



Investor Presentation FY 2017

January 2018

Executive summary

Structurally attractive Turkish Economy Underpinning A Dynamic Banking Sector

- Turkish market presents a strong opportunity among emerging markets thanks to large and growing economy energized by a highly attractive demographic profile and strong resilience to significant negative developments
- In this macro backdrop, banking sector has a promising future, with growth opportunities implied by current product and volume penetration figures, and a profitability higher than that of emerging market peers
- Tight monetary stance of the Central Bank helped ease the currency volatility paving the way for realization of growth objectives
- With positive impact from macro incentives headlined by the Credit Guarantee Fund program, strong growth and profitability returned

One of the Top Performing Banks in the Market

- QNB Finansbank is one of the strongest players in this market with 5th ranking across most categories among privately owned banks
- It has a very strong distribution network balanced between a branch footprint covering 99% of banking business in the market and best in market digital offerings
- It has shown strong financial performance beyond its scale even in most volatile market conditions driven by differentiation, adaptability and right people brought together

New Shareholder Opens a New Frontier to QNB Finansbank

- Recent acquisition by QNB positions QNB Finansbank as the Turkish bank with the strongest shareholder
- QNB is the largest player in Middle East and Africa by all critical measures and has the highest ratings among all banks with a presence in Turkey
- Its presence across a wide geography overlaps well with Turkey's key foreign trade partners bringing opportunities in this area
- QNB Finansbank's launch of its new brand has been very successful, and is translating to successful expansion of its customer franchise in potential growth areas
- QNB Finansbank already started seeing positive impact of new shareholder structure in funding costs and trade volumes
- With the new shareholder, QNB Finansbank will add a new growth chapter in its successful history capturing its fair share in Corporate and Commercial Banking while sustaining its success in Retail and SME Banking

Contents

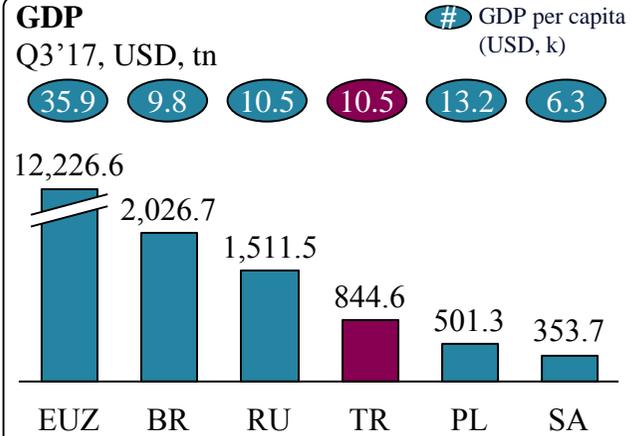
- 1 Macro-economic Overview
- 2 QNB Finansbank and QNB Group at a Glance
- 3 Loan-based Balance Sheet Delivering High Quality Earnings
- 4 Solid Financial Performance
- 5 Appendix



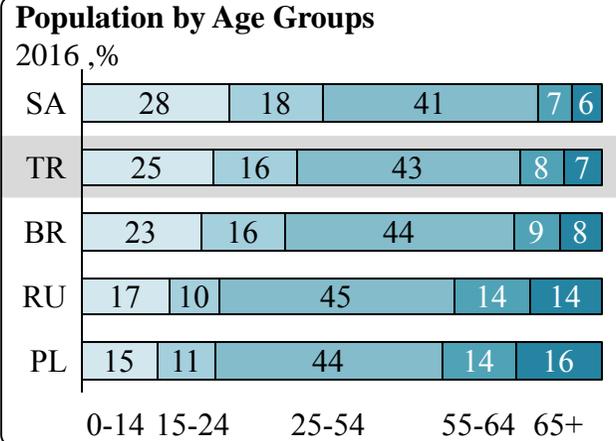
Macro-economic Overview

Structurally attractive Turkish economy and focus on fiscal discipline⁽¹⁾

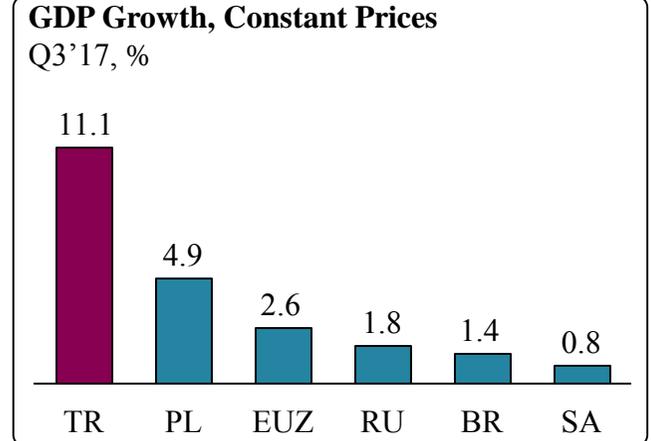
Large economy with low GDP / capita...



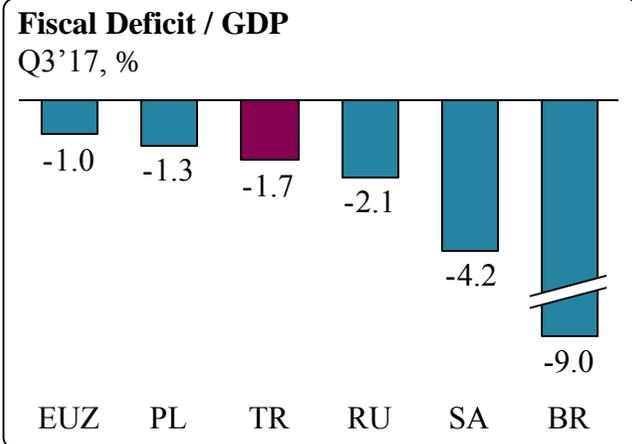
...and highly attractive demographic profile



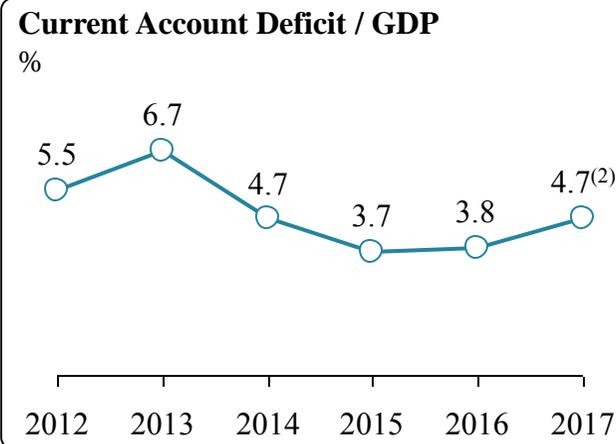
... generating high real GDP growth



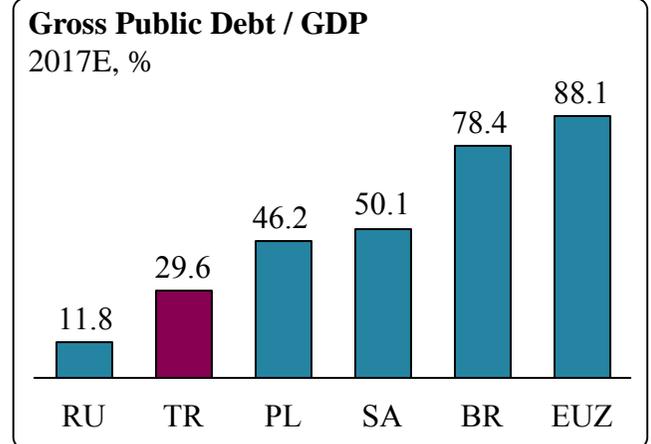
Low fiscal deficit...



... and controlled external deficit...



... with low public debt

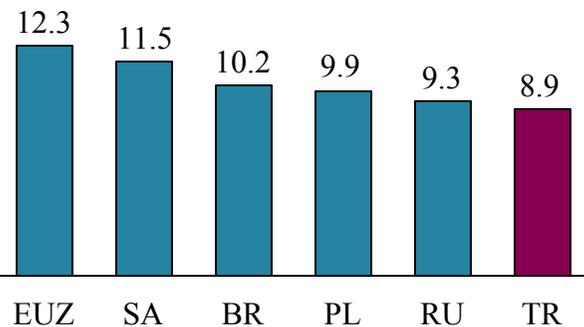


Sound banking system with inherent growth potential⁽¹⁾

Low leverage ratio...

Leverage ratio⁽¹⁾

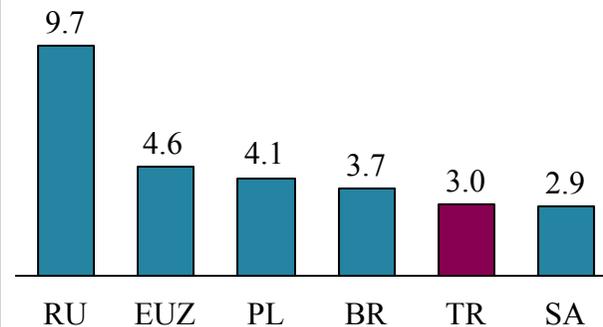
9M'17



... and limited NPL levels...

NPL ratio⁽²⁾

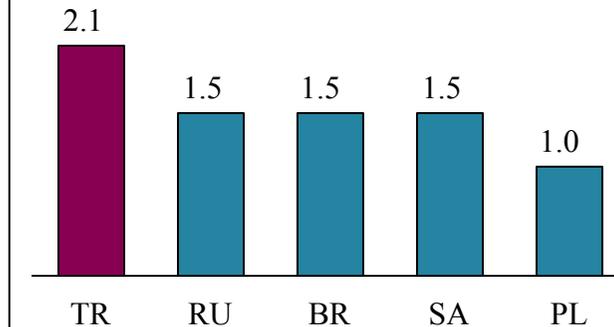
9M'17, %



... with strong profitability characteristics

Banking Sector Pre-tax RoA⁽³⁾

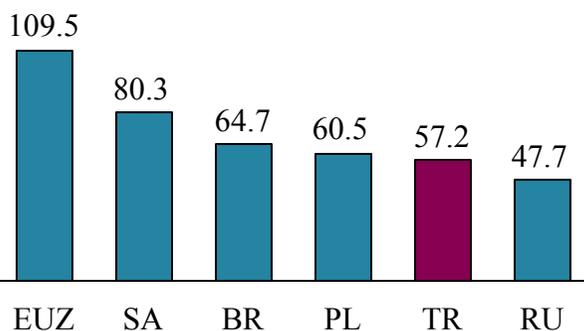
2010-6M'17 average, %



Further growth potential in deposits...

Deposits / GDP

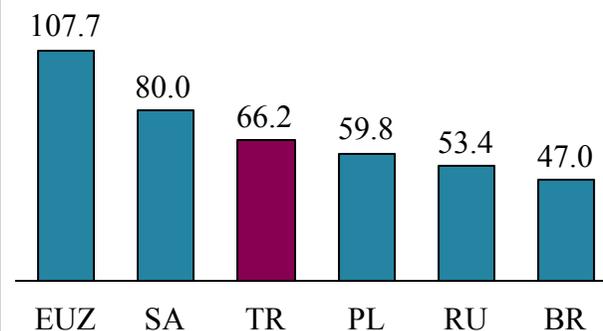
9M'17, %



... feeding overall lending growth potential...

Loans / GDP

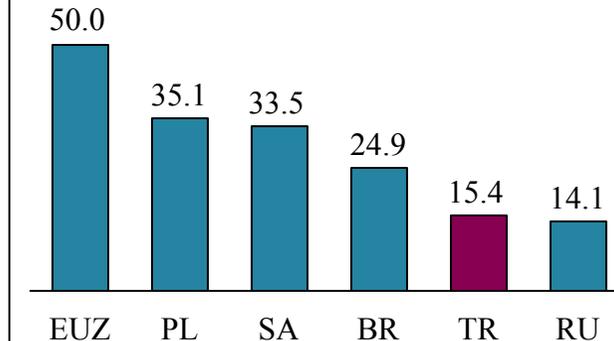
9M'17, %



... as well as ongoing retail lending growth

Household debt / GDP

9M'17, %



Lacklustre credit growth of 2016 has turned high pace in 2017 thanks to Credit Guarantee Fund Incentive Program

Credit Guarantee Fund Program

- Total guaranteed portfolio size: TRY 250bn⁽¹⁾
- Individual client loan size cap for PGS
 - SME: TRY 12mn
 - Commercial: TRY 50mn
- Guarantee ratio
 - SME: 90%
 - Commercial: 85%
 - Exporter: 100%
- NPL cap for guarantee: 7% of total portfolio

- A total of TRY 250-280bn loans will be under CGF guarantee at the end of the program
- This is equal to 22% of business loans at the end of 2017

Regulatory changes to support retail loan growth

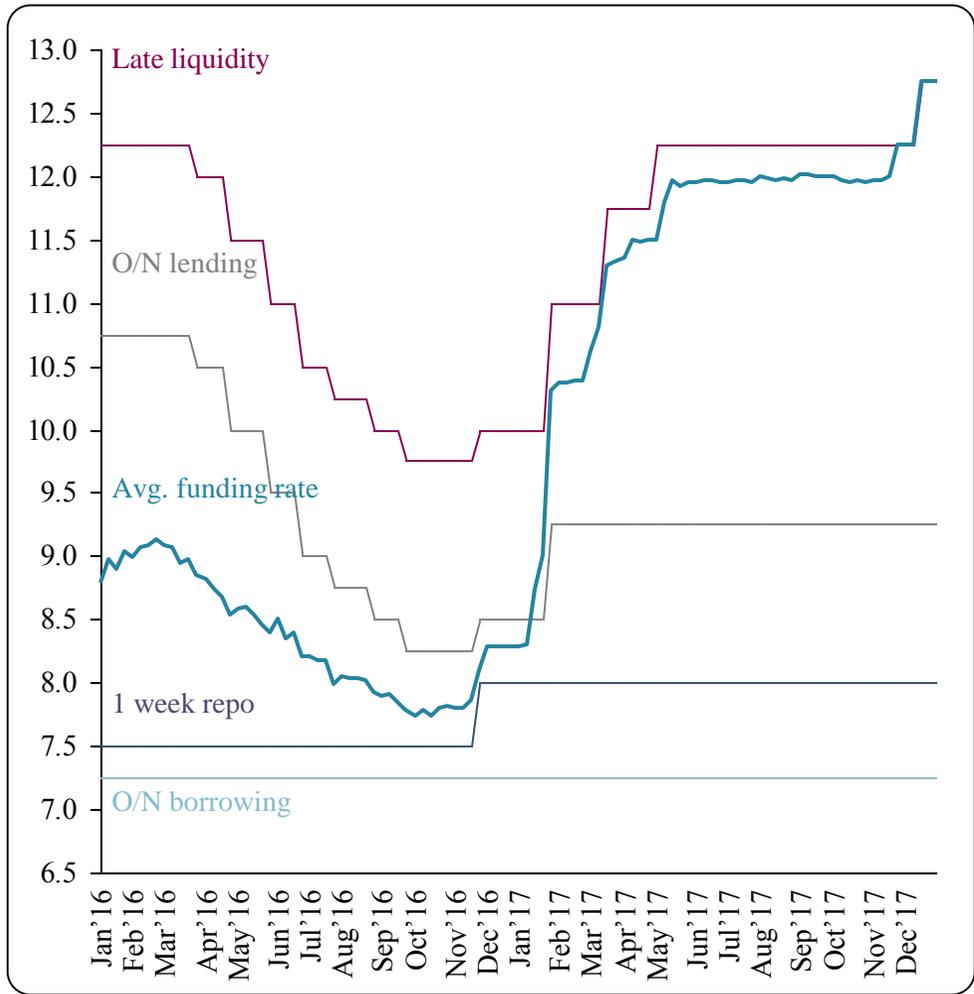
- Extended maximum loan maturity from 36 to 48 months
- General provision on retail loans reduced from 4% to 1%
- Risk weighting of retail loans realigned to international standards
- LTV on mortgages increased from 75% to 80%

Annualized credit growth rate in Turkish market

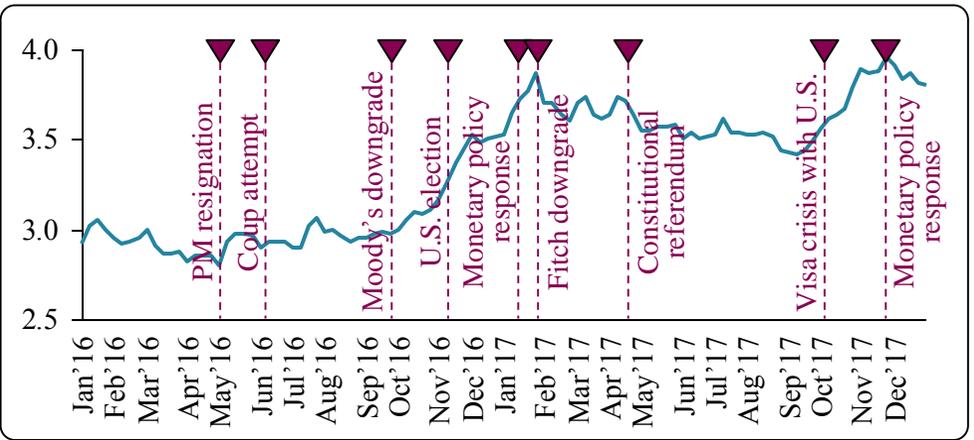


Effective tightening of monetary policy alleviated FX volatility

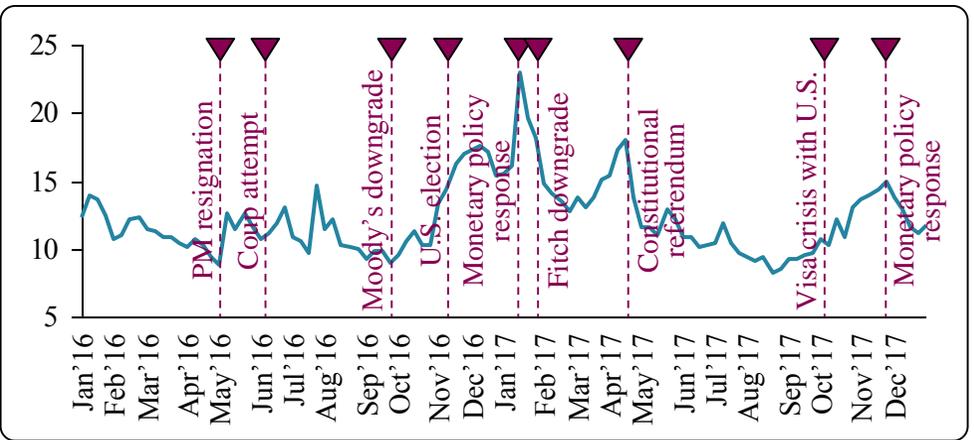
Central Bank rates



TRY against USD



Options implied TRY volatility

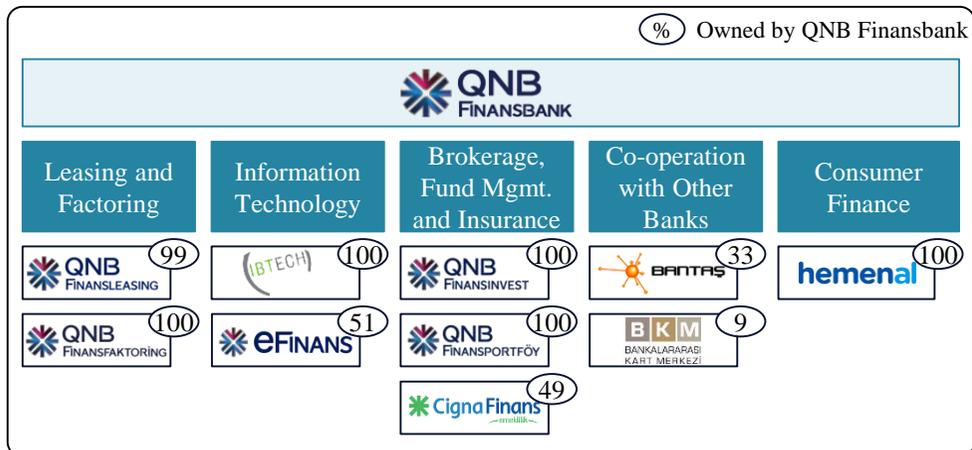




**QNB Finansbank and QNB
Group at a Glance**

QNB Finansbank: 5th Largest Privately Owned Universal Bank⁽¹⁾

QNB Finansbank group structure



Financial highlights

QNB Finansbank BRSA bank only financials	2017
TRY, bn	
Total assets	125.9
Net loans	82.7
Customer deposits	65.3
Shareholder's equity	12.2
Branches (#)	580
Active customers (mn)	5.3
Bank only employees (#)	12,007

QNB Finansbank market positioning

Bank only, 9M'17

	Branch	Total assets	Total loans	Total deposits	Retail loans ⁽²⁾	Mortgage
1 st	İşbank	İşbank	İşbank	İşbank	Garanti	Garanti
2 nd	Garanti	Garanti	Garanti	Garanti	İşbank	İşbank
3 rd	Yapı Kredi	Akbank	Yapı Kredi	Akbank	Yapı Kredi	Yapı Kredi
4 th	Akbank	Yapı Kredi	Akbank	Yapı Kredi	Akbank	Akbank
5 th	Denizbank			Denizbank		TEB
6 th		Denizbank	Denizbank		Denizbank	
7 th	TEB	TEB	TEB	TEB	TEB	Denizbank
8 th	ING	ING	ING	ING	ING	ING
9 th	HSBC	HSBC	HSBC	HSBC	HSBC	HSBC

QNB Finansbank covers Turkish geography through a diverse distribution network and market's only "pure digital bank"

Internet banking



650k active internet banking customers

Mobile banking



1,878k active mobile banking customers

ATMs



2,817 ATMs around Turkey

Mobile banking



629k active mobile banking customers

Internet banking



383k active internet banking customers

Direct sales



631 in-house personnel

580 branches



Covering 71 out of 81 cities of Turkey⁽¹⁾



POS



244k POS terminals

Call center



206 inbound agents

Call center



792 inbound agents

Telesales



55 outbound agents

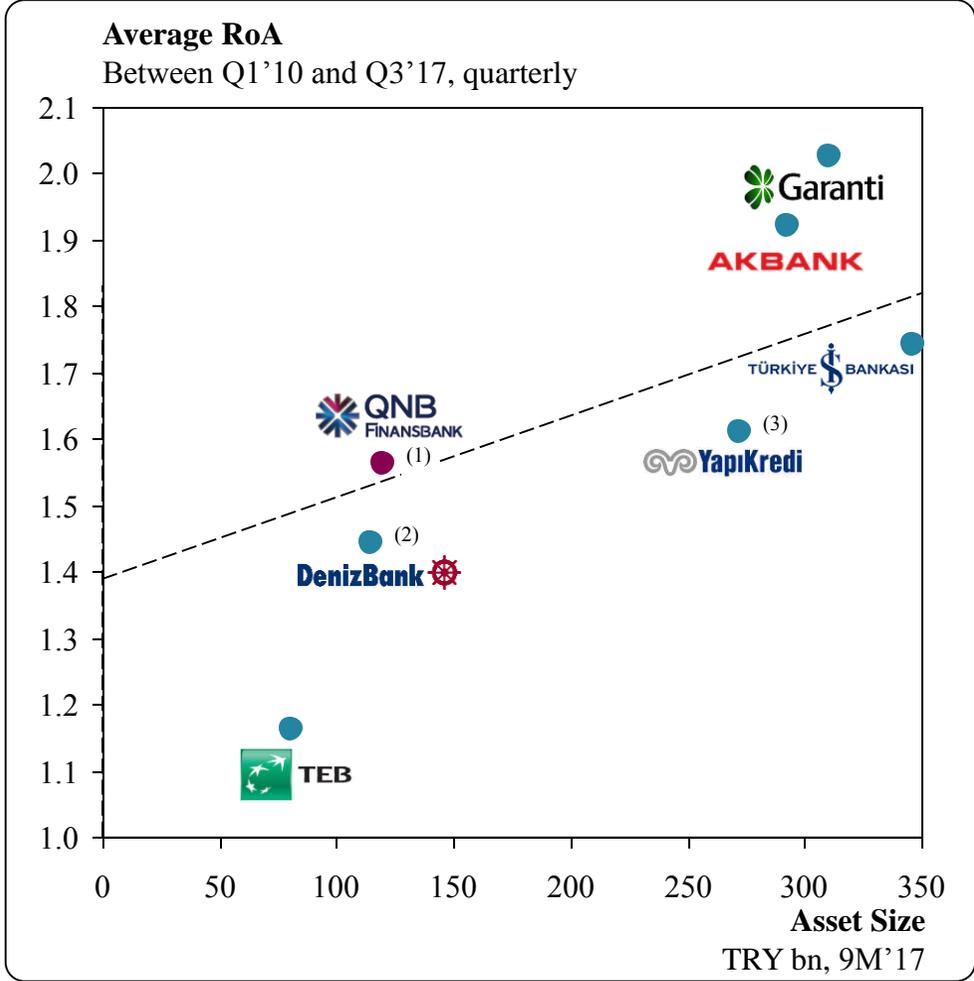
Field service



141 field service personnel

QNB Finansbank has shown success beyond its scale in volatile market settings

Financial performance since 2010



Drivers of QNB Finansbank's performance resilience

Differentiation

Unique practices delivering market leading financial results

Adaptability

Entrepreneurial **culture and capabilities to adapt** to changing market conditions

Right people

Right people brought together via a clear guidance of meritocracy and an aspiration for diversity that forms the basis of everything

(1) TRY 180mn sale of Finans Emeklilik in Q4'12 is excluded
 (2) TRY 388mn sale of Deniz Emeklilik in 2011 and TRY 262mn dividend income in 2012 are excluded
 (3) Sale of YKB Emeklilik in 2013 is excluded

Source: BRSA bank only data



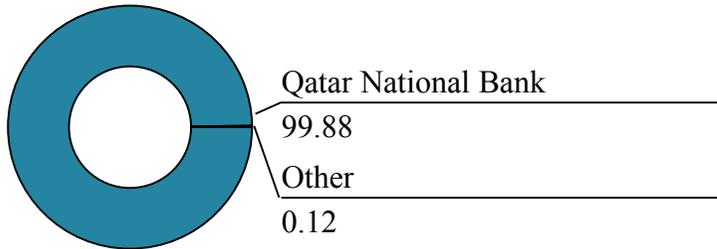
QNB's ownership of Finansbank brings a strong support to one of market's leading performers

QNB Finansbank

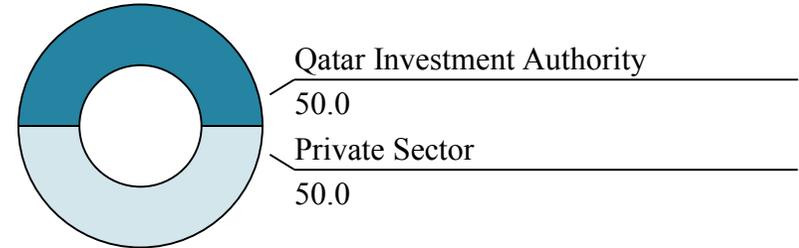
QNB Group

Shareholder Structure

%



%



Ratings

	Moody's	Fitch
Foreign Currency Long-term Debt	Ba1	BBB-
Foreign Currency Short-term Debt	NP	F3

	Moody's	Fitch	S&P
Foreign Currency Long-term	Aa3	A+	A
Foreign Currency Short-term	P-1	F1	A-1

Corporate Information

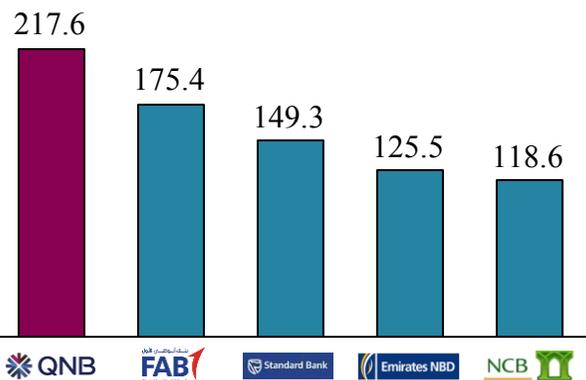
- Focused on traditional banking activities, complemented by ancillary services (investment banking, brokerage, leasing, factoring, asset management)
- Important partnerships in insurance with leading international institutions (Sompo Japan in basic insurance and Cigna in life insurance and private pensions)

- Largest bank in Qatar by market cap, assets, loans, deposits and profit
- Largest bank in MEA by total assets, loans, deposits and profit
- Operating in more than 31 countries around the world across 3 continents
- More than 1,230 locations, supported by more than 4,300 ATMs and employing more than 28,200 staff

QNB is the leading financial institution by all measures in the MEA region

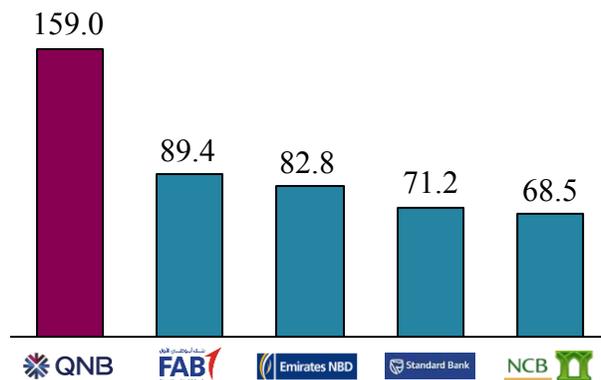
Total Assets

USD bn, Sep'17



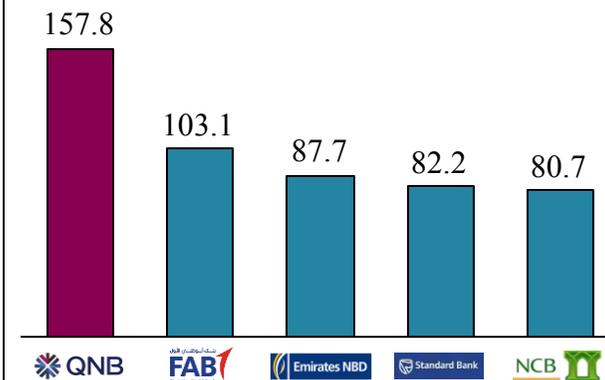
Loans

USD bn, Sep'17



Deposits

USD bn, Sep'17



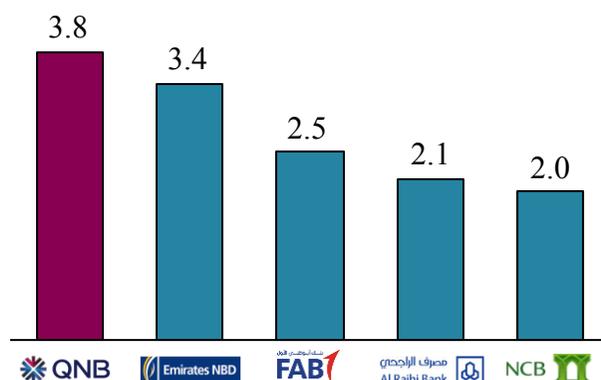
Net Profit

USD bn, Sep'17



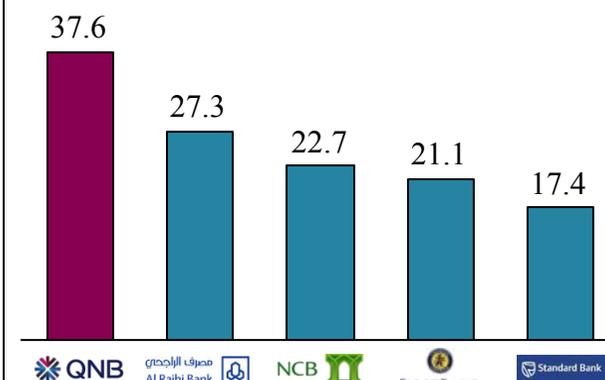
Top MEA Banking Brands

USD bn, Dec'16



Top MEA Banks by Market Cap

USD bn, Dec'16



QNB ownership brings a strong geographic reach to QNB Finansbank especially with important trade partners of Turkey

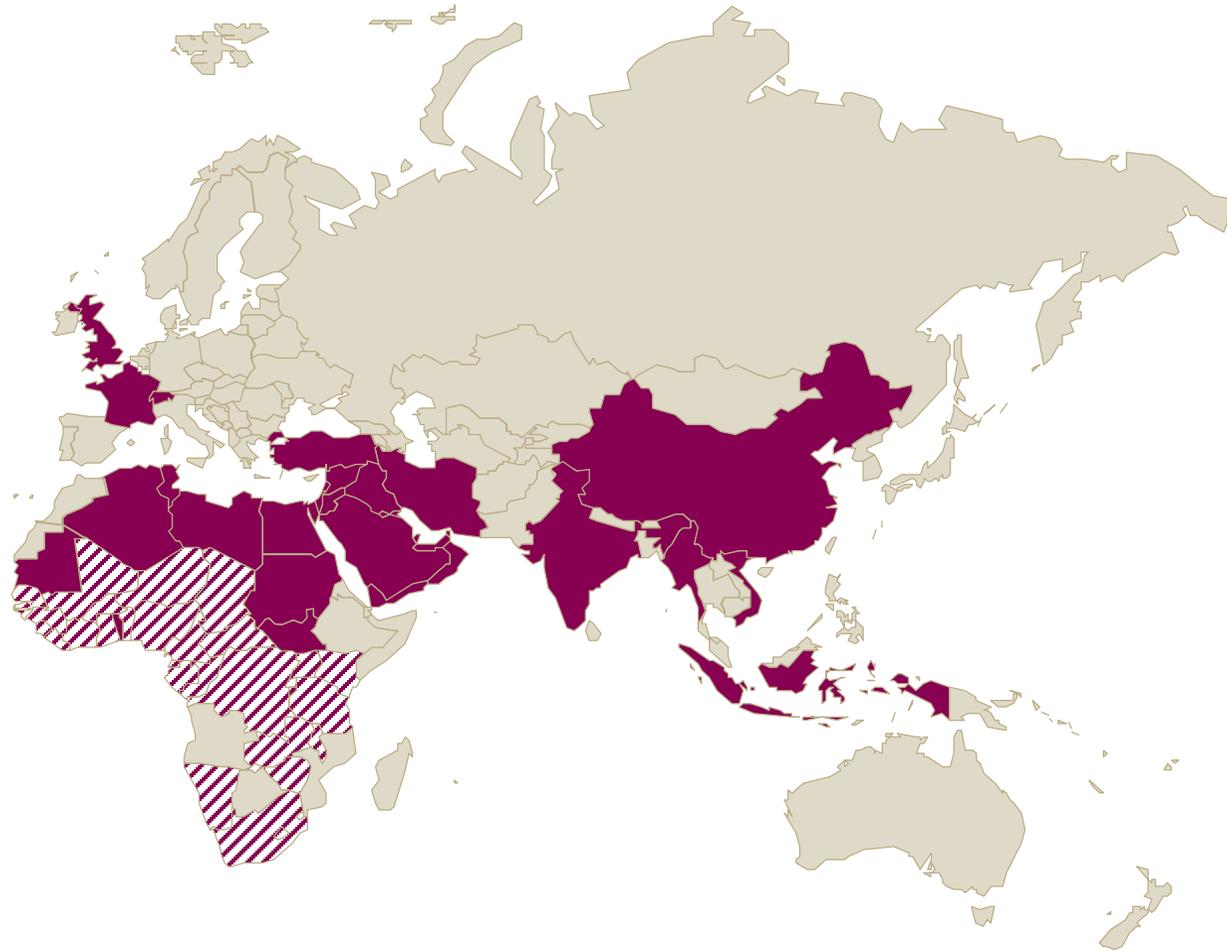
-  QNB presence
-  QNB footprint⁽¹⁾
-  Top 40 trade partners of Turkey

Middle East

	Qatar	
	KSA	
	Jordan	
	UAE	
	Syria	
	Palestine	
	Iraq	
	Oman	
	Bahrain	
	Kuwait	
	Lebanon	
	Yemen	
	Iran ⁽²⁾	

Sub-Saharan Africa

	South Sudan	
	Togo	



North Africa

	Egypt	
	Libya	
	Tunisia	
	Sudan	
	Algeria	
	Mauritania	

Europe

	United Kingdom	
	France	
	Switzerland	
	Turkey	

Asia

	Indonesia	
	Singapore	
	India	
	China	
	Vietnam	
	Myanmar	

(1) Through ownership of 20% shares of Ecobank as of 30 June 2016, including ordinary and QNB's convertible preferred shares
 (2) Dormant

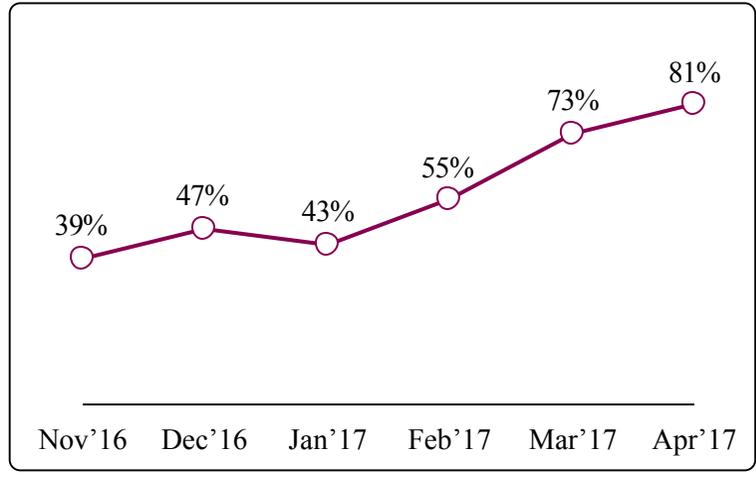
Strong deployment of “QNB” brand across the country supports capturing synergies...

Bank rebranding launch through a new media campaign

“Stronger than ever, we are now QNB Finansbank”

Professional sports sponsorships

“QNB” brand standalone awareness in Turkey



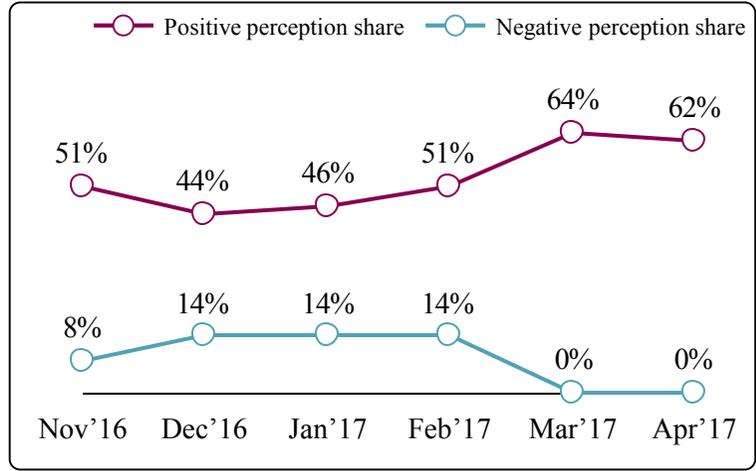
Rebranding of all branches



Relaunch of CardFinans platform

“There is more to life than things you buy”

Customer perception of QNB acquisition

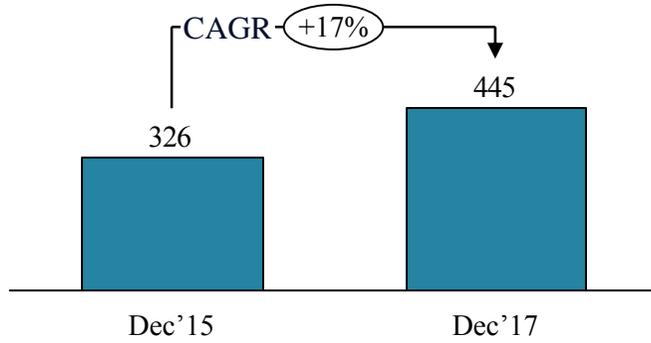


(1) All physical street level locations are completed as of March; some branch locations carry two branch licenses

... supporting growth in a new segment of clients or strengthening areas of weakness

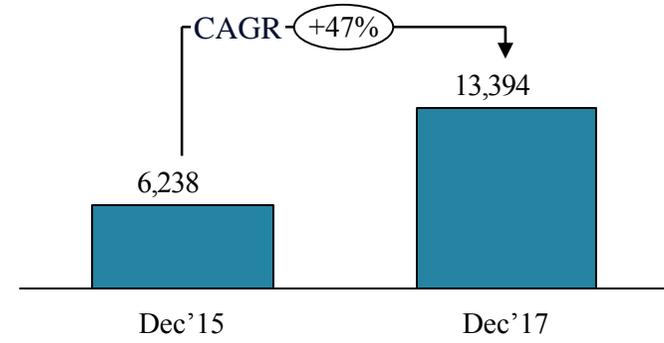
Strong client base growth in retail deposits ensuring stable and cheaper funding

Number of retail deposit clients⁽¹⁾
Thousands



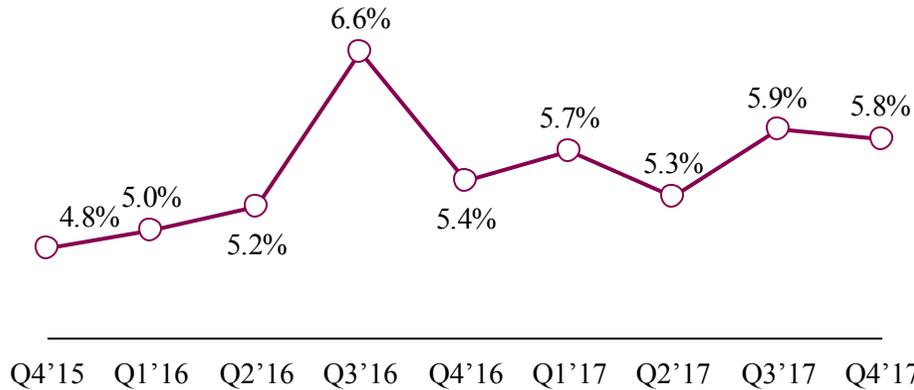
Ability to attract stable and cheap deposits from SME clients

Number of active SME time deposit clients⁽²⁾



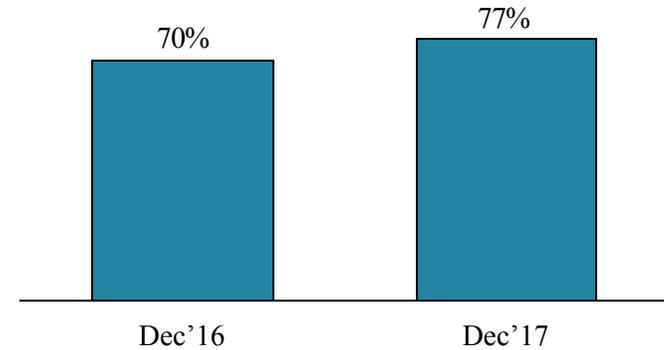
Leveraging groups geographic footprint and stronger correspondent access for improving trade business

Trade finance market share



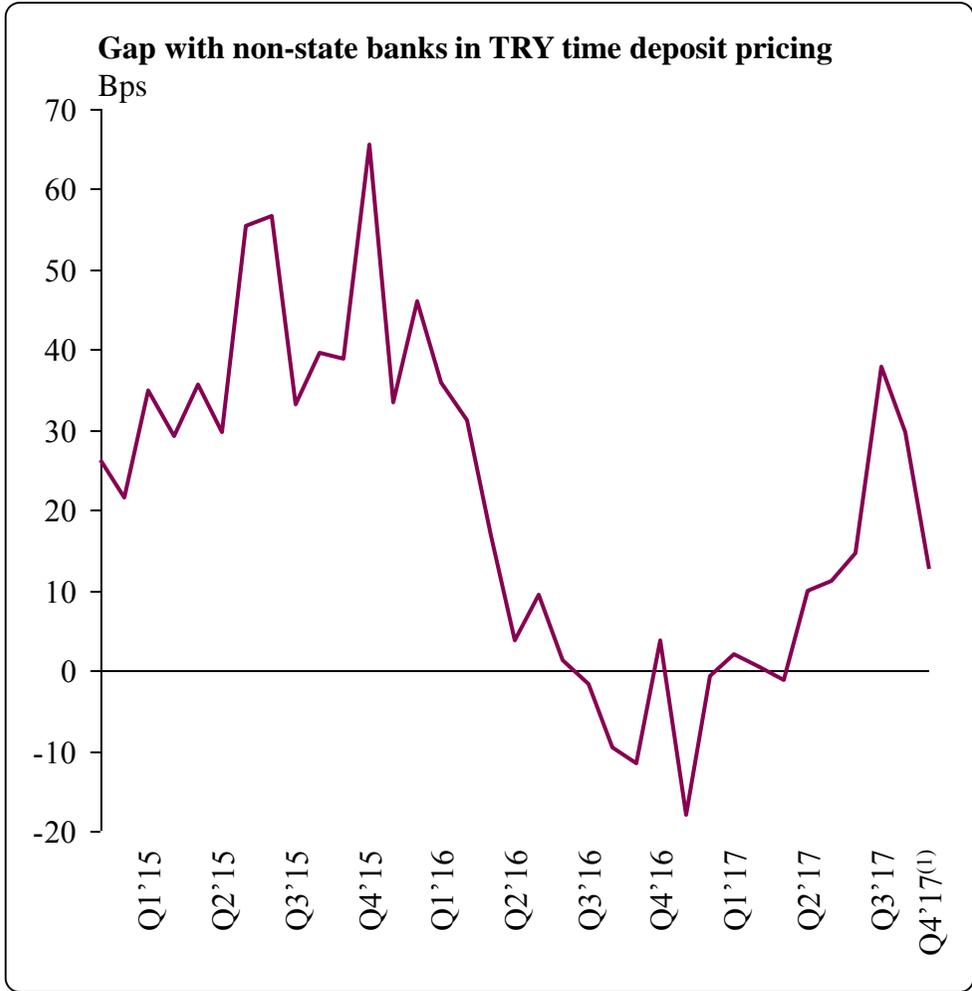
Significant improvement in SME lending thanks to more competitive pricing

Share of low risk clients in SME portfolio

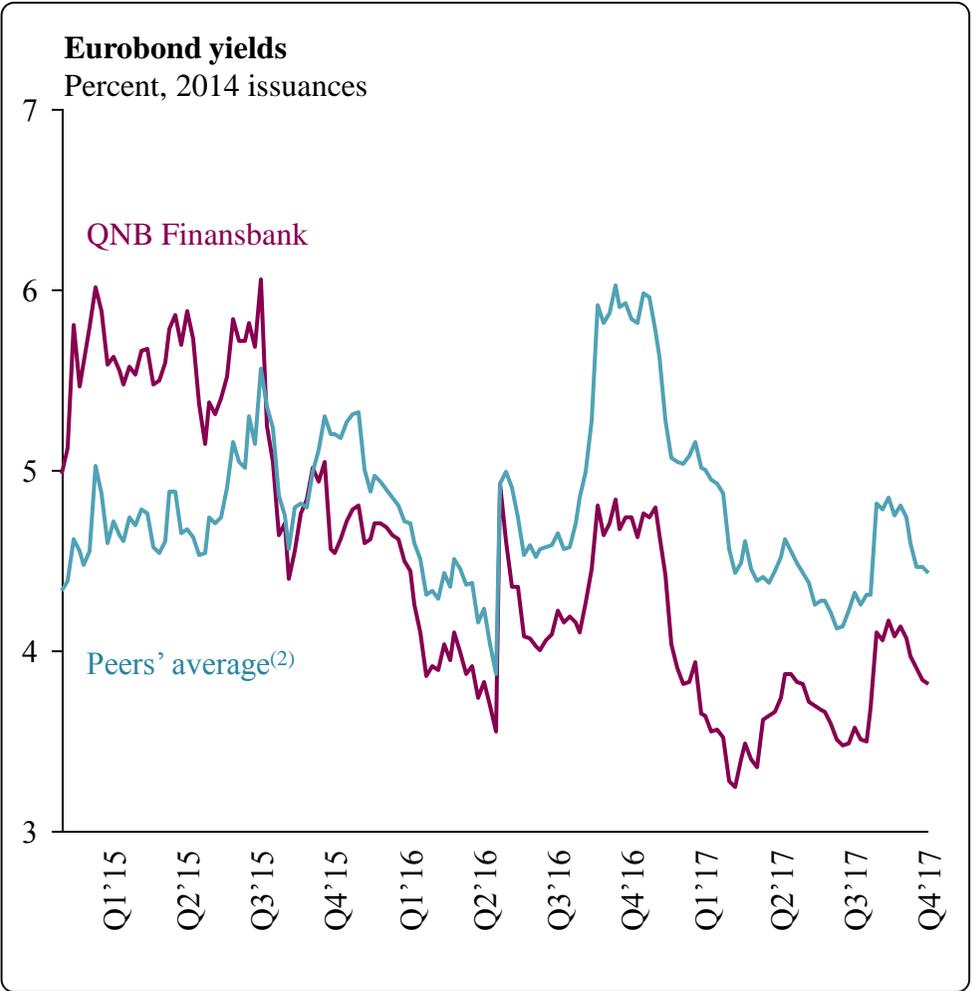


... and delivering improvement in cost of funding

QNB Finansbank's deposit funding costs converged to the sector...



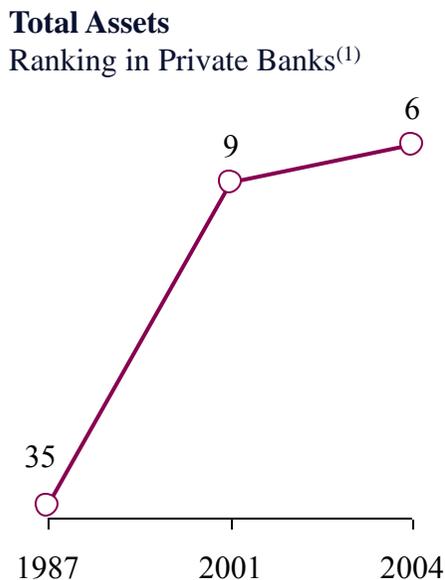
...while wholesale funding costs declined immediately following announcement of acquisition



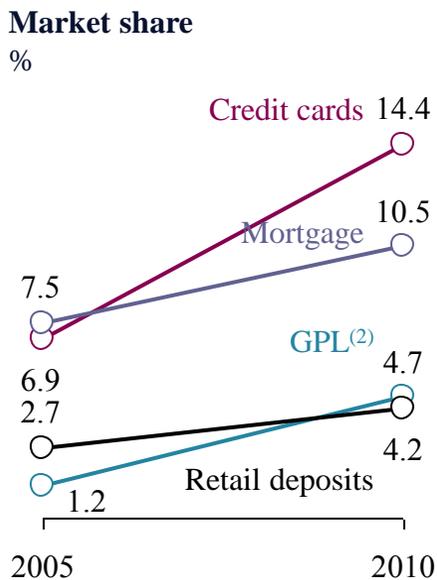
(1) As of Nov'17
 (2) Eurobonds of Garanti, Akbank, Isbank and Yapi Kredi issued around the same time as QNB Finansbank
 Source: BRSA; Bloomberg

The new shareholder opens a new frontier of growth for one of Turkey's top performers

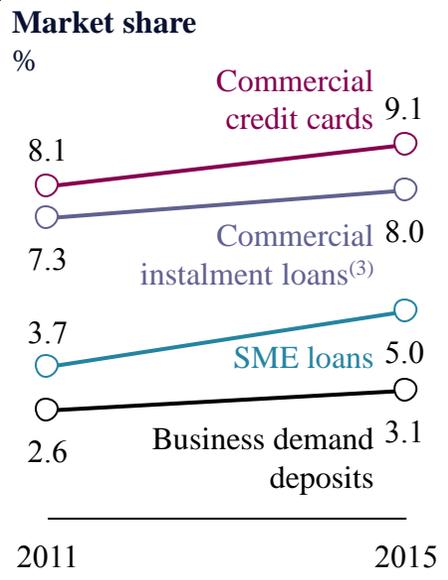
1987-2004: Fast growth behind leadership in Corporate & Commercial Banking



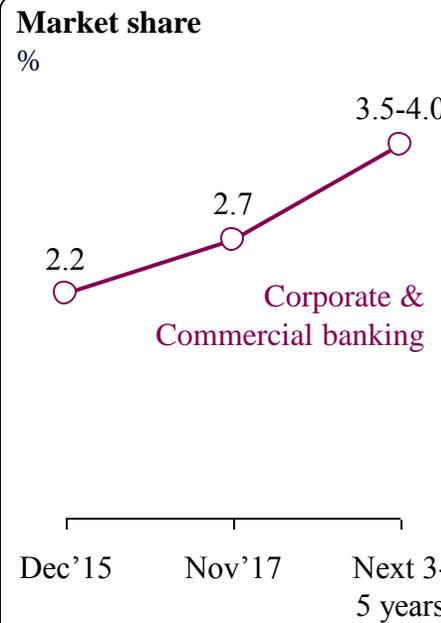
2005-2011: Retail banking boom with market leading growth and success



2012-2016: Business banking growth with productivity and risk focus



2016 beyond: Sustained success in Retail and SME while leapfrogging market in Corporate & Commercial Banking

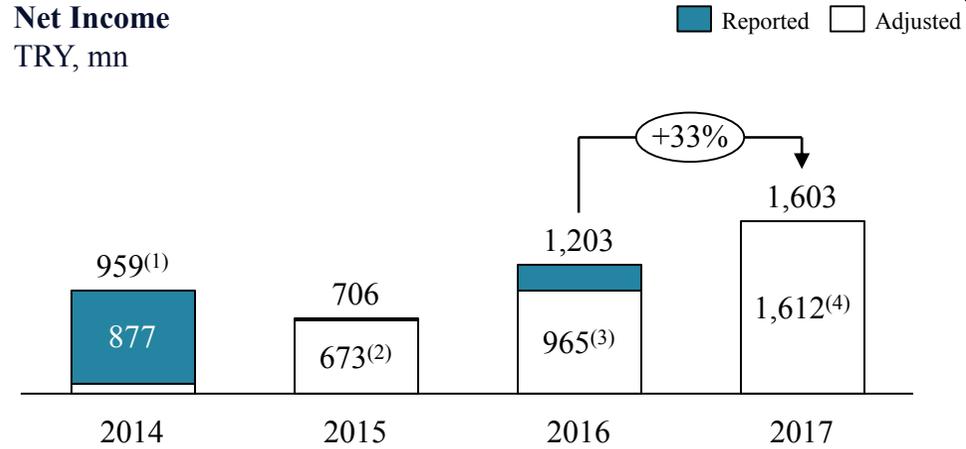




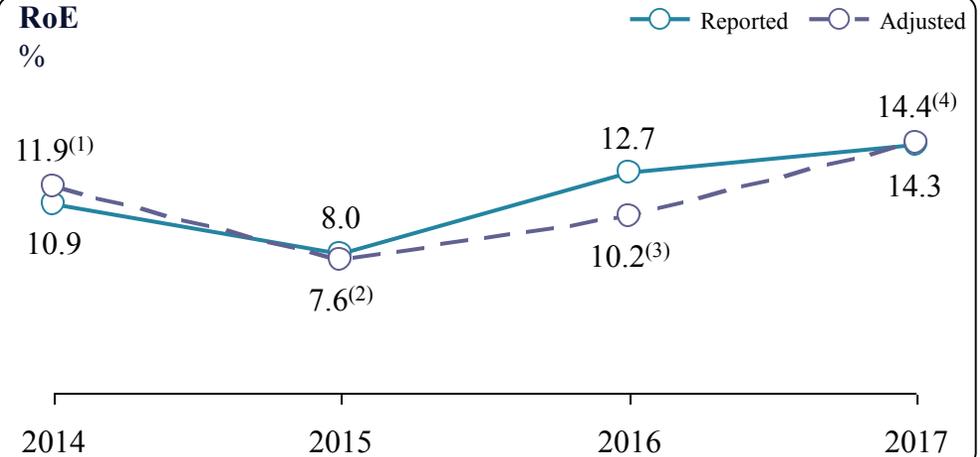
**Loan-based Balance Sheet
Delivering High Quality
Earnings**

Strong profitability continued with controlled asset quality and comfortable capital position

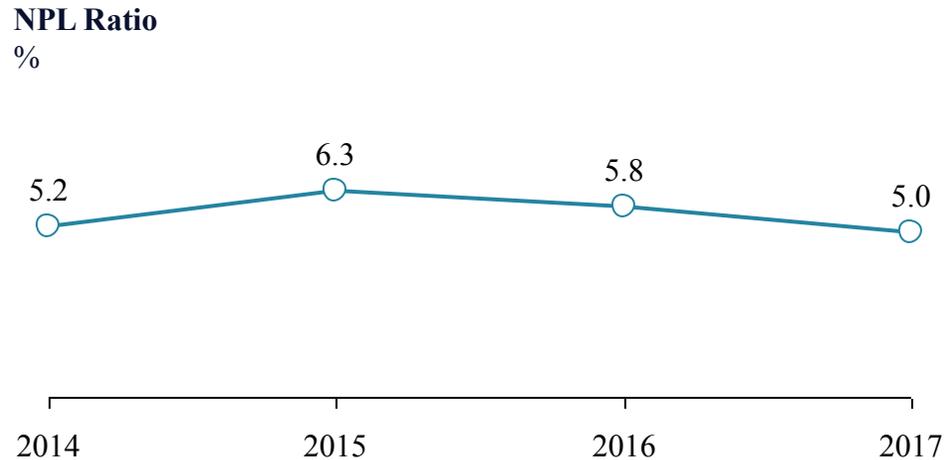
Sustained strong net income performance



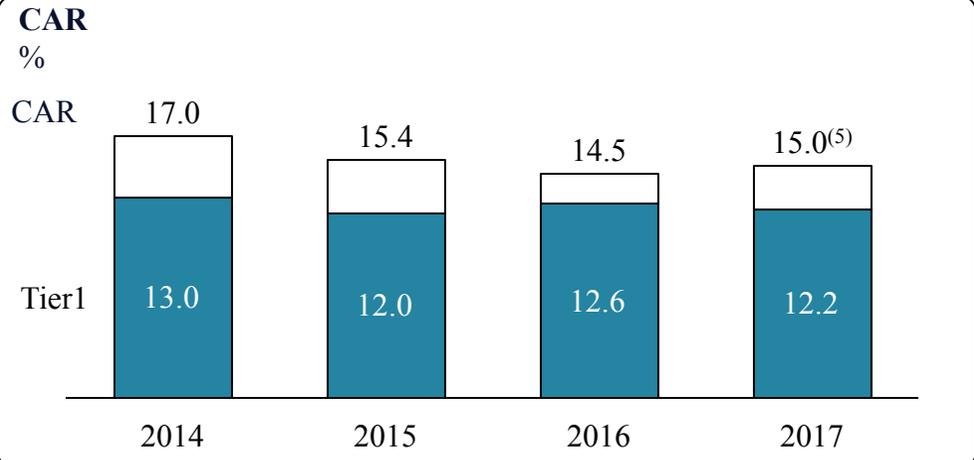
RoE consistently on upwards trend with strong boost over 2017



Ongoing asset quality improvement



Strong capital adequacy; additional buffers remain



(1) Excluding TRY 82mn free provision for possible losses

(2) Excluding TRY 109mn asset sale and TRY 63mn dividend income, including TRY 32mn customs and trade fine expense and TRY 77mn of free provision for possible losses

(3) Excluding TRY 152mn Visa Inc. share sale, TRY 163mn NPL sale and including TRY 30.8mn provision for RUSF penalty (after tax impact of TRY 136mn, TRY 131mn NPL and TRY 28.1mn respectively)

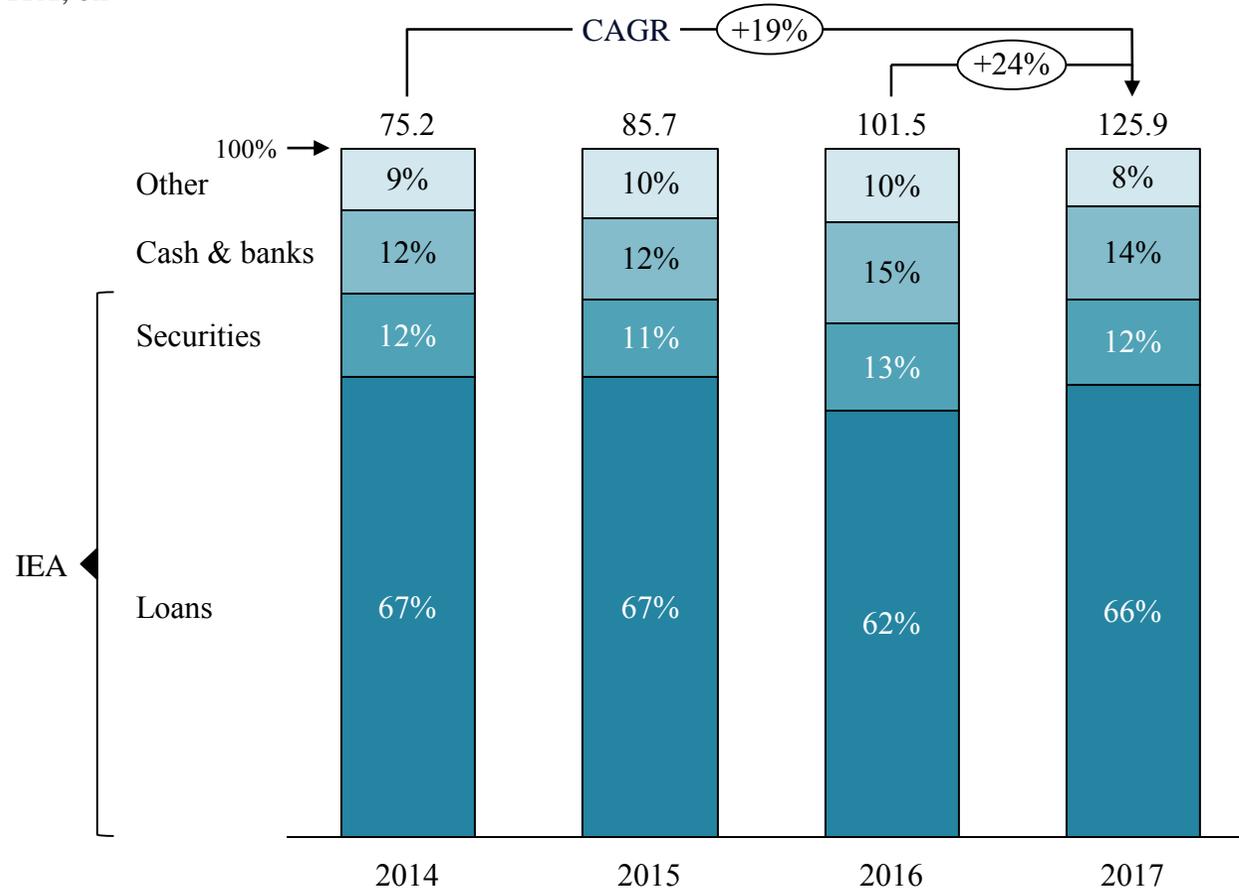
(4) Excluding TRY 69mn NPL sale revenue, TRY 120mn extra CPI revenue and TRY 200mn additional provision due to proactive conservative provisioning in Q4'17

(5) Additional 200bps remain due to potential conversion of remaining USD 650mn of Basel II compliant sub-loans

Asset size reached TRY 126bn with 19% average annual growth over last three years while 2017 growth significantly outpacing historical figures

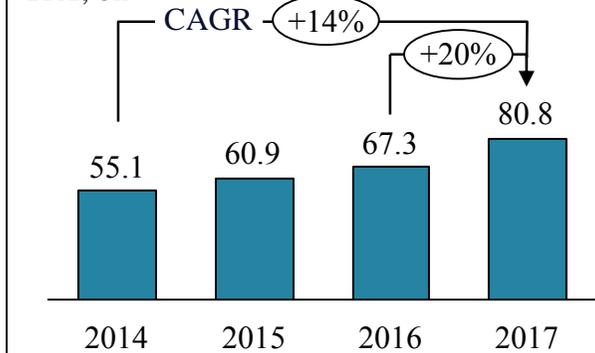
Loan heavy balance sheet with above market growth in 2017

Total Assets
TRY, bn



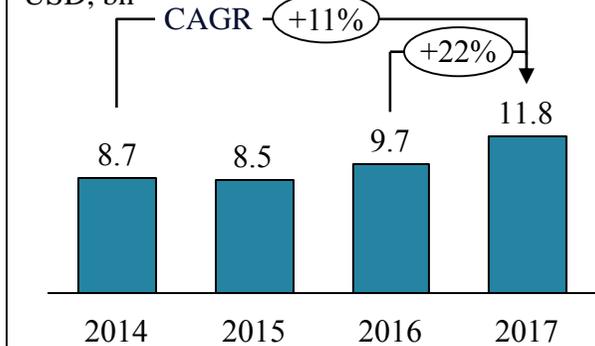
TRY assets growth significantly picked-up in 2017

TRY Assets
TRY, bn



Continued growth of FX assets due to shift to business banking and growing FX securities

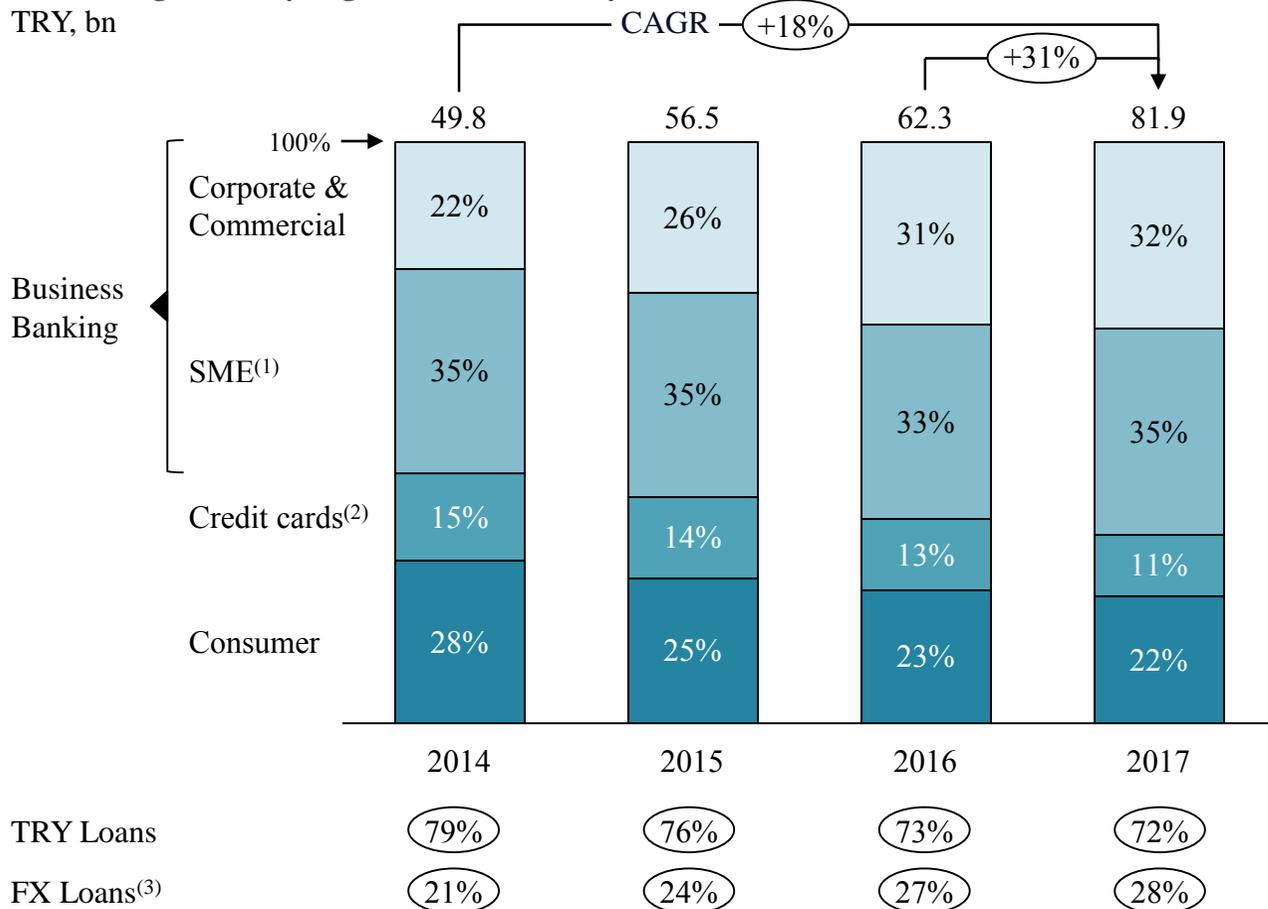
FX Assets⁽¹⁾
USD, bn



Sustained and successful execution of the growth strategy...

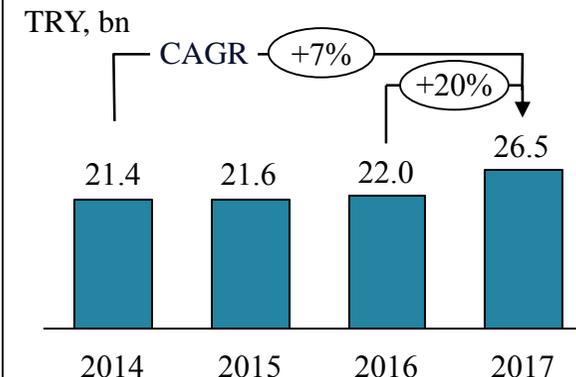
Loan book continued to shift towards business banking with accelerated growth in 2017 supported by CGF program

Performing Loans by Segment and Currency



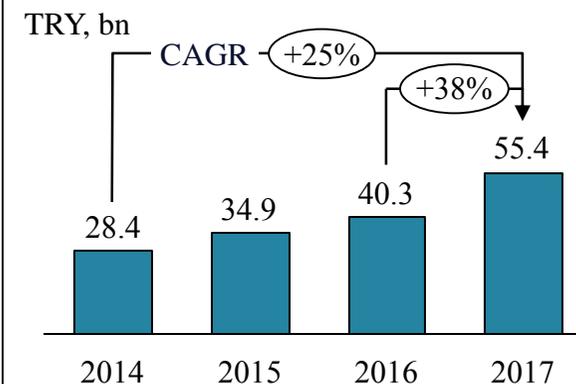
Mild growth in Retail Loans over the period however growth picking up in 2017

Retail Loans



Strong growth in business loans

Business Loans



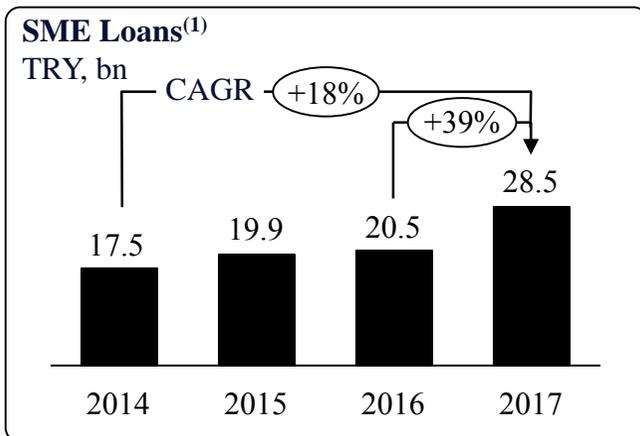
(1) Based on BRSA segment definition, including SME credit cards as of 2016

(2) Excluding commercial credit cards

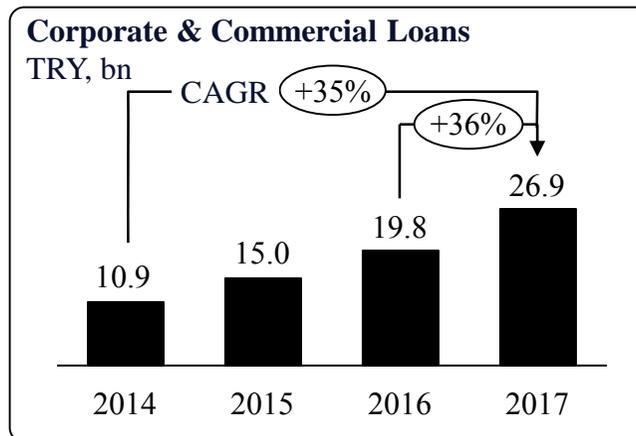
(3) FX-indexed TRY loans are shown under FX loans

... focused on business banking loans and selective retail banking segments

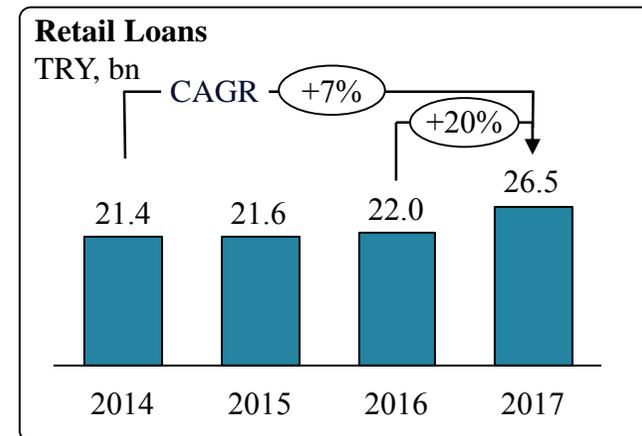
Strong SME loan growth with focused use of CGF program



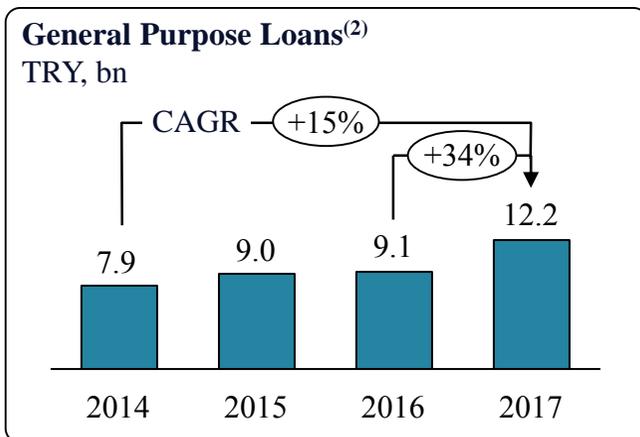
Strong growth in corporate & commercial loans



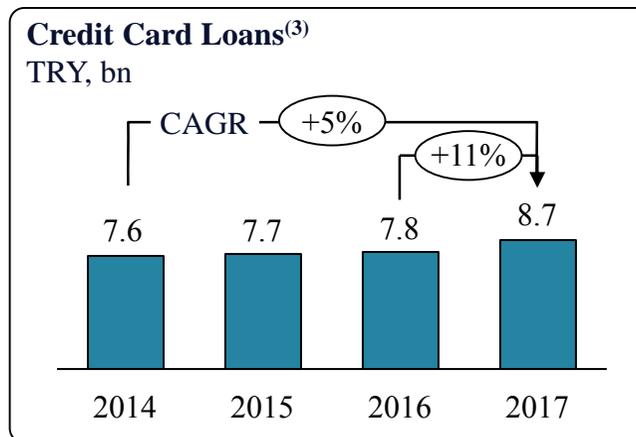
Selective historical growth in retail loans...



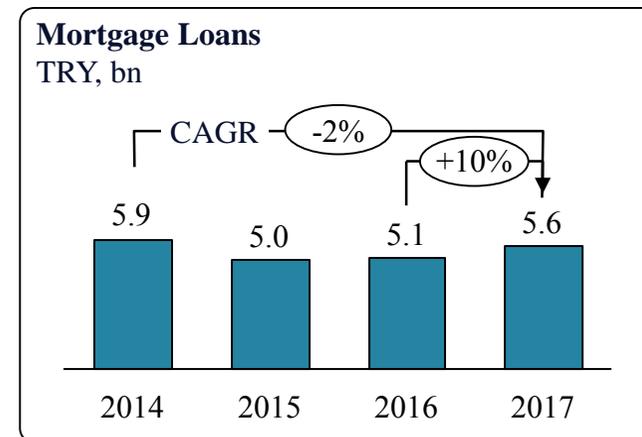
... mainly driven by GPLs where growth accelerated in 2017...



... above market growth returning to credit cards ...



... and recovering mortgages in 2017



(1) Based on BRSA segment definition, including SME credit cards as of 2016

(2) Including overdraft

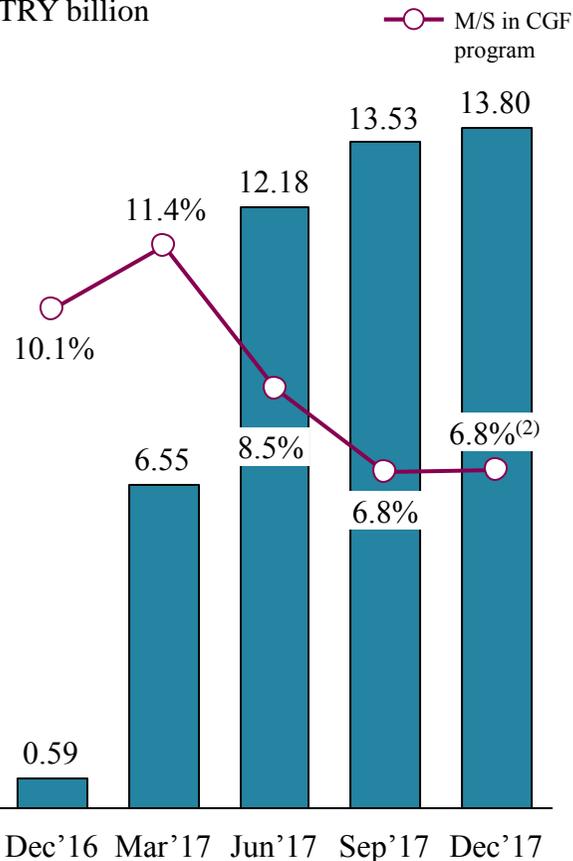
(3) Credit card outstanding from individual clients

CGF⁽¹⁾ proactively used as a key strategic tool for high quality SME lending growth

Strong and proactive pick-up of CGF program ...

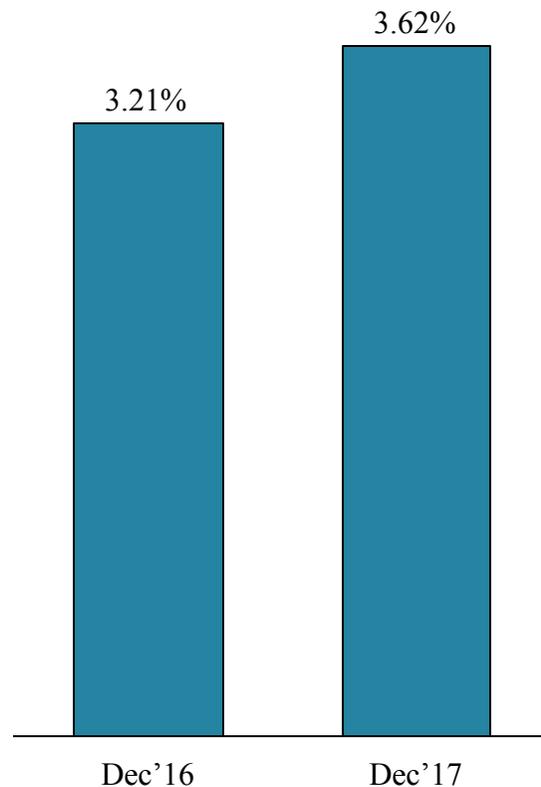
Volume of CGF guaranteed loans

TRY billion



... supporting high loan growth, outpacing the market ...

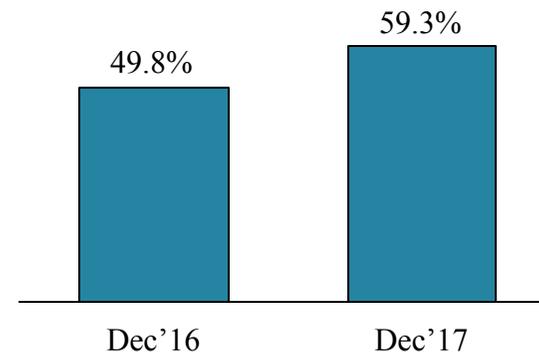
Business loan market share



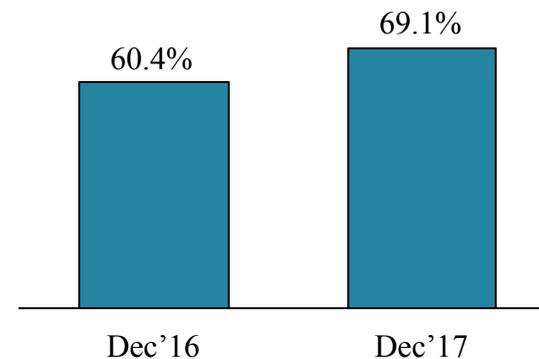
... and portfolio collateralization

Collateralization ratio⁽³⁾

Small enterprises



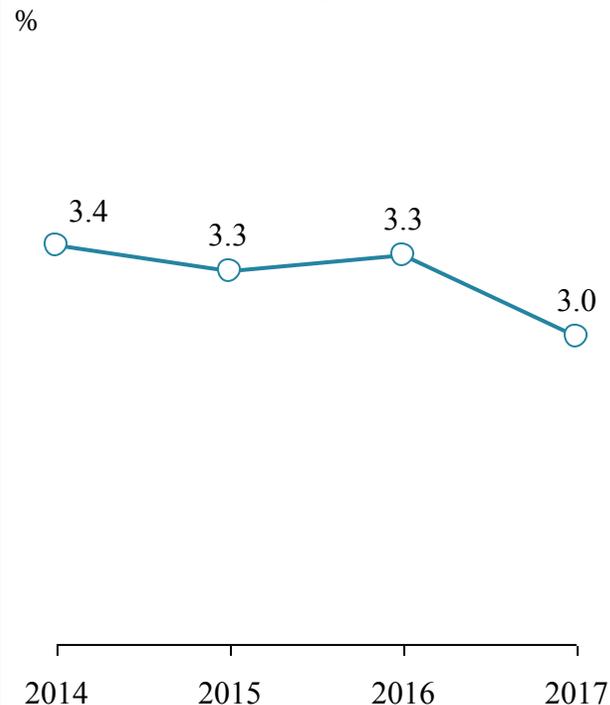
Medium enterprises



Controlled asset quality with high coverage ratios

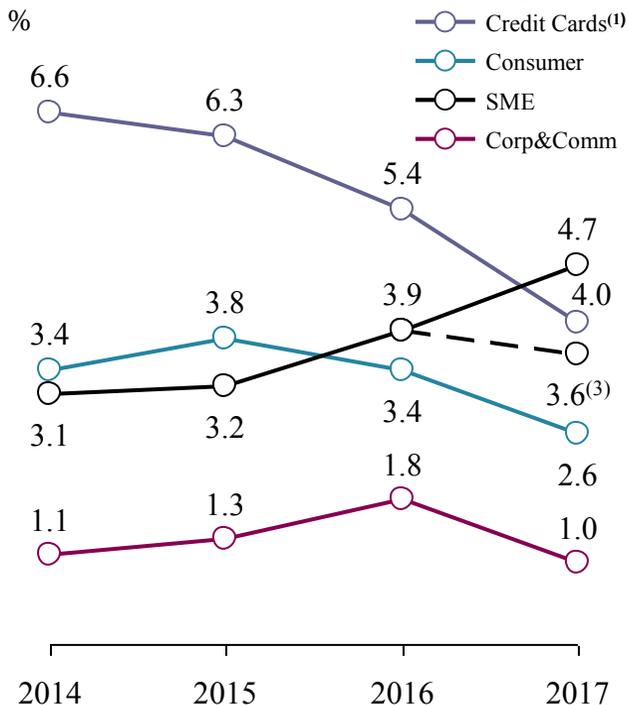
Improving NPL inflows thanks to stringent risk measures and improving macro...

NPL Additions / Average Loans



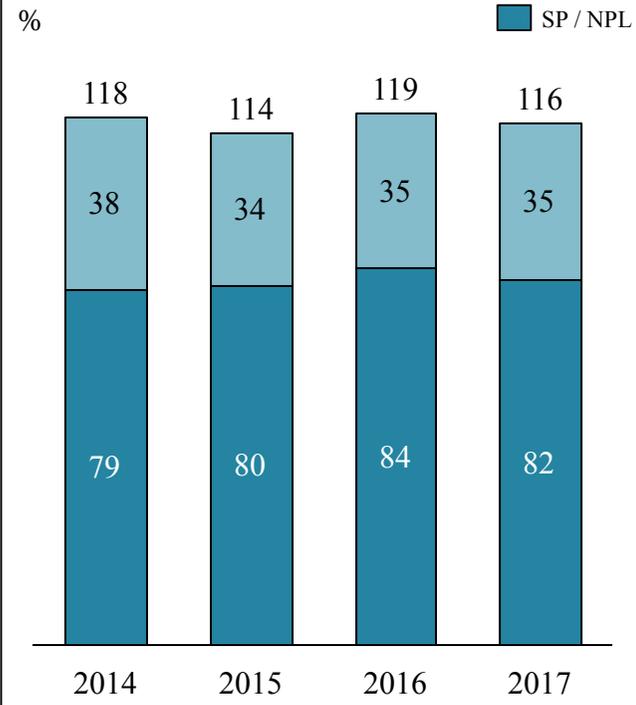
... resulting in improvement in all segments; bar SME, which was impacted from proactive conservative provisioning in Q4'17

NPL Additions / Average Loans by Segment



NPLs are well covered through general and specific provisions

NPL Coverage⁽²⁾

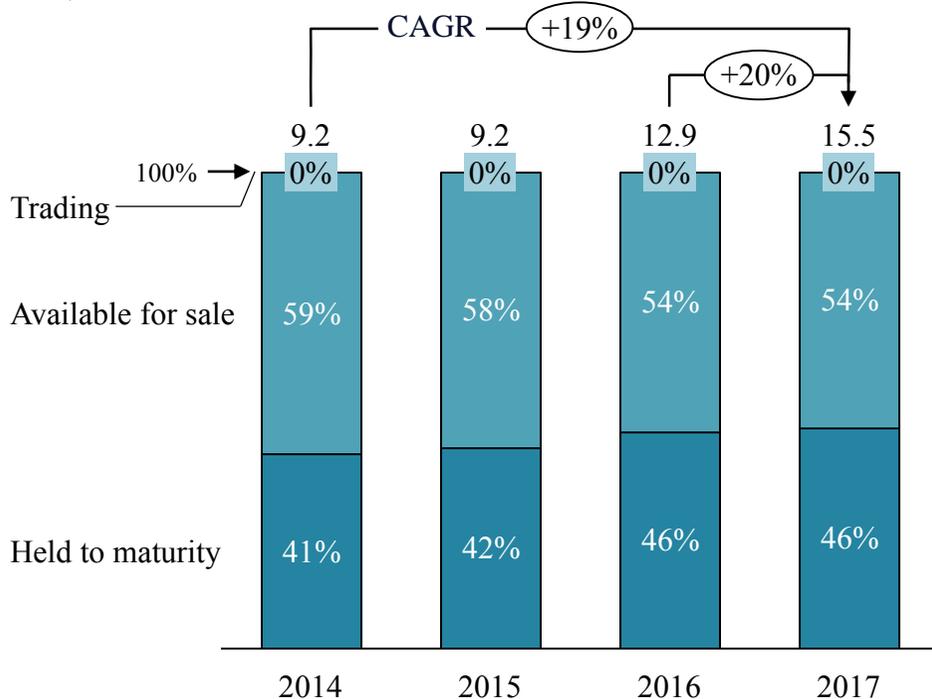


Securities portfolio increased to TRY 15.5bn, making up 12% of assets

Growth in securities portfolio largely driven by FX securities

Total Securities

TRY, bn



TRY Securities

76% 70% 58% 57%

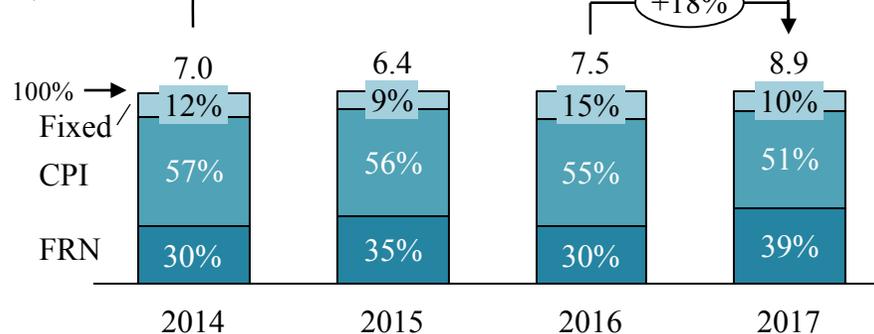
FX Securities

24% 30% 42% 43%

90% of TRY securities are indexed / variable rate

TRY Securities

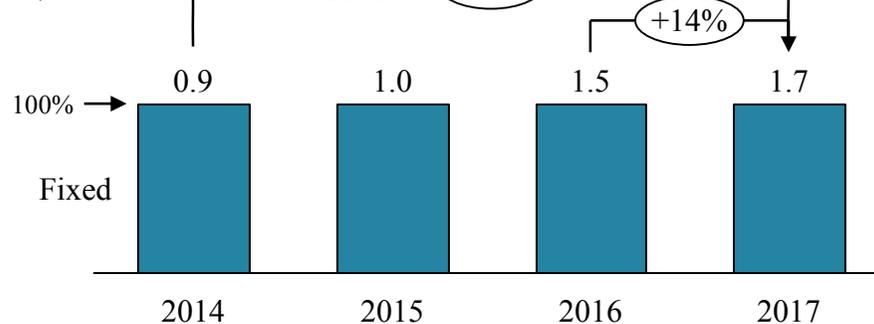
TRY, bn



Sustained and strong growth in FX securities

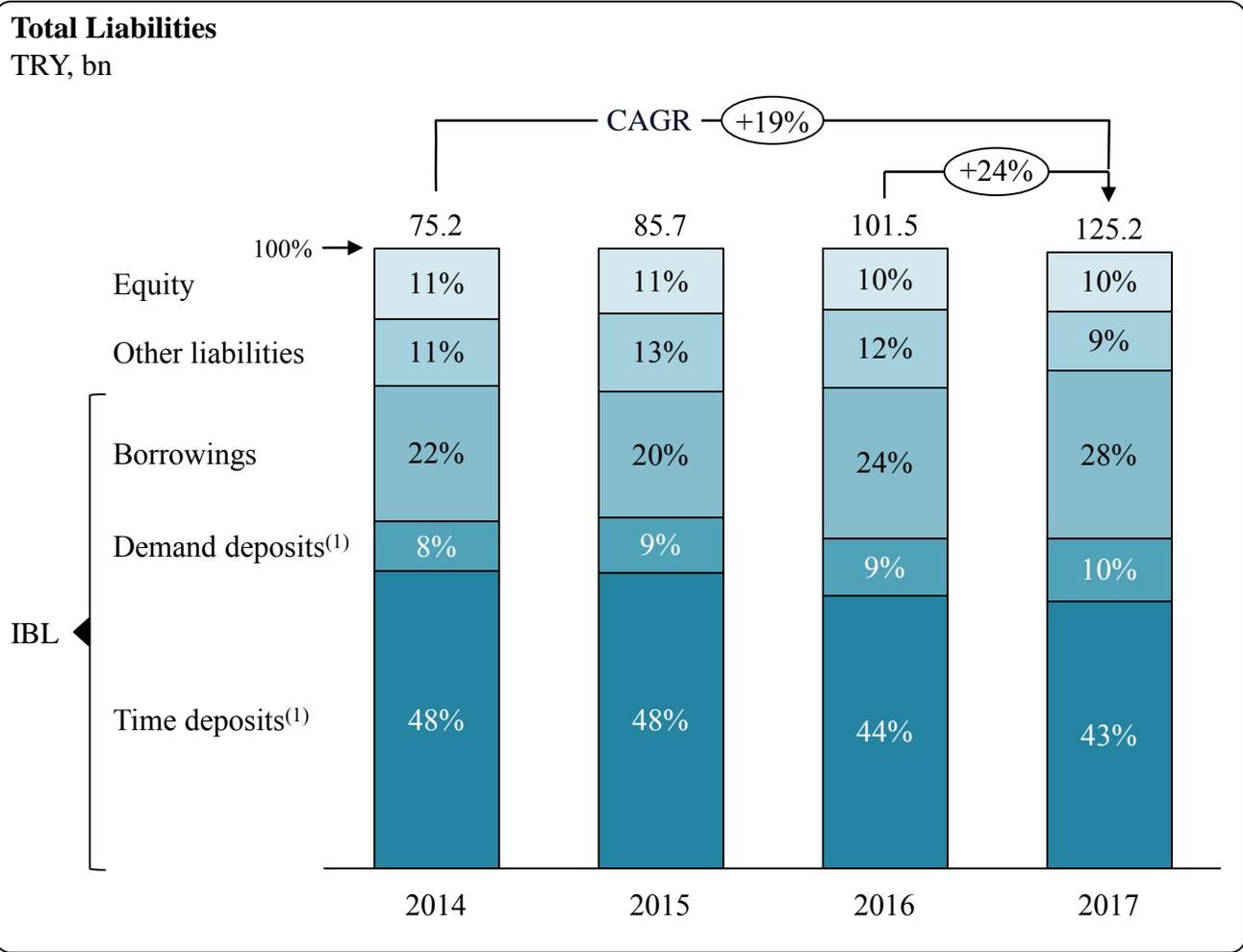
FX Securities

USD, bn

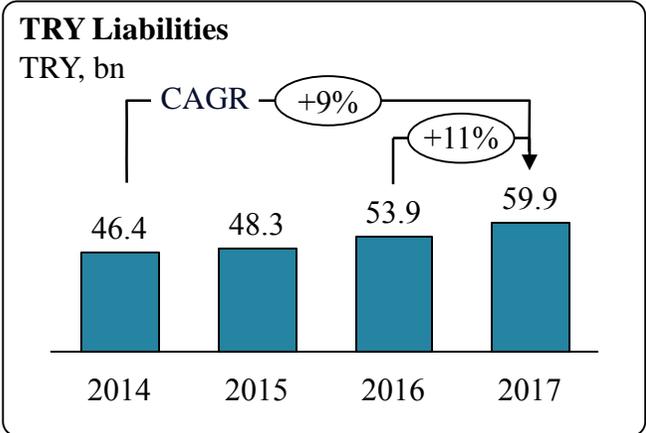


Well-diversified funding structure underpinned by solid deposit base

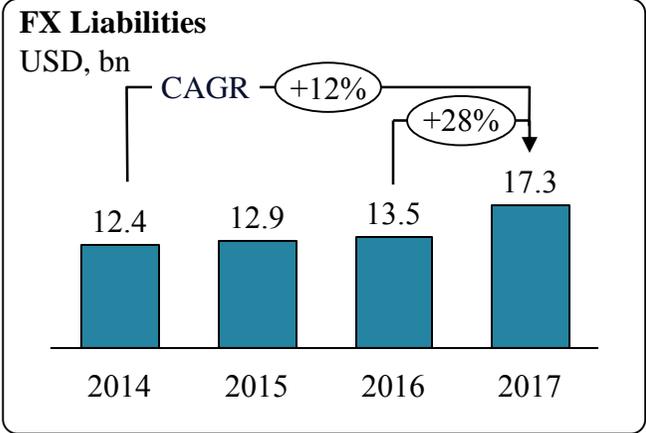
Use of diversified funding sources while leveraging new shareholder structure to refrain from deposit competition



Stable growth of TRY liabilities



Strong growth of FX liabilities leveraging diverse wholesale funding sources and soaring FX deposits



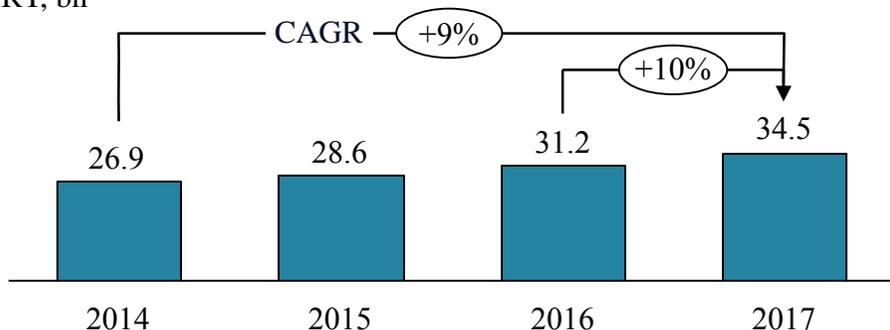
(1) Includes bank deposits

Temporary uptick in L/D ratio in-line with sector due to high loan growth, helped by CGF program, with improving deposit mix thanks to strong demand deposit growth

Stable TRY customer deposits growth despite selective exit from price sensitive clients

TRY customer deposits

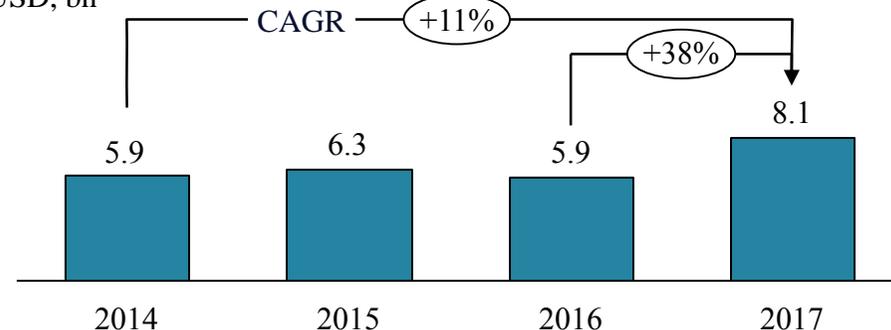
TRY, bn



Recent strong growth in FX customer deposits in line with the sector

FX customer deposits

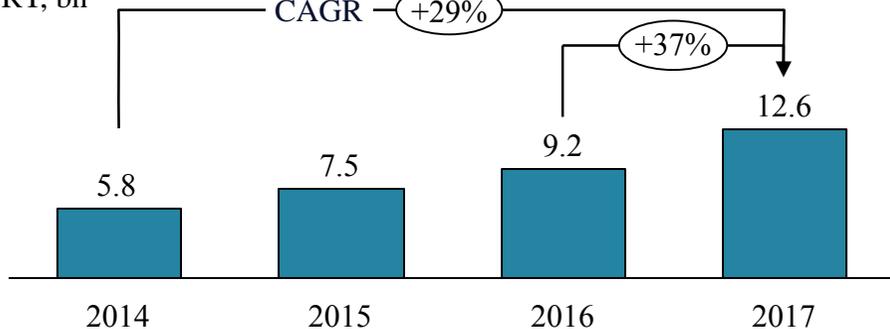
USD, bn



Sustained impressive growth in demand deposits

Customer demand deposits

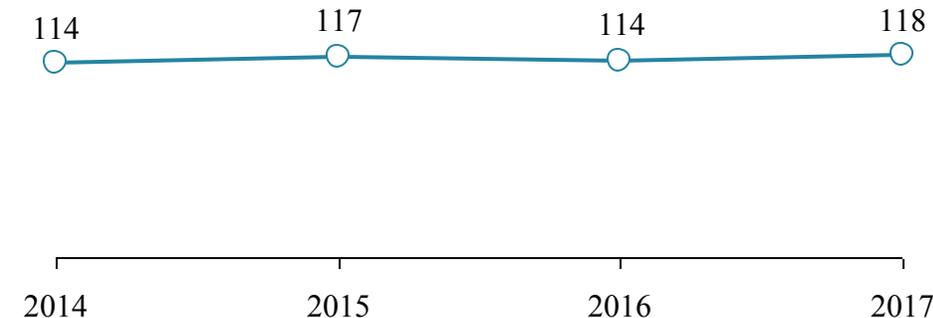
TRY, bn



Loan-to-deposit ratio in line with the sector

Loan-to-deposit ratio⁽¹⁾

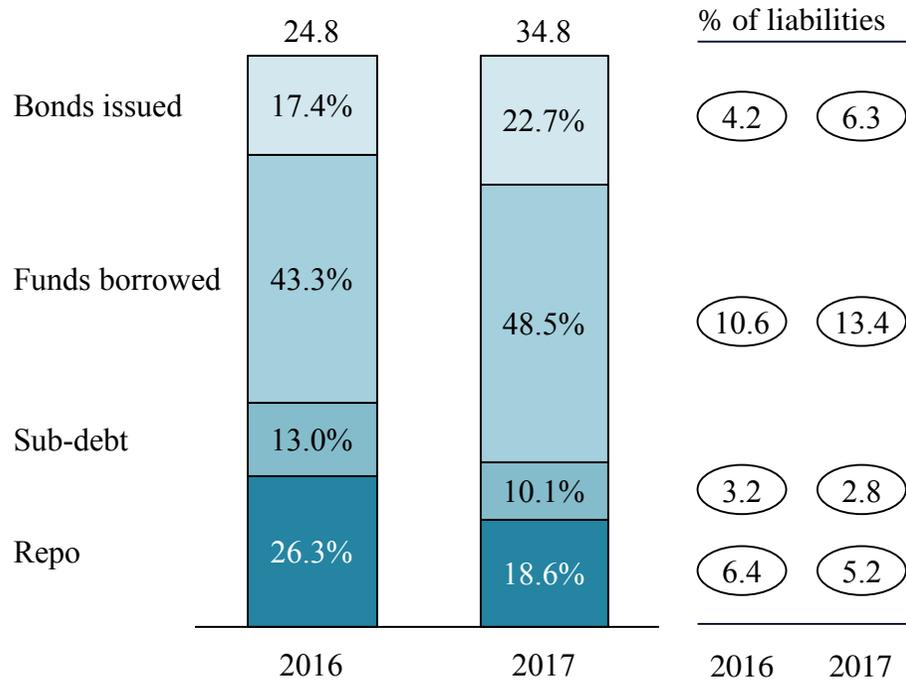
%



Disciplined use of non-deposit funding and strong capital base

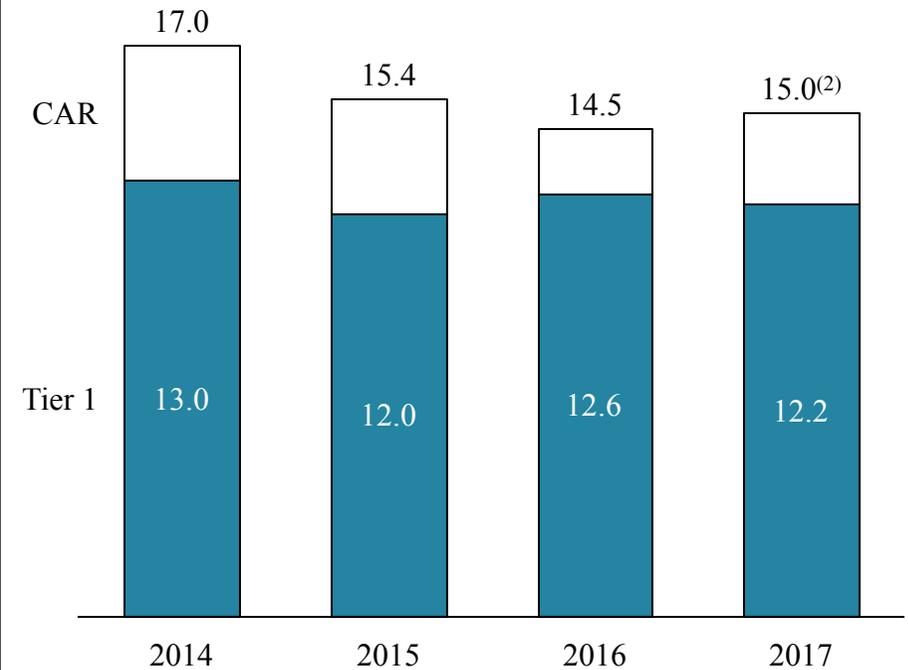
Low reliance on institutional borrowings and repo funding; strong long-term opportunity with new shareholder structure

Borrowings⁽¹⁾ by Type
TRY bn, % of borrowings



Capital adequacy at comfortable level with remaining additional buffer despite exchange rate impact and sub-loan amortization

Capital Adequacy
%



(1) Non-deposit funding

(2) Additional 200bps remain due to potential conversion of remaining USD 650mn of Basel II compliant sub-loans

A structured approach to market and liquidity risk management

Focused ALM leads to low interest rate sensitivity

- TRL interest rate sensitivity is actively managed in the international swap market
- Hedge swap book stands at TRL 17.5bn as of Q4'17
- Net change in Economic Value / Equity is constantly monitored under several scenarios
- Regulatory IRRBB ratio is at 9.06% as opposed to 20% limit; indicating a conservative interest rate position on the banking book

Prudent management of liquidity risk

- Strong framework is in place to ensure sufficient short-term and long-term liquidity
- Total Regulatory Liquidity Coverage ratio is 106% as opposed to 80% limit, whereas FX Regulatory Liquidity coverage ratio is 156% as opposed to 60% limit. Liquidity coverage ratio limits will be increased gradually by 10% each year up to 100% and 80% in 2019 for total liquidity and FX liquidity, respectively
- Continuous monitoring and reporting are in place to support effective management in addition to contingency plans for extreme situations

Low risk appetite for trading risks

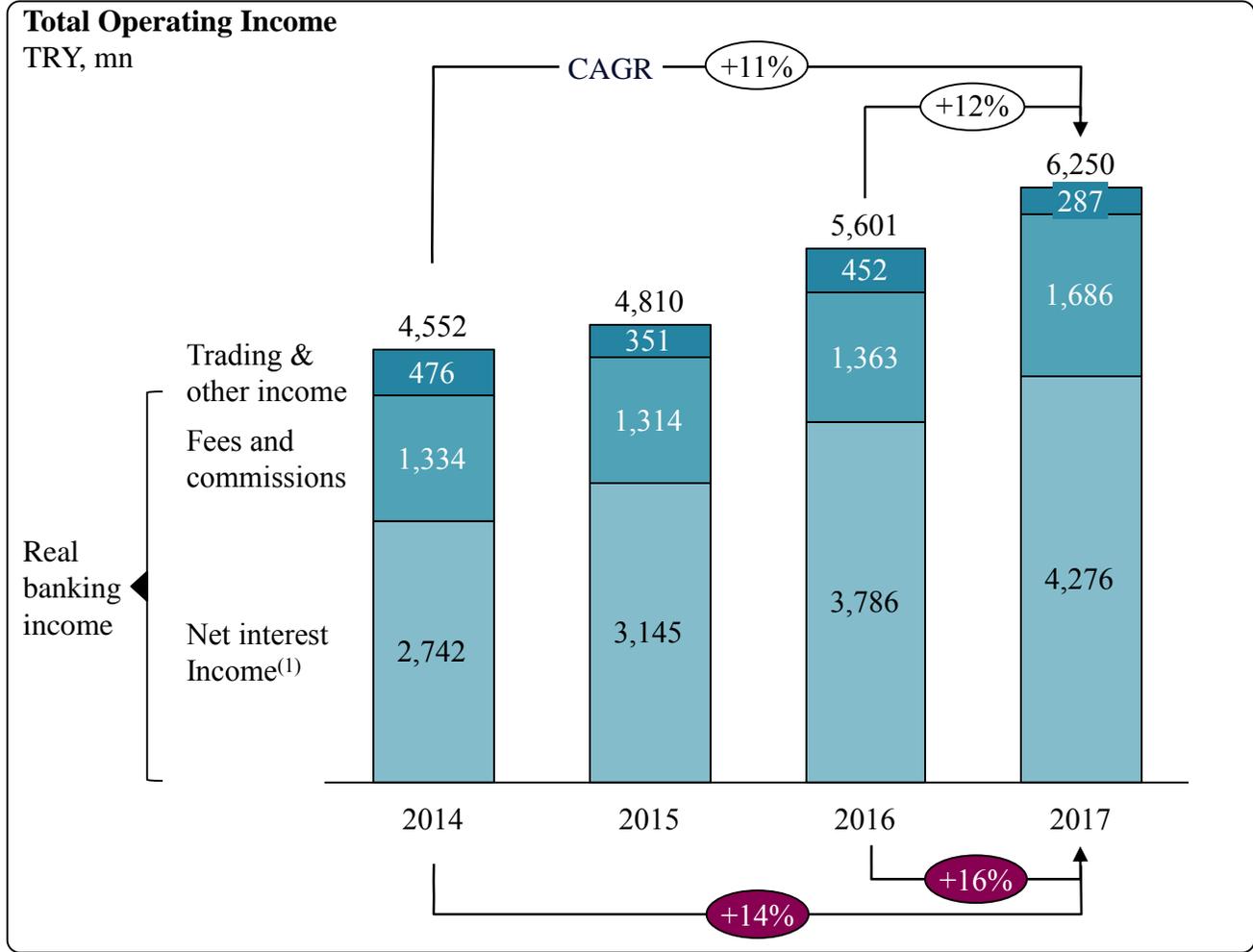
- Low trading risk appetite is reflected by the limit structure both on portfolio and product level
- Best-in-class measurement methodologies are in place with daily monitoring of all market risk metrics (VaR, sensitivities, etc.) in addition to stress tests and scenario analysis



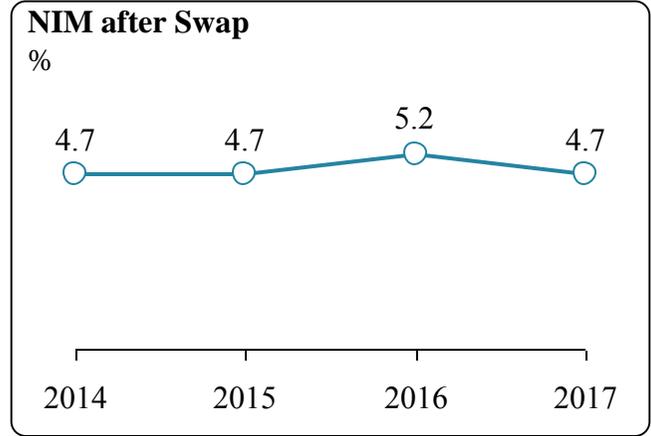
Solid Financial Performance

Focus on real banking income generation

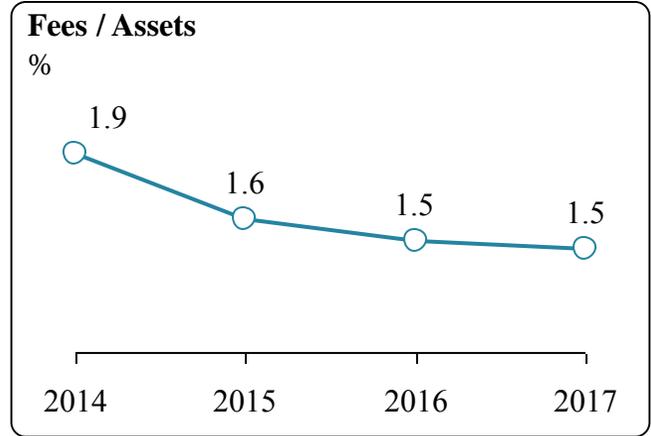
Operating income driven from core banking activities with strong YoY growth



Slight decline in NIM⁽¹⁾ due to change in business mix, high growth and regulatory impact⁽²⁾



Stable fee generation despite regulations⁽³⁾



(1) Including swap expenses

(2) Interest rate cap in cards and O/D reduced from 2.02% per month to 1.84% per month as of January 1, 2017

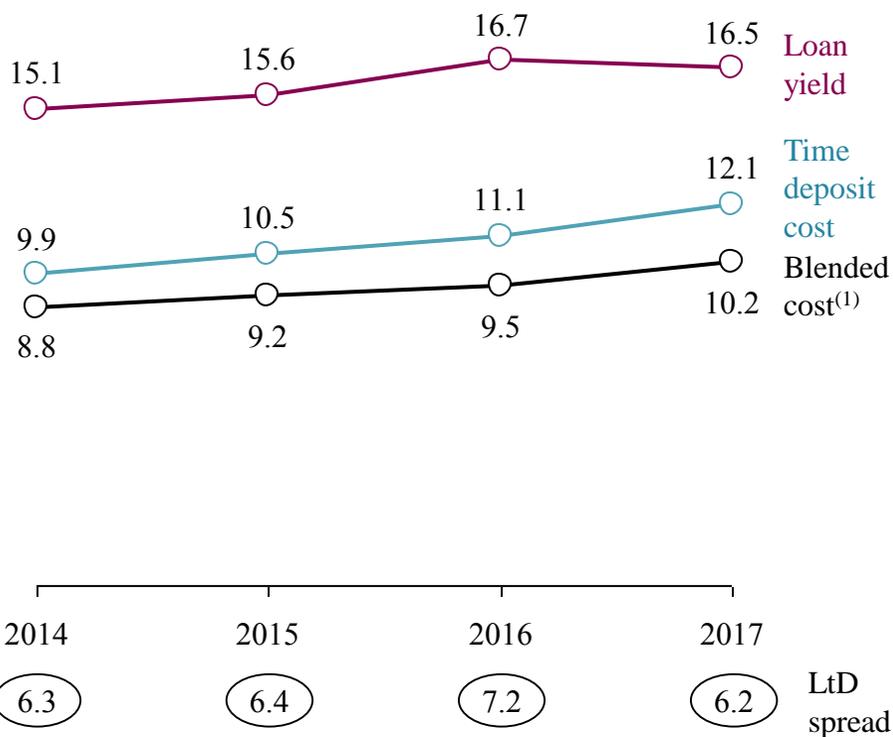
(3) Loan commissions are not allowed on CGF collateralized loans

Exceptional spread management in both TRY and FX fronts

Resilient TL loan yields and loan to deposit spreads despite strong growth in 2017

TRY Spread

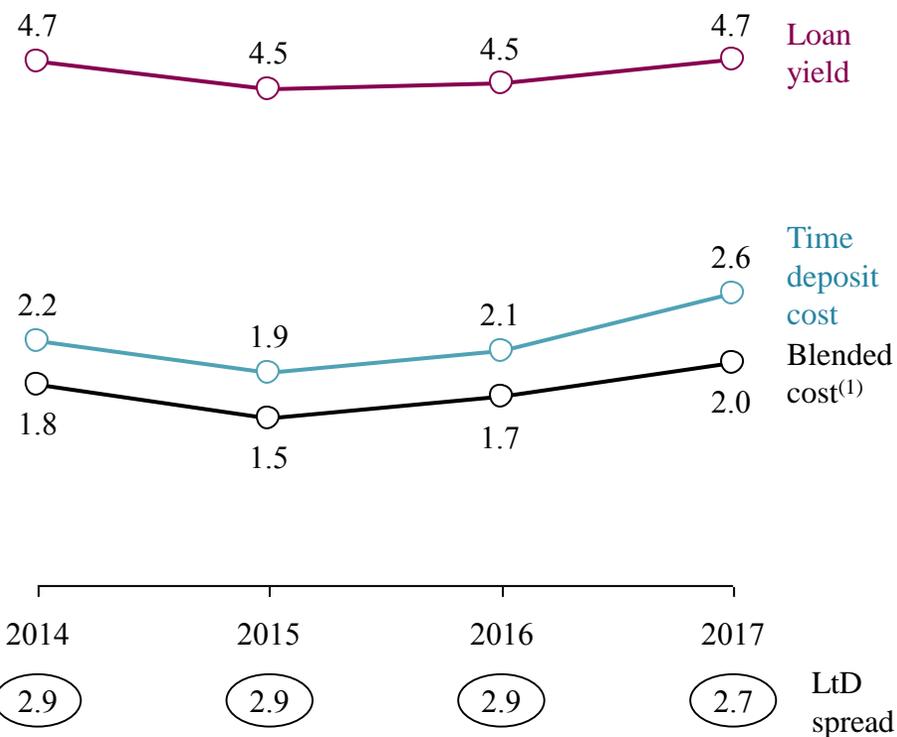
%, period average



Consistent loan-to-deposit spreads for FX side

FX Spread⁽²⁾

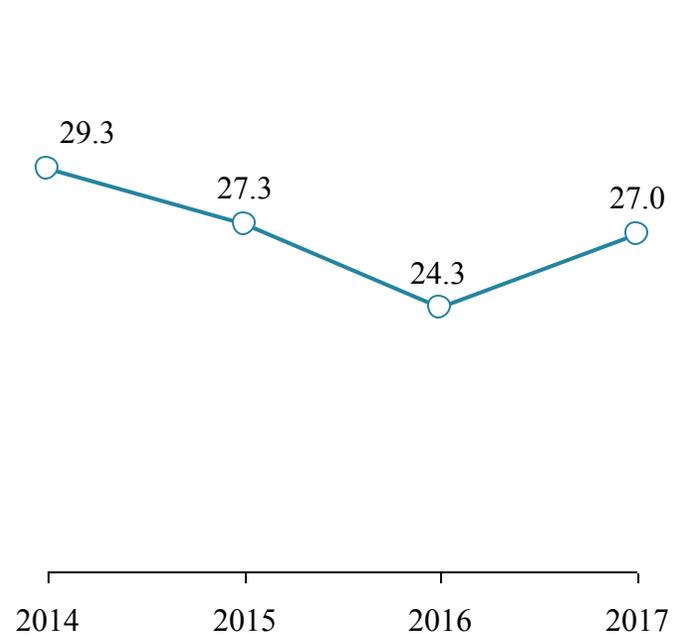
%, period average



Sustained fee generation with strong performance across diversified business segments

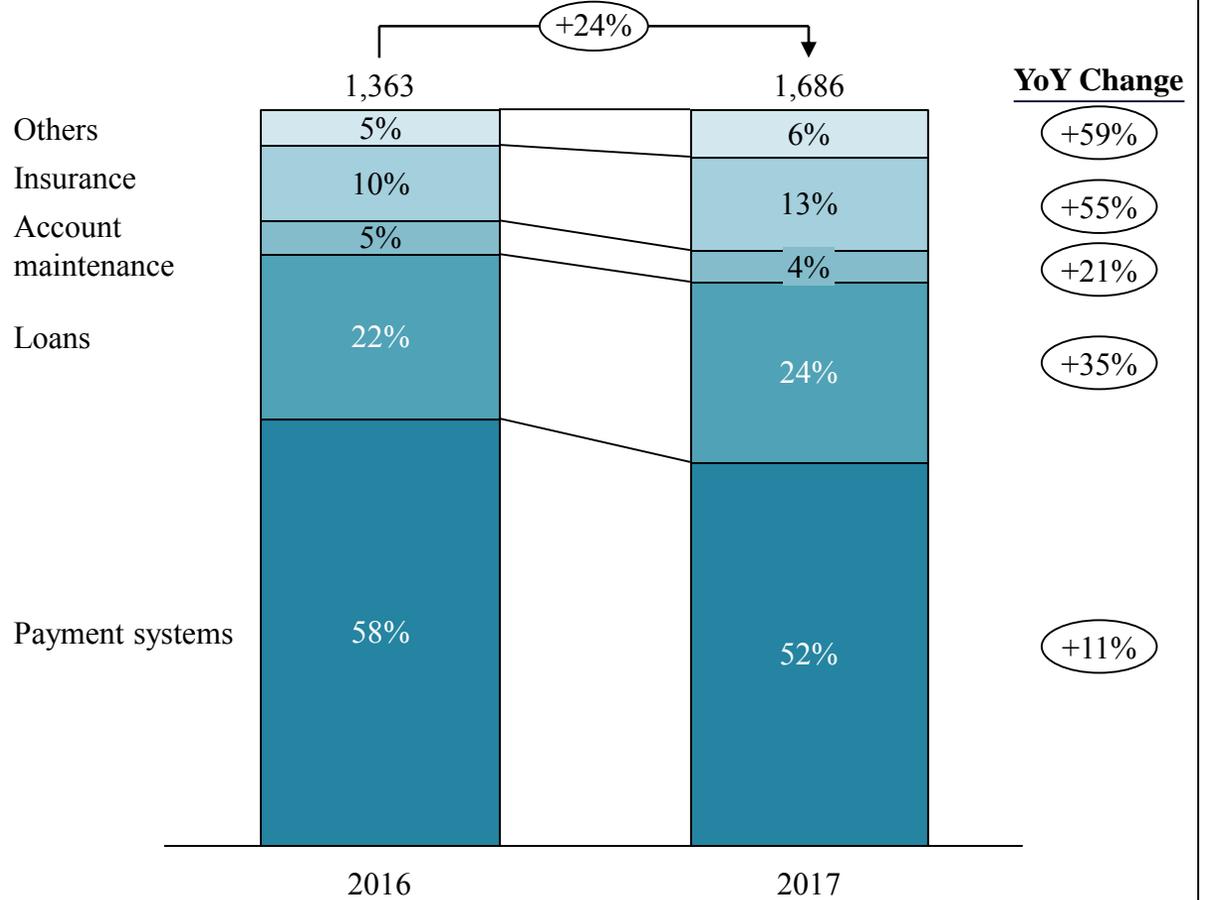
Recovery of fees in total income thanks to loan growth related fee generation

Fees / Total Income
%



24% YoY growth in fee generation driven by strong loan growth and value added service revenues

Cumulative Net Fees and Commissions
TRY, mn



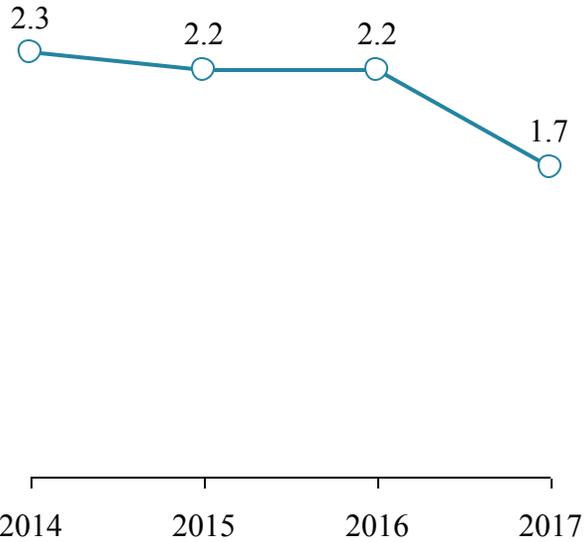
Change in business mix combined with measures taken in credit risk management across segments translates to better asset quality

Shift towards business banking helps improve cost of risk

CoR on a declining trend

Cost of Risk

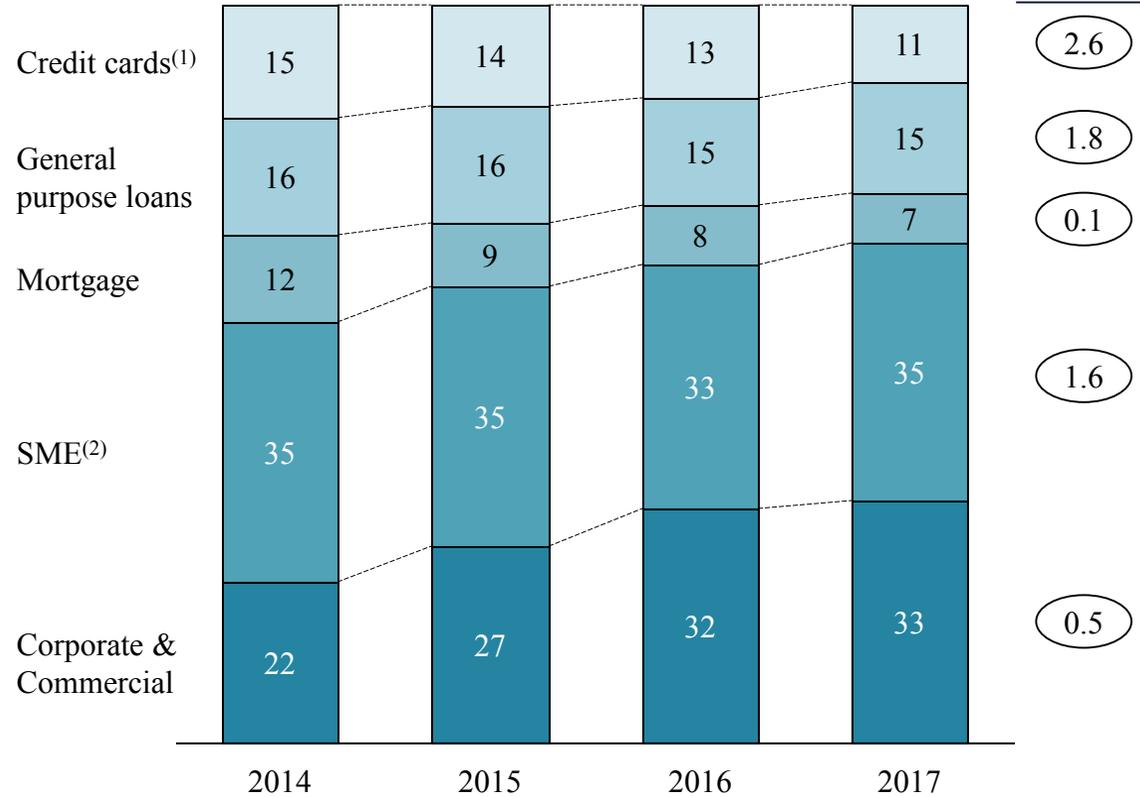
%



Loan Composition

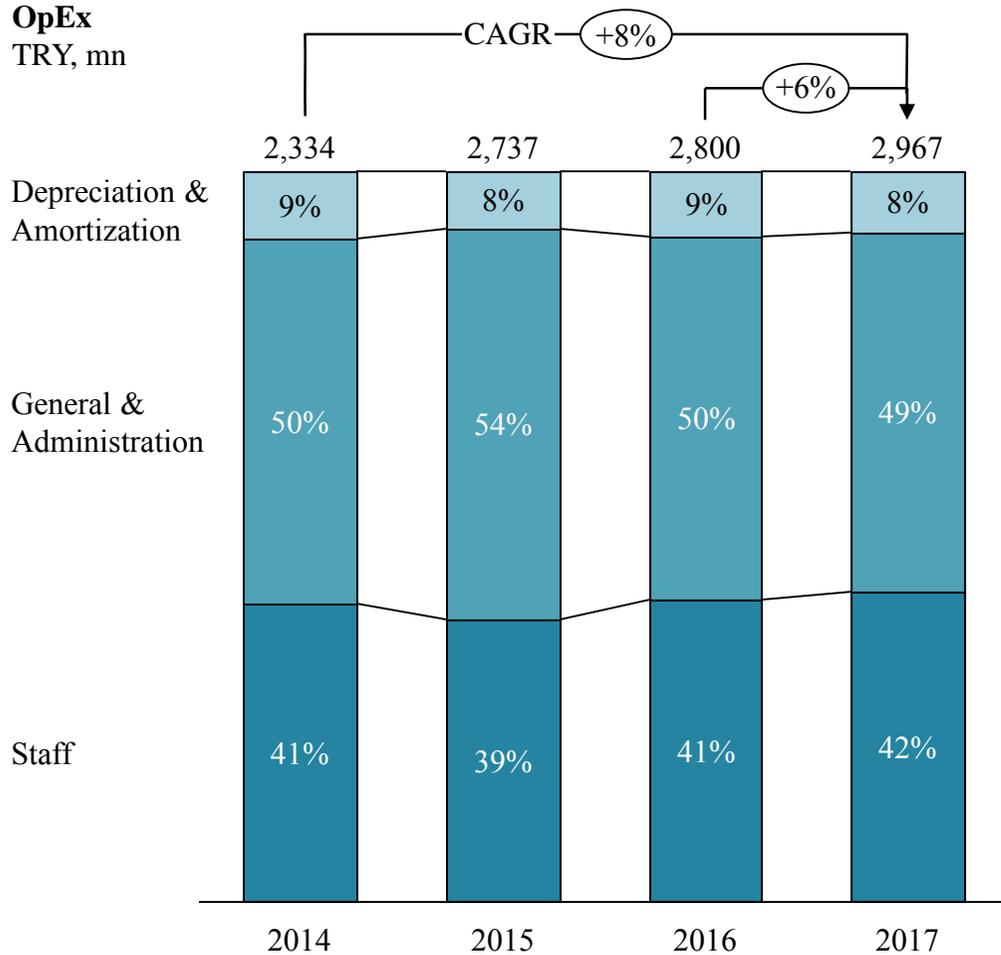
% of total loans

SCoR
2017, %



Diligent focus on efficiency even facing high business growth leading to improving efficiency metrics

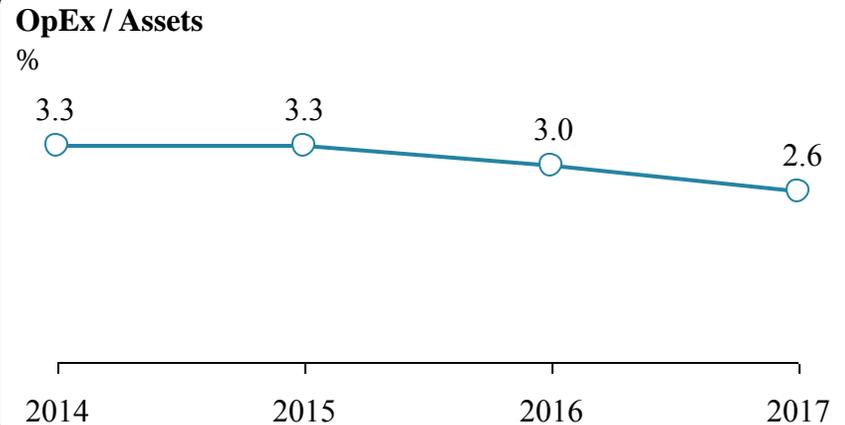
Stable operating expenses...



... leading to improvement in cost/income ratio...



... and efficiency improvement with high business growth



Key financial ratios

	Bank only figures	2014	2015	2016	2017	ΔYoY
Profitability	RoAE	10.9%	8.0%	12.7%	14.3%	+1.7pps
	RoAA	1.2%	0.9%	1.3%	1.4%	+0.1pps
	Cost / Income	51.3%	56.9%	50.0%	47.5%	-2.5pps
	NIM after swap expenses	4.7%	4.7%	5.2%	4.7%	-0.5pps
Liquidity	Loans / Deposits ⁽¹⁾	113.7%	116.6%	114.3%	117.9%	3.7pps
Asset quality	NPL Ratio	5.2%	6.3%	5.8%	5.0%	-0.8pps
	Coverage ⁽²⁾	117.6%	114.6%	118.6%	116.3%	-2.4pps
	Cost of Risk	2.3%	2.2%	2.2%	1.7%	-0.5pps
Solvency	CAR	17.0%	15.4%	14.5%	15.0%	0.5pps
	Tier I Ratio	13.0%	12.0%	12.6%	12.2%	-0.4pps
	Leverage	8.8	9.5	10.0	10.4	+0.4

Key strategies in 2017 and going forward

Long Term Sustainable Strategy

- **Real banking**, i.e., minimum market risk
- **Prudent credit risk management**
- **High CAR, high liquidity** at all times
- Leverage **wholesale funding opportunities** presented by new shareholder structure

Mid Term Strategic Actions

- Maintain solid, above the market **growth in Corporate & Commercial** and **SME** segments
- **Measured growth in consumer** lending with general purpose loans and renewed emphasis on credit cards with “high card spend” – a driver of acquiring volume (an SME business)
- Profitability and **downstream business focus** in Corporate & Commercial segments
- Continued emphasis on building a **stable deposit base** through new channels, offerings to untapped segments and customer groups (enpara.com)
- Focus on **fee generation** and **operating expenses control** as well as continuing **improvement on cost of risk** front thanks to the shift in loan book mix towards less risky segments

Appendix



Finansbank BRSA Bank-Only Summary Financials

Income Statement

TRY, mn	2014	2015	2016	2017
Net Interest Income (After Swap Expenses)	2,742	3,145	3,786	4,276
Net Fees & Commissions Income	1,334	1,314	1,363	1,686
Trading & Other Income	476	351	452	287
Total Operating Income	4,551	4,810	5,600	6,250
Operating Expenses	(2,334)	(2,737)	(2,800)	(2,967)
Net Operating Income	2,218	2,073	2,800	3,282
Provisions	(1,076)	(1,170)	(1,316)	(1,233)
Profit before tax	1,142	903	1,484	2,049
Tax expenses	(265)	(197)	(280)	(446)
Profit after tax	877	706	1,203	1,603

Balance Sheet

TRY, mn	2014	2015	2016	2017
Cash & Banks ⁽¹⁾	9,108	10,313	14,925	17,291
Securities	9,165	9,197	12,950	15,543
Net Loans	50,344	57,273	62,923	82,683
Fixed Asset and Investments ⁽²⁾	2,431	2,283	2,912	3,168
Other Assets	4,158	6,662	7,792	7,172
Total Assets	75,206	85,727	101,503	125,857
Deposits	42,075	48,566	53,939	67,032
Customer Deposits	40,652	47,009	51,966	65,297
Bank Deposits	1,423	1,557	1,973	1,735
Borrowings	16,541	17,278	24,821	34,798
Bonds Issued	5,373	4,336	4,312	7,914
Funds Borrowed	4,898	5,640	10,758	16,883
Sub-debt	2,122	2,662	3,236	3,511
Repo	4,147	4,639	6,515	6,490
Other	8,017	10,860	12,617	11,872
Equity	8,574	9,024	10,126	12,155
Total Liabilities & Equity	75,206	85,727	101,503	125,857

(1) Includes CBRT, banks, interbank, other financial institutions

(2) Including subsidiaries

Finansbank BRSA Consolidated Summary Financials

Income Statement

TRY, mn	2014	2015	2016	2017
Net Interest Income (After Swap Expenses)	2,865	3,272	3,962	4,441
Net Fees & Commissions Income	1,397	1,387	1,445	1,783
Trading & Other Income	474	307	455	413
Total Operating Income	4,736	4,966	5,862	6,636
Operating Expenses	(2,444)	(2,874)	(2,938)	(3,126)
Net Operating Income	2,292	2,092	2,923	3,510
Provisions	(1,100)	(1,207)	(1,390)	(1,269)
Profit before tax	1,192	884	1,533	2,241
Tax expenses	(276)	(204)	(295)	(469)
Profit after tax	916	680	1,238	1,773

Balance Sheet

TRY, mn	2014	2015	2016	2017
Cash & Banks ⁽¹⁾	9,209	10,403	15,084	17,424
Securities	9,209	9,254	12,983	15,608
Net Loans	50,181	57,110	62,637	82,439
Fixed Assets ⁽²⁾	1,897	1,979	2,243	2,427
Other Assets ⁽³⁾	6,339	9,304	11,379	13,297
Total Assets	76,835	88,049	104,326	131,195
Deposits	41,896	48,311	53,865	66,934
Customer Deposits	40,473	46,755	51,892	65,198
Bank Deposits	1,423	1,557	1,973	1,735
Borrowings	18,016	19,364	27,351	39,530
Bonds Issued	5,825	5,827	6,332	10,398
Funds Borrowed	5,853	6,066	11,164	18,622
Sub-debt	2,122	2,662	3,236	3,511
Repo	4,216	4,809	6,620	7,000
Other	8,126	10,968	12,806	12,302
Equity	8,798	9,405	10,304	12,428
Total Liability	76,835	88,049	104,326	131,195

International Borrowings and Issuances

Type of Borrowing	Maturity	Currency	Outstanding Principal (mn)	Tenor (Years)
Eurobond	Apr-19	USD	500.00	5
Eurobond	May-22	USD	750.00	5
Multilateral Loan	Oct-22	USD	55.00	5
Multilateral Loan	Nov-19	USD	5.18	7
Multilateral Loan	Dec-19	EUR	14.28	5
Multilateral Loan	May-20	EUR	35.71	5
Multilateral Loan	Nov-20	USD	8.05	7
Multilateral Loan	Mar-21	USD	31.68	7
Multilateral Loan	Apr-21	USD	18.79	7
Multilateral Loan	Dec-21	EUR	30.00	6
Multilateral Loan	Dec-22	EUR	13.63	7
Multilateral Loan	Feb-23	USD	21.13	6
Multilateral Loan	Mar-24	USD	20.00	7
Multilateral Loan	Jul-25	EUR	18.82	10
Project Finance Receivables Secured Loan	Apr-20	USD	200.00	3
Securitization	Feb-28	EUR	150.50	10
Securitization	Feb-28	USD	350.00	10
Securitization	Aug-20	USD	256.67	5
Securitization	Nov-24	EUR	38.88	12
Subordinated Loan	Oct-20	USD	325.00	11
Subordinated Loan	Oct-21	USD	200.00	12
Subordinated Loan	Dec-21	USD	125.00	12
Subordinated Loan	May-27	USD	260.00	10
Syndication EUR Tranche	Dec-18	EUR	503.24	1
Syndication USD Tranche	Dec-18	USD	182.00	1

Board of Directors

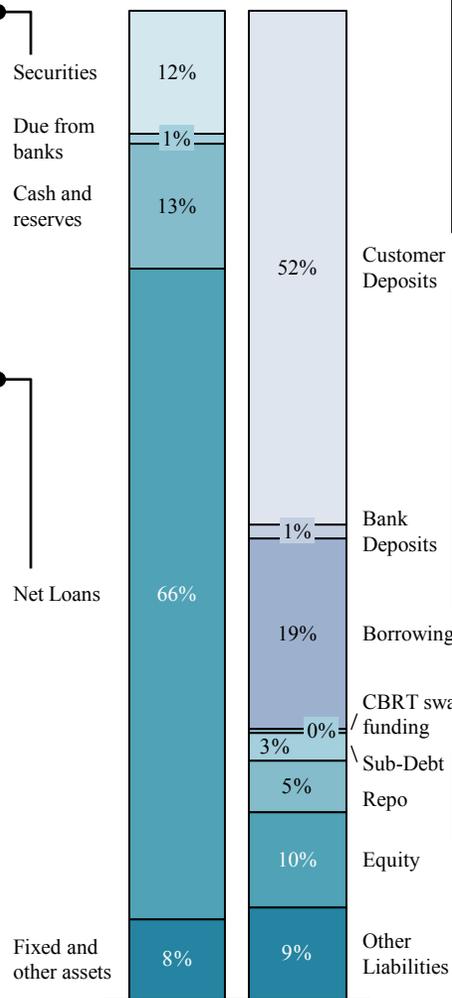
Name	Position	Background
Dr. Ömer A. Aras	Chairman and QNB Finansbank Group CEO	<ul style="list-style-type: none"> • Founding member of Finansbank • Former CEO of Finansbank for 6 years
Sinan Şahinbaş	Vice Chairman	<ul style="list-style-type: none"> • Former CEO of Finansbank for 7 years • Previously worked in Treasury, Corp. Banking and Risk Mgmt. departments of Finansbank
Abdulla Mubarak Al-Khalifa	Member of the BoD	<ul style="list-style-type: none"> • QNB Group Chief Business Officer • Holds board membership in various QNB subsidiaries in Qatar, Egypt and Jordan
Ali Rashid Al-Mohannadi	Member of the BoD	<ul style="list-style-type: none"> • QNB Group Chief Operating Officer • Holds board membership in various QNB subsidiaries in Egypt and UAE
Ramzi Talat A Mari	Member of the BoD	<ul style="list-style-type: none"> • QNB Group Chief Financial Officer • Holds board membership in various QNB subsidiaries in Qatar, Egypt and Jordan
Noor Mohd J. A. Al-Naimi	Member of the BoD	<ul style="list-style-type: none"> • QNB Group General Manager Group Treasury • Assistant General Manager • Executive Manager
Fatma A Al-Suwaidi	Member of the BoD	<ul style="list-style-type: none"> • QNB – AGM of Group Credits • Holds board membership in various QNB subsidiaries in Tunisia and UAE
Ali Teoman Kerman	Member of the BoD and Chairman of Audit Committee	<ul style="list-style-type: none"> • Former Vice Undersecretary of Treasury • Former Vice President of BRSA • Former board member of SDIF
Dr. Osman Reha Yolalan	Member of the BoD	<ul style="list-style-type: none"> • Current Vice President of Corporate Affairs in Tekfen Holding • Former CEO of Yapı Kredi • Part-time professor in various universities
Durmuş Ali Kuzu	Member of the BoD	<ul style="list-style-type: none"> • Former Vice President of BRSA • Experience in Vakıfbank, Emlakbank, Treasury, Public Oversight Institution
Temel Güzeloğlu	Member of the BoD and QNB Finansbank CEO	<ul style="list-style-type: none"> • Former EVP of Retail Banking and Strategy • Experience in Unilever, Citibank, McKinsey & Co.

Loan heavy balance sheet, 2017

Securities by Type	Maturity	AFS	TRY	Yield ⁽²⁾	
% of total	Years ⁽¹⁾	%	%	%	
	5.62	54	57	11.3	
CPI-Linker	29%	4.92	28	100	14.5
FRN	22%	2.04	100	100	12.4
Fixed	49%	7.68	47	12	8.9

Performing Loans ⁽³⁾	Avg. Ticket	Maturity	Collateral	TRY	Yield ⁽²⁾	
% of total	TRY, k	Years ⁽¹⁾	% ⁽⁴⁾	%	%	
	661	3.6	39	71	15.2	
Corp. & Comm.	38%	1,672	4.8	34	30	14.7
SME ⁽⁵⁾	29%	50	3.1	64	93	15.8
Mortgage	7%	55	6.1	99	100	11.6
Consumer ⁽⁶⁾	15%	9	2.3	5	100	19.2
Credit card ⁽⁷⁾	11%	2	N/A	N/A	100	11.5

100% = TRY 126bn



Customer Deposits by Segments	Avg. Ticket	Maturity	TRY	Cost ⁽²⁾	
% of total	TRY, k	Days	%	%	
	493.1	61	53	12.9	
Retail	65%	105.3	60	57	12.6
Corporate	35%	1,212.4	64	45	13.4

Wholesale Funding	Maturity	TRY	Cost	
% of total	Years ⁽¹⁾	%	%	
	2.2	13	4.8	
Syndication	12%	0.9	0	1.3
Eurobond	20%	3.1	0	5.9
TRL Bond	13%	0.1	100	14.0
Post finance	41%	0.9	1	3.1
Securitization	14%	7.7	0	3.4

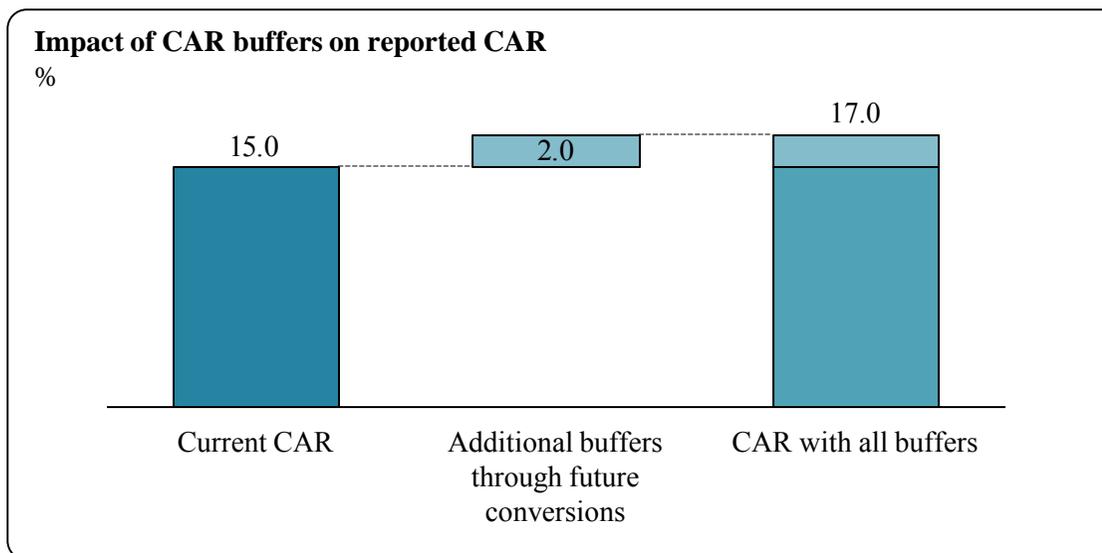
Capital Base	Maturity	TRY	Cost	
% of total	Years ⁽¹⁾	%	%	
Sub-debt	22%	5.1	0	5.8
Equity	78%	N/A	100	-

- (1) Remaining maturity
- (2) TRY yields and funding costs only
- (3) Excluding accruals. Based on QNB Finansbank business lines definition
- (4) Hard collateralization including cash, mortgages and CGF
- (5) Including Micro
- (6) Including GPL, Auto loans and Retail Overdraft
- (7) Including business CC. Calculation of Yield includes not revolving CC balance

Current sub-loan portfolio creates significant capital buffers to support future growth

<u>Outstanding sub-loans</u>	<u>Maturity</u>	<u>Amount</u>	<u>Compliance</u>	<u>Capital consideration</u>
• Tranche 1	Oct'20	USD 325.00	Basel II	USD 75.8mn
• Tranche 2	Oct'21	USD 200.00	Basel II	USD 46.7mn
• Tranche 3	Dec'21	USD 125.00	Basel II	USD 29.2mn

• Conversion to Basel III compliant sub-loan can be carried over either through parent or market issuances
 • Actual timing will depend on capital requirements



Disclaimer

QNB Finansbank (the “Bank”) has prepared this Presentation for the sole purposes of providing information which include forward looking projections and statements relating to the Bank (the “Information”). No representation or warranty is made by the Bank for the accuracy or completeness of the Information contained herein. The Information is subject to change without any notice. Neither the Presentation nor the Information can construe any investment advise, or an offer to buy or sell the Bank’s shares. This Presentation and/or the Information cannot be copied, disclosed or distributed to any person other than the person to whom the Presentation and/or Information delivered or sent by the Bank or who required a copy of the same from the Bank. QNB Finansbank expressly disclaims any and all liability for any statements including any forward looking projections and statements, expressed, implied, contained herein, or for any omissions from Information or any other written or oral communication transmitted or made available.