Prior Period		Unweighted Amount According to Residual Maturity				Total Weighted Amount
		Non Maturity	Residual maturity of less than 6 months	Residual maturity of six months and longer but less than one year	Residual maturity of one year or more	
Available stable funding						
1	Capital Instruments	-	-	-	17,981,881	17,981,881
2	Tier 1 Capital and Tier 2 Capital	-	-	-	17,981,881	17,981,881
3	Other Capital Instruments	-	-	-	-	-
4	Real-person and Retail Customer Deposits	2,066,969	20,218,903	69,294	46	20,527,532
5	Stable Deposits	521,572	7,620,588	14,605	46	7,748,970
6	Less Stable Deposits	1,545,398	12,598,315	54,689	-	12,778,561
7	Other Obligations	3,617,527	36,272,024	7,410,723	962,308	12,603,872
8	Operational deposits	-	-	-	-	-
9	Other Obligations	3,617,527	36,272,024	7,410,723	962,308	12,603,872
10	Liabilities equivalent to interconnected assets					
11	Other Liabilities	2,122,117	2,494,622	-	-	-
12	Derivative liabilities				460,779	
13	All other equity not included in the above categories	1,661,337	2,494,622	-	-	-
14	Available stable funding					51,113,285
Required stable funding						
15	Required stable funding					964,617
16	Deposits held at financial institutions for operational purposes	-	-	-	-	-
17	Performing Loans	5,928,203	21,779,950	8,103,039	9,761,826	26,078,658
18	Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	-	-	-	-	-
19	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	1,622,719	6,428,067	492,336	177,364	3,010,461
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	4,145,684	15,187,600	7,574,533	9,491,683	22,792,031
21	Loans with a risk weight of less than or equal to 35%	135,956	2,114,391	732,943	768,031	2,011,259
22	Residential mortgages	159,801	76,742	36,171	33,965	182,404
23	Residential mortgages with a risk weight of less than or equal to 35%	159,801	76,742	36,171	33,965	182,404
24	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	87,541	-	58,814	93,762
25	Assets equivalent to interconnected liabilities					
26	Other Assets	7,488,378	2,561,246	669,422	-	7,301,689
27	Physical traded commodities, including gold	--				-
28	Initial margin posted or given guarantee fund to central counterparty				258,016	219,314
29	Derivative Assets				760,538	299,759
30	Derivative Liabilities before the deduction of the variation margin				469,380	46,938
31	Other Assets not included above	6,000,444	2,561,246	669,422	-	6,735,678
32	Off-balance sheet commitments		39,608,613	-	-	1,980,431
33	Total Required stable funding					36,325,394
34	Net Stable Funding Ratio (%)					140.71%

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

VII. Explanations on Leverage Ratio

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

The Bank's unconsolidated leverage ratio is 10.41% and calculated in compliance with "Regulation on Measurement and Evaluation of Leverage Levels of Banks" (31 December 2024: 13.13%). Increase in the leverage ratio is mainly due to the decrease in total risk. Regulation has been arrived at a decision of the minimum leverage ratio of 3%.

		30 June 2025 ^(*)	31 December 2024 ^(*)
	Assets in Balance Sheet		
1	On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	101,282,183	82,033,447
2	Assets deducted in determining Tier 1 capital	(477,834)	(402,775)
3	Total on-balance sheet risks (sum of lines 1 and 2) Derivative financial instruments and credit derivatives	100,804,349	81,630,672
	Derivative financial instruments and credit derivatives		
4	Replacement cost associated with all derivative financial instruments and credit derivatives	1,848,388	729,171
5	Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives	718,873	455,244
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5 (SCFT))	2,567,261	1,184,415
	Securities or commodity financing transactions		
7	Risks from SCFT assets of off-balance sheet	-	-
8	Risks from brokerage activities related exposures	-	-
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	-	-
	Off-balance sheet transactions		
10	Gross notional amounts of off-balance sheet transactions	55,286,743	54,090,233
11	(Adjustments for conversion to credit equivalent amounts)	(6,172,865)	(9,426,056)
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	49,113,878	44,664,177
	Capital and Total Risk		
13	Tier 1 capital	15,867,814	16,738,100
14	Total risks (sum of lines 3, 6, 9 and 12)	152,485,488	127,479,264
	Leverage ratio		
15	Leverage ratio (%)	10.41%	13.13%

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

VIII. Explanations on Fair Values of Financial Assets and Liabilities

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

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

None (31 December 2024: None).

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

X. Explanations on the Risk Management

a. Risk Management and General Information on Risk Weighted Amount

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. According to the Communiqué these notes have to be presented on a quarterly basis. Due to usage of standard approach for the calculation of capital adequacy by the Bank, the following tables have not been presented as of 30 June 2025:

- RWA flow statements of credit risk exposures under Internal Rating Based (IRB)
- RWA flow statements of CCR exposures under the Internal Model Method (IMM)
- RWA flow statements of market risk exposures under an Internal Model Approach (IMA)

1. The Bank's risk management approach

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

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

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

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

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

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

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

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

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

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

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

X. Explanations on the Risk Management (Continued)

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

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

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

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

2. Overview of Risk Weighted Amount

		Risk Weighted Amount		Minimum capital requirement
		30 June 2025	31 December 2024	30 June 2025
1	Credit risk (excluding counterparty credit risk) (CCR)	69,228,978	55,341,903	5,538,318
2	Standardised approach (SA)	69,228,978	55,341,903	5,538,318
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	3,373,980	2,168,215	269,918
5	Standardised approach for counterparty credit risk (SA-CCR)	3,373,980	2,168,215	269,918
6	Internal model method (IMM)	-	-	-
7	Basic risk weight approach to internal models equity position in the banking account	-	-	-
8	Investments made in collective investment companies – look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach	-	-	-
10	Investments made in collective investment companies - 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRBratings-basedapproach(RBA)	-	-	-
14	IRB Supervisory Formula Approach (SFA)	-	-	-
15	SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	2,641,013	958,838	211,282
17	Standardised approach (SA)	2,641,013	958,838	211,282
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	4,691,612	4,110,857	375,329
20	Basic Indicator Approach	4,691,612	4,110,857	375,329
21	Standard Approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total(1+4+7+8+9+10+11+12+16+19+23+24)	79,935,583	62,579,813	6,394,847

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

X. Explanations on the Risk Management (Continued)

b. Explanations on linkages between financial statements and risk amounts

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

c. Explanations on credit risk

1. Credit Quality of Assets

	Current Year	Gross carrying value in consolidated financial statements prepared in accordance with Turkish Accounting Standards (TAS)		Allowances/ impairment	Net values (a+b-c)
		Defaulted (a)	Non-defaulted (b)	c	d
1	Loans	509,871	50,027,251	775,503	49,761,619
2	Debt securities	-	19,493,510	128,266	19,365,244
3	Off-balance sheet exposures	121,581	40,259,985	78,965	40,302,601
4	Total	631,452	109,780,746	982,734	109,429,464

	Previous Year	Gross carrying value in consolidated financial statements prepared in accordance with Turkish Accounting Standards (TAS)		Allowances/ impairment	Net values (a+b-c)
		Defaulted (a)	Non-defaulted (b)	c	d
1	Loans	458,682	35,596,189	709,897	35,344,974
2	Debt securities	-	19,112,813	280,038	18,832,775
3	Off-balance sheet exposures	106,388	35,591,415	70,280	35,627,523
4	Total	565,070	90,300,417	1,060,215	89,805,272

2. Changes In Stock of Defaulted Loans And Debt Securities

		Amount (Current Year)	Amount (Previous Year)
1	Defaulted loans and debt securities at end of the previous reporting period	565,070	488,255
2	Loans and debt securities that have defaulted since the last reporting period	149,585	943,810
3	Receivables back to non-defaulted status	-	-
4	Amounts written off	(43)	(221,498)
5	Other changes	(83,160)	(645,497)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	631,452	565,070

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

X. Explanations on the Risk Management (Continued)

c. Explanations on credit risk (Continued)

3. Credit Risk Mitigation Techniques

		Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
	Current Year							
1	Loans	47,640,464	2,121,155	468,016	-	-	-	-
2	Debt securities	19,365,244	-	-	-	-	-	-
3	Total	67,005,708	2,121,155	468,016	-	-	-	-
4	Of which defaulted	(314,171)	91,155	10,097	-	-	-	-

		Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
	Previous Year							
1	Loans	34,129,369	1,215,605	508,894	-	-	-	-
2	Debt securities	18,832,775	-	-	-	-	-	-
3	Total	52,962,144	1,215,605	508,894	-	-	-	-
4	Of which defaulted	(301,160)	86,053	5,144	-	-	-	-

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

X. Explanations on the Risk Management (Continued)

c. Explanations on credit risk (continued)

4. Consolidated Credit Risk Exposure and Credit Risk Mitigation Techniques

	Current Year	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA Density
	Risk Classes						
1	Exposures to central governments or central banks	33,622,113	-	33,640,195	-	-	0.0%
2	Exposures to regional and local governments or local authorities	-	7,269,494	7,269,494	-	3,634,747	50.0%
3	Exposures to public sector entities	17	8,956	18	3,302	3,320	100.0%
4	Exposures to multilateral development banks	-	-	-	-	-	0.0%
5	Exposures to international organizations	-	-	-	-	-	0.0%
6	Exposures to institutions	10,534,565	4,918,190	6,406,516	4,294,024	4,329,713	40.5%
7	Exposures to corporates	38,807,723	41,550,659	38,625,267	33,702,867	58,142,334	80.4%
8	Retail exposures	1,298,237	550,305	1,239,198	74,142	985,005	75.0%
9	Exposures secured by residential property	417,620	136,057	410,093	74,073	169,458	35.0%
10	Exposures secured by commercial real estate	913,410	2,642	913,410	1,321	457,365	50.0%
11	Past-due loans	285,001	-	279,170	-	256,797	92.0%
12	High risk categories by the Agency Board	-	-	-	-	-	0.0%
13	Exposures in the form of covered bonds	-	-	-	-	-	0.0%
14	Exposures to institutions and corporates with a short term credit assessment	-	-	-	-	-	0.0%
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	0.0%
16	Other exposures	5,531,918	-	5,531,918	-	4,374,395	79.1%
17	Investments in equities	-	-	-	-	-	0.0%
18	Total	91,410,604	54,436,303	94,315,279	38,149,729	72,353,134	54.6%

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

XI. Explanations on the Risk Management (Continued)

c. Explanations on credit risk (Continued)

4. Credit Risk Exposure and Credit Risk Mitigation Techniques (Continued)

	Previous Year	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA Density
	Risk Classes						
1	Exposures to central governments or central banks	29,651,586	-	28,910,174	-	-	0.0%
2	Exposures to regional and local governments or local authorities	-	-	-	-	-	0.0%
3	Exposures to public sector entities	112	5,826	112	2,603	2,715	100.0%
4	Exposures to multilateral development banks	-	-	-	-	-	0.0%
5	Exposures to international organizations	-	-	-	-	-	0.0%
6	Exposures to institutions	8,951,793	5,020,026	4,890,321	4,515,533	3,934,873	41.8%
7	Exposures to corporates	31,887,022	34,651,122	31,634,959	27,885,195	45,471,708	76.4%
8	Retail exposures	616,950	492,677	573,561	49,409	467,228	75.0%
9	Exposures secured by residential property	298,931	85,435	286,441	47,767	116,973	35.0%
10	Exposures secured by commercial real estate	436,563	-	436,562	-	218,281	50.0%
11	Past-due loans	176,303	1	173,999	1	166,492	95.7%
12	High risk categories by the Agency Board	1,750,138	13,491	1,750,138	243	2,951,431	168.6%
13	Exposures in the form of covered bonds	-	-	-	-	-	0.0%
14	Exposures to institutions and corporates with a short term credit assessment	-	-	-	-	-	0.0%
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	0.0%
16	Other exposures	5,119,076	-	5,119,076	-	4,083,371	79.8%
17	Investments in equities	-	-	-	-	-	0.0%
18	Total	78,888,474	40,268,578	73,775,343	32,500,751	57,413,072	53.6%

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

X. Explanations on the Risk Management (Continued)

c. Explanations on credit risk (Continued)

5. Consolidated Exposures by Asset Classes and Risk Weights

Risk Classes and Risk Weights (Current Year)		0%	10%	20%	35% secured by real estate mortgage	50% secured by real estate mortgage	50%	75%	100%	150%	200%	Others	Total risk amount (post-CCF and CRM)
1	Exposures to central governments or central banks	33,640,195	-	-	-	-	-	-	-	-	-	-	33,640,195
2	Exposures to regional and local governments or local authorities	-	-	-	-	-	7,269,494	-	-	-	-	-	7,269,494
3	Exposures to public sector entities	-	-	-	-	-	-	-	3,320	-	-	-	3,320
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to institutions	-	-	3,467,736	-	-	7,193,276	-	39,528	-	-	-	10,700,540
7	Exposures to corporates	178,832	-	7,560,526	-	-	17,601,941	197	45,301,694	1,684,944	-	-	72,328,134
8	Retail exposures	-	-	-	-	-	-	1,313,340	-	-	-	-	1,313,340
9	Exposures secured by residential property	-	-	-	484,166	-	-	-	-	-	-	-	484,166
10	Exposures secured by commercial real estate	-	-	-	-	914,731	-	-	-	-	-	-	914,731
11	Past-due loans	-	-	-	-	-	87,778	-	148,361	43,031	-	-	279,170
12	High risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-	-	-
13	Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	-	-
16	Investments in equities	-	-	-	-	-	-	-	-	-	-	-	-
17	Other exposures	1,146,289	-	14,042	-	-	-	-	4,371,587	-	-	-	5,531,918
18	Total	34,965,316	-	11,042,304	484,166	914,731	32,152,489	1,313,537	49,864,490	1,727,975	-	-	132,465,008

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

X. Explanations on the Risk Management (Continued)

c. Explanations on credit risk (Continued)

5. Exposures by Asset Classes and Risk Weights (Continued)

	Risk Classes and Risk Weights (Previous Year)	0%	10%	20%	35% secured by real estate mortgage	50% secured by real estate mortgage	50%	75%	100%	150%	200%	Others	Total risk amount (post-CCF and CRM)
1	Exposures to central governments or central banks	28,910,174	-	-	-	-	-	-	-	-	-	-	28,910,174
2	Exposures to regional and local governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Exposures to public sector entities	-	-	-	-	-	-	-	2,715	-	-	-	2,715
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international Organizations	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to institutions	-	-	2,767,779	-	-	6,513,515	-	124,560	-	-	-	9,405,854
7	Exposures to corporates	-	-	8,492,020	-	-	14,509,652	17	36,518,465	-	-	-	59,520,154
8	Retail exposures	-	-	-	-	-	-	622,970	-	-	-	-	622,970
9	Exposures secured by residential property	-	-	-	334,208	-	-	-	-	-	-	-	334,208
10	Exposures secured by commercial real estate	-	-	-	-	436,562	-	-	-	-	-	-	436,562
11	Past-due loans	-	-	-	-	-	85,050	-	18,915	70,035	-	-	174,000
12	High risk categories by the Agency Board	-	-	-	-	-	-	-	-	1,657,279	-	93,102	1,750,381
13	Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	-	-
16	Equity share investments	-	-	-	-	-	-	-	-	-	-	-	-
17	Investments in equities	1,035,047	-	821	-	-	-	-	4,083,208	-	-	-	5,119,076
18	Total	29,945,221	-	11,260,620	334,208	436,562	21,108,217	622,987	40,747,863	1,727,314	-	93,102	106,276,094

ALTERNATİFBANK A.Ş.
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INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

X. Explanations on the Risk Management (Continued)

d. Explanations on counterparty credit risk

1. Consolidated Counterparty Credit Risk (CCR) Approach Analysis

	Current Year	Replacement cost	Potential future exposure	EEPE(Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	Standardised Approach - CCR (for derivatives)	2,176,447	413,947		1.4	3,626,552	1,636,387
2	Internal Model Method (for derivative financial instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions))					3,067,802	1,487,768
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					3,067,802	1,487,768
6	Total						3,124,155

ALTERNATİFBANK A.Ş.**NOTES TO THE UNCONSOLIDATED****FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2025***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)****X. Explanations on the Risk Management (Continued)****d. Explanations on counterparty credit risk (Continued)****1. Consolidated Counterparty Credit Risk (CCR) Approach Analysis (Continued)**

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

ALTERNATİFBANK A.Ş.**NOTES TO THE UNCONSOLIDATED****FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2025***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)****X. Explanations on the Risk Management (Continued)****d. Explanations on Counterparty Credit Risk (CCR) (Continued)****2. Consolidated Capital Requirement for Credit Valuation Adjustment (CVA)**

	Current Year	EAD post-CRM	RWA
	Total portfolio value with comprehensive approach CVA capital adequacy	-	-
1	(i) Value at Risk component (including the 3×multiplier)		-
2	(ii) Stressed Value at Risk component (including the 3×multiplier)		-
3	Total portfolio value with simplified approach CVA adequacy	293,388	249,825
4	Total subject to the CVA capital obligation	293,388	249,825

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

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

X. Explanations on the Risk Management (Continued)

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

3. CCR Exposures by Risk Class and Risk Weights

Current Year Risk weight/ Risk classes	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure (*)
Central governments and central banks receivables	-	-	-	-	-	-	-	-	-
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
International organizations receivables	-	-	-	-	-	-	-	-	-
Banks and intermediary institutions receivables	-	-	1,549,660	1,824,882	-	39,511	-	-	3,414,053
Corporate receivables	178,832	-	1,345,722	664,546	197	1,260,252	-	-	3,449,549
Retail receivables	-	-	-	-	605	-	-	-	605
Mortgage receivables	-	-	-	-	-	-	-	-	-
Non performing receivables	-	-	-	-	-	-	-	-	-
High risk defined receivables	-	-	-	-	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-
Short term credit rated banks and intermediary institutions receivables	-	-	-	-	-	-	-	-	-
Collective investment undertaking investments	-	-	-	-	-	-	-	-	-
Equity investments	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	178,832	-	2,895,382	2,489,428	802	1,299,763	-	-	6,864,207

(*) The amount of related to the capital adequacy calculation after applying counterparty credit risk measurement techniques

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

X. Explanations on the Risk Management (Continued)

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

3. CCR Exposures by Risk Class and Risk Weights (Continued)

Previous Year Risk weight/ Risk classes	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure (*)
Central governments and central banks receivables	-	-	-	-	-	-	-	-	-
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
International organizations receivables	-	-	-	-	-	-	-	-	-
Banks and intermediary institutions receivables	-	-	1,755,724	1,630,833	-	124,543	-	-	3,511,100
Corporate receivables	-	-	245,783	112,417	17	771,667	-	-	1,129,884
Retail receivables	-	-	-	-	88	-	-	-	88
Mortgage receivables	-	-	-	-	-	-	-	-	-
Non performing receivables	-	-	-	-	-	-	-	-	-
High risk defined receivables	-	-	-	-	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-
Short term credit rated banks and intermediary institutions receivables	-	-	-	-	-	-	-	-	-
Collective investment undertaking investments	-	-	-	-	-	-	-	-	-
Equity investments	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	-	-	2,001,507	1,743,250	105	896,210	-	-	4,641,072

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

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

X. Explanations on the Risk Management (Continued)

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

4. Collaterals for Consolidated CCR

Current Year	Collateral received		Collateral given		Fair value of collateral received	Fair value of collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	341,597	-
Cash-foreign currency	-	944,336	-	41,331,972	2,587,902	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	944,336	-	41,331,972	2,929,499	-

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

5. Credit Derivatives

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

6. Central counterparty risks (CCR)

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

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

X. Explanations on the Risk Management (Continued)

e. Explanations on securitisations

None.

f. Explanations on market risk

		RWA Current Period	RWA Prior Period
	Outright products		
1	Interest rate risk (general and specific)	156,538	97,275
2	Equity risk (general and specific)	-	-
3	Foreign exchange risk	2,341,925	727,350
4	Commodity risk	-	-
	Options		
5	Simplified approach	-	-
6	Delta-plus method	142,550	134,213
7	Scenario approach	-	-
8	Securitisation	-	-
9	Total	2,641,013	958,838

g. Explanations on operational risk

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

h. Explanations on banking book interest rate risk

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

i. Explanations on -credit risk mitigation techniques

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

j. Explanations on risk management objectives and policies

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

INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)**XI. Explanation on Hedge Accounting**

At the beginning of the association and throughout the ongoing process, the Bank evaluates whether the hedging method is effective on the changes in the expected fair values of the relevant instruments in the period in which the method is applied, or whether the effectiveness of each hedge on the actual results is between 80% and 125%.

Changes in fair values of derivative transactions determined as hedge for fair value are recorded in profit or loss together with changes in hedging asset or liability. The difference in current values of derivative transactions fair value hedge is shown in "Trading Gains/Losses on derivative financial instruments" account. In the balance sheet, change in fair value of hedge asset or liability during the hedge accounting to be effective is shown with the related asset or liability. If the underlying hedge does not conform to the hedge accounting requirements, according to the adjustments made to the carrying value (amortised cost) of the hedged item, for which the risk is hedged by a portfolio hedge, are amortized with the straight line method within the time to maturity and recognized under the "Trading gains/losses on derivative financial instruments" account.

As of 30 June 2025, the Bank has no derivative transactions determined as fair value hedging.

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

	30 June 2025			31 December 2024		
	Principal Amount (*)	Asset	Liability	Principal Amount (*)	Asset	Liability
Derivative financial instruments						
Interest rate swaps	4,500,000	32,056	36,769	1,300,000	6,764	1,751
Total	4,500,000	32,056	36,769	1,300,000	6,764	1,751

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

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

SECTION FIVE

EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Notes on Assets

a. Information on cash and balances with the Central Bank of Republic of Turkey ("CBRT")

1. Information on cash and the account of the CBRT

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
Cash in Vault/Effectives	53,873	486,378	42,468	552,562
CBRT	4,575,193	10,758,849	3,598,537	7,956,790
Other	806	16,036	736	110
Total	4,629,872	11,261,263	3,641,741	8,509,462

2. Information on the account of the CBRT

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
Demand Unrestricted Amount (*)	4,266,144	4,222,309	3,576,396	3,003,214
Time Restricted Amount	-	-	-	-
Reserve Requirement	309,049	6,536,540	22,141	4,953,576
Total	4,575,193	10,758,849	3,598,537	7,956,790

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

3. Information on reserve requirements

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

As of 30 June 2025, the Turkish lira required reserve ratios are determined to be within the range of 3% - 40% depending on the maturity structure of deposits denominated in Turkish Lira (31 December 2024: 3% - 33%), and other foreign currency liabilities within the range of 5% - 32% (31 December 2024: 5% - 30%).

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As of 30 June 2025, the Bank have no financial assets at fair value through profit/loss subject to repo transactions (31 December 2024: None) and have no financial assets at fair value through profit and loss given as collateral/blocked amount (31 December 2024: None).

c. Positive differences related to derivative financial assets

	30 June 2025 ^(*)		31 December 2024 ^(*)	
	TL	FC	TL	FC
Forward Transactions	17,347	148,839	60,726	13,889
Swap Transactions	-	486,121	248,335	331,153
Options	241,556	995,187	99,250	117,350
Total	258,903	1,630,147	408,311	462,392

(*) Hedging derivative financial assets are excluded.

d. Information on banks**1. Information on banks**

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
Banks				
Domestic	1,373	307,707	14,576	2,960,225
Foreign	-	4,027,094	-	1,694,092
Total	1,373	4,334,801	14,576	4,654,317

2. Information on foreign banks

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

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

As of 30 June 2025, financial assets at fair value through other comprehensive income given as collateral/blocked are amounting to TL 24,997 (31 December 2024: TL 560,563). As of 30 June 2025 financial assets at fair value through other comprehensive income those subject to repurchase agreements TL 6,036,927 (31 December 2024: TL 5,321,958). Real estate investment fund amounting to TL 132,454 (31 December 2024: TL 115,191). As of 30 June 2025, the share certificates amounting to TL 19,268 (31 December 2024: TL 16,504).

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

	30 June 2025	31 December 2024
Debt Securities	7,524,509	8,182,536
Quoted on Stock Exchange	7,392,055	8,067,345
Not Quoted (*)	132,454	115,191
Share Certificates	19,268	16,504
Quoted on Stock Exchange	1	1
Not Quoted	19,267	16,503
Impairment Provision (-)	127,316	279,980
Total	7,416,461	7,919,060

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

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)
I. Explanations and Notes on Assets (Continued)
g. Explanations on loans

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

	30 June 2025		31 December 2024	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Shareholders	-	5,434	-	4,254
Corporate Shareholders	-	5,434	-	4,254
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	584	218	650	1,357
Loans Granted To Employees	28,599	-	24,101	-
Total	29,183	5,652	24,751	5,611

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

Current Period		Loans Under Close Monitoring		
		Restructured Loans		
		Loans Not Subject to Restructuring	Loans with Revised Contract Terms	Refinance
Cash Loans(*)	Standard Loans			
Non-specialized Loans	51,821,604	355,009	3,004,303	-
Loans given to	-	-	-	-
Export Loans	9,141,470	32,027	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	1,378,032	-	-	-
Consumer Loans	1,371,602	19,363	1,070	-
Credit Cards	49,189	1,608	-	-
Other	39,881,311	302,011	3,003,233	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	51,821,604	355,009	3,004,303	-

(*) Factoring receivables are included.

Prior Period		Loans Under Close Monitoring		
		Restructured Loans		
		Loans Not Subject to Restructuring	Loans with Revised Contract Terms	Refinance
Cash Loans(*)	Standard Loans			
Non-specialized Loans	37,246,018	568,855	2,772,547	-
Loans given to	-	-	-	-
Export Loans	9,257,797	74,298	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	2,629,076	-	-	-
Consumer Loans	722,250	5,341	278	-
Credit Cards	57,022	5,100	-	-
Other	24,579,873	484,116	2,772,269	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	37,246,018	568,855	2,772,547	-

(*) Factoring receivables are included.

ALTERNATİFBANK A.Ş.**NOTES TO THE UNCONSOLIDATED****FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2025***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and Notes on Assets (Continued)****g. Explanations on loans (Continued)**

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

Current Period (*)

	Standard Loans	Loans Under Close Monitoring
12 Month Expected Credit Losses	196,155	-
Significant Increase in Credit Risk	-	353,449

(*) Expected loss provision amounting to TL 2,972 calculated for financial assets measured at amortized cost is not included.

Prior Period (*)

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

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

3. Loans according to their maturity structure

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

ALTERNATİFBANK A.Ş.**NOTES TO THE UNCONSOLIDATED****FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2025***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and Notes on Assets (Continued)****g. Explanations on loans (Continued)****4. Information on consumer loans, individual credit cards, personnel loans and personnel credit cards**

	Short-term	Medium and Long-term	Total
Consumer Loans-TL	561,851	786,822	1,348,673
Real Estate Loans	-	48,026	48,026
Automotive Loans	-	498	498
Consumer Loans	561,851	738,298	1,300,149
Other	-	-	-
Consumer Loans-FC Indexed	-	-	-
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	21,973	-	21,973
With Installments	2,637	-	2,637
Without Installments	19,336	-	19,336
Individual Credit Cards- FC	271	-	271
With Installments	-	-	-
Without Installments	271	-	271
Personnel Loans-TL	11,360	16,130	27,490
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	11,360	16,130	27,490
Other	-	-	-
Personnel Loans-FC Indexed	-	-	-
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	944	-	944
With Installments	82	-	82
Without Installments	862	-	862
Personnel Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Credit Deposit Account-TL (Individuals) (*)	15,872	-	15,872
Credit Deposit Account-FC (Individuals)	-	-	-
Total	612,271	802,952	1,415,223

(*) TL 165 of the credit deposit account consist of personnel loans.

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes on Assets (Continued)

g. Explanations on loans (Continued)

5. Information on commercial installment loans and corporate credit cards

	Short-term	Medium and long-term	Total
Commercial Installments Loans-TL	892,871	11,254,108	12,146,979
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	892,871	11,254,108	12,146,979
Other	-	-	-
Commercial Installments Loans-FC Indexed	-	-	-
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Installments Loans-FC	-	4,404,703	4,404,703
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	4,404,703	4,404,703
Other	-	-	-
Corporate Credit Cards-TL	27,179	-	27,179
With Installment	172	-	172
Without Installment	27,007	-	27,007
Corporate Credit Cards-FC	430	-	430
With Installment	-	-	-
Without Installment	430	-	430
Credit Deposit Account-TL (Legal Person)	99,317	-	99,317
Credit Deposit Account-FC (Legal Person)	-	-	-
Total	1,019,797	15,658,811	16,678,608

6. Loans according to types of borrowers

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

7. Distribution of domestic and foreign loans

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

	30 June 2025	31 December 2024
Domestic Loans	55,179,523	40,586,635
Foreign Loans	1,393	785
Total	55,180,916	40,587,420

8. Loans given to investments in associates and subsidiaries

As of 30 June 2025, there are loans granted to associates and subsidiaries amount to TL 166,866 (31 December 2024: TL 189,498).

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

	30 June 2025	31 December 2024
Loans with Limited Collectability	28,053	24,580
Loans with Doubtful Collectability	30,146	53,898
Uncollectible Loans	167,700	129,410
Total	225,899	207,888

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes on Assets (Continued)

g. Explanations on loans (Continued)

10. Information on non-performing loans (Net)

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
30 June 2025			
Gross Amounts Before Provisions	-	63,781	4,303
Restructured Loans	-	63,781	4,303
31 December 2024			
Gross Amounts Before Provisions	-	-	5,129
Restructured Loans	-	-	5,129

(ii). Information on total non-performing loans:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
31 December 2024	103,885	209,960	144,837
Addition (+)	123,706	850	5,451
Transfers from Other Categories of Non-performing Loans (+)	-	160,308	160,215
Transfers to Other Categories of Non-performing Loans (-)	(160,308)	(160,215)	-
Collections (-)	(35,714)	(38,887)	(4,174)
Write-offs (-)	(19)	(2)	(22)
Sold Portfolio (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
30 June 2025	31,550	172,014	306,307
Provisions (-)	28,053	30,146	167,700
Net Balance on Balance Sheet	3,497	141,868	138,607

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

As at the balance sheet date there are no non-performing loans denominated in foreign currencies (31 December 2024: None).

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes on Assets (Continued)

g. Explanations on loans (Continued)

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

(iv). Information on gross and net amounts of non-performing loans based on types of borrowers:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
30 June 2025 (Net)	3,497	141,868	138,607
Loans to Real Persons and Legal Entities (Gross)	31,550	172,014	306,307
Specific Provision Amount (-)	(28,053)	(30,146)	(167,700)
Loans to Real Persons and Legal Entities (Net)	3,497	141,868	138,607
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
31 December 2024 (Net)	79,305	156,062	15,427
Loans to Real Persons and Legal Entities (Gross)	103,885	209,960	144,837
Specific Provision Amount (-)	(24,580)	(53,898)	(129,410)
Loans to Real Persons and Legal Entities (Net)	79,305	156,062	15,427
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
Current Period (Net)	-	-	-
Interest accruals and valuation differences	-	-	83,322
Provision (-)	-	-	(83,322)
Prior Period (Net)	-	-	-
Interest accruals and valuation differences	-	-	71,022
Provision (-)	-	-	(71,022)

11. Explanation on liquidation policy for uncollectible loan and receivable

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

12. Explanations on write-off policy

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

ALTERNATİFBANK A.Ş.**NOTES TO THE UNCONSOLIDATED****FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2025***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and Notes on Assets (Continued)****h. Information on financial assets measured at amortised cost**

1. Information on financial assets subject to repurchase agreements and those given as collateral/blocked

(i). Financial assets measured at amortised cost

As of 30 June 2025, Bank's financial assets measured at amortised cost are amounting to TL 11,891,629 (31 December 2024: TL 10,908,174).

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
Given as collateral/blocked	66,593	-	231,286	-
Subject to repurchase agreements	507,673	8,328,204	-	8,355,365
Other	2,876,080	113,079	2,274,742	46,781
Total	3,450,346	8,441,283	2,506,028	8,402,146

2. Information on debt securities measured at amortised cost

	30 June 2025	31 December 2024
Government Bonds	8,441,283	8,402,146
Treasury Bills	1,820,697	1,742,450
Other Government Debt Securities	-	-
Total	10,261,980	10,144,596

3. Financial assets measured at amortised cost

	30 June 2025	31 December 2024
Debt Securities	11,891,629	10,908,174
Quoted to Stock Exchange	11,891,629	10,908,174
Not Quoted to Stock Exchange	-	-
Impairment Provision (-)	-	-
Total	11,891,629	10,908,174

4. Movement of financial assets measured at amortised cost

	30 June 2025	31 December 2024
Balance at the Beginning of the Period	10,908,174	9,601,665
Effect of Reclassifications and Measurements in accordance with IFRS 9	1,151,013	1,700,744
Transfers from Investment Securities Available for Sale (*)	1,076,812	756,278
Disposals Through Sales and Redemptions	(1,244,370)	(1,150,513)
Impairment Provision (-)	-	-
Balance at the End of the Period	11,891,629	10,908,174

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

i. Information on investments in associates (Net)

The Bank has no investments in associates as of 30 June 2025 (31 December 2024: None).

ALTERNATİFBANK A.Ş.**NOTES TO THE UNCONSOLIDATED****FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2025***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and Notes on Assets (Continued)****j. Information on subsidiaries (Net)****1. Information on shareholders' equity of the significant subsidiaries**

There is no capital requirement arising from subsidiaries included in the consolidated capital adequacy standard ratio of the Bank.

2. Information on subsidiaries

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

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

No	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / (Loss)	Prior Period Profit / Loss(**)	Fair value
1 (*)	625,693	148,391	14,330	33,013	4,181	(1,112)	6,540	-
2 (*)	7,538,264	679,805	190,858	534,133	-	100,467	42,285	-

(*) The above mentioned subsidiaries' financial data are taken from the financial statements prepared for the BRSA consolidation as of 30 June 2025.

(**) These balances represents 30 June 2024 data.

3. The movement of the subsidiaries

	30 June 2025	31 December 2024
Balance at the Beginning of the Period	350,580	340,580
Movements During the Period	55,000	10,000
Purchases (*)	55,000	10,000
Transfers	-	-
Bonus Shares Obtained	-	-
Share in Current Year Income	-	-
Sales	-	-
Revaluation (Decrease) / Increase	-	-
Provision for Impairment	-	-
Balance at the End of the Period	405,580	350,580
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*) The paid capital of Alternatif Menkul Değerler A.Ş was increased by TL 55,000 in cash with extraordinary General Assembly decision dated 5 March 2025.

EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes on Assets (Continued)**j. Information on subsidiaries (Net) (Continued)****4. Sectoral information on financial subsidiaries and the related carrying amounts**

Subsidiaries	30 June 2025	31 December 2024
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	292,165	292,165
Finance Companies	-	-
Other Financial Subsidiaries	113,415	58,415

5. Subsidiaries quoted on stock exchange

There are no subsidiaries quoted on stock exchange (31 December 2024: None).

k. Information on joint ventures

There are no joint ventures (31 December 2024: None).

l. Information on lease receivables (net)

There are no receivables from lease transactions (31 December 2024: None).

m. Information on hedging derivative financial assets

	30 June 2025 (*)		31 December 2024 (*)	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	32,056	-	6,764	-
Net Investment Hedge in a foreign operation	-	-	-	-
Fair Value Hedge	32,056	-	6,764	-

(*) Explained in Section Four Footnote Number XI.

n. Tangible assets

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

o. Intangible assets

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

p. Information on investment property

There is no investment property (31 December 2024: None).

ALTERNATİFBANK A.Ş.**NOTES TO THE UNCONSOLIDATED****FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2025***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****I. Explanations and Notes on Assets (Continued)****q. Explanations about deferred tax asset**

As of 30 June 2025, the Bank has deferred tax asset amounting to TL 856,185 (31 December 2024: TL 816,111 deferred tax asset) in the financial statements.

As of 30 June 2025 and 31 December 2024, the details of temporary differences and deferred tax assets and liabilities are presented below:

	30 June 2025		31 December 2024	
	Tax Base	Deferred Tax Amount	Tax Base	Deferred Tax Amount
Deferred Tax Asset/(Liability)				
Tangible Assets Base Differences	1,601,307	480,392	1,461,916	438,575
Provisions	827,243	248,173	757,150	227,145
Valuation of Financial Assets	299,667	89,900	383,789	115,137
Commission Deferral	125,730	37,720	117,513	35,254
Financial Losses	-	-	-	-
Other	-	-	-	-
Net Deferred Tax Assets		856,185		816,111

	1 January 2025 – 30 June 2025	1 January 2024 – 30 June 2024
1 January Net Deferred Tax Asset/(Liability)	816,111	427,288
Deferred Tax (Expense)/Income	(31,061)	151,090
Deferred tax recognized in other comprehensive income	71,135	28,093
30 June Net Deferred Tax Asset/(Liability)	856,185	606,471

r. Movement of assets held for resale and discontinued operations

	30 June 2025	31 December 2024
Beginning of the period	963,253	405,658
Disposals (-)	(378,900)	(16,105)
Additions	-	573,700
Current period depreciation (-)	-	-
Impairment provision (-)	-	-
End of the Period	584,353	963,253

s. Information on other assets

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

ALTERNATİFBANK A.Ş.
NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2025
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).
EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)
II. Explanations and Notes on Liabilities
a. Information on deposits
1. Information on maturity structure of deposits/the funds collected
(i). 30 June 2025:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months - 1 year	1 year and over	Accumulated Deposits	Total
Saving Deposits	1,294,445	-	10,161,551	8,109,054	1,098,177	39,261	63,145	-	20,765,633
Foreign Currency Deposits	4,004,727	-	4,036,008	4,269,991	47,138	15,342	792	-	12,373,998
Residents in Turkey	3,891,630	-	4,010,699	3,881,899	25,717	15,342	792	-	11,826,079
Residents Abroad	113,097	-	25,309	388,092	21,421	-	-	-	547,919
Public Sector Deposits	572,321	-	-	-	-	-	-	-	572,321
Commercial Deposits	468,868	-	1,704,279	5,678,642	978,727	153,923	29,381	-	9,013,820
Other Institutions Deposits	6,796	-	7,619	89,465	-	-	-	-	103,880
Precious Metal Deposits	352,056	-	295,748	512,494	31,536	20,791	-	-	1,212,625
Bank Deposits	74,092	-	864,914	-	-	-	-	-	939,006
The CBRT	24,973	-	-	-	-	-	-	-	24,973
Domestic Banks	105	-	596,180	-	-	-	-	-	596,285
Foreign Banks	49,014	-	268,734	-	-	-	-	-	317,748
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	6,773,305	-	17,070,119	18,659,646	2,155,578	229,317	93,318	-	44,981,283

(ii). 31 December 2024:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months - 1 year	1 year and over	Accumulated Deposits	Total
Saving Deposits	1,193,091	-	9,235,825	5,153,639	1,069,043	115,555	127,007	-	16,894,160
Foreign Currency Deposits	3,509,756	-	2,645,289	7,429,099	117,857	24,978	703	-	13,727,682
Residents in Turkey	3,400,419	-	2,608,084	7,086,156	95,909	10,303	703	-	13,201,574
Residents Abroad	109,337	-	37,205	342,943	21,948	14,675	-	-	526,108
Public Sector Deposits	250,234	-	-	-	-	-	-	-	250,234
Commercial Deposits	374,611	-	1,338,359	2,767,696	381,754	14,406	23,928	-	4,900,754
Other Institutions Deposits	5,578	-	3,514	40,892	105	-	-	-	50,089
Precious Metal Deposits	226,493	-	197,103	470,872	69,932	5,222	-	-	969,622
Bank Deposits	124,733	-	721,842	-	-	-	-	-	846,575
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	115	-	176,226	-	-	-	-	-	176,341
Foreign Banks	124,618	-	545,616	-	-	-	-	-	670,234
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	5,684,496	-	14,141,932	15,862,198	1,638,691	160,161	151,638	-	37,639,116

EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes on Liabilities (Continued)

a. Information on deposits (Continued)

2. Information on saving deposits insurance

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

	Under the Guarantee of Deposit Insurance		Exceeding Limit of the Deposit Insurance	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
Saving Deposits				
Saving Deposits	7,337,431	6,965,410	10,698,646	9,913,214
Foreign Currency Savings Deposit	1,096,454	1,107,839	4,504,080	4,199,594
Other Deposits in the Form of Savings Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	-	-	-	-

3. The explanation of if the centrally located bank's savings deposits held at its branch in Turkey and the special current accounts of individuals that are not subject to commercial transactions are covered by insurance in the country where the headquarters is located, this should be disclosed

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

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

	30 June 2025	31 December 2024
Deposits and Other Accounts in Foreign Branches	-	-
Deposits and Other Accounts of Main Shareholders and their Families	-	-
Deposits and Other Accounts of President of Board of Directors, Members of Board of Directors, Vice General Managers and Their Families	45,420	117,800
Deposits and Other Accounts of Property Assets Value due to Crime Which is in the Scope of Article 282 of Numbered 5237 "TCL" Dated 26/9/2004	-	-
Deposits in Banks Incorporated in Turkey Exclusively for Off-shore Banking Operations	-	-

b. Table of negative differences for trading derivative financial liabilities

1. Information on derivative financial liabilities

	30 June 2025 ^(*)		31 December 2024 ^(*)	
	TL	FC	TL	FC
Forward Transactions	6,548	69,375	13	33,851
Swap Transactions	11,598	586,747	-	399,964
Futures Transactions	-	-	-	-
Options	217,373	950,215	87,659	64,525
Total	235,519	1,606,337	87,672	498,340

(*) Derivative financial liabilities for hedging purpose are excluded.

ALTERNATİFBANK A.Ş.**NOTES TO THE UNCONSOLIDATED****FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2025***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and Notes on Liabilities (Continued)****c. Information on banks and other financial institutions****1. General information on banks and other financial institutions**

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
The CBRT Borrowings	-	152,826	-	126,393
From Domestic Banks and Institutions	37,606	591	18,031	932
From Foreign Banks, Institutions and Funds	-	24,214,067	7,174	14,188,041
Total	37,606	24,367,484	25,205	14,315,366

2. Information on maturity profile of borrowings

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
Short-term	37,606	1,243,481	25,205	1,324,122
Medium and Long-term	-	23,124,003	-	12,991,244
Total	37,606	24,367,484	25,205	14,315,366

3. Disclosures for concentration areas of bank's liabilities

As of 30 June 2025, the Bank has securities issued amounting to TL 308,498 (31 December 2024: None).

d. Information on other liabilities

Other foreign liabilities amounting to TL 1,155,944 are included in "Other Liabilities" (31 December 2024: TL 565,202) and do not exceed 10% of the total balance sheet.

e. Information on financial lease agreements**i). Information of financial lease liabilities**

	30 June 2025		31 December 2024	
	Gross	Net	Gross	Net
Less than 1 year	14,673	6,052	4,046	1,447
1-4 year	37,477	23,623	17,925	6,410
More than 4 year	18,729	12,638	2,577	921
Total	70,879	42,313	24,548	8,778

f. Information on hedging derivative financial liabilities

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
Fair Value Hedges	-	-	-	-
Cash Flow Hedges	36,769	-	1,751	-
Foreign Currency Investment Hedges	-	-	-	-
Total	36,769	-	1,751	-

EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes on Liabilities (Continued)

g. Information on provisions

1. Provisions for employee benefits

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

In accordance with the revised TAS 19 Standard, Actuarial losses has recognized under the equity, amount of after deferred tax TL 1,113 as of 30 June 2025 (30 June 2024: TL 8,229 Actuarial Loss).

The following actuarial assumptions were used in the calculation of total liabilities.

	30 June 2025	31 December 2024
Discount Rate(%)	2.81	2.81
Ratio Used for Probability of Pension (%)	86.67	86.67

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

As of 30 June 2025, The Bank has provision for employee benefits amount of TL 32,012 (31 December 2024: TL 31,202) provision of unused vacation amount of TL 16,020 (31 December 2024: TL 14,421).

2. Information on Provisions Related with the Foreign Currency Difference of Foreign Indexed Loans

As of 30 June 2025, there is no provision related to the foreign currency difference of foreign currency indexed loans (31 December 2024: None). When the provision related to the foreign currency difference of foreign currency indexed loans occurs, these amounts are netted with loans in the financial statements.

3. Other Provisions

	30 June 2025	31 December 2024
Provisions for Unindemnified Non-cash Loan	116,972	109,682
Provision for Litigation and Claims	58,077	77,767
Bonus Provision	71,589	13,453
Provision for Miscellaneous Receivables	793	730
Total	247,431	201,632

h. Information on taxes payable

1. Information on current tax liability

As of 30 June 2025, there is no corporate tax liability (31 December 2024: None).

(i) Explanations on Tax Liabilities

	30 June 2025	31 December 2024
Corporate Tax Payable	-	-
Taxation of Marketable Securities	187,181	99,213
Banking Insurance Transaction Tax (BITT)	83,551	58,744
Value Added Tax Payable	493	5,774
Property Tax	286	373
Foreign Exchange Transaction Tax	731	665
Other	20,877	19,861
Total	293,119	184,630

ALTERNATİFBANK A.Ş.**NOTES TO THE UNCONSOLIDATED****FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2025***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and Notes on Liabilities (Continued)****h. Information on taxes payable (Continued)****1. Information on current tax liability (Continued)****(ii) Information on premium payables**

	30 June 2025	31 December 2024
Social Security Premiums - Employee	6,605	6,458
Social Security Premiums - Employer	7,858	7,228
Bank Pension Fund Premiums - Employee	-	-
Bank Pension Fund Premiums - Employer	-	-
Pension Fund Deposit and Provisions - Employee	-	-
Pension Fund Deposit and Provisions - Employer	-	-
Unemployment Insurance - Employee	472	461
Unemployment Insurance - Employer	944	923
Other	4,446	4,200
Total	20,325	19,270

2. Deferred tax liability

None (31 December 2024: None).

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

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

j. Subordinated debts

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

ALTERNATİFBANK A.Ş.**NOTES TO THE UNCONSOLIDATED****FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2025***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****II. Explanations and Notes on Liabilities (Continued)****k. Information on shareholders' equity****1. Presentation of paid-in capital (As of nominal; non-adjusted amounts according to inflation)**

	30 June 2025	31 December 2024
Common Stock (*)	2,213,740	2,213,740
Preferred Stock	-	-

(*)It refers to the nominal capital.

2. Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share capital ceiling (As of nominal; non-adjusted amounts according to inflation)

The Bank applies registered share capital system. The Bank's registered capital is TL 8,000,000,000 (Eight billion Turkish Liras) and all are divided into 8.000.000.000 shares in the name of the holder with a nominal value of TL 1 (one Turkish Lira).

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

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

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

	30 June 2025		31 December 2024	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	5,485	-	2,722	-
Valuation Difference	(455,193)	(86,659)	(520,415)	(102,113)
Foreign Currency Difference	-	-	-	-
Total	(449,708)	(86,659)	(517,693)	(102,113)

9. Information on other capital reserves

None.

EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and Notes on Off-Balance Sheet Accounts

a. Information on off balance sheet commitments

1. The amount and type of irrevocable commitments

According to Direct Debiting System, there is TL 827,813 irrevocable loan commitments as of 30 June 2025 (31 December 2024: TL 803,626).

2. Type and amount of probable losses and obligations arising from off-balance sheet items

There are no probable losses and obligations arising from off-balance sheet items. Obligations arising from off-balance sheet are disclosed in "Off-Balance Sheet Commitments".

(i). Non-cash loans including guarantees, bank avalized and acceptance loans, collaterals that are accepted as financial guarantees and other letters of credit

	30 June 2025	31 December 2024
Letter of Credits	9,098,677	7,222,272
Bank Acceptance Loans	2,587,941	624,838
Guarantees and Collaterals	1,504,998	1,073,382
Total	13,191,616	8,920,492

(ii). Guarantees, sureties and other similar guarantees

	30 June 2025	31 December 2024
Definite Letter of Guarantees	24,198,993	22,597,796
Advance Letter of Guarantee	617,563	632,686
Letter of Guarantees Given to Customs	111,773	400,808
Temporary Letter of Guarantees	440,143	82,748
Total	25,368,472	23,714,038

3. Non-cash loans

(i). Total amount of non-cash loans

	30 June 2025	31 December 2024
Non-Cash Loans against Cash Risks	15,122,627	13,963,234
With Original Maturity of 1 Year or Less	4,545,746	5,262,076
With Original Maturity of More Than 1 Year	10,576,881	8,701,158
Other Non-Cash Loans	28,445,911	24,514,396
Total	43,568,538	38,477,630

ALTERNATİFBANK A.Ş.
NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2025
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).

EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

a. Information on off balance sheet commitments (Continued)

3. Non-cash loans (Continued)

(ii). Other information on non-cash loans

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

(iii). Non-cash loans classified under Group I and II:

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

b. Information on derivative financial instruments

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

c. Explanations on credit derivatives and risk exposures on credit derivatives

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

d. Explanations on contingent liabilities and assets

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

e. Explanations on services rendered on behalf of third parties

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

ALTERNATİFBANK A.Ş.**NOTES TO THE UNCONSOLIDATED****FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2025***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. Explanations And Notes on Income Statement****a. Information on interest income****1. Information on interest income on loans**

	30 June 2025		30 June 2024	
	TL	FC	TL	FC
Short-term Loans	3,502,259	834,098	3,118,190	490,564
Medium/Long-term Loans	2,067,644	191,627	1,005,486	144,017
Interest on Loans Under Follow-up	28,277	-	54,793	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
Total (*)	5,598,180	1,025,725	4,178,469	634,581

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

2. Information on interest income on banks

	30 June 2025		30 June 2024	
	TL	FC	TL	FC
From the CBRT (*)	980,934	4	60,132	23,999
From Domestic Banks	29,252	23,948	13,325	19,233
From Foreign Banks	-	46,781	-	51,871
Headquarters and Branches Abroad	-	-	-	-
Total	1,010,186	70,733	73,457	95,103

(*) Interest incomes from Turkish Lira and Foreign Currency reserves, unrestricted accounts and reserve options which provided by CBRT has shown in "From the CBRT" line.

3. Information on interest income on marketable securities

	30 June 2025		30 June 2024	
	TL	FC	TL	FC
From Financial Assets at Fair Value Through Other Comprehensive Income	480,382	123,754	766,829	107,888
From Financial Assets Measured at Amortised Cost	496,286	211,486	217,567	207,774
From Financial Assets At Fair Value Through Profit or Loss	9,454	208	1,251	1,255
Total	986,122	335,448	985,647	316,917

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

	30 June 2025	30 June 2024
Interest Received from Associates and Subsidiaries	45,732	87,969

ALTERNATİFBANK A.Ş.
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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations And Notes on Income Statement (Continued)

b. Information on interest expense

1. Information on interest expense on borrowings

	30 June 2025		30 June 2024	
	TL	FC	TL	FC
Banks	6,548	623,068	8,786	799,036
CBRT	-	-	-	-
Domestic Banks	5,916	161	7,449	2,156
Foreign Banks	632	622,907	1,337	796,880
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	408,364	-	515,289
Total (*)	6,548	1,031,432	8,786	1,314,325

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

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

	30 June 2025	30 June 2024
Interest Paid to Associates and Subsidiaries	2,295	2,595

3. Information on interest expense to marketable securities issued

	30 June 2025	30 June 2024
Interest Expense to Marketable Securities Issued	41,049	-

ALTERNATİFBANK A.Ş.
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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)
IV. Explanations And Notes on Income Statement (Continued)
b. Information on interest expense (Continued)
4. Information on interest rate and maturity structure of deposits

		Time Deposit						Total
30 June 2025	Demand Deposit	Up to 1 Months	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit	
Turkish Lira								
Bank Deposits	-	62,091	-	-	-	-	-	62,091
Savings Deposits	-	2,223,524	1,383,213	216,823	16,173	21,326	-	3,861,059
Public Deposits	-	370	-	-	-	-	-	370
Commercial Deposits	-	471,422	1,057,899	209,409	13,690	4,591	-	1,757,011
Other Deposits	-	3,585	7,677	12	-	2	-	11,276
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Total	-	2,760,992	2,448,789	426,244	29,863	25,919	-	5,691,807
Foreign Currency								
Foreign Currency Account	-	45,869	95,719	616	347	1	-	142,552
Bank Deposits	-	2,952	-	-	-	-	-	2,952
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	273	1,622	394	43	-	-	2,332
Total	-	49,094	97,341	1,010	390	1	-	147,836
Grand Total	-	2,810,086	2,546,130	427,254	30,253	25,920	-	5,839,643

		Time Deposit						Total
30 June 2024	Demand Deposit	Up to 1 Months	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit	
Turkish Lira								
Bank Deposits	-	81,334	-	-	-	-	-	81,334
Savings Deposits	-	1,265,764	548,230	386,624	67,689	5,012	-	2,273,319
Public Deposits	-	-	-	-	-	-	-	-
Commercial Deposits	-	240,283	229,724	91,849	-	21,400	-	583,256
Other Deposits	-	1,599	1,691	688	-	1	-	3,979
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Total	-	1,588,980	779,645	479,161	67,689	26,413	-	2,941,888
Foreign Currency								
Foreign Currency Account	-	16,504	44,475	450	252	919	-	62,600
Bank Deposits	-	1,405	-	-	-	-	-	1,405
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	146	1,065	234	34	66	-	1,545
Total	-	18,055	45,540	684	286	985	-	65,550
Grand Total	-	1,607,035	825,185	479,845	67,975	27,398	-	3,007,438

EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations And Notes on Income Statement (Continued)

b. Information on interest expense (Continued)

5. Given interest amount on repurchase agreement

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

6. Information's on leasing expense

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

7. Information on given interest for factoring transaction

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

ALTERNATİFBANK A.Ş.**NOTES TO THE UNCONSOLIDATED****FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2025***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. Explanations And Notes on Income Statement (Continued)****c. Justify on dividend income**

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

d. Information on trading profit/loss (Net)

	30 June 2025	30 June 2024
Profit	539,976,476	106,155,863
Profit from Capital Market Transactions	5,422	2,364
Derivative Financial Transactions	3,016,822	1,429,403
Foreign Exchange Gains	536,954,232	104,724,096
Loss (-)	540,077,905	106,610,535
Loss from Capital Market Transactions	3,011	130
Derivative Financial Transactions	2,422,795	1,214,033
Foreign Exchange Loss	537,652,099	105,396,372
Net Profit/Loss	(101,429)	(454,672)

e. Explanations about other operating income

For the period ended 30 June 2025, other operating income includes income from assets to be disposed of adjustment to previous years's expenses and income from other operations. The amount of the banks other operating income in the current period is TL 1,188,006 (30 June 2024: TL 725,957).

f. Expected provision losses and other provision losses

	30 June 2025	30 June 2024
Expected Credit Loss	258,166	286,417
12 month expected credit loss (stage 1)	55,182	141,124
Significant increase in credit risk (stage 2)	131,571	113,845
Non-performing loans (stage 3)	71,413	31,448
Marketable Securities Impairment Expense	2,364	2,378
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	2,364	2,378
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other	6,751	25,965
Total	267,281	314,760

ALTERNATİFBANK A.Ş.**NOTES TO THE UNCONSOLIDATED****FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2025***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. Explanations And Notes on Income Statement (Continued)****g. Information related to personnel expenses and other operating expenses**

	30 June 2025	30 June 2024
Personnel Expenses	690,927	472,712
Reserve for Employee Termination Benefits	3,480	2,400
Unused Vacation	3,660	8,047
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	68,705	29,035
Impairment Expenses of Intangible Assets	-	-
Impairment Expense of Goodwill	-	-
Amortisation Expenses of Intangible Assets	100,225	56,263
Impairment Expenses of Equity Participations Accounted for under Equity Method	-	-
Impairment Expenses of Assets Held For Sale	-	-
Depreciation Expenses of Assets Held for Sale	-	-
Impairment Expenses of Tangible Assets Held for Sale	-	-
Other Operating Expenses	407,756	285,627
Other Expenses	1,951	80
Advertising Expenses	4,423	3,268
Maintenance Expenses	11,250	12,228
Operational Lease Expenses	390,132	270,051
Loss on Sales of Assets	6,522	1,625
Other (*)	170,035	71,554
Total	1,451,310	927,263

(*) Other operating charges is TL 11,115 except premium of The Savings Deposit Insurance Fund and tax amounting to TL 158,920 (30 June 2024: Other operating charges is TL 9,598 except Premium of The Savings Deposit Insurance Fund and tax amounting to TL 61,956).

EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations And Notes on Income Statement (Continued)

h. Justify on profit and loss from continuing operations before tax

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

i. Explanations on for taxes on income from continuing operations

For the period ended 30 June 2025, the Bank has current tax income amounting to TL 9,901 (30 June 2024: TL 162,092 current tax expense), and deferred tax expense amounting to TL 31,061 (30 June 2024: TL 151,090 deferred tax income).

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

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

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

1) Interest income from ordinary banking transactions is TL 9,186,241 (30 June 2024: TL 6,330,168), interest expense is TL 7,965,373 (30 June 2024: TL 4,877,577).

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

ALTERNATİFBANK A.Ş.**NOTES TO THE UNCONSOLIDATED****FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2025***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****IV. Explanations And Notes on Income Statement (Continued)**

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

Fees and Commissions Received - Other	30 June 2025	30 June 2024
Credit Card Pos Commissions	5,592	4,777
Banking Service Income	-	-
Insurance Commissions	85,041	66,827
Account Management Fee Commission	27,790	2,697
Credit Early Termination Compensation	8,030	248
Transfer Commissions	238	286
Expertise Commissions	1,927	1,351
Export Letters of Credit Commissions	103,807	3,901
Other	65,097	21,518
Total	297,522	101,605
Fees and Commissions Paid - Other	30 June 2025	30 June 2024
Clearing Commissions	459	2,883
Debit Card Fees and Commissions	33,230	17,015
Commissions Granted to Correspondent Banks	4,042	2,819
Bonds Commissions	1,534	-
Fees and Commissions on Foreign Currency Transactions	34	34
Transfer Commissions	2,310	1,803
Commissions for Effective and Future Transactions	858	2,868
CBRT Interbank Money Market	657	778
Other	28,675	13,973
Total	71,799	42,173

V. Explanations and Notes on Changes in Shareholders' Equity

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

VI. Explanations And Notes on Statement Of Cash Flows

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

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

EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)
VII. Explanations and Notes on Bank's Risk Group
a. The volume of transactions relating to the Bank's risk group, outstanding loan and deposit transactions and profit and loss of the period

30 June 2025

	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Bank's Risk Group (*) (**)						
Loans and Other Receivables						
Balance at the Beginning of the Period	189,498	3,255	-	4,254	650	1,357
Balance at the End of the Period	166,866	1,771,336	-	5,434	584	218
Interest and Commission Income Received	45,732	-	-	202	3	20

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

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

31 December 2024

	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Bank's Risk Group (*) (**)						
Loans and Other Receivables						
Balance at the Beginning of the Period	1,249,882	256	-	3,742	771	1,607
Balance at the End of the Period	189,498	3,255	-	4,254	650	1,357
Interest and Commission Income Received (***)	87,969	-	-	240	1,343	1,362

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

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

(***) 30 June 2024 balances used for income accounts.

Information on deposits of the Bank's risk group

Bank's Risk Group (*)	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024	30 June 2025	31 December 2024
Deposit						
Beginning of the Period	92,744	126,805	-	-	143,589	90,557
End of the Period	717,581	92,744	-	-	71,865	143,589
Interest Expense on Deposits (**)	2,295	2,595	-	-	-	-

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

(**) 30 June 2024 balances used for expense accounts.

ALTERNATİFBANK A.Ş.**NOTES TO THE UNCONSOLIDATED****FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2025***(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated).***EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)****VII. Explanations and Notes on Bank's Risk Group (Continued)****a. The volume of transactions relating to the Bank's risk group, outstanding loan and deposit transactions and profit and loss of the period (Continued)**

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

Bank's Risk Group (*)	Associates , subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024	30 June 2025	31 December 2024
Transactions for trading purposes						
Beginning of the Period (**)	-	-	-	-	-	-
End of the Period (**)	-	-	-	-	-	-
Total Profit / Loss (***)	-	16,027	-	9,388	-	-
Transactions for hedging purposes						
Beginning of the Period (**)	-	-	-	-	-	-
End of the Period (**)	-	-	-	-	-	-
Total Profit / Loss (***)	-	-	-	-	-	-

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

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

(***) 30 June 2024 balances used for income / expense accounts

b. With respect to the Bank's risk group

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

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

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

	Total Risk Group	Share in Financial Statements (%)
Deposits	789,446	1.76%
Non-cash Loans	1,776,988	4.08%
Loans	167,450	0.30%
Subordinated Loan	-	-

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

3. Equity accounted transactions

None.

EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

b. With respect to the Bank's risk group (Continued)

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

As of 30 June 2025, there is no financial leasing agreement between the Bank and Alternatif Finansal Kiralama A.Ş. The Bank has also cost sharing agreements with Alternatif Finansal Kiralama A.Ş. and Alternatif Menkul Değerler A.Ş.

The Bank allocates cash and non-cash loans to the risk group of the Bank within limits of Banking Laws and that amount is 1.97% of total cash and non-cash loan amount (31 December 2024: 0.25%).

5. Information on Other Liabilities

None.

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

Benefits provided to the Bank's key management amount to TL 66,007 as of 30 June 2025 (30 June 2024: TL 53,289).

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

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

IX. Explanations and Notes on Subsequent Events

None.

ALTERNATİFBANK A.Ş.
NOTES TO THE UNCONSOLIDATED
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SECTION SIX
OTHER EXPLANATIONS

I. Other Explanations Related to Bank's Operations

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

Fitch Ratings: September 2024	
Foreign Currency	
Long Term	BB-
Short Term	B
Local Currency	
Long Term	BB-
Short Term	B
National Note	AA(tur)
Support Note	bb-
Financial Capacity Note	b
Outlook	Stable

Moody's: July 2024	
Foreign Currency	
Long Term	Ba3
Short Term	NP
Local Currency	
Long Term	Ba2
Short Term	NP
National Long Term	Aaa.tr
National Short Term	TR-1
Outlook	Positive

SECTION SEVEN

EXPLANATIONS ON THE AUDITOR'S REVIEW REPORT

I. Explanations on the Independent Auditor's Review Report

The Bank's unconsolidated financial statements and footnotes to be disclosed to public as of 30 June 2025 have been reviewed by KMPG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the independent auditor's review report dated 4 August 2025 has been presented at the beginning of this report.

II. Explanations and Footnotes Prepared by Independent Auditor

None.

ALTERNATİFBANK A.Ş.
NOTES TO THE UNCONSOLIDATED
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SECTION EIGHT

I. Interim Period Activity Report Consisting Bank Chairman and CEO's Evaluation in Reference to Interim Period Activities

Abstract Financial Information About the Term Activity Results

The unconsolidated financial statements with explanations related to these and financial data compatible to footnotes that prepared according to Financial Tables that will be Announced to Public by Banks with Explanations Related to these and Footnotes Communique which has been regulated by Council of Bank Audit and Regulation regarding to the Bank's 1 January – 30 June 2025 activity period is below.

Actual Figures	30 June 2025	31 December 2024	30 June 2024
Loans (net)	54,915,284	40,336,205	34,976,985
Marketable securities	19,365,244	18,832,775	17,473,843
Deposits	44,981,283	37,639,116	24,892,566
Total Assets	103,304,534	82,984,263	68,426,539
Equity	8,068,943	6,954,594	6,648,810
Profit /(Loss) Before Taxes	981,431	277,598	720,668
Profit /(Loss)	960,271	448,631	709,666

Message from the Chairman

Dear Stakeholders,

The second quarter of 2025 continued to be shaped by the global economic outlook, geopolitical tensions, and uncertainties surrounding trade policies. The United States decision to raise tariffs on certain countries, particularly China, and the increasing geopolitical risks in the Middle East have led to fluctuations in global trade flows and heightened market volatility. While these developments prompted investors to seek safe havens and put pressure on global growth expectations, investments in strategic areas such as artificial intelligence and green transformation stood out as promising developments supporting long-term growth potential. We believe this transformation will shape not only global economies but also the future of financial systems.

Despite these global challenges, the Turkish economy maintained its resilient stance in the second quarter of 2025. The tight monetary policy pursued by the Central Bank of the Republic of Türkiye and fiscal discipline contributed significantly to the establishment of price stability and macroeconomic balances. Following price increases in April, the observed slowdown in inflation and the rebalancing of domestic demand indicated a healthy growth process. Policies focusing on digitalisation and sustainability continued to strengthen Türkiye's investment climate. In alignment with this vision, Alternatif Bank sustained its steady progress in the second quarter, supported by the long-term commitment of Commercial Bank. The Bank's performance, driven by its strong capital base, effective risk management, and customer-centric approach, is a clear reflection of its resolute advancement towards strategic goals. Innovative solutions in digital banking, concrete steps in sustainability, and investments aimed at enhancing customer experience played a key role in the Bank's financial results.

The transformation programme, successfully implemented in recent years, continued in the second quarter of 2025 in the form of an initiative deeply embedded into the organisational culture, further strengthening Alternatif Bank's competitive position in the sector. We are confident that the Bank will continue contributing to the national economy and creating sustainable value for all its stakeholders in the upcoming period.

On this occasion, I would like to once again underline, on behalf of Commercial Bank, our confidence in and strong support for Alternatif Bank's strategic journey. I sincerely congratulate the Bank's senior management and all employees on the successful completion of the second quarter and thank them for their dedicated and determined efforts.

Yours faithfully,

Omar Hussain Alfardan
Chairman of the Board

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I. Interim Period Activity Report Consisting Bank Chairman and CEO's Evaluation in Reference to Interim Period Activities (Continued)

Message from the CEO

Dear Stakeholders,

The first half of 2025 has been marked by a renewed search for direction in the global economy. The recent steps taken by the United States in its foreign trade policies particularly the introduction of new tariffs have begun to reshape global trade dynamics. While the implementation of certain measures has been deferred to the second half of the year, the gradual enforcement of additional tariffs has led to a volatile risk perception in global markets. Amid heightened uncertainties surrounding the U.S. economy, the U.S. dollar experienced a significant depreciation. Meanwhile, escalating developments in the Middle East have once again brought geopolitical risks to the forefront of the global agenda. Iran's increased involvement in the conflict and the U.S. military's retaliatory actions have further intensified tensions in the region, indicating the likelihood of more pronounced geopolitical risks ahead.

Domestically, the second quarter of the year concluded with a more balanced outlook following earlier fluctuations. After a period of elevated inflation in April, a gradual slowdown was observed starting in May. The more cautious and measured stance adopted by the Central Bank of the Republic of Turkey has revived expectations for interest rate cuts. While the Turkish economy recorded a 2% growth in the first quarter, signs of weakening in production and a decline in real sector confidence indices became apparent in the second quarter.

As of the end of Q2 2025, our consolidated financial results reveal that our total assets grew by 26% compared to the beginning of the year, reaching TL 110 billion. We successfully maintained high asset quality and executed effective balance sheet management during this period. Our support to the national economy through cash and non-cash loans, including financial leasing receivables, rose to TL 105 billion. The Bank's shareholders' equity reached TL 8.5 billion, while our capital adequacy ratio stood at 20.20%. Thanks to our strong performance in the first half of 2025, our consolidated net profit reached TL 1.067 billion.

In the first half of 2025, we also experienced organizational changes designed to support our growth and development. Mr. Tolga Macit Güsar was appointed as the General Manager of our subsidiary, Alternatif Menkul, one of Turkey's leading brokerage firms, renowned for delivering value to both individual and institutional investors with innovative products and services. Mr. Güsar is a seasoned professional in the finance and banking sector, and we believe his extensive expertise in capital markets and leadership experience will significantly contribute to our group's growth objectives.

We perceive digitalization not merely as a technological investment, but as a cultural transformation that directly touches the lives of our customers. In line with this vision, we launched a new mobile interface in the past quarter that enhances speed, simplicity, and accessibility in mutual fund transactions. Designed to appeal to investors of all financial literacy levels, this next-generation interface delivers a more streamlined and empowering experience taking our customer experience to the next level. With this innovation reflecting our digital transformation vision, we have made a notable impact in the investment landscape.

At Alternatif Bank, Accessible Banking an approach closely associated with our brand continues to grow in importance within the Turkish banking sector. We see it not only as a strategic pillar supporting excellence in employee and customer experience but also as an integral part of our brand identity. We place particular importance on ensuring that all our initiatives in this field contribute to financial inclusion. Our efforts in digital accessibility aim to provide equal access to banking services for everyone, setting us apart in the industry. According to accessibility measurements conducted by Blindlook, our Mobile Banking App achieved a score of 85, making it one of the most accessible applications in the banking sector. This success, which reflects our inclusive banking vision, is a strong indicator of the steps we are taking to make digital banking equal and accessible for all. Guided by our ambition to build a more inclusive future, we will continue to develop projects that enhance digital inclusion.

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I. Interim Period Activity Report Consisting Bank Chairman and CEO's Evaluation in Reference to Interim Period Activities (Continued)

Message from the CEO (Continued)

Today, global challenges such as the climate crisis, social justice, and resource efficiency have transformed sustainability from a voluntary commitment into a strategic necessity. In this context, we approach sustainability with a holistic perspective that encompasses environmental, social, and governance (ESG) dimensions, and we prioritize its integration into all our business processes. This year, alongside our Q2 financial results, we published our first Sustainability Report, outlining our 2024 activities. More than just a regulatory requirement, this report represents a strategic initiative that allows us to assess our environmental and social impact in a more comprehensive and transparent manner. It provides our stakeholders with insight into the concrete steps we have taken in areas such as sustainable finance, climate risk management, and our environmental and social responsibilities. Moving forward, we will continue to place our sustainability vision at the heart of our business model, pursuing our long-term value creation goals with determination.

Behind all these achievements lies the strength of our robust capital structure, our effective corporate governance, the trust and support of our shareholder Commercial Bank, and the dedication and expertise of our talented colleagues. At Alternatif Bank, we are committed not only to financial success but also to a broader perspective that spans sustainability, digital transformation, inclusive growth, and social contribution. In the coming period, we will continue to move forward with a responsible and visionary approach, focused on creating long-term value for our customers, stakeholders, and our country. I would like to extend my heartfelt thanks to our shareholder for their continued support, to our Board of Directors for their guidance, to our customers for their trust, and to all our stakeholders with whom we contribute to Turkey's economic development.

Sincerely,

Ozan Kırımı,
CEO