The Industrial Development Bank of Türkiye

Earnings Presentation

2Q-25 Bank-only Results

FTSE4Good

SUSTAINALYTICS INDUSTRY ESG TOP RATED

SUSTAINALYTICS REGIONAL ESG TOP RATED

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Corporate Banking | Investment Banking | Advisory Services

2Q25 Summary: TSKB's differentiating performance continues

New long term loan disbursements, in line with targets, surpassing **USD 1.1 bn** during 1H

Superior asset quality with **NPL ratio below 1%**, net COR -81 bps

Strong liquidity supported by new funding engagements:

- **EUR 50 mn from OPEC** (MOTF guaranteed)
- **USD 200 mn from AIIB** (MOTF guaranteed)
- **EUR 25 mn from OeEB**
- **USD 75 mn from EBRD**
- **USD 350 mn Eurobond issuance**

Robust **profitability metrics overbeating** the year-end guidance:

- Strong NIM (5.7%) maintained qoq
- ROE (31.3%) well above the sector

Turkiye Green Fund's first equity investment to a wind turbine manufacturer was realized.

Continuous with comfortable solvency buffers supporting our growth strategy

Outstanding 1H25 Performance vs YE-25 Guidance

Financial Guidance (Bank Only)	1H-25 Figures %	YE25 Guidance %	Outlook %
Growth			
FX Adjusted Loan Growth	4.5	Low Teens	On track
Profitability			
Net Interest Margin	5.7	~5	Upward
Fees & Commissions Growth	-45	~ CPI	Downward
Return On Equity*	31.3	~30	On track
Efficiency			
OPEX Growth	59	> CPI	Upward
Solvency**			
Capital Adequacy Ratio	20.3	~21.0	On track
Tier I Ratio	19.2	~20.0	On track
Asset Quality			
NPL Ratio	0.9	< 2.5	Downward
Net Cost of Risk (excluding currency impact)	-81 bps	<50 bps	Downward

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

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

***Excluding BRSA's measures*

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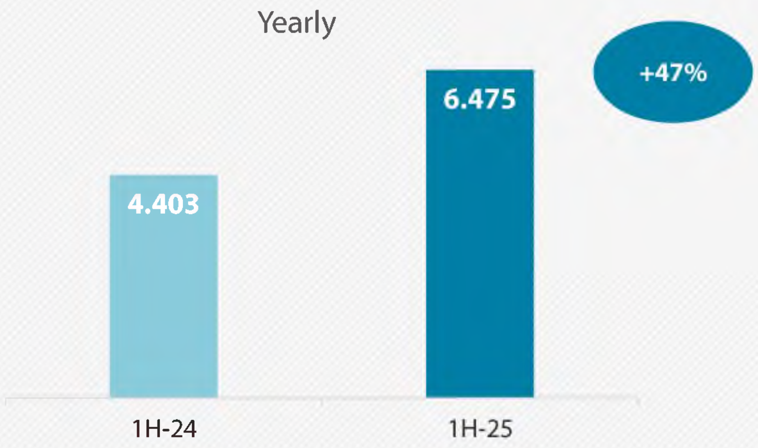
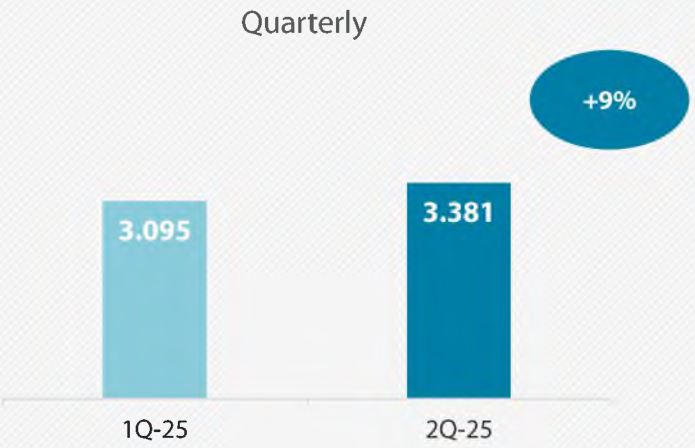
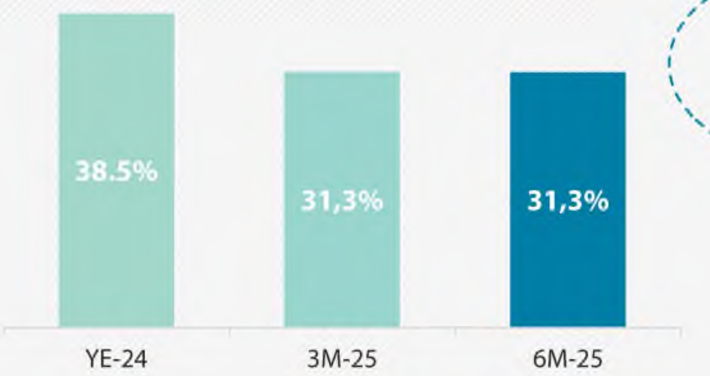
Superior QoQ and YoY Earnings Performance well above the sector

Net Profit - TL mn





ROE



c.35% ROE when free provision stock is released completely

** Non-recurring items are not annualized while calculating ROE*

Strong coverage base, qoq maintained free provision stock will further support profitability

- ✓ Total coverage ratio stands at 3.6%
- ✓ Stock of free provisions 1,650 mn TL

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Remarkable Earnings Performance with robust NII generation as well as strong collections and subsidiary income

TL mn	1H-24	1H-25	YoY	1Q-25	2Q-25	QoQ
Net Interest Income	**5,302**	**6,988**	**32%**	**3,151**	**3,837**	**22%**
NII exc. CPI Linker Income	*5,800*	*6,176*	*6%*	*2,857*	*3,319*	*16%*
Trading Income	685	625	-9%	297	327	10%
Net Fees & Commissions	294	162	-45%	71	91	28%
Other Income (Inc. Dividend)	175	2,186	1152%	747	1,439	92%
Banking Income	**6,455**	**9,961**	**54%**	**4,267**	**5,694**	**33%**
OPEX (-)	1,010	1,605	59%	689	916	33%
Net Banking Income	**5,445**	**8,356**	**53%**	**3,578**	**4,778**	**34%**
Provisions (-)	651	1,248	92%	165	1,083	556%
Income From Participations	1,037	1, 329	28%	528	801	52%
Tax Provisions (-)	1,427	1,962	37%	846	1,116	32%
Net Profit	**4,403**	**6,475**	**47%**	**3,095**	**3,381**	**9%**

NII excluding CPI Linker income was up by 6% yoy & 16% qoq

Strong collections performance; NPL went down to 0.9%

High base impact in net commissions in tandem with lackluster market conditions

Robust +47% yoy +9% qoq bottom line surge;

Strong solvency buffers supported by internal capital generation capacity

- *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*

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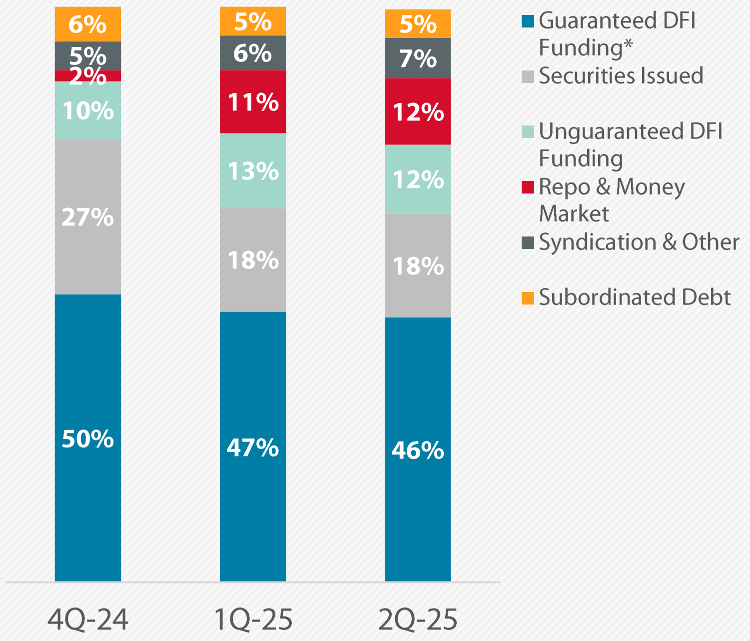
Strong liquidity and ESG aligned funding base fostered by DFI new loan agreements

Funding / Total Liabilities (exc. Equity & Other)



** Guaranteed DFI funding ratio is at 46% which is a temporary case and will be at %50 by the end of 2025*

~ USD 882 mn & ~100% MOTF Guaranteed

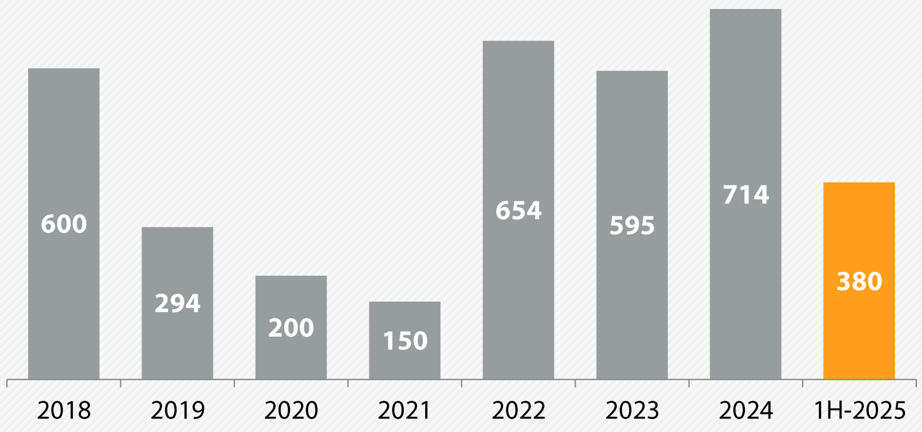
Non-Withdrawn DFI Funding

Climate + Environment	77%
Earthquake Related Green Recovery	23%

FX Liquidity Coverage Ratio

~388%

Yearly Multilateral Funding Agreements – USD mn



Wholesale Funding in 2025

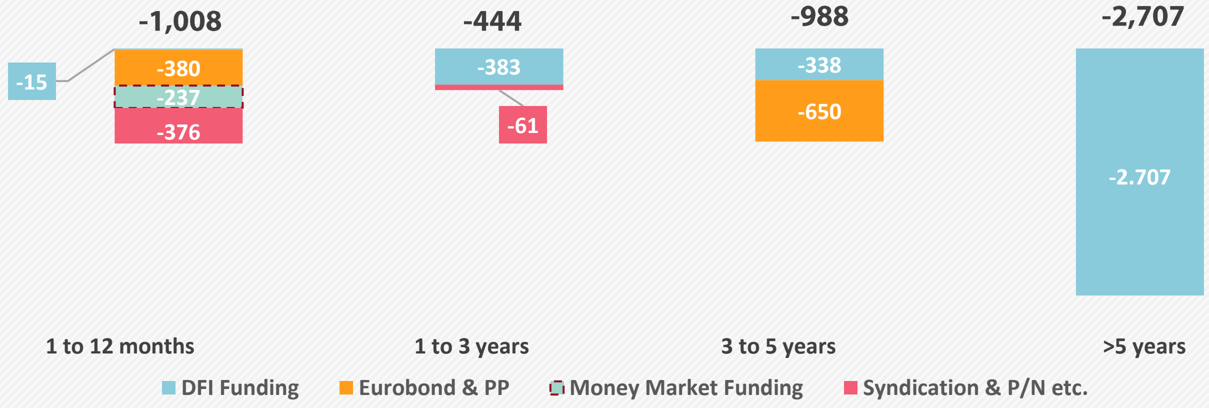
- ✓ **OPEC |** EUR 50 million (MOTF guaranteed)
- ✓ **AIIB |** USD 200 million (MOTF guaranteed)
- ✓ **OeEB |** EUR 25 million
- ✓ **EBRD |** EUR 75 million

Recent Developments

- ✓ ***Eurobond Issuance| USD 350 million***

funds obtained in 2nd of July

Maturity Profile of External Debt - USD mn



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

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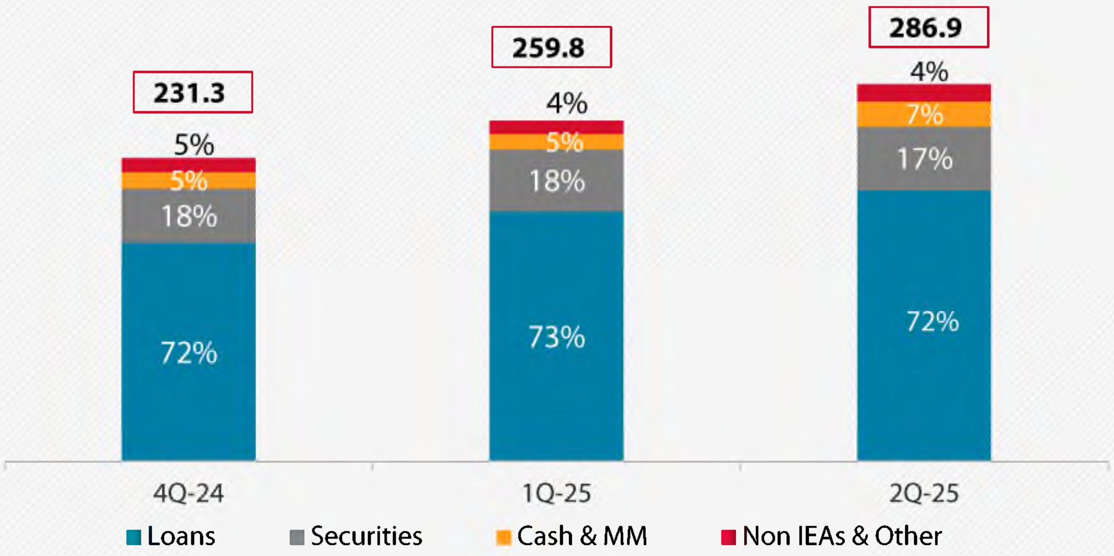
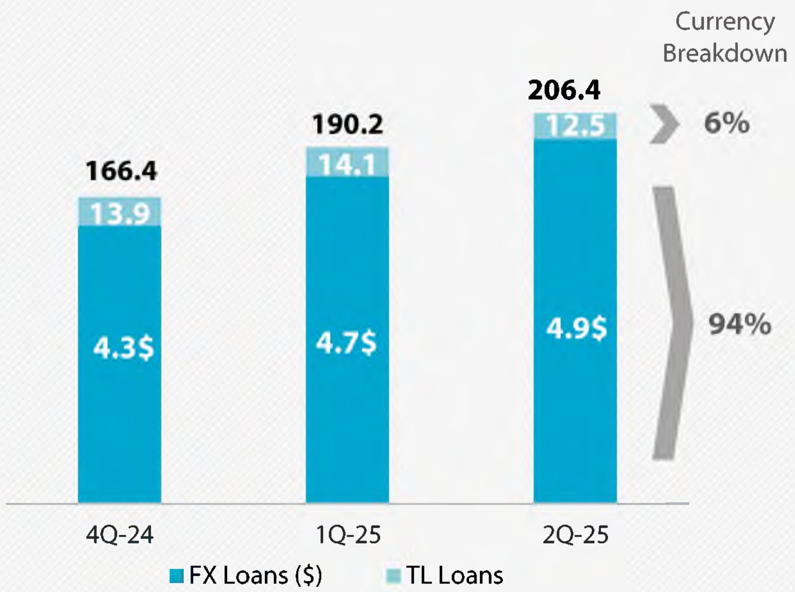
Resilient Composition of Our Healthy Growing Assets

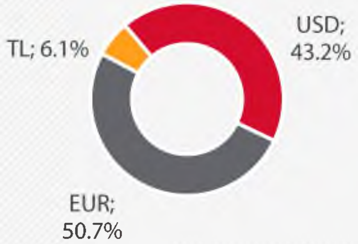
Asset Composition – TL bn



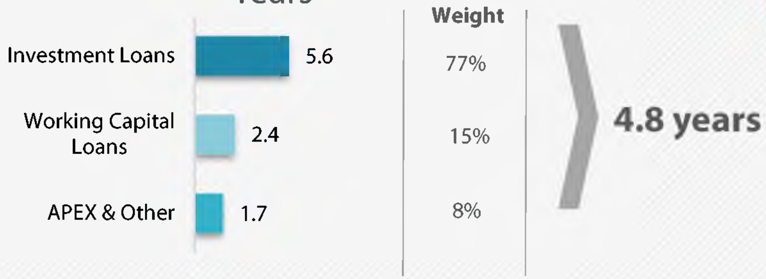
Total Loans – TL bn



2Q-25 Loans by Currency



Remaining Average Maturity - Years



No Maturity Mismatch in the Balance Sheet

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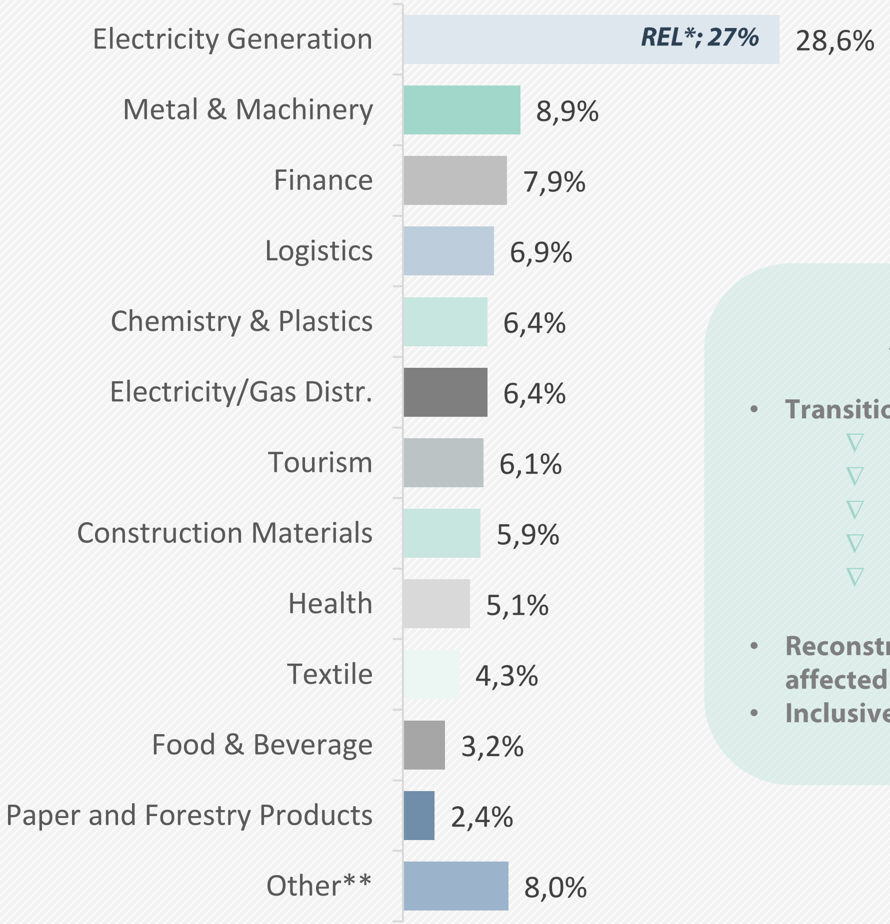
Real Loan Growth of ~4.5% with Sustainable Development Focus

Outstanding Loan Portfolio by sector 2Q-25



** Renewable Energy Loans*

***Non-Residential Real Estate, Automotive, Holding, Telecom/Technology and others*

Strategic focus

- **Transition to Low Carbon Economy**
  - Circular Economy
  - Energy Efficiency
  - Prosumer Investments
  - Renewable Energy
  - Enabling Industries
- **Reconstruction of Earthquake-affected Regions**
- **Inclusiveness**

94% of which is Renewable Energy where **84%** benefits feed in tariff & **7%** is YEKA projects

Outstanding Risk 284 Projects 6,002 MW	WPP	HPP	GPP	BIO	SPP
	42%	10%	17%	9%	22%

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

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

Substantially Supported SDGs through Loan Activities

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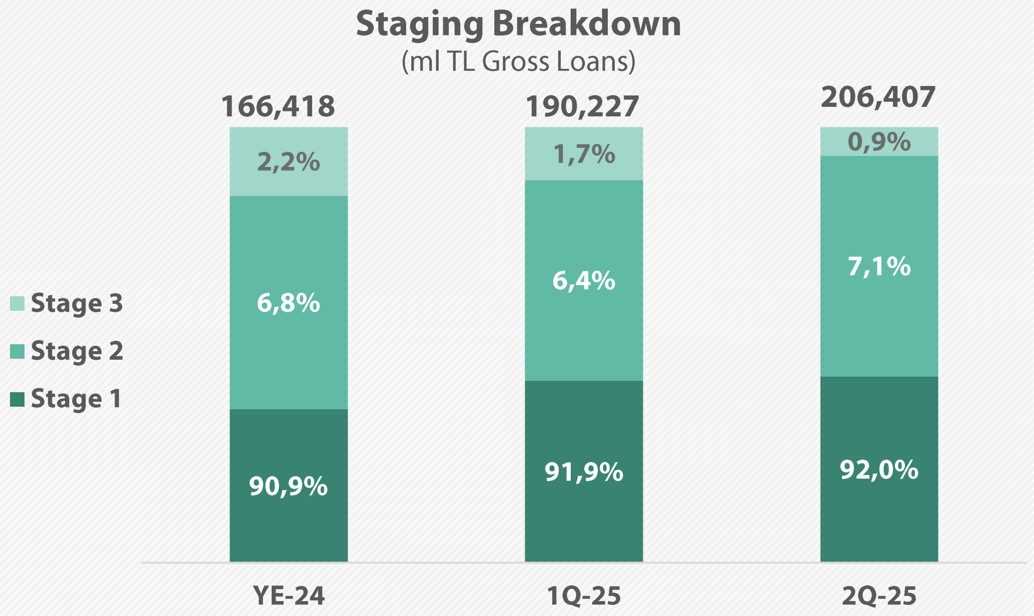
Further improvement in the asset quality, given the Bank's strong collection performance

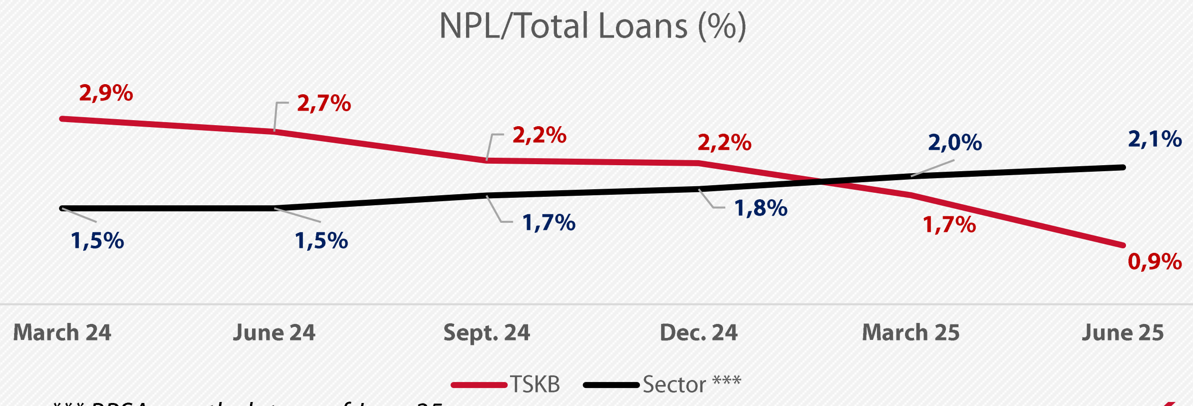


	YE-24	1Q-25	2Q-25
Total Provision (ml TL)	8,027	7,905	7,422
Stage 1	929	857	902
Stage 2	3,883	4,118	4,784
Stage 3	3,215	2,930	1,735

	YE-24	1Q-25	2Q-25
Total Coverage	4.8%	4.2%	3.6%
Stage 1	0.6%	0.5%	0.5%
Stage 2	34.1%	33.6%	32.7%
Stage 3	87.5%	90.3%	91.3%

- No new NPL inflow since 1Q24
- A big ticket stage 3 file TL 1,6 billion: fully collected
- Substantial decline in the NPL qoq:
  - 70 bps impact from collections
  - 10 bps impact from loan growth
- Stage 2: 1 inflow & 1 outflow

- Total Free Provision Stock: **TL 1,650 mn**
  - ***400 mn TL** reversal in 1Q25*
- No NPL Inflow/Sales
- Total NPL Coverage: **187%***
- Total Stage 2 Coverage: **115%****

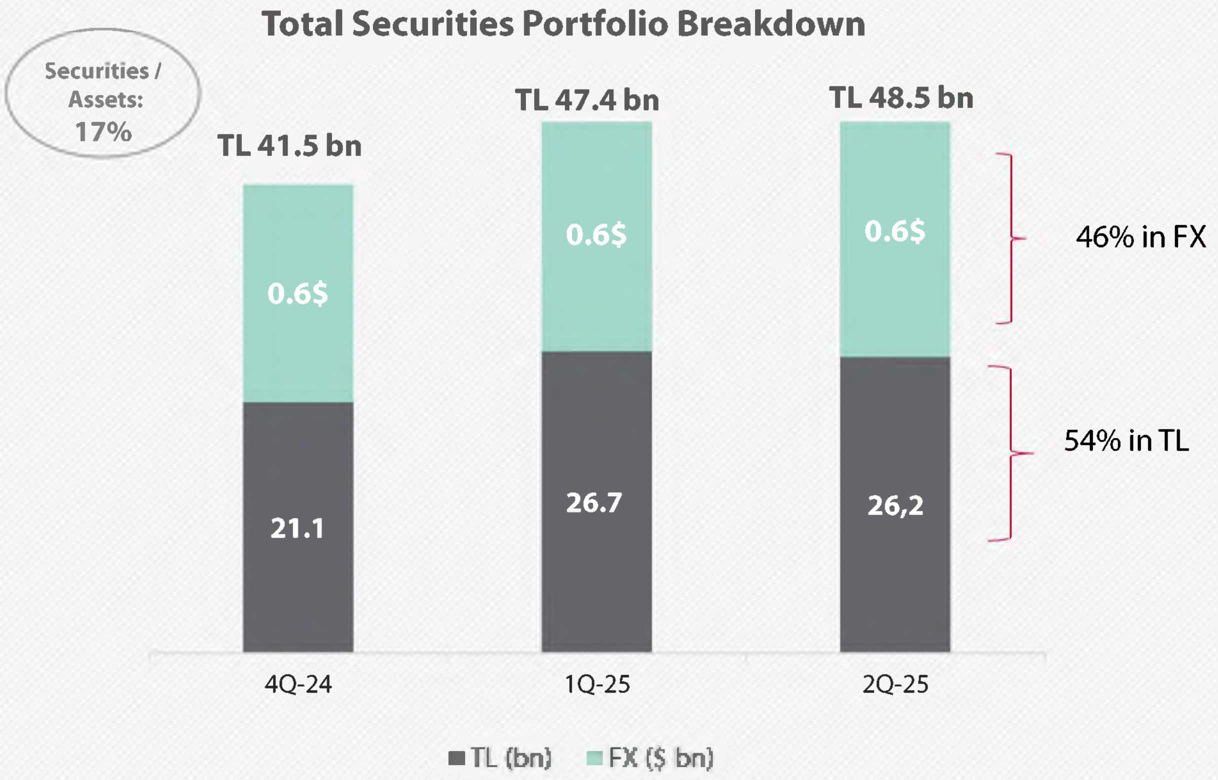


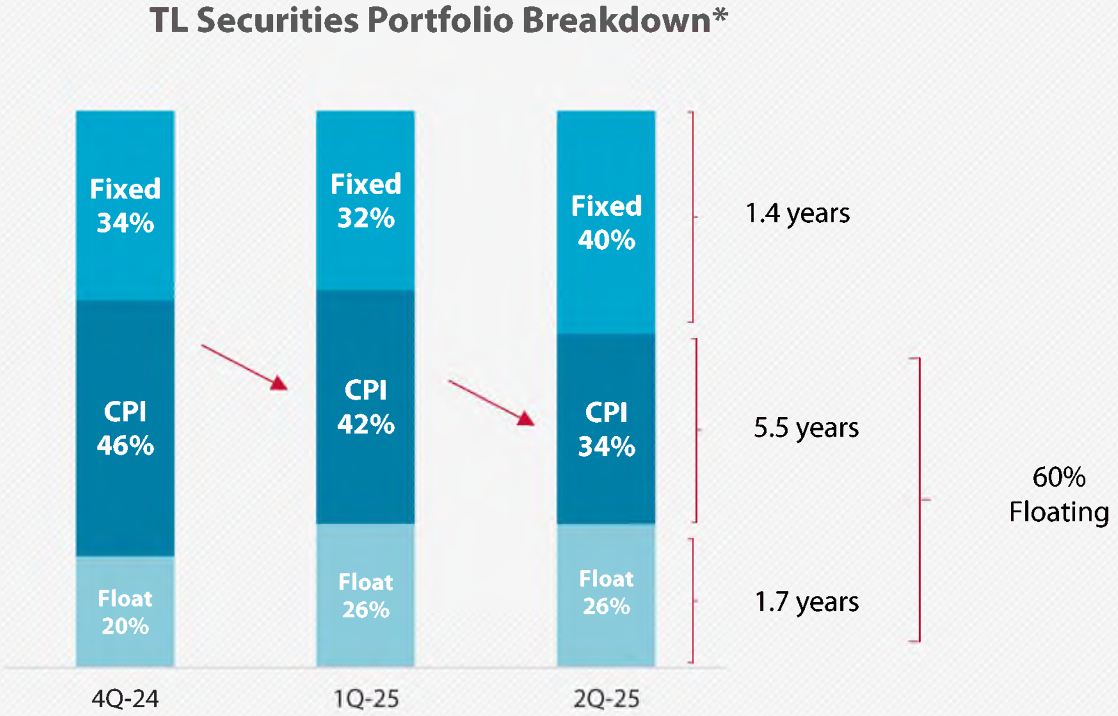
**** BRSA montly data as of June-25*

**All Stage 3 loans are converted to TL*

** *Hard collateral & provisions are taken into consideration*

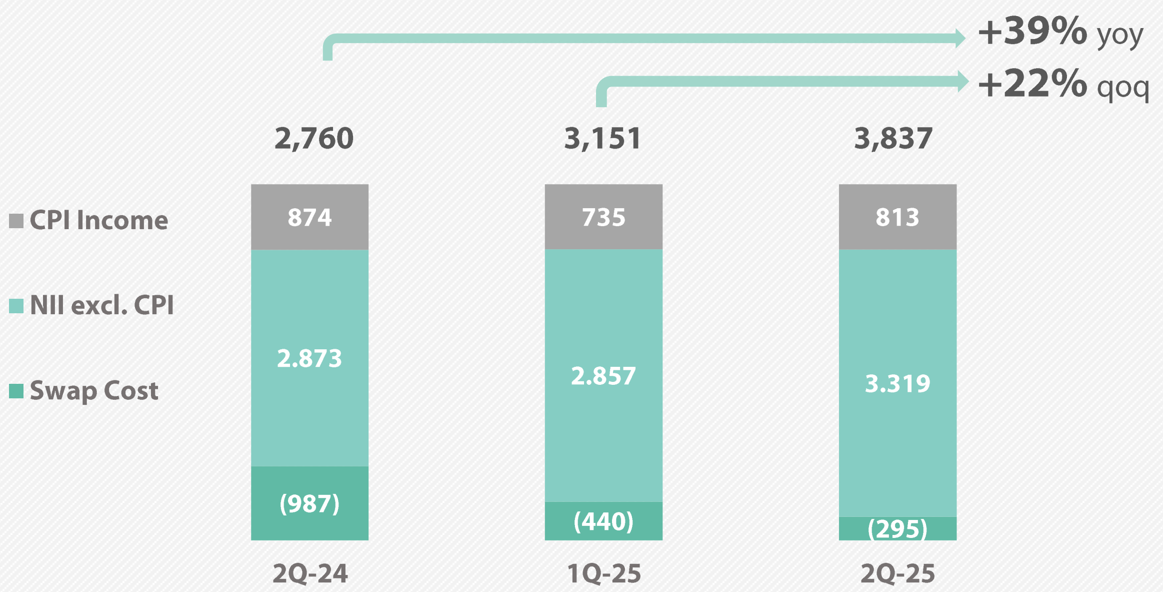
Proactive and Strategic Asset Liability Management backs our NIM

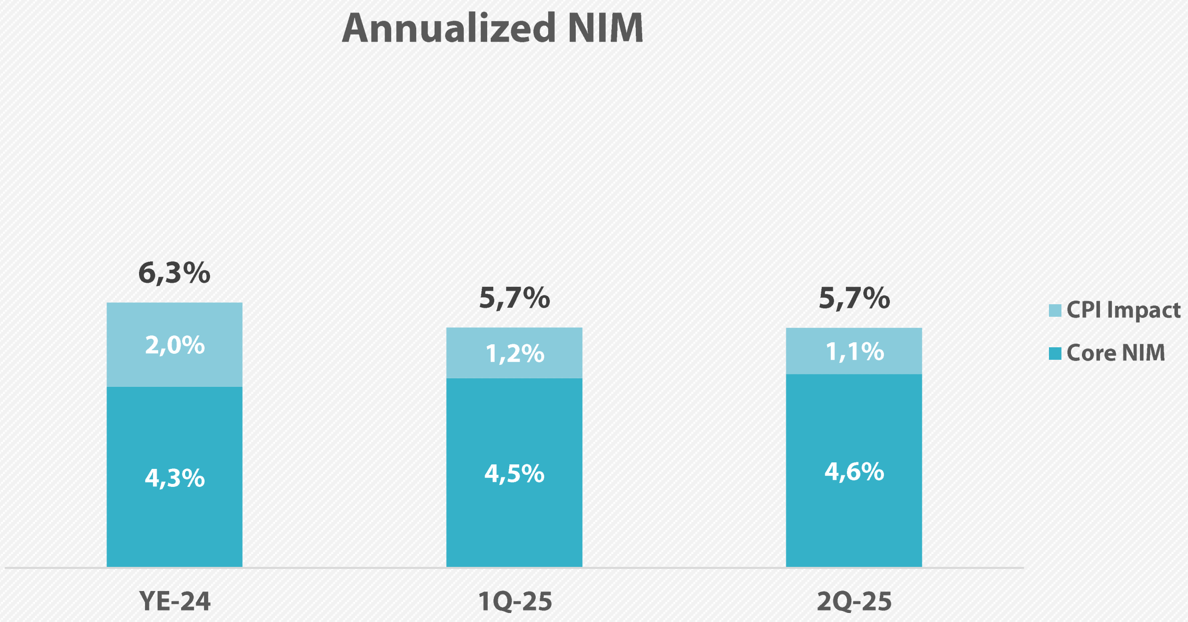




* *Audit report values are taken into account*

NIM continues to stay solid and boosts our strong earnings performance





**IEA Evolution can be seen in the Appendix*

- ✓ **Strong and resilient NII generation, up by 22% qoq**
  - Front-loaded security investment
  - 6M solid loan volume
- ✓ **NII exc. CPI was up by 16% qoq**

- ✓ Continued expansion in the core NIM
- ✓ Oct-Oct. CPI assumption is 30.8%

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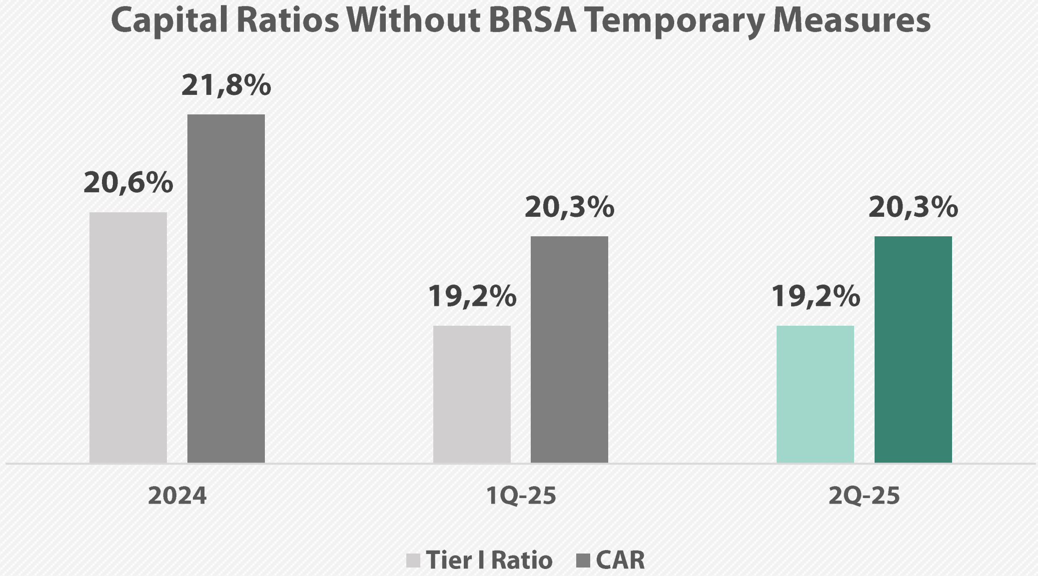
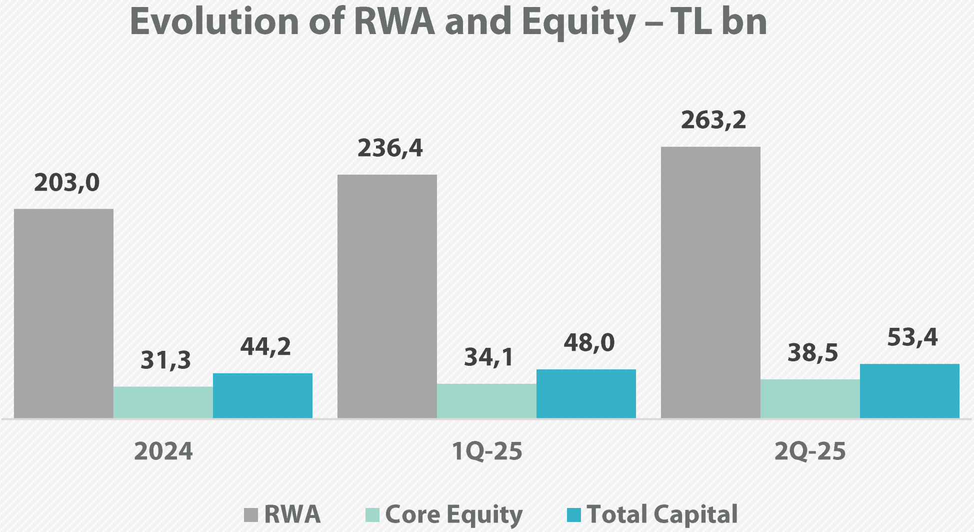
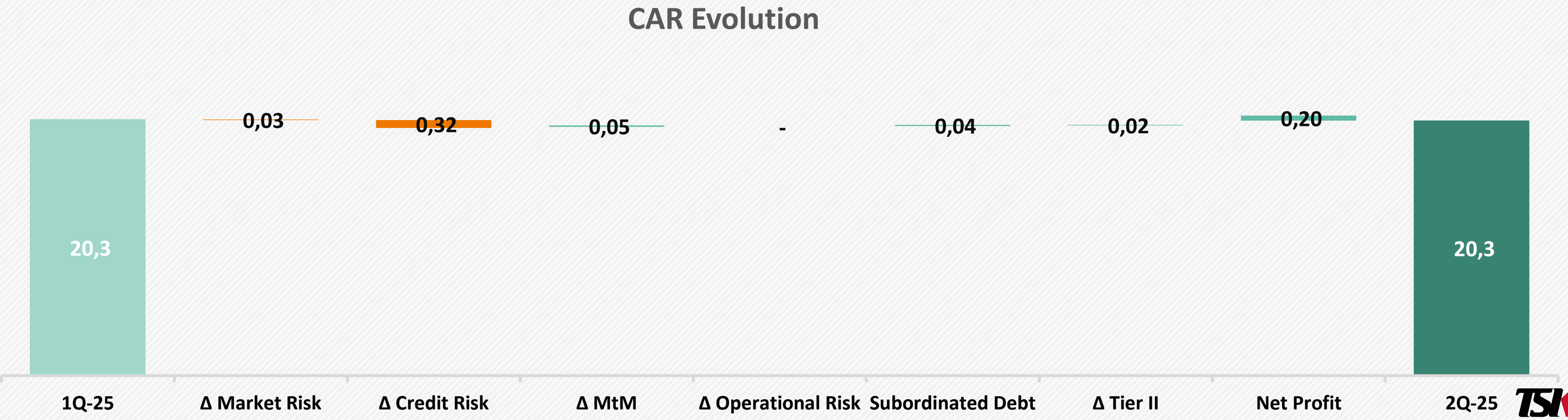
Maintained Strong Solvency metrics supports our growth strategy



Reported Figures – CAR: 24.2% | Tier I: 23.0% | CET-I: 17.6%



Free Provision Adjusted CAR: 20.9% Tier I: 19.8%

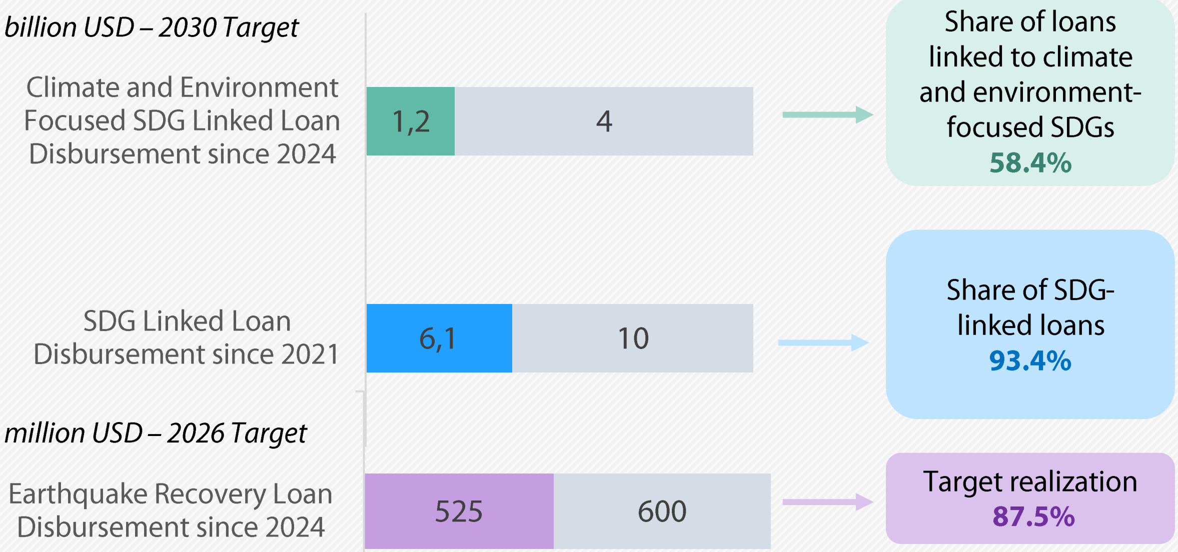


Sustainable Banking Highlights

Social Impact and Stakeholder Engagement

TSKB's 2nd Development Day

- Focused on Enhancing Potential Growth Through Triple Transformation (Green, Digital and Social)
- Reinforced TSKB's role in inclusive and sustainable development
- Engaged with more than 600 stakeholders



TSKB 75th Year Kindergarten project: the launch of new preschool classrooms in Kilis, Malatya, and Elazığ to support equal opportunity in early childhood education.

Female Stars of Tomorrow supporting 13 talented young female musicians at the 53rd Istanbul Music Festival, *reaching a total number of funded musicians to 120 since the program's launch with IKSV in 2018.*

The 18th issue of Ecosystem Review by TSKB Economic Research highlighted the role of social capital in disaster resilience and green transformation.

Türkiye Green Fund's First Investment

- One of the leading companies in domestic equipment manufacturing in renewable energy: **Ateş Çelik**
- The first investment of the Türkiye Green Fund — the first venture capital investment fund in Türkiye and globally to be established through credit financing, with a focus on emission reduction and inclusive transformation.

New Financing Scope: Youth Employment

With the new loan agreement TSKB aim to support enterprises aimed at increasing youth and women employment in Türkiye.

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Appendix

Appendix: Balance Sheet

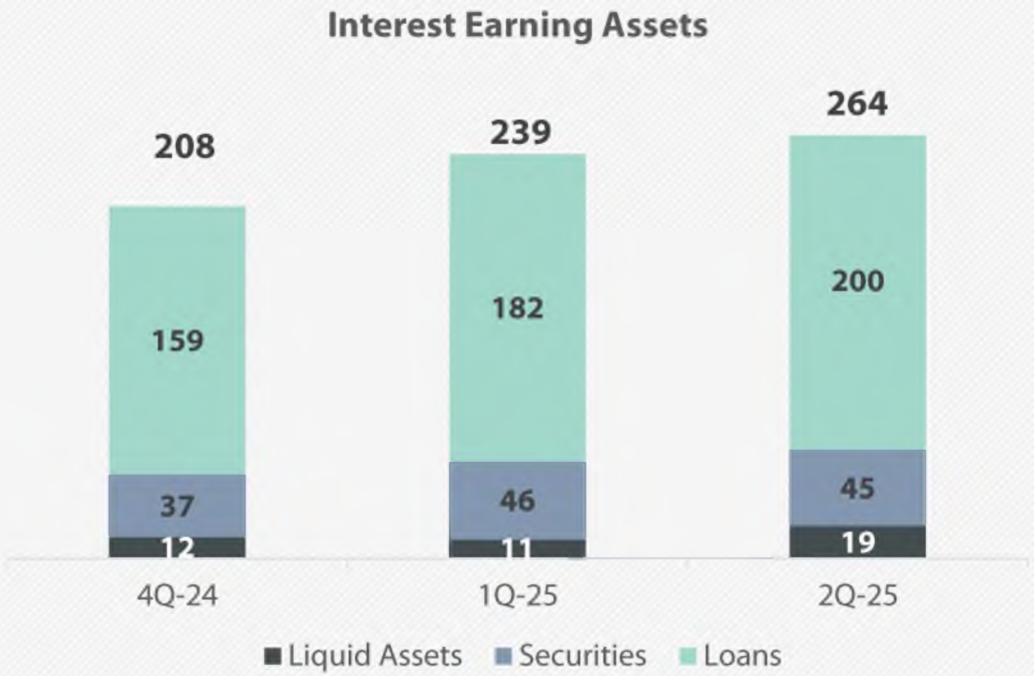
TL mn	31.12.2024			31.03.2025			30.06.2025		
	TL	FX	TOTAL	TL	FX	TOTAL	TL	FX	TOTAL
Cash and Banks	1,928	10,553	12,480	4,376	7,229	11,604	6,997	12,154	19,151
Securities	22,207	19,275	41,483	26,718	20,679	47,397	26,200	22,282	48,482
Loans (Gross)	13,888	152,529	166,418	14,052	176,174	190,227	12,518	193,889	206,407
Provisions	- 3,534	- 4,513	- 8,047	- 3,105	- 4,857	- 7,962	- 1,850	- 5,589	- 7,439
Subsidiaries	9,619	892	10,511	9,991	997	10,988	11,183	1,162	12,345
Other	5,933	2,484	8,417	6,006	1,553	7,559	6,769	1,140	7,909
Total	**50,041**	**181,219**	**231,260**	**58,039**	**201,775**	**259,813**	**61,817**	**225,038**	**286,855**
ST Funds	-	9,040	9,040	-	13,516	13,516	-	16,812	16,812
LT Funds	-	114,224	114,224	-	128,779	128,779	-	137,874	137,874
Securities Issued	-	51,562	51,562	-	39,906	39,906	-	41,937	41,937
Repo & MM	1,980	2,037	4,017	13,152	10,375	23,527	17,035	11,603	28,638
Other	3,667	5,470	9,138	4,562	3,057	7,620	5,135	4,808	9,944
Subordinated Debt	-	10,801	10,801	-	11,315	11,315	-	12,210	12,210
Shareholders' Equity	32,282	197	32,479	34,918	232	35,150	39,045	394	39,439
Total	**37,929**	**193,331**	**231,260**	**52,632**	**207,181**	**259,813**	**61,216**	**225,639**	**286,855**

Appendix: Detailed Income Statement

TL mn	1H-24	1H-25	YoY	1Q-25	2Q-25	QoQ
Net Interest Income inc. Swap Cost	**5,302**	**6,988**	**32%**	**3,151**	**3,837**	**22%**
Net Interest Income exc. CPI	5,800	6,176	6%	2,857	3,319	16%
CPI Linkers	1,712	1,548	-10%	735	813	11%
Swap Costs	-2,210	-735	n.m.	-440	-295	n.m.
Net Fees & Commissions	**294**	**162**	**-45%**	**71**	**91**	**28%**
Other Income	**175**	**2,186**	**1152%**	**747**	**1,439**	**92%**
Dividends	2	10	500%	5	5	-8%
Other	173	1,776	927%	342	1,434	319%
Reversals from Free Provisions	0	400	*n.m.*	400	-	*n.m.*
Trading & FX gains/losses	**685**	**625**	**-9%**	**297**	**327**	**10%**
FX gains/losses	540	345	-36%	174	171	-2%
Trading & MtM gain/loss	145	280	93%	123	157	27%
Banking Income	**6,455**	**9,961**	**54%**	**4,267**	**5,694**	**33%**
OPEX (-)	1,010	1,605	59%	689	916	33%
Net Banking Income	**5,445**	**8,356**	**53%**	**3,578**	**4,778**	**34%**
Provisions	**651**	**1,248**	**92%**	**165**	**1,083**	**556%**
ECL (-)	651	1,178	81%	165	1,013	514%
Free & Other Provisions	0	70	n.m.	0	70	n.m.
Income From Subsidiaries	**1,037**	**1,329**	**28%**	**528**	**801**	**52%**
Pre-Tax Income	**5,831**	**8,437**	**45%**	**3,940**	**4,497**	**14%**
Tax (-)	1,427	1,962	37%	846	1,116	32%
Net Income	**4,403**	**6,475**	**47%**	**3,095**	**3,381**	**9%**

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

Appendix: Evolution of strategically managed Interest Earning Assets



- ✓ Interest Earning Assets were up by 11% QoQ and 40% YoY, which was driven by
  - High FX denomination
  - Growth strategy

Appendix: Stage 2 Loans Breakdown

Stage 2 Loans		
Sector	**%**	**Coverage (%)**
Tourism	45	33
Electricity/Gas Distribution	15	50
Electricity Generation	14	33
Non-residential Real Estate	8	31
Telecom/Logistics	4	9
Automotive Supply Industry	3	30
Metal and Machinery	2	10
Health	1	50
Other	8	15
TOTAL	***100***	***33***

94% of Electricity Generation loans are Renewable

- *Hard collateral & provisions are taken into consideration*
- *Renewable and non renewable percentages in electricity generation loans are as 95% and 5% respectively*

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Appendix: Net Cost of Risk Calculation

Provisions (TL mn)	**2Q25**
Stage 1*	-50
Stage 2**	1,078
Stage 3	150
Reversals* (TL mn)**	**-1,632**
Net CoR	**39 bps**
Currency Impact	*120 bps*
Net CoR excl. Currency Impact	***-81 bps***

**Stage 1 provision costs are adjusted with TL 14.7 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.*

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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

Sustainalytics ESG Risk Rating
Negligible Risk Category
7.4
First place in Türkiye
12th place among global development banks

Sustainable Fitch

Sustainable Fitch
3 (62/100)
First place in Türkiye
Above global average

LSEG DATA & ANALYTICS

LSEG ESG Score
84
BIST Sustainability 25 Index
BIST Sustainability Index

FitchRatings

ESG Credit Relevance Score
3
Neutral-to-minimal

Moody's

ESG Credit Impact Score
2
Neutral-to-low

S&P Global

S&P Global CSA
Newly joined
Pending

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