The Industrial Development Bank of Türkiye

Earnings Presentation

2Q-26 Bank-only Results

FTSE4Good

2025 SUSTAINALYTICS INDUSTRY ESG TOP RATED MORNINGSTAR

2025 SUSTAINALYTICS REGIONAL ESG TOP RATED MORNINGSTAR

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Corporate Banking | Investment Banking | Advisory Services

Strong 1H26 results, in alignment with year-end targets

Financial Guidance (Bank Only)	1H-26 Figures %	YE26 Guidance %	Outlook
Growth			
FX Adjusted Loan Growth (ytd)	7.7	Low Teens	On track
Profitability			
Net Interest Margin	4.5	~4.5	On track
Fees & Commissions Growth[1]	104	> 50	On track
Return On Equity[2]	24.0	~ 25	On track
Efficiency			
OPEX Growth[1]	46	> Average CPI	On track
Solvency			
Capital Adequacy Ratio	19.0	~19.0	On track
Tier I Ratio	17.9	~18.0	On track
Asset Quality			
NPL Ratio	2.1	~ 2.5	On track
Net Cost of Risk (excluding currency impact)	34 bps	~ 50 bps	On track

Development Impact Oriented Growth Strategy

Buoyant Funding Activities to Support Sustainable Growth

Resilient and Solid Profitability

Superior Risk Profile and Asset Quality

Robust & Comfortable Solvency Buffers

1.Fee and opex growth based on y/y calculation
2.ROE calculation excludes non-recurring items when annualizing net income for the remaining quarters of the year

Recent developments are supportive of the Bank's future targets

Strong 1H26 loan growth reaching 7.7% driven by **USD 1.3 bn of** long-term loan disbursements

1H26 funding agreements amounted to almost USD 900 mn
Signed with AFD, IBRD and JBIC in 2Q26
(USD 300 mn Eurobond was issued and Syndication was rolled over in July)

Differentiating profitability ratios above industry average: **4.5% NIM**, and **24% ROE**

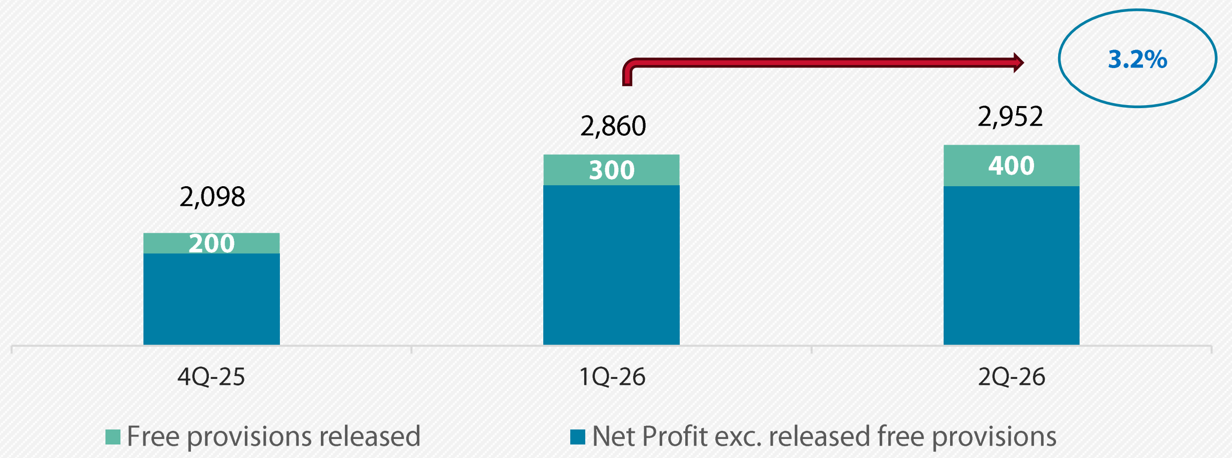
Continued prudent stance, with maintained and distinguished **coverage ratio of 4.2%**

Fee income doubled QoQ with support from **an IPO advisory, an early redemption fee and 2nd TGF investment** along with other 2 lines

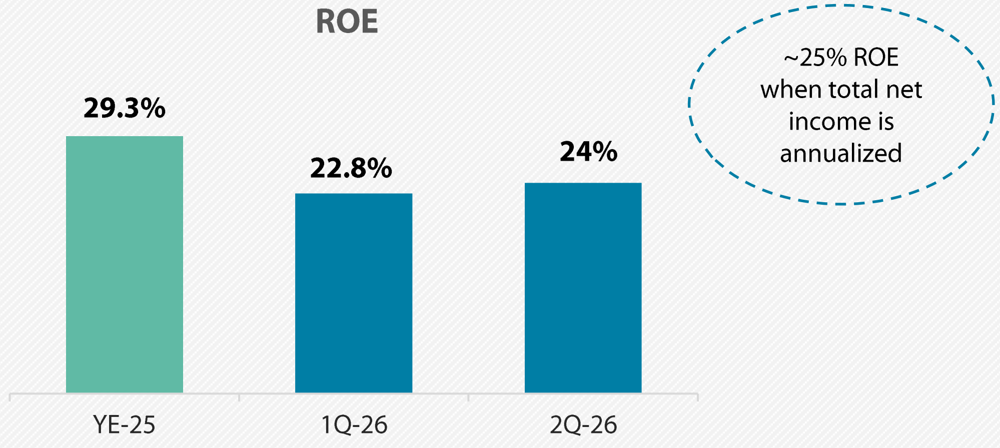
Comfortable solvency buffers supporting our growth strategy further

Distinguished profitability metrics among the banking industry

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%
- ✓ TL 400 mn free provision reversal in 2Q26; Remaining stock at TL 400 mn

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Normalization in provisions was more than offset by doubling fee income, free provision reversals and strong subsidiary income

TL mn	1H-25	1H-26	YoY	1Q-26	2Q-26	QoQ
Net Interest Income	**6,988**	**7,136**	**2%**	**3,465**	**3,672**	**6%**
Trading Income/Loss	625	622	-0.4%	386	236	-39%
Net Fees & Commissions	162	331	104%	126	204	62%
Other Income (Inc. Dividend)	2,186	990	-55%	558	432	-23%
Banking Income	**9,961**	**9,078**	**-9%**	**4,535**	**4,543**	**0.2%**
OPEX (-)	1,605	2,346	46%	1,104	1,242	13%
Net Banking Income	**8,356**	**6,732**	**-19%**	**3,431**	**3,301**	**-4%**
Provisions (-)*	1,248	909	-27%	56	854	1430%
Income From Participations	1,329	1,452	9%	372	1,080	190%
Tax Provisions (-)	1,962	1,463	-25%	888	575	-35%
Net Profit	**6,475**	**5,812**	**-10%**	**2,860**	**2,952**	**3%**

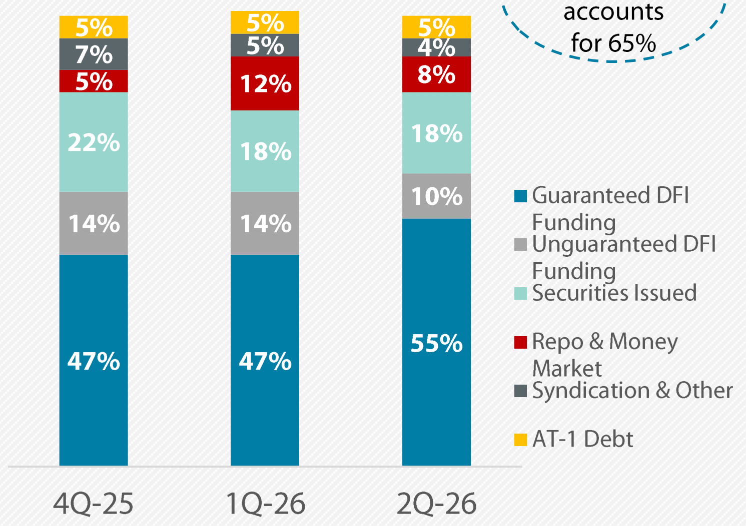
** Non-cash loan and cash loan provisions*

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

Total amount of funding provided surpasses USD 1.6 bn as of July

Funding / Total Liabilities
(exc. Equity & Other)

DFI funding accounts for 65%

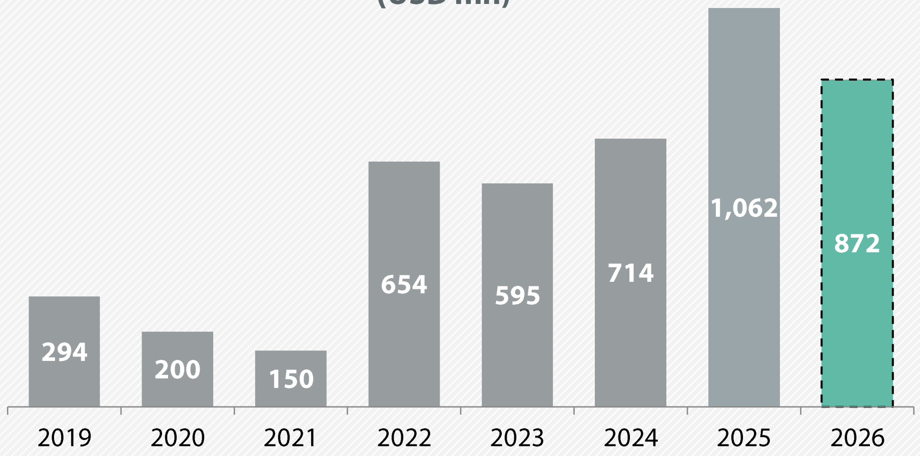


~ USD 1,200 mn & 85% MOTF Guaranteed
Non-Withdrawn DFI Funding

Climate + Environment	89%
Earthquake Related Green Recovery	11%

FX Liquidity Coverage Ratio
~314%

Yearly Multilateral Funding Agreements
(USD mn)



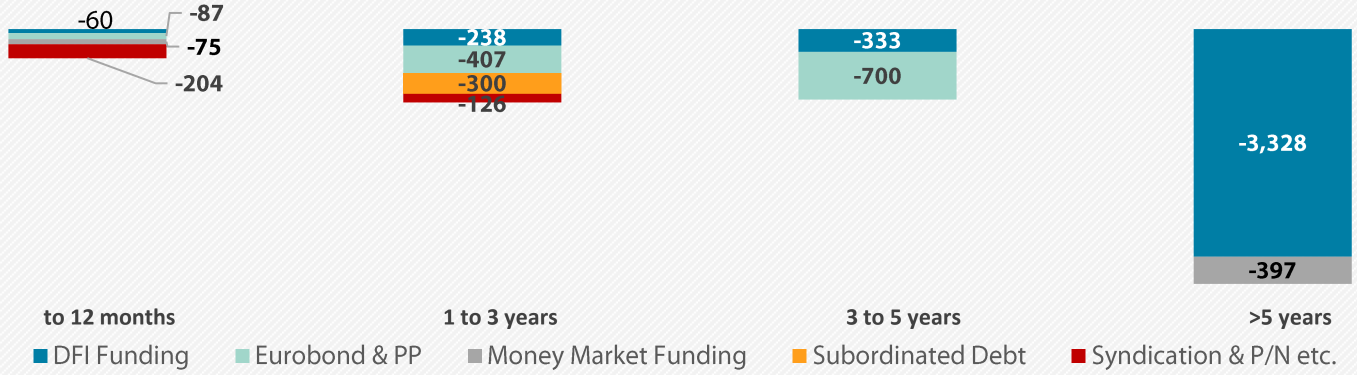
Wholesale Funding in 2026

✓ **PP & Bilateral Loans** | USD 205 million
✓ **AFD** | EUR 150 million
✓ **IBRD Partial Guaranteed Loan** | EUR 300 million *(MOTF counter- guaranteed)*
✓ **JBIC** | USD 350 million

***Recent Developments**
✓ ***Eurobond** | USD 300 million*
✓ ***Syndicated Loan** | USD 229 million*

** Syndicated loan agreement was signed In July.*
**Eurobond transaction was completed in July.*

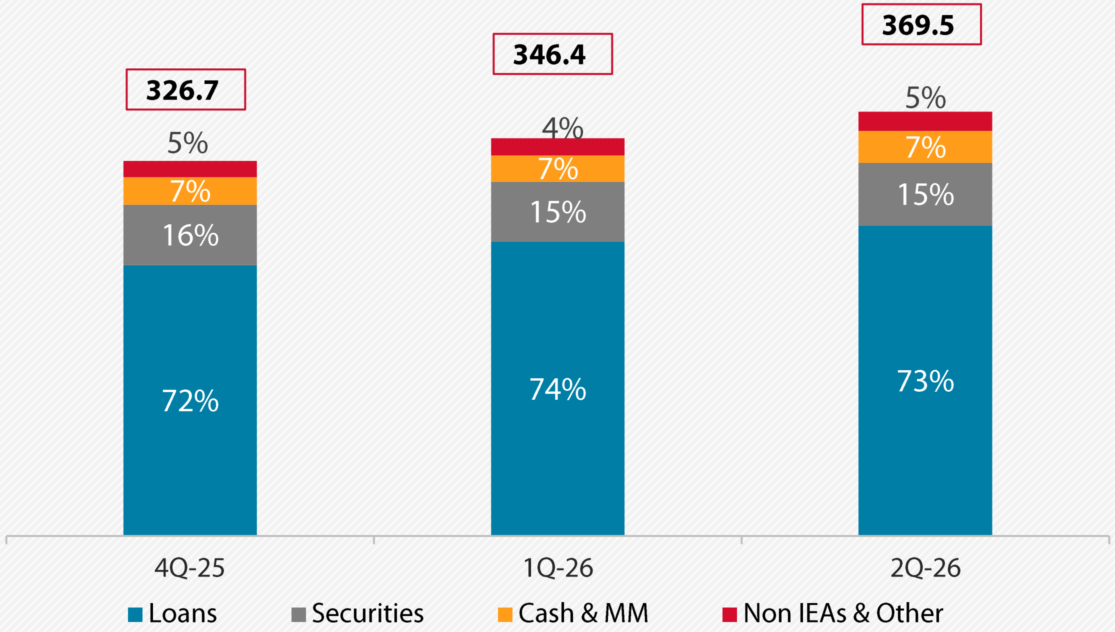
Maturity Profile of External Debt - USD mn



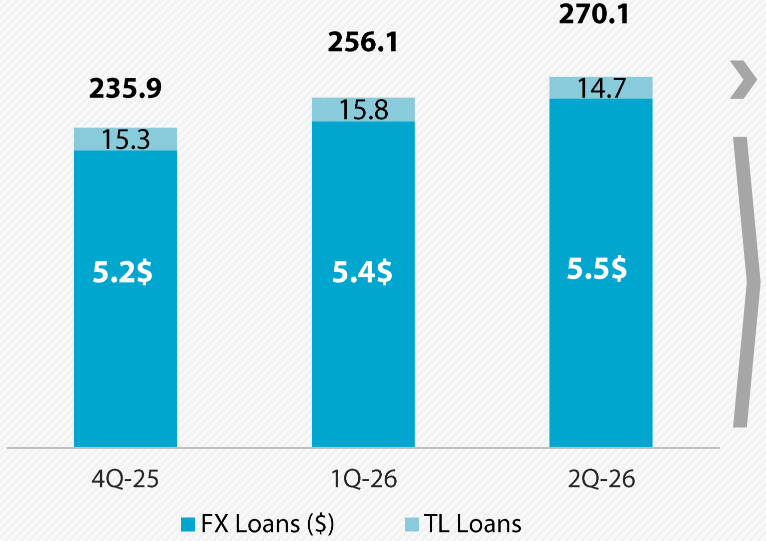
** USD 300 million AT-I Eurobond has a call option in 2029.*

Sustaining Growth Through a Healthy Asset Base

Asset Composition – TL bn

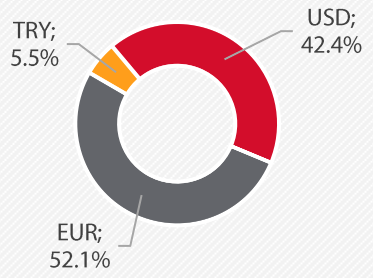


Total Loans – TL bn

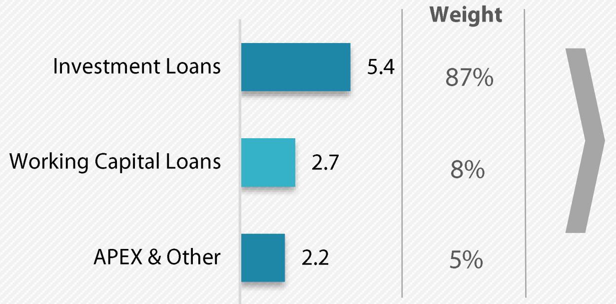


Currency Breakdown	Loan Growth YTD
5%	-4%
95%	6%

2Q-26 Loans by Currency



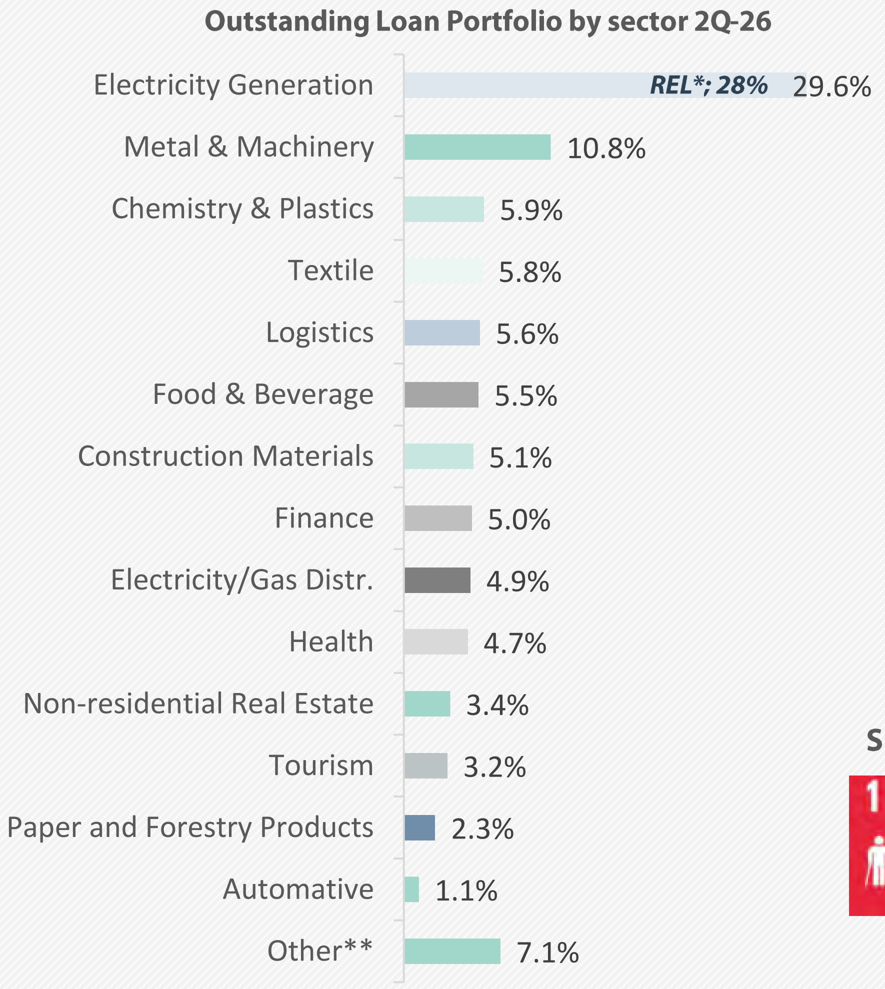
Remaining Average Maturity - Years



5 years

No Maturity Mismatch in the Balance Sheet

Strong fx-adjusted loan growth of %7.7 in line with year-end guidance



** Renewable Energy Loans*

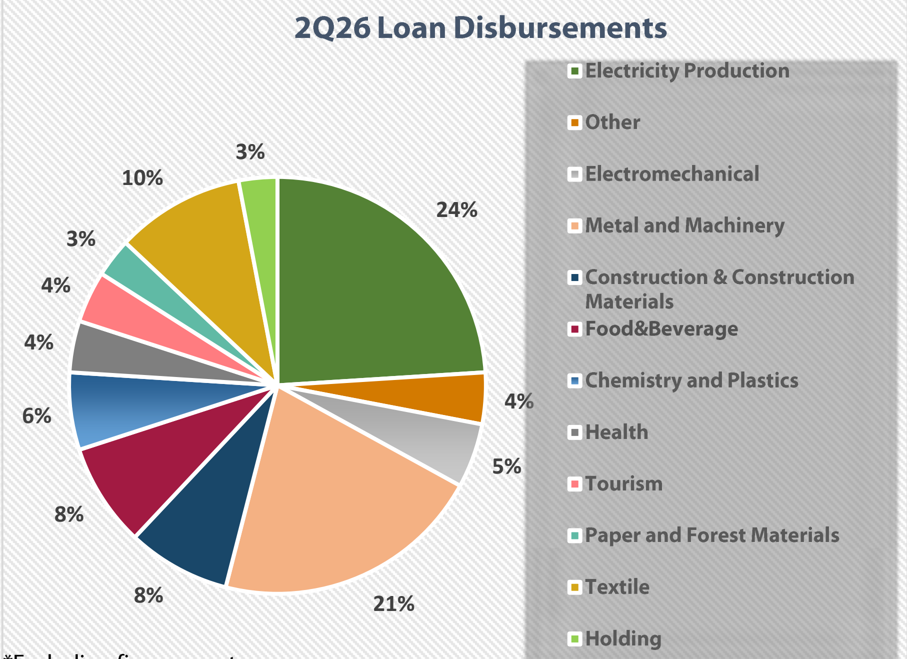
***Mining, Packaging, Electromechanical, Retail and others*

95% of which is Renewable Energy where **76%** benefits feed in tariff & **6%** is YEKA projects

	WPP	HPP	GPP	BIO	SPP
Outstanding Risk 325 Projects 6,367 MW	51%	12%	9%	5%	23%

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

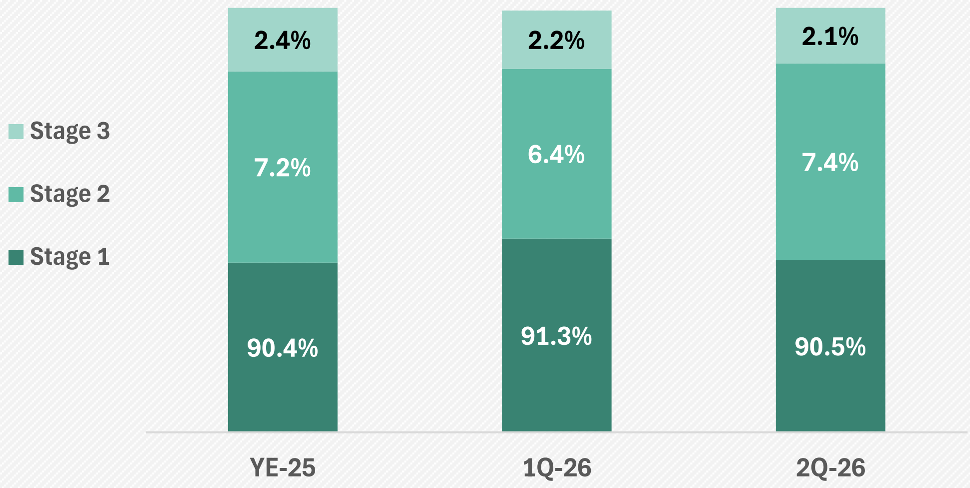
SDG-linked Loans account for **93%** of the portfolio.

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

Ratio of problematic loans (stage 2 & 3) stands below 10%

Staging Breakdown

(mn TL Gross Loans)



34 bps
Net CoR
(Excl. currency impact)

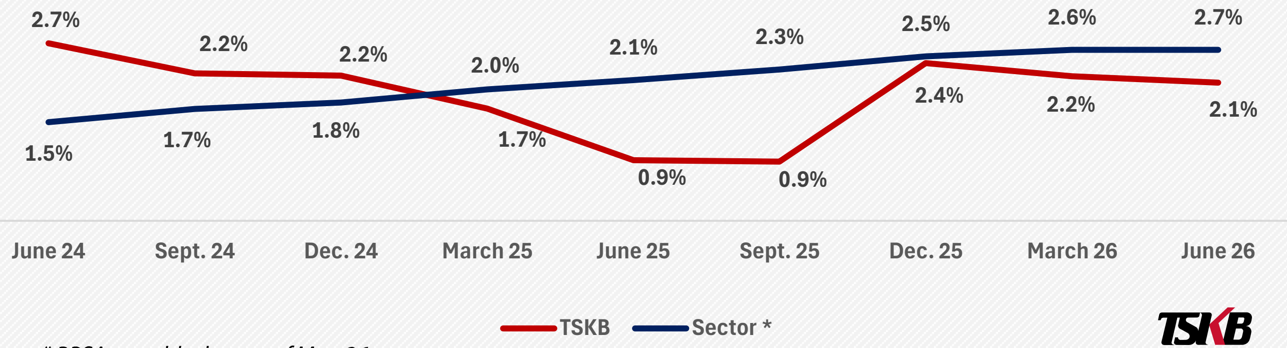
	YE-25	1Q-26	2Q-26
Total Provision* (mn TL)	10,594	10,659	11,474
Stage 1	1,008	1,123	1,087
Stage 2	5,353	5,320	6,176
Stage 3	4,233	4,216	4,211

	YE-25	1Q-26	2Q-26
Total Coverage	4.5%	4.2%	4.2%
Stage 1	0.5%	0.5%	0.4%
Stage 2	31.6%	32.3%	31.1%
Stage 3	74.1%	74.1%	74.0%

**Only cash loans are taken into consideration.*

- %86 of Stage 2 & %28 of NPL portfolios are restructured
- Total NPL Coverage: **174%***
- Total Stage 2 Coverage: **126%****
- Total Free Provision Stock: **TL 400 mn**
  - 300 mn TL reversal in 1Q26
  - 400 mn TL reversal in 2Q26

NPL/Total Loans (%)



** BRSA monthly data as of May-26*

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

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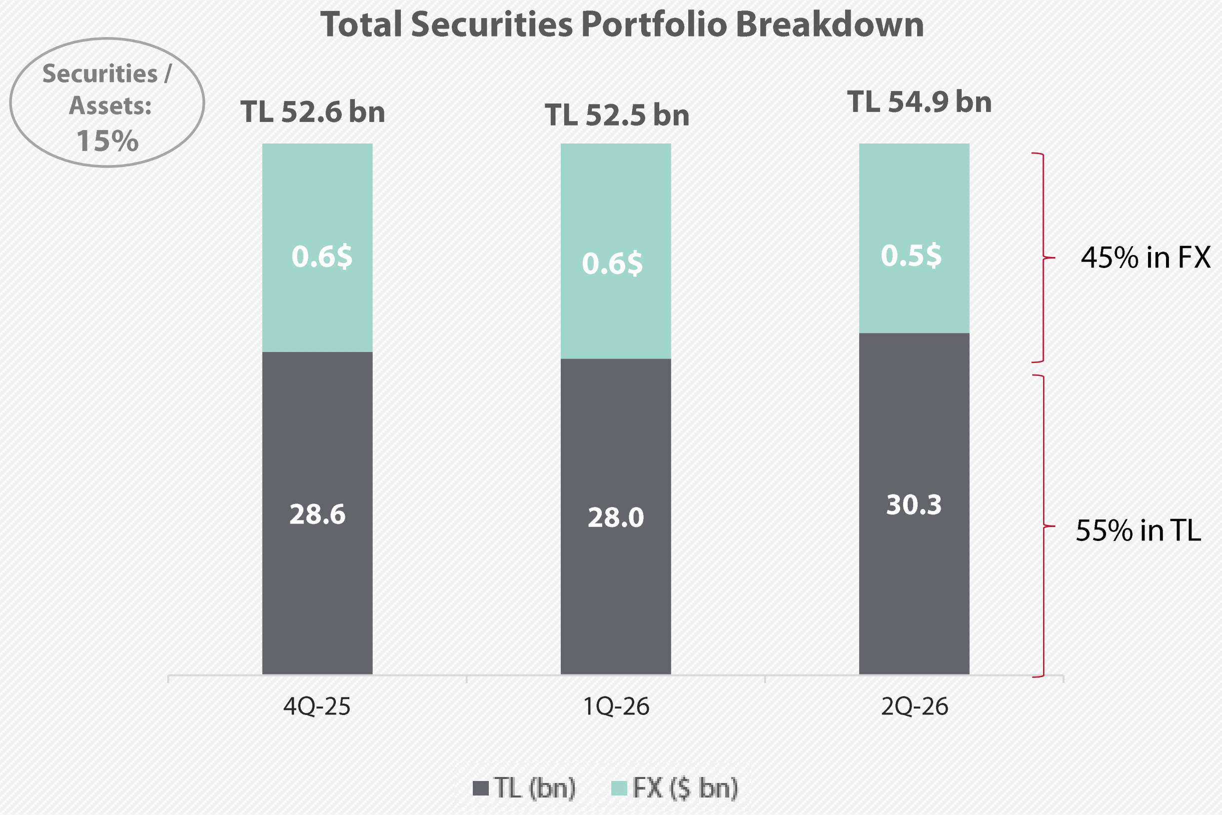
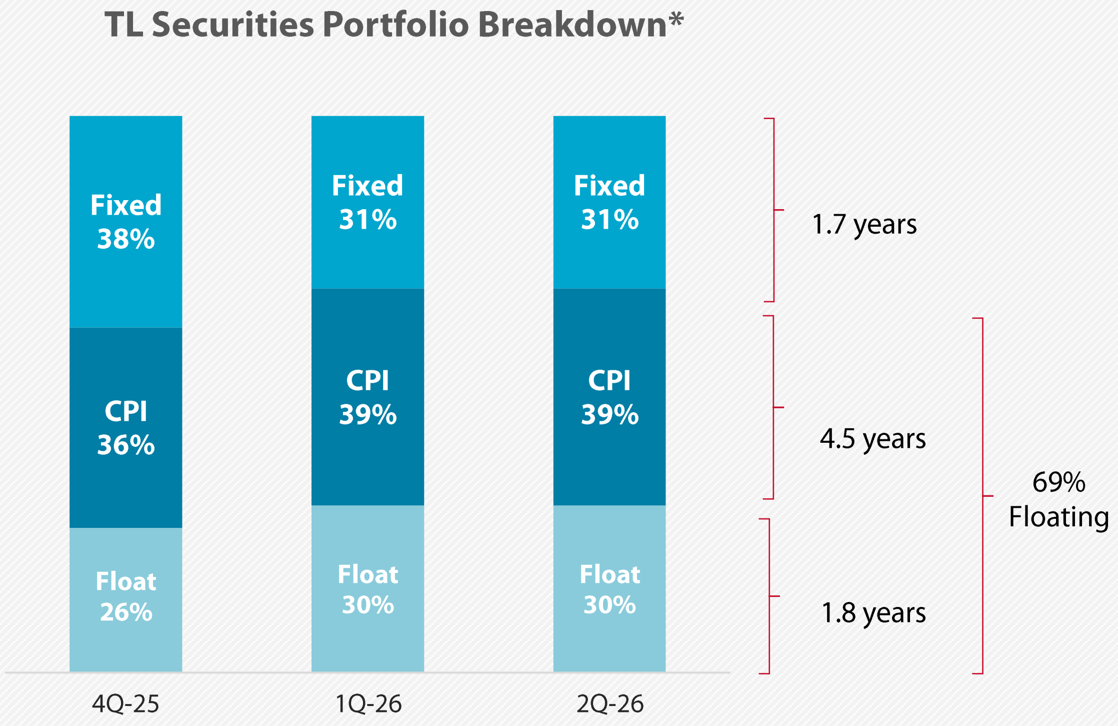
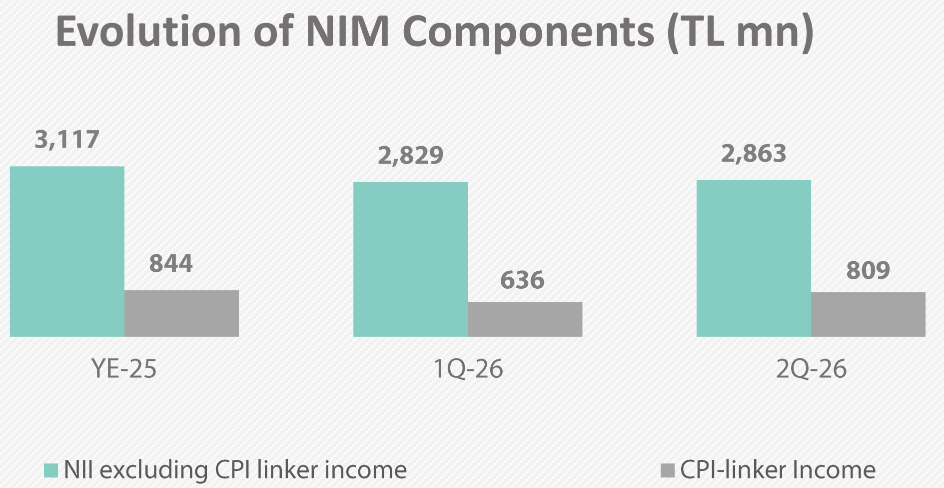
Strategic moves in the recent years started to pay off, contributing to the bank's NII

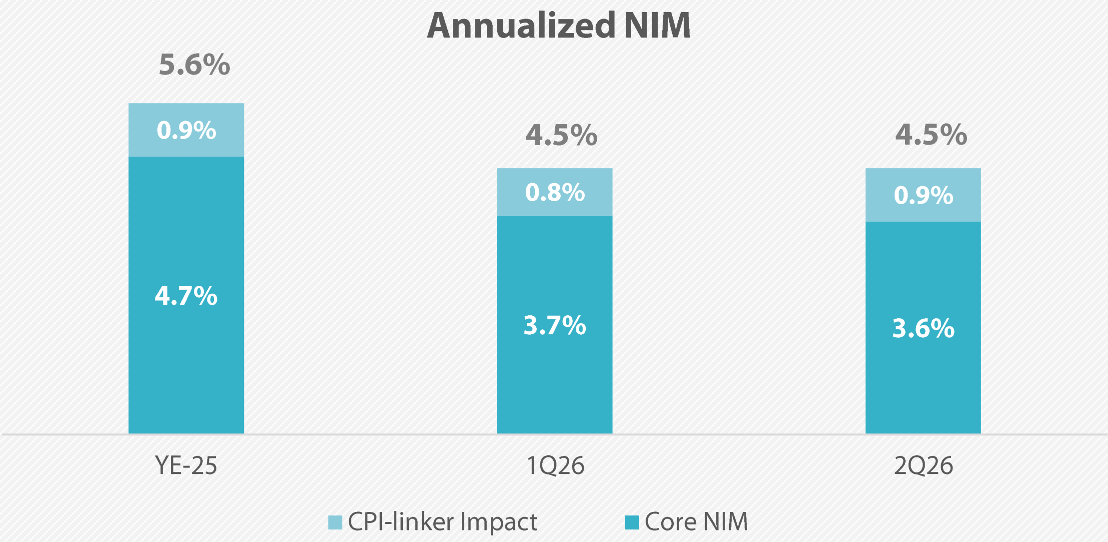




* *Audit report values are taken into account*

Strong and resilient NII supported by robust loan spreads and extra CPI linker income





- ✓ **Strong and resilient NII generation continued on the back of steady loan spreads and front-loaded loan growth as well as strategically managed security portfolio**
- ✓ **NII excluding CPI linker gains was up by 1% qoq and 5% on a yearly cumulative basis.**
- ✓ **CPI-linker assumption was revised up to 28.7%, resulting to a total impact of TL 480mn of extra income for the whole year.**
- ✓ **Swap costs were almost flat qoq in 2Q26.**

**IEA Evolution can be seen in the Appendix*

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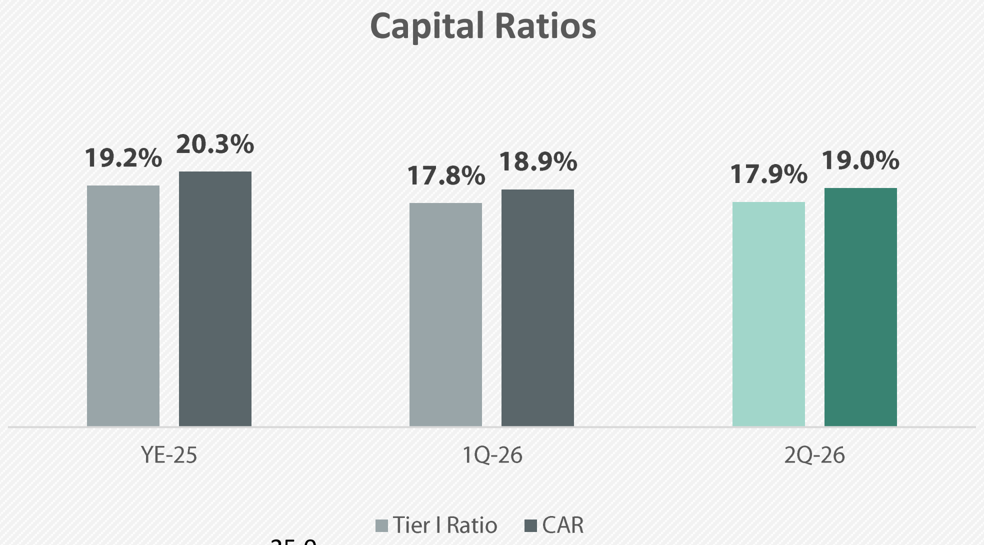
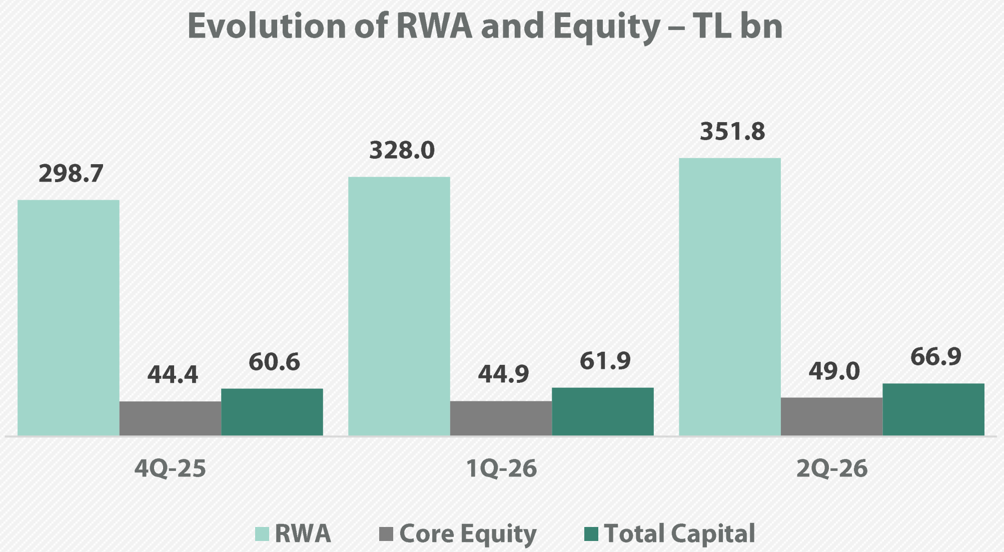
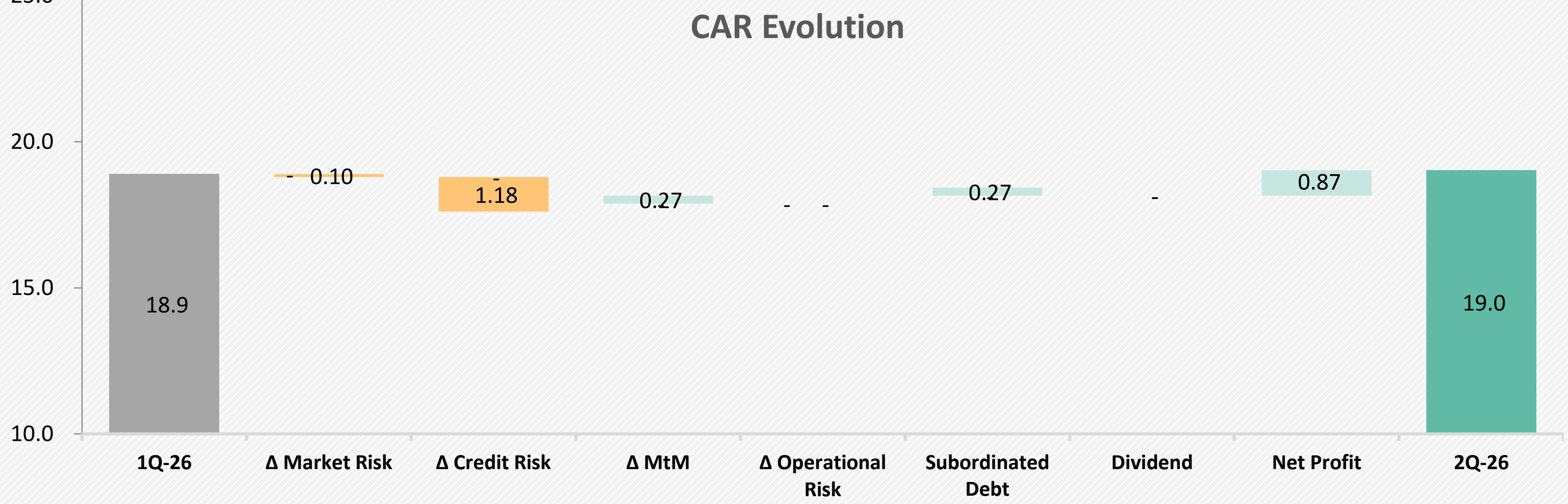
Maintained strong solvency metrics supports our growth strategy



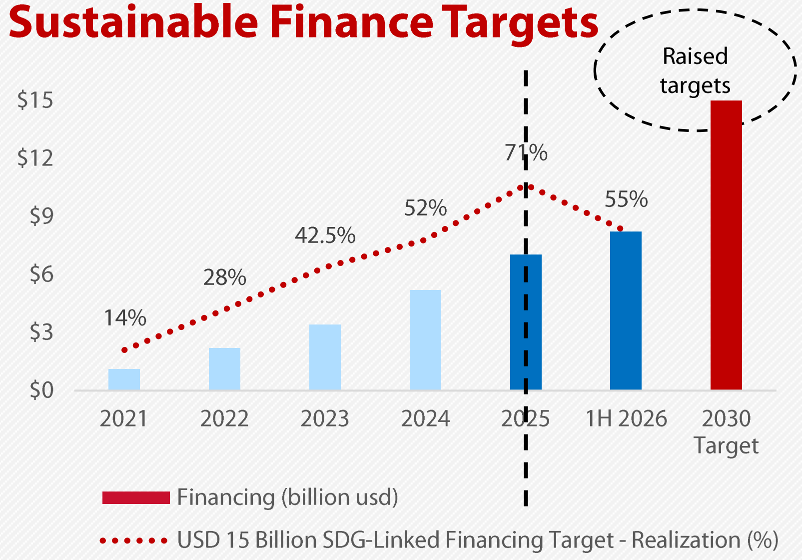




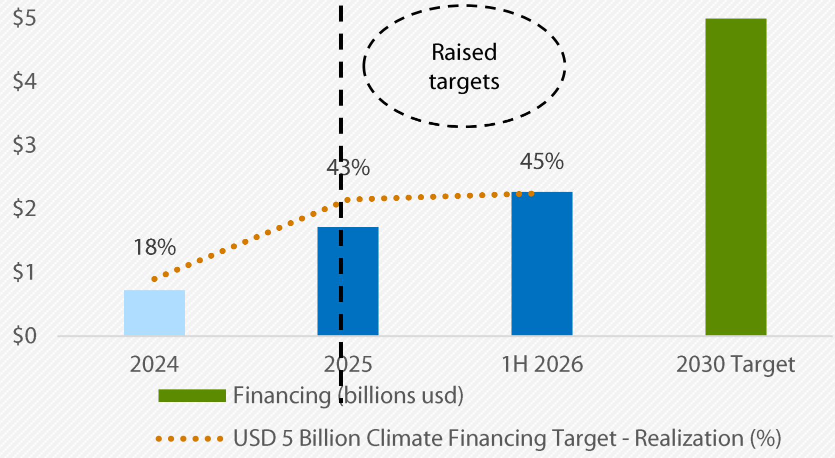
2Q26 Sustainable Banking Highlights

Sustainable Finance Targets

SDG-Linked Financing



Climate Financing



Road to Antalya

TSKB has published its report titled "Towards COP31: Priority Agenda Topics and a Transformation Opportunity for Türkiye."

London Climate Action Week

The Bank closely followed London Climate Action Week, participating in events in person and engaging directly with stakeholders. As a member of the International Development Finance Club (IDFC), the Bank was among the speakers at roundtable discussions and panel sessions organized by the IDFC.

Second Investment Under TGF

TSKB made its second investment of EUR 30 million under Türkiye Green Fund, which was established with funds obtained from the World Bank under the guarantee of the Ministry of Treasury and Finance of the Republic of Türkiye.

TSKB Development Day

TSKB, held its third annual TSKB Development Day conference. The conference was held on June 3 under the theme of Charting the Development Course in a Rapidly Transforming World and was attended by leading national and international speakers.

Appendix

Appendix: Balance Sheet

TL mn	31.12.2025			31.03.2026			30.06.2026		
	TL	FX	TOTAL	TL	FX	TOTAL	TL	FX	TOTAL
Cash and Banks	9,818	14,142	23,961	7,706	15,135	22,841	19,047	8,675	27,722
Securities	28,567	24,011	52,579	28,036	24,442	52,478	30,277	24,592	54,868
Loans (Gross)	15,258	220,622	235,880	15,841	240,240	256,081	14,691	255,393	270,084
Provisions	- 4,319	- 6,295	- 10,614	- 4,303	- 6,371	- 10,674	- 4,318	- 7,174	- 11,492
Subsidiaries	13,094	1,212	14,306	13,485	1,286	14,770	15,131	1,355	16,485
Other	9,357	1,189	10,545	8,604	2,291	10,895	10,072	1,723	11,795
Total	**71,775**	**254,882**	**326,657**	**69,369**	**277,022**	**346,391**	**84,899**	**284,563**	**369,463**
ST Funds	-	19,112	19,112	-	14,662	14,662	-	13,084	13,084
LT Funds	-	168,180	168,180	-	174,216	174,216	-	201,848	201,848
Securities Issued	-	60,594	60,594	-	51,555	51,555	-	56,051	56,051
Repo & MM	3,717	8,641	12,358	16,044	19,258	35,303	15,936	7,307	23,244
Other	3,287	4,332	7,618	3,555	7,433	10,988	3,038	7,662	10,700
Subordinated Debt	-	13,143	13,143	-	13,297	13,297	-	14,285	14,285
Shareholders' Equity	45,152	499	45,651	46,033	338	46,371	49,852	399	50,251
Total	**52,156**	**274,501**	**326,657**	**65,632**	**280,759**	**346,391**	**68,827**	**300,636**	**369,463**

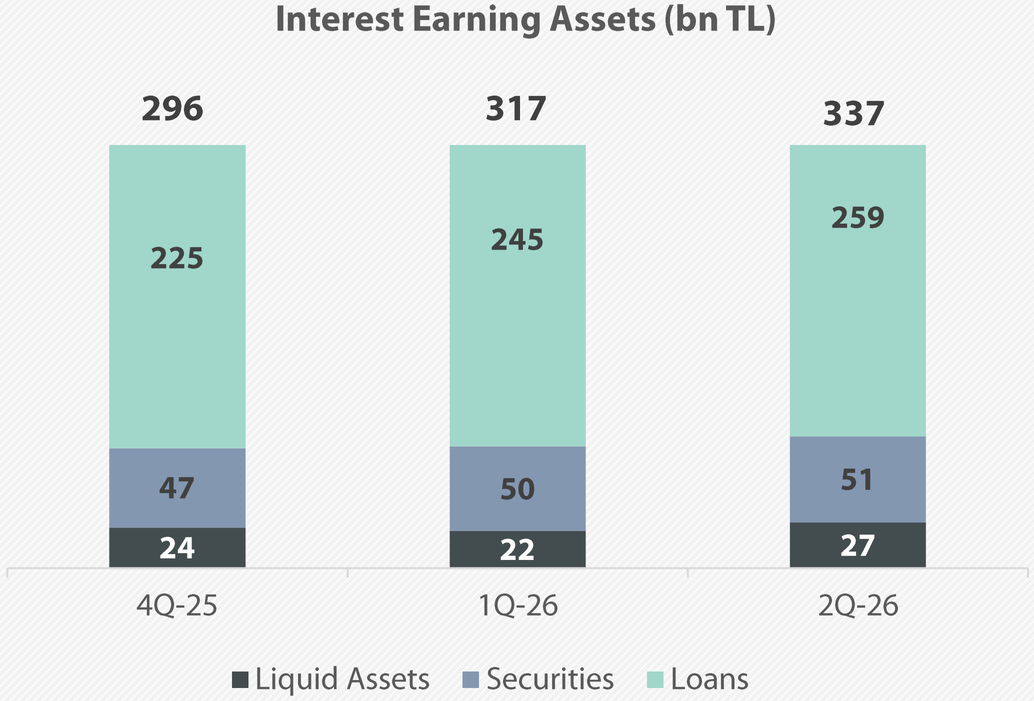
Appendix: Detailed Income Statement

TL mn	1H-25	1H-26	YoY	1Q-26	2Q-26	QoQ
Net Interest Income inc. Swap Cost	**6,988**	**7,136**	**2%**	**3,465**	**3,672**	**6%**
NII exc. CPI & Swap cost	6,176	6,955	13%	3,474	3,481	0.2%
CPI Linkers Income	1,548	1,445	-7%	636	809	27%
Swap Costs (-)	735	1,263	72%	645	618	-4%
Net Fees & Commissions	**162**	**331**	**104%**	**126**	**204**	**62%**
Other Income	**2,186**	**990**	**-55%**	**558**	**432**	**-23%**
Dividends	10	57	495%	50	7	-86%
Other	2,176	932	-57%	508	424	-16%
Reversals from Free Provisions	400	700	75%	300	400	33%
Trading & FX gains/losses	**625**	**622**	**-0.4%**	**386**	**236**	**-39%**
FX gains/losses	345	392	14%	275	116	-58%
Trading & MtM gain/loss	280	230	-18%	110	120	9%
Banking Income	**9,961**	**9,078**	**-9%**	**4,535**	**4,543**	**0.2%**
OPEX (-)	1,605	2,346	46%	1,104	1,242	13%
Net Banking Income	**8,356**	**6,732**	**-19%**	**3,431**	**3,301**	**-4%**
Provisions	**1,248**	**909**	**-27%**	**56**	**854**	**1430%**
ECL (-)	1,178	909	-23%	56	854	1430%
Free & Other Provisions	70	0	-100%	0	0	n.m.
Income From Subsidiaries	**1,329**	**1,452**	**9%**	**372**	**1,080**	**190%**
Pre-Tax Income	**8,437**	**7,275**	**-14%**	**3,748**	**3,527**	**-6%**
Tax (-)	1,962	1,463	-25%	888	575	-35%
Net Income	**6,475**	**5,812**	**-10%**	**2,860**	**2,952**	**3%**

"n.m." is used for not meaningful.

*** Non-cash loan and cash loan provisions*

Appendix: Evolution of strategically managed Interest Earning Assets



- ✓ Interest Earning Assets were up by 6% QoQ and 14% YoY, which was driven by
  - High FX denomination
  - Growth strategy

Appendix: Stage 2 Loans Breakdown

Stage 2 Loans		
Sector	**%**	**Coverage (%)**
Electricity Generation	36	37
Non-residential Real Estate	29	22
Electricity/Gas Distribution	13	52
Electromechanics	10	25
Telecom/Logistics	3	9
Automotive Supply Industry	3	30
Metal and Machinery	1	10
Health	1	50
Other	4	18
TOTAL	***100***	***32***

67% of Electricity Generation loans are Renewable

Appendix: Net Cost of Risk Calculation

Provisions (TL mn)	**2Q26**
Stage 1*	-3
Stage 2**	857
Stage 3	0
Reversals* (TL mn)**	**-44**
Net CoR	**70bps**
Currency Impact	*36bps*
Net CoR excl. currency Impact	***34bps***

**Stage 1 provision costs are adjusted with TL 4.5 mn provisions set aside for securities.*
***Stage 1&2 provisions are shown netted off by Stage1&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

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
2 (63/100)
First place in Türkiye
Above global average

LSEG ESG Score
84
BIST Sustainability 25 Index
BIST Sustainability Index

S&P Global CSA
52
Newly joined

MSCI ESG Rating
Newly joined
Pending

ESG Credit Relevance Score
3
Neutral-to-minimal

ESG Credit Impact Score
2
Neutral-to-low

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