



Investor Presentation with 3M'17 Financials

April 2017

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
- 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 returned to lending

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

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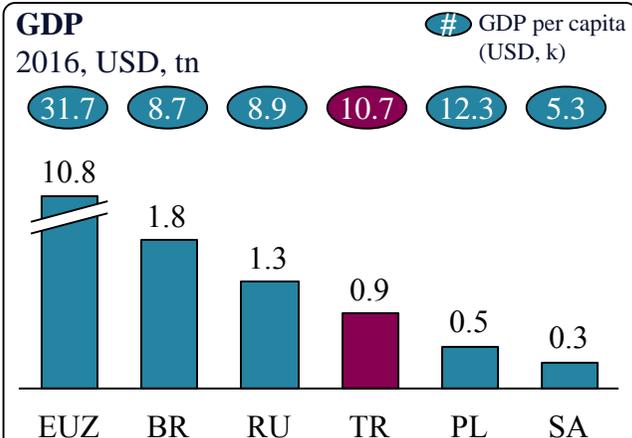
- 1 Macro-economic Overview
- 2 QNB Finansbank and QNB Group at a Glance
- 3 Loan-based Balance Sheet Delivering High Quality Earnings
- 4 Solid Financial Performance
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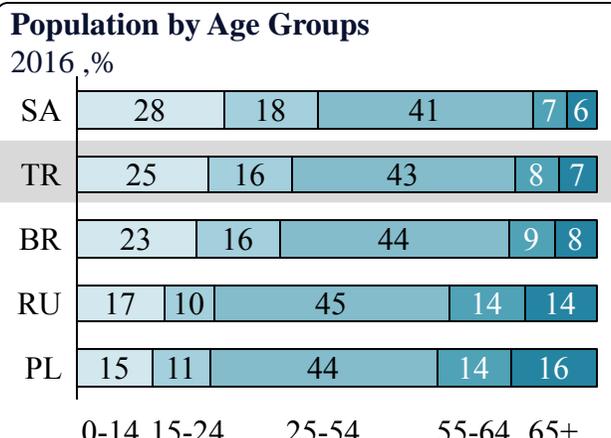
Macro-economic Overview

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

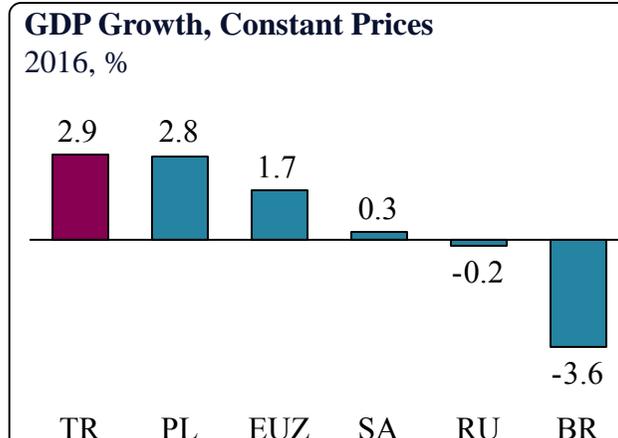
Large economy with low GDP / capita...



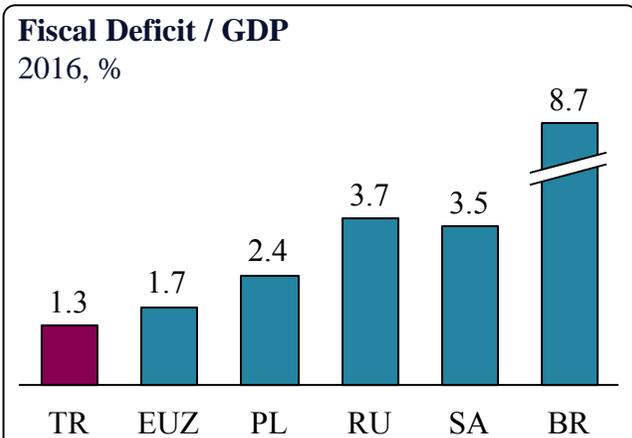
...and highly attractive demographic profile



... generating high real GDP growth



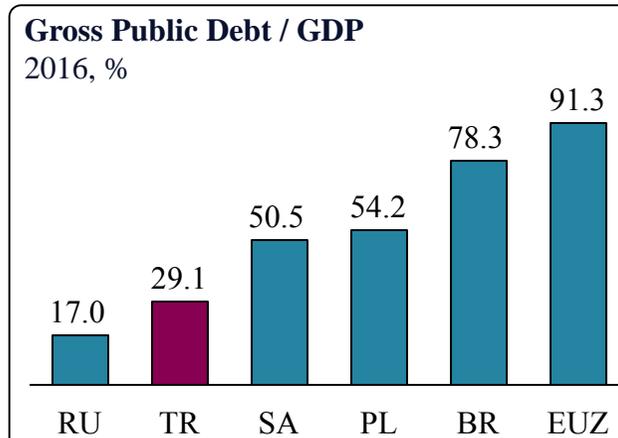
Low fiscal deficit...



... and controlled external deficit...



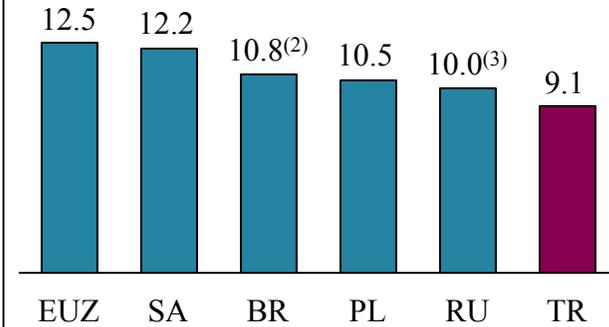
... with low public debt



Sound banking system with inherent growth potential⁽¹⁾

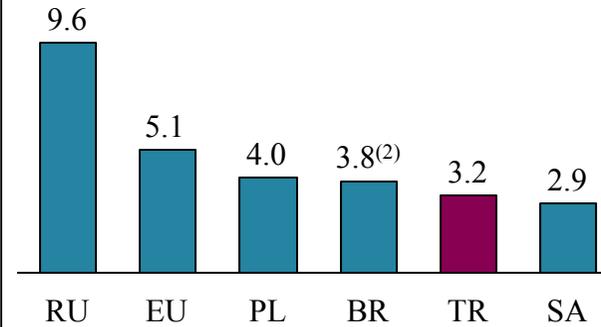
Low leverage ratio...

Leverage ratio
2016



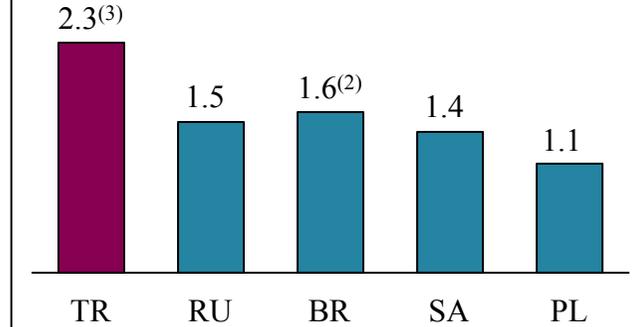
... and limited NPL levels...

NPL ratio
2016, %



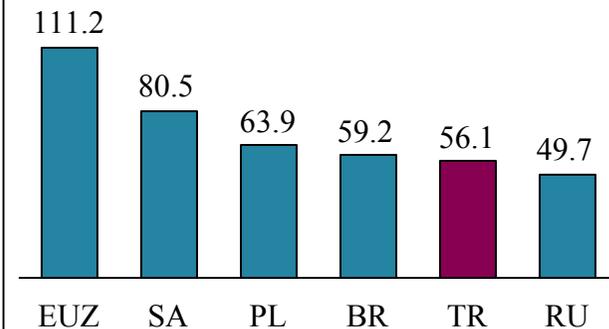
... with strong profitability characteristics

Banking Sector Pre-tax RoA
2010-2016 average, %



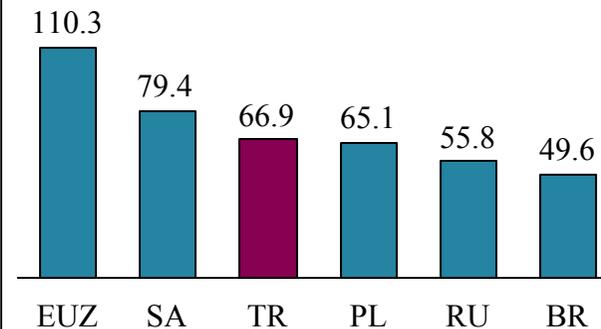
Further growth potential in deposits...

Deposits / GDP
2016, %



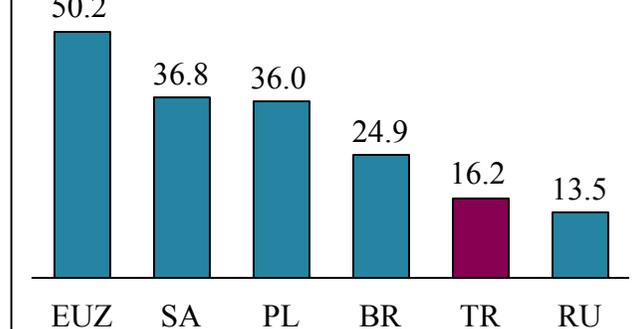
... feeding overall lending growth potential...

Loans / GDP
2016, %



... as well as ongoing retail lending growth

Household debt / GDP
2016, %



Source: Bloomberg; ECB; Central Banks; BRSA; Turkstat; IMF FSI

(1) EUZ: Eurozone, BR: Brazil, RU: Russia, PL: Poland, SA: South Africa, TR: Turkey

(2) As of Q2'16

(3) As of Q3'16

Lacklustre credit growth of 2016 has turned high pace in 2017 thanks to Credit Guarantee Fund Program and regulatory normalization in retail

Credit Guarantee Fund Program

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

- A total of TRL 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 2016

Regulatory changes to support retail loan growth

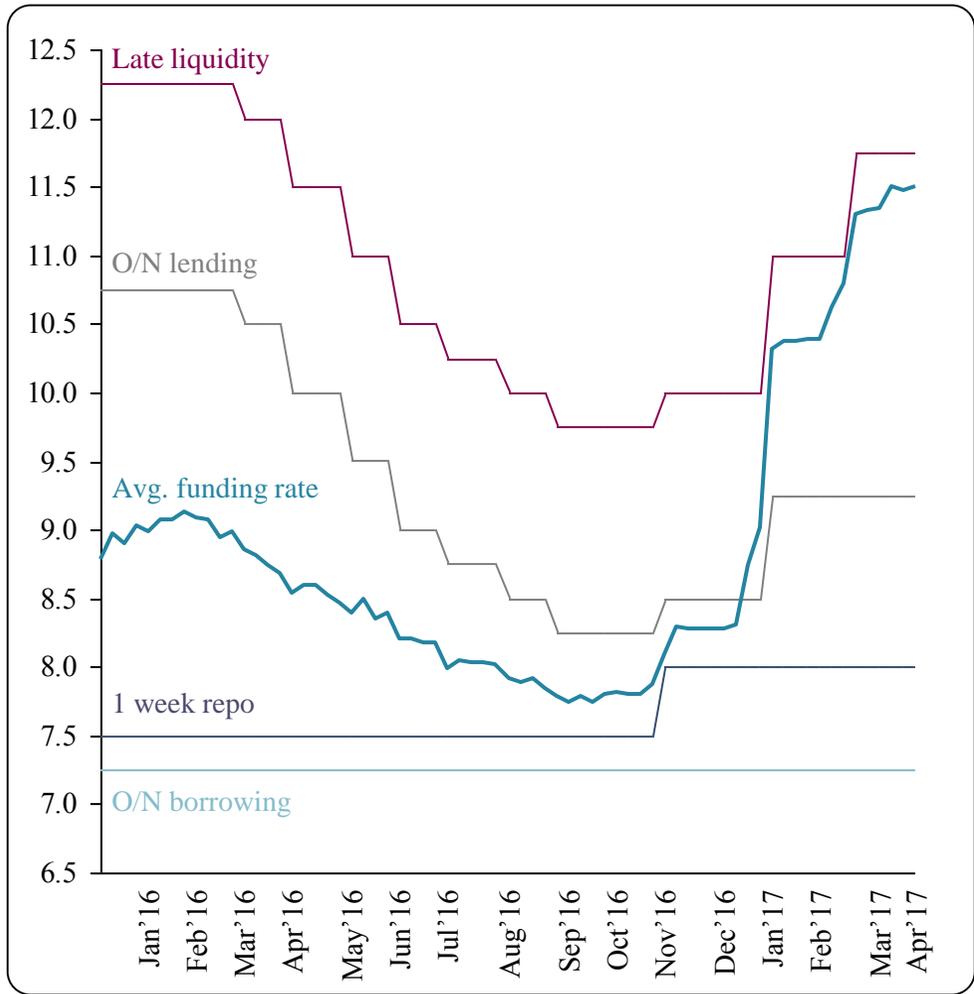
- Extended maximum loan maturity from 36 to 48 months
- General provision on retail loans reduced from 4% to 1%
- Risk weighting of retail loans realigned to international standards
- LTV on mortgages increased from 75% to 80%

Annualized credit growth rate in Turkish market

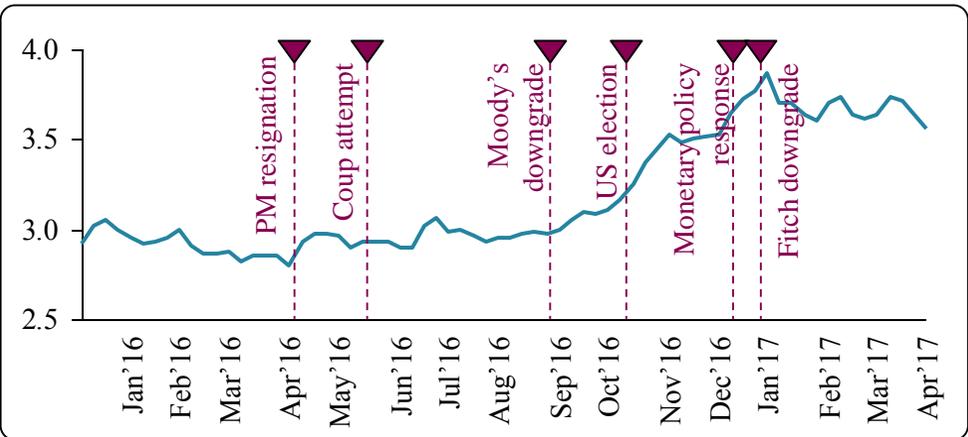


Effective tightening of monetary policy led to stabilization in FX volatility

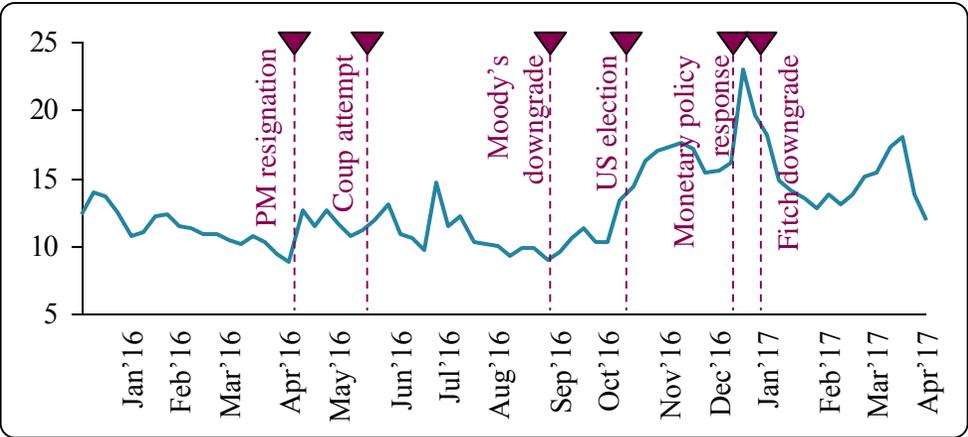
Central Bank rates



TRL against USD



Options implied TRL volatility

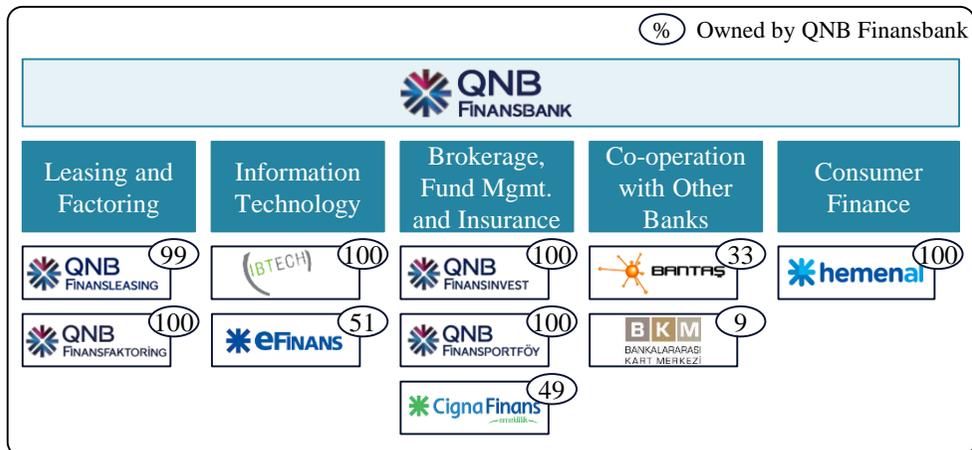




**QNB Finansbank and QNB
Group at a Glance**

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

QNB Finansbank group structure



Financial highlights

QNB Finansbank BRSA bank only financials	3M'17
TRL, bn	
Total assets	109.0
Net loans	69.2
Customer deposits	54.9
Shareholder's equity	10.7
Branches (#)	604
Active customers (mn)	5.3
Bank only employees (#)	12,277

QNB Finansbank market positioning

Bank only, 2016

	Branch	Total assets	Total loans	Total deposits	GPL ⁽²⁾	Credit cards	Comm. install. loan	Mortgage
1 st	İşbank	İşbank	İşbank	İşbank	İşbank	Garanti	İşbank	Garanti
2 nd	Garanti	Garanti	Garanti	Garanti	Garanti	Yapı Kredi	Garanti	İşbank
3 rd	Yapı Kredi	Akbank	Yapı Kredi	Akbank	Yapı Kredi	İşbank	Yapı Kredi	Akbank
4 th	Akbank	Yapı Kredi	Akbank	Yapı Kredi	Akbank	Akbank		Yapı Kredi
5 th	Denizbank	Denizbank		Denizbank			TEB	TEB
6 th			Denizbank		Denizbank	Denizbank	Denizbank	
7 th	TEB	TEB	TEB	TEB	ING	HSBC	Akbank	Denizbank
8 th	ING	ING	ING	ING	TEB	TEB	ING	ING
9 th	HSBC	HSBC	HSBC	HSBC	HSBC	ING	HSBC	HSBC

Source: BRSA bank only data; BAT

Note: All information in the presentation is based on BRSA bank only data unless stated otherwise

(1) In terms of total loans

(2) Includes overdrafts

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

Internet banking



872k active internet banking customers

Mobile banking



1,501k active mobile banking customers

ATMs



2,824 ATMs around Turkey

Mobile banking



391k active mobile banking customers

Internet banking



207k active internet banking customers

Direct sales



594 in-house and 5 outsource personnel

604 branches



Covering 71 out of 81 cities of Turkey⁽¹⁾



Call center



777 inbound agents

Telesales



49 outbound agents

POS



234k POS terminals

Call center



173 inbound agents

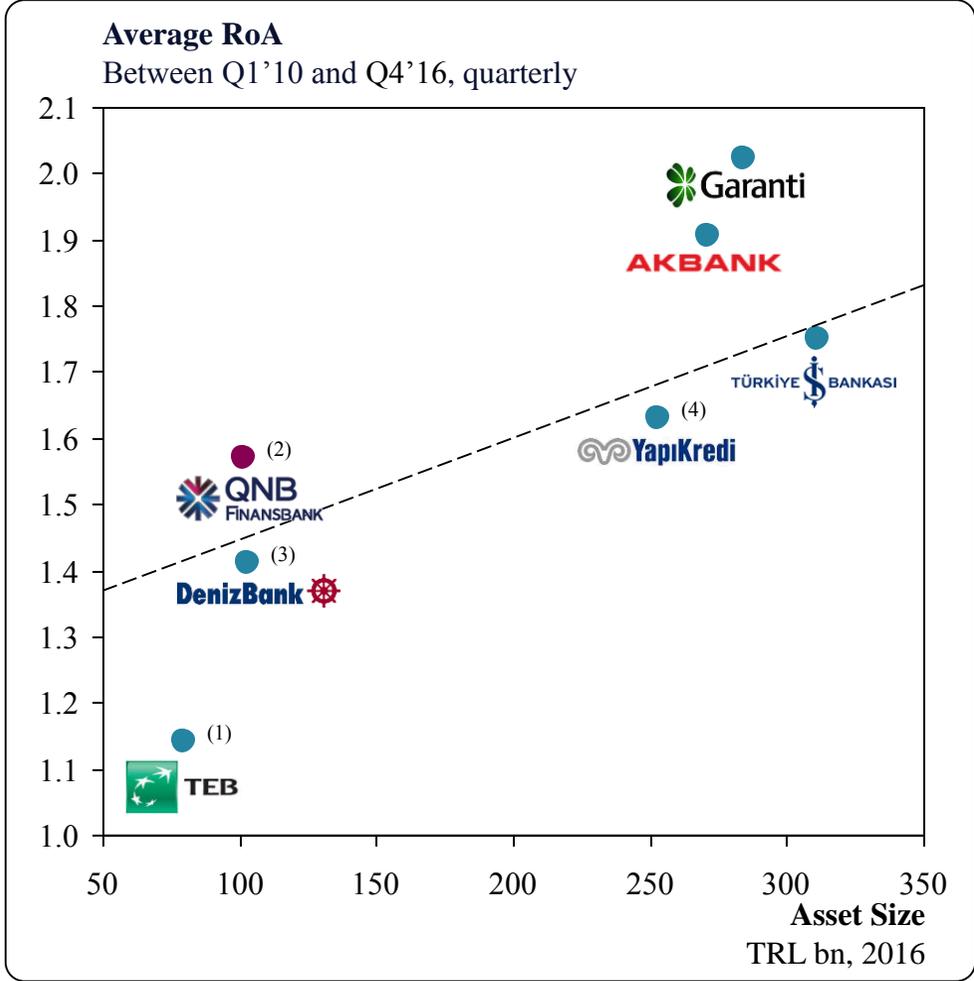
Field service



137 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

Source: BRSB bank only data

- (1) Profit for the Year from Discontinued Operations amounting to TRL 271mn is excluded
- (2) TRL 180mn sale of Finans Emeklilik in Q4'12 is excluded
- (3) TRL 388mn sale of Deniz Emeklilik in 2011 and TRL 262mn dividend income in 2012 are excluded
- (4) Sale of YKB Emeklilik in 2013 is excluded

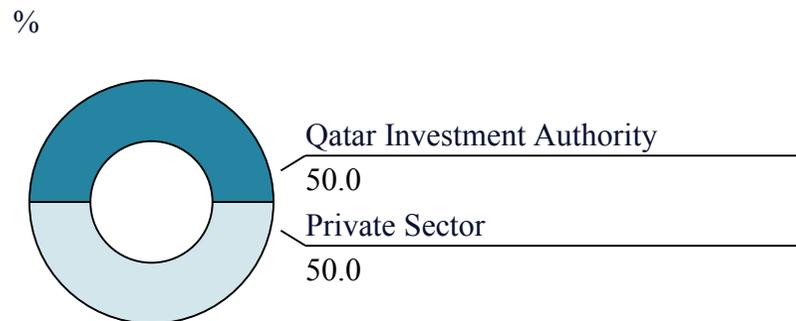
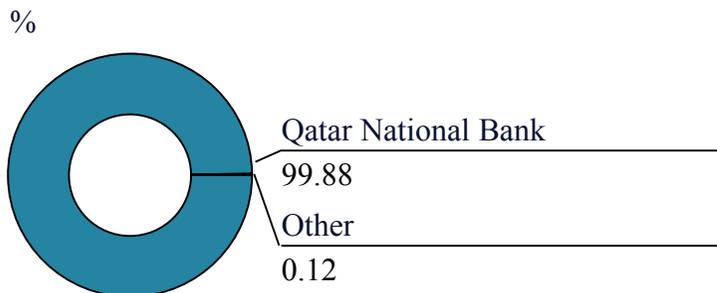


QNB's recent acquisition of Finansbank has brought a strong support to one of market's leading performers

QNB Finansbank

QNB Group

Shareholder Structure



Ratings

	Moody's	Fitch
Long-term Borrowing	Ba1	BBB-
Short-term Borrowing	NP	F3

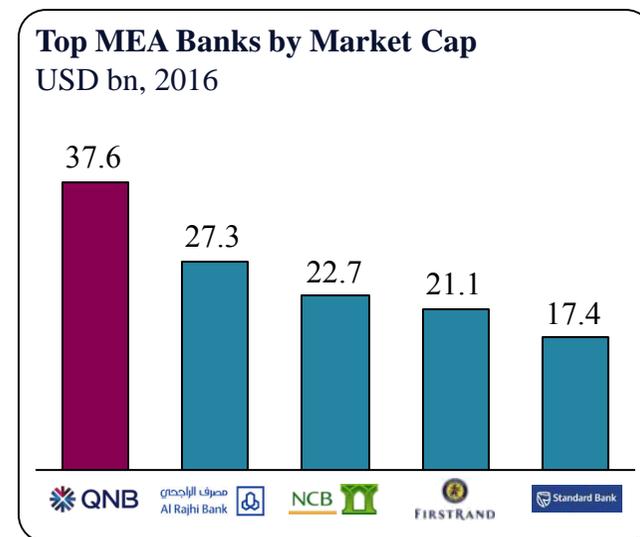
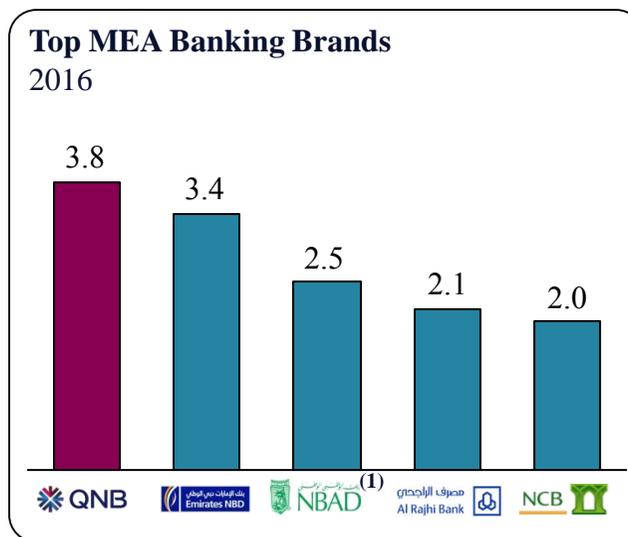
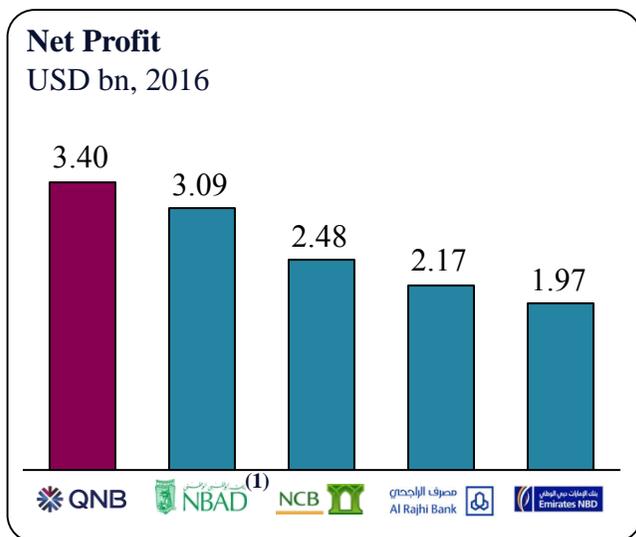
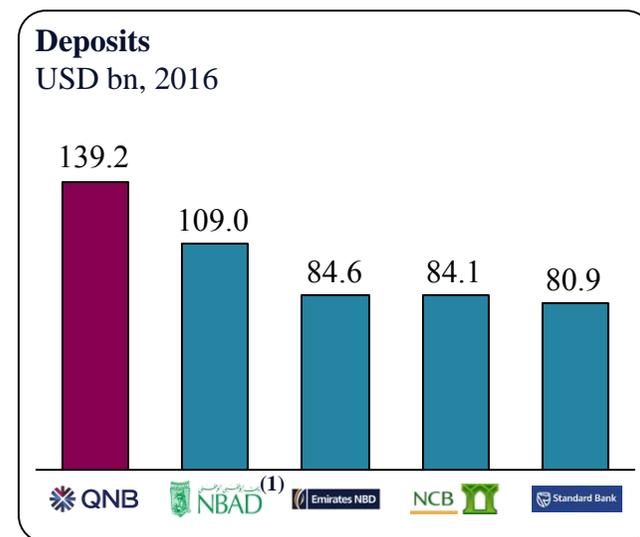
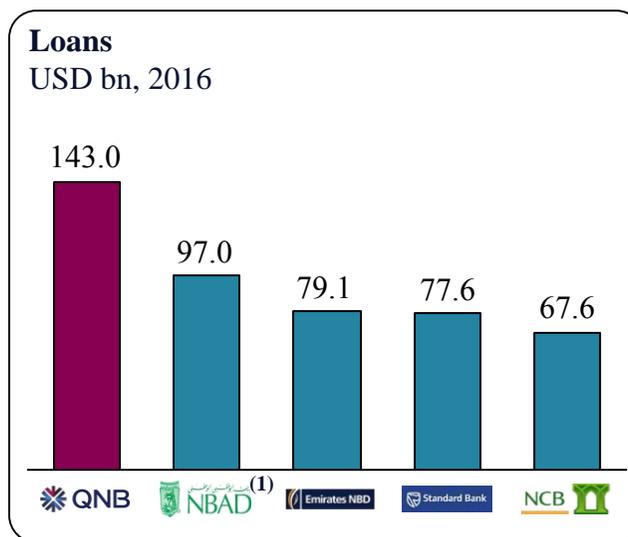
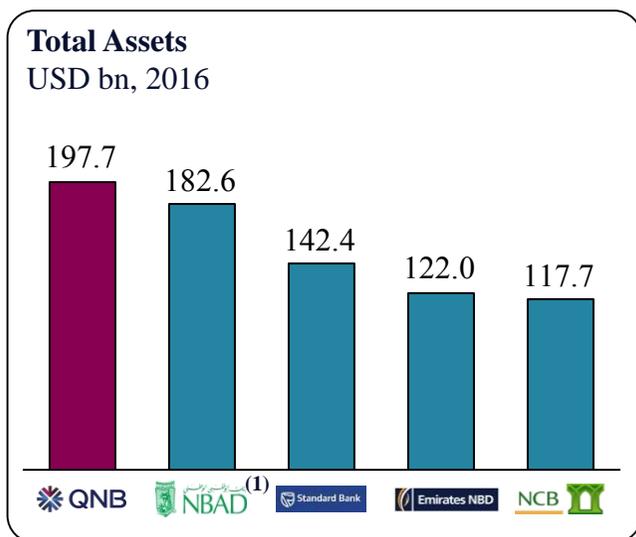
	Moody's	Fitch	S&P
Foreign Currency Long-term	Aa3	AA-	A+
Foreign Currency Short-term	P-1	F1+	A-1

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 30 countries around the world across 3 continents
- More than 1,250 locations, supported by more than 4,300 ATMs and employing more than 28,000 staff

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



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

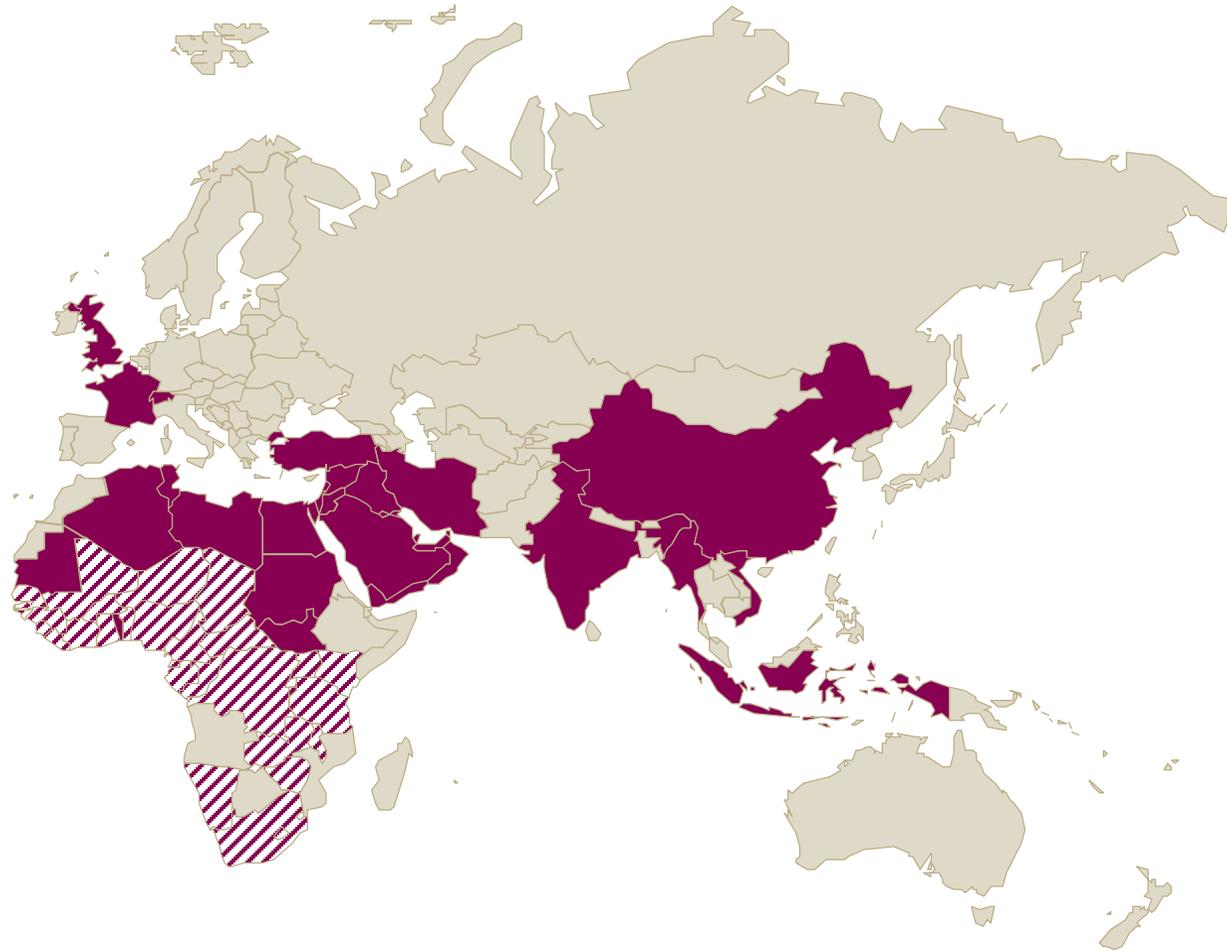
-  QNB presence
-  QNB footprint⁽¹⁾
-  Top 40 trade partners of Turkey

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

...and with QNB, QNB Finansbank has the strongest shareholder of all banks in Turkish market

QNB has superior ratings and dominant presence in domestic market

Major Banks	Controlling Shareholder	Parent's Foreign Currency Long-term Rating			Parent's Market Share in Domestic Market ⁽¹⁾
		Moody's	Fitch	S&P	
Akbank	Sabancı Holding	Not rated			N/A
Isbank	Isbank Pension Fund	Not rated			N/A
Garanti	BBVA	A3	A-	BBB+	12%
Yapi Kredi	Unicredit Koç Holding	Baa1 Baa3	BBB+ Not rated	BBB- BBB-	13% N/A
QNB Finansbank	QNB	Aa3	AA-	A+	45%
Denizbank	Sberbank	Ba2	BBB-	N/A	29%
TEB	BNP Paribas Çolakoğlu Holding	A1	A+ Not rated	A	Not Disclosed ⁽²⁾

QNB's exceptional strength is underlined by all three major rating agencies

STANDARD & POOR'S
RATINGS SERVICES

"Our stable outlook on Qatar National Bank (QNB) reflects the bank's resilient financial performance supported by its core franchise in Qatar as well as its expected extraordinary support from the Qatari Government"

May 31st, 2016

MOODY'S

"The standalone rating reflects: (1) consistently high profitability levels, supported by QNB's dominant market position and government relationships; (2) strong asset quality and sound capitalization; (3) strong funding and liquidity metrics supported by growth in both its domestic private and international deposit base and (4) increasing business diversification derived from non-domestic operations."

May 20th, 2016

FitchRatings

"Profitability is stronger than that of most peers. Risk appetite is fairly conservative despite rapid growth and expansion into some higher-risk markets. We note however that QNB has a good track record of integrating and managing subsidiaries in weaker operating environments"

April 21st, 2016

Only bank ranked among top 50 safest banks⁽³⁾ in the world with presence in Turkey

Source: Bloomberg; company reports; ECB; Central Bank of Russia

(1) Only banking entities and market share by assets as of 2016

(2) BNP Paribas is among the 10 largest banks in the World and the largest French bank

(3) Global Finance Safest Banks in the World

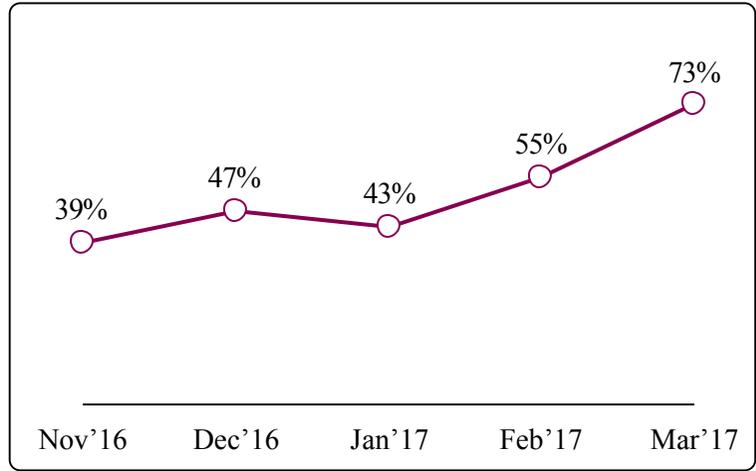
Strong deployment of “QNB” brand across the country supports capturing synergies...

Bank rebranding launch through a new media campaign

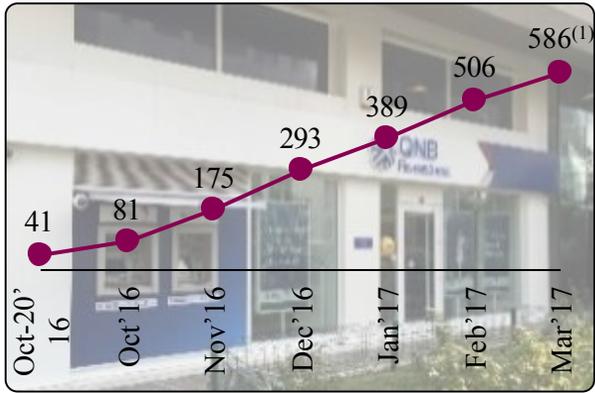
“Stronger than ever, we are now QNB Finansbank”

Professional sports sponsorships

“QNB” brand standalone awareness in Turkey



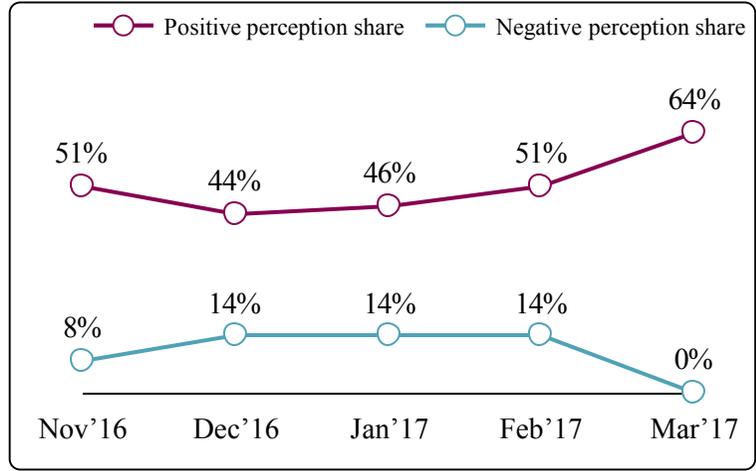
Rebranding of all branches



Relaunch of CardFinans platform

“There is more to life than things you buy”

Customer perception of QNB acquisition

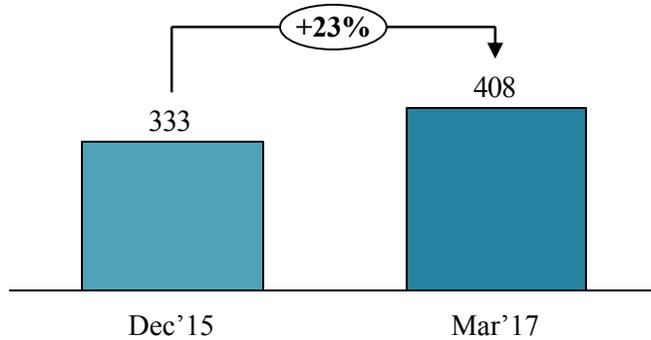


(1) All physical street level locations are completed as of March; some branch locations carry two branch licenses

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

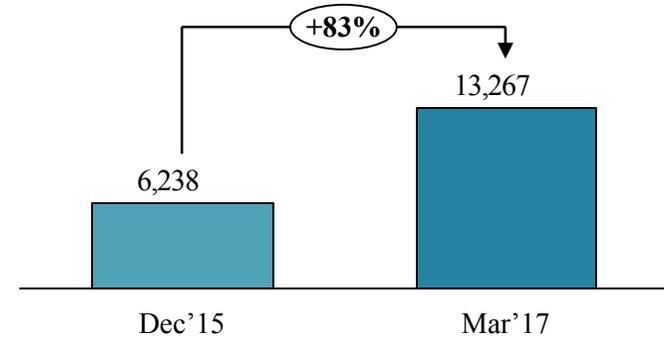
Strong client base growth in retail deposits ensuring stable and cheaper funding

Number of retail deposit clients⁽¹⁾
Thousands



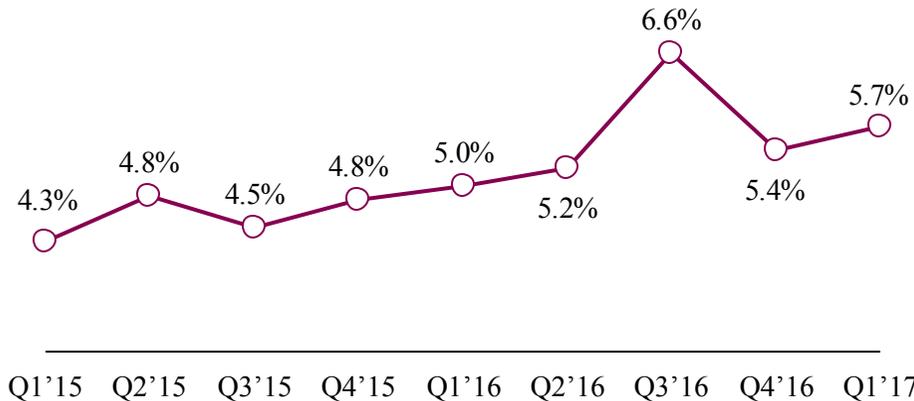
Ability to attract stable and cheap deposits from SME clients

Number of active SME time deposit clients⁽²⁾



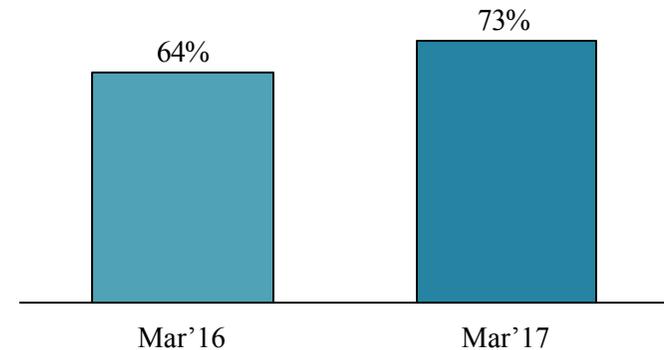
Leveraging groups geographic footprint and stronger correspondent access for improving trade business

Trade finance market share



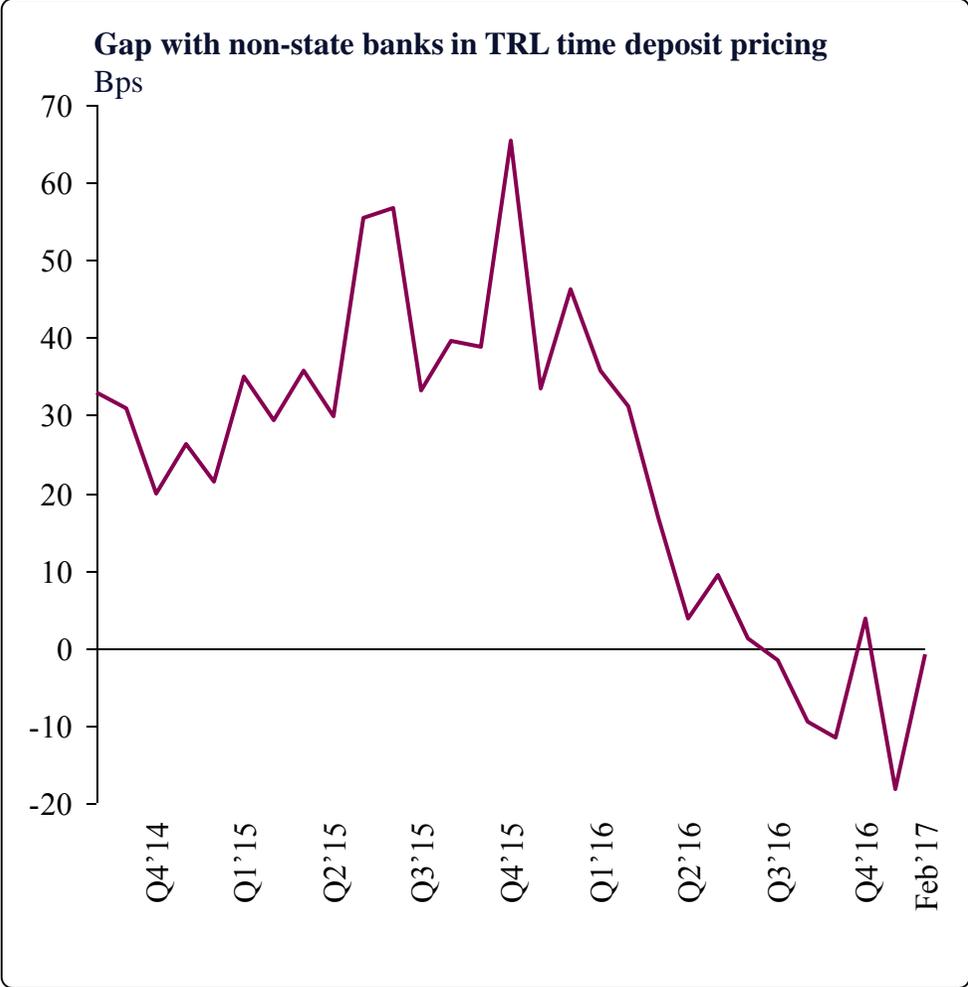
Significant improvement in SME lending thanks to more competitive pricing

Share of low risk clients in SME portfolio

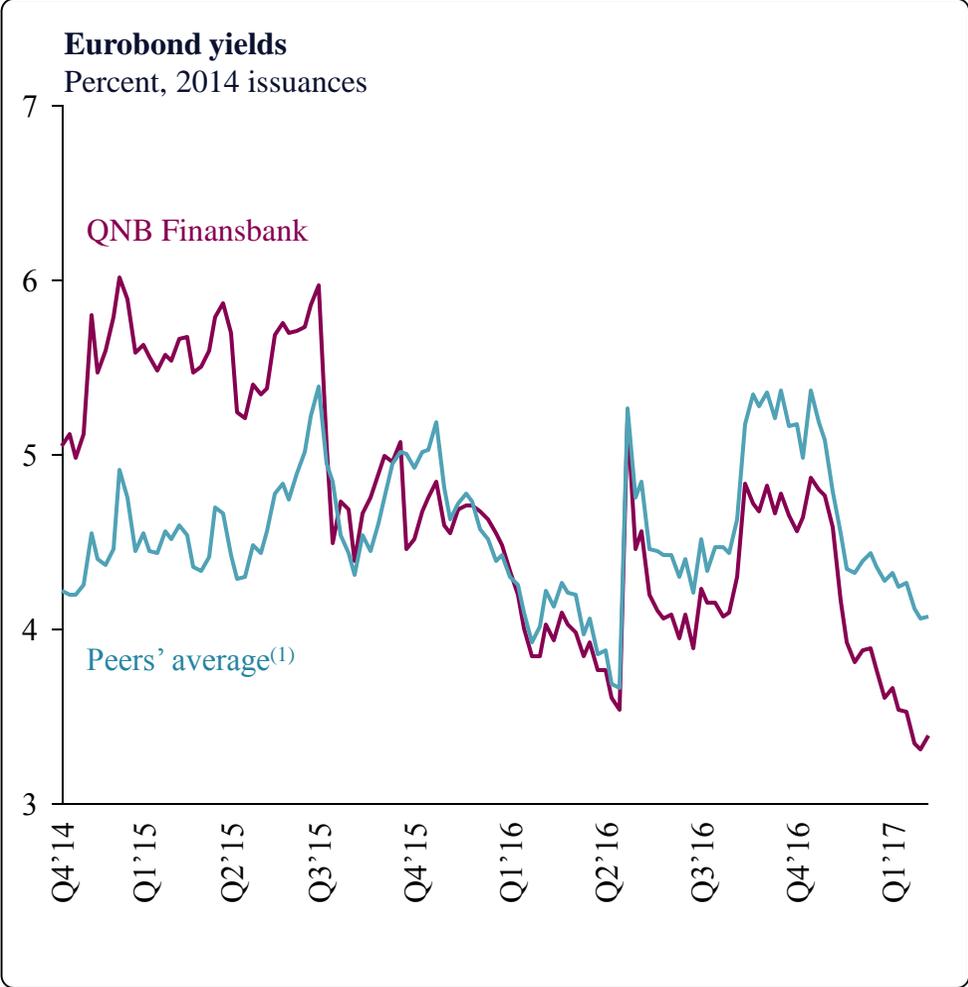


... and delivering improvement in cost of funding

QNB Finansbank's deposit interest rate costs already converged to the sector...



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

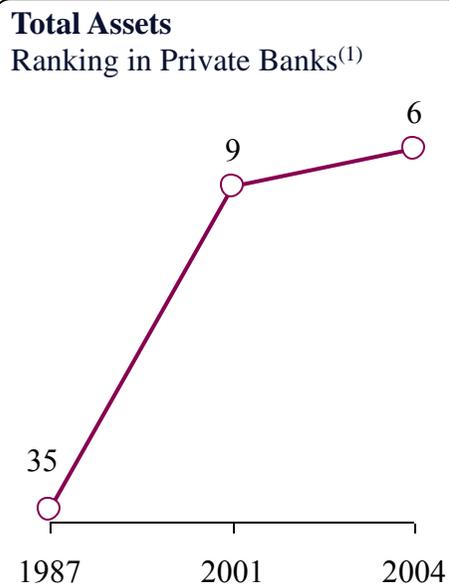


Source: BRSA; Bloomberg

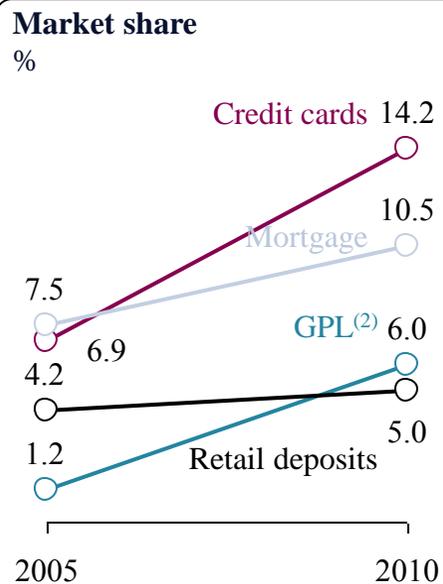
(1) Eurobonds of Garanti, Akbank, Isbank and Yapi Kredi issued around the same time as QNB Finansbank

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

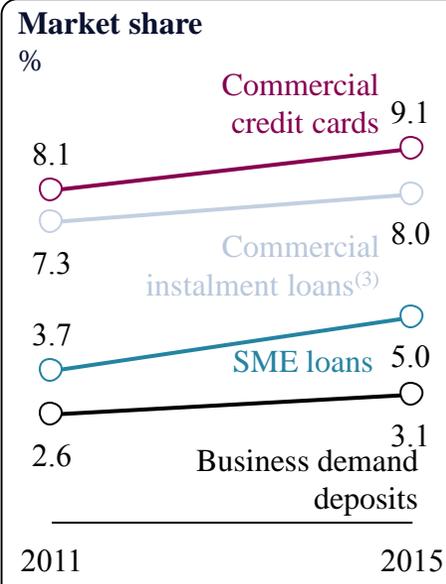
1987-2004: fast growth behind leadership in Corporate & Commercial Banking



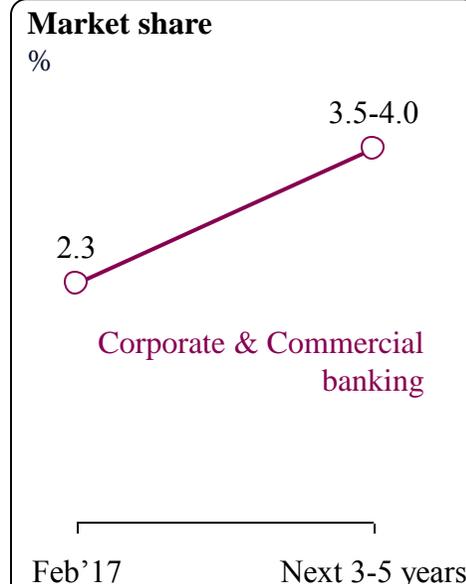
2005-2011: Retail banking boom with market leading growth and success



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



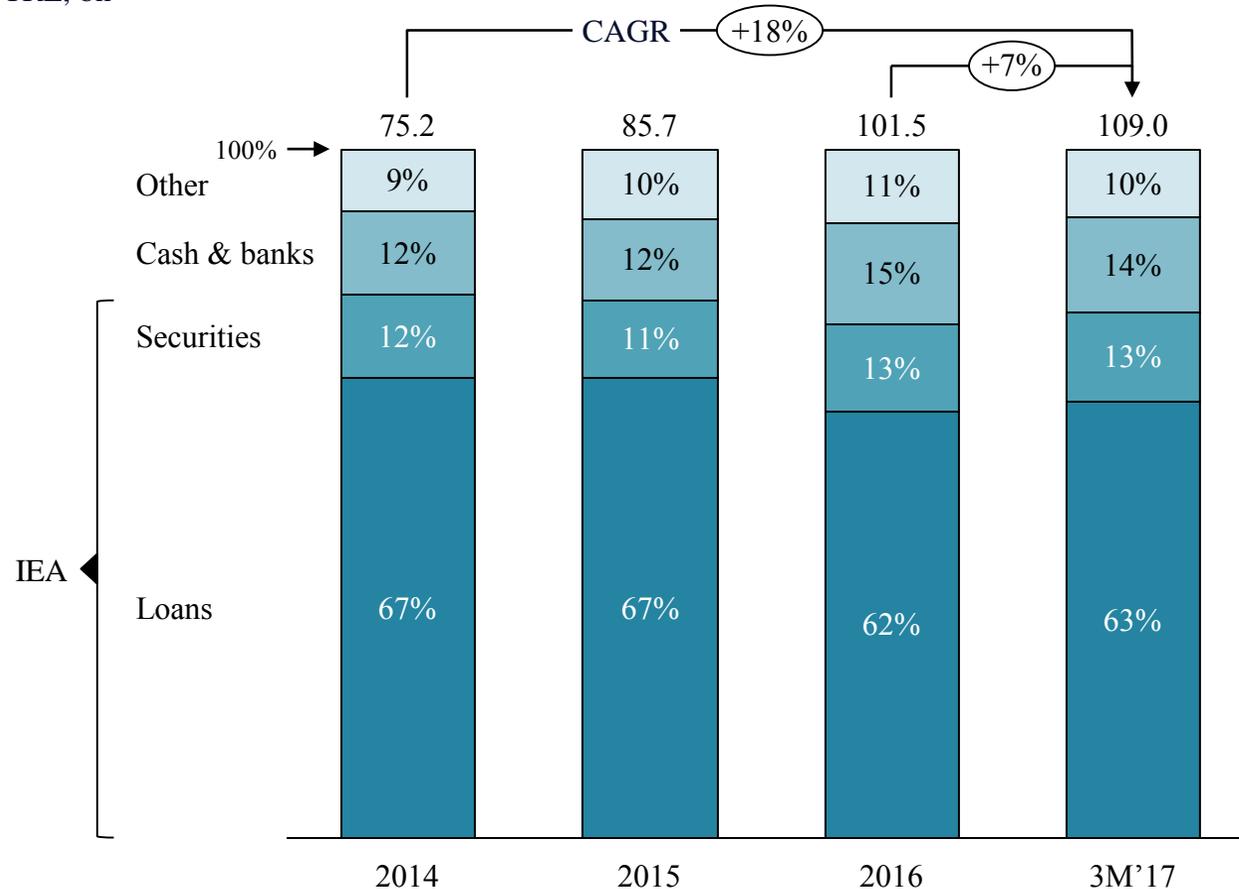


**Loan-based Balance Sheet
Delivering High Quality
Earnings**

Asset size reached TRL 109bn with 18% average annual growth over last three years while 2017 YTD growth significantly outpacing historical figures

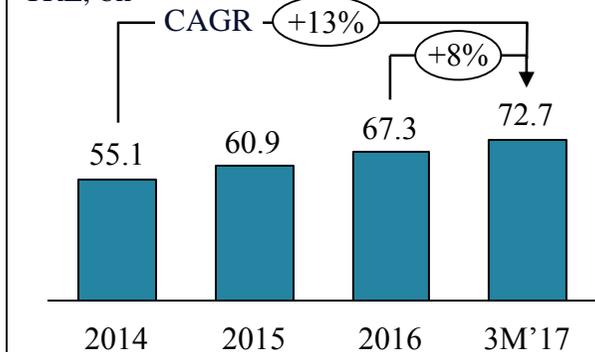
Loan heavy balance sheet

Total Assets
TRL, bn



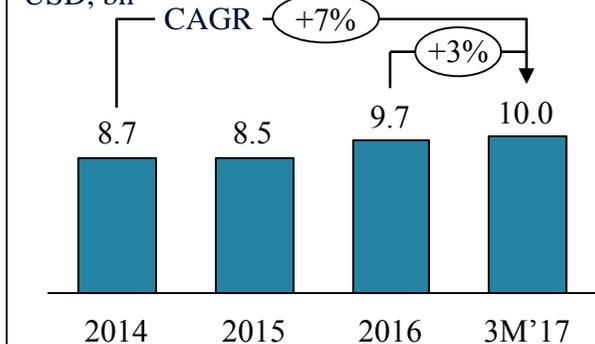
TRL assets growth significantly picked-up in 3M'17

TRL Assets
TRL, bn



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

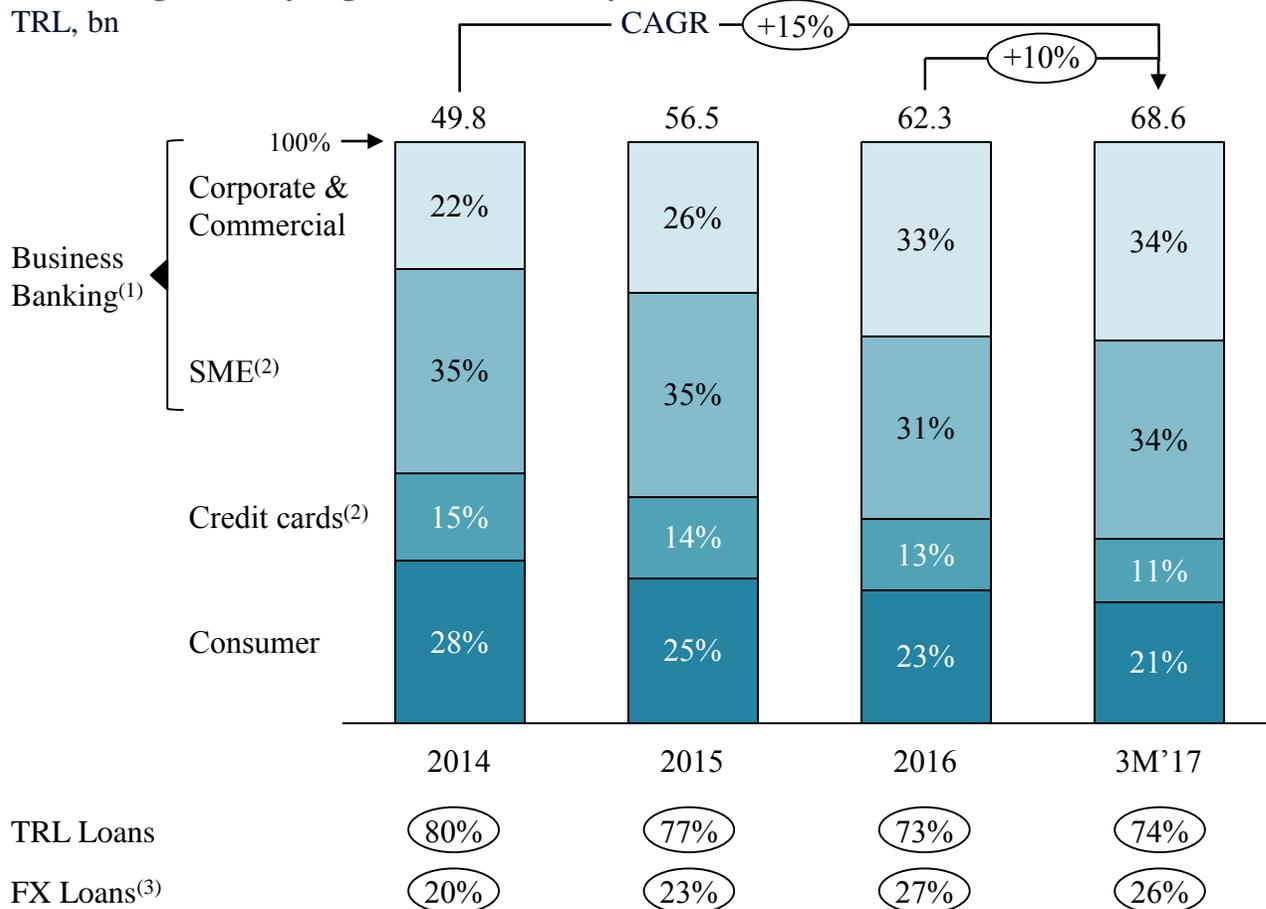
FX Assets⁽¹⁾
USD, bn



Sustained and successful execution of the growth strategy...

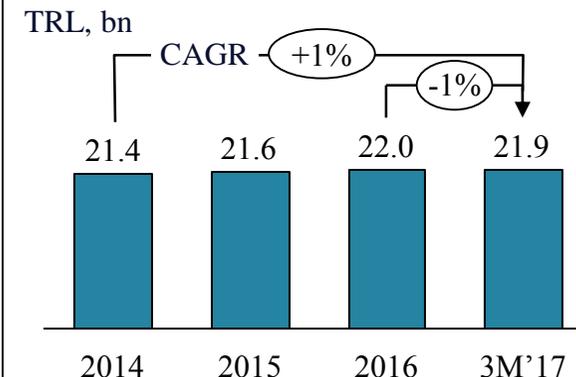
Loan book continued to shift towards business banking with strong growth in 3M'17 supported by CGF program

Performing Loans by Segment and Currency



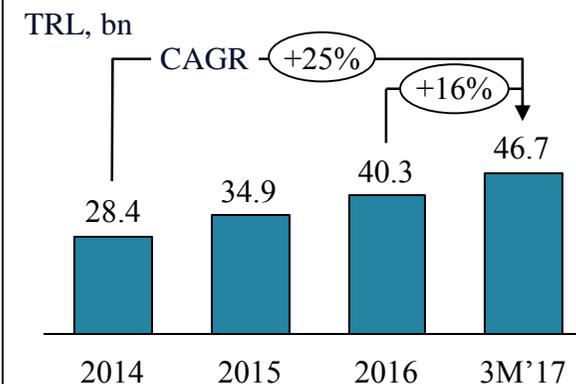
Retail loans are almost flat over the period

Retail Loans



Significant growth in business loans

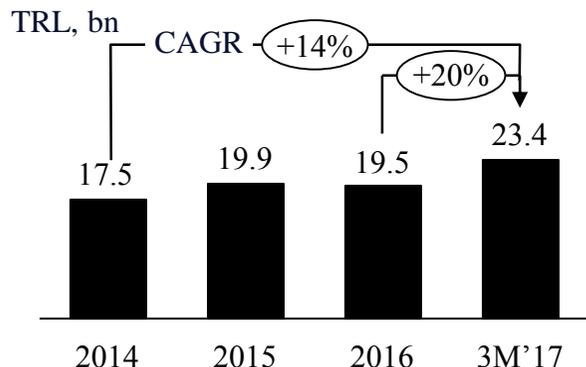
Business Loans



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

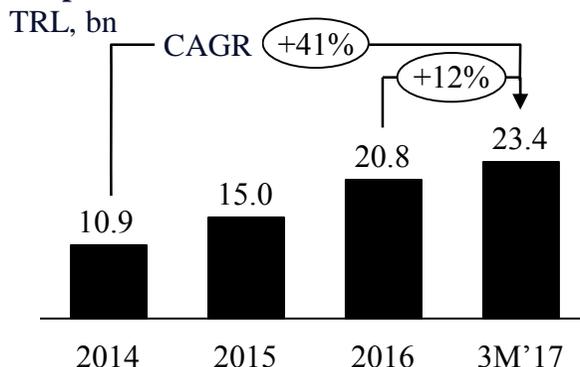
SME loan growth resumed in 3M'17 with focused use of CGF program

SME Loans^{(1) (2)}



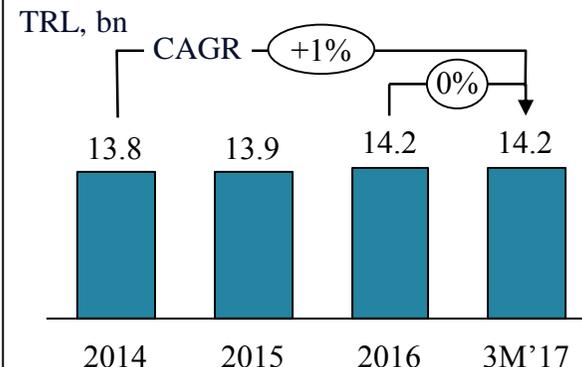
Strong growth in corporate & commercial loans supported also by FX rates

Corporate & Commercial Loans⁽¹⁾



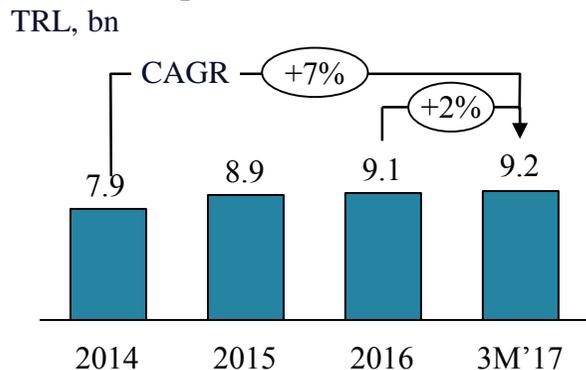
Selective growth in consumer loans...

Consumer Loans⁽³⁾



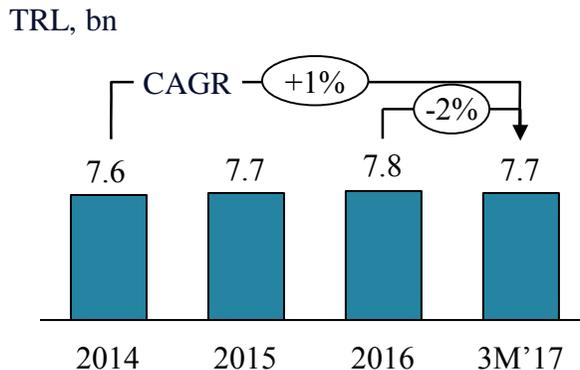
... mainly driven by GPLs...

General Purpose Loans⁽⁴⁾



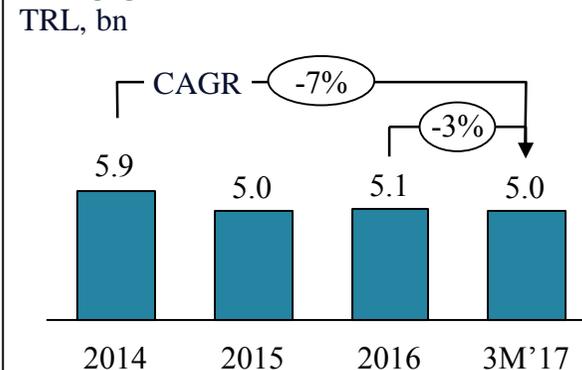
... with stabilized volume in credit cards excluding seasonal declines ...

Credit Card Loans⁽⁵⁾



... and decline in mortgages due to low profitability

Mortgage Loans



- (1) Based on BRSA segment definition
- (2) Excluding commercial credit cards
- (3) Including GPL, overdraft and mortgage loans
- (4) Including overdraft
- (5) Credit card outstanding from individual clients

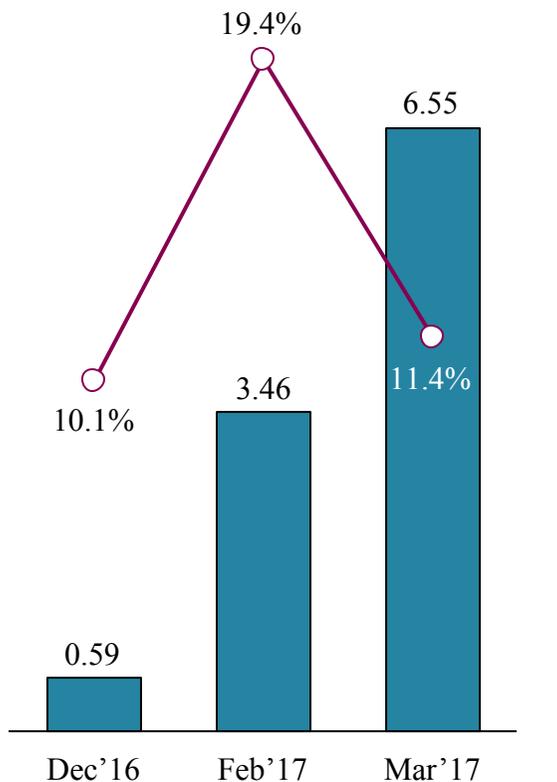
CGF⁽¹⁾ proactively used as a key strategic tool for high quality SME lending growth

Strong pick-up by QNB Finansbank to date ...

Volume of CGF guaranteed loans

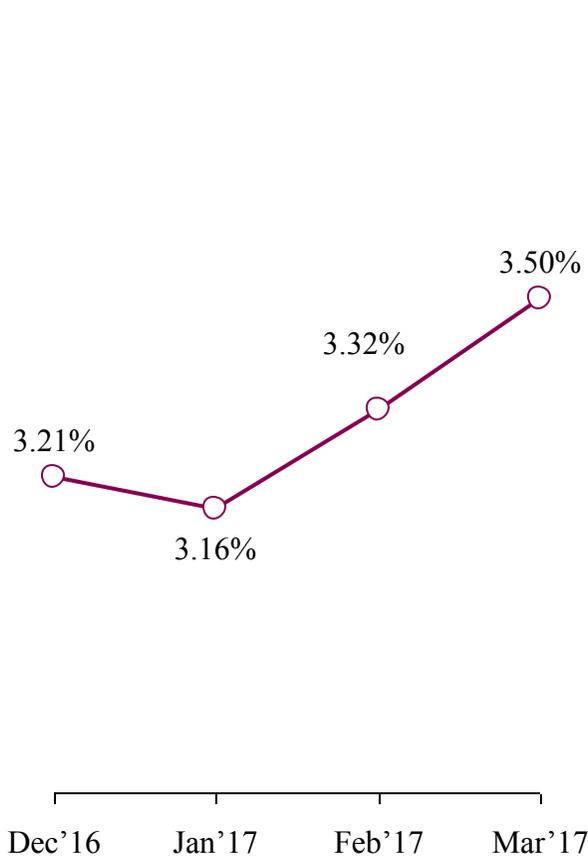
TRL billion

○ M/S in CGF program



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

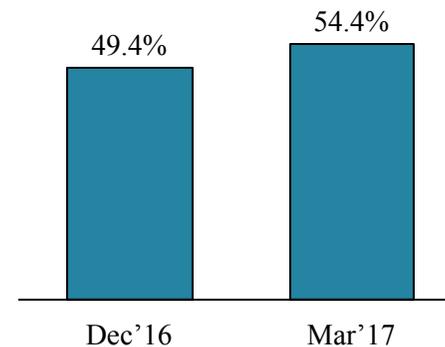
Business loan market share



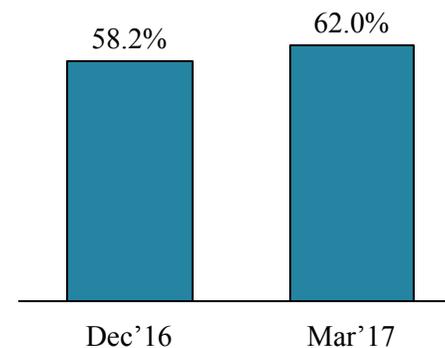
... and portfolio collateralization

Collateralization ratio⁽²⁾

Small enterprises



Medium enterprises



Controlled asset quality with high coverage ratios

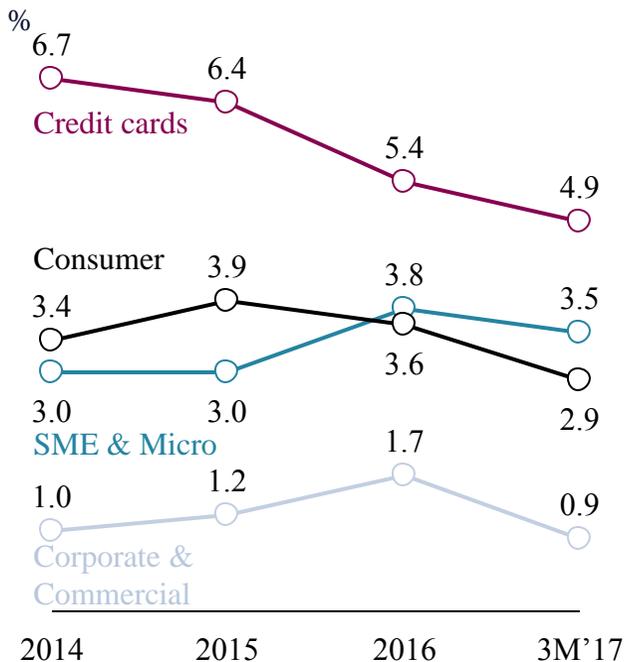
Improving NPL inflows thanks to stringent risk measures and changing business mix

NPL Additions / Average Loans%



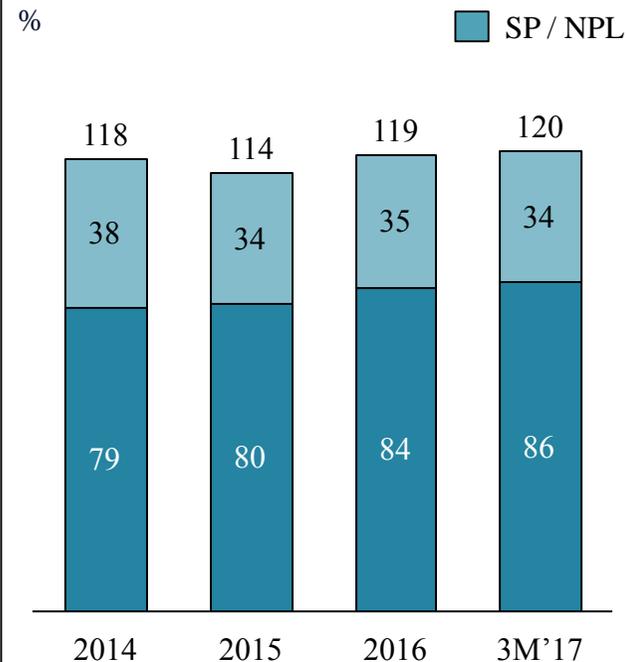
Across the board improvement in NPL inflows

NPL Additions / Average Loans by Segment



NPLs are well covered through general and specific provisions

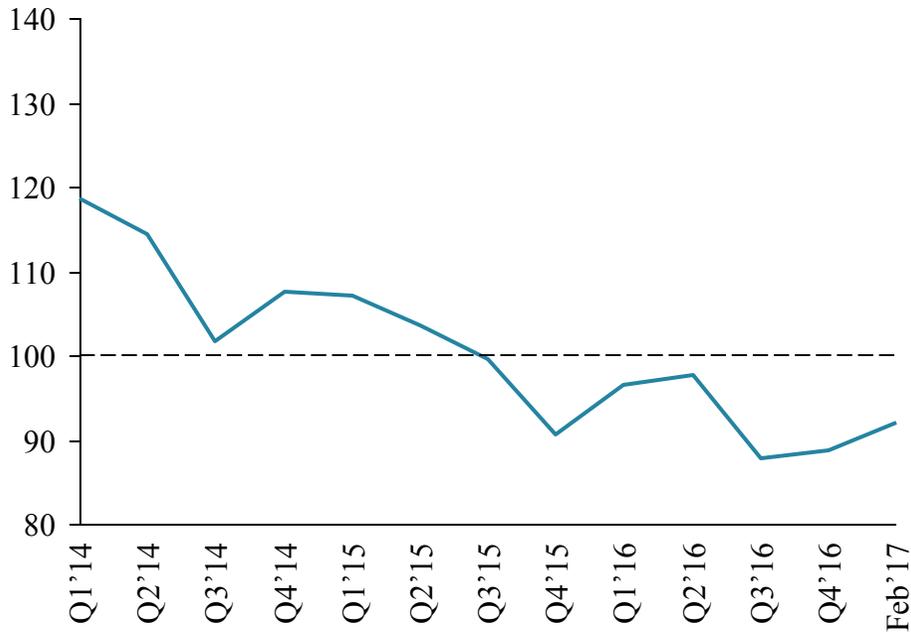
NPL Coverage⁽¹⁾



Increasingly more conservative approach in consumer lending

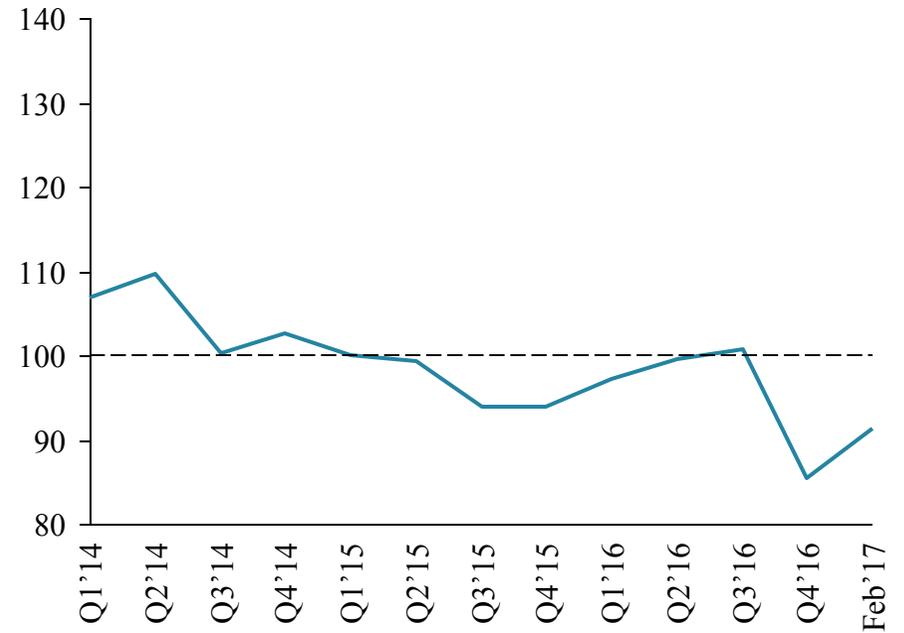
QNB Finansbank credit cards

Implied limit weighted PD⁽¹⁾⁽²⁾
Indexed to sector for each period



QNB Finansbank general purpose loans

Implied limit weighted PD⁽¹⁾⁽²⁾
Indexed to sector for each period

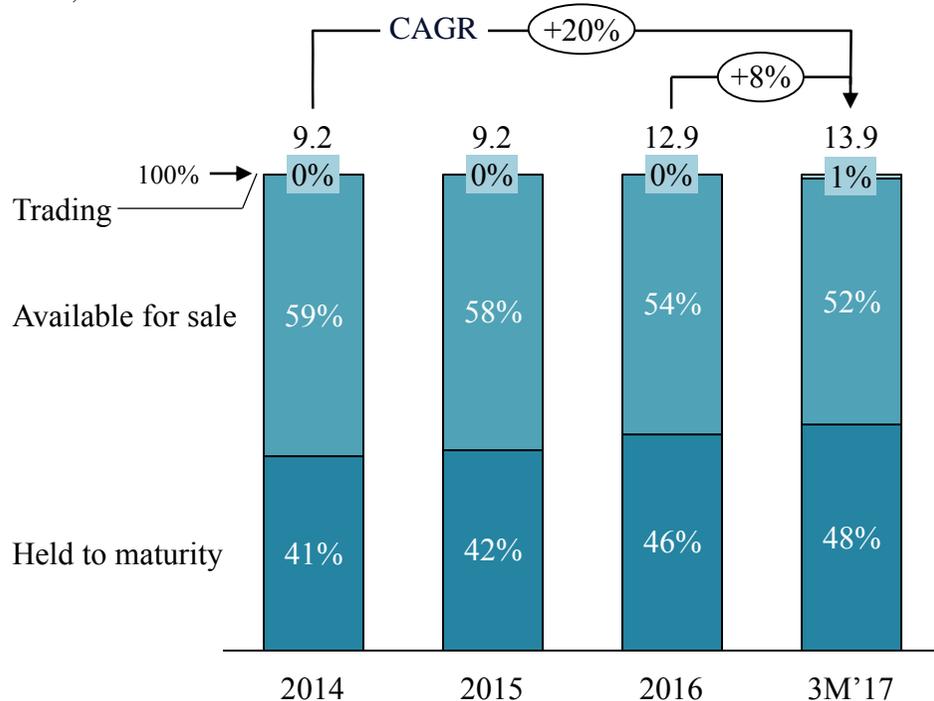


Securities portfolio increased to TRL 13.9bn, making up 13% of assets

Growth in securities portfolio largely driven by FX securities

Total Securities

TRL, bn



TRL Securities

76% 70% 58% 55%

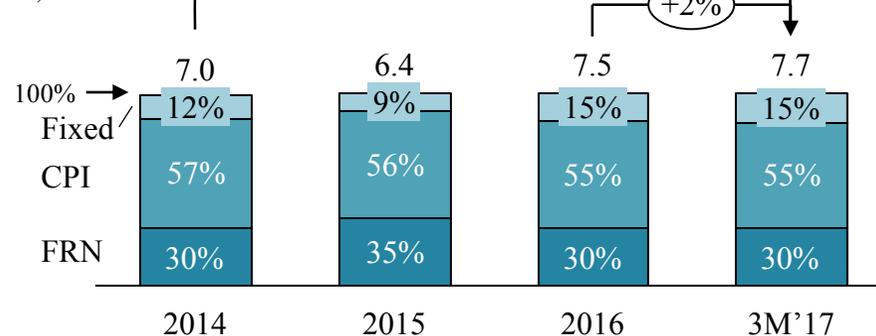
FX Securities

24% 30% 42% 45%

85% of TRL securities are indexed / variable rate

TRL Securities

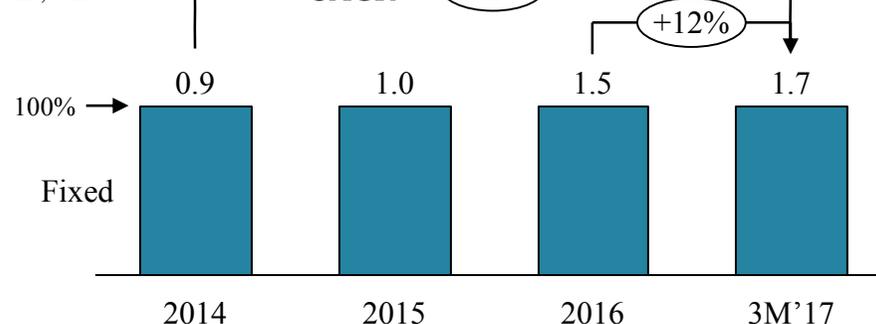
TRL, bn



Sustained and strong growth in FX securities

FX Securities

USD, bn

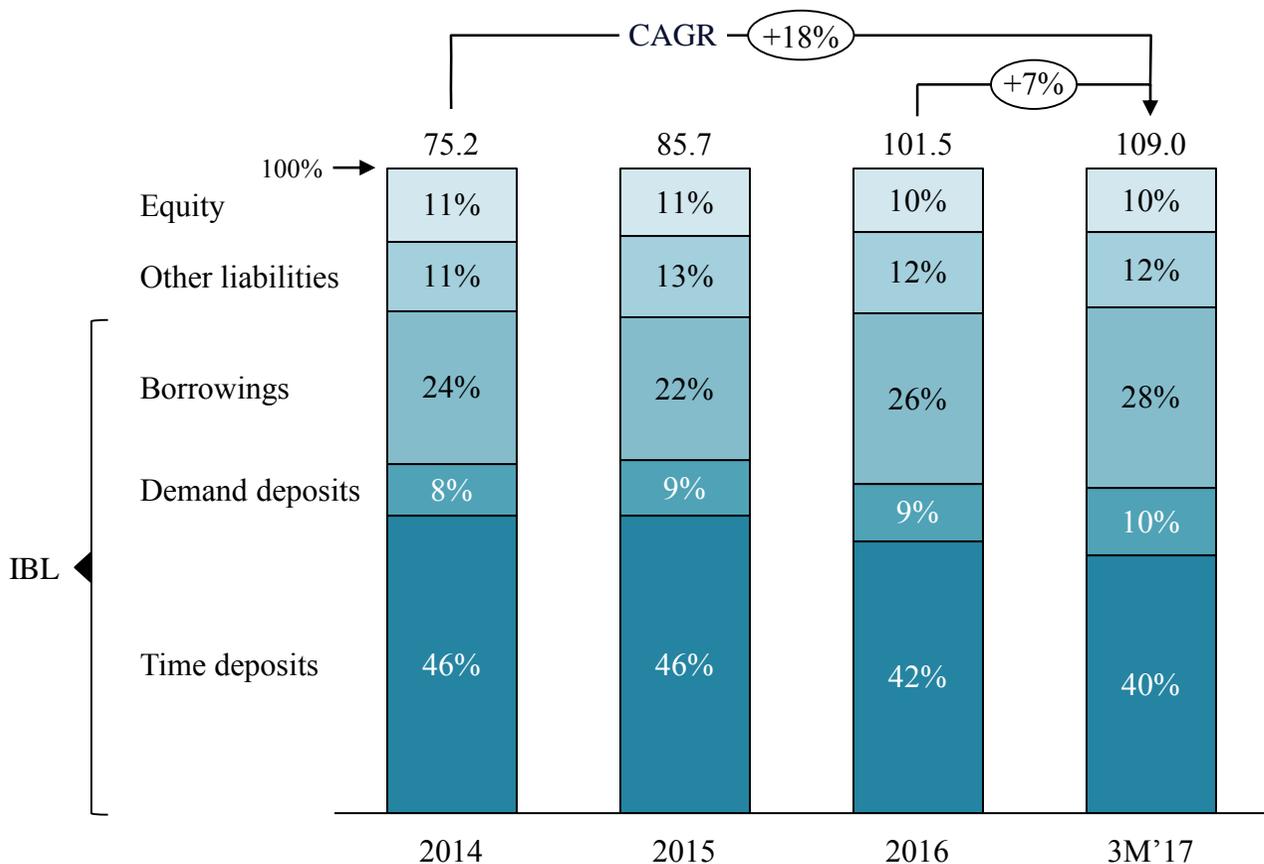


Well-diversified funding structure underpinned by solid deposit base

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

Total Liabilities

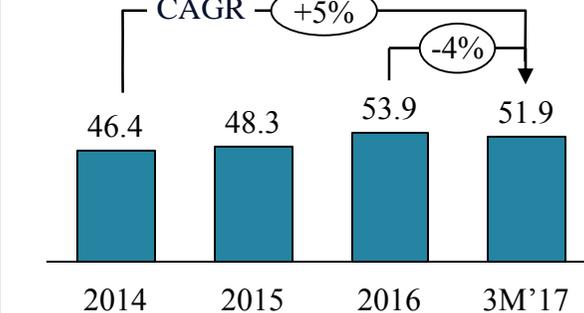
TRL, bn



Slight decline in TRL liabilities

TRL Liabilities

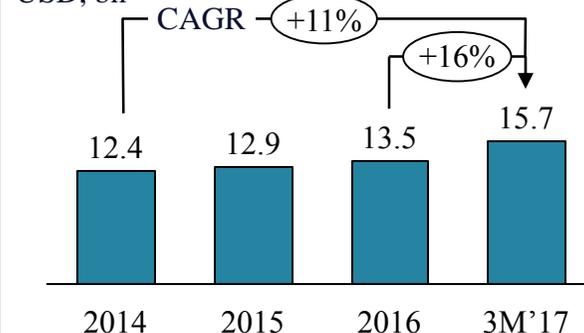
TRL, bn



Strong growth of FX liabilities leveraging CBRT swap facility and soaring FX deposits

FX Liabilities

USD, bn

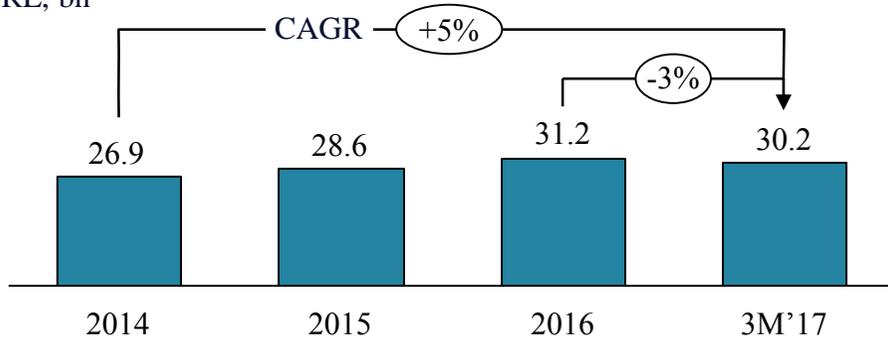


Stable L/D ratio despite strong loan growth, with improving deposit mix thanks to strong demand deposit growth

Stable TRL deposits with selective exit from price sensitive clients

TRL Deposits

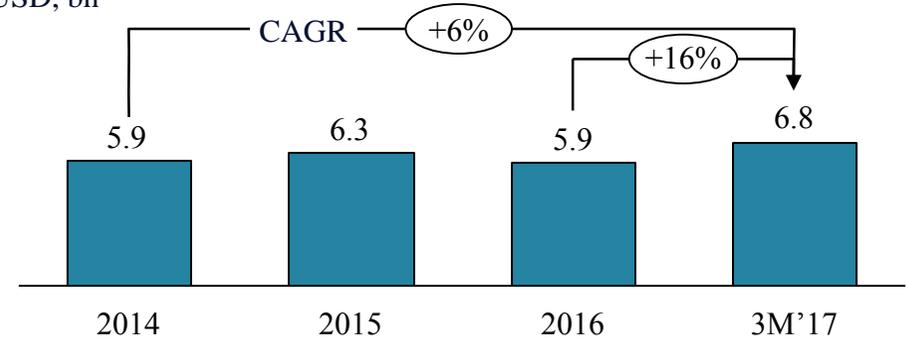
TRL, bn



Recent growth in FX deposits in line with the sector

FX Deposits

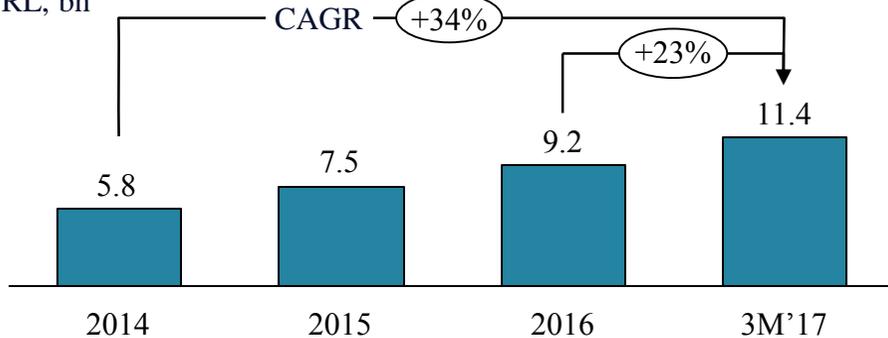
USD, bn



Impressive growth in demand deposits

Demand Deposits

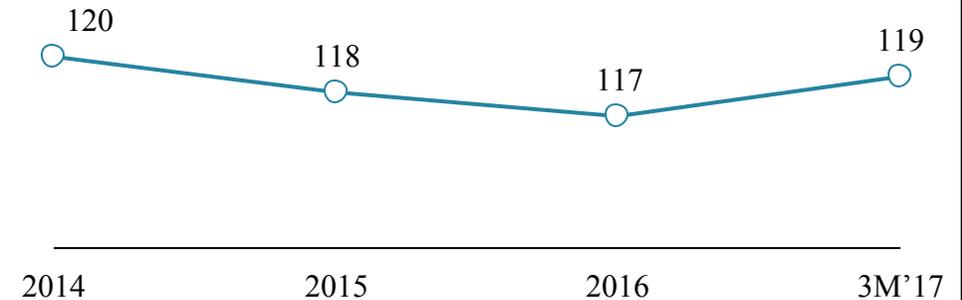
TRL, bn



Loan-to-deposit ratio in line with the sector

Loan-to-deposit ratio⁽¹⁾

%

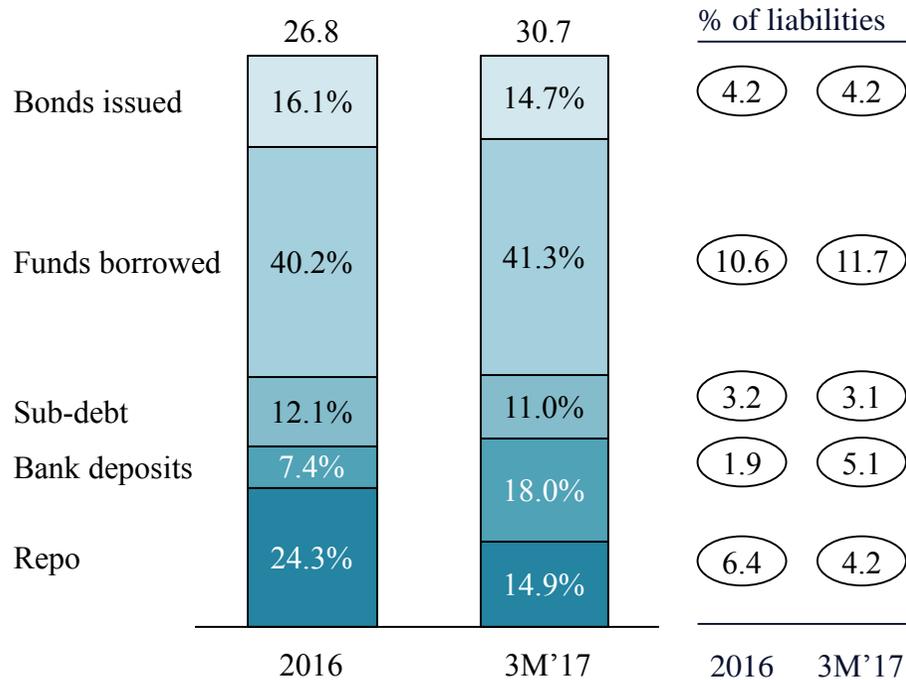


Disciplined use of non-deposit funding and strong capital base

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

Borrowings⁽¹⁾ by Type

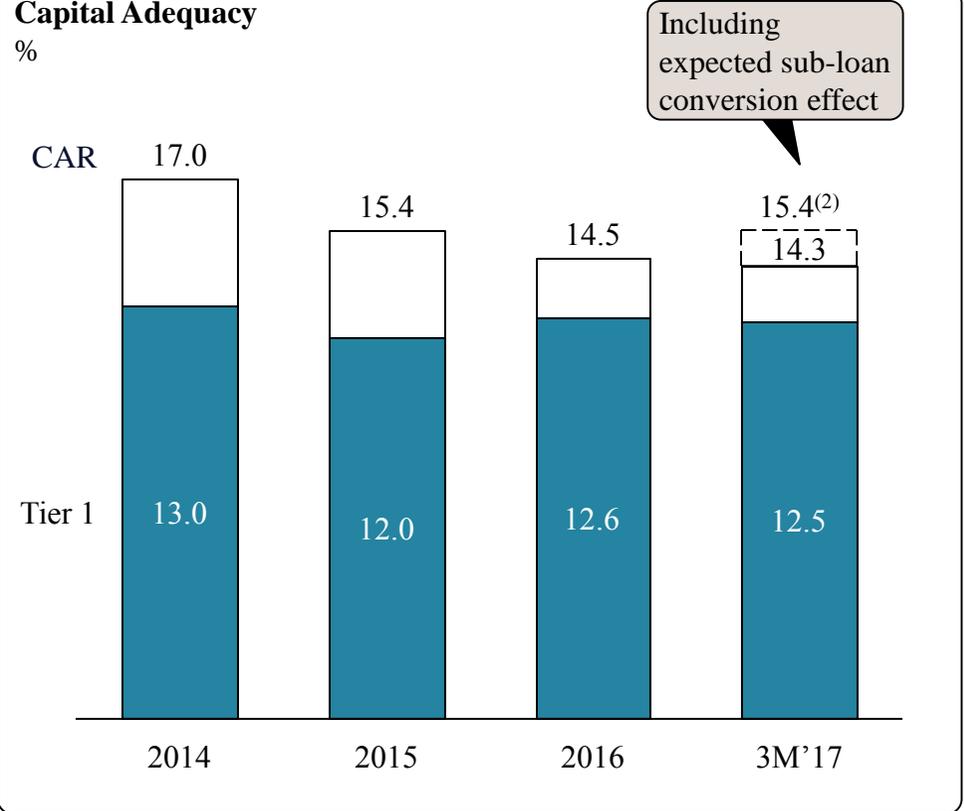
TRL bn, % of borrowings



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

Capital Adequacy

%

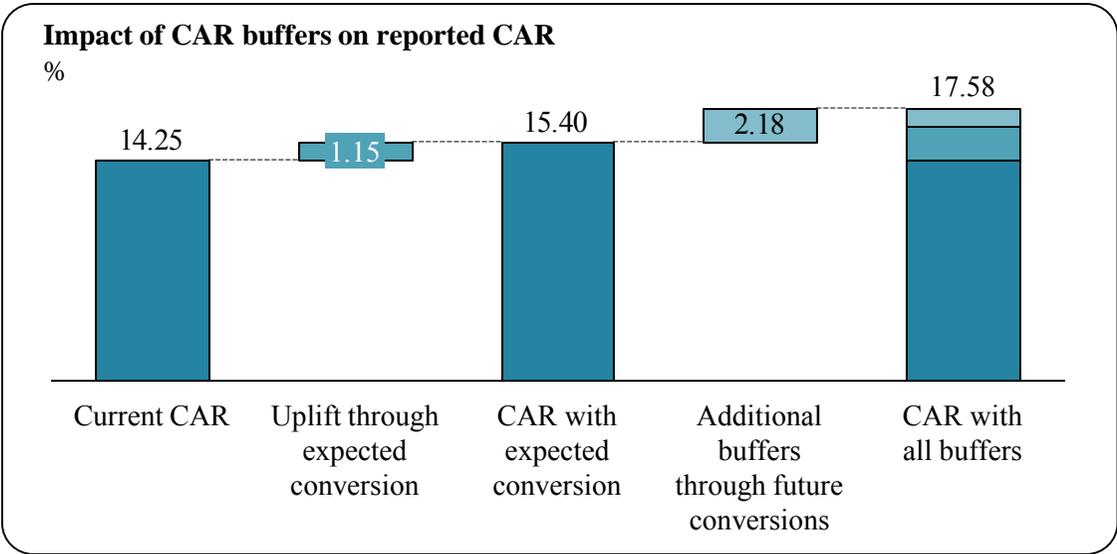


(1) Non-deposit funding

(2) 115bps impact from conversion of USD 260mn sub-loan tranche to Basel III; additional 218bps remain due to potential conversion of remaining USD 650mn of Basel II compliant subloans

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

Outstanding sub-loans	Maturity	Amount	Compliance	Capital consideration	
• Tranche 1	Oct'20	USD 325.00	Basel II	USD 79.4mn	<ul style="list-style-type: none"> • Conversion to Basel III compliant sub-loan can be carried over either through parent or market issuances • Actual timing will depend on capital requirements
• Tranche 2	Oct'21	USD 200.00	Basel II	USD 48.9mn	
• Tranche 3	Dec'21	USD 125.00	Basel II	USD 30.5mn	<ul style="list-style-type: none"> • Planned conversion to Basel III compliant 10 year maturity sub-loan; expected May'17
• Tranche 4	Dec'21	USD 260.00	Basel II	USD 0	



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 15.2bn as of Q1'17
- Net change in Economic Value / Equity is constantly monitored under several scenarios
- Regulatory IRRBB ratio is at 12.8% as opposed to 20% limit in February 2017; 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 98.1% as opposed to 80% limit, whereas FX Regulatory Liquidity coverage ratio is 127.8% 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

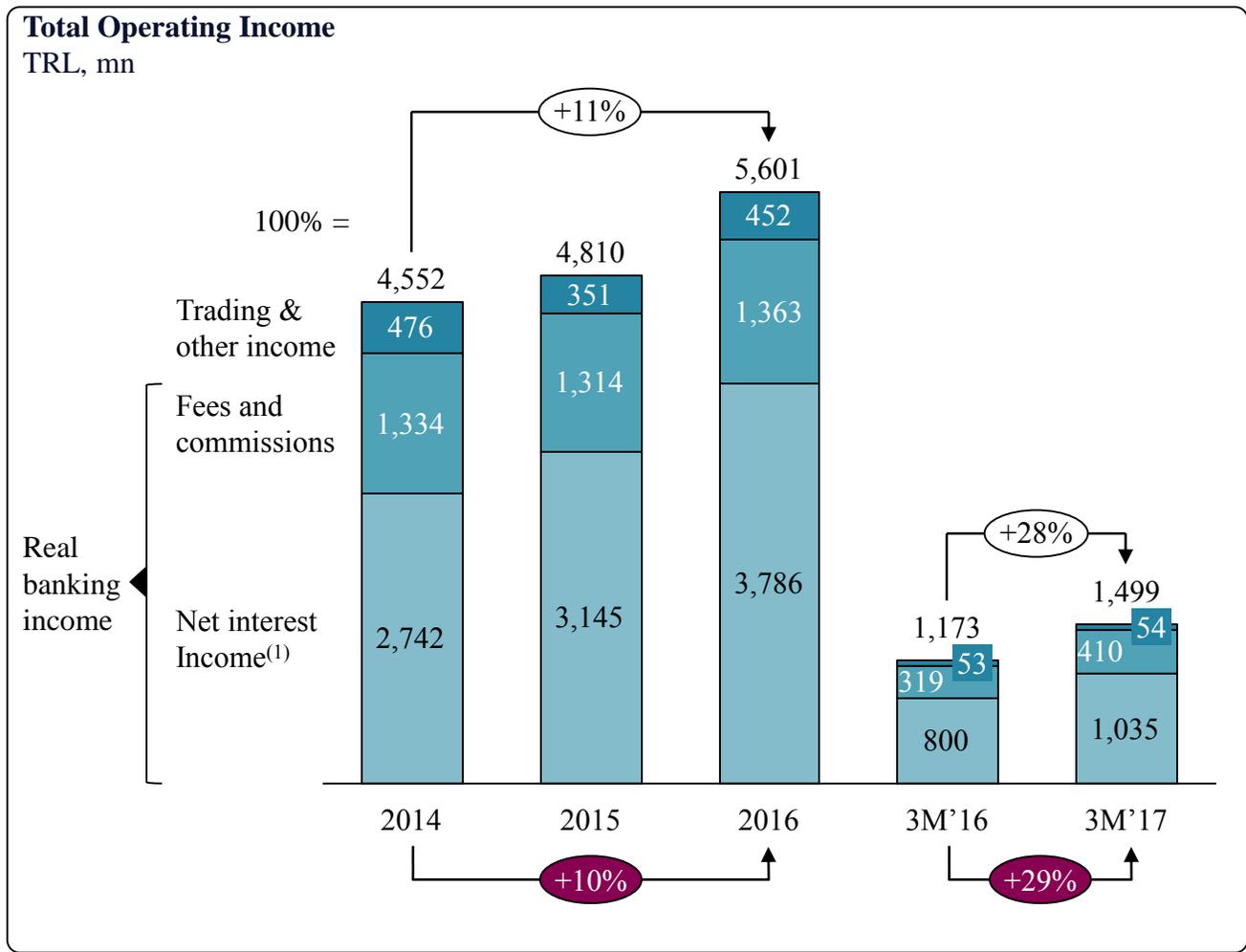
- Low trading risk appetite is reflected by the limit structure both on portfolio and product level
- Best-in-class measurement methodologies are in place with daily monitoring of all market risk metrics (VaR, sensitivities, etc.) in addition to stress tests and scenario analysis



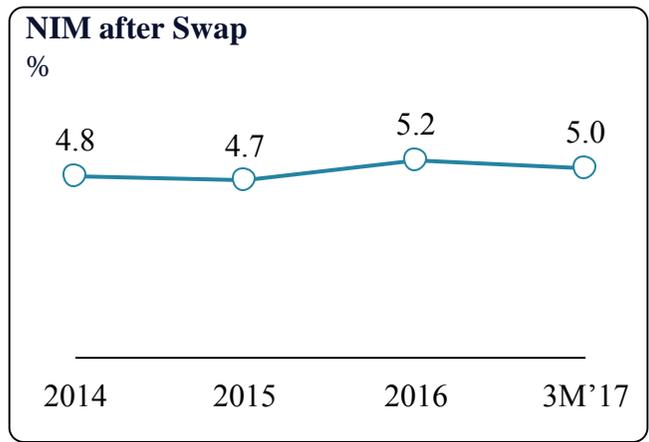
Solid Financial Performance

Focus on real banking income generation

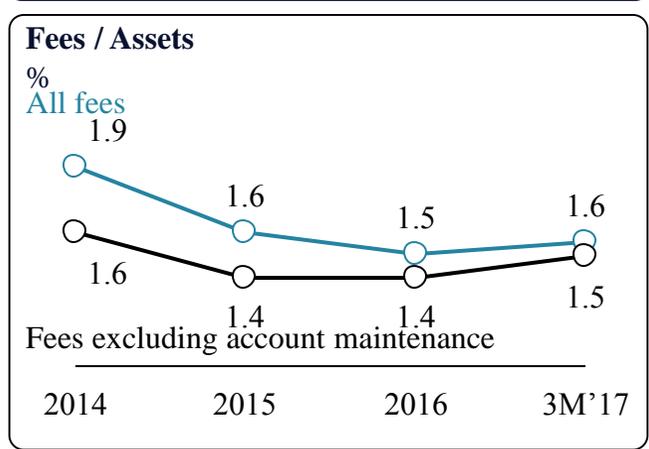
Operating income driven from core banking activities



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



Stable fee generation despite regulations



(1) Including swap expenses

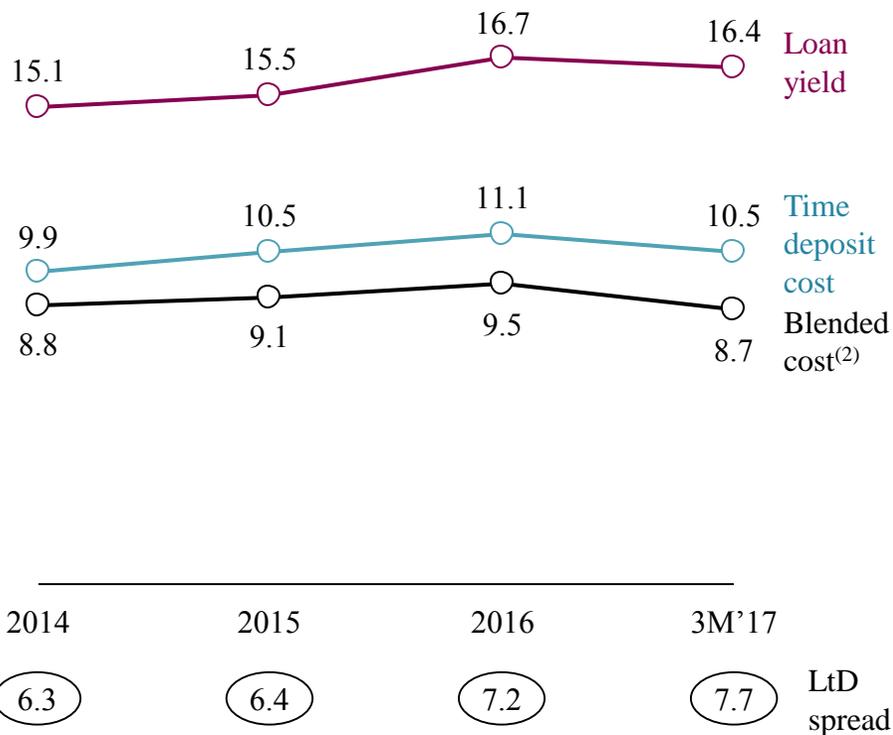
(2) Interest rate cap in cards and O/D reduced from 2.02% per month to 1.84% per month as of January 1, 2017

Exceptional spread management in both TRL and FX fronts

Resilient TL loan yields and loan to deposit spreads

TRL Spread

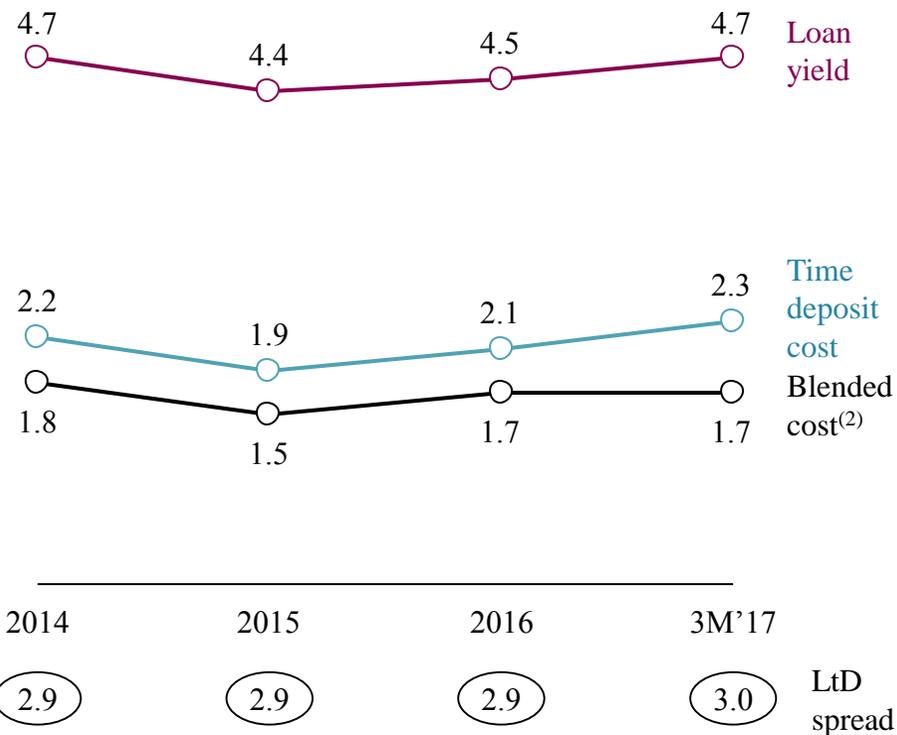
%, period average



Consistent loan-to-deposit spreads for FX side

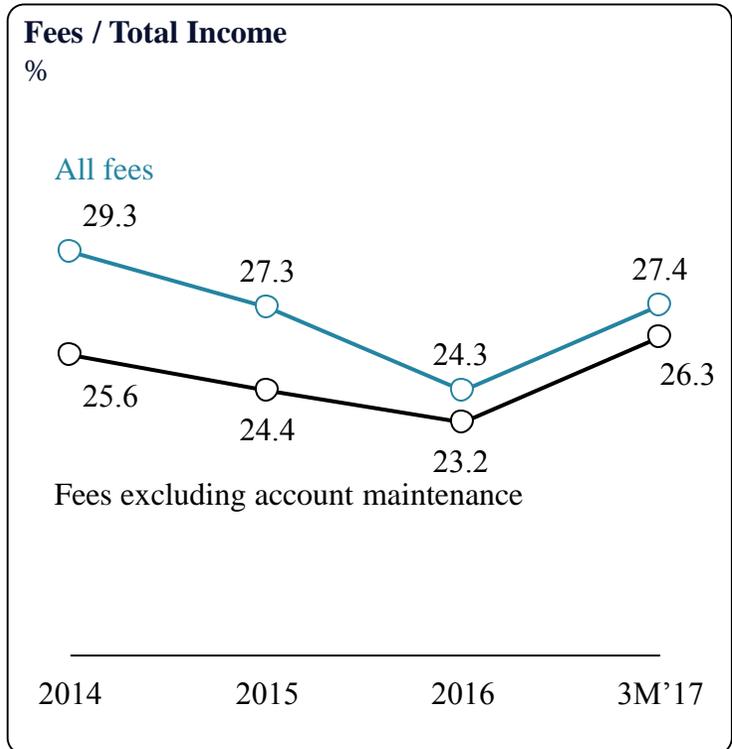
FX Spread⁽¹⁾

%, period average

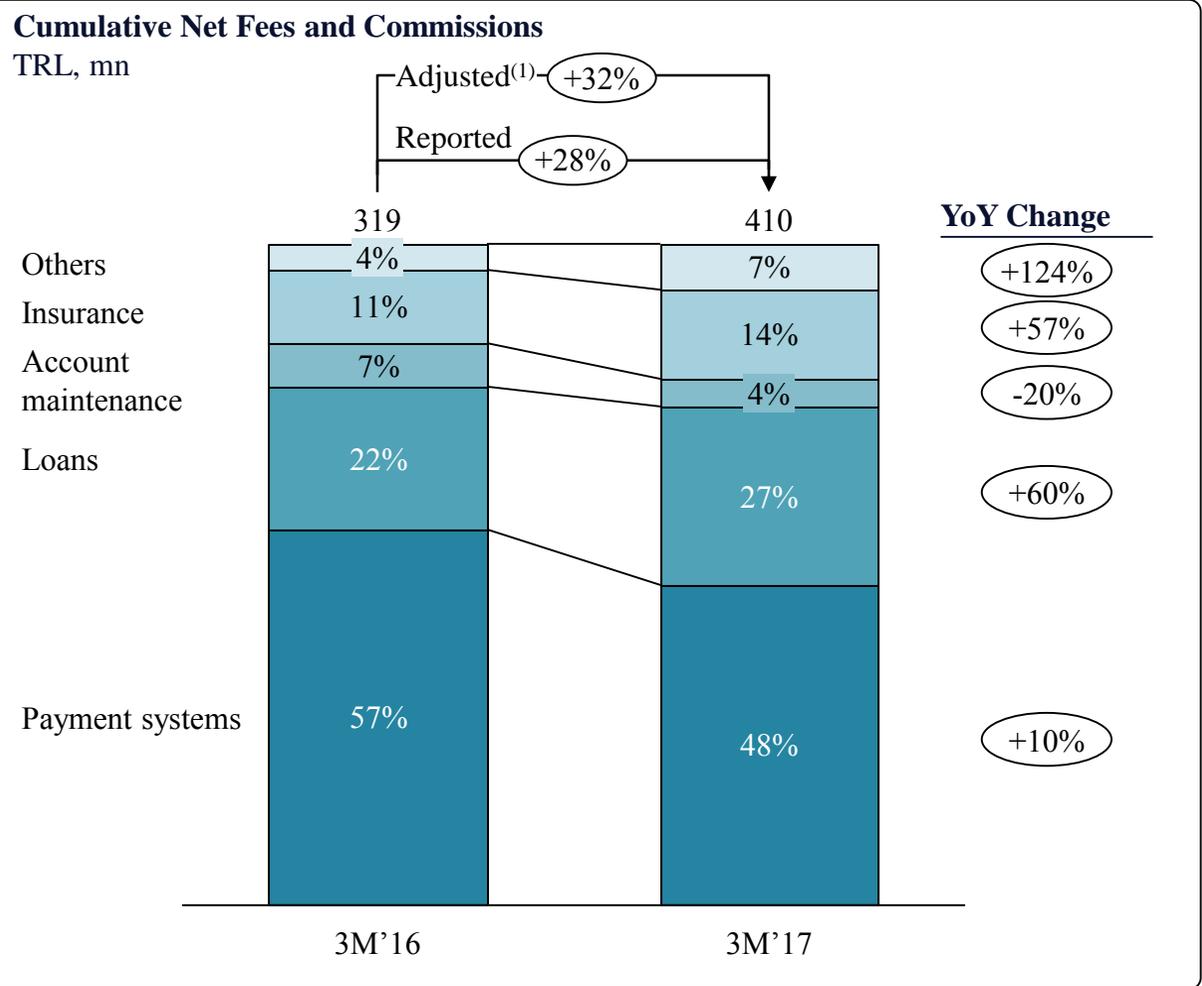


Sustained fee generation with strong performance across diversified business segments

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



32% YoY adjusted growth in fee generation driven by strong loan growth and value added service revenues



(1) When regulatory impact of account maintenance fees is excluded

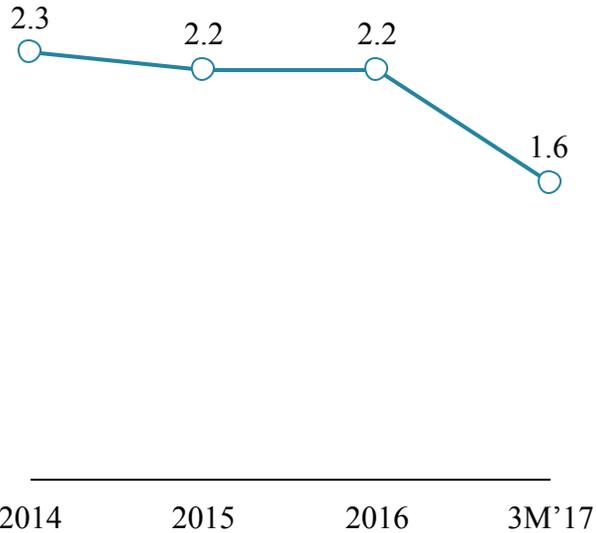
Change in business mix combined with measures taken in credit risk management across segments translates to better asset quality

Shift towards business banking helps improve cost of risk

CoR on a declining trend

Cost of Risk

%

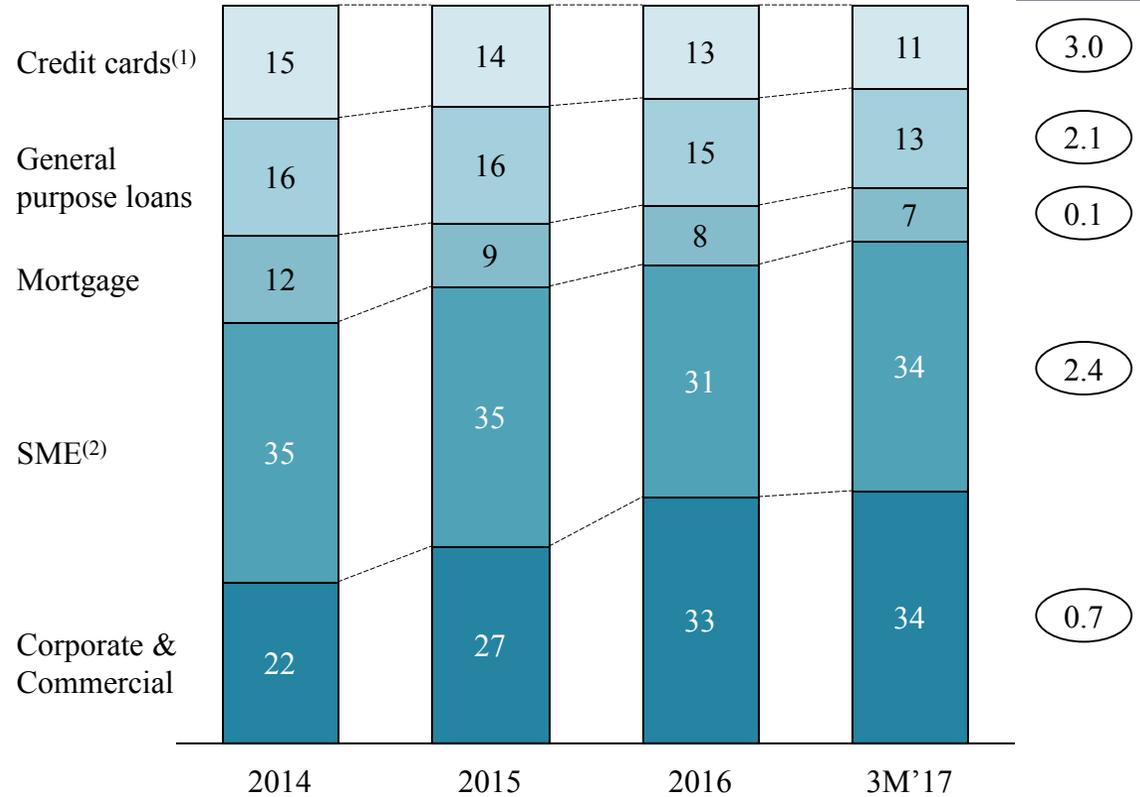


Loan Composition

% of total loans

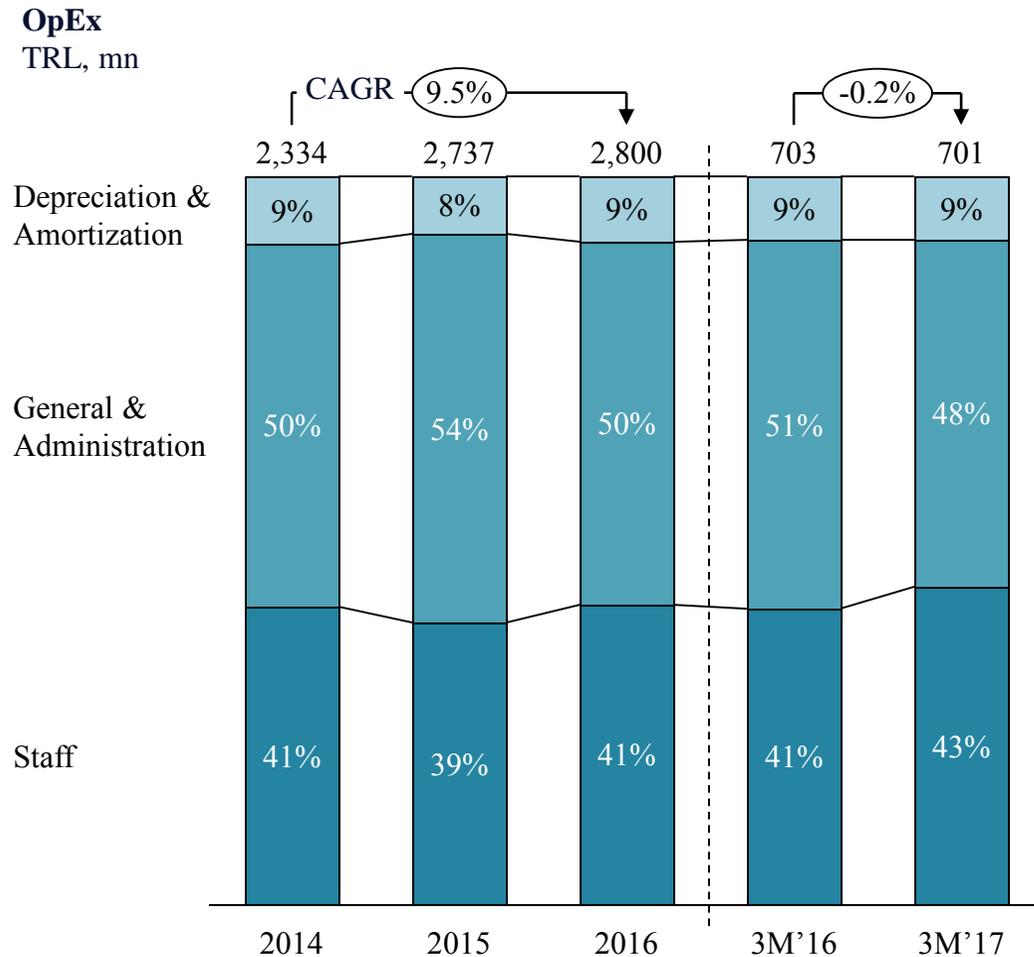
SCoR

3M'17, %

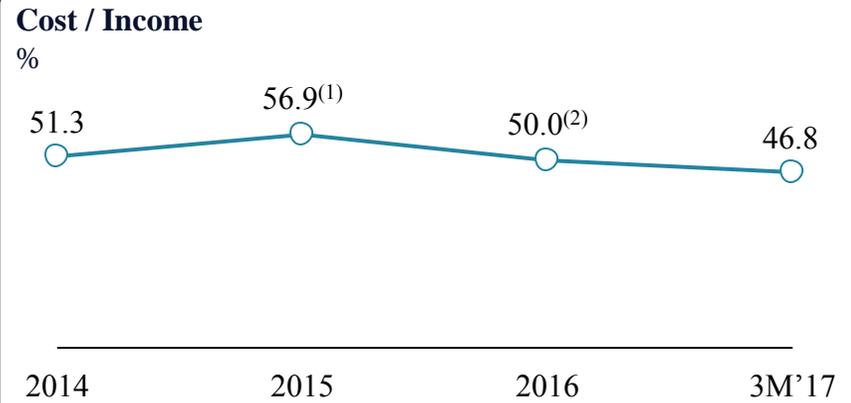


Diligent focus on efficiency even facing high business growth leading to improving efficiency metrics

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	3M'16	3M'17	YoY
Profitability	RoAE	10.9%	8.0%	12.7%	7.1%	16.2%	+9.0pps
	RoAA	1.2%	0.9%	1.3%	0.7%	1.6%	+0.9pps
	Cost / Income	51.3%	56.9%	50.0%	59.9%	46.8%	-13.1pps
	NIM after swap expenses	4.7%	4.7%	5.2%	4.7%	5.0%	+0.3pps
Liquidity	Loans / Customer deposits	123.8%	121.8%	121.1%	119.5%	126.1%	+6.6pps
	Loans / Deposits (incl. Bank Deposits, excl. CBRT deposits)	119.7%	117.9%	116.7%	115.6%	118.7%	+3.1pps
Asset Quality	NPL Ratio	5.2%	6.3%	5.8%	6.6%	5.6%	-1.0pps
	Coverage	79.2	80.4%	84.0%	81.2%	85.9%	+4.7pps
	Cost of Risk	2.3%	2.2%	2.2%	1.8%	1.6%	-0.2pps
Solvency	CAR	17.0%	15.4%	14.5%	14.7%	14.3%	-0.4pps
	Tier I Ratio	13.0%	12.0%	12.6%	12.7%	12.5%	-0.1pps
	Leverage	8.8	9.5	10.0	9.5	10.1	+0.7

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

A decorative graphic on the right side of the page consists of overlapping, rounded, triangular shapes. The top shape is a vibrant purple, and the bottom shape is a light, off-white color. They overlap in the center, creating a layered effect against the solid purple background.

Finansbank BRSA Bank-Only Summary Financials

Income Statement

TRL, mn	2014	2015	2016	3M'16	3M'17
Net Interest Income (After Swap Expenses)	2,742	3,145	3,786	800	1,035
Net Fees & Commissions Income	1,334	1,314	1,363	319	410
Trading & Other Income	476	351	452	53	53
Total Income	4,551	4,810	5,600	1,173	1,499
Operating Expenses	(2,334)	(2,737)	(2,800)	(703)	(701)
Total Operating Income	2,218	2,073	2,800	470	797
Provisions	(1,076)	(1,170)	(1,316)	(266)	(263)
Profit before tax	1,142	903	1,484	204	534
Tax expenses	(265)	(197)	(280)	(42)	(112)
Profit after tax	877	706	1,203	162	422

Balance Sheet

TRL, mn	2014	2015	2016	3M'16	3M'17
Cash & Banks ⁽¹⁾	9,108	10,313	14,925	10,941	15,143
Securities	9,165	9,197	12,950	9,765	13,931
Net Loans	50,344	57,273	62,923	58,447	69,191
Fixed Asset and Investments ⁽²⁾	2,380	2,283	2,912	2,398	2,945
Other Assets	4,209	6,661	7,792	5,802	7,801
Total Assets	75,206	85,727	101,503	87,354	109,010
Customer Deposits	40,652	47,009	51,966	48,920	54,889
Borrowings	17,964	18,835	26,794	19,176	30,736
Bonds Issued	5,373	4,336	4,312	4,725	4,527
Funds Borrowed	4,898	5,640	10,758	5,922	12,706
Sub-debt	2,122	2,662	3,236	2,627	3,380
Bank Deposit	1,423	1,557	1,973	1,652	5,539
Repo	4,147	4,639	6,515	4,250	4,584
Other	8,017	10,860	12,617	10,090	12,644
Equity	8,574	9,024	10,126	9,166	10,742
Total Liabilities & Equity	75,206	85,727	101,503	87,354	109,010

Finansbank BRSA Consolidated Summary Financials

Income Statement

TRL, mn	2014	2015	2016	3M'16	3M'17
Net Interest Income (After Swap Expenses)	2,865	3,272	3,962	840	1,076
Net Fees & Commissions Income	1,397	1,387	1,445	338	431
Trading & Other Income	474	307	455	54	62
Total Income	4,736	4,966	5,862	1,232	1,569
Operating Expenses	(2,444)	(2,874)	(2,938)	(732)	(735)
Total Operating Income	2,292	2,092	2,923	500	834
Provisions	(1,100)	(1,207)	(1,390)	(284)	(278)
Profit before tax	1,192	884	1,533	216	556
Tax expenses	(276)	(204)	(295)	(45)	(110)
Profit after tax	916	680	1,238	171	446

Balance Sheet

TRL, mn	2014	2015	2016	3M'16	3M'17
Cash & Banks ⁽¹⁾	9,209	10,403	15,084	11,058	15,279
Securities	9,209	9,254	12,983	9,809	13,983
Net Loans	50,181	57,110	62,637	58,258	68,895
Fixed Assets ⁽²⁾	1,897	1,979	2,243	1,979	2,280
Other Assets ⁽³⁾	6,339	9,304	11,378	8,512	11,703
Total Assets	76,835	88,049	104,326	89,615	112,140
Customer Deposits	40,473	46,755	51,892	48,726	58,299
Borrowings	19,439	20,921	29,324	21,221	30,028
Bonds Issued	5,825	5,827	6,332	6,229	6,630
Funds Borrowed	5,853	6,066	11,164	6,322	13,344
Sub-debt	2,122	2,662	3,236	2,627	3,380
Bank Deposit	1,423	1,557	1,973	1,652	1,973
Repo	4,216	4,809	6,620	4,391	4,702
Other	8,126	10,968	12,806	10,223	12,863
Equity	8,798	9,405	10,304	9,445	10,950
Total Liability	76,835	88,049	104,326	89,615	112,140

Borrowings and Issuances

Type of Borrowing	Maturity	Currency	Outstanding Principal (mn)	Tenor (Years)
TRY Bond	Apr-17	TRY	76.48	0.50
TRY Bond	Jun-17	TRY	77.30	0.26
TRY Bond	Jun-17	TRY	95.90	0.26
TRY Bond	Apr-17	TRY	63.63	0.25
TRY Bond	Apr-17	TRY	53.66	0.25
TRY Bond	Apr-17	TRY	411.95	0.25
TRY Bond	Apr-17	TRY	66.76	0.25
TRY Bond	May-17	TRY	108.80	0.28
TRY Bond	Jul-17	TRY	39.37	0.47
TRY Bond	May-17	TRY	160.17	0.28
TRY Bond	Jun-17	TRY	35.00	0.26
Eurobond	Nov-17	USD	350.00	5.00
Eurobond	Apr-19	USD	500.00	5.00
Eurobond	Apr-17	USD	3.00	0.25
Eurobond	Apr-17	USD	24.00	0.25
Eurobond	Feb-18	USD	15.00	1.00
Eurobond	Jun-17	USD	5.00	0.25
Eurobond	Jun-17	USD	5.00	0.25
EIB	Oct-17	EUR	28.63	7.01
Securitisation	Nov-24	EUR	45.83	11.91
Securitisation	Nov-17	EUR	6.25	4.91
EBRD	May-20	EUR	50.00	5.27
EFSE	Dec-19	EUR	25.00	5.01
PROPARCO	Jul-25	EUR	20.00	10.32
Subordinated loan	Oct-20	USD	325.00	11.07
Subordinated loan	Oct-21	USD	200.00	12.01
Subordinated loan	Dec-21	USD	125.00	12.01
Subordinated loan	Dec-21	USD	260.00	10.01
EIB	Nov-19	USD	8.43	7.00
EIB	Nov-20	USD	12.09	7.01
EIB	Mar-21	USD	43.87	7.01
EIB	Apr-21	USD	25.51	7.01
Securitisation	Nov-17	USD	37.50	4.91
Securitisation EBRD	Aug-20	USD	100.00	4.92
Securitisation IFC	Aug-20	USD	100.00	4.92
Securitisation IFC	Aug-20	USD	50.00	4.92
Securitisation IFC	Aug-20	USD	30.00	4.92
EIB	Dec-21	EUR	30.00	6.01
EFSE	Dec-22	EUR	15.00	6.97
Syndication EUR Tranche	Nov-17	EUR	397.60	1.01
Syndication USD Tranche	Nov-17	USD	103.50	1.01
EIB	Feb-23	USD	21.13	6.00
EFSE	Mar-24	USD	20.00	7.06

Board of Directors

☐ Same members

Previous Board of Directors under NBG Ownership

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
Prof. Dr. Mustafa Aysan	Member of the BoD and Chairman of Corporate Governance Committee	<ul style="list-style-type: none"> • Former Minister of Transportation • Former Head of Budget Commission in Turkish Parliament
Christos Alexis Komninos	Member of the BoD	<ul style="list-style-type: none"> • Former CEO of Coca Cola (Greece), Papastratos Cigarette Manufacturer and Shelman S.A.
Dr. Paul Mylonas	Member of the BoD	<ul style="list-style-type: none"> • NBG Group Chief Economist and Strategist • Experience in IMF and OECD
Stefanos Pantzopoulos	Member of the BoD	<ul style="list-style-type: none"> • Former partner in Arthur Andersen and KPMG • Former board member of Don&Low, Scotland; Alpha Bank, Greece; NBG, Greece
Mustafa Hamdi Gürtin	Member of the BoD	<ul style="list-style-type: none"> • Founding member and former CEO of Garanti Investment Bank • Former CEO of Turkish Commerce Bank
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
Ioannis Vagionitis	Member of the BoD	<ul style="list-style-type: none"> • Experience in HSBC (Greece) and Bank of Cyprus
Georgios Koutsoudakis	Member of the BoD	<ul style="list-style-type: none"> • Experience in Alpha Bank (Greece), Greek Treasury, Geniki Bank (Greece), Emporiki Bank (Greece) and Probank (Greece)
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.

Current Board of Directors under QNB Ownership

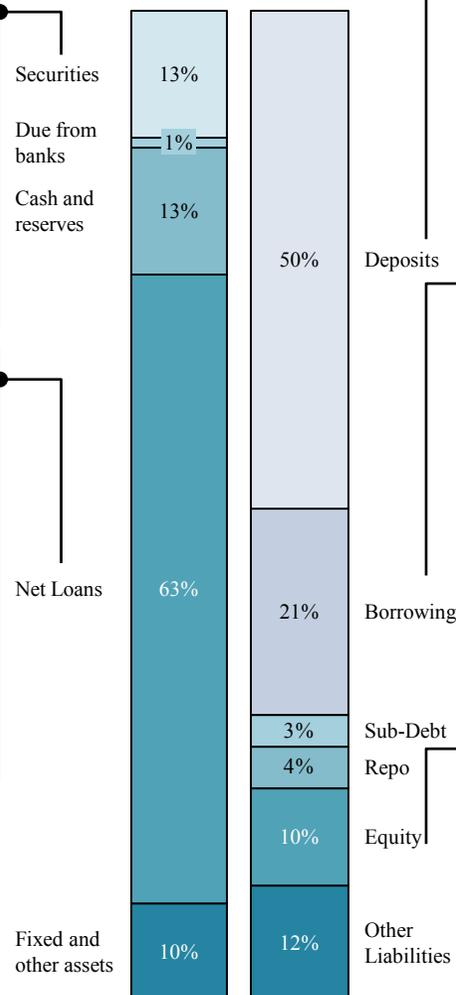
Name	Position	Background
Dr. Ömer A. Aras	Chairman and QNB Finansbank Group CEO	<ul style="list-style-type: none"> • Founding member of Finansbank • Former CEO of Finansbank for 6 years
Sinan Şahinbaş	Vice Chairman	<ul style="list-style-type: none"> • Former CEO of Finansbank for 7 years • Previously 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
Grant Eric Lowen	Member of the BoD	<ul style="list-style-type: none"> • QNB Group Chief Risk Officer • Experience in Commonwealth Bank of Australia • Holds board membership in various QNB subsidiaries in Egypt and Indonesia
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, 3M'17

Securities by Type	Maturity	AFS	TRL	Yield ⁽²⁾	
% of total	Years ⁽¹⁾	%	%	%	
CPI-Linker	30%	5.57	29	100	11.5
FRN	17%	3.18	100	100	9.7
Fixed	53%	8.18	49	16	9.4

Performing Loans ⁽³⁾	Avg. Ticket	Maturity	Collateral	TRL	Yield ⁽²⁾	
% of total	TRL, k	Years ⁽¹⁾	% ⁽⁴⁾	%	%	
Corp. & Comm.	35%	1,014	4.5	29	33	14.2
SME	31%	42	2.2	47	93	16.3
Mortgage	7%	79	5.8	100	100	11.5
GPL	13%	3.2	2.2	5	100	17.7
Credit card ⁽⁵⁾	14%	0.6	0.2	N/A	100	12.3

100% = TRL 101.5bn



Deposits by Segments	Avg. Ticket	Maturity	TRL	Cost	
% of total	TRL, k	Days	%	%	
Retail	69%	103.3	58	54	10.6
Corporate	31%	890.9	65	57	11.2

Wholesale Funding	Maturity	TRL	Cost	
% of total	Years ⁽¹⁾	%	%	
Syndication	8%	0.7	0	0.9
Eurobond	15%	1.4	0	5.8
TRY Bond	5%	0.1	100	11.9
Post finance	42%	0.8	1	2.6
Due to banks	24%	0.0	16	3.0
Securitization	6%	3.7	0	3.7

Capital Base	Maturity	TRL	Cost	
% of total	Years ⁽¹⁾	%	%	
Sub-debt	24%	4.3	0	5.7
Equity	76%	N/A	100	-

- (1) Remaining maturity
- (2) TRL yields only
- (3) Excluding accruals. Based on QNB Finansbank business lines definition
- (4) Hard collateralization including cash and mortgages
- (5) Including business CC. Calculation of Yield includes not revolving CC balance

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