

HSBC BANK A.Ş.

PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AT 30 JUNE 2026 TOGETHER WITH AUDITOR'S REVIEW REPORT

(Convenience translation of publicly announced consolidated financial statements, related disclosures and independent auditor's review report at 30 June 2026, See Note I. of Section Three)



**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR’S REVIEW REPORT ORIGINALLY ISSUED IN TURKISH
(See Note I of Section Three)
AUDITOR’S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION**

To the General Assembly of HSBC Bank A.Ş.;

Introduction

We have reviewed the consolidated statement of financial position of HSBC Bank A.Ş. (“the Bank”) and its subsidiaries (collectively referred to as the “Group”) at 30 June 2026 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders’ equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the six-month-period. The Group Management is responsible for the preparation and fair presentation of interim financial information 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 Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 “Interim Financial Reporting” for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, “Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an opinion.



Conclusion

According to our review, the consolidated interim financial information, the consolidated financial position of HSBC Bank A.Ş and its consolidated subsidiaries as of 30 June 2026 and the consolidated financial performance and consolidated cash flows for the six-month-period ended on the same date, are in accordance with BRSA Accounting and Financial Reporting Regulations. Nothing has come to our attention that causes us to believe that it has not been presented fairly, in all material respects.

Report on other regulatory requirements arising from legislation

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim activity report in Section Seven, is not consistent with the reviewed consolidated financial statements and disclosures in all material respects.

Additional paragraph for convenience translation to 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 30 June 2026. 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 Bank in accordance with IFRS.

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

Gökçe Yaşar Temel, SMMM
Independent Auditor

İstanbul, 13 August 2026

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL
STATEMENTS AND REVIEW REPORT
ORIGINALLY ISSUED IN TURKISH, SEE IN NOTE I. OF SECTION THREE
CONSOLIDATED FINANCIAL REPORT OF HSBC BANK A.Ş.
AS OF AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026**

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The consolidated financial report for the six-month period 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 LIMITED REVIEW REPORT
- INTERIM ACTIVITY 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 six month period 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 million** unless otherwise specified, are held to subject to limited review 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 : (0212) 376 4209
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**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE IN NOTE 3.I**

**HSBC BANK A.Ş. AND ITS SUBSIDIARIES
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AT
30 JUNE 2026**

(Unless otherwise stated amounts are expressed in millions 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 Parent 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 Parent 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 30 June 2026, the Parent Bank's nominal capital is TL 652 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 30 June 2026, 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.

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

**HSBC BANK A.Ş. AND ITS SUBSIDIARIES
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AT
30 JUNE 2026**

(Unless otherwise stated amounts are expressed in millions 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 CEOs:	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.

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

**HSBC BANK A.Ş. AND ITS SUBSIDIARIES
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AT
30 JUNE 2026**

(Unless otherwise stated amounts are expressed in millions 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 Parent Bank also provides insurance intermediary services as an agency of 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 30 June 2026, the Parent Bank has 36 domestic branches (31 December 2025: 36 domestic branches).

As of 30 June 2026, the number of employees of the Group is 1.316 (31 December 2025: 1.384).

VI. OTHER MATTERS

Unless otherwise stated, the consolidated financial statements and explanations and notes regarding the consolidated financial statements have been prepared in millions 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" ("TFRS 10").

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

**HSBC BANK A.Ş. AND ITS SUBSIDIARIES
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AT
30 JUNE 2026**

(Unless otherwise stated amounts are expressed in millions 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**

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

**HSBC BANK A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2026 AND 31 DECEMBER 2025
(STATEMENT OF FINANCIAL POSITION)**

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

**SECTION TWO
CONSOLIDATED FINANCIAL STATEMENTS**

I. CONSOLIDATED BALANCE SHEET	Note (Section Five I)	Reviewed Current Period (30.06.2026)			Audited Prior Period (31.12.2025)		
		TL	FC	Total	TL	FC	Total
ASSETS							
I. FINANCIAL ASSETS (NET)		177.415	66.578	243.993	92.777	63.851	156.628
1.1 Cash and Cash Equivalents		147.317	64.695	212.012	65.700	60.358	126.058
1.1.1 Cash and Balances with Central Bank	(I-a)	21.450	46.412	67.862	5.888	32.958	38.846
1.1.2 Banks	(I-c)	2.754	175	2.929	583	168	751
1.1.3 Money Market Placements		123.135	18.119	141.254	59.234	27.240	86.474
1.1.4 Expected Loss Provision (-)		22	11	33	5	8	13
1.2 Financial Assets at Fair Value Through Profit or Loss	(I-b)	8.184	153	8.337	3.100	724	3.824
1.2.1 Government Debt Securities		7.310	153	7.463	2.422	724	3.146
1.2.2 Equity Instruments		6	-	6	6	-	6
1.2.3 Other Financial Assets		868	-	868	672	-	672
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(I-d)	20.946	-	20.946	23.844	-	23.844
1.3.1 Government Debt Securities		20.946	-	20.946	23.844	-	23.844
1.3.2 Equity Instruments		-	-	-	-	-	-
1.3.3 Other Financial Assets		-	-	-	-	-	-
1.4 Derivative Financial Assets	(I-b)	968	1.730	2.698	133	2.769	2.902
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		968	1.730	2.698	133	2.769	2.902
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income	(I-k)	-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)		35.634	52.514	88.148	31.084	52.784	83.868
2.1 Loans	(I-e)	16.738	55.532	72.270	12.516	55.429	67.945
2.2 Lease Receivables	(I-j)	-	-	-	-	-	-
2.3 Factoring Receivables		528	406	934	281	211	492
2.4 Other Financial Assets Measured at Amortized Cost	(I-f)	18.826	-	18.826	18.801	-	18.801
2.4.1 Government Debt Securities		18.826	-	18.826	18.801	-	18.801
2.4.2 Other Financial Assets		-	-	-	-	-	-
2.5 Expected Credit Losses (-)		458	3.424	3.882	514	2.856	3.370
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)	923	-	923	937	-	937
VI. INTANGIBLE ASSETS (NET)	(I-m)	1.098	-	1.098	867	-	867
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		1.098	-	1.098	867	-	867
VII. INVESTMENT PROPERTY (NET)	(I-n)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSET	(I-o)	2.682	-	2.682	781	-	781
X. OTHER ASSETS	(I-r)	5.321	3.505	8.826	1.620	410	2.030
TOTAL ASSETS		223.073	122.597	345.670	128.066	117.045	245.111

The explanations and notes on pages 14 to 93 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. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2026 AND 31 DECEMBER 2025
(STATEMENT OF FINANCIAL POSITION)**

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

I. CONSOLIDATED BALANCE SHEET		Note (Section Five II)	Reviewed Current Period (30.06.2026)			Audited Prior Period (31.12.2025)		
			TL	FC	Total	TL	FC	Total
LIABILITIES								
I. DEPOSITS		(II-a)	101.899	140.703	242.602	57.292	106.688	163.980
II. FUNDS BORROWED		(II-d)	-	36.341	36.341	-	24.316	24.316
III. MONEY MARKET BALANCES		(II-c)	-	13.257	13.257	-	14.496	14.496
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)	1.026	4.563	5.589	91	2.019	2.110
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss			1.026	4.563	5.589	91	2.019	2.110
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income			-	-	-	-	-	-
VIII. FACTORING LIABILITIES			-	-	-	-	-	-
IX. LEASE LIABILITIES		(II-g)	157	7	164	187	7	194
X. PROVISIONS		(II-i)	1.511	283	1.794	1.608	14	1.622
10.1 Restructuring Provisions			-	-	-	15	-	15
10.2 Reverse for Employee Benefits			453	-	453	325	-	325
10.3 Insurance Technical Provisions (Net)			-	-	-	-	-	-
10.4 Other Provisions			1.058	283	1.341	1.268	14	1.282
XI. CURRENT TAX LIABILITY		(II-j)	3.164	-	3.164	2.259	-	2.259
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)	-	3.745	3.745	-	6.266	6.266
14.1 Loans			-	3.745	3.745	-	6.266	6.266
14.2 Other Debt Instruments			-	-	-	-	-	-
XV. OTHER LIABILITIES		(II-f)	4.571	5.018	9.589	2.587	1.409	3.996
XVI. SHAREHOLDERS' EQUITY		(II-m)	29.425	-	29.425	25.872	-	25.872
16.1 Paid-in capital			652	-	652	652	-	652
16.2 Capital Reserves			825	-	825	324	-	324
16.2.1 Share Premium			-	-	-	-	-	-
16.2.2 Share Cancellation Profits			-	-	-	-	-	-
16.2.3 Other Capital Reserves			825	-	825	324	-	324
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss			(259)	-	(259)	(225)	-	(225)
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss			81	-	81	437	-	437
16.5 Profit Reserves			22.540	-	22.540	15.852	-	15.852
16.5.1 Legal Reserves			510	-	510	330	-	330
16.5.2 Status Reserves			-	-	-	-	-	-
16.5.3 Extraordinary Reserves			22.030	-	22.030	15.522	-	15.522
16.5.4 Other Profit Reserves			-	-	-	-	-	-
16.6 Profit Or Loss			5.586	-	5.586	8.832	-	8.832
16.6.1 Prior Years' Profit/Loss			-	-	-	-	-	-
16.6.2 Current Year Profit/Loss			5.586	-	5.586	8.832	-	8.832
16.7 Minority Interest			-	-	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			141.753	203.917	345.670	89.896	155.215	245.111

The explanations and notes on pages 14 to 93 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. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS
AS OF 30 JUNE 2026 AND 31 DECEMBER 2025**

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

II. OFF-BALANCE SHEET COMMITMENTS	Note (Section Five III)	Reviewed Current Period (30.06.2026)			Audited Prior Period (31.12.2025)		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		436.580	461.880	898.460	133.629	468.890	602.519
I. GUARANTEES AND COLLATERALS	(III-a-2,3)	3.735	39.041	42.776	7.172	34.264	41.436
1.1 Letters of Guarantee		3.735	31.188	34.923	7.172	25.092	32.264
1.1.1 Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2 Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3 Other Letters of Guarantee		3.735	31.188	34.923	7.172	25.092	32.264
1.2 Bank Acceptances		-	-	-	-	51	51
1.2.1 Import Letter of Acceptance		-	-	-	-	51	51
1.2.2 Other Bank Acceptance		-	-	-	-	-	-
1.3 Letters of Credit		-	6.727	6.727	-	8.084	8.084
1.3.1 Documentary Letters of Credit		-	5.628	5.628	-	6.123	6.123
1.3.2 Other Letters of Credit		-	1.099	1.099	-	1.961	1.961
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Türkiye		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7 Factoring Guarantees		-	-	-	-	-	-
1.8 Other Guarantees		-	1.126	1.126	-	1.037	1.037
1.9 Other Collaterals		-	-	-	-	-	-
II. COMMITMENTS	(III-a-1)	22.598	16.843	39.441	32.634	55.919	88.553
2.1 Irrevocable Commitments		22.598	16.843	39.441	32.634	55.919	88.553
2.1.1 Forward Asset Purchase and Sale Commitments		16.881	16.836	33.717	26.511	55.915	82.426
2.1.2 Forward Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		302	-	302	706	-	706
2.1.5 Securities Underwriting Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Payment Commitment for Checks		16	-	16	21	-	21
2.1.8 Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9 Commitments for Credit Card Expenditure Limits		5.008	-	5.008	4.998	-	4.998
2.1.10 Commitments for Promotions Related with Credit Cards and Banking Activities		60	-	60	54	-	54
2.1.11 Receivables from Short Sale Commitments		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		331	7	338	344	4	348
2.2 Revocable Commitments		-	-	-	-	-	-
2.2.1 Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(III-b)	410.247	405.996	816.243	93.823	378.707	472.530
3.1 Derivative Financial Instruments for Hedging Purposes		-	-	-	-	-	-
3.1.1 Fair Value Hedge		-	-	-	-	-	-
3.1.2 Cash Flow Hedge		-	-	-	-	-	-
3.1.3 Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2 Held for Trading Transactions		410.247	405.996	816.243	93.823	378.707	472.530
3.2.1 Forward Foreign Currency Buy/Sell Transactions		45.158	86.298	131.456	22.244	89.221	111.465
3.2.1.1 Forward Foreign Currency Transactions-Buy		11.199	53.364	64.563	4.318	51.155	55.473
3.2.1.2 Forward Foreign Currency Transactions-Sell		33.959	32.934	66.893	17.926	38.066	55.992
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rate		360.389	241.387	601.776	64.515	204.671	269.186
3.2.2.1 Foreign Currency Swap-Buy		1.063	101.815	102.878	77	73.577	73.654
3.2.2.2 Foreign Currency Swap-Sell		51.254	90.352	141.606	18.982	89.972	108.954
3.2.2.3 Interest Rate Swap-Buy		154.036	24.610	178.646	22.728	20.561	43.289
3.2.2.4 Interest Rate Swap-Sell		154.036	24.610	178.646	22.728	20.561	43.289
3.2.3 Foreign Currency, Interest Rate and Securities Options		4.700	35.726	40.426	7.064	37.280	44.344
3.2.3.1 Foreign Currency Options-Buy		2.350	17.863	20.213	3.532	18.640	22.172
3.2.3.2 Foreign Currency Options-Sell		2.350	17.863	20.213	3.532	18.640	22.172
3.2.3.3 Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4 Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1 Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2 Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		-	42.585	42.585	-	47.535	47.535
B. CUSTODY AND PLEDGES SECURITIES (IV+V+VI)		6.818.646	280.506	7.099.152	5.502.359	294.022	5.796.381
IV. ITEMS HELD IN CUSTODY		6.740.711	151.362	6.892.073	5.424.887	160.004	5.584.891
4.1 Customers' Securities Held		166.793	66.188	232.981	116.365	70.179	186.544
4.2 Investment Securities Held in Custody		6.573.609	17.963	6.591.572	5.308.096	26.853	5.334.949
4.3 Checks Received for Collection		17	183	200	60	86	146
4.4 Commercial Notes Received for Collection		204	163	367	278	217	495
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		88	66.865	66.953	88	62.669	62.757
4.8 Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		73.639	41.968	115.607	73.426	54.563	127.989
5.1 Marketable Securities		384	6.847	7.231	322	6.308	6.630
5.2 Guarantee Notes		-	2.333	2.333	2	2.148	2.150
5.3 Commodity		311	6.334	6.645	314	5.987	6.301
5.4 Warranty		-	-	-	-	-	-
5.5 Real Estate		2.926	19.106	22.032	3.076	33.112	36.188
5.6 Other Pledged Items		70.018	7.348	77.366	69.712	7.008	76.720
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED BILL OF EXCHANGE AND COLLATERALS		4.296	87.176	91.472	4.046	79.455	83.501
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		7.255.226	742.386	7.997.612	5.635.988	762.912	6.398.900

The explanations and notes on pages 14 to 93 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. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIODS ENDED 30 JUNE 2026 AND 30 JUNE 2025**

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

III. CONSOLIDATED STATEMENT OF PROFIT OR LOSS			Reviewed			
INCOME AND EXPENSE ITEMS		Note (Section Five IV)	Current Period (01.01.2026 – 30.06.2026)	Current Period (01.04.2026 – 30.06.2026)	Prior Period (01.01.2025 – 30.06.2025)	Prior Period (01.04.2025 – 30.06.2025)
I.	INTEREST INCOME	(IV-a)	30.774	15.784	24.299	13.066
1.1	Interest Income on Loans	(IV-a-1)	5.719	3.166	5.326	2.766
1.2	Interest Received from Reserve Requirements		1.439	703	1.851	1.012
1.3	Interest Received from Banks	(IV-a-2)	12.732	6.632	7.953	2.960
1.4	Interest Received from Money Market Transactions		3.132	1.338	3.620	2.937
1.5	Interest Received from Marketable Securities Portfolio	(IV-a-3)	7.262	3.664	5.018	3.086
1.5.1	Financial Assets at Fair Value through Profit or (Loss)		741	432	571	382
1.5.2	Financial Assets at Fair Value Through Other Comprehensive Income		3.808	1.857	3.622	2.099
1.5.3	Financial Assets Measured at Amortized Cost		2.713	1.375	825	605
1.6	Financial Lease Income		-	-	-	-
1.7	Other Interest Income		490	281	531	305
II.	INTEREST EXPENSE (-)	(IV-b)	12.948	7.111	13.892	7.182
2.1	Interest Expense on Deposits	(IV-b-4)	11.545	6.402	12.567	6.405
2.2	Interest Expense on Funds Borrowed	(IV-b-1)	1.106	580	965	525
2.3	Interest Expense on Money Market Transactions		226	86	303	227
2.4	Interest on Securities Issued	(IV-b-3)	-	-	-	-
2.5	Interest Expense on Lease		17	9	18	10
2.6	Other Interest Expenses		54	34	39	15
III.	NET INTEREST INCOME/EXPENSE (I - II)		17.826	8.673	10.407	5.884
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		1.871	1.014	1.414	633
4.1	Fees and Commissions Received		2.077	1.128	1.688	783
4.1.1	Non-Cash Loans		444	236	418	160
4.1.2	Other	(IV-l)	1.633	892	1.270	623
4.2	Fees and Commissions Paid (-)		206	114	274	150
4.2.1	Non-Cash Loans		-	-	-	-
4.2.2	Other		206	114	274	150
V	DIVIDEND INCOME	(IV-c)	2	2	1	1
VI.	TRADING GAIN/(LOSS) (NET)	(IV-d)	(5.124)	(2.823)	(467)	(844)
7.1	Trading Gains/(Losses) on Securities		590	300	(73)	(11)
7.2	Derivative Financial Transactions Gains/(Losses)		(7.587)	(6.016)	4.451	1.475
7.3	Foreign Exchange Gains/(Losses)		1.873	2.893	(4.845)	(2.308)
VII.	OTHER OPERATING INCOME	(IV-e)	361	180	265	125
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		14.936	7.046	11.620	5.799
IX.	PROVISION FOR LOAN LOSSES (-)	(IV-f)	849	430	619	330
X.	OTHER PROVISION EXPENSES (-)		21	9	49	31
XI.	PERSONNEL EXPENSES (-)		3.425	1.861	2.573	1.357
XII.	OTHER OPERATING EXPENSES (-)	(IV-g)	2.976	1.568	2.200	1.105
XIII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)		7.665	3.178	6.179	2.976
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.	INCOME/EXPENSE BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)		7.665	3.178	6.179	2.976
XVIII.	PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(IV-i)	(2.079)	(887)	(1.840)	(904)
18.1	Current Tax Provision		(3.962)	(1.941)	(1.884)	(1.384)
18.2	Deferred Tax Income Effect (+)		-	-	-	-
18.3	Deferred Tax Expense Effect (-)		1.883	1.054	44	480
XIX.	NET PROFIT/LOSSES FROM CONTINUING OPERATIONS (XVII±XVIII)	(IV-j)	5.586	2.291	4.339	2.072
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/LOSSES FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-	-	-
XXV.	NET PROFIT/LOSSES (XIX+XXIV)	(IV-k)	5.586	2.291	4.339	2.072
	Earnings/Loss per Share		0,085637	0,035122	0,066519	0,031765

The explanations and notes on pages 14 to 93 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. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIODS ENDED 30 JUNE 2026 AND 30 JUNE 2025**

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

IV. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
	Reviewed Current Period (30.06.2026)	Reviewed Prior Period (30.06.2025)
I. INCOME/LOSS FOR THE PERIOD	5.586	4.339
II. OTHER COMPREHENSIVE INCOME	(390)	(207)
2.1 Not Reclassified Through Profit or Loss	(34)	(27)
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	(48)	(39)
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	14	12
2.2 Reclassified Through Profit or Loss	(356)	(180)
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	(509)	(257)
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	153	77
III. TOTAL COMPREHENSIVE INCOME (I+II)	5.196	4.132

The explanations and notes on pages 14 to 93 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. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 JUNE 2025

(Unless otherwise stated amounts are expressed in millions 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								
Reviewed Prior Period 30 June 2025	Note Section Five (V)	Paid-in Capital	Share Premium	Share Cancel Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserve	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	-	-	324	-	(213)	-	-	(43)	-	10.939	-	6.041	17.700	-	17.700
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	-	-	324	-	(213)	-	-	(43)	-	10.939	-	6.041	17.700	-	17.700
IV. Total Comprehensive Income	(V-a)	-	-	-	-	-	(27)	-	-	(180)	-	-	-	4.339	4.132	-	4.132
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	-	(6.041)	(1.128)	-	(1.128)
11.1 Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	-	(1.128)	(1.128)	-	(1.128)
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	4.913	-	(4.913)	-	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (III+IV+.....+X+XI)		652	-	-	324	-	(240)	-	-	(223)	-	15.852	-	4.339	20.704	-	20.704

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 14 to 93 form an integral part of these consolidated financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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HSBC BANK A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 JUNE 2026

(Unless otherwise stated amounts are expressed in millions 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									
Reviewed Current Period 30 June 2026	Note Section Five (V)	Paid-in Capital	Share Premiu m	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	Minorit y Interest	Total Equity	
I. Balances at the Beginning of the Period – 31 December 2025		652	-	-	324	-	(225)	-	-	437	-	15.852	-	8.832	25.872	-	25.872	
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	-	-	324	-	(225)	-	-	437	-	15.852	-	8.832	25.872	-	25.872	
IV. Total Comprehensive Income	(V-a)	-	-	-	-	-	(34)	-	-	(356)	-	-	-	5.586	5.196	-	5.196	
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		-	-	-	-	501	-	-	-	-	-	-	(501)	-	-	-	-	-
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	-	7.189	-	(8.832)	(1.643)	-	(1.643)
11.1 Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	(1.643)	(1.643)	-	(1.643)
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	7.189	-	(7.189)	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Period End Balance (III+IV+.....+X+XI)		652	-	-	825	-	(259)	-	-	81	-	22.540	-	5.586	29.425	-	29.425	

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 14 to 93 form an integral part of these consolidated financial statements.

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**HSBC BANK A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED 30 JUNE 2026 AND 30 JUNE 2025**
(Unless otherwise stated amounts are expressed in millions of Turkish Lira ("TL")).

VI. CONSOLIDATED STATEMENT OF CASH FLOWS			
	Note (Section Five VI)	Reviewed Current Period (30.06.2026)	Reviewed Prior Period (30.06.2025)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes in Operating Assets and Liabilities	(VI-a)	9.525	2.863
1.1.1 Interest Received	(VI-a)	31.396	23.508
1.1.2 Interest Paid	(VI-a)	(12.825)	(14.123)
1.1.3 Dividend Received		2	1
1.1.4 Fees and Commissions Received		2.097	1.740
1.1.5 Other Income		352	265
1.1.6 Collections From Previously Written-Off Loans and Other Receivables		12	41
1.1.7 Cash Payments to Personnel and Service Suppliers	(VI-a)	(3.496)	(2.640)
1.1.8 Taxes Paid		(3.508)	(1.841)
1.1.9 Other		(4.505)	(4.088)
1.2 Changes in Operating Assets and Liabilities Subject to Banking Operations		55.162	6.850
1.2.1 Net (Increase)/Decrease in Financial Assets at Fair Value Through Profit or Loss		(4.249)	(155)
1.2.2 Net (Increase)/Decrease in Due from Banks		(14.136)	(9.826)
1.2.3 Net (Increase)/Decrease in Loans		(2.012)	(13.447)
1.2.4 Net (Increase)/Decrease in Other Assets		(7.240)	(3.264)
1.2.5 Net Increase/(Decrease) in Bank Deposits		34.821	(164)
1.2.6 Net Increase/(Decrease) in Other Deposits		43.831	28.293
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		(10)	4.346
1.2.9 Net Increase/(Decrease) in Matured Payables		-	-
1.2.10 Net Increase/(Decrease) in Other Liabilities		4.157	1.067
I. Net Cash Provided from Banking Operations		64.687	9.713
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Provided from Investing Activities		2.693	(9.969)
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 Assets		(101)	(129)
2.4 Cash Obtained from the Sale of Tangible Assets		18	1
2.5 Cash Paid for Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(7.013)	(12.020)
2.6 Cash Obtained from the Sale of Financial Assets at Fair Value Through Other Comprehensive Income		10.099	9.899
2.7 Cash Paid for Purchase of Financial Assets at Amortized Cost		-	(7.572)
2.8 Cash Obtained from Sale of Financial Assets at Amortized Cost		-	-
2.9 Other		(310)	(148)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities		4.463	3.198
3.1 Cash Obtained from Funds Borrowed and Securities Issued		29.936	17.353
3.2 Cash Outflow from Funds Borrowed and Securities Issued		(23.690)	(12.943)
3.3 Equity Instruments Issued		-	-
3.4 Dividends Paid		(1.643)	(1.128)
3.5 Payments for Finance Lease Liabilities		(140)	(84)
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	(VI-a)	20	12
V. Net (Decrease)/Increase in Cash and Cash Equivalents (I+II+III+IV)		71.863	2.954
VI. Cash and Cash Equivalents at Beginning of the Period	(VI-d)	89.613	84.638
VII. Cash and Cash Equivalents at End of the Period	(VI-d)	161.476	87.592

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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 2025.

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 30 June 2026 and disclosed them in footnote VIII, "Explanations on Expected Credit Losses". The Parent Bank reviews its assumptions quarterly and makes updates if deemed necessary.

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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/IFRS 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/IFRS 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 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 11340 dated 18 December 2025.

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 30 June 2026. 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.

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 fulfilment 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. The Parent Bank uses sensitivity measurements to monitor market risk positions within each asset class and risk category. 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 grouped by portfolio, risk factor, maturity, and similar categories, and monitored in a comprehensive and appropriately detailed manner; 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 to these risks. 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. 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.

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

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

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 being 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 30 June 2026. 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.

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.

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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 recognize 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 in 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 Group 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 Group 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 second quarter of 2026, in light of the expected changes in economic indicators due to the tension in the Middle East, the weighting of macroeconomic variables within the scenarios has been changed to include these effects as well, while the Middle East Scenario added in the first quarter was removed, and the number of scenarios was reduced back to 4.

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 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 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 ratio 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 30 June 2026, 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 30 June 2026, the Bank reassessed the macroeconomic scenario weights used in the calculation of expected credit losses, and the scenario weights used as of 31 December 2025 were revised. As of the second quarter of 2026, in light of the expected changes in economic indicators due to the tension in the Middle East, the weighting of macroeconomic variables within the scenarios has been changed to include these effects as well, while the Middle East Scenario added in the first quarter was removed, and the number of scenarios was reduced back to 4. The calculations, which also take into account the PD and LGD parameters that vary according to these scenarios and their weights, have been reflected in the financial statements as of 30 June 2026. The PD values used in the Corporate/Commercial portfolio, which basically the annual rate of change in housing prices, reflects the change in short-term external 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 established. 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, was reassessed in the first quarter of 2026 within the framework of the prevailing macroeconomic volatility, and the Bank applied additional management overlays on top of the provisions established. This approach 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 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 Parent 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-fulfilment 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 30 June 2026 and 31 December 2025, 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 30 June 2026, there is no net book value of goodwill (31 December 2025: 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 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 has started to apply the "TFRS 16 Leases" Standard with using the modified retrospective approach from 1 January 2019.

The Group's accounting policies upon 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 recognised, 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, consist 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, right of use assets classified under tangible assets as of 30 June 2026 amounted to TL 168 (31 December 2025: TL 158), lease liability amounted to TL 164 (31 December 2025: TL 194), depreciation expense amounted to TL 60 (30 June 2025: TL 44) and interest expense amounted to TL 17 (30 June 2025: TL 18).

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 recognised 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 2025 4,27%).

As of 30 June 2026, actuarial loss amounted to TL 259 (31 December 2025: TL 225 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 of subject. 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.

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.

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XX. EXPLANATIONS ON TAXATION (Continued)

a. Current Tax (Continued):

Application of Inflation Adjustment (Continued):

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, while depreciation calculated in accordance with the provisions of the Tax Procedure Law (TPL) for 2025 has been based on the revalued amounts, continued in the first and second quarters of 2026 as well.

b. Deferred Tax Assets / Liabilities:

The Group 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.

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 30 June 2026, the Group has recognized deferred tax receivable amounting to TL 2.682 as an asset (31 December 2025: The Group has recognized a deferred tax receivable amounting to TL 781 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 Group 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.

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XX. EXPLANATIONS ON TAXATION (Continued)

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 30 June 2026, the Group 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. Group has filled out the related form and presented it to the tax office.

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 Group'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 30 June 2026 and 31 December 2025, the Group has no convertible bonds.

XXII. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES

As of 30 June 2026 and 31 December 2025, 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 30 June 2026 and 31 December 2025, the Group has no government incentives.

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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 30 June 2026	Prior Period 30 June 2025
Net Earnings/(Loss) for the Period	5.586	4.339
Number of Shares	65.229.000.000	65.229.000.000
Earnings/(Loss) per Share (*)	0,085637	0,066519

(*) 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.

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

HSBC Group has commenced a strategic review of its retail banking activities in Türkiye and its domestic-focused corporate banking operations. This review does not include its international corporate banking activities in Türkiye, which will continue to operate under the current business model.

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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 30 June 2026, equity of the Group and the Parent Bank is amounting to TL 33.192 and TL 31.444 respectively and capital adequacy ratio is 23,15% and 22,48% respectively. As of 31 December 2025, equity of the Group and the Parent Bank is amounting to TL 32.040 and TL 30.690 respectively and the capital adequacy ratio was 30,22% and 29,41% 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 30 June 2026	Prior Period 31 December 2025
COMMON EQUITY TIER I CAPITAL		
Paid-in Capital to be Entitled for Compensation after All Creditors	652	652
Share Premium	-	-
Reserves	23.365	16.176
Other Comprehensive Income according to TAS	81	437
Profit	5.586	8.832
Current Period Profit	5.586	8.832
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	29.684	26.097
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	259	225
Leasehold Improvements on Operational Leases	78	61
Goodwill Netted with Deferred Tax Liabilities	-	-
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	1.098	867
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 creditworthiness	-	-
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 1 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	1.435	1.153
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	28.249	24.944

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

	Current Period 30 June 2026	Prior Period 31 December 2025
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	3.732	3.437
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	3.732	3.437
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	3.732	3.437
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	31.981	28.381
TIER II CAPITAL		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	-	2.771
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)	1.217	892
Total Deductions from Tier II Capital	1.217	3.663
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 (-)	6	4
Total Deductions from Tier II Capital	6	4
Total Tier II Capital	1.211	3.659
Total Equity (Total Tier I and Tier II Capital)	33.192	32.040
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	-	-
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. EXPLANATION RELATED TO COMPONENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY (Continued)

	Current Period 30 June 2026	Prior Period 31 December 2025
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	33,192	32,040
Total Risk Weighted Assets	143,375	106,019
CAPITAL ADEQUACY RATIOS		
Consolidated CET1 Capital Ratio (%)	19,70	23,53
Consolidated Tier I Capital Ratio (%)	22,31	26,77
Consolidated Capital Adequacy Ratio (%)	23,15	30,22
BUFFERS		
Total Additional Core Capital Requirement Ratio (a+b+c)	2,55	2,56
a) Capital Conservation Buffer Ratio (%)	2,50	2,50
b) Bank-specific Counter-Cyclical Capital Buffer Ratio (%)	0,05	0,06
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 (%)	12,65	14,97
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)	4,169	3,322
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	1,217	892
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. Pursuant to the BRSA Board Decision No. 11286 dated 13 November 2025, the aforementioned regulations previously in force have been repealed.

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b) Items included in consolidated capital calculation:

Information about instruments that will be included in total capital calculation:	
Issuer	HSBC Middle East Holdings B.V
Identifier(s) (CUSIP, ISIN etc.)	Additional Tier I Capital
Governing law (s) of the instrument	BRSA
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Eligible
Instrument type	Loan
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	3.732
Nominal value of instrument	3.732
Accounting classification of the instrument	Liability –Subordinated Loan
Issuance date of instrument	17.12.2024
Maturity structure of the instrument (demand/maturity)	Demand
Original maturity of the instrument	-
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	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	March 2030 and/or any interest payment date thereafter
Coupon/dividend payment	
Fixed or floating coupon/dividend payments	Floating
Coupon rate and any related index	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 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.
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
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 I 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 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"
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"

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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

Not disclosed in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

III. EXPLANATIONS ON CONSOLIDATED COUNTER CYCLICAL CAPITAL BUFFER RATIO CALCULATION

Not disclosed in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

IV. EXPLANATIONS ON CONSOLIDATED CURRENCY RISK

a) Exposed risk of foreign currency of the Group, 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 is 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 the Directors of the Parent Bank.

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 – 30 June 2026	USD (\$)	Euro (€)
Balance Sheet Date		
Bank Evaluation Rate	46,6577	53,2504
Prior Balance Sheet Date		
30 June 2026	46,6577	53,2504
29 June 2026	46,6425	53,2470
26 June 2026	46,6246	53,2360
25 June 2026	46,5143	52,8961
24 June 2026	46,4862	52,7386
Prior 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

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 June 2026, the Bank's simple arithmetic average foreign exchange rate for USD is TL 46,3013 (December 2025: TL 42,7024) and exchange rate for Euro is TL 53,2945 (December 2025: TL 50,0377).

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IV. EXPLANATIONS ON CONSOLIDATED CURRENCY RISK (Continued)

e. Information related to Group's currency risk:

Current Period-30 June 2026	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	8.579	12.762	25.064	46.405
Banks	29	102	44	175
Financial Assets at Fair Value through Profit or Loss (Net) (***)	366	1.496	21	1.883
Interbank Money Market Placements	-	18.115	-	18.115
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	-	-
Loans (*)	31.817	20.697	-	52.514
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	15	3.489	1	3.505
Total Assets	40.806	56.661	25.130	122.597
Liabilities				
Bank Deposits	54	22	6	82
Foreign Currency Deposits	29.086	45.439	66.096	140.621
Funds from Interbank Money Market	2.567	6.234	4.456	13.257
Fund Borrowed	5.346	34.740	-	40.086
Marketable Securities Issued (Net)	-	-	-	-
Miscellaneous Payables	1	4.691	31	4.723
Hedging Derivative Financial Liabilities	-	-	-	-
Other Liabilities (**)	474	4.606	68	5.148
Total Liabilities	37.528	95.732	70.657	203.917
Net On Balance Sheet Position	3.278	(39.071)	(45.527)	(81.320)
Net Off-Balance Sheet Position	(3.385)	33.659	45.506	75.780
Financial Derivative Assets	41.644	125.905	57.137	224.686
Financial Derivative Liabilities	45.029	92.246	11.631	148.906
Non-cash Loans	11.291	21.554	6.196	39.041
Prior Period - 31 December 2025				
Total Assets	38.822	63.693	14.530	117.045
Total Liabilities	24.845	68.157	62.213	155.215
Net on-Balance Sheet Position	13.977	(4.464)	(47.683)	(38.170)
Net off-Balance Sheet Position	(14.043)	3.317	47.674	36.948
Financial Derivative Assets	60.205	96.250	58.764	215.219
Financial Derivative Liabilities	74.248	92.933	11.090	178.271
Non-cash Loans	9.236	21.652	3.377	34.265

(*) As of 30 June 2026, there are no foreign currency indexed loans.

(**) There are Derivative Financial Liabilities amounting to TL 4.563 within Other Liabilities.

(***) There are Derivative Financial Assets amounting to TL 1.730 within the Financial Assets at Fair Value Reflected in Profit or Loss.

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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 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 30 June 2026	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 (*)	50.331	-	-	-	-	17.518	67.849
Banks (*)	2.751	-	-	-	-	178	2.929
Financial Assets at Fair Value Through Profit or Loss (Net) (**)	818	1.214	2.780	5.163	186	874	11.035
Interbank Money Market Placements (*)	141.234	-	-	-	-	-	141.234
Financial Assets at Fair Value Through Other Comprehensive Income	6.784	6.784	958	6.419	1	-	20.946
Loans	23.936	14.993	27.859	1.225	1.358	2	69.373
Financial Assets Measured at Amortized Cost (****)	-	-	8.571	8.052	2.152	-	18.775
Other Assets	5.645	-	-	243	-	7.641	13.529
Total Assets	231.499	22.991	40.168	21.102	3.697	26.213	345.670
Liabilities							
Bank Deposits	35.055	-	-	-	-	412	35.467
Other Deposits	94.712	5.058	124	-	-	107.241	207.135
Funds from Interbank Money Market	12.191	1.066	-	-	-	-	13.257
Miscellaneous Payables	2.018	-	-	-	-	5.104	7.122
Marketable Securities Issued (Net)	-	-	-	-	-	-	-
Funds Borrowed	13.918	26.168	-	-	-	-	40.086
Other Liabilities (**)(***)	2.176	2.716	5.024	107	-	32.580	42.603
Total Liabilities	160.070	35.008	5.148	107	-	145.337	345.670
Balance Sheet Long Position	71.429	-	35.020	20.995	3.697	-	131.141
Balance Sheet Short Position	-	(12.017)	-	-	-	(119.124)	(131.141)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	(1.601)	(2.179)	(1.740)	(251)	-	-	(5.771)
Total Position	69.828	(14.196)	33.280	20.744	3.697	(119.124)	(5.771)

(*) 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 33.

(**) 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 includes expected loss provisions balance amounting to TL 51.

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V. EXPLANATIONS ON CONSOLIDATED INTEREST RATE RISK (Continued)

Prior Period – 31 December 2025	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 (*)	36.341	-	-	-	-	2.497	38.838
Banks (*)	710	-	-	-	-	41	751
Financial Assets at Fair Value Through Profit or Loss (Net) (**)	906	1.910	2.027	957	248	678	6.726
Interbank Money Market Placements (*)	86.469	-	-	-	-	-	86.469
Financial Assets at Fair Value Through Other Comprehensive Income	2.886	14.255	1.738	4.834	131	-	23.844
Loans	19.585	17.790	25.743	1.099	908	6	65.131
Financial Assets Measured at Amortized Cost (****)	-	-	-	16.591	2.146	-	18.737
Other Assets	869	-	-	187	-	3.559	4.615
Total Assets	147.766	33.955	29.508	23.668	3.433	6.781	245.111
Liabilities							
Bank Deposits	228	-	-	-	-	387	615
Other Deposits	60.432	4.093	153	-	-	98.687	163.365
Funds from Interbank Money Market	14.496	-	-	-	-	-	14.496
Miscellaneous Payables	1.543	-	-	-	-	1.429	2.972
Marketable Securities Issued (Net)	-	-	-	-	-	-	-
Funds Borrowed	7.174	23.398	-	-	-	10	30.582
Other Liabilities (**)(***)	689	1.134	3.711	129	-	27.418	33.081
Total Liabilities	84.562	28.625	3.864	129	-	127.931	245.111
Balance Sheet Long Position	63.204	5.330	25.644	23.539	3.433	-	121.150
Balance Sheet Short Position	-	-	-	-	-	(121.150)	(121.150)
Off-Balance Sheet Long Position	-	-	59	-	-	-	59
Off-Balance Sheet Short Position	(124)	(80)	(3)	-	-	-	(207)
Off-Balance Sheet Short Position Liabilities	63.080	5.250	25.641	23.598	3.433	(121.150)	(148)

(*) Cash Equivalents, (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) Items Receivable from CBRT, Banks and Money Markets items include the expected loss provision balance amounting to TL 13.

(**) 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 includes expected loss provisions balance amounting to TL 64.

b) Effective average interest rates for monetary financial instruments:

Current Period – 30 June 2026	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	-	34,40
Banks	-	-	-	40,89
Financial Assets at Fair Value Through Profit or Loss (Net)	5,16	7,11	-	39,48
Interbank Money Market Placements	-	3,60	-	39,99
Financial Assets at Fair Value through Other Comprehensive Income	-	-	-	39,17
Loans	5,91	6,82	-	43,19
Financial Assets Measured at Amortized Cost	-	-	-	35,08
Liabilities				
Bank Deposits	-	-	-	32,17
Other Deposits	1,65	3,10	-	34,84
Funds From Interbank Money Market	1,87	2,80	-	-
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (Net)	-	-	-	-
Funds Provided from Other Financial Institutions	3,53	5,34	-	-

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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 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	-	-

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

Position risk of equity securities in banking book:

As of 30 June 2026, the Parent Bank has no financial assets that would cause a significant effect on its equity securities position (31 December 2025: None).

VII. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT, LIQUIDITY COVERAGE RATIO 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 is tracked at tactical ALCO meetings with the participation of business representatives on a 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 Parent 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 RATIO 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 RATIO 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 are consisted of real person and retail deposit, corporate bank deposits, repurchase agreements and borrowings. Deposits that are used for funding consist 70% 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 RATIO 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 – 30.06.2026	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			220.482	108.306
Cash Outflows				
Retail and customer deposits	116.859	92.057	10.660	9.206
Stable deposits	20.516	-	1.026	-
Less stable deposits	96.343	92.057	9.634	9.206
Unsecured funding other than retail and small business customers deposits	126.873	65.843	75.377	33.761
Operational deposits	-	-	-	-
Non-Operational deposits	121.040	64.269	69.543	32.187
Other unsecured funding	5.833	1.574	5.834	1.574
Secured funding	-	5.890	-	5.890
Other cash outflows	15.827	31.031	15.827	31.031
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	15.827	31.031	15.827	31.031
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	49.548	39.988	8.711	7.895
Other irrevocable or conditionally revocable commitments	-	-	-	-
TOTAL CASH OUTFLOWS			110.575	87.783
Cash Inflows				
Secured lending transactions	-	-	-	-
Unsecured lending transactions	13.948	10.170	9.632	6.700
Other cash inflows	1.406	45.022	1.405	45.022
TOTAL CASH INFLOWS	15.354	55.192	11.037	51.722
Values to which the upper limit is applied				
TOTAL HQLA STOCK	-	-	220.482	108.306
TOTAL NET CASH OUTFLOWS	-	-	99.538	36.061
LIQUIDITY COVERAGE RATIO (%)	-	-	221,51	300,34

(*) 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 – 30.06.2026	
	TL+FC	FC
Highest (%)	277,22	414,62
Date	08.05.2026	16.04.2026
Lowest (%)	148,06	136,50
Date	21.04.2026	21.04.2026
Average (%)	221,51	300,34

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

Prior 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			176.090	59.754
Cash Outflows				
Retail and customer deposits	108.235	81.752	10.146	8.175
Stable deposits	13.560	-	678	-
Less stable deposits	94.675	81.752	9.468	8.175
Unsecured funding other than retail and small business customers deposits	96.454	34.594	54.748	16.641
Operational deposits	-	-	-	-
Non-Operational deposits	86.913	31.579	45.207	13.626
Other unsecured funding	9.541	3.015	9.541	3.015
Secured funding	-	1.319	-	1.319
Other cash outflows	3.869	9.286	3.869	9.286
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	3.869	9.286	3.869	9.286
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	29.935	5.955	4.964
Other irrevocable or conditionally revocable commitments	-	-	-	-
TOTAL CASH OUTFLOWS			74.718	40.385
Cash Inflows				
Secured lending transactions	-	-	-	-
Unsecured lending transactions	9.594	7.943	6.505	5.250
Other cash inflows	994	39.825	994	39.825
TOTAL CASH INFLOWS	10.588	47.768	7.499	45.075
Values to which the upper limit is applied				
TOTAL HQLA STOCK	-	-	176.090	59.754
TOTAL NET CASH OUTFLOWS	-	-	67.219	10.096
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.

	Prior Period – 31.12.2025	
	TL+FC	TL+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 RATIO AND NET STABLE FUNDING RATIO (Continued)**

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

Current Period – 30 June 2026	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 (****)	17.518	50.331	-	-	-	-	-	67.849
Banks (****)	178	2.751	-	-	-	-	-	2.929
Financial Assets at Fair Value through Profit or Loss (Net) (***)	-	587	445	3.184	5.645	300	874	11.035
Interbank Money Market Placements (****)	-	141.234	-	-	-	-	-	141.234
Financial Assets at Fair Value through Other Comprehensive Income	-	-	934	699	18.738	575	-	20.946
Loans	-	7.682	11.252	32.393	15.355	2.689	2	69.373
Financial Assets Measured at Amortized Cost (*****)	-	-	-	8.571	8.052	2.152	-	18.775
Other Assets (*)	-	5.645	-	-	243	-	7.641	13.529
Total Assets	17.696	208.230	12.631	44.847	48.033	5.716	8.517	345.670
Liabilities								
Bank Deposits	412	35.055	-	-	-	-	-	35.467
Other Deposits	107.241	94.712	5.058	124	-	-	-	207.135
Funds Provided from Other Financial Institutions	-	4.727	-	31.614	3.745	-	-	40.086
Money Market Borrowings	-	12.191	1.066	-	-	-	-	13.257
Marketable Securities Issued (Net)	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	2.018	-	-	-	-	5.104	7.122
Other Liabilities (*) (****)	-	1.903	1.930	5.690	684	50	32.346	42.603
Total Liabilities	107.653	150.606	8.054	37.428	4.429	50	37.450	345.670
Net Liquidity Excess / (Gap)	(89.957)	57.624	4.577	7.419	43.604	5.666	(28.933)	-
Net Off Balance Sheet Position	-	(1.602)	(2.178)	(1.740)	(251)	-	-	(5.771)
Derivative Financial Assets	-	150.714	93.523	130.069	43.679	3.996	-	421.981
Derivative Financial Liabilities	-	152.316	95.701	131.809	43.930	3.996	-	427.752
Non-cash Loans	40.174	20	331	2.251	-	-	-	42.776
Prior Period - 31 December 2025								
Total Assets	2.540	131.391	16.997	31.456	51.469	7.015	4.243	245.111
Total Liabilities	99.084	77.349	13.570	19.710	3.898	2.850	28.650	245.111
Net Liquidity Excess / (Gap)	(96.544)	54.042	3.427	11.746	47.571	4.165	(24.407)	-
Net Off-Balance Sheet Position	-	(124)	(80)	(3)	59	-	-	(148)
Derivative Financial Assets	-	138.077	67.276	33.714	34.890	3.436	-	277.393
Derivative Financial Liabilities	-	138.201	67.356	33.717	34.831	3.436	-	277.541
Non-cash Loans	38.970	62	1.732	672	-	-	-	41.436

(*) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed and intangible assets, investments, subsidiaries, stationary, 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 33.

(*****) Financial Assets Measured at Amortized Cost include expected loss provisions balance amounting to TL 51.

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

c) Net Stable Funding Ratio Template:

Current Period – 30 June 2026		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	34.622	-	-	-	34.622
2	Core Capital and Supplementary Capital	34.622	-	-	-	34.622
3	Other Shareholder’s Equity Elements	-	-	-	-	-
4	Real Person and Retail Customer Deposits/Participation Funds	76.284	25.918	44	-	102.246
5	Stable Deposit/Participation Fund	1.354	9.390	2	-	10.746
6	Low Stable Deposit/Participation Fund	74.930	16.528	42	-	91.500
7	Debts to other people	31.506	102.710	31.403	-	62.612
8	Operational deposit/participation fund	-	-	-	-	-
9	Other Debts	31.506	102.710	31.403	-	62.612
10	Liabilities Equivalent to Interconnected Assets					
11	Other Liabilities	-	-	-	-	-
12	Derivative Liabilities		2.891			
13	Other equity elements and liabilities not listed above	14.779	13.257	-	-	-
14	Current Stable Funding					199.480
Required Stable Funding						
15	High quality liquid assets					16.291
16	Operational Deposit/Participation Fund Deposited in Credit Institutions or Financial Institutions	-	-	-	-	-
17	Biological Receivables	-	40.567	16.577	16.948	46.523
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	-	6.533	3.130	1.601	5.575
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	-	34.034	13.447	12.373	38.409
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	-	-	-	2.974	2.539
25	Assets Equivalent to Interconnected Liabilities					
26	Other Assets	-	-	-	-	18.564
27	Commodities With Physical Delivery, Including Gold	-				-
28	Initial Collateral of Derivative Contracts or Guarantee Fund Given to The Central Counterparty				193	164
29	Derivative Assets				-	-
30	Amount Of Derivative Liabilities Before Deducting Variation Margin				559	559
31	Other Assets Not Listed Above	-	-	-	17.841	17.841
32	Off-Balance Sheet Liabilities				-	2.425
33	Required Stable Funding					83.803
34	Net Stable Funding Ratio (%)					238,04%

As of 30 June 2026, consolidated NSFR is calculated as 238,04% (31 December 2025: 252,20%). Considering the amounts to which the consideration rate is applied, the Equity Elements to which the highest consideration rate is applied within the scope of the legislation constitute 17,36% of the Current Stable Fund amount (31 December 2025: 20,12%) and Real Person and Retail Customer Deposits corresponds to 51,26% of Current Stable Fund amount (31 December 2025: 62,19%). Performing Receivables, which have the largest share in the Required Stable Fund, constitute 55,52% of the Required Stable Fund amount (31 December 2025: 63,05%). 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 second 3 months of 2026 is shown in the tables below.

Period	Ratio
30 April 2026	252,86%
31 May 2026	257,75%
30 June 2026	238,04%
3 Month Average	249,55%

Prior 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	-	-	6.208	32.065
2	Core Capital and Supplementary Capital	25.857	-	-	6.208	32.065
3	Other Shareholder's Equity Elements	-	-	-	-	-
4	Real Person and Retail Customer Deposits/Participation Funds	73.285	25.738	85	-	99.108
5	Stable Deposit/Participation Fund	508	8.401	3	-	8.912
6	Low Stable Deposit/Participation Fund	72.777	17.337	82	-	90.196
7	Debts to other people	25.819	48.193	4.296	-	28.195
8	Operational deposit/participation fund	-	-	-	-	-
9	Other Debts	25.819	48.193	4.296	-	28.195
10	Liabilities Equivalent to Interconnected Assets					
11	Other Liabilities	-	-	-	-	-
12	Derivative Liabilities		2.110			
13	Other equity elements and liabilities not listed above	8.532	14.496	-	-	-
14	Current Stable Funding					159.368
Required Stable Funding						
15	High quality liquid assets					10.763
16	Operational Deposit/Participation Fund Deposited in Credit Institutions or Financial Institutions	-	-	-	-	-
17	Biological Receivables	-	38.179	12.481	15.541	39.840
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	1.304	1.640	2.983
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	-	33.569	11.177	11.538	35.675
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	1.182
25	Assets Equivalent to Interconnected Liabilities					
26	Other Assets	-	-	-	-	10.232
27	Commodities With Physical Delivery, Including Gold	-				-
28	Initial Collateral of Derivative Contracts or Guarantee Fund Given to The Central Counterparty			148		126
29	Derivative Assets			791		791
30	Amount Of Derivative Liabilities Before Deducting Variation Margin			211		211
31	Other Assets Not Listed Above	-	-	-	9.104	9.104
32	Off-Balance Sheet Liabilities	47.109		-	-	2.355
33	Required Stable Funding					63.190
34	Net Stable Funding Ratio (%)					252.20%

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

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%

d) Information on securitization position:

None.

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 30.06.2026 (*)	Prior Period 31.12.2025 (*)
Assets On the Balance Sheet		
1 Assets on the balance sheet (excluding derivative financial instruments and loan derivatives, including collaterals)	223.492	173.368
2 (Assets deducted from core capital)	(1.109)	(877)
3 Total risk amount for assets on the balance sheet (sum of lines 1 and 2)	222.383	172.491
Derivative Financial Instruments and Loan Derivatives		
4 Renewal cost of derivative financial instruments and loan derivatives	1.064	2.292
5 Potential credit risk amount of derivative financial instruments and loan derivatives	4.507	4.744
6 Total risk amount of derivative financial instruments and loan derivatives (sum of lines 4 and 5)	5.571	7.036
Financing Transactions with Securities or Goods Warranties		
7 Risk amount of financial transactions with securities or goods warranties (excluding those in the balance sheet)	4.515	4.725
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)	-	-
Off-balance Sheet Transactions		
10 Gross nominal amount of the off-the-balance sheet transactions	115.640	117.458
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)	115.640	117.458
Capital and Total Risk		
13 Core capital	31.149	27.483
14 Total risk amount (sum of lines 3,6,9 and 12)	348.109	301.710
Transition process unapplied leverage ratio		
15 Transition process unapplied leverage ratio (%)	8,95	9,11

(*) Table represents three-month average amounts.

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VIII. EXPLANATIONS ON CONSOLIDATED LEVERAGE RATIO (Continued)

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

	Current Period	Prior Period
	30.06.2026 ^(**)	31.12.2025 ^(**)
Total assets in the consolidated financial statements prepared in accordance with TAS ^(*)	343.100	262.186
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	5.741	5.022
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	(4.507)	(4.774)
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	122.200	97.652
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	348.109	301.710

^(*) 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.

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 that have been 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 30 June 2026:

- 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

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

a. Explanations on Risk Weighted Amount:

	Risk Weighted Amounts		Minimum Capital Requirements
	Current Period 30 June 2026	Prior Period 31 December 2025	Current Period 30 June 2026
Credit risk (excluding counterparty credit risk)	88.365	62.765	7.069
Standardized approach	88.365	62.765	7.069
Internal rating-based approach	-	-	-
Counterparty credit risk	8.999	8.581	720
Standardized approach for counterparty credit risk	8.999	8.581	720
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	14.991	14.183	1.199
Standardized approach	14.991	14.183	1.199
Internal model approaches	-	-	-
Operational risk	31.020	20.490	2.482
Basic indicator approach	31.020	20.490	2.482
Standardized approach	-	-	-
Advanced measurement approach	-	-	-
Amounts below the thresholds for deduction from capital (subject to 250% risk weight)	-	-	-
Floor adjustment	-	-	-
Total	143.375	106.019	11.470

b. 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 30 June 2026	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 (*)	91	73.113	3.831	69.373
Debt Securities	-	48.164	106	48.058
Off-balance sheet receivables	1	82.216	282	81.935
Total	92	203.493	4.219	199.366

(*) Includes factoring receivables amounting to TL 934.

Prior 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 (*)	94	68.343	3.306	65.131
Debt Securities	-	46.477	72	46.405
Off-balance sheet receivables	1	129.988	13	129.976
Total	95	244.808	3.391	241.512

(*) Includes factoring receivables amounting to TL 492.

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

c. Changes in Stock of Defaulted Loans and Debt Securities

	Current Period 30 June 2026	Prior Period 31 December 2025
I. Defaulted loans and debt securities at end of the previous reporting period	95	142
II. Loans and debt securities that have defaulted since the last reporting period	15	53
III. Returned to non-defaulted status	-	-
IV. Amounts written off from assets	6	41
V. Other Changes (*)	12	59
VI. Defaulted loans and debt securities at end of the reporting period end (I+II-III-IV±V)	92	95

(*) Includes current period collections.

d. Credit Risk Mitigation Techniques- Overview:

Current Period 30 June 2026	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	45.968	23.405	23.405	-	-	-	-
Debt Securities	48.058	-	-	-	-	-	-
Total	94.026	23.405	23.405	-	-	-	-
Defaulted	88	3	3	1	1	-	-

Prior 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	19.276	19.274	-	-	-	-
Debt Securities	46.405	-	-	-	-	-	-
Total	92.260	19.276	19.274	-	-	-	-
Defaulted	89	5	5	1	1	-	-

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

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

Current Period 30 June 2026	Exposures before CCF and CRM		Exposures post CCF and CRM		Risk Weighted Amount and Risk Weighted Amount density	
Asset classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk Weighted Amount	Risk Weighted Amount density
Exposures to central governments or central banks	108.574	-	108.574	-	-	-
Exposures to regional governments or local authorities	-	-	-	-	-	-
Exposures to public sector entities	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-
Exposures to banks and financial intermediaries	2.934	26.298	2.934	6.337	5.042	54%
Exposures to corporates	71.387	30.723	70.443	17.195	78.325	89%
Retail exposures	1.544	5.230	1.419	912	1.748	75%
Exposures secured by residential property	7	-	7	-	2	35%
Exposures secured by commercial real estate	178	-	178	-	178	100%
Past-due loans	14	-	14	-	7	50%
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	6.622	-	6.622	-	3.063	46%
Investment in equities	-	-	-	-	-	-
Total	191.260	62.251	190.191	24.444	88.365	41%

Prior Period 31 December 2025	Exposures before CCF and CRM		Exposures post CCF and CRM		Risk Weighted Amount and Risk Weighted Amount density	
Asset classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk Weighted Amount	Risk Weighted Amount density
Exposures to central governments or central banks	68.184	-	68.184	-	-	-
Exposures to regional governments or local authorities	-	-	-	-	-	-
Exposures to public sector entities	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-
Exposures to banks and financial intermediaries	715	39.726	715	4.430	2.389	40%
Exposures to corporates	51.053	24.321	50.254	13.293	55.982	89%
Retail exposures	1.722	5.221	1.620	904	1.913	76%
Exposures secured by residential property	37	-	37	-	13	35%
Exposures secured by commercial real estate	137	85	137	43	90	50%
Past-due loans	16	-	16	-	8	50%
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	5.855	-	5.855	-	2.370	40%
Investment in equities	-	-	-	-	-	-
Total	127.719	69.353	126.818	18.670	62.765	45%

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

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

**Current Period
30 June 2026**

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	108.574	-	-	-	-	-	-	-	-	-	108.574
Exposures to regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-
Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and financial intermediaries	-	-	1.375	-	6.258	-	1.638	-	-	-	9.271
Exposures to corporates	-	-	3.583	-	12.895	-	71.160	-	-	-	87.638
Retail exposures	-	-	-	-	-	2.331	-	-	-	-	2.331
Exposures secured by residential property	-	-	-	7	-	-	-	-	-	-	7
Exposures secured by commercial real estate	-	-	-	-	-	-	178	-	-	-	178
Past-due loans	-	-	-	-	14	-	-	-	-	-	14
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	3.559	-	-	-	-	-	3.063	-	-	-	6.622
Total	112.133	-	4.958	7	19.167	2.331	76.039	-	-	-	214.635

**Prior Period
31 December 2025**

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	68.184	-	-	-	-	-	-	-	-	-	68.184
Exposures to regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-
Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and financial intermediaries	-	-	1.080	-	3.785	-	280	-	-	-	5.145
Exposures to corporates	-	-	2.991	-	10.345	-	50.211	-	-	-	63.547
Retail exposures	-	-	-	-	-	2.445	79	-	-	-	2.524
Exposures secured by residential property	-	-	-	37	-	-	-	-	-	-	37
Exposures secured by commercial real estate	-	-	-	-	180	-	-	-	-	-	180
Past-due loans	-	-	-	-	16	-	-	-	-	-	16
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	3.484	-	-	-	-	-	2.371	-	-	-	5.855
Total	71.668	-	4.071	37	14.326	2.445	52.941	-	-	-	145.488

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

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

Current Period 30 June 2026	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)	1.042	4.023		1,4	5.065	2.774
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)					8.497	4.996
Value at Risk for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
Total						7.770

Prior 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)	1.238	2.550		1,4	3.787	2.169
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)					7.069	5.647
Value at Risk for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
Total						7.816

g. Credit valuation adjustment (CVA) capital charge

Current Period 30 June 2026	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	3.510	1.206
Total subject to the CVA capital charge	3.510	1.206

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

g. Credit valuation adjustment (CVA) capital charge (Continued)

Prior 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	746
Total subject to the CVA capital charge	3.787	746

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

Current Period - 30 June 2026										Total Credit Exposures (*)
Risk weights/Risk classes	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	1	-	401	7.051	-	1	-	-	-	7.454
Exposures to corporates	-	-	322	174	-	3.877	-	-	-	4.373
Retail exposures	-	-	-	-	180	-	-	-	-	180
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	1	-	723	7.225	180	3.878	-	-	-	12.007

(*) Total credit exposure: the amount relevant for the capital requirements calculation, having applied credit risk mitigation techniques.

Prior Period - 31 December 2025										Total Credit Exposures (*)
Risk weights/Risk classes	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	-	-	629	44	-	-	-	-	-	673
Exposures to corporates	-	-	38	289	-	6.702	-	-	-	7.029
Retail exposures	-	-	-	-	114	-	-	-	-	114
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	333	114	6.702	-	-	-	7.816

(*) Total credit exposure: the amount relevant for the capital requirements calculation, having applied credit risk mitigation techniques.

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

j. Risks to the Central Counterparty ("CCP")

	Current Period -30.06.2026		Prior Period -31.12.2025	
	Risk Amount After CRM	Risk Weighted Amounts	Risk Amount After CRM	Risk Weighted Amounts
1 Total risks arising from transactions to qualified CCP	-	23	-	19
2 Regarding risks arising from transactions in CCP (excluding initial margin and guarantee fund amount)	797	23	714	19
3 (i) OTC derivative financial instruments	1	-	1	-
4 (ii) Other derivative financial instruments	119	8	11	1
5 (iii) Repo-reverse repo transactions, overdraft transactions and lending or borrowing securities or commodities	677	15	702	18
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	-	-	-	-

k. Composition of collateral for CCR exposure

Current Period 30 June 2026	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	1.688	-	-	-	13.257	-
Domestic sovereign debt	-	-	-	-	118.168	-
Other sovereign debt	-	-	-	-	18.115	13.946
Government agency bonds	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collaterals	-	-	-	-	-	-
Total	1.688	-	-	-	149.540	13.946

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IX. EXPLANATIONS ON RISK MANAGEMENT (Continued)

k. Composition of collateral for CCR exposure (Continued):

Prior 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	835	-	-	-	10.824	-
Domestic sovereign debt	-	-	-	-	58.575	-
Other sovereign debt	-	-	-	-	20.807	15.290
Government agency bonds	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collaterals	-	-	-	-	-	-
Total	835	-	-	-	90.206	15.290

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

	Current Period 30 June 2026	Prior Period 31 December 2025
	Risk Weighted Amount	Risk Weighted Amount
Outright Products		
Interest Rate Risk (general and specific)	5.284	2.623
Equity Risk (general and specific)	12	11
Foreign Exchange Risk	2.972	2.052
Commodity Risk	5.797	8.508
Options		
Simplified Approach	-	-
Delta-plus Method	926	989
Scenario Approach	-	-
Securitization	-	-
Total	14.991	14.183

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

Not disclosed in the interim period.

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

Not disclosed in the interim period.

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XII. EXPLANATIONS ON OPERATING SEGMENTS

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

In the International Wealth Management and Premier Banking, 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.

	International Wealth Management and Premier Banking	Corporate and Global Banking	Other	Bank's Total Activities
Current Period – 30 June 2026				
Operating Income	3.914	11.022	-	14.936
Other	-	-	-	-
Operating Income	3.914	11.022	-	14.936
Segment Net Profit	-	-	-	-
Undistributed Cost	-	-	-	-
Operating Profit/(Loss)	330	7.510	(175)	7.665
Profit before Tax	330	7.510	(175)	7.665
Corporate Tax Provision (*)	-	-	(2.079)	(2.079)
Profit after Tax	330	7.510	(2.254)	5.586
Non-Controlling Interest	-	-	-	-
Net Profit for the Period	330	7.510	(2.254)	5.586
Segment Assets	2.572	343.098	-	345.670
Associates and Subsidiaries	-	-	-	-
Undistributed Assets	-	-	-	-
Total Assets	2.572	343.098	-	345.670
Segment Liabilities	113.362	199.823	3.060	316.245
Undistributed Liabilities	-	-	29.425	29.425
Total Liabilities	113.362	199.823	32.485	345.670
Other Segment Items	-	(5)	(4.487)	(4.492)
Capital Investment	-	-	411	411
Amortization	-	-	(401)	(401)
Impairment	-	(5)	-	(5)
Non-Cash Other Income-Expense (**)	-	-	(4.497)	(4.497)

(*) 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)

	International Wealth Management and Premier Banking	Corporate and Global Banking	Other	Bank's Total Activities
Prior Period – 31 December 2025^(***)				
Operating Income	3.013	8.613	(6)	11.620
Other	-	-	-	-
Operating Income	3.013	8.613	(6)	11.620
Segment Net Profit	-	-	-	-
Undistributed Cost	-	-	-	-
Operating Profit/(Loss)	292	5.999	(112)	6.179
Profit before Tax	292	5.999	(112)	6.179
Corporate Tax Provision ^(*)	-	-	(1.840)	(1.840)
Profit after Tax	292	5.999	(1.952)	4.339
Non-Controlling Interest	-	-	-	-
Net Profit for the Period	292	5.999	(1.952)	4.339
Segment Assets	2.703	242.408	-	245.111
Associates and Subsidiaries	-	-	-	-
Undistributed Assets	-	-	-	-
Total Assets	2.703	242.408	-	245.111
Segment Liabilities	109.975	103.693	5.571	219.239
Undistributed Liabilities	-	-	25.872	25.872
Total Liabilities	109.975	103.693	31.443	245.111
Other Segment Items	-	(40)	2.185	2.145
Capital Investment	-	-	277	277
Amortization	-	-	(297)	(297)
Impairment	-	(40)	-	(40)
Non-Cash Other Income-Expense ^(**)	-	-	2.205	2.205

^(*) Corporate tax provision is not distributed.

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

^(***) Income-Expense items represent the amounts of 30 June 2025.

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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		Prior Period	
	30 June 2026		31 December 2025	
	TL	FC	TL	FC
Cash/Foreign Currency	66	1.676	51	1.303
The CBRT	21.384	44.736	5.837	31.655
Total	21.450	46.412	5.888	32.958

2. Information related to balances with the CBRT:

	Current Period		Prior Period	
	30 June 2026		31 December 2025	
	TL	FC	TL	FC
Unrestricted Demand Deposit	15.679	100	677	467
Unrestricted Time Deposit	695	-	867	-
Restricted Time Deposit	-	-	-	-
Reserve Requirements	5.010	44.636	4.293	31.188
Total	21.384	44.736	5.837	31.655

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 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 30 June 2026, Turkish lira required reserve ratios for Turkish lira deposits and other liabilities range from 3% to 40% (31 December 2025: 3% to 40%) and for foreign exchange deposits and other liabilities range from 3% to 30% (31 December 2025: 5% to 32%).

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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 30 June 2026	Prior Period 31 December 2025
Collateral/Blocked	-	-
Repurchase Agreement	-	-
Unrestricted	8.331	3.818
Total	8.331	3.818

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

	Current Period 30 June 2026		Prior Period 31 December 2025	
	TL	FC	TL	FC
Forward Transactions	-	595	-	514
Swap Transactions	968	863	133	1.882
Futures Transactions	-	-	-	-
Options	-	272	-	373
Other	-	-	-	-
Total	968	1.730	133	2.769

c) Information on Banks:

1. Information on banks and other financial institutions:

	Current Period 30 June 2026		Prior Period 31 December 2025	
	TL	FC	TL	FC
Banks				
Domestic	2.754	-	583	-
Foreign	-	175	-	168
Foreign Head Office and Branches	-	-	-	-
Total	2.754	175	583	168

2. Information on foreign bank accounts:

Not disclosed in the interim period.

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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 30 June 2026	Prior Period 31 December 2025
Collateral/Blocked	3.615	4.712
Repurchase Agreement	3.244	5.589
Unrestricted	14.087	13.543
Total	20.946	23.844

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

	Current Period 30 June 2026	Prior Period 31 December 2025
Debt Securities	21.001	23.852
Quoted to Stock Exchange	21.001	23.852
Not Quoted	-	-
Share Certificate	-	-
Quoted to Stock Exchange	-	-
Not Quoted	-	-
Impairment Provision (-)	55	8
Total	20.946	23.844

e) Information on Loans

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

	Current Period 30 June 2026		Prior Period 31 December 2025	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	294	-	535
Corporate Shareholders	-	294	-	535
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	2.129	-	1.066
Loans Granted to Employees	85	-	80	-
Total	85	2.423	80	1.601

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e) Information on Loans (Continued):

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

	Standard Loans	Loans not Subject to Restructuring	Loans Under Close Monitoring	
			Restructured Loans	Refinancing
Cash Loans			Loans with Revised Contract Terms	
Non-specialized Loans (*)	60.205	6.997	5.911	-
Working Capital Loans	22.790	2.832	5.894	-
Export Loans	20.128	2.748	-	-
Import Loans	6.947	1.379	-	-
Loans Given to Financial Sector	8.749	-	-	-
Retail Loans	332	18	1	-
Credit Cards	1.181	20	16	-
Other	78	-	-	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	60.205	6.997	5.911	-

(*) Includes the factoring receivables amounting to TL 934.

	Current Period 30 June 2026		Prior Period 31 December 2025	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Months Expected Credit Loss	87	-	57	-
Significant Increase in Credit Risk	-	3.656	-	3.161
Total	87	3.656	57	3.161

3. Breakdown of loans according to their maturities:

Not disclosed in the interim period.

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

e) Information on 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	142	129	271
Mortgage Loans	-	7	7
Automotive Loans	-	-	-
Consumer Loans	142	122	264
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	1.077	10	1.087
Instalment	391	10	401
Non-Instalment	686	-	686
Retail Credit Cards-FC	40	-	40
Instalment	2	-	2
Non-Instalment	38	-	38
Personnel Loans-TL	18	26	44
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	18	26	44
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	40	-	40
Instalment	15	-	15
Non-Instalment	25	-	25
Personnel Credit Cards-FC	1	-	1
Instalment	-	-	-
Non-Instalment	1	-	1
Overdraft Account-TL (Retail)	36	-	36
Overdraft Account-FC (Retail)	-	-	-
Total Consumer Loans	1.354	165	1.519

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

e) Information on Loans (Continued)

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

	Short-term	Medium and Long-term	Total
Commercial Instalment Loans-TL	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Instalment Loans- FC Indexed	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Instalment Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TL	47	-	47
Instalment	4	-	4
Non-Instalment	43	-	43
Corporate Credit Cards-FC	2	-	2
Instalment	-	-	-
Non-Instalment	2	-	2
Overdraft Account-TL (Commercial)	-	-	-
Overdraft Account-FC (Commercial)	-	-	-
Total	49	-	49

6. Loans according to types of borrowers:

Not disclosed in the interim period.

7. Distribution of domestic and foreign loans:

	Current Period 30 June 2026	Prior Period 31 December 2025
Domestic Loans	73.073	68.309
Foreign Loans	40	34
Total (*)	73.113	68.343

(*) As of 30 June 2026, it includes factoring receivables amounting to TL 934 (31 December 2025: TL 492).

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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 30 June 2026 and 31 December 2025, the Group has no loans granted to investments in associates and subsidiaries.

9. Specific provisions provided against loans:

	Current Period 30 June 2026	Prior Period 31 December 2025
Loans with Limited Collectability	4	5
Loans with Doubtful Collectability	12	18
Uncollectible Loans	72	65
Total	88	88

10 Information on non-performing loans (Net):

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

None.

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 2025	8	20	66
Additions (+)	14	-	1
Transfers from Other Categories of Non-Performing Loans (+)	-	14	18
Transfers to Other Categories of Non-Performing Loans (-)	14	18	-
Collections (-)	4	3	5
Write-offs (-) (*)	-	-	6
Sold Portfolio (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period: 30 June 2026	4	13	74
Provisions (-)	4	12	72
Net Balance in Balance Sheet	-	1	2

(*) As of 30 June 2026, the Parent Bank's non-performing loan ratio decreased from 0,13% to 0,12% after the loans written off in the current period in accordance with the related Provisions Regulation.

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e) Information Related to Loans (Continued)

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

As of 30 June 2026, there are no non-performing loans granted as foreign currency loans (31 December 2025: 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	Loans with	Uncollectible
	Limited Collectability	Doubtful Collectability	Loans
Current Period (Net): 30 June 2026	-	1	2
Loans granted to corporate entities and real persons (Gross)	4	13	74
Provisions Amount (-)	4	12	72
Loans granted to corporate entities and real persons (Net)	-	1	2
Banks (Gross)	-	-	-
Provisions Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances (Gross)	-	-	-
Provisions Amount (-)	-	-	-
Other Loans and Advances (Net)	-	-	-
Prior Period (Net): 31 December 2025	3	2	1
Loans granted to corporate entities and real persons (Gross)	8	20	66
Provisions Amount (-)	5	18	65
Loans granted to corporate entities and real persons (Net)	3	2	1
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	Loans with	Uncollectible
	Limited	Doubtful	Loans
	Collectability	Collectability	
Current Period (Net)	-	-	1
Interest Accruals and Rediscount with Valuation Differences	1	2	8
Provision amount (-)	1	2	7
Prior Period (Net)	-	1	1
Interest Accruals and Rediscount with Valuation Differences	1	3	6
Provision amount (-)	1	2	5

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 30 June 2026		Prior Period 31 December 2025	
	TL	FC	TL	FC
Collateral/Blocked	1.086	-	768	-
Subject to Repo Transactions	10.042	-	9.487	-
Total	11.128	-	10.235	-

2. Information on government debt securities:

	Current Period 30 June 2026	Prior Period 31 December 2025
Government Bond	18.826	18.801
Treasury Bill	-	-
Other Public Debt Securities	-	-
Total	18.826	18.801

3. Information on financial assets measured at amortized cost:

	Current Period 30 June 2026	Prior Period 31 December 2025
Debt Securities	18.826	18.801
Traded in the Stock Exchange	18.826	18.801
Not Traded in the Stock Exchange	-	-
Other Public Debt Securities	-	-
Total	18.826	18.801

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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 30 June 2026	Prior Period 31 December 2025
Value at the Beginning of the Period	18.801	3.423
Currency Differences in Monetary Assets	-	-
Purchases During the Year	-	13.930
Disposal through Sale and Redemption	-	-
Valuation Effect	25	1.448
Total	18.826	18.801

g) Information on associates (Net):

The Group has no associates as of 30 June 2026 and 31 December 2025.

h) Information on subsidiaries (Net):

1. Information on capital adequacy of major subsidiaries:

As of 30 June 2026, the Group has no subsidiaries that are not included in the scope of consolidation (31 December 2025: None).

2. 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 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
2.186	1.773	20	166	146	447	300	-

(*) It refers to the consolidated financial statements of subsidiaries as of 30 June 2026 that have not applied TAS 29 and have not been independently audited, in accordance with the BRSA's decision numbered 10744 dated 12 December 2023.

(**) It has been prepared based on the consolidated financial statements as of 30 June 2025, which have not been independently audited.

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

3. Movement schedule of the consolidated subsidiaries:

	Current Period 30 June 2026	Prior Period 31 December 2025
Balance at the Beginning of the Period	35	35
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	35	35
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	100,00	100,00

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

	Current Period 30 June 2026	Prior Period 31 December 2025
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries	35	35

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

5. Subsidiaries quoted on a stock exchange:

The Group has no subsidiaries quoted on a stock exchange as of 30 June 2026 and 31 December 2025.

i) Information on jointly controlled entities:

- The Group has no jointly controlled entities as of 30 June 2026 and 31 December 2025.
- As of 30 June 2026 and 31 December 2025, the accounting method is not determined since the Group has no jointly controlled entities.

j) Information on financial lease receivables (Net):

As of 30 June 2026 and 31 December 2025, the Group has no finance leases.

k) Information on hedging derivative financial assets:

The Group has no hedging derivative financial assets as of 30 June 2026 and 31 December 2025.

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l) Explanations on property and equipment:

Not disclosed in the interim period.

m) Information on intangible assets:

Not disclosed in the interim period.

n) Information on the investment properties:

As of 30 June 2026 and 31 December 2025, the Group has no investment properties.

o) Explanations on deferred tax asset:

As of 30 June 2026, the Group's deferred tax asset amounts to TL 2.682 (31 December 2025: TL 781). 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 30 June 2026, is disclosed in Footnote XX of the Third Section.

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

As of 30 June 2026, the Group has no assets held for sale (31 December 2025: None).

r. Information on other assets:

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

	Current Period	Prior Period
	30 June 2026	31 December 2025
Miscellaneous Receivables (*) (**)	7.359	1.137
Prepaid Expenses	565	203
Other Rediscount Income	346	316
Debited Suspense Accounts	459	305
Other Assets	97	70
Total	8.826	2.030

(*) Includes Takasbank and derivative guarantees.

(**) As of 30 June 2026 amount of TL 61 provision provided for Miscellaneous Receivables within the scope of TFRS 9 (31 December 2025: TL 15).

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

As of 30 June 2026 and 31 December 2025, 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 – 30 June 2026:

	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	1.532	-	6.904	20.163	599	59	10	-	29.267
Foreign Currency Deposits	42.639	-	33.494	4.579	195	47	24	-	80.978
Residents in Türkiye	37.787	-	27.758	4.004	113	16	9	-	69.687
Residents Abroad	4.852	-	5.736	575	82	31	15	-	11.291
Public Sector Deposits	1	-	-	-	-	-	-	-	1
Commercial Deposits	4.608	-	31.892	718	1	-	-	-	37.219
Other Institutions Deposits	27	-	-	-	-	-	-	-	27
Precious Metal Deposits	58.434	-	20	1.118	23	48	-	-	59.643
Bank Deposits	412	-	35.055	-	-	-	-	-	35.467
The CBRT	27	-	-	-	-	-	-	-	27
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	385	-	35.055	-	-	-	-	-	35.440
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	107.653	-	107.365	26.578	818	154	34	-	242.602

1(ii). Prior 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	-	6.458	16.951	709	78	7	-	25.566
Foreign Currency Deposits	42.487	-	6.970	4.670	174	62	44	-	54.407
Residents in Türkiye	37.096	-	6.066	4.088	96	13	8	-	47.367
Residents Abroad	5.391	-	904	582	78	49	36	-	7.040
Public Sector Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	3.736	-	26.652	749	-	-	-	-	31.137
Other Institutions Deposits	25	-	-	-	-	-	-	-	25
Precious Metal Deposits	51.076	-	20	1.082	11	41	-	-	52.230
Bank Deposits	387	-	228	-	-	-	-	-	615
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	387	-	228	-	-	-	-	-	615
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	99.074	-	40.328	23.452	894	181	51	-	163.980

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 30 June 2026, the foreign exchange-protected deposit amount in this context is TL 545 (31 December 2025: TL 643).

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(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 30 June 2026	Current Period 30 June 2026	Prior Period 31 December 2025	Prior Period 31 December 2025
Saving Deposits				
Saving Deposits	11.451	17.816	9.288	16.278
Foreign Currency Saving Deposits	9.549	16.781	9.809	23.831
Other Deposits in the Form of Saving	11.479	46.284	7.958	42.888
Foreign Branches' Deposits under Foreign Authorities' Insurance Coverage	-	-	-	-
Off-Shore Banking Regions' Deposits under Foreign Authorities' Insurance Coverage	-	-	-	-
Total (*)	32.479	80.881	27.055	82.997

(*) 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 716 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 30 June 2026	Prior Period 31 December 2025
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	129	86
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 30 June 2026		Prior Period 31 December 2025	
	TL	FC	TL	FC
Forward Transactions	-	898	-	606
Swap Transactions	1.026	3.430	91	1.090
Future Transactions	-	-	-	-
Options	-	235	-	323
Other	-	-	-	-
Total	1.026	4.563	91	2.019

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c) Information on Funds Provided Under Repurchase Agreements:

As of 30 June 2026, the Group has funds amounting to TL 13.257 obtained from repo transactions. (31 December 2025: TL 14.496).

d) Information on Funds Borrowed:

1. Information on banks and other financial institutions:

	Current Period 30 June 2026		Prior Period 31 December 2025	
	TL	FC	TL	FC
Borrowings from the CBRT	-	-	-	-
Domestic Bank and Institutions	-	-	-	-
Foreign Banks and Institutions and Funds	-	36.341	-	24.316
Total	-	36.341	-	24.316

2. Information on the maturity structure of funds borrowed:

	Current Period 30 June 2026		Prior Period 31 December 2025	
	TL	FC	TL	FC
Short-Term	-	36.341	-	24.316
Medium and Long-Term	-	-	-	-
Total	-	36.341	-	24.316

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 30 June 2026, the Group does not have any issued securities (31 December 2025: 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 "TFRS 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 30 June 2026	Prior Period 31 December 2025
Less than 1 year	18	66
Between 1- 4 years	146	128
More than 4 years	-	-
Total	164	194

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h) Information on derivative financial liabilities for hedging purposes:

As of 30 June 2026, the Group has no derivative financial liabilities for hedging purposes (31 December 2025: None).

i) Information on provisions:

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

	Current Period 30 June 2026	Prior Period 31 December 2025
Provisions for off-balance sheet commitments (*)	281	12

(*) 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" in the liabilities. With TFRS 9 transition, expected loss for cash loans and other financial assets are classified under assets.

2. Information on employee benefit provisions:

As of 30 June 2026, the Group has employee termination benefit provision amounting to TL 310 (31 December 2025: TL 246) and unused vacation provision amounting to TL 143 (31 December 2025: TL 79).

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 Group determined by using certain actuarial assumptions. TAS 19 requires actuarial valuation methods to be used in order to calculate the Bank'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 30 June 2026	Prior Period 31 December 2025
As of 1 January,	246	193
Service Cost	26	29
Interest Cost	31	50
Actuarial Loss / (Gain)	48	18
Paid in Current Period	(41)	(44)
Total	310	246

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

As of 30 June 2026, there is no foreign exchange difference provision for foreign currency indexed loans (31 December 2025: None).

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

As of 30 June 2026, provision for non-cash loans that are non-funded and non-transformed into cash is amounting to TL 1 (31 December 2025: TL 1).

5. Information on restructuring provisions:

As of 30 June 2026, the Parent Bank has no restructuring provisions (31 December 2025: TL 15).

6. Information on other provisions:

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

As of 30 June 2026, the Group has no free provisions for possible risks (31 December 2025: 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 30 June 2026	Prior Period 31 December 2025
Provision for Lawsuits	90	77
Provision for Accumulated Credit Card Bonus	7	8
Return Provision of Case File Expenses	-	-
Specific Provision for Non-Cash Loans that are Non-Funded and Non-Transformed into Cash	1	1
Other Provisions (*)	1.243	1.196
Total	1.341	1.282

(*) As of 30 June 2026, other provisions include Stage 1 and Stage 2 non-cash loans provision for expected losses within TFRS 9 amounting to TL 281 (31 December 2025: TL 12) and bonus provisions and other provisions within TAS 37.

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(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 30 June 2026	Prior Period 31 December 2025
Corporate Tax Payable	1.923	1.173
Taxation on Marketable Securities	701	656
Banking Insurance Transaction Tax (BITT)	180	117
Value Added Tax Payable	9	8
Capital Gains Tax on Property	1	2
Foreign Exchange Transaction Tax	22	55
Other ^(*)	225	167
Total	3.061	2.178

^(*) As of 30 June 2026, there is income tax deducted from wages amounting to TL 77 (31 December 2025: TL 95), stamp duty of TL 2 (31 December 2025: TL 2), other taxes amounting to TL 145 (31 December 2025: TL 69) and self-employment income tax amounting to TL 1 (31 December 2025: TL 1).

1(ii). Information on premium payables:

	Current Period 30 June 2026	Prior Period 31 December 2025
Social Security Premiums – Employer	56	43
Social Security Premiums – Employee	41	33
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	4	3
Unemployment Insurance – Employee	2	2
Other	-	-
Total	103	81

2. Information on deferred tax liability:

As of 30 June 2026, 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 30 June 2026 and 31 December 2025, 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 Group used, maturity, interest rate, institution that the loan was borrowed from and conversion option, if any:

Not disclosed in the interim period.

m) Information on shareholder's equity:

1. Information on shareholder's equity:

	Current Period 30 June 2026	Prior Period 31 December 2025
Common Stock Provision	652	652
Preferred Stock Provision	-	-

The paid-in capital of the Parent Bank is shown above in nominal terms. As of 30 June 2026, there is a capital reserve of TL 273 arising from the adjustment of the paid-in capital for inflation (31 December 2025: TL 273) and TL 552 (31 December 2025: TL 51) 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.

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 Parent Bank's shareholders' equity:

The Group tends to strengthen its shareholders' equity according to the assessment of financial figures for prior periods regarding the Parent Bank'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.

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

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

8. Information on valuation differences of marketable securities:

	Current Period		Prior Period	
	30 June 2026		31 December 2025	
	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	81	-	437	-
Valuation Difference	81	-	437	-
Foreign Currency Difference	-	-	-	-
Total	81	-	437	-

9. Information on revaluation value increase fund:

As of 30 June 2026, the Group's revaluation value increase fund amounted to TL 539 (31 December 2025: None.)

10. 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) Explanation on off-balance sheet commitments:

1. Type and amount of irrevocable commitments:

	Current Period 30 June 2026	Prior Period 31 December 2025
Asset Purchase and Sale Commitments	33.717	82.426
Commitments for Credit Card Limits	5.008	4.998
Commitments for Cheques	16	21
Loan Granting Commitments	302	706
Short Sale Commitments	-	-
Commitments for Credit Cards and Banking Services Promotions	60	54
Tax and Fund Liabilities from Export Commitments	-	-
Other Irrevocable Commitments	338	348
Total	39.441	88.553

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 30 June 2026	Prior Period 31 December 2025
Letters of Guarantee	34.923	32.264
Letters of Credit	6.727	8.084
Bank Acceptances	-	51
Other Guarantees	1.126	1.037
Total	42.776	41.436

2 (ii). Certain guarantees, temporary guarantees, surety ships and similar transactions:

None other than those described in clause 2(i) above.

3. Information on the non-cash loans:

3 (i). Total amount of non-cash loans:

	Current Period 30 June 2026	Prior Period 31 December 2025
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	42.776	41.436
Total	42.776	41.436

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**III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED OFF-BALANCE SHEET
ACCOUNTS (Continued)**

3. Information on the non-cash loans (Continued):

3 (ii). Information on sectoral risk concentration within the non-cash loans:

Not disclosed in the interim period.

3 (iii). Information on the non-cash loans classified under Group I and Group II:

Not disclosed in the interim period.

b) Explanations on derivative transactions:

Not disclosed in the interim period.

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 30 June 2026, 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 30 June 2026, a total provision of TL 90 (31 December 2025: TL 77) has been recognized for those lawsuits as the probability of being concluded against the Group is higher than the probability of being concluded in its favor.

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 30 June 2026		Prior Period 30 June 2025	
	TL	FC	TL	FC
Interest Income on Loans (*)				
Short-Term Loans	3.166	923	2.820	1.169
Medium and Long-Term Loans	674	950	560	771
Interest on Loans Under Follow-Up	6	-	6	-
Resource Utilization Support Fund	-	-	-	-
Total	3.846	1.873	3.386	1.940

(*) Fee and commission income from cash loans are included.

2. Information on interest income received from banks:

	Current Period 30 June 2026		Prior Period 30 June 2025	
	TL	FC	TL	FC
The CBRT	12.467	-	7.659	-
Domestic Banks	234	-	246	11
Foreign Banks	8	23	1	36
Headquarters and Branches Abroad	-	-	-	-
Total	12.709	23	7.906	47

3. Information on interest income on marketable securities:

	Current Period 30 June 2026		Prior Period 30 June 2025	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	732	9	558	13
Financial Assets at Fair Value Through Other Comprehensive Income	3.808	-	3.622	-
Financial Assets Measured at Amortized Cost	2.713	-	825	-
Total	7.253	9	5.005	13

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

None.

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(Continued)**

b) Information on interest expense:

1. Information on interest expense on funds borrowed:

	Current Period 30 June 2026		Prior Period 30 June 2025	
	TL	FC	TL	FC
Banks	-	1.106	1	964
The CBRT	-	-	-	-
Domestic Banks	-	-	1	-
Foreign Banks	-	1.106	-	964
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
Total	-	1.106	1	964

2. Information on interest expense paid to associates and subsidiaries:

None.

3. Information on interest expense to marketable securities issued:

None.

4. Maturity structure of the interest expense on deposits:

		Time Deposit						
Current Period:	Demand	Up to 1	Up to 3	Up to 6	Up to 1	More	Cumulative	
30 June 2026	Deposit	Month	Month	Month	Year	than 1	Deposit	Total
Turkish Lira								
Interbank deposits	-	3.203	-	-	-	-	-	3.203
Saving deposits	-	1.438	2.683	50	9	1	-	4.181
Public sector deposits	-	-	-	-	-	-	-	-
Commercial deposits	-	3.677	47	5	-	-	-	3.729
Other deposits	-	-	-	-	-	-	-	-
Deposits with 7 days maturity	-	-	-	-	-	-	-	-
Total	-	8.318	2.730	55	9	1	-	11.113
Foreign Currency								
Foreign currency deposits	-	367	58	4	-	-	-	429
Interbank deposits	-	3	-	-	-	-	-	3
Deposits with 7 days maturity	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	370	58	4	-	-	-	432
Grand Total	-	8.688	2.788	59	9	1	-	11.545

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b) Information on interest expense (Continued):

4. Maturity structure of the interest expense on deposits (Continued):

Prior Period: 30 June 2025	Demand Deposit	Time Deposit					Cumulative Deposit	Total
		Up to 1 Month	Up to 3 Month	Up to 6 Month	Up to 1 Year	More than 1 year		
Turkish Lira								
Interbank deposits	-	1.370	-	-	-	-	-	1.370
Saving deposits	-	1.551	4.668	1.842	6	13	-	8.080
Public sector deposits	-	-	-	-	-	-	-	-
Commercial deposits	-	2.694	163	6	-	-	-	2.863
Other deposits	-	-	-	-	-	-	-	-
Deposits with 7 days maturity	-	-	-	-	-	-	-	-
Total	-	5.615	4.831	1.848	6	13	-	12.313
Foreign Currency								
Foreign currency deposits	-	183	47	24	-	-	-	254
Interbank deposits	-	-	-	-	-	-	-	-
Deposits with 7 days maturity	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	183	47	24	-	-	-	254
Grand Total	-	5.798	4.878	1.872	6	13	-	12.567

5. Information on interest given on repurchase agreements:

In the account period ending on 30 June 2026, the interest paid on repo transactions is TL 226 (30 June 2025: TL 303).

6. Information on finance lease expenses:

Financial leasing expense of the Group for the period ending on 30 June 2026 is TL 17 (30 June 2025: TL 18).

7. Information on interest given on factoring payables:

The Group has no interest given on factoring payables during the period ended on 30 June 2026 and 30 June 2025.

c) Explanations on dividend income:

Dividend income of the Group for the period ending on 30 June 2026 is TL 2 (30 June 2025: TL 1).

d) Explanations on Trade Gain/Loss (Net):

1. Trade Gain/Loss (Net):

	Current Period 30 June 2026	Prior Period 30 June 2025
Profit	504.505	593.177
Capital Market Transactions Income	1.047	728
Gain on Derivative Financial Transactions	22.662	17.385
Foreign Exchange Gains	480.796	575.064
Loss (-)	509.629	593.644
Capital Market Transactions Loss	457	801
Loss on Derivative Financial Transactions	30.249	12.934
Foreign Exchange Loss	478.923	579.909
Total (Net)	(5.124)	(467)

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e) Information on other operating income:

	Current Period 30 June 2026	Prior Period 30 June 2025
Reversal of Previous Years Expenses (*)	18	52
Gain on Sale of Assets	3	2
Provision for Telecommunication Expense	39	32
Other Income	301	179
Total	361	265

(*) 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 30 June 2026	Prior Period 30 June 2025
Expected Credit Loss	844	579
12 Months Expected Credit Loss (Stage 1)	74	(307)
Significant Increase in Credit Risk (Stage 2)	764	871
Non-performing Loans (Stage 3)	6	15
Marketable Securities Impairment Expense	5	40
Financial Assets at Fair Value Through Profit or Loss	5	40
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	849	619

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**IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT
(Continued)**

g) Information related to other operating expenses:

	Current Period 30 June 2026	Prior Period 30 June 2025
Reserve for Employee Termination Benefits	-	-
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Property and Equipment	-	-
Depreciation Expenses of Property and Equipment	172	137
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	229	160
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	787	638
Leasing Expenses on TFRS 16 Exceptions	29	23
Maintenance Licensing Expenses	300	250
Maintenance Expenses	97	75
Communication Expenses	30	22
Advertisement Expenses	24	22
Other Expenses	307	246
Loss on Sales of Assets	3	-
Tax, Duties, Charges and Funds Expenses	856	571
Saving Deposit Insurance Fund Expenses	125	109
Other ^(*)	804	585
Total	2.976	2.200

^(*) Of the amount of TL 804 (30 June 2025: TL 585) shown in the other line, TL 16 is audit and consultancy fees (30 June 2025: TL 13) and the remaining TL 788 consists of other expenses (30 June 2025: TL 572).

h) Fees for Services Received from Independent Auditor / Independent Audit Firm:

Not disclosed in the interim period.

ı) Explanation on profit/loss for the period for continued and discontinued operations before tax:

Not disclosed in the interim period.

ı) Information on tax provision for continuing and discontinued operations:

As of 30 June 2026, the current tax provision expense of the Group is TL 3.962 (30 June 2025: TL 1.884 expense) and deferred tax income is TL 1.883 (30 June 2025: TL 44 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.

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**IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT
(Continued)**

I) 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 30 June 2026, net interest income takes an important place among income items with TL 17.826 (30 June 2025: TL 10.407), net fee and commission income with TL 1.871 (30 June 2025: TL 1.414). 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, banks and money market transactions. 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 30 June 2026	Prior Period 30 June 2025
Credit Card Transactions	169	255
Insurance Commissions	131	84
Banking Transactions	59	34
TEFAS Fund Platform	449	386
Other Fee and Commissions	825	511
Total	1.633	1.270

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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:

Not disclosed in the interim period.

2. Information on increases in cash flow hedges:

Not disclosed in the interim period.

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:

Not disclosed in the interim period.

2. Information on cash flow hedges

Not disclosed in the interim period.

c) Information on dividend distribution:

None.

d) Information on issuance of common stock:

Not disclosed in the interim period.

e) Effects of the adjustments to prior periods on the opening balance sheets:

Not disclosed in the interim period.

f) Offsetting prior period's losses:

Not disclosed in the interim period.

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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:

Not disclosed in the interim period.

b) Information on cash flow arising from acquisition of associates, subsidiaries and other investments:

Not disclosed in the interim period.

c) Information on disposals of associates, subsidiaries or other investments:

Not disclosed in the interim period.

d) Information on cash and cash equivalents:

Not disclosed in the interim period.

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 – 30 June 2026:

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	-	-	-	1.601	3	-
Closing Balance	-	-	-	2.423	2	-
Interest and Commission Income	-	-	-	99	1	-

Prior 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	-	-	-	867	-	-
Closing Balance	-	-	-	1.601	3	-
Interest and Commission Income (*)	-	-	-	41	-	-

(*) Prior period balances represent 30 June 2025 amounts.

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 30 June 2026	Current Period 30 June 2026	Current Period 30 June 2026
Deposit			
Opening Balance	-	386	111
Closing Balance	-	1.598	160
Interest expense on deposits	-	3.114	19

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 2025	Prior Period 31 December 2025	Prior Period 31 December 2025
Deposit			
Opening Balance	-	271	61
Closing Balance	-	386	111
Interest expense on deposits	-	1.321	17

(*) Prior period balances represent 30 June 2025 amounts.

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 30 June 2026	Current Period 30 June 2026	Current Period 30 June 2026
The Fair Value Differences Through Profit and Loss			
Opening Balance	-	144.925	-
Closing Balance	-	250.438	-
Total Profit/Loss	-	(634)	-
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 Shareholders of the Parent Bank	Other Individuals and Legal Entities in the Risk Group
	Prior Period	Prior Period	Prior Period
	31 December 2025	31 December 2025	31 December 2025
The Fair Value Differences Through Profit and Loss			
Opening Balance	-	108.016	-
Closing Balance	-	144.925	-
Total Profit/Loss ^(*)	-	(2.822)	-
Transactions for Hedging Purposes			
Opening Balance	-	-	-
Closing Balance	-	-	-
Total Profit/Loss ^(*)	-	-	-

^(*) Prior period balances represent 30 June 2025 amounts.

4. Explanations on total remuneration and other benefits, which are paid by the Group to top executives of the Group:

As of 30 June 2026, payment amounting to TL 241 is made to the Board of Directors and top executives of the Group (30 June 2025: TL 204).

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:

Not disclosed in the interim period.

IX. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

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SECTION SIX

EXPLANATIONS ON AUDITOR’S LIMITED REVIEW REPORT

I. EXPLANATIONS ON AUDITOR’S LIMITED REVIEW REPORT

The consolidated financial statements for the interim period ended 30 June 2026 have been reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The auditor’s limited review report dated 13 August 2026 is presented preceding the consolidated financial statements.

II. EXPLANATIONS AND FOOTNOTES PREPARED BY THE INDEPENDENT AUDITOR

None.

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SECTION SEVEN

INTERIM ACTIVITY REPORT

**I. INTERIM ACTIVITY REPORT WHICH WILL INCLUDE EVALUATIONS FROM
CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER
RELATED TO ACTIVITIES IN THE INTERIM PERIOD**

GENERAL INFORMATION

1. Summary information about HSBC Bank A.Ş.

HSBC Bank was established as Midland Bank Anonim Şirketi in Istanbul in 1990 and changed its title to HSBC Bank Anonim Şirketi in 1999.

HSBC Bank, which has been operating in the corporate banking field and capital markets since establishment, started providing personal banking services after 1997.

HSBC Bank expanded its products and services range with a branch network after HSBC Bank Plc. acquired Demirbank T.A.Ş. and its selected affiliates in September 2001 and merged with HSBC Bank A.Ş. in December 2001.

HSBC Bank provides services within fields such as Corporate Banking and Investment Banking, Retail Banking and Savings Management and Private Banking with its branches, telephone banking, ATM banking and digital banking channels.

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.

2. Capital and shareholder structure

The Parent Bank has made no changes in their capital and shareholder structure as well as its shareholders who directly or indirectly; individually or as a group has an influence over the Bank's audit and management, as of the accounting period ended on 30 June 2026. HSBC Middle East Holdings B.V. has a shareholding rate of 89,99% and HSBC Bank Middle East Limited has 10,01% shareholding rate of the Bank's shares. HSBC Bank A.Ş.'s Chairman of the Board of Directors, its members and general manager and his/her assistants' shares of ownership are insignificant. As of 30 June 2026, HSBC Bank A.Ş.'s paid-in capital is TL 652.290 thousand and its capital structure is as follows.

Shareholder's Name and Surname/Title	Number of shares	Share amount (TL)
Publicly offered	-	-
Non-publicly offered	65.229.000.000	652.290.000
HSBC Middle East Holdings B.V.	58.699.577.100	586.995.771
HSBC Bank Middle East Limited	6.529.422.600	65.294.226
HSBC Group Nominees UK Limited	100	1
HSBC Latin America Holdings (UK) Limited	100	1
HSBC Overseas Holdings (UK) Limited	100	1
Total	65.229.000.000	652.290.000

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3. Information on Branches and Personnel

As of 30 June 2026, the Parent Bank has 36 domestic branches (31 December 2025: 36 domestic branches). As of 30 June 2026, the number of personnel of the Group is 1.316 (31 December 2025: 1.384).

4. Amendments made to the articles of association during the period

HSBC Bank A.Ş.'s Articles of Association had no changes in 1 January - 30 June 2026 period.

5. Chairman and Members of the Board of Directors

As of 30 June 2026, the members of the Board of Directors are as follows.

Name and Surname	Responsibility
Paul Joseph Lawrence	Chairman of the Board
Didem Çerçi	Deputy Chairman of the Board
Burçin Ozan	Board Member - General Manager
Cansen Başaran Symes	Board Member
Ayşe Ebru Dorman	Board Member
Robert Cyril Oates	Board Member
Ana Patricia Fernandes Vidal Gomes	Board Member

6. Audit Committee

HSBC Bank A.Ş. Audit Committee was selected from members of the Board of Directors and consists of one chairman and two member who do not have operational duties.

Name and Surname	Responsibility
Didem Çerçi	Head of the Audit Committee
Robert Cyril Oates	Member of the Audit Committee
Ana Patricia Fernandes Vidal Gomes	Member of the Audit Committee

Audit Committee, on behalf of HSBC Bank A.Ş. Board of Directors, is in charge and responsible for supervising efficiency and competency of the Parent Bank's internal systems, operation of such systems and accounting and reporting systems within the framework of Banking Law and relevant regulations and also supervising the consistency of the information provided, making the necessary pre-assessments related to the selection of evaluations and support service institutions by the Board of Directors and regularly following the activities of such institutions, which were selected and made in agreement with the Board of Directors and maintaining and coordinating the consolidation of internal audit activities of partnerships subject to consolidation as per the regulations with regard to the Banking Law.

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7. Executive Management

HSBC Bank A.Ş. Executive Management as of 30 June 2026 is as follows.

Name and Surname	Title	Area of Responsibility
Burçin Ozan	CEO	HSBC Bank A.Ş.
Peter Kallo	Executive Vice President	Credit and Risk
İbrahim Namık Aksel	Executive Vice President and Deputy CEO	Treasury and Capital Markets
Cem Muratoğlu	Executive Vice President and Deputy CEO	International Wealth Management and Premier Banking
Seyyare Özbaşı Tınaz	Executive Vice President	Operations, Services and Technology
İbrahim Chukwuemeka Hayatuddini	Executive Vice President	Finance
Funda Temoçin	Executive Vice President	Human Resources
Tolga Tüzüner	Head Legal Advisor	Legal

8. HSBC Bank's Financial Power Rating

According to the evaluations of Moody's Credit Rating Agency, the ratings of HSBC Bank A.Ş. as of 30 June 2026 are as follows.

Definitions	Note (*)
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 July 2025.

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9. Summary of consolidated financial information for the Period

HSBC Bank A.Ş introduces customers to international market opportunities, continues to create value for them and support them in expanding our customers' business using our global network, knowledge and expertise. The synergy Bank have created with our customers and grow together with our customers and to Türkiye's economy has continued to add value to the banking sector.

According to the consolidated financial statements, in the period ending on 30 June 2026, the total assets of HSBC Bank A.Ş. increased by 41,03% compared to the end of 2025 and reached TL 345,7 billion. At the end of the period, loans constituting approximately 21,2% of assets are around TL 73,2 billion. Deposits, which are the biggest funding source of the balance sheet, amounted to TL 242,6 billion and constituted 70,2% of liabilities. The period-end balances of the consolidated balance sheet item groups are shown below.

ASSETS (Million TL)	30.06.2026	31.12.2025
Financial Assets (Net)	243.993	156.628
Other Financial Assets Measured at Amortized Cost	88.148	83.868
Non-Current Assets or Disposal Groups "Held for Sale" and Held from Discontinued Operations (Net)	-	-
Equity Investments	-	-
Property and Equipment (Net)	923	937
Intangible Assets (Net)	1.098	867
Investment Property (Net)	-	-
Current Tax Asset	-	-
Deferred Tax Asset	2.682	781
Other Assets	8.826	2.030
Total Assets	345.670	245.111
LIABILITIES (Million TL)	30.06.2026	31.12.2025
Deposits	242.602	163.980
Funds Borrowed	36.341	24.316
Money Markets	13.257	14.496
Securities Issued (Net)	-	-
Funds	-	-
Financial Liabilities at Fair Value Through Profit or Loss	-	-
Derivative Financial Liabilities	5.589	2.110
Factoring Liabilities	-	-
Lease Liabilities	164	194
Provisions	1.794	1.622
Current Tax Liability	3.164	2.259
Deferred Tax Liability	-	-
Liabilities Related to Non-Current Assets "Held for Sale" and "Held from Discontinued Operations" (Net)	-	-
Subordinated Debt	3.745	6.266
Other Liabilities	9.589	3.996
Shareholders' Equity	29.425	25.872
Total Liabilities	345.670	245.111

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The consolidated profit and loss statement information of HSBC Bank as of 30 June 2026 and 30 June 2025 is shown below.

STATEMENT OF INCOME (Million TL)	30.06.2026	30.06.2025
Net Interest Income	17.826	10.407
Non-Interest Income	(2.890)	1.213
Total Operating Income/Expense	14.936	11.620
Other Operating Expenses (-)	6.401	4.773
Provision for Loan Losses (-)	870	668
Net Operating Income/(Loss)	7.665	6.179
Tax Provision (-)	(2.079)	(1.840)
NET PROFIT/LOSS FOR THE PERIOD	5.586	4.339

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Message from Paul Joseph Lawrence, Chairman of the Board

The first half of 2026 was a period of continued uncertainty in the global economy, driven by trade policies, geopolitical developments and fluctuations in commodity prices. Rising geopolitical tensions increased market volatility, negatively impacted risk perception and caused the pressure on inflation to continue.

During this period, the coordinated policies taken by the economic authorities helped to stabilise the markets. The decline in oil prices after the initial agreement between the US and Iran reinforced non-resident investor and local interest in the lira. Despite the expected widening of the current account deficit, the relatively strong reserves, the Central Bank's focus on prioritising the lira in its fight against inflation, and the limited retail FX demand enabled us to maintain our view on the Turkish lira.

The Turkish banking sector's profitability came under pressure during most of the second quarter of 2026 as CBRT's monetary tightening, reinforced by the geopolitical uncertainty surrounding the Iran conflict, drove funding costs higher. Even so, sector net profit increased 29% YoY in the first five months of 2026, translating into an annualized RoE of 26%. We believe that the strong balance sheet and capital structure will enable Turkish banks to capture profitable growth opportunities once inflation moderates and, consequently, policy rates decrease.

At HSBC, thanks to our robust operational structure and agile management approach, we have successfully managed the risks encountered in conditions of high market volatility. In the second quarter of 2026, whilst continuing to support the national economy, we maintained our growth in line with our objectives. Whilst preserving our sound balance sheet, we led the market with our diversified financing models and our financing solutions aligned with our sustainability strategy.

We focused on sustainable growth and adding value for our customers in the areas we prioritise strategically. During the same period, our Bank's total assets reached TL 343 billion, whilst our profit after tax stood at TL 5,2 billion.

I would like to express my sincere gratitude to our Board of Directors, Senior Management, employees, and valued customers for their trust and loyalty in HSBC.

Kind Regards,

Paul Joseph LAWRENCE

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Message from Burçin Ozan, General Manager

The first half of 2026 was a period in which geopolitical developments and tight financial conditions played a decisive role in global markets. Ongoing and escalating geopolitical tensions in the Middle East led to a sharp rise in energy prices, heightening uncertainty surrounding the global inflation outlook. During this period, the disinflation process in Türkiye was disrupted, while the current account deficit widened. In response to the external shock, the Central Bank of the Republic of Türkiye raised its effective funding rate and maintained its tight monetary policy stance. It also continued to take steps to preserve financial stability and enhance economic predictability through macroprudential measures.

Against this backdrop, the Turkish banking sector continued to demonstrate resilience despite high funding costs and tightening financial conditions, supported by its strong capital position and prudent approach to risk management. While pressures on funding costs and net interest margins persisted, asset quality remained closely monitored, with strong capital buffers and disciplined balance sheet management supporting the sector's sound position.

In this environment, at HSBC Türkiye we continued to operate in line with our customer-focused approach to sustainable growth in the second quarter of 2026. In Corporate Banking, we provided financing to our customers by leveraging our international connectivity and sustainability capabilities, while maintaining our wealth management-focused strategy in Retail Banking. Through active treasury management, we effectively managed the impact of volatile market conditions on our financial statements. During the period, our total assets reached TL 343 billion, while customer deposits, our primary source of funding, reached TL 242,6 billion. Our return on equity was above the sector average.

As in the first half of the year, supported by disciplined balance sheet management, our strong capital position and resilient customer base, we remain focused on creating value for Türkiye's economy, our customers and our shareholders. I would like to express my sincere gratitude to all my colleagues who contributed to these results and to our customers for the trust they have placed in us.

Kind Regards,

Burçin OZAN

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10. Additional Information for the Period 01.01.2026 – 30.06.2026

None.

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