# *The Industrial Development Bank of Türkiye*

*Earnings Presentation*

*3Q-26 Bank-only Results*

IR website

FTSE4Good

SUSTAINALYTICS INDUSTRY ESG TOP RATED

SUSTAINALYTICS REGIONAL ESG TOP RATED

*"Please note that any kind of recording including but not limited to screenshots, video recording, recording via external devices etc. of this presentation it is strictly forbidden for all participants."*

# Another set of strong results, in alignment with year-end targets

| Financial Guidance (Bank Only) | 9M-26 Figures % | YE26 Guidance % | Outlook |
|---|---|---|---|
| **Growth** | | | |
| FX Adjusted Loan Growth (ytd) | 8.1 | Low Teens | On track |
| **Profitability** | | | |
| Net Interest Margin | 4.3 | ~4.5 | On track |
| Fees & Commissions Growth[1] | 74 | > 50 | On track |
| Return On Equity[2] | 22.3 | ~ 25 | On track |
| **Efficiency** | | | |
| OPEX Growth[1] | 44 | > Average CPI | On track |
| **Solvency** | | | |
| Capital Adequacy Ratio | 19.4 | ~19.0 | On track |
| Tier I Ratio | 18.3 | ~18.0 | On track |
| **Asset Quality** | | | |
| NPL Ratio | 2.0 | ~ 2.5 | On track |
| Net Cost of Risk (excluding currency impact) | 33 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*

# Latest highlights supporting Bank's development mission and growth strategy

**Strong 9M26 loan growth reaching 8.1%**
driven by
**USD 1.8 bn of** long-term loan disbursements

**9M26 funding agreements amounted to USD 1.1 bn**
*(Signed with World Bank in 3Q26)*
**Total funding secured surpassed USD 1.8 bn**
including
Eurobond, Syndication and PPs

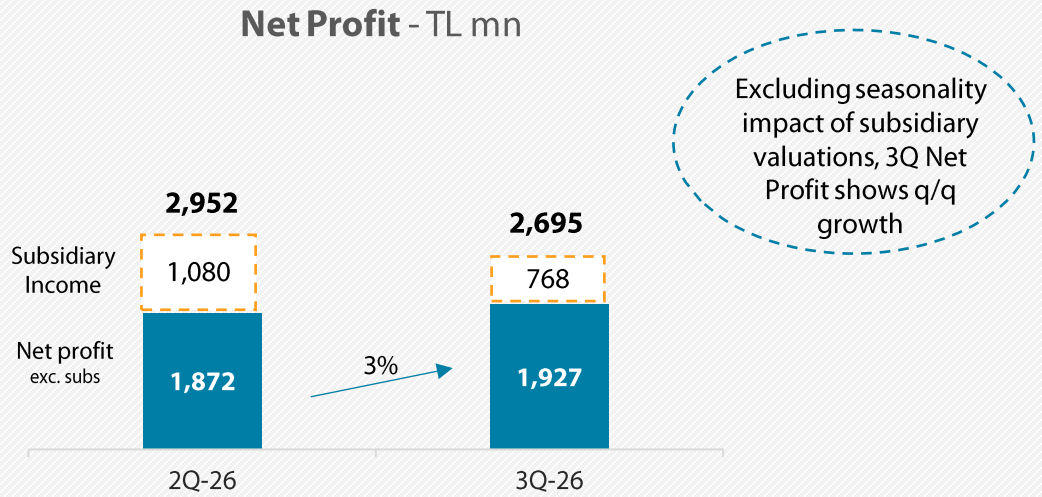
**Differentiating profitability ratios** above industry average:
**4.3% NIM**, and
**23% ROE**

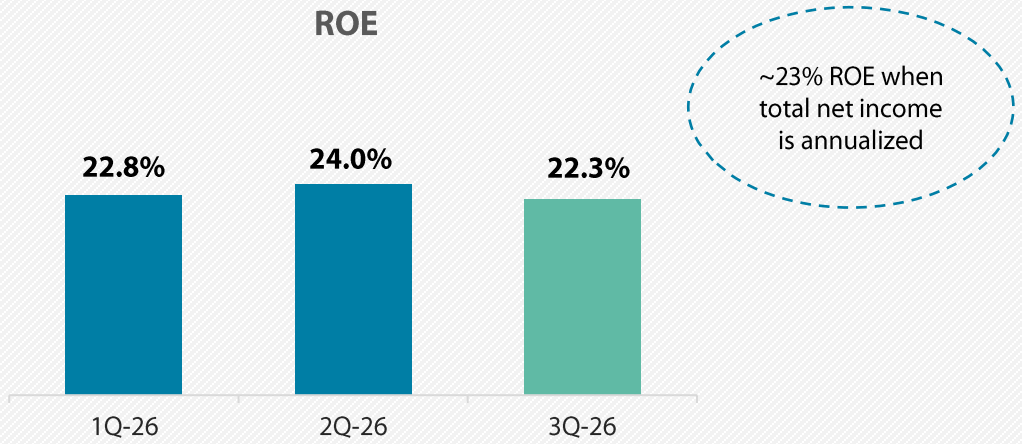
**Continued prudent stance,**
with the maintained and distinguished
**coverage ratio of 4.3%**

**Another quarter of hefty commission income**
(backed by an IPO and 2 TGF investments)

**Comfortable solvency buffers** supporting our growth strategy further

# Sustainable profitability metrics in line with year-end targets




**Bank's safeguards that drive and support sustainable results**

- ✓ **Strong asset quality and coverage base**
- ✓ **Superior solvency buffers**

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

# Strong quarterly banking income was driven by consistent swap adjusted NII and stellar fee income in 3Q26

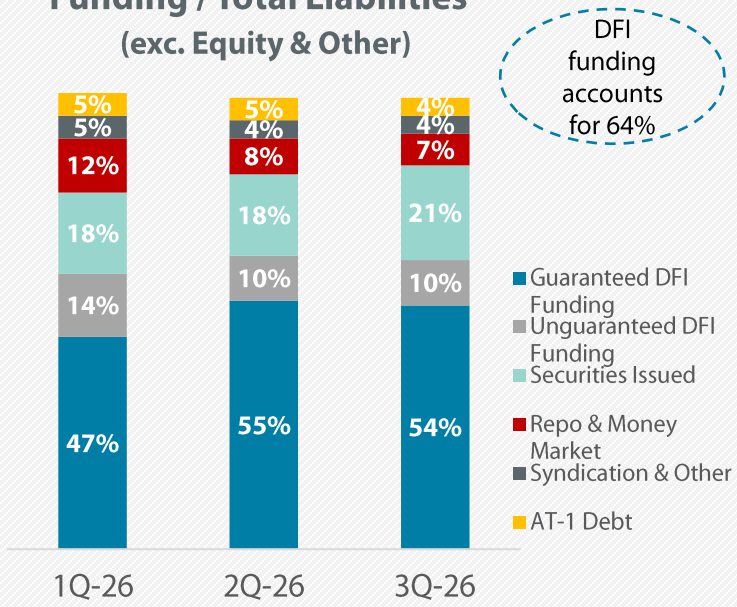
| *TL mn* | 9M-25 | 9M-26 | YoY | 2Q-26 | 3Q-26 | QoQ |
|---|---|---|---|---|---|---|
| **Net Interest Income** | **10,685** | **10,825** | **1%** | **3,672** | **3,688** | **0.5%** |
| Trading Income/Loss | 866 | 697 | -20% | 236 | 75 | -68% |
| Net Fees & Commissions | 302 | 525 | 74% | 204 | 194 | -5% |
| Other Income (Inc. Dividend) | 2,572 | 1,421 | -45% | 432 | 432 | 0% |
| **Banking Income** | **14,425** | **13,467** | **-7%** | **4,543** | **4,389** | **-3%** |
| OPEX (-) | 2,426 | 3,502 | 44% | 1,242 | 1,156 | -7% |
| **Net Banking Income** | **11,999** | **9,965** | **-17%** | **3,301** | **3,233** | **-2%** |
| Provisions (-)* | 1,763 | 1,548 | -12% | 854 | 639 | -25% |
| Income From Participations | 1,842 | 2,220 | 21% | 1,080 | 768 | -29% |
| Tax Provisions (-) | 2,793 | 2,130 | -24% | 575 | 667 | 16% |
| **Net Profit** | **9,285** | **8,507** | **-8%** | **2,952** | **2,695** | **-8.7%** |

** 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 1.8 bn.

## Funding / Total Liabilities (exc. Equity & Other)

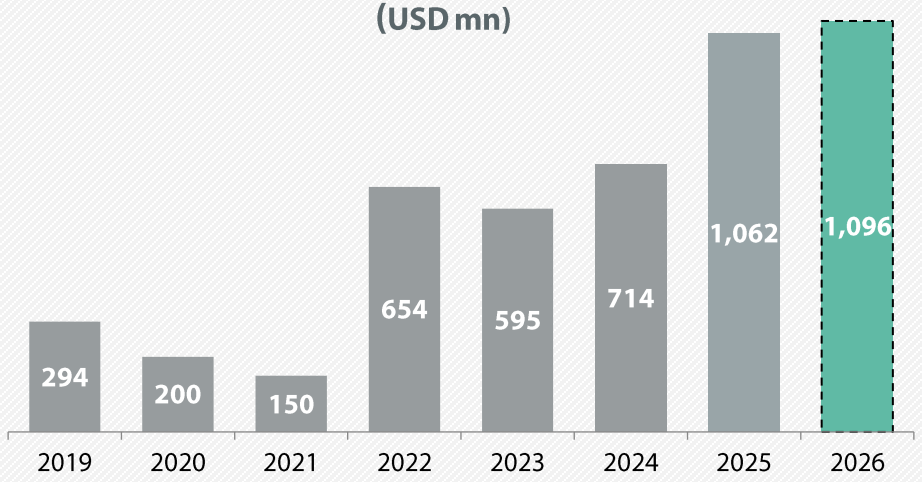



**~ USD 1,387 mn & 90% MOTF Guaranteed**
Non-Withdrawn DFI Funding

| | |
|---|---|
| Climate + Environment | 92% |
| Earthquake Related Green Recovery | 8% |

**FX Liquidity Coverage Ratio**
~584%

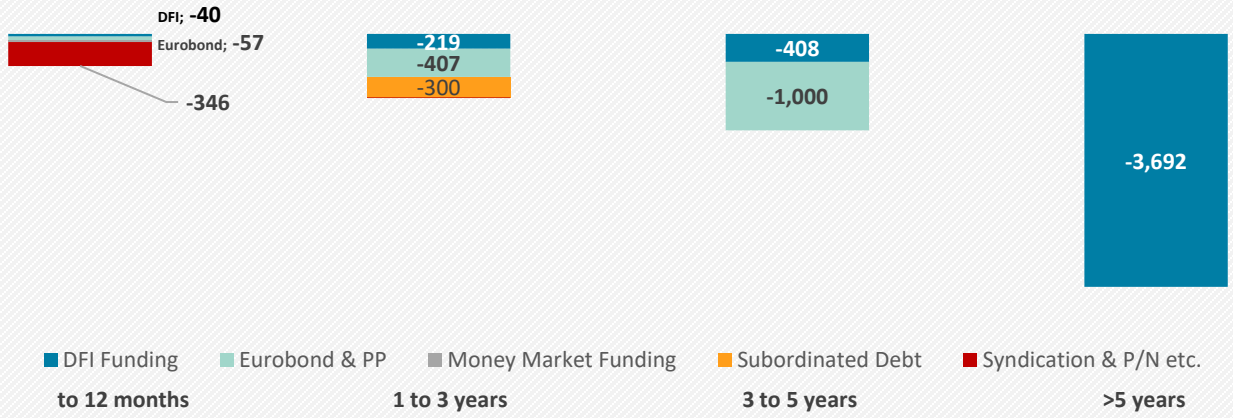
## Yearly Multilateral Funding Agreements (USD mn)




**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
- ✓ **Eurobond** | USD 300 million
- ✓ **Syndicated Loan** | USD 229 million
- ✓ **IBRD/World Bank** | EUR 200 million

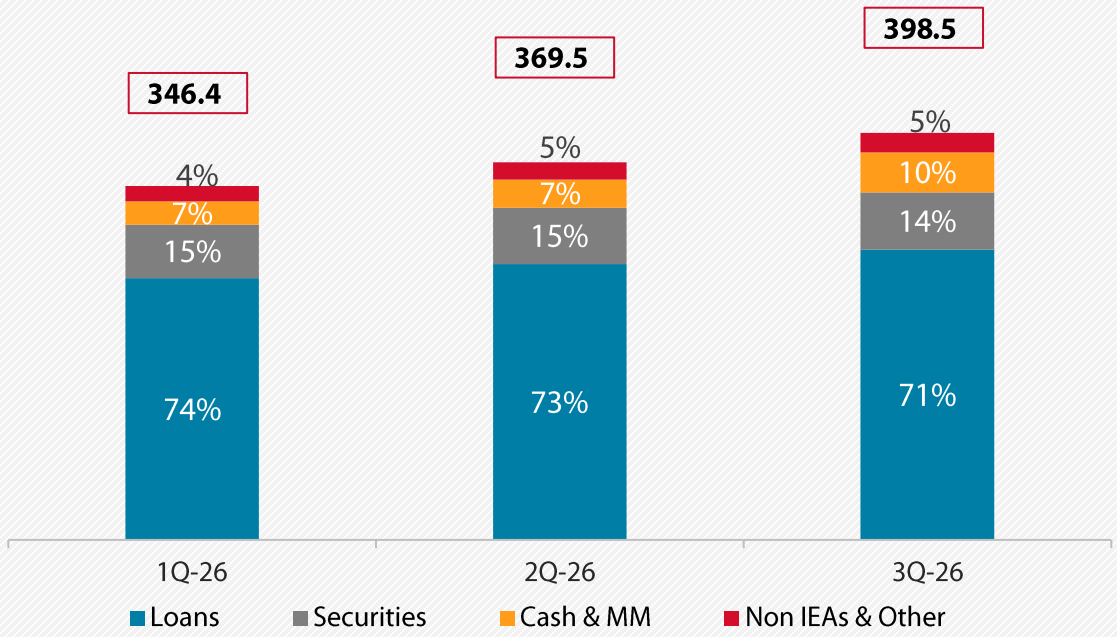
## Maturity Profile of External Debt - USD mn



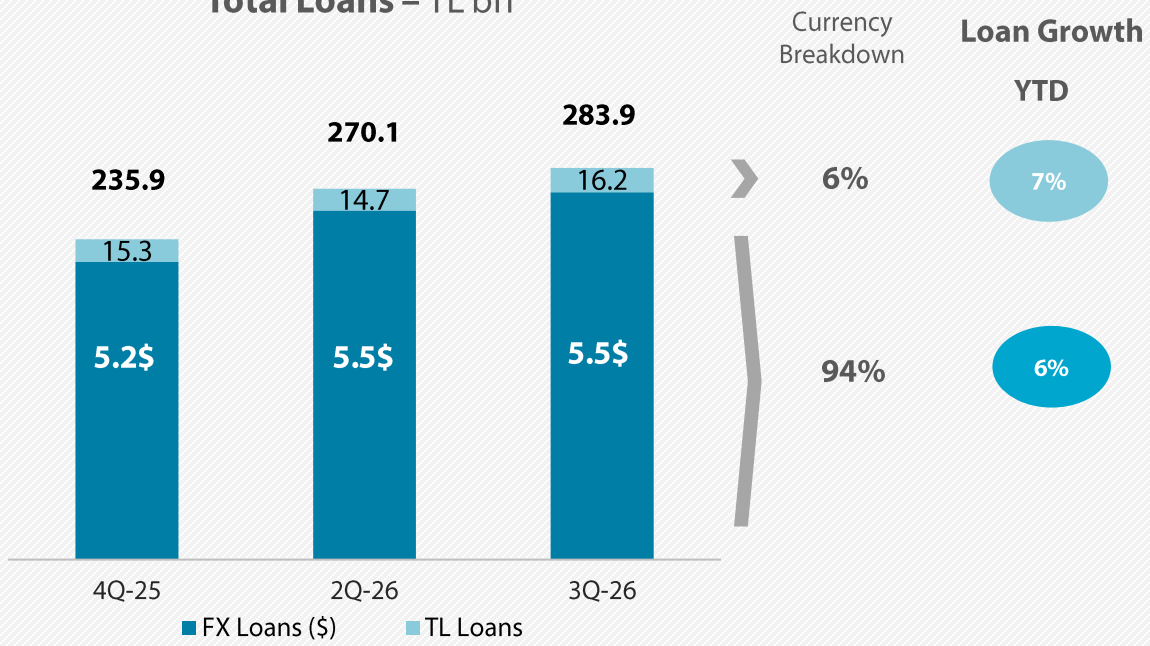

** USD 300 million AT-I Eurobond has a call option in 2029.*

# Sustaining Growth Through a Healthy Asset Base

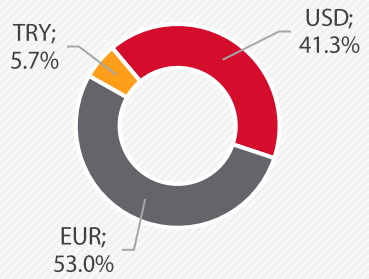
## Asset Composition – TL bn



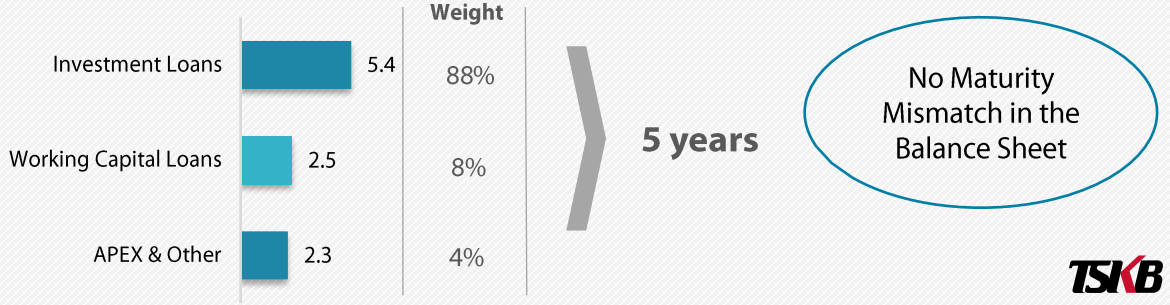

## Total Loans – TL bn




## 3Q-26 Loans by Currency

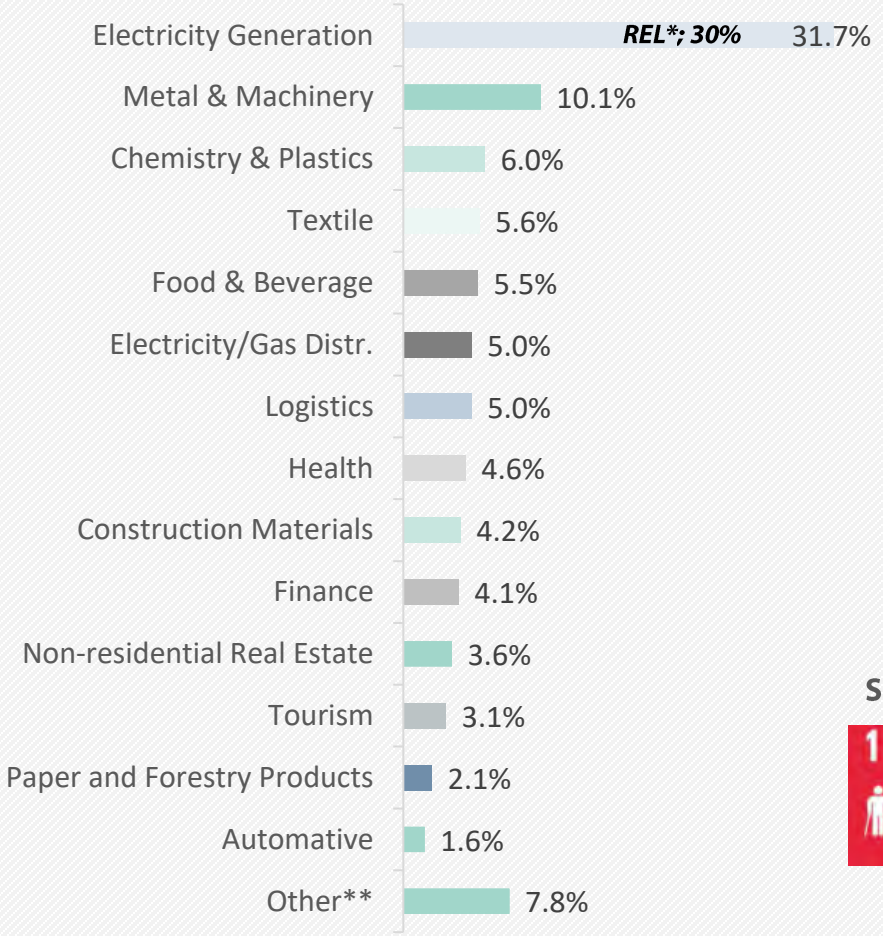



## Remaining Average Maturity - Years



# New long-term loan disbursements reached USD 1.8 bn, representing a real growth 8.1%

## Outstanding Loan Portfolio by sector 3Q-26



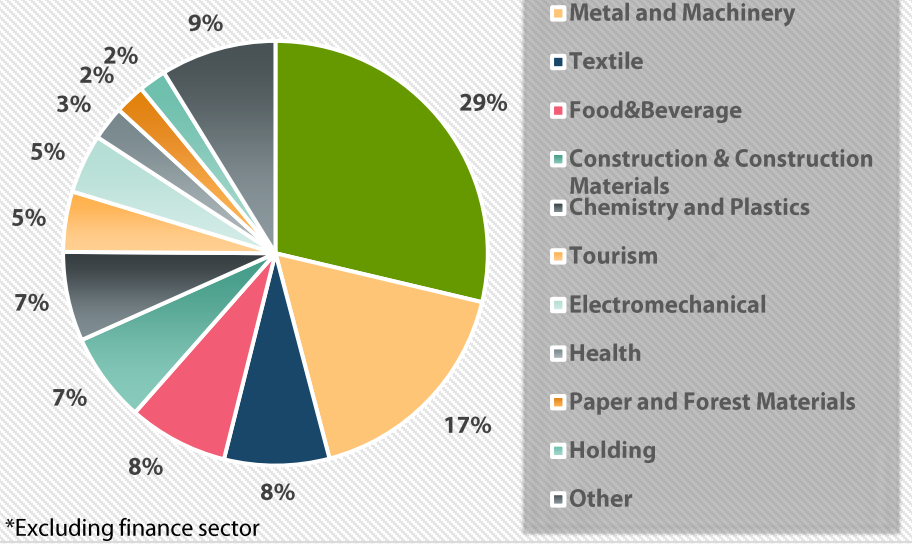

**95%** of which is Renewable Energy where **73%** benefits feed in tariff & **5%** is YEKA projects

| | 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

## 3Q26 Loan Disbursements*




*Excluding finance sector

## Substantially Supported SDGs through Loan Activities

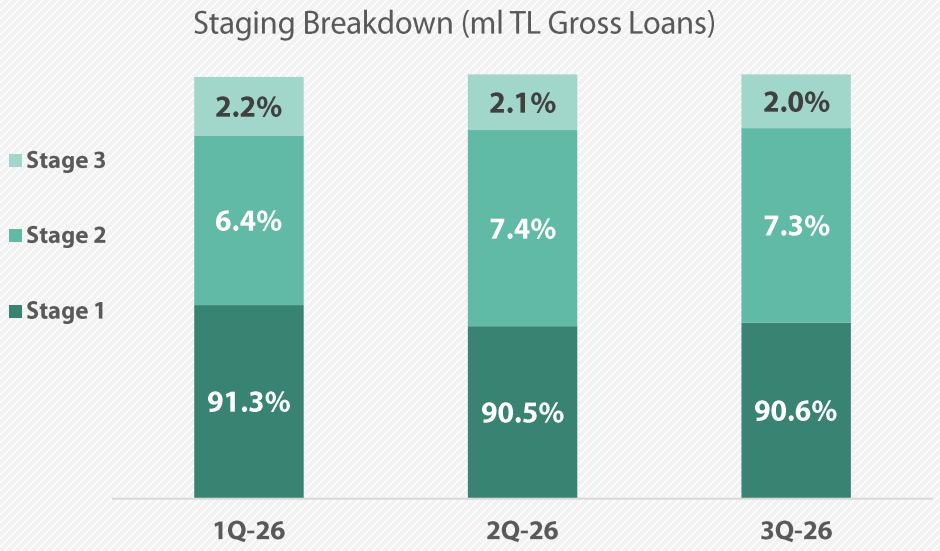



SDG-linked Loans account for **93%** of the portfolio.

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%




**33 bps**
Net CoR
*(Excl. currency impact)*

| | 1Q-26 | 2Q-26 | 3Q-26 |
|---|---|---|---|
| **Total Provision* (mn TL)** | 10,659 | 11,474 | 12,072 |
| **Stage 1** | 1,123 | 1,087 | 1,149 |
| **Stage 2** | 5,320 | 6,176 | 6,682 |
| **Stage 3** | 4,216 | 4,211 | 4,242 |

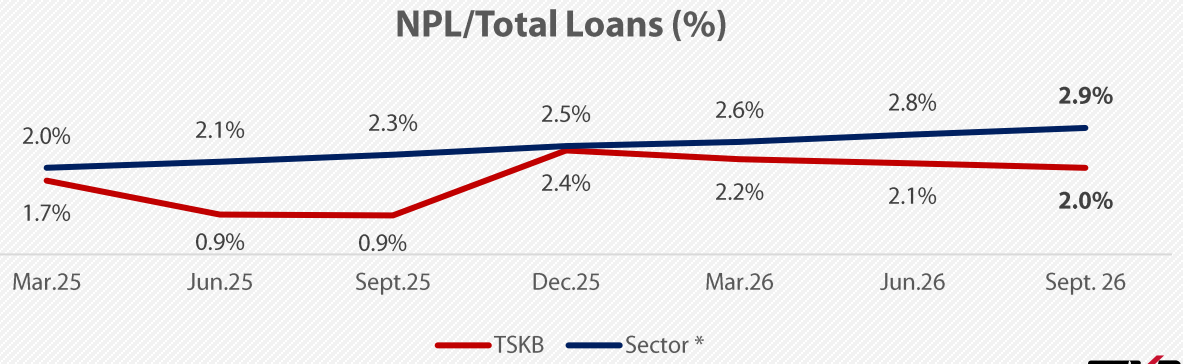
| | 1Q-26 | 2Q-26 | 3Q-26 |
|---|---|---|---|
| **Total Coverage** | 4.2% | 4.2% | 4.3% |
| **Stage 1** | 0.5% | 0.4% | 0.4% |
| **Stage 2** | 32.3% | 31.1% | 32.1% |
| **Stage 3** | 74.1% | 74.0% | 73.7% |

**Only cash loans are taken into consideration.*

- %86 of Stage 2 & %31 of NPL portfolios are **restructured**
- Total NPL Coverage: **174%***
- Total Stage 2 Coverage: **127%****

**Free Provision stock was fully released ytd.**

- -300 mn TL reversal in 1Q26
- -400 mn TL reversal in 2Q26
- -400 mn TL reversal in 3Q26

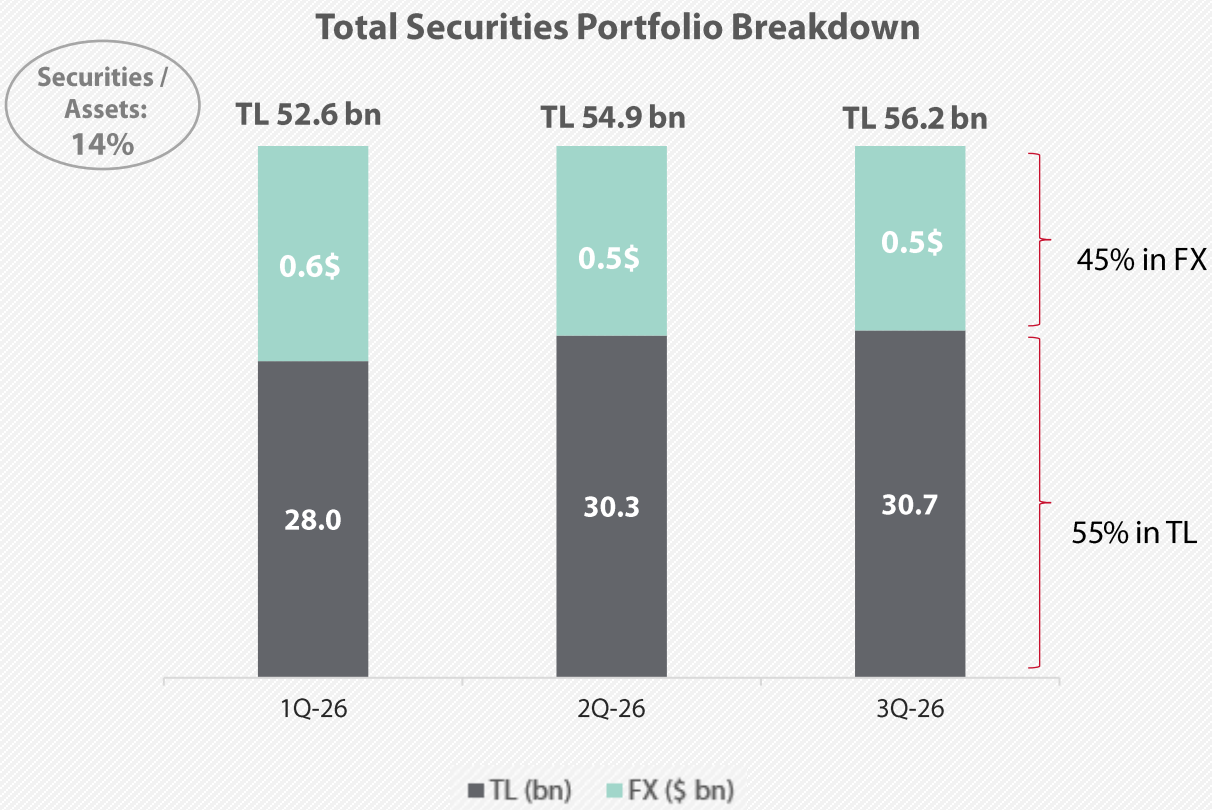



**All Stage 3 loans are converted to TL*
** *Hard collateral & provisions are taken into consideration*

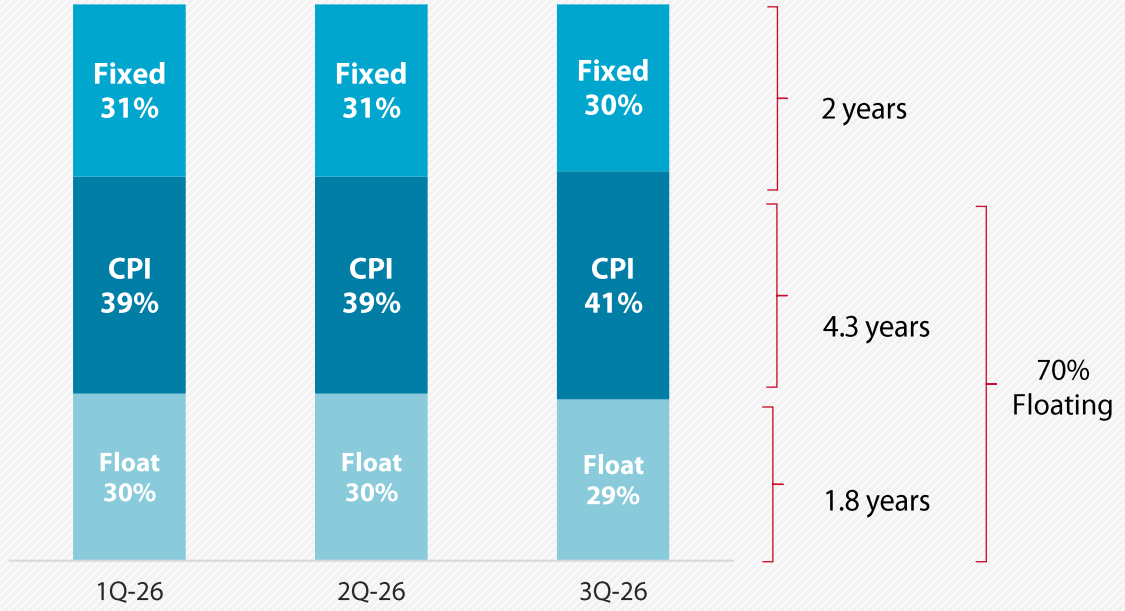
** BRSA monthly data as of August-26*

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

## Total Securities Portfolio Breakdown



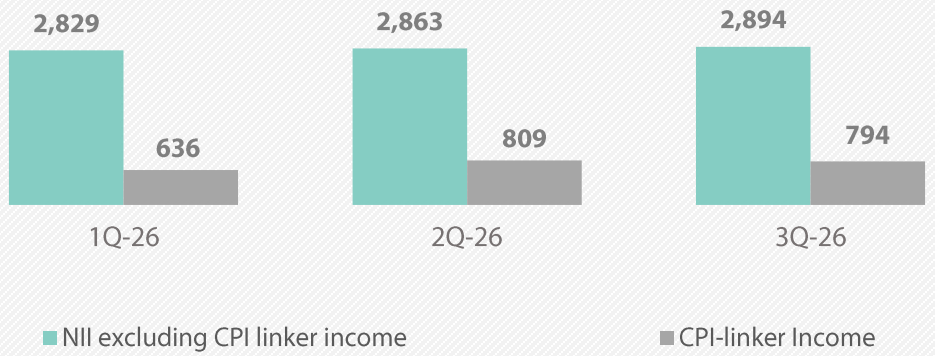

## TL Securities Portfolio Breakdown*



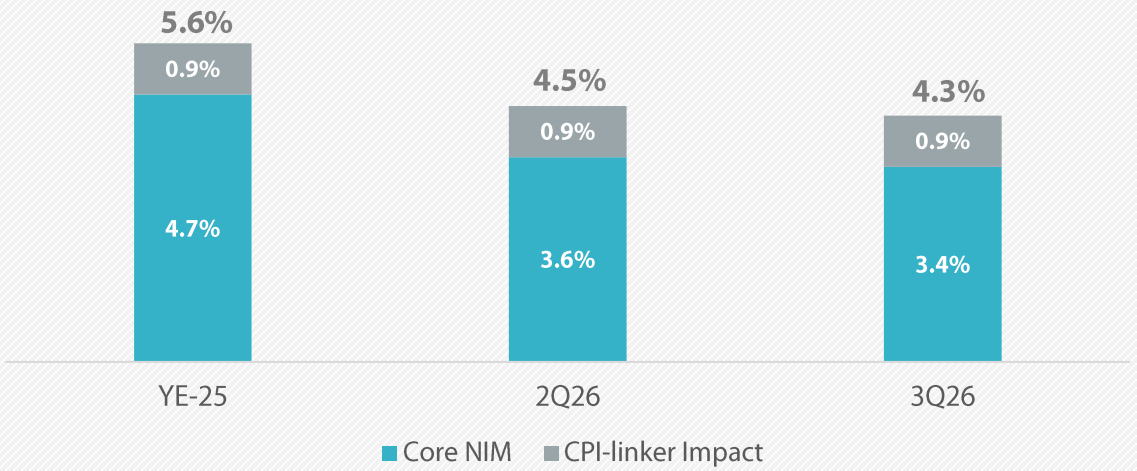

** Audit report values are taken into account*

# Strong and resilient NII supported by consistent loan and security spreads

## Evolution of NIM Components (TL mn)




## Annualized NIM

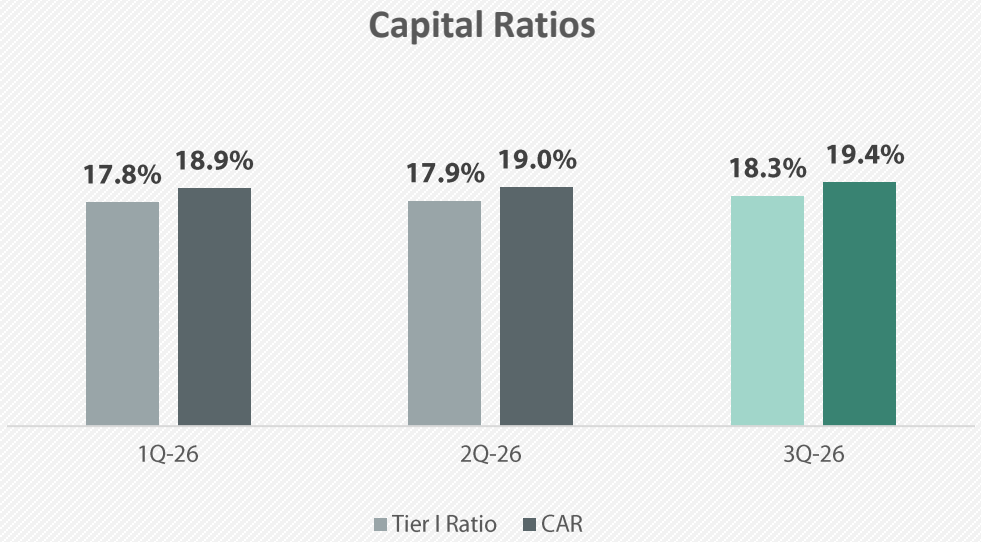


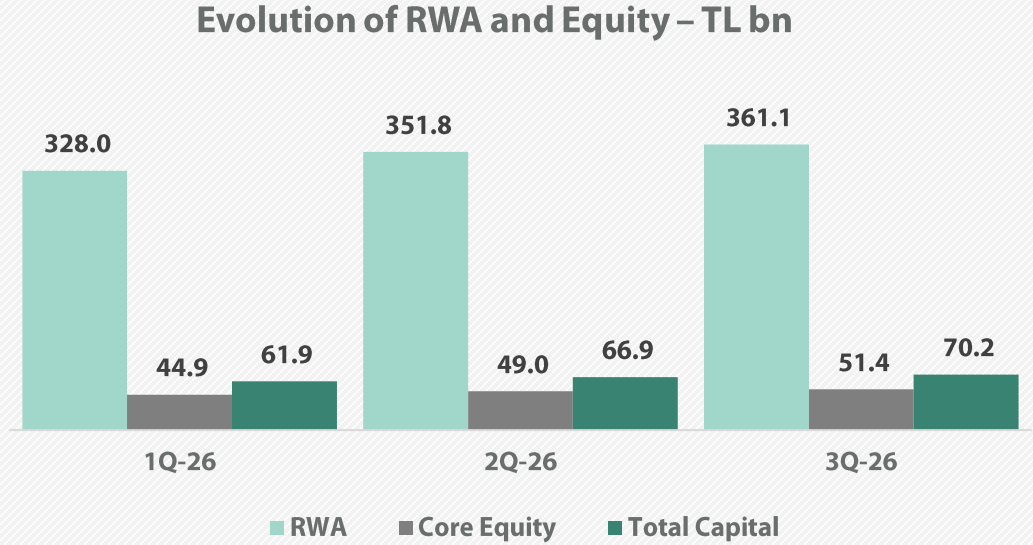

- ✓ **Strong and resilient NII generation continued on the back of steady loan spreads as well as strategically managed security portfolio and other treasury activities.**
- ✓ **NII excluding CPI linker gains was flat qoq and on a yearly cumulative basis.**
- ✓ **CPI-linker assumption is 28.7%, which was revised in 2Q26.**
- ✓ **Swap costs tripled with increasing amount of swap usage driven by extra liquidity in 3Q26. Money market transactions supported NII generation.**

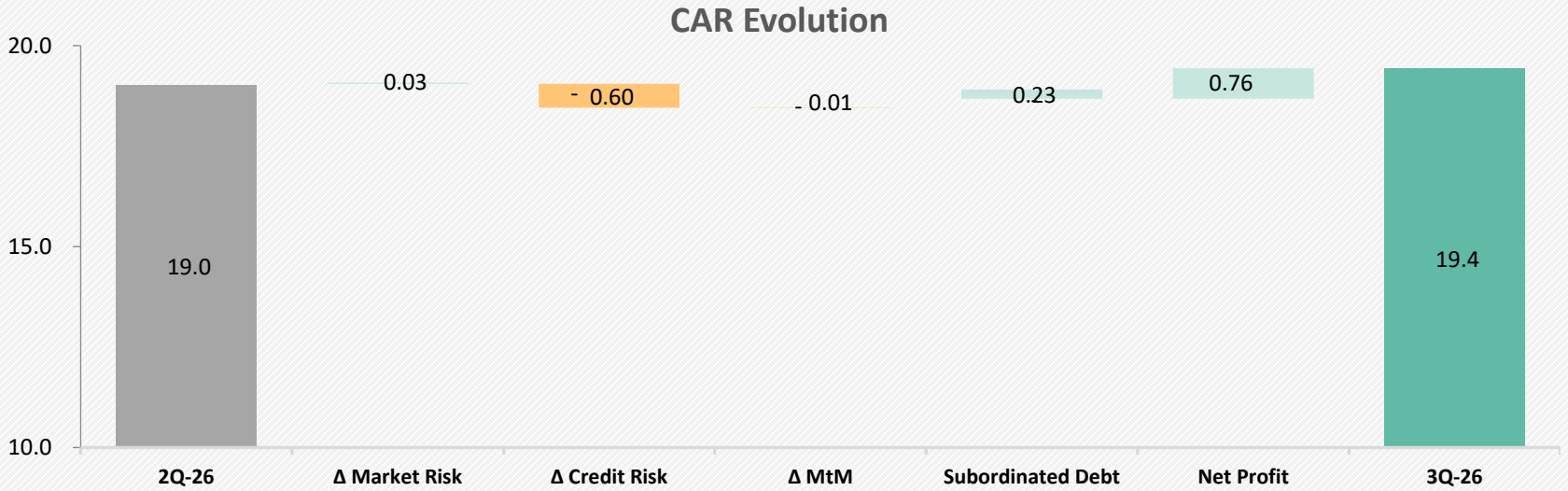


**IEA Evolution can be seen in the Appendix*

# Maintained strong solvency metrics supports our growth strategy

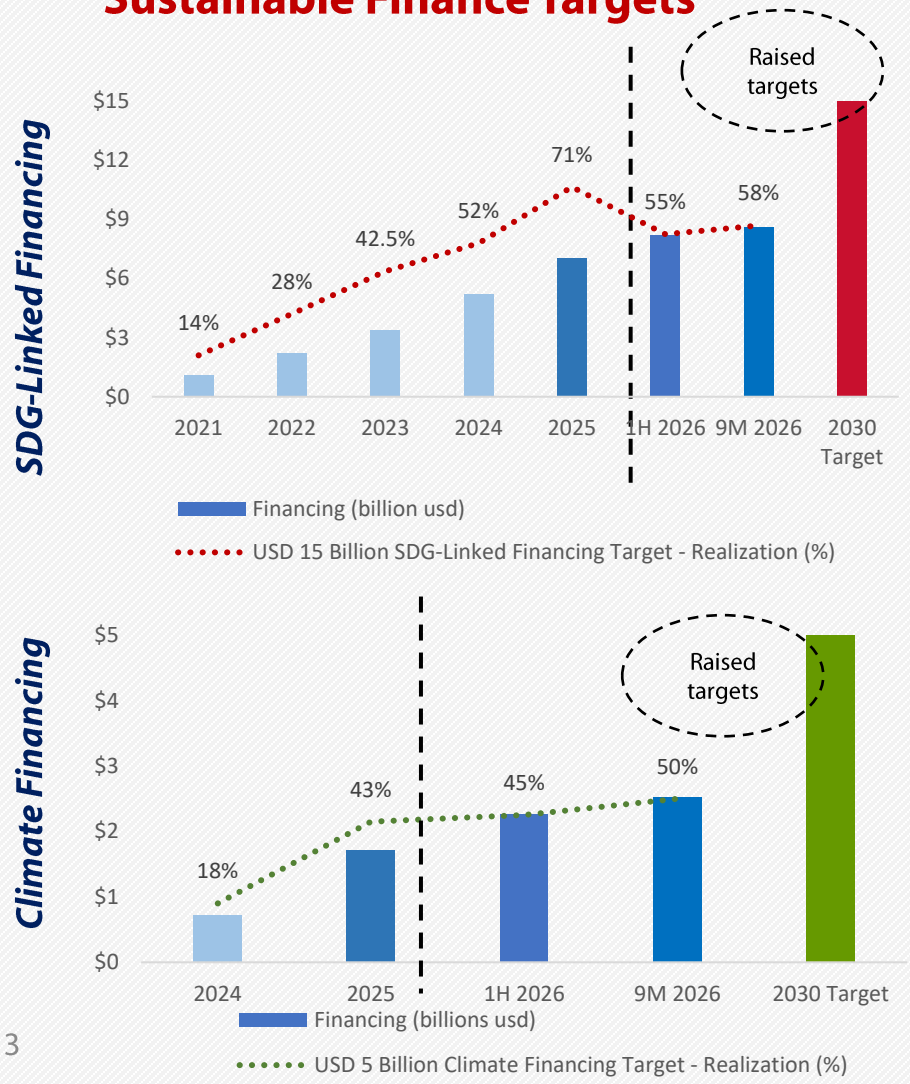


# 3Q26 Sustainable Banking Highlights

## Sustainable Finance Targets




**Road to Antalya**
The Bank will contribute to climate action as one of the COP31 Climate Supporters. As part of COP31, which will be hosted by Türkiye from 8 to 20 November, the Bank will share its climate vision through panels and events to be held at its pavilion in the Green Zone Finance Hub.

**Two New Investments Under the TGF**
TSKB has made 2 more new investments under the Türkiye Green Fund, established with funding provided by the World Bank under the guarantee of the Republic of Türkiye's Ministry of Treasury and Finance.

**Istanbul Climate Finance Summit**
The Bank participated in the Istanbul Climate Finance Summit, taking part in five sessions addressing topics aligned with COP31's focus areas. Through its participation, the Bank contributed to efforts in climate finance and climate action while sharing its approach in line with COP31 priorities.

**Inclusive Language Guide**
In collaboration with Kadir Has University, TSKB prepared the TSKB Inclusivity Journey and Communication Guide. Through the Inclusive Language Dictionary, which complements the Guide, the Bank aims to promote the use of more inclusive, considerate and bias-free language in its day-to-day communications.



# *Appendix*

# Appendix: Balance Sheet

| TL mn | 31.03.2026 | | | 30.06.2026 | | | 30.09.2026 | | |
|---|---|---|---|---|---|---|---|---|---|
| | TL | FX | TOTAL | TL | FX | TOTAL | TL | FX | TOTAL |
| Cash and Banks | 7,706 | 15,135 | 22,841 | 19,047 | 8,675 | 27,722 | 31,456 | 7,804 | 39,260 |
| Securities | 28,036 | 24,442 | 52,478 | 30,277 | 24,592 | 54,868 | 30,715 | 25,495 | 56,210 |
| Loans (Gross) | 15,841 | 240,240 | 256,081 | 14,691 | 255,393 | 270,084 | 16,250 | 267,673 | 283,923 |
| Provisions | - 4,303 | - 6,371 | - 10,674 | - 4,318 | - 7,174 | - 11,492 | - 4,346 | - 7,746 | - 12,091 |
| Subsidiaries | 13,485 | 1,286 | 14,770 | 15,131 | 1,355 | 16,485 | 15,767 | 1,504 | 17,271 |
| Other | 8,604 | 2,291 | 10,895 | 10,072 | 1,723 | 11,795 | 12,638 | 1,261 | 13,899 |
| **Total** | **69,369** | **277,022** | **346,391** | **84,899** | **284,563** | **369,463** | **102,480** | **295,991** | **398,471** |
| ST Funds | - | 14,662 | 14,662 | - | 13,084 | 13,084 | - | 14,951 | 14,951 |
| LT Funds | - | 174,216 | 174,216 | - | 201,848 | 201,848 | - | 215,234 | 215,234 |
| Securities Issued | - | 51,555 | 51,555 | - | 56,051 | 56,051 | - | 71,157 | 71,157 |
| Repo & MM | 16,044 | 19,258 | 35,303 | 15,936 | 7,307 | 23,244 | 16,712 | 5,180 | 21,892 |
| Other | 3,555 | 7,433 | 10,988 | 3,038 | 7,662 | 10,700 | 2,765 | 4,906 | 7,672 |
| Subordinated Debt | - | 13,297 | 13,297 | - | 14,285 | 14,285 | - | 14,653 | 14,653 |
| Shareholders' Equity | 46,033 | 338 | 46,371 | 49,852 | 399 | 50,251 | 52,423 | 490 | 52,912 |
| **Total** | **65,632** | **280,759** | **346,391** | **68,827** | **300,636** | **369,463** | **71,900** | **326,570** | **398,471** |

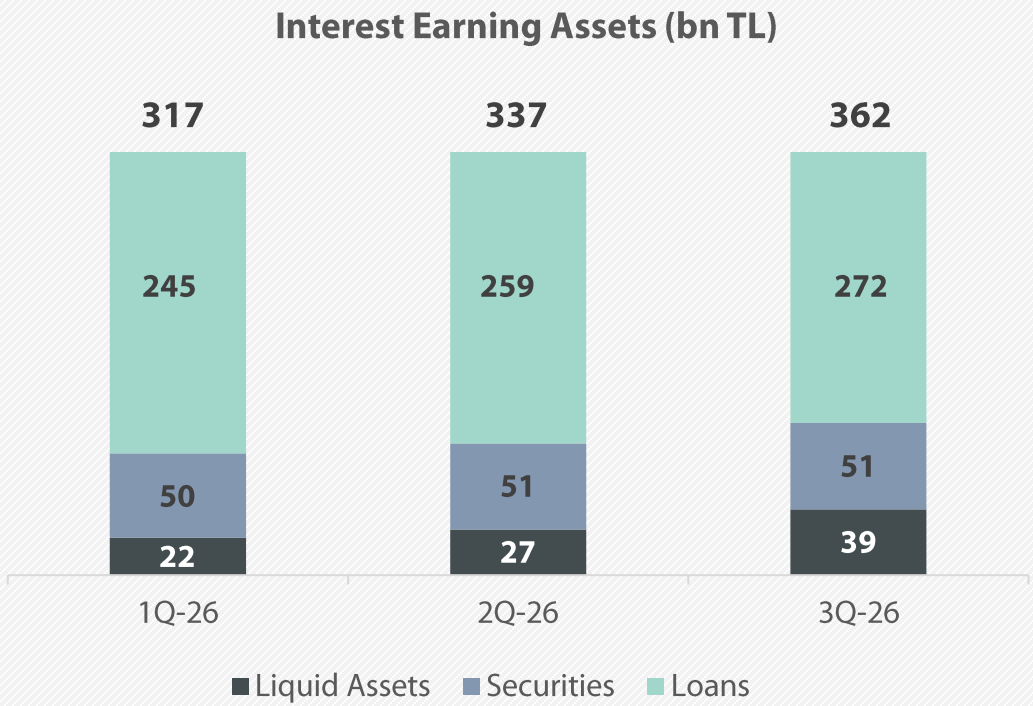
# Appendix: Detailed Income Statement

| TL mn | 9M-25 | 9M-26 | YoY | 2Q-26 | 3Q-26 | QoQ |
|---|---|---|---|---|---|---|
| **Net Interest Income inc. Swap Cost** | **10,685** | **10,825** | **1%** | **3,672** | **3,688** | **0.5%** |
| NII exc. CPI & Swap cost | 10,238 | 11,806 | 15% | 3,481 | 4,851 | 39% |
| CPI Linkers Income | 2,188 | 2,239 | 2% | 809 | 794 | -2% |
| Swap Costs (-) | 1,741 | 3,220 | 85% | 618 | 1,957 | 217% |
| **Net Fees & Commissions** | **302** | **525** | **74%** | **204** | **194** | **-5%** |
| **Other Income** | **2,572** | **1,421** | **-45%** | **432** | **432** | **0%** |
| Dividends | 10 | 57 | 495% | 7 | 0 | -100% |
| Other | 1,813 | 264 | -85% | 424 | 432 | 2% |
| *Reversals from Free Provisions* | 750 | 1,100 | 47% | 400 | 400 | 0% |
| **Trading & FX gains/losses** | **866** | **697** | **-20%** | **236** | **75** | **-68%** |
| FX gains/losses | 483 | 551 | 14% | 116 | 159 | 37% |
| Trading & MtM gain/loss | 383 | 146 | -62% | 120 | -84 | -170% |
| **Banking Income** | **14,424** | **13,467** | **-7%** | **4,543** | **4,389** | **-3%** |
| OPEX (-) | 2,426 | 3,502 | 44% | 1,242 | 1,156 | -7% |
| **Net Banking Income** | **11,999** | **9,965** | **-17%** | **3,301** | **3,233** | **-2%** |
| **Provisions** | **1,763** | **1,548** | **-12%** | **854** | **639** | **-25%** |
| ECL (-) | 1,693 | 1,548 | -9% | 854 | 639 | -25% |
| Free & Other Provisions | 70 | 0 | -100% | 0 | 0 | n.m. |
| **Income From Subsidiaries** | **1,842** | **2,220** | **21%** | **1,080** | **768** | **-29%** |
| **Pre-Tax Income** | **12,078** | **10,637** | **-12%** | **3,527** | **3,362** | **-5%** |
| Tax (-) | 2,793 | 2,130 | -24% | 575 | 667 | 16% |
| **Net Income** | **9,285** | **8,507** | **-8%** | **2,952** | **2,695** | **-8.7%** |

*"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 7% QoQ and 29% YoY, which was driven by
  - High FX denomination
  - Growth strategy

# Appendix: Stage 2 Loans Breakdown

| Stage 2 Loans | | |
|---|---|---|
| **Sector** | **%** | **Coverage (%)** |
| Electricity Generation | 36 | 36.3 |
| Non-residential Real Estate | 29 | 21.7 |
| Electricity/Gas Distribution | 14 | 51.8 |
| Electromechanics | 10 | 35 |
| Telecom/Logistics | 3 | 8.5 |
| Automotive Supply Industry | 3 | 30 |
| Metal and Machinery | 1 | 10 |
| Health | 0 | 50 |
| Other | 4 | 17.5 |
| ***TOTAL*** | ***100*** | ***32*** |

67% of Electricity Generation loans are Renewable

# Appendix: Net Cost of Risk Calculation

| **Provisions (TL mn)** | **3Q26** |
|---|---|
| Stage 1* | 82 |
| Stage 2** | 506 |
| Stage 3 | 51 |
| **Reversals*** (TL mn)** | **-64** |
| **Net CoR** | **77 bps** |
| *Currency Impact* | *44 bps* |
| ***Net CoR excl. currency Impact*** | ***33 bps*** |

**Stage 1 provision costs are adjusted with TL 10.0 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**
2 (63/100)
First place in Türkiye
Above global average

LSEG DATA & ANALYTICS

**LSEG ESG Score**
**82**
BIST Sustainability Index

S&P Global

**S&P Global CSA**
**52**
Newly joined

MSCI

**MSCI ESG Rating**
**BB**
Newly joined

FitchRatings

ESG Credit Relevance Score
**3**
Neutral-to-minimal

Moody's

ESG Credit Impact Score
**2**
Neutral-to-low



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