

The Industrial Development Bank of Türkiye

*Earnings Presentation
4Q-24 Bank-only Results*



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➤ Outstanding YE figures in line with YE-24 Guidance

Financial Guidance (Bank Only)	YE24 Figures %	YE24 Guidance %
Growth		
FX Adjusted Loan Growth	11.6	Low Teens
Profitability		
Net Interest Margin	6.3	~6
Fees & Commissions Growth	13	> avg. CPI
Return On Equity	38.5	~40
Efficiency		
OPEX Growth	88	> avg. CPI
Solvency*		
Capital Adequacy Ratio	21.8	~20.0
Tier I Ratio	20.6	~19.0
Asset Quality		
NPL Ratio	2.2	<3
Net Cost of Risk (excluding currency impact)	-60 bps	<50 bps

*Excluding BRSA's measures

➤ TSKB's Differentiating Performance Highlights Among the Sector

Continuous Earnings Growth given the Bank's solid and resilient core NII generation

**c.12%
Solid loan growth performance with more than 1.8 bn USD
LT cash loan disbursements**

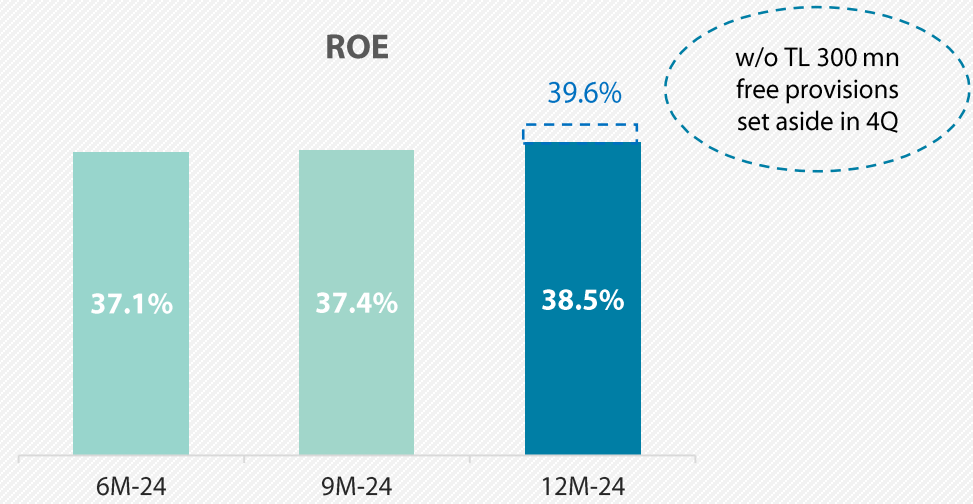
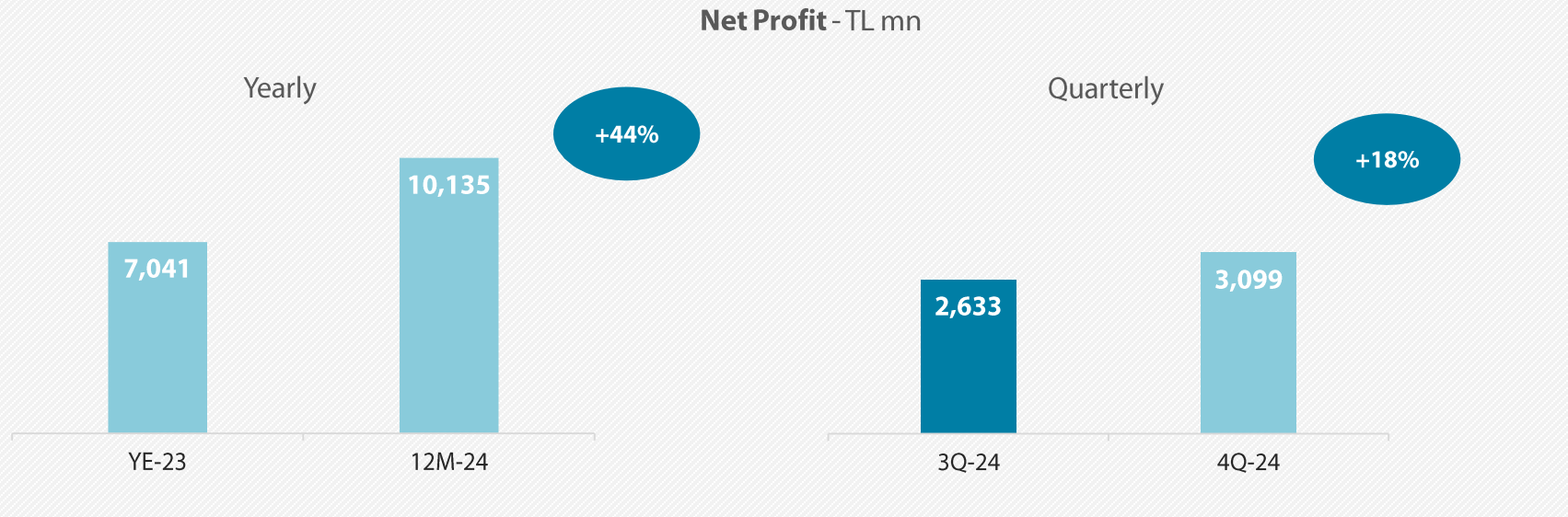
Record high FX funding surpassing 1.7 bn USD with the diversification focus

- *300 mln USD AT-1 Issuance*
- *350 mln USD senior Eurobond*
- *6 DFI Loan agreements w/2 new comers*

**Further improved & intact asset quality
Supportive, above sector provision reserves**

Distinguished and comfortable solvency buffers supporting our growth strategy

Superior QoQ and YoY Earnings Performance



Strong coverage, maintained and increased free provision stock will further support profitability

- ✓ Total coverage ratio stands at 4.8%
- ✓ Stock of free provisions 2.050 mln TL

➤ Remarkable Earnings Performance with Strong Solvency and Liquidity

TL mn	12M-23	12M-24	YoY	3Q-24	4Q-24	QoQ
Net Interest Income	9,564	11,968	25%	3,198	3,469	8%
Trading Income	2,371	1,143	-52%	195	264	35%
Net Commissions	453	514	13%	119	101	-15%
Other Income (Inc. Dividend)	249	895	259%	376	344	-9%
Banking Income	12,638	14,520	15%	3,888	4,178	7%
OPEX (-)	1,189	2,238	88%	552	675	22%
Net Banking Income	11,449	12,282	7%	3,336	3,502	5%
Provisions (-)	4,043	884	-78%	-50	283	n.m.
Income From Participations	1,886	2,280	21%	226	1,017	350%
Tax Provisions (-)	2,251	3,544	57%	979	1,138	16%
Net Profit	7,041	10,135	44%	2,633	3,099	18%

Solid NII generation

Hefty and supportive provisioning base

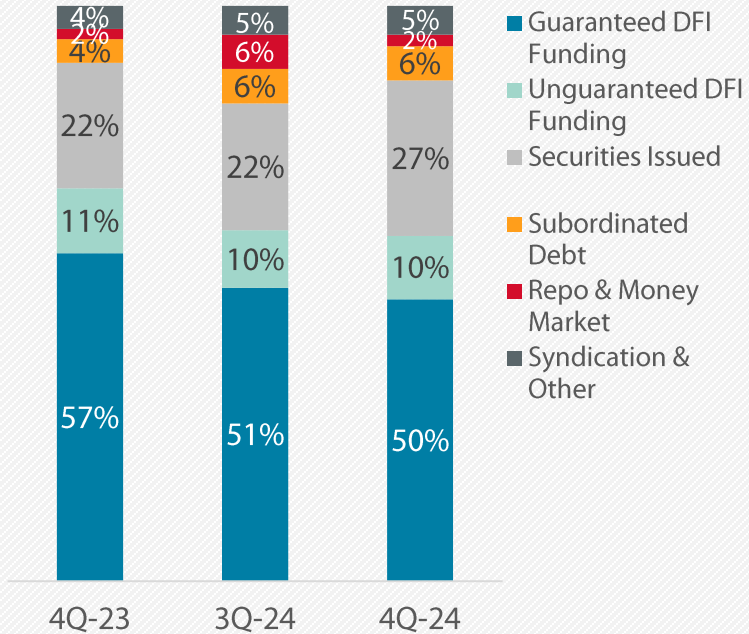
Strong collections and further asset quality improvements with no retail loan exposure

Differentiating solvency ratios supported by internal capital generation capability

- 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

TSKB secured record high FX funding in 2024 which surpassed USD 1.7 billion

Funding / Total Liabilities (exc. Equity & Oth.)

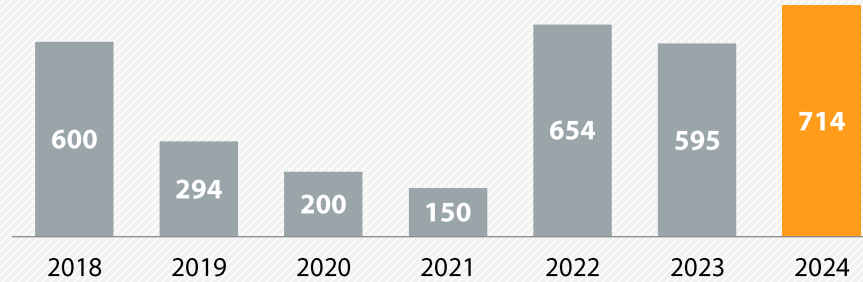


~ USD 1,097 mn & 95% Guaranteed Non-Withdrawn DFI Funding

Climate + Environment	64%
Earthquake Related Green Recovery	27%
Inclusiveness	9%

FX Liquidity Coverage Ratio
~467%

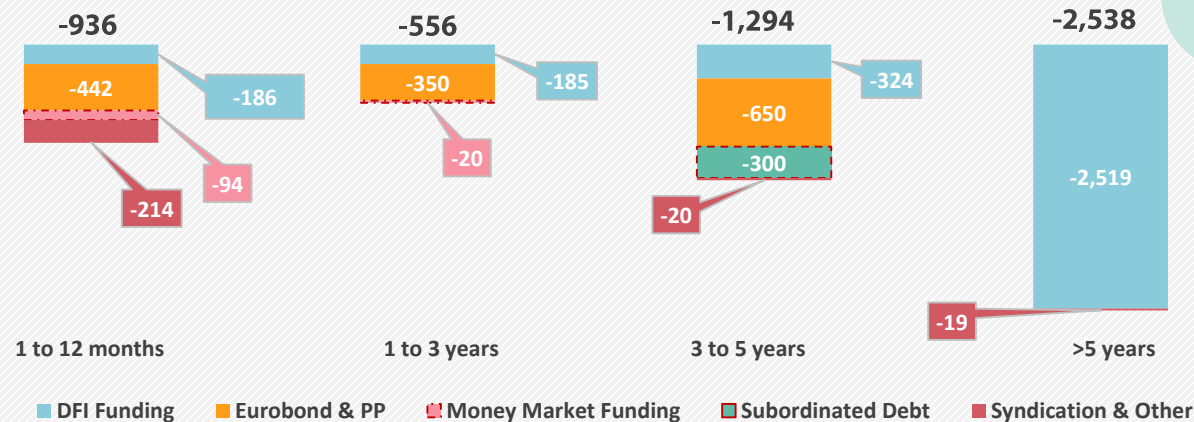
Yearly Multilateral Funding Agreements – USD mn



Wholesale Funding in 2024

- ✓ **AT-1 Eurobond** | USD 300 million
- ✓ **Syndication** | USD 190 million
- ✓ **PP & Other** | USD 216 million
- ✓ **IBRD** | USD 345 million
- ✓ **AFD & CDP** | EUR 100 million
- ✓ **ITFC** | USD 50 million
- ✓ **EBRD** | EUR 100 million
- ✓ **Senior Eurobond** | USD 350 million
- ✓ **IFC** | USD 100 million

Maturity Profile of External Debt - USD mn

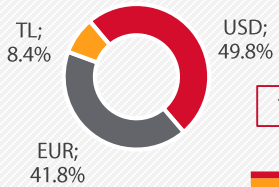


DFI Funding Eurobond & PP Money Market Funding Subordinated Debt Syndication & Other

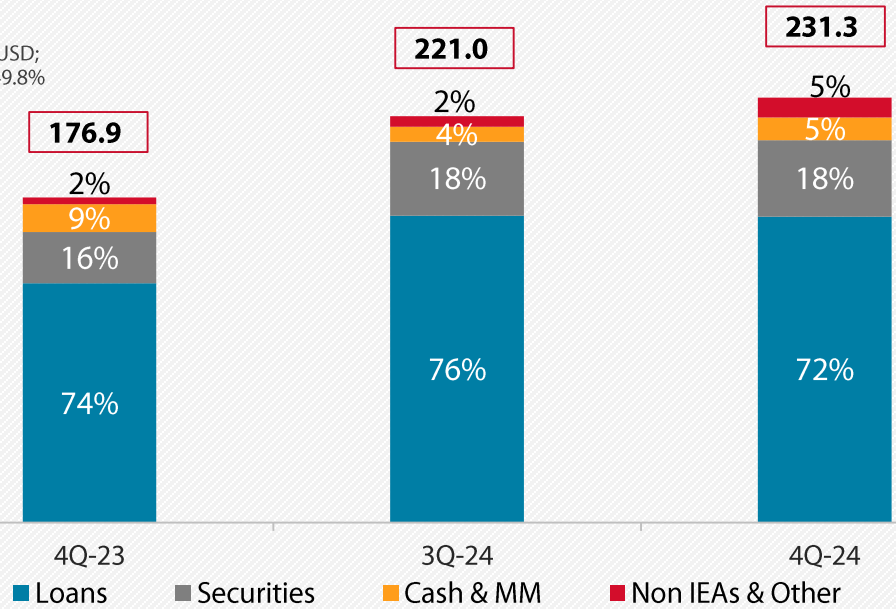
* USD 300 million AT-1 Eurobond has a call option in 2029.

Resilient Composition of Our Healthy Growing Assets

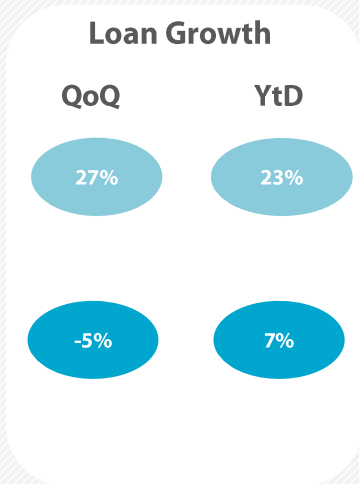
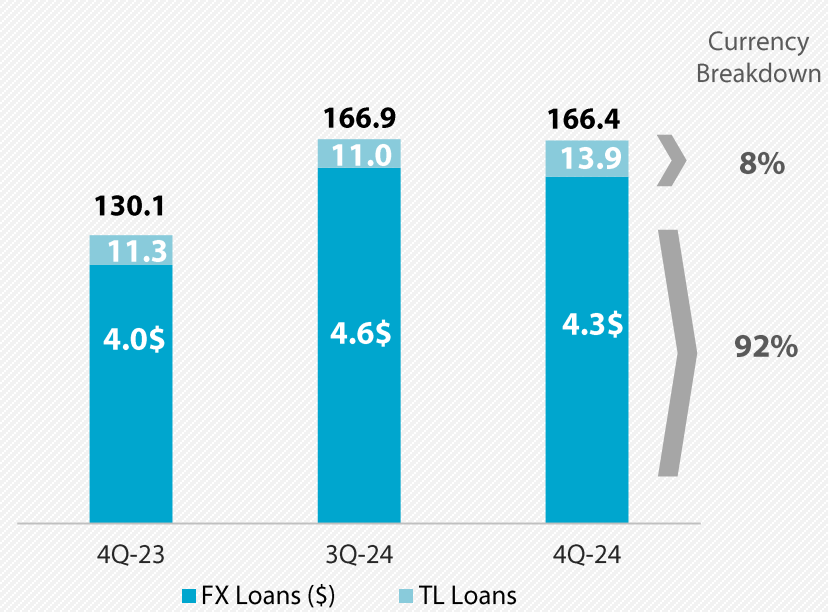
4Q-24 Loans by Currency



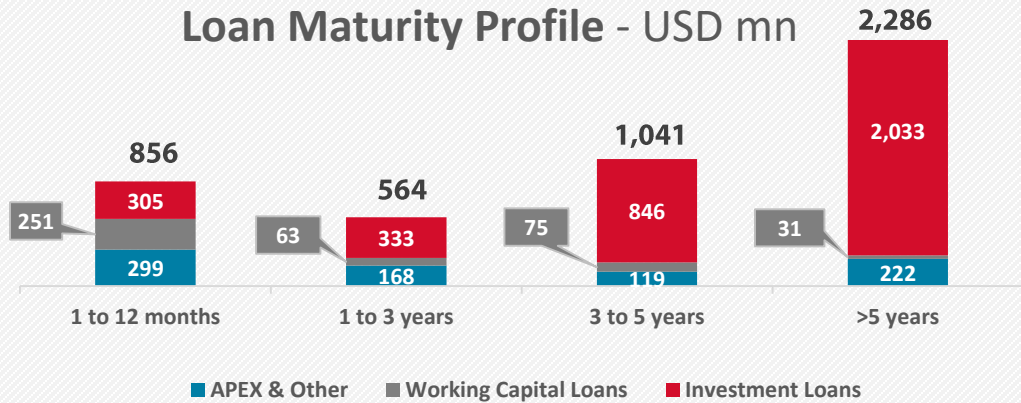
Asset Composition – TL bn



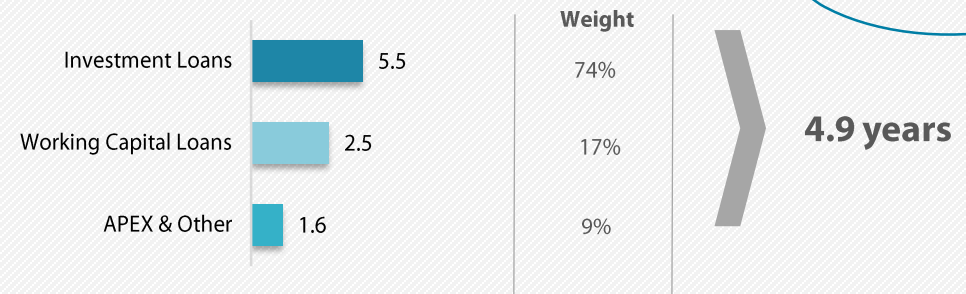
Total Loans – TL bn



Loan Maturity Profile - USD mn



Remaining Average Maturity - Years



No Maturity Mismatch in the Balance Sheet

Real Loan Growth of ~12% with Sustainable Development Focus

**In 2024,
new long term cash loan
disbursements surpassed USD 1.8 bn**

- Renewable Energy
- Energy & Resource Efficiency
- Reconstruction of Earthquake-affected Regions
- Enabling Technologies
- Infrastructure and capacity increase investments



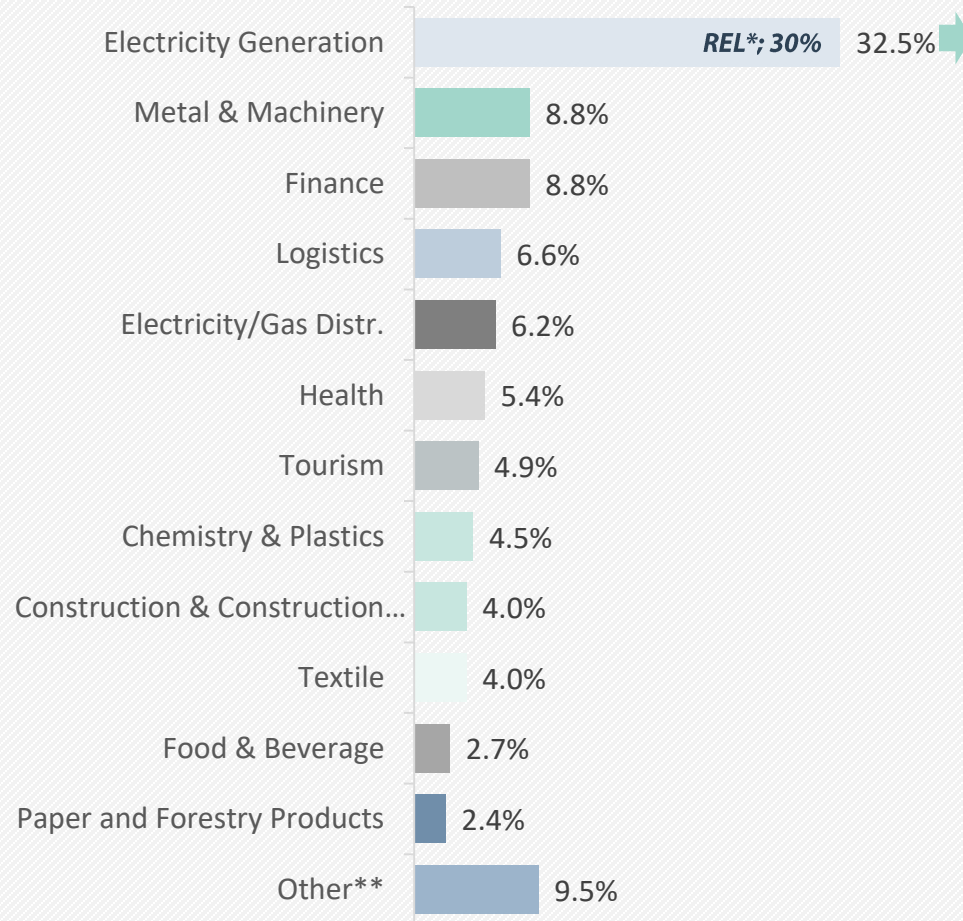
Strategic focus going forward

Transition to Low Carbon Economy

- ▽ Circular Economy
- ▽ Energy Efficiency
- ▽ Prosumer Investments
- ▽ Renewable Energy
- ▽ Enabling Industries

**Reconstruction of Earthquake-affected Regions
Inclusiveness
Just Transition**

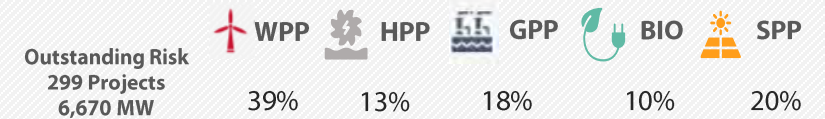
Outstanding Loan Portfolio by sector 4Q-24



* Renewable Energy Loans

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

91% of which is Renewable Energy,
where 73% benefits from Feed in Tariff



SDG-linked
Loans account
for **92%** of the
portfolio.

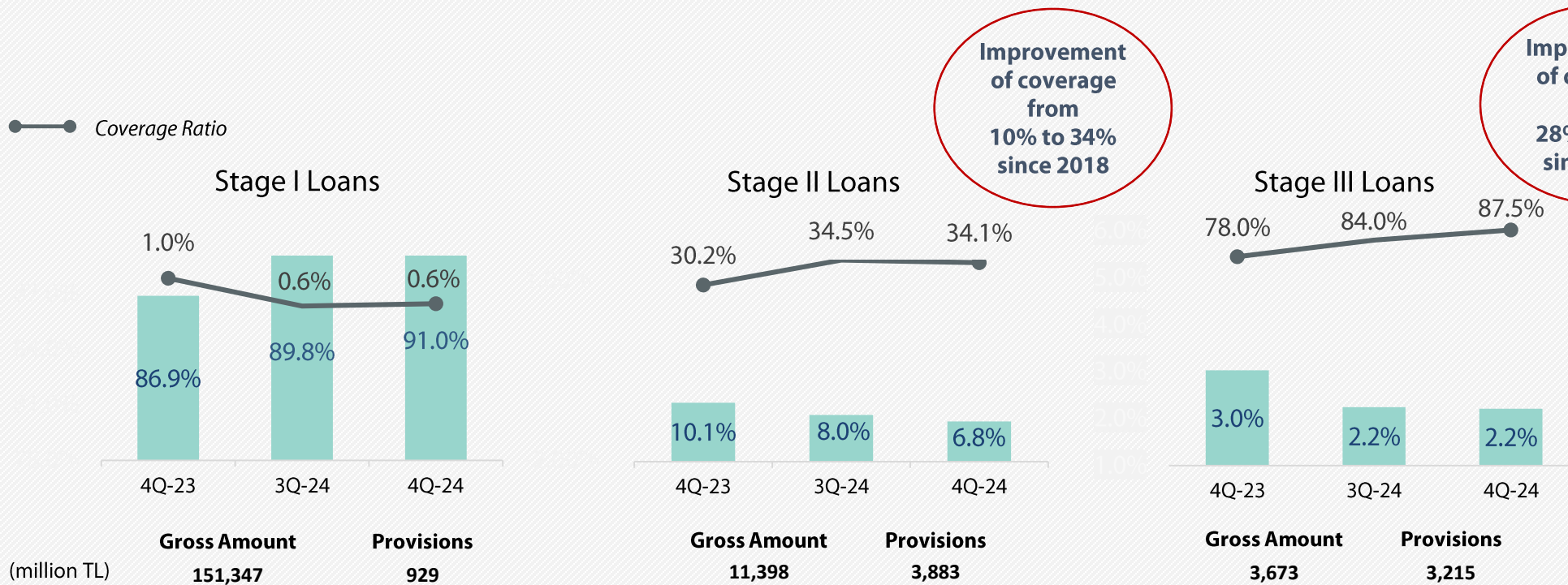
Climate and Environment
focused SDG-linked Loans
account for **~60%** of the
portfolio.

Substantially Supported SDGs through Loan Activities





Leading position on coverage was further boosted by extra free provisions.



Improvement of coverage from 10% to 34% since 2018

Improvement of coverage from 28% to 88% since 2018

- ✓ Total Coverage: **4.8%**
- ✓ Total Free Provisions: **TL 2.050 mln**
- ✓ No NPL Sales
- ✓ Total NPL Coverage: **148%***
- ✓ Total Stage 2 Coverage: **68%***

- No new inflow in 2024
- c. USD 100 mn collection inc. fully redeemed 3 files and 1 reclassification to stage 1
- A big ticket file was restructured

- No material inflow in 2024
- c. USD 10 mn collection
- Substantial decline in the NPL yoy:
 - c.20 bps impact from collections
 - 60 bps impact from loan growth

Average private sector banks' coverage in 3Q-24: **15.2%**

Average private sector banks' coverage in 3Q-24: **64.5%**

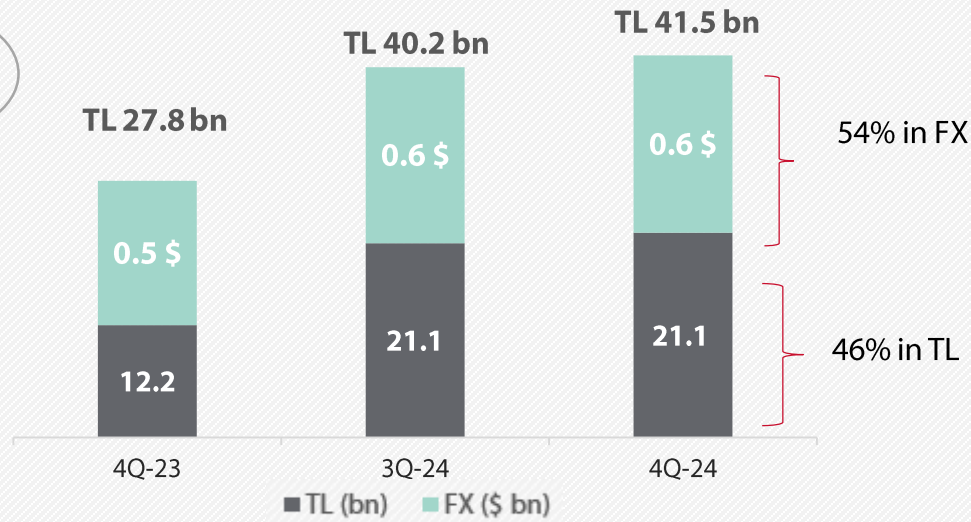
Currency adjusted net CoR -60 bps

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

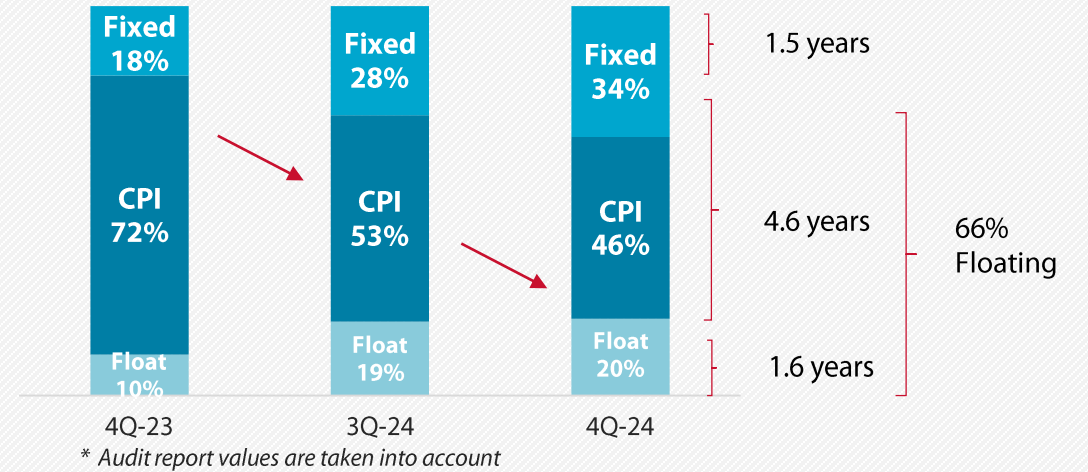
Proactive and Strategic Asset Liability Management

Securities / Assets: 18%

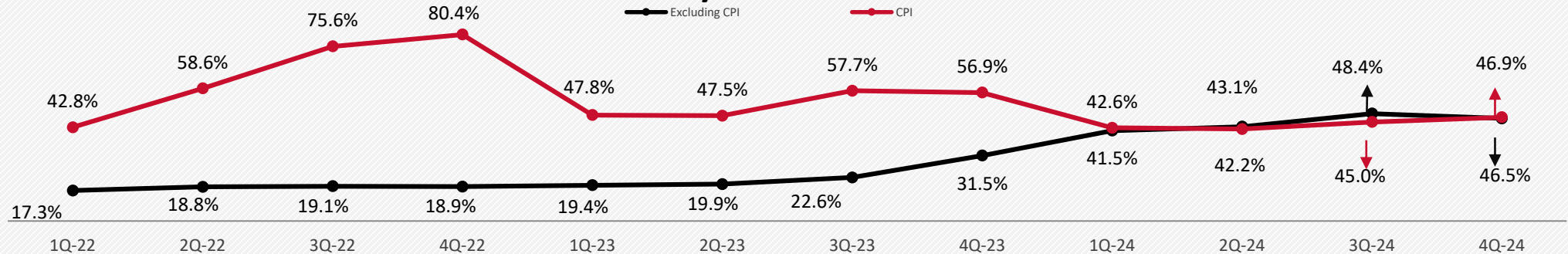
Total Securities Portfolio Breakdown



TL Securities Portfolio Breakdown*



Security Yields

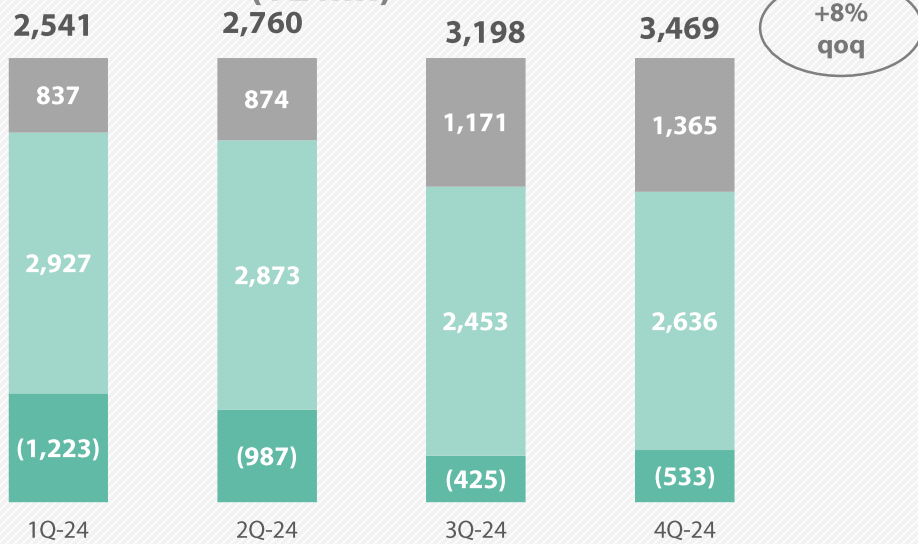


For 2024 Oct.-Oct. CPI assumption was 44.9%
For 2025 Oct.-Oct. CPI assumption is 25.2%

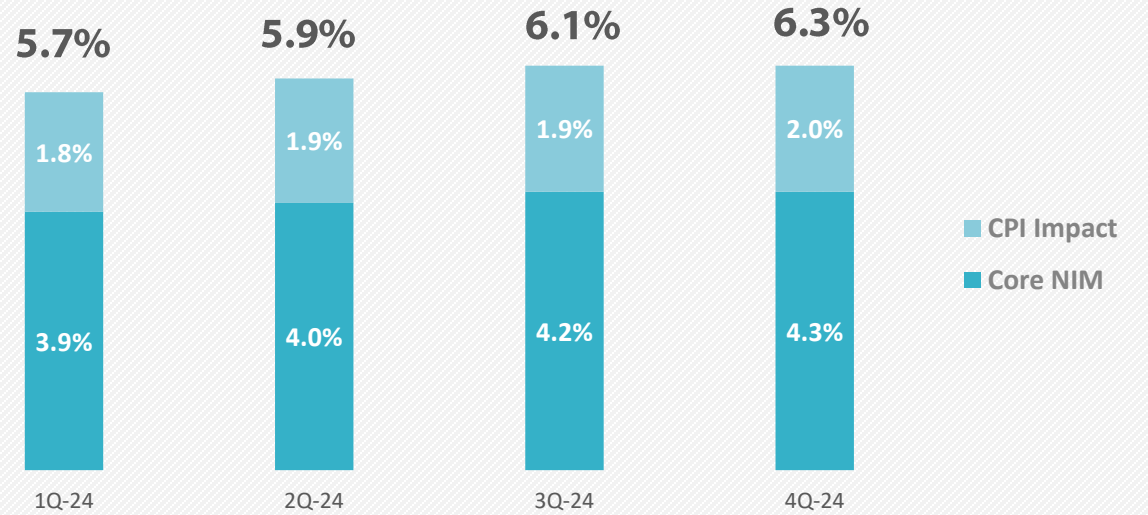
Structurally Resilient NIM given the Bank's Business Model

Quarterly Net Interest Income inc. Swap Cost

(TL mn)



Annualized NIM



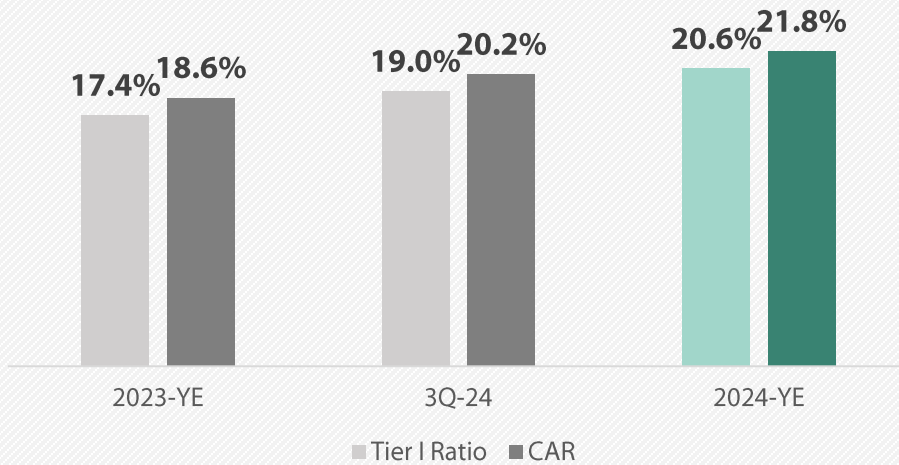
*IEA Evolution can be seen in the Appendix

- ✓ Strong and resilient NII generation
 - ✓ Proactive investment strategy
 - ✓ Solid loan extension
- ✓ 4% qoq surge in NII

- ✓ NIM evolution is in line with 2024YE expectations
 - (+) Maintained strong loan spread and improved core NIM
 - (+) Investment in high yielded securities started to pay-off
 - (+) Extra CPI-linker contribution during the last quarter
 - (-) QoQ 26% lift in swap costs, with a slight expansion in swap portfolio

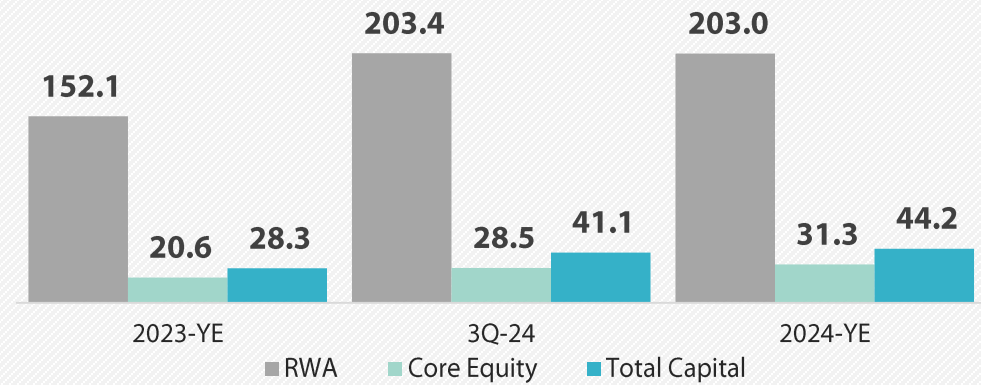
➤ Sustained and above sector solvency metrics despite strong real loan growth

Capital Ratios Without BRSA Temporary Measures



Reported Figures – CAR: 26.9% | Tier I: 25.7% | CET-I: 19.3%

Evolution of RWA and Equity – TL bn



CAR Evolution



**Free Provision Adjusted CAR: 22.8%
Tier I: 21.6%**

2024 Sustainability Snapshots

Q1-24

January

Announcement of coal phase-out plan by the end of 2035

February

Establishment of Climate Change and Sustainability Management Department

March

Publishment of the 2nd Climate Report

June

TSKB Development Day

May

#1 for gender equality in 2024 by Equileap

April

UNGC Communication on Progress (CoP)

Q2-24

Q3-24

July

IDFC Steering Committee Meeting in Istanbul

August

Publishment of Updated Sustainable Finance Framework

September

TSKB Stakeholder Workshop

Listed in

Global 100 Most Sustainable Corporations in the World
by Corporate Knights

December

12th Sustainability Workshop

November

Participation to the COP29 in Bakü

October

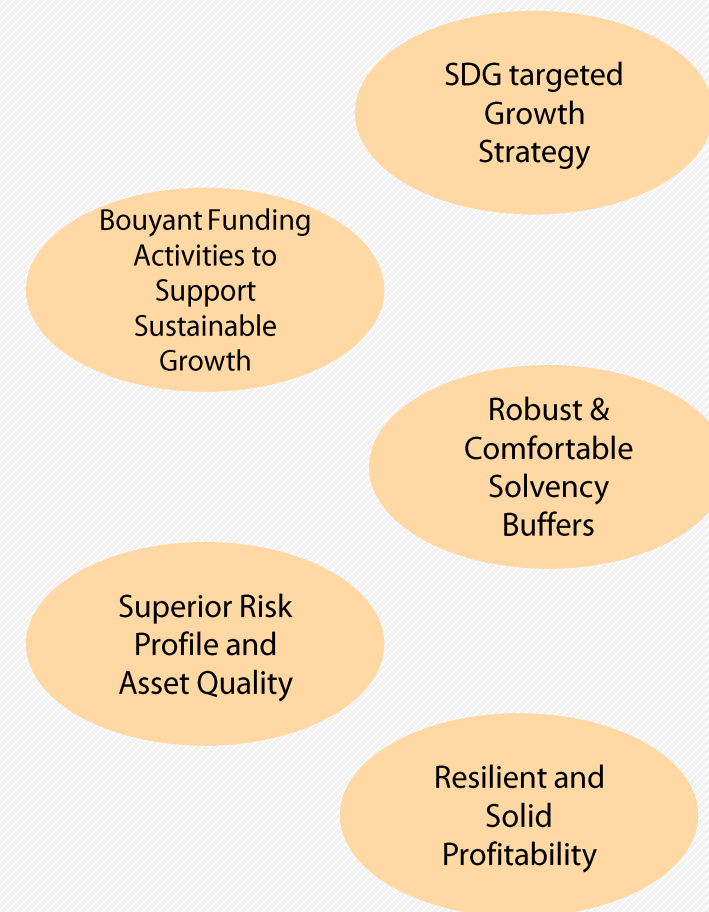
CDP Disclosure

Q4-24

YE-25 Guidance: Continuation of Real Loan Growth, Maintaining Resilient Core Margin & Strong Profitability Performance

Financial Guidance (Bank Only)	YE25 Guidance %
Growth	
FX Adjusted Loan Growth	Low Teens
Profitability	
Net Interest Margin	~5
Fees & Commissions Growth	~ CPI
Return On Equity	~30
Efficiency	
OPEX Growth	> CPI
Solvency*	
Capital Adequacy Ratio	~21.0
Tier I Ratio	~20.0
Asset Quality	
NPL Ratio	< 2.5
Net Cost of Risk (excluding currency impact)	<75 bps

*Excluding BRSA's measures





Appendix

Balance Sheet

TL mn	31.12.2023			30.09.2024			31.12.2024		
	TL	FX	TOTAL	TL	FX	TOTAL	TL	FX	TOTAL
Cash and Banks	7,427	7,699	15,126	2,179	5,977	8,156	1,928	10,553	12,480
Securities	12,177	15,663	27,839	21,092	19,137	40,230	22,207	19,275	41,483
Loans (Gross)	11,299	118,839	130,137	10,971	155,937	166,908	13,888	152,529	166,418
Provisions	- 3,920	- 4,308	- 8,228	-3,468	-5,186	-8,654	-3,534	-4,513	-8,047
Subsidiaries	6,616	753	7,370	8,417	919	9,336	9,619	892	10,511
Other	3,041	1,599	4,640	3,579	1,410	4,990	5,933	2,484	8,417
Total	36,640	140,244	176,884	42,770	178,194	220,964	50,041	181,219	231,260
ST Funds	-	5,913	5,913	-	9,058	9,058	-	9,040	9,040
LT Funds	-	100,763	100,763	-	113,177	113,177	-	114,224	114,224
Securities Issued	-	32,227	32,227	-	40,045	40,045	-	51,562	51,562
Repo & MM	432	2,225	2,656	4,711	6,843	11,554	1,980	2,037	4,017
Other	3,485	4,385	7,870	3,645	4,054	7,699	3,667	5,470	9,138
Subordinated Debt	-	6,043	6,043	-	10,214	10,214	-	10,801	10,801
Shareholders' Equity	21,357	54	21,412	28,959	257	29,217	32,282	197	32,479
Total	25,274	151,610	176,884	37,315	183,649	220,964	37,929	193,331	231,260

➤ Detailed Income Statement

TL mn	12M-23	12M-24	Yoy	3Q-24	4Q-24	QoQ
Net Interest Income inc. Swap Cost	9,564	11,968	25%	3,198	3,469	8%
Net Interest Income	10,239	15,136	48%	3,623	4,002	10%
CPI Linkers	3,457	4,248	23%	1,171	1,365	17%
Swap Costs	-675	-3,168	369%	-425	-533	26%
Net Fees & Commissions	453	514	13%	119	101	-15%
Other Income	249	895	259%	377	344	-9%
Dividends	13	7	-47%	5	0	-100%
Other	236	888	276%	371	344	-7%
Trading & FX gains/losses	2,371	1,143	-52%	195	264	36%
FX gains/losses	2,139	808	-62%	129	140	9%
Trading & MtM gain/loss	232	335	44%	66	124	89%
Banking Income	12,638	14,520	15%	3,888	4,178	7%
OPEX (-)	1,189	2,238	88%	553	675	22%
Net Banking Income	11,449	12,282	7%	3,335	3,502	5%
ECL (-)	4,043	884	-78%	-50	283	n.m.
Stage I	478	-174	-136%	-309	94	-130%
Stage II	1,323	357	-73%	284	-241	-185%
Stage III	1,144	370	-68%	-25	99	-493%
Other Provisions	1,097	330	-70%	0	330	n.m.
Income From Subsidiaries	1,886	2,280	21%	226	1,017	350%
Pre-Tax Income	9,292	13,679	47%	3,612	4,237	17%
Tax (-)	2,251	3,544	57%	979	1,138	16%
Net Income	7,042	10,135	44%	2,633	3,099	18%

Appendix: ESG Ratings



Sustainalytics ESG Risk Rating

Range 0-40+

Score **7.4**

Negligible risk category

First place in Türkiye

13th place among global development banks



CDP Climate Change Score

A/D-

A-

Leadership



Moody's ESG Credit Impact Score

1-5

2

Neutral-to-low



Fitch ESG Credit Relevance Score

1-5

3

Neutral-to-minimal



Sustainable Fitch ESG Entity Score

1-5 (0-100)

3 (62/100)

Above global average



LSEG ESG Score

A+/D-

A



BIST Sustainability Index

Appendix: Stage 2 Loans Breakdown

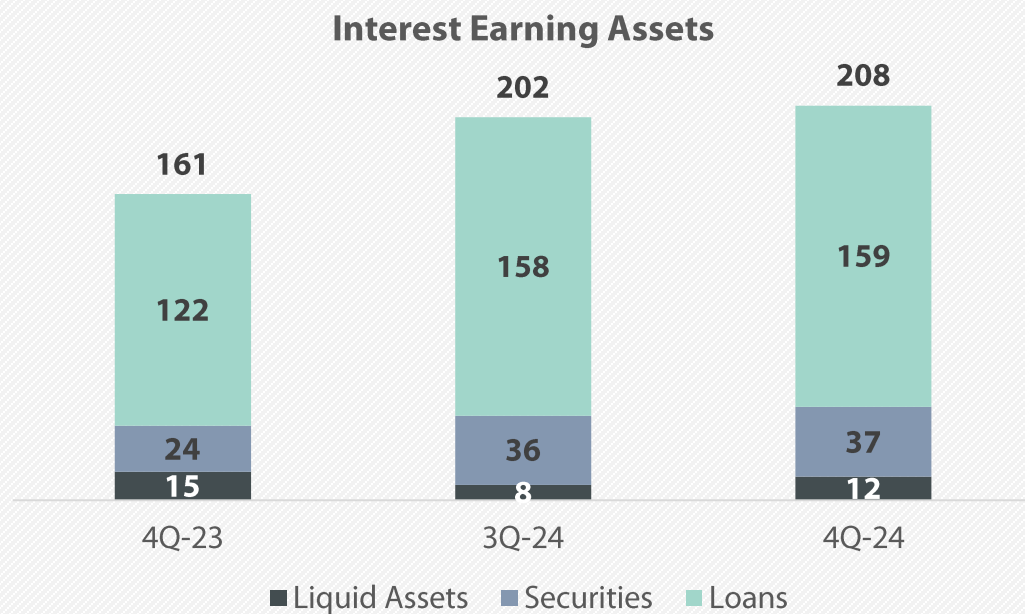
Stage 2 Loans		
Sector	%	Coverage (%)
Tourism	27	20
Electricity/Gas Distribution	17	49
Electricity Generation	15	34
Non-residential Real Estate	9	30
Metal and Machinery	7	32
Telecom/Logistics	4	9
Automotive Supply Industry	3	30
Health	1	50
Other	17	50
TOTAL	100	34

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 94% and 6% respectively*



Appendix: IEA Evolution



- ✓ Interest Earning Assets were up by 3% QoQ and 29% YoY, which was driven by
- High FX denomination
 - Growth strategy



Appendix: Net Cost of Risk Calculation

Provisions (TL mn)	12M24
Stage 1*	-174
Stage 2**	357
Stage 3	370
Reversals*** (TL mn)	-308
Net CoR	17 bps
<i>Currency Impact</i>	<i>77 bps</i>
Net CoR excl. Currency Impact	-60 bps

*Stage 1 provision costs are adjusted with TL 7.5 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.

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