

**STRONGER
IN OUR
30th
YEAR**

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LOOKING BACK ON THIRTY YEARS OF ALTERNATIF BANK



STRONGLY MOVING FORWARD DRAWING ON A SOLID TRACK RECORD OF 30 YEARS...

As we leave behind 30 years, we proudly charge ahead towards our strategic goals drawing on our solution creation capability, experienced people, and “Advisory, Insightful and Responsible Banking” approach granted to us by our solid foundations and know-how. As the pandemic experience unveiled the vitality of sustainability and digital transformation once again, it has also provided us with new windows and opportunities with respect to business continuity and customer experience.

At Alternatif Bank, we are committed to take our people-oriented service model further by consolidating our presence in Retail and Digital Banking, making use of the momentum we captured in digital transformation following the breakthrough we realised in Corporate and Business Banking segments. We will keep contributing to a sustainable future with our human-centricity and responsible business principles.

A hand holding a smartphone with glowing digital icons and the text "Digital Marketing" overlaid on the screen. The background is a blurred office setting with a notebook and pen visible in the foreground.

FOR 30 YEARS

**WE HAVE BEEN
REINFORCING OUR
COMPETENCIES WITH
TECHNOLOGY, AND WE
KEEP MOVING FORWARD
TOGETHER WITH OUR
STAKEHOLDERS!**



MESSAGE FROM THE CHAIRMAN



**ALTERNATİF BANK'S
 ROLE AS A BRIDGE
 BETWEEN TURKEY
 AND QATAR IS
 CREATING SIGNIFICANT
 VALUE FOR BOTH
 ECONOMIES.**

Dear Stakeholders,

2021 was a year marked by a better understanding of what it is like to live with a two-year long pandemic and, undoubtedly, heightened adaptation to the many striking challenges it has brought to every aspect of our lives. Improved vaccination coverage both in Turkey and worldwide has truly been a beacon of hope for all of us. After having witnessed the sudden surge of a newly identified Coronavirus variant in the final quarter, we will remain vigilant in observing the latest developments even if the impacts of the virus are expected to ease off in 2022.

In terms of economic performance, we saw some strong initiatives in innovative manufacturing last year despite relatively weaker signals from the service industry on a global scale. Worldwide supply chain shortages and

higher inflation forced central banks to further tighten their monetary policies. Consequently, the global economy grew about 6% in 2021. As these tighter monetary policies continue, we estimate that growth will be relatively limited in 2022. The potential consequences of ongoing supply chain uncertainties and newly emerging Coronavirus variants also pose risks to economic growth. Moreover, we expect to see lower inflation rates in the second half of 2022.

Turkey's economy saw a strong 10% overall growth in 2021 bolstered by booming exports and we are pleased to have contributed to this outstanding performance thanks to our Bank's focus in international trade. We believe that the upward trend in exports will continue in 2022 as well. On the other hand, we should also note that Turkey's performance in exports and tourism will

be key to achieving favourable current account targets. The course of inflation and any prospective measures to be taken by the Central Bank will be key determinants for the future of both growth and inflation rates.

Turkey and its banking industry always get through tough times...

The global pandemic has directly affected all national economies. Every country applied specific economic measures and put various plans and programmes into action. Turkey's powerful banking industry also did its best during these challenging times. Ever since we started our operations in Turkey through the acquisition of Alternatif Bank, we have seen countless times how this nation can build resilience and emerge stronger even from the toughest periods. This is, without a doubt, made possible by the banking industry's crisis-management experience, sophisticated technology, competent human resources and wide range of products and services. We are fully confident that Turkey, with the support of its banking industry, will successfully overcome the pandemic just as it navigated many challenges in the past.

Banking business is on the verge of a new era. Despite the rapid rate of technological advancements and digitalisation, success would not be possible without effective involvement by highly qualified human resources. At the core of what we do here at Alternatif Bank lies our 'people- and values-based approach.' We care about our employees as much as we care about our customers. Investing in people is also one of the pillars of our advisory banking approach. We are well aware that customer satisfaction depends on competent and committed employees. We also believe that the future of banking relies on technology investments as well as its capacity for creating highly skilled jobs. We are

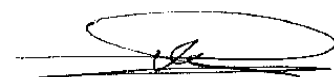
and will always be fully committed to our employee development-based perspective for the future of our Bank.

As always, we see Turkey as a very important market and a highly valuable business partner. Even amidst heightened volatility, we will continue our support for Alternatif Bank with complete trust in our Bank's experienced executives and expert teams.

Alternatif Bank stands out with its business culture

With its unique mindset and business culture, Alternatif Bank has made a distinguished name for itself in the Turkish banking industry. Besides creating economic value, our Bank assumes social responsibility, developing projects to make contributions to society. Alternatif Bank has come to hold a prominent place in the banking industry thanks to its solid corporate governance ratings, robust management, competent employees, and ever-improving values. Also, Alternatif Bank's role as a bridge between Turkey and Qatar is creating significant value for both economies. Celebrating 30 years in the Turkish banking industry this year, Alternatif Bank will always build on this value with its 'Advisory and Insightful Banking' approach, strong human resources and shareholder support. We, Commercial Bank, are pleased to be here in Turkey and will provide maximum support to foster our treasured collaboration.

Yours faithfully,



Omar Hussain Alfardan
Board Chairman



***WE SEE TURKEY AS
A VERY IMPORTANT
MARKET AND A
HIGHLY VALUABLE
BUSINESS PARTNER.***

MESSAGE FROM THE CEO



**WE FOSTERED
GROWTH EVERY
STEP OF THE WAY BY
ACCOMPANYING ALL
OUR CUSTOMERS.**

Dear Stakeholders,

Proud to be leaving 30 years behind in the banking industry, we, Alternatif Bank, are now saying hello to 2022 with ambitious targets and renewed hopes for the entire world.

As the impacts of the pandemic continued in 2021, we took crucial steps throughout the year to attain our Bank's long-term strategic goals. We fostered growth every step of the way by expanding our customer base and accompanying all our customers.

Undoubtedly, our greatest source of strength in this process has been our expert banking teams and strong executive leadership as well as our shareholder The Commercial Bank's

uninterrupted support. At the beginning of the year, our shareholder provided a cash injection of TRY 175 million as planned, confirming once again the level of trust bestowed upon Alternatif Bank and the Turkish economy during this period.

2021 was a hectic year full of rapid changes in terms of both health and economy. Despite the advent of the new Coronavirus variant in the final quarter of the year, increased vaccination coverage has since given rise to more positive future expectations. The Turkish economy saw stellar growth in 2021, an unprecedented performance in its recent history. Watching the policies to keep inflation under control and any potential measures to be taken by the Central Bank closely, we remain ever cautious

in the face of new developments this year and yet optimistic about rebuilding financial stability once again.

Alternatif Bank's consolidated financial results for 2021 show TRY 50.5 billion in total assets, up 37% from the previous year-end. Through over 30% loan growth, we focused on enabling our customers to access funds, helping them effectively sustain their businesses and consequently increasing our overall contribution to the economy. Besides, we paid close attention to further enhancing our Bank's asset quality during this challenging year for both the banking industry and the entire economy. As a result of our "Insightful Banking" approach, our NPL ratio decreased from 4.8% from the year before to 2.8% at the end of 2021, which is nearly 100 basis points below industry average. Our contribution to the economy through cash and non-cash loans reached TRY 41.9 billion. We increased our total deposit volume by 48.5% to TRY 27.2 billion, and our current deposits are up 82% from the previous year-end. At the same time, we preserved our robust capital structure and closed the year with TRY 77 million in profits.

We are mastering digital banking with a human touch

The pandemic once again helped us realise how important it is to be healthy and yet pushed our boundaries to come to terms with change at an unprecedented pace. Perhaps one of the most critical spheres of change has been digitalisation. Concerning digitalisation and mobility, breath taking changes have taken place in the banking industry, among many others. The number of active digital banking customers in retail and corporate segments has exceeded 73 million. Also, the number of mobile banking users almost doubled in the past three years. In the meantime,

digitalisation of business has gradually lessened differences of scale between banks. Access to targeted customer groups has become much easier for the banks which have developed the capacity to smoothly communicate valid digital value propositions to their customers, especially after the launch of video banking customer acquisition model in May 2021. Most of today's largest investments in the banking industry are related to technology and digitalisation. As we move toward our growth targets, we are also entering a new phase in retail and digital banking. On the retail side, we have developed a roadmap and taken necessary steps to become a model bank in terms of adding a human touch to digital banking. As a result of this strategy, 39% of new customer acquisition by 2021 year-end took place via our video banking service, which translated as a remarkable 48.5% year-over-year growth in our total deposits. Thanks to our improved digital capabilities, we became one of the first banks to offer the new FX-Protected Turkish Lira Time Deposit product to customers through digital channels instead of branches. By developing innovative solutions especially in digital channels and sharing our advisory banking vision with our new customers, we will make a difference in the Turkish banking industry in 2022 as well.

We are here to empower our exporters

Gaining higher importance for boosting Turkey's economic growth and reducing its current account deficit, international trade is a key area of focus and value creation for Alternatif Bank. Our Bank's total trade finance volume doubled over the past two years to approximately USD 4 billion. This performance is made possible thanks to the high-quality service provided by our Bank's competent trade finance teams. We are striving to provide maximum support

99

OUR NON-PERFORMING LOANS RATIO DECREASED APPROXIMATELY 100 BASIS POINTS BELOW INDUSTRY AVERAGE.

MESSAGE FROM THE CEO

CELEBRATING OUR 30TH ANNIVERSARY IN THE TURKISH BANKING INDUSTRY THIS YEAR, WE, ALTERNATİF BANK, WILL CONTINUE WORKING TOWARDS OUR LONG-TERM GROWTH TARGETS IN 2022, AS WELL.

ALTERNATİF BANK'S CORPORATE GOVERNANCE PERFORMANCE WAS RATED 9.28 OUT OF 10.

to our international trade customers in consideration of the significance that exports hold for the sustainable growth of Turkey's economy. In this respect, we introduced an exclusive Exporter Empowerment Package for our exporter customers, offering them exclusive banking and non-banking services.

Over the past year, we continued supporting the SMEs affected from the pandemic by renewing the funds we initially procured from the European Bank for Reconstruction and Development (EBRD) and International Finance Corporation (IFC) in 2020 to diversify our funding sources. We have channelled USD 50 million in funds to help SMEs protect their businesses against the harsh impacts of the pandemic, minimise their short-term funding pressures and contribute to the continuity of trade. Here at Alternatif Bank, we will always be standing alongside our exporters.

Recognition of our success pushes us forward

As I said before, earning the compliments of our customers is our greatest award. We are constantly dedicating our efforts to this end, and being awarded by leading international organisations for our achievements keeps motivating us to always do better for our customers. As a result of our

outstanding performance and customer value creation in trade finance, we received "Most Active Issuing Bank in Turkey" award as part of the EBRD's "Trade Facilitation Programme" for 4 years in a row. We also won another important award for two consecutive years, which confirmed our Bank's trade finance performance and operational excellence. We were once again recognised as the "Best Operations Bank in Europe, Central Asia and Turkey" in IFC's Global Trade Finance Program - 'Annual Trade Awards.'

We are fully dedicated to corporate governance principles

In the final quarter of 2021, we unlocked a highly significant achievement for our Bank's insightful banking approach. Alternatif Bank's corporate governance performance was rated 9.28 out of 10 in an independent corporate governance audit by SAHA Rating. Our Bank's high ratings in the "Shareholders," "Public Disclosure Activities and Transparency," "Stakeholders" and "Board of Directors" categories proved our commitment to corporate governance principles.

We are transforming our business culture with Accessible Banking

We are a 'people-focused' bank, and through our "Accessible Banking" efforts, we aim to realise this vision whereby all of our services are equally and easily accessible to everyone. For nearly three years, we have been working with all our might to design and offer accessible banking services, and transforming our Bank's business culture accordingly. We are also transforming our physical and digital service channels under the guidance of our Advisory Committee comprising of expert academics and non-governmental organisation representatives. We are improving the accessibility of our service channels, while elevating the awareness and competencies of our employees. We take pride in our commitment to the invaluable area of "Accessible Banking." We will do everything in our power for a world with zero barriers.

Sustainability is our strategic priority

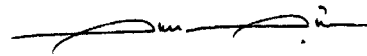
In 2019, we established a Sustainability Committee in order to address our Bank's ongoing environmental and social responsibility practices in a structural and strategic framework. In this respect, we have focused our efforts in "Environmental and Social Governance," "Quality Education," "Ethical Banking," "Sustainable Products and Services" and "Diversity and Inclusion" in accordance with the United Nations' 17 Sustainable Development Goals. We

are fully dedicated to improving our sustainability efforts, which we believe will gain even more strategic importance in the near future.

We are growing with our customers

Celebrating our 30th anniversary in the Turkish banking industry this year, we, Alternatif Bank, will continue working towards our long-term growth targets in 2022 as well. We are stronger on our path thanks to our extensive know-how and '**Advisory, Insightful and Responsible Banking**' approach, which serves as the foundation to our corporate culture. Thanks to our competent banking professionals and strong shareholder support, we continue growing together with our customers as well as creating value for their savings and assets. In all our business activities, we are committed to generating social and economic benefit with a people-oriented banking approach. With our shareholder the Commercial Bank's abiding support, we will continue contributing to our stakeholders, our industry and our economy.

Yours sincerely,



Kaan Gür
Board Member and CEO

”

WITH OUR SHAREHOLDER THE COMMERCIAL BANK'S ABIDING SUPPORT, WE WILL CONTINUE CONTRIBUTING TO OUR STAKEHOLDERS, OUR INDUSTRY AND OUR ECONOMY.

VISION, MISSION AND VALUES

OUR VISION

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

OUR MISSION

To create value for our customers on their road to growth with our Insightful Banking approach and Advisory Bankers.

The background features a series of overlapping circles in two styles: solid black outlines and dashed black outlines. Small black dots are placed at the points where the circles intersect, creating a network-like pattern. The overall aesthetic is clean and modern, with a focus on geometric shapes and connectivity.

OUR VALUES

We,
approach our clients with frankness
embrace our clients
break new grounds
work hard
come up with a solution

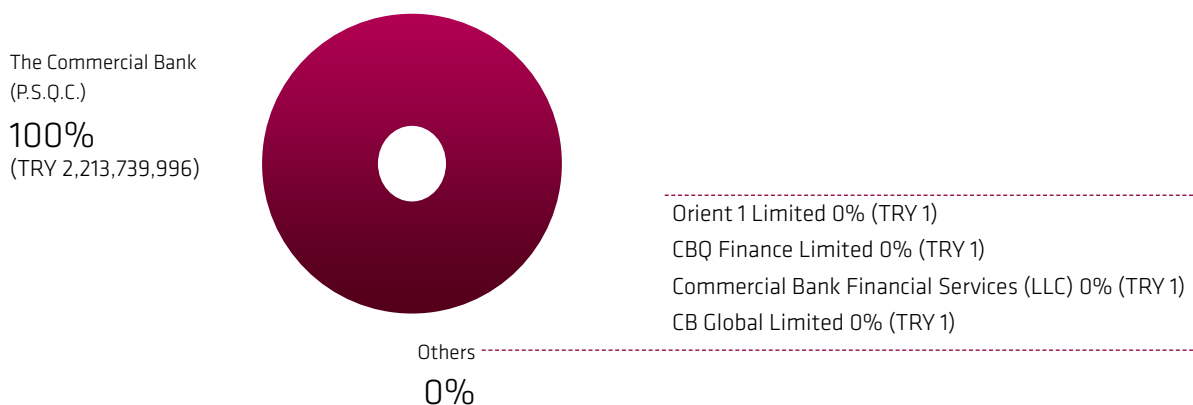
AGENDA FOR 2021 ANNUAL GENERAL MEETING

1. Opening and formation of the Presiding Board, authorising the Presiding Board to sign the minutes of the Annual General Meeting,
2. Reading out and deliberation on the Board of Directors' Annual Report, External Auditor Reports and Balance Sheet and Profit/Loss Statements for 2021, taking decision on their approval,
3. Negotiation and decision on the Board of Directors' proposal in relation to the Profit for 2021 Fiscal Year,
4. Release from liabilities of the Members of the Board of Directors who have served during the fiscal year,
5. Determination of the number, terms of office and sitting fees as well as remuneration of the Board Members, and election of the Board Members,
6. Designating the audit firm which will conduct the independent audit of the Bank,
7. Presentation of information to the shareholders regarding bonuses paid to employees and other items distributed in the same category,
8. Informing the shareholders about the donations made during 2021,
9. Submitting Donations and Aids Policy for approval of the shareholders,
10. Submitting for noting of shareholders the Shareholder Information Policy, Profit Distribution Policy and Remuneration Policy,
11. Authorising the Board of Directors to issue bonds and/or bank bills within legal limits in order to generate funds for the Bank, and empowering the Board to determine the details of such transactions according to the market conditions of the day and to carry out relevant steps and procedures for the same purpose,
12. Authorising Board Members, as per Articles 395 and 396 of the Turkish Commercial Code No. 6102, to carry out the activities that fall under the Bank's scope, on their own or on behalf of third parties, to act as shareholders in companies performing such activities and to conduct other relevant transactions.

CAPITAL AND SHAREHOLDING STRUCTURE

Shareholder Structure (%)

(Total: TRY 2,213,740,000)



Shareholders with Privileged Shares	Share (%)
Qatar Holding LLC (a 100% subsidiary of Qatar Investment Authority, which is owned by the State of Qatar)	16.67

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

Name	Title	Area of Responsibility	Indirect Share Capital (%)
Omar Hussain Alfardan	Chairman of Board of Directors		-
Joseph Abraham	Vice-Chairman	Chairman of Executive Committee of the Board, Chairman of Board Remuneration and Corporate Governance Committee and Alternate Member of Board Credit Committee	-
Mohd Ismail M Mandani Al-Emadi	Member of the Board of Directors	Chairman of Board Risk Committee and Member of Board Credit Committee	-
Rajbhushan Buddhiraju	Member of the Board of Directors	Member of Board Risk Committee and Member of Board Credit Committee	-
Halil S. Ergür	Member of the Board of Directors	Member of Executive Committee of the Board, Member of Board Audit and Compliance Committee, Member of Board Risk Committee, and Alternate Member of Board Credit Committee	-
Paul Gossiaux	Member of the Board of Directors	Member of Board Audit and Compliance Committee, Member of Board Risk Committee, Member of Board Credit Committee	-
Zafer Kurtul	Member of the Board of Directors	Chairman of Board Credit Committee, Member of Executive Committee of the Board, Member of Board Remuneration and Corporate Governance Committee	-
Leonie Ruth Lethbridge	Member of the Board of Directors	Chairwoman of Board Audit and Compliance Committee, Member of Executive Committee of the Board, and Member of Board Remuneration and Corporate Governance Committee	-
Kaan Gür	Member of the Board of Directors, CEO	Member of Board Credit Committee and Member of Executive Committee of the Board	-
Hale Ökmen Ataklı ⁽¹⁾	Executive Vice President	Human Resources	-
Gökay Dede	Executive Vice President	Retail and Digital Banking	-
Hamdi İlkay Girgin	Executive Vice President	Financial Affairs and Planning	-
Ömer Faruk Gönener	Head of Internal Audit	Internal Audit	-
Boğaç Levent Güven	Executive Vice President	Treasury and Financial Institutions	-
Özlen Sanıbelli	Executive Vice President	Information Technologies and Operations	-
Muzaffer Gökhan Songül	Executive Vice President	Credit Underwriting, Restructuring and Legal Follow-up	-
Yeşim Şimşek	Executive Vice President	Corporate & Business Banking	-

⁽¹⁾ As per the Board resolution No. 87 dated 4 October 2021, Hale Ökmen Ataklı was appointed as the Executive Vice President in charge of Human Resources.



FOR 30 YEARS

**WE HAVE
DIFFERENTIATED
OURSELVES WITH OUR
SOLUTION CREATION
COMPETENCE AND
ADVISORY BANK
QUALITIES.**



ABOUT ALTERNATİF BANK

ALTERNATİF BANK IS TAKING FIRM STEPS TOWARD ITS OBJECTIVE OF BEING A SIGNIFICANT PLAYER IN THE MARKET WITH ITS SOLID FINANCIAL STRUCTURE AND EXPERT HUMAN RESOURCES.

ALTERNATİF BANK PROVIDES UNINTERRUPTED SUPPORT TO THE REAL SECTOR.



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

Having commenced its operations in 1991, Alternatif Bank established itself as an effective player in the banking industry with its strong financial structure and competent human resources.

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

Alternatif Bank aims to provide a flawless banking experience to its customers with approximately 900

employees and through physical and digital banking channels.

The Bank's effectiveness in the market significantly increased thanks to its revamped strategy and goals after Qatar's prominent bank, The Commercial Bank's acquisition of the majority shares of Alternatif Bank in 2013 followed by the transfer of all of the remaining shares in 2016.

Alternatif Bank aims to realise its vision of being the most preferred bank in Turkey with the strength it gets from its shareholders. In this context, Alternatif Bank continues its growth journey with its experience of 30 years, its competent employees and an understanding of "advisory, insightful and responsible banking" approach together with all its stakeholders who create employment and contribute to Turkish economy.

ABOUT THE COMMERCIAL BANK

THE COMMERCIAL BANK IS QATAR'S FIRST PRIVATE BANK, WITH A SOLID FRANCHISE OF OVER 46 YEARS OF INNOVATION AND CUSTOMER SERVICE.



THE COMMERCIAL BANK ENJOYS STRONG CREDIT RATINGS OF (A3) FROM MOODY'S, (A) FROM FITCH, AND (BBB+) FROM STANDARD & POOR'S.

The Commercial Bank is Qatar's first private bank, with a solid franchise of over 46 years of innovation and customer service. Its countrywide network includes 30 branches, 173 ATMs and 8 instant cheque book printing machines and 5 self-service card printing machines. The Commercial Bank is committed to helping support the development of Qatar's economy and future sustainability in line with the goals of the economic pillar of the Qatar National Vision 2030. The Bank's vision is to be 'The Best Bank in Qatar' based on the foundation of its values or 5 C'S. Corporate Earnings Quality, Client Experience, Creativity and Innovation, Culture, and Compliance.

The Commercial Bank has total assets of QAR 165.5 billion (circa TRY 612.9 billion), customer deposits of QAR 82.0 billion (circa TRY 303.6 billion) and has achieved net profit of QAR 2,304.3 million (circa TRY 5.5 billion) as at 31 December 2021.

As a full service commercial bank, the Bank offers a full range of corporate, retail and investment banking services as well as owning and operating the exclusive Diners Club franchise in Qatar.

The Commercial Bank enjoys strong credit ratings of (A3) from Moody's, (A) from Fitch, and (BBB+) from Standard & Poor's. The Bank is listed on the Qatar Exchange and was the first Qatari bank to list its Global Depository Receipts (GDRs) on the London Stock Exchange.

In 2021, the Bank was recognised as the "Best Bank" in Qatar by Global Finance and Euromoney, and as the "Best Digital Bank" in Qatar by Asiamoney. Additionally, Commercial Bank has received the "Best Cash Management" award in Qatar for the sixth year in a row, "Best Transaction Bank" award in Qatar for the third year in a row and the "Best Social Media Engagement Award" in the Middle East from the Asian Banker. Also, the Bank was recognised on a global level as the "Best in Social

Media Marketing & Services" in the World by Global Finance. Global Finance international magazine has awarded the Bank with a number of prestigious awards in recognition of its outstanding performance in Qatar in the following categories: "Best Mobile Banking App", "Best Information Security and Fraud Management", "Best in Social Media Marketing & Services", "Best Trade Finance Services", in addition to the "Best Mobile Banking App" award in the Middle East for Corporate. International Finance magazine has recognised the Bank as the "Most Innovative Customer Service Bank" and the "Most Innovative Mobile Trading Application" in Qatar. Commercial Bank also achieved the LinkedIn's ranking: 5th on the list of "Top 10 best workplaces to grow your career in Qatar in 2021", and the Bank's CFO has received the Finance Monthly Magazine's CFO Award for the second year in a row.



FOR 30 YEARS

WE HAVE BEEN
UPGRADING
**OUR RETAIL BANKING
SERVICES WITH
OUR INNOVATIVE
APPROACH.**



FINANCIAL INDICATORS

GROWING CONTRIBUTION TO THE ECONOMY...

HAVING DISPLAYED A SUCCESSFUL FINANCIAL PERFORMANCE IN 2021, ALTERNATIF BANK PRIORITISED CUSTOMERS' ACCESS TO FINANCING AND INCREASING ITS CONTRIBUTION TO THE ECONOMY.

TOTAL ASSETS

TRY **50.5** BILLION

Alternatif Bank's total assets increased by 37.1 % in 2021 to reach TRY 50.5 billion.

TOTAL LOANS (NET)

TRY **27.8** BILLION

Alternatif Bank's total loans increased by 18.5 % in 2021 to reach TRY 27.8 billion.

TOTAL DEPOSITS

TRY **27.2** BILLION

Alternatif Bank's deposit size increased by 48.5 % to reach TRY 27.2 billion.

GROSS OPERATING INCOME

TRY **979** BILLION

Gross Operating Income of Alternatif Bank increased by 7.7 % in 2021 to reach TRY 979 million.

TOTAL EQUITY

TRY **2.6** BILLION

Alternatif Bank's equity increased by 7.7 % in 2021 to reach TRY 2.6 billion

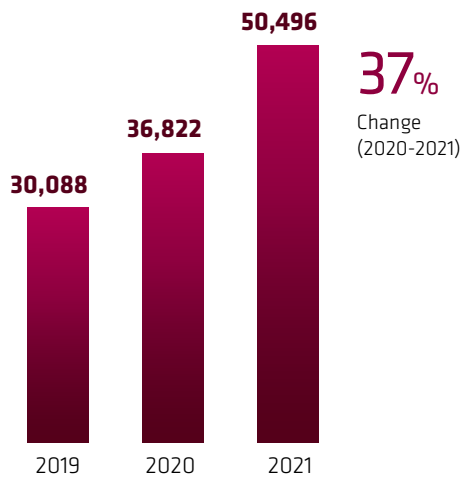
CASH AND NON-CASH LOANS

TRY **41.9** BILLION

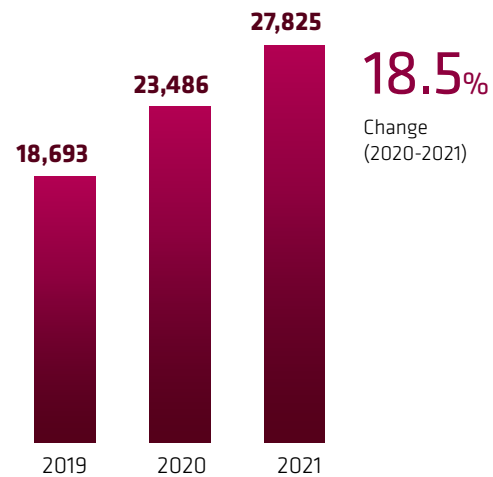
With a 31 % increase in cash and non-cash loans, Alternatif Bank increased its contribution to economy to TRY 41.9 billion.

DESPITE THE TOUGH MARKET CONDITIONS, ALTERNATİF BANK UNDERSIGNED A SUCCESSFUL PERFORMANCE IN 2021 WHICH BROUGHT IT TRY 77 MILLION IN NET PROFIT.

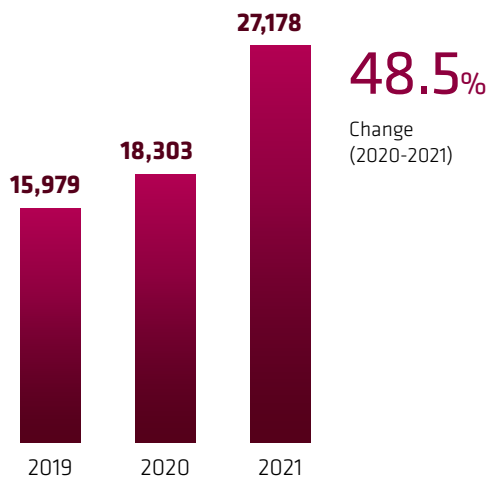
TOTAL ASSETS (NET) (TRY MILLION)



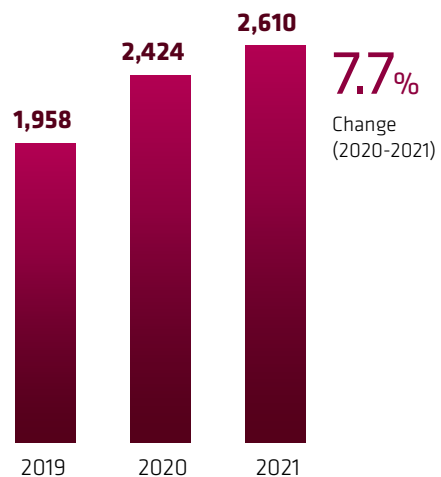
TOTAL LOANS (NET) (TRY MILLION)



TOTAL DEPOSITS (TRY MILLION)



TOTAL EQUITY (TRY MILLION)





FOR 30 YEARS

**WE HAVE BEEN
CREATING VALUE
FOR OUR CUSTOMERS
WITH OUR
INSIGHTFUL BANKING
PRINCIPLES.**



MILESTONES

1991

Alternatif Bank was established in Istanbul on 6 November 1991.

1992

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

1995

Alternatif Bank shares started trading on the Istanbul Stock Exchange (Borsa Istanbul) on 3 July 1995.

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

1996

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

1997

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

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

Alternatif Lease was established to offer financial leasing services.

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

1999

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

2000

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

Alternatif Bank was awarded the ISO 9001 Quality Certification.

2001

Alternatif Bank launched its Internet Banking Branch.

2010

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

2012

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

2013

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

2014

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

2015

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

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

2016

At the Aegean Branch and İstanbul-Kozyatağı Branch, Alternatif Bank initiated its new generation branch practices, one of the most important components of its focused banking vision.

The Alternatif Bank Operations Centre, Data Centres and Business Continuity Centre moved to their new locations.

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

2017

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

1991

Alternatif Bank was established in Istanbul on 6 November 1991.

2013

The Commercial Bank became the controlling shareholder.

THE IMPORTANCE ATTACHED TO CORPORATE GOVERNANCE PRINCIPLES WAS REGISTERED WITH A 9.28 CORPORATE GOVERNANCE RATING IN 2021.

2018
After the rebranding, the Bank decided to continue its operations as Alternatif Bank, under its official trade name.

2018

Alternatif Bank renewed its corporate image in order to symbolise the further enhancement and commonality with The Commercial Bank. After the rebranding, the Bank decided to continue its operations as Alternatif Bank, under its official trade name.

Alternatif Bank secured a syndicated loan of USD 135 million with the participation of 11 banks from 11 countries.

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

2019

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

Alternatif Bank provided USD 100 million of financing from International Finance Corporation (IFC) within the scope of international funding programme to be allocated to women entrepreneurs and SMEs.

2020
The Bank expedited its "Accessible Banking" applications for offering a rights-based service model that provides everybody access to banking services equally and easily.

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

2020

Alternatif Bank increased its capital by TRY 307.5 million in accordance with its long-term growth plans.

The Bank expedited its "Accessible Banking" applications in 2020 which is a significant step of Alternatif Bank's corporate culture activities that started with the changes in branding. Alternatif Bank shared its activities and targets with the public, for offering a rights-based service model that provides everybody access to banking services equally and easily.

A loan for USD 50 million was provided within the scope of Covid-19 Support Package by EBRD and IFC to support SMEs which were affected by the pandemic.

As a notable indicator of its successful performance, Alternatif Bank has received

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

- the LEED Gold Certificate, the world's most well-known green building certificate, for its headquarters in Vadistanbul.
- **2021**
- Alternatif Bank increased its capital by TRY 175.3 million in accordance with its long-term growth plans.
- Within the scope of its efforts under Accessible Banking approach, Alternatif Bank launched "Accessible Banking Ideathon" which is open to all undergraduate and graduate students of Turkish universities.
- Alternatif Bank renewed the USD 50 million loan facility from EBRD and IFC obtained in the prior year to support SMEs which were affected by the pandemic.
- Thanks to its successful performance in foreign trade financing, Alternatif Bank was once again granted the "Turkey's Most Active User" award given by EBRD within the scope of their Foreign Trade Programme.
- Alternatif Bank received two Golden Stevie's for its successful practices in Human Resources area at the Stevie Awards for Great Employers 2021, which is one of the most prestigious awards in business world.
- Alternatif Bank's emphasis on corporate governance principles was registered by SAHA Corporate Governance and Credit Rating Services with a Corporate Governance Rating of 9.28.

2021 HIGHLIGHTS

ALTERNATİF BANK CONTINUED TO SUPPORT ITS CUSTOMERS WITH DISTINCTIVE PRODUCTS AND SERVICES AND TOPPED ITS SUCCESSES WITH THE AWARDS RECEIVED.

Alternatif Bank renewed the USD 50 million loan facility from the European Bank for Reconstruction and Development (EBRD) and International Finance Corporation (IFC) obtained in 2020 to support SMEs which were affected by the pandemic. Alternatif Bank provides this fund to SMES to support them with their working capital needs against economic effects of the global pandemic and as a contribution to sustainability of trade.

**RENEWAL OF USD
50 MILLION EBRD
AND IFC LOANS**

**EBRD FOREIGN
TRADE
PROGRAMME:
"TURKEY'S MOST
ACTIVE USER"**

With its successful performance in foreign trade financing and value created for its customers, Alternatif Bank was granted the **"Turkey's Most Active User"** award given by the European Bank for Reconstruction and Development (EBRD) for the 4th time in a row within the scope of their Foreign Trade Programme.

In the last few years, Alternatif Bank exhibited a significant development in Corporate and Business Banking areas and entered into a new period with a breakthrough in Retail and Digital Banking. With the launch of "remote customer acquisition with video conferencing" process in Retail Banking, the Bank exhibited an important development in this area.

**"REMOTE
CUSTOMER
ACQUISITION
WITH VIDEO
CONFERENCING" IN
RETAIL BANKING**

**ACCESSIBLE
BANKING
IDEATHON**

With the Accessible Banking approach, Alternatif Bank carries its activities to offer a rights-based and equal opportunity service model which can be accessed easily by everyone and continues to launch projects which will increase participation and include creative ideas in this area. In this context, the Bank organised "Accessible Banking Ideathon" in 2021 for the second time, which was previously realised as "Accessible Banking Hackathon". The ideathon was open to all undergraduate and graduate students.



**2 GOLDEN
AWARDS AT THE
STEVIE AWARDS
FOR GREAT
EMPLOYERS IN
2021**

At the Stevie Awards for Great Employers 2021, which are among the most prestigious awards in business world, Alternatif Bank received two golden awards, one in “Achievement in Internal Communications” category with its Corporate Culture and Values Project and another in “Best Leadership Development Program” category with its practices in Leader Development Programme.

Based on its responsible banking approach, Alternatif Bank’s emphasis on corporate governance and its activities in this context were reviewed by SAHA Corporate Governance and Credit Rating Services, which is a licensed firm by CMB. Based on the report prepared by the firm, the Bank’s score was 9.28 out of 10.




**CORPORATE
GOVERNANCE
RATING: 9.28**



**“EXPORTER
EMPOWERING
PACKAGE”**

Alternatif Bank increases the contribution it provides to real economy with the credits it provides, primarily in foreign trade financing. In this context, the Bank prepared a new service package, **“Exporter Empowering Package”**, which allows exporter companies to take advantage of special services in both banking and non-banking areas in foreign trade.

Alternatif Bank received the “Best Foreign Trade Operations Bank of Europe, Middle East and Turkey” award once again, given by IFC for the 10th time as a result of its successful performance in foreign trade financing.



**BEST FOREIGN TRADE
OPERATIONS BANK
OF EUROPE, MIDDLE
EAST AND TURKEY
AWARD FROM IFC**



**STRATEGIC STEP IN
SUSTAINABILITY
ACTIVITIES**

A strategic step was taken as a result of ownership of sustainability activities at the Board of Directors level. In this context, sustainability was included in Board of Directors Remuneration and Corporate Governance Committees’ agenda. The Bank’s current status, short and medium-term action plans were discussed and approved in both Sustainability Committee at the executive level and the Board of Directors Remuneration and Corporate Governance Committee.

A hand is shown placing a puzzle piece into a larger structure. The background is a blurred image of a modern building with a glass facade, suggesting a corporate or financial setting. The lighting is warm and bright, creating a sense of optimism and progress. The puzzle piece being placed is a dark blue color, contrasting with the lighter tones of the background.

FOR 30 YEARS

**WE HAVE BEEN
CONTRIBUTING TO
A SUSTAINABLE
FUTURE WITH OUR
PEOPLE-ORIENTED
AND RESPONSIBLE
BANKING PRINCIPLES**



RETAIL BANKING AND DIGITAL BANKING

IN LINE WITH ITS WIDESPREAD GROWTH TARGET ALTERNATİF BANK MOVED FORWARD WITH STRONG STEPS IN 2021


AS OF 2021 YEAR-END, TRY VOV ACCOUNT BALANCE INCREASED BY 6.5 TIMES AND FOREIGN CURRENCY VOV ACCOUNT BALANCE GREW BY TWICE.

Retail Banking

We target a widespread growth in retail banking.

In line with its widespread growth target Alternatif Bank moved forward with strong steps in 2021 and continued to improve its service model to respond to normalisation process which came with an increased vaccination rate. Customer experience was carried to a higher level as the result of accelerated branch processes with the support of digital infrastructure and effective use of digital channels.

Expanding the customer base of VOV Account is a strategic priority.

VOV Account (Time Deposit Account without Maturity Date), which saves more when spending and saving, was renewed to satisfy customers with small deposits. With its updated features, VOV Account started to provide interest income for small deposits at levels similar to deposits with higher amounts. Additionally, customers had the opportunity to make use of Welcome advantageous rate by using more of Alternatif Bank's products. As a consequence, TRY VOV Account balance increased by 6.5 times and foreign currency VOV account balance grew by twice.

In September, with the launch of customer acquisition by video conferencing, the Bank accelerated customer acquisition and the number

of new customers reached 15% of total customers. As another indicator of widespread growth, number of retail banking customers with TRY deposits grew by 40%.

Bank card design was renewed and contactless "VOV Card" was offered to customers to have more part in their daily lives. With the "VOV Card", cashback feature was also implemented; customers started to gain more while shopping with their bank card.

Alternatif Bonus and Diners Club credit cards were also renewed and contactless feature was offered to customers.

Furthermore, MasterPass integration of all cards was completed and they became more practical at online shopping. As the result of these updates, revenue from bank card shopping increased by 115% and revenue from credit card shopping increased by 35% in comparison with prior year.

Digital Banking

Remote Customer Acquisition with Video Call, Supported by Special Courier Service in Istanbul

Alternatif Bank implemented the 'Remote Customer Acquisition with Video Call' project in 2021 within Digital Banking to gain customers remotely. This project was launched via Alternatif Bank mobile application with the vision of offering an ideal customer experience to potential customers without time and location barriers and as a result,

“REMOTE CUSTOMER ACQUISITION WITH VIDEO CALL”

Alternatif Bank implemented the ‘Remote Customer Acquisition with Video Call’ project in 2021. With the launch of this project over the mobile application, number of new customers increased by three times when compared with 2020.



number of new customers increased by three times when compared with 2020. With the purpose of improving customer acquisition experience remotely on-site, Alternatif Bank strengthened its acquisition network by offering a special courier model for customer applications within İstanbul which were received from web platforms. Within the scope of special courier model in İstanbul, special field experts visit customer candidates, completes the customer application process on tablets through digital onboarding technology and gives the customers their debit cards immediately. Number of customers gained through this new service channel (special courier model in İstanbul) constitutes 24% of total customers gained in 2021 through digital platforms.

Efforts for providing customers a holistic and ideal experience during customer acquisition process through digital channels, such as remote customer acquisition and special courier model in İstanbul, continue to improve and play an important role in reaching the Bank's new customer acquisition targets.

Remote Customer Acquisition with Video Call technology was the main

acquisition focus at performance-focused digital advertising activities in 2021. Thus, significant contribution was provided for new customer acquisition targets.

With its updated infrastructure, Customer Interaction Centre, which continues its services under Digital Banking Group, increased its service level by 7% to 94% and outbound call activities by 1.5 times compared to 2020, contributing to digital customer acquisition.

At the Internet and Mobile Banking platforms, in 2021, the Bank provided an opportunity to customers for digital credit application with or without insurance, without the need to visit the branch. Thus, the Bank started to extend credit by completing the application and extension transactions end-to-end in digital environment. With the completion of development processes in 2021, Extra Account applications can also be completed via digital channels. As a result of this development, limit increase and limit update transactions can be done through Alternatif Bank Mobile and Internet Banking. With the new payment platform FAST

(Instant and Continuous Transfer of Funds), which was offered by the Central Bank of Turkey, 24/7 intra-bank cash transfer was made available to participating banks. Among the development activities in 2021, the Bank was integrated with the KOLAS-Easy Addressing platform, which was provided by BKM and Central Bank. It allows for use of Easy Addresses (Identification numbers, mobile phone numbers, e-mail addresses) defined by customers instead of IBAN numbers in all fund transfers after matching their Easy Addresses with IBAN numbers through digital channels. Moreover, in accordance with TR QR Code Regulation, TR QR Code generation specific to IBAN was made available to be used in cash transfers from one person to another. Also, cash transfers through FAST can also be realised with TR QR Code without IBAN.

With the new products and service models it offers, Digital Banking Group continues to move forward at its development path to provide the ideal digital banking customer experience and plays a significant role in reaching the Bank's targets.

BUSINESS BANKING

ALTERNATİF BANK PRODUCES TAILOR-MADE SOLUTIONS IN BUSINESS BANKING WITH ITS ADVISORY BANKING APPROACH.

ALTERNATİF BANK SERVES A REGION COVERING 90% OF THE INDUSTRY AND TRADE WITH BRANCHES ACROSS TURKEY.



We provide support to real economy with a wide range of products.

Creating tailored solutions with its “advisory banking” approach in Business Banking, Alternatif Bank provides a wide range of product mix to its customers from supplier financing to Direct Debiting System (DDS), from insurance products to business credit cards in accordance with its Ecosystem Banking strategy. The Bank serves 90% of the industry and trade cycle with branches across Turkey.

Alternatif Bank realised a growth more than the industry average in 2021 and continued to increase its market share.

The Bank offers an extensive range of cash loan products such as foreign currency loans, lines of credit, TLREF indexed credits and O/N spot and rotative credits for short-term financing

needs, as well as non-cash loan products such as foreign trade financing, letter of guarantee and e-letter of guarantee.

Diversifying its support for the real economy with new financing resources, Alternatif Bank continues to offer Empowering Managing Women package launched in 2019 to business and trade world in 2020, particularly woman entrepreneurs and SMEs. In 2021, the Empowering Exporters Package was launched for exporter companies.

Alternatif Bank cares about standing by its customers with revenues lower than TRY 125 million, which are positioned under Business Banking, with its value-added products and services for a long period of time. To this end, the Bank revises its sales and service model every year. Half of human resources in branches are positioned to serve business banking customers and the

Bank continues to develop new products and services for the needs of firms with revenues lower than TRY 125 million.

Launched in 2018, Atılım Project continued in 2019 under the name of “We’re on Business” and followed by the Business Attack motto in 2020 and 2021. Designing its 2021 business plan on gaining new customers and increasing the number of customers, Business Banking business line reached a business volume of TRY 13.4 billion with a total number of newly acquired customers of 885 as of the end of October 2021.

Being the preferred and trusted guardian of its customers’ investments Alternatif Bank Business Banking reached a total deposit volume of TRY 1.2 billion in TRY deposits as of October 2021, of which TRY 894 million in time deposits and TRY 308 million in current accounts.

EMPOWERING PRODUCTS



Empowering Exporter Package

Alternatif Bank provided advantages to companies which use export credits, product purchase financing and domestic TRY letter of credit financing under “Empowering Exporter Package”.

- Favourable credit terms
- Exemptions from fees and commissions charged on banking products such as EFT, intra-bank transfer, cheque books and the like
- Assistance services
- Training programs on foreign trade topics

Empowering Women in Management Package

Continued on-lending of the USD 100 million-facility based on the protocol signed with the International Finance Corporation (IFC) for supporting women entrepreneurs

- Advantageous financing options
- Fee-exemption in value-added banking services
- Assistance services
- Training programs on finance and foreign trade topics

Foreign currency deposits, as of the same date, were a total of USD 176 million, of which 105 million in time deposits and USD 71 million in current accounts. The Bank’s total business deposits were TRY 2.8 billion.

Evaluating the financial needs of its customers with an advisory bank approach, Alternatif Bank increased its loan volume by 22.5 % as of the end of October, in comparison with 2020 and reached a total loan volume of TRY 10.5 billion (cash and non-cash loans). TRY loans increased by TRY 991 million and reached a volume of TRY 5.5 billion.

With the effect of the digital transformation gaining speed with pandemic process in 2020, Alternatif Bank took steps to facilitate its customers’ operational transactions and the results of these developments have become more extensive in 2021.

During this period, the Bank focused on applications such as e-signature, Supplier Financing System and Lump-sum Payment System.

“Empowering Exporter Package” specific to Exporter Companies

Alternatif Bank continued to increase its support with credits provided particularly to exporters and real economy in 2021. In this context, the Bank provided advantages to companies which use export credits, product purchase financing and domestic TRY letter of credit financing under “Empowering Exporter Package”. In addition to favourable credit terms, this package offers the following assistance services for one year; Foreign trade advisory hotline, free translation for online meetings less than 1 hour, 25% discounted translation for online meetings over an hour or written

translations, online health support for foreign country visits, export market research and authorised economic operator status advisory services.

Alternatif Bank’s “Empowering Managing Women” Package

Alternatif Bank obtained and extended funds of USD 100 million as the result of a protocol signed with IFC to support women entrepreneurs in Turkey within the scope of social gender equality priority for sustainable development. With this new development, the Bank provided various advantages to its customers in both banking and non-banking areas. In 2021, “Empowering Managing Women” Package was enriched with non-banking advantages and continued to support increasing managing women’s share in economy.

CORPORATE BANKING

CORPORATE BANKING RESPONDS TO ITS CUSTOMERS' NEEDS WITH HIGH VALUE-ADDED PRODUCTS AND SERVICES IN AREAS REQUIRING DEEP MARKET EXPERIENCE.

ALTERNATİF BANK IS FOCUSED ON ESTABLISHING AND STRENGTHENING VERSATILE AND LONG-TERM RELATIONS WITH ITS CUSTOMERS.



Alternatif Bank Corporate Banking provides effective, timely and result-oriented solutions to its customers at each step of their operations.

Corporate Banking provides high value-added products and services for its customers' needs in areas that require an extensive market experience, primarily in foreign trade finance, cash management, corporate finance and derivative instruments applying Alternatif Bank's know-how, experience and operational competencies in these areas.

We develop boutique finance solutions.

Increasing its service quality and product range continuously, Alternatif Bank Corporate Banking provides boutique finance solutions to its customers in specific industries such as metals,

chemicals, machinery, automotive, textile, tourism, food and beverage and retail. In this context, in 2021, various organisations and meetings were held under the roof of Corporate Banking with the participation of leading firms of these industries where developments in these industries were discussed. These meetings will continue in 2022.

Corporate Banking operates in three corporate branches, two in Istanbul and one in Ankara, and expert professionals at the Headquarters. During the year, with 4 Corporate Development portfolio established in İstanbul, Ankara and İzmir, tailored advisory services are provided to a targeted customer group consisting of companies which are in the list of second 500 Large Industry.

We offer a wide perspective to our customers in terms of growth opportunities.

Alternatif Bank aims to establish long-term versatile relationships with its customers and focuses on developing and strengthening these relationships further in time with its advisory and tailored services. This approach of the Bank provides a wide perspective to its customers for increasing their competitive strength in national and international markets and considering growth opportunities.

Paying attention to supporting the real sector and production despite the pandemic process, which had negative impacts on most industries since 2020, Alternatif Bank continued to direct its resources to operations and needs of its customers to create added value to our country's economy, along with its

customers. As of 2021 year-end, cash loans provided to corporate customers were TRY 13.3 billion and non-cash loans were TRY 6 billion. Total of cash and non-cash loans of Corporate Banking reached TRY 19.3 billion that represents a YoY increase of 31%.

We succeed further with group synergy.

Prioritising group synergy, Alternatif Bank continued to develop its cooperation with its shareholder, The Commercial Bank in 2021. This cooperation increased the volume of foreign trade, which was intermediated by the Corporate Banking, to USD 2 billion, including the Gulf countries.

We expand the ecosystem with a tailor-made approach in cash management and trade financing

Focusing on ecosystem banking, Corporate Banking aims to provide services to meet the needs of customers, cash management, project financing and trade financing needs, in particular. Cash Management Unit continued collection and payment operations in 2021, by means of product range, applications and channels for those transactions. In line with its strategy to help customers reduce their operational costs and collection risk, thus gain cost advantages, the Cash Management Unit also contributed to the Bank's profitability and time-deposit based revenues. The Cash Management Unit aims to develop tailor-made solutions for its customers making full use of information technology opportunities they have.

With the follow up and support of Project Financing Department, Alternatif Bank took part in project loans in 2021 to support the industry. Providing the financing needed for implementing the related projects, Project Finance Department contributed to the Bank's transaction volume, profitability and side income.

The Foreign Trade Department offers new products in line with market dynamics and customer needs in addition to the Bank's standard foreign trade products by monitoring global and local foreign trade corridors, trends and market needs.

In real sector financing, discounted invoice volume increased by 55% to reach TRY 765 million in 2021 with the Supplier Financing System (SFS).

Through its hybrid SFS structure, Alternatif Bank achieved a first in the industry by providing an opportunity to offer the same firm a Buyer Credit and a Seller Credit. The Bank works in a hybrid structure with 3 corporate customers and 221 suppliers.

With the technological developments in Direct Debiting System (DDS) which makes a significant portion of firms' collections, the Bank started to make online transactions. As a result, limits set in the DDS increased by 78% and invoice collection volume increased by 20%. Among the important collection items, checks in collection increased by 25% and check volume in payment items increased by 28%. Accounting integrations takes an important part in operational facilities offered to customers by Alternatif Bank. The Bank provided integration for 2,000 accounts of 589 firms to date and processes thousands of transactions every day with the "Transaction Banking" motto.

We develop member merchant relations.

Within the scope of member merchant transactions, Alternatif Bank increased its revenues based on annual results by 33%, the number of member merchants increased by 62% and the number of terminals increased by 42%.

Digitalisation which gained speed during the pandemic continued to accelerate even more in the finance industry and this transformation developed and expanded the FinTech ecosystem. By

reflection of these developments on payments systems, new firms were added to the Bank's member merchant network, thus providing services to 9 payment institutions.

Thanks to collaborations with FinTechs, the Bank offers different solutions to its customers such as "POS in Your Pocket" (Cepte POS), a new innovative product. Alternatif Bank updates and expands its service and product range to be present in the transformation process which came with digitalisation and follows the developments in the market and industry closely.

We continue with the Backroom of Advisory Banking.

Backroom of Advisory Banking Events which started in 2020 with the participation of customers and related departments of the Bank continued in 2021. These events where Alternatif Bank shares its advisory banking approach and aims to offer tailored suggestions and solutions to customers will also continue in the following year.

In 2022...

Looking forward, Corporate Banking aims to contribute Alternatif Bank position as one of leading banks in sector. Corporate Banking's future targets, which are developed based on the Bank's strategies, include expanding its high-quality credit portfolio within the scope of effective risk management and growing in areas that require expertise and knowledge such as customised transaction banking, trade financing, structured treasury products and project financing.

Corporate Banking will continue to expand its portfolio and acquire new customers while maintaining focus on nurturing existing customer relationship in 2022, backed by its customer and sector-oriented approach, as well as its structured products, which meet all banking needs.

ADVISORY BANK

CUSTOMER SATISFACTION WAS AT THE CENTRE OF ALTERNATIF BANK INSURANCE DEPARTMENT'S ADVISORY INSURANCE TARGETS.

WORKING PERIOD CONTINUED FOR LIFE INSURANCES AND INDIVIDUAL PENSION SYSTEM (PPS) AREAS.



We provide tailor-made solutions to customers with an advisory insurer approach.

Alternatif Bank Insurance Department has gone through an extensive restructuring and strategic transformation with an approach to adopt bancassurance model in terms of working principles and organisation, which has started in the second quarter of 2018. The process was completed in 2019 with an exclusivity agreement with HDI Insurance for non-life category. HDI Insurance is an affiliate of German Talanx Group, which is a major player in the world's insurance industry.

Organisational changes were completed at the end of 2021, service level contracts with insurance companies worked with were updated based

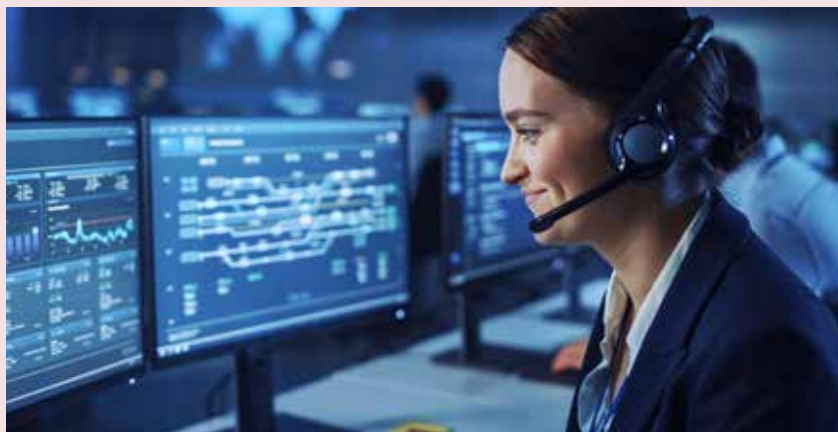
on revised finance and insurance regulations. Practices were developed to meet both regulatory requirements and to increase customer satisfaction, policies and procedures were designed to provide for continuity of this process.

Having a team of experienced staff, which worked at medium and high-level positions for years, Alternatif Bank Insurance Department continued its tailor-made advisory model and customer satisfaction has been the focus of its advisory insurer targets. Customer satisfaction continued to increase in line with its exclusive insurance model.

In areas of life insurance and Individual Pension System (PPS), life insurance integration activities with related life and pension company were completed

FOREIGN TRADE ADVISORY HOTLINE

Alternatif Bank creates a difference with its Foreign Trade Advisory Hotline (444 0 5555 - 7) which was established to answer foreign trade questions of all companies whether they are the Bank's customers or not.



during the exclusivity period and production has started. System developments were continued based on periodic needs.

In 2021, integration activities continued for elementary insurance products to be offered to customers on bank's screens, in line with exclusive working principles. The Bank also started to set up an insurance platform in line with digitalised industry and in accordance with regulations. Within the same period, revision of existing products was also continued.

The life and PPS products were smoothly managed in all branches through active sales representatives. As far as the non-life insurance efforts are concerned, the Department designed insurance transactions together with insurance companies based on insurance consultancy and risk engineering in accordance with the bancassurance working principles for corporate and business banking customers. These services were then carried out with expert insurance sales coaches.

Tailor-made service solutions were developed for Alternatif Bank customers in all fields including engineering

insurance, logistics insurance, industrial risk insurance, responsibility insurance, health and travel insurance, auto-vehicle traffic insurance, receivables insurance and individual insurance. In 2021, customer satisfaction was ensured by rapidly responding to damage claims by the Insurance Department and its life and non-life partners, which work 7/24, also contributing to the Bank's non-interest income target.

Special solutions have been developed with risk engineering in order to minimise all risks related to the inherent risks of the Bank. Reduction of the Bank's costs has been a key goal in the purchase of such insurance policies. For the sake of ensuring employee satisfaction, which the Department places great importance on, special comprehensive policies regarding health insurance were designed for employees and their dependents. At the same time, all employees were covered under life insurance. Specific studies have been carried out in order to complement the risks and insurance collaterals to support customers who are subject to credit risks within the framework of broadening insurance awareness with life and non-life products. In this context,

customers and related bank units were kept informed and supported through relevant training programmes.

Foreign trade financing continues to be one of our main focuses.

Foreign trade has been one of the material focus points which Alternatif Bank has competitive advantage. In addition to strong correspondence network and treasury products which play critical roles in foreign trade ecosystem, Alternatif Bank kept its increasing foreign trade volume trend in 2021 with its fast and secure operations and business culture focused on creating added value. Besides providing financial support to its customers, Alternatif Bank creates a difference with its Foreign Trade Advisory Hotline (444 0 5555 - 7) which was established to answer foreign trade questions of all companies whether they are the Bank's customers or not. Realising a foreign trade volume of more than USD 4 billion in 2021, Alternatif Bank aims to strengthen its export-oriented approach and continue to increase volume and credits.

TREASURY GROUP

ALTERNATIF BANK OFFERS THE MOST APPROPRIATE PRODUCTS, SERVICES AND ADVISORY SUPPORT FOR ITS CUSTOMERS WITH A TEAM OF EXPERTS.

TREASURY GROUP ENSURES THE DEVELOPMENT OF DIFFERENT PRODUCTS FOR THE NEEDS OF CORPORATE CUSTOMERS.



Alternatif Bank's Treasury Group consists of Asset/Liability Management, Trading, Treasury Marketing and Economic Research Departments.

Asset and Liability Management Department

Asset and Liability Management Department is primarily engaged in liquidity management, interest risk management, and fund transfer pricing.

As part of the liquidity management activities, the Department actively manages liquidity in all currencies in compliance with internal and legal limits.

Another major function of the Asset and Liability Management Department is to realise the fund transfer pricing (FTP), ensuring that the pricing of financial products correctly reflect market conditions, funding costs and

financial risks. In addition, appropriate FTP arrangements are suggested for the strategic promotion of certain products when deemed necessary.

Trading Department

Trading Department is comprised of three sub-units: Foreign Exchange, Interest and Derivatives.

Trading Department's competitive pricing plays a key role in strengthening the Bank's position in capital markets and supporting Treasury Marketing through FX and FX derivatives transactions entered into with corporate and commercial customers.

Effective pricing is offered to customers in accordance with their market expectations as part of options portfolio and risk parameters management efforts. The Department cooperates with other departments to develop

various products, which meet the needs of corporate customers with a customer-oriented approach.

All positions and risk limits at Alternatif Bank are determined by the Board of Directors. Trading Department aims to attain the profit goals within these limits.

Treasury Marketing Department

Treasury Marketing Department serves retail, commercial, and corporate customers. The Department performs spot foreign currency trading, and provides pricing options and stock market reports in order to minimise the exchange rate, interest rate and commodity risks that customers may face.

In addition to these services, the department performs pricing of credits, which include deposit and derivative products for branches and customers through business lines.

Economic Research Department

Economic Research Department briefs Treasury Group, the Bank's Senior Management and customers through reports on economic developments, expectations and risks.

Other primary functions of the Department include following up and analysing developments in the banking industry on a periodical basis. In addition, the Department also monitors and reports the developments of the industry, prepares presentations regarding the economic outlook for institutions excluding banks, and supports Treasury Marketing Department in these efforts. In addition, customer visits and reports are conducted as part of marketing activities of various business lines.

Privileged service for the distinctive customer: Private Banking

Alternatif Bank serves its customers with distinctive preferences with a banking model that aims to make their lives better in all areas with an all-new banking experience. With this new model, the Bank offers the Private

Banking customers the most suitable products, services and advisory support via rapid one-to-one interaction through portfolio managers who have expertise and experience.

Within the scope of services which respond to non-financial expectations as well as financial needs of Private Banking customers are products and services which make customers feel privileged, including solutions for extra needs that came up during the pandemic, such as tailor-made individual advisory services, diversified investment product alternatives, free-of-charge safety-deposit boxes, secure cash transfers, private driver and home transfer services.

The Economist meetings, where domestic and international economic outlook was shared, were transferred to the online media and the Bank continued to support customers with financial information throughout the year. Moreover, cultural and artistic events which attract a great deal of attention in prior years continued in 2021 with pandemic measures in place.

Within the scope of Private Banking, risks and needs of the customers are determined and products which aim to hedge risks and to increase revenues are offered. For customers who reside in foreign countries services are offered in English and Arabic in Turkey. Through a representative in Qatar, the Bank provides solutions to customers for deposit and investment products as well as flexible payment plans in the long-term and Housing Credit for Residents of Foreign Countries which offers advantageous interest rates.

Asset size of Private Banking was up by 25%.

Increasing the asset size of Private Banking successfully by 25% in 2021 when compared with the prior year, Alternatif Bank will continue to develop and diversify critical new investment products, based on the needs and tendencies of customers in accordance with its sustainable growth strategy.



HEDGING AND INCOME INCREASING PRODUCTS ARE OFFERED TO CUSTOMERS WITHIN THE SCOPE OF PRIVATE BANKING.

FINANCIAL INSTITUTIONS

ALTERNATIF BANK BUILDS LONG-TERM AND RECIPROCAL RELATIONSHIPS WITH LEADING BANKS AND FINANCIAL INSTITUTIONS OF THE WORLD

99
 AS OF 2021 YEAR-END
 EXTERNAL FUNDS
 OF USD 892 MILLION
 WAS RAISED.



We follow a relationship-oriented correspondent banking approach.

Main functions of Alternatif Bank Financial Institutions Department are correspondent banking and borrowing from external sources in accordance with the Bank's key strategies.

Financial Institutions Department expands its strong correspondent network while establishing new relations, observing a relationship-oriented correspondent banking approach. The Department effectively manages its operations based on continuity principle and acts as an intermediary to provide external sources with competitive terms to its customers who operate in foreign trade.

Financial Institutions Department strengthens the ability of Alternatif Bank to access long-term funds thanks to bond issuances in international Debt Capital Markets, subordinated loans, bilateral loans and funds raised from multilateral financial institutions.

Despite challenging conditions of the global pandemic in 2021, Alternatif Bank' efforts continued to strengthen its relationships with correspondent banks and multilateral institutions and to establish relationships with new correspondents. With Alternatif Bank's advisory banking approach, initiatives were taken to strengthen the Bank's recognition, vision and strategy among the correspondent banks and foreign investors at international platforms. In

this respect, the Bank was represented at international organisations and meetings at an executive level.

We maintain maturity and lender diversification in foreign funding.

Raising funds from external sources is one of the major initiatives of Financial Institutions Department. As of 2021 year-end, funds obtained in this context were USD 892 million which is a significant component of the Bank's balance sheet.

Alternatif Bank's borrowing strategy is to conduct an effective balance sheet management through diverse instruments, maturities and lenders and to improve funding costs. Funds with maturities ranging from six months to 7 years from a number of international lender banks, investors and institutions with different profiles, demonstrates the success of the strategy and is an evidence of the lenders' confidence in Alternatif Bank.

We continue to strengthen our relationships with multilateral institutions.

Having established long-standing strong relations with multilateral organisations, Alternatif Bank aims to provide a significant contribution to the development and sustainable growth of the Turkish economy through the USD 144 million of long-term funds secured from these institutions as of year end 2021, namely International Finance Corporation (IFC), European Restructuring and Development Bank (EBRD) and European Fund for South East Europe (EFSE).

These long-term funds are used to fund SMEs, women entrepreneurs and to support strategic areas in energy industry such as energy efficiency and renewable energy.

In 2021, within its foreign borrowing programme, the Bank renewed its Covid-19 Solidarity facility at an amount of USD 50 million which was obtained from IFC and EBRD. These funds are utilised to support SMEs to combat the economic effects of the global pandemic and to sustain their commercial activities. Long-standing and strong relations with EBRD and IFC confirm their confidence in Alternatif Bank and also strengthen the Bank's collaboration with these two institutions.

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

We establish long-term correspondent relationships based on reciprocity principle.

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

Alternatif Bank expands its active correspondent network on an ongoing basis, pursuing a relationship-oriented correspondent banking approach.

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



ALTERNATIF BANK EXPANDS ITS ACTIVE CORRESPONDENT NETWORK WITH A RELATIONSHIP-ORIENTED CORRESPONDENT BANKING APPROACH.

FINANCIAL INSTITUTIONS

INCREASING THE FOREIGN TRADE TRANSACTION VOLUME OF USD 3.7 BILLION AS OF 2021 YEAR-END IS ONE OF THE SIGNIFICANT PRIORITIES OF THE BANK.

ALTERNATİF BANK IS AN ACTIVE USER OF FOREIGN TRADE PROGRAMMES OF EBRD AND IFC.

Alternatif Bank establishes long-term and reciprocal relationships with the world's leading banks and financial institutions and prioritises the efficiency of its relations with its main correspondent banks. The positive contribution of external funds, which is a significant portion of Alternatif Bank's liabilities, to the Bank's total funding sources in terms of maturities and price is an evident consequence of these efforts.

We continue to diversify our foreign trade products.

For Alternatif Bank, foreign trade transactions are an important channel in terms of providing diversified products to its customers and maintaining wholesome relations with correspondent banks. The Bank continued to support its foreign trade customers in 2021 through its existing correspondent network and wide product range. Pursuing further increase in the foreign trade transaction volume, which was USD 3.7 billion as of the end of 2021, is one of the priorities of the Bank. In addition to foreign trade transactions, Alternatif Bank also provides all types of letters of guarantee services for its customers' projects and tenders in foreign countries.

Financial Institutions Department is in close cooperation with the Foreign Trade Finance business line and Foreign Trade Operations Department to diversify foreign trade products and to respond

to customers' needs. Moreover, the Bank's coordination with the Treasury Department is also strong to conduct a more focused strategy in treasury transactions with the correspondent banks. The Department also undertakes an important role in taking appropriate steps in accordance with the Bank's targets to increase transaction volume and numbers.

Foreign trade transactions facilitate the Bank's access to alternative funding sources. Post-financing and other foreign trade related funds raised by Alternatif Bank in 2021 was USD 289 million.

Alternatif Bank is an active user of Foreign Trade Guarantee Programmes of EBRD and IFC. Active utilisation of these programmes was recognised by both institutions and the Bank received the "Most Active User in Turkey" award within the scope of EBRD's 'Foreign Trade Programme' and 'Best Foreign Trade Operations Bank in Europe, Central Asia and Turkey' award within the scope of IFC Foreign Trade Programme in 2021. Alternatif Bank received the EBRD award for the 4th consecutive time in the last 4 years and the IFC award for the 2nd time in a row.

Both foreign trade guarantee programmes are given major prominence by Alternatif Bank in terms of access to new foreign trade customers, initiation of relationships with new correspondent

banks, generating additional capacity to the Bank's foreign trade limits and securing access to international funding sources at more competitive levels.

Another foreign resource provided by the Financial Institutions Department "Taiwan Eximbank Foreign Trade Credit" was successfully renewed in 2021 and extended to customers. This credit provides maturity and pricing advantages to user customers in imports of all types of consumer and investment products with Taiwan origin.

Alliance Banks Group

The Commercial Bank Alliance Banks Group consists of The Commercial Bank, Alternatif Bank, United Arab Bank, The Commercial Bank's 40% affiliate in United Arab Emirates and the National Bank of Oman, which is a 35% affiliate of the Commercial Bank, based in Oman. As the members of the alliance group, the banks work in close corporation,

striving to achieve process improvement and maximum synergy.

Relations with the credit rating agencies

The ratings appointed by the credit rating agencies to the Bank have significant importance for the Financial Institutions Department in terms of access to international funding sources via international borrowing instruments, and the initiation and strengthening of correspondent bank relationships. Alternatif Bank is currently rated by Fitch Ratings and Moody's. The Financial Institutions Department plays a key role in the coordination of annual due diligence meetings with these agencies, in addition to monitoring and information flow throughout the year.

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**EXTERNAL FUNDS,
WHICH IS AN IMPORTANT
COMPONENT OF
ALTERNATIF BANK'S
BALANCE SHEET, PROVIDES
A STRONG CONTRIBUTION
TO TOTAL FUNDING
SOURCES.**

FOREIGN TRADE AWARDS FROM IFC AND EBRD

In 2021, Alternatif Bank has received "Turkey's Most Active User" award from EBRD for the 4th time in a row within the scope of their Foreign Trade Programme.

The Bank has also received the "Best Foreign Trade Operations Bank of Europe, Middle East and Turkey" award once again, from IFC for the 2nd time in a row within the scope of their Foreign Trade Programme.



OPERATIONS

SERVICE EXCELLENCE AND BEST CUSTOMER EXPERIENCE ARE OFFERED TO CUSTOMERS AT ALL BRANCHES AND DIGITAL CHANNELS BASED ON STANDARDS.

OPERATIONS TEAM IMPLEMENTED NUMEROUS SYSTEMIC IMPROVEMENTS IN 2021.



Operation processes focused on excellence with a zero-risk approach

Alternatif Bank conducts Foreign Trade, Credit Operations, Payments Operations, Check and Note Operations, Insurance Operations, Card Operations and Treasury Operations centrally.

Moreover, coordination and management of branch operations are also supported under Operations.

Operations Department has an experienced professional team fully compatible with the Bank's goals and risk approach. Within the scope of Operations' activities, service quality is measured end-to-end with a zero-risk approach, service excellence based on certain standards and perfect customer

experiences are offered to customers at all branches and digital channels.

Besides its routine operations, Alternatif Bank Operations team, with its competent staff, became a key part of transformation by following development opportunities closely and launched many systemic improvements in 2021, such as GPI gCCT (Customer Credit Transfer), gCOV (Cover Payments), gSRP (Stop and Recall) integration and developments, FCTPS system integration for Foreign Currency Free Transfers and E-Letter of Guarantee for temporary tenders to be submitted to public institutions.

New check classification devices were purchased and automation levels were increased with the purpose of

performing check transactions of customers more rapidly and error-free.

An insurance operations team was set up to carry insurance operations more efficiently and to monitor risks more effectively. All insurance operations are being conducted centrally.

Advisory services are offered via “Foreign Trade Advisory Hotline” to provide added value for customers.

Under the IFC’s (International Finance Corporation) Global Trade Finance Program, Alternatif Bank claimed an important award endorsing its success in foreign trade and operational excellence for the second consecutive time. At the IFC’s 10th Annual Trade Awards event, Alternatif Bank reproduced its success in the previous year and was once again named the “Best Operations Bank in Europe, Middle East and Turkey”. While Alternatif Bank successfully increases the credit lines assigned under the Global Trade Finance Program of the IFC each year and on-lends the funds to its customers, it was recognised with this award for its operational quality and speed in the process.

In 2021, “Robotic Process Automation (RPA)” activities were accelerated to reduce employees’ operational work load and allow them to focus more on value added activities and to increase efficiency. Thus, repetitive transactions can be done by virtual robotic software 24/7 within certain rules.

Improvements realised not only helped increase sales results and volume but also provided an opportunity to realise these results with existing resources.

Achievements in the areas of efficiency in 2021 are a source of motivation for Operation teams to conduct more comprehensive activities in terms of efficiency-based growth in 2022.

In restructuring of the department, which works with a goal of high quality, fast and error-free transaction, the Bank plans a transformation program which aims to carry Alternatif Bank to a leader position in terms of efficiency and leanness, supporting a holistic digital transformation approach and making processes digital, channel-based and central. Operational processes are targeted to be developed to eliminate branch dependency, provide customers ease of transactions, unique customer experience and leading solution offers.

Considering legislative requirements and international regulations, Operations team acts responsibly with insightful banking approach in implementing appropriate processes and adopted all regulatory changes as a pioneer in the industry. Business processes are updated continuously based on the Bank’s risk structure, changing customer needs and market conditions.

As of 2021, with the start of Transformation and Process Management team’s operations, the Bank’s process management activities were built on a systematic ground. The process framework, conventions and main process/sub-process structure were designed. Based on customer expectations and with the participation of all stakeholders, tasks, roles and responsibilities were defined, new

processes/customer paths were started to be modelled which are in compliance with digital transformation.

Process management is conducted in accordance with the goals of increase in efficiency in planning business development activities, increase in customer experience/service quality and risk reduction. Process and business development activities will continue in 2022 in accordance with the Bank’s strategies.

In 2021, a more comprehensive transformation program started, which is primarily focused on products and processes directly related with customers at digital channels with one-to-one interactions. This program is intended to carry Alternatif Bank to an exemplary position in the digital world. This transformation program addresses many significant topics such as brand management, customer experience, customer analytics, sales and service model, mobile banking experience, product digitalisation, campaign management infrastructure and open/eco-system banking. Added value created by the program will start to be evident in 2022, in both customer experience and in business results of the Bank.

HUMAN RESOURCES

ALTERNATIF BANK PURSUES ITS HUMAN RESOURCES APPROACH WHICH LISTENS TO EMPLOYEES MORE, WHICH SHARES MORE AND WHICH OFFERS MORE OPPORTUNITIES FOR COMMON SENSE.

2021 HAS BEEN A YEAR WHEN NEW WORKING MODELS AND SKILLS WERE SUPPORTED.



New generation working models to fit employee's new world

For Alternatif Bank Human Resources Group, 2021 has been a year when employees were interlocked around corporate values that define the common corporate culture and when they are supported with new generation working models and competencies to fit their new world.

The vision of Alternatif Bank Human Resources Group was shaped around supporting business lines with a strategic human resource management perspective while providing development opportunities that fit the skills of today and the future.

Through this vision,

- Together with the recruitment teams, the Group observes an understanding of equal opportunity when assessing

candidates who are suitable for the requirements of the position, who are open to change and development, and compatible with the corporate culture.

- The Group adopts an organisation mission that develops under Alternatif Bank school and grows with internal sources supported by career maps, training and talent programmes designed for each title and area of expertise.

In 2021, pursuing its HR365 approach of listening to employees more, sharing more and giving more opportunity to common sense, the Bank gave its promise that it will be on employees' side for better or worse, at all seasons, on good days and more challenging ones, and taking lessons from errors as much as successes.

Practices during the Pandemic

During the pandemic, where all organisations were going through a serious “trust” test in front of their employees, Alternatif Bank kept its HR365 promise and continued to put the health of employees and customers at first since the beginning of the pandemic. Briefings, trainings and planning activities for safe working procedures which started from the last months of 2019 continued in 2021.

Decisions on work schedules and safe working procedures are being taken by the Business Continuity Committee, which was established with senior management’s participation, from the first day of the process. Actions are planned by closely following the latest data from our country and the world, putting the health of employees and customers first. Meetings are routinely held on a monthly basis and instantly when needed.

Adopting a transparent and close interaction principle, all decisions and measures are shared simultaneously with the employees while importance of individual awareness and responsibilities are also highlighted in addition to organisational measures.

Coronavirus precautions were organised by the Human Resources Group under hygiene, architectural arrangements and safe living rules topics. Actions defined were implemented in collaboration with the related groups.

Case management has also been a significant topic during the pandemic and was handled to protect all employees and customers. Extended quarantine is applied to provide the most comprehensive protection. When an employee tests positive, the floor he/she works at and the service vehicle/branch are taken into extended quarantine.

Remote working ratios were dynamically planned based on increase or decrease in number of cases at the Headquarters

and branches to protect employees’ and customers’ health.

Currently a “Gradual and rotational” hybrid work arrangement is applied. Employees are called in to offices on a 14-day rotational basis. These rates are reviewed monthly by the Business Continuity Committee and office working rates are determined based on current data.

In 2021, Information Technologies employees were permanently transitioned to remote working model.

In addition to safe working principles, employees’ mental health has also been a significant focus. Internal communication activities were expanded under employee well-being heading to include both employees and their families and conducted more actively.

Human resources management during the pandemic has become the common management topic of all groups under Human Resources organisation. All units quickly moved their processes to digital platforms and adopted an agile model in “managing employee experience”.

Talent Management

The objective of the Talent Management is to attract the most suitable candidates to the Bank by correctly analysing the departments’ needs of the business units within the framework of its vision of human resources, as well as supporting the development of existing employees and advising them on their career paths.

Opinions of the Human Resources Business Partners, assigned for each department/ branch, and opinions of employees were taken into consideration to help them achieve their individual and corporate goals and to provide them with strategic and value-added solutions.

In order to provide diverse career opportunities for employees, which is one of the main goals of talent



THE GOAL OF TALENT MANAGEMENT IS TO GAIN THE MOST SUITABLE CANDIDATES FOR THE BANK AND TO GUIDE ITS EMPLOYEES AT THEIR CAREER JOURNEYS.

HUMAN RESOURCES

WHILE SUPPORTING EMPLOYEES AT THEIR CAREER PATHS, ANOTHER PRIORITY IS TO BUILD THE BANK'S FUTURE WITH ITS OWN LEADERS BEING DEVELOPED UNDER THE ECOLE OF ALTERNATIF BANK.

management, in-house job openings were first announced within the Bank and employees suitable for those positions were transferred to different departments. As an example, "Your Career Starts with You" programme, which allows transfers between different field positions, continued in 2021 and 4 employees who completed the programme were transferred from operations to sales positions.

While the employees are supported on their career paths, another priority is to build the future of the Bank with leaders who develop within the Alternatif Bank school. Alternatif Bank Leader Development Programme established within this context received the golden award at Stevie Awards

Great Employers 2021, which is one of the most prestigious awards in business world. Among those who participated the Leader Development Programme, 6 employees were promoted to be branch managers, 5 employees were promoted at Headquarter departments and 2 employees were promoted to be managers at the group companies. They are all moving forward in their careers successfully. 23 employees included in the programme in 2021 are being supported for managerial roles.

In addition to recruitment and career development, performance management system was also structured to raise the employees' and the Bank's success bars higher and to support continuous development.

The system not only allows managers to evaluate employees' performances but also requires self-evaluation by employees to observe their own developments during the year.

The foundation of the system is feedback and the performances are measured both on the basis of targets and skills. For target-based performances, employees are observed during the year against specific and measurable targets set at the beginning of the year and evaluated in October. At the interim performance period in June, employees are evaluated for the basic skills defined by the Bank. At both performance periods the focus is employees' development areas determined through feedback and

"BEST LEADER DEVELOPMENT PROGRAMME" AT THE STEVIE AWARDS GREAT EMPLOYERS IN 2021.

Alternatif Bank Leader Development Programme established within this context received the golden award at Stevie Awards Great Employers 2021, which is one of the most prestigious awards in business world.



feedforward. Results of performance evaluations are effective in planning of trainings and career development.

The Bank's competencies were also taken into review in 2021 and diversified based on competencies required under today's conditions. During this competency review, first the basic skill set, which all Alternatif Bank employees should have, was defined. Then different skills were determined based on different tasks. The next step was determined as measuring each employee's skills and revealing his/her strong areas and areas to be developed and establish custom career and development plans. Another objective is to better understand the candidates to be hired to Alternatif Bank and place the right candidate to the right position.

Applications from candidates who wish to be part of Alternatif Bank organisation, which grow and develop with an expert and insightful banking approach, are received personally or over the career portals. The career page at the corporate site, YetenekYonetimiBirimi@alternatifbank.com.tr group address, Kariyer.Net, LinkedIn and Youthall are used to post open positions.

Development Management

The main objectives of the Development Management are designing training and development activities based on the Bank's targets and future period strategies and supporting continuous development of employees considering the competencies of the future.

Observing these objectives in 2021, development activities were implemented within the scope of advisory banking, attracting talents to the Bank, increasing employee satisfaction, developing leaders based on the Bank's culture and values, complying with digital transformation and change.

During the continuing pandemic process, both technical and personal development trainings were rapidly

carried to online platforms and continuity of employees' development was provided.

Requests of employees were listened at workshops organised with departments for trainings, surveys were conducted to understand their needs and trainings were designed accordingly.

Managers were supported with trainings on team management, change leadership by using coaching skills and agile leadership during the continuation of the pandemic period in 2021. Moreover, employees within the scope of Leader Development Programme designed for those to be appointed as Managers and Branch Managers are included in a development programme which runs throughout the year and they are supported by one-to-one coaching by professional advisors to develop their leadership skills.

Employees were continued to be supported by various technical and simulation trainings to develop their risk expertise in 2021. With the advisory and insightful banking perspective and in order to create a common sales and risk culture, a development programme was designed for field sales, operations and headquarters sales departments.

Certificate programs including technical and personal development topics were designed for Private Banking and Asset Management representatives working in the bank and its subsidiaries and their development were continued to be closely supported.

In addition to technical and competency-based trainings, employees are also encouraged to attend online conferences, seminars and summits outside the Bank to follow current developments and managers were given the opportunity to attend online certificate programmes of foreign universities. Alternatif Talks webinars which were held during lunch breaks including different subjects and agenda continued.



IN 2022, EMPLOYEES WERE SUPPORTED VIA 85 DIFFERENT TRAININGS AND 1,700 SPOTS AND GIVEN THE FLEXIBILITY OF CUSTOMISATION.

HUMAN RESOURCES

THE NEW GENERATION WORKING MODEL WHICH PUTS EMPLOYEE WELLNESS AT FIRST AND SUPPORTS THEM TO KEEP A LIFE-WORK BALANCE HAS BEEN A LEADING STEP FOR OUR INDUSTRY.

In 2021, a catalogue was prepared specific to different tasks for technical, skills, personal development and leadership training needs of employees. Employees were given the opportunity to select from 85 different trainings with a capacity of 1,700 people.

In 2021, Go Digital Development Programme was launched to increase employees' digital awareness and strengthen their skills in digital world. Workshops were organised with focus groups of executives and employees; surveys were made with all employees to determine their needs. Digital skills were identified and Digital Club members were selected on a voluntary basis to design the development programme. In addition to Digital 101 trainings and webinars which include all employees, a Digital Club Certificate Programme was designed for Digital Club members collaborating with a university. In 2021, Grandus project was launched to support employees who want to get a graduate degree or MBA. Employees were given the opportunity to attend specific universities with scholarships from the Bank. During the last two years, 6 employees received graduate and MBA education in Turkey's leading universities.

Online English Language programme which started in 2020 continued in 2021 and more than 200 employees were supported by the programme.

Another effective subject in developing corporate culture is sharing of the expertise. The Mentor/Mentee programme, which brings together experienced managers and young

employees at the beginning of their careers, supports the development of Alternatif Bank school. In this programme based on mutual learning, while young employees learn about experience, the experienced employees have the opportunity to develop their coaching skills.

Employees are supported by the Coaching Programme and Internal Coaching Centre was launched to coach 5 internal coaches and employees.

In our training programmes Alternatif Bank expertise is also supported through internal trainers in addition to consultants and academics. In 2021, training days per employee was approximately 7 days (48 hours).

Compensation and Benefits

AlterFlex which define the remote and flexible working model that fit employee's new world continued in 2021. As a result of the evaluations of the working model for Headquarters, teams were formed which fit remote working based on job descriptions and responsibilities.

With AlterFlex, Headquarters employees can work one day of the week remotely and can arrange their working hours both for office days and remote working days.

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

Those headquarters employees who cannot work remotely due to the nature of their jobs and all branch employees are provided with extra time off.

Additionally, Application Development, Platform and System Process and Portfolio and Program Management teams operating under Information Technologies Group were transitioned to fully remote working model.

Putting employees' well-being first, the new working model which supports business and private life balances was a leading step in our industry.

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

The benefits offered to employees are summarised below:

- 12 salary payments are made in a year and they are paid in gross.
- A bonus payment is made once a year, depending on the Bank's target realisation and individual employee performance.
- Lunch is provided with meal tickets.
- Shuttle service is provided to employees working at the Head Office.
- Life insurance coverage is provided for all employees.
- Private Health Insurance is provided covering employees, as well as their spouses and children.

GOLDEN AWARD AT THE STEVIE AWARDS GREAT EMPLOYERS 2021 AT “INTERNAL COMMUNICATIONS” CATEGORY

Corporate Values Project which lasted for two years and which was participated by all employees of the Bank at the stages of definition, development and expansion, was granted the Golden Award in Internal Communications category at the Stevie Awards Great Employers 2021.



- Life insurance coverages for all employees.
- Private Pension Plan with Company Contribution is provided for the employees who have completed 6-months of service.
- All employees working in hybrid and teleworking formats receive telecommunication support.
- Annual paid leave policy is applied based on the following service periods:
 - From 1 year to 5 years: 15 business days
 - From 6 years to 15 years: 20 business days
 - 16 years or more: 26 business days
 - Administrative vacation days are provided in addition to legal vacation days to support employees' family lives and make them feel the Bank is on their side on their special days:
 - One day vacation on birthdays of employees
 - For those who have children in primary schools, half day vacations on the first and last days of school
 - For those who have children at

high schools, one day vacation for registration transactions to high school after High School Entrance Exam (LGS).

- Two-day vacation for Headquarters and branch employees who cannot be included in AlterFlex due to the nature of their jobs.

Organisation

The main objective of the Organisation Department is to manage the organisational structure in a synchronised and effective way with all of its functions.

In line with this goal, the major responsibilities of Organisation Department include production of concrete data through norm planning models supporting workforce planning, managing labour resource planning with the perspective of optimisation, setting out the duties and responsibilities of all components of the organisation in a clear and unambiguous manner.

In 2021 corporate documents within the organisation were transferred to a new system platform and they were included in the process from end to end.

Additionally, search engine structure was strengthened and a design was implemented with the English document library to support corporate memory.

Internal Communication and Corporate Culture

In terms of Human Resources, 2021 has been a period when common corporate culture and well-being of employees gained more importance with the new working models.

Corporate values identified with participation of employees have been Alternatif Bank's compass throughout the year. With its focus on human resources, the Bank conducted an extensive communication programme during 2021 for the physical and mental health of its employees which are the most valuable assets.

Value Expansion Meetings were held where 28 volunteer Value Ambassadors and all employees meet. At these meetings success stories were shared for each one of corporate values. These meeting helped employees feel that they are team mates understanding each other and running towards the

HUMAN RESOURCES

ALTERNATİF BANK'S CORPORATE SOCIAL RESPONSIBILITY APPROACH CAME TO LIFE WITH NUMEROUS PROJECTS IN 2021.

ALTERNATİF BANK SUPPORTED THE 1 MILLION SAPLINGS CAMPAIGN WHICH WAS STARTED BY THE BANKS ASSOCIATION OF TÜRKİYE.

same targets although from time to time they have to work at different teams, particularly during this period when remote working is extensive. On this path to create a common corporate culture, 60 workshops were organised and almost all employees at the Bank and its subsidiaries were reached. Corporate Values Project, which lasted for two years and conducted with the participation of all employees during development and expansion stages, received the Gold Award at the Stevie Best Employers 2021 Awards in Internal Communication category, one of the most prestigious awards of the business world.

During the pandemic period while remote working is still very extensive, transparency and effectiveness of communication between managers and employees have become more critical. With this perspective, online meetings were organised with formal and informal content to include senior management and all employees. The main theme of these meetings was always the "health of employees and customers". During these times, the basic need of all employees was to know that their managers / team mates are there for them to reach for support. Applications for employees' mental well-being which continued in 2021 are summarised below:

- Vision 2021 Meeting was held on digital platform and all employees could participate.
- Private Banking Launch meeting was held in a hybrid format where

management and employees got together.

- Strategy meetings which bring CEO and management together and listening meetings started to be held in a hybrid format to meet in person or over digital platforms.
- Alternative Perspective seminars on life outside the work bring together employees and their families with experts. In 2021, 800 employees attended 18 seminars. These seminars received appreciation at an average rate of 96% on satisfaction surveys.
- An activity newsletter is prepared for each weekend to support not only the employees but also their families to spend these times more effectively.
- To support physical and mental health of employees and their families, online trainings are organised in one sports branch for each work day and employees at the Headquarters are supported by sports at the floor application and trainers at AlterFIT, the gym with professional equipment.
- At the Movie Reading Workshops which continue on the online platform, 6 movie reviews were realised in 30 hours.
- Special day celebrations were not forgotten during this period. On 23 April, interactive science workshop and a magician show were organised on digital platform with the participation of more than 100

children of employees. Moreover, the "Seed Ball" project was launched with the contribution of Alternatif Bank Leader Development Programme.

- At the Online travel club, 5 different destinations were explored with professional guides on digital tours.

Employees received support from Employee Support Hotline, composed of professional experts, in a variety of areas they need, from general health to legal matters (experts in areas such as new-born care, physiotherapy, psychologist and veterinary).

Alternatif Bank's corporate social responsibility approach came to life in many different projects in 2021:

With the conscience of social responsibility, within the scope of special day celebrations, the Bank provided support for Parıltı Association

at the Mother's Day and for Tohum Autism Foundation at the Father's Day, in addition to special gifts for employees. In 2021, with the participation of employees, almost 1000 books were donated to Books for Everyone Foundation. 28 Alternatif Bank employees made donations to Children with Cerebral Palsy Foundation of Turkey through Steptember mobile application. The Bank sent fire equipment to support the battle against natural disasters with the spirit of solidarity. Moreover, 1 million trees campaign initiated by the Turkish Banking Association was also supported.

- As a reflection of our awareness of social responsibility and our interest in sports, 19 employees participated the 43rd Istanbul Marathon to support Parıltı Association. Funds raised by the bank employees as donations were transferred to support

education of visually impaired children.

- 154 employees were rewarded at the Pearl Awards project, which celebrates momentary successes.
- Welcome Baby Gift and Wedding Gift applications continued in 2021 to celebrate employees' special days.

In 2022 ...

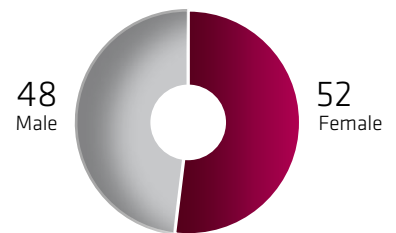
Human Resources Group designed the road map of 2022 based on expanding Digital Corporate Culture with a vision of adapting to changing dynamics of work life with the HR 365 approach. Accordingly, it will continue to work on enriching the employee experience with digital platforms and complete the employer brand design.

Alternatif Bank Human Resources Profile

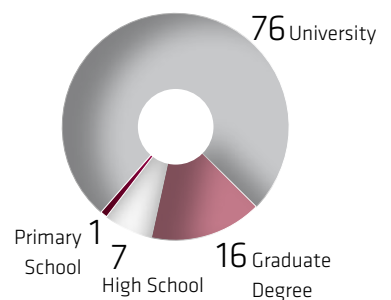
As of 2021 year-end Alternatif Bank employee data is presented below:

	2019	2020	2021
Total Number of Employees			
Headquarters	515	512	498
Branches	365	348	331
Total	880	860	829
Gender			
Male employees	48%	48%	48%
Female employees	52%	52%	52%
Total	100%	100%	100%
Average Age	37	39	39
Education Level			
Primary School	13	13	10
High School	91	66	56
University	659	661	629
Graduate degree	117	120	133
Doctorate			1
Number of Employees with a Second Language	372	347	246
Average Seniority	6,1	6,6	6,4

BREAKDOWN OF EMPLOYEES BY GENDER (%)



BREAKDOWN OF EMPLOYEES BY EDUCATION (%)



INFORMATION TECHNOLOGIES

ALTERNATIF BANK CONTINUED ITS TECHNOLOGICAL AND DIGITAL TRANSFORMATION JOURNEY IN 2021 WITH IMPORTANT PROJECTS.

CUSTOMER ACQUISITION VIA VIDEO CALL PROJECT WAS LAUNCHED IN 2021.



We take important steps in our technological and digital transformation journey.

Alternatif Bank continued its technological and digital transformation journey in 2021 with important projects. The Bank carried on its activities to create the best customer experience at all channels where it contacts the customer including digital banking platforms. Alternatif Bank demonstrates its technological expertise and innovative approach through the applications used and feeds this approach by following considerable developments in the industry. Following a security and efficiency strategy in banking business processes, the Bank continues improvement activities in infrastructure and hardware.

Conducting its activities based on its “expert and advisory” perspective to provide value-added services to its customers, Alternatif Bank covered a significant distance since 2018 when it started its technological transformation and digitalisation projects. The Bank achieved the performance level of meeting the needs and expectations of both its customers and employees effectively in the shortest time possible. The Bank’s performance not only received positive feedback from internal and external customers but also prestigious awards in different areas.

In order to contribute to growth and profitability, the Bank took initiatives and conducted value added activities to adopt technological and regulatory developments rapidly within the Bank

and to increase the speed of customer acquisition.

At the Marketing and Sales side, A Central Sales team and Central Portfolio Management structure were formed to increase product and service diversity. In this context, Central Portfolio Managers were given access to Central Sales and Multi-Sales screens to enable fast product sales by receiving minimum information from the customer. Customer Acquisition via Video Call Project was designed and implemented within a short period of 4 months to provide a perfect customer experience. Customer acquisition can be completed within a very short time of 9 minutes from end to end and in terms of the experience, it has the highest level of success in our industry.

Focusing on using all required sources in developing and improving “products and services”, the Bank aims to support growth and profitability. In this context, the Bank was one of the first implementers of FAST 7x24 Money Transfer Project in January 2021 at its Digital Channels, a project, initiated by the Central Bank, which will replace EFT transactions in the following periods

In the first half of 2021, Digital Credit and overdraft account processes were opened to customers’ use which allows the Bank to meet credit needs of customers over digital platforms without the need to visit the branch.

Debit Card Cashback Campaign, which allows gaining while spending, was initiated in September 2021.

Conditional VOV account was launched in September 2021 which works with certain cross-sell terms and allows for continuance of high time deposit interest rate after the Welcome rate.

With the MasterPass integration, customers’ bank card information can be added to MasterPass System and they can make their shopping quickly and easily at e-commerce platforms which are integrated with this system.

As of October 2021, Debit and Credit Cards were started to be printed with contactless feature in order to provide customers an easy-to-use card experience in all types of shopping during the COVID-19 pandemic.

KOLAS (Easy Address Module) which is a transfer method of FAST Project was also implemented in October 2021. With KOLAS, there is no need to remember IBAN and money transfers can be performed easily over mobile phones with easy to remember information such as Turkish Republic Identification number or Tax Identification number.

Another transfer method of FAST Project was FAST transaction with QR Code and this was also implemented in October 2021. Thus, the most used cash transfers can be realised easily with a QR Code which can be generated and read with a mobile phone without the need for IBAN.

Activities for contracted merchant payments with QR Code (FAST, Credit Card, Debit Card) are being carried on and will be implemented gradually in 2021 and 2022.

With Open Banking API which allows fast, easy and secure integration with companies and commercial customers, POAŞ DBS, Figopara TFS, Petlas DBS, Aselsan TFS systems were implemented.

Insurance /AcerPro Integration and InvoiceLab DBS integration are important projects that continue.



GROWTH AND PROFITABILITY ARE SUPPORTED WITH A FOCUS ON “PRODUCT AND SERVICE” DEVELOPMENT AND IMPROVEMENT.

INFORMATION TECHNOLOGIES

ALTERNATIF BANK CLOSELY MONITORS ALL TYPES OF TECHNOLOGICAL OPPORTUNITIES AND ADOPTS THE PRINCIPLE OF TRANSFORMING THEM INTO VALUE IN ITS PROJECTS BY CREATING MAXIMUM BENEFIT WITH MINIMUM EFFORT.

ALTERNEXT TRANSITION AND DATABASE VERSION UPGRADE PROJECTS ARE AMONG ONGOING CRITICAL PROJECTS.

Alternatif Bank closely monitors all types of technological opportunities and adopts the principle of transforming them into value in its projects by creating maximum benefit with minimum effort. In this context, Lien Automation and Bank Order Classification projects were completed during the year using Artificial Intelligence and Machine Learning.

Within the scope of AlterQ Instant Actions, more than one action set working with transaction-based rule sets are in place to support the Bank's automation systems.

One of the important topics the Bank is working on is Digital Channels Transaction Anomaly Detection for early detection of fraud transactions, establishment of necessary warning mechanisms and on-time detection of anomalies.

Server renewals and Voice Recording / ATM Systems Win10 transition activities were also completed in 2021.

Alternext Transition and Database Version Upgrade projects which are prepared with Omnichannel platform setup are among ongoing critical projects.

Legal Reporting Project within the scope of important banking reports shared with official institutions, Expertise Module which handles End-to-end Expertise processes and Credit Risk Management System were among other important projects implemented in 2021.

Within the scope of Robotic (AlterX) which started in 2020, daily repetitive processes which are determined as priority are being automated to be transferred to Robot and gradually implemented in order to reduce employees' work load and increase their efficiency.

Activities continue within the scope of compliance with the New IT Regulation published in January 2021. Projects focusing on consistent/individual data management and establishing a reporting platform are being carried since 2020. In this context, DWH and Reporting layers of the Bank are being renewed. Individual Churn Project is one of the important continuing projects. Request, Project Feasibility and Monthly Prioritisation of Requests processes were implemented on the Clarity System which processes IT Requests and Projects. Improvement of project process is one of the important development projects completed in 2021.

Strong Actions in Information Security Management

In 2021, in terms of Information Security, Alternatif Bank conducted control, monitoring and intervention processes within a sustainable architecture, performed its reviewing activities and continued development and updating as necessary.

In addition to ongoing programmes and transformations, data security was assessed in accordance with

current cyber threats which may cause compliance and reputation risks, risk analyses and strategic programs. Information security actions were taken within major and tactical plans.

The Bank always takes its actions with high sensitivity with respect to structuring of Information Security Governance with a holistic and end-to-end perspective supporting digitalisation and digital transformation.

With multi-layered architecture and other supplementary security elements, a security monitoring structure named SOC (Security Operations Centre) was developed for central monitoring and integrated with fraud monitoring structure, it performed successfully in 2021. Mitigation measures for threats against security and risk were designed, supported with risk assessment activities, risk scoring and flexible security reviews, taking pandemic conditions into consideration.

Internal/external anomaly monitoring structure, which was set up to monitor and analyse all activities in all layers and systems such as internal and external networks, servers, end-point devices, data bases, applications, web sites and application development, was integrated with fraud processes and taken with an integrated architecture.

Penetration and security tests were performed in digital channels, applications, integrations and other products and services where required in accordance with regulations. Activities to measure and increase information security and social engineering awareness were realised and as a result of new measurements it was determined that awareness increased.

Activities to increase awareness for social engineering attacks were realised through assigned and classroom trainings and briefings to internal/external stakeholders.

Compliance with all related legislation, particularly Information Systems Regulation, is followed with high sensitivity.

Certification activities

Alternatif Bank conducted activities to renew its certificates in 2021 and completed its activities for a new certificate, thus providing continuity of the Bank's certificates.

Being committed to running all operational procedures in accordance with internationally recognised standards, Alternatif Bank holds seven standard certificates:

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



COMPLIANCE WITH ALL RELATED LEGISLATION IS FOLLOWED WITH HIGH SENSITIVITY.

CORPORATE COMMUNICATIONS

CORPORATE COMMUNICATIONS DEPARTMENT CONTINUES ITS OPERATIONS IN ACCORDANCE WITH THE BANK'S STRATEGIC PRIORITIES.

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EFFECTIVE CREATIVE AND MEDIA STRATEGIES USED IN VOV ACCOUNT ADVERTISING CAMPAIGN PROVIDED A SIGNIFICANT CONTRIBUTION TO BUSINESS RESULTS.



Corporate Communications Department is one of the most strategically important departments, which shares its activities with its stakeholders and observes Alternatif Bank's reputation before its shareholders.

Corporate Communications Department conducts Alternatif Bank's communication activities in line with their "Advisory and insightful banking" approach, the foundation of its corporate culture, which also includes "Accessible Banking" and reinforces the Bank's communication-focused reputation management with the synergy of business lines.

The department takes professionals' opinions from various communication disciplines as it values expertise and

continues its activities considering Alternatif Bank's strategic priorities. Operational follow-up and coordination of sustainability activities were undertaken by the Corporate Communications Department starting with 2021.

Highlights from 2021 Activities of Corporate Communications Department

Corporate Communications Department continued to implement significant projects within the scope of "Accessible Banking" in 2021. Starting off with the objective of facilitating access to banking services with a rights-based and equal opportunity approach, the Bank obtains consulting from expert academics and NGO representatives.

Accordingly, activities were continued to be conducted to develop accessibility to all physical and digital channels throughout the year, trainings were organised to increase awareness and know-how of all employees, including executive management. With the objective of increasing the accessibility of its digital channels, Alternatif Bank was one of the pioneer companies to join "Eyebrand", Visually Unimpaired Brand Network of Blindlook, a social entrepreneurship which develops technologies that offer more freedom to visually impaired. Thanks to this collaboration, visually impaired customers can use the Bank's digital platforms more comfortably through the audible simulation technology developed by Blindlook. Moreover, the Bank was granted an award at the "9th Accessible Informatics Awards", given by Turkish Barrier- Free Informatics Platform to evaluate successful services for the disabled, in "Private Sector" category with its Accessible Banking applications.

Alternatif Bank launched the 'Accessible Banking Hackathon' event for the first time in 2020 and expanded the scope and organised it in "ideathon" format in May 2021. 'Accessible Banking Ideathon' was open to all undergraduate and graduate students and was organised online with the objective of facilitating access to banking services for everybody, mainly people with disabilities. Eight teams consisting of 29 people took place in the ideathon with their project ideas. Within the scope of the event, in addition to monetary rewards, the first three teams were given the opportunity of internship at Alternatif Bank, interview simulation and online fundamental banking training. Projects which were selected at the Ideathon are taken into Bank's plans to be implemented.

In 2021, effective media activities were realised such as press releases, exclusive news, interviews on TV, newspapers, magazines and online platforms to increase awareness of Alternatif Bank and to announce projects launched.

In marketing communication, effective and creative media strategies used during the advertising campaign of VOV Account in September 2021 resulted in higher than expected outcomes in terms of access and recognition. It also created a great contribution to business results.

In June 2021, a special project, "Regional Development Meetings" was launched in collaboration with Dünya Newspaper to discuss the economic improvement and development agenda, problems and opportunities of cities and hinterlands of Turkey which became centres of developed manufacturing industry and trade. Valuable information were shared with participants in Bursa, Gaziantep and Çukurova regions through webinars with the participation of the Bank's CEO Kaan Gür, Deputy CEO Yeşim Şimşek, important speakers from Dünya Newspaper, development agencies and Chambers of Trade and Industry. Notes from the webinar agenda were published in Dünya Newspaper, thus more people were reached.

The Bank continued its sponsorship for arts, sports and economic events to enhance its brand perception in 2021. Some institutions and events of Alternatif Bank's sponsorships were Zorlu PSM, Kemer Country Club, 13th Economy Press Success Awards organised by Economy Journalists Association in a hybrid form, YANINDAYIZ (we are on your side) Association #womenandmenareequalfullstop Conference and 50 Powerful Women CEOs Summit and Award Ceremony organised by Economist and Capital magazines.

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CORPORATE COMMUNICATIONS DEPARTMENT CONTINUED TO IMPLEMENT IMPORTANT PROJECTS WITHIN THE SCOPE OF "ACCESSIBLE BANKING" IN 2021.

SUSTAINABILITY

ALTERNATIF BANK'S CORPORATE CULTURE MAKES IT SENSITIVE IN AREAS OF ENVIRONMENT, SOCIETY AND ECONOMY UNDER SUSTAINABILITY TOPIC.

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ALTERNATIF BANK'S SUSTAINABILITY JOURNEY STARTED IN 2019.



Alternatif Bank sustainability journey started in 2019

Alternatif Bank's sustainability journey started in 2019 with the decision to establish a Sustainability Committee with the leadership of the CEO. The Committee's members, consisting of the executive committee and related department managers, material areas and structure were finalised and the committee was formed in 2020. The objective of the committee was to have sustainability activities, which were previously being carried separately, to be conducted in coordination towards a common goal.

Organisation of Alternatif Bank's sustainability activities to be more planned, finalisation of the Bank's medium and long-term Sustainability Strategy and its integration to the Bank's activities, establishment of a

structure which clearly contributes to Sustainable Development Goals (SDG, Global Goals) are being coordinated by the Corporate Communications Department. With the objective of monitoring and direction of these activities at the Board of Directors level, sustainability topic was included in the agenda of the Board of Directors Remuneration and Corporate Governance Committee in 2021. The Bank's current status, short and medium-term action plans were discussed and approved in both Sustainability Committee at the executive level and the Board of Directors Remuneration and Corporate Governance Committee.

Even though the history of the Bank's sustainability activities is not very long, the Bank's corporate culture is sensitive to areas of sustainability for a long

THE SUSTAINABILITY STRUCTURE OF ALTERNATİF BANK



time, such as environment, society and economics. That is the reason the Bank conducts significant activities in corporate governance, corporate social responsibility and waste management areas for many years.

Upon the decision to establish a Sustainability Committee, areas in which the Bank conducts activities within this scope and areas that need to be expanded were identified and defined as priority areas for the committee.

These areas are:

- Environmental and Social Governance
- Qualified Education
- Ethical Banking

- Sustainable Products and Services
- Diversity and Inclusiveness

These topics were grouped under five working groups and the Bank's sustainability activities continued.

Operational follow up and coordination of sustainability activities conducted by the Sustainability Committee which was established at the executive level and five working groups are assumed by the Corporate Communications Department starting from 2021. While leading the Bank's sustainability activities, the department is responsible for the functionality of the working groups and performs the secretarial activities of the Sustainability Committee. Moreover, structuring of the Bank's medium and long-term Sustainability Strategy and

coordination and process management of its integration to the Bank's activities, thus increasing the contribution to Global Goals are the responsibilities of the Corporate Communications Department.

Sustainability Committee sub-groups

Alternatif Bank Sustainability Committee sub-groups consist of managers and experts the related teams based on priority areas. Sub-groups participate in the initiatives of the working group they are a part of, create ideas and implement projects in addition to their current duties, activities and projects. These sub-groups help integration of activities conducted to business manners of the team they belong to and increasing sustainability awareness in the Bank.

SUSTAINABILITY

96% OF ALTERNATIF BANK'S CREDIT EXTENSIONS IN 2021 PASSED ENVIRONMENTAL AND SOCIAL ASSESSMENT MATRIX.

99

IN 2021, 96 DIESEL ENGINE VEHICLES WHICH CONSTITUTES 58% OF THE BANK'S VEHICLE FLEET WERE CHANGED WITH HYBRID VEHICLES.

Topics and projects followed up by Alternatif Bank Sustainability Committee sub-groups are presented below:

Environmental and Social Governance Working Group

The main purpose of the working group is creating awareness both internally and externally about sustainability, reducing carbon footprint of the Bank and increasing social impact of Alternatif Bank about environment through collaborations.

During the last few years, as a result of activities within the Bank, Alternatif Bank branches were renewed with the new architectural concept to be more environmentally friendly.

The Bank's Headquarters at Vadistanbul that Alternatif Bank moved in 2018, received the LEED Gold Certificate, given by U.S. Green Building Council, and certified as a sustainable green building.

In 2021, 96 diesel vehicles which make up 58% of the Bank's fleet of vehicles were changed with hybrid vehicles. Flexible working application AlterFex, which became permanent, provided an opportunity for the employees to work at the Headquarters 3 days a week, thus reducing the environmental impact of the Headquarters building in terms of climatisation, electric and water usage.

Alternatif Bank included environmental and social assessment step in its credit processes since 2019. With this step, the Bank included in its mission limiting its negative impact on environment and

society and informing its stakeholders properly in this respect. In 2021, 96% of the Bank's credit limit extension has gone through environmental and social assessment matrix. The Bank uses IFC's environmental and social assessment matrix, which is one of the highest-level standards globally.

Ethical Banking Working Group

The objective of the working group is to distinguish itself as an exemplary organisation in the industry and to develop all organisations at the Bank's impact area to be more effective, accountable and transparent.

To achieve this objective, Alternatif Bank performed a review of its Ethical Principles inside and out in 2020 to update and make them more extensive. After that, in 2021, a rating review was conducted by SAHA Rating, a rating company licensed by CMB, to evaluate the Bank's current status in terms of Corporate Governance. As a result of this review, the Bank's score was determined as 9.28 out of 10. Alternatif Bank's score is the indicator of how the Bank is compliant with the CMB's "Corporate Governance Principles" and how it implemented policies and measures in this area. It also demonstrates that the Bank established internal control mechanisms effectively, they function as intended and all corporate risks are detected and effectively managed. The Bank's rating score confirms that rights of shareholders and stakeholders are fairly observed; public disclosure and transparency activities are handled at the highest executive level.



Diversity and Inclusiveness Working Group

Two working groups established in 2020 under the names of “Equal Opportunity” and “Accessible Banking” were merged under this group in 2021.

Main objective of the working group is increasing women’s access to economic resources, supporting women for full engagement in leadership and decision-making processes while developing awareness and activities within the organisation in terms of diversity and inclusiveness.

The working group also aims to position Alternatif Bank as an exemplary organisation within the context of removing all physical and behavioural obstacles faced by people with disabilities, primarily in banking services.

Accessible Banking activities are being carried at Alternatif Bank since 2019 with an increased intensity. From the start of the process all activities are structured by an advisory committee consisting of expert academics and NGO representatives in this area. In addition to awareness trainings and product development activities within the Bank for people with disabilities, continuous improvements are being realised to increase accessibility of the Bank’s physical and digital channels. As

of 2021, the Bank participated in Eye Brand, which is the visually impaired brand network of BlindLook social entrepreneurship and accessibility of digital services by the visually disabled individuals were improved. The Bank started to provide services in sign language in the process of customer acquisition via remote video conference. Moreover, Accessible Banking Hackathon, which was launched for the first time in 2020, was transferred into web environment and organised in and ideathon format in 2021. The ideathon was open to all university students.

Qualified Education Working Group

The main objective of the working group, in addition to support employees’ personal and professional development, is to support its customers not only in financial areas but also with its know-how, as a reflection of its advisory bank approach. In this context, various applications were implemented by the Human Resources to support development of employees, such as a leader development program which was granted the Golden Award at the Stevie Award program, a higher education support program, Gradus and the Digital Club which was established to develop digital competencies. Furthermore, in addition to Foreign Trade Advisory Hotline which was launched in 2020 to support customers, Insurance

Advisory Hotline was implemented in 2021. Trainings to increase awareness in accessibility banking were shared at the Bank’s YouTube channel to be accessed by the whole society. “Regional Development Webinars” were organised in collaboration with Dünya Newspaper and Regional Development Agencies to increase knowledge and awareness of the real sector in the areas of Sustainability and EU Green Deal.

Sustainable Products and Services Working Group

The main objective of the working group is to develop banking products and services which will contribute to stakeholders in environmental and social areas, taking into account the current legislation.

With the Empowering Managing Women Package prepared for women entrepreneurs obtained from IFC, the Bank continued to provide an opportunity for women to access funding resources. Almost all of the funds provided were extended as of 2021. Within the same scope, the Bank collaborated with Hepsiburada in 2021, the largest e-commerce platform of Turkey, and a special banking package was offered to women entrepreneurs operating through this platform. In accordance with the Sustainable Banking Strategic Plan issued by the BRSA in December 2021, the Bank plans to monitor the developments in taxonomy and take a more active role in this area in the following period.

2022 plan

In 2022, Alternatif Bank plans to define a sustainability strategy and its framework to structure the medium and long-term progress of its sustainability activities. With this objective, the Bank will conduct a study with its inside and outside stakeholders. With the output of this study, the sustainability strategy and framework, as well as fundamental actions for 2022 and beyond, will be shaped.

ALTERNATIF BANK'S SUBSIDIARIES

Alternatif Lease

Alternatif Lease, an exemplary company in leasing industry with quality of service offered by following innovation, has grown in line with the leasing industry and has completed 2021 successfully. In accordance with Alternatif Bank's "Advisory Banking" approach, Alternatif Lease provides both advisory and financial support for its customers' investment decisions with its expert personnel. The Company continues to provide tailor-made services to customers of every scale in industries contributing to our country's economy.

In 2021, the Company worked with supplier companies to finance their customers' sales and prepared leasing packages with favourable terms to help domestic goods suppliers. Alternatif Lease's priority target is to continue providing a complete finance package to its customers with its main shareholder, Alternatif Bank. In this respect, the Company plans to continue growing by building deeper and longer-term relations with mutual customers in addition to sustaining its existing concentration with the Bank's customers.

Alternatif Lease expects the economic activity and consequently investment demand to increase in 2022 with the diminishing impacts of the pandemic. Accordingly, continuing technological infrastructure development investments, increasing the quality of our employees through on-site and external trainings and increasing service quality are among our actions.

Alternatif Investment

2021 has been a different year when our habits have changed, routines were broken and many political and climate events have taken place.

Alternatif Investment, with this awareness, continued to be present at the capital markets' side and close to investors with its advisory role in accordance with Alternatif Bank's "Advisory Banking" principle.

Starting off as a company which provides financial advisory and intermediary services to qualified individual and corporate customers, Alternatif Investment takes a holistic approach in responding to investors' all financial needs. In addition to intermediary services, it provides customised investment planning suggestions to qualified investors by taking into account their risk profiles, revenue targets, income-expense balances and asset sizes. In addition to security transactions, coordinating with the Research Department, it offers consulting services to individual and corporate investors with different risk and return preferences, providing short, medium and long-term investment solutions, such as securities with fixed

return, investment funds, derivative markets, gold, silver and other commodities, based on their needs.

In this respect, "Private Portfolio Management" service given over investment funds and "Model Portfolio" service at the domestic security transactions side exhibited a successful performance with the returns they provided to their investors in 2021. In addition to the return it created by looking out for investor interest, Alternatif Investment achieved the results of its investments and efforts on the technology side to offer its investors a faster and highly satisfactory customer experience. Bank-Investment integration was completed and technological infrastructure was strengthened with new projects.

In 2022, Alternatif Investment will continue its activities to increase its staff and expand its product range to achieve sustainability of the success it created and will keep its "customer satisfaction focus" working principle.



MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

BOARD OF DIRECTORS



OMAR HUSSAIN ALFARDAN
CHAIRMAN

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

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

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



JOSEPH ABRAHAM
VICE-CHAIRMAN

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



MOHD ISMAIL M MANDANI AL-EMADI
BOARD MEMBER

Mr. Al-Emadi currently serves as a Board Member of both The Commercial Bank and National Bank of Oman, Sultanate of Oman. He has over 30 years of banking and financial services experience, including at The Commercial Bank in a number of roles from 1982 until 2007, after which he served as Chief Executive Officer of Qatar Real Estate Investment Company until 2011 and also served as its Director from 2003 until 2005. In addition, Mr. Al-Emadi served as a Board Member for Doha Securities Market, Qatar from 2000 to 2003; Qatar Shipping Co. from 2000 to 2006; and Mannai Corporation Co. (Qatar) from 2001 to 2004. Mr. Al-Emadi has recently joined the Sidra Medicine Board as a Governor Member. He joined Alternatif Bank as a Board Member in September 2014 and he is currently the Chair of the Board Risk Committee. Mr. Al-Emadi graduated from Holy Names College (USA) with a Bachelor of Arts degree in Business Administration and Economics.



RAJBHUSHAN BUDDHIRAJU
BOARD MEMBER

Mr. Buddhiraju has been the EGM, Wholesale Banking of The Commercial Bank for the last six years and has extensive banking experience in various countries including the Middle East. He is also a director in Orient 1, a 100% subsidiary of The Commercial Bank.

Before this stint in The Commercial Bank, Mr. Buddhiraju worked at Dubai Islamic Bank in Dubai and in Arab National Bank in Saudi Arabia. Prior to that, he has worked in Citibank in several senior roles in India, Singapore, Hungary & Poland for 13+ years.

Mr. Buddhiraju graduated from the Indian School of Mines in Petroleum Engineering and has an MBA from the Indian Institute of Management, Calcutta, India. He completed the Executive Program in Marketing Strategy for Senior Managers in Kellogg School of Management, Northwestern University, USA.



HALİL S. ERGÜR
BOARD MEMBER

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



PAUL GOSSIAUX
BOARD MEMBER

Mr. Gossiaux is a highly experienced senior executive and seasoned credit professional with a broad range of skills in both risk management and transaction structuring, approval and execution. He has built and managed business marketing teams as well as risk management and control teams in both commercial banking and investment banking sectors across the UK, Europe, Middle East, Asia, and Emerging Markets for over 25 years. Having joined The Commercial Bank in 2010, he worked as the Chief Risk Officer until October 2021 and was previously Chief Credit Officer as well as Head of Credit for International Banking and Public Sector lending at the same bank. Prior to joining The Commercial Bank, Mr. Gossiaux was Head of Credit Risk for the Business Support and Recoveries group of Barclays Bank SA (Madrid) from 2008-10. He was a Director in the Leveraged and Structured Finance Credit Risk Management team of Deutsche Bank (London) from 2007 and an Executive Director in the Leveraged and Structured Finance Credit Risk Control team of UBS Investment Bank (London) from 2001. Mr. Gossiaux was an EMEA Divisional Credit Risk Management Executive for Bank of America NA (London) from 1999 and Regional Risk Manager for Bank of America SA (Madrid) from 1993. He has held various other senior credit and business development positions with Bank of America NT&SA and Manufacturers Hanover Trust Company in London, New York, and Singapore. Mr. Gossiaux holds an MIA degree from Columbia University (USA), School of International Affairs and Russian Institute, and a BA degree from Fordham University (USA). He joined the Board of Directors of Alternatif Bank in March 2018.

BOARD OF DIRECTORS



ZAFER KURTUL
BOARD MEMBER

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



LEONIE LETHBRIDGE
BOARD MEMBER

Dr Lethbridge has extensive banking leadership experience across diverse markets, and spanning 20 years in general management, transformation, operations, risk and technology management. She is Executive General Manager and Chief Operating Officer of The Commercial Bank. Before joining The Commercial Bank in July 2017, she was CEO of ANZ Royal, a joint venture of Australia and New Zealand Banking Group in Cambodia, and in her fifteen years at the ANZ, had a number of senior roles including Regional Chief Operating Officer Asia; Chief Operating Officer Indonesia and Acting Head of Risk Asia Pacific.

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

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



KAAN GÜR
BOARD MEMBER AND CEO

Kaan Gür is a seasoned banker with a professional experience of more than 30 years in the banking industry demonstrated through a remarkable track record in effective management. Having completed his undergraduate degree at the Department of Banking and Insurance at Gazi University, he earned his Master degree from Middle East Technical University, Executive MBA. Gür began his career at Garanti Bank in 1989. Prior to serving as Director in charge of SME Marketing Coordination, he assumed the roles of branch and regional manager in Corporate, Commercial and SME Banking at Garanti Bank. Gür joined Akbank as Executive Vice President in charge of SME Banking in 2011. He served as Executive Vice President of Commercial Banking, including overall responsibility for the Bank's Cash Management and Trade Finance departments, in Akbank between 2013 - 2017. During his career at Akbank, he held the positions of Chairman of AK Lease and Vice-Chairman of AK Investment, which are both Akbank subsidiaries. Kaan Gür was appointed as the CEO and Board Member of Alternatif Bank in October 2017. He also serves as Chairman of Alternatif Lease and Vice Chairman of Alternatif Investment.

Board of Directors Meetings

Following table shows Board of Directors' meeting dates and members' attendance throughout 2021:

Meeting Date	Numbers of the Members Present
10.02.2021	8
28.04.2021	9
13.07.2021	9
07.10.2021	9
15.11.2021	9
13.12.2021	8

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

Name	Position	Date of appointment	Academic Degree	Area of Responsibility	Banking or Business Management Experience (years)
Chairman and Members of Board of Directors					
Omar Hussain Alfardan	Chairman	16.09.2014	Webster University (Switzerland), Bachelor of Arts in Business Administration and Master of Arts in Finance	-	28
Joseph Abraham	Vice-Chairman	24.04.2017	University of Delhi (India), Bachelor of Arts in Economics; University of Bombay (India), Master of Management Studies; and Stanford University (USA), Master of Business Administration	<ul style="list-style-type: none"> · Chairman of Executive Committee of the Board · Chairman of Board Remuneration and Corporate Governance Committee · Alternate Member of Board Credit Committee 	29
Mohd Ismail M Mandani Al-Emadi	Member	16.09.2014	Holy Names College (USA), Bachelor of Arts in Business Administration and Economics	<ul style="list-style-type: none"> · Chairman of Board Risk Committee · Member of Board Credit Committee 	39
Rajbhushan Buddhiraju	Member	07.04.2021	Indian School of Mines (India), Bachelor of Technology in Petroleum Engineering; and Indian Institute of Management Calcutta (India), Post-Graduate Diploma in Management	<ul style="list-style-type: none"> · Member of Board Risk Committee · Member of Board Credit Committee 	23
Halil S. Ergür	Member	24.06.2020	Middle East Technical University, Bachelor of Science and Master of Science in Mechanical Engineering; Master of Business Administration, Academy of Economics and Trade Ankara; and Postgraduate Diploma in Production Management at University of Manchester	<ul style="list-style-type: none"> · Member of Executive Committee of the Board · Member of Board Audit and Compliance Committee · Member of Board Risk Committee · Alternate Member of Board Credit Committee 	37
Paul Gossiaux	Member	29.03.2018	Columbia University (USA), Master's Degree in International Affairs; and Fordham University (USA), Bachelor's Degree in Political Sciences	<ul style="list-style-type: none"> · Member of Board Audit and Compliance Committee · Member of Board Risk Committee · Member of Board Credit Committee 	30
Zafer Kurtul	Member	07.09.2017	Istanbul University, Bachelor of Arts in Finance; and Madison University (USA), Master of Science in Finance	<ul style="list-style-type: none"> · Chairman of Board Credit Committee · Member of Executive Committee of the Board · Member of Board Remuneration and Corporate Governance Committee 	39
Leonie Lethbridge	Member	09.11.2018	The University of South Wales (Australia), Bachelor of Science in Textile Technology; Royal Melbourne Institute of Technology (Australia), Master of Applied Science in Innovation and Service Management; and Swinburne University of Technology (Australia), PhD in Philosophy	<ul style="list-style-type: none"> · Chairwoman of Board Audit and Compliance Committee · Member of Executive Committee of the Board · Member of Board Remuneration and Corporate Governance Committee 	38
Kaan Gür	Member	02.10.2017	Gazi University, Bachelor's Degree in Banking and Insurance; and Middle East Technical University, Executive MBA	<ul style="list-style-type: none"> · Member of Board Credit Committee · Member of Executive Committee of the Board 	33

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

Name	Title	Date of Appointment	Academic Degree	Area of Responsibility	Banking or Business Management Experience (years)
Kaan Gür	Member of the Board of Directors and CEO	02.10.2017	Gazi University Banking and Insurance, Middle East Technical University, Executive MBA	CEO	33
Hale Ökmen Ataklı ⁽¹⁾	EVP	21.10.2021	İstanbul Technical University, Aerospace Engineering / İstanbul Technical University, Engineering Management (Master's)	Human Resources	22
Gökay Dede	EVP	25.12.2020	İstanbul Technical University, Mathematical Engineering	Retail and Digital Banking	23
Hamdi İlkyay Girgin	EVP	02.01.2020	Middle East Technical University, Economics / Imperial College London (MBA)	Financial Affairs and Planning	20
Ömer Faruk Gönener	Head of Internal Audit	02.11.2018	İstanbul University, International Relations / Anadolu University, Justice (Associate Degree)	Internal Audit	19
Levent Güven	EVP	08.02.2017	Istanbul Technical University, Business Administration	Treasury and Financial Institutions	25
Özlen Sanıbelli	EVP	04.01.2021	Istanbul Technical University Industrial Engineering / Istanbul Technical University Engineering Management (MBA)	Information Technologies and Operations	31
Gökhan Songül	EVP	01.01.2015	İstanbul University, Business Administration, / Marmara University International Economics (MBA) / Kadir Has University Banking and Finance (PhD)	Credit Underwriting, Restructuring and Legal Follow-up	20
Yeşim Şimşek	EVP	20.08.2018	Ankara University, Faculty of Communications	Corporate & Business Banking	26
İlker Bıçakçı	Legal Advisor	01.07.2019	Dokuz Eylül University, Faculty of Law	Legal	22
Peder Egemen Baykan	Head of Department	01.08.2018	Middle East Technical University, Faculty of Science and Literature, Humboldt University, Econometrics (MBA)	Risk Management	19
Engin Turan	Head of Department	19.02.2018	Middle East Technical University, Political Sciences	Internal Control and Compliance	19

⁽¹⁾ As per the Board resolution No. 87 dated 4 October 2021, Hale Ökmen Ataklı was appointed as the Executive Vice President in charge of Human Resources.

TERMS OF OFFICE AND PROFESSIONAL EXPERIENCE OF EXTERNAL AUDITORS

At the Bank's 2020 Annual General Meeting held on 25 March 2021, it was decided to designate Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. as the Independent Auditor pursuant to the Banking Law, Capital Markets Board legislation and the Turkish Commercial Code. The said company conducts the independent external audit of the Bank.

COMMITTEES UNDER THE BOARD OF DIRECTORS

Committees under the Board of Directors

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

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

Board Credit Committee

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

Board Member Name	Role within the Committee
Zafer Kurtul	Chairman
Mohd Ismail M Mandani Al-Emadi	Member
Rajbhushan Buddhiraju	Member
Paul Gossiaux	Member
Kaan Gür	CEO and Member
Joseph Abraham	Alternate Member
Halil S. Ergür	Alternate Member

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

Activities and decisions of the Board Credit Committee are subject to the supervision of Board of Directors. Therefore, each Board Member is entitled to request any kind of information from the Board Credit

Committee with respect to its activities and to perform any and all controls for this purpose.

Board Credit Committee convened a total of 25 times with the attendance of all members on the below dates during the course of 2021:

Meeting Date	Numbers of the Members Present
05.01.2021	4
21.01.2021	4
02.02.2021	4
22.02.2021	4
28.02.2021	4
02.03.2021	4
16.03.2021	4
30.03.2021	4
14.04.2021	5
04.05.2021	5
18.05.2021	5
02.06.2021	5
17.06.2021	5
28.06.2021	5
08.07.2021	5
27.07.2021	5
17.08.2021	5
07.09.2021	5
22.09.2021	5
06.10.2021	5
20.10.2021	5
15.11.2021	5
17.11.2021	5
09.12.2021	5
29.12.2021	5

Board Audit and Compliance Committee

Board Audit and Compliance Committee assumes the duty and responsibility, on behalf of the Board of Directors, to supervise the efficiency and adequacy of the Bank's internal systems, the functioning of these systems and of accounting and reporting systems in accordance with the Banking Law and applicable regulations, and the integrity of the information that is generated, to identify compliance, anti-money laundering and combating the financing

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

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

Board Member Name	Role within the Committee
Leonie Lethbridge	Chairwoman
Halil S. Ergür	Member
Paul Gossiaux	Member

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

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

Board Audit and Compliance Committee convened a total of 11 times with the attendance of all members on the below dates during the course of 2021:

Meeting Date	Numbers of the Members Present
19.01.2021	3
26.01.2021	3
04.03.2021	3
09.03.2021	3
19.04.2021	3
06.05.2021	3
14.07.2021	3
25.08.2021	3
19.10.2021	3
04.11.2021	3
01.12.2021	3

Executive Committee of the Board

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

The Committee is composed of the following Board Members:

Board Member Name	Role within the Committee
Joseph Abraham	Chairman
Halil S. Ergür	Member
Zafer Kurtul	Member
Leonie Lethbridge	Member
Kaan Gür	CEO and Member

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

Executive Committee of the Board met a total of 7 times with the attendance of all members on the below dates during the course of 2021:

Meeting Date	Numbers of the Members Present
07.01.2021	5
02.02.2021	5
07.04.2021	5
07.10.2021	5
11.11.2021	5
02.12.2021	5
09.12.2021	5

Board Remuneration and Corporate Governance Committee

The committee is established in accordance with the 6th principle of the "Regulation on Corporate Governance Principles of Banks" published by the BRSA in the Official Gazette No. 26333 of 01 November 2006 and as per the 12th paragraph of the "Guidelines on Remuneration Policies and Practices of Banks" adopted with the BRSA Resolution No. 6827 of 31 March 2016. On 25.03.2021, its name was changed from Remuneration Committee of the Board to Board Remuneration and Corporate Governance Committee. This committee is responsible for evaluating the compensation and remuneration of the Members of Board of Directors, management and staff in a way considering Bank's long-term interests, in addition to setting key performance indicators in line with the Bank's long-term strategic objectives and relevant policies.

COMMITTEES UNDER THE BOARD OF DIRECTORS

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

The Committee comprises following Board Members:

Board Member Name	Role within the Committee
Joseph Abraham	Chairman
Zafer Kurtul	Member
Leonie Lethbridge	Member

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

Board Remuneration and Corporate Governance Committee met a total of 3 times with the attendance of all members on the below dates during the course of 2021:

Meeting Date	Numbers of the Members Present
14.01.2021	3
04.10.2021	3
16.12.2021	3

Board Risk Committee

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

Board Member Name	Role within the Committee
Mohd Ismail M Mandani Al-Emadi	Chairman
Rajbhushan Buddhiraaju	Member
Halil S. Ergür	Member
Paul Gossiaux	Member

The Committee operates in accordance with the Board Committees Charter and Risk Charter. The Committee is the common communication platform of the Bank's Internal Systems Units and executive functions in order to facilitate assessment of the risks that the Bank is exposed to and elicits recommendations on the measures and the methods to be followed in response. Committee meetings are held at regular intervals and monitor the Bank's risk appetite, risk profile

and tolerance levels established for the consolidated group as prescribed by the Bank's Risk Policy and the decisions made by the Board of Directors and ensure the implementation and supervision of the prescribed measures by the sub-committees and the relevant departments.

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

The Board Risk Committee met a total of 9 times on the below dates during the course of 2021:

Meeting Date	Numbers of the Members Present
21.01.2021	3
23.02.2021	3
22.03.2021	3
08.06.2021	3
30.09.2021	4
27.10.2021	4
15.11.2021	4
30.11.2021	4
07.12.2021	4

INFORMATION ON RISK MANAGEMENT POLICIES IMPLEMENTED ACCORDING TO RISK TYPES

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

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

Credit Risk

Credit risk is defined as the potential loss arising from any borrower's inability to meet, in part or in whole, its contractual obligations to the Bank. Due to the large share it takes from the balance sheet, credit risk is of the highest concern for the Bank and it is vital to manage it appropriately. Therefore, credit underwriting policies were set up to ensure the independence and integrity of risk assessment practices. Customer selection criteria and creditworthiness evaluation, income generation and repayment capability and resources, credit structure of contract provisions and their compatibility with customer needs, collateralisation principles, and comprehensive and healthy documentation are the core elements of credit underwriting policies. Another purpose of these policies and procedures is to ensure that all personnel who are involved in the decision-making process share the same views in similar matters and take similar actions. Another major element of credit underwriting policies is the monitoring process that needs to be administered to ensure unproblematic repayment of the loan to the Bank once the lending relationship begins.

The Bank's risk exposure, either on- or off-balance sheet, are monitored and managed both individually and also on a portfolio basis. Within this scope, the NPL management system monitors the loan portfolio in a systematic fashion. Alternatif Bank's potentially non-performing customers are identified in advance and necessary actions are taken. In addition, the development of NPLs is monitored closely and reported on a regular basis. In order to maintain the structure and quality of its loan portfolio at the desired level, the Bank regularly analyses the distribution of this portfolio in terms of sector, collateral, loan size and rating.

The Bank also conducts scenario analyses and stress tests at regular intervals. Customer selection and monitoring of their credibility are performed by expert credit teams employing internal rating systems. The rating systems are constantly reviewed and monitored for their performance independently by the Risk Management Department. The Bank undertakes constant improvement efforts for the rating systems and takes on development and validation of more successful statistical models for arising requirements in order to achieve compliance with Basel criteria, base customer assessments on more objective criteria and thus improve the Bank's risk measurement capability. As part of these studies, the Bank now employs this system in the evaluation of commercial and corporate customers with Moody's rating system.

Market Risk

Market risk refers to the risk of loss that may occur in the value of positions

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

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

Structural Interest Rate Risk

Structural interest rate risks are those risks that the Bank is exposed to through products such as credits, securities and deposits, which bear interest sensitivity despite being monitored in non-trading accounts. The Bank aims to keep changes in the economic value of equity within

INFORMATION ON RISK MANAGEMENT POLICIES IMPLEMENTED ACCORDING TO RISK TYPES

the limits, in the event that the Bank is subject to standard interest rate shocks determined by the BRSB as well as internal interest rate shocks. In addition to the change in the Bank's net economic value, Alternatif Bank also monitors the earnings at risk (EaR) level due to interest rate fluctuations and ensures that the changes in the income that will be generated by the balance sheet remain within certain limits. Duration/gap reports are produced by placing those financial products that are monitored in non-trading accounts into the cash flow statements on a currency basis. According to the repricing periods or durations. The structural interest rate risk arising from maturity mismatch is measured by applying standard interest rate shocks to the gaps on a maturity tranche basis and the risk is continuously monitored for its compliance with determined limits. The interest sensitivity of the balance sheet is measured regularly by the Risk Management Department and evaluated in Asset Liability Committee meetings. When required, interest rate risk is hedged or limited with derivatives transactions. The Asset Liability Committee takes necessary actions to maintain the Bank's net economic value and to create a stable income structure. The balance sheet's interest rate risk level and the actions taken by the ALCO are also reported periodically to the Management Risk Committee.

Liquidity Risk

The purpose of liquidity risk management is to ensure that necessary precautions are taken in a timely and appropriate manner to address possible liquidity crises

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

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

Operational Risk

Operational risk is defined as the possibility of a direct or indirect loss the Bank is exposed to, which is caused by people, processes, systems or external factors. The Risk Management Department is responsible for defining, measuring and following up operational risks, as well as for coordinating respective managerial initiatives. All related units, particularly the Internal Control and Board of Internal Auditors contribute to the efforts aimed at determining and eliminating the operational risks that arise during the Bank's operations. Risks are identified via the Risk Control Self-Assessment study and controls are conducted to counter these risks.

The compliance of all activities with applicable regulations and with the Bank's procedures and policies is monitored closely. The most important elements of the operational risk management framework are based on designing all processes across the Bank in a way that minimises operational risks; establishing an effective internal control organisation that encompasses systemic control structures; and creating and executing a tiered and transparent resolution, monitoring and management process for operational risk events.

Records of events leading to monetary losses are stored in a database established to follow up on operational risks. Operational events that frequently occur or lead to significant losses are evaluated by the Risk Committee, and making in depth analysis upon which necessary action plans are produced and the efficiency of control and audit is enhanced so as to manage these events.

Business Continuity Management

A year has passed when the Bank implemented new working conditions based on experiences of the prior year to cope with COVID-19, which has affected the whole world. In this context, while the Bank put employee health and customer satisfaction first, Business Continuity Committee coordinated regular meetings at least once a month to sustain uninterrupted customer service. Business Continuity Management aims to manage the risks that threaten the continuity of the Bank's critical processes, and to ensure the recovery of these processes in targeted periods. Policies under the scope of Business Continuity are

updated annually and presented for the approval of the Board of Directors. The Bank's Disaster Centre tests are conducted every year with the participation of the relevant units, with the results and actions shared with Senior Management and the Board of Director.

Information Security Monitoring

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

Risk Management Activities and Developments

In addition to its new strategy and growth targets, Alternatif Bank has adopted the primary goal of building a sound capital structure and a sustainable growth trajectory based on a world-class risk management culture. In accordance with the Bank's strategies:

- Internal policies and procedures based on the Bank's strategy continued to be implemented effectively in 2021 with the aim of pursuing advanced risk management practices.

- New investments were made in measurement and evaluation systems, a major component of effective risk management, which enhanced the Bank's risk management capability. These efforts are expected to continue at an accelerated pace in 2022.
- Risk-adjusted return and effective capital allocation were raised to a more prominent role at the core of the Bank.
- Efforts were finalised to switch to a risk/return-based performance process. Implementations are put into practice across the entire Bank.
- The Bank sees Human Resources as one of the most significant factors in realising its strategy and attaining its sustainable growth goal. To expand the "risk culture at international standards" across the Bank, analytical teams were included in Risk Management team and their effectiveness increased in risk management processes.
- Oversight of the Senior Management is a key element of an effective risk management framework. Increasing the influence of the Board of Directors and Management-level committees made a major contribution to ensuring the integrity of the risk management process.

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

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

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

SENIOR MANAGEMENT



KAAN GÜR
BOARD MEMBER AND CEO

Kaan Gür is a seasoned banker with a professional experience of more than 30 years in the banking industry demonstrated through a remarkable track record in effective management. Having completed his undergraduate degree at the Department of Banking and Insurance at Gazi University, he earned his Master degree from Middle East Technical University, Executive MBA. Gür began his career at Garanti Bank in 1989. Prior to serving as Director in charge of SME Marketing Coordination, he assumed the roles of branch and regional manager in Corporate, Commercial and SME Banking at Garanti Bank. Gür joined Akbank as Executive Vice President in charge of SME Banking in 2011. He served as Executive Vice President of Commercial Banking, including overall responsibility for the Bank's Cash Management and Trade Finance departments, in Akbank between 2013 - 2017. During his career at Akbank, he held the positions of Chairman of AK Lease and Vice-Chairman of AK Investment, which are both Akbank subsidiaries. Kaan Gür was appointed as the CEO and Board Member of Alternatif Bank in October 2017. He also serves as Chairman of Alternatif Lease and Vice Chairman of Alternatif Investment.



HALE ÖKMEN ATAKLI
EXECUTIVE VICE PRESIDENT, HUMAN RESOURCES

Hale Ökmen Ataklı graduated from Istanbul Technical University Aerospace Engineering and received a master's degree on management engineering. Ataklı continues an undergraduate program in the field of child development.

Ataklı started her career in the field of human resources at Anadolu Endüstri Holding in 1999 and worked at Koç Information Technologies Group between 2002-2005. She assumed senior management roles in human resources at Danone Tikveşli Gıda between 2005-2007, at SHAYA between 2007-2011 and at HSBC between 2011-2017. In addition to her management posts in corporate companies, Ataklı also supported institutions as a freelance consultant in the field of human resources. Ataklı has more than twenty years of human resources management experience in different sectors including finance, technology and retail. In addition to her senior management responsibilities in international organization, she contributed to the change and development journeys of institutions as a consultant and executive coach.



GÖKAY DEDE
EXECUTIVE VICE PRESIDENT,
RETAIL AND DIGITAL BANKING

Gökay Dede graduated from Istanbul Technical University with a Bachelor's degree in Mathematical Engineering, and has had over twenty years of experience predominantly in the financial sector, specialising in digital banking, business development, marketing, sales and innovation. Dede started his career at Interbank in 1998, taking part in the Bank's MT programme until 2000, and continued at Doğu Holding in 2000-2001. In 2001, Dede took charge in Alternative Delivery Channels Marketing and Digital Media at Garanti Bank. He served as Retail Sales and Alternative Delivery Channels Director at Eureka Sigorta in 2008-2009. In 2009-2015, Dede took charge as Direct Banking Senior Vice President at Akbank, and as Managing Director at Starcom Publicis in 2018-2019. He later on served as Marketing, Product and Ad Business Director at Hopi. Dede joined the Alternatif Bank family as Retail and Digital Banking Marketing and Sales Executive Vice President in December 2020.



HAMDİ İLKAY GİRGİN
EXECUTIVE VICE PRESIDENT,
FINANCIAL AFFAIRS AND PLANNING

Following his graduation from the Economics Department at Middle East Technical University in 2000, Hamdi Girgin earned his MBA degree from Imperial College London in 2009. Mr Girgin was serving as Assistant Sworn-in Bank Auditor at Banking Regulation and Supervision Agency between 2001-2004 and Sworn-in Bank Auditor at the same institution between 2004-2010. He joined Alternatif Bank in December 2010 and worked as Legislation and Compliance Manager until 2020. As of 2 January 2020, Mr Girgin was appointed as Executive Vice President of Financial Affairs and Planning. He also serves as Board Member of Alternatif Investment since 28 January 2020.



ÖMER FARUK GÖNERER
HEAD OF INTERNAL AUDIT

Ömer Faruk Gönener graduated from Istanbul University, Department of International Relations and earned an associate degree from Anadolu University, Department of Justice. He served as Auditor, Senior Auditor and Chief Auditor at Akbank between 2003-2015, and as Sabancı Centre Management Director at Sabancı Holding between 2015-2018. He joined Alternatif Bank in June 2018 as Suppliers and Cost Management Department Manager. As of 2 November 2018, Mr Gönener was appointed Head of Internal Audit.



LEVENT GÜVEN
EXECUTIVE VICE PRESIDENT,
TREASURY AND FINANCIAL INSTITUTIONS

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

SENIOR MANAGEMENT



ÖZLEN SANIBELİ
EXECUTIVE VICE PRESIDENT,
INFORMATION TECHNOLOGIES AND OPERATIONS

Özlen Sanibelli holds a Bachelor of Science degree in Industrial Engineering and a Master of Science degree in Engineering Management (MBA) from Istanbul Technical University. Sanibelli started her career as System Analyst at Pamukbank in 1990, assuming various executive roles especially in change management until 2003. In 2003, she joined Akbank as Senior Vice President of Change Management, and took charge in various senior management roles among which she finally served as Executive Vice President of Operations. In 2016-2017, Sanibelli assumed the role of CEO Office Director at Sabancı Holding, in addition to her Board Membership roles at CarrefourSA and Bimsa and leading Teknosa's Transformation Programme. Sanibelli moved into management consulting for diverse organisations and contributed to their transformation journeys in the last three years before joining Alternatif Bank as Information Technologies and Operations Executive Vice President in January 2021.



GÖKHAN SONGÜL
EXECUTIVE VICE PRESIDENT,
CREDIT UNDERWRITING, RESTRUCTURING AND
LEGAL FOLLOW-UP

Gökhan Songül graduated from İstanbul University, Department of Business Administration, and earned his Master's degree from Marmara University, International Economics and his PhD in Banking and Finance from Kadir Has University. He served as Sector Credit Portfolio Manager at Garanti Bank A.Ş. between 2004 -2007, Senior Corporate Credit Underwriting Manager at ABN Amro Bank Turkey between 2007-2009, and Chief Credit Officer, Chief Risk Officer and Board Member at The Royal Bank of Scotland Turkey between 2009-2014. As of 1 January 2015, Mr Songül was appointed as Executive Vice President of Credit Underwriting at Alternatif Bank and Acting Executive Vice President of Restructuring & Legal Follow-up as of February 2020. He also serves as Board Member of Alternatif Investment since March 2018 and as Board Member of Alternatif Lease since January 2020.



YEŞİM ŞİMŞEK
EXECUTIVE VICE PRESIDENT,
CORPORATE & BUSINESS BANKING

Yeşim Şimşek graduated from Ankara University, Department of Radio Television and worked in various positions at Yapı Kredi between 1986-1989, as Marketing Manager and Branch Manager at Bank Ekspres between 1995-1999, Branch Manager at Ottoman Bank between 1999-2001, Branch Manager, Region Manager and Commercial Banking Marketing Coordinator at Garanti Bank between 2001-2013, and as Region Manager at Garanti Bank between 2004-2018. As of 20 August 2018, Mrs Yeşim Şimşek was appointed Executive Vice President of Corporate & Business Banking. She also serves as Board Member of Alternatif Lease since October 2018.

INTERNAL CONTROL AND COMPLIANCE

Internal Control and Compliance Department which reports to Board Audit and Compliance Committee of the Board of Directors operates with the purposes of taking precautions to reduce risk in accordance with regulations and Bank's internal systems and providing the reliability and integrity of accounting, financial reporting and information systems. The department consists of Internal Control Centre, IT Control and Data Analytics Unit, and Compliance Department.

Activities of the Internal Control Centre

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

As part of its controls, the Internal Control Centre also verifies that all current and future activities of the Bank, new transactions and products are in compliance with the legislation, the Bank's internal policies and guidelines.

Under the Internal Control Centre, Process Control Unit, Central Control Unit, Branch Network Control Unit are organised. Through these units, the

Internal Control Department conducts periodic and spot, centralised and on-site supervision, examination and control activities with a risk-focused perspective, employing sampling methodology in accordance with the annual plan so as to cover the activities of the Bank's all branches, Head Office departments and consolidated subsidiaries.

The outcomes from the control activities are reported to the managers of related units, the CEO and relevant senior management, and the members of the Audit and Compliance Committee under the Board of Directors. Based on these reports, periodic evaluations are made, as a result of which various control systems are improved and modified as necessary, and relevant measures are taken.

Operating with a team of 7 employees, the Centre completed all controls that were planned to be conducted in the form of remote supervisions at the Head Office Departments and branches at the predetermined frequency and using the predetermined methods as at year-end 2021. In this scope, 18 branches were subjected to control.

Additionally, monitoring of processes, updating and testing activities were realised within the scope of Management Declaration operations under BRSA regulation. In this context, 8 main banking processes were included in the scope of control.

Activities of IT Control and Data Analytics Department

IT Control and Data Analytics Department was restructured in 2021 by merging IT Control and Data Analytics functions to conduct a more effective and efficient process for new risks and security requirements which will result from increased data extent expected to emerge due to the Bank's digitalisation strategies. The activities are conducted by 4 employees.

- IT Control function performs compliance controls of the Bank's and its outsourced service providers' Information Systems management activities, processes supporting these activities and established Information Systems controls with the regulations, the Bank's policies, procedures and internationally accepted standards.
- Data Analytics function develops scenarios to prepare reports on effective performance of internal control and compliance activities by using audit software such as ACL and other special software such as SQL to pull out high volume of data on the database and analyse them independently from Information Technologies.

Activities of Compliance Department

Compliance Department's activities include establishing compliance risk culture in the Bank, measurement, assessment and reporting of risks to provide effective management

INTERNAL CONTROL AND COMPLIANCE

of risks. In 2020, there has been an organisational change for more effective management of compliance risks and the department started to operate under Internal Control and Compliance Department. Corporate Compliance, AML Governance and AML Operation units were set up. In addition to existing structure, Regulatory Compliance Unit which provides support for the execution of Bank's applications in compliance with regulations was renamed as Legal Compliance Department and positioned under Compliance Department. The Compliance Department carries out its activities with 7 employees.

Also, in 2020, Compliance Risk Committee was formed which assesses compliance risks. Accordingly, risks are monitored and managed more effectively. This unit presents periodic reports to Audit and Compliance Committee of the Board of Directors. Main functions of the Compliance Department are as follows:

- Supporting effective management of compliance risks by acting as an advisor to top management and all employees in all areas related with compliance risks including

programmes to fight against financial and economic crimes.

- Measurement, control and monitoring of compliance risks.
- Taking precautions for compliance of the Bank's operations realised or planned, products and processes with regulations and Commercial Bank of Qatar's standards and policies. In this context, the unit participates control self-assessment activities.
- Conducting activities to increase awareness of Bank employees on compliance policies and compliance risks and delivering trainings within the scope of annual training programmes.
- Monitoring the regulations to prevent laundering of crime revenues and financing of terror and providing coordination of relations with the regulatory agency.
- The Compliance Department follows regulation from the Official Gazette and related organisations' web sites on a daily basis. Revised regulations are interpreted and announced to relevant departments within

the Bank. Also questions from Headquarters units and branches are answered within the scope of advisory services provided.

- Letters received by the Bank are monitored and distributed to relevant departments by the Compliance Department. The Bank's activities being performed and planned to be performed, new products, projects, advertising and promotional campaigns, and their related processes and documentation are also analysed in terms of compliance with the legislation, the Bank's internal policies and procedures.

INTERNAL AUDIT

The Internal Audit Department, reporting directly to the Board of Directors, audits the activities of Alternatif Bank and its subsidiaries for compliance with the Bank's policies and instructions as well as laws and regulations in accordance with international standards, and assesses the efficacy and adequacy of the business processes from a risk-oriented perspective.

The Internal Audit Department performs its activities in compliance with international auditing standards. The Internal Audit Department was subjected to a new Quality Review by

the independent auditing firm in 2020, which affirmed that the Board continues to execute its tasks in accordance with international auditing standards.

The Internal Audit Department which consists of 17 people including of auditing and management teams, also carries out enquiries and investigations in addition to the aforementioned functions. Audit reports that are drafted following the inspections are classified according to significance and priority and reported to the Audit and Compliance Committee of the Board of Directors, Senior Management, and related units. The action plans formulated in response

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

During the 2021 operating year, the Internal Audit Department audited the operations and lending processes, audit efficiency and service quality of 23 branches, 8 processes in banking and subsidiaries and 8 main processes in Information Technologies audit.

SUMMARY BOARD OF DIRECTORS REPORT SUBMITTED TO THE ANNUAL GENERAL MEETING

Distinguished Shareholders,

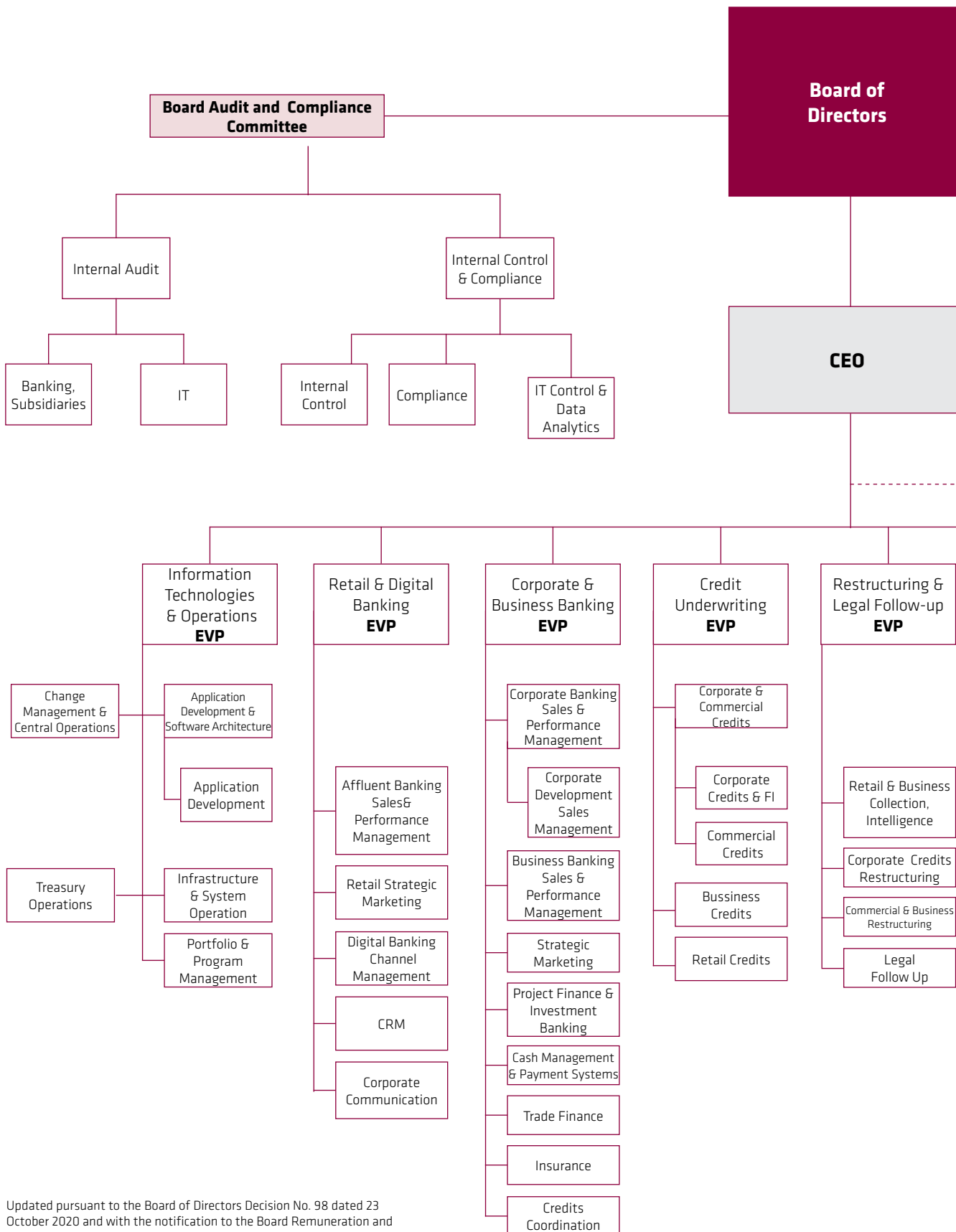
We respectfully greet our shareholders, their proxies and our guests who have honoured the 2021 Annual General Meeting, in which the Bank's financial statements for 2021 are presented for your perusal and approval. We hereby represent that we have reviewed the Bank's 2021 Annual Report and we declare that it does not contain any misrepresentations and/or omissions in material aspects which might be

misleading, and that it presents a fair and accurate view of the Bank's financial standing, including the material risks and uncertainties it is exposed to.

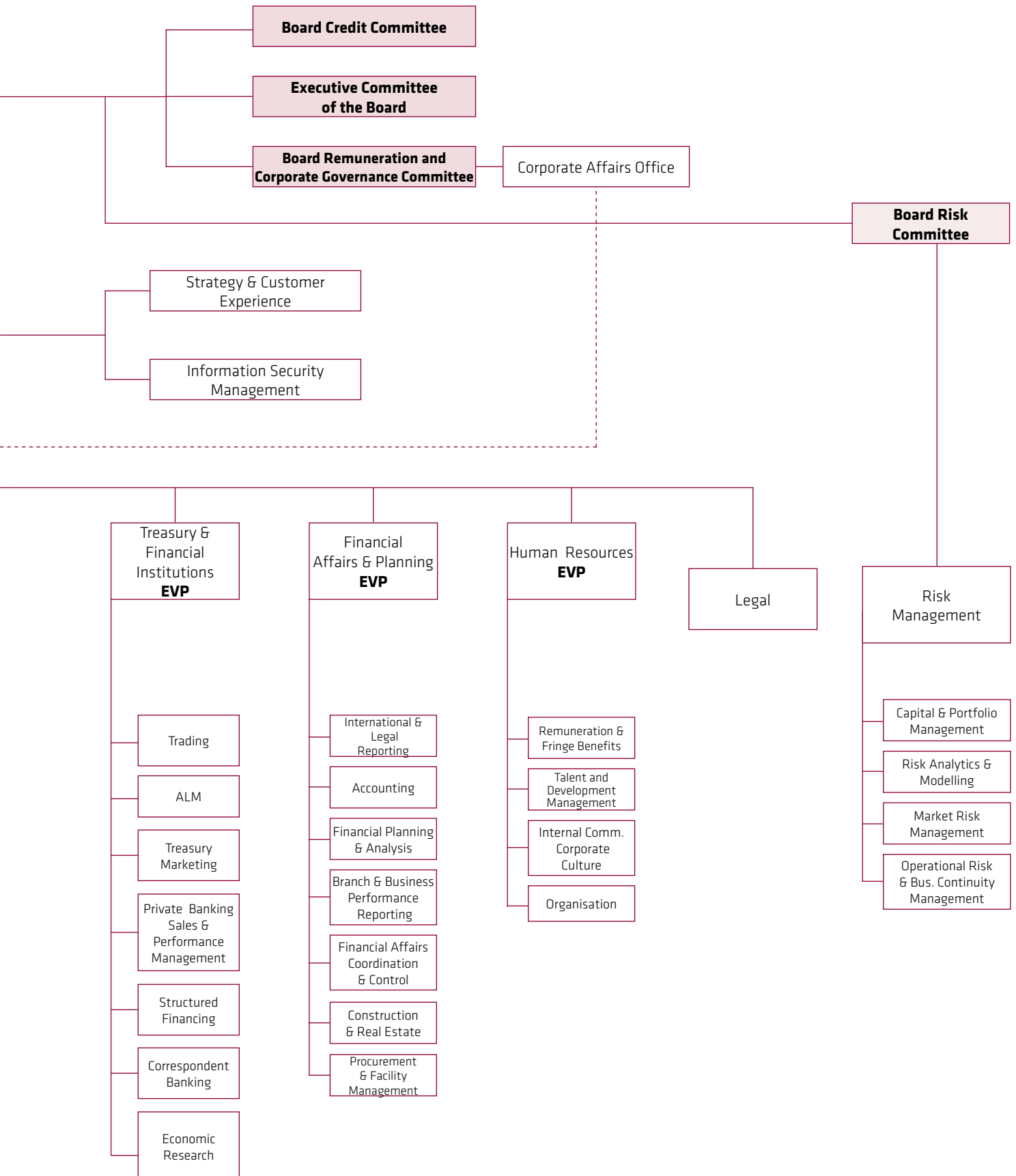
As of 31 December 2021, the Bank's results on an unconsolidated basis were as follows:

- Total assets increased 36.74% to TRY 48,678 million,
- Total loans increased 17.67% to TRY 26,229 million,
- Total securities increased 65.92% to TRY 8,695 million,
- Total deposits increased 50.44% to TRY 27,685 million,
- Shareholders' equity increased 9.53% to TRY 2,548 million,
- Net profit totalled TRY 101 million, and
- Capital adequacy ratio was 21.85%.

ORGANISATION CHART



Updated pursuant to the Board of Directors Decision No. 98 dated 23 October 2020 and with the notification to the Board Remuneration and Corporate Governance Committee on 14 January 2021.



EXPLANATIONS AND NOTES ABOUT THE BANK'S RISK GROUP

Bank's Risk Group (*) (**)	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Real and Legal Persons in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Beginning Balance	343,296	913	-	12,485	632,308	2,199
Ending Balance	340,382	338	-	12,942	851,470	2,932
Interest and Commission Income	36,336	7	43	446	43,414	592

Bank's Risk Group (*)	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Real and Legal Persons in the Risk Group	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Deposits						
Beginning Balance	99,562	145,668	-	-	77,278	66,167
Ending Balance	506,915	99,562	-	-	36,662	77,278
Interest Expense on Deposits	2,095	2,741	-	-	3	4

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

DIVIDEND POLICY

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

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

- In accordance with the Article 519 of the Turkish Commercial Code, 5% General Legal Reserve Funds will be set aside from the amount

that will be calculated by deducting the previous years' losses from this profit.

- The Annual General Meeting will take decision to make profit distribution to the shareholders from the remaining amount at a ratio and amount that will be determined in accordance with the relevant legislation.
- Annual General Meeting is entitled to partially or completely set aside the remaining amount as Free Reserve Funds or to distribute as

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

INFORMATION ON DONATIONS MADE IN 2021 AND ON EXPENSES INCURRED IN THE SCOPE OF CORPORATE SOCIAL RESPONSIBILITY PROJECTS

Within the scope of Özyeğin University's programme for "Equal Opportunity in Education", Alternatif Bank donated TRY 750,000, in 2021, to fund for five years 50% of the education expenses of the 25 students who showed high success in the university entrance exams and got into 7 different branches such as engineering, law, and economics.

The Bank also made donations of TRY 48,000 to the following social welfare institutions in 2021:

- Parıltı Association to Support Children with Visual Disabilities.
- Tohum Autism Foundation
- SMA Association
- International Youth Quest Association
- Young People with Disabilities Youth and Sports Club Association
- Şanlıurfa Spinal Cord Paralytics Association
- Turkish Association of Solidarity for Deaf People

REMUNERATION PAID TO THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

At the Bank's 2020 Annual General Meeting held on 25 March 2021, it was decided to pay Board Members a monthly remuneration of TRY 59,400, and a net sitting fee of TRY 15,000 for each Board meeting and a net sitting fee of TRY 6,000 for each committee

meeting at the Board level. The 2020 Annual General Meeting minutes are posted on the Bank's corporate website. Financial benefits provided by the Bank to the senior management during 2021, including sitting fees, salaries, bonuses and dividends as well as allowances

and travel, accommodation and representation expenses reimbursed; and other cash and non-cash benefits such as insurance and other benefits amounted to TRY 25,742 thousand.

MANAGERS OF INTERNAL SYSTEMS

Name	Duty	Date of Appointment	Academic Degree	Area of Responsibility	Banking or Business Management Experience (years)
Ömer Faruk Gönener	Head of Internal Audit	02.11.2018	İstanbul University, Faculty of Economics, Anadolu University Anadolu University, Faculty of Open Education Jurisprudence	Internal Audit	19
Peder Egemen Baykan	Head of Risk Management	01.08.2018	Middle East Technical University, Science and Literature Faculty, Humboldt University, Econometrics (Master's Degree)	Risk Management	19
Engin Turan	Head of Internal Control and Compliance	19.02.2018	Middle East Technical University Department of Political Science and Public Administration	Internal Control and Compliance	19

AFFILIATION REPORT

Pursuant to Article 199 and the subsequent articles of the Turkish Commercial Code no. 6102, the Bank's Board of Directors has made the following statement in its affiliation report issued in relation to the controlling company and subsidiaries thereof. It has been observed that, to the circumstances and events known to us, in all transactions carried out with the controlling company and the subsidiaries of the controlling company in the operating period between 01 January 2021 and 31 December 2021, there were no transactions performed to the benefit of the controlling company or a subsidiary thereof at the instruction of the former, nor were there any actions taken or avoided to inure to the benefit of the controlling company or a subsidiary thereof in the 2021 operating period. Now therefore, we hereby represent that our Company did not sustain any losses requiring indemnification by virtue of the transactions carried out in relation to 2021 operating year, that no disproportionate benefits were derived, and that there were no benefits or losses requiring equalisation with the controlling shareholder and subsidiaries.

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

COMPANY NAME	SERVICE FIELD	DESCRIPTION OF SERVICE
Active Bilgisayar Hizmetleri ve Ticaret Ltd. Şti.	Information Technologies, Digital Banking and Operations	NOVA Securities and NOVA VOB software maintenance services
BİS Çözüm Bilgisayar ve Entegrasyon Hizmetleri ve Tic. A.Ş.	Information Technologies, Digital Banking and Operations	7X24 Instant Payment System Project
CMC İletişim ve Çağrı Merkezi Hizmetleri A.Ş.	Information Technologies, Digital Banking and Operations	Call Centre services
E-Kart Elektr. Kart Sist. San. Tic. A.Ş.	Information Technologies, Digital Banking and Operations	Personalisation and delivery services for raw cards to be ordered by the Bank
(Ereteam) Veri Entegrasyon Çözümleri Limited Şirketi	Information Technologies, Digital Banking and Operations	Our Bank's Digital Systems Integration Business Intelligence Compliance
Fineksus Bilişim Çözümleri Ticaret A.Ş.	Information Technologies, Digital Banking and Operations	SWIFT software maintenance and development services Business analyst employment service
Güzel Sanatlar Çek Basım Ltd. Şti.	Information Technologies, Digital Banking and Operations	Printing check books and delivering them to the Bank
Hobim Digital Elektronik Hizmetler A.Ş.	Information Technologies, Digital Banking and Operations	Printing and enveloping Bank statements, letters and other requested printed documents to be sent by the Bank, producing paper and envelopes, converting them into PDF format in electronic environment, e-mailing them to third parties, printing the legal books upon the request of the Bank, recording, destroying returned commodities
Iron Mountain Arşivleme Hizmetleri A.Ş.	Information Technologies, Digital Banking and Operations	Archiving services
Link Tera Bilgi Teknolojileri A.Ş.	Information Technologies, Digital Banking and Operations	Business analyst employment service Customer Onboarding Project Software Development Project
Maro Uluslararası Bilgi Teknolojileri Danışmanlık Geliştirme Destek Hizmetleri San. Tic. Ltd. Şti.	Information Technologies, Digital Banking and Operations	Business analyst employment service
Miris Bilgi Teknolojileri A.Ş.	Information Technologies, Digital Banking and Operations	Business analyst employment service
Netaş Bilişim Teknolojileri A.Ş.	Information Technologies, Digital Banking and Operations	Cyber Security Operations Centre Service
Payten	Information Technologies, Digital Banking and Operations	E-commerce secure payment systems services
Provision Bilgi İşlem San. Ve Tic. A.Ş.	Information Technologies, Digital Banking and Operations	Card Payment Systems Application Development
Risk Yazılım Teknolojileri Danışmanlık Eğitim Tic. Ltd.	Information Technologies, Digital Banking and Operations	Counterparty Credit Risk Project
TCM Bilişim ve Danışmanlık Hizmetleri A.Ş.	Information Technologies, Digital Banking and Operations	Software Support Services
(Turkcell)-Superonline İletişim Hizmetleri A.Ş.	Information Technologies, Digital Banking and Operations	Hosting services for Bank Data Centres (Main and Disaster Data Centre)
V.R.P. Veri Raporlama Programlama Bilişim Yazılım ve Dan. Hizm. Ticaret A.Ş.	Information Technologies, Digital Banking and Operations	Software, development, and activation services related to "Alternatif Bank Internet Banking and Loan Sales Application Project" Business analyst employment service, Software and development service related to 'Effective Customer Management System'.
Vega Bilgisayar Hizmetleri Ltd. Şti.	Information Technologies, Digital Banking and Operations	Legal Reporting Automation Project
Desmer Güvenlik Hizmetleri Ticaret A.Ş.	Information Technologies, Digital Banking and Operations / Procurement and Service Management	Security personnel employment services Cash and Precious Goods Transportation, Processing and Safe Procedures Services
Türkiye Halk Bankası A.Ş.	Affluent Banking	Receiving the loan and credit card payments to be made to the Bank via Halkbank's branch network (payment at the teller's desk) and alternative distribution channels of Halkbank such as internet banking, ATM, telephone banking (electronic payment)
Collectürk Alacak Yönetimi ve Danışmanlık A.Ş.	Affluent Banking	Call services for the Bank's receivables and directing them for collection
Integral Development Corp.	Fund Management	Foreign exchange transactions platform service where customers perform foreign exchange buying / selling transactions
Temp Danışmanlık Kuruculuk Sağlık Hizmetleri ve Enerji Sanayi Tic. Ltd. Şti.	Human Resources	Transporting documents between the Headquarters and branches or between the branches, personnel employment services for dealing with the process of delivering the receipts and declarations to public institutions, and the procedures in notary and collection offices, recruitment of Call Centre employees

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



Güney Bağımsız Denetim ve SMMM A.Ş.
Maslak Mah. Eski Büyükdere Cad.
Orjin Maslak İş Merkezi No: 27
Kat: 2-3-4 Daire: 54-57-59
34485 Sarıyer
İstanbul - TÜRKİYE

Tel: +90 212 315 3000
Fax: +90 212 230 8291
ey.com
Ticaret Sicil No: 479920
Mersis No: 0-4350-3032-6000017

(Convenience translation of a report originally issued in Turkish)

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

To the Shareholders of Alternatifbank Anonim Şirketi

1) Qualified Opinion

We have audited the annual report of Alternatifbank A.Ş. ("the Bank") and its subsidiaries ("the Group") for the period of January 1, 2021 – December 31, 2021.

In our opinion, except for the matter described in the Basis for Qualified Opinion section of our report, the consolidated and unconsolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set consolidated and unconsolidated financial statements and the information we obtained during the audit.

2) Basis for Qualified Opinion

As explained in Five II.f.3, the accompanying consolidated financial statements as at December 31, 2021 include a free provision at an amount of TL 55,000 thousands was provided in the current period by the Group management for the possible effects of the negative circumstances which may arise from the possible changes in the economy and market conditions which does not meet the recognition criteria of "Turkish Accounting Standard" (TAS) 37 "Provisions, Contingent Liabilities and Contingent Assets", and includes deferred tax assets amounting to TL 12,650 thousands allocated over the related provisions.

We conducted our audit in accordance with "Regulation on independent audit of the Banks" published in the Official Gazette no.29314 dated 2 April 2015 published by Banking Regulation and Supervision Agency (BRSA Independent Audit Regulation) and Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

3) Our Auditor's Opinion on the Full Set Consolidated and Unconsolidated Financial Statements

We have expressed qualified opinions in our auditor's reports dated February 4, 2022 on the full set consolidated and unconsolidated financial statements of the Group for the period of 1/1/2021-31/12/2021.

4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and communique on 'Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks', the management of the Group is responsible for the following items:

- Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is

assessed according to the consolidated and unconsolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.

c) The annual report also includes the matters below:

- Subsequent events occurred after the end of the fiscal year which have significance,
- The research and development activities of the Group,
- Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.
- Other matters prescribed in the communique on 'Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks' published in official gazette no.26333 dated November 1, 2006.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

5) Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communique on 'Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks' published in official gazette no.26333 dated November 1, 2006 , "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 Agency (BRSA), circulars, interpretations published by BRSA and "BRSA Accounting and Financial Reporting Legislation" which includes the provisions of Turkish Financial Reporting Standards (TFRS) for the matters which are not regulated by these regulations, on whether the consolidated and unconsolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated and unconsolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS and BRSA Independent Audit Regulation. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated and unconsolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated and unconsolidated financial statements.

The name of the engagement partner who supervised and concluded this audit is Fatma Ebru Yücel.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Fatma Ebru Yücel, SMMM
Partner

March 11, 2022
İstanbul, Türkiye

STATEMENT OF RESPONSIBILITY FOR 2021

Pursuant to Article 9 of the Communiqué on Principles of Financial Reporting in Capital Markets (No: II-14.1) issued by the Capital Markets Board of Turkey

Markets Board of Turkey

We have reviewed the year-end Annual Report of Alternatifbank A.Ş. for the period 1 January 2021 and 31 December 2021. Accordingly, within the frame of our roles and responsibilities at the Bank and the information we have, we hereby declare that:

- the year-end Annual Report does not contain any misrepresentations in relation to material matters or any omissions that might be misleading as of the date of the representation,
- the year-end Annual Report provides a true and fair view of the development and performance of the business, and the Bank's financial position, together with the major risks and uncertainties that it is faced with.



Leonie Ruth Lethbridge

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



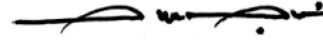
Halil Sedat Ergür

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



Paul Gossiaux

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



Cenk Kaan Gür

CEO



Hamdi İlkyay Girgin

Executive Vice President
Financial Affairs and Planning

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

No Extraordinary General Meeting was held in 2021.

FINANCIAL INFORMATION



FINANCIAL POSITION, PROFITABILITY AND SOLVENCY

Alternatif Bank booked a profit before tax of TRY 129 million, while total assets of the Bank went up 36.74% to TRY 48,768 million.

In 2021, TRY 798 thousand was donated.

Assets Performance

The expansion in the Bank's assets in 2021 was driven mainly by loans which grew 17.67% year-on-year and constituted 53.88% of total assets. At end-2021, the Bank set aside provisions at a rate of 71.48% for non-performing loans.

Liabilities Performance

The Bank's primary funding source, deposits climbed 50.44% year-on-year, bringing their share in total liabilities up to 56.87%.

Shareholders' equity was recorded as TRY 2.548 million. The Bank's capital adequacy ratio in 2021 was 21.85%.

Profitability

Interest income from loans amounted to TRY 2,611 million, while interest expenses paid on deposits were TRY 1,826 million. The Bank recorded net interest income of TRY 608 million, net fees and commission's income of TRY 137 million, and gross operating income of TRY 979 million.

The Bank booked net profit of TRY 100.9 million for 2021.

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

As of year-end 2021, the Bank's capital adequacy standard ratio on an unconsolidated basis was 21.85%, which is above the minimum regulatory requirements. As a result, the Bank does not have any issues with respect to capital sufficiency, and the Bank's assets are at a level to cover its liabilities.

ASSESSMENT OF 2021 FINANCIAL RESULTS

Our Bank achieved a growth rate above the budget targets set for 2021 as its total assets grew by 37% and reached TRY 48.7 billion.

Loans corresponding to 54% of the total assets grew by 18% while the securities which is another significant item in the assets, grew by 66%. On the liabilities side, deposits, which are the fundamental source for funding, grew by 50.44% while the total deposits reached TRY 27.7 billion.

As the result of growth and business volume created during the year, the Bank's net income was realised more than the budget and reached TRY 101 million for 2021.

INFORMATION ON SPECIAL AND PUBLIC AUDITS DURING THE FISCAL YEAR

In 2021, no special audit requests were received from shareholders. In this context, the Bank did not undergo any special audits in 2021. Within the scope of public audits, examinations were carried and are currently continued to be carried out by the Banking Regulation and Supervision Agency, the Central Bank of Turkey, and the Ministry of Treasury and Finance.

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

There is not any administrative or judicial sanction imposed against the Bank or its Board Members due to actions in breach of the applicable laws. In 2021, a penalty of TRY 750,000 was paid by the Bank within the framework of the Banking Law No. 5411.

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

In accordance with the precautionary principle, TRY 22 million has been set aside as provisions for lawsuits initiated against the Bank.

CREDIT RATINGS ASSIGNED TO ALTERNATIF BANK AND RELATED EXPLANATIONS

Fitch Ratings: December 2021

Foreign Currency	
Long Term	B+
Short Term	B
Turkish Lira	
Long Term	BB-
Short Term	B
National Note	AA(tur)
Support Note	4
Financial Capacity Note	b-
Outlook	Negative

Moody's: June 2021

Foreign Currency	
Long Term	B2
Short Term	NP
Turkish Lira	
Long Term	B1
Short Term	NP
Long Term National Note	Aa1.tr
Short Term National Note	TR-1
Outlook	Negative

FINANCIAL HIGHLIGHTS AND KEY RATIOS FOR THE FIVE-YEAR PERIOD

Consolidated (TRY million)

Year	Assets	Loans	Deposits	Shareholders' Equity (*)	Paid-in Capital	Net Profit for the Period (*)
31.12.2021	50.496	27.825	27.178	2.610	2.214	77
31.12.2020	36.822	23.486	18.303	2.424	2.038	122
31.12.2019	30.088	18.693	15.979	1.958	1.731	91
31.12.2018	25.854	17.225	13.617	1.293	1.167	63
31.12.2017	20.785	14.588	11.242	1.273	980	72
31.12.2016	17.591	11.734	8.798	1.265	980	30

(*) The 2019, 2018 and 2017 figures above include readjustments effects.

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

Trade Registry: 280445 - 228027