

TSKB 1Q26 FINANCIAL RESULTS WEBCAST TRANSCRIPT

Good evening, dear participants. Thank you for attending our 1Q-26 Financial Results Webcast. We are glad to announce a highly strong set of quarterly results which are in line with our year-end guidance figures whereas a notable loan growth is exceptionally exceeding our forecasts.

As you know, we successfully achieved 10% of an fx adjusted loan growth on average for the last 3 years. Having updated our long-term SDG linked targets and sticking with our growth strategy as an extension of our development mission; TSKB disbursed nearly USD 820 mn long term loans to Turkish economy and delivered a strong loan growth of 6.3% in the 1Q. Since the loan growth was front-loaded, the impact from the tightening, due to macroprudentials in March, was quite limited. On the back of remarkable quarterly expansion in the loan book, annualized NIM realised as 4.5%. Although normalization trend has been underway, as communicated, our NIM is still relatively strong, driven by our strategic security investments and relatively resilient loan spreads. We forecast fulfilling our guidance at the year end as well. Touching on our fees and commission income, on advisory and non-cash business, we are in alignment with our targets and expect IPO income to grow in the coming quarters in line with our business plan. To note, we do not change our projections for the rest of the year with respect to investment banking activities either. Our cumulative ROE is calculated as 22.8% when a one-off non-recurring item, collection amounting to 235 mn TL, is not annualized. If we take into account the full quarterly net profit of the bank, ROE shall be reaching 25% level. To highlight, our solid earnings performance was supported by notable decline in the provision expenses, as well as TL 300 mn free provision reversals and collections which were reflected respectively to other income and trading lines. As explained previously, we still have TL 800 mn free provision stock in place and reversals are likely to continue contributing to revenues going forward. On the efficiency side, OPEX growth was in line with industry and above average CPI, as guided. To remind, main driver of OPEX was annual lift in the HR expenses realized in this quarter. Consequently, it translated into a cost to income ratio of 24.7%, which is still the lowest in the sector. We do not foresee to change our OPEX guidance either. Superior solvency ratios which are well above the market was driven by our consistent and robust profitability. At the end of the first quarter, CAR stood at 18.9% and Tier 1 Ratio was 17.8%. Almost 150 bps of drop in the solvency ratios was driven by mainly strong loan growth. To highlight, our buffers are sufficiently comfortable to support our growth projections at the rest of the year. There was neither stage 2 nor stage 3 inflows during the quarter. As a result of notable expansion in the loan book, NPL ratio edged down to 2.2% level. Indeed, there has been a transfer from stage 2 to stage 1 during the quarter. And overall, the cumulative net CoR excluding currency impact was at the negative territory.

Next slide highlights the recent developments:

A strong and frontloaded FX adjusted loan growth of 6.3% was achieved in 1Q, having allocated loans to investments related to themes such as climate finance, reconstruction of earthquake affected regions, renewable energy projects including storage investments, energy and resource efficiency, capacity investments in manufacturing sector, enabling industries as well as women empowerment. We will continue to disburse loans in these areas for Turkiye's sustainable future and prosperity. On the top of nearly 200 mn USD of private placements, the first loan agreement of the year was signed in April with AFD, amounting to EUR 150 mn and targeting circular economy. The ongoing negotiations with several DFIs signal another record-breaking year in terms of new funding opportunities. The resilient balance sheet and the business model enables TSKB to generate sustainable financial results in line with its long-term targets and commitments. The bank's profitability ratios are still superior and amongst the highest in the sector. With no new problematic loan formation, our coverage ratio stood at 4.2% which continued to be above industry average on the back of our prudent stance. On the top of that, TL 800 mn of free provision stock is in place as a buffer and contributor also to our profitability for the quarters ahead. Advisory and non-cash business lines have been consistently

contributing to commission income. In the quarters ahead, the corporate finance line will boost the revenues further. As you may recall, we had realized our first investment to our venture capital TGF last year. Following the detailed evaluation of more than 200 projects, we have achieved our second investment today. And last but not the least, our comfortable solvency ratios have been buffers enabling growth targets even in the challenging backdrops like we are through. Capital adequacy ratios which are supported by our internal capital generation capacity continues to stay well above regulatory and sector levels.

Following slide sheds light on our earnings performance and superior ROE of the Bank.

TSKB posted TL 2.9 bn of a solid quarterly net income in 1Q26 which was up by 36% on a qoq basis. Following previous 3 years of decoupling from the sector, TSKB delivered another stellar set of results which was driven by remarkable decline in the provision costs with no stage 2 and NPL passage during the quarter, on the top of resilient banking income performance. In addition, we continued to release free provisions, too. To remind, due to the elements of its balance sheet and as a consequence of its business model, TSKB was not affected by the tax regulation change in the previous quarter. The bank's effective tax rate stays consistently steady, and the 4Q25 low base was mainly attributable to a jump in the provision expenses given a large ticket NPL inflow previously. Our solid provision coverage of 4.2% continues to stand out in the industry. Following 300 mn TL reversal, 800 mn TL of free provisions is the remaining amount as reserves for the quarters ahead, which we plan gradually to reverse with a cautiously optimistic approach. The ROE of the bank is calculated as 22.8% when a non-recurring item, a collection amounting to 235 mn TL before tax, is not annualized. The aforementioned ratio goes up to 25% when the total quarterly income is fully annualized. That is the figure which we forecast for the year-end, reiterating our guidance.

On the next page, I would like to go into more detail through P&L items and explain the main developments of the first quarter.

Bank's NII including the swap costs was up by 10% yoy. The quarterly decline in the NII was attributable to decline in the CPI linker income as well as absence of 150 mn TL one-off collection impact as discussed. To note, our swap book shrank by more than 50% qoq on the back of our redeemed Eurobond in January. The excess liquidity opportunistically allocated in the previous quarter had a positive impact to NII on the top of CPI-linker gains. In parallel, our total swap costs retreated to nearly 645 mn TL from c. 1.4 bn TL. The strategic management of our security portfolio where we invested into TL ref indexed bonds and FRNs in the last couple of years paid off during the first quarter too. We have continued to invest in FRNs in place of maturing ones which were nearly 2 bn TL. Taking the current backdrop into consideration, we updated our CPI assumption for October to October from 24.1% to 25.7% which added further 30 mn TL to our CPI linker income of 600 mn and to reach 635 mn TL. In the absence of valuation gains from private equity funds including TGF Turkish Green Fund realized once in a year in the fourth quarters, trading line surge was down by 66% qoq and up by 30% yoy besides a one-off of 253 mn TL fx valuation gain from a collection. To remind, we have invested into one project last year and have closed the second one today as mentioned. On the fees front, commission income from advisory and non-cash banking business is strong and supportive. We expect corporate finance business line to support the commission income base in the following quarters too. Other income includes 300 mn TL of free provision reversal, as well as collections and HR related provision reversals. As a result, our banking income picked up 6% compared to previous year whereas the quarterly figure was down by 23% qoq. OPEX went up by 60% yoy and 12% qoq due to wage adjustments realized in the quarter. Net banking income is resilient and almost flat on an annual basis and down on quarterly terms due to reasons explained above. There were no inflow to stage 2 or NPL portfolio either. Indeed, there was a reverse passage from stage 2 to standard loans which eased down the provision costs almost to zero. Although taking the last quarter's high base into consideration, the income from participations was still relatively weaker. Yet, we would like to underline that this figure is not a run rate figure, it will be recovering during the next quarters. Consequently, the Bank posted a net income of 2.9 bn TL which is up by 36% on a quarterly basis and almost in line with the same quarter of the last year.

Moving on to FX liquidity and funding structure of the bank,

DFI funding continues to be the primary source within the Bank's funding pool, accounting for 61% of our liabilities as of the first quarter. As a recent development, in April we signed a EUR 150 million agreement with AFD to finance companies in Türkiye focusing on advancing circular economy practices. Moreover, several ongoing negotiations with DFIs indicate another outstanding year with respect to the amount of funds that is going to be secured. 5 new agreements are underway going forward. In addition, TSKB was active in the private placement market in the first quarter. The bank issued almost USD 200 million private placement which diversified and supported the funding base. As of 1Q26, we also have USD 900 mn worth of non-withdrawn DFI funding, all guaranteed, is available in climate & environment and earthquake related green recovery themes. Accordingly, we will be disbursing them to support Turkey's sustainable development. We do not foresee any difficulties to deploy this funding further. Our solid liquidity position is clearly demonstrated by an FX LCR ratio exceeding 343% as of Q1, providing strong support for our growth plans. Going forward, we will actively expand into new climate mitigation and social impact themes while further strengthening our relationships with MDBs and multilateral funding initiatives.

Next slide is on Bank's healthy growing asset composition;

As a development bank, in line with our mandate, loans continue to constitute the majority of our asset base, accounting for 74%. And we would like to highlight that it is the highest figure in the sector. Supported by strong loan growth, our total assets exceeded 346 billion TL in the first quarter of 2026. We also continued to actively manage our securities portfolio, which represents 15% of total assets. 2026 stands out as another growth year for the Bank. In line with our targets, total loans surpassed 256 billion TL as of the first quarter, with an FX-adjusted loan growth of 6.3%. Our long-term cash loan disbursements, primarily focused on supporting Türkiye's sustainable development, reached 817 million USD in the first three months of this year. As a reminder, we have consistently executed our growth strategy over the past three years, delivering an average FX-adjusted loan growth of around 10%. (2021: -0.8%, 2022: -6%, 2023:6.4%, 2024: 11.6%, 2025: 11.2%) Consistent with our business model, FX-denominated loans continue to comprise the majority of our loan book at 94%, while TL loans account for 6%. During the quarter, the preference for EUR-denominated lending continued; however, we observed a slight shift towards USD-denomination as well. We would also like to highlight that, thanks to our development bank status and our strong access to funding from DFIs, our loan growth targets have not been adversely impacted by the CBRT's temporary regulatory measures. This also relates with our mission. With an average maturity of 5,5 years, investment loans remain the dominant component of our loan portfolio, fully aligned with our long-term development-focused mandate.

Slide 8 is depicting our sectoral exposures in the loan book and our focus areas.

As discussed, our performance is in line with our year-end guidance, and we expect to maintain this momentum throughout the year. In terms of new disbursements, energy generation continues to represent the largest share at 21%. As a result, the share of energy generation loans in our portfolio exceeded 30%, of which 95% consisting of renewable energy. As a reminder, in our classification, themes such as the inclusive reconstruction of earthquake-affected regions, hybrid renewable energy projects, and distributed solar power plants are tracked under their respective sectors such as Metal & Machinery, Chemistry & Plastics. Therefore, their positioning in these graphs is consistent with our strategic focus areas. As being the host country of the COP-31 this year, we have set new sustainable finance targets supported by our strong performance. With SDG-linked loans accounting for 93% of our total loan portfolio, we remain committed to expanding into new areas such as electrification and climate-related industries, alongside with renewable energy projects including storage investments, enabling technologies, energy efficiency, manufacturing and capacity expansion investments, green transformation in earthquake-affected regions and women's employment. With our strategic focus and updated sustainable finance targets, we will continue to support Türkiye's sustainable development agenda and targets.

Now we will present the bank's asset quality figures.

During the first quarter of 2026, there were no new problematic loan inflows. On the contrary, there was a transfer from stage 2 to healthy loans. Given the growth's denominator impact, our NPL ratio declined from 2.4% to 2.2%,

while Stage 2 loans decreased from 7.2% to 6.4%. As a result, our total problematic loan ratio stood at 8.8%, remaining well below the sector average. To note, we maintain a limited number of Stage 2 and Stage 3 loans in our portfolio. Those are all operational and belong to well-established groups and companies. In addition, 100% of Stage 2 loans and 30% of NPLs are restructured. As it is well known, TSKB has a strong capacity to closely monitor these loans and conduct regular analyses and stress tests. Provision levels remain almost the same as in the last quarter. The coverage ratio for Stage 2 loans increased slightly during the quarter, while coverage for other stages remained unchanged. The total coverage ratio slightly declined from 4,5% to 4,2%, yet this still continues to remain well above the sector, reflecting our prudent approach. During the first quarter, we reversed 300 million TL of free provisions, bringing the Bank's total free provision stock to 800 million TL as of quarter-end. Consequently, the Bank's FX-adjusted net cost of risk was recorded at -9 basis points in the negative territory.

On this page, I would like to mention our new investments to the security portfolio and its consistent contribution to the NII.

Strategic moves executed over recent years have begun to yield tangible results, providing a meaningful contribution to the bank's NII. In the first quarter of the year, the securities book as a share of total assets edged down to 15.1%. Compared to the end of last year, the portfolio's composition has continued to shift toward TL-denominated floating rate notes with high spreads. The share of TL denominated securities within the total portfolio remains robust at 53%, while the total securities book has remained at 52.5 billion TL. As part of our ongoing strategic repositioning, we have successfully reduced the weight of CPI linkers to 30%, reallocating capital into high yield FRNs and TL-ref indexed notes. This strategy continued during the first quarter as well. We have invested in place of 2 bn TL maturing securities. October to October inflation was revised from 24.1% up to 25.7% during the quarter, taking the current backdrop into consideration. This added 30 mn TL of extra CPI-linker income to this quarter which will translate into TL 120 mn of extra income for the whole year. For the remainder of 2026, we will maintain our proactive market surveillance and strategic oversight of the securities book to further strengthen and diversify our income base.

Now, we would like to further elaborate on NIM and its components.

We continued to generate strong and resilient net interest income in 1Q26, supported by solid loan spreads, front-loaded loan growth, and a strategically managed securities portfolio. NII excluding CPI-linker gains was up by 17% yoy and -9% qoq due to the high base impact of the previous quarter which was mainly driven by collections. Swap costs declined significantly by 53% in the first quarter, given the lower utilization need following the redemption of a USD 350 million Eurobond. This was another factor contributing to the high base impact of the previous quarter. CPI linker assumptions were revised upward to 25.7% from 24.1%, resulting in an additional 120 million TL income contribution for the full year. The quarterly income figure was 636 mn TL including the revaluation. Overall, proactive balance sheet management and frontloaded positioning continued to underpin earnings quality as well as NIM resilience in the first quarter. We are glad to see that we are fully in line with our year-end guidance and expect this robust earnings performance to continue albeit in a more normalized trend.

This slide focuses on Bank's robust solvency metrics.

In line with our strategic priorities, the bank continued to deliver on its growth objectives in 1Q26, maintaining a disciplined focus on capital efficiency, risk adjusted returns, and balance sheet strength. Risk weighted assets was elevated to TL 328 billion, driven by continued loan growth, while core equity and total capital rose to TL 44.9 billion and TL 61.9 billion, respectively. We sustained robust capital adequacy levels during the first quarter, with solvency metrics remaining comfortably above regulatory thresholds and sector benchmarks, reflecting prudent balance sheet management despite continued growth. The quarterly downward difference was driven by mainly loan growth accompanied with one-off dividend and operational risk adjustment which is expected to be offsetted with the recovery in the market conditions going forward. In the remainder of the year, the bank will keep preserving a strong solvency buffer thanks to its supportive earnings quality and continue to decouple favorably from peers. Strong capital adequacy

underpins our growth strategy, while resilient asset quality, above-sector loan coverage, and sustainable earnings generation further reinforce our overall financial strength.

Last but not least, we would like to conclude our presentation with some highlights on sustainable banking.

We published our 2025 Integrated Annual Report, which includes our sustainability report prepared in line with the Turkish Sustainability Reporting Standards (TSRS). Our bank's 2030-targeted SDG-linked financing and climate financing targets have been revised upward to USD 15 billion from 10 billion and to USD 5 billion from 4 billion, respectively. In addition to these targets, a new target of USD 3 billion by the same horizon has been set for social financing, which is one of the bank's co-priority focus areas in its strategy. By the first quarter of 2026, our SDG-linked financing has reached approximately USD 7.77 billion, representing 47% of our revised 2030 target of USD 15 billion. Meanwhile, our climate financing has reached USD 2.02 billion, corresponding to 40% of our updated USD 5 billion target for 2030. We have revised our Sustainability Policy and its complementary policies in line with best practices. In addition to our policy updates, we have published our Nature and Biodiversity Policy as a complementary policy to our Sustainability Policy. As a next step, we seek to align our analysis processes with the LEAP (Locate, Evaluate, Assess, Prepare) methodology developed by the Taskforce on Nature-related Financial Disclosures (TNFD). Within this framework, we will further strengthen our climate-focused environmental risk management approach by addressing climate change and nature loss together under, as described, the "twin crises" perspective. Looking ahead, we remain committed to supporting Türkiye's development by delivering innovative financial solutions and advisory services, while advancing green and social investments in parallel, with the aim of fostering inclusive and sustainable growth.