

HSBC BANK A.Ş.

**PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL
STATEMENTS AND RELATED DISCLOSURES
AT 31 DECEMBER 2025
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

**(Convenience translation of publicly announced consolidated financial statements,
related disclosures and independent auditor's report at 31 December 2025, See Note I. of
Section Three)**



**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH
(See Note I of Section Three)
INDEPENDENT AUDITOR'S REPORT**

To the General Assembly of HSBC Bank A.Ş.

A. Audit of the Consolidated Financial Statements

1. Opinion

We have audited the accompanying consolidated financial statements of HSBC Bank A.Ş. (the "Bank"), and its subsidiaries (collectively referred to as the "Group") which comprise the statement of consolidated balance sheet as at 31 December 2025, consolidated statements of profit and loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements and a summary of significant accounting policies and consolidated financial statement notes.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations.

2. Basis for Opinion

Our audit was conducted in accordance with the "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Bank in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") issued by the POA and applicable to audits of Consolidated Financial statements of public interest entities, the ethical requirements regarding independent audit in regulations issued by the POA as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.



3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the key audit matter was addressed in the audit
<p>Expected credit losses for loans</p> <p>The Group has total expected credit losses for loans amounting to TL 3.305.792 thousand in respect to total loans amounting to TL 67.944.704 thousand which represent a significant portion of the Group’s total assets in its consolidated financial statements as of 31 December 2025. Explanations and notes related to provision for impairment of loans are presented in Section Three VII-d and VIII, Section Four II, Section Five I-e in the accompanying consolidated financial statements issued as of 31 December 2025.</p> <p>The Parent Bank recognizes provision for impairment in accordance with “IFRS 9 Financial Instruments” (“IFRS 9”) requirements in line with the “Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided” as published in the Official Gazette dated 22 June 2016 with number 29750. IFRS 9 is a complex accounting standard which requires considerable judgement and interpretation. These judgements are key in development of the financial models built to measure expected credit losses on loans recorded at amortized cost.</p>	<p>Within our audit procedures, we assessed policies and procedures together with the overall governance established by the Group with respect to classification of loans and estimation of impairment in-line with the IFRS 9 framework. We have tested the design and operating effectiveness of controls implemented by the Group in line with its governance, policies and procedures.</p> <p>Together with our modelling specialists, we have evaluated and tested the methodologies used in building impairment models in line with the requirement of IFRS 9 and the Group’s policies for the significant portfolio of loans. We have tested the calculations contained within the models through re-performance, in collaboration with our modelling specialists, on a sample basis. Additionally, we have assessed, together with our relevant specialists, the methodologies employed in the models concerning segmentation, lifetime expected default probabilities, loss given default calculations, and the scenarios developed to reflect macroeconomic expectations.</p>



Key Audit Matters	How the key audit matter was addressed in the audit
<p>Expected credit losses for loans (Continued)</p> <p>The operation of the models requires large data inputs that are generated through more than one system and the accuracy and completeness of the data are key in the determination of expected credit losses on loans. Impairment allowances are calculated on Management’s best estimate at the balance sheet date and historical losses incurred.</p> <p>Our audit was focused on this area due to existence of complex estimates and information used in the impairment assessment such as developing macro-economic scenarios and their weightings, current conditions, historical loss experiences; the significance of the loan balances; the appropriateness of classification of loans as per their credit risk (staging) in accordance with applicable regulation and the importance of determination of the associated impairment allowances. Timely and correctly identification of loss event and the level of judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans. Therefore, this area is considered as key audit matter.</p>	<p>We have carried loan review on a selected sample of loans with the objective to identify whether the classification of loans is performed appropriately in accordance with the applicable regulation, whether the loss event had occurred and whether the provision for impairment has been recognized in a timely manner within the TFRS 9 framework.</p> <p>In accordance with the Bank's practice, we have verified the reasonableness of the provisions established for individually assessed loans. This verification was conducted on a sample basis, supported by verifiable data, and evaluated within the framework of discussions held with the Bank's management.</p> <p>We have reviewed the appropriateness and sufficiency of disclosures made in the financial statements of the Group with respect to loan and related impairment provision.</p>



4. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the BRSA Accounting and Financial Reporting Legislation, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

5. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- The Group audit is designed and carried out to gather sufficient and appropriate audit evidence concerning the financial information of the entities or business units within the Group, in order to form the basis for expressing an opinion on the consolidated financial statements. We are responsible for the direction, oversight, and review of the audit work performed for the group audit. We are solely responsible for the audit opinion issued.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



B. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Bank's bookkeeping activities concerning the period from 1 January to 31 December 2025 period are not in compliance with the TCC and provisions of the Bank's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

Additional Paragraph for Convenience Translation

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 31 December 2025. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the Group in accordance with IFRS.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Gökçe Yaşar Temel, SMMM
Independent Auditor

Istanbul, 2 March 2026

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL
STATEMENTS AND AUDIT REPORT
ORIGINALLY ISSUED IN TURKISH, SEE IN NOTE I. OF SECTION THREE
CONSOLIDATED FINANCIAL REPORT OF HSBC BANK A.Ş. AND ITS FINANCIAL AFFILIATES
AS OF AND FOR THE YEAR-ENDED 31 DECEMBER 2025**

Address of Bank's Headquarters : Büyükdere Caddesi No: 128 Esentepe, Şişli 34394, İSTANBUL
Telephone/Fax : (0212) 376 40 00/ (0212) 336 29 39
Website : www.hsbc.com.tr
Contact E-mail Address : hsbchaberlesmemerkezi@hsbc.com.tr

The consolidated financial report for the year-end prepared in accordance with Communiqué on the Financial Statements and the Related Disclosures and Footnotes to be Publicly Announced as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP WHICH IS UNDER CONSOLIDATION
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS
- INDEPENDENT AUDITOR'S REPORT

Our subsidiaries, affiliates and jointly controlled partnership of which financial statements have been consolidated within the framework of this period's consolidated financial statements are:

	Participations	Subsidiaries	Investments
1.	HSBC Yatırım ve Menkul Değerler A.Ş.	-	-

The consolidated financial statements for the year-end and related explanations and footnotes in this report are prepared in accordance with the Regulation on Banks' Accounting Applications and Principles and Procedures Concerning the Preservation of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and annexes interpretations thereof and are denominated as TL thousand unless otherwise specified, are held to subject to independent audit and are presented enclosed.

Didem Çerçi
Vice President of the
Executive
Board/Head of Audit
Committee

Burçin Ozan
General Manager

Ibrahim Chukwuemeka Hayatuddini
Financial Reporting Assistant
General Manager

Yerlioza Küll
Group Head

Ana Patricia Fernandes Vidal Gomes
Member of
Audit Committee

Robert Cyril Oates
Member of
Audit Committee

Information about the responsible personnel whom questions may be asked:

Name-Surname/Title : Burak Özlü/Senior Manager
Tel No : (0212) 376 4209
Fax No : (0212) 376 4912

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HSBC BANK A.Ş.
CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE IN NOTE 3.I

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

SECTION ONE

GENERAL INFORMATION ABOUT THE PARENT BANK

I. THE PARENT BANK’S FOUNDATION DATE, START-UP STATUS, HISTORY REGARDING THE CHANGES IN THIS STATUS

The establishment of HSBC Bank A.Ş. (“The Bank”, “The Parent Bank”, “HSBC Bank”) to engage in commercial banking activities was authorized by the Council of Ministers decision dated 27 June 1990 and numbered 90/644 and the Articles of Association was published in the Official Gazette dated 18 September 1990 and numbered 2611. The bank is a foreign capital bank registered in accordance with the provisions of the Foreign Capital Encouragement Law No. 6224. On 20 September 2001, a 'Share Sale Agreement' was signed regarding the sale of Demirbank TAŞ., which is part of the Savings Deposit Insurance Fund (“TMSF”), to HSBC Bank Plc, the main shareholder of the Bank. With this agreement, it was envisaged that the necessary transactions would be completed by 31 October 2001 and that all of Demirbank TAŞ.'s shares, as well as some of its assets and liabilities, would be transferred to HSBC Bank Plc. The transfer of the said shares was made on 31 October 2001. On 14 December 2001 Demirbank TAŞ. and the Bank continued its activities by merging under the name of HSBC Bank A.Ş. Based on the approval of the Banking Regulation and Supervision Agency dated 21 June 2017, 10,01% share of HSBC Bank Plc.'s 100% ownership of the Bank’s capital was transferred to HSBC Bank Middle East Limited and remaining 89,99% share of HSBC Bank Plc. was transferred to HSBC Middle East Holdings B.V. through share transfer agreement dated 29 June 2017.

II. EXPLANATION ABOUT THE PARENT BANK’S CAPITAL STRUCTURE, SHAREHOLDERS OF THE PARENT BANK WHO ARE IN CHARGE OF THE MANAGEMENT AND/OR AUDITING OF THE PARENT BANK DIRECTLY OR INDIRECTLY, CHANGES IN THESE MATTERS (IF ANY) AND THE GROUP THAT THE BANK BELONGS TO

As of 31 December 2025, the Parent Bank's nominal capital is TL 652.290 and consists of 65.229.000.000 registered and fully paid shares, each amounting to TL 0,01. Based on the approval of the Banking Regulation and Supervision Agency dated 21 June 2017, 10,01% share of HSBC Bank Plc.'s 100% ownership of the Parent Bank’s capital was transferred to HSBC Bank Middle East Limited and remaining 89,99% share of HSBC Bank Plc. was transferred to HSBC Middle East Holdings B.V. through share transfer agreement dated 29 June 2017. As of 31 December 2025, there have been no changes regarding the Parent Bank’s capital structure and shareholders of the Parent Bank who are in charge of the management or auditing of the Parent Bank directly or indirectly.

HSBC BANK A.Ş.
CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

III. EXPLANATION ON THE BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, PRESIDENT AND EXECUTIVE VICE PRESIDENTS, IF AVAILABLE, SHARES OF THE PARENT BANK THEY POSSESS AND THEIR AREAS OF RESPONSIBILITY

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
Chairman of the Board:	Paul Joseph LAWRENCE	Chairman	Undergraduate
Vice President of the Executive Board	Didem ÇERÇİ	Deputy Chairman	Undergraduate
Board of Directors:	Burçin OZAN	Member, CEO	Undergraduate
	Cansen Başaran SYMES	Member	Undergraduate
	Ayşe Ebru DORMAN	Member	Graduate
	Robert Cyril OATES	Member	Undergraduate
	Ana Patricia FERNANDES VIDAL GOMES	Member	Graduate
CEO:	Burçin OZAN	CEO	Undergraduate
Head of Internal Audit:	Ercan OĞUL	Head of Internal Audit	Graduate
Deputy CEO’s:	İbrahim Namık AKSEL	Treasury and Capital Markets	Graduate
	Cem MURATOĞLU	International Wealth Management and Premier Banking	Graduate
Executive Vice Presidents:	Cem MURATOĞLU	International Wealth Management and Premier Banking	Graduate
	Funda TEMOÇİN	Human Resources and Corporate Communications	Undergraduate
	İbrahim Chukwuemeka HAYATUDDINI	Finance	Undergraduate
	İbrahim Namık AKSEL	Treasury and Capital Markets	Graduate
	Tolga TÜZÜNER	Head of Legal Advisory	Graduate
	Peter KALLO	Credit and Risk	Graduate
	Seyyare ÖZBAŞLI TINAZ	Operations, Services and Technology	Graduate
Audit Committee:	Didem ÇERÇİ	Head of the Audit Committee	Undergraduate
	Robert Cyril OATES	Member of the Audit Committee	Undergraduate
	Ana Patricia FERNANDES VIDAL GOMES	Member of the Audit Committee	Graduate

The individuals mentioned above do not possess any share of the Parent Bank.

HSBC BANK A.Ş.
CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

IV. INFORMATION ON THE INDIVIDUAL AND CORPORATE SHAREHOLDERS HAVING CONTROL SHARES OF THE PARENT BANK

Name/Commercial Title	Share Amounts (Nominal) (*)	Share Percentages	Paid-in Capital (Nominal) (*)	Unpaid Portion
HSBC Middle East Holdings B.V.	586.995.771	89,99%	586.995.771	-
HSBC Bank Middle East Limited	65.294.226	10,01%	65.294.226	-

(*) The amounts are expressed in full TL.

V. INFORMATION ON THE PARENT BANK'S SERVICE TYPES AND FIELDS OF OPERATION

The Parent Bank's activities in accordance with related regulations and the articles of association of the Parent Bank summarized are as follows;

- To accept all kinds of deposits both in Turkish Lira and in foreign currency
- To provide funds in Turkish Lira and foreign exchange, for own use or as an intermediary,
- To launch cash and non-cash loans,
- To perform discount and purchase activities,
- To perform order transmissions brokerage, transactions brokerage, portfolios brokerage, restricted custody and general custody activities in accordance with Capital Markets regulations,
- To perform factoring activities,
- To perform payment services.

In addition to regular banking operations in accordance to the articles of association, the Bank also provides insurance intermediary services as an agency of Axa Sigorta, Zurich Sigorta, Allianz Hayat ve Emeklilik, Allianz Sigorta, GIG Sigorta, Allianz Trade (Euler Hermes), Coface and Anadolu Hayat Emeklilik, through its branches, undertaking the role of portfolio sharing including steering customers for Marsh Sigorta ve Reasürans Brokerlik and intermediary services agent for transmitting orders of HSBC Yatırım.

As of 31 December 2025, the Bank has 36 domestic branches (31 December 2024: 44 domestic branches).

As of 31 December 2025, the number of employees of the Bank is 1.384 (31 December 2024: 1.467).

VI. OTHER MATTERS

Unless otherwise stated, the consolidated financial statements and explanations and notes regarding the consolidated financial statements have been prepared in thousands of Turkish Lira.

VII. INFORMATION OF INSTITUTIONS IN CONSOLIDATION SCOPE

The Parent Bank, HSBC Yatırım Menkul Değerler A.Ş., which is fully owned by the Parent Bank and HSBC Portföy Yönetimi A.Ş., a subsidiary of HSBC Yatırım, included in the scope of consolidation.

The subsidiaries consolidated along with the Parent Bank are referred to as "the Group".

The consolidated financial statements have been prepared in accordance with the "Communiqué on Preparation of Consolidated Financial Statements of Banks" published in the Official Gazette dated 8 November 2006 and numbered 26340 and "Consolidated Financial Statements" ("IFRS 10").

HSBC BANK A.Ş.
CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE IN NOTE 3.I

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

VIII. DIFFERENCES BETWEEN THE COMMUNIQUE ON PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF BANKS AND TURKISH ACCOUNTING STANDARDS AND EXPLANATION ABOUT INSTITUTIONS SUBJECT TO FULL CONSOLIDATION METHOD OR PROPORTIONAL CONSOLIDATION AND INSTITUTIONS WHICH ARE DEDUCTED FROM EQUITY OR NOT INCLUDED IN THESE THREE METHODS

Due to the differences between the “Communiqué on the Preparation of Consolidated Financial Statements of Banks” and the consolidation transactions made in accordance with Turkish Accounting Standards, The Parent Bank has no non-financial subsidiaries.

IX. THE EXISTING OR POTENTIAL, ACTUAL OR LEGAL OBSTACLES ON THE TRANSFER OF SHAREHOLDERS’ EQUITY BETWEEN THE PARENT BANK AND ITS SUBSIDIARIES OR REIMBURSEMENT OF LIABILITIES

None.

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

- I. Consolidated Balance Sheet**
- II. Consolidated Statement of Off - Balance Sheet Commitments**
- III. Consolidated Statement of Profit or Loss**
- IV. Consolidated Statement of Profit or Loss and Other Comprehensive Income**
- V. Consolidated Statement of Changes in Shareholders' Equity**
- VI. Consolidated Statement of Cash Flows**
- VII. Statement of Profit Distribution**

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN
TURKISH, SEE IN NOTE 3.I**

**HSBC BANK A.Ş.
CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2025 AND 31 DECEMBER 2024
(STATEMENT OF FINANCIAL POSITION)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**SECTION TWO
CONSOLIDATED FINANCIAL STATEMENTS**

I. CONSOLIDATED BALANCE SHEET	Note (Section Five I)	Audited Current Period (31.12.2025)			Audited Prior Period (31.12.2024)		
		TL	FC	Total	TL	FC	Total
		ASSETS					
I. FINANCIAL ASSETS (Net)		92.776.951	63.851.179	156.628.130	86.030.527	42.537.000	128.567.527
I.1 Cash and Cash Equivalents		65.700.567	60.358.184	126.058.751	66.636.981	38.860.669	105.497.650
1.1.1 Cash and Balances with Central Bank	(I-a)	5.887.778	32.957.889	38.845.667	15.461.563	17.427.927	32.889.490
1.1.2 Banks	(I-c)	583.393	168.357	751.750	535.190	296.556	831.746
1.1.3 Money Market Placements		59.234.489	27.240.231	86.474.720	50.647.129	21.142.115	71.789.244
1.1.4 Expected Loss Provision (-)		5.093	8.293	13.386	6.901	5.929	12.830
I.2 Financial Assets at Fair Value Through Profit or Loss	(I-b)	3.099.535	724.183	3.823.718	2.318.142	699.814	3.017.956
1.2.1 Government Debt Securities		2.421.869	724.183	3.146.052	1.947.287	699.814	2.647.101
1.2.2 Equity Instruments		5.742	-	5.742	5.742	-	5.742
1.2.3 Other Financial Assets		671.924	-	671.924	365.113	-	365.113
I.3 Financial Assets at Fair Value Through Other Comprehensive Income	(I-d)	23.844.067	-	23.844.067	16.685.155	-	16.685.155
1.3.1 Government Debt Securities		23.844.067	-	23.844.067	16.685.155	-	16.685.155
1.3.2 Equity Instruments		-	-	-	-	-	-
1.3.3 Other Financial Assets		-	-	-	-	-	-
I.4 Derivative Financial Assets	(I-b)	132.782	2.768.812	2.901.594	390.249	2.976.517	3.366.766
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		132.782	2.768.812	2.901.594	390.249	2.976.517	3.366.766
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income	(I-k)	-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)		31.084.024	52.783.813	83.867.837	17.276.867	41.006.776	58.283.643
2.1 Loans	(I-e)	12.515.758	55.428.946	67.944.704	13.975.217	42.683.254	56.658.471
2.2 Lease Receivables	(I-j)	-	-	-	-	-	-
2.3 Factoring Receivables		280.525	210.773	491.298	290.610	159.742	450.352
2.4 Other Financial Assets Measured at Amortized Cost	(I-f)	18.801.439	-	18.801.439	3.423.765	-	3.423.765
2.4.1 Government Debt Securities		18.801.439	-	18.801.439	3.423.765	-	3.423.765
2.4.2 Other Financial Assets		-	-	-	-	-	-
2.5 Expected Credit Losses (-)		513.698	2.855.906	3.369.604	412.725	1.836.220	2.248.945
III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (NET)	(I-p)	-	-	-	-	-	-
3.1 Held for Sale Purpose		-	-	-	-	-	-
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		-	-	-	-	-	-
4.1 Investments in Associates (Net)	(I-g)	-	-	-	-	-	-
4.1.1 Accounted Under Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Subsidiaries (Net)	(I-h)	-	-	-	-	-	-
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
4.3 Entities under Common Control (Joint Venture) (Net)	(I-i)	-	-	-	-	-	-
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	(I-l)	937.295	-	937.295	902.079	-	902.079
VI. INTANGIBLE ASSETS (Net)	(I-m)	867.066	-	867.066	648.694	-	648.694
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		867.066	-	867.066	648.694	-	648.694
VII. INVESTMENT PROPERTY (Net)	(I-n)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSET	(I-o)	780.580	-	780.580	750.725	-	750.725
X. OTHER ASSETS	(I-r)	1.620.357	409.781	2.030.138	1.764.592	512.882	2.277.474
TOTAL ASSETS		128.066.273	117.044.773	245.111.046	107.373.484	84.056.658	191.430.142

The explanations and notes on pages 15 to 130 form an integral part of these consolidated financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN
TURKISH, SEE IN NOTE 3.I**

**HSBC BANK A.Ş.
CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2025 AND 31 DECEMBER 2024
(STATEMENT OF FINANCIAL POSITION)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

I. CONSOLIDATED BALANCE SHEET	Note (Section Five II)	Audited Current Period (31.12.2025)			Audited Prior Period (31.12.2024)		
		TL	FC	Total	TL	FC	Total
		LIABILITIES					
I. DEPOSITS	(II-a)	57.292.216	106.688.537	163.980.753	69.370.166	60.458.688	129.828.854
II. FUNDS BORROWED	(II-d)	-	24.315.624	24.315.624	-	16.993.535	16.993.535
III. MONEY MARKET BALANCES	(II-c)	-	14.496.299	14.496.299	-	11.555.609	11.555.609
IV. MARKETABLE SECURITIES ISSUED (Net)	(II-e)	-	-	-	-	-	-
4.1 Bills		-	-	-	-	-	-
4.2 Assets Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
V. BORROWER FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(II-b)	91.054	2.019.121	2.110.175	246.305	2.852.700	3.099.005
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		91.054	2.019.121	2.110.175	246.305	2.852.700	3.099.005
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES	(II-g)	186.969	7.247	194.216	203.290	5.497	208.787
X. PROVISIONS	(II-i)	1.608.038	14.231	1.622.269	1.217.045	23.680	1.240.725
10.1 Restructuring Provisions		15.089	-	15.089	-	-	-
10.2 Reverse for Employee Benefits		325.243	-	325.243	259.507	-	259.507
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		1.267.706	14.231	1.281.937	957.538	23.680	981.218
XI. CURRENT TAX LIABILITY	(II-j)	2.259.122	-	2.259.122	1.543.312	-	1.543.312
XII. DEFERRED TAX LIABILITY	(II-j)	-	-	-	-	-	-
XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(II-k)	-	-	-	-	-	-
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS	(II-l)	-	6.265.528	6.265.528	-	4.894.547	4.894.547
14.1 Loans		-	6.265.528	6.265.528	-	4.894.547	4.894.547
14.2 Other Debt Instruments		-	-	-	-	-	-
XV. OTHER LIABILITIES	(II-f)	2.586.852	1.408.664	3.995.516	3.010.060	1.355.579	4.365.639
XVI. SHAREHOLDERS' EQUITY	(II-m)	25.871.544	-	25.871.544	17.700.129	-	17.700.129
16.1 Paid-in capital		652.290	-	652.290	652.290	-	652.290
16.2 Capital Reserves		323.573	-	323.573	323.573	-	323.573
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		323.573	-	323.573	323.573	-	323.573
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		(225.431)	-	(225.431)	(212.778)	-	(212.778)
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		436.731	-	436.731	(43.177)	-	(43.177)
16.5 Profit Reserves		15.852.269	-	15.852.269	10.939.183	-	10.939.183
16.5.1 Legal Reserves		329.606	-	329.606	213.071	-	213.071
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		15.522.663	-	15.522.663	10.726.112	-	10.726.112
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit Or Loss		8.832.112	-	8.832.112	6.041.038	-	6.041.038
16.6.1 Prior Years' Profit/Loss		-	-	-	-	-	-
16.6.2 Current Year Profit/Loss		8.832.112	-	8.832.112	6.041.038	-	6.041.038
16.7 Minority Interest		-	-	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		89.895.795	155.215.251	245.111.046	93.290.307	98.139.835	191.430.142

The explanations and notes on pages 15 to 130 form an integral part of these consolidated financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN
TURKISH, SEE IN NOTE 3.I**

**HSBC BANK A.Ş.
CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS
AS OF 31 DECEMBER 2025 AND 31 DECEMBER 2024**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

II. OFF-BALANCE SHEET COMMITMENTS	Note (Section Five III)	Audited Current Period (31.12.2025)			Audited Prior Period (31.12.2024)		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		133.629.007	468.890.725	602.519.732	96.968.770	375.278.484	472.247.254
I. GUARANTEES AND COLLATERALS	(III-a-2,3)	7.172.147	34.263.775	41.435.922	3.175.567	23.552.534	26.728.101
I.1 Letters of Guarantee		7.172.147	25.091.411	32.263.558	3.157.067	12.658.207	15.815.274
I.1.1 Guarantees Subject to State Tender Law		-	-	-	-	-	-
I.1.2 Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
I.1.3 Other Letters of Guarantee		7.172.147	25.091.411	32.263.558	3.157.067	12.658.207	15.815.274
I.2 Bank Acceptances		-	51.296	51.296	-	-	-
I.2.1 Import Letter of Acceptance		-	51.296	51.296	-	-	-
I.2.2 Other Bank Acceptance		-	-	-	-	-	-
I.3 Letters of Credit		-	8.083.757	8.083.757	18.500	10.033.437	10.051.937
I.3.1 Documentary Letters of Credit		-	6.122.766	6.122.766	18.500	6.924.717	6.943.217
I.3.2 Other Letters of Credit		-	1.960.991	1.960.991	-	3.108.720	3.108.720
I.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
I.5 Endorsements		-	-	-	-	-	-
I.5.1 Endorsements to the Central Bank of Türkiye		-	-	-	-	-	-
I.5.2 Other Endorsements		-	-	-	-	-	-
I.6 Securities Issue Purchase Guarantees		-	-	-	-	-	-
I.7 Factoring Guarantees		-	-	-	-	-	-
I.8 Other Guarantees		-	1.037.311	1.037.311	-	860.890	860.890
I.9 Other Collaterals		-	-	-	-	-	-
II. COMMITMENTS	(III-a-1)	32.633.772	55.920.148	88.553.920	8.146.951	8.164.419	16.311.370
II.1 Irrevocable Commitments		32.633.772	55.920.148	88.553.920	8.146.951	8.164.419	16.311.370
II.1.1 Forward Asset Purchase and Sale Commitments		26.511.684	55.916.253	82.427.937	2.325.375	8.161.213	10.486.588
II.1.2 Forward Deposit Purchase and Sales Commitments		-	-	-	-	-	-
II.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
II.1.4 Loan Granting Commitments		705.898	-	705.898	359.871	-	359.871
II.1.5 Securities Underwriting Commitments		-	-	-	-	-	-
II.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
II.1.7 Payment Commitment for Checks		21.084	-	21.084	15.191	-	15.191
II.1.8 Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
II.1.9 Commitments for Credit Card Expenditure Limits		4.997.557	-	4.997.557	4.968.785	-	4.968.785
II.1.10 Commitments for Promotions Related with Credit Cards and Banking Activities.		53.613	-	53.613	54.325	-	54.325
II.1.11 Receivables from Short Sale Commitments		-	-	-	-	-	-
II.1.12 Payables for Short Sale Commitments		-	-	-	-	-	-
II.1.13 Other Irrevocable Commitments		343.936	3.895	347.831	423.404	3.206	426.610
II.2 Revocable Commitments		-	-	-	-	-	-
II.2.1 Revocable Loan Granting Commitments		-	-	-	-	-	-
II.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(III-b)	93.823.088	378.706.802	472.529.890	85.646.252	343.561.531	429.207.783
III.1 Derivative Financial Instruments for Hedging Purposes		-	-	-	-	-	-
III.1.1 Fair Value Hedge		-	-	-	-	-	-
III.1.2 Cash Flow Hedge		-	-	-	-	-	-
III.1.3 Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
III.2 Held for Trading Transactions		93.823.088	378.706.802	472.529.890	85.646.252	343.561.531	429.207.783
III.2.1 Forward Foreign Currency Buy/Sell Transactions		22.243.996	89.220.503	111.464.499	21.511.620	130.887.350	152.398.970
III.2.1.1 Forward Foreign Currency Transactions-Buy		4.317.834	51.154.618	55.472.452	7.029.238	69.205.305	76.234.543
III.2.1.2 Forward Foreign Currency Transactions-Sell		17.926.162	38.065.885	55.992.047	14.482.382	61.682.045	76.164.427
III.2.2 Swap Transactions Related to Foreign Currency and Interest Rate		64.514.666	204.671.604	269.186.270	55.727.266	145.567.269	201.294.535
III.2.2.1 Foreign Currency Swap-Buy		76.850	73.576.994	73.653.844	2.725.388	56.595.357	59.320.745
III.2.2.2 Foreign Currency Swap-Sell		18.982.232	89.972.872	108.955.104	10.271.594	64.595.786	74.867.380
III.2.2.3 Interest Rate Swap-Buy		22.727.792	20.560.869	43.288.661	21.365.142	12.188.063	33.553.205
III.2.2.4 Interest Rate Swap-Sell		22.727.792	20.560.869	43.288.661	21.365.142	12.188.063	33.553.205
III.2.3 Foreign Currency, Interest Rate and Securities Options		7.064.426	37.279.898	44.344.324	8.407.366	50.509.758	58.917.124
III.2.3.1 Foreign Currency Options-Buy		3.532.213	18.639.949	22.172.162	4.203.683	25.254.879	29.458.562
III.2.3.2 Foreign Currency Options-Sell		3.532.213	18.639.949	22.172.162	4.203.683	25.254.879	29.458.562
III.2.3.3 Interest Rate Options-Buy		-	-	-	-	-	-
III.2.3.4 Interest Rate Options-Sell		-	-	-	-	-	-
III.2.3.5 Securities Options-Buy		-	-	-	-	-	-
III.2.3.6 Securities Options-Sell		-	-	-	-	-	-
III.2.4 Foreign Currency Futures		-	-	-	-	-	-
III.2.4.1 Foreign Currency Futures-Buy		-	-	-	-	-	-
III.2.4.2 Foreign Currency Futures-Sell		-	-	-	-	-	-
III.2.5 Interest Rate Futures		-	-	-	-	-	-
III.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
III.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
III.2.6 Other		-	47.534.797	47.534.797	-	16.597.154	16.597.154
B. CUSTODY AND PLEDGES SECURITIES (IV+V+VI)		5.502.359.210	294.021.364	5.796.380.574	2.551.767.978	237.885.865	2.789.653.843
IV. ITEMS HELD IN CUSTODY		5.424.887.191	160.003.888	5.584.891.079	2.482.567.795	121.446.762	2.604.014.557
IV.1 Customers' Securities Held		116.364.997	70.178.946	186.543.943	108.644.957	45.850.490	154.495.447
IV.2 Investment Securities Held in Custody		5.308.096.019	26.852.781	5.334.948.800	2.373.465.071	28.050.541	2.401.515.612
IV.3 Checks Received for Collection		60.147	85.831	145.978	15.914	17.469	33.383
IV.4 Commercial Notes Received for Collection		278.460	217.007	495.467	354.285	145.518	499.803
IV.5 Other Assets Received for Collection		-	-	-	-	-	-
IV.6 Assets Received for Public Offering		-	-	-	-	-	-
IV.7 Other Items Under Custody		87.568	62.669.323	62.756.891	87.568	47.382.744	47.470.312
IV.8 Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		73.425.594	54.562.911	127.988.505	65.923.758	45.859.464	111.783.222
V.1 Marketable Securities		321.576	6.308.357	6.629.933	182.760	5.215.132	5.397.892
V.2 Guarantee Notes		1.780	2.148.223	2.150.003	1.780	1.768.073	1.769.853
V.3 Commodity		313.767	5.987.388	6.301.155	331.061	4.380.255	4.711.316
V.4 Warranty		-	-	-	-	-	-
V.5 Real Estate		3.075.600	33.111.500	36.187.100	3.818.818	30.293.323	34.112.141
V.6 Other Pledged Items		69.712.871	7.007.443	76.720.314	61.589.339	4.202.681	65.792.020
V.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED BILL OF EXCHANGE AND COLLATERALS		4.046.425	79.454.565	83.500.990	3.276.425	70.579.639	73.856.064
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		5.635.988.217	762.912.089	6.398.900.306	2.648.736.748	613.164.349	3.261.901.097

The explanations and notes on pages 15 to 130 form an integral part of these consolidated financial statements

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN
TURKISH, SEE IN NOTE 3.I**

HSBC BANK A.Ş.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIODS ENDED
31 DECEMBER 2025 AND 31 DECEMBER 2024**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

III. CONSOLIDATED STATEMENT OF PROFIT OR LOSS		Audited		
		Note (Section Five IV)	Current Period (01.01.2025 – 31.12.2025)	Prior Period (01.01.2024 – 31.12.2024)
INCOME AND EXPENSE ITEMS				
I.	INTEREST INCOME	(IV-a)	54.514.140	35.623.366
1.1	Interest Income on Loans	(IV-a-1)	10.337.882	11.814.306
1.2	Interest Received from Reserve Requirements		3.671.706	1.983.548
1.3	Interest Received from Banks	(IV-a-2)	21.924.258	9.061.779
1.4	Interest Received from Money Market Transactions		5.083.307	5.268.149
1.5	Interest Received from Marketable Securities Portfolio	(IV-a-3)	12.303.805	6.871.845
1.5.1	Financial Assets at Fair Value through Profit or (Loss)		935.095	551.303
1.5.2	Financial Assets at Fair Value Through Other Comprehensive Income		8.178.481	5.904.680
1.5.3	Financial Assets at Measured at Amortized Cost		3.190.229	415.862
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		1.193.182	623.739
II.	INTEREST EXPENSE (-)	(IV-b)	28.955.434	22.758.571
2.1	Interest Expense on Deposits	(IV-b-4)	26.285.837	20.928.093
2.2	Interest Expense on Funds Borrowed	(IV-b-1)	2.046.713	1.275.664
2.3	Interest Expense on Money Market Transactions		532.815	462.072
2.4	Interest on Securities Issued	(IV-b-3)	-	-
2.5	Interest Expense on Lease		38.555	41.026
2.6	Other Interest Expenses		51.514	51.716
III.	NET INTEREST INCOME/EXPENSE (I - II)		25.558.706	12.864.795
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		2.931.110	2.106.053
4.1	Fees and Commissions Received		3.464.547	2.926.106
4.1.1	Non-Cash Loans		770.417	700.895
4.1.2	Other	(IV-m)	2.694.130	2.225.211
4.2	Fees and Commissions Paid (-)		533.437	820.053
4.2.1	Non-Cash Loans		600	857
4.2.2	Other		532.837	819.196
V.	DIVIDEND INCOME	(IV-c)	1.021	603
VI.	TRADING GAIN/(LOSS) (Net)	(IV-d)	(5.164.411)	789.196
6.1	Trading Gains/(Losses) on Securities		253.885	111.094
6.2	Derivative Financial Transactions Gains/(Losses)		13.274.931	3.813.756
6.3	Foreign Exchange Gains/(Losses)		(18.693.227)	(3.135.654)
VII.	OTHER OPERATING INCOME	(IV-e)	600.208	454.706
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		23.926.634	16.215.353
IX.	PROVISION FOR LOAN LOSSES (-)	(IV-f)	1.223.757	478.298
X.	OTHER PROVISION EXPENSES (-)		62.211	108.416
XI.	PERSONNEL EXPENSES (-)		5.400.285	3.807.516
XII.	OTHER OPERATING EXPENSES (-)	(IV-g)	4.800.273	3.129.783
XIII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)		12.440.108	8.691.340
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XV.	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-
XVI.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-
XVII.	PROFIT/(LOSS) BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)		12.440.108	8.691.340
XVIII.	PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS	(IV-i)	(3.607.996)	(2.650.302)
18.1	Current Tax Provision		(3.640.346)	(2.902.775)
18.2	Deferred Tax Income Effect (+)		-	-
18.3	Deferred Tax Expense Effect (-)		32.350	252.473
XIX.	NET PROFIT/LOSSES FROM CONTINUING OPERATIONS (XVII±XVIII)	(IV-j)	8.832.112	6.041.038
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1	Income from Non-Current Assets Held for Resale		-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures (Business Partners)		-	-
20.3	Other Income From Discontinued Operations		-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1	Expenses for Non-Current Assets Held for Resale		-	-
21.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures (Business Partners)		-	-
21.3	Other Expenses From Discontinued Operations		-	-
XXII.	PROFIT/LOSSES BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-
XXIII.	PROVISION FOR INCOME TAXES FROM DISCONTINUED OPERATIONS (±)		-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Income Effect (+)		-	-
23.3	Deferred Tax Expense Effect (-)		-	-
XXIV.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-
XXV.	NET PROFIT/LOSSES (XIX+XXIV)	(IV-k)	8.832.112	6.041.038
	Earnings/Loss per Share		0,135402	0,092613

The explanations and notes on pages 15 to 130 form an integral part of these consolidated financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE IN NOTE 3.I**

HSBC BANK A.Ş.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIODS ENDED 31 DECEMBER 2025 AND 31 DECEMBER 2024**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

IV. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
	Audited Current Period (31.12.2025)	Audited Prior Period (31.12.2024)
I. INCOME/LOSS FOR THE PERIOD	8.832.112	6.041.038
II. OTHER COMPREHENSIVE INCOME	467.255	(203.143)
2.1 Not Reclassified Through Profit or Loss	(12.653)	(28.183)
2.1.1 Property and Equipment Revaluation Increase/Decrease	-	-
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurement Gain/Loss	(18.076)	(40.200)
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	5.423	12.017
2.2 Reclassified Through Profit or Loss	479.908	(174.960)
2.2.1 Foreign Currency Translation Differences	-	-
2.2.2 Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	685.580	(250.012)
2.2.3 Cash Flow Hedge Income/Loss	-	-
2.2.4 Foreign Net Investment Hedge Income/Loss	-	-
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Losses	-	-
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(205.672)	75.052
III. TOTAL COMPREHENSIVE INCOME (I+II)	9.299.367	5.837.895

The explanations and notes on pages 15 to 130 form an integral part of these consolidated financial statements

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN
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HSBC BANK A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																	
						Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss								
Audited Prior Period 31 December 2024	Note Section Five (V)	Paid-in Capital	Share Premium	Share Cancel Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit (Loss)	Net Profit/ (Loss)	Total Equity Except from Minority Interest	Minority Interest	Total Equity
I. Balances at the Beginning of the Period – 31 December 2023		652.290	-	-	1.464.825	-	(184.595)	-	-	131.783	-	5.493.823	-	4.304.108	11.862.234	-	11.862.234
II. Corrections According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)		652.290	-	-	1.464.825	-	(184.595)	-	-	131.783	-	5.493.823	-	4.304.108	11.862.234	-	11.862.234
IV. Total Comprehensive Income	(V-a)	-	-	-	-	-	(28.183)	-	-	(174.960)	-	-	-	6.041.038	5.837.895	-	5.837.895
V. Capital Increase by Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds to Shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by Other Changes		-	-	-	(1.141.252)	-	-	-	-	-	-	1.141.252	-	-	-	-	-
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	4.304.108	-	(4.304.108)	-	-	-
11.1 Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	4.304.108	-	(4.304.108)	-	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (III+IV+.....+X+XI)		652.290	-	-	323.573	-	(212.778)	-	-	(43.177)	-	10.939.183	-	6.041.038	17.700.129	-	17.700.129

1. Increase/decrease of accumulated revaluation reserve on tangible,
2. Accumulated gains/losses on remeasurement of defined benefit plans
3. Other (other comprehensive income of associates and joint ventures accounted with equity method that will not be reclassified at profit and loss and other accumulated amounts of other comprehensive income items that will not be reclassified at profit or loss
4. Exchange differences on translation reserve,
5. Accumulated revaluation and/or classification gains/losses of financial assets at fair value through other comprehensive income,
6. Other (cash flow hedge gains/losses, other comprehensive income of associates and joint ventures accounted with equity method that will be reclassified at profit or loss and other accumulated amounts of other comprehensive income items that will be reclassified at profit or loss).

The explanations and notes on pages 15 to 130 form an integral part of these consolidated financial statements

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN
TURKISH, SEE IN NOTE 3.I**

HSBC BANK A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																	
						Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss								
Audited Current Period 31 December 2025	Note Section Five (V)	Paid-in Capital	Share Premium	Share Cancel Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit/ (Loss)	Net Profit/ (Loss)	Total Equity Except from Minority Interest	Minority Interest	Total Equity
I. Balances at the Beginning of the Period – 31 December 2024		652.290	-	-	323.573	-	(212.778)	-	-	(43.177)	-	10.939.183	-	6.041.038	17.700.129	-	17.700.129
II. Corrections According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)		652.290	-	-	323.573	-	(212.778)	-	-	(43.177)	-	10.939.183	-	6.041.038	17.700.129	-	17.700.129
IV. Total Comprehensive Income	(V-a)	-	-	-	-	-	(12.653)	-	-	479.908	-	-	-	8.832.112	9.299.367	-	9.299.367
V. Capital Increase by Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds to Shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	4.913.086	-	(6.041.038)	(1.127.952)	-	(1.127.952)
11.1 Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	-	(1.127.952)	(1.127.952)	-	(1.127.952)
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	4.913.086	-	(4.913.086)	-	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (III+IV+.....+X+XI)		652.290	-	-	323.573	-	(225.431)	-	-	436.731	-	15.852.269	-	8.832.112	25.871.544	-	25.871.544

1. Increase/decrease of accumulated revaluation reserve on tangible,
2. Accumulated gains/losses on remeasurement of defined benefit plans
3. Other (other comprehensive income of associates and joint ventures accounted with equity method that will not be reclassified at profit and loss and other accumulated amounts of other comprehensive income items that will not be reclassified at profit or loss,
4. Exchange differences on translation reserve,
5. Accumulated revaluation and/or classification gains/losses of financial assets at fair value through other comprehensive income
6. Other (cash flow hedge gains/losses, other comprehensive income of associates and joint ventures accounted with equity method that will be reclassified at profit or loss and other accumulated amounts of other comprehensive income items that will be reclassified at profit or loss).

The explanations and notes on pages 15 to 130 form an integral part of these consolidated financial statement.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN
TURKISH, SEE IN NOTE 3.I**

**HSBC BANK A.Ş.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED 31 DECEMBER 2025 AND 31 DECEMBER 2024**
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

VI. CONSOLIDATED STATEMENT OF CASH FLOWS			
	Note (Section Five VI)	Audited Current Period (31.12.2025)	Audited Prior Period (31.12.2024)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes in Operating Assets and Liabilities	(VI-a)	6.444.778	6.152.404
1.1.1 Interest Received	(VI-a)	51.707.052	34.904.325
1.1.2 Interest Paid	(VI-a)	(29.814.512)	(23.975.510)
1.1.3 Dividend Received		1.021	603
1.1.4 Fees and Commissions Received		3.353.898	2.892.558
1.1.5 Other Income		539.475	380.391
1.1.6 Collections From Previously Written-Off Loans and Other Receivables		58.209	35.127
1.1.7 Cash Payments to Personnel and Service Suppliers	(VI-a)	(4.829.179)	(3.492.665)
1.1.8 Taxes Paid		(3.721.448)	(2.230.627)
1.1.9 Other		(10.849.738)	(2.361.798)
1.2 Changes in Operating Assets and Liabilities Subject to Banking Operations		19.377.356	17.877.626
1.2.1 Net (Increase)/Decrease in Financial Assets at Fair Value Through Profit or Loss		(466.758)	(2.214.395)
1.2.2 Net (Increase)/Decrease in Due from Banks		(15.551.972)	(8.023.819)
1.2.3 Net (Increase)/Decrease in Loans		(4.295.316)	(7.146.012)
1.2.4 Net (Increase)/Decrease in Other Assets		773.305	(1.179.628)
1.2.5 Net Increase/(Decrease) in Bank Deposits		(1.407.017)	557.648
1.2.6 Net Increase/(Decrease) in Other Deposits		36.447.429	21.678.339
1.2.7 Net Increase/(Decrease) in Financial Liabilities at Fair Value Through Profit or Loss		-	-
1.2.8 Net Increase (Decrease) in Funds Borrowed		9.630	(49.908)
1.2.9 Net Increase/(Decrease) in Matured Payables		-	-
1.2.10 Net Increase/(Decrease) in Other Liabilities		3.868.055	14.255.401
I. Net Cash Provided from Banking Operations		25.822.134	24.030.030
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Provided from Investing Activities		(21.297.231)	(9.042.195)
2.1 Cash Paid for the Purchase of Associates, Subsidiaries and Joint Ventures		-	-
2.2 Cash Obtained from the Sale of Associates, Subsidiaries and Joint Ventures		-	-
2.3 Cash Paid for the Purchase of Tangible and Intangible Asset		(266.793)	(514.835)
2.4 Cash Obtained from the Sale of Tangible and Intangible Asset		24.101	45.292
2.5 Cash Paid for Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(18.409.200)	(12.202.143)
2.6 Cash Obtained from the Sale of Financial Assets at Fair Value Through Other Comprehensive Income		11.852.121	4.103.547
2.7 Cash Paid for Purchase of Financial Assets at Amortized Cost		(13.930.422)	-
2.8 Cash Obtained from Sale of Financial Assets at Amortized Cost		-	-
2.9 Other		(567.038)	(474.056)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities		445.624	10.345.129
3.1 Cash Obtained from Funds Borrowed and Securities Issued		21.330.957	18.472.158
3.2 Cash Outflow from Funds Borrowed and Securities Issued		(19.621.982)	(8.012.973)
3.3 Equity Instruments Issued		-	-
3.4 Dividends Paid		(1.127.952)	-
3.5 Payments for Finance Lease Liabilities		(135.399)	(114.056)
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	(VI-a)	4.617	9.249
V. Net (Decrease)/Increase in Cash and Cash Equivalents (I+II+III+IV)		4.975.144	25.342.213
VI. Cash and Cash Equivalents at Beginning of the Period	(VI-d)	84.638.062	59.295.849
VII. Cash and Cash Equivalents at End of the Period	(VI-d)	89.613.206	84.638.062

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**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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HSBC BANK A.Ş.

**STATEMENT OF PROFIT DISTRIBUTION OF THE PARENT BANK
FOR THE PERIODS ENDED 31 DECEMBER 2025 AND 31 DECEMBER 2024**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

VII. STATEMENT OF PROFIT DISTRIBUTION	Audited Current Period (31.12.2025) (*)	Audited Prior Period (31.12.2024) (*)
I. DISTRIBUTION OF INCOME		
1.1 Income for the Year	11.554.016	8.095.709
1.2 Taxes and Duties Payable (-)	3.339.418	2.455.948
1.2.1 Corporate Tax (Income Tax)	3.360.118	2.701.103
1.2.2 Withholding Tax	-	-
1.2.3 Other taxes and dues	(20.700)	(245.155)
A. NET INCOME FOR THE YEAR (1.1-1.2)	8.214.598	5.639.761
1.3 Prior Year Losses (-)	-	-
1.4 First Legal Reserve (-)	-	-
1.5 Other Statutory Reserves (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-1.3-1.4-1.5)]	8.214.598	5.639.761
1.6 First Dividend to Shareholders (-)	-	32.615
1.6.1 To Owners of Ordinary Shares	-	32.615
1.6.2 To Owners of Privileged Shares	-	-
1.6.3 To Owners of Preferred Shares	-	-
1.6.4 To Profit Sharing Bonds	-	-
1.6.5 To Holders of Profit and Loss Sharing Certificates	-	-
1.7 Dividends to Personnel (-)	-	-
1.8 Dividends to Board of Directors (-)	-	-
1.9 Second Dividend to Shareholders (-)	-	1.095.337
1.9.1 To Owners of Ordinary Shares	-	1.095.337
1.9.2 To Owners of Privileged Shares	-	-
1.9.3 To Owners of Preferred Shares	-	-
1.9.4 To Profit Sharing Bonds	-	-
1.9.5 To Holders of Profit and Loss Sharing Certificates	-	-
1.10 Second Legal Reserves (-)	-	109.535
1.11 Statutory Reserves (-)	-	-
1.12 Extraordinary Reserves	-	4.402.274
1.13 Other Reserves	-	-
1.14 Special Funds	-	-
II. DISTRIBUTION OF RESERVES		
2.1 Appropriated Reserves	-	-
2.2 Second Legal Reserves (-)	-	-
2.3 Dividends to Shareholders (-)T	-	-
2.3.1 To Owners of Ordinary Shares	-	-
2.3.2 To Owners of Privileged Shares	-	-
2.3.3 To Owners of Preferred Shares	-	-
2.3.4 To Profit Sharing Bonds	-	-
2.3.5 To Holders of Profit and Loss Sharing Certificates	-	-
2.4 Dividends to Personnel (-)	-	-
2.5 Dividends to Board of Directors (-)	-	-
III. EARNINGS PER SHARE (**)		
3.1 To Owners of Ordinary Shares	0,125935	0,086461
3.2 To Owners of Ordinary Shares (%)	-	-
3.3 To Owners of Privileged Shares	-	-
3.4 To Owners of Privileged Shares (%)	-	-
IV. DIVIDEND PER SHARE		
4.1 To Owners of Ordinary Shares	-	-
4.2 To Owners of Ordinary Shares (%)	-	-
4.3 To Owners of Privileged Shares	-	-
4.4 To Owners of Privileged Shares (%)	-	-

(*) As of reporting date, yearly ordinary meeting of the General Assembly has not been held yet to decide on the profit distribution for the year 2025.

(**) 1.000 nominal is expressed in full TL.

The explanations and notes on pages 15 to 130 form an integral part of these consolidated financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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HSBC BANK A.Ş.

NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. EXPLANATIONS ON BASIS OF PRESENTATION

a. The preparation of the consolidated financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on the Principles and Procedures Regarding Banks’ Accounting Application and Keeping Documents:

The Group prepared the accompanying consolidated financial statements within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” related with Banking Law numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency (“BRSA”) and in case where a specific regulation is not made by BRSA and Turkish Accounting Standards (“TAS”) published by the Public Oversight Accounting for the format and detail of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements”, published in Official Gazette no. 28337, dated 28 June 2012 and amendments to this Communiqué dated 1 February 2019 which include Turkish Accounting Standard principles. However, the TAS 29 “Financial Reporting in Hyperinflationary Economies” standard included in TFRS is not applied to banks and financial leasing, factoring, financing, savings financing and asset management companies, as explained below.

The consolidated financial statements have been prepared in TL, under the historical cost convention as modified in accordance with inflation adjustments until 31 December 2004, except for the financial assets and liabilities, which are carried at fair value.

The preparation of the consolidated financial statements in conformity with TFRS requires the Parent Bank Management to use of certain make assumptions and estimates on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates are reviewed regularly and, when necessary, corrections are made and the effects of these corrections are reflected to the income statement. The estimations and projections used are explained in corresponding disclosures.

b. Accounting policies and valuation principles applied in the presentation of consolidated financial statements

The accounting policies followed and the valuation principles used in the preparation of the financial statements have been determined and applied in accordance with the principles within the scope of the “BRSA Accounting and Financial Reporting Legislation” and are consistent with the accounting policies applied in the annual financial statements prepared for the period ending on 31 December 2024.

Accounting policies for the current period and valuation principles used are explained in Notes II to XXXI.

The Parent Bank made certain estimations in the calculation of expected credit losses in the consolidated financial statements prepared as of 31 December 2025 and disclosed them in footnote VIII, “Explanations on Expected Loss Provisions”. The Parent Bank reviews its assumptions quarterly and makes updates if deemed necessary.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE IN NOTE 3.I**

HSBC BANK A.Ş.

NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. EXPLANATIONS ON BASIS OF PRESENTATION (Continued)

c. Different accounting policies applied in the preparation of consolidated financial statements

Where the accounting policies used by the subsidiaries differ from the Parent Bank, the differences are aligned in the financial statements by taking into account the materiality criterion.

Changes in accounting policies and disclosures

New and revised TAS/TFRS effective for annual periods beginning on or after 1 January 2025 have no material effect on the financial statements, financial performance and on the Group's accounting policies. New and revised TAS/TFRS issued but not yet effective as of the finalization date of the financial statements have no material effect on the financial statements, financial performance and on the Group's accounting policies.

The Public Oversight, Accounting and Auditing Standards Authority ("POA"), through its announcement dated 23 November 2023, stated that the financial statements of entities applying TFRS for annual reporting periods ending on or after 31 December 2023 should be prepared in accordance with the Financial Reporting Standard for High Inflation Economies ("TAS 29"), however, institutions or organizations authorized to regulate and supervise in their respective fields may determine different transition dates for the application of TAS 29 provisions. In response to this announcement by POA, the Banking Regulation and Supervision Agency ("BRSA") decided that the financial statements as of 31 December 2023 of banks, financial leasing, factoring, financing, savings finance and asset management companies should not be subjected to inflation adjustments required under TAS 29 through its decision numbered 10744 dated 12 December 2023 and required the transition to inflation accounting as of 1 January 2025, with the decision numbered 10825 dated 11 January 2024. Accordingly, the Parent Bank did not apply the inflation accounting required under TAS 29 in its financial statements for the year ended 31 December 2024. However, pursuant to the decision of the BRSA dated 5 December 2024 and numbered 11021, it has been resolved that banks, as well as financial leasing, factoring, financing, savings financing and asset management companies, shall not apply inflation accounting in the year 2025. Finally, in accordance with the BRSA's decision dated 18 December 2025 and numbered 11340, the Board Decision dated 11 January 2024 and numbered 10825 has been annulled and it has been resolved that banks and financial leasing, factoring, financing, savings financing and asset management companies shall not apply inflation accounting in 2026.

Explanation for convenience translation into English:

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 31 December 2025. Accordingly, the accompanying unconsolidated financial statements are not intended to present fairly the unconsolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

II. EXPLANATIONS ON STRATEGY OF USING FINANCIAL INSTRUMENTS AND EXPLANATIONS ON FOREIGN CURRENCY TRANSACTIONS

The Parent Bank's main resources are customer deposits and foreign loans. The Parent Bank creates its liquidity structure that will ensure the fulfillment of its due liabilities by diversifying its funding sources and by keeping sufficient cash and assets that can be converted into cash.

The Group applies sophisticated methods in daily market risk management and control activities. In measuring the market risk and determining limits, "Value at Risk" ("VaR") approach is being applied. For the portfolios which are subject to market risk; interest rate and currency risks are monitored; with regard to this, limits such as daily and monthly maximum loss limits regarding the exchange rate and share price risk, Value at Risk limits, maturity limits and quantity limits are being applied. The limit usages are being monitored through various checkpoints and reported to the top management. Risk monitoring and control activities are being performed by independent units. For the portfolios, which are subject to the interest risks, sensitivity of the changes in interest rates are being analyzed by "Present Value Basis Points" method ("PVBP") and relevant limits are being determined.

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**II. EXPLANATIONS ON STRATEGY OF USING FINANCIAL INSTRUMENTS AND
EXPLANATIONS ON FOREIGN CURRENCY TRANSACTIONS (Continued)**

Various stress scenarios, liquidity, gap and volatility analyzes are performed regarding the monitoring and management of market risk as well as control. By means of these analyzes, it is aimed to be ready for possible risks and to take quick decisions regarding the targeted profitability.

Analyses that are conducted related to determined risks are being tracked by the Asset-Liability Committee and value adding decisions are made. The foreign exchange gains and losses from the foreign exchange transactions are recorded at the date of transactions conducted. The balances of other foreign currency active and liability accounts, excluding non-performing loans in foreign currency and non-monetary items accounted for on the basis of acquisition cost, are translated into TL at the Group's exchange rate and the resulting exchange differences are reflected in the income statement as foreign exchange profit or loss.

**III. EXPLANATIONS ON CONSOLIDATED INVESTMENTS IN ASSOCIATES AND
SUBSIDIARIES**

The Group has no investments in associates as of 31 December 2025. The accompanying consolidated financial statements are prepared in accordance with TFRS 10 “Consolidated Financial Statements” and “Communiqué on Preparation of Consolidated Financial Statements of Banks” published by BRSA on the Official Gazette numbered 26340 and dated 8 November 2006.

The corporations included in consolidation and their places of incorporation, nature of activities and shareholding percentages of the Group are as follows:

Name	Consolidation Method	Place of Establishment	Subject of Operations	The Parent Bank's share percentage- If different voting percentage (%)
HSBC Yatırım ve Menkul Değerler A.Ş. (*)	Full consolidation	Türkiye	Securities Intermediary Services	100,00

(*) HSBC Yatırım Menkul Değerler A.Ş. (“HSBC Yatırım”) and HSBC Portföy Yönetimi A.Ş. (“HSBC Portföy”), a subsidiary of HSBC Yatırım, is included in the scope of consolidation.

**IV. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE
INSTRUMENTS**

In order to reduce the foreign exchange position risk, the Parent Bank conducts currency forward purchase and sale transaction agreements, currency swap purchase and sale transaction agreements and option purchase and sale agreements. In order to reduce the interest risk, the Parent Bank conducts interest futures and forward interest rate agreements. The fair value differences of derivative instruments that are reflected in the profit and loss accounts are measured at fair value and associated with income statement during recognition. If the fair value of derivative financial instruments is positive, it is disclosed under the main account “Derivative Financial Assets at Fair Value Through Profit or Loss”; and if the fair value difference is negative, it is disclosed under “Derivative Financial Liabilities at Fair Value Through Profit or Loss”. Differences arising from the valuation of fair value are reflected in the “Derivative Financial Transactions Gains/Losses” account under income.

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSES

Interest income is recorded according to the effective interest rate method (rate equal to net present value of future cash flows or financial assets and liabilities) defined in the TFRS 9 “Financial Instruments” standard by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets or financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. When applying the effective interest rate method, an entity identifies fees that are an integral part of the effective interest rate method of a financial instrument. Fees that are an integral part of the effective interest rate of a financial instrument are treated as an adjustment to the effective interest rate, unless the financial instrument is measured at fair value, with the change in fair value being recognized in profit or loss.

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V. EXPLANATIONS ON INTEREST INCOME AND EXPENSES (Continued)

When applying the effective interest method, The Parent Bank amortized any fees, transaction costs and other premiums or discounts that are included in the calculation of the effective interest rate over the expected life of the financial instrument. In case an interest was accrued on a security before its acquisition, the collected interest is divided into two parts as interest before and after the acquisition and only the interest of the period after the acquisition is recorded as interest income in the financial statements. If the expectation for the cash flows from financial asset is revised for reasons other than the credit risk, the change is reflected in the carrying amount of asset and in the related statement of profit or loss line and is amortized over the estimated life of financial asset.

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES

All fees and commission income are recognized on an accrual basis in accordance with the matching principle or "Effective Rate Method (Internal Rate of Return Method)" and according to the TFRS 15 "Revenue from Contracts with Customers", except for certain commission income for various banking services, which are recorded as income at the time of collection. Income provided through contracts or through services related to transactions such as the purchase or sale of assets for a third party corporate or retail person is recorded as income on the date it is earned.

VII. EXPLANATIONS ON FINANCIAL ASSETS

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

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

Classification and measurement of financial instruments

According to the TFRS 9 standard, the classification and measurement of financial assets is determined according to the business model in which the financial asset is managed and whether it depends on the contractual cash flows that include only the principal and interest payments on the principal balance.

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VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued)

Assessment whether contractual cash flows are solely payments of principal and interest

Within the scope of this evaluation, “Principal” is defined as the fair value of the financial asset at initial recognition. “Interest”, for the time value of money, considers the credit risk and other underlying credit risks associated with the principal amount over a period of time and the costs for the profit margin (for example, liquidity risk and administrative costs).

In the evaluation of the contractual cash flows, which include only the principal and interest payments, the Parent Bank considers the contractual terms of the financial asset. This assessment includes assessing whether the financial asset contains a contractual clause that could change the timing or amount of contractual cash flows. While making the assessment, the Parent Bank considers the followings:

- Events that could change the amount and timing of cash flows
- Leverage features
- Prepayment and extension terms
- Features to consider when measuring the time value of money

a) Financial Assets at Fair Value Through Profit or Loss:

Financial assets at fair value through profit or loss, financial assets managed with a business model other than a business model aimed at holding contractual cash flows to collect and selling contractual cash flows and contractual terms related to financial assets, does not result in cash flows that only include principal and interest payments on the principal balance on specified dates; are financial assets that are acquired to profit from fluctuations in prices and similar factors in the short-term in the market, or that are part of a portfolio to make a profit in the short-term, regardless of the reason for their acquisition. Financial assets at fair value through profit or loss are recorded with their fair values and are then valued at their fair values. Gains and losses resulting from the valuation are included in the profit/loss accounts. In line with the Uniform Chart of Accounts (UCA) explanations, the positive difference between the acquisition cost and the discounted value of the financial asset is in “Interest Income”, if the fair value of the asset is above the discounted value, the positive difference is in the “Capital Market Transactions Profits” account. if the fair value is below the discounted value, the negative difference between the discounted value and the fair value is recorded in the “Capital Market Transactions Losses” account. In case the financial asset is disposed of before maturity, the resulting gains or losses are accounted for on the same basis

Equity securities, which are classified as financial assets at fair value through profit or loss, are accounted with their fair values if they are traded in organized markets and/or their fair value can be determined reliably. If it is not traded in an organized market and its fair value cannot be determined reliably, it is reflected to the financial statements at cost after deducting the provision for impairment.

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VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued)

b) Financial Assets at Fair Value Through Other Comprehensive Income:

In addition to financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial asset with contractual terms that lead to cash flows are solely payments of principal and interest at certain dates, they are classified as fair value through other comprehensive income.

"Unrealized profits and losses" mean the difference between amortized costs and fair value arising from changes in fair value of assets whose fair value difference is reflected in other comprehensive income. The collection of the value corresponding to the relevant financial asset is not reflected in the income statement for the period until either the asset is sold, disposed of or deteriorated and is followed in the "Other comprehensive income or expense to be reclassified to profit or loss" account in shareholders' equity. When these financial assets are collected or disposed of, the accumulated fair value differences recognized in equity are reflected in the income statement. Interest and dividends of these financial assets are recorded in the relevant interest income and dividend income account.

At initial recognition, an entity may irrevocably choose to present subsequent changes in the fair value of an investment in an equity instrument that is not held for trading in other comprehensive income. If this preference is made, dividends from the investment in question are recognized as profit or loss.

In addition, the Parent Bank's securities portfolio includes consumer price indexed government bonds classified as financial assets at fair value through other comprehensive income. These securities are valued and accounted for using the effective interest method, based on real coupon rates, the reference inflation index at the date of issue and the current index. As stated in the CPI-Indexed Bonds Investor's Guide of the Undersecretariat of Treasury, the reference indices used in calculating the actual coupon payment amounts of these securities are based on the CPI of two months ago.

c) Financial Assets Measured at Amortized Cost:

The financial asset is measured at amortized cost if the financial asset is held under a business model that aims to collect contractual cash flows and the contractual terms of the financial asset result in cash flows that, at specified dates, only include payments of principal and interest on the principal balance. These assets are accounted for at their acquisition cost, which also includes transaction costs, when they are first recorded. After being recorded, it is valued at "Discounted Value" using the effective interest rate method.

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VIII. EXPLANATIONS ON EXPECTED CREDIT LOSSES

The Parent Bank allocates an expected loss provision for its financial assets measured at amortized cost and at fair value through other comprehensive income.

Pursuant to the “Regulation on the Procedures and Principles Regarding Classification of Loans and Provisions for These” published in the Official Gazette dated 22 June 2016 and numbered 29750 and entered into force as of 1 January 2018, the Parent Bank allocates provisions for impairment in accordance with the provisions of TFRS 9 as of 1 January 2019. In this framework, as of 31 December 2018, the loan provisions calculated within the framework of the relevant legislation of the BRSA have been changed in accordance with TFRS 9 by applying the expected credit loss model. The expected credit losses estimate is unbiased, probability-weighted and includes supportable information about estimates of past events, current conditions and future economic conditions.

At each reporting date, it is assessed whether there has been a significant increase in the credit risk of a financial instrument subject to impairment since its initial recognition and financial assets are divided into the following three categories, depending on the increase in credit risks observed from the time they are first recognized.

Stage 1:

Financial assets that do not have a significant increase in credit risk at the time of initial recognition or after initial recognition are classified as such. For these assets, the credit risk impairment allowance is recognized based on the 12-month expected credit losses. The 12-month expected credit loss is calculated based on the probability of default occurring within the 12 months following the reporting date, the loss given default and the discount of the loan to the present with the original effective interest rate.

Stage 2:

If there is a significant increase in credit risk after the initial recognition of the financial asset, the related financial asset is transferred to Stage 2. The credit risk impairment provision is determined based on the lifetime expected credit losses of the financial asset. The probability of default and loss given default are estimated over the lifetime of the financial asset, including the use of multiple scenarios. Impairment provision for credit risk is recognized as lifetime expected credit losses.

Stage 3:

For financial assets with objective evidence of impairment, lifetime expected credit losses are estimated on an individual basis using the discounted cash flow method.

Calculation of Expected Credit Losses

The calculation of expected credit losses consists of three main parameters: probability of default (PD), loss given default (LGD) and exposure at default (EAD). PDs and LGDs used in the ECL calculation are point in time (“PIT”)-based for key portfolios and consider both current conditions and expected macroeconomic cyclical changes.

The calculation of expected credit losses has been based on four different scenarios: optimistic, baseline, pessimistic and alternative pessimistic, which incorporate global uncertainties and increasing sensitivities since the first quarter of 2020. Each of these scenarios is associated with a different probability. As of the fourth quarter of 2025, the scenario weights used in the third quarter were revised due to improvements in economic indicators and expectations; the weight of the pessimistic scenario was reduced, while the weight of the baseline scenario was increased by the same proportion.

Products within retail loans are grouped into large and small portfolios, considering portfolio sizes, risk levels and strategic business plans. In calculating expected credit loss provisions, TFRS9 models developed from historical data sets are used for large portfolios (Credit Card, General Purpose Loans, Overdraft), while a fixed macroeconomic expectation rate determined judgmentally by taking into account prior period actualisations is used for small portfolios (Mortgage Loans, Vehicle Loans, Cash Collateralized General Purpose Loans, Check Collaterals).

In case an area for improvement is identified in the performance of the models used in the calculations, necessary corrective actions are taken and the calculated impact is reflected in the financial statements.

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VIII. EXPLANATIONS ON EXPECTED CREDIT LOSSES (Continued)

Calculation of Explanations on Expected Credit Losses (Continued)

In addition, all commercial and corporate loans that are classified as non-performing loans and restructured in the expected credit loss calculation in accordance with TFRS 9 are subject to individual evaluation according to the discounted cash flow method (DCFM) in accordance with internal policies. This method is basically done by discounting the expected cash flows from the financial instrument to their present value with the effective interest rate. The expected credit loss calculation for financial instruments is evaluated based on the judgment and knowledge of the specialist business unit at the date of evaluation, taking into account the realization of the credit loss, which is objective and probability weighted in nature. Estimated credit loss is calculated by weighting the evaluations made for different scenarios according to their realization probabilities.

Probability of Default (PD)

The probability of default refers to the probability that the loan will default in a given time period. Two different probability of default values are used when calculating expected credit losses in accordance with TFRS 9:

- 12-month probability of default: an estimate of the probability of default within 12 months from the reporting date.
- Lifetime probability of default: an estimate of the probability of default over the expected life of the financial instrument.

The 12-month and lifetime probability of default consists of a cumulative probability of default estimation series. These estimates are based on the macro-PD model used to measure the risk of default, which is a function of macro-economic factors. This model is sensitive to current and future macro-economic conditions and is estimated over 12 months or lifetime timeframes. Through the Life Cycle (TTC) PD value is calculated with customer rating grades and the Point in Time (PiT) PD value is reached with the macroeconomic models designed by the Parent Bank.

For Commercial and Corporate portfolios, internal rating models are also used. In the internal rating models used, the financial and non-financial information of the customer are being used and this information is evaluated together to assign an internal rating score. In the retail portfolio, on the other hand, a segment-based structure was designed to distribute customers among predetermined segments. Segments are shaped by product-specific variables on a product basis (limit usage rate, past and related month delay, remaining maturity, etc.). The probability of default calculation is performed by taking into account historical data, current conditions and forward-looking macroeconomic expectations.

Loss Given Default (LGD)

It refers to the economic loss resulting from the loan in case of default by the borrower. It is expressed as a ratio. Loss given default for retail loans is calculated over the expected collections from collateral and other loan cash flows, taking into account the time value of money. While calculating the time value of money, the weighted average interest rate of the performing loan portfolio at the relevant period is taken into account as the effective interest rate. For corporate and commercial loans, the model used includes historical loss data, while also considering country-specific growth expectations and customer segments.

Exposure at Default (EAD)

Cash loans represent the balance that has been disbursed as of the report date. Non-cash loans and commitments are the values calculated by applying the loan conversion rate determined in the legislation. The exposure at default is calculated over cash loans and non-cash loans taken into account at the loan conversion ratio and represents the economic receivable amount at the reporting date. The expected exposure at default, for corporate and commercial loans, is based on the prudent assumption that it will remain constant over the life of the financial instrument. With this approach, more prudent results can be produced and risk-increasing factors such as non-payment and partial payment that may occur in cash flows are prevented.

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VIII. EXPLANATIONS ON EXPECTED CREDIT LOSSES (Continued)

Consideration of the Macroeconomic Factors

Probability of default parameters are determined by considering macroeconomic factors. The macroeconomic variables used in the expected loss calculation are as follows for the corporate/commercial and retail portfolio:

Corporate/commercial portfolio:

- Annual percentage change in Gross Domestic Product (GDP)
- Annual change in export amount
- Housing price index
- Short term external debt

Retail portfolio:

- Annual percentage change in Gross Domestic Product (GDP)
- Unemployment rate

Additionally, the macroeconomic variable that is used in the Loss Given Default model in Corporate/Commercial portfolio is a transformation of Gross National Product.

As of 31 December 2025, the Parent Bank calculates the expected credit loss by taking into account the statistical models designed to comply with the relevant legislation and accounting standards and the methods used for prudence, as well as the macroeconomic forecasts for the future. In addition, changes affecting macroeconomic factors reflected the data obtained with the maximum effort principle to the estimates and judgments used in the calculation of expected credit losses, with the best estimation method. As of 31 December 2025, the Parent Bank reassessed the macroeconomic scenario weights used in the expected credit loss calculation and revised the scenario weights previously applied in September 2025. The weight of the pessimistic scenario was reduced and the weight of the baseline scenario was increased by the same proportion. Based on these scenarios and related weights and taking into account PD and LGD parameters, the impact was reflected in the financial statements as of 31 December 2025. The PD values used in Corporate/Commercial Portfolio, basically reflect the annual rate of change in house prices, the change in short-term foreign debt in USD and the annual change in gross national product. By their nature, in the event of unforeseen circumstances not captured by the models, the Parent Bank continues to establish provisions by applying management overlays, both increasing and decreasing, in addition to the provisions established for the corporate/commercial portfolio. In the second half of 2023, management overlays were removed considering macroeconomic improvements. For corporate clients subjected to stress testing in the fourth quarter of 2024, expected deteriorations have been reflected in internal rating grades as of the first quarter of 2025. For those not reflected in the internal ratings, the Parent Bank has applied additional management overlays on top of the provisions made. This approach, which was preferred for the provision calculations at the end of 2024 and discontinued in 2025 due to the reflection of actual developments, will be revisited in subsequent reporting periods, considering the current portfolio and future expectations.

Calculating the Expected Loss Period

Lifetime ECL is calculated by taking into account maturity extensions, repayment options and the period during which the Parent Bank will be exposed to credit risk. The time in financial guarantees and other irrevocable commitments represents the credit maturity for which the liabilities of the Parent Bank. Behavioral maturity analysis has been performed on credit cards and overdraft accounts. With the exception of credit cards and other revolving facilities, the maximum period for which the credit losses are determined is the contractual life of a financial instrument unless there is the legal right to call it earlier. But due to segment-based approach to retail loans the maturity of the 95 percentile is calculated as the credit life.

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VIII. EXPLANATIONS ON EXPECTED CREDIT LOSSES (Continued)

Significant Increase in Credit Risk

In the event of a significant increase in credit risk of financial assets, these assets are classified as stage 2. The determination of a significant increase in the credit risk of a financial asset and its transfer to Stage 2 is based on both quantitative and qualitative assessments.

Quantitative assessments compare the relative change between the probability of default (PD) measured at the loan origination date and the PD measured at the report date. If this change exceeds the thresholds for a significant increase in credit risk, the financial asset is classified as Stage 2. In the quantitative evaluation of the significant increase in credit risk, the Parent Bank considers absolute threshold values as an additional layer in addition to relative threshold values. Receivables whose default probability is below the absolute threshold value are not included in the relative threshold value comparison.

The Bank classifies the financial asset as Stage 2 where any of the following conditions are satisfied as a result of a qualitative assessment.

- Receivables overdue more than 30 days as of the reporting date
- Receivables classified as watch-list
- Receivables evaluated within the scope of restructuring

It is also considered that there is a default on the relevant debt under the following two conditions:

- Overdue for more than 90 days. The definition of default in practice is based on the criterion that the debt is overdue for more than 90 days.
- Convinced that the debt will not be paid. If the borrower is deemed to be unable to perform its obligations on the loan, the borrower should be considered in default, regardless of whether there is a delayed debt balance or the number of days of default.

IX. DERECOGNITION OF FINANCIAL INSTRUMENTS

a) Derecognition of financial assets due to change in contractual terms

In accordance with TFRS 9, restructuring or changing the contractual cash flows of a financial instrument may result in derecognition of the existing financial asset. When a change in a financial asset results in derecognition of the existing financial asset and subsequent recognition of the modified financial asset, the modified financial asset is considered a “new” financial asset for the purposes of TFRS 9. When evaluating the new contractual terms characteristics of the financial asset, the contractual cash flows including the currency change, conversion to share, counterparty change and only the principal and interest payments on the principal balance are evaluated. If the contractual cash flows of a financial asset have been changed or otherwise restructured and such modification or restructuring does not result in derecognition of the financial asset, the gross book value of the financial asset is recalculated and the restructuring gain or loss is recognized in profit or loss. In cases where all the risks and gains of ownership of the asset are not transferred to another party and control of the asset is retained, the remaining interest in the asset and the liabilities arising from and due to this asset continue to be recognized. If all the risks and gains of ownership of a transferred asset are retained, the transferred asset continues to be recognized and a financial liability is recognized in exchange for the consideration received.

b) Derecognition of financial assets without any change in contractual terms

The Parent Bank derecognizes the asset if the contractual rights to cash flows from the financial asset are expired or the related financial asset and all risks and rewards of ownership of the asset are transferred to another party. Except for equity instruments measured at fair value through other comprehensive income, the total amount consisting of the gain or loss arising from the difference between the book value and the amount obtained and any accumulated gain directly accounted in equity shall be recognized in profit/loss.

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IX. DERECOGNITION OF FINANCIAL INSTRUMENTS (Continued)

c) Derecognition of financial liabilities

It shall be removed a financial liability (or a part of a financial liability) from the statement of financial position when and only when, it is extinguished—i.e. when the obligation specified in the contract is discharged or cancelled or expires.

d) Reclassification of financial instruments

Based on TFRS 9, it shall be reclassified all affected financial assets at amortized cost to financial assets measured at fair value through other comprehensive income and fair value through profit or loss in the subsequent accounting when and only when, it is changed the business model for managing financial assets.

e) Restructuring and refinancing of financial instruments

The Parent Bank may be changed the original contractual terms of a loan (maturity, repayment structure, guarantees and sureties) which were previously signed, in case the loan cannot be repaid or if a potential payment difficulty is encountered based on the new financing power and structure of the borrower.

The restructuring is the modification of the loan contract terms of the borrower or the partial or complete refinancing of the loan due to financial difficulties that the borrower may encounter or will likely encounter in the payments.

To reclassify the restructured corporate and commercial loans as performing loans from non-performing and/or restructured loans, the following conditions must be met:

- All of the overdue payments that cause the loan to be classified in the non-performing loans have been collected without using the collaterals.
- There is no delayed payment of the receivable as of the reclassification date and the last two payments before this date are due and complete.
- Ensuring the classification requirements of the company in the Stage 1 or Stage 2.

In the case of Consumer Loans, if the non-fulfillment of the payment obligation to the Parent Bank results from the temporary liquidity shortage, loans may be restructured in order to provide the borrower with liquidity power and to collect the receivable of the Parent Bank. Removal of customers from the scope of restructuring is done within the scope of the Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks’ Loans and Other Receivables and the Provision for These Loans and Other Receivables.

- The loan, which is restructured in the process of performing-retail restructuring loans (consumer credit-vehicle-mortgage), is considered as close monitoring and is followed in close monitoring at the time of restructured loan period.
- There is no restructuring of loan and credit card related to the non-performing loans.

X. EXPLANATIONS ON PRIOR PERIOD ACCOUNTING POLICIES

None.

XI. EXPLANATIONS ON OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Group has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis.

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XII. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS

Securities subject to repurchase agreements ("Repo") are classified as "Financial Assets at Fair Value Through Profit or Loss", "Financial Assets at Fair Value Through Other Comprehensive Income" and "Financial Assets Measured at Amortized Cost" in the balance sheet according to the investment purposes and measured according to the portfolio of the Group to which they belong. Funds obtained under repurchase agreements are accounted under "Funds provided under repurchase agreements" in liability accounts and differences between the sale and repurchase prices determined by these repurchase agreements are accrued evenly over the life of the repurchase agreement using the "Effective interest (internal rate of return) method". Funds given against securities purchased under agreements to resell ("Reverse repo") are accounted under "Receivables from money market" in the balance sheet. The difference between the purchase and resell price determined by these repurchase agreements is accrued evenly over the life of repurchase agreements using the "Effective interest rate method". The Parent Bank has no securities lending transactions.

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS AND LIABILITIES RELATED WITH THESE ASSETS

Property and equipment held-for-sale consist of tangible assets that were acquired due to non-performing receivables and are accounted in the financial statements in accordance with the regulations of "Turkish Financial Reporting Standard for Assets Held for Sale and Discontinued Operations (TFRS 5)".

As of 31 December 2025 and 31 December 2024, the Group has no discontinued operations.

XIV. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS

The Group's intangible assets are composed of software, goodwill and establishment expenditures. Intangible assets are measured in accordance with "Intangible Assets Standard" ("TAS 38") at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical cost after the deduction of accumulated depreciation and the provision for value decreases. The depreciable amount of an intangible asset is allocated on a systematic basis over its useful life. The costs of the intangible assets purchased before 31 December 2004 end of the high inflation period is accepted as 31 December 2004, are subject to inflation indexation until 31 December 2004. Intangible assets purchased after 31 December 2004 are recognized with their acquisition cost in the financial statements.

As of 31 December 2025, there is no net book value of goodwill (31 December 2024: None).

XV. EXPLANATIONS ON PROPERTY AND EQUIPMENT

All property and equipment are measured in accordance with "Property, Plant and Equipment Standard" ("TAS 16") at its cost when initially recognized and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. Subsequently, property and equipment are carried at cost less accumulated depreciation and provision for value impairment. The costs of the property and equipment purchased before 31 December 2004 or subject to inflation indexation until 31 December 2004. Property and equipment purchased after 31 December 2004 are recognized with their purchase cost in the financial statements. Property and equipment are amortized by using the straight line method based on their useful lives, such as buildings depreciated at rate 2%, vehicles at rates 20%, furniture at rate 20% and other tangible assets at rates ranging from 2% to 33%. The depreciation charge for items remaining in the property and equipment for less than an accounting period at the balance sheet date is calculated in proportion to the period the item will remain in property and equipment. Gains and losses on the disposal of property and equipment are determined by deducting the net book value of the property and equipment from its net sales revenue. Repair and maintenance expenses in order to increase the useful life of the property and equipment are capitalized, other repair and maintenance costs are recognized as expenses. There are no mortgages, pledges or similar precautionary measures on tangible fixed assets.

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XVI. EXPLANATIONS ON LEASING TRANSACTIONS

The Group recognized assets held under finance leases on the basis of the lower of its fair value and the present value of the lease payments. Fixed assets acquired under finance lease contracts are classified in tangible assets and amortized over their estimated useful lives. Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is any diminution in value of the leased asset, a "Provision for value decrease" is recognized. Liabilities arising from the leasing transactions are included in "Financial lease payables" in the balance sheet. Interest and foreign exchange expenses regarding lease transactions are presented in the income statement. The Group does not provide finance lease services as a "Lessor".

At the commencement date of a lease, a lessee measures the lease liability at the present value of the lease payments that are not paid at that date (i.e., the lease liability), at the same date recognizes an asset representing the right to use the underlying asset and depreciates it during the lease term. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate. Lessees are required to recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset separately.

Explanations on TFRS 16 Leasing Transactions:

TFRS 16 Leases standard abolishes the dual accounting model currently applied for lessees through recognizing finance leases in the balance sheet whereas not recognizing operational lease. Instead, it is set forth a single model similar to the accounting of finance leases (on balance sheet). For lessors, the accounting stays almost the same. The Group started to apply the "TFRS 16 Leases" Standard with using the modified retrospective approach from 1 January 2019.

The Group's accounting policies following the application of TFRS 16 are as follows:

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received.

The right use includes the presence of:

- The initial measurement of the lease,
- The amount obtained by deducting all lease payments received from all lease payments made on or on the date of actual lease; and
- All initial direct costs incurred by the Group

At the end of the lease term of the underlying asset's service, the transfer of the Group is reasonably finalized and the Group depreciates the asset until the end of the life of the underlying asset on which the lease actually began. Right-of-use assets are subject to impairment.

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XVI. EXPLANATIONS ON LEASING TRANSACTIONS (Continued)

Lease Liabilities

The Group measures the lease obligation at the present value of the unpaid lease payments on the date that the lease commences.

Lease payments included in the measurement of the lease obligation on the date that the lease actually commences, consists of the following payments to be made for the right of use of the underlying asset during the lease period and not paid on the date the lease actually starts:

- Fixed payments,
- Variable lease payments based on an index or rate, the first measurement made using an index or rate on the actual date of the lease,
- Amounts expected to be paid by the Group under the residual value commitments
- The use price of this option and, if the Group is reasonably confident that it will use the purchase option
- Fines for termination of the lease if the lease term indicates that the Group will use an option to terminate the lease.

Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or condition that triggered the payment occurred. The Group determines the revised discount rate for the remaining part of the lease term as the implicit interest rate in the lease, if this rate can be easily determined; if this rate cannot be easily determined, it determines the Group's alternative borrowing interest rate on the date of re-evaluation.

After the effective date of the lease, the Group measures the lease obligation as follows:

- Increases the book value to reflect the interest on the lease obligation; and
- Decreases the book value to reflect the lease payments made.

In addition, if there is a change in the lease term, a change in the underlying fixed lease payments, or a change in the assessment of the option to purchase the underlying asset, the value of the finance lease liabilities is remeasured.

Short-term leases and leases of low-value assets

The Group applies the short-term lease registration exemption to short-term machinery and equipment lease agreements (i.e. assets that have a lease term of 12 months or less from the commencement date and do not have an option to purchase). It also applies the exemption from accounting for low value assets to office equipment whose rental value is considered to be of low value. Short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

Due to the Group's implementation of TFRS 16, rights of use assets classified under tangible assets as of 31 December 2025 amounted to TL 157.782 (31 December 2024: TL 173.305), lease liability amounted to TL 194.216 (31 December 2024: TL 208.787), depreciation expense amounted to TL 97.918 (31 December 2024: TL 93.427) and interest expense amounted to TL 38.555 (31 December 2024: TL 41.026)

XVII. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES

Provisions and contingent liabilities are accounted in accordance with, “Provisions, Contingent Liabilities and Contingent Assets Standard” (“TAS 37”). Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and a reliable estimate of the amount of the obligation can be made. When the amount of the obligation cannot be estimated and there is no possibility of an outflow of resources from the Group, it is considered that a “contingent” liability exists and it is disclosed in the related notes to the financial statements.

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XVIII. EXPLANATIONS ON CONTINGENT ASSETS

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Group. Contingent assets are not recognized in financial statements since this may result in recognition of income that may never be realized. If an inflow of economic benefits to the Group has become probable, then the contingent asset is disclosed in the footnotes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements of the period in which the change occurs.

XIX. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS

Obligations related to employment termination and vacation rights are accounted for in accordance with "Employee Rights Standard" ("TAS 19") and are classified under "Reserve for Employee Rights" account in the balance sheet. Under the Turkish Labour Law, the Group is required to pay a specific amount to the employees who have retired or whose employment is terminated other than the reasons specified in the Turkish Labour Law. The Group allocates provision for retirement and termination liabilities by estimating the net present value of future payments arising from the retirement of employees and reflects this provision amount in the financial statements. For employee termination benefit provision calculation, future liability amounts are calculated and yearly discount rate is 4,27% (31 December 2024: 3,90%).

As of 31 December 2025, actuarial loss amounted to TL 225.431 (31 December 2024: TL 212.778 loss) is recognized under other profit reserves in the financial statements.

All actuarial gains and losses are recognized under equity in accordance with TAS 19.

XX. EXPLANATIONS ON TAXATION

a) Current Tax:

In accordance with Article 32 of the Corporate Tax Law No. 5520, which was published in the Official Gazette dated 21 June 2006 and numbered 26205, the corporate tax rate was determined as 20%. However, with the Law No. 7456, which was published in the Official Gazette dated 15 July 2023 and numbered 32249, the rate was determined as 30% for all taxpayers present in banking industry.

Accordingly, the current tax provision is calculated at a tax rate of 30% for corporate profits for the tax period subject to this report. The corporate tax rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations and deducting the exemptions in the tax laws (such as the subsidiary earnings exception). No further tax is paid if the profit is not distributed.

There is no withholding tax on profit shares (dividends) paid to institutions that generate income through a workplace or permanent representative in Türkiye and to institutions residing in Türkiye. Dividend payments other than those made to non-resident companies that generate income through a workplace or their permanent representative in Türkiye and to companies residing in Türkiye are subject to 15% withholding tax. In the application of the withholding tax rates for profit distributions to limited taxpayer institutions and real persons, the practices included in the relevant "Double Taxation Avoidance Agreements" are also taken into consideration. Addition of profit to capital is not considered as profit distribution and withholding tax is not applied.

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XX. EXPLANATIONS ON TAXATION (Continued)

a. Current Tax (Continued):

Application of Inflation Adjustment:

The conditions required for the application of inflation adjustment under Article 298/A (repeated) of the Tax Procedure Law were met as of the end of the 2021 calendar year. However, the application was postponed to 2023 for corporate tax base calculation purposes pursuant to the amendments introduced by Law No. 7352 dated 20 January 2022. Accordingly, the tax financial statements prepared under the Tax Procedure Law (“TPL”) for the 2023 fiscal year were not subject to inflation adjustment for the interim tax periods, whereas the tax financial statements dated 31 December 2023 and those prepared during 2024 (excluding the first interim tax period) have been subject to inflation adjustment.

With Law No. 7491, published in the Official Gazette dated 28 December 2023 and numbered 32413, it has been provided that banks shall not take into account the profit or loss arising from inflation adjustment for the 2024 and 2025 fiscal years in the determination of taxable income. In other words, calculations made within the scope of inflation accounting under the TPL are monitored separately without being reflected in the statutory financial statements and accordingly, the profit or loss differences arising from inflation adjustment to the TPL financial statements do not affect the corporate tax base.

In addition, under the relevant regulation, depreciable fixed assets in the Parent Bank’s balance sheet are required to be depreciated based on inflation adjusted amounts starting from the second provisional tax period of 2024, including subsequent interim tax periods within the 2024 and 2025 fiscal years, and depreciation calculated on these adjusted amounts is expected to be taken into account in determining taxable profit for the related periods. However, pursuant to TPL General Communiqué No. 582, published in the Official Gazette dated 15 February 2025 and numbered 32814, it has been determined that taxpayers shall not perform inflation adjustment as of the end of the first, second and third interim tax periods of the 2025 fiscal year and the financial statements under TPL for the year 2025 are prepared in accordance with this regulation. Furthermore, with the final regulation introduced, under the temporary Article 37 added to Law No. 7571 dated 25 December 2025, the application of inflation accounting has been removed for the 2025 corporate tax accounting period covered by this report, as well as for the 2026 and 2027 periods, irrespective of whether the conditions for inflation adjustment are met.

Finally, since the conditions for the application of inflation accounting were met, no revaluation was performed after 31 December 2023 and inflation adjustment was applied instead. Due to the termination of the inflation accounting application in 2025, as detailed above, revaluation has been performed for fixed assets. As a result of these transactions, depreciation calculated in accordance with the provisions of the TPL for 2025 has been based on the revalued amounts.

b) Deferred Tax Assets/Liabilities:

The Parent Bank calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with “Income Taxes Standard” (“TAS 12”) and the related decrees of the BRSA concerning income taxes. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date. Deferred tax liabilities are recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized. Deferred tax assets and liabilities are presented as net in the financial statements in accordance with TAS 12.

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XX. EXPLANATIONS ON TAXATION (Continued)

b) Deferred Tax Assets/Liabilities (Continued):

Pursuant to Article 32 of the Corporate Tax Law No. 5520, which was published in the Official Gazette dated 21 June 2006 and numbered 26205 and entered into force on the same date, the standard corporate tax rate was set at 20%. However, with the Law No. 7456, which was published in the Official Gazette dated 15 July 2023 and numbered 32249, the rate was determined as 30% for all taxpayers present in banking industry. Therefore, the Group has calculated a 30% deferred tax on all its assets and liabilities.

Deferred tax assets and liabilities are reflected in the financial statements by netting. Net deferred tax asset resulting from offsetting is shown in the balance sheet as deferred tax asset and net deferred tax liability is shown as deferred tax liability. As of 31 December 2025, the Group has recognized deferred tax receivable amounting to TL 780.580 as an asset (31 December 2024: The Group has recognized a deferred tax receivable amounting to TL 750.725 as an asset).

Various operations and calculations with unascertained effects on final tax amount occur during standard workflow and these require important judgement in determining income tax provision. The Parent Bank records tax liabilities caused by projections of additional taxes to be paid as a result of tax related incidents. In cases, which final tax results based on these incidents differ from initially recorded amounts, differences may affect income tax and deferred tax assets of the period they are recognized.

c) Local and Global Minimum Complementary Corporate Tax:

Law No. 7524 was published in the Official Gazette dated 2 August 2024 and numbered 32620 and entered into force and the explanations regarding the "Domestic and Global Minimum Top up Corporate Tax" were added to the Corporate Tax Law as an additional article.

As a general principle, the profits of constituent entities of multinational enterprise groups, whose ultimate parent's consolidated financial statements present annual consolidated revenues exceeding the Turkish lira equivalent of EUR 750 million in at least two of the four fiscal years preceding the fiscal year in which the income is reported, are subject to domestic and global minimum top-up corporate tax for the relevant fiscal period.

The calculated global minimum top up corporate tax is declared and paid by the last day of the fifteenth month (eighteenth month for the first year) following the end of the relevant fiscal period. The calculated domestic minimum top up corporate tax is declared and paid between the first and last days of the twelfth month following the end of the relevant fiscal period. As of 31 December 2025, the Bank has no obligation in respect of domestic or global minimum top up corporate tax.

d) Transfer Pricing:

The article no.13 of the Corporate Tax Law describes the issue of transfer pricing under the title of "disguised profit distribution" by way of transfer pricing. "The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing" published on 18 November 2007, explains the application related issues on this topic. According to this communiqué, the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm's length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes. As stated in the "7.1 Annual Documentation" section of this communiqué, the taxpayers are required to fill out the "Transfer Pricing, Controlled Foreign Entities and Thin Capitalization" form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices. The Parent Bank has filled out the related form and presented it to the tax office.

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XXI. EXPLANATIONS ON BORROWINGS

The funds borrowed are recorded at their costs and discounted by using the effective interest rate method. In the consolidated financial statements enclosed, foreign currency borrowings are translated according to the Parent Bank’s period end exchange rate. Interest expenses of the current period regarding the borrowing amounts are recognized in the financial statements. Also the Group provides resources through the bond issue. As of 31 December 2025 and 31 December 2024, the Group has no convertible bonds.

XXII. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES

As of 31 December 2025 and 31 December 2024, the Group has no issued share certificates.

XXIII. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES

Avalized drafts and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts, if any.

XXIV. EXPLANATIONS ON GOVERNMENT INCENTIVES

As of 31 December 2025 and 31 December 2024, the Group has no government incentives.

XXV. EXPLANATIONS ON OPERATING SEGMENTS

Segment reporting is presented in Note XII of Section Four.

XXVI. PROFIT RESERVES AND PROFIT DISTRIBUTION

Retained earnings as per the statutory consolidated financial statements other than legal reserves are available for distribution, subject to the legal reserve requirement referred to below.

Under the Turkish Commercial Code (“TCC”), the legal reserves are composed of first and second reserves. The TCC requires first reserves to be 5% of the profit until the total reserves are equal to 20% of issued and fully paid-in share capital. Second reserves are required to be 10% of all cash profit distributions that are in excess of 5% of the issued and fully paid-in share capital. However, holding companies are exempt from this application. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

XXVII. EARNINGS/LOSS PER SHARE

Earnings per share disclosed in the statement of profit or loss are calculated by dividing net earnings/ (loss) for the year to the number of shares.

	Current Period	Prior Period
	31 December 2025	31 December 2024
Net Earnings/(Loss) for the Period	8.832.112	6.041.038
Number of Shares	65.229.000.000	65.229.000.000
Earnings/(Loss) per Share (*)	0,135402	0,092613

(*) Amounts are expressed in full TL.

XXVIII. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement cash includes cash on hand, cash in transit, purchased bank cheques and demand deposits including balances with the Central Bank of the Republic of Türkiye and cash equivalents include interbank money market placements, reserve deposit average accounts, time deposits at banks and investments at marketable securities with original maturity periods of less than three months.

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XXIX. RELATED PARTIES

Parties stated in the article no. 49 of the Banking Law No. 5411, Group’s senior management and board members are deemed as related parties. Transactions with related parties are presented in Note VII of Section Five.

XXX. RECLASSIFICATIONS

None.

XXXI. OTHER MATTERS

None.

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SECTION FOUR

EXPLANATIONS RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT

I. EXPLANATIONS RELATED TO COMPONENTS OF CONSOLIDATED SHAREHOLDERS’ EQUITY

Equity and Capital Adequacy Standard Ratio is calculated in accordance with “Communiqué on Measurement and Assessment of Capital Adequacy of Banks” and “Communiqué on Equities of Banks”. As of 31 December 2025, equity of the Group and the Parent Bank is amounting to TL 32.040.039 and TL 30.689.069 respectively and capital adequacy ratio is 30,22% and 29,41% respectively. As of 31 December 2024 equity of the Group and the Parent Bank is amounting to TL 22.553.172 and TL 21.822.229 respectively and the capital adequacy ratio is 28,92% and 28.28% respectively. Capital adequacy ratio of the Group is higher than the minimum rate required by the related regulation.

a) Information about consolidated shareholders’ equity items:

	Current Period 31 December 2025	Prior Period 31 December 2024
COMMON EQUITY TIER I CAPITAL		
Paid-in Capital to be Entitled for Compensation after All Creditors	652.290	652.290
Share Premium	-	-
Reserves	16.175.842	11.262.756
Other Comprehensive Income according to TAS	436.731	-
Profit	8.832.112	6.041.038
Current Period Profit	8.832.112	6.041.038
Prior Period Profit	-	-
Bonus Shares from Associates, Affiliates and Joint-Ventures not Accounted in Current Period's Profit	-	-
Minorities’ Share	-	-
Common Equity Tier I Capital Before Deductions	26.096.975	17.956.084
Deductions From Common Equity Tier I Capital		
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital	-	-
Current and Prior Periods’ Losses Not Covered by Reserves and Losses Accounted under Equity according to TAS	225.431	255.955
Leasehold Improvements on Operational Leases	60.145	60.302
Goodwill Netted with Deferred Tax Liabilities	-	-
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	867.066	648.694
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses from changes in bank’s liabilities’ fair values due to changes in credit worthiness	-	-
Net amount of defined benefit plans	-	-
Direct and Indirect Investments of the Bank on its own Tier I Capital	-	-
Shares Obtained against Article 56, Paragraph 4 of the Banking Law	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank owns more than 10% of the issued share capital (amount above 10% threshold)	-	-
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital	-	-
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-
Amounts exceeding 15% of Tier I Capital according to second paragraph of the provisional article 2 in the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank owns more than 10% of the issued common share capital of the entity	-	-
Amounts related to mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be Defined by the BRSA	-	-
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals	-	-
Total Deductions from Common Equity Tier I Capital	1.152.642	964.951
The positive difference between the expected loan loss provisions under TFRS 9 and the total provision amount calculated before the application of TFRS 9	-	-
Total Common Equity Tier I Capital	24.944.333	16.991.133

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I. EXPLANATIONS RELATED TO COMPONENTS OF CONSOLIDATED SHAREHOLDERS’ EQUITY (Continued)

	Current Period 31 December 2025	Prior Period 31 December 2024
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	3.437.156	2.828.916
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-	-
Third parties’ share in the Additional Tier I capital	-	-
Third parties’ share in the Additional Tier I capital (Covered by Temporary Article 3)	-	-
Additional Tier I Capital before Deductions	3.437.156	2.828.916
Deductions from Additional Tier I Capital		
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital	-	-
Investments in Equity Instruments Issued by Banks or Financial Institutions Invested in Bank’s Additional Tier I Capital and Having Conditions Stated in the Article 7 of the Regulation	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank does not own more than 10% of the issued Share Capital (amount above 10% threshold)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA (-)	-	-
Items to be Deducted from Tier I Capital during the Transition Period		
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	3.437.156	2.828.916
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	28.381.489	19.820.049
TIER II CAPITAL		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	2.770.670	2.017.813
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-	-
Third parties’ share in the Additional Tier II capital	-	-
Third parties’ share in the Additional Tier II capital (Covered by Temporary Article 3)	-	-
Provisions (Amounts explained in the first paragraph of the article 8 of the Regulation on Bank Capital)	891.829	717.773
Total Deductions from Tier II Capital	3.662.499	2.735.586
Deductions from Tier II Capital		
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	-
Investments in Equity Instruments Issued by Banks and Financial Institutions Invested in Bank’s Tier II Capital and Having Conditions Stated in the Article 8 of the Regulation	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the issued share capital exceeding the 10% Threshold of Common Equity Tier I Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)	-	-
Other items to be defined by the BRSA (-)	3.841	1.552
Total Deductions from Tier II Capital	3.841	1.552
Total Tier II Capital	3.658.658	2.734.034
Total Equity (Total Tier I and Tier II Capital)	32.040.147	22.554.083
Amounts Deducted from Equity		
Loans Granted against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	108	911
Other items to be defined by the BRSA	-	-
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period		
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	-	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	-	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation	-	-

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I. EXPLANATIONS RELATED TO COMPONENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY (Continued)

	Current Period 31 December 2025	Prior Period 31 December 2024
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	32.040.039	22.553.172
Total Risk Weighted Assets	106.019.253	77.996.923
CAPITAL ADEQUACY RATIOS		
Consolidated CET1 Capital Ratio (%)	23,53	21,78
Consolidated Tier I Capital Ratio (%)	26,77	25,41
Consolidated Capital Adequacy Ratio (%)	30,22	28,92
BUFFERS		
Total Additional Core Capital Requirement Ratio (a+b+c)	2,56	2,55
a) Capital Conservation Buffer Ratio (%)	2,50	2,50
b) Bank-specific Counter-Cyclical Capital Buffer Ratio (%)	0,06	0,05
c) Systemic significant Bank Buffer Ratio (%)	-	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital conservation and countercyclical Capital buffers to Risk weighted Assets (%)	14,97	13,24
Amounts Lower Than Excesses as per the Deduction Rules		
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	-	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	-	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	-	-
Limits for Provisions Used in Tier II Capital Calculation		
General provisions for standard based receivables (before ten thousand twenty five limitation)	3.322.498	2.193.638
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	891.829	717.773
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt Instruments Covered by Temporary Article 4 (effective between 1 January 2018 - 1 January 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

Within the scope of the regulations of the Banking Regulation and Supervision Agency dated 28 April 2022 and 21 December 2021, the amount subject to credit risk is allowed to be calculated with the Central Bank's foreign exchange buying rates as of 28 June 2024 and in case the net valuation differences of the securities whose fair value difference is reflected in other comprehensive income are negative, it is allowed that these differences are not taken into account in the amount of equity to be used for the capital adequacy ratio.

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**I. EXPLANATIONS RELATED TO COMPONENTS OF CONSOLIDATED
SHAREHOLDERS’ EQUITY (Continued)**

a) Items included in consolidated capital calculation

Information about instruments that will be included in total capital calculation:		
Issuer	HSBC HOLDINGS PLC	HSBC Middle East Holdings B.V
Identifier(s) (CUSIP, ISIN etc.)	Subordinated Loans	Additional Tier I Capital
Governing law (s) of the instrument	BRSA	BRSA
Regulatory treatment		
Subject to 10% deduction as of 1/1/2015	Not Deducted	Not Deducted
Eligible on unconsolidated and /or consolidated basis	Eligible	Eligible
Instrument type	Loan	Loan
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	2.771	3.437
Nominal value of instrument	2.771	3.437
Accounting classification of the instrument	Liability –Subordinated Loan	Liability –Subordinated Loan
Issuance date of instrument	28.04.2021	17.12.2024
Maturity structure of the instrument (demand/maturity)	Maturity	Demand
Original maturity of the instrument	10 years	5.25 years
Issuer call subject to prior supervisory (BRSA) approval	Yes	Yes
Optional call date, contingent call dates and redemption amount	According to written approval of the BRSA, it can be fully repaid in the 5th year of the loan. (28 April 2026)	Depending on the written approval of the BRSA and in accordance with Article 3.3 of the additional tier 1 capital-like loan agreement, the loan can be fully repaid in the 5.25th year from the loan disbursement date (18 March 2030), provided that no Triggering Event related to Capital Adequacy occurs.
Subsequent call dates, if applicable	None.	March 2030 and/or any interest payment date thereafter
Coupon/dividend payment		
Fixed or floating coupon/dividend payments	Floating	Floating
Coupon rate and any related index	EURIBOR + 6,99 %	SOFR + 4,94 %
Existence of any dividend payment restriction	-	-
Fully discretionary, partially discretionary or mandatory	-	Fully discretionary
Existence of step up or other incentive to redeem	-	-
Noncumulative or cumulative	-	-
Convertible or non-convertible into equity shares		
If convertible, conversion trigger (s)	In case of the possibility of cancelling the Parent Bank's operational permit or transferring to the Fund; The principal amount and interest payment liabilities of the loan may be terminated in whole or in part in accordance with the decision of the BRSA in this direction or it may be converted into capital by complying with the required legislation.	In the event that the Bank's operating license is revoked or, pursuant to Article 71 of the Banking Law, the BRSA determines that there is a possibility that the Bank may be transferred to the Savings Deposit Insurance Fund as a result of losses incurred by the Bank, this loan may, at the discretion of the BRSA, be written down or converted into equity.
If convertible, fully or partially	Fully convertible.	Fully convertible.
If convertible, conversion rate	The conversion rate/value shall be calculated based on the market data in the case of the exercise of the right	The conversion rate/value shall be calculated based on the market data in the case of the exercise of the right
If convertible, mandatory or optional conversion	-	-
If convertible, type of instrument convertible into	-	-
If convertible, issuer of instrument to be converted into	-	-
Write-down feature		
If bonds can be written-down, write-down trigger(s)	-	If the Bank's common equity tier 1 capital ratio calculated in accordance with applicable laws falls below 5,125% (on unconsolidated or consolidated basis) (triggering event related to capital adequacy).
If bond can be written-down, full or partial	-	Partially and completely
If bond can be written-down, permanent or temporary	-	Temporary
If temporary write-down, description of write-up mechanism	-	If the Bank's common equity tier 1 capital ratio calculated in accordance with applicable laws is higher than 5,125% (on unconsolidated or consolidated basis).
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	After borrowings, before additional tier I capital, same as other tier II capital loans	After borrowings and tier II capital loans, same as other additional tier I capital loans
Whether the conditions set forth in Articles 7 and 8 of the Regulation on Banks' Equity are met or not	In compliance with the requirements of Article 7 and 8 of “Regulation on Banks’ Equity”	In compliance with the requirements of Article 7 and 8 of “Regulation on Banks’ Equity”
Which of the conditions set forth in Articles 7 and 8 of the Regulation on Banks' Equity are not met	In compliance with the requirements of Article 7 and 8 of “Regulation on Banks’ Equity”	In compliance with the requirements of Article 7 and 8 of “Regulation on Banks’ Equity”

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I. EXPLANATIONS RELATED TO COMPONENTS OF CONSOLIDATED SHAREHOLDERS’ EQUITY (Continued)

c) Approaches for assessment of adequacy of internal capital requirements for current and future activities:

The Group’s assessment process of adequacy of internal capital requirements and capital adequacy policies was prepared in order to describe the assessment process of adequacy of internal capital requirements and capital adequacy policies and approved by its board of directors on 27 February 2017. The ultimate aim of this internal capital requirements process is to maintain the continuity of capital adequacy under the Parent Bank’s strategies, business plan and scope or in case of changes in developed assumption and methodology, the assessment methodology of internal capital requirements is a developing process, accordingly, the future improvement areas are determined and the working plans are set.

With this evaluation process, on a prospective basis ensuring the continuity of the legal minimum limits of capital, keeping capital adequately to support the Parent Bank’s targeted risk profile and ensuring the maintenance of capital adequately as well as the process of compliance with laws and regulations.

d) Explanations on reconciliation of capital items with balance sheet amounts:

The difference between “Total Capital” and “Equity” in the consolidated balance sheet mainly arises from the general provision and subordinated debts. In the calculation of “Total Capital”, general provision up to 1,25% credit risk is taken into consideration as Tier II Capital. Besides, losses that are subject to deductions from Common Equity Tier I and reflected to Equity in line with the TFRS, are determined by excluding the losses related to cash flow hedge transactions. On the other hand, in the calculation of the Total Capital, improvement costs for operating leases followed under tangible assets in the balance sheet, intangible assets and related deferred tax liabilities, net book value of immovables that are acquired against overdue receivables and retained more than five years, other items defined by the regulator are taken into consideration as amounts deducted from “Total Capital”.

II. EXPLANATIONS ON CONSOLIDATED CREDIT RISK

In terms of credit risks, subjecting borrower or a group of borrowers or geographic region and sectors to a risk limitation, the segmentation structure of the risk limits and determining the risk limit ranges:

Country risks that may be exposed due to international lending and international investment activities are monitored periodically in order to take necessary measures against the deterioration that may occur in the macroeconomic environment. Limits for the country risk are determined as a certain percentage of equity on a country category basis. On a sectoral basis, risk limits are closely monitored by proportioning the risk for each sector to the total portfolio risk. In addition, limit and risk monitoring is performed on the basis of customer groups. The limits for a certain risk group are determined in accordance with the Banking law and other related legal regulations and the impact of credit utilization on legal credit limits is monitored periodically.

Determining risk limits and allocating risks regarding the transactions conducted, customer-based and bank’s treasury departments-based monitoring on periodic risk concentrations of off-balance risks:

According to HSBC Group standards, in all banking transactions approval and control mechanisms and systematic limit and risk control mechanisms are available. In assigning loan limits, extending credit, derivative and other future delivery derivative transactions are conducted depending to management’s authorization, approval and control processes. Customer-based and bank’s treasury departments-based monitoring is conducted on determining periodic risk limits and risk allocations with risk concentrations regarding the balance sheet and off-balance transactions conducted. Risk parameters specific to products, reverse trend and concentration are also taken into account in limit allocation for derivative products.

The credit risk in the Parent Bank is managed taking legal limitations under legal regulations into consideration. In this scope, credit risk concentration is avoided.

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II. EXPLANATIONS ON CONSOLIDATED CREDIT RISK (Continued)

Monitoring loan valuableness of the debtors of loan and other receivables at regular intervals in accordance with the relevant legislation, if the financial tables which are obtained for opened credits are audited in accordance with the relevant legislation or not and if not the reasons of not auditing, changing the limits of loans, guarantees of the loans and other receivables:

Loan allocation decision is made by Credit Committee only if deemed reasonable. This decision is made according to the audited financial tables of the customers. Cash or non-cash loans can be extended to the customers.

Loan value of loans and other receivables are regularly tracked in accordance with the relevant legislation, if necessary, actions such as limit increasing and decreasing and strengthening the collateral structure can be taken. The obtained financial tables regarding the credit requests should be audited in accordance with the relevant legislation.

The Parent Bank management has established a customer rating system in order to determine and define the risk degrees and credit worthiness of all companies within the framework of corporate loans.

Corporate and Commercial Loan Portfolio Rating System

Customer Risk Rating System (CRR Rating) shows the probabilities of the non-performing loans of the loan borrowers. CRR rating is a summarized risk indicator which indicates the loan borrower’s financial situation, industry and past operations, management’s skills and other information including the cash flow, profitability and debt situation.

Regardless of guarantees and limits of the companies, CRR rating evaluates the risks objectively and independently and indicates the customer risk profiles in all aspects. The responsibility of the compliance of the CRR rate given belongs to the staff who approved the last control. The reviews over the CRR rates given are conducted at least once in a year and at each credit application reviews. Also in necessary cases the units which approve loans can reassess the CRR rates and indicate necessary changes.

23 basic customer risk rating ranges are as follows:

CRR 1.0-1.2 - Minimal Risk - The counterparty has an independent credit rating, possibly awarded by a publicly held and reputable rating agency in one of the major exchanges. Firm’s financial situation, equity capital, income, cash generating capacity and management functions is perfect. The rate indicates the best credit risk available and there is almost no risk that the firm may be unable to meet its obligations.

CRR 2.1-2.2 - Low Risk - The counterparty has an independent credit rating, possibly awarded by a publicly held and reputable rating agency in one of the major exchanges. Financial situation, capital structure, profitability, liquidity, cash generation and management are very good. It is a strong credit risk with a low probability of default.

CRR 3.1-3.3 - Acceptable Risk - Firm is a private enterprise or publicly traded company that does not display a significant negative trend and has a satisfactory financial position. It is an acceptable credit risk with an acceptable risk of default.

CRR 4.1-4.3 - Reasonable Risk - Firm’s financial situation is sufficiently consistent with a few important signs of financial concern. Defined weaknesses are acceptable at the general credit risk level. The default risk is reasonable but may require more regular monitoring with respect to the stated risks.

CRR 5.1-5.3 - Moderate Risk - Firm’s financial situation is at an average level. Current situation is not ominous. However, firm’s sensitivity to external events is needed to be observed more frequently and enhancing the firm’s risk of inability to meet the obligations.

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II. EXPLANATIONS ON CONSOLIDATED CREDIT RISK (Continued)

CRR 6.1.-6.2 - Significant Risk - There is a known downtrend in the firm’s financial situation (equity capital, income, cash generating capacity and management functions) and there are one or more problematic issues. Although, the current capacity of the firm is sufficient to meet its obligations, some potential risks may give harm to firm’s financial situation. More frequent surveillance is needed.

CRR 7.1-7.2 - High Risk - There is a continuous downtrend in the firm’s financial situation and this situation is needed to be continuously observed and assessed. Although the firm is disquieting regarding the ability of meeting its obligations, it is thought that the firm has sufficient capacity to meet its obligations. The transfer of customer management to the Loan Monitoring and Special Credit Unit (SCU) should be evaluated.

CRR 8.1-8.3 - The Risk Requiring Special Management - The financial situation of the firm is generally weakened or payment capacity and intention has become suspicious. This situation is requiring continuous surveillance and assessment. Concerns regarding the firm’s ability of meeting its obligations are growing and the possibilities of the firm’s ability to meet its obligations are decreasing. Risk approval must be transferred to the SCU team unless there is a specific occasion.

CRR 9.0 - Suspicious - The possibility of collecting the full amount of principal and proceeds is very low. Provisions must be reserved. At least one of the situations below may be eventuated:

- Debtor is late more than 90 days to meet its obligations to the Bank.
- Achieving no results from debt restructuring approaches.
- Restructured debt lapsed into default again.
- Legal proceedings have begun.
- Debt was restructured by granting privilege to the firm due to financial difficulties

CRR 10.0 - Loss - Very low collection expectations. The remaining principal and interest balance should be written as loss as soon as possible. The amount of doubtful receivable to meet the expected loss should be recorded.

a.) Total amount of risks after offsetting transactions and average amount of risks allocated to different risk classes and types for relevant period without considering effects of credit risk mitigation:

Risk Classification(*)	Current Period Risk Amount	Average Risk Amount (**)
Conditional and unconditional receivables from central governments or central banks	68.184.090	85.215.835
Conditional and unconditional receivables from regional governments or local authorities	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	3	26
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	8.336.988	8.902.456
Conditional and unconditional corporate receivables	71.958.703	73.450.166
Conditional and unconditional retail receivables	2.780.926	3.052.353
Conditional and unconditional receivables secured by mortgages	216.262	2.121.076
Past due receivables	15.887	23.705
Receivables defined in high-risk category by BRSA	7	-
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-
Investments in the form of collective investment undertakings	-	-
Stock investments	-	-
Other receivables	5.854.494	4.984.381
TOTAL	157.347.360	177.749.998

(*) The risk amounts are given after the credit conversion ratio but before the credit risk mitigation.

(**) The average risk amount is determined by taking the arithmetic mean of values in the month-end reports.

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II. EXPLANATIONS ON CONSOLIDATED CREDIT RISK (Continued)

Risk Classification (*)	Prior Period Risk Amount	Average Risk Amount(**)
Conditional and unconditional receivables from central governments or central banks	47.293.442	52.233.669
Conditional and unconditional receivables from regional governments or local authorities	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	8	43
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	4.156.796	9.261.658
Conditional and unconditional corporate receivables	58.345.741	56.632.255
Conditional and unconditional retail receivables	3.417.672	3.618.006
Conditional and unconditional receivables secured by mortgages	2.980.219	2.534.914
Past due receivables	41.577	43.377
Receivables defined in high-risk category by BRSA	-	-
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-
Investments in the form of collective investment undertakings	-	-
Stock investments	-	-
Other receivables	4.506.777	4.187.764
TOTAL	120.742.232	128.511.686

(*) The risk amounts are given after the credit conversion ratio but before the credit risk mitigation.

(**) The average risk amount is determined by taking the arithmetic mean of values in the month-end reports.

b. Control limits over the positions of the Parent Bank in terms of forward and option contracts and other similar contracts, the manageability of the credit risk assumed for such instruments together with the potential risks arising from market movements;

The loan risks undertaken for the forward transactions, option agreements and similar instruments are monitored with considering the potential risks arising from the market movements and risk limit control is conducted from current market prices constantly.

c. When the Parent Bank is significantly subject to the loan risk, in order to reduce the total risks, the Bank terminates the forward transactions, option and similar agreements in a short time period through using, fulfilling the acts or selling:

During the management of the balance sheet, interest and liquidity risks, the Parent Bank's constantly uses derivatives and its resources in the international financial markets within the limits allocated in order to reduce and control risks.

d. Risk weight of indemnified non-cash loans, like overdue loans

As of 31 December 2025, the Parent Bank has no indemnified non-cash loans (31 December 2024: None).

The liquidated non-cash loans are subject to the same risk weight with overdue loans.

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II. EXPLANATIONS ON CONSOLIDATED CREDIT RISK (Continued)

e. Information on whether the loans that are renewed and rescheduled are included in a new rating group as determined by the Bank's risk management system, other than the follow-up plan defined in the banking regulations or not; whether new precautions are considered in these methods or not; whether the Bank's risk management accepts long term commitments as having more risk than short term commitments which results in a diversification of risk or not:

All loans are evaluated considering the credit rating of the client. Loans that are bound to a redemption plan are followed in a separate category as closely followed risky loans. Risk levels of the loans bound to a redemption plan are updated according to the rating system of the Bank. In the firms whose risk level increases, certain actions are taken with regard to risk management, such as risk is registered as liquidation, guarantee is improved or limits are decreased.

f. Evaluation of the significance of country specific risk if the banks have foreign operations and credit transactions in a few countries or these operations are coordinated with a few financial entities:

Since the Parent Bank carries out its foreign banking transactions and credit facilities through a widespread correspondent network and HSBC Group banks by revising and following the credit ratings of OECD countries and relevant institutions, country risks, market conditions, it is thought that there is no significant risk element.

g. Evaluation of the Bank's competitive credit risk as being an active participant in the international banking transactions market:

The credit risk in the Parent Bank is managed taking legal limitations under legal regulations into consideration. In this scope, credit risk concentration is avoided.

h. The proportion of the Group's top 100 and 200 cash loan balances in total cash loans: 97% and 98% (31 December 2024: 95% and 96%)

The proportion of the Group's top 100 and 200 non-cash loan balances in total non-cash loans: 100% and 100% (31 December 2024: 100% and 100%)

The proportion of the Group's cash and non-cash loan balances with the first 100 and 200 customers comprises of total cash loans and non-cash loans: 94% and 98% (31 December 2024: 91% and 97%)

Stage 1 and Stage 2 loan loss provision booked by the Bank: TL 3.218.053 (31 December 2024: TL 2.135.370)

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II. EXPLANATIONS ON CONSOLIDATED CREDIT RISK (Continued)

i. Profile on significant risk in significant regions, risk profile according to sectors and counterparties and term distribution of risks with term structure:

Current Period 31 December 2025	Risk Categories (*)																	Total	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		
Domestic	68.184.090	-	3	-	-	5.682.903	71.642.022	2.697.750	215.587	15.650	7	-	-	-	-	-	5.854.494	154.292.506	
European Union Countries	-	-	-	-	-	257.516	11	19.498	172	1	-	-	-	-	-	-	-	-	277.198
OECD Countries (**)	-	-	-	-	-	1.810.317	-	28.856	20	128	-	-	-	-	-	-	-	-	1.839.321
Off – Shore Banking Regions	-	-	-	-	-	4.563	-	255	-	-	-	-	-	-	-	-	-	-	4.818
USA, Canada	-	-	-	-	-	144.151	316.610	7.057	-	8	-	-	-	-	-	-	-	-	467.826
Other Countries	-	-	-	-	-	437.538	60	27.510	483	100	-	-	-	-	-	-	-	-	465.691
Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed Assets/Liabilities (***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	68.184.090	-	3	-	-	8.336.988	71.958.703	2.780.926	216.262	15.887	7	-	-	-	-	-	-	5.854.494	157.347.360

(*) Risk classes in the Regulation on Measurement and Evaluation of Banks' Capital Adequacy will be taken into account. The risk amount is given after the credit conversion ratio but before the credit risk mitigation.

(**) OECD countries other than EU Countries, USA and Canada.

(***) Assets and liabilities that are not distributed according to a consistent principle

- 1 Conditional and unconditional receivables from central governments or central banks
- 2 Conditional and unconditional receivables from regional governments or local authorities
- 3 Conditional and unconditional receivables from administrative units and non-commercial enterprises
- 4 Conditional and unconditional receivables from multilateral development banks
- 5 Conditional and unconditional receivables from international organizations
- 6 Conditional and unconditional receivables from banks and brokerage houses
- 7 Conditional and unconditional corporate receivables
- 8 Conditional and unconditional retail receivables
- 9 Conditional and unconditional receivables secured by mortgages
- 10 Past due receivables
- 11 Receivables defined in high-risk category by BRSA
- 12 Securities collateralized by mortgages
- 13 Securitization positions
- 14 Short-term receivables from banks, brokerage houses and corporates
- 15 Investments in the form of collective investment undertakings
- 16 Stock investments
- 17 Other receivables

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II. EXPLANATIONS ON CONSOLIDATED CREDIT RISK (Continued)

Prior Period 31 December 2024	Risk Categories (*)																	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Domestic	47.293.442	-	8	-	-	2.245.381	58.344.687	3.348.366	2.978.692	41.379	-	-	-	-	-	-	4.506.777	118.758.732
European Union Countries	-	-	-	-	-	141.131	11	12.476	330	9	-	-	-	-	-	-	-	153.957
OECD Countries (**)	-	-	-	-	-	1.314.024	1.018	24.539	190	104	-	-	-	-	-	-	-	1.339.875
Off – Shore Banking Regions	-	-	-	-	-	4.563	-	333	-	-	-	-	-	-	-	-	-	4.896
USA, Canada	-	-	-	-	-	227.461	-	5.813	-	1	-	-	-	-	-	-	-	233.275
Other Countries	-	-	-	-	-	224.236	25	26.145	1.007	84	-	-	-	-	-	-	-	251.497
Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed Assets/Liabilities (***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	47.293.442	-	8	-	-	4.156.796	58.345.741	3.417.672	2.980.219	41.577	-	-	-	-	-	-	4.506.777	120.742.232

(*) Risk classes in the Regulation on Measurement and Evaluation of Banks' Capital Adequacy will be taken into account. The risk amount is given after the credit conversion ratio but before the credit risk mitigation.

(**) OECD countries other than EU Countries, USA and Canada.

(***) Assets and liabilities that are not distributed according to a consistent principle

- 1 Conditional and unconditional receivables from central governments or central banks
- 2 Conditional and unconditional receivables from regional governments or local authorities
- 3 Conditional and unconditional receivables from administrative units and non-commercial enterprises
- 4 Conditional and unconditional receivables from multilateral development banks
- 5 Conditional and unconditional receivables from international organizations
- 6 Conditional and unconditional receivables from banks and brokerage houses
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- 11 Receivables defined in high-risk category by BRSA
- 12 Securities collateralized by mortgages
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- 14 Short-term receivables from banks, brokerage houses and corporates
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- 17 Other receivables

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II. EXPLANATIONS ON CONSOLIDATED CREDIT RISK (Continued)

j. Risk profile according to Sectors and Counterparties:

Current Period 31 December 2025 Sectors/Counterparties	Risk Categories (*)																	TL	FC	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17			
Agricultural	-	-	-	-	-	-	91	-	-	-	-	-	-	-	-	-	-	91	-	91
Farming and Raising	-	-	-	-	-	-	88	-	-	-	-	-	-	-	-	-	-	88	-	88
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	3	-	-	-	-	-	-	-	-	-	-	3	-	3
Industry	-	-	-	-	-	-	36.020.023	-	136.811	157	7	-	-	-	-	-	-	8.314.314	27.842.684	36.156.998
Mining and Quarrying	-	-	-	-	-	-	819.454	-	-	1	-	-	-	-	-	-	-	62.659	756.796	819.455
Production	-	-	-	-	-	-	32.923.891	-	136.811	156	7	-	-	-	-	-	-	8.171.991	24.888.874	33.060.865
Electricity, Gas, Water	-	-	-	-	-	-	2.276.678	-	-	-	-	-	-	-	-	-	-	79.664	2.197.014	2.276.678
Construction	-	-	-	-	-	-	6.810.810	-	-	-	-	-	-	-	-	-	-	118.665	6.692.145	6.810.810
Services	68.184.090	-	2	-	-	8.336.988	29.062.748	-	69.863	-	-	-	-	-	-	-	4.633.187	70.015.614	40.271.264	110.286.878
Wholesale and Retail Trade	-	-	-	-	-	-	11.292.797	-	-	-	-	-	-	-	-	-	-	3.412.710	7.880.087	11.292.797
Hotel and Beverage Service	-	-	-	-	-	-	634.609	-	-	-	-	-	-	-	-	-	-	43.483	591.126	634.609
Transportation and Telecommunication	-	-	-	-	-	-	2.334.625	-	69.863	-	-	-	-	-	-	-	-	508.925	1.895.563	2.404.488
Financial Institutions	68.184.090	-	-	-	-	8.333.212	10.196.937	-	-	-	-	-	-	-	-	-	4.633.187	64.789.464	26.557.962	91.347.426
Real Estate and Lending	-	-	-	-	-	3.776	4.603.771	-	-	-	-	-	-	-	-	-	-	1.261.021	3.346.526	4.607.547
Self-Employment Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education Service	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	2
Health and Social Services	-	-	-	-	-	-	9	-	-	-	-	-	-	-	-	-	-	9	-	9
Other	-	-	1	-	-	-	65.031	2.780.926	9.588	15.730	-	-	-	-	-	-	1.221.307	4.048.930	43.653	4.092.583
TOTAL	68.184.090	-	3	-	-	8.336.988	71.958.703	2.780.926	216.262	15.887	7	-	-	-	-	-	5.854.494	82.497.614	74.849.746	157.347.360

(*) Risk classes in the Regulation on Measurement and Evaluation of Banks' Capital Adequacy will be taken into account. The risk amount is given after the credit conversion ratio but before the credit risk mitigation

- 1 Conditional and unconditional receivables from central governments or central banks
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II. EXPLANATIONS ON CONSOLIDATED CREDIT RISK (Continued)

Prior Period 31 December 2024 Sectors/Counterparties	Risk Categories (*)																	TL	FC	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17			
Agricultural	-	-	-	-	-	-	93	-	-	-	-	-	-	-	-	-	-	93	-	93
Farming and Raising	-	-	-	-	-	-	88	-	-	-	-	-	-	-	-	-	-	88	-	88
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	5	-	-	-	-	-	-	-	-	-	-	5	-	5
Industry	-	-	-	-	-	-	31.785.117	-	1.305.269	26.075	-	-	-	-	-	-	-	7.273.873	25.842.588	33.116.461
Mining and Quarrying	-	-	-	-	-	-	769.045	-	-	-	-	-	-	-	-	-	-	82.274	686.771	769.045
Production	-	-	-	-	-	-	28.891.179	-	1.305.269	26.061	-	-	-	-	-	-	-	7.152.852	23.069.657	30.222.509
Electricity, Gas, Water	-	-	-	-	-	-	2.124.893	-	-	14	-	-	-	-	-	-	-	38.747	2.086.160	2.124.907
Construction	-	-	-	-	-	-	4.341.737	-	912.768	682	-	-	-	-	-	-	-	288.661	4.966.526	5.255.187
Services	47.293.442	-	1	-	-	4.156.796	22.192.752	-	739.845	43	-	-	-	-	-	-	3.662.947	51.911.381	26.134.445	78.045.826
Wholesale and Retail Trade	-	-	-	-	-	-	9.072.643	-	-	-	-	-	-	-	-	-	-	3.779.480	5.293.163	9.072.643
Hotel and Beverage Service	-	-	-	-	-	-	533.321	-	-	43	-	-	-	-	-	-	-	58.691	474.673	533.364
Transportation and Telecommunication	-	-	-	-	-	-	2.362.719	-	739.839	-	-	-	-	-	-	-	-	216.383	2.886.175	3.102.558
Financial Institutions	47.293.442	-	-	-	-	4.155.474	6.480.701	-	-	-	-	-	-	-	-	-	3.662.947	46.520.327	15.072.237	61.592.564
Real Estate and Lending	-	-	-	-	-	1.322	3.743.354	-	6	-	-	-	-	-	-	-	-	1.336.485	2.408.197	3.744.682
Self-Employment Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education Service	-	-	1	-	-	-	3	-	-	-	-	-	-	-	-	-	-	-	4	4
Health and Social Services	-	-	-	-	-	-	11	-	-	-	-	-	-	-	-	-	-	11	-	11
Other	-	-	7	-	-	-	26.042	3.417.672	22.337	14.777	-	-	-	-	-	-	843.830	4.277.475	47.190	4.324.665
TOTAL	47.293.442	-	8	-	-	4.156.796	58.345.741	3.417.672	2.980.219	41.577	-	-	-	-	-	-	4.506.777	63.751.483	56.990.749	120.742.232

(*) Risk classes in the Regulation on Measurement and Evaluation of Banks' Capital Adequacy will be taken into account. The risk amount is given after the credit conversion ratio but before the credit risk mitigation

- 1 Conditional and unconditional receivables from central governments or central banks
- 2 Conditional and unconditional receivables from regional governments or local authorities
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II. EXPLANATIONS ON CONSOLIDATED CREDIT RISK (Continued)

k. Term Distribution of Risks with Term Structure:

Current Period - Risk Categories (*)	Time to maturity					Unallocated
	Up to 1 month	1-3 months	3-6 months	6-12 months	Over 1 year	
Conditional and unconditional receivables from central governments or central banks	25.538.583	1.303.476	-	1.572.783	39.769.248	-
Conditional and unconditional receivables from regional governments or local authorities	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	1	-	-	-	2	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	3.538.945	539.543	122.419	719.208	3.416.873	-
Conditional and unconditional corporate receivables	10.951.409	14.528.881	11.546.824	17.021.105	17.910.484	-
Conditional and unconditional retail receivables	320.870	57.663	44.224	359.294	1.998.875	-
Conditional and unconditional receivables secured by mortgages	590	3.425	633	1.584	210.030	-
Past due receivables	-	-	-	-	-	15.887
Receivables defined in high-risk category by BRSA	7	-	-	-	-	-
Securities collateralized by mortgages	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
Investments in the form of collective investment undertakings	-	-	-	-	-	-
Stock investments	-	-	-	-	-	-
Other receivables	-	-	-	-	-	5.854.494
TOTAL	40.350.405	16.432.988	11.714.100	19.673.974	63.305.512	5.870.381

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversion ratio.

Prior Period Risk Categories (*)	Time to maturity					Unallocated
	1 month	1-3 months	3-6 months	6-12 months	Over 1 year	
Conditional and unconditional receivables from central governments or central banks	27.184.522	-	-	385.047	19.723.873	-
Conditional and unconditional receivables from regional governments or local authorities	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	1	-	-	-	7	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	2.667.664	517.304	133.235	135.488	703.105	-
Conditional and unconditional corporate receivables	10.666.594	9.454.482	8.261.418	18.612.756	11.350.491	-
Conditional and unconditional retail receivables	519.268	193.582	87.196	277.562	2.340.064	-
Conditional and unconditional receivables secured by mortgages	109.812	72.847	335.648	1.613.687	848.225	-
Past due receivables	-	-	-	-	-	41.577
Receivables defined in high-risk category by BRSA	-	-	-	-	-	-
Securities collateralized by mortgages	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
Investments in the form of collective investment undertakings	-	-	-	-	-	-
Stock investments	-	-	-	-	-	-
Other receivables	-	-	-	-	-	4.506.777
TOTAL	41.147.861	10.238.215	8.817.497	21.024.540	34.965.765	4.548.354

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversion ratio.

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II. EXPLANATIONS ON CONSOLIDATED CREDIT RISK (Continued)

I. Explanations regarding risk categories mentioned in 6th clause of Capital Adequacy Measurement and Evaluation Communiqué:

An international rating firm, Fitch Ratings’ external risk ratings are used to determine the risk weights of the risk categories as per the Article 6 of the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks”. Additionally, grades of Fitch Ratings International Rating Agency were used for receivables from central government and central bank of our country and counter parties abroad. Domestic counterparties are accepted as “unrated” and take risk weight suited for “unrated” category in relevant risk class.

Rating scores;

1. Receivables from Central Governments or Central Banks
2. Receivables from Banks and Brokerage Houses

are used in risk classes.

While credit quality level grade given by Fitch Ratings International Rating Agency decreases to 4, grades using in risk class of receivables from banks and intermediary institutions matched with all credit quality levels from 1 to 6 in risk classes of Receivables from Central Governments or Central Banks.

For determination of risk weight regarding items subject to issue or issuer rating which are not included to purchase/sale accounts, issue rating is taken into account first; and in the absence of issue rating, issuer’s credit rating is taken into account.

Credit Quality Degrees	Fitch Risk Rating	Risk Categories		
		Receivables from Central Governments or Central Banks	Receivables from Banks and Intermediary Institutions	
			Receivables With Remaining Maturity Less Than 3 Months	Receivables With Remaining Maturity More Than 3 Months
1	Aaa Aa+ Aa Aa-	0%	20%	20%
2	A+ A A-	20%	20%	50%
3	BBB+ BBB BBB-	50%	20%	50%
4	BB+ BB BB-	100%	50%	100%
5	B+ B B-	100%	50%	100%
6	CCC DDD DD D	150%	150%	150%

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II. EXPLANATIONS ON CONSOLIDATED CREDIT RISK (Continued)

m. Risk Amounts According to Risk Weights:

	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%	Deducted From Equity
31 December 2025												
1. Amount Before Credit Risk Mitigation												
2. Amount After Credit Risk Mitigation												
31 December 2024												
1. Amount Before Credit Risk Mitigation												
2. Amount After Credit Risk Mitigation												

n. Sector or type of counterparty; separately impaired loans and amount of non-performing loans, value adjustments and provisions, amount of value adjustments and provisions during period

Miscellaneous Information regarding Major Sectors or Counterparty Type:

Current Period Major Sectors/ Counterparties	Loans		
	Significant Increase in Credit Risk (Stage 2) (*)	Defaulted (Stage 3)	Provision of Expected Credit Losses (TFRS 9) (**)
Agricultural	-	-	-
Farming and Raising Livestock	-	-	-
Forestry	-	-	-
Fishing	-	-	-
Industry	6.592.644	4.126	4.279
Mining and Quarrying	1.044.025	508	507
Production	2.899.140	3.580	3.734
Electricity, Gas, Water	2.649.479	38	38
Construction	1.298.125	12.802	12.456
Services	2.511.830	1.190	1.192
Wholesale and Retail Trade	-	276	276
Hotel and Beverage Service	857.224	-	-
Transportation and Telecommunication	684.401	156	156
Financial Institutions	-	-	-
Real Estate and Lending Service.	970.205	758	760
Self-Employment Service	-	-	-
Education Service	-	-	-
Health and Social Services	-	-	-
Other	91.570	75.400	69.812
Total	10.494.169	93.518	87.739

(*) Close monitoring amounts.

(**) Refers to Stage 3 loan loss provisions

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II. EXPLANATIONS ON CONSOLIDATED CREDIT RISK (Continued)

n. Sector or type of counterparty; separately impaired loans and amount of non-performing loans, value adjustments and provisions, amount of value adjustments and provisions during period (Continued):

Miscellaneous Information regarding Major Sectors or Counterparty Type (Continued):

Prior Period Major Sectors/ Counterparties	Loans		
	Significant Increase in Credit Risk (Stage 2) (*)	Defaulted (Stage 3)	Provision of Expected Credit Losses (TFRS 9) (**)
Agricultural	-	-	-
Farming and Raising Livestock	-	-	-
Forestry	-	-	-
Fishing	-	-	-
Industry	6.307.120	53.399	29.007
Mining and Quarrying	895.118	508	508
Production	5.412.002	52.861	28.483
Electricity, Gas, Water	-	30	16
Construction	851.374	18.295	16.883
Services	2.946.962	1.408	1.364
Wholesale and Retail Trade	273.401	276	276
Hotel and Beverage Service	659.412	200	156
Transportation and Telecommunication	892.875	156	156
Financial Institutions	-	-	-
Real Estate and Lending Service.	1.121.274	776	776
Self-Employment Service	-	-	-
Education Service	-	-	-
Health and Social Services	-	-	-
Other	102.369	63.147	56.291
Total	10.207.825	136.249	103.545

(*) Close monitoring amounts

(**) Refers to Stage 3 loan loss provisions

o. Reconciliation of changes in value adjustments and provisions for impaired loans (if possible on basis of geographic regions):

Current Period 31 December 2025	Opening Balance	Provisions made		Other Adjustments (*)	Closing Balance
		during the period	Provision Reversals		
Specific Provisions (**)	103.545	37.437	(13.035)	(40.208)	87.739
General Provisions (***)	2.163.156	1.375.959	(295.478)	(70)	3.243.567

(*) Represents write-offs and sales from non-performing loans portfolio.

(**) Includes the specific provision amounts allocated for non-cash loans.

(***) Includes the general provision amounts allocated for non-cash loans and cash and cash equivalents.

Prior Period 31 December 2024	Opening Balance	Provisions made		Other Adjustments (*)	Closing Balance
		during the period	Provision Reversals		
Specific Provisions (**)	89.114	55.098	(15.103)	(25.564)	103.545
General Provisions (***)	1.799.526	461.988	(98.358)	-	2.163.156

(*) Represents write-offs and sales from non-performing loans portfolio.

(**) Includes the specific provision amounts allocated for non-cash loans.

(***) Includes the general provision amounts allocated for non-cash loans and cash and cash equivalents.

p. The movement of specific provision of the Group's loans and other receivables:

	Commercial Loans	Consumer Loans	Credit Cards	Total
1 January 2025	39.425	13.261	50.859	103.545
Transferred during the period	8	6.579	30.850	37.437
Collection during the period	(1.695)	(2.807)	(8.533)	(13.035)
Write-off/sold	(24.218)	(4.573)	(11.417)	(40.208)
31 December 2025	13.520	12.460	61.759	87.739

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I. EXPLANATIONS ON CONSOLIDATED CREDIT RISK (Continued)

**p. The movement of specific provision of the Group's loans and other receivables
(Continued):**

	Commercial Loans	Consumer Loans	Credit Cards	Total
1 January 2024	20.810	18.861	49.443	89.114
Transferred during the period	23.111	6.166	25.821	55.098
Collection during the period	(4.496)	(5.524)	(5.083)	(15.103)
Write-off/sold	-	(6.242)	(19.322)	(25.564)
31 December 2024	39.425	13.261	50.859	103.545

q. Information on types of loans and provisions:

	Commercial Loans	Consumer Loans	Credit Cards	Total
Current Period – 31 December 2025				
Standard loans	56.187.452	333.505	1.327.358	57.848.315
Close monitoring loans	10.422.140	21.588	50.441	10.494.169
Non-performing loans	6.048	18.023	69.447	93.518
Specific provisions (-)	13.520	12.460	61.759	87.739
Total(*)	66.602.120	360.656	1.385.487	68.348.263

(*) Loans also include factoring receivables amounting to TL 491.298.

	Commercial Loans	Consumer Loans	Credit Cards	Total
Prior Period- 31 December 2024				
Standard loans	44.261.864	305.007	2.197.878	46.764.749
Close monitoring loans	10.127.569	38.339	41.917	10.207.825
Non-performing loans	57.741	18.614	59.894	136.249
Specific provisions (-)	39.425	13.261	50.859	103.545
Total(*)	54.407.749	348.699	2.248.830	57.005.278

(*) Loans also include factoring receivables amounting to TL 450.352.

r. Information on collaterals for non-performing loans of the Bank:

	Current Period 31 December 2025 Collateral Value	Prior Period 31 December 2024 Collateral Value
Mortgages	5.089	32.332
Pledged Vehicle	13	13
Cheques and Notes	-	-
Cash	-	-
Total	5.102	32.345

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III. EXPLANATIONS ON CONSOLIDATED COUNTER CYCLICAL CAPITAL BUFFER RATIO CALCULATION

Current Period 31 December 2025	Private sector credit exposures in banking book	Risk weighted equivalent trading book	Total
Türkiye	62.846.443	1.843.488	64.689.931
USA	320.706	-	320.706
Great Britain	16.238	2.536	18.774
United Arab Emirates	8.342	315	8.657
Germany	3.252	2.442	5.694
Spain	-	-	-
Canada	-	-	-
People’s Republic of China	-	-	-
France	1.715	186	1.901
Japan	-	-	-
Other	21.169	2.470	23.639

Prior period 31 December 2024	Private sector credit exposures in banking book	Risk weighted equivalent trading book	Total
Türkiye	51.564.061	2.359.223	53.923.284
USA	2.892	-	2.892
Great Britain	12.971	2.985	15.956
United Arab Emirates	7.248	115	7.363
Germany	2.641	199	2.840
Spain	333	-	333
Canada	1.468	-	1.468
People’s Republic of China	1.050	-	1.050
France	1.323	3	1.326
Japan	20	-	20
Other	18.693	1.571	20.264

IV. EXPLANATIONS ON CONSOLIDATED CURRENCY RISK

a) Exposed risk of foreign currency, estimations on the effects of this matter, limits for the daily followed positions are determined by the Board of Directors:

In foreign currency risk management, the Group makes tiny distinctions and generally attentive to not taking short position when organizing the currency risk. In organizing foreign currency positions, the Group acts in accordance with both the legal limitations and the limitations determined by the Board of Directors.

b) Management policy for foreign currency risk:

Policy of the foreign currency risk management is explained in the first article.

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IV. EXPLANATIONS ON CONSOLIDATED CURRENCY RISK (Continued)

c) Current foreign exchange bid rates of the Parent Bank for the last five business days prior to the financial statement date:

The Parent Bank's foreign exchange bid rates for US Dollar and Euro as of the date of the financial statements and for the last five days prior to that date are presented below:

Current Period – 31 December 2025	USD (\$)	Euro (€)
Balance Sheet Date		
Bank Evaluation Rate	42,9645	50,3758
Prior Balance Sheet Date		
31 December 2025	42,9645	50,3758
30 December 2025	42,9449	50,4645
29 December 2025	42,9345	50,5983
26 December 2025	42,8471	50,4696
25 December 2025	42,8471	50,4696
Prior Period – 31 December 2024	USD(\$)	Euro (€)
Balance Sheet Date		
Bank Evaluation Rate	35,3615	36,6875
Prior Balance Sheet Date		
31 December 2024	35,3615	36,6875
30 December 2024	35,3417	36,7236
27 December 2024	35,2070	36,6962
26 December 2024	35,2577	36,6503
25 December 2024	35,2577	36,6503

d. The simple arithmetic average of the Group's foreign exchange bid rates for the last thirty days preceding the balance sheet date for major foreign currencies:

As of December 2025, the Bank's simple arithmetic average foreign exchange rate for USD is TL 42,7024 (December 2024: TL 35,0039) and exchange rate for Euro is TL 50,0377 (December 2024: TL 36,6407).

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IV. EXPLANATIONS ON CONSOLIDATED CURRENCY RISK (Continued)

e. Information related to Group's currency risk:

Current Period-31 December 2025	Euro	USD	Other FC	Total
Assets				
Cash Equivalents (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye	5.580.654	12.935.037	14.435.784	32.951.475
Banks	-	141.227	27.130	168.357
Financial Assets at Fair Value through Profit or Loss (Net) (***)	601.537	2.825.053	66.405	3.492.995
Interbank Money Market Placements	-	27.238.352	-	27.238.352
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	-	-
Loans (*)	32.628.322	20.156.771	-	52.785.093
Investments in Associates, Subsidiaries and Joint Ventures (Business Partners)	-	-	-	-
Financial Assets Measured at Amortized Cost	-	-	-	-
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets (Net)	-	-	-	-
Intangible Assets (Net)	-	-	-	-
Other Assets	12.516	397.071	194	409.781
Total Assets	38.823.029	63.693.511	14.529.513	117.046.053
Liabilities				
Bank Deposits	50.357	110	13	50.480
Foreign Currency Deposits	16.243.061	32.080.235	58.314.761	106.638.057
Funds from Interbank Money Market	1.220.161	9.497.122	3.779.016	14.496.299
Fund Borrowed	6.870.045	23.711.107	-	30.581.152
Marketable Securities Issued (Net)	-	-	-	-
Miscellaneous Payables	27.048	1.153.333	30.608	1.210.989
Hedging Derivative Financial Liabilities	-	-	-	-
Other Liabilities(**)	434.064	1.715.203	89.007	2.238.274
Total Liabilities	24.844.736	68.157.110	62.213.405	155.215.251
Net On Balance Sheet Position	13.978.293	(4.463.599)	(47.683.892)	(38.169.198)
Net Off-Balance Sheet Position	(14.042.866)	3.316.728	47.674.169	36.948.031
Financial Derivative Assets	60.205.512	96.249.637	58.763.907	215.219.056
Financial Derivative Liabilities	74.248.378	92.932.909	11.089.738	178.271.025
Non-cash Loans	9.234.441	21.652.312	3.377.022	34.263.775
Prior Period – 31 December 2024				
Total Assets	30.737.318	47.234.744	6.086.674	84.058.736
Total Liabilities	21.161.243	50.712.870	26.265.722	98.139.835
Net on-Balance Sheet Position	9.576.075	(3.478.126)	(20.179.048)	(14.081.099)
Net off-Balance Sheet Position	(9.237.097)	3.097.598	20.213.542	14.074.043
Financial Derivative Assets	56.864.755	83.967.690	29.857.920	170.690.365
Financial Derivative Liabilities	66.101.852	80.870.092	9.644.378	156.616.322
Non-cash Loans	10.758.102	9.359.517	3.434.915	23.552.534

(*) As of 31 December 2025, there is a foreign currency-indexed loan amounting to TL 1.280.

(**) Within Other Liabilities, there are Derivative Financial Liabilities amounting to TL 2.019.121.

(***) Within Financial Assets at Fair Value through Profit or Loss, there are Derivative Financial Assets amounting to TL 2.768.812.

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IV. EXPLANATIONS ON CONSOLIDATED CURRENCY RISK (Continued)

As of 31 December 2025 and 31 December 2024, assuming that TL depreciates by 10% against foreign currencies and all other variables are constant, the changes in the net profit and equity of the Group's foreign currency position without taking into account the tax effect as foreign exchange loss are given below:

	Current Period 31 December 2025	
	Income Statement	Equity (*)
USD	(114.687)	(114.687)
Euro	(6.457)	(6.457)
Other	(972)	(972)
Total	(122.116)	(122.116)

(*) The effect of equity also includes the effect of income statement.

	Prior Period 31 December 2024	
	Income Statement	Equity (*)
USD	(38.053)	(38.053)
Euro	33.898	33.898
Other	3.449	3.449
Total	(706)	(706)

(*) The effect of equity also includes the effect of income statement.

As of 31 December 2025 and 31 December 2024, assuming that TL appreciates by 10% against foreign currencies and all other variables are constant, the changes in the assets and liabilities would have occurred in accordance with the table above but effects would have been reverse.

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V. EXPLANATIONS ON CONSOLIDATED INTEREST RATE RISK

There is a short term interest sensitivity gap at the balance sheet of the Parent Bank due to a structural risk of the banking sector; obligation of funding of long-term assets with short-term deposits. Derivative financial instruments are used to mitigate possible interest rate risk of interest sensitive assets and liabilities. Interest rate futures and interest rate swap transactions are performed to reduce the balance sheet and off-balance sheet interest rate risk.

The Parent Bank managed interest rate and prepayment risks of mortgages and other long-term loans with derivative financial instruments efficiently taking into consideration cost-benefit analysis and reduced the risk against to the fluctuations in global and local markets.

a) Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on repricing dates):

Current Period – 31 December 2025	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interests Bearing	Total
Assets							
Cash Equivalents (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye ^(*)	36.340.560	-	-	-	-	2.497.689	38.838.249
Banks ^(*)	709.736	-	-	-	-	42.008	751.744
Financial Assets at Fair Value Through Profit or Loss (Net) ^(**)	905.072	1.910.426	2.027.261	956.865	248.022	677.666	6.725.312
Interbank Money Market Placements ^(*)	86.468.758	-	-	-	-	-	86.468.758
Financial Assets at Fair Value Through Other Comprehensive Income	2.886.480	14.254.551	1.738.371	4.833.697	130.968	-	23.844.067
Loans	19.584.387	17.790.094	25.742.646	1.099.471	907.833	5.779	65.130.210
Financial Assets Measured at Amortized Cost ^(****)	-	-	-	16.591.505	2.146.122	-	18.737.627
Other Assets	870.072	-	32	185.288	-	3.559.687	4.615.079
Total Assets	147.765.065	33.955.071	29.508.310	23.666.826	3.432.945	6.782.829	245.111.046
Liabilities							
Bank Deposits	228.417	-	-	-	-	386.542	614.959
Other Deposits	60.431.379	4.093.003	153.435	59	-	98.687.918	163.365.794
Funds from Interbank Money Market	14.496.299	-	-	-	-	-	14.496.299
Miscellaneous Payables	1.543.217	-	-	-	-	1.428.562	2.971.779
Marketable Securities Issued (Net)	-	-	-	-	-	-	-
Funds Borrowed	7.173.931	23.397.591	-	-	-	9.630	30.581.152
Other Liabilities ^{(**)(***)}	688.863	1.134.224	3.711.033	129.257	-	27.417.686	33.081.063
Total Liabilities	84.562.106	28.624.818	3.864.468	129.316	-	127.930.338	245.111.046
Balance Sheet Long Position	63.202.959	5.330.253	25.643.842	23.537.510	3.432.945	-	121.147.509
Balance Sheet Short Position	-	-	-	-	-	(121.147.509)	(121.147.509)
Off-Balance Sheet Long Position	-	-	-	58.776	-	-	58.776
Off-Balance Sheet Short Position	(123.585)	(80.666)	(2.655)	-	-	-	(206.906)
Total Position	63.079.374	5.249.587	25.641.187	23.596.286	3.432.945	(121.147.509)	(148.130)

^(*) Cash Assets, (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) Receivables from the CBRT, Banks and Money Markets items include the expected loss provision balance amounting to TL 13.386.

^(**) Derivative Financial Assets are shown in "Financial Assets at Fair Value Through Profit/Loss" and Derivative Financial Liabilities are shown in "Other Liabilities".

^(***) Equity is shown in the "Non-interest" column in "Other Liabilities".

^(****) Financial Assets Valued at Amortized Cost include expected loss provisions balance amounting to TL 63.812.

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V. EXPLANATIONS ON CONSOLIDATED INTEREST RATE RISK (Continued)

Prior Period – 31 December 2024	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years And Over	Non – Interest Bearing	Total
Assets							
Cash Equivalents (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye ^(*)	25.806.590	-	-	-	-	7.076.333	32.882.923
Banks ^(*)	710.586	-	-	-	-	121.136	831.722
Financial Assets at Fair Value Through Profit or Loss (Net) ^(**)	785.441	1.648.772	1.387.002	1.783.411	409.241	370.855	6.384.722
Interbank Money Market Placements	71.783.005	-	-	-	-	-	71.783.005
Financial Assets at Fair Value Through Other Comprehensive Income	2.599.491	8.034.634	330.682	4.413.678	1.306.670	-	16.685.155
Loans	16.367.720	16.134.303	21.725.702	32.449	577.030	32.704	54.869.908
Financial Assets Measured at Amortized Cost ^(****)	-	-	-	1.089.450	2.324.285	-	3.413.735
Other Assets	1.934	-	43	62.486	-	4.514.509	4.578.972
Total Assets	118.054.767	25.817.709	23.443.429	7.381.474	4.617.226	12.115.537	191.430.142
Liabilities							
Bank Deposits	1.717.256	-	-	-	-	306.354	2.023.610
Other Deposits	54.134.228	15.066.118	1.065.718	7	-	57.539.173	127.805.244
Funds from Interbank Money Market	11.555.609	-	-	-	-	-	11.555.609
Miscellaneous Payables	-	-	-	-	-	4.437.397	4.437.397
Marketable Securities Issued (Net)	-	-	-	-	-	-	-
Funds Borrowed	7.499.016	14.389.066	-	-	-	-	21.888.082
Other Liabilities ^{(**)(***)(****)}	867.226	1.468.008	3.219.295	137.882	-	18.027.789	23.720.200
Total Liabilities	75.773.335	30.923.192	4.285.013	137.889	-	80.310.713	191.430.142
Balance Sheet Long Position	42.281.432	-	19.158.416	7.243.585	4.617.226	-	73.300.659
Balance Sheet Short Position	-	(5.105.483)	-	-	-	(68.195.176)	(73.300.659)
Off-Balance Sheet Long Position	-	-	72.631	33.146	-	-	105.777
Off-Balance Sheet Short Position	(320.329)	(204.094)	-	-	-	-	(524.423)
Total Position	41.961.103	(5.309.577)	19.231.047	7.276.731	4.617.226	(68.195.176)	(418.646)

(*) Cash Equivalents, (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) Items Receivable from CBRT, Banks and Money Markets include the expected loss provision balance amounting to TL 12.830.

(**) Derivative Financial Assets are shown in "Financial Assets at Fair Value Through Profit/Loss" and Derivative Financial Liabilities are shown in "Other Liabilities".

(***) Equity is shown in the "Non-interest" column in "Other Liabilities".

(****) Financial assets measured at amortized cost include expected loss provision balance amounting to TL 10.030.

b) Effective average interest rates for monetary financial instruments:

Current Period – 31 December 2025	Euro	USD	Yen	TL
Assets				
Cash Equivalents (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye	2,75	2,75	-	33,91
Banks	-	3,87	-	40,90
Financial Assets at Fair Value Through Profit or Loss (Net)	2,42	6,35	-	37,50
Interbank Money Market Placements	-	3,53	-	37,93
Financial Assets at Fair Value through Other Comprehensive Income	-	-	-	38,92
Loans	6,12	7,12	-	41,99
Financial Assets Measured at Amortized Cost	-	-	-	35,14
Liabilities				
Bank Deposits	-	-	-	33,31
Other Deposits	0,93	2,35	-	34,63
Funds From Interbank Money Market	1,10	2,88	-	-
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net)	-	-	-	-
Funds Provided from Other Financial Institutions	5,93	5,95	-	-

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V. EXPLANATIONS ON CONSOLIDATED INTEREST RATE RISK (Continued)

b) Effective average interest rates for monetary financial instruments (Continued):

Prior Period – 31 December 2024	Euro	USD	Yen	TL
Assets				
Cash Equivalents (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye	3,50	3,50	-	31,00
Banks	-	4,61	-	49,64
Financial Assets at Fair Value Through Profit or Loss (Net)	5,26	6,27	-	43,06
Interbank Money Market Placements	-	4,28	-	48,42
Financial Assets at Fair Value through Other Comprehensive Income	-	-	-	42,47
Loans	7,10	7,83	-	48,54
Financial Assets Measured at Amortized Cost	-	-	-	12,78
Liabilities				
Bank Deposits	-	-	-	41,31
Other Deposits	1,71	1,37	-	41,34
Funds From Interbank Money Market	2,00	3,25	-	-
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net)	-	-	-	-
Funds Provided from Other Financial Institutions	6,83	6,98	-	-

c) Interest rate risk on banking book:

Interest rate risk arising from banking book positions (IRRBB) is measured by taking into account both internal and regulatory methodologies. The regulatory calculation and reporting of IRRBB is performed on a monthly basis in accordance with the “Regulation on the Measurement and Assessment of Interest Rate Risk Arising from Banking Book Positions Using the Standardized Approach”, which was published in the Official Gazette dated 12 May 2025 and numbered 32898 and entered into force as of 1 October 2025.

IRRBB is defined as the change in economic value (EVE) and net interest income (NII) of all on- and off-balance sheet positions other than trading book positions as a result of interest rate movements and is measured and monitored as an indicator of the Parent Bank’s exposure to interest rate risk. The EVE and NII impacts arising under interest rate shock scenarios are managed so as to remain within predefined limits. In addition, interest rate risks arising from IRRBB are also regularly monitored within certain market risk limits.

In calculating EVE risk amounts, interest rate shocks that are consistent with regulatory and internal risk management practices are used, comprising upward and downward parallel interest rate scenarios, steepening and flattening yield curves and non-parallel scenarios that include short- and long-term rate movements. Net Interest Income Sensitivity (NII) is monitored as the change in interest income over a 12-month period under parallel shock scenarios.

In the management of IRRBB, hedging and risk-mitigation strategies are regularly analyzed by ALCO and actively utilized. Where deemed necessary, risk reduction in EVE and NII is considered through both on-balance sheet actions and off-balance sheet interest rate derivative instruments.

In the EVE analyses, the cash flows used include interest margins and the discount yield curves are based on TLREF for TRY, ESTR for EUR and SOFR for USD and other foreign currencies. Disclosures regarding NII sensitivity, together with current and prior period data on NII sensitivity and prior period data on EVE, have not been presented in the notes, as their disclosure has been deferred to 31 December 2026 in accordance with the temporary article of the “Communiqué on Public Disclosures by Banks Related to Risk Management”.

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V. EXPLANATIONS ON CONSOLIDATED INTEREST RATE RISK (Continued):

c. Interest rate risk on banking book (Continued):

The Parent Bank's IRRBB positions are presented in the table below:

	Current Period 31 December 2025
	EVE
Parallel Up	1.360.137
Parallel Down	(1.434.685)
Steepening	(572.793)
Flattening	839.753
Short Term Upward Movement	1.258.942
Short Term Downward Movement	(1.283.137)
Maximum	1.360.137
Total Tier I Capital	27.040.582

VI. EXPLANATIONS ON CONSOLIDATED POSITION RISK OF EQUITY SECURITIES IN BANKING BOOK

Position risk of equity securities in banking book:

As of 31 December 2025, the Bank has no financial assets that would cause a significant effect on its equity securities position (31 December 2024: None).

VII. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT, LIQUIDITY COVERAGE AND NET STABLE FUNDING RATIO

Information about the liquidity risk management including factors such as risk capacity of the Parent Bank, responsibilities and the structure of liquidity risk management, reporting of the liquidity risk within the Parent Bank and providing communication with Board of Directors and line of businesses in terms of liquidity risk strategy, policy and applications:

The Parent Bank has adopted principle of funding the liquidity and funding management of the Parent Bank with stable funding instruments. Funds required must be available even under stressed conditions particular to the Bank and the Market.

The Balance Sheet Management, which is associated to the treasury function and the management of liquidity manage the Parent Bank's short-term liquidity and funding risks of the banking portfolio is conducted by Assets and Liabilities and Capital Management Unit (ALCM) operating under Finance department, within the framework of risk policies and risk appetite approved by Board of Directors. Board of Directors determines risk appetite and internal risk limits of liquidity. In terms of the approving risk appetite, inherent liquidity limits and considering Bank's strategy and market conditions, Assets and Liabilities Committee (ALCO) is the decision-making body regarding balance sheet management, identification and efficiency of funding sources and determination of potential risks. The Asset-Liability Management Committee is responsible for preparing middle and long-term liquidity strategies.

Strategic funding plan forms up the primary basis of the liquidity and funding risk management, updated at least in annual basis and formed up within the scope of risk appetite. According to the strategic funding plan approved by ALCO, actions are considered in order to provide the most cost-efficient, diversified and stable funding resources in terms of maturity, currency and funding resource to monitor and evaluate balance sheet movements and projections and the current status of the balance sheet by ALCM.

In addition, current and planned liquidity positions of Parent Bank are tracked at tactical ALCO meetings with the participation of business representatives on regular basis and business line representatives are informed if necessary actions are to be taken. The aim of these meetings is to ensure prevention of negative net cash flow of the bank liquidity and prevention exceeding limits by comparing the current situation regarding to the balance sheet structure of business line with the approved limit usage of strategic funding plans and liquidity.

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**VII. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT, LIQUIDITY
COVERAGE AND NET STABLE FUNDING RATIO (Continued)**

**Information regarding functioning of liquidity management and the extent of centralization in
funding strategy amid the Parent Bank and its subsidiaries:**

All subsidiaries of the controlling shareholder of the Parent Bank plan and manage their liquidity within the limits of their risk appetite and internal limits.

**The information about the Parent Bank's funding strategy including policies on diversification of
its sources and tenor of funding:**

The Parent Bank's liquidity and funding management adopts the principle that illiquid assets are funded with stable funding instruments and that the required funds are always available and stable funding instruments consist of stable deposits and long-term borrowing instruments. In this context, liquidity and funding management is primarily based on the stability of the Parent Bank's deposit base and considers the total stable deposits as the basic measure. As the deposits of retail banking customers in the deposit base are more stable and cost-effective than other business lines, they are essential in terms of funding management. In addition, other medium and long-term debt instruments are also used in order to diversify and balance the funding base in terms of maturity, currency, fund source and cost, as deposits have a shorter average maturity compared to the assets.

**Information on liquidity management based on currency, which consists of a minimum of 5%
of the Parent Bank's total liabilities:**

Almost all of the Parent Bank's total liabilities mainly consist of Turkish Lira, US Dollar, Euro and Gold currencies. Liabilities in Turkish lira generally consist of deposits, repo and equity, while liabilities in FX consist of foreign currency deposits and other foreign currency borrowing instruments.

Consolidated liquidity measurement of the Parent Bank's total liquidity and selected currencies for short and long terms is planned within the context of strategic funding plan. The FC and total internal risk limits approvals of Board of Directors is available.

Information on liquidity risk mitigation techniques:

Internal liquidity limits above legal limits and liquidity buffer are used in order to lower liquidity risk. Funding resources are diversified as much as possible by planning cash inflows and outflows within the context of strategic funding plan. Therefore, effective management of concentrations is ensured in terms of maturity, currency and funding resources. The Parent Bank also uses derivative transactions in order to lower liquidity risks.

Explanation of the usage of stress test:

Along with the legal liquidity risk calculations and restrictions, in terms of liquidity management, stress tests and scenario analyses are performed in accordance with the international liquidity management policies of HSBC. In these scenarios, liquidity crisis scenarios of the Parent Bank and macro liquidity crisis scenarios are evaluated and triggering factors of liquidity risk and early warning signals are monitored. Analyses and results of the liquidity risk are monitored by ALCO and Risk Management Committee.

General information on liquidity emergency and contingency plans:

Liquidity Emergency and Contingency Plan is approved by the Board of Directors and ALCO and renewed on yearly basis. The plan contains detailed analyses and information about the actions to be taken in crisis management and employees responsible for the process, liquidity Access resources, liquidity situation of the Parent Bank, early warning indicators within graded liquidity crisis scenarios.

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**VII. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT, LIQUIDITY
COVERAGE AND NET STABLE FUNDING RATIO (Continued)**

General information on liquidity emergency and contingency plans (continued)

Market variables and liquidity movements are monitored daily and reported to top management within the framework of the annual ALCO meeting schedule as part of the early warning indicators report. The Parent Bank's funding sources are substantially formed of customer deposits and the need for funding to be provided from interbank markets is at a minimum. Within the scope of the stress tests shared with the top management, deposit outflows and possible late payment, restructuring or deferral requests for loans subject to reporting in LCR, possible potential usage requests in revocable and irrevocable commitments given to customers were considered, without providing any new funds from the market. In this context, it has been measured for how long they could afford the cumulative cash outflows. As a result of the scenarios, there is no foreseeable risk for LCR or net liquid position.

a) Liquidity coverage rate:

The change in matters that impact liquidity coverage rate and units that are used for the calculation of the ratio:

The liquidity coverage ratio is calculated by dividing the high-quality liquid assets of the Parent Bank to the net cash outflows that will occur in one month. Due to their high share in liquid assets and net cash outflows in terms of amount and their high rate of consideration, the important items that affect the liquidity coverage ratio result are required reserves held at the CBRT, reverse repo transactions, securities that are not subject to repo/collateral for the purpose of providing liquidity, corporate and bank deposits that can generate high cash outflows, borrowings due and receivables from banks. The liquidity coverage ratio may fluctuate periodically in the following situations;

- Transfer of the short-term liquidity to Money markets instead of debt instruments issued by CBRT based on market conditions
- Fluctuations of bank and corporate deposits that are highly considered in fund resources
- Fluctuations that may occur due to the aging of borrowings
- Less than 1-month remaining maturity of cash inflows/outflows resulted specifically from FC derivative transactions.

Explanation regarding the components of high-quality liquid assets:

High quality liquid assets consist of cash, effective depot, cheques purchased, time and demand deposit by CBRT, reverse repurchase transactions and securities that are not subject to repurchase/collateral for providing liquidity.

Components density of fund resources in all funds:

The Parent Bank's funding sources consist of real person and retail deposit, corporate bank deposits, repurchase agreements and borrowings. Deposits that are used for funding consist 67% of total liabilities.

Information about cash outflows resulted from derivative transactions and transactions that are likely to be collateralized:

Cash outflows resulted from derivative transactions are taken into account of liquidity coverage rate calculation by considering TL and FC net cash flows with 30-days maturity. Net cash flows resulted from derivative transactions have minimal effect on total liquidity coverage rate. However, as a result of shifts in derivative volumes due to FC derivatives used in the management of cash flows and incoming maturities of derivative transactions, periodic fluctuations on FC liquidity coverage rate may occur.

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VII. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT, LIQUIDITY COVERAGE AND NET STABLE FUNDING RATIO (Continued)

Concentration limits of collaterals in terms of fund resources based on counterparty and products:

Within the context of strategic funding plan, cash inflows and outflows are planned and effective management of concentration of fund resources in terms of maturity, currency and fund resource is projected. In the context, customer-based deposit concentrations, limits and usages set up for the counterparties in non-deposit borrowings and maturity-based distribution of borrowings are tracked and reported to ALCO based on the meeting schedule planned for the year.

Current Period – 31.12.2025	Total value to which the consideration ratio is not applied (*)		Total value to which the consideration ratio is applied (*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS				
High Quality Liquid Assets			176.089.635	59.753.835
Cash Outflows				
Retail and customer deposits	108.235.385	81.752.263	10.145.539	8.175.226
Stable deposits	13.559.988	-	677.999	-
Less stable deposits	94.675.397	81.752.263	9.467.540	8.175.226
Unsecured funding other than retail and small business customers deposits	96.454.013	34.593.936	54.747.999	16.641.605
Operational deposits	-	-	-	-
Non-Operational deposits	86.913.491	31.578.495	45.207.477	13.626.164
Other unsecured funding	9.540.522	3.015.441	9.540.522	3.015.441
Secured funding	-	-	-	1.318.638
Other cash outflows	3.869.400	9.285.842	3.869.400	9.285.842
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	3.869.400	9.285.842	3.869.400	9.285.842
Debts related to the structured financial products	-	-	-	-
Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	41.782.355	29.935.258	5.955.238	4.964.057
Other irrevocable or conditionally revocable commitments	-	-	-	-
TOTAL CASH OUTFLOWS			74.718.176	40.385.368
Cash Inflows				
Secured lending transactions	-	-	-	-
Unsecured lending transactions	9.593.649	7.943.061	6.505.143	5.249.954
Other cash inflows	993.863	39.824.686	993.862	39.824.687
TOTAL CASH INFLOWS	10.587.512	47.767.747	7.499.005	45.074.641
			Upper limit applied amounts	
TOTAL HQLA STOCK	-	-	176.089.635	59.753.835
TOTAL NET CASH OUTFLOWS	-	-	67.219.171	10.096.342
LIQUIDITY COVERAGE RATIO (%)	-	-	261,96	591,84

(*) Simple arithmetic average for last 3 months is calculated for items of the table, which are calculated by monthly simple arithmetic averages.

Table below represents lowest, highest and average liquidity coverage rates for the last three months.

	Current Period – 31.12.2025	
	TL+FC	FC
Highest (%)	367,03	896,13
Date	23.12.2025	20.10.2025
Lowest (%)	175,52	205,74
Date	15.12.2025	28.11.2025
Average (%)	261,96	591,84

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**VII. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT, LIQUIDITY
COVERAGE AND NET STABLE FUNDING RATIO (Continued)**

Prior Period – 31.12.2024	Total value to which the consideration ratio is not applied (*)		Total value to which the consideration ratio is applied (*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS				
High Quality Liquid Assets			110.116.713	52.461.750
Cash Outflows				
Retail and customer deposits	86.749.914	47.471.260	8.543.862	4.747.126
Stable deposits	2.622.596	-	131.130	-
Less stable deposits	84.127.318	47.471.260	8.412.732	4.747.126
Unsecured funding other than retail and small business customers deposits	53.392.271	22.933.503	28.439.847	9.899.349
Operational deposits	-	-	-	-
Non-Operational deposits	50.295.554	22.765.173	25.343.130	9.731.019
Other unsecured funding	3.096.717	168.330	3.096.717	168.330
Secured funding	-	-	-	-
Other cash outflows	2.774.618	23.287.778	2.774.618	23.287.778
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	2.774.618	23.287.778	2.774.618	23.287.778
Debts related to the structured financial products	-	-	-	-
Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	32.502.966	22.883.736	3.780.929	3.046.998
Other irrevocable or conditionally revocable commitments	-	-	-	-
TOTAL CASH OUTFLOWS			43.539.256	40.981.251
Cash Inflows				
Secured lending transactions	-	-	-	-
Unsecured lending transactions	8.901.424	6.291.106	6.006.189	4.314.554
Other cash inflows	751.250	13.877.999	751.250	13.877.999
TOTAL CASH INFLOWS	9.652.674	20.169.105	6.757.439	18.192.553
			Upper limit applied amounts	
TOTAL HQLA STOCK	-	-	110.116.713	52.461.750
TOTAL NET CASH OUTFLOWS	-	-	36.781.817	22.788.698
LIQUIDITY COVERAGE RATIO (%)	-	-	299,38	230,21

(*) Simple arithmetic average for last 3 months is calculated for items of the table, which are calculated by monthly simple arithmetic averages.

Table below represents lowest, highest and average liquidity coverage rates for the last three months.

	Prior Period – 31.12.2024	
	TL+FC	FC
Highest (%)	384,96	612,34
Date	27.12.2024	26.12.2024
Lowest (%)	230,80	156,79
Date	1.12.2024	31.10.2024
Average (%)	299,38	230,21

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**VII. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT, LIQUIDITY
COVERAGE AND NET STABLE FUNDING RATIO (Continued)**

b) Breakdown of assets and liabilities according to their outstanding maturities:

Current Period – 31 December 2025	Demand	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	5 Years and Over	Unallocated	Total
Assets								
Cash Equivalents (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the CBRT (****)	2.497.689	36.340.560	-	-	-	-	-	38.838.249
Banks (****)	42.008	709.736	-	-	-	-	-	751.744
Financial Assets at Fair Value through Profit or Loss (Net) (****)	-	803.743	1.612.431	1.949.853	1.366.374	315.245	677.666	6.725.312
Interbank Money Market Placements(****)	-	86.468.758	-	-	-	-	-	86.468.758
Financial Assets at Fair Value through Other Comprehensive Income	-	-	1.303.476	1.572.783	19.946.787	1.021.021	-	23.844.067
Loans	-	6.198.433	14.081.567	27.933.212	13.378.829	3.532.390	5.779	65.130.210
Financial Assets Measured at Amortized Cost (*****)	-	-	-	-	16.591.505	2.146.122	-	18.737.627
Other Assets (*)	-	870.072	-	32	185.288	-	3.559.687	4.615.079
Total Assets	2.539.697	131.391.302	16.997.474	31.455.880	51.468.783	7.014.778	4.243.132	245.111.046
Liabilities								
Bank Deposits	386.542	228.417	-	-	-	-	-	614.959
Other Deposits	98.687.918	60.431.379	4.093.003	153.435	59	-	-	163.365.794
Money Market Borrowings	-	14.496.299	-	-	-	-	-	14.496.299
Miscellaneous Payables	-	1.543.217	-	-	-	-	1.428.562	2.971.779
Marketable Securities Issued (Net)	-	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	9.630	-	8.643.681	15.662.313	3.449.524	2.816.004	-	30.581.152
Other Liabilities (**)(****)	-	649.759	833.291	3.893.930	448.902	34.195	27.220.986	33.081.063
Total Liabilities	99.084.090	77.349.071	13.569.975	19.709.678	3.898.485	2.850.199	28.649.548	245.111.046
Net Liquidity Excess/(Gap)	(96.544.393)	54.042.231	3.427.499	11.746.202	47.570.298	4.164.579	(24.406.416)	-
Net Off Balance Sheet Position								
Derivative Financial Assets	-	(123.585)	(80.665)	(2.656)	58.776	-	-	(148.130)
Derivative Financial Liabilities	-	138.077.565	67.275.852	33.714.374	34.889.469	3.436.354	-	277.393.614
Non-cash Loans	38.969.917	61.947	1.732.210	671.848	-	-	-	41.435.922
Prior Period - 31 December 2024								
Total Assets	7.197.469	106.540.615	11.455.706	28.797.534	23.386.233	9.134.517	4.918.068	191.430.142
Total Liabilities	57.845.527	68.171.358	16.358.776	17.873.486	3.940.848	4.918.854	22.321.293	191.430.142
Net Liquidity Excess/(Gap)	(50.648.058)	38.369.257	(4.903.070)	10.924.048	19.445.385	4.215.663	(17.403.225)	-
Net Off-Balance Sheet Position								
Derivative Financial Assets	-	(320.331)	(204.093)	72.632	33.146	-	-	(418.646)
Derivative Financial Liabilities	-	74.384.291	72.533.867	48.329.111	23.208.470	1.142.191	-	219.597.930
Non-cash Loans	22.468.326	415.274	2.002.445	1.842.042	-	-	-	26.728.087

(*) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed and intangible assets, investments, subsidiaries, stationery, pre-paid expenses and non-performing loans, are classified in this column.

(**) Shareholders' Equity is presented under "Other Liabilities" item in the "Unallocated" column.

(****) Financial Derivative Assets are shown in "Financial Assets at Fair Value Through Profit or Loss" and Financial Derivative Liabilities are shown in "Other Liabilities".

(*****) Cash Equivalents (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the CBRT, Banks and interbank money market balances consist of expected credit losses amounting to TL 13.386.

(*****) Financial Assets Measured at Amortized Cost include an expected loss provisions balance amounting to TL 63.812.

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**VII. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT, LIQUIDITY
COVERAGE AND NET STABLE FUNDING RATIO (Continued)**

c) Net Stable Funding Ratio Template:

Current Period – 31 December 2025		a	b	c	d	e
		Amount to which no consideration rate has been applied, based on remaining maturity				Total Amount Applied to Consideration Rate
		On Demand	Less than 6 Months Term	6 Months to More than 6 Months, Less than 1 Year	1 Year and Longer Term	
Current Stable Funding						
1	Shareholder’s Equity Elements	25.857.051	-	-	6.207.826	32.064.877
2	Core Capital and Supplementary Capital	25.857.051	-	-	6.207.826	32.064.877
3	Other Shareholder’s Equity Elements	-	-	-	-	-
4	Real Person and Retail Customer Deposits/Participation Funds	73.285.019	25.737.979	85.185	59	99.108.242
5	Stable Deposit/Participation Fund	508.270	8.400.486	3.137	9	8.911.902
6	Low Stable Deposit/Participation Fund	72.776.749	17.337.493	82.048	50	90.196.340
7	Debts to other people	25.818.657	48.193.472	4.296.445	-	28.194.556
8	Operational deposit/participation fund	-	-	-	-	-
9	Other Debts	25.818.657	48.193.472	4.296.445	-	28.194.556
10	Liabilities Equivalent to Interconnected Assets	-	-	-	-	-
11	Other Liabilities	-	-	-	-	-
12	Derivative Liabilities	-	-	2.110.175	-	-
13	Other equity elements and liabilities not listed above	8.531.900	14.496.299	-	-	-
14	Current Stable Funding					159.367.675
Required Stable Funding						
15	High quality liquid assets	-	-	-	-	10.763.245
16	Operational Deposit/Participation Fund Deposited in Credit Institutions or Financial Institutions	-	-	-	-	-
17	Biological Receivables	-	38.178.890	12.481.104	15.541.029	39.840.122
18	Receivables From Credit Institutions or Financial Institutions Whose Collateral is First Quality Liquid Assets	-	-	-	-	-
19	Unsecured or Secured Receivables from Credit Institutions or Financial Institutions Whose Collateral is Not First Quality Liquid Assets	-	4.610.387	1.303.758	1.640.153	2.983.589
20	Receivables From Corporate Customers, Organizations, Real Persons and Retail Customers, Central Governments, Central Banks and Public Institutions Other Than Credit Institutions or Financial Institutions	-	33.568.503	11.177.346	11.537.045	35.674.617
21	Receivables Subject to A Risk Weight Of 35% Or less	-	-	-	-	-
22	Receivables Secured by Residential Real Estate Mortgages	-	-	-	-	-
23	Receivables Subject to A Risk Weight Of 35% Or less	-	-	-	-	-
24	Shares And Debt Instruments Traded on The Stock Exchange That Do Not Qualify as High Quality Liquid Assets	-	-	-	2.363.831	1.181.916
25	Assets Equivalent to Interconnected Liabilities	-	-	-	-	-
26	Other Assets	-	-	-	-	10.231.705
27	Commodities With Physical Delivery, Including Gold	-	-	-	-	-
28	Initial Collateral of Derivative Contracts or Guarantee Fund Given to The Central Counterparty	-	-	148.308	-	126.061
29	Derivative Assets	-	-	791.419	-	791.419
30	Amount Of Derivative Liabilities Before Deducting Variation Margin	-	-	211.018	-	211.018
31	Other Assets Not Listed Above	-	-	-	9.103.207	9.103.207
32	Off-Balance Sheet Liabilities	-	47.108.812	-	-	2.355.441
33	Required Stable Funding					63.190.513
34	Net Stable Funding Ratio (%)					252,20%

As of 31 December 2025, consolidated NSFR is calculated as 252,20% (31 December 2024: 242,58%). Considering the amounts adjusted by the applicable consideration rate, the Equity Components with the highest consideration rate applied under the regulation constitute 20,12% of the Current Stable Funding amount (31 December 2024: 17,98%) and Real Person and Retail Customer Deposits corresponds to 62,19% of Current Stable Funding amount (31 December 2024: 63%). Performing Receivables, which have the largest share in the Required Stable Funding, constitute 63,05% of the Required Stable Funding amount (31 December 2024: 62,43%). Factors such as the change of major balance sheet items such as loans and deposits between periods and the change in the balance sheet maturity structure are effective in the development of the rate.

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**VII. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT, LIQUIDITY
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NSFR development in the last 3 months of 2025 is shown in the tables below.

Period	Ratio
31 October 2025	255,15%
30 November 2025	260,78%
31 December 2025	252,20%
3 Month Average	256,04%

Prior Period – 31 December 2024		a	b	c	d	e
		Amount to which no consideration rate has been applied, based on remaining maturity				Total Amount Applied to Consideration Rate
		On Demand	Less than 6 Months Term	6 Months to More than 6 Months, Less than 1 Year	1 Year and Longer Term	
Current Stable Funding						
1	Shareholder's Equity Elements	17.736.147	-	-	4.846.729	22.582.876
2	Core Capital and Supplementary Capital	17.736.147	-	-	4.846.729	22.582.876
3	Other Shareholder's Equity Elements	-	-	-	-	-
4	Real Person and Retail Customer Deposits/Participation Funds	38.418.453	40.547.776	145.426	7	79.111.662
5	Stable Deposit/Participation Fund	243.993	9.969.978	4.682	7	10.218.660
6	Low Stable Deposit/Participation Fund	38.174.460	30.577.798	140.744	-	68.893.002
7	Debts to other people	19.481.082	33.356.077	1.834.375	3.536.145	23.885.804
8	Operational deposit/participation fund	-	-	-	-	-
9	Other Debts	19.481.082	33.356.077	1.834.375	3.536.145	23.885.804
10	Liabilities Equivalent to Interconnected Assets	-	-	-	-	-
11	Other Liabilities	-	-	-	-	-
12	Derivative Liabilities	-	-	3.099.005	-	-
13	Other equity elements and liabilities not listed above	8.680.708	11.555.609	-	-	-
14	Current Stable Funding					125.580.342
Required Stable Funding						
15	High quality liquid assets	-	-	-	-	7.525.521
16	Operational Deposit/Participation Fund Deposited in Credit Institutions or Financial Institutions	-	-	-	-	-
17	Biological Receivables	-	29.931.693	15.026.885	11.609.776	32.318.493
18	Receivables From Credit Institutions or Financial Institutions Whose Collateral is First Quality Liquid Assets	-	-	-	-	-
19	Unsecured or Secured Receivables from Credit Institutions or Financial Institutions Whose Collateral is Not First Quality Liquid Assets	-	3.164.483	1.936.703	-	765.178
20	Receivables From Corporate Customers, Organizations, Real Persons and Retail Customers, Central Governments, Central Banks and Public Institutions Other Than Credit Institutions or Financial Institutions	-	26.767.210	13.090.182	9.275.762	30.386.308
21	Receivables Subject to A Risk Weight Of 35% Or less	-	-	-	-	-
22	Receivables Secured by Residential Real Estate Mortgages	-	-	-	-	-
23	Receivables Subject to A Risk Weight Of 35% Or less	-	-	-	-	-
24	Shares And Debt Instruments Traded on The Stock Exchange That Do Not Qualify as High Quality Liquid Assets	-	-	-	2.334.014	1.167.007
25	Assets Equivalent to Interconnected Liabilities	-	-	-	-	-
26	Other Assets	-	-	-	-	10.300.268
27	Commodities With Physical Delivery, Including Gold	-	-	-	-	-
28	Initial Collateral of Derivative Contracts or Guarantee Fund Given to The Central Counterparty	-	-	32.693	-	27.789
29	Derivative Assets	-	-	267.761	-	267.761
30	Amount Of Derivative Liabilities Before Deducting Variation Margin	-	-	309.901	-	309.901
31	Other Assets Not Listed Above	-	-	-	8.798.618	9.694.817
32	Off-Balance Sheet Liabilities	-	32.471.476	-	-	1.623.574
33	Required Stable Funding					51.767.857
34	Net Stable Funding Ratio (%)					242,58%

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VII. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT, LIQUIDITY COVERAGE AND NET STABLE FUNDING RATIO (Continued)

NSFR development in the last 3 months of 2024 is shown in the tables below.

Period	Ratio
31 October 2024	246,13%
30 November 2024	255,42%
31 December 2024	242,58%
3 Month Average	248,05%

d) Breakdown of liabilities according to their remaining contractual maturities:

Current Period 31 December 2025	Demand	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	5 Years and Over	Total
Bank Deposits	386.542	230.484	-	-	-	-	617.026
Other Deposits	98.687.918	39.823.003	23.935.152	1.312.978	13.674	-	163.772.725
Funds From Interbank Money Market	-	14.499.989	-	-	-	-	14.499.989
Marketable Securities Issued	-	-	-	-	-	-	-
Borrowings	9.630	-	9.077.432	16.094.387	3.812.741	3.089.830	32.084.020
Total	99.084.090	54.553.476	33.012.584	17.407.365	3.826.415	3.089.830	210.973.760

Prior Period 31 December 2024	Demand	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	5 Years and Over	Total
Bank Deposits	306.354	1.720.249	-	-	-	-	2.026.603
Other Deposits	57.539.173	31.961.262	21.280.845	17.983.120	198.319	-	128.962.719
Funds From Interbank Money Market	-	11.557.156	-	-	-	-	11.557.156
Marketable Securities Issued	-	-	-	-	-	-	-
Borrowings	-	-	-	13.521.284	3.597.511	5.015.764	22.134.559
Total	57.845.527	45.238.667	21.280.845	31.504.404	3.795.830	5.015.764	164.681.037

e) Information on securitization position:

None.

f) Breakdown of derivative instruments according to their remaining contractual maturities:

Current Period - 31 December 2025	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Foreign exchange derivatives:						
- Inflow	94.896.163	64.068.302	17.831.232	15.132.096	1.000.757	192.928.550
- Outflow	94.967.086	64.148.967	17.833.888	15.073.320	1.000.757	193.024.018
Interest rate derivatives:						
- Inflow	2.378	11.347	78.420	114.224	51.898	258.267
- Outflow	11.144	17.750	48.341	73.899	34.195	185.329
Total Inflow	94.898.541	64.079.649	17.909.652	15.246.320	1.052.655	193.186.817
Total Outflow	94.978.230	64.166.717	17.882.229	15.147.219	1.034.952	193.209.347
Prior Period - 31 December 2024	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Foreign exchange derivatives:						
- Inflow	67.705.000	68.208.829	39.239.511	5.684.094	-	180.837.434
- Outflow	68.033.189	68.412.922	39.166.879	5.650.949	-	181.263.939
Interest rate derivatives:						
- Inflow	13.348	6.888	69.194	234.631	41.364	365.425
- Outflow	4.077	6.378	93.619	219.123	24.307	347.504
Total Inflow	67.718.348	68.215.717	39.308.705	5.918.725	41.364	181.202.859
Total Outflow	68.037.266	68.419.300	39.260.498	5.870.072	24.307	181.611.443

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VIII. EXPLANATIONS ON CONSOLIDATED LEVERAGE RATIO

The table regarding the leverage ratio calculated in accordance with the "Regulation on the Measurement and Evaluation of the Leverage Level of Banks" published in the Official Gazette dated 5 November 2013 and numbered 28812 is given below.

	Current Period 31.12.2025 (*)	Prior Period 31.12.2024 (*)
Assets On the Balance Sheet		
1 Assets on the balance sheet (excluding derivative financial instruments and loan derivatives, including collaterals)	173.367.691	139.652.785
2 (Assets deducted from core capital)	(876.503)	(651.658)
3 Total risk amount for assets on the balance sheet (sum of lines 1 and 2)	172.491.188	139.001.127
Derivative Financial Instruments and Loan Derivatives		
4 Renewal cost of derivative financial instruments and loan derivatives	2.291.721	1.322.486
5 Potential credit risk amount of derivative financial instruments and loan derivatives	4.744.104	1.661.017
6 Total risk amount of derivative financial instruments and loan derivatives (sum of lines 4 and 5)	7.035.825	2.983.503
Financing Transactions with Securities or Goods Warranties		
7 Risk amount of financial transactions with securities or goods warranties (excluding those in the balance sheet)	4.724.992	4.164.605
8 Risk amount arising from intermediated transactions	-	-
9 Total risk amount of financing transactions with securities or goods warranties (sum of lines 7 and 8)	4.724.992	4.164.605
Off-Balance Sheet Commitments		
10 Gross nominal amount of the off-the-balance sheet transactions	117.457.744	52.385.705
11 Adjustment amount arising from multiplying by the credit conversion rate	-	-
12 Total risk amount for off-the-balance sheet transactions (sum of lines 10 and 11)	117.457.744	52.385.705
Capital and Total Risk		
13 Core capital	27.483.299	17.494.115
14 Total risk amount (sum of lines 3,6,9 and 12)	301.709.749	198.534.940
Transition process unapplied leverage ratio		
15 Transition process unapplied leverage ratio (%)	9,11	8,81

(*) Table represents three-month average amounts.

Comparison table of total assets and total risk amounts in the financial statements prepared in accordance with TAS:

	Current Period 31.12.2025 (**)	Prior Period 31.12.2024 (**)
Total assets in the consolidated financial statements prepared in accordance with TAS (*)	262.185.915	198.664.011
Differences between the total assets in the consolidated financial statements prepared in accordance with TAS and the total assets in the consolidated financial statements prepared in accordance with Communiqué on Preparation of Consolidated Financial Statements of the Banks	5.022.050	4.013.688
Differences between the balances of derivative financial instruments and the credit derivatives in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	(4.774.104)	(1.661.017)
Differences between the balances of securities financing transactions in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	97.652.063	64.637.532
Differences between off-balance sheet items in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	-	-
Other differences in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	-	-
Total Risk	301.709.749	198.534.940

(*) The consolidated financial statements prepared in accordance with the sixth paragraph of the Article 5 in the Communiqué on Preparation of Consolidated Financial Statements of the Banks.

(**) Three months average values in the related periods.

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IX. EXPLANATIONS ON RISK MANAGEMENT

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

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

1. The Parent Bank's risk management approach

Ensuring risk management and efficiency is the Bank Board of Directors' responsibility. The Board of Directors writes and approves policies concerning risk management activities, periodically examines their implementation and takes the necessary measures related to setting up and maintaining a risk management system within the body of the Parent Bank in line with the local regulations.

The Board of Directors includes the risk management system in the management structure of the Parent Bank in line with the regulations and procedures required by legislation. It also sets principles and procedures related to the system's administrative structure, recruiting personnel and ensuring continuity. The Board of Directors examines the Parent Bank's Executive Management Unit and Risk Management Unit evaluations of the risk management process, evaluates the reliability and adequacy of the risk management models and takes the necessary actions. The Board of Directors determines and documents, in writing, the strategies, policies and implementation methods for department systems, ensures effective implementation and Continued use of the methods, ensures the coordination and allocates the necessary resources. The Board of Directors is informed about the risks the Parent Bank is subject to, as well as the methods for measuring and managing these risks. It determines in writing the policies and strategies concerning risk management, the level of risk the Parent Bank can accept, methods of implementation generally and for each risk type and identifies maximum risk limits for departments, managers and staff. It approves the policies concerning taking, monitoring, managing and reporting the risks that will drastically affect income and expenses by determining the risk appetite of the bank, approves changes in these policies and supervises their implementation.

The Board of Directors ensures executive management provides it with timely and reliable reports regarding the risks the Parent bank faces, determines data management policies, identifies processes and establishes control mechanisms to ensure the systems perform effectively and ensures the implementation of these processes.

The Board of Directors is liable to ensure the Internal Capital Adequacy Evaluation Process is set and implemented and to fulfil the other responsibilities laid out in regulations. The Audit Committee, Risk Management Committee, Asset-Liability Management Committee and other related committees carry out the supervision responsibility of the Board of Directors to ensure perpetual supervision.

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

The Audit Committee has been assigned by the Board of Directors to be the Internal Systems Supervisor for all departments with regard to internal systems. The Audit Committee checks the effectiveness and adequacy of the internal systems of the Bank on behalf of the Board of Directors, supervises how these internal systems, accounting systems and reporting systems work within the framework of the Law and regulations, ensures the integrity of the generated data and does the necessary pre-evaluation for the Board of Directors to enable them to choose independent audit companies and rating, valuation and support service organizations. Moreover, it regularly monitors the operations of organizations that the Board of Directors chooses and signs contracts with, ensuring continuity and coordination of the internal audit operations of the partnerships subject to consolidation in line with legal regulations and sets up communication channels that ensure internal systems staff can directly access them. The Audit Committee also recommends managers for these units to the Board of Directors, provides opinions when relieving these managers of duty, hears and evaluates the opinions and recommendations of executive management concerning internal systems, gives recommendations on the qualities required for personnel who will work in internal systems units and evaluates the education levels and adequacy of the internal systems manager and personnel. It is in charge of and responsible for assessing the availability of the necessary equipment and methods to detect, evaluate, monitor and control the risks the Parent Bank carries, as well as for fulfilling other liabilities mentioned in regulations. The Audit Committee is responsible for setting an audit and control process that will ensure the adequacy and correctness of the Internal Capital Adequacy Evaluation Process and for monitoring the internal validation of the risk measurement methodology the Parent Bank uses to assess the adequacy of the economic and/or legal capital. If the Bank does not have the expertise to validate the internal model, the Audit Committee approves and monitors support from an expert organization.

The Risk Management Committee is responsible for monitoring and managing all Parent Bank risk. It focuses mainly on risk policies, risk appetite and risk concentration. The main focus of the committee is to evaluate changes in the operations of the lines of business and in markets where the lines of business operate, to analyze the effects of risk and to handle these risks related to the future. The committee is responsible for:

- Providing instructions and solving problems concerning risk policies and risk management,
- Evaluating the main potential and current risks in the changing business atmosphere and political environment
- Tracking and checking the management of important risks,
- Ensuring an appropriate risk culture is in place.

The Asset-Liability Committee's main responsibilities are;

- Monitoring and managing the Parent Bank's key Treasury risks, including capital risk, liquidity risk, funding risk, interest rate risk arising from banking book positions and structural foreign exchange risk,
- Establishing a management-level forum within the framework of balance sheet management and reporting to the Parent Bank's Board of Directors,
- Reviewing macroeconomic conditions to identify risks and determine appropriate management actions,
- Determining the Parent Bank's capital, liquidity and funding strategies and monitoring the financial position in line with these strategies,
- Determining the Parent Bank's balance sheet management and interest rate risk strategies together with its balance sheet optimization strategy and ensuring their continuity by taking into account macroeconomic, regulatory and other potential risks,
- Providing continuous guidance to set up a perpetually developing structure in line with estimated risk parameters and the Parent Bank's performance objectives,
- Determining the most likely scenarios in terms of asset-liability planning by monitoring external banking factors with forward-looking perspective and reviewing emergency plans,

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

- Evaluating alternative scenarios covering interest rates, pricing and portfolio structure in addition to asset-liability and capital management metrics and reviewing the asset-liability and maturity structure distribution,
- Monitoring and controlling capital positions, developing plans to ensure capital adequacy – including economic capital measurements and regulatory capital calculations within the ICAAP process – and ensuring that capital is managed within internal and regulatory limits,
- Guiding capital management by integrating the results of stress testing analyses with balance sheet optimization and earnings maximization objectives,
- Monitoring the liquidity position and establishing appropriate plans for liquidity and funding risks within the Internal Liquidity Adequacy Assessment process.

These committees are supported by sub-committees such as the Tactical Asset-Liability Committee, the Stress Test Observation Committee, the Model Observation Committee, the Financial Crimes Risk Management Committee, the Valuation and Hedging Committee, the Country-Specific Response Committee and the HSBC Global Markets Business Control Committee.

The Risk Management Unit is made up of a unit manager, working independently of operational units and adequate staff. Risk Management Unit works connected with Audit Committee.

The Risk Management Unit is responsible for risk management operations, for which the framework is laid out in the guidelines published by the Board and other legislation and specifically for ensuring good practices related to banking law, the Regulation on Internal Systems of Banks and the Internal Capital Adequacy Evaluation Process, the Capital Markets Law. The main duty of the Risk Management Unit is defining, evaluating, monitoring, reviewing and reporting risk. The Risk Management Unit provides the necessary training and advisory services to all lines of work to increase risk management awareness and ensure effective implementation of the risk management framework throughout the bank. It reviews the adequacy of risk control evaluation efforts for all lines of work. It ensures that key indicators are reviewed to monitor the risk levels of high risk points and that risk lowering action plans are prepared and tracked. It helps analyze losses and sets up the necessary monitoring and tracking mechanisms for lines of work to complete the required corrective actions on time. It provides opinions on new products and changes to current products and evaluates the effectiveness of the risk management for new products. It analyses risk control evaluation results, outcomes of actions, possible losses and operational losses and shares the related reports with the Risk Management Committee. The Risk Management Unit works in coordination with the Internal Audit Unit, responsible for evaluating audit during operational risk management, the Loan and Risk Unit, which has its own risk responsibility and the Financial Control-Asset-Liability Unit and the Capital Management Unit, which are responsible for market risks.

Stress Tests

The Risk Management Unit and other relevant units carry out and report on stress tests. Stress test results are regularly reported to the Stress Test Observation Committee, the Parent Bank’s executive management and the relevant top management by the Risk Management Unit and relevant units. Within the scope of stress tests, the Parent Bank regularly applies sensitivity analyses and scenario analyses which cover market risk, exchange risk, liquidity risk, counterparty credit risk, concentration risk, country risk, operational risk and interest rate risk for banking accounts. When necessary, additional stress tests can be carried out depending on market and economy conditions, portfolio changes and legislation changes. Also, holistic stress tests are carried out for use in the Internal Capital Adequacy Evaluation Process.

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

2. Explanations on Risk Management and Risk Weighted Amount:

	Risk Weighted Amounts		Minimum Capital Requirements
	Current Period 31 December 2025	Prior Period 31 December 2024	Current Period 31 December 2025
Credit risk (excluding counterparty credit risk)	62.764.936	51.675.621	5.021.195
Standardized approach	62.764.936	51.675.621	5.021.195
Internal rating-based approach	-	-	-
Counterparty credit risk	8.581.413	5.746.253	686.513
Standardized approach for counterparty credit risk	8.581.413	5.746.253	686.513
Internal model method	-	-	-
Equity position in banking book under basic risk weighting or internal rating-based	-	-	-
Equity investments in funds – look-through approach	-	-	-
Equity investments in funds – mandate-based approach	-	-	-
Equity investments in funds – 1250% risk weighting approach	-	-	-
Settlement risk	-	-	-
Securitization exposures in banking book	-	-	-
IRB ratings-based approach	-	-	-
IRB supervisory formula approach	-	-	-
SA/simplified supervisory formula approach	-	-	-
Market risk	14.182.538	8.145.300	1.134.603
Standardized approach	14.182.538	8.145.300	1.134.603
Internal model approaches	-	-	-
Operational risk	20.490.366	12.429.749	1.639.229
Basic indicator approach	20.490.366	12.429.749	1.639.229
Standardized approach	-	-	-
Advanced measurement approach	-	-	-
Amounts below the thresholds for deduction from capital (subject to 250% risk weight)	-	-	-
Floor adjustment	-	-	-
Total	106.019.253	77.996.923	8.481.540

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

a) Linkages between financial statements and risk amounts

1. Differences and matching between assets and liabilities carrying values in financial statements and risk amounts

Current Period 31 December 2025	Carrying values in financial statements prepared as per TAS (*)	Carrying values of items in accordance with TAS			Not subject to capital requirements or subject to deduction from capital
		Subject to credit risk	Subject to counterparty credit risk	Subject to market risk	
Assets					
Cash and balances and the CBRT	38.838.249	38.838.249	-	-	-
Banks	751.744	751.744	-	-	-
Interbank money market placements	86.468.758	-	86.468.758	86.468.758	-
Financial assets at fair value through profit or loss	3.823.718	-	-	3.823.718	-
Financial assets at fair value through other comprehensive income	23.844.067	23.844.067	-	-	-
Financial assets measured at amortized cost (net)	18.737.627	18.737.627	-	-	-
Derivative financial assets	2.901.594	-	2.901.594	2.901.594	-
Loans (Net)	65.130.210	65.126.261	-	-	3.949
Assets held for sale and assets of discontinued operations (net)	-	-	-	-	-
Subsidiaries (net)	-	-	-	-	-
Associates (net)	-	-	-	-	-
Joint ventures (net)	-	-	-	-	-
Tangible assets (net)	937.295	877.150	-	-	60.145
Intangible assets (net)	867.066	-	-	-	867.066
Investment property (net)	-	-	-	-	-
Tax assets	-	-	-	-	-
Deferred tax assets	780.580	780.580	-	-	-
Other assets	2.030.138	2.030.138	-	-	-
Total Assets	245.111.046	150.985.816	89.370.352	93.194.070	931.160
Liabilities					
Deposits	163.980.753	-	-	-	163.980.753
Funds borrowed	24.315.624	-	-	-	24.315.624
Interbank money markets	14.496.299	-	14.496.299	14.496.299	-
Marketable securities issued	-	-	-	-	-
Funds	-	-	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-	-
Derivative financial liabilities	2.110.175	-	2.110.175	2.110.175	-
Factoring payables	-	-	-	-	-
Lease payables	194.216	-	-	-	194.216
Provisions	1.622.269	-	-	-	1.622.269
Tax liability	2.259.122	-	-	-	-
Deferred tax liabilities	-	-	-	-	-
Liabilities held for sale and liabilities of discontinued operations (net)	-	-	-	-	-
Subordinated debt	6.265.528	-	-	-	6.265.528
Other liabilities	3.995.516	-	-	-	3.995.516
Shareholders' equity	25.871.544	-	-	-	25.871.544
Total Liabilities	245.111.046	-	16.606.474	16.606.474	226.245.450

(*) Amounts represent consolidated financial statement of the Bank

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

Prior Period 31 December 2024	Carrying values in financial statements prepared as per TAS (*)	Carrying values of items in accordance with TAS			Not subject to capital requirements or subject to deduction from capital
		Subject to credit risk	Subject to counterparty credit risk	Subject to market risk	
Assets					
Cash and balances and the CBRT	32.882.923	32.882.923	-	-	-
Banks	831.722	831.722	-	-	-
Interbank Money market placements	71.783.005	-	71.783.005	71.783.005	-
Financial assets at fair value through profit or loss	3.017.956	-	-	3.017.956	-
Financial assets at fair value through other comprehensive income	16.685.155	-	-	-	-
Financial assets measured at amortized cost (net)	3.413.735	3.413.735	-	-	-
Derivative financial assets	3.366.766	-	3.366.766	3.366.766	-
Loans (Net)	54.869.908	54.867.445	-	-	2.463
Assets held for sale and assets of discontinued operations (net)	-	-	-	-	-
Subsidiaries (net)	-	-	-	-	-
Associates (net)	-	-	-	-	-
Joint ventures (net)	-	-	-	-	-
Tangible assets (net)	902.079	841.777	-	-	60.302
Intangible assets (net)	648.694	-	-	-	648.694
Investment property (net)	-	-	-	-	-
Tax assets	-	-	-	-	-
Deferred tax assets	750.725	750.725	-	-	-
Other assets	2.277.474	2.277.474	-	-	-
Total Assets	191.430.142	95.865.801	75.149.771	78.167.727	711.459
Liabilities					
Deposits	129.828.854	-	-	-	129.828.854
Funds borrowed	16.993.535	-	-	-	16.993.535
Interbank money markets	11.555.609	-	11.555.609	11.555.609	-
Marketable securities issued	-	-	-	-	-
Funds	-	-	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-	-
Derivative financial liabilities	3.099.005	-	3.099.005	3.099.005	-
Factoring payables	-	-	-	-	-
Lease payables	208.787	-	-	-	208.787
Provisions	1.240.725	-	-	-	1.240.725
Tax liability	1.543.312	-	-	-	-
Deferred tax liabilities	-	-	-	-	-
Liabilities held for sale and liabilities of discontinued operations (net)	-	-	-	-	-
Subordinated debt	4.894.547	-	-	-	4.894.547
Other liabilities	4.365.639	-	-	-	4.365.639
Shareholders' equity	17.700.129	-	-	-	17.700.129
Total Liabilities	191.430.142	-	14.654.614	14.654.614	175.232.216

(*) Represents the consolidated financial statements of the Bank

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

2. Main sources of differences between the risk amounts and the amounts recognized in the financial statements in accordance with TAS

Current Period 31 December 2025	Total	Subject to credit risk	Subject to counterparty credit risk	Subject to market risk
Asset carrying value amount under scope of regulatory consolidation	245.111.046	150.985.816	89.370.352	93.194.070
Liabilities carrying value amount under regulatory scope of consolidation	16.606.474	-	16.606.474	16.606.474
Total net amount under regulatory scope of consolidation	261.717.520	150.985.816	105.976.826	109.800.544
Off-balance sheet amounts	-	87.142.166	-	-
Differences in valuations	-	-	-	-
Differences due to different netting rules other than those already included in row 2	-	-	-	-
Differences due to consideration of provisions	-	3.281.103	-	-
Differences due to applications of BRSA	-	(94.789.388)	(95.127.053)	-
Differences due to risk mitigation	-	(1.105.207)	-	-
Credit valuation adjustment	-	-	745.590	-
Risk Amounts	261.717.520	145.514.490	11.595.363	109.800.544
<hr/>				
Prior Period 31 December 2024	Total	Subject to credit risk	Subject to counterparty credit risk	Subject to market risk
Asset carrying value amount under scope of regulatory consolidation	191.430.142	95.865.801	75.149.771	78.167.727
Liabilities carrying value amount under regulatory scope of consolidation	14.654.614	-	14.654.614	14.654.614
Total net amount under regulatory scope of consolidation	206.084.756	95.865.801	89.804.385	92.822.341
Off-balance sheet amounts	-	37.068.352	-	-
Differences in valuations	-	-	-	-
Differences due to different netting rules other than those already included in row 2	-	-	-	-
Differences due to consideration of provisions	-	309.180	-	-
Differences due to applications of BRSA	-	(20.510.923)	(81.660.463)	-
Differences due to risk mitigation	-	(574.294)	-	-
Credit valuation adjustment	-	-	422.068	-
Risk Amounts	206.084.756	112.158.116	8.565.990	92.822.341

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

3. Explanations of differences between accounting and regulatory exposure amounts in accordance with TAS

a) Differences between exposure amounts and amounts valued in accordance with TAS:

There is no difference between amounts valued in accordance with TAS reported in the financial statements and amounts valued in accordance with TAS within the scope of the legal consolidation process.

Fair value calculations the Parent Bank makes for financial instruments are evaluated either at market value or using a model value based on product types. Valuation is carried out using “fair value measurement” in accordance with the valuation principles stated in the regulations appendix of the Bank’s Capital Adequacy Measurement and Assessment. While the Parent Bank benefits from market prices for bonds, future contracts traded at the organized markets, it uses platforms producing model values for derivative transactions usually traded in over-the-counter markets. Valuations based on market or model value are made daily and changes occurring in the market can be reflected to the Parent Bank’s financials daily.

Credit value adjustments (CVA) are based on the current market value of credit risk arising from not meeting one of the liabilities in the agreement the Parent Bank made with a counterparty and are included in the legal accounts, taking into account all counterparties’ credit risks.

b) The following are explanations of the checks and systems which ensure the prudence and security of the Bank’s valuation estimations as per the prudential valuation principles in Appendix-3 of the Regulations Related to Bank Capital Adequacy Measurement and Evaluation:

Financial instruments accounted for at fair value and which can be traded in an active market are valued based on market price. The accuracy of the market price used is periodically tracked. Fair valuation of financial instruments for which there is no active market is carried out in line with TFRS 9. Derivative financial instruments are evaluated using a reduced cash flow model using market data. When valuing some financial instruments, valuations made by third parties and generally accepted valuation models are also used. The accuracy and independence of data used in valuations are periodically checked. In addition, detailed control processes exist, which enable the analysis of current market values of financial instruments and the profit/loss effect of daily transactions. Generally, systems are used and manual adjustments are avoided to ensure estimations related to valuations are prudent and reliable. In addition to existing controls, personnel carrying out purchase and sale transactions do not have any effect on valuation through market value.

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

c) General Information on Credit Risk

1. General qualitative information about credit risk

Risk limits are defined by Board of Directors in such manner that covers all possible important risk components, in accordance with the Parent Bank's operations and the size and complexity of products and services. Care is taken to ensure that the risk limits are in line with market expectations and reflect the Parent Bank's risk appetite and Bank's strategies. The credit policies are established in consistence with risk limits. Credit rating models are used in loan allocation processes in accordance with the risk appetite, credit policies and targets of the Parent Bank. Rating all credit customers is essential for the Bank. Credit ratings are used as the main factor in determining target segments, authority levels, prices, limits and collateralization levels in loan portfolios.

In order to ensure timely and complete fulfillment of all obligations arising from the loan, it is essential to obtain adequate collateral from the customers. The main purpose of collateralization of any loan is to minimize the credit, foreign exchange and maturity risk. In this context, the minimum margin is determined by considering the quality of the collateral and collection expectancy in case of default and it is ensured that appropriate collateral is obtained for the loan type.

Credit risk is encountered when the counterparty is unable to fulfill its obligations defined with the agreement. All credit risk bearing banking products are managed with prudent credit policies and procedures in the Bank. The credit quality of the counterparty is evaluated with an internal rating score in all credit transactions. In order to monitor the credit risk, internal limits are determined on the basis of sector, customer, credit type and customer segment. Credit risk management is a process in which credit risks are assessed and monitored in a consistent manner, besides all credit portfolios are included on a consolidated basis. Risk Management Department ensures that risks are effectively managed in a sound, prudent and controlled manner, in line with the Bank's risk appetite, risk capacity and profile determined by the Board of Directors. In addition to the credit risk-related risk limits, various concentrations in the loan portfolio are also analyzed. It is assured to act within the policy of allocation, monitoring, Limit Follow-up and management, by establishing policy regarding to country risk and concentration risk management. Cost of loan and collections of non-performing loans are monitored periodically. In addition, stress testing and scenario analysis studies are carried out on the loan portfolio. Assessment of the internal systems established to encompass all branches and departments and related entities are among the highest priorities of the Board of Directors to ensure the continuity of its operations, competencies and activities.

2. Credit Quality of Assets

Provisions for defaulted exposures are made in accordance with related ratios after considering collaterals presented in "Communique of Provision". There is no difference for the bank between the definitions of past due and provision made loans.

Current Period 31 December 2025	The gross amount evaluated in accordance with TAS in the financial statements prepared according to legal consolidation		Provisions / Amortization and Impairments	Net Values
	Defaulted Exposures	Non-defaulted Exposures		
Loans (*)	93.518	68.342.484	3.305.792	65.130.210
Debt Securities	-	46.477.532	72.120	46.405.412
Off-balance sheet receivables	1.187	129.988.655	13.116	129.976.726
Total	94.705	244.808.671	3.391.028	241.512.348

(*) Includes factoring receivables amounting to TL 491.298.

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

2. Credit Quality of Assets (Continued)

Prior Period 31 December 2024	The gross amount evaluated in accordance with TAS in the financial statements prepared according to legal consolidation		Provisions / Amortization and Impairments	Net Values
	Defaulted Exposures	Non-Defaulted Exposures		
Loans (*)	136.249	56.972.574	2.238.915	54.869.908
Debt Securities	-	23.139.941	23.095	23.116.846
Off-balance sheet receivables	5.479	43.033.992	17.834	43.021.637
Total	141.728	123.146.507	2.279.844	121.008.391

(*) Includes factoring receivables amounting to TL 450.352.

3. Changes in Stock of Defaulted Loans and Debt Securities

	Current Period 31 December 2025	Prior Period 31 December 2024
I. Defaulted loans and debt securities at end of the previous reporting period	141.728	134.696
II. Loans and debt securities that have defaulted since the last reporting period	53.063	66.844
III. Returned to non-defaulted status	-	-
IV. Amounts written off from assets	40.208	26.422
V. Other Changes (*)	59.878	33.390
VI. Defaulted loans and debt securities at end of the reporting period end (I+II-III-IV±V)	94.705	141.728

(*) Includes current period collections.

4. Additional explanations on credit quality of assets

Loans and receivables;

- For which recovery of principal or interest or both delays for more than 90 days from their terms or due dates,
- Which have limited means for total recovery because debtors' equity or guarantees extended by them are found inadequate to cover payment of debts on respective terms and are likely to lead to losses in case any such problems observed are not solved or,
- For which debtors have suffered deterioration in their creditworthiness and credits have suffered weakness consequently or,
- For which it is believed that recovery by banks of principal or interest or both would delay for more than 90 days from their terms or due dates due to reasons such as problems encountered by debtors over operating capital financing or additional liquidity creation.

are classified as 'non-performing loans' and are transferred to non-performing loan accounts. Within the scope of the same regulation, these loans are set aside for the expected credit loss according to the internal models developed by the Parent Bank. There is no difference between the definitions of 'overdue' and 'provisions made' in the Parent Bank.

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

While determining the provision amount, the relevant guarantees are taken into consideration on the basis of groups, in accordance with the provisions of the Provisions Regulation. In accordance with the regulation, loans and other receivables including any overdue interest may be restructured or subject to a new redemption plan for the purpose of providing debtors with liquidity capability and ensuring recovery of receivables by the Parent Bank in the event of failure to meet payment obligations towards the Parent Bank that stems from temporary liquidity difficulties.

a) Breakdown of standard loans and receivables under close monitoring by geographical area, sector and outstanding maturity:

i. Breakdown by geographical area:

	Current Period 31 December 2025	Prior Period 31 December 2024
Domestic	68.308.889	56.940.119
European Union Countries	436	567
USA, Canada	32	23
OECD Countries (*)	15	32
Off-Shore Banking Regions	10	-
Other	33.102	31.833
Total (**)	68.342.484	56.972.574

(*) OECD countries other than EU Countries, USA and Canada

(**) Includes factoring receivables amounting to TL 491.298 (31 December 2024: TL 450.352).

ii. Breakdown by sector:

	Current Period 31 December 2025	Prior Period 31 December 2024
Agriculture	-	-
Farming and Raising Livestock	-	-
Forestry	-	-
Fishery	-	-
Manufacturing	40.822.218	33.182.931
Mining and Quarrying	1.044.025	895.118
Production	37.128.714	29.579.094
Electricity, Gas and Water	2.649.479	2.708.719
Construction	3.811.643	3.377.109
Services	21.959.514	17.780.039
Wholesale and Retail Trade	8.557.254	6.606.795
Hotel and Restaurant Services	857.224	659.412
Transportation and Communication	2.021.779	3.361.815
Financial Institutions	5.549.350	3.481.509
Real Estate and Rental Services	4.973.907	3.670.508
Self-Employment Services	-	-
Educational Services	-	-
Health and Social Services	-	-
Other	1.749.109	2.632.495
Total (*)	68.342.484	56.972.574

(*) Includes factoring receivables amounting to TL 491.298 (31 December 2024: TL 450.352).

5. Remaining maturity distribution of receivables:

Details of maturity breakdown of receivables are disclosed in footnote VII, Section IV.

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

6. Provisions booked for receivables based on sector

Provisions booked for receivables based on sector are disclosed in footnote II, Section IV.

7. Provisions booked for receivables based on geographical area

Non-performing loans and provision amounts are mainly domestic. Specific provisions amounting to TL 92.580 are booked for domestic non-performing loan risk amount of TL 86.984.

a) Aging analysis of accounting overdue exposures:

	31 December 2025	31 December 2024
30-60 days overdue exposures	18.708	20.586
60-90 days overdue exposures	6.428	9.750
Total	25.136	30.336

b) Breakdown of restructured receivables based on whether or not provisions are allocated:

	31 December 2025	31 December 2024
Loans Structured from Standard Loans and Other Receivables	-	-
Loans Composed of Follow-on Loans and Other Receivables	5.825.071	2.685.626
Loans Restructured from Non-Performing Loans	-	26.629

8. Qualitative disclosure on credit risk mitigation techniques

The Parent Bank's credit risk exposure and mitigation techniques used in order to reduce the exposure level are taken into account according to the principles stated in the related regulation. The Bank applies credit risk mitigation according to the comprehensive method that includes risk mitigation calculations considering the volatility-adjusted values of financial collaterals. The standardized risk weights are applied to the rest of the loans and receivables that remained unprotected after credit risk mitigation techniques. Financial collaterals that are composed of cash or similar assets and instruments of a high credit quality as well as real estate mortgages have been used in credit risk mitigation.

If credit assignment is conditioned to a collateral extension, the data of the collaterals must be entered to the banking information system. Operational transactions are handled by centralized Operation unit. During the credit utilization, compliance of all conditions between credit decision and credit utilization (such as collateral conditions) are controlled systematically.

The Bank monitors up to date value of the collaterals by type. Credit monitoring process involves the control of the balance between the value of the collateral and risk besides creditworthiness of the customer.

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

9. Credit Risk Mitigation Techniques- Overview

Current Period 31 December 2025	Exposures unsecured carrying amount	Exposures secured by collaterals	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
Loans	45.855.154	19.275.056	19.274.375	-	-	-	-
Debt Securities	46.405.412	-	-	-	-	-	-
Total	92.260.567	19.275.056	19.274.375	-	-	-	-
Defaulted	88.144	5.374	5.102	1.231	842	-	-

Prior Period 31 December 2024	Exposures unsecured carrying amount	Exposures secured by collaterals	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
Loans	38.393.010	16.476.898	14.645.953	-	-	-	-
Debt Securities	23.116.846	-	-	-	-	-	-
Total	61.509.856	16.476.898	14.645.953	-	-	-	-
Defaulted	103.361	32.888	32.345	1.231	841	-	-

d) Credit risk under standardized approach

1. Qualitative disclosures which shall be made related to grading marks used by the Banks while calculating credit risk with standard approach:

In the calculation of the Credit Risk Exposure, the risk weights for the risk categories specified in the "Regulation on the Measurement and Evaluation of Banks' Capital Adequacy" are based on the international ratings of Fitch Ratings and the national ratings provided by JCR Eurasia Rating Agency. According to the BRSA decision dated 21 February 2020 and numbered 8875, national ratings issued by JCR Eurasia Rating Agency are used for risk weights of loans in Turkish Lira (TL) to domestically located banks, intermediary institutions and corporate entities. The matching of the ratings issued by Fitch Ratings International Rating Agency with the risk weights according to credit quality scales and risk categories is shown in the table below.

JCR Avrasya Derecelendirme A.Ş. Credit Quality Scale

Credit Quality Scale	Fitch	JCR - ER
1	AAA and AA-	AAA and AA-
2	A+ and A-	A+ and A-
3	BBB+ and BBB-	BBB+ and BB-
4	BB+ and BB-	
5	B+ and B-	Below BB-
6	CCC+ and below	

HSBC Bank A.Ş.'s Financial Power Rating

According to Moody's Credit Rating Institution's evaluations, HSBC Bank A.Ş.'s rating as of 31 December 2025 is as follows.

Definitions	Rating (*)
Baseline Credit Assessment	B1
Outlook	Stable
Long-term foreign currency deposit rating	Ba2
Long-term TL deposit rating	Ba1
Short-term foreign currency deposit rating	NP
Short-term TL deposit rating	NP
Long-term national scale TL deposit	Aaa.tr

(*) This statement refers to the assessment made by Moody's Credit Rating Agency in June 2025.

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

2. Standardized Approach-Credit Risk Exposure and Credit Risk Mitigation (CRM) Effects

Current Period 31 December 2025	Exposures before CCF and CRM		Exposures post CCF and CRM		Risk Weighted Amount and Risk Weighted Amount density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk	
					Weighted Amount	Risk Weighted Amount density
Asset classes						
Exposures to central governments or central banks	68.184.090	-	68.184.090	-	-	-
Exposures to regional governments or local authorities	-	-	-	-	-	-
Exposures to public sector entities	2	54	2	1	3	100%
Exposures to multilateral development banks	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-
Exposures to banks and financial intermediaries	715.037	39.725.977	3.948.719	4.859.389	3.490.437	40%
Exposures to corporates	51.052.895	24.320.689	57.744.342	13.580.236	63.317.988	89%
Retail exposures	1.722.953	5.221.224	1.772.508	933.916	2.057.243	76%
Exposures secured by residential property	36.607	74	36.607	37	12.825	35%
Exposures secured by commercial real estate	137.118	85.000	137.118	42.500	89.809	50%
Past-due loans	15.887	-	15.887	-	7.996	50%
Higher-risk categories by the Agency Board	-	37	-	7	11	150%
Exposures in the form of covered bonds	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
Exposures in the form of units or shares in collective investment undertakings	-	-	-	-	-	-
Other assets	5.854.494	-	5.854.494	-	2.370.037	40%
Investment in equities	-	-	-	-	-	-
Total	127.719.083	69.353.055	137.693.767	19.416.086	71.346.349	45%

Prior Period 31 December 2024	Exposures before CCF and CRM		Exposures post CCF and CRM		Risk Weighted Amount and Risk Weighted Amount density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk	
					Weighted Amount	Risk Weighted Amount density
Asset classes						
Exposures to central governments or central banks	47.293.442	-	47.293.442	-	-	-
Exposures to regional governments or local authorities	-	-	-	-	-	-
Exposures to public sector entities	7	48	7	1	8	100%
Exposures to multilateral development banks	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-
Exposures to banks and financial intermediaries	752.571	5.028.097	3.354.970	1.044.719	1.307.317	30%
Exposures to corporates	40.901.585	19.741.903	46.084.719	12.052.192	50.201.824	86%
Retail exposures	2.614.788	5.467.727	2.660.851	704.632	2.557.464	76%
Exposures secured by residential property	57.998	106	57.998	43	20.315	35%
Exposures secured by commercial real estate	2.879.497	85.361	2.879.497	42.681	1.461.089	50%
Past-due loans	41.577	-	41.577	-	46.799	113%
Higher-risk categories by the Agency Board	-	-	-	-	-	-
Exposures in the form of covered bonds	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
Exposures in the form of units or shares in collective investment undertakings	-	-	-	-	-	-
Other assets	4.506.777	-	4.506.777	-	1.827.058	41%
Investment in equities	-	-	-	-	-	-
Total	99.048.242	30.323.242	106.879.838	13.844.268	57.421.874	48%

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

3. Standardized approach – Exposures by asset classes and risk weights

**Current Period
31 December 2025**

Asset Classes/Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	200%	Other risk weight	Total credit risk exposure amount (After CCF and CRM)
Exposures to central governments or central banks	68.184.090	-	-	-	-	-	-	-	-	-	68.184.090
Exposures to regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-
Exposures to public sector entities	-	-	-	-	-	-	3	-	-	-	3
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and financial intermediaries	-	-	4.226.881	-	3.872.331	-	708.896	-	-	-	8.808.108
Exposures to corporates	-	-	3.181.581	-	10.922.656	-	57.220.341	-	-	-	71.324.578
Retail exposures	-	-	-	-	-	2.596.723	109.701	-	-	-	2.706.424
Exposures secured by residential property	-	-	-	36.644	-	-	-	-	-	-	36.644
Exposures secured by commercial real estate	-	-	-	-	179.618	-	-	-	-	-	179.618
Past-due loans	-	-	-	-	15.833	-	3	51	-	-	15.887
Higher Risk categories by the Agency Board	-	-	-	-	-	-	-	7	-	-	7
Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessments	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	-
Investments in equities	-	-	-	-	-	-	-	-	-	-	-
Other assets	3.484.457	-	-	-	-	-	2.370.037	-	-	-	5.854.494
Total	71.668.547	-	7.408.462	36.644	14.990.438	2.596.723	60.408.981	58	-	-	157.109.853

**Prior Period
31 December 2024**

Asset Classes/Risk Weights	0%	10%	20%	35%	50%	75%	100%	150%	200%	Other risk weight	Total credit risk exposure amount (After CCF and KRA)
Exposures to central governments or central banks	47.293.442	-	-	-	-	-	-	-	-	-	47.293.442
Exposures to regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-
Exposures to public sector entities	-	-	-	-	-	-	8	-	-	-	8
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and financial intermediaries	-	-	3.456.153	-	654.900	-	288.636	-	-	-	4.399.689
Exposures to corporates	-	-	6.212.049	-	5.930.895	-	45.993.967	-	-	-	58.136.911
Retail exposures	71	-	-	-	-	3.231.789	133.623	-	-	-	3.365.483
Exposures secured by residential property	-	-	-	58.041	-	-	-	-	-	-	58.041
Exposures secured by commercial real estate	-	-	-	-	2.922.178	-	-	-	-	-	2.922.178
Past-due loans	-	-	-	-	15.511	-	111	25.955	-	-	41.577
Higher Risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessments	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	-
Investments in equities	-	-	-	-	-	-	-	-	-	-	-
Other assets	2.679.719	-	-	-	-	-	1.827.058	-	-	-	4.506.777
Total	49.973.232	-	9.668.202	58.041	9.523.484	3.231.789	48.243.403	25.955	-	-	120.724.106

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

e) Explanations on counterparty credit risk

1. Qualitative disclosure on counterparty credit risk

Counterparty credit risk refers to the risk when a party to a transaction in which both parties are liable becomes a default risk before the non-cash final payment of the said transaction. The Bank has taken positions on derivative financial instruments, repurchase agreements, reverse repurchase agreements and similar transactions within the scope of counterparty’s credit risk. The counterparty’s credit risk is made up of the degree of probability that risk will fluctuate and the value resulting from the re-evaluation of client transactions based on market price. The counterparty’s credit risk is managed within the framework of general credit limit allocation and collateralization principles and taken into account, with other cash and non-cash credit risks, using a holistic approach. Additionally, positions related to transactions causing counter party credit risk are followed under a separate risk limit. Limits and actualizations related to counterparty risk are followed with daily reports. At the portfolio level, the total current risk amount is monitored and managed within the framework of the risk appetite approved by the Board of Directors. Additionally, counter-trend risk changes are monitored within the general limits approved by clients and the Risk Committee based on regular reporting and executive management and the Board of Directors are informed when necessary. In addition, probable changes in negative market conditions for clients and portfolios in general and regular stress tests, are evaluated using limits determine beforehand and they are reported to executive management.

2. Analysis of counterparty credit risk (CRR) exposure by approach

Current Period 31 December 2025	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory exposure at default	Exposure at default post CRM	Risk Weighted Amount
Standardized Approach – CCR (For Derivatives)	1.237.714	2.549.529		1,4	3.787.243	2.168.883
Internal Model Method (for derivatives, repo, transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
Simple Approach for Credit Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
Comprehensive Approach for Credit Risk Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					7.068.554	5.646.808
Value at Risk for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
Total						7.815.691
Prior Period 31 December 2024	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory exposure at default	Exposure at default post CRM	Risk Weighted Amount
Standardized Approach - CCR (For Derivatives)	1.144.781	1.961.814		1,4	3.106.595	1.383.269
Internal Model Method (for derivatives, repo, transactions, marketable securities or commodity lending or borrowing transactions long settlement transactions and securities financing transactions)			-	-	-	-
Simple Approach for Credit Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
Comprehensive Approach for Credit Risk Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					5.043.756	3.927.905
Value at Risk for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
Total						5.311.174

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

3. Credit valuation adjustment (CVA) capital charge

Current Period 31 December 2025	Exposure at default post CRM	Risk Weighted Amount
Total portfolios subject to the Advanced CVA capital charge	-	-
(i) Value at Risk component (Including the 3* multiplier)	-	-
(ii) Stressed Value at Risk component (Including the 3* multiplier)	-	-
All portfolios subject to the Standardized CVA capital charge	3.787.243	745.590
Total subject to the CVA capital charge	3.787.243	745.590

Prior Period 31 December 2024	Exposure at default post CRM	Risk Weighted Amount
Total portfolios subject to the Advanced CVA capital charge	-	-
(i) Value at Risk component (Including the 3* multiplier)	-	-
(ii) Stressed Value at Risk component (Including the 3* multiplier)	-	-
All portfolios subject to the Standardized CVA capital charge	3.106.595	422.068
Total subject to the CVA capital charge	3.106.595	422.068

4. Standard Approach – (CCR) Exposures by risk classes and risk weights

Current Period - 31 December 2025									Total Credit
Risk weights/Risk classes	0%	10%	20%	50%	75%	100%	150%	Other	Exposures (*)
Exposures to central governments and central banks	-	-	-	-	-	-	-	-	-
Exposures to regional or local governments	-	-	-	-	-	-	-	-	-
Exposures to administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and financial intermediaries	-	-	629.307	43.574	-	-	-	-	672.881
Exposures to corporates	-	-	38.186	288.537	-	6.702.020	-	-	7.028.743
Retail exposures	-	-	-	-	114.067	-	-	-	114.067
Exposures secured by commercial real estate	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-	-
Higher Risk categories by the Agency Board	-	-	-	-	-	-	-	-	-
Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-
Securitization positions in banking accounts	-	-	-	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-
Exposures in the form of units or shares in Collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-
Investments in equities	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	-	-	667.493	332.111	114.067	6.702.020	-	-	7.815.691

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

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

Prior Period - 31 December 2024 Risk weights/Risk classes									Total Credit Exposures (*)
	0%	10%	20%	50%	75%	100%	150%	Other	
Exposures to central governments and central banks	-	-	-	-	-	-	-	-	-
Exposures to regional or local governments	-	-	-	-	-	-	-	-	-
Exposures to administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and financial intermediaries	-	-	491.805	71.686	-	-	-	-	563.491
Exposures to corporates	-	-	164.681	113.692	-	4.385.955	-	-	4.664.328
Retail exposures	-	-	-	-	83.355	-	-	-	83.355
Exposures secured by commercial real estate	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-	-
Higher Risk categories by the Agency Board	-	-	-	-	-	-	-	-	-
Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-
Securitization positions in banking accounts	-	-	-	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-
Investments in equities	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	-	-	656.486	185.378	83.355	4.385.955	-	-	5.311.174

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

5. Risks to the Central Counterparty (“CCP”)

	Current Period-31 December 2025		Prior Period-31 December 2024	
	Risk Amount After CRM	Risk Weighted Amounts	Risk Amount After CRM	Risk Weighted Amounts
1 Total risks arising from transactions to qualified CCP	-	20.132	-	13.011
2 Regarding risks arising from transactions in CCP (excluding initial margin and guarantee fund amount)	713.718	20.132	644.583	13.011
3 (i) OTC derivative financial instruments	985	178	1.774	140
4 (ii) Other derivative financial instruments	11.165	1.499	21	2
5 (iii) Repo-reverse repo transactions, overdraft transactions and lending or borrowing securities or commodities	701.568	18.455	642.788	12.869
6 (iv) Netting groups to which cross product netting is applied	-	-	-	-
7 Reserved initial margin	-	-	-	-
8 Unreserved initial margin	-	-	-	-
9 Paid guarantee fund amount	-	-	-	-
10 Unpaid guarantee fund commitment	-	-	-	-
11 Total risks arising from transactions with non-qualified CCPs	-	-	-	-
12 Regarding risks arising from transactions in CCP (excluding initial margin and guarantee fund amount)	-	-	-	-
13 (i) OTC derivative financial instruments	-	-	-	-
14 (ii) Other derivative financial instruments	-	-	-	-
15 (iii) Repo-reverse repo transactions, overdraft transactions and lending or borrowing securities or commodities	-	-	-	-
16 (iv) Netting groups to which cross product netting is applied	-	-	-	-
17 Reserved initial margin	-	-	-	-
18 Unreserved initial margin	-	-	-	-
19 Paid guarantee fund amount	-	-	-	-
20 Unpaid guarantee fund commitment	-	-	-	-

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

6. Composition of collateral for CCR exposure

Current Period 31 December 2025	Collateral used in derivative transactions				Collateral used in other transactions	
	Collateral Received		Collateral Given		Collateral Received	Collateral Given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency	-	-	-	-	-	-
Cash – other currencies	834.770	-	-	-	10.824.386	-
Domestic sovereign debt	-	-	-	-	58.574.843	-
Other sovereign debt	-	-	-	-	20.806.722	15.290.068
Government agency bonds	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collaterals	-	-	-	-	-	-
Total	834.770	-	-	-	90.205.951	15.290.068

Prior Period 31 December 2024	Collateral used in derivative transactions				Collateral used in other transactions	
	Collateral Received		Collateral Given		Collateral Received	Collateral Given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency	-	-	-	-	-	-
Cash – other currencies	785.796	-	-	-	8.488.349	-
Domestic sovereign debt	-	-	-	-	50.182.059	-
Other sovereign debt	-	-	-	-	15.430.052	11.755.745
Government agency bonds	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collaterals	-	-	-	-	-	-
Total	785.796	-	-	-	74.100.460	11.755.745

7. Credit derivatives exposures

None.

f. Securitization disclosures

None.

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

g. Explanations on market risk

1. Qualitative information to be disclosed to the public regarding market risk

Market risk is defined as the risk of the decrease in value of the trading portfolio due to shifts in interest rate, currency, stock market and commodity and option prices. To measure possible losses internally, in addition to taking into consideration the calculations made by the standard method in statutory reporting, the Parent Bank uses Value-at-Risk (VaR), Value at Risk under Stress (VaRS) and Additional Risk Capital Requirement (ARCR) models. The difference between the risk pointed by the internal models and the standard method is taken into account in the calculation of economic capital.

The Parent Bank monitors market risk through daily currency option limits, maximum loss limits, portfolio size limits and sensitivity to interest (Present Value Basis Points - PVBP in the breakdown of portfolio, maturity and currency), in addition to VaR limits that are separately applied on the basis of portfolio and risk factor (interest, currency risk). Risk monitoring and control activities are carried out by independent units.

VaR is calculated by the historical simulation method by calibrating over the daily profit/loss data of the last two years and scenarios are updated every two weeks. VaR is calculated on the basis of one-way confidence interval of 99% and a daily holding period, in summary, indicates the observed worst 5th loss number eventually re-calculated according to portfolio’s last 500 daily market changes regarding the subjected day. Back testing is also performed daily to test the accuracy of the estimates VaR method contains.

The value subject to risk under stress, is calculated weekly for 1-year stress period within 99% confidence interval on the basis of a holding period of 10 days. In this context, the portfolio’s stress VaR within 250 days stress period regarding the subjected day, indicates the worst 2nd and 3rd loss numbers average observed as a result of re-calculated according to daily market changes. The stress period is calibrated weekly for the HSBC Group globally, taking into account the most adverse market conditions. In addition, country-specific stress period assessments and impact analyses are performed and reported, considering different risk profiles.

Additional Risk Capital Requirement represents the loss that can occur due to the possibility of a decrease in the credit worthiness of issuers of securities in the trading portfolio.

In addition to VaR and PVBP restrictions, Stress Tests are also being used to measure the potential effects of possible but extreme situations in various financial factors or market movements on the value of the portfolio. Stress Test results are assessed by the Senior Management in order to determine the effects of such incidents on the financials and to take necessary precautions to narrow down possible losses.

Market risk limits are evaluated by related senior management including the Risk Management Unit Manager, Market and Counterparty Risk Unit Manager and Chief Executive of the Bank. Limits are reviewed at least once a year by the Risk Management Committee and presented to the Audit Committee and Board of Directors for approval. Risk Management Committee can set a sublimit and can change the limits, with the main limits set by the Board of Directors remaining fixed.

Market risk limits and actualizations are tracked daily by management and business lines, are presented weekly to the Board of Directors, monthly to Audit Committee, and to ALCO and Risk Management Committee based on the annual meeting schedule.

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

2. The components of capital requirements for market risk under standardized approach

	Current Period 31 December 2025	Prior Period 31 December 2024
	Risk Weighted Amount	Risk Weighted Amount
Outright Products		
Interest Rate Risk (general and specific)	2.622.993	2.386.535
Equity Risk (general and specific)	11.475	11.475
Foreign Exchange Risk	2.050.967	173.930
Commodity Risk	8.508.289	4.486.360
Options		
Simplified Approach	-	-
Delta-plus Method	988.814	1.087.000
Scenario Approach	-	-
Securitization	-	-
Total	14.182.538	8.145.300

h. Explanations on operational risk

The amount subject to the operational risk is calculated once every year through the use of “Basic Indicator Method” in the “Regulation Regarding Measurement and Evaluation of the Bank’s Capital Adequacy Ratio” published in the Official Gazette No.29511 dated 23 October 2015 and effective as of 1 July 2012. The operational risk capital requirement as of 31 December 2025, is calculated using the revenues of the years 2022, 2023 and 2024.

Annual gross income is calculated by deducting profit/loss arising from the sale of securities followed in the accounts of financial assets at fair value through other comprehensive income and financial assets measured at amortized cost, from the sum of the net amounts of interest income and non-interest income, as well as extraordinary incomes and indemnified amounts from insurance.

Current Period	31.12.2022	31.12.2023	31.12.2024	Total/Positive GI		Total
				Year number	Rate (%)	
Gross income	6.845.780	9.737.238	16.201.568	10.928.195	15	1.639.229
Operational Risk Capital Requirement (Total*12,5)						20.490.366

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X. EXPLANATIONS ON PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

a. Explanations on calculation of financial assets and liabilities at their fair values:

The expected fair value of the demand deposits represents the amount to be paid upon request. The fair values of the overnight deposits and floating rate placements represent the carrying value. The expected fair value of the fixed rate deposits is determined by calculating the discounted cash flow using the market interest rates of similar liabilities and loans.

The estimated fair value of loans, borrowings and bank placements is determined by calculating the discounted cash flow using the current market rates.

Fair values of the Group’s financial assets at fair value through other comprehensive income, are calculated over the closing prices determined as of the reporting date in the market in which they are traded. The fair value of stocks that are not traded in an active market are considered to be costs. Since government debt securities classified as financial assets at fair value through other comprehensive income are valued at their fair values using the prices in the markets in which they are traded, there is no difference between their fair values and carrying values.

	Carrying Value		Fair Value	
	Current Period 31 December 2025	Prior Period 31 December 2024	Current Period 31 December 2025	Prior Period 31 December 2024
Financial Assets	198.307.978	149.838.733	198.563.862	148.498.943
Interbank Money Market Placements	86.474.720	71.789.244	86.474.720	71.789.244
Banks	751.750	831.746	751.750	831.746
Financial Assets at Fair Value Through Other Comprehensive Income	23.844.067	16.685.155	23.844.067	16.685.155
Financial Assets Measured at Amortized Cost	18.801.439	3.423.765	17.868.752	1.969.266
Loans (*)	68.436.002	57.108.823	69.624.573	57.223.532
Financial Liabilities	197.533.684	156.154.333	197.297.851	156.319.676
Bank Deposits	614.959	2.023.610	614.959	2.023.610
Other Deposits	163.365.794	127.805.244	163.573.462	128.352.889
Funds From Other Financial Institutions	30.581.152	21.888.082	30.137.650	21.505.780
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	2.971.779	4.437.397	2.971.780	4.437.397

(*) Includes the factoring receivables amounting to TL 491.298 (31 December 2024: TL 450.352).

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X. EXPLANATIONS ON PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE (Continued)

b. Explanations on calculation of financial assets and liabilities at their fair values:

Aforesaid classifications related to fair values are determined as follows;

- 1st level, amounts are valued by quoted market prices for assets and liabilities,
- 2nd level, directly or indirectly observable data for the assets and liabilities, other than quoted prices in the 1st level,
- 3rd level, data are not observable regarding to assets and liabilities.

Current Period - 31 December 2025	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss	3.817.976	2.901.594	-	6.719.570
- Government debt securities	3.146.052	-	-	3.146.052
- Share certificates (*)	-	-	-	-
- Trading derivative financial assets	-	2.901.594	-	2.901.594
- Other securities	671.924	-	-	671.924
Financial Assets at Fair Value Through Other Comprehensive Income	23.844.067	-	-	23.844.067
- Share certificates	23.844.067	-	-	23.844.067
- Government debt securities	-	-	-	-
- Other marketable securities	-	-	-	-
Total Assets	27.662.043	2.901.594	-	30.563.637
- Derivative financial liabilities	-	2.110.175	-	2.110.175
Total Liabilities	-	2.110.175	-	2.110.175

(*) Unquoted share certificates amounting to TL 5.742 measured at cost in accordance with TFRS 9, are not included.

Prior Period - 31 December 2024	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss	3.012.214	3.366.766	-	6.378.980
- Government debt securities	2.647.101	-	-	2.647.101
- Share certificates (*)	-	-	-	-
- Trading derivative financial assets	-	3.366.766	-	3.366.766
- Other securities	365.113	-	-	365.113
Financial Assets at Fair Value Through Other Comprehensive Income	16.685.155	-	-	16.685.155
- Share certificates	16.685.155	-	-	16.685.155
- Government debt securities	-	-	-	-
- Other marketable securities	-	-	-	-
Total Assets	19.697.369	3.366.766	-	23.064.135
- Derivative financial liabilities	-	3.099.005	-	3.099.005
Total Liabilities	-	3.099.005	-	3.099.005

(*) Unquoted share certificates amounting to TL 5.742 measured at cost in accordance with TFRS 9, are not included.

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XI. EXPLANATIONS ON THE ACTIVITIES CARRIED OUT ON BEHALF AND ACCOUNT OF OTHER PARTIES

a. Transaction, Custody, Management and Consultancy Services of the Group on behalf of Third Parties:

The Group acts as an intermediary for purchases and sales of government securities on behalf and account of other people and provides custody services. The Group, within special customer service, provides portfolio management and consultancy services to its customers.

b. Transactions with other financial institutions under fiduciary transaction agreements and financial services rendered to other financial institutions under the scope of fiduciary transactions and the effects of such services to the financial position of the Parent Bank:

None.

XII. EXPLANATIONS ON OPERATING SEGMENTS

The Parent Bank provides services in the fields of Retail Banking and Wealth Management, as well as Corporate and Global Banking.

In the Retail Banking and Wealth Management, the Parent Bank provides debit card, credit card, deposits, consumer loan, payment and collection, premier customer services, custodian services, financial planning, insurance products services. In Corporate and Global Banking segment, the Parent Bank provides loans, foreign trade financing, structured trading financing, project and export financing, syndications, cash and risk management and investment services. Also, the Parent Bank provides marketable securities transactions, gold and foreign exchange transactions, derivative transactions and money market transactions services to its customers.

	Retail Banking and Wealth Management	Corporate and Global Banking	Other	Bank’s Total Activities
Current Period – 31 December 2025				
Operating Income	6.885.102	17.055.730	(14.198)	23.926.634
Other	-	-	-	-
Operating Income	6.885.102	17.055.730	(14.198)	23.926.634
Segment Net Profit	-	-	-	-
Undistributed Cost	-	-	-	-
Operating Profit/(Loss)	1.114.455	11.547.991	(222.338)	12.440.108
Profit before Tax	1.114.455	11.547.991	(222.338)	12.440.108
Corporate Tax Provision (*)	-	-	(3.607.996)	(3.607.996)
Profit after Tax	1.114.455	11.547.991	(3.830.334)	8.832.112
Non-Controlling Interest	-	-	-	-
Net Profit for the Period	1.114.455	11.547.991	(3.830.334)	8.832.112
Segment Assets	2.702.645	242.408.401	-	245.111.046
Associates and Subsidiaries	-	-	-	-
Undistributed Assets	-	-	-	-
Total Assets	2.702.645	242.408.401	-	245.111.046
Segment Liabilities	109.974.886	103.692.957	5.571.659	219.239.502
Undistributed Liabilities	-	-	25.871.544	25.871.544
Total Liabilities	109.974.886	103.692.957	31.443.203	245.111.046
Other Segment Items	-	(45.896)	4.442.907	4.397.011
Capital Investment	-	-	833.831	833.831
Amortization	-	-	(646.138)	(646.138)
Impairment	-	(45.896)	-	(45.896)
Non-Cash Other Income-Expense (**)	-	-	4.255.214	4.255.214

(*) Corporate tax provision is not distributed.

(**) Non-Cash Other Income-Expense includes other income and expense accruals and provisions.

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XII. EXPLANATIONS ON OPERATING SEGMENTS (Continued)

	Retail Banking and Wealth Management	Corporate and Global Banking	Other	Bank’s Total Activities
Prior Period –31 December 2024				
Operating Income	4.945.237	11.292.076	(21.960)	16.215.353
Other	-	-	-	-
Operating Income	4.945.237	11.292.076	(21.960)	16.215.353
Segment Net Profit	-	-	-	-
Undistributed Cost	-	-	-	-
Operating Profit/(Loss)	856.601	7.969.794	(135.055)	8.691.340
Profit before Tax	856.601	7.969.794	(135.055)	8.691.340
Corporate Tax Provision (*)	-	-	(2.650.302)	(2.650.302)
Profit after Tax	856.601	7.969.794	(2.785.357)	6.041.038
Non-Controlling Interest	-	-	-	-
Net Profit for the Period	856.601	7.969.794	(2.785.357)	6.041.038
Segment Assets	3.259.483	188.170.659	-	191.430.142
Associates and Subsidiaries	-	-	-	-
Undistributed Assets	-	-	-	-
Total Assets	3.259.483	188.170.659	-	191.430.142
Segment Liabilities	88.404.190	81.916.070	3.409.753	173.730.013
Undistributed Liabilities	-	-	17.700.129	17.700.129
Total Liabilities	88.404.190	81.916.070	21.109.882	191.430.142
Other Segment Items	-	(52.713)	2.252.265	2.199.552
Capital Investment	-	-	988.891	988.891
Amortization	-	-	(441.854)	(441.854)
Impairment	-	(52.713)	-	(52.713)
Non-Cash Other Income-Expense (**)	-	-	1.705.228	1.705.228

(*) Corporate tax provision is not distributed.

(**) Non-Cash Other Income-Expense includes other income and expense accruals and provisions.

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SECTION FIVE

**EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED
FINANCIAL STATEMENTS**

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS

a) Information related to cash equivalents and balances with the Central Bank of the Republic of Türkiye (The “CBRT”):

1. Information on cash equivalents and balances with the CBRT:

	Current Period 31 December 2025		Prior Period 31 December 2024	
	TL	FC	TL	FC
Cash/Foreign Currency	50.637	1.303.187	61.236	1.028.832
The CBRT	5.837.141	31.654.702	15.400.327	16.399.095
Total	5.887.778	32.957.889	15.461.563	17.427.927

2. Information related to balances with the CBRT:

	Current Period 31 December 2025		Prior Period 31 December 2024	
	TL	FC	TL	FC
Unrestricted Demand Deposit	677.397	466.701	5.915.707	72.049
Unrestricted Time Deposit	866.936	-	5.863.707	-
Restricted Time Deposit	-	-	-	-
Reserve Requirements	4.292.808	31.188.001	3.620.913	16.327.046
Total	5.837.141	31.654.702	15.400.327	16.399.095

3. Explanation on reserve deposits:

According to the CBRT's Communiqué No. 2013/15, banks operating in Türkiye establish required reserves at the Central Bank of the Republic of Türkiye for their Turkish currency and foreign currency liabilities. Required reserves are in Turkish Lira according to the “Communiqué on Reserve Required Reserves” at the Central Bank of the Republic of Türkiye. It can be held in US Dollars and/or Euros and standard gold. According to the Communiqué on Required Reserves published in the Official Gazette dated 1 July 2021 and numbered 31528, the possibility of maintaining Turkish lira required reserves in foreign currency was terminated as of 1 October 2021.

As of 31 December 2025, Turkish lira required reserve ratios for Turkish lira deposits and other liabilities range from 3% to 40% (31 December 2024: 3% to 33%) and for foreign exchange deposits and other liabilities range from 5% to 32% (31 December 2024: 5% to 30%).

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

b) Information on financial assets at fair value through profit or loss:

1. Financial assets given as collateral/blocked and subject to repurchase agreements:

	Current Period 31 December 2025	Prior Period 31 December 2024
Collateral/Blocked	-	-
Repurchase Agreement	-	-
Unrestricted	3.817.976	3.012.214
Total	3.817.976	3.012.214

2. Positive differences table related to trading derivative financial assets:

	Current Period 31 December 2025		Prior Period 31 December 2024	
	TL	FC	TL	FC
Forward Transactions	-	514.078	8.181	1.684.852
Swap Transactions	132.782	1.882.170	382.068	889.314
Futures Transactions	-	-	-	-
Options	-	372.564	-	402.351
Other	-	-	-	-
Total	132.782	2.768.812	390.249	2.976.517

c) Information on Banks:

1. Information on banks and other financial institutions:

	Current Period 31 December 2025		Prior Period 31 December 2024	
	TL	FC	TL	FC
Banks				
Domestic	583.393	-	535.190	-
Foreign	-	168.357	-	296.556
Foreign Head Office and Branches	-	-	-	-
Total	583.393	168.357	535.190	296.556

2. Information on foreign bank accounts:

	Unrestricted Amount		Restricted Amount	
	Current Period 31 December 2025	Prior Period 31 December 2024	Current Period 31 December 2025	Prior Period 31 December 2024
European Union Countries	138.444	185.604	-	-
USD, Canada	15.941	107.122	-	-
OECD Countries (*)	4.325	2.777	-	-
Off-Shore Banking Regions	5.007	234	-	-
Other	4.640	819	-	-
Total	168.357	296.556	-	-

(*) OECD countries other than EU Countries, USA and Canada.

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

d) Information on financial assets fair value through other comprehensive income given as collateral/blocked and subject to repurchase agreements

1. Financial assets given as collateral/blocked and subject to repurchase agreements:

	Current Period 31 December 2025	Prior Period 31 December 2024
Collateral/Blocked	4.712.489	4.434.920
Repurchase Agreement	5.588.715	6.567.872
Unrestricted	13.542.863	5.682.363
Total	23.844.067	16.685.155

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

	Current Period 31 December 2025	Prior Period 31 December 2024
Debt Securities	23.852.135	16.694.342
Quoted to Stock Exchange	23.852.135	16.694.342
Not Quoted	-	-
Share Certificate	-	-
Quoted to Stock Exchange	-	-
Not Quoted	-	-
Impairment Provision (-)	8.068	9.187
Total	23.844.067	16.685.155

e) Information Related to Loans:

1. Information on all types of loans and advances given to shareholders and employees of the Group:

	Current Period 31 December 2025		Prior Period 31 December 2024	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	534.651	-	192.095
Corporate Shareholders	-	534.651	-	192.095
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	1.066.605	-	674.452
Loans Granted to Employees	79.034	-	50.927	-
Total	79.034	1.601.256	50.927	866.547

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

e) Information Related to Loans:

2. Information on the standard loans and loans under close monitoring including loans that have been restructured or rescheduled:

	Loans under Close Monitoring			
	Standard Loans	Loans not Subject to Restructuring	Restructured Loans	
Loans with Revised Contract Terms			Refinancing	
Cash Loans				
Non-specialized Loans (*)	57.848.315	4.669.098	5.825.071	-
Working Capital Loans	25.125.503	2.953.308	5.802.418	-
Export Loans	15.759.492	1.666.414	-	-
Import Loans	7.730.932	-	-	-
Loans Given to Financial Sector	7.491.004	-	-	-
Retail Loans	333.505	20.761	827	-
Credit Cards	1.327.358	28.615	21.826	-
Other	80.521	-	-	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	57.848.315	4.669.098	5.825.071	-

(*) Includes the factoring receivables amounting to TL 491.298.

	Current Period 31 December 2025		Prior Period 31 December 2024	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Months Expected Credit Loss	57.488	-	429.630	-
Significant Increase in Credit Risk	-	3.160.565	-	1.705.740
Total	57.488	3.160.565	429.630	1.705.740

3. Breakdown of loans according to their maturities:

	Standard Loans and Other Receivables		Loans and Other Receivables under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-Term Loans and Other Receivables	34.222.685	-	3.687.276	9.878
Non-Specialized Loans (*)	34.222.685	-	3.687.276	9.878
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-Term Loans and Other Receivables	23.625.630	-	981.822	5.815.193
Non-Specialized Loans	23.625.630	-	981.822	5.815.193
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-

(*) Includes the factoring receivables amounting to TL 491.298.

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

e) Information Related to Loans (Continued):

4. Information on consumer loans, personal credit cards, personnel loans and personnel credit cards:

	Short-term	Medium and Long-term	Total
Consumer Loans-TL	159.951	113.837	273.788
Mortgage Loans	-	10.976	10.976
Automotive Loans	-	264	264
Consumer Loans	159.951	102.597	262.548
Other	-	-	-
Consumer Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Retail Credit Cards-TL	1.252.966	12.264	1.265.230
Instalment	440.138	12.264	452.402
Non-Instalment	812.828	-	812.828
Retail Credit Cards-FC	35.876	-	35.876
Instalment	1.820	-	1.820
Non-Instalment	34.056	-	34.056
Personnel Loans-TL	18.518	26.029	44.547
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	18.518	26.029	44.547
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	33.768	219	33.987
Instalment	12.504	219	12.723
Non-Instalment	21.264	-	21.264
Personnel Credit Cards-FC	500	-	500
Instalment	-	-	-
Non-Instalment	500	-	500
Overdraft Account-TL (Retail)	36.758	-	36.758
Overdraft Account-FC (Retail)	-	-	-
Total Consumer Loans	1.538.337	152.349	1.690.686

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

e) Information Related to Loans (Continued):

5. Information on commercial instalment loans and corporate credit cards:

	Short-term	Medium and Long-term	Total
Commercial Instalment Loans-TL	-	1.574	1.574
Mortgage Loans	-	1.574	1.574
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Instalment Loans- FC Indexed	-	25.811	25.811
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	25.811	25.811
Other	-	-	-
Commercial Instalment Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TL	41.376	-	41.376
Instalment	3.251	-	3.251
Non-Instalment	38.125	-	38.125
Corporate Credit Cards-FC	830	-	830
Instalment	-	-	-
Non-Instalment	830	-	830
Overdraft Account-TL (Commercial)	-	-	-
Overdraft Account-FC (Commercial)	-	-	-
Total	42.206	27.385	69.591

6. Loans according to types of borrowers:

	Current Period 31 December 2025	Prior Period 31 December 2024
Public	-	-
Private (*)	68.342.484	56.972.574
Total	68.342.484	56.972.574

(*) As of 31 December 2025, it includes factoring receivables amounting to TL 491.298 (31 December 2024: TL 450.352).

7. Distribution of domestic and foreign loans:

	Current Period 31 December 2025	Prior Period 31 December 2024
Domestic Loans	68.308.889	56.940.119
Foreign Loans	33.595	32.455
Total (*)	68.342.484	56.972.574

(*) As of 31 December 2025, it includes factoring receivables amounting to TL 491.298 (31 December 2024: TL 450.352).

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

e) Information Related to Loans (Continued):

8. Loans granted to investments in associates and subsidiaries:

As of 31 December 2025 and 31 December 2024, the Group has no loans granted to investments in associates and subsidiaries.

9. Specific provisions provided against loans:

	Current Period 31 December 2025	Prior Period 31 December 2024
Loans with Limited Collectability	5.442	8.004
Loans with Doubtful Collectability	17.651	12.889
Uncollectible Loans	64.646	82.652
Total	87.739	103.545

10 Information on non-performing loans (Net):

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

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
Current Period: 31 December 2025			
Gross Amounts Before Provisions	-	-	-
Rescheduled Loans	-	-	-
Prior Period: 31 December 2024			
Gross Amounts Before Provisions	-	-	26.629
Rescheduled Loans	-	-	26.629

10 (ii). Information on the movement of total non-performing loans:

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
Balance at the end of Prior Period: 31 December 2024	13.475	16.194	106.580
Additions (+)	47.758	386	4.919
Transfers from Other Categories of Non-Performing Loans (+)	-	41.649	32.622
Transfers to Other Categories of Non-Performing Loans (-)	41.649	32.622	-
Collections (-)	11.380	6.253	37.953
Write-offs (-)(*)	-	-	15.595
Sold Portfolio (-)	-	-	24.613
Corporate and Commercial Loans	-	-	24.613
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period: 31 December 2025	8.204	19.354	65.960
Provisions (-)	5.442	17.651	64.646
Net Balance in Balance Sheet	2.762	1.703	1.314

(*) As of 31 December 2025, the Parent Bank's non-performing loan ratio decreased from 0,16% to 0,14% after the loans written off in the current period in accordance with the amendment in the related Provisions Regulation.

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

e) Explanations regarding loans (Continued):

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

As of 31 December 2025, there are no non-performing loans granted as foreign currency loans (31 December 2024: None).

10 (iv). Breakdown of gross and net values of the non-performing loans according to their beneficiary group:

	Group III	Group IV	Group V
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period (Net): 31 December 2025	2.762	1.703	1.314
Loans granted to corporate entities and real persons (Gross)	8.204	19.354	65.960
Provisions Amount (-)	5.442	17.651	64.646
Loans granted to corporate entities and real persons (Net)	2.762	1.703	1.314
Banks (Gross)	-	-	-
Provisions Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances (Gross)	-	-	-
Provisions Amount (-)	-	-	-
Other Loans and Advances (Net)	-	-	-
Prior Period (Net): 31 December 2024	5.471	3.305	23.928
Loans granted to corporate entities and real persons (Gross)	13.475	16.194	106.580
Provisions Amount (-)	8.004	12.889	82.652
Loans granted to corporate entities and real persons (Net)	5.471	3.305	23.928
Banks (Gross)	-	-	-
Provisions Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances (Gross)	-	-	-
Provisions Amount (-)	-	-	-
Other Loans and Advances (Net)	-	-	-
	Group III	Group IV	Group V
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period (Net)	345	536	929
Interest Accruals and Rediscount with Valuation Differences	1.044	2.775	6.289
Provision amount (-)	699	2.239	5.360
Prior Period (Net)	644	579	1.299
Interest Accruals and Rediscount with Valuation Differences	1.752	2.283	4.766
Provision amount (-)	1.108	1.704	3.467

11. Information on the write-off policy of the Bank:

Within the scope of the “Regulation Amending the Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Set aside”, which was published in the Official Gazette dated 27 November 2019 and numbered 30961, the Parent Bank may write-off the portion of its loans classified as “Fifth Group-Loans with Loss” from the balance sheet, for which there is no reasonable expectation of recovery. The Parent Bank makes an objective evaluation while determining whether there is a reasonable expectation.

All of the loans that meet the following conditions are considered by the Parent Bank as having lost their ability completely to collect and all risks of these loans are written off:

For the retail portfolio

- When unsecured retail products reach a delay of more than 3 years (1080 days),
- When there is no guarantee left for the guaranteed retail products and the delay period exceeds 3 years (1080 days),
- In case a customer has more than one unsecured and secured loans, all accounts belonging to the customer are deducted from the record after all of their loans meet the above 2 criteria.

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

11. Information on the write-off policy of the Bank (Continued):

For the corporate-commercial portfolio:

- As of the last reporting date accounts monitored under 5th group (customers with 365+ days of delay or situations where the collection expectation is very low due to significant financial difficulties for the customer/there are no reasonable collection expectations) and accounts with 1080 or more days of delay are removed from the balance sheet and written off.
- For all loans within this scope, the expected credit loss must be 100% and no collections must have occurred in the last 36 months.
- The possibility that the income to be obtained from the enforcement/bankruptcy process will be very low is taken into account.
- If the legal remedies regarding the unsecured portfolio cannot be repaid in its entirety, the portion of the receivable that is deemed unpaid is deducted from the record. Here it is sought to reach a delay of 1080 days.

The deduction of these loans, which cannot be collected, is an accounting practice and does not result in the waiver of the right to receivable.

In addition to these, operational write-off is applied to accounts that have a negligible collection potential and whose recovery process has been exhausted and such accounts are made a loss without any collection activity. The list of customers to be included is determined annually by considering objective and subjective criteria and action is taken with the decision of the board of directors.

f) Explanations on financial assets measured at amortized cost:

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

	Current Period 31 December 2025		Prior Period 31 December 2024	
	TL	FC	TL	FC
Collateral/Blocked	767.597	-	1.687.199	-
Subject to Repo Transactions	9.487.433	-	337.657	-
Total	10.235.030	-	2.024.856	-

2. Information on Government debt securities:

	Current Period 31 December 2025	Prior Period 31 December 2024
Government Bond	18.801.439	3.423.765
Treasury Bill	-	-
Other Public Debt Securities	-	-
Total	18.801.439	3.423.765

3. Information on financial assets measured at amortized cost:

	Current Period 31 December 2025	Prior Period 31 December 2024
Debt Securities	18.801.439	3.423.765
Traded in the Stock Exchange	18.801.439	3.423.765
Not Traded in the Stock Exchange	-	-
Other Public Debt Securities	-	-
Total	18.801.439	3.423.765

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

f) Explanations on Financial Assets Measured at Amortized Cost (Continued):

4. The movement of financial assets measured at amortized cost:

	Current Period 31 December 2025	Prior Period 31 December 2024
Value at the Beginning of the Period	3.423.765	3.432.430
Currency Differences in Monetary Assets	-	-
Purchases During the Year	13.930.422	-
Disposal through Sale and Redemption	-	-
Valuation Effect	1.447.252	(8.665)
Total	18.801.439	3.423.765

g) Information on associates (Net):

The Group has no associates as of 31 December 2025 and 31 December 2024.

h) Information on subsidiaries (Net):

1. Information on capital adequacy of major subsidiaries:

The Group does not have any capital needs due to its subsidiaries included in the calculation of its consolidated capital adequacy standard ratio. Information on capital adequacy of major subsidiaries is presented below.

	HSBC Yatırım ve Menkul Değerler A.Ş. (*)
Capital Stock	1.375.667
Paid-in Capital	75.000
Share Premium	-
Reserves	28.247
Current Period’s Profit and Prior Periods’ Profit	1.274.317
Current Period’s Losses and Prior Periods’ Losses	-
Leasehold Improvements on Operational Leases (-)	-
Intangible Assets (-)	1.897
Supplementary Capital	-
Deductions from Capital	-
Net Available Equity	1.375.667

(*) It refers to the consolidated financial statements of subsidiaries that have not applied TAS 29, in accordance with the Banking Regulation and Supervision Agency's decision numbered 10744 dated 12 December 2023.

2. Information on subsidiaries not included in the scope of consolidation:

As of 31 December 2025, the Bank has no subsidiaries that are not included in the scope of consolidation. (31 December 2024: None).

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

h) Information on subsidiaries (Net) (Continued):

3. Information on subsidiaries included in the scope of consolidation:

HSBC Yatırım was established as Demir Yatırım on 23 December 1996. The merger of the Demir Yatırım and HSBC Yatırım was realized and the merger agreement was signed, with the Board of Directors decision, No. 222 and dated 6 December 2001 based on the authority given to the Board of Directors in accordance with General Assembly decision dated 30 October 2001. Also dissolution of HSBC Yatırım and change of the title of the new merged company to HSBC Yatırım Menkul Değerler A.Ş. was agreed and the merger of these two companies was accomplished as of 11 January 2002.

a) Consolidated Subsidiaries:

Title	Address (City/Country)	The Parent Bank's Share Percentage- If Different Voting Percentage (%)	Bank's Risk Group Share Percentage (%)
HSBC Yatırım ve Menkul Değerler A.Ş.	Esentepe Mahallesi Büyükdere Caddesi No:128 Şişli 34394, İSTANBUL	100,00	-

b) Main financial figures of the subsidiaries, in the order of the above table ^(*):

Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1.684.695	1.377.693	23.512	228.545	-	621.264	653.053	-

^(*) It refers to the consolidated financial statements of subsidiaries that have not applied TAS 29, in accordance with the Banking Regulation and Supervision Agency's decision numbered 10744 dated 12 December 2023.

4. Movement schedule of the consolidated subsidiaries:

	Current Period 31 December 2025	Prior Period 31 December 2024
Balance at the Beginning of the Period	34.753	34.753
Movements During the Period	-	-
Purchases	-	-
Bonus Shares and Contributions to Capital	-	-
Dividends From Current Year Profit	-	-
Sales/Liquidation	-	-
Revaluation Increase	-	-
Impairment Provision (-)	-	-
Balance at the End of the Period	34.753	34.753
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	100,00	100,00

5. Sectoral information on financial subsidiaries and the related carrying amounts:

	Current Period 31 December 2025	Prior Period 31 December 2024
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries	34.753	34.753

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

h) Information on subsidiaries (Net) (Continued) :

6. Subsidiaries quoted on a stock exchange:

The Group has no subsidiaries quoted on a stock exchange as of 31 December 2025 and 31 December 2024.

i) Information on jointly controlled entities:

1. The Group has no jointly controlled entities as of 31 December 2025 and 31 December 2024.
2. As of 31 December 2025 and 31 December 2024, the accounting method is not determined since the Group has no jointly controlled entities.

j) Information on financial leasing receivables (Net):

As of 31 December 2025 and 31 December 2024, the Group has no financial leases.

k) Information on hedging derivative financial assets:

The Group has no hedging derivative financial assets as of 31 December 2025 and 31 December 2024.

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

l) Explanations on property and equipment:

Prior Period End:	Real Estates	Right-of-use Assets	Vehicles	Other Tangible Assets	Total
Cost	7.714	294.219	510.023	574.867	1.386.823
Accumulated Depreciation and Impairment (-)	5.102	120.914	38.009	320.719	484.744
Net Book Value	2.612	173.305	472.014	254.148	902.079
Current Period End:					
Net Book Value at the Beginning	2.612	173.305	472.014	254.148	902.079
Additions	-	82.364	22	266.771	349.157
Disposals (Cost)	-	1.606	20.401	32.883	54.890
Disposals (Depreciation)	-	1.637	5.558	31.226	38.421
Depreciation (-)	122	97.918	101.123	98.309	297.472
Cost at Period End	7.714	374.977	489.644	808.755	1.681.090
Accumulated Depreciation at Period End (-)	5.224	217.195	133.574	387.802	743.795
Closing Net Book Value	2.490	157.782	356.070	420.953	937.295

m) Information on intangible assets:

1. Gross book value and accumulated depreciation amounts at the beginning and ending of the period:

	Current Period 31 December 2025	Prior Period 31 December 2024
Gross Book Value	2.126.147	1.559.109
Accumulated Depreciation (-)	1.259.081	910.415
Net Book Value	867.066	648.694

2. Table of movements between beginning of the period and ending of the period:

	Current Period 31 December 2025	Prior Period 31 December 2024
Opening Balance	648.694	424.681
Additions	567.038	475.845
Disposals (-) (net)	-	1.789
Depreciation (-)	348.666	250.043
Closing Net Book Value	867.066	648.694

n) Information on the investment properties:

As of 31 December 2025 and 31 December 2024, the Group has no investment properties.

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

o) Explanations on deferred tax asset:

As of 31 December 2025, the Group's deferred tax asset amounts to TL 780.580 (31 December 2024: TL 750.725). The temporary differences subject to deferred tax calculations primarily arise from deductible loan provisions, other provisions allocated under TAS 37, differences between the carrying amount and tax base of fixed assets and financial assets and liabilities and provisions for employee benefits.

Timing differences between the applied accounting policies and valuation principles and tax regulations are accounted for by netting off assets and liabilities. Information regarding the deferred tax asset as of 31 December 2025, is disclosed in Footnote XX of the Third Section.

	Cumulative	Deferred Tax
	31 December 2025	Asset/Liability
	31 December 2025	31 December 2025
Stage I and II Expected Credit Losses	3.322.498	996.749
Unearned Revenues	117.430	35.229
Employee Termination Benefit Provision	246.114	73.834
Restructuring Provisions	15.089	4.527
Derivative Rediscounts	(791.419)	(237.426)
Differences Between the Book Value and Tax Value of Fixed Assets	740.348	222.104
Other	(1.048.015)	(314.437)
Deferred Tax Asset/(Liability)	2.602.045	780.580
Deferred Tax Asset Recognized as Expense		-
Net Tax Asset/(Liability) (*)		780.580

(*) Information on the deferred tax asset of the Group as of 31 December 2025 is explained in Note XX of Section Three.

	Cumulative	Deferred Tax
	31 December 2024	Asset/Liability
	31 December 2024	31 December 2024
Stage I and II Expected Credit Losses	2.193.638	658.091
Unearned Revenues	145.531	43.659
Employee Termination Benefit Provision	193.446	58.034
Restructuring Provisions	-	-
Derivative Rediscounts	(267.761)	(80.329)
Differences Between the Book Value and Tax Value of Fixed Assets	665.365	199.610
Other	(427.663)	(128.340)
Deferred Tax Asset/(Liability)	2.502.556	750.725
Deferred Tax Asset Recognized as Expense		-
Net Tax Asset/(Liability) (*)		750.725

(*) Information on the deferred tax asset of the Group as of 31 December 2024 is explained in Note XX of Section Three.

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

o) Explanations on deferred tax asset (Continued):

	Current Period 31 December 2025	Prior Period 31 December 2024
Deferred Tax as of 1 January Active/(Passive) – Net	750.725	489.382
Deferred Tax (Loss)/Gain	32.350	252.473
Deferred Tax that is Realized under Shareholder’s Equity	(2.495)	8.870
Deferred Tax Active/(Passive) – Net	780.580	750.725

p) Information on assets held for sale and related to discontinued operations:

As of 31 December 2025 and 31 December 2024, the Group has no assets held for sale.

r. Information on other assets:

1. There are no further explanations of the Group related to prepaid expenses, tax and other operations.

	Current Period 31 December 2025	Prior Period 31 December 2024
Miscellaneous Receivables (*) (**)	1.136.581	1.680.816
Prepaid Expenses	202.733	157.236
Other Rediscount Income	315.550	162.603
Debited Suspense Accounts	304.903	211.179
Other Assets	70.371	65.640
Total	2.030.138	2.277.474

(*) Includes Takasbank guarantees.

(**) As of 31 December 2025 amount of TL 15.119 provision provided for Miscellaneous Receivables within the scope of TFRS 9 (31 December 2024: TL 20.452).

s. Information on receivables from forward sale of the assets classified in the miscellaneous receivables:

As of 31 December 2025 and 31 December 2024, the Group has no receivables from forward sale of the assets classified in the miscellaneous receivables.

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

a) Information on deposits

1. Information on maturity structure of the deposits:

The Group has no deposits with 7 days maturity and no cumulative deposits.

1(i). Current Period – 31 December 2025:

	Demand	With 7 Days Maturity	Up to 1 Month	1-3 Months	3-6 Months	6 Months - 1 Year	1 Year And Over	Cumulative Deposit	Total
Saving Deposits	1.363.497	-	6.458.281	16.950.585	708.857	77.751	6.579	-	25.565.550
Foreign Currency Deposits	42.487.278	-	6.969.948	4.669.832	173.687	61.916	44.405	-	54.407.066
Residents in Türkiye	37.096.232	-	6.065.717	4.087.916	95.502	12.979	8.464	-	47.366.810
Residents Abroad	5.391.046	-	904.231	581.916	78.185	48.937	35.941	-	7.040.256
Public Sector Deposits	237	-	-	-	-	-	-	-	237
Commercial Deposits	3.736.212	-	26.652.156	748.783	-	267	-	-	31.137.418
Other Institutions Deposits	24.529	-	3	-	-	-	-	-	24.532
Precious Metal Deposit	51.076.165	-	19.721	1.082.951	11.028	41.126	-	-	52.230.991
Bank Deposit	386.542	-	228.417	-	-	-	-	-	614.959
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	386.542	-	228.417	-	-	-	-	-	614.959
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	99.074.460	-	40.328.526	23.452.151	893.572	181.060	50.984	-	163.980.753

1(ii). Prior Period – 31 December 2024:

	Demand	With 7 Days Maturity	Up to 1 Month	1-3 Months	3-6 Months	6 Months - 1 Year	1 Year And Over	Cumulative Deposit	Total
Saving Deposits	936.580	-	8.741.684	16.291.331	16.439.454	79.459	150.769	-	42.639.277
Foreign Currency Deposits	31.519.763	-	4.332.196	3.545.657	165.224	76.384	98.717	-	39.737.941
Residents in Türkiye	27.396.911	-	4.097.602	2.972.727	87.601	15.807	26.255	-	34.596.903
Residents Abroad	4.122.852	-	234.594	572.930	77.623	60.577	72.462	-	5.141.038
Public Sector Deposits	6.729	-	-	-	-	-	-	-	6.729
Commercial Deposits	4.781.503	-	19.065.598	813.889	61.977	-	-	-	24.722.967
Other Institutions Deposits	14.079	-	285	-	-	-	-	-	14.364
Precious Metal Deposit	20.280.519	-	14.517	366.732	6.576	15.622	-	-	20.683.966
Bank Deposit	306.354	-	1.717.256	-	-	-	-	-	2.023.610
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	306.354	-	1.717.256	-	-	-	-	-	2.023.610
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	57.845.527	-	33.871.536	21.017.609	16.673.231	171.465	249.486	-	129.828.854

Foreign exchange-protected deposit product, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT and which ensures that TL deposits are valued with interest rates and are protected against foreign currency exchange rates, is offered to bank customers. As of 31 December 2025, the foreign exchange-protected deposit amount in this context is TL 642.698 (31 December 2024: TL 14.360.360).

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)

2. Information on saving deposits insurance:

2(i). Information on saving deposits under the guarantee of the Saving Deposits Insurance Fund and amounts exceeding the limit of the deposit insurance fund:

	Covered by Deposit Insurance Fund	Exceeding Deposit Insurance Limit	Covered by Deposit Insurance Fund	Exceeding Deposit Insurance Limit
	Current Period 31 December 2025	Current Period 31 December 2025	Prior Period 31 December 2024	Prior Period 31 December 2024
Saving Deposits				
Saving Deposits	9.287.600	16.277.950	11.074.029	31.565.248
Foreign Currency Saving Deposits	9.809.270	23.830.720	8.171.024	17.134.147
Other Deposits in the Form of Saving Foreign Branches’ Deposits under Foreign Authorities’ Insurance Coverage	7.957.670	42.887.504	3.401.221	17.203.105
Off-Shore Banking Regions’ Deposits under Foreign Authorities’ Insurance Coverage	-	-	-	-
Total (*)	27.054.540	82.996.174	22.646.274	65.902.500

(*) In accordance with the “Regulation Amending the Regulation on Insurance Deposit and Participation Funds and Premiums to be Collected by the Savings Deposit Insurance Fund” published in the Official Gazette dated 27 August 2022 and numbered 31936, official institutions, all deposit and participation funds, except those belonging to official institutions, credit institutions and financial institutions within the scope of credit institutions, have started to be insured. In this context, commercial deposits covered by insurance amount to TL 547.177 and the relevant amount is not included in the footnote.

2(ii). Since the head office of the Parent Bank is not located abroad, saving deposit in Türkiye are not covered by the saving deposits insurance in another country.

2(iii). Saving deposits of individuals, which are not covered by the Saving Deposit Insurance Fund:

	Current Period 31 December 2025	Prior Period 31 December 2024
Foreign Branches’ Deposits and other accounts	-	-
Saving Deposits and Other Accounts of Major Shareholders and Deposits of their Mother, Father, Spouse, Children under their wardship	-	-
Saving Deposits and Other Accounts of President and Members of Board of Directors, CEO and Vice Presidents and Deposits of their Mother, Father, Spouse, Children under their wardship	85.587	62.313
Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law No:5237 dated 26,09.2004	-	-
Saving Deposits in Deposit Bank Which Established in Türkiye in Order to Engage in Off -shore Banking Activities	-	-

b) Information on Trading Derivative Financial Liabilities:

Table of negative differences for trading derivative financial liabilities:

	Current Period 31 December 2025		Prior Period 31 December 2024	
	TL	FC	TL	FC
Forward Transactions	-	606.302	-	1.395.593
Swap Transactions	91.054	1.089.724	246.305	1.066.170
Future Transactions	-	-	-	-
Options	-	323.095	-	390.937
Other	-	-	-	-
Total	91.054	2.019.121	246.305	2.852.700

c) Information on Funds Provided Under Repurchase Agreements:

As of 31 December 2025, the Group has TL 14.496.299 funds from repo transactions (31 December 2024: TL 11.555.609).

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)

d) Information on Funds Borrowed:

1. Information on banks and other financial institutions:

	Current Period 31 December 2025		Prior Period 31 December 2024	
	TL	FC	TL	FC
Borrowings from the CBRT	-	-	-	-
Domestic Bank and Institutions	-	-	-	-
Foreign Banks and Institutions and Funds	-	24.315.624	-	16.993.535
Total	-	24.315.624	-	16.993.535

2. Information on the maturity structure of funds borrowed:

	Current Period 31 December 2025		Prior Period 31 December 2024	
	TL	FC	TL	FC
Short-Term	-	24.315.624	-	13.409.698
Medium and Long-Term	-	-	-	3.583.837
Total	-	24.315.624	-	16.993.535

3. Further information on the concentration areas of liabilities:

Group diversifies its funding sources by customer deposits, loans from foreign countries and marketable securities issued.

e) Information on Marketable Securities Issued:

As of 31 December 2025, the Group does not have any issued securities (31 December 2024: None).

f) Information on Other Foreign Liabilities:

Other foreign liabilities of the Group under “Other Liabilities” do not exceed 10% of the total liabilities.

g) Information on Financial Leasing Agreements

1. Explanations on finance lease payables:

With the “IFRS 16 Leases” standard valid from 1 January 2019, the difference between operating leases and finance leases has been eliminated and the lease transactions have been expressed under the “Lease Payables” as liability by lessees.

	Current Period 31 December 2025	Prior Period 31 December 2024
Less than 1 year	148.493	34.375
Between 1- 4 years	45.723	174.412
More than 4 years	-	-
Total	194.216	208.787

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)

h) Information on Derivative Financial Liabilities for Hedging Purposes:

As of 31 December 2025, the Group has no derivative financial liabilities for hedging purposes (31 December 2024: None).

i) Information on provisions:

1. Provisions for expected losses on non-compensated and non-cash loans

	Current Period 31 December 2025	Prior Period 31 December 2024
Provisions for off-balance sheet commitments ^(*)	12.128	14.956

^(*) In accordance with TFRS 9, the expected loss provisions for the Stage 1, Stage 2 and Stage 3 non-cash loans are in the “Other Provisions” column in the liabilities. With TFRS 9 transaction expected loss for cash loans and other financial assets are classified under assets.

2. Information on employee benefit provisions:

As of 31 December 2025, the Group has employee termination benefit provision amounting to TL 246.114 (31 December 2024: TL 193.446) and unused vacation provision amounting to TL 79.129 (31 December 2024: TL 66.061)

According to the Turkish Labor Law, the Parent Bank and its subsidiaries operating in Türkiye are obliged to pay severance pay for their personnel who have completed one year and whose relationship has been terminated or retired due to compelling reasons, called for military service or passed away.

The compensation to be paid is one month’s salary for each year of service. Severance pay liability is not legally subject to any funding and there is no funding requirement.

The reserve for employment termination benefits represents the present value of the estimated total liability for the future probable obligation of the Parent Bank determined by using certain actuarial assumptions. TAS 19 requires actuarial valuation methods to be used in order to calculate the Group’s liabilities.

The assumption is that the severance pay ceiling applicable for each year of service will increase each year at the rate of inflation. Thus, the discount rate applied will show the expected real rate after adjusting for the expected effects of inflation.

	Current Period 31 December 2025	Prior Period 31 December 2024
As of 1 January	193.446	160.340
Service Cost	28.500	21.397
Interest Cost	50.397	32.596
Actuarial Loss/(Gain)	18.076	40.200
Paid in Current Period	(44.305)	(61.087)
Total	246.114	193.446

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)

3. Information on provisions related to foreign currency difference on the principals of foreign indexed loans and finance lease receivables:

As of 31 December 2025, there is no foreign exchange difference provision for foreign currency indexed loans (31 December 2024: None).

4. Information on specific provisions for non-cash loans that is non-funded and non-transformed into cash:

As of 31 December 2025, provision for non-cash loans that are non-funded and non-transformed into cash is amounting to TL 988 (31 December 2024: TL 2.878).

5. Information on restructuring provisions:

As of 31 December 2025, the Parent Bank has TL 15.089 restructuring provisions (31 December 2024: None).

6. Information on other provisions:

6 (i). Information on free provisions for possible risks:

As of 31 December 2025, the Group has no free provisions for possible risks (31 December 2024: None)

6 (ii). The names and amounts of sub-accounts of other provision under the condition of other provisions exceed 10% of total provisions

	Current Period 31 December 2025	Prior Period 31 December 2024
Provision for Lawsuits	76.990	56.707
Provision for Accumulated Credit Card Bonus	8.053	10.137
Return Provision of Case File Expenses	20	64
Specific Provision for Non-Cash Loans that are Non-Funded and Non-Transformed into Cash	988	2.878
Other Provisions (*)	1.195.886	911.432
Total	1.281.937	981.218

(*) As of 31 December 2025, other provisions include Stage 1 and Stage 2 non-cash loans provision for expected losses within TFRS 9 amounting to TL 12.128 (31 December 2024: TL 14.956), premium provisions and other provisions within TAS 37.

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)

j) Explanations on tax liability:

1. Explanations on current tax liability

The corporate tax provisions calculation of the Group is explained in Note XX of Section Three.

1(i). Information on taxes payable:

	Current Period 31 December 2025	Prior Period 31 December 2024
Corporate Tax Payable	1.173.429	970.883
Taxation on Marketable Securities	656.092	284.595
Banking Insurance Transaction Tax (BITT)	117.105	96.111
Value Added Tax Payable	7.928	4.085
Capital Gains Tax on Property	2.184	1.237
Foreign Exchange Transaction Tax	54.981	12.025
Other (*)	166.319	115.663
Total	2.178.038	1.484.599

(*) As of 31 December 2025, there is income tax deducted from wages amounting to TL 95.195 (31 December 2024: TL 64.545), stamp duty of TL 2.221 (31 December 2024: TL 1.592), other taxes amounting to TL 68.235 (31 December 2024: TL 49.232) and self-employment income tax amounting to TL 668 (31 December 2024: TL 294).

1(ii). Information on premium payables:

	Current Period 31 December 2025	Prior Period 31 December 2024
Social Security Premiums – Employer	42.571	29.514
Social Security Premiums – Employee	33.473	25.301
Bank Social Aid Pension Fund Premium – Employer	-	-
Bank Social Aid Pension Fund Premium – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Pension Fund Membership Fees and Provisions – Employee	-	-
Unemployment Insurance – Employer	3.040	2.345
Unemployment Insurance – Employee	2.000	1.553
Other	-	-
Total	81.084	58.713

2. Information on deferred tax liability:

As of 31 December 2025, information on the Group’s deferred tax liability is explained in Note XX of Section Three.

k) Information on Liabilities Regarding Assets Held for Sale and Discontinued Operations:

As of 31 December 2025 and 31 December 2024, the Group has no liabilities regarding assets held for sale and discontinued operations.

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)

l) Explanations on the number of subordinated loans the bank used, maturity, interest rate, institution that the loan was borrowed from and conversion option, if any:

As of 31 December 2025, the Parent Bank has a remaining subordinated loan balance of EUR 55 million, which was originated as EUR 130 million with a 10-year maturity from HSBC Holdings PLC, upon the approval of BRSA dated 21 April 2021 and numbered E-20008792-101.02.01[56]-11799. The Parent Bank repaid the portion of EUR 75 million of this loan before its maturity on 17 December 2024 with the approval of BRSA numbered E-20008792-101.02.01-138820. Remaining subordinated loan balance of EUR 55 million is classified as Tier-II capital with an interest rate of EURIBOR + 6,99%.

Additionally, with the BRSA’s approval on 17 December 2024, under number E-20008792-101.02.01-138820, the Parent Bank has a new, subordinated loan of USD 80 million from HSBC Middle East Holdings B.V. that is classified as additional Tier-1 capital. The interest rate for this loan is SOFR + 4,94%.

	Current Period		Prior Period	
	31 December 2025		31 December 2024	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	6.265.528	-	4.894.547
From Other Foreign Institutions	-	-	-	-
Total	-	6.265.528	-	4.894.547

m) Information on shareholder’s equity:

1. Presentation of paid-in capital:

	Current Period	Prior Period
	31 December 2025	31 December 2024
Common Stock Provision	652.290	652.290
Preferred Stock Provision	-	-

The paid-in capital of the Parent Bank is shown above in nominal terms. As of 31 December 2025, there is a capital reserve of TL 272.693 arising from the adjustment of the paid-in capital for inflation (31 December 2024: TL 272.693) and TL 50.880 (31 December 2024: TL 50.880) other capital reserves.

2. Amount of paid-in-capital, explanations as to whether the registered share capital system is applied, if so and the amount of registered share capital ceiling:

Registered share capital system is not applied.

3. Information on the share capital increases during the period, their sources and other information:

The Group has not increased its share capital during the current period.

4. Information on share capital increases from capital reserves during the current period:

The Group has no share capital increases from capital reserves during the current period.

5. Information on capital commitments, the purpose and the sources until the end of the fiscal year and the subsequent period:

The Group has no capital commitments.

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)

m) Information on shareholder’s equity (Continued):

6. The effects of anticipations based on the financial figures for prior periods regarding the Group’s income, profitability and liquidity and the anticipations regarding the uncertainty of these indicators on the shareholders’ equity:

The Group tends to strengthen its shareholders’ equity according to the assessment of financial figures for prior periods regarding the Group’s income, profitability and liquidity and the anticipations regarding changes in the accounting standards.

7. Information on privileges given to shares representing the capital:

The Group has no privileges given to shares representing the capital.

8. Information on valuation differences of marketable securities:

	Current Period		Prior Period	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Valuation Difference	-	-	-	-
Foreign Currency Difference	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	436.731	-	(43.177)	-
Valuation Difference	436.731	-	(43.177)	-
Foreign Currency Difference	-	-	-	-
Total	436.731	-	(43.177)	-

9. Information on revaluation value increase fund:

As of 31 December 2025 and 31 December 2024, the Group has no revaluation value increase fund

10. Information on legal reserves:

	Current Period	Prior Period
	31 December 2025	31 December 2024
First and Second Legal Reserve	329.606	213.071
Legal Reserves according to Special Legislation	-	-
Total	329.606	213.071

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)

m) Information on shareholder's equity (Continued):

11. Information on extraordinary reserves:

	Current Period	Prior Period
	31 December 2025	31 December 2024
Reserves Allocated per General Assembly Minutes	15.522.663	10.726.112
Retained Earnings	-	-
Accumulated Loss	-	-
Foreign Currency Differences	-	-
Total	15.522.663	10.726.112

12. Information on shareholders having more than 10% share in capital and/or voting right:

Based on the approval of the Banking Regulation and Supervision Agency dated 21 June 2017, 10,01% share of HSBC Bank Plc.'s 100% ownership of the Parent Bank's capital was transferred to HSBC Bank Middle East Limited and remaining 89,99% share of HSBC Bank Plc. was transferred to HSBC Middle East Holdings B.V. through share transfer agreement dated 29 June 2017.

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III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED OFF-BALANCE SHEET ACCOUNTS

a) Explanations on off-balance sheet commitments:

1. Type and amount of irrevocable commitments:

	Current Period 31 December 2025	Prior Period 31 December 2024
Asset Purchase and Sale Commitments	82.427.937	10.486.588
Commitments for Credit Card Limits	4.997.557	4.968.785
Commitments for Cheques	21.084	15.191
Loan Granting Commitments	705.898	359.871
Short Sale Commitments	-	-
Commitments for Credit Cards and Banking Services Promotions	53.613	54.325
Tax and Fund Liabilities from Export Commitments	-	-
Other Irrevocable Commitments	347.831	426.610
Total	88.553.920	16.311.370

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

The Parent Bank has no probable losses arising from off-balance sheet items. Obligations arising from the off-balance sheet are disclosed in “Off-balance sheet commitments”.

2 (i). Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letters of credit:

	Current Period 31 December 2025	Prior Period 31 December 2024
Letters of Guarantee	32.263.558	15.815.274
Letters of Credit	8.083.757	10.051.937
Bank Acceptances	51.296	-
Other Guarantees	1.037.311	860.890
Total	41.435.922	26.728.101

2 (ii). Certain guarantees, temporary guarantees, surety ships and similar transactions:

The Parent Bank has no certain guarantees, temporary guarantees, surety ships and similar transactions except explained above in the Section 2 (i).

3. Information on the non-cash loans:

3 (i). Total amount of non-cash loans:

	Current Period 31 December 2025	Prior Period 31 December 2024
Non- Cash Loans Given for Cash Loan Risks Non- Cash Loans	-	-
With Original Maturity of One Year or Less	-	-
With Original Maturity of More Than One Year	-	-
Other Non-Cash Loans	41.435.922	26.728.101
Total	41.435.922	26.728.101

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III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED OFF-BALANCE SHEET ACCOUNTS (Continued)

a) Information on the non-cash loans (Continued):

3 (ii). Information on sectoral risk concentration within the non-cash loans:

	Current Period 31 December 2025				Prior Period 31 December 2024			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	177	-	-	-	177	0,01	-	-
Farming and Raising Livestock	177	-	-	-	177	0,01	-	-
Forestry	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-
Manufacturing	1.364.812	19,03	5.021.925	14,66	984.135	30,99	7.441.405	31,60
Mining and Quarrying	122.970	1,71	80.341	0,23	136.021	4,28	38.115	0,16
Production	1.222.373	17,04	4.065.686	11,87	827.339	26,06	7.383.772	31,36
Electric, Gas and Water	19.469	0,27	875.898	2,56	20.775	0,65	19.518	0,08
Construction	224.857	3,14	9.705.720	28,33	172.537	5,43	6.148.385	26,10
Services	5.578.810	77,78	19.536.130	57,01	2.014.769	63,45	9.962.744	42,30
Wholesale and Retail Trade	4.908.010	68,43	6.428.109	18,76	1.006.106	31,68	6.928.281	29,42
Hotel, Food and Beverage Services	37.415	0,52	30.316	0,09	13.189	0,42	22.079	0,09
Transportation and Telecommunication	178.463	2,49	1.476.870	4,31	178.106	5,61	903.182	3,83
Financial Institutions	164.009	2,29	11.339.398	33,10	159.402	5,03	1.946.403	8,27
Real Estate and Leasing Services	289.227	4,03	218.219	0,63	656.281	20,66	162.799	0,69
Self-employment Services	1.686	0,02	43.218	0,12	1.685	0,05	-	-
Education Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Other	3.491	0,05	-	-	3.949	0,12	-	-
Total	7.172.147	100,00	34.263.775	100,00	3.175.567	100,00	23.552.534	100,00

3 (iii). Information on the non-cash loans classified under Group I and Group II:

Current Period 31 December 2025	Group I		Group II	
	TL	FC	TL	FC
Non-Cash Loans	7.153.006	31.068.909	18.494	3.194.866
Letters of Guarantee	7.153.006	23.427.349	18.494	1.664.062
Bank Acceptances	-	51.296	-	-
Letters of Credit	-	6.552.953	-	1.530.804
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	-	1.037.311	-	-
Prior Period 31 December 2024	3.082.412	20.017.190	92.493	3.531.894
Letters of Guarantee	3.063.912	9.734.368	92.493	2.921.564
Bank Acceptances	-	-	-	-
Letters of Credit	18.500	9.429.252	-	604.186
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	-	853.570	-	6.144

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**III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED OFF-BALANCE SHEET
ACCOUNTS (Continued)**

b) Explanations on derivative transactions:

	Current Period	Prior Period
	31 December 2025	31 December 2024
Foreign Currency Swap Transactions	182.608.948	134.188.125
Interest Rate Swap Transactions	86.577.322	67.106.410
Foreign Currency Options Transactions	44.344.324	58.917.124
Forward Foreign Currency Transactions (*)	193.892.436	162.885.558
Precious Metals Swap Transactions	35.725.385	15.050.014
Precious Metals Options Transactions	11.809.412	1.547.140
Total	554.957.827	439.694.371

(*) Includes forward asset purchase commitments in the commitments.

c) Explanations on Credit Derivatives and Risk Exposures on Credit Derivatives:

None.

d) Explanations on Contingent Liabilities and Assets:

Contingent assets are recognized if the probability of occurrence is almost virtually certain, whereas they are disclosed in the notes, if the probability of occurrence is probable. As of 31 December 2025, there are no contingent assets to be disclosed.

Contingent liabilities are recognized if the probability of occurrence is probable and the liability can be measured reliably, whereas they are disclosed in the notes, if they cannot be measured reliably or the possibility of the occurrence is remote or does not exist.

The Group has certain contingent liabilities relating to various lawsuits due to the transactions it performed in the scope of banking operations. As of 31 December 2025, a total provision of TL 77.010 (31 December 2024: TL 56.771) has been made for those lawsuits as the probability of being concluded against the Group is higher than the probability of being concluded in its favor, with TL 20 (31 December 2024: TL 64) being for provisions for refunds related to case document charges.

e) Explanations on Fiduciary Services Rendered on Behalf of Third Parties:

The Group acts as an investment agent for the trading of marketable securities and provides custodian services on behalf of its customers.

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IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

a) Information on interest income:

1. Information on interest income received from loans:

	Current Period		Prior Period	
	31 December 2025		31 December 2024	
	TL	FC	TL	FC
Interest Income on Loans (*)				
Short-Term Loans	5.094.853	2.324.100	7.812.251	1.827.993
Medium and Long-Term Loans	1.287.789	1.622.124	687.588	1.479.370
Interest on Loans Under Follow-Up	9.016	-	7.104	-
Resource Utilization Support Fund	-	-	-	-
Total	6.391.658	3.946.224	8.506.943	3.307.363

(*) Fee and commission income from cash loans are included.

2. Information on interest income received from banks:

	Current Period		Prior Period	
	31 December 2025		31 December 2024	
	TL	FC	TL	FC
The CBRT	21.414.992	-	7.346.402	-
Domestic Banks	407.327	11.453	1.620.729	1.543
Foreign Banks	14.110	76.376	2.116	90.989
Headquarters and Branches Abroad	-	-	-	-
Total	21.836.429	87.829	8.969.247	92.532

3. Information on interest income on marketable securities:

	Current Period		Prior Period	
	31 December 2025		31 December 2024	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	909.183	25.912	517.686	33.617
Financial Assets at Fair Value Through Other Comprehensive Income	8.178.481	-	5.904.680	-
Financial Assets Measured at Amortized Cost	3.190.229	-	415.862	-
Total	12.277.893	25.912	6.838.228	33.617

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

None.

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**IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT
(Continued)**

b) Information on interest expense:

1. Information on interest expense on funds borrowed:

	Current Period		Prior Period	
	31 December 2025		31 December 2024	
	TL	FC	TL	FC
Banks	976	2.045.737	8.169	1.267.495
The CBRT	-	-	-	-
Domestic Banks	976	-	8.169	-
Foreign Banks	-	2.045.737	-	1.267.495
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
Total	976	2.045.737	8.169	1.267.495

2. Information on interest expense paid to associates and subsidiaries:

None.

3. Information on interest expense paid on securities issued:

None.

4. Maturity structure of the interest expense on deposits:

Current Period:	Time Deposit						More Cumulative	Total
	Demand Deposit	Up to 1 Month	Up to 3 Month	Up to 6 Month	Up to 1 Year	than 1 year		
31 December 2025								
Turkish Lira								
Interbank deposits	-	3.868.086	-	-	-	-	-	3.868.086
Saving deposits	-	2.664.528	8.975.322	2.411.642	14.044	13.504	-	14.079.040
Public sector deposits	-	-	-	-	-	-	-	-
Commercial deposits	-	7.564.389	275.673	6.273	44	-	-	7.846.379
Other deposits	-	7	-	-	-	-	-	7
Deposits with 7 days maturity	-	-	-	-	-	-	-	-
Total	-	14.097.010	9.250.995	2.417.915	14.088	13.504	-	25.793.512
Foreign Currency								
Foreign currency deposits	-	360.112	106.768	24.432	57	30	-	491.399
Interbank deposits	-	525	-	-	-	-	-	525
Deposits with 7 days maturity	-	-	-	-	-	-	-	-
Precious metal deposits	-	1	382	3	15	-	-	401
Total	-	360.638	107.150	24.435	72	30	-	492.325
Grand Total	-	14.457.648	9.358.145	2.442.350	14.160	13.534	-	26.285.837

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**IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT
(Continued)**

b) Information on interest expense (Continued):

4. Maturity structure of the interest expense on deposits (Continued):

Prior Period: 31 December 2024	Time Deposit						Cumulative Deposit	Total
	Demand Deposit	Up to 1 Month	Up to 3 Month	Up to 6 Month	Up to 1 Year	More than 1 year		
Turkish Lira								
Interbank deposits	-	1.295.240	-	-	-	-	-	1.295.240
Saving deposits	-	1.449.291	4.396.343	5.328.340	2.972.751	62.369	-	14.209.094
Public sector deposits	-	-	-	-	-	-	-	-
Commercial deposits	-	3.966.186	240.242	714.995	128.089	-	-	5.049.512
Other deposits	-	2.205	-	-	-	-	-	2.205
Deposits with 7 days maturity	-	-	-	-	-	-	-	-
Total	-	6.712.922	4.636.585	6.043.335	3.100.840	62.369	-	20.556.051
Foreign Currency								
Foreign currency deposits	-	330.114	35.582	537	1.604	115	-	367.952
Interbank deposits	-	3.891	-	-	-	-	-	3.891
Deposits with 7 days maturity	-	-	-	-	-	-	-	-
Precious metal deposits	-	1	188	3	7	-	-	199
Total	-	334.006	35.770	540	1.611	115	-	372.042
Grand Total	-	7.046.928	4.672.355	6.043.875	3.102.451	62.484	-	20.928.093

5. Information on interest given on repurchase agreements:

In the account period ending on 31 December 2025, the interest paid on repo transactions is TL 532.815 (31 December 2024: TL 462.072).

6. Information on finance leasing expenses:

As of 31 December 2025, the Group has lease expenses amounting to TL 38.555 (31 December 2024: TL 41.026).

7. Information on interest given on factoring payables:

The Group has no interest given on factoring payables during the period ended on 31 December 2025 and 31 December 2024).

c) Explanations on dividend income:

The Group's dividend income for the year-end accounting period ending on 31 December 2025 is TL 1.021 (31 December 2024 TL 603).

d) Explanations on Trade Gain/Loss (Net):

1. Trade Gain/Loss (Net):

	Current Period 31 December 2025	Prior Period 31 December 2024
Profit	1.015.550.366	884.375.273
Capital Market Transactions Income	1.324.914	1.041.601
Gain on Derivative Financial Transactions	35.677.913	20.052.966
Foreign Exchange Gains	978.547.539	863.280.706
Loss (-)	1.020.714.777	883.586.077
Capital Market Transactions Loss	1.071.029	930.507
Loss on Derivative Financial Transactions	22.402.982	16.239.210
Foreign Exchange Loss	997.240.766	866.416.360
Total (Net)	(5.164.411)	789.196

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IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

e) Information on other operating income:

	Current Period	Prior Period
	31 December 2025	31 December 2024
Reversal of Previous Years Expenses (*)	93.831	99.123
Gain on Sale of Assets	6.132	43.992
Provision for Telecommunication Expense	64.183	44.150
Other Income	436.062	267.441
Total	600.208	454.706

(*) Consists of collections or cancellations made from provisions previously charged to expense accounts in prior years.

f) Impairment Provisions Related to Loans and Other Receivables of the Bank

	Current Period	Prior Period
	31 December 2025	31 December 2024
Expected Credit Loss	1.177.861	425.585
12 Months Expected Credit Loss (Stage 1)	(294.716)	(98.304)
Significant Increase in Credit Risk (Stage 2)	1.450.039	481.218
Non-performing Loans (Stage 3)	22.538	42.671
Marketable Securities Impairment Expense	45.896	52.713
Financial Assets at Fair Value Through Profit or Loss	45.896	52.713
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
Provisions for Impairment of Associates, Subsidiaries and Joint Ventures	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Jointly Controlled Entities (Joint Ventures)	-	-
Other	-	-
Total	1.223.757	478.298

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**IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT
(Continued)**

g) Information related to other operating expenses:

	Current Period	Prior Period
	31 December 2025	31 December 2024
Reserve for Employee Termination Benefits	-	-
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Property and Equipment	-	-
Depreciation Expenses of Property and Equipment	297.472	191.811
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	348.666	250.043
Impairment Expenses of Equity participants for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Sale	-	-
Depreciation Expenses on Assets Held for Sale	-	-
Impairment Expenses on Non-Current Assets Held for Sale and Discontinued Operations	-	-
Other Operating Expenses	1.336.878	1.031.395
Leasing Expenses on TFRS 16 Exceptions	49.455	42.395
Maintenance Licensing Expenses	515.085	393.282
Maintenance Expenses	164.575	84.765
Communication Expenses	47.891	38.845
Advertisement Expenses	54.948	51.563
Other Expenses	504.924	420.545
Loss on Sales of Assets	1.827	1.960
Tax, Duties, Charges and Funds Expenses	1.290.035	646.457
Saving Deposit Insurance Fund Expenses	214.179	164.691
Other (*)	1.311.216	843.426
Total	4.800.273	3.129.783

(*) Of the amount of TL 1.311.216 (31 December 2024: TL 843.426) shown in the Other line, TL 30.042 is audit and consultancy fees (31 December 2024: TL 13.320), TL 242 is from the arbitral tribunal expenses (31 December 2024: TL 462) and the remaining TL 1.280.932 consists of other expenses (31 December 2024: TL 829.644).

h) Fees for Services Received from Independent Auditor/Independent Audit Firm:

In accordance with the decision of the Public Oversight Authority dated 26 March 2021, the fee information for the reporting period regarding the services received from the independent auditor or independent audit firm is given in the table below over VAT excluded amounts.

	Current Period	Prior Period
	31 December 2025	31 December 2024
Independent Audit Fee for the Reporting Period	10.660	5.527
Fees for Tax Advisory Services	1.350	784
Fee for Other Assurance Services	10.661	4.909
Fee for Services Other than Independent Audit	-	-
Total	22.671	11.220

i) Explanation on profit/loss for the period for continued and discontinued operations before tax:

The operating income of the Group for the year ended 31 December 2025 is TL 23.926.634 (31 December 2024: TL 16.313.657). The Group's provision for loans and other receivables is TL 1.223.757 (31 December 2024: TL 576.602), other operating expenses are TL 4.800.723 (31 December 2024: TL 3.129.783), profit before tax is TL 12.440.108 (31 December 2024: TL 8.691.340 profit before tax).

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**IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT
(Continued)**

j) Information on tax provision for continuing and discontinued operations:

As of 31 December 2025, the current tax provision expense of the Group is TL 3.640.346 (31 December 2024: TL 2.902.775 expense) and deferred tax income is TL 32.350 (31 December 2024: TL 252.473 income).

k) Explanation on net profit/loss for the period for continued and discontinued operations:

There are no matters to be disclosed regarding operating profit/loss after tax.

l) Explanation on net profit and loss for the period:

1. Any further explanation on operating results needed for a proper understanding of the Bank’s performance:

In the period ended on 31 December 2025, net interest income takes an important place among income items with TL 25.558.706 (31 December 2024: TL 12.864.795), net fee and commission incomes with TL 2.931.110 (31 December 2024: TL 2.106.053). Fees and commission income from cash loans are shown in net interest income. Considering the distribution within the interest income, the most important sources of the Bank's interest income are the interests received from loans, securities and the interbank money market. The largest part of the interest expenses consists of the interests paid to the deposits and the interests given to the loans used. The most important part of commission income is the commissions received from credit card transactions and other banking activities.

2. The effect on the current period profit/loss of the changes in estimations related to financial statements made by the Group, explanation if any effect of these changes in the subsequent periods:

No changes have been made in the accounting estimates, which may have a material effect in current period and materially affect subsequent periods.

m) Explanation on other items stated in the income statement:

Explanations on “Other fees and commissions received” in the income statement:

	Current Period 31 December 2025	Prior Period 31 December 2024
Credit Card Transactions	469.532	662.365
Insurance Commissions	187.945	136.156
Banking Transactions	75.242	51.843
TEFAS Fund Platforms	661.158	455.596
Other Fee and Commissions	1.300.253	919.251
Total	2.694.130	2.225.211

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V. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED CHANGES IN SHAREHOLDERS' EQUITY

a) Information on the current year adjustments made in accordance with the requirements of the accounting standard on financial instruments:

1. Decreases/increases after the revaluation of financial assets at fair value through other comprehensive income:

As of 31 December 2025, an increase of TL 436.731 in securities valuation difference item (31 December 2024: a decrease of TL 43.177) consists of financial assets at fair value through other comprehensive income. The amount in question consists of interest income calculated using the effective interest rate method of debt securities from financial assets whose fair value differences are reflected in other comprehensive income, fair value differences and costs of stocks, fair value differences and deferred tax effects of these transactions.

As of 31 December 2025, the increase in the amount of TL 479.908 (31 December 2024: TL 174.960 decrease) resulting from the re-measurement of financial assets at fair value through other comprehensive income after the effect of current period and deferred tax expense has been netted off. shown as current period movement in the increase fund account.

2. Information on increases in cash flow hedges:

As of 31 December 2025, the Group has no cash flow hedge accounting (31 December 2024: None).

b) Information on adjustments made for the application of standard on accounting for financial instruments in the current year:

1. Information on financial investments at fair value through other comprehensive income:

Loss amounting to TL 162.299 (31 December 2024: TL 131.289 loss) arising from the remeasurement of investments in financial assets at fair value through other comprehensive income for the year ended 31 December 2025 due to the sale of the related financial asset at fair value through other comprehensive income was transferred from equity to net profit/loss account.

2. Information on cash flow hedges:

As of 31 December 2025, the Group has no cash flow hedge accounting (31 December 2024: None).

c) Information on dividend distribution:

None.

d) Information on issuance of common stock:

The Group has no issuance of common stock as of 31 December 2025 and 31 December 2024.

e) Effects of the adjustments to prior periods on the opening balance sheets:

As of 31 December 2025 and 31 December 2024, the adjustments made for prior periods do not have any effect on opening balance sheets of the Group.

f) Offsetting prior period's losses:

As of 31 December 2025 and 31 December 2024, the Group does not have any offset transactions relating to previous year's losses.

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VI. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED STATEMENT OF CASH FLOWS

a) Explanations about other cash flow items and the effect of changes in foreign exchange rates on cash and cash equivalents:

Operating profit amounting to TL 6.444.778 (31 December 2024: TL 6.152.404 profit), consists of interest income amounting to TL 51.707.052 (31 December 2024: TL 34.904.325), interest expense amounting to TL 29.814.512 (31 December 2024: TL 23.975.510), personnel expenses amounting to TL 4.829.179 (31 December 2024: TL 3.492.665) and net expense other than interest amounting to TL 10.618.583 (31 December 2024: TL 1.283.746 net expense other than interest).

Net increase in other liabilities amounting to TL 3.868.055 (31 December 2024: TL 14.255.401 increase) consists mainly of changes in money market borrowings, other liabilities and taxes and other duties payable.

Effect of change in exchange rate on cash and cash equivalents is calculated approximately TL 4.617 increase (31 December 2024: TL 9.249 increase) as of 31 December 2025.

b) Information on cash flow arising from acquisition of associates, subsidiaries and other investments:

The Group has no cash flow arising from acquisition of associates, subsidiaries and other investments as of 31 December 2025 and 31 December 2024.

c) Information on disposals of associates, subsidiaries or other investments:

The Group has no cash flow arising from disposals of associates, subsidiaries and other investments as of 31 December 2025 and 31 December 2024.

d) Information on cash and cash equivalents:

Cash and cash equivalents at the beginning of the period:

	Current Period 31 December 2025	Prior Period 31 December 2024
Cash	1.090.068	2.433.424
Interbank Money Market Placements	71.716.358	37.209.180
CBRT, Banks and Other Financial Institutions	11.831.636	19.653.245
Total Cash and Cash Equivalents	84.638.062	59.295.849

Cash and cash equivalents at the end of the period:

	Current Period 31 December 2025	Prior Period 31 December 2024
Cash	1.353.824	1.090.068
Interbank Money Market Placements	86.410.562	71.716.358
CBRT, Banks and Other Financial Institutions	1.848.820	11.831.636
Total Cash and Cash Equivalents	89.613.206	84.638.062

e) Additional information:

None.

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VII. EXPLANATIONS AND NOTES RELATED TO GROUP’S RISK GROUP

1. Volume of transactions with the Group’s risk group, loans and deposits outstanding at the period end and income and expenses in the current period:

Current Period – 31 December 2025:

Group’s Risk Group	Subsidiaries, Associates and Jointly Controlled Entities (Joint Ventures)		Direct or Indirect Shareholders of the Parent Bank		Other Individuals and Legal Entities in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Opening Balance	-	-	-	866.547	20	-
Closing Balance	-	-	-	1.601.256	3.179	-
Interest and Commission Income	-	-	-	90.693	284	-

Prior Period - 31 December 2024:

Group’s Risk Group	Subsidiaries, Associates and Jointly Controlled Entities (Joint Ventures)		Direct or Indirect Shareholders of the Parent Bank		Other Individuals and Legal Entities in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Opening Balance	-	-	-	999.063	685	-
Closing Balance	-	-	-	866.547	20	-
Interest and Commission Income	-	-	-	79.029	49	-

2. Deposits held by the Group’s risk group:

Group’s Risk Group	Subsidiaries, Associates and Jointly Controlled Entities (Joint Ventures)		Direct or Indirect Shareholders of the Parent Bank		Other Individuals and Legal Entities in the Risk Group	
	Current Period 31 December 2025		Current Period 31 December 2025		Current Period 31 December 2025	
Deposits						
Opening Balance	-	-	-	270.510	-	60.776
Closing Balance	-	-	-	386.480	-	111.106
Interest expense on deposits	-	-	-	3.753.822	-	36.322

Group’s Risk Group	Subsidiaries, Associates and Jointly Controlled Entities (Joint Ventures)		Direct or Indirect Shareholders of the Parent Bank		Other Individuals and Legal Entities in the Risk Group	
	Prior Period 31 December 2024		Prior Period 31 December 2024		Prior Period 31 December 2024	
Deposits						
Opening Balance	-	-	-	283.924	-	46.447
Closing Balance	-	-	-	270.510	-	60.776
Interest expense on deposits	-	-	-	1.174.927	-	22.770

3. Information on forward transactions, option agreements and similar transactions between the Group’s risk group:

Group’s Risk Group	Subsidiaries, Associates and Jointly Controlled Entities (Joint Ventures)		Direct or Indirect Shareholders of the Parent Bank		Other Individuals and Legal Entities in the Risk Group	
	Current Period 31 December 2025		Current Period 31 December 2025		Current Period 31 December 2025	
The Fair Value Differences Through Profit and Loss						
Opening Balance	-	-	-	108.016.178	-	-
Closing Balance	-	-	-	144.924.723	-	-
Total Profit/Loss	-	-	-	3.020.352	-	-
Transactions for Hedging Purposes						
Opening Balance	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

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VII. EXPLANATIONS AND NOTES RELATED TO GROUP’S RISK GROUP (Continued)

Group’s Risk Group	Subsidiaries, Associates and Jointly Controlled Entities (Joint Ventures)	Direct or Indirect of the Parent Bank	Other Individuals and Legal Entities in the Risk Group
	Prior Period	Prior Period	Prior Period
	31 December 2024	31 December 2024	31 December 2024
The Fair Value Differences Through Profit and Loss			
Opening Balance	-	106.119.719	-
Closing Balance	-	108.016.178	-
Total Profit/Loss	-	1.493.597	-
Transactions for Hedging Purposes			
Opening Balance	-	-	-
Closing Balance	-	-	-
Total Profit/Loss	-	-	-

4. Explanations on total remuneration and other benefits, which are paid by the Group to top executives of the Group:

As of 31 December 2025, payment amounting to TL 347,029 is made to the Board of Directors and top executives of the Group (31 December 2024: TL 287.964).

VIII. EXPLANATIONS AND NOTES RELATED TO DOMESTIC, FOREIGN, OFF-SHORE BRANCHES OR AFFILIATES AND FOREIGN REPRESENTATIVES OF THE GROUP

Information on the Group’s domestic and foreign branches and foreign representatives of the Parent Bank:

	Number	Number of Employees	Country of Incorporation	Total Assets	Statutory Share Capital
Domestic Branch	36	1.384			
Foreign Representation Office	-	-	-		
Foreign branch	-	-	-	-	-
Off-shore Banking. Region Branches	-	-	-	-	-

IX. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

SECTION SIX

OTHER EXPLANATIONS

I. OTHER EXPLANATIONS ON BANK’S OPERATIONS

None.

SECTION SEVEN

EXPLANATIONS ON INDEPENDENT AUDITOR’S REPORT

I. EXPLANATIONS ON INDEPENDENT AUDITOR’S REPORT

The consolidated financial statements for the period ended 31 December 2025 have been audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The independent auditor’s report dated 2 March 2026 is presented preceding the consolidated financial statements.

II. EXPLANATIONS AND FOOTNOTES PREPARED BY THE INDEPENDENT AUDITOR

None.