The Industrial Development Bank of Türkiye

Earnings Presentation

3Q-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

3Q25 Summary: Quarterly results in support of year-end targets

FX loan growth continues with new long term loan disbursements reaching **USD 1.5 bn year to date**

No new NPL inflow since 1Q2024, maintained stage 2 and 3 loans ratios, net COR: -72 bps

Strong liquidity & well diversified funding capacity:
- USD 350 mn Eurobond issuance
- USD 238 mn syndication loan
- USD 300 mn facility agreement under partial guarantee of IBRD

Outstanding NIM exceeding expectations, **superior ROE** with 31.2%

%54 qoq expansion in the **net commission income**

Comfortable solvency buffers supporting our growth strategy further

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Outstanding 9M25 Performance vs YE-25 Guidance

Financial Guidance (Bank Only)	9M-25 Figures %	YE25 Guidance %	Outlook %
Growth			
FX Adjusted Loan Growth	5.6	Low Teens	On track
Profitability			
Net Interest Margin	5.7	~5	Upward
Fees & Commissions Growth	-27	~ CPI	Downward
Return On Equity*	31.2	~30	On track
Efficiency			
OPEX Growth	55	> CPI	Neutral
Solvency**			
Capital Adequacy Ratio	20.5	~21.0	On track
Tier I Ratio	19.3	~20.0	On track
Asset Quality			
NPL Ratio	0.9	< 2.5	Downward
Net Cost of Risk (excluding currency impact)	-72 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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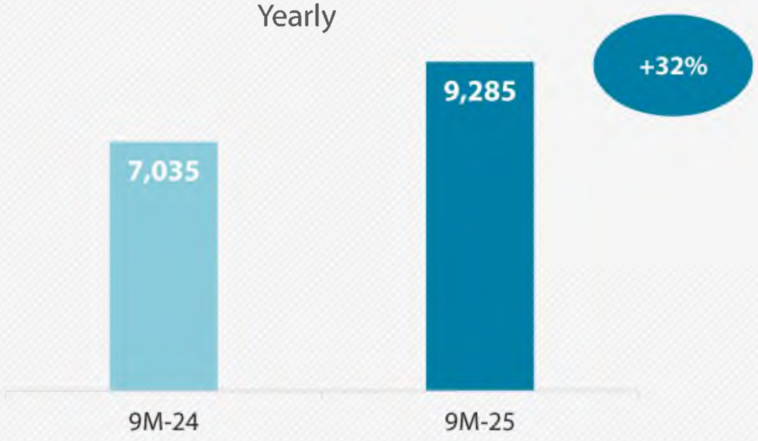
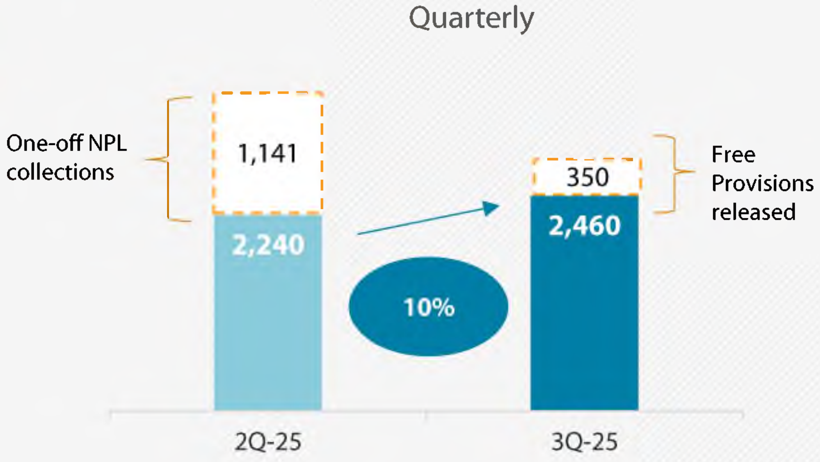
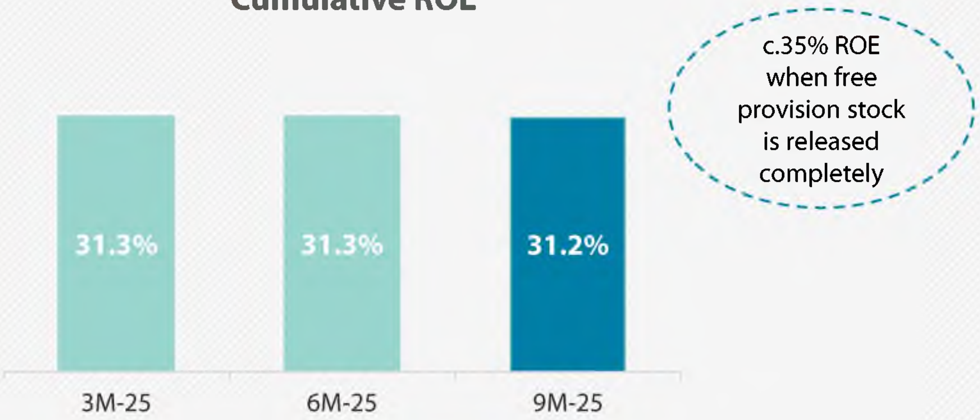
Strong ROE performance supported by continued robust earnings performance

Net Profit - TL mn





Cumulative ROE



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

Strong coverage base, free provision stock will further support profitability

- ✓ Total coverage ratio stands at 3.6%
- ✓ Stock of free provisions 1,300 mn TL

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Excluding one-offs, there is quarterly expansion in NII, net banking income and bottom line

TL mn	9M-24	9M-25	YoY	2Q-25	3Q-25	QoQ
Net Interest Income	**8,500**	**10,685**	**26%**	**3,837***	**3,697**	**-4%**
NII exc. CPI Linker Income	*5,618*	*8,497*	*51%*	*3,024*	*3,057*	*1%*
Trading Income/Loss	879	866	-2%	327	241	-26%
Net Fees & Commissions	413	302	-27%	91	140	54%
Other Income (Inc. Dividend)	551	2,572	367%	1,439*	386	-73%
Banking Income	**10,343**	**14,425**	**39%**	**5,694**	**4,464**	**-22%**
OPEX (-)	1,563	2,426	55%	916	821	-10%
Net Banking Income	**8,780**	**11,999**	**37%**	**4,778**	**3,643**	**-24%**
Provisions (-)	601	1,763	193%	1,083	515**	-52%
Income From Participations	1,263	1,842	46%	801	513	-36%
Tax Provisions (-)	2,406	2,793	16%	1,116	831	-26%
Net Profit	**7,036**	**9,285**	**32%**	**3,381**	**2,810**	**-17%**

- *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*

** One-off impact from an NPL collection (totaling TL 1.6 bn)*
*** Non-cash loan and cash loan provisions*

NII excluding CPI Linker income was up by 51% yoy & 1% qoq

Strong quarterly fee performance (qoq 54%)

Strong solvency buffers supported by internal capital generation capacity

Robust +32% yoy surge in bottomline, qoq contraction due to one-offs in 2nd Q

TL 350 mn free provision reversal

What would be the P&L w/o 2nd quarter one-offs?

All P&L subtotals indicate expansion when one-offs are adjusted

TL mn	One-off adjusted 2Q-25	Realized 3Q-25	One-off adjusted QoQ▲
Net Interest Income	*3,517*	*3,697*	**5%**
Banking Income	*4,064*	*4,464*	**10%**
Net Banking Income	*3,148*	*3,643*	**16%**

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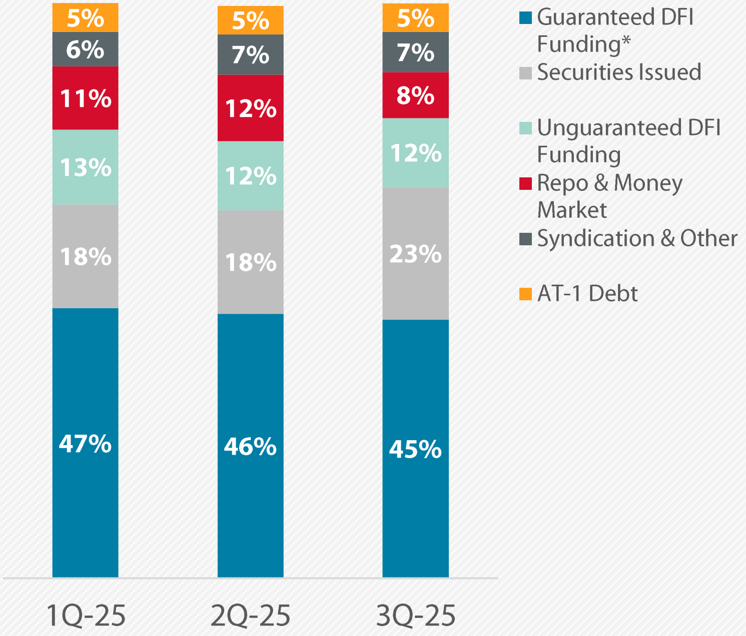
Strong liquidity and well diversified ESG aligned funding base

Funding / Total Liabilities (exc. Equity & Other)



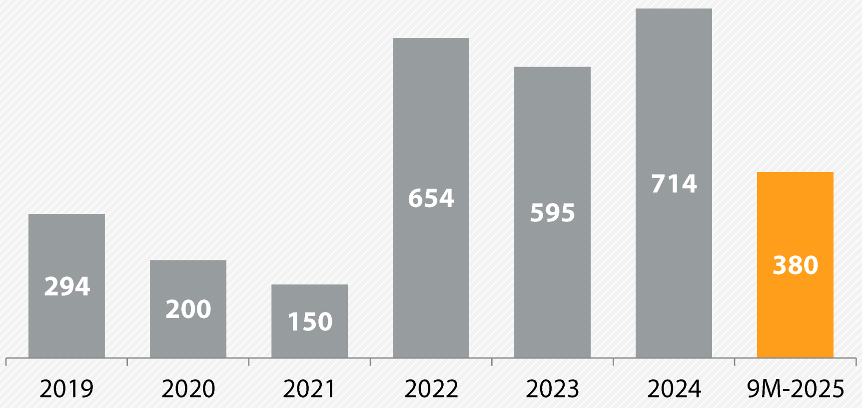
** Guaranteed DFI funding ratio is at 46% which is a temporary case and will be at %50 by the end of 2025*

~ USD 876 mn & ~100% MOTF Guaranteed
Non-Withdrawn DFI Funding

Climate + Environment	68%
Earthquake Related Green Recovery	22%
Inclusiveness	10%

FX Liquidity Coverage Ratio
~597%

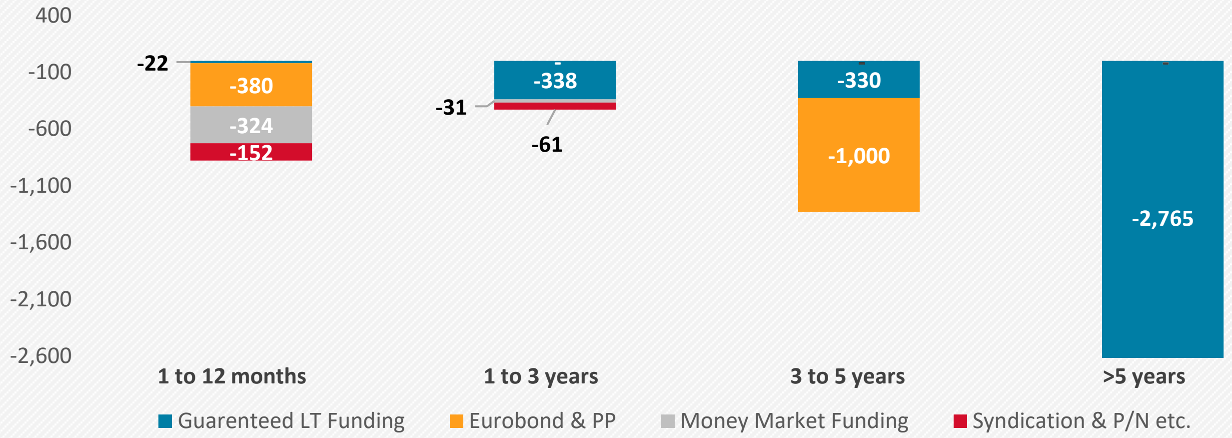
Yearly Multilateral Funding Agreements – USD mn



Wholesale Funding in 2025

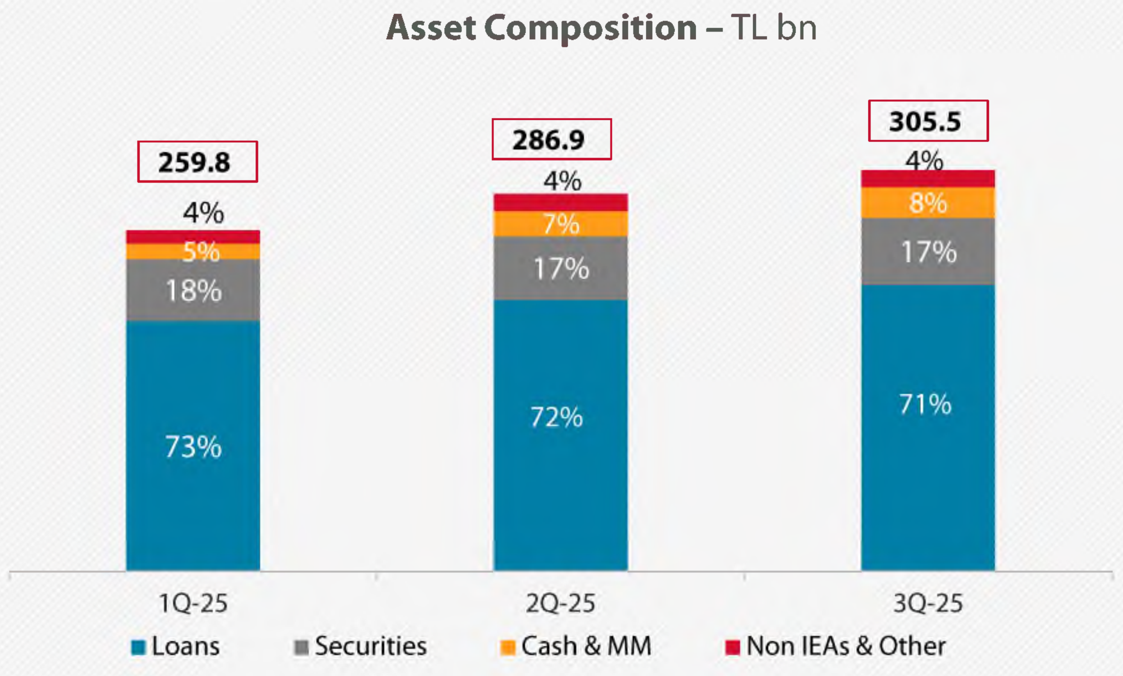
- ✓ **OPEC |** EUR 50 million (MOTF guaranteed)
- ✓ **AIIB |** USD 200 million (MOTF guaranteed)
- ✓ **OeEB |** EUR 25 million
- ✓ **EBRD |** EUR 75 million

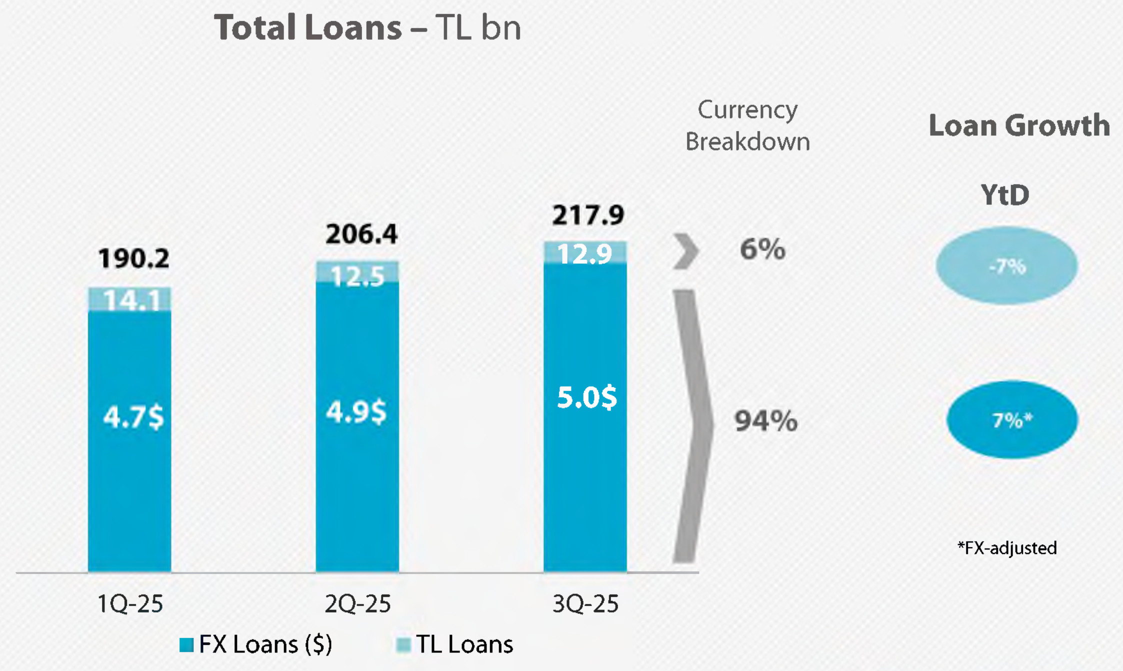
Maturity Profile of External Debt - USD mn

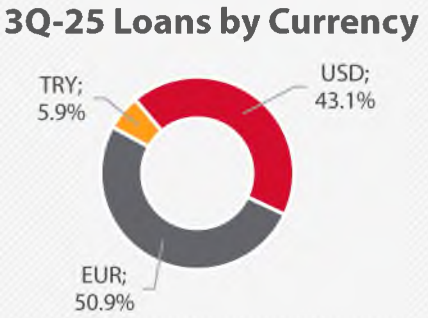


** USD 300 million AT-I Eurobond has a call option in 2029.*

Sustaining Growth Through a Healthy Asset Base







No Maturity Mismatch in the Balance Sheet

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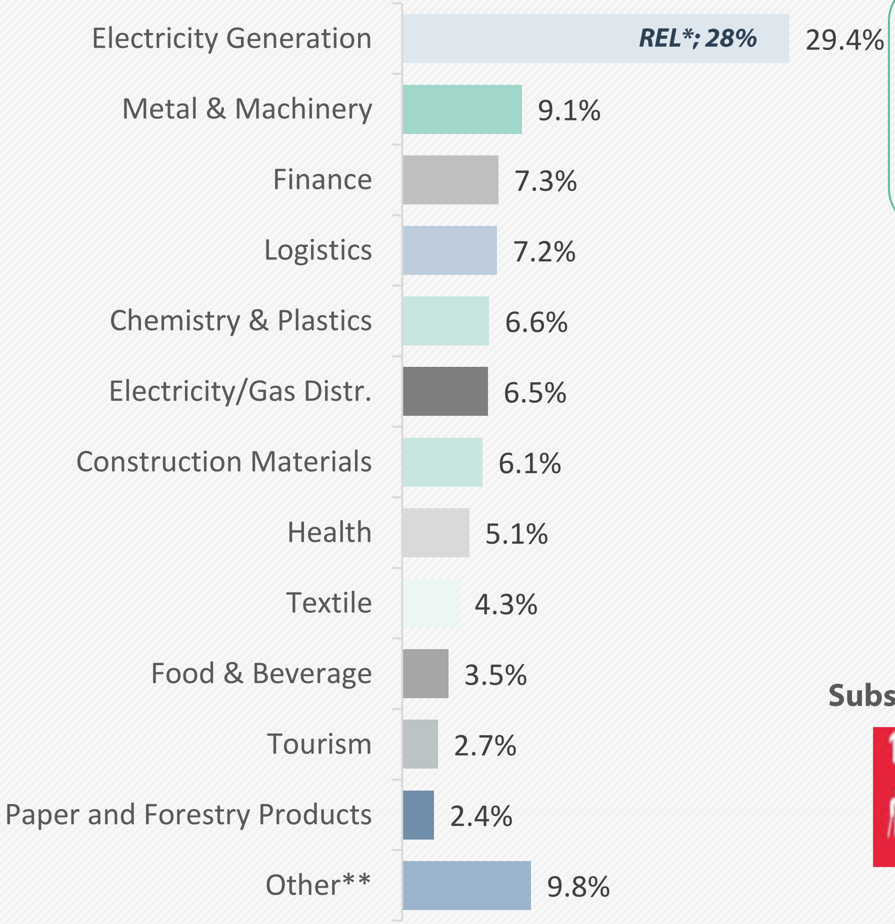
Solid Real Loan Growth with Sustainable Development Focus

Outstanding Loan Portfolio by sector 3Q-25



* *Renewable Energy Loans*

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

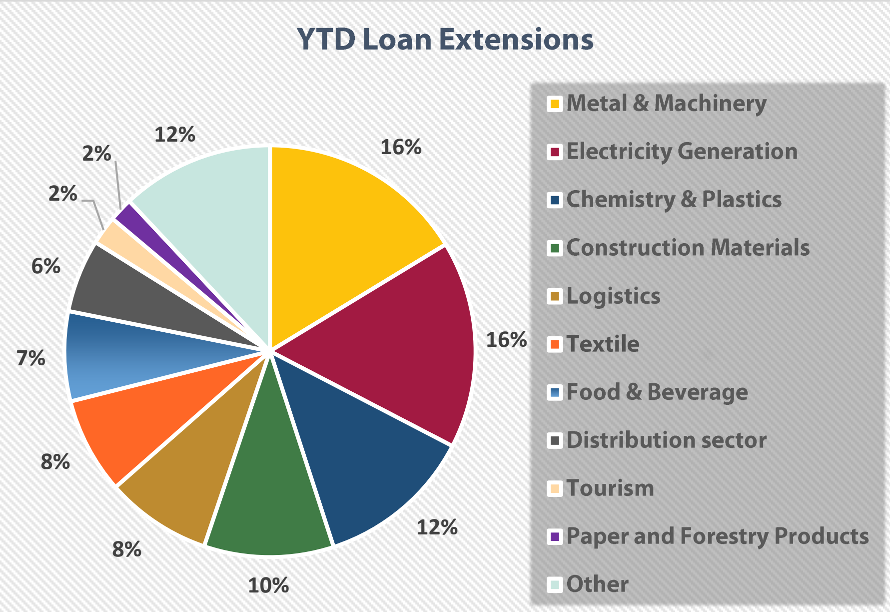
95% of which is Renewable Energy where **81%** benefits feed in tariff & **4%** is YEKA projects

Outstanding Risk 298 Projects 5,601 MW	WPP	HPP	GPP	BIO	SPP
	43%	13%	15%	7%	22%

Strategic focus

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

YTD Loan Extensions



**Excluding finance sector*

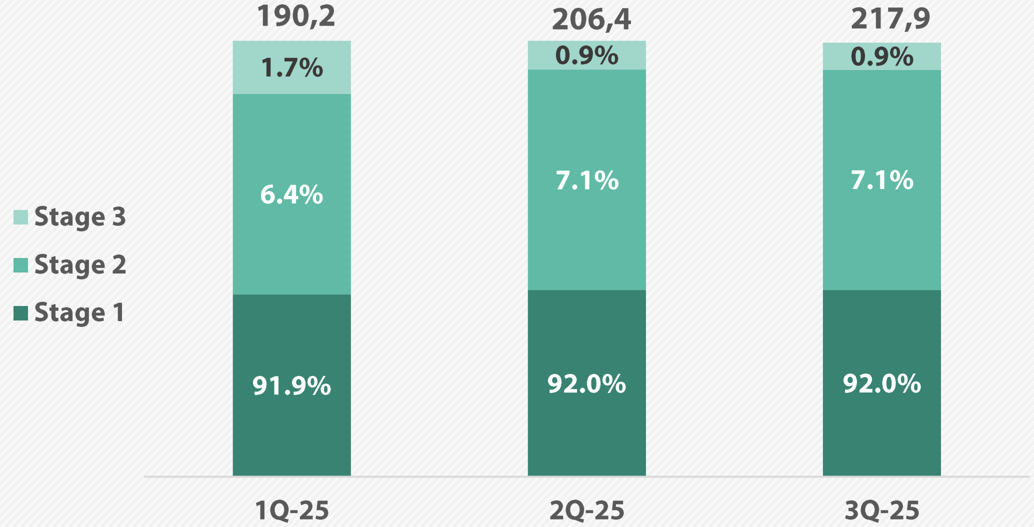
Substantially Supported SDGs through Loan Activities

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

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

Asset quality remains solid, with no new NPL inflows for 7 consecutive quarters

Staging Breakdown
(mn TL Gross Loans)



-72bps
Net CoR
(Excl. currency impact)

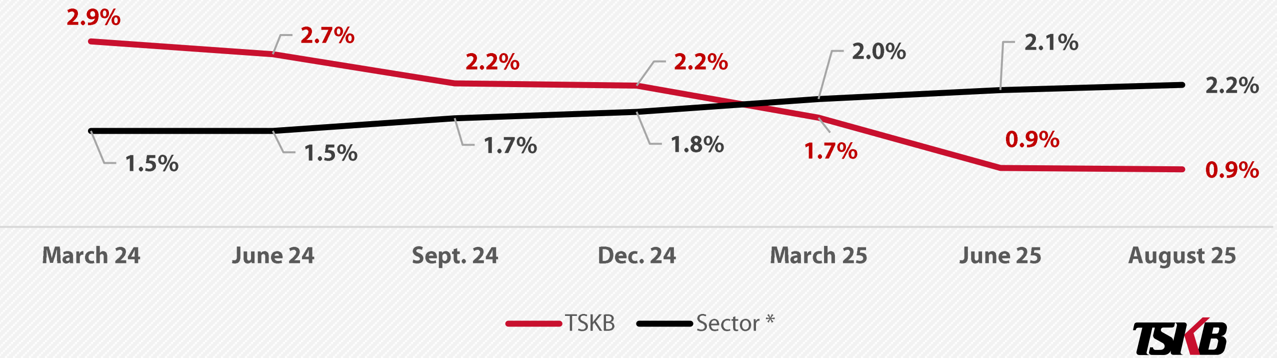
	1Q-25	2Q-25	3Q-25
Total Provision* (mn TL)	7,905	7,422	7,826
Stage 1	857	902	997
Stage 2	4,118	4,784	5,076
Stage 3	2,930	1,735	1,753

	1Q-25	2Q-25	3Q-25
Total Coverage	4.2%	3.6%	3.6%
Stage 1	0.5%	0.5%	0.5%
Stage 2	33.6%	32.7%	32.9%
Stage 3	90.3%	91.3%	92.9%

Only cash loans are taken into consideration. Please see our explanation in page 5

- No new NPL inflow since 1Q24
- %88 of Stage 2 & %91 of NPL portfolios are restructured
- Total NPL Coverage: **188%***
- Total Stage 2 Coverage: **97%****
- Total Free Provision Stock: **TL 1,300 mn**
  - 400 mn TL reversal in 1Q25
  - 350 mn TL reversal in 3Q25

NPL/Total Loans (%)

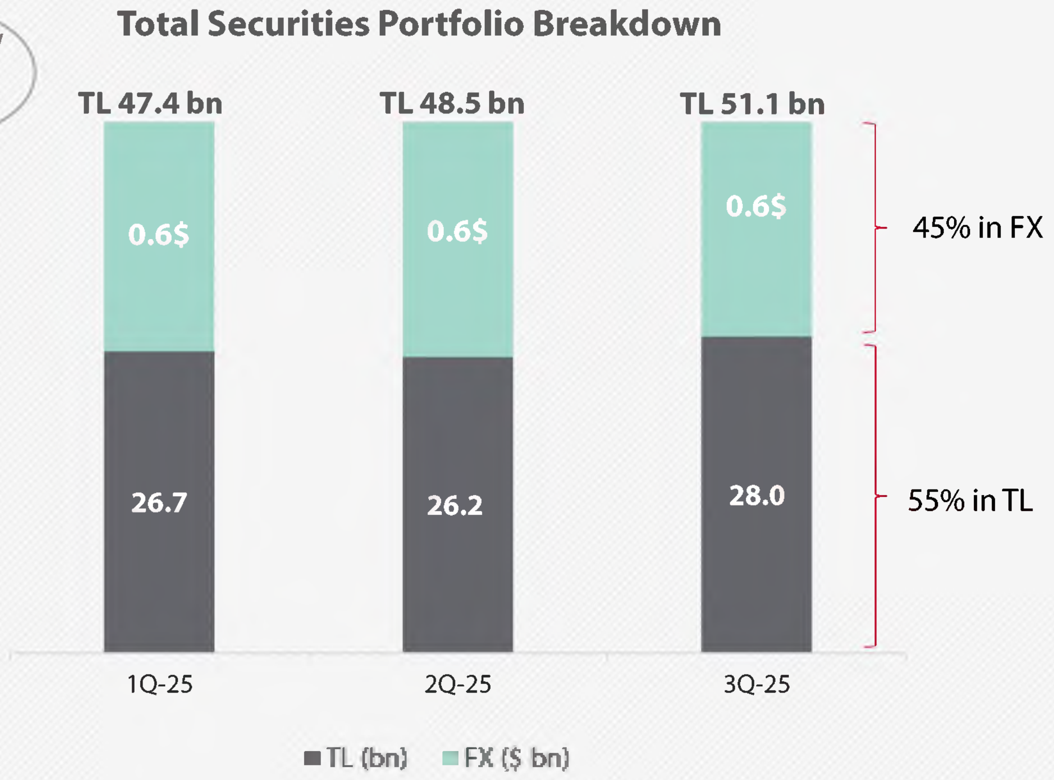


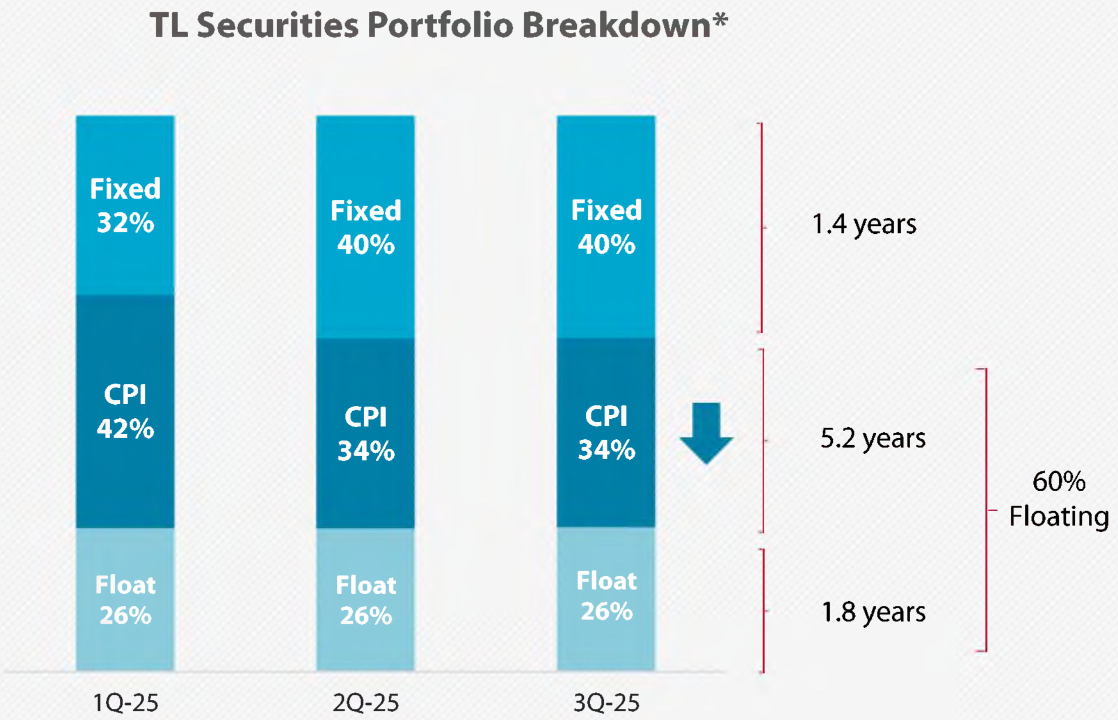
All Stage 3 loans are converted to TL
* **Hard collateral & provisions are taken into consideration*

* *BRSA montly data as of August-25*

Front-loaded and ongoing security investments will continue to support NII

Securities / Assets: 17%





* *Audit report values are taken into account*

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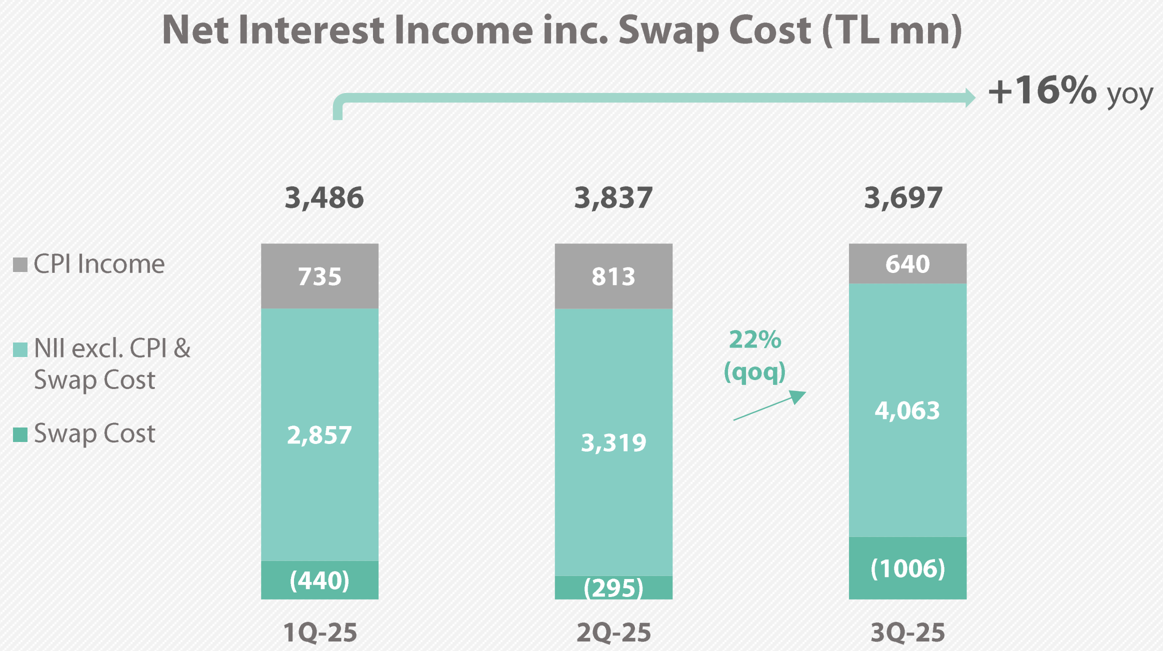
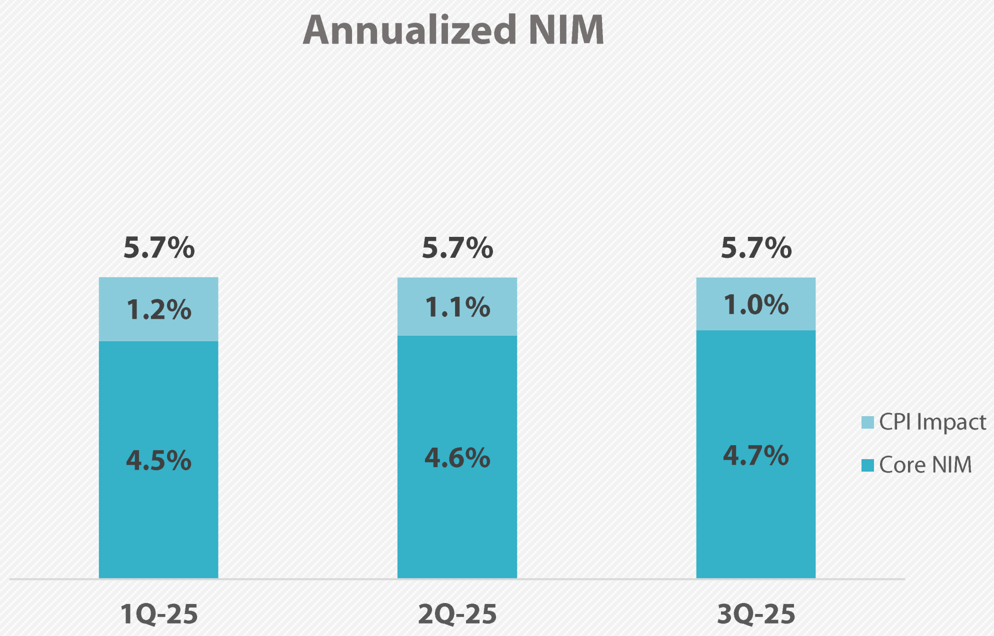
Outstanding NIM performance beyond expectations





**IEA Evolution can be seen in the Appendix*

- ✓ **Strong and resilient NII generation**
  - almost flat qoq despite more than tripled swap costs and fall in the CPI linker income
  - front-loaded and ongoing security investments continue to contribute to NII
- ✓ **NII exc. CPI linker gains and swap costs was up by 22% qoq**

- ✓ Continued expansion in the core NIM
- ✓ Oct-Oct. CPI assumption is 30.8%, indicating upside for 4Q

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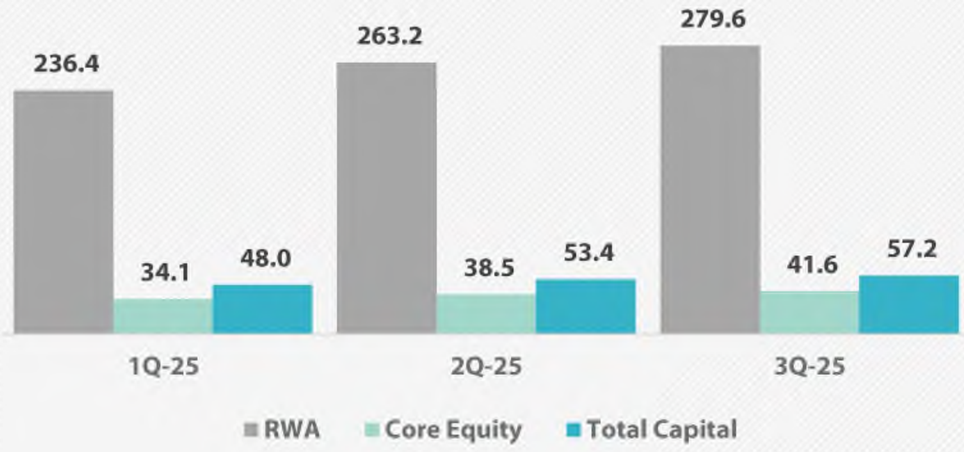
Maintained Strong Solvency metrics supports our growth strategy

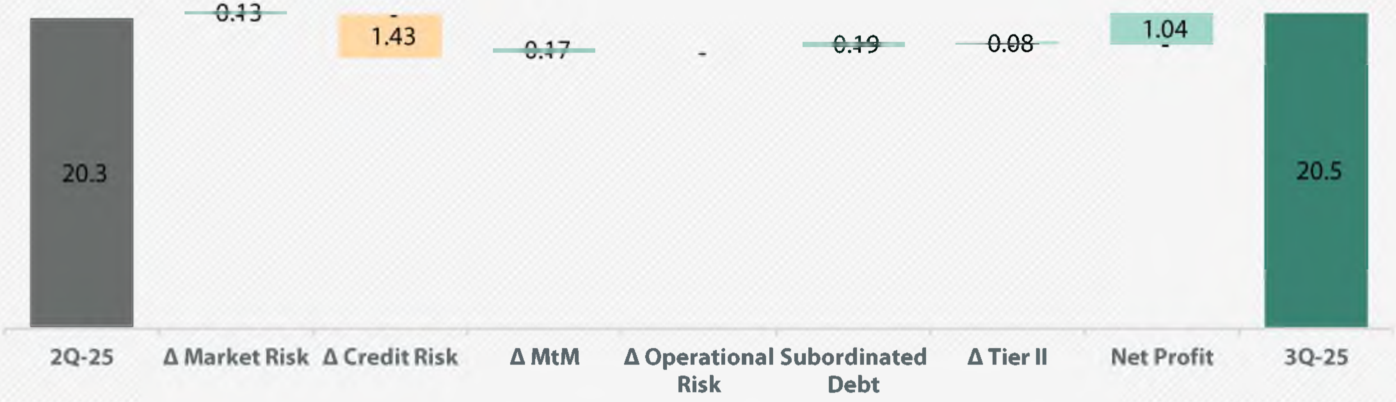
Capital Ratios Without BRSA Temporary Measures

Evolution of RWA and Equity – TL bn



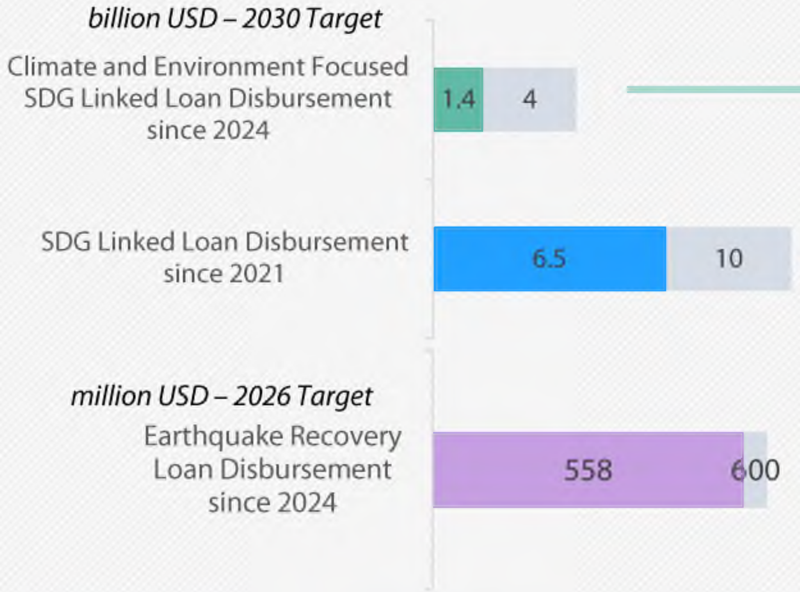
Reported Figures – CAR: 25.2% | Tier I: 24.1% | CET-I: 18.6%

CAR Evolution



Sustainable Banking Highlights

Sustainable Finance Targets



Share of loans linked to climate and environment-focused SDGs
59%

Share of SDG-linked loans
93%

Target realization
93%

Reporting

CDP Corporate Questionnaire
Submitted in mid-September

Allocation and Impact Reporting
9th edition will be published soon

Green Asset Ratio
The first reporting will be submitted to the BRSA by the end of October.

UNGC CoP Pilot Programme
Will be submitted by the end of 2025

GALATASARAY ÜNİVERSİTESİ TSKB YANINDAYIZ

Gender Equality Certificate Program

- Exclusively for TSKB employees
- Collaboration with Galatasaray University Social Research Center and Yanındayız Association

PCAF Partnership for Carbon Accounting Financials

- Calculating, verifying, and reporting the emissions generated by our loan portfolio in accordance with the PCAF guidelines since 2021.
- Became a signatory and joined the PCAF in August.

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Appendix

Appendix: Balance Sheet

TL mn	31.03.2025			30.06.2025			30.09.2025		
	TL	FX	TOTAL	TL	FX	TOTAL	TL	FX	TOTAL
Cash and Banks	4,376	7,229	11,604	6,997	12,154	19,151	12,244	11,194	23,438
Securities	26,718	20,679	47,397	26,200	22,282	48,482	28,048	23,090	51,138
Loans (Gross)	14,052	176,174	190,227	12,518	193,889	206,407	12,921	204,964	217,885
Provisions	- 3,105	- 4,857	- 7,962	-1,850	-5,589	-7,439	- 1,879	- 6,020	- 7,898
Subsidiaries	9,991	997	10,988	11,183	1,162	12,345	11,941	1,187	13,128
Other	6,006	1,553	7,559	6,769	1,140	7,909	6,682	1,107	7,789
Total	**58,039**	**201,775**	**259,813**	**61,817**	**225,038**	**286,855**	**69,957**	**235,522**	**305,480**
ST Funds	-	13,516	13,516	-	16,812	16,812	-	18,023	18,023
LT Funds	-	128,779	128,779	-	137,874	137,874	-	145,381	145,381
Securities Issued	-	39,906	39,906	-	41,937	41,937	-	58,825	58,825
Repo & MM	13,152	10,375	23,527	17,035	11,603	28,638	13,322	7,140	20,462
Other	4,562	3,057	7,620	5,135	4,808	9,944	3,845	3,809	7,654
Subordinated Debt	-	11,315	11,315	-	12,210	12,210	-	12,429	12,429
Shareholders' Equity	34,918	232	35,150	39,045	394	39,439	42,260	446	42,705
Total	**52,632**	**207,181**	**259,813**	**61,216**	**225,639**	**286,855**	**59,427**	**246,053**	**305,480**

Appendix: Detailed Income Statement

TL mn	9M-24	9M-25	YoY	2Q-25	3Q-25	QoQ
Net Interest Income inc. Swap Cost	**8,500**	**10,685**	**26%**	**3,837**	**3,697**	**-4%**
NII exc. CPI & Swap cost	8,252	10,238	24%	3,319	4,063	22%
CPI Linkers Income	2,882	2,188	-24%	813	640	-21%
Swap Costs (-)	2,635	1,741	-34%	295	1.006	241%
Net Fees & Commissions	**413**	**302**	**-27%**	**91**	**140**	**54%**
Other Income	**551**	**2,572**	**367%**	**1,439**	**386**	**-73%**
Dividends	7	10	39%	5	0	-100%
Other	544	2,563	371%	1,434	386	-73%
Reversals from Free Provisions	-	750	*n.m.*	-	350	*n.m.*
Trading & FX gains/losses	**879**	**866**	**-2%**	**327**	**241**	**-26%**
FX gains/losses	668	483	-28%	171	138	-19%
Trading & MtM gain/loss	211	383	82%	157	103	-34%
Banking Income	**10,343**	**14,424**	**39%**	**5,694**	**4,464**	**22%**
OPEX (-)	1,563	2,426	55%	916	821	10%
Net Banking Income	**8,780**	**11,999**	**37%**	**4,778**	**3,643**	**-24%**
Provisions	**601**	**1,763**	**%**	**1,083**	**515**	**-52%**
ECL (-)*	601	1,693	193%	1,013	515	-49%
Free & Other Provisions	-	70	n.m.	70	0	*n.m.*
Income From Subsidiaries	**1,263**	**1,842**	**46%**	**801**	**513**	**-36%**
Pre-Tax Income	**9,442**	**12,078**	**28%**	**4,497**	**3.641**	**-19%**
Tax (-)	2,406	2,793	16%	1,116	831	-26%
Net Income	**7,036**	**9,285**	**32%**	**3,381**	**2.810**	**-17%**

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

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

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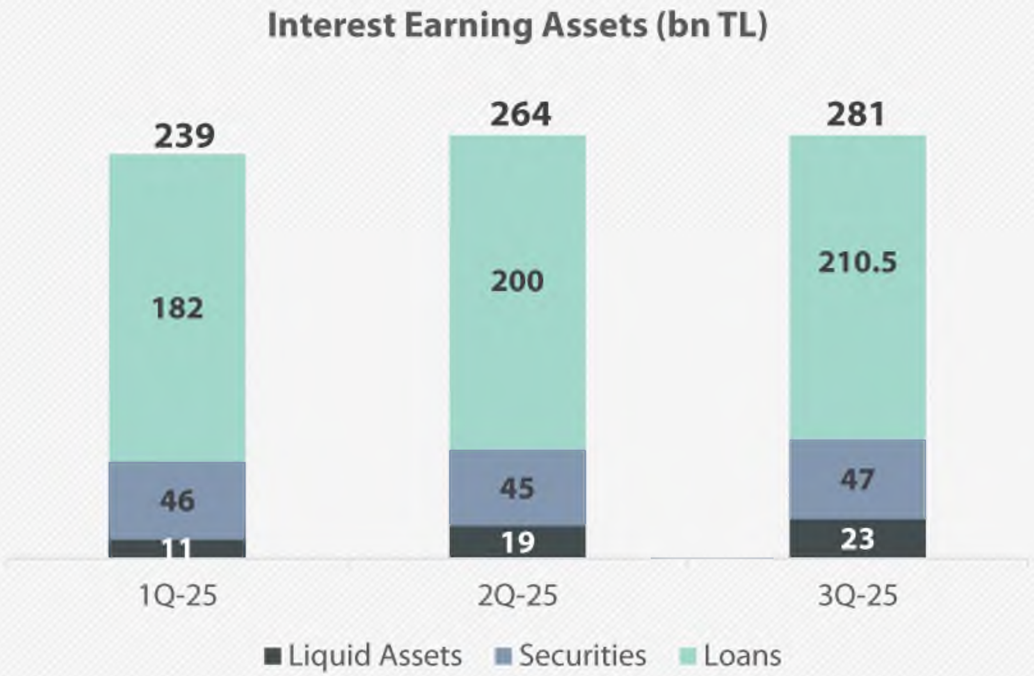
Appendix: Evolution of strategically managed Interest Earning Assets



- ✓ Interest Earning Assets were up by 6.4% QoQ and 39% YoY, which was driven by
  - High FX denomination
  - Growth strategy

Appendix: Stage 2 Loans Breakdown

Stage 2 Loans		
Sector	**%**	**Coverage (%)**
Non-residential Real Estate	35	22
Electricity Generation	31	45
Electricity/Gas Distribution	15	50
Telecom/Logistics	4	9
Automotive Supply Industry	3	30
Metal and Machinery	2	10
Health	1	50
Other	9	19
TOTAL	***100***	***33***

95% of Electricity Generation loans are Renewable

- *Hard collateral & provisions are taken into consideration*
- *Renewable and non renewable percentages in electricity generation loans are as 98% and 2% respectively*

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Appendix: Net Cost of Risk Calculation

Provisions (TL mn)	**3Q25**
Stage 1*	99
Stage 2**	1,414
Stage 3	179
Reversals* (TL mn)**	**-1,645**
Net CoR	**32bps**
Currency Impact	*104bps*
Net CoR excl. Currency Impact	***-72bps***

**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. (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

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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