

The Industrial Development Bank of Türkiye

Earnings Presentation
2Q-26 Bank-only Results



FTSE4Good



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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

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)

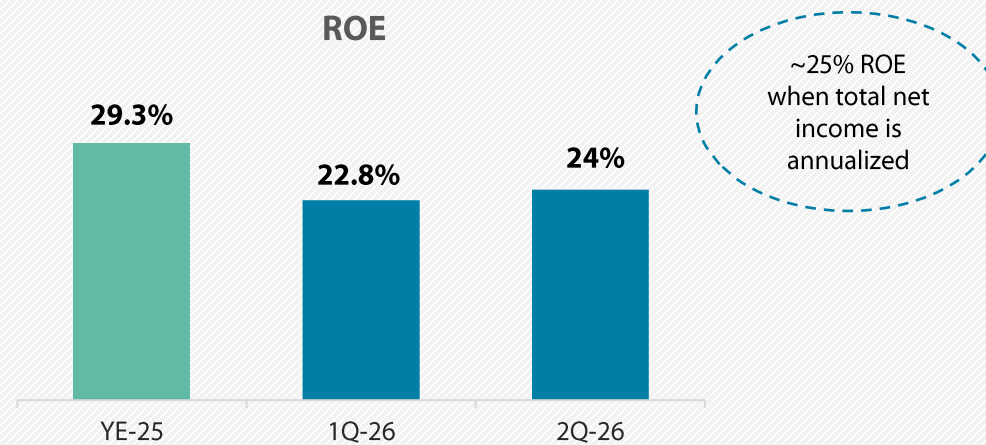
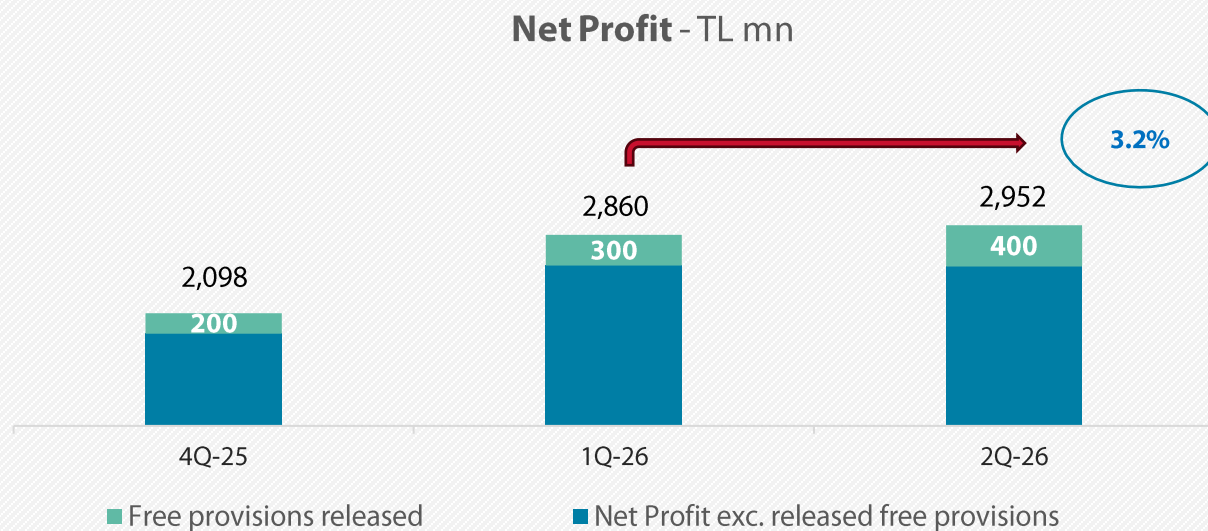
Differentiating profitability ratios above industry average:
4.5% NIM, and
24% ROE

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



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

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



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

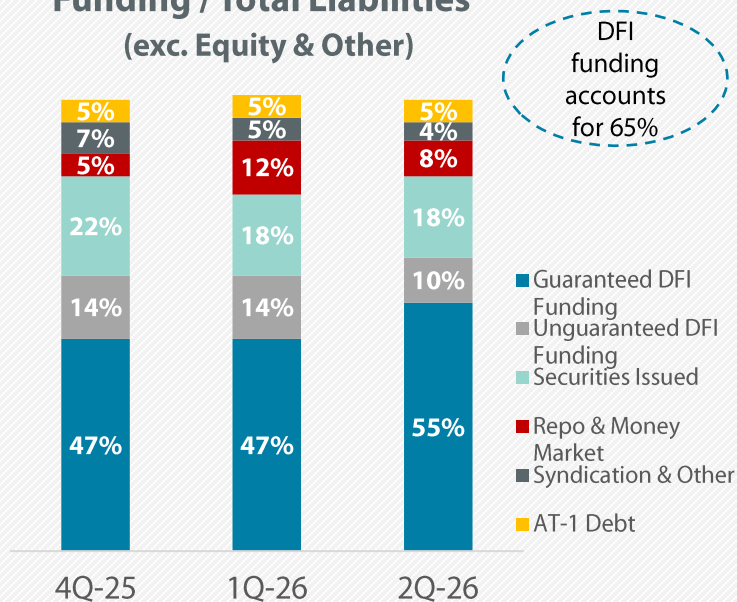
Based on MIS data

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

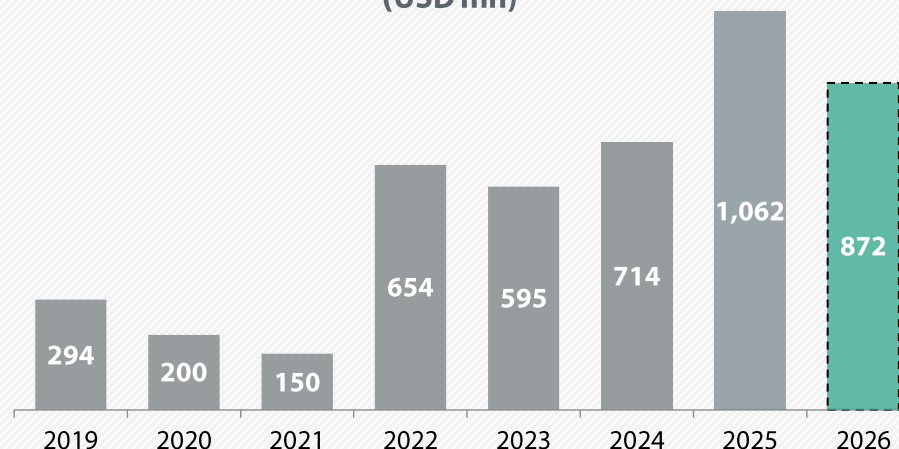
Provisions include Expected Credit Losses in the audited P&L excluding impairment expenses of marketable securities

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

Funding / Total Liabilities (exc. Equity & Other)



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.

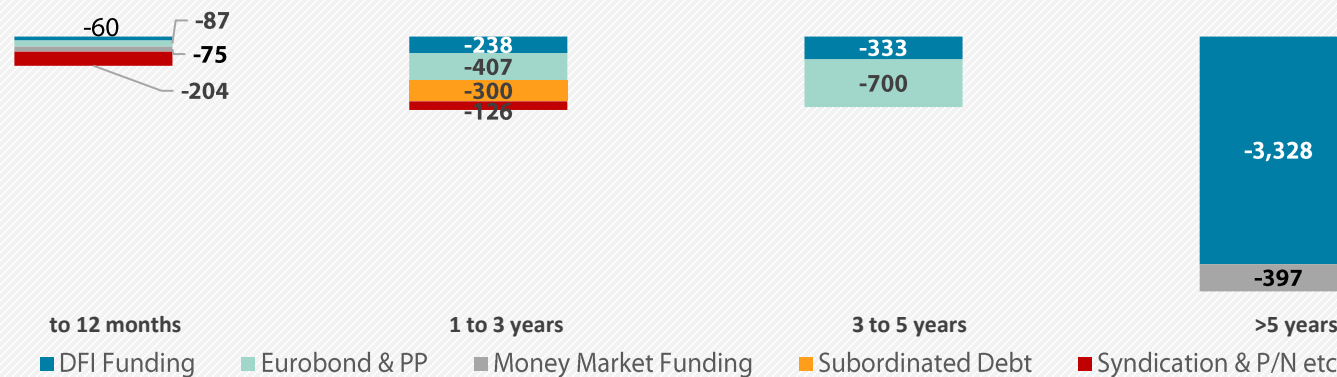
**~ USD 1,200 mn & 85% MOTF Guaranteed
Non-Withdrawn DFI Funding**

Climate + Environment	89%
Earthquake Related Green Recovery	11%

FX Liquidity Coverage Ratio

~314%

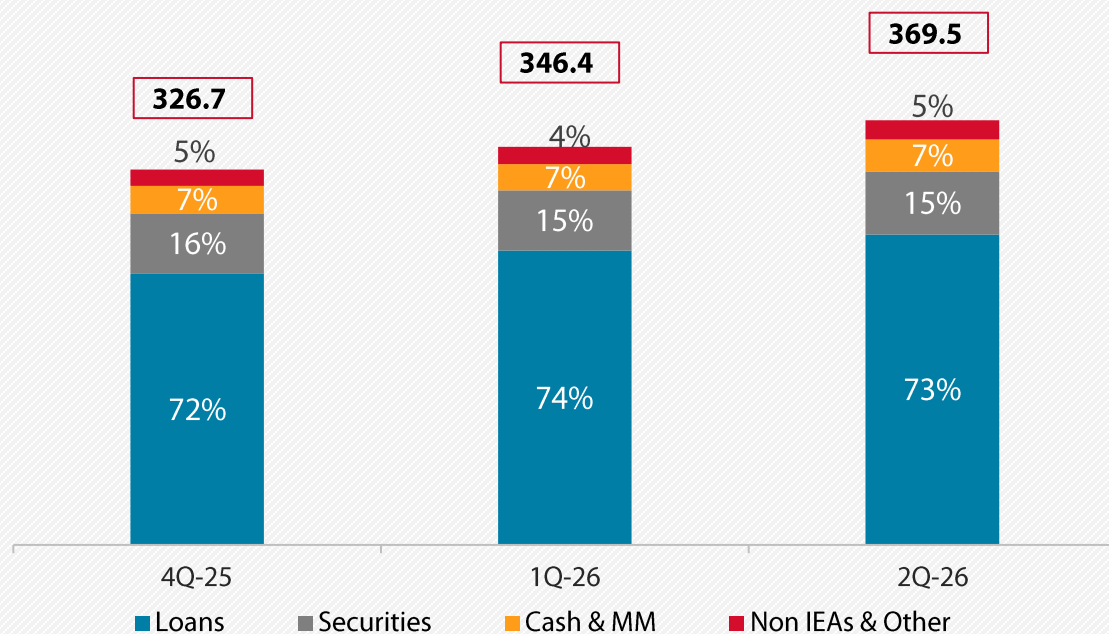
Maturity Profile of External Debt - USD mn



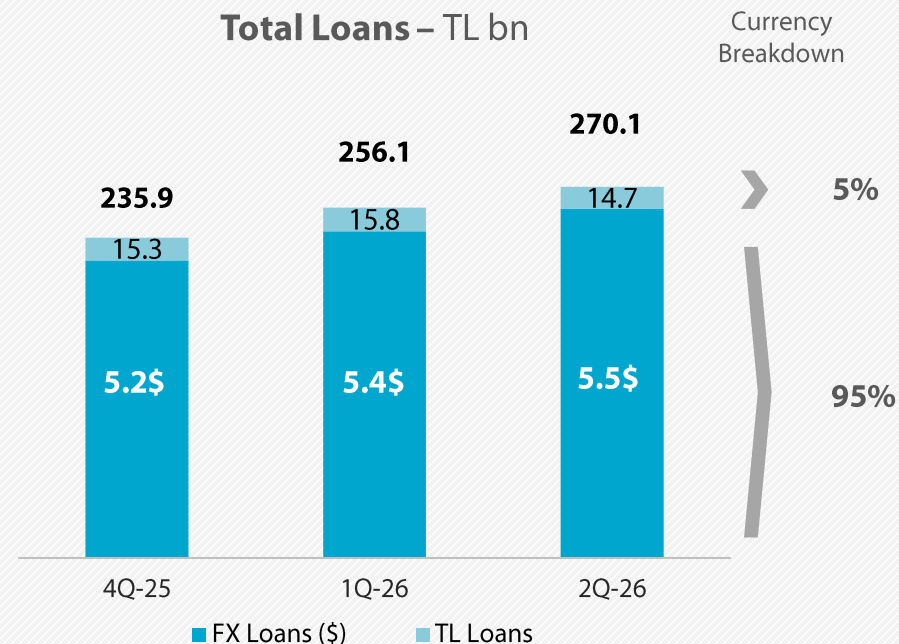
* USD 300 million AT-1 Eurobond has a call option in 2029.

>> Sustaining Growth Through a Healthy Asset Base

Asset Composition – TL bn



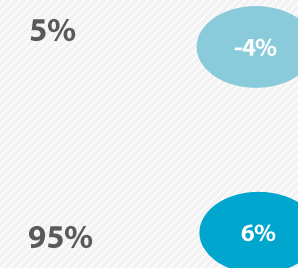
Total Loans – TL bn



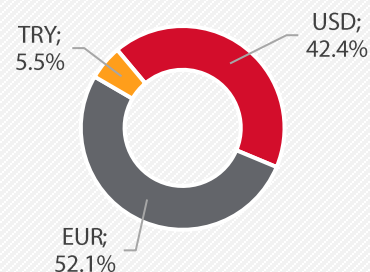
Currency Breakdown

Loan Growth

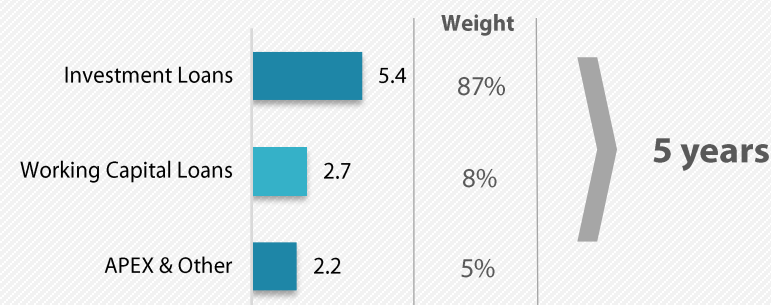
YTD



2Q-26 Loans by Currency



Remaining Average Maturity - Years

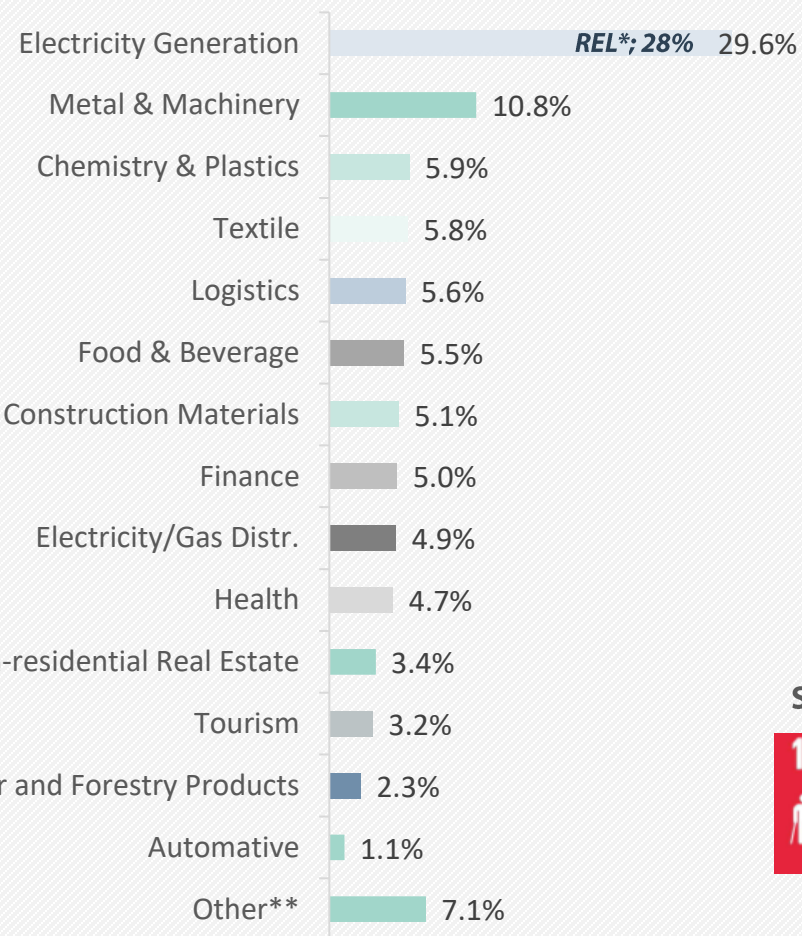


No Maturity Mismatch in the Balance Sheet

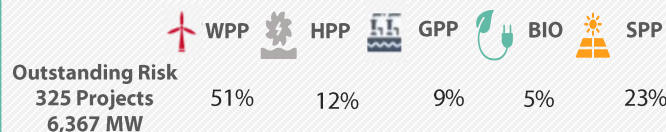


Strong fx-adjusted loan growth of %7.7 in line with year-end guidance

Outstanding Loan Portfolio by sector 2Q-26



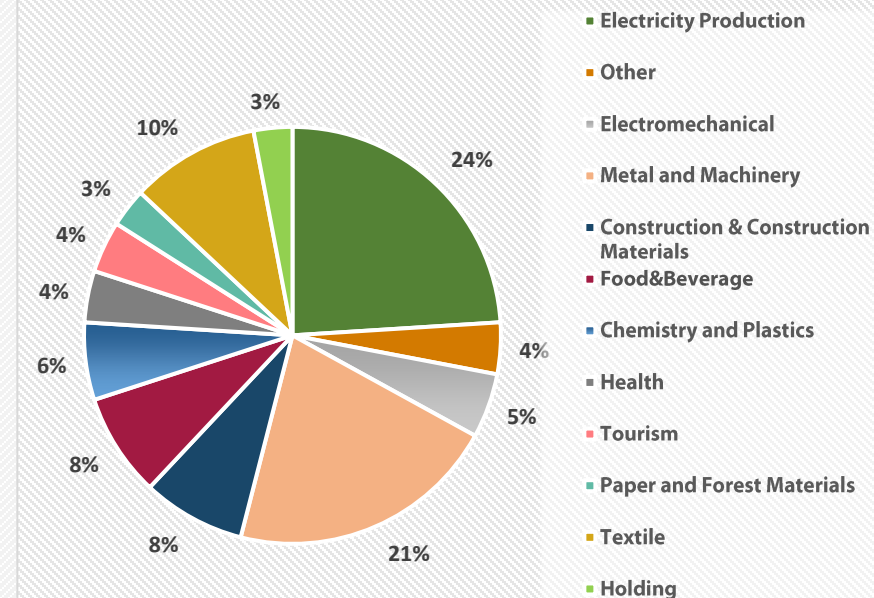
95% of which is Renewable Energy where 76% benefits feed in tariff & 6% is YEKA projects



Strategic focus

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

2Q26 Loan Disbursements



*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.

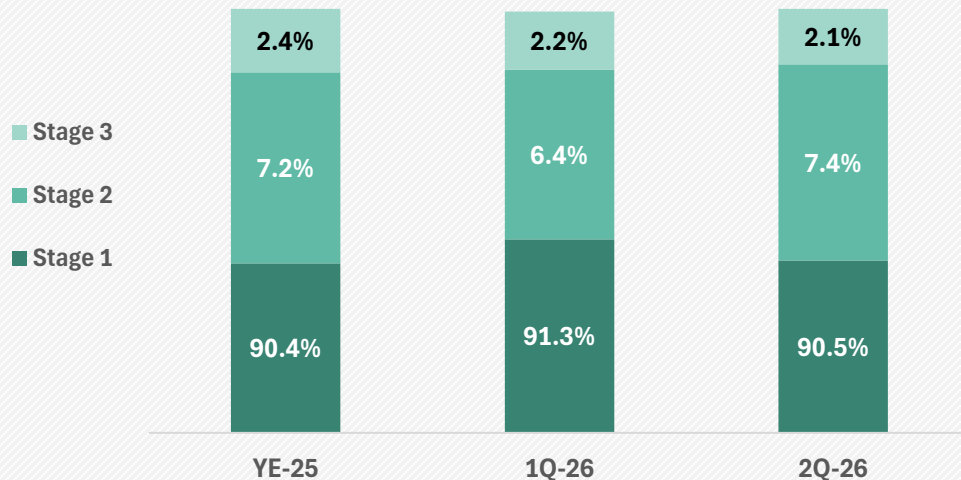
* Renewable Energy Loans

**Mining, Packaging, Electromechanical, Retail and others

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

Staging Breakdown

(mn TL Gross Loans)



- %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

*All Stage 3 loans are converted to TL

**Hard collateral & provisions are taken into consideration

Total Provision* (mn TL)

Stage 1

Stage 2

Stage 3

	YE-25	1Q-26	2Q-26
Total Provision*	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

Total Coverage

Stage 1

Stage 2

Stage 3

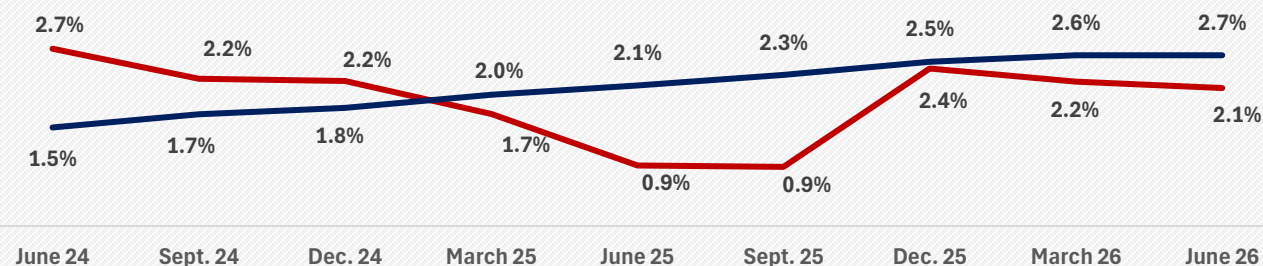
	YE-25	1Q-26	2Q-26
Total Coverage	4.5%	4.2%	4.2%
Stage 1	0.5%	0.5%	0.4%
Stage 2	31.6%	32.3%	31.1%
Stage 3	74.1%	74.1%	74.0%

*Only cash loans are taken into consideration.

34 bps
Net CoR

(Excl. currency impact)

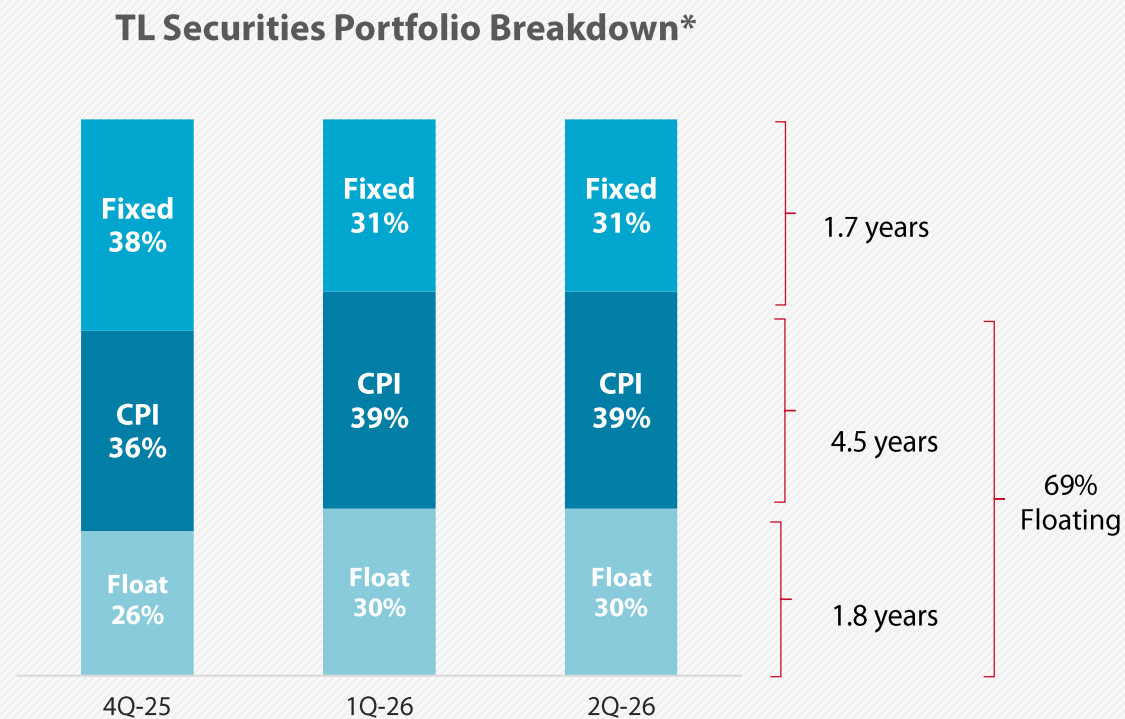
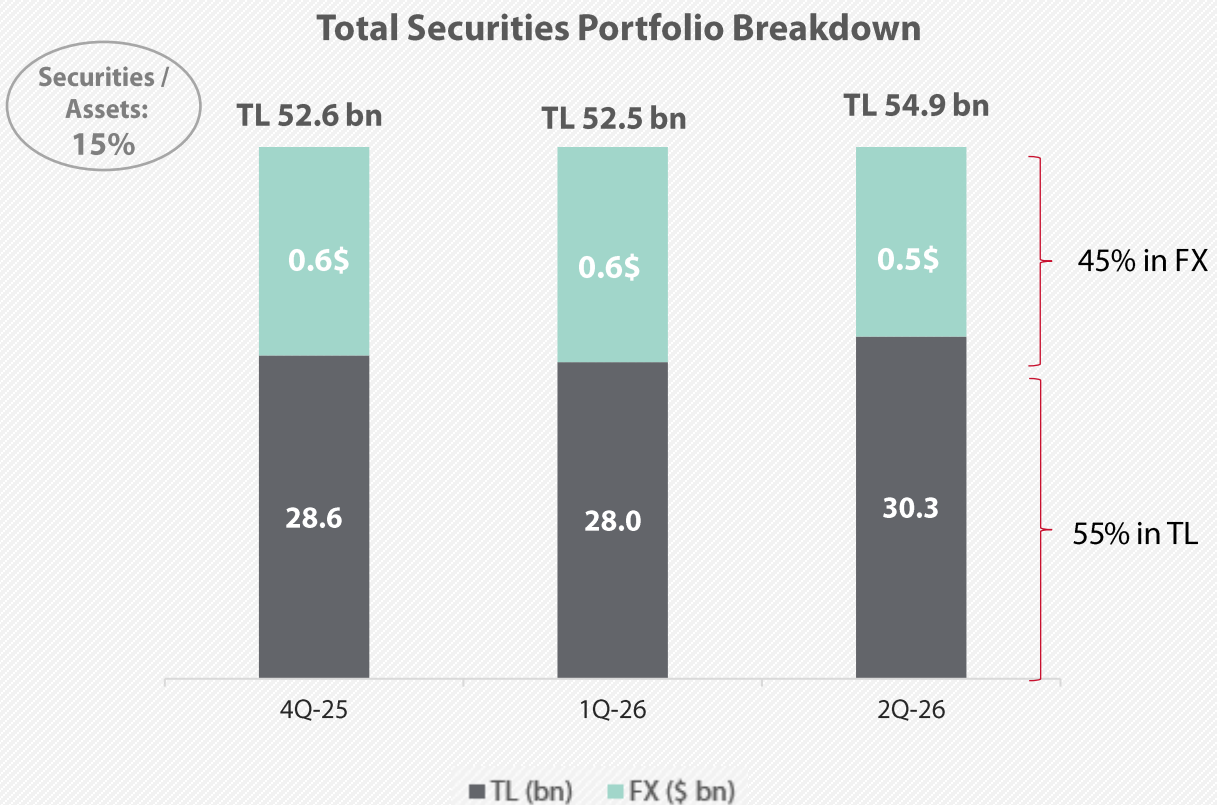
NPL/Total Loans (%)



— TSKB — Sector *

*BRSA monthly data as of May-26

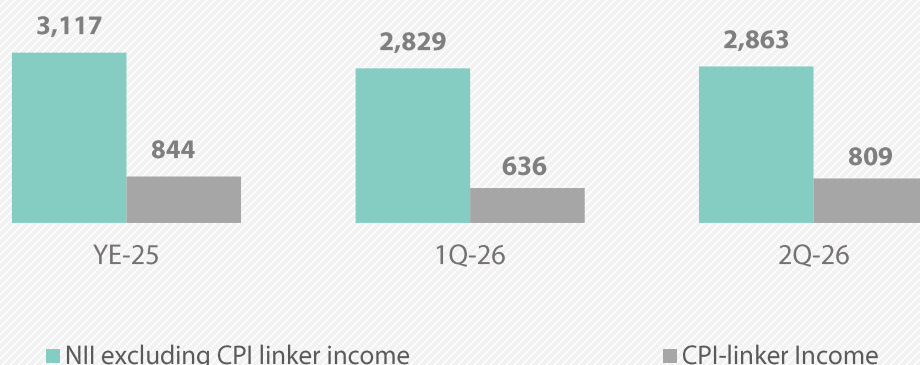
Strategic moves in the recent years started to pay off, contributing to the bank's NII



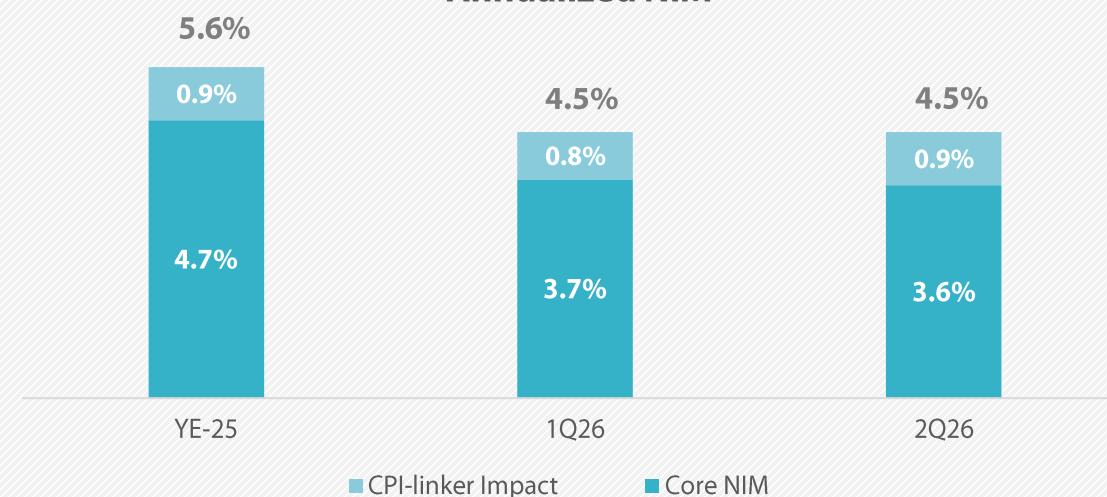
* Audit report values are taken into account

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

Evolution of NIM Components (TL mn)



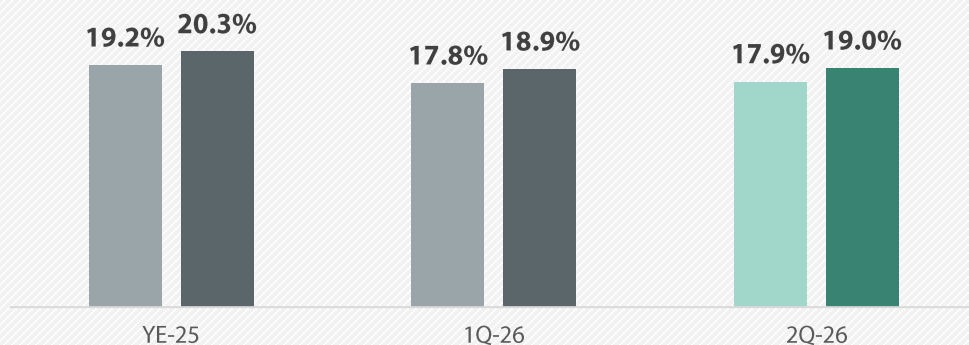
Annualized NIM



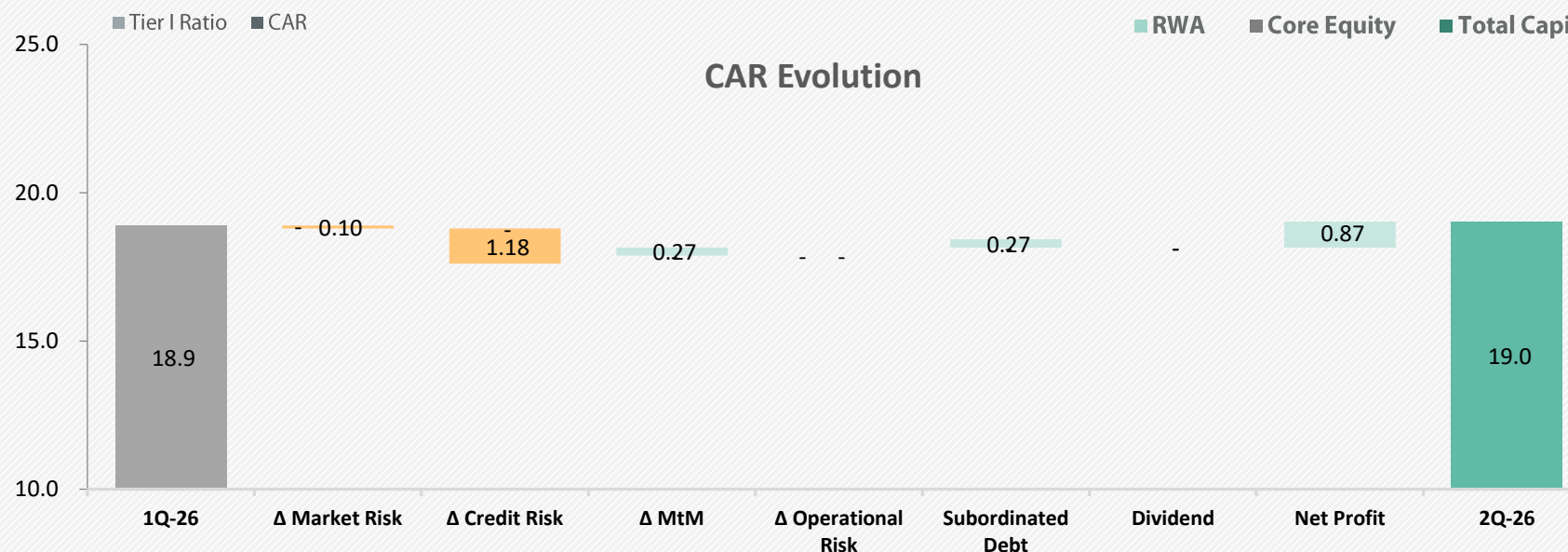
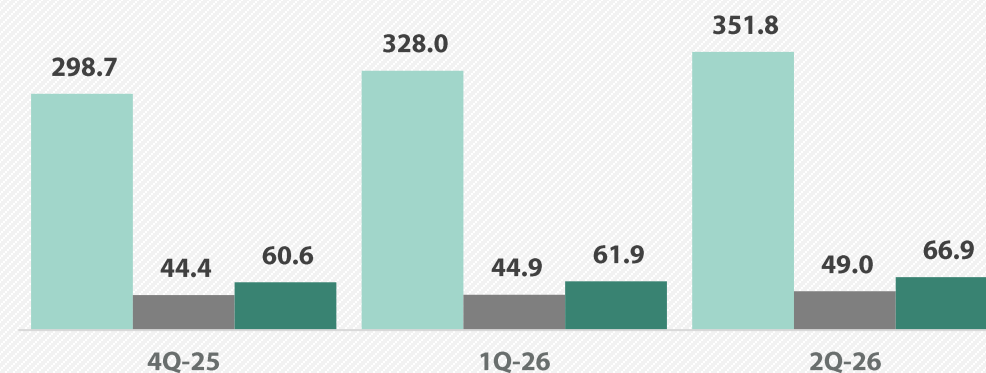
- ✓ Strong and resilient NII generation continued on the back of steady loan spreads and front-loaded loan growth as well as strategically managed security portfolio
- ✓ NII excluding CPI linker gains was up by 1% qoq and 5% on a yearly cumulative basis.
- ✓ CPI-linker assumption was revised up to 28.7%,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

Maintained strong solvency metrics supports our growth strategy

Capital Ratios



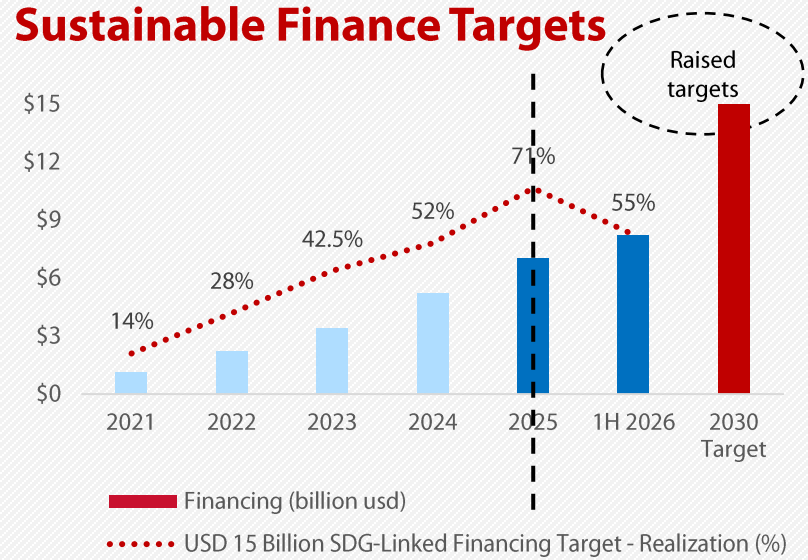
Evolution of RWA and Equity – TL bn



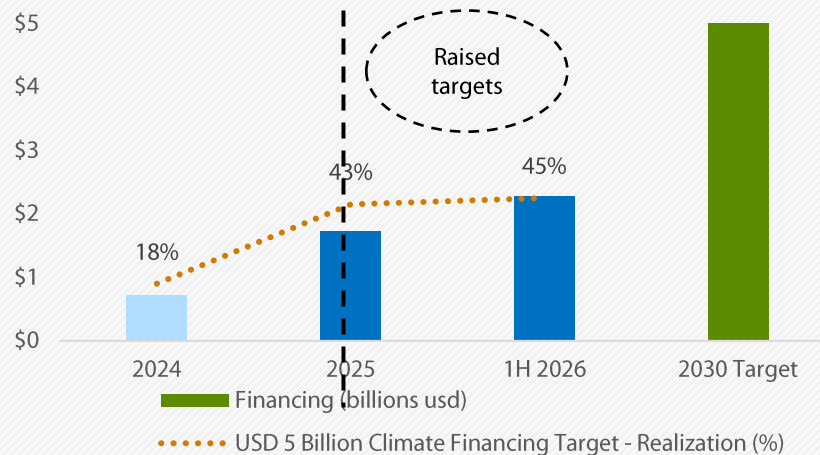


2Q26 Sustainable Banking Highlights

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

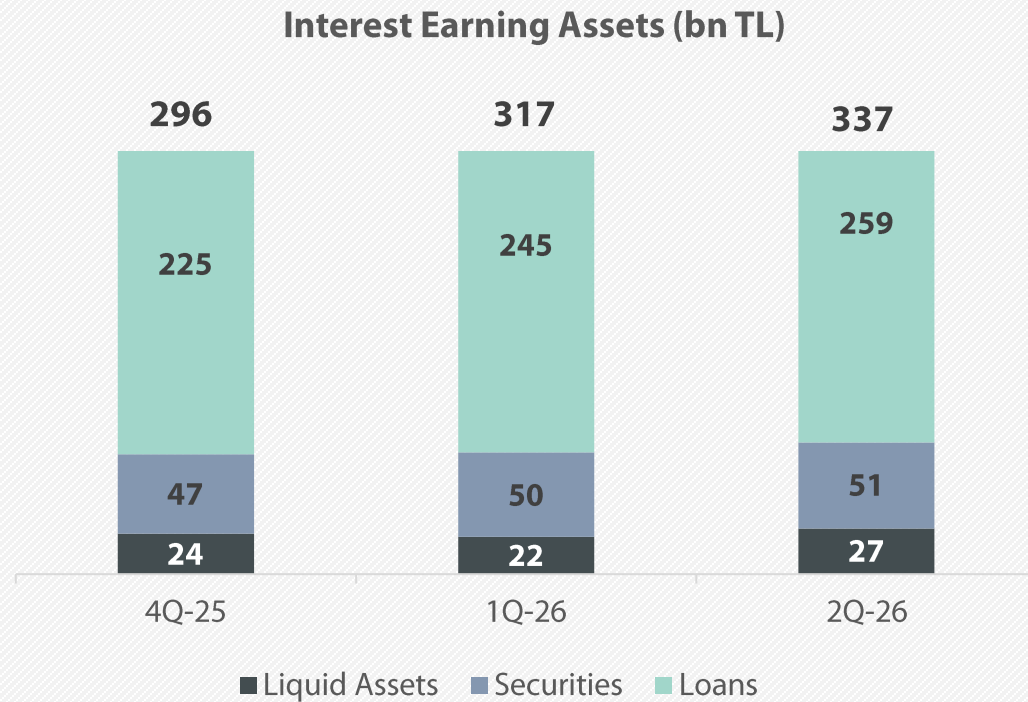
TL mn	1H-25	1H-26	YoY	1Q-26	2Q-26	QoQ
Net Interest Income inc. Swap Cost	6,988	7,136	2%	3,465	3,672	6%
NII exc. CPI & Swap cost	6,176	6,955	13%	3,474	3,481	0.2%
CPI Linkers Income	1,548	1,445	-7%	636	809	27%
Swap Costs (-)	735	1,263	72%	645	618	-4%
Net Fees & Commissions	162	331	104%	126	204	62%
Other 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
<i>Currency Impact</i>	<i>36bps</i>
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 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

2 (63/100)

First place in Türkiye
Above global average



**DATA &
ANALYTICS**

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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