

The Industrial Development Bank of Türkiye

*Earnings Presentation
1Q-26 Bank-only Results*



FTSE4Good



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➤ Strong 1Q26 results, in alignment with year-end targets

Financial Guidance (Bank Only)	1Q26	YE26 Guidance	Outlook
	%	%	
Growth			
FX Adjusted Loan Growth	6.3	Low Teens	Upside
Profitability			
Net Interest Margin	4.5	~4.5	On track
Fees & Commissions Growth	77	> 50	On track
Return On Equity	22.8	~ 25	On track
Efficiency			
OPEX Growth	60	> Average CPI	On track
Solvency			
Capital Adequacy Ratio	18.9	~19.0	On track
Tier I Ratio	17.8	~18.0	On track
Asset Quality			
NPL Ratio	2.2	~ 2.5	On track
Net Cost of Risk (excluding currency impact)	-9 bps	~ 50 bps	On track



* ROE calculation excludes non-recurring items when annualizing net income for the remaining quarters of the year

➤ Recent developments boosting our quarterly performance

Strong, frontloaded 6.3% FX loan growth given **USD 817 mn of long-term loan disbursements**

Outstanding liquidity & well diversified funding capacity

EUR 150 mn of loan agreement targeting circular economy was signed with AFD in April; and there is more to come.

Differentiating profitability ratios: 4.5% NIM, and 25% ROE (annualized)

Continued prudent stance, with no new stage 2 or NPL inflow

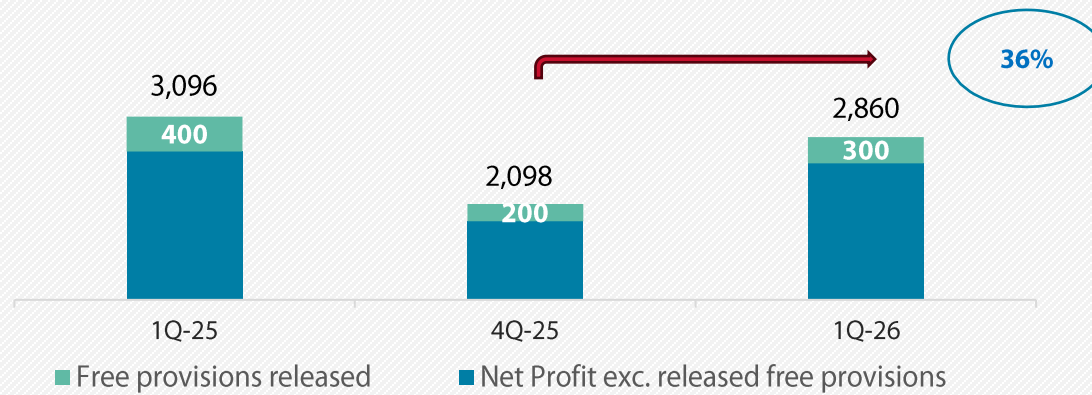
Advisory and non-cash loan business generated fee income **in line with targets**

TGF's 2nd investment was realized in April.

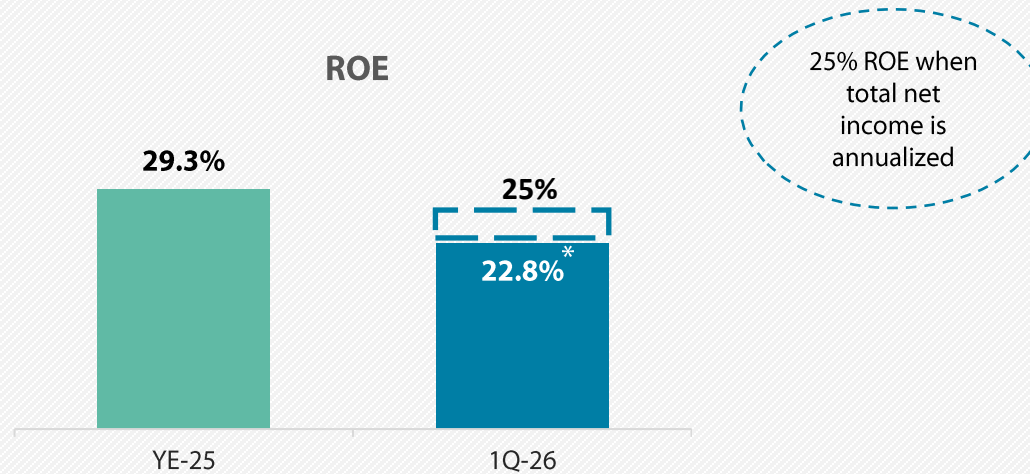
Comfortable solvency buffers supporting our growth strategy further

TL 2.9 bn of solid quarterly net income was posted in 1Q26 with a qoq expansion of 36%

Net Profit - TL mn



ROE



*Non-recurring items are not annualized in the ROE calculation.

Strong coverage base on the top of free provision stock in place to support profitability

- ✓ Total coverage ratio stands at 4.2%
- ✓ Stock of free provisions TL 800 mn, by TL 300 mn reversal in 1Q26



Strong quarterly net profit was supported by collections and notable decline in the provision expenses

TL mn	1Q-25	4Q-25	1Q-26	YoY	QoQ
Net Interest Income	3,151	3,962	3,465	10%	-13%
Trading Income/Loss	297	1,121	386	30%	-66%
Net Fees & Commissions	71	124	126	77%	1%
Other Income (Inc. Dividend)	747	264	558	-25%	112%
Banking Income	4,267	5,470	4,535	6%	-17%
OPEX (-)	689	988	1,104	60%	12%
Net Banking Income	3,578	4,482	3,431	-4%	-23%
Provisions (-)*	165	2,595	56	-66%	-98%
Income From Participations	528	613	372	-29%	-39%
Tax Provisions (-)	846	402	888	5%	121%
Net Profit	3,095	2,098	2,860	-8%	36%

* Non-cash loan and cash loan provisions

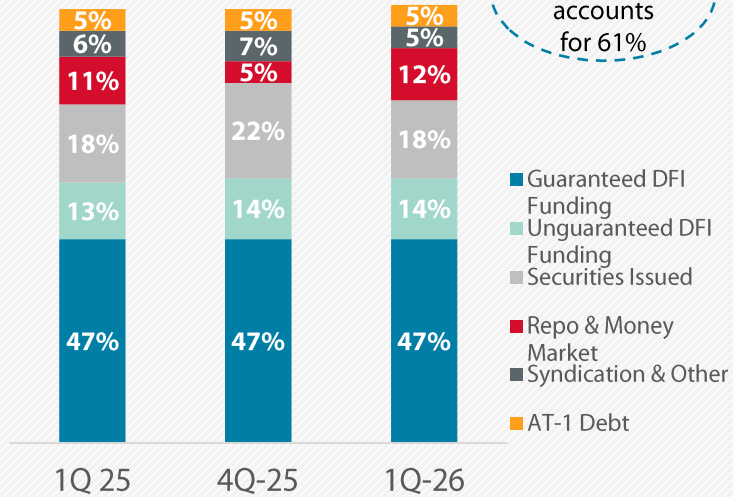
Based on MIS data

Interest expense of long and short term swaps, valuations of hedge positions for Eurobonds issued and exchange differences arising from rediscounts are adjusted under NII

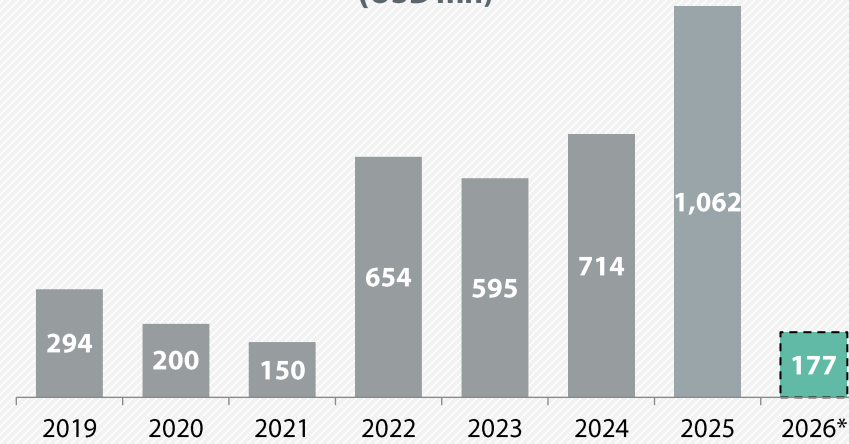
Provisions include Expected Credit Losses in the audited P&L excluding impairment expenses of marketable securities

Following a record breaking 2025, 2026 will be another record year for secured funding

Funding / Total Liabilities (exc. Equity & Other)



Yearly Multilateral Funding Agreements (USD mn)



Wholesale Funding in 2026

- ✓ PP | USD 198 million
- *Recent Developments
- ✓ AFD | EUR 150 million

* Loan agreement was signed in April.

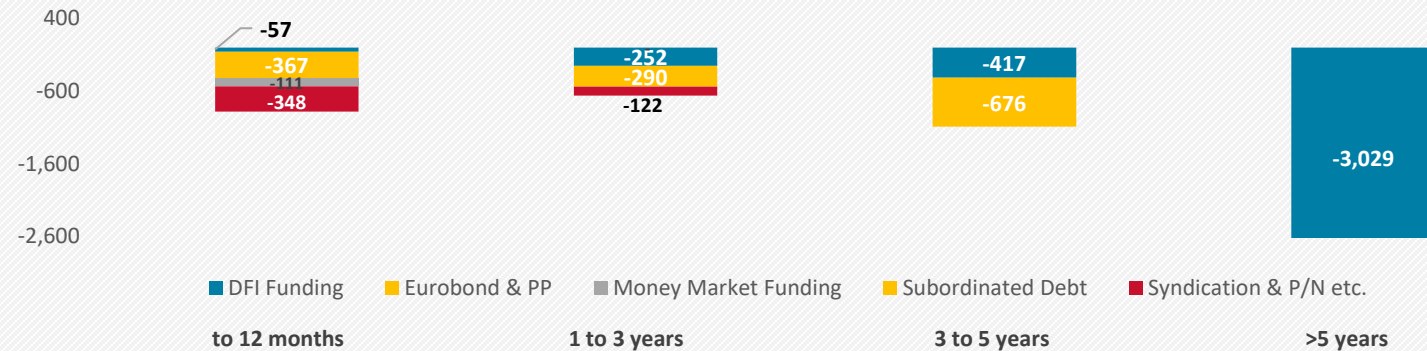
~ USD 900 mn & 100% MOTF Guaranteed Non-Withdrawn DFI Funding

Climate + Environment	83%
Earthquake Related Green Recovery	17%

FX Liquidity Coverage Ratio

~343%

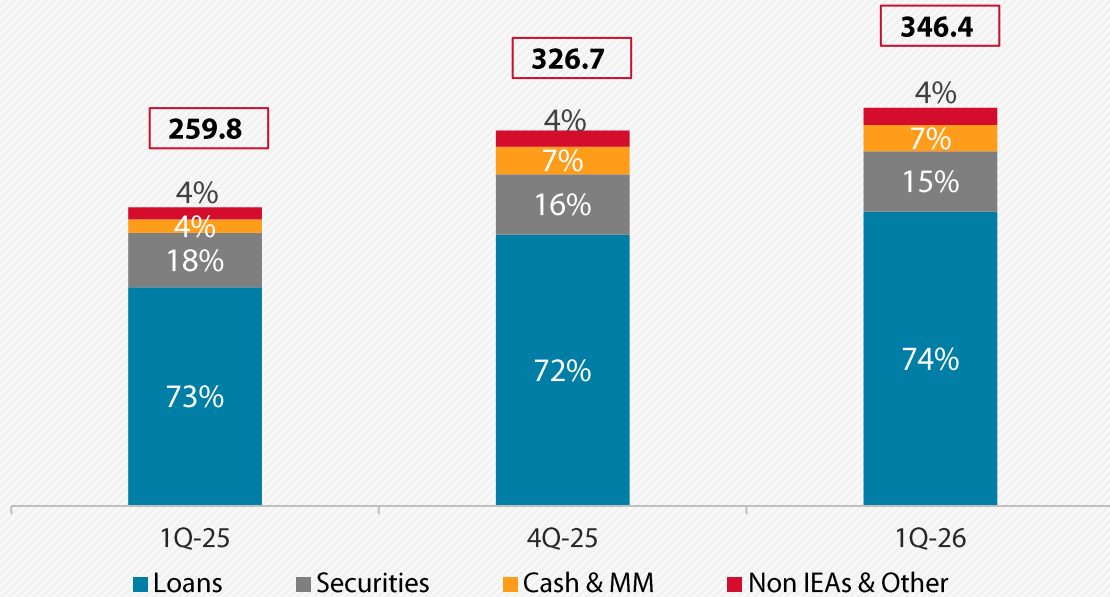
Maturity Profile of External Debt - USD mn



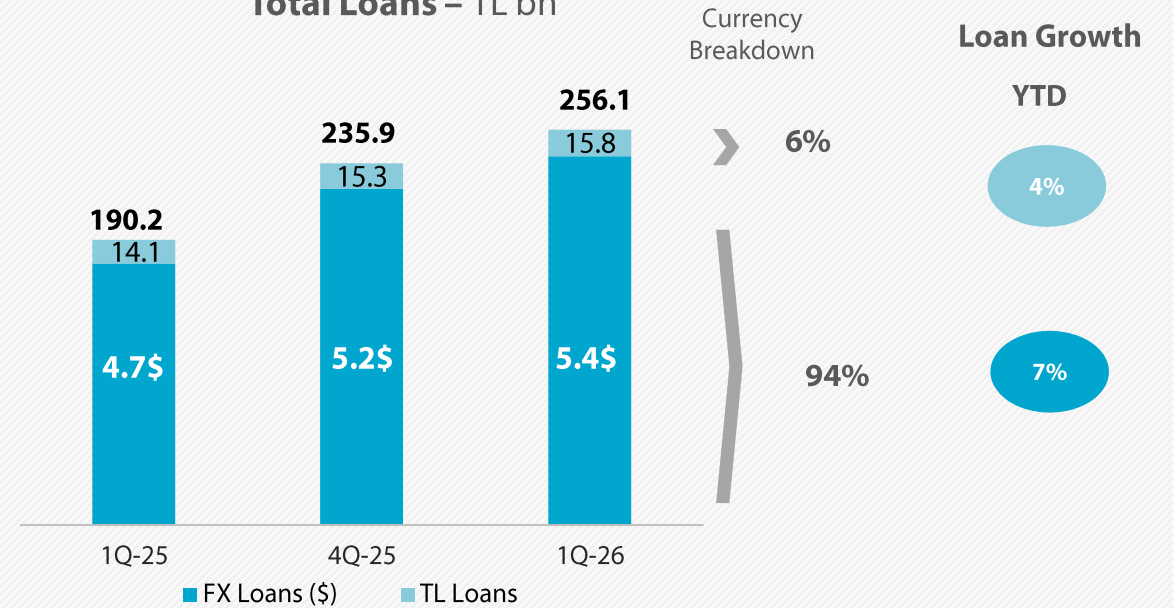
* USD 300 million AT-1 Eurobond has a call option in 2029.

Sustaining Growth Through a Healthy Asset Base

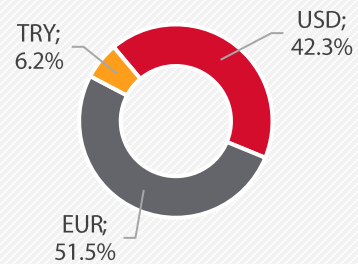
Asset Composition – TL bn



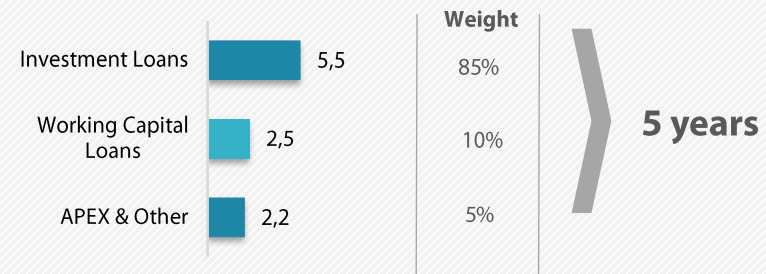
Total Loans – TL bn



1Q-26 Loans by Currency



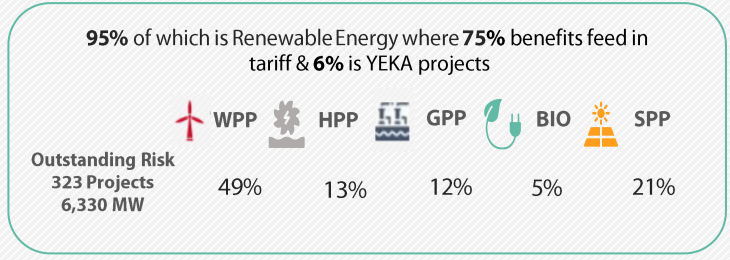
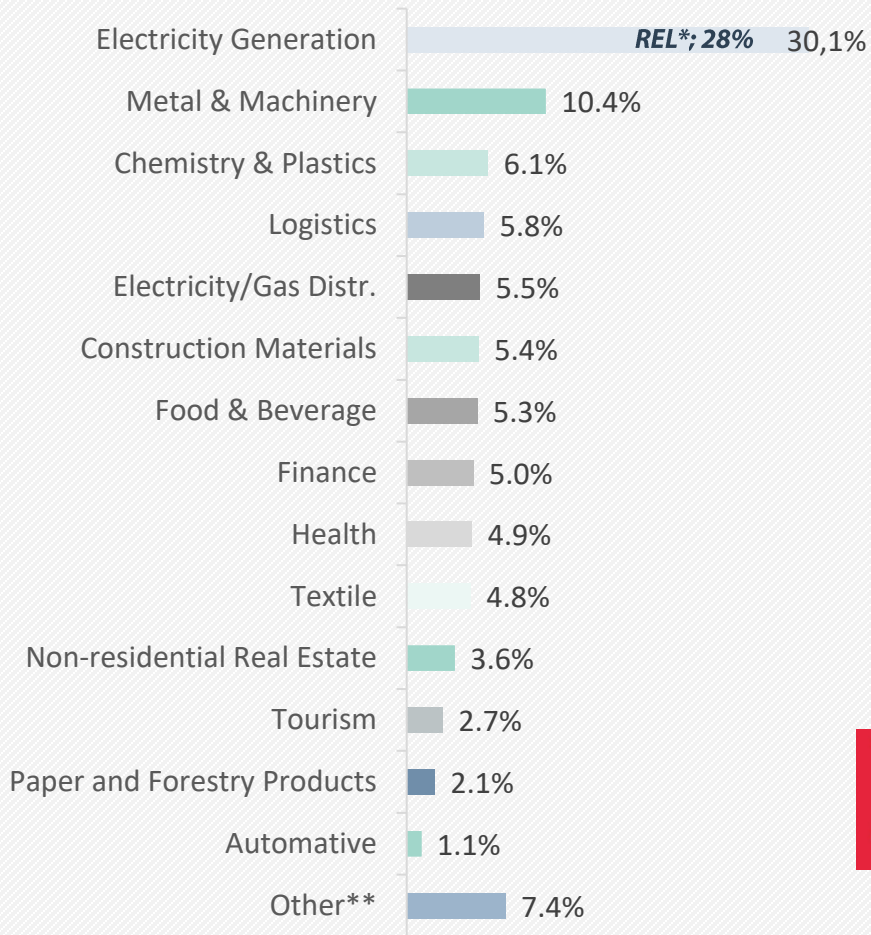
Remaining Average Maturity - Years



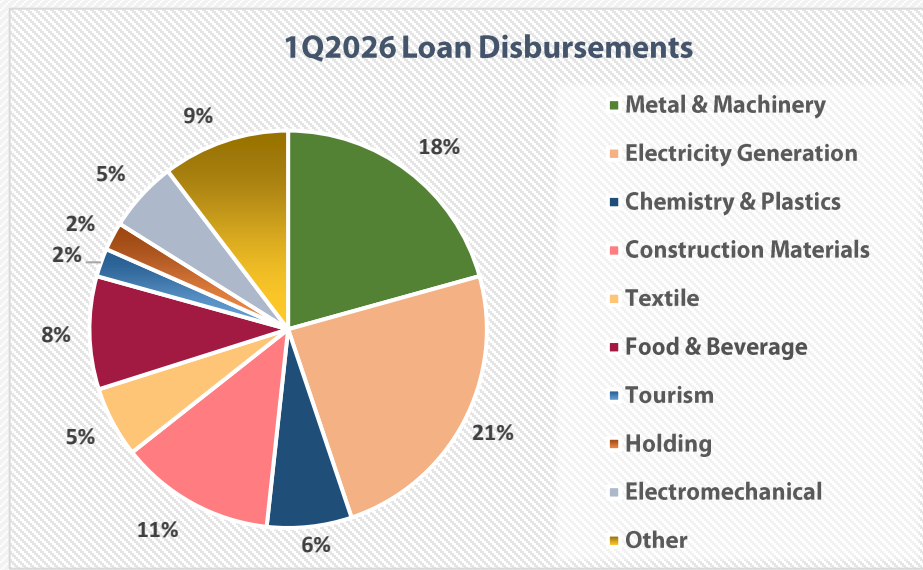
No Maturity Mismatch in the Balance Sheet

Strong and front-loaded 6.3% fx-adjusted loan growth

Outstanding Loan Portfolio by sector 1Q-26



- ### Strategic focus
- Transition to Low Carbon Economy
 - Climate Adaptation
 - Reconstruction of Earthquake-affected Regions
 - Inclusiveness
 - Good Job Creation



*Excluding finance sector

Substantially Supported SDGs through Loan Activities



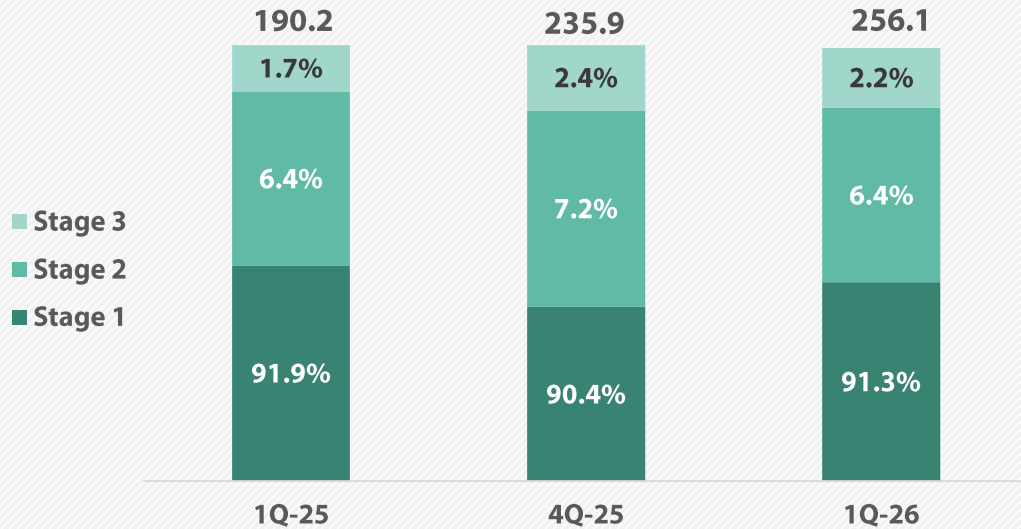
SDG-linked Loans account for **93%** of the portfolio.

Climate and Environment focused SDG-linked Loans account for **~60%** of the portfolio.

* Renewable Energy Loans
**Mining, Packaging, Electromechanical, Retail and others

No new problematic loan (stage 2 & 3) inflows during 1Q26

Staging Breakdown
(mn TL Gross Loans)



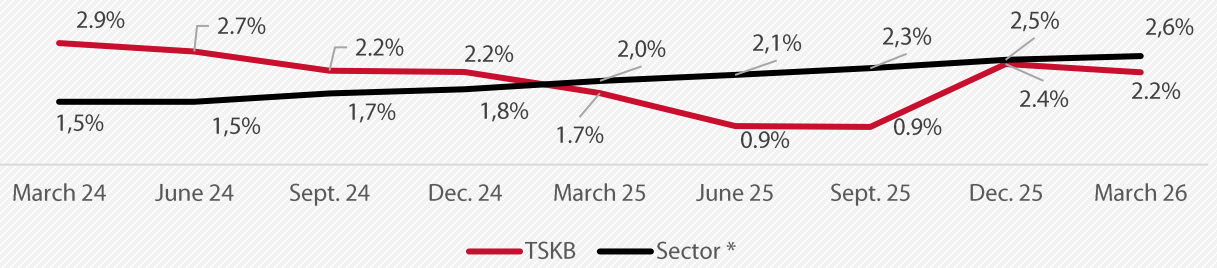
	1Q-25	4Q-25	1Q-26
Total Provision* (mn TL)	7,905	10,594	10,659
Stage 1	857	1,008	1,123
Stage 2	4,118	5,353	5,320
Stage 3	2,930	4,233	4,216
Total Coverage	4,2%	4,5%	4,2%
Stage 1	0,5%	0,5%	0,5%
Stage 2	33,6%	31,6%	32,3%
Stage 3	90,3%	74,1%	74,1%

-9 bps
Net CoR
(Excl. currency impact)

*Only cash loans are taken into consideration.

- %100 of Stage 2 & %30 of NPL portfolios are restructured
- Total NPL Coverage: **163%***
- Total Stage 2 Coverage: **100%****
- Total Free Provision Stock: **TL 800 mn**
- - 300 mn TL reversal in 1Q26

NPL/Total Loans (%)



*All Stage 3 loans are converted to TL
**Hard collateral & provisions are taken into consideration

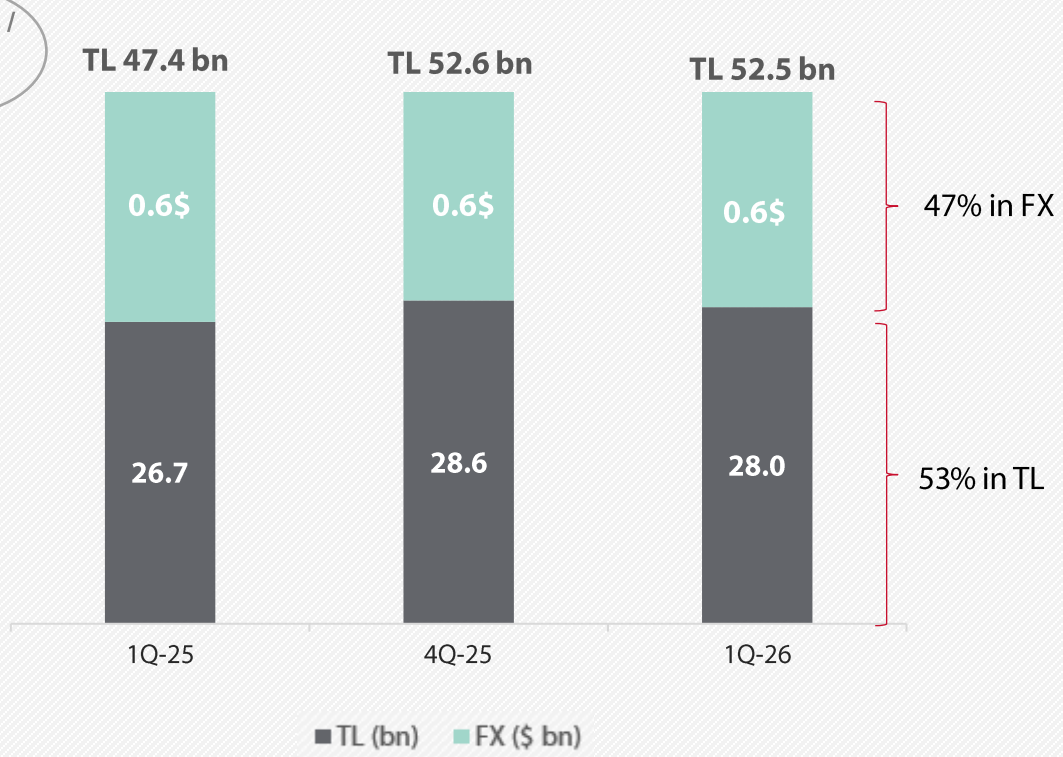
* BRSa monthly data as of February-26



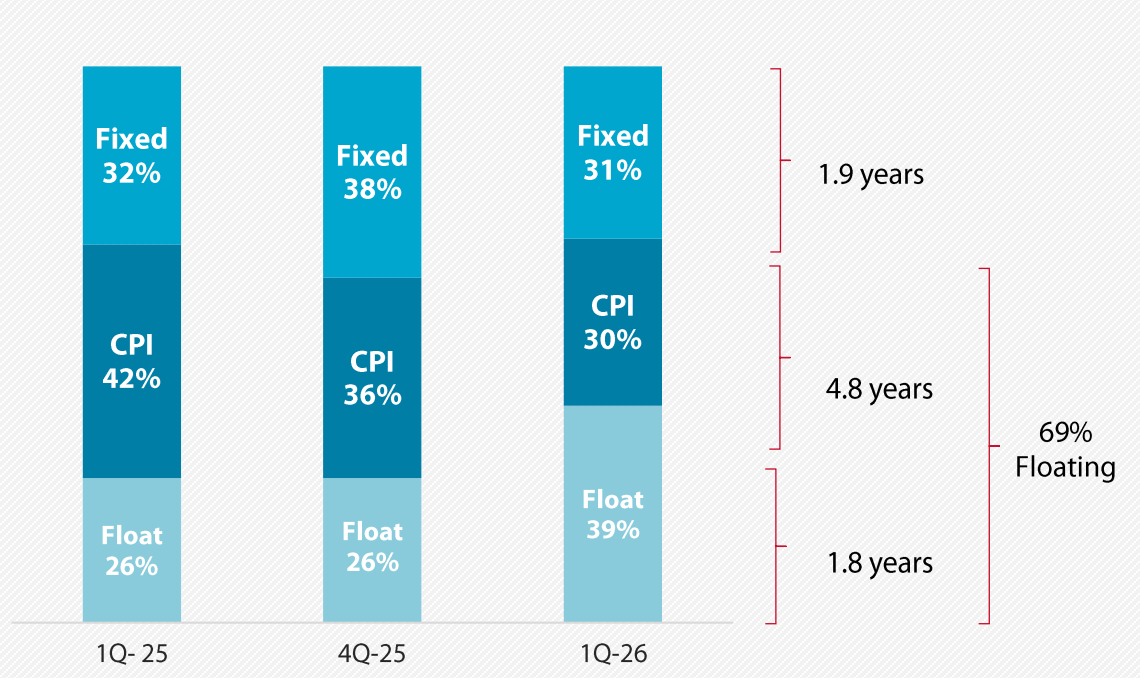
➤ Strategic moves in the recent years started to pay off, contributing to the bank's NII

Securities / Assets: 15,1%

Total Securities Portfolio Breakdown



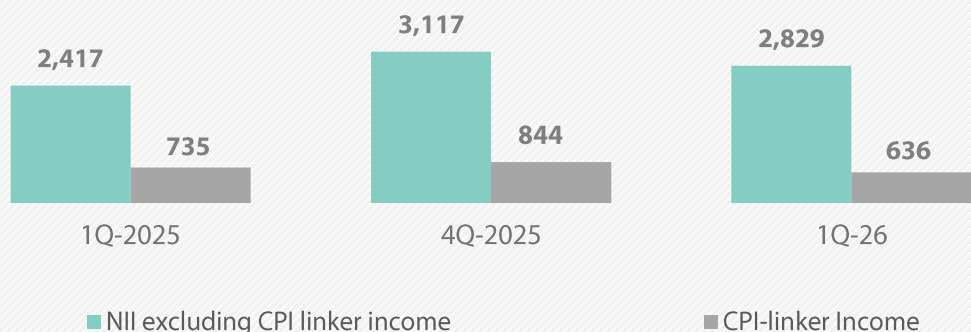
TL Securities Portfolio Breakdown*



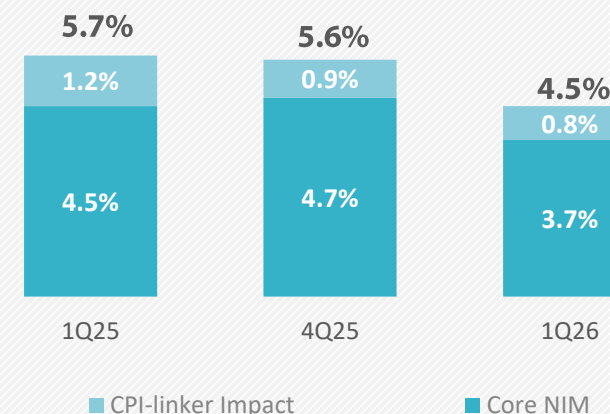
* Audit report values are taken into account

Strong and resilient NII generation continues

Evolution of NIM Components (TL mn)



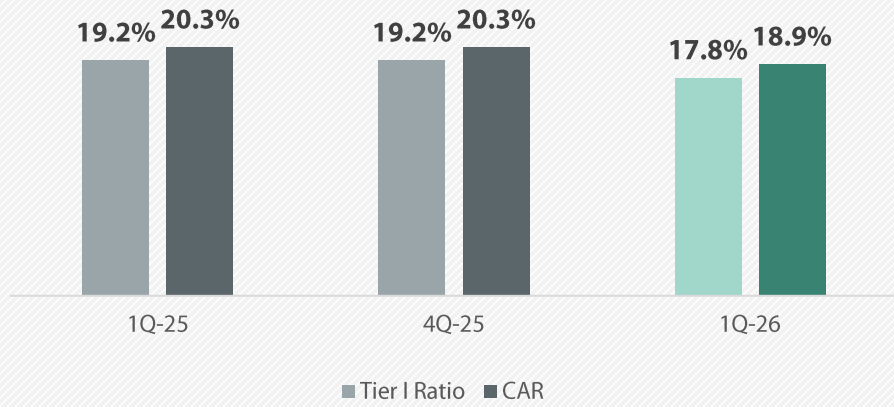
Annualized NIM



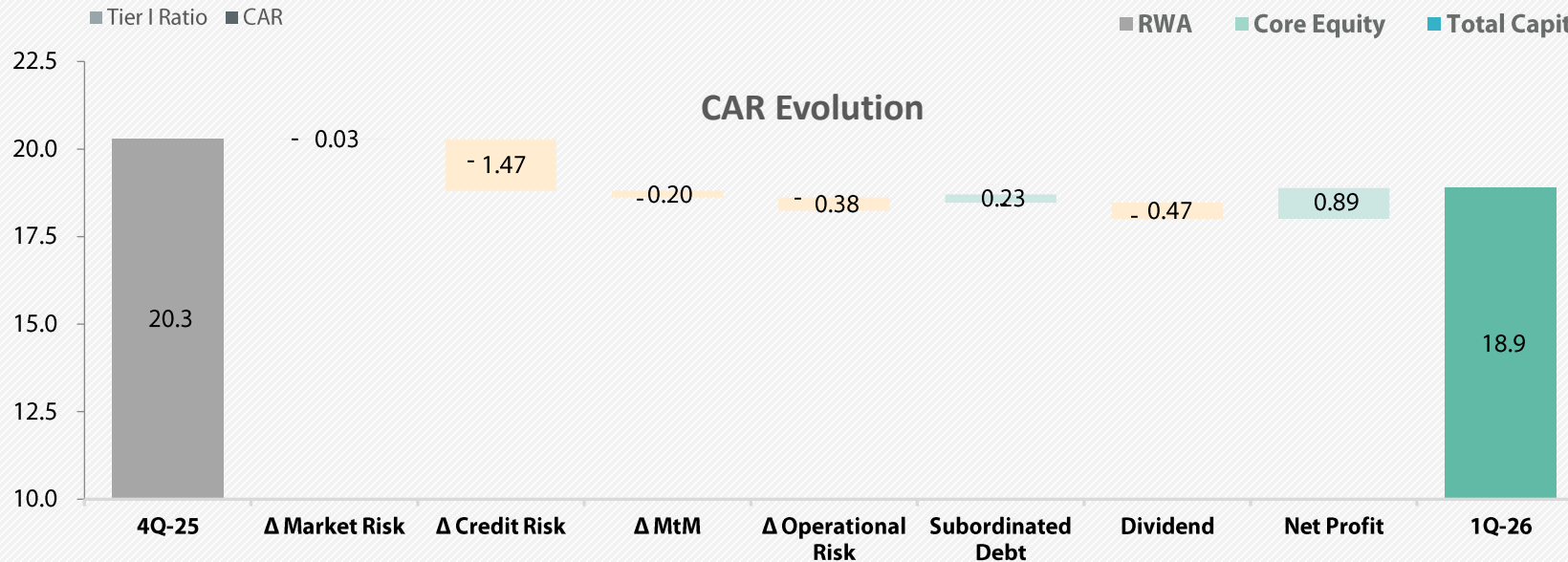
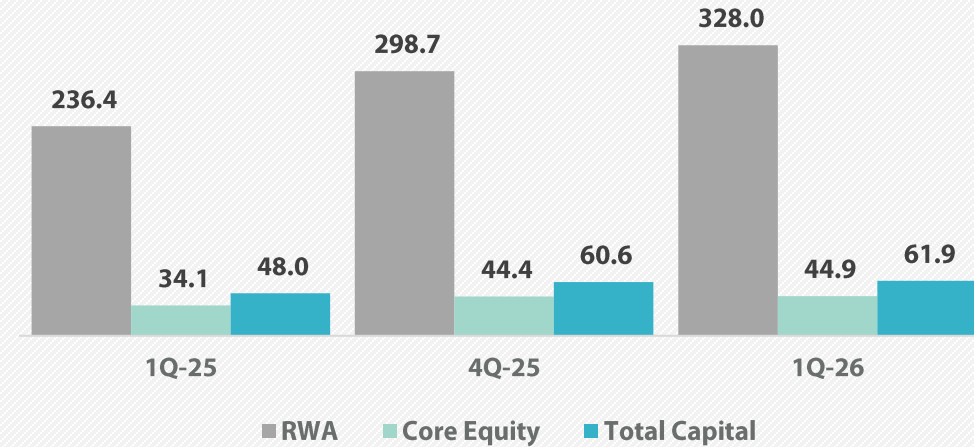
- ✓ **Strong and resilient NII generation continued on the back of relatively robust loan spreads and front-loaded loan growth as well as strategically managed security portfolio**
- ✓ **NII excluding CPI linker gains was up by 17% yoy and -9% qoq due to high base impact of 4Q driven by collections.**
- ✓ **Swap costs decreased substantially by %53 in 1Q26 given the lower utilization following the redemption of a Eurobond amounting to USD 350 mn.**
- ✓ **CPI-linker assumption was revised up to 25.7% from 24.1%, resulting to TL 120 mn of extra income for the whole year.**

➤ Maintained strong solvency metrics supports our growth strategy

Capital Ratios

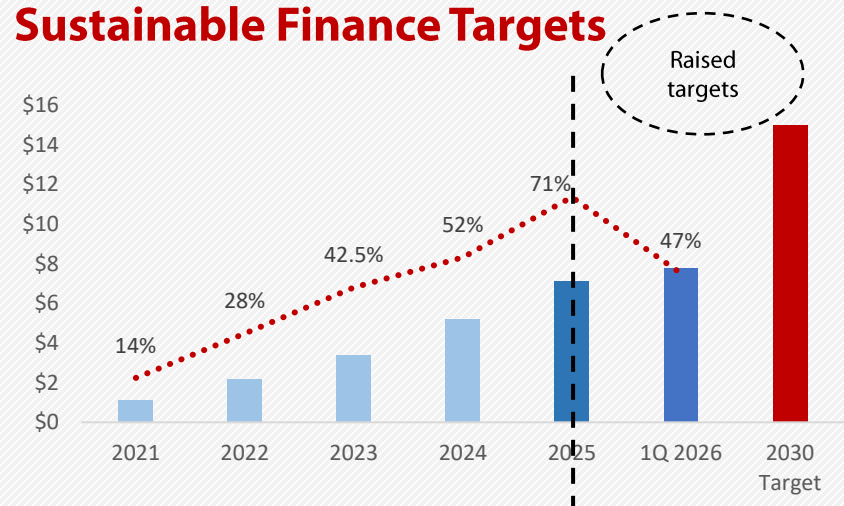


Evolution of RWA and Equity – TL bn



1Q26 Sustainable Banking Highlights

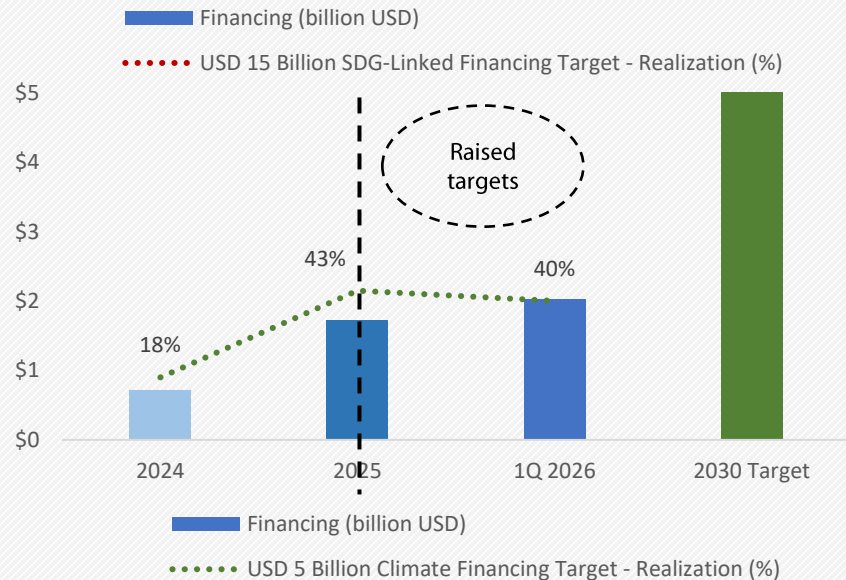
SDG-Linked Financing



2025 Integrated Report
Published 2025 Integrated Annual Report, which includes the sustainability report in line with the **Turkish Sustainability Reporting Standards (TSRS)**.

Policy Revision
Revision of the Sustainability Policy and its complementary policies in line with best practices.

Climate Financing



Sustainable Finance Target Revision
SDG-linked financing target of USD 10 billion by 2030, has been increased to **USD 15 billion**. In climate finance, the target has been raised from USD 4 billion to **USD 5 billion**.

New *Nature and Biodiversity Policy*
Published Nature and Biodiversity Policy as a complementary policy to the Sustainability Policy.

New *Social Target*
A new social finance target of USD 3 billion for the 2024-2030 period.



Appendix

Appendix: Balance Sheet

TL mn	31.03.2025			31.12.2025			31.03.2026		
	TL	FX	TOTAL	TL	FX	TOTAL	TL	FX	TOTAL
Cash and Banks	4,376	7,229	11,604	9,818	14,142	23,961	7,706	15,135	22,841
Securities	26,718	20,679	47,397	28,567	24,011	52,579	28,036	24,442	52,478
Loans (Gross)	14,052	176,174.37	190,227	15,258	220,622	235,880	15,841	240,240	256,081
Provisions	- 3,105	- 4,857	- 7,962	- 4,319	- 6,295	- 10,614	- 4,303	- 6,371	- 10,674
Subsidiaries	9,991	997	10,988	13,094	1,212	14,306	13,485	1,286	14,770
Other	6,006	1,553	7,559	9,357	1,189	10,545	8,604	2,291	10,895
Total	58,039	201,775	259,813	71,775	254,882	326,657	69,369	277,022	346,391
ST Funds	-	13,516	13,516	-	19,112	19,112	-	14,662	14,662
LT Funds	-	128,779	128,779	-	168,180	168,180	-	174,216	174,216
Securities Issued	-	39,906	39,906	-	60,594	60,594	-	51,555	51,555
Repo & MM	13,152	10,375	23,527	3,717	8,641	12,358	16,044	19,258	35,303
Other	4,562	3,057	7,620	3,287	4,332	7,618	3,555	7,433	10,988
Subordinated Debt	-	11,315	11,315	-	13,143	13,143	-	13,297	13,297
Shareholders' Equity	34,918	232	35,150	45,152	499	45,651	46,033	338	46,371
Total	52,632	207,181	259,813	52,156	274,501	326,657	65,632	280,759	346,391



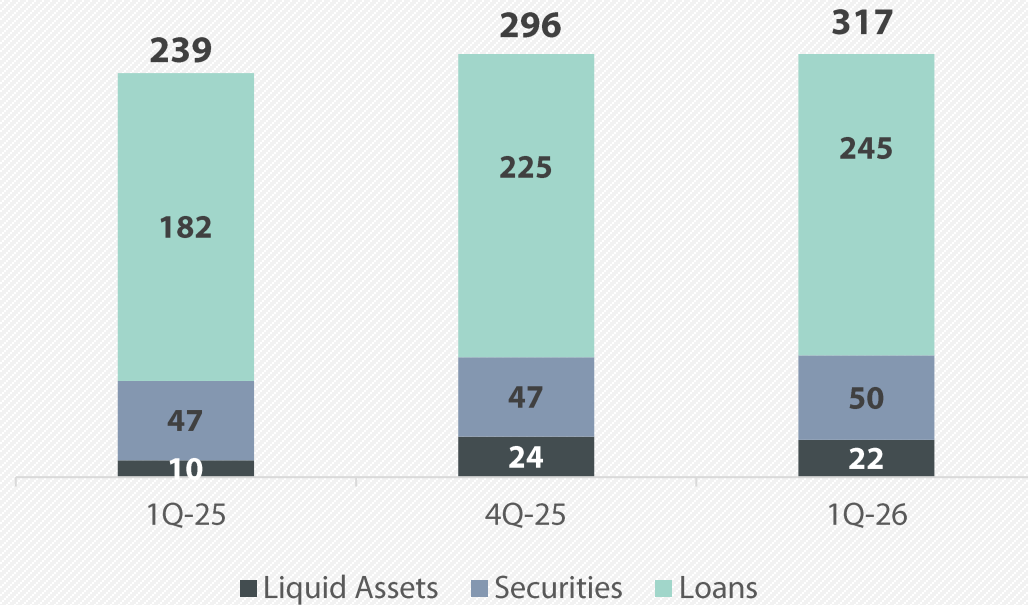
Appendix: Detailed Income Statement

TL mn	1Q-25	4Q-25	1Q-26	QoQ	YoY
Net Interest Income inc. Swap Cost	3,151	3,962	3,465	-13%	10%
NII exc. CPI & Swap cost	2,857	4,475	3,474	-22%	22%
CPI Linkers Income	735	844	636	-25%	-13%
Swap Costs	-440	-1,358	-645	-53%	46%
Net Fees & Commissions	71	124	126	1%	77%
Other Income	747	264	558	112%	-25%
Dividends	5	0	50	n.m.	900%
Other	742	264	508	93%	-32%
Reversals from Free Provisions	400	200	300	50%	-25%
Trading & FX gains/losses	297	1,121	386	-66%	30%
FX gains/losses	174	732	275	-62%	58%
Trading & MtM gain/loss	123	389	110	-72%	-10%
Banking Income	4,267	5,470	4,535	-17%	6%
OPEX	-689	-988	-1,104	12%	60%
Net Banking Income	3,578	4,482	3,431	-23%	-4%
Provisions	165	2,615	56	-98%	-66%
ECL *	-165	-2,595	-56	-98%	-66%
Free & Other Provisions	0	-20	0	n.m.	n.m.
Income From Subsidiaries	528	613	372	-39%	-29%
Pre-Tax Income	3,940	2,499	3,748	50%	-5%
Tax	-846	-402	-888	121%	5%
Net Income	3,095	2,098	2,860	36%	-8%



Appendix: Evolution of strategically managed Interest Earning Assets

Interest Earning Assets (bn TL)



- ✓ Interest Earning Assets were up by 7% QoQ and 33% YoY, which was driven by
 - High FX denomination
 - Growth strategy



Appendix: Stage 2 Loans Breakdown

Stage 2 Loans		
Sector	%	Coverage (%)
Electricity Generation	41	36
Non-residential Real Estate	34	22
Electricity/Gas Distribution	15	51
Telecom/Logistics	3	10
Automotive Supply Industry	3	30
Metal and Machinery	2	9
Health	1	50
Other	1	40
TOTAL	100	32

66% of Electricity Generation loans are Renewable



Appendix: Net Cost of Risk Calculation

Provisions (TL mn)	1Q26
Stage 1*	76
Stage 2**	-38
Stage 3	17
Reversals*** (TL mn)	-34
Net CoR	8 bps
<i>Currency Impact</i>	<i>17bps</i>
Net CoR excl. Currency Impact	-9bps

**Stage 1 provision costs are adjusted with TL 2.4 mn provisions set aside for securities.*

***Stage 1&2 provisions are shown netted off by Stage 1&2 reversals.*

****Reversals depicted in the table are attributable to Stage 3 Loans. (Collections are assumed as non-recurring one-off items and they are not annualized)*

Appendix: ESG Ratings



FTSE4Good

Constituent company in
the FTSE4Good Index Series



Listed in Global 100 Most
Sustainable Corporations in the
World by Corporate Knights



Sustainalytics ESG Risk Rating

Negligible Risk Category

7.4

First place in Türkiye
12th place among global development banks



Sustainable Fitch

3 (62/100)

First place in Türkiye
Above global average



LSEG ESG Score

84

BIST Sustainability 25 Index
BIST Sustainability Index

S&P Global

S&P Global CSA

52

Newly joined



MSCI ESG Rating

Newly joined

Pending

FitchRatings

ESG Credit Relevance Score

3

Neutral-to-minimal

MOODY'S

ESG Credit Impact Score

2

Neutral-to-low

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