



Investor Presentation with 6M'17 Financials

July 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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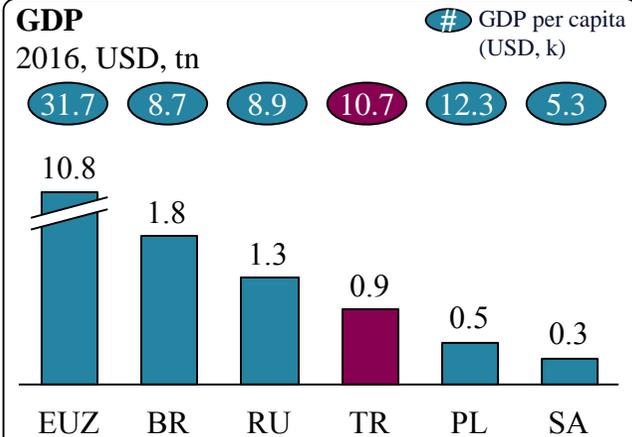
- 1 Macro-economic Overview
- 2 QNB Finansbank and QNB Group at a Glance
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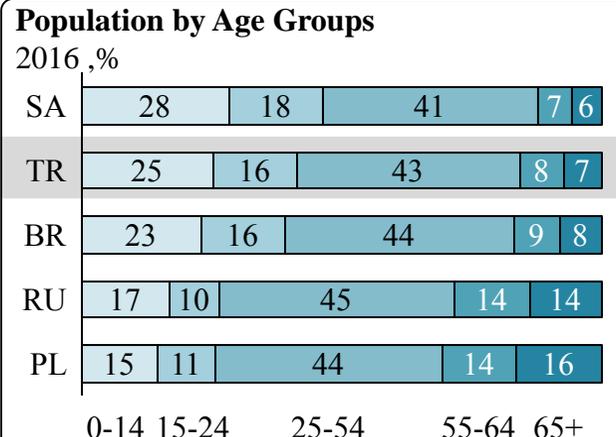
Macro-economic Overview

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

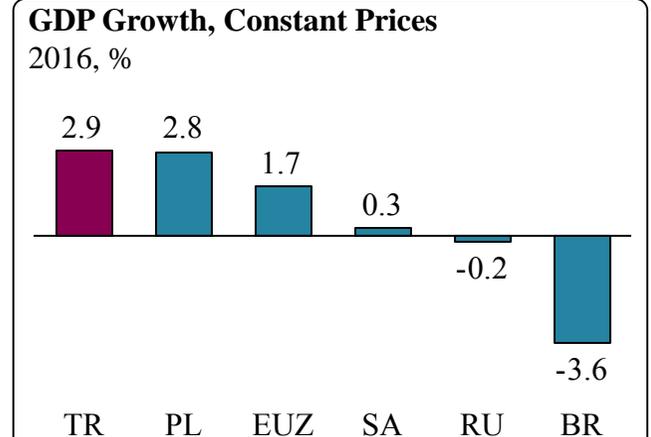
Large economy with low GDP / capita...



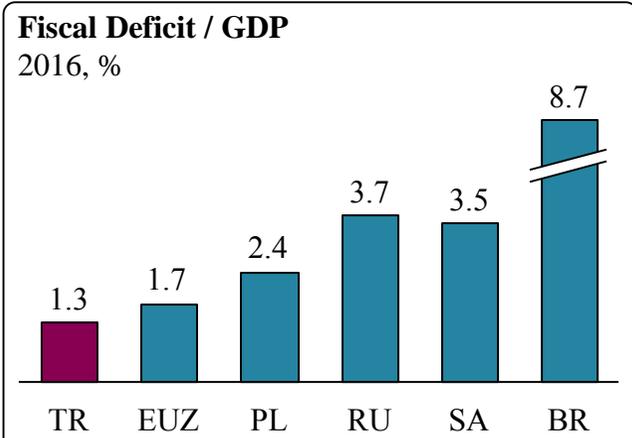
...and highly attractive demographic profile



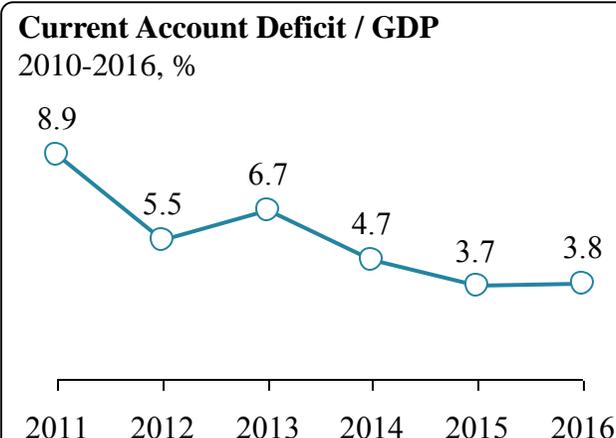
... generating high real GDP growth



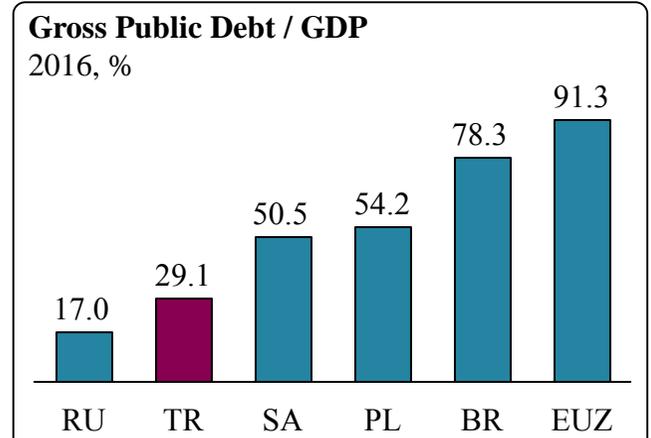
Low fiscal deficit...



... and controlled external deficit...



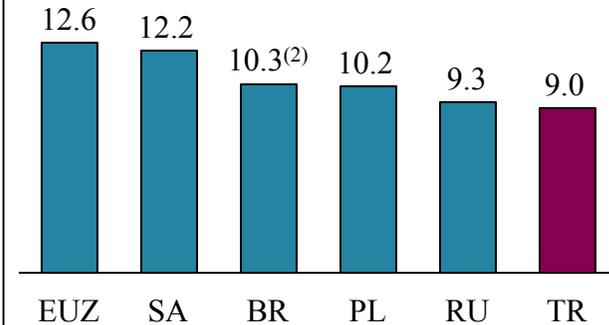
... with low public debt



Sound banking system with inherent growth potential⁽¹⁾

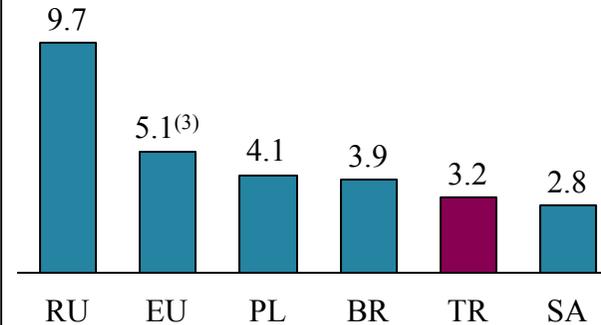
Low leverage ratio...

Leverage ratio
3M'17



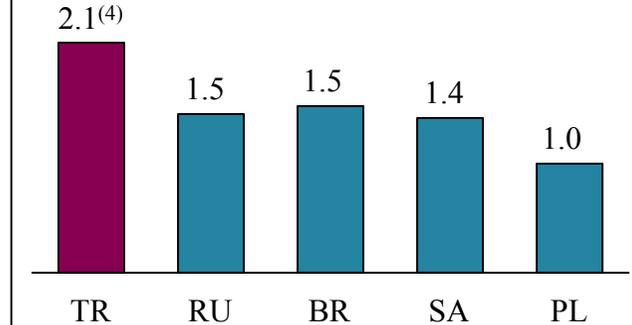
... and limited NPL levels...

NPL ratio
3M'17, %



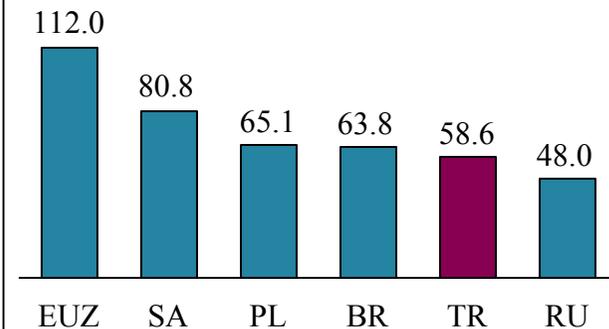
... with strong profitability characteristics

Banking Sector Pre-tax RoA
2010-3M'17 average, %



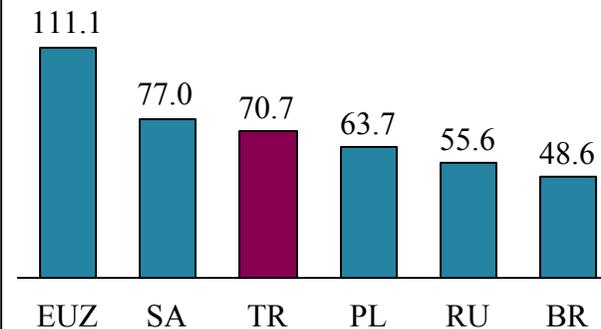
Further growth potential in deposits...

Deposits / GDP
3M'17, %



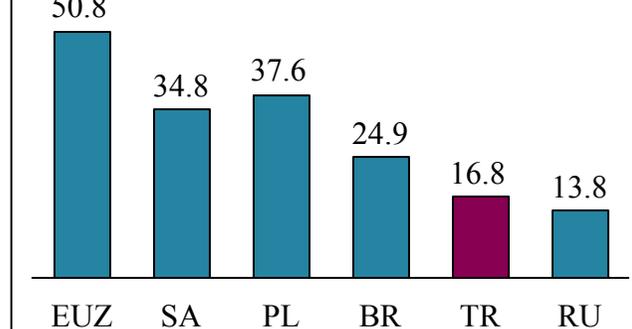
... feeding overall lending growth potential...

Loans / GDP
3M'17, %



... as well as ongoing retail lending growth

Household debt / GDP
3M'17, %



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

(2) Q1'17 data

(3) Q4'16 data

(4) Q3'16 data

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

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: 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

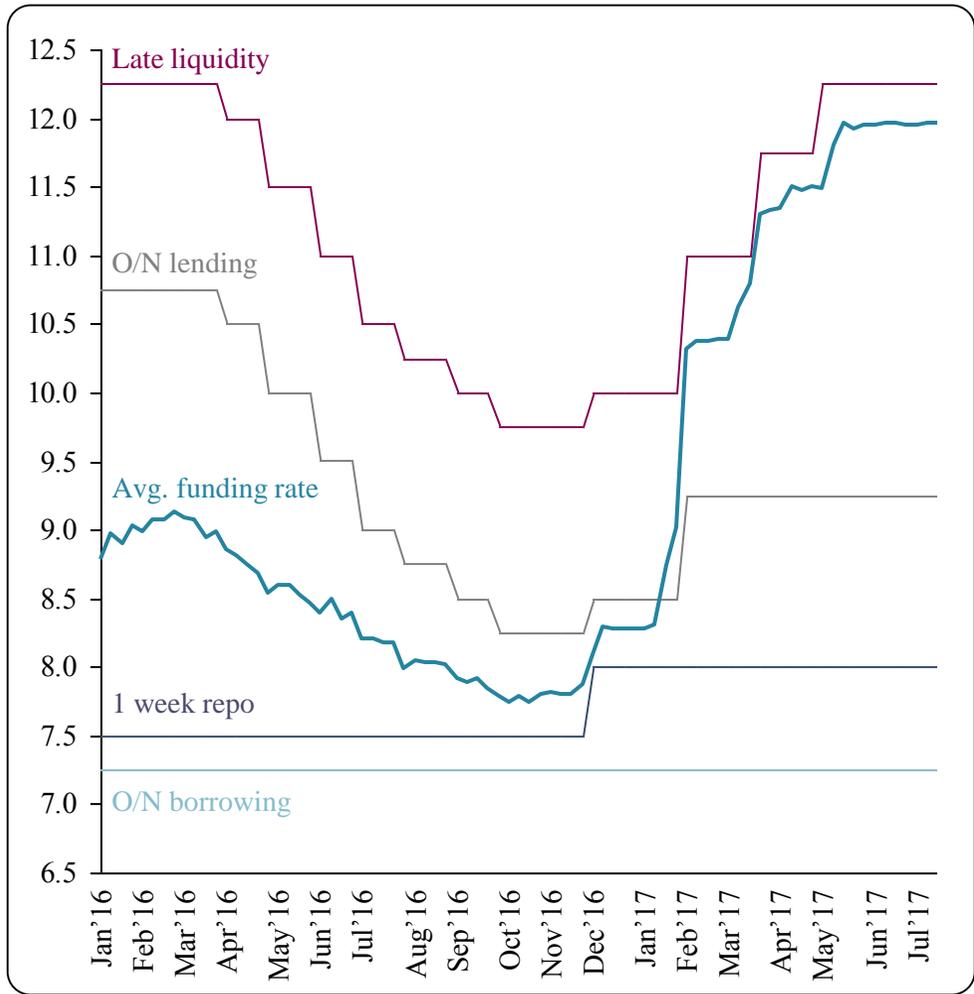
- Extended maximum loan maturity from 36 to 48 months
- General provision on retail loans reduced from 4% to 1%
- Risk weighting of retail loans realigned to international standards
- LTV on mortgages increased from 75% to 80%

Annualized credit growth rate in Turkish market

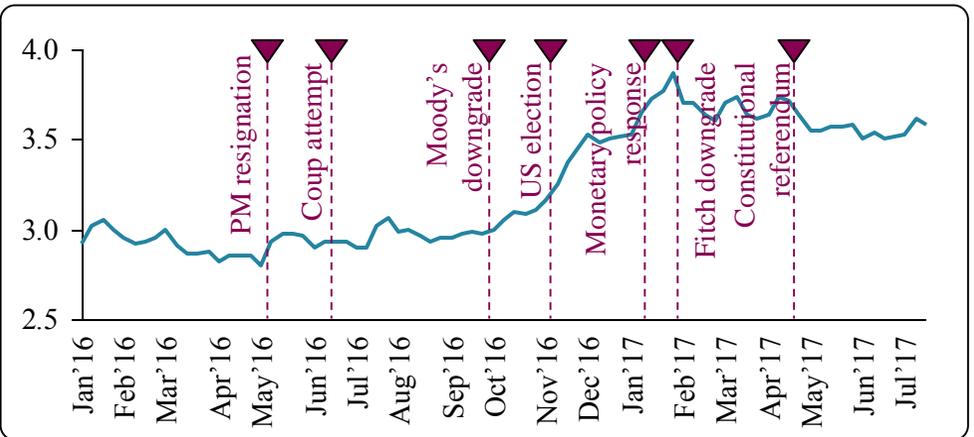


Effective tightening of monetary policy led to stabilization in FX volatility

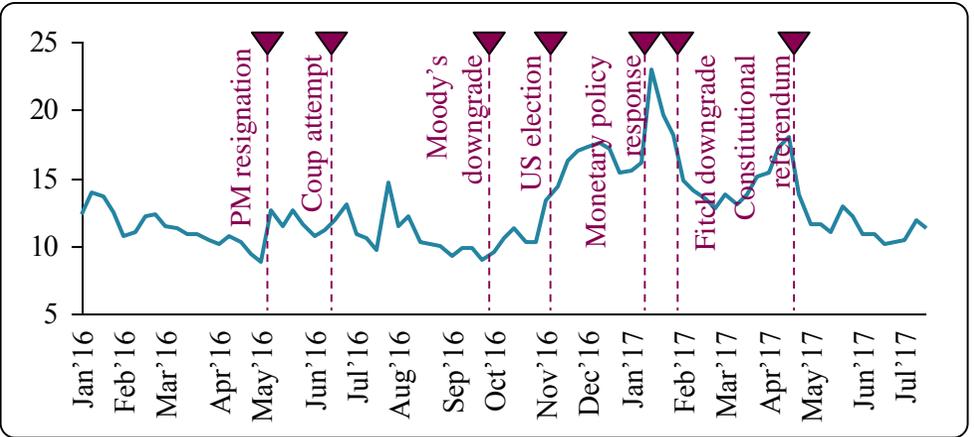
Central Bank rates



TRL against USD



Options implied TRL volatility

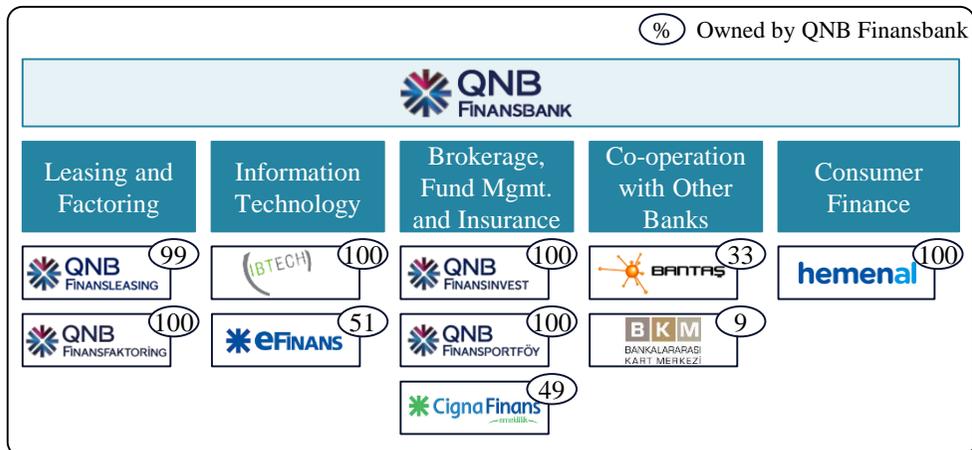




QNB Finansbank and QNB Group at a Glance

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

QNB Finansbank group structure



Financial highlights

QNB Finansbank BRSA bank only financials

TRL, bn	6M'17
Total assets	116.4
Net loans	73.9
Customer deposits	58.1
Shareholder's equity	11.2
Branches (#)	588
Active customers (mn)	5.3
Bank only employees (#)	11,926

QNB Finansbank market positioning

Bank only, 3M'17

	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		Akbank
4 th	Akbank	Yapı Kredi	Akbank	Yapı Kredi	Akbank	Akbank	Yapı Kredi	Yapı Kredi
5 th	Denizbank			Denizbank	Denizbank		Denizbank	TEB
6 th		Denizbank	Denizbank			Denizbank	TEB	
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

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

(1) In terms of total loans, total assets

(2) Includes overdrafts

Source: BRSA bank only data; BAT

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

Internet banking



704k active internet banking customers

Mobile banking



1,605k active mobile banking customers

ATMs



2,816 ATMs around Turkey

Mobile banking



472k active mobile banking customers

Internet banking



277k active internet banking customers

Direct sales



643 in-house personnel

588 branches



Covering 71 out of 81 cities of Turkey⁽¹⁾



Call center



803 inbound agents

Telesales



56 outbound agents

POS



237k POS terminals

Call center



167 inbound agents

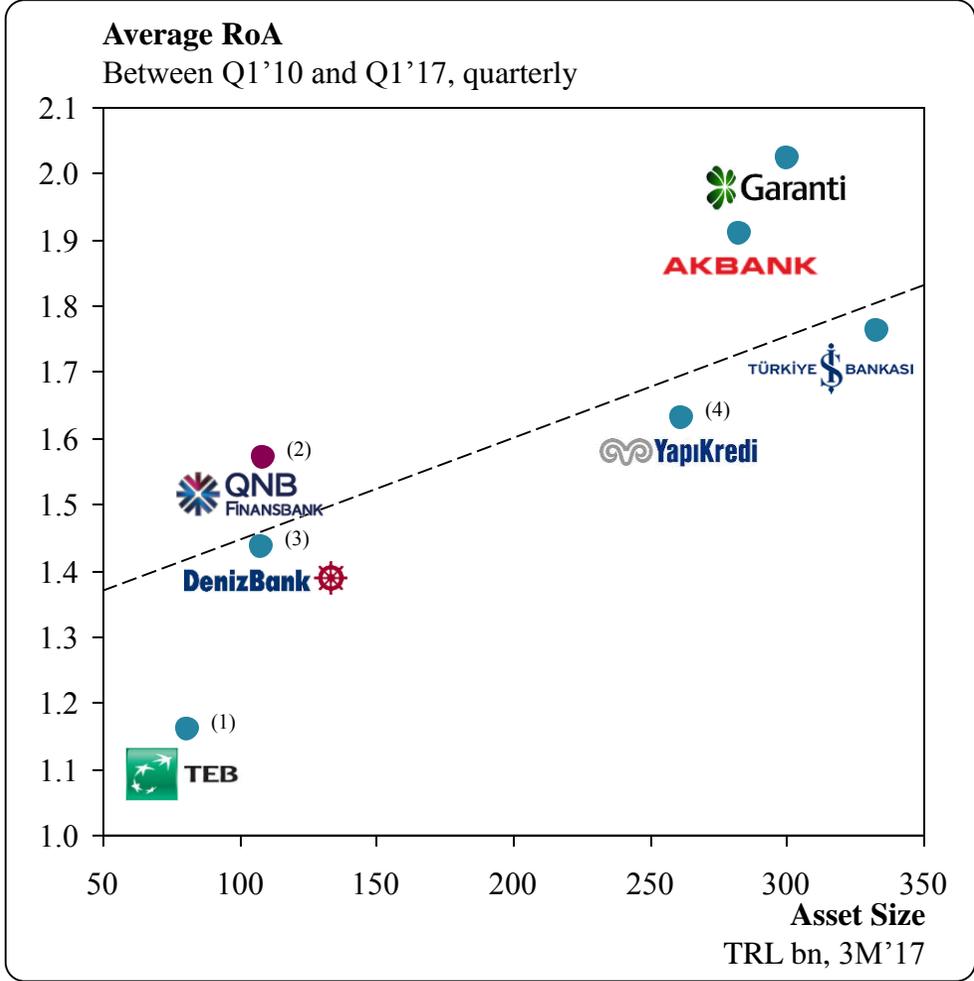
Field service



138 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) 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

Source: BRSA bank only data

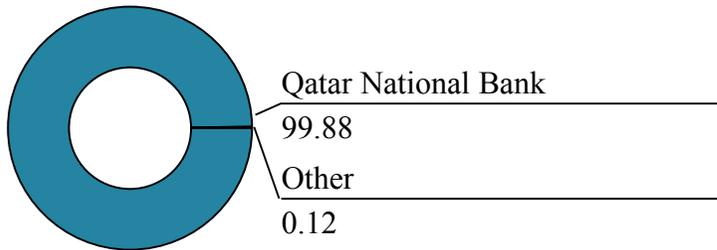
QNB's ownership of Finansbank brings a strong support to one of market's leading performers

QNB Finansbank

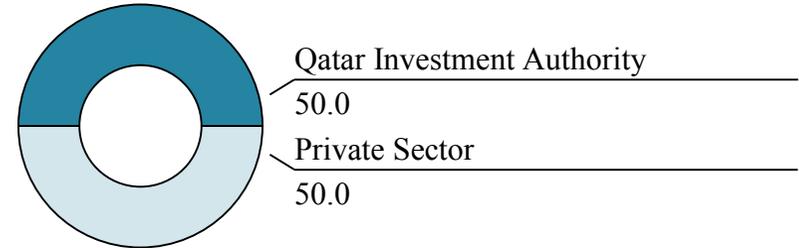
QNB Group

Shareholder Structure

%



%



Ratings

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

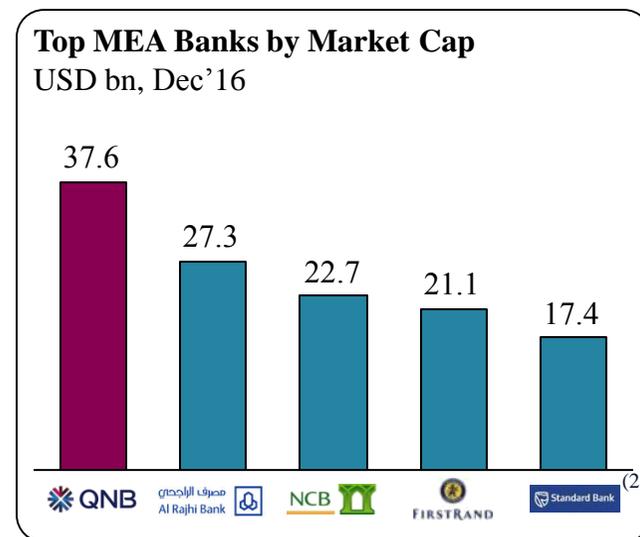
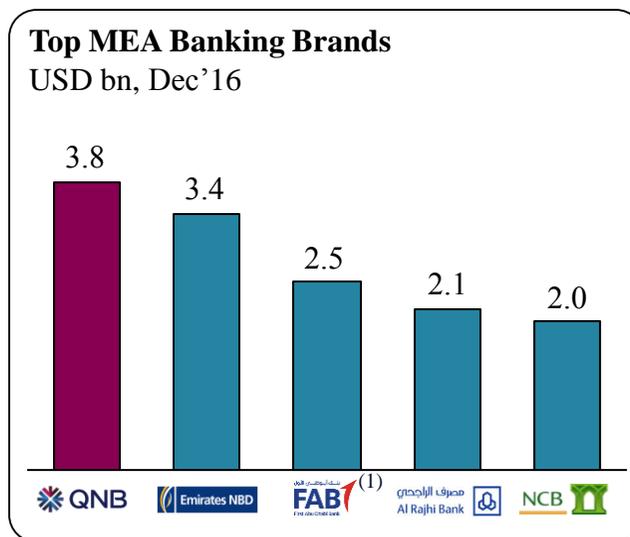
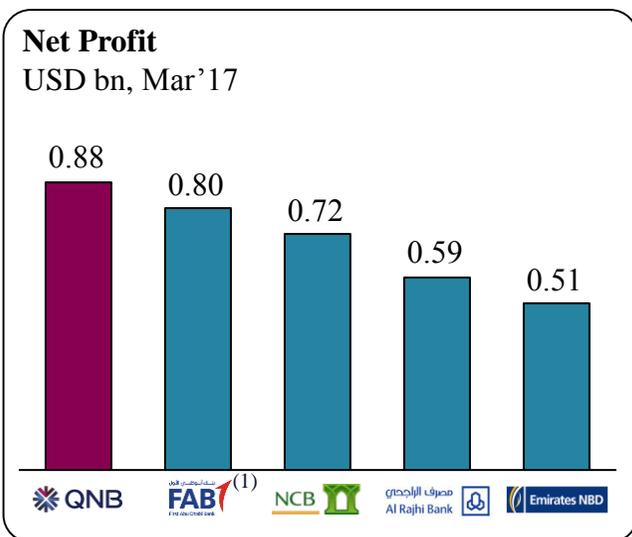
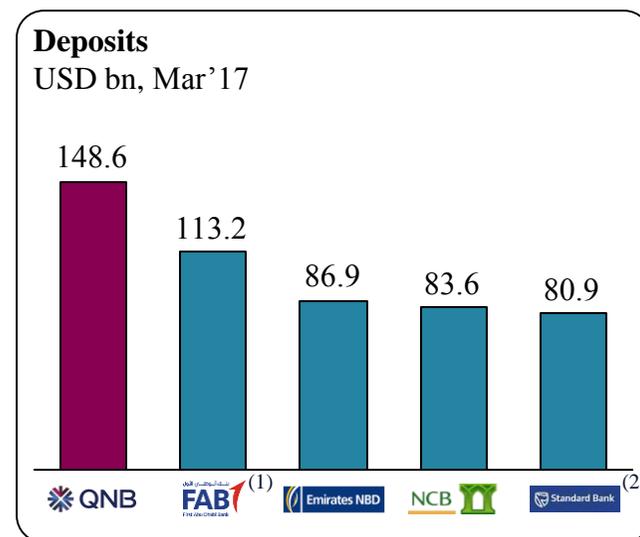
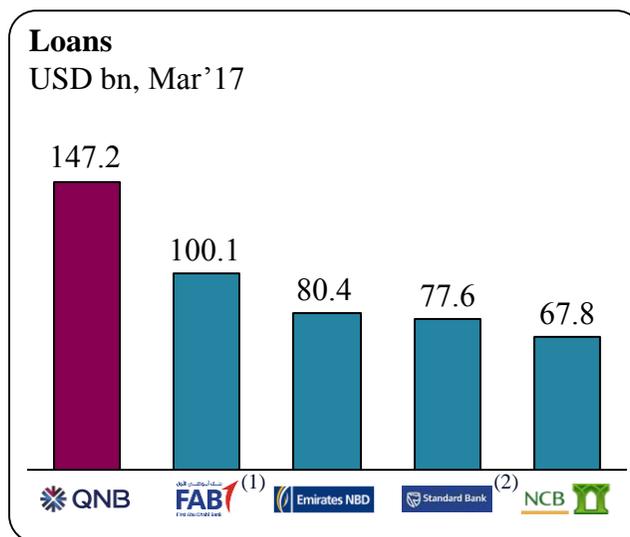
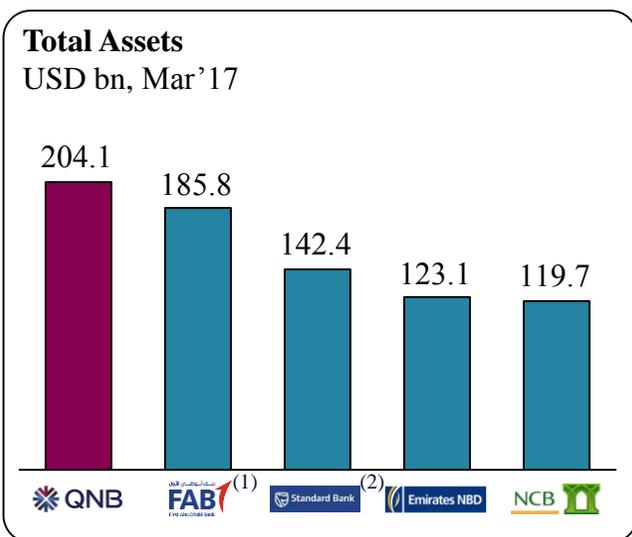
	Moody's	Fitch	S&P
Foreign Currency Long-term	Aa3	AA-	A
Foreign Currency Short-term	P-1	F1+	A-1

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 31 countries around the world across 3 continents
- More than 1,250 locations, supported by more than 4,300 ATMs and employing more than 27,900 staff

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



(1) This information is sourced from the Pro Forma Condensed Consolidated Financial Information for March 2017, published to illustrate the effects of the merger

(2) Standard Bank's results are based on March 2017 Financial Statements, as March 2017 results are not published

Source: Companies' December 2016 Press Release or Financial Statements if available; Brand Finance 2017; Bloomberg

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

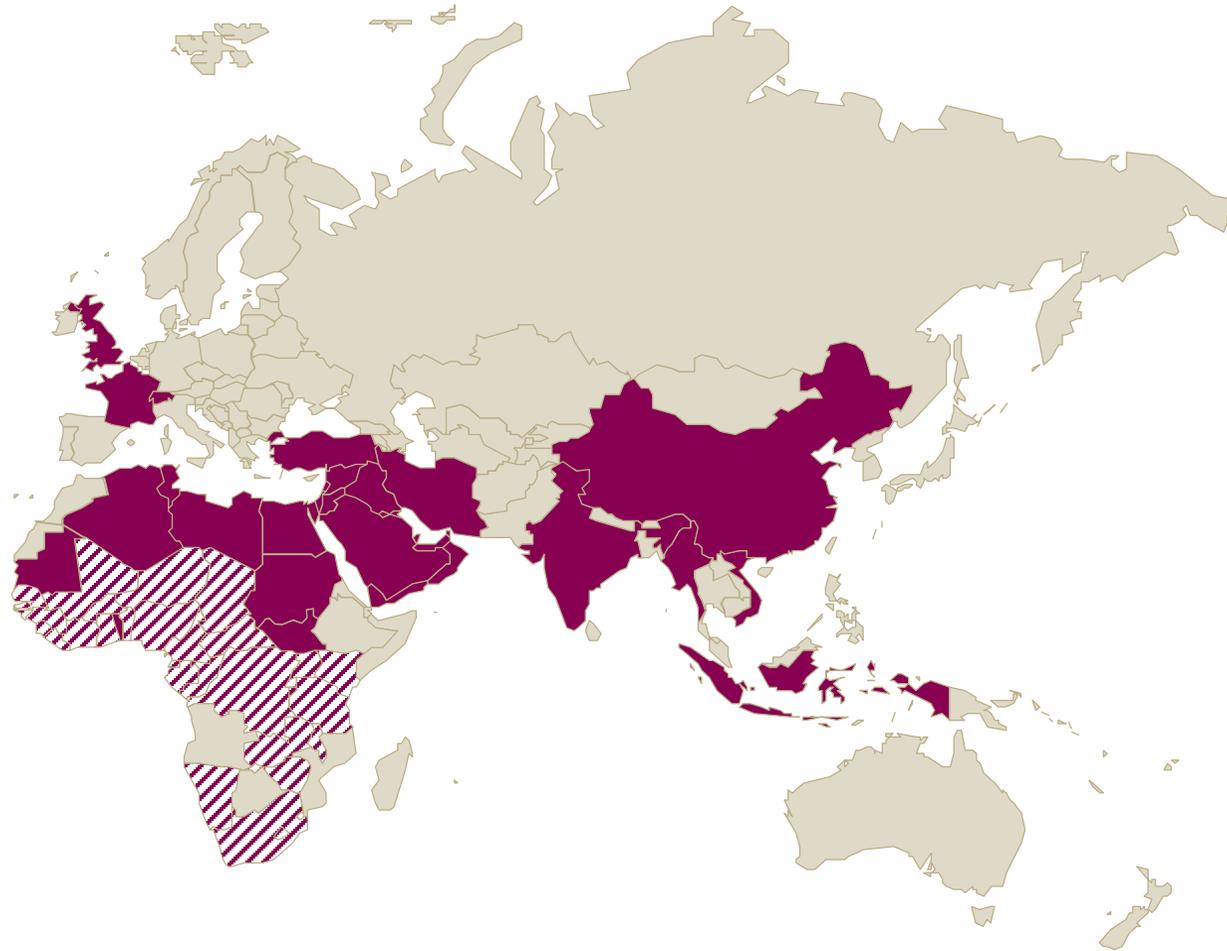
-  QNB presence
-  QNB footprint⁽¹⁾
-  Top 40 trade partners of Turkey

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

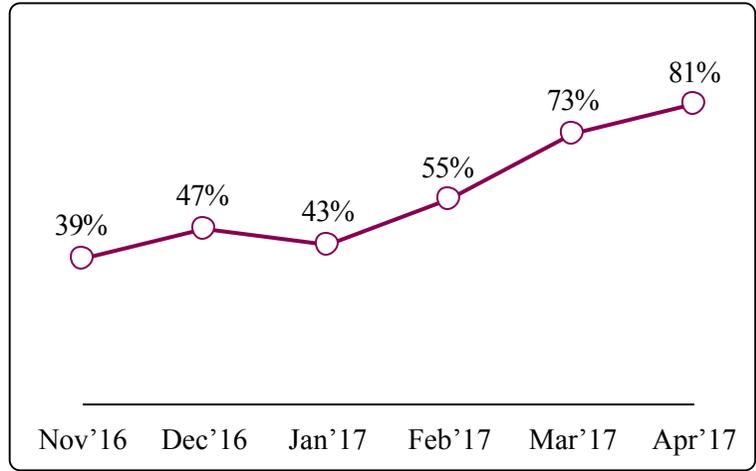
Strong deployment of “QNB” brand across the country supports capturing synergies...

Bank rebranding launch through a new media campaign

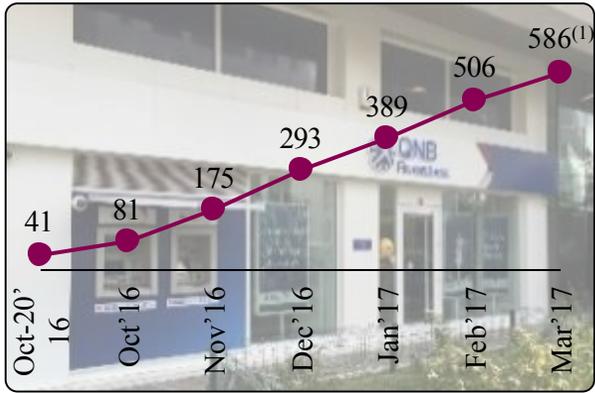
“Stronger than ever, we are now QNB Finansbank”

Professional sports sponsorships

“QNB” brand standalone awareness in Turkey



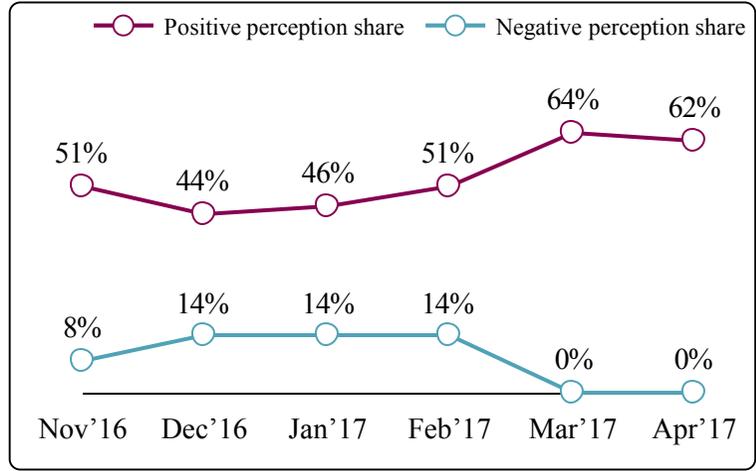
Rebranding of all branches



Relaunch of CardFinans platform

“There is more to life than things you buy”

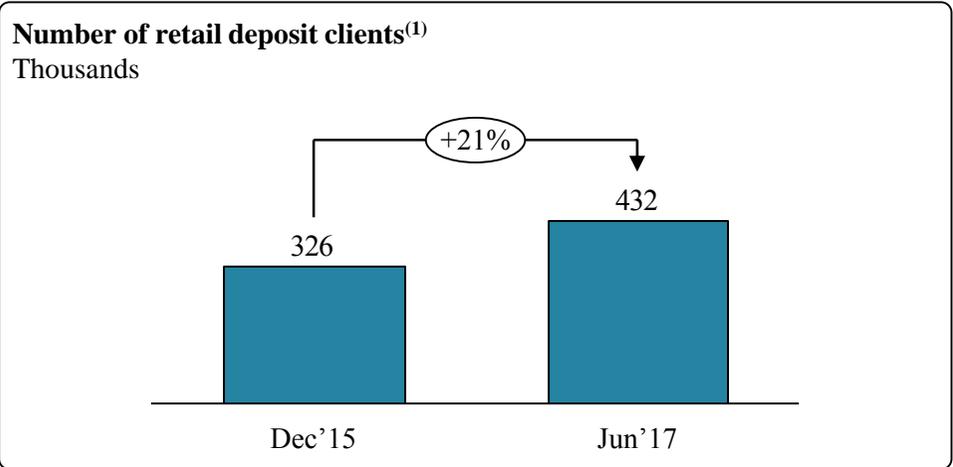
Customer perception of QNB acquisition



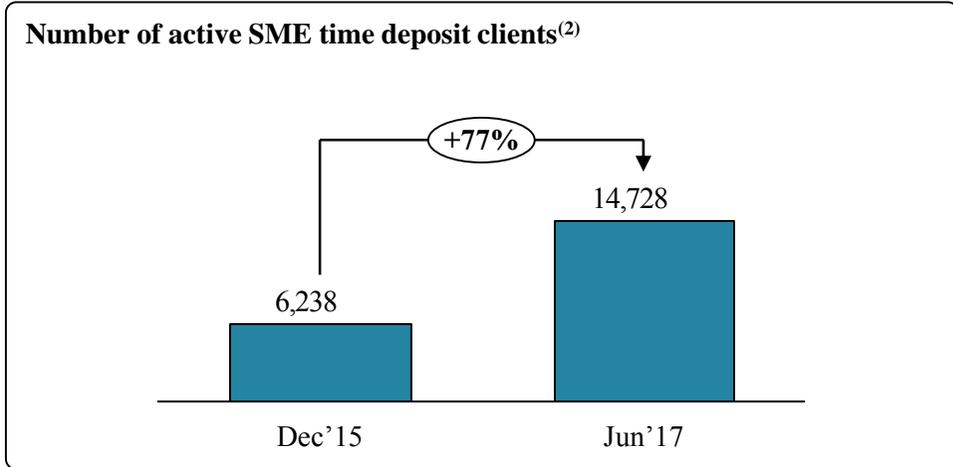
(1) All physical street level locations are completed as of March; some branch locations carry two branch licenses

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

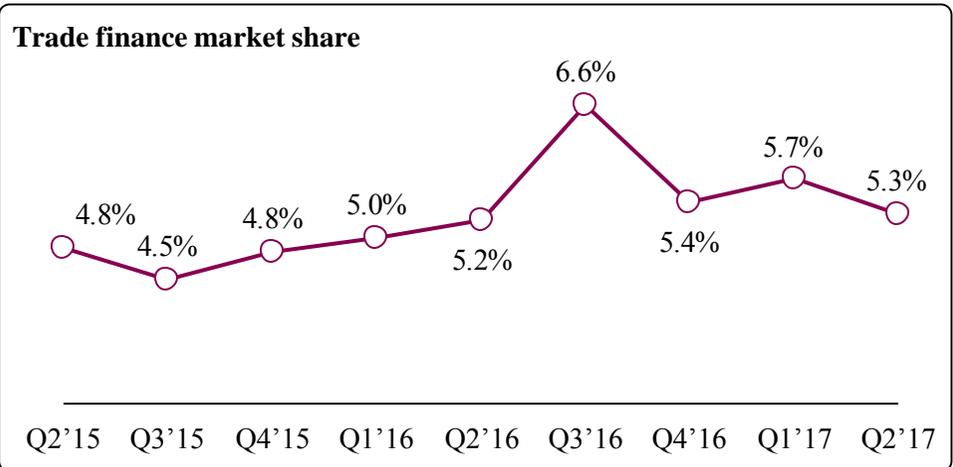
Strong client base growth in retail deposits ensuring stable and cheaper funding



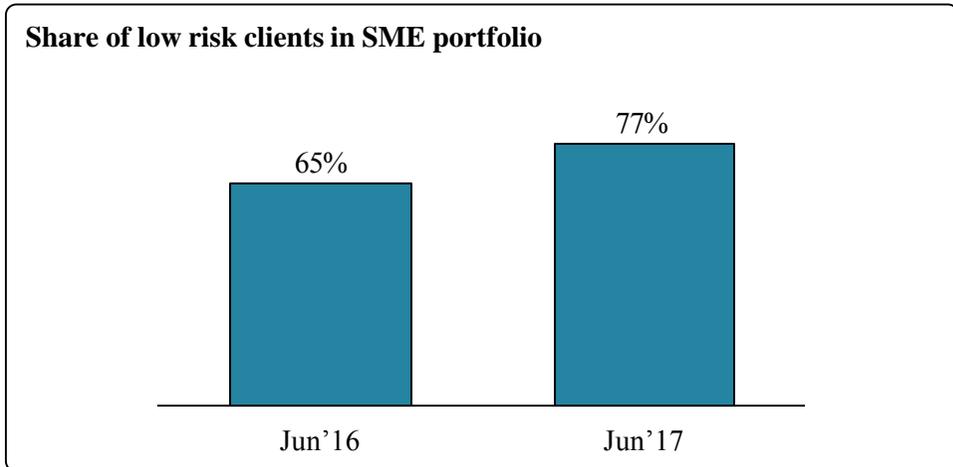
Ability to attract stable and cheap deposits from SME clients



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

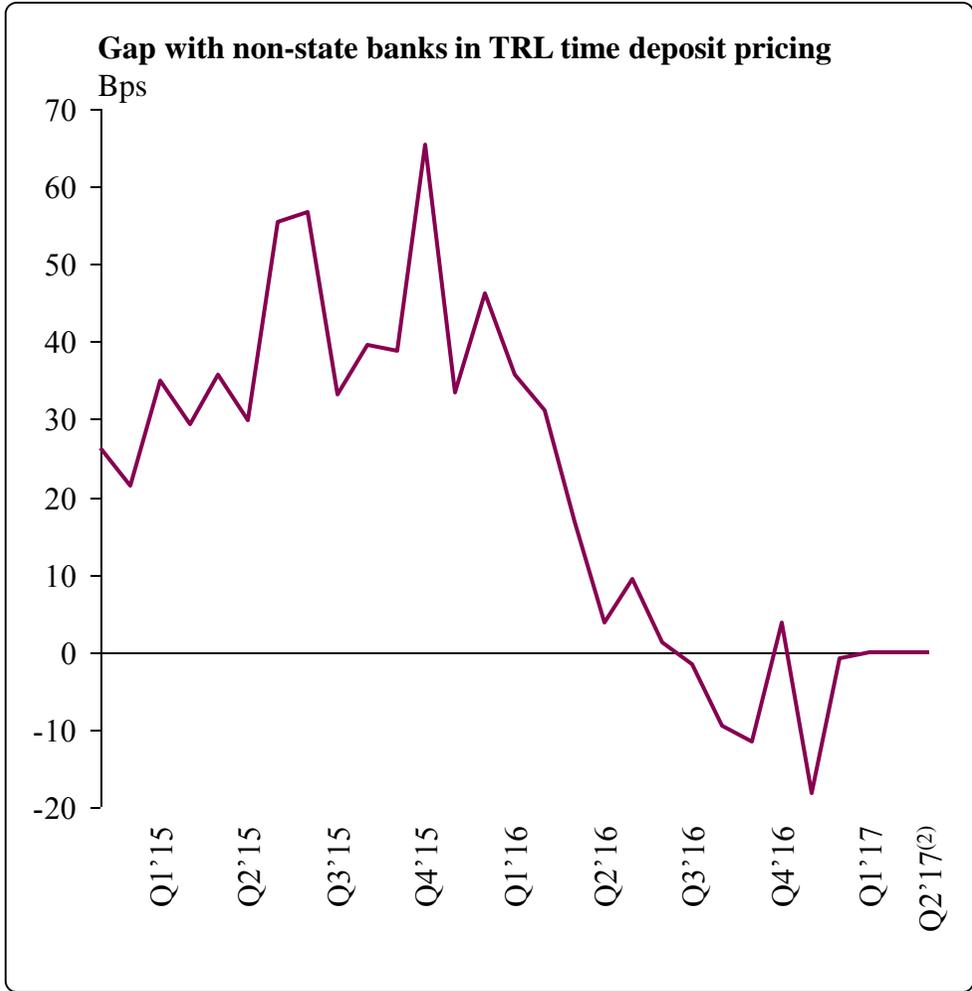


Significant improvement in SME lending thanks to more competitive pricing

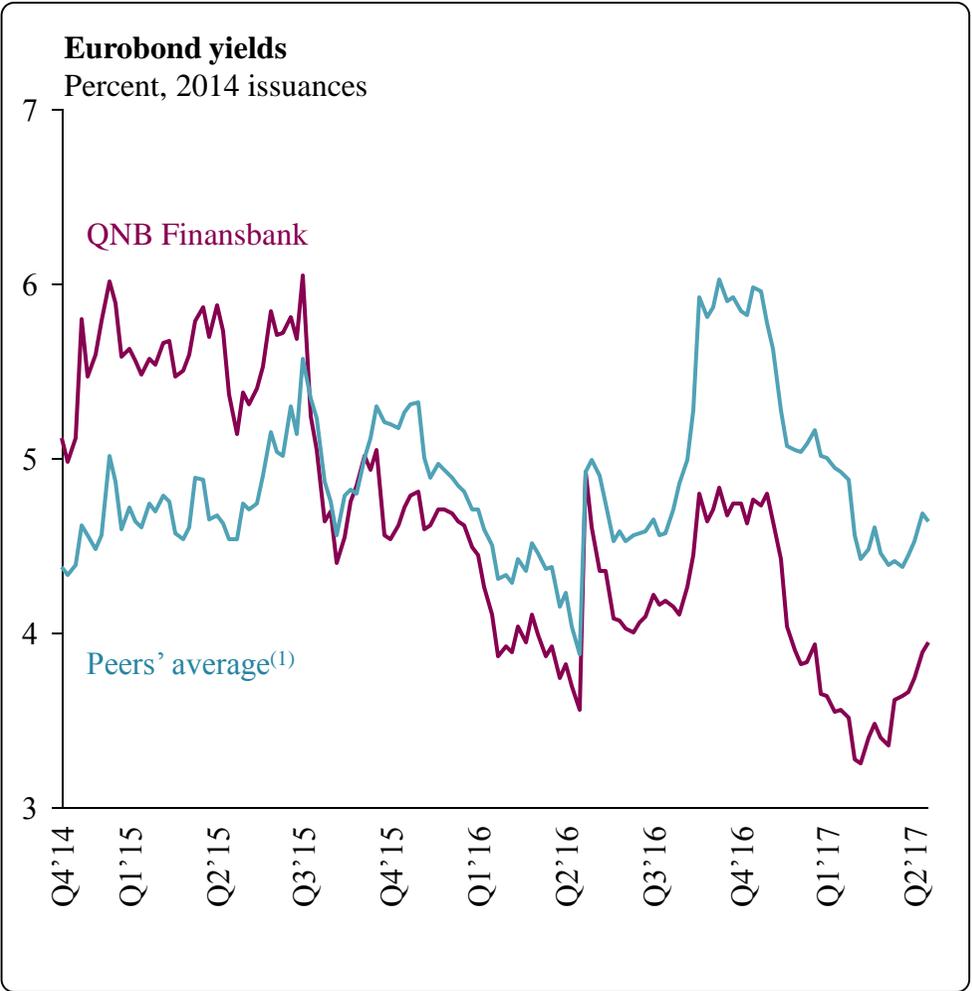


... and delivering improvement in cost of funding

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



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

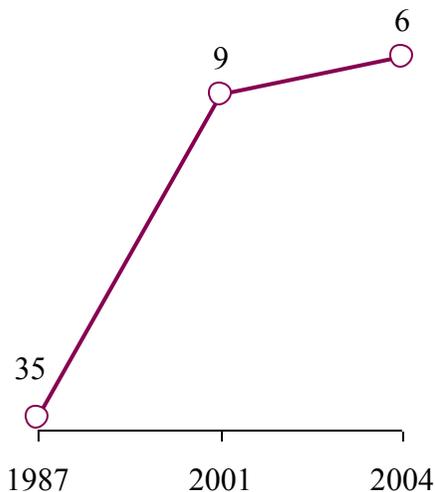


(1) Eurobonds of Garanti, Akbank, Isbank and Yapi Kredi issued around the same time as QNB Finansbank
 (2) As of May'17
 Source: BRSA; Bloomberg

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

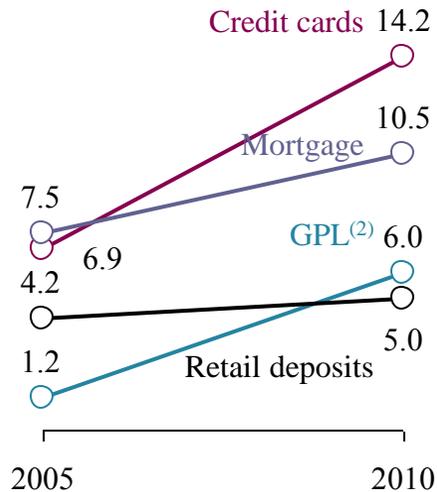
1987-2004: fast growth behind leadership in Corporate & Commercial Banking

Total Assets
Ranking in Private Banks⁽¹⁾



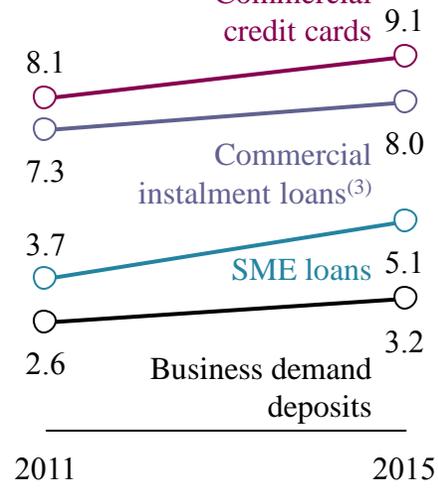
2005-2011: Retail banking boom with market leading growth and success

Market share
%



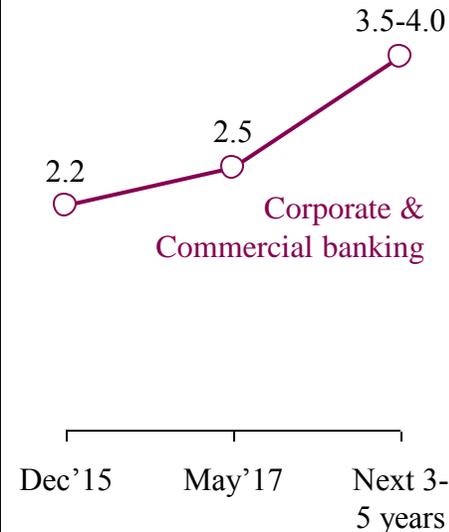
2012-2016: Business banking growth with productivity and risk focus

Market share
%



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

Market share
%



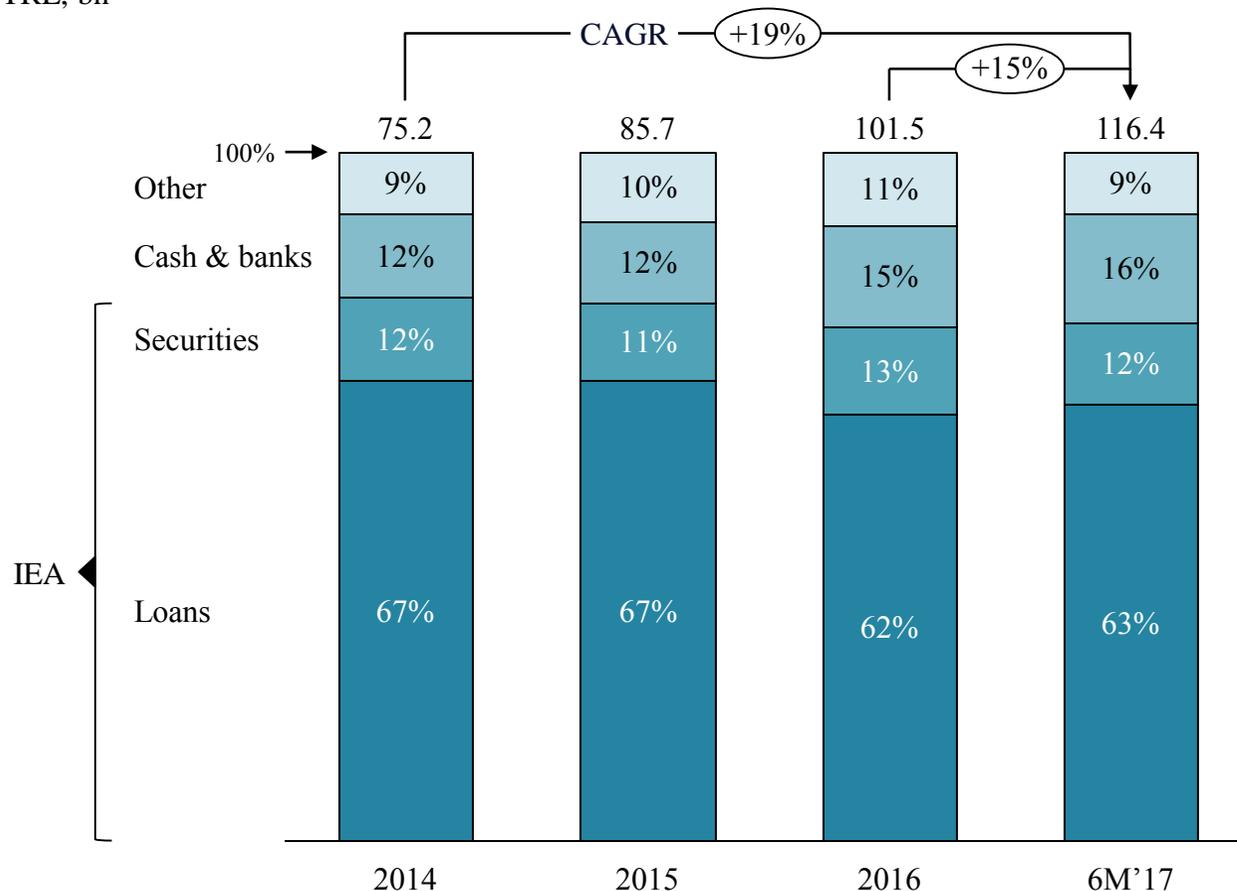


**Loan-based Balance Sheet
Delivering High Quality
Earnings**

Asset size reached TRL 116bn with 19% average annual growth over last three years while 2017 YTD growth significantly outpacing historical figures

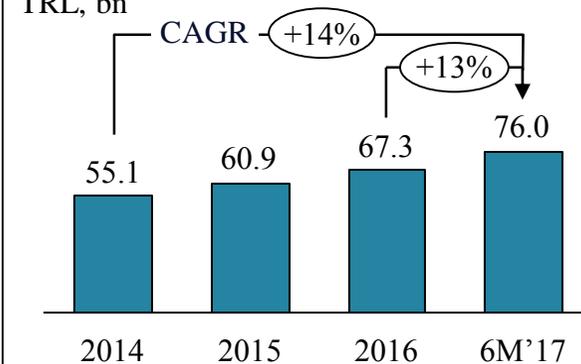
Loan heavy balance sheet with above market growth in 2017

Total Assets
TRL, bn



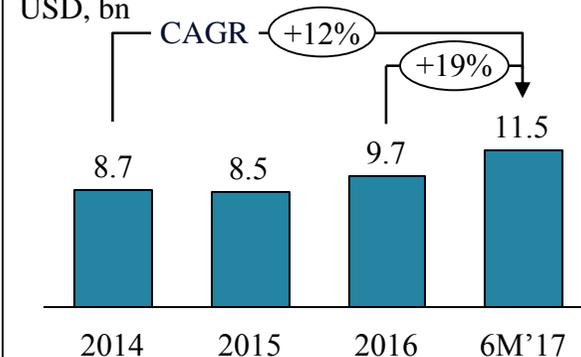
TRL assets growth significantly picked-up in 6M'17

TRL Assets
TRL, bn



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

FX Assets⁽¹⁾
USD, bn

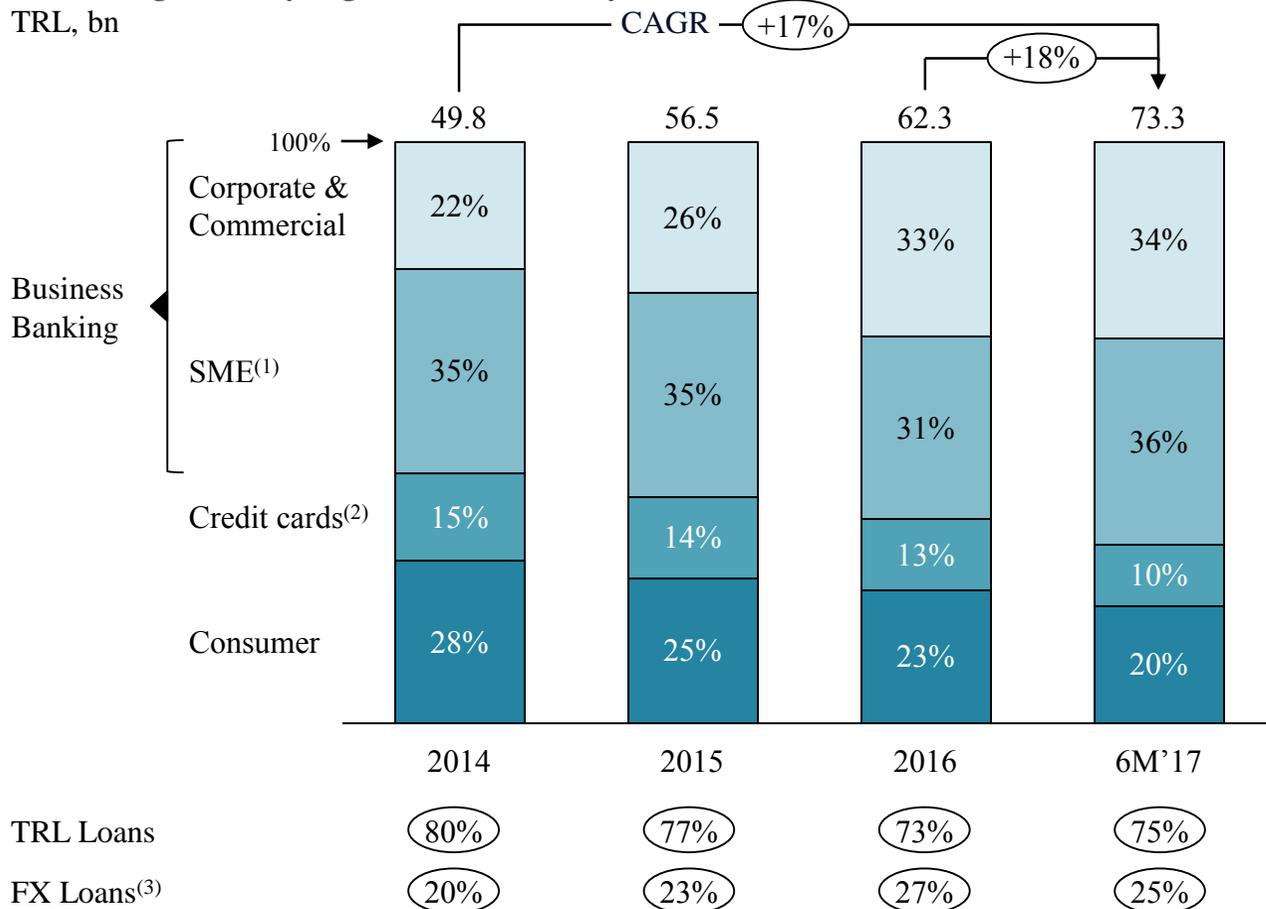


(1) FX-indexed TRL loans are shown in FX assets

Sustained and successful execution of the growth strategy...

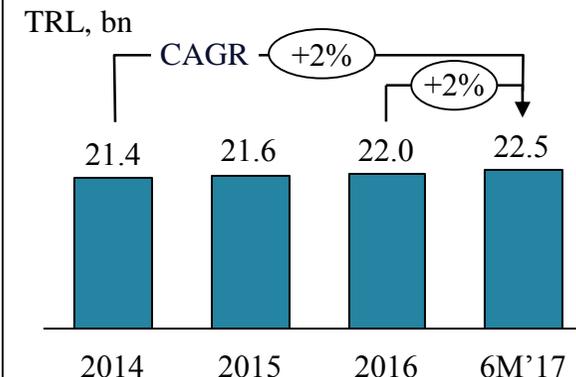
Loan book continued to shift towards business banking with accelerated growth in 6M'17 supported by CGF program

Performing Loans by Segment and Currency



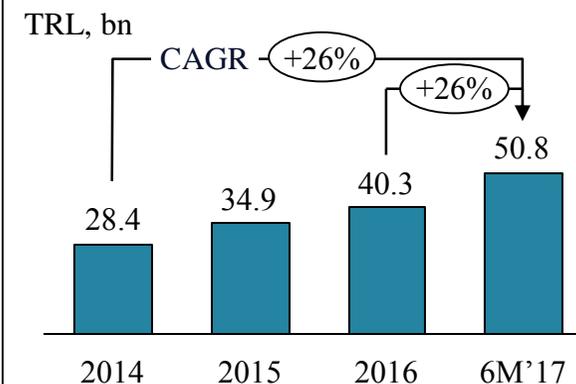
Retail loans are almost flat over the period

Retail Loans



Significant growth in business loans

Business Loans



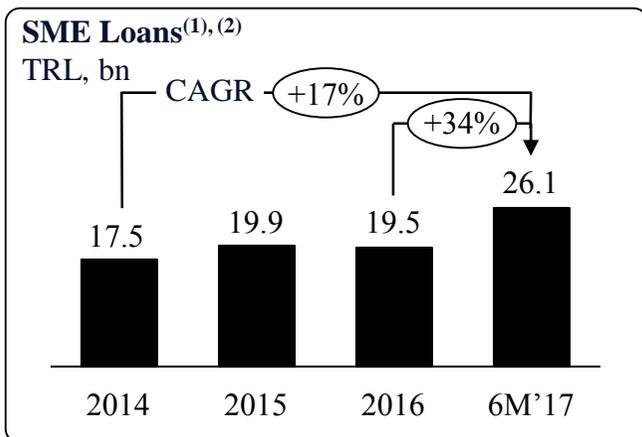
(1) Based on BRSA segment definition, excluding SME credit cards

(2) Excluding commercial credit cards

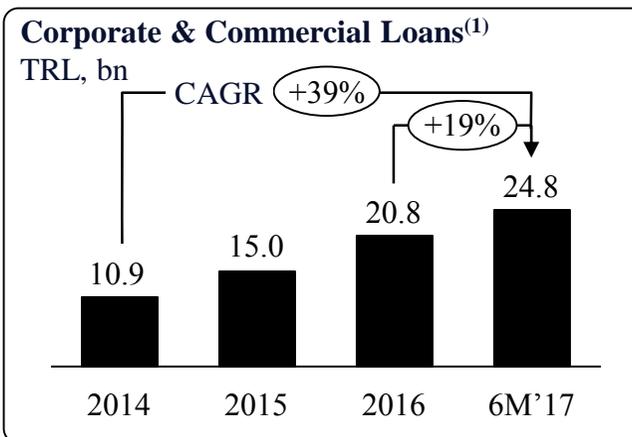
(3) FX-indexed TRL loans are shown in FX loans

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

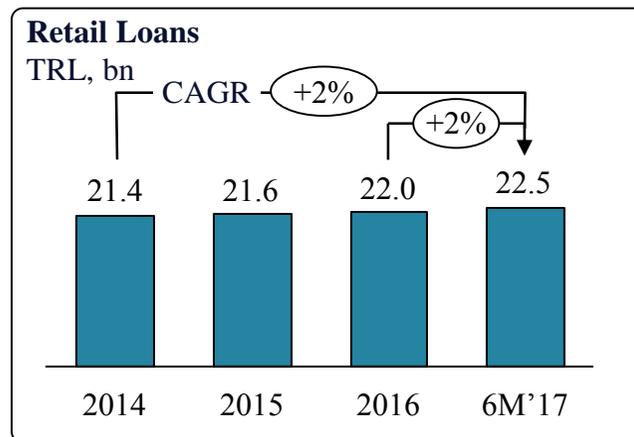
Strong SME loan growth with focused use of CGF program



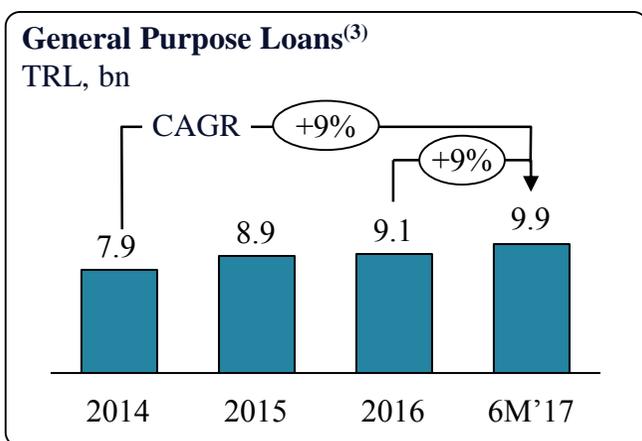
Strong growth in corporate & commercial loans



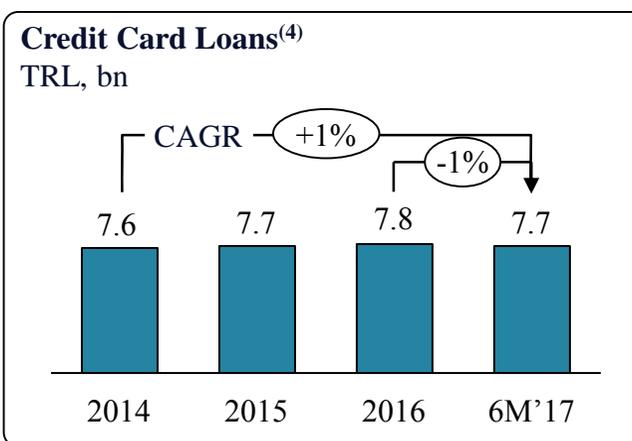
Selective growth in retail loans...



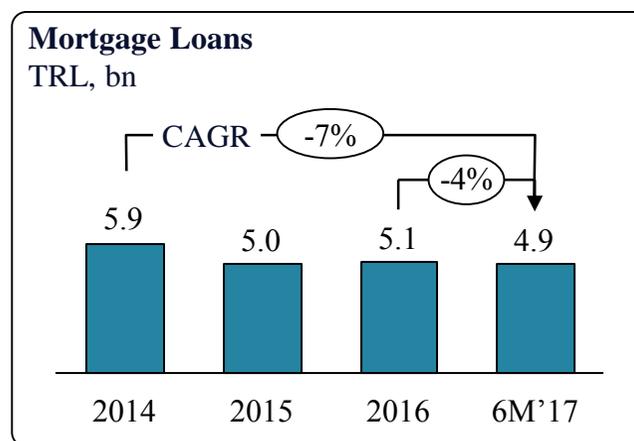
... mainly driven by GPLs where growth accelerated in 6M'17...



... with stabilized volume in credit cards ...



... and decline in mortgages due to low profitability

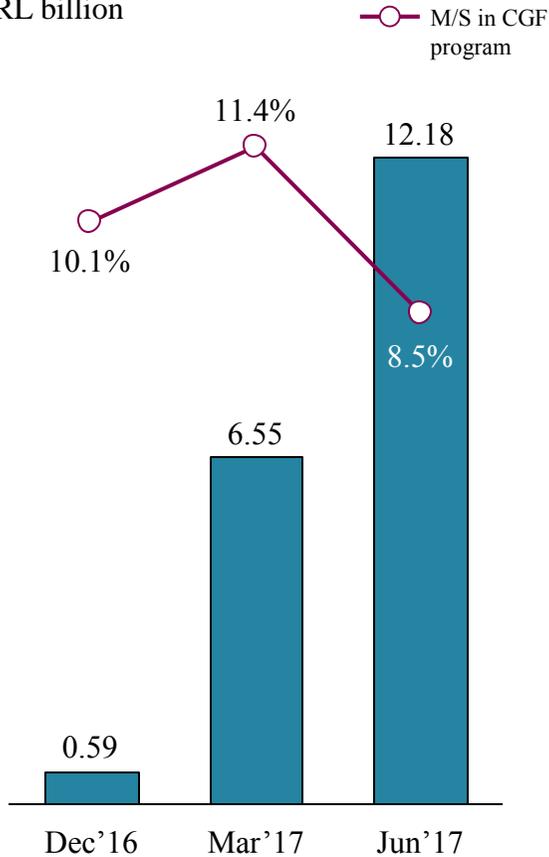


CGF⁽¹⁾ proactively used as a key strategic tool for high quality SME lending growth

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

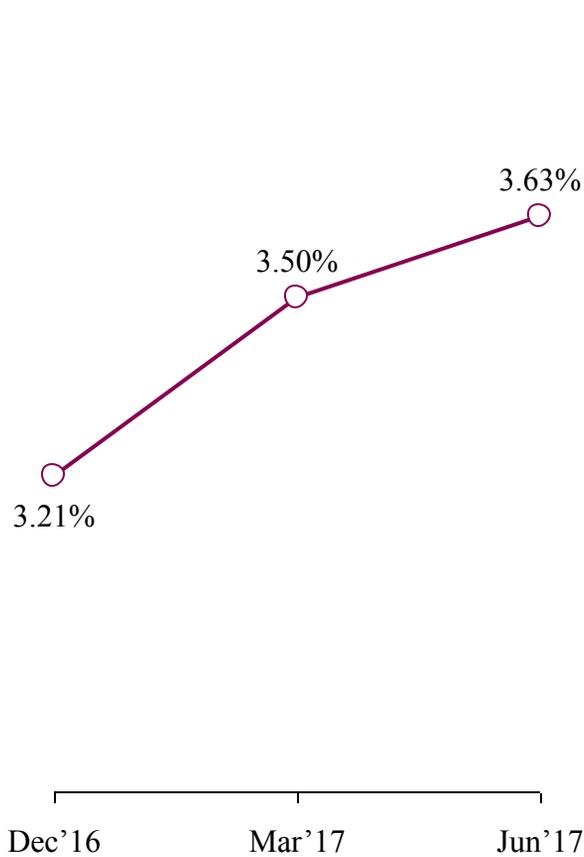
Volume of CGF guaranteed loans

TRL billion



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

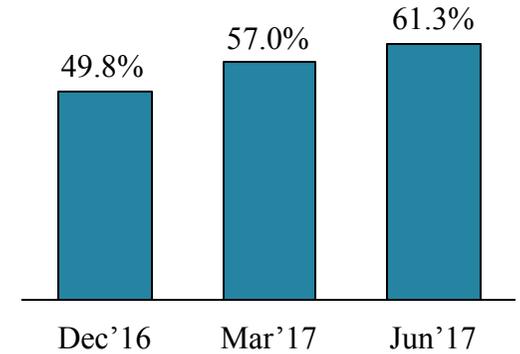
Business loan market share



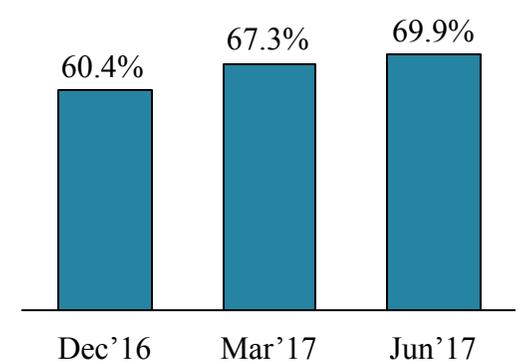
... and portfolio collateralization

Collateralization ratio⁽²⁾

Small enterprises



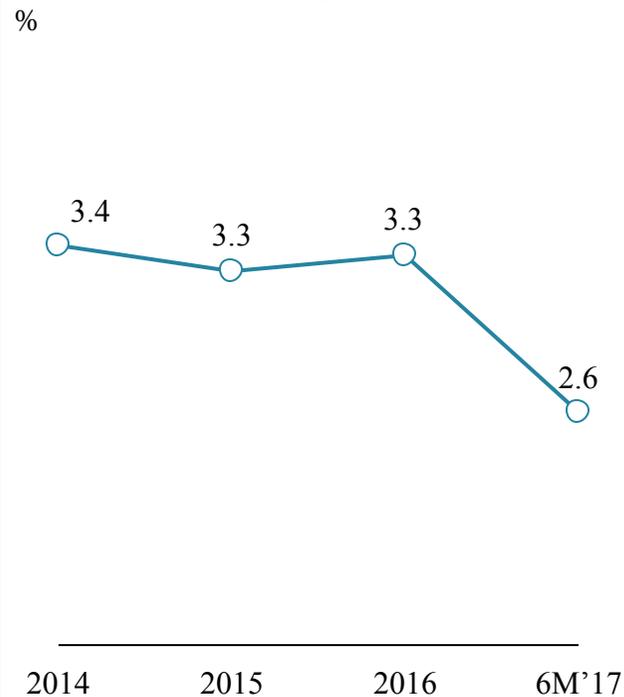
Medium enterprises



Controlled asset quality with high coverage ratios

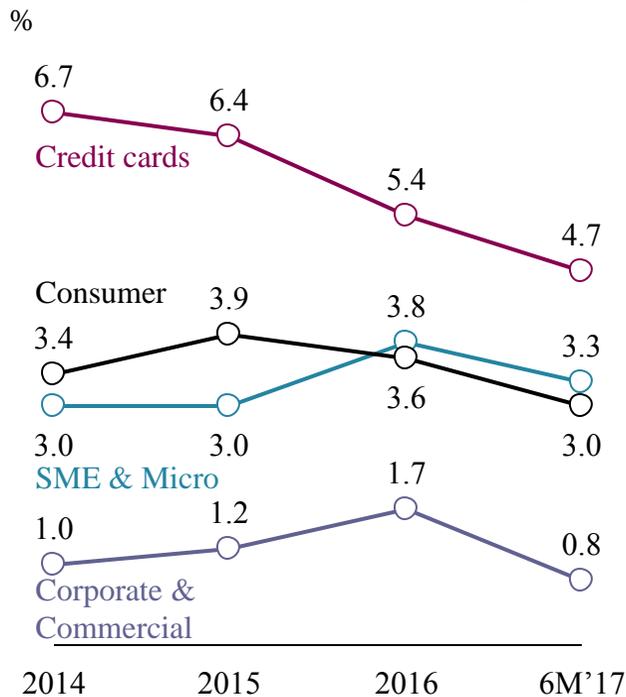
Improving NPL inflows thanks to stringent risk measures and improving macro...

NPL Additions / Average Loans



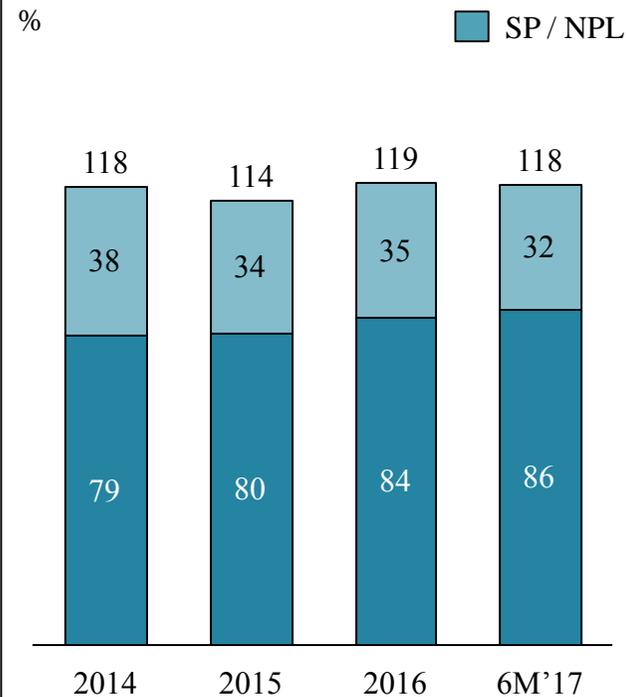
... resulting in improvement in all segments

NPL Additions / Average Loans by Segment



NPLs are well covered through general and specific provisions

NPL Coverage⁽¹⁾

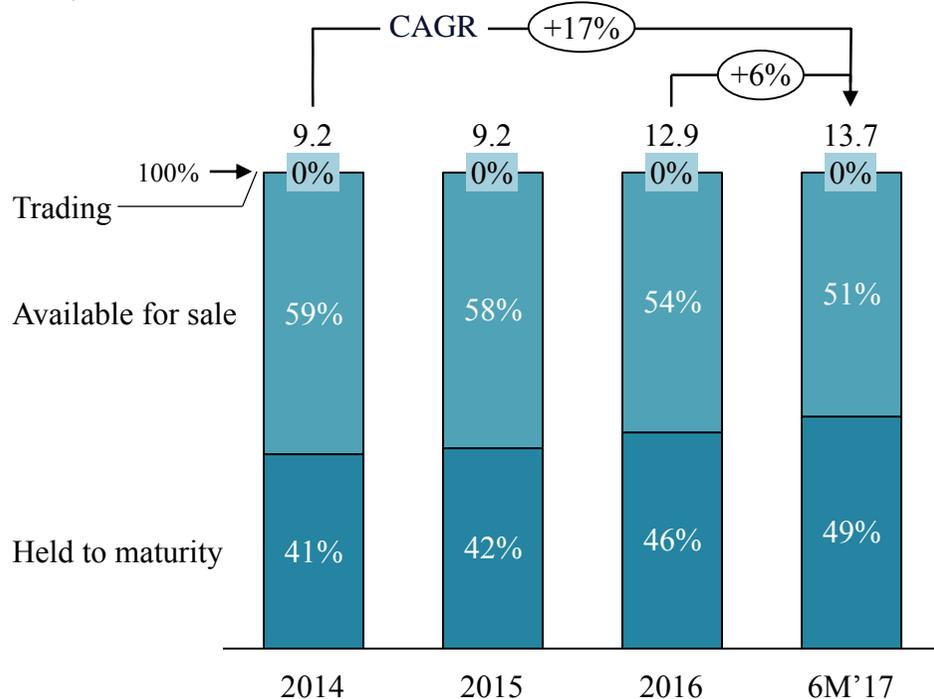


Securities portfolio increased to TRL 13.7bn, making up 12% of assets

Growth in securities portfolio largely driven by FX securities

Total Securities

TRL, bn



TRL Securities

76% 70% 58% 55%

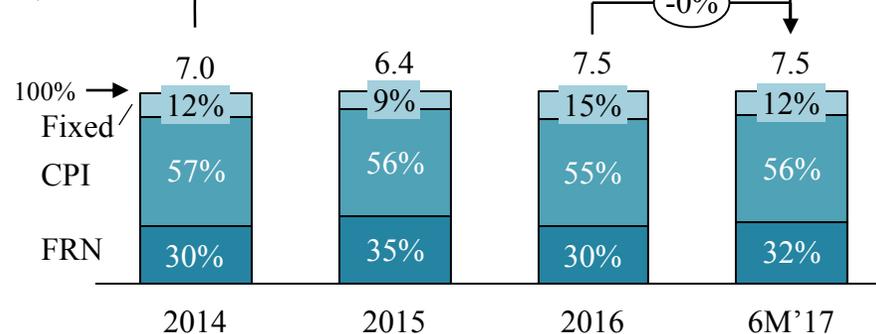
FX Securities

24% 30% 42% 45%

88% of TRL securities are indexed / variable rate

TRL Securities

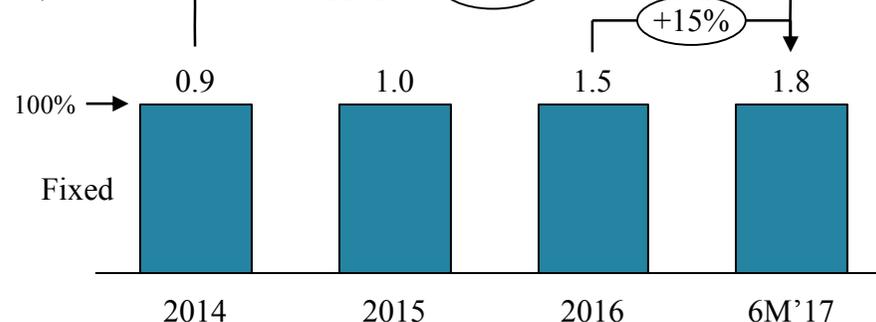
TRL, bn



Sustained and strong growth in FX securities

FX Securities

USD, bn

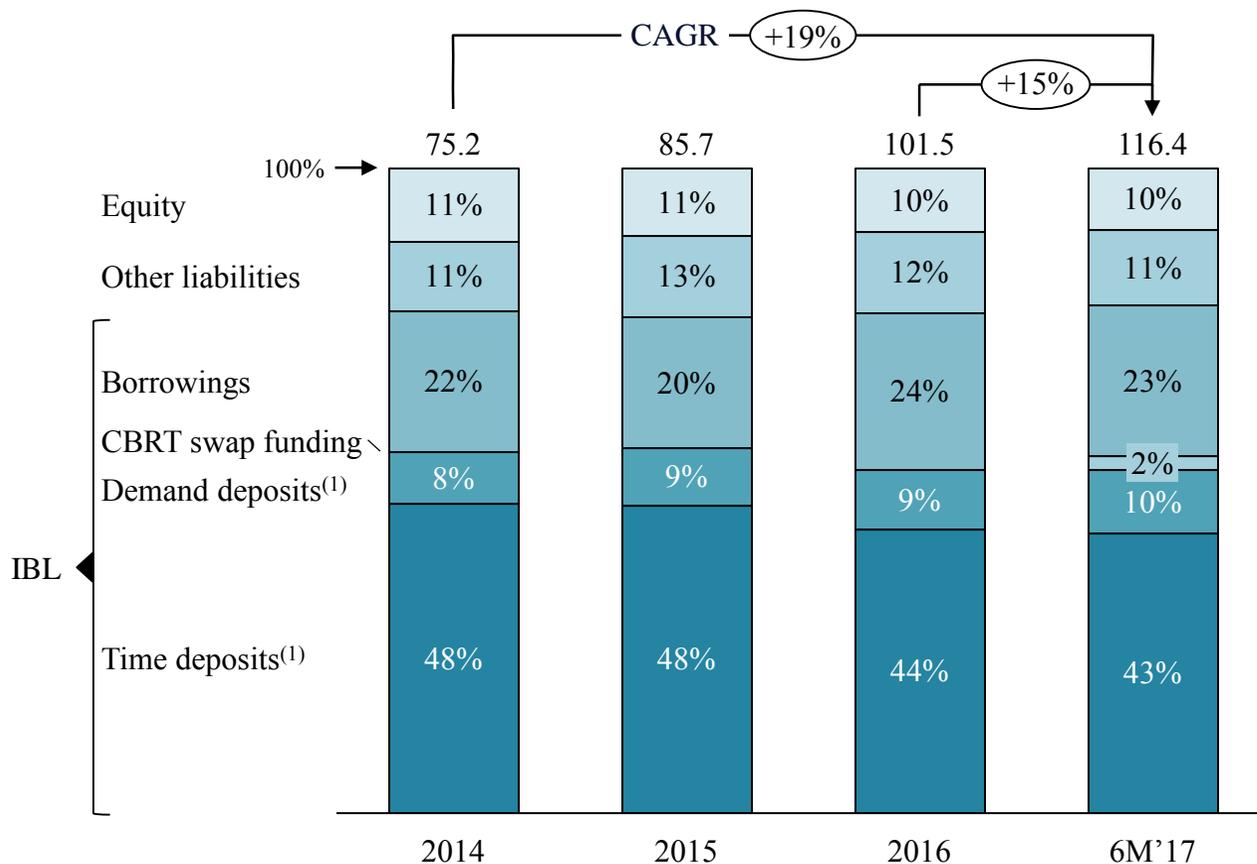


Well-diversified funding structure underpinned by solid deposit base

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

Total Liabilities

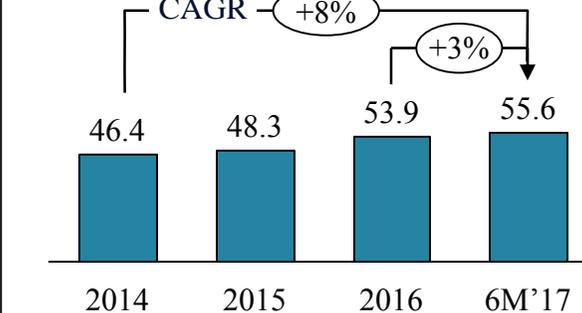
TRL, bn



Slight increase in TRL liabilities

TRL Liabilities

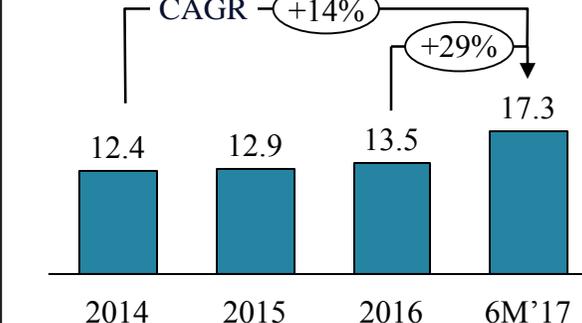
TRL, bn



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

FX Liabilities

USD, bn

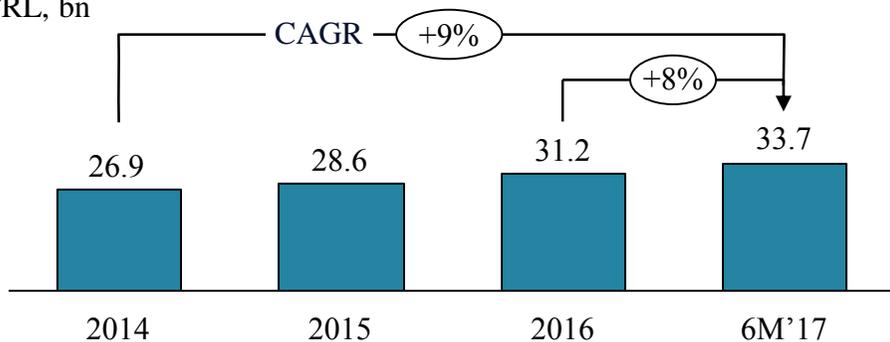


Temporary uptick in L/D ratio in-line with sector due to high loan growth, with improving deposit mix thanks to strong demand deposit growth

Stable TRL customer deposits growth with selective exit from price sensitive clients

TRL customer deposits

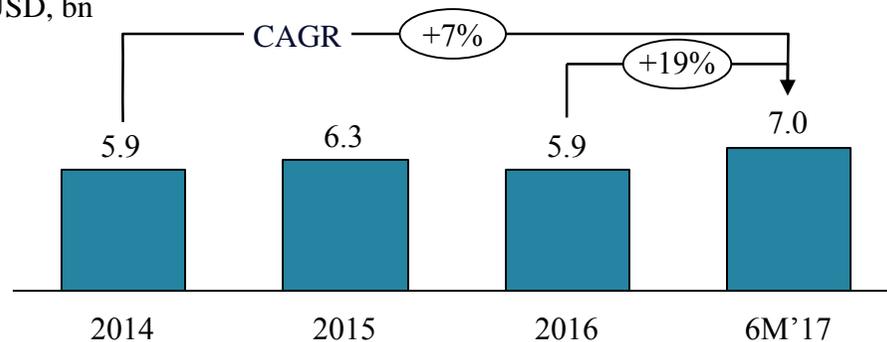
TRL, bn



Recent growth in FX customer deposits in line with the sector

FX customer deposits

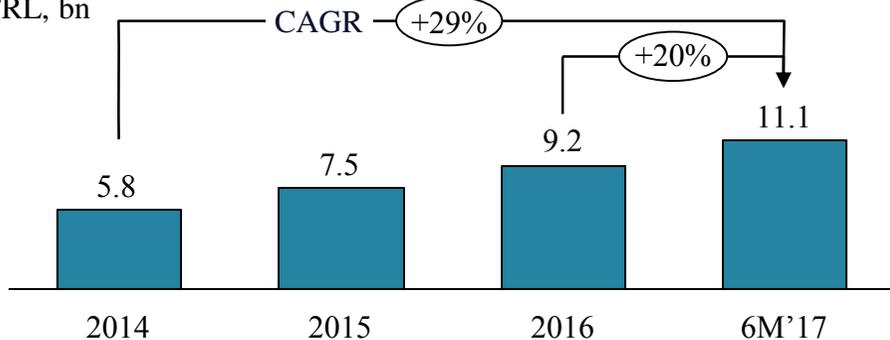
USD, bn



Impressive growth in demand deposits

Customer demand deposits

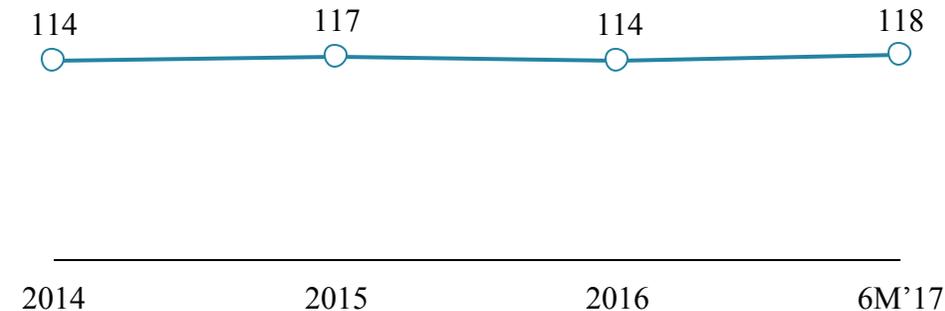
TRL, bn



Loan-to-deposit ratio in line with the sector

Loan-to-deposit ratio⁽¹⁾

%

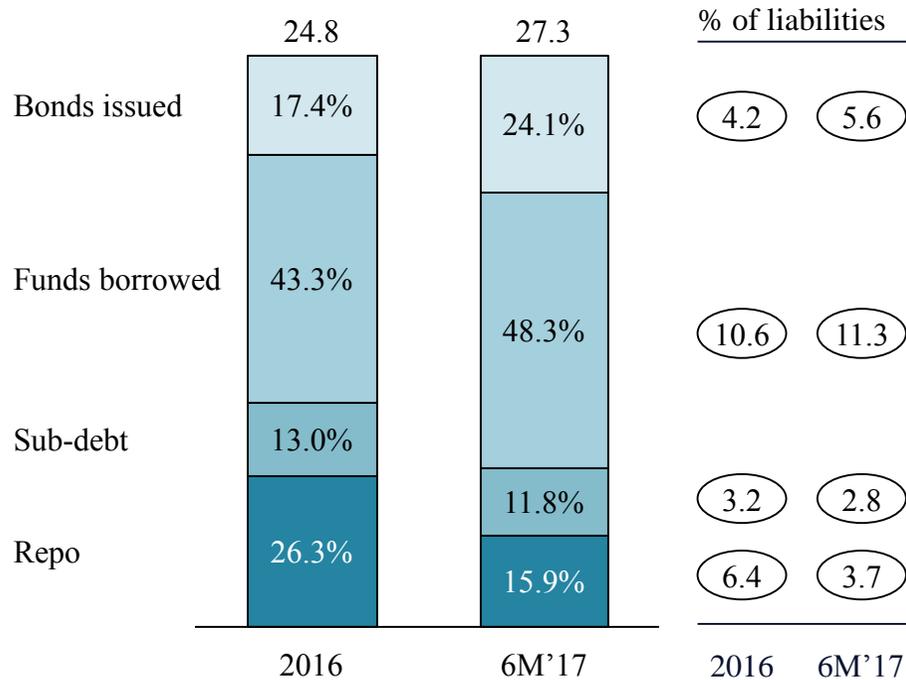


Disciplined use of non-deposit funding and strong capital base

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

Borrowings⁽¹⁾ by Type

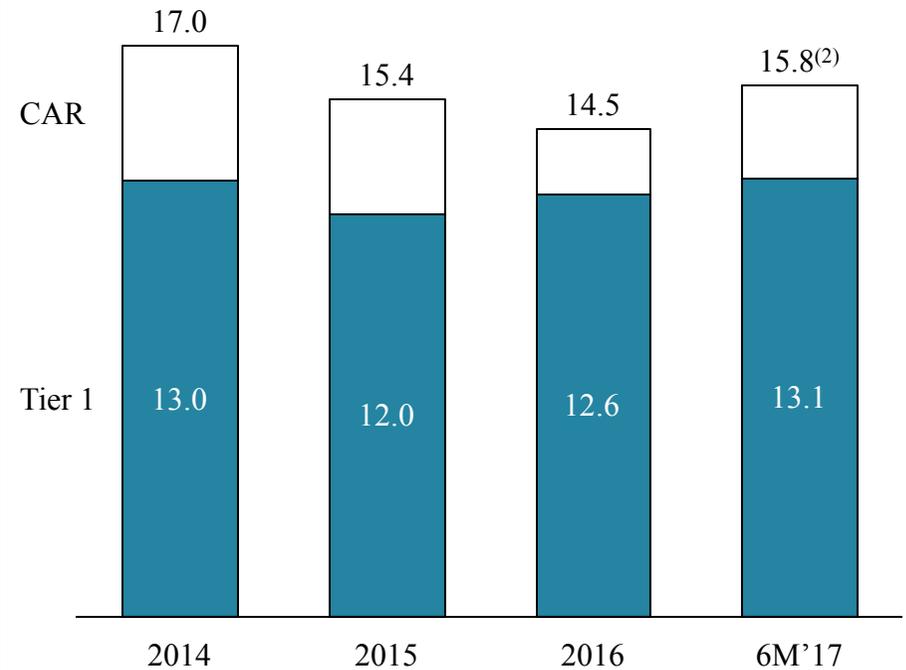
TRL bn, % of borrowings



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

Capital Adequacy

%



(1) Non-deposit funding

(2) 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 16.9bn as of Q2'17
- Net change in Economic Value / Equity is constantly monitored under several scenarios
- Regulatory IRRBB ratio is at 12.5% as opposed to 20% limit in June 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 90% as opposed to 80% limit, whereas FX Regulatory Liquidity coverage ratio is 92% 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

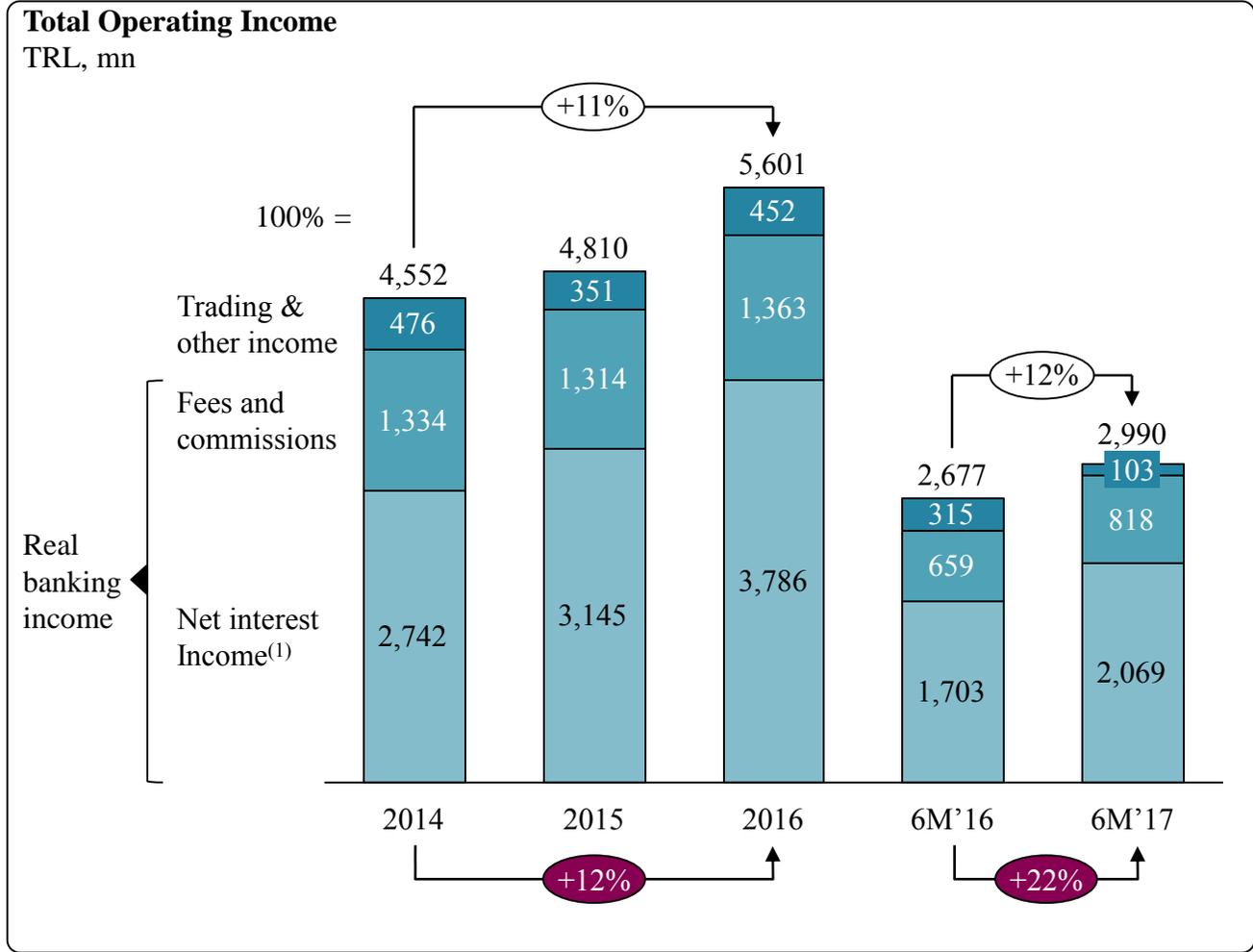


Solid Financial Performance

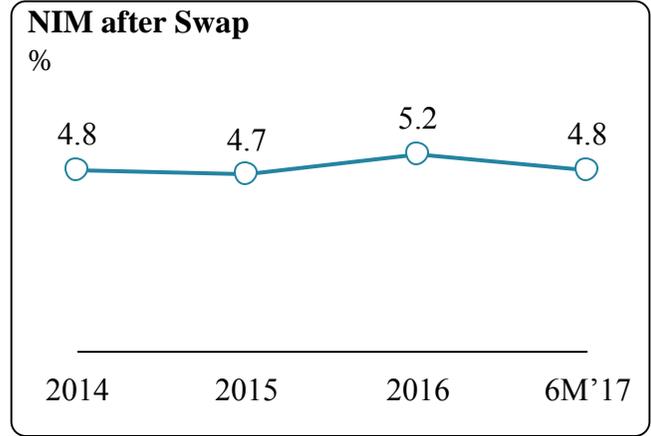
Focus on real banking income generation

 Real banking growth

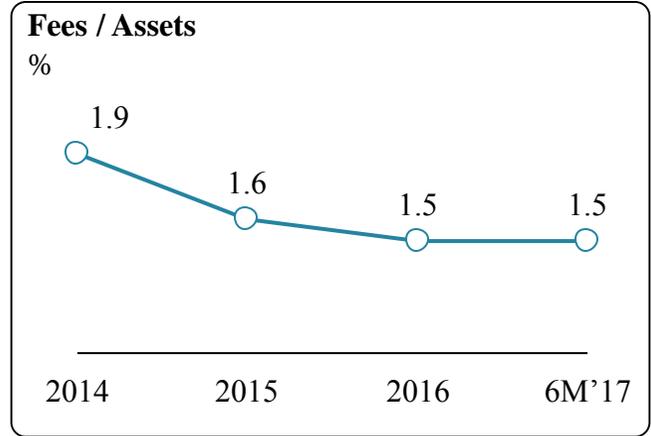
Operating income driven from core banking activities with strong YoY growth



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

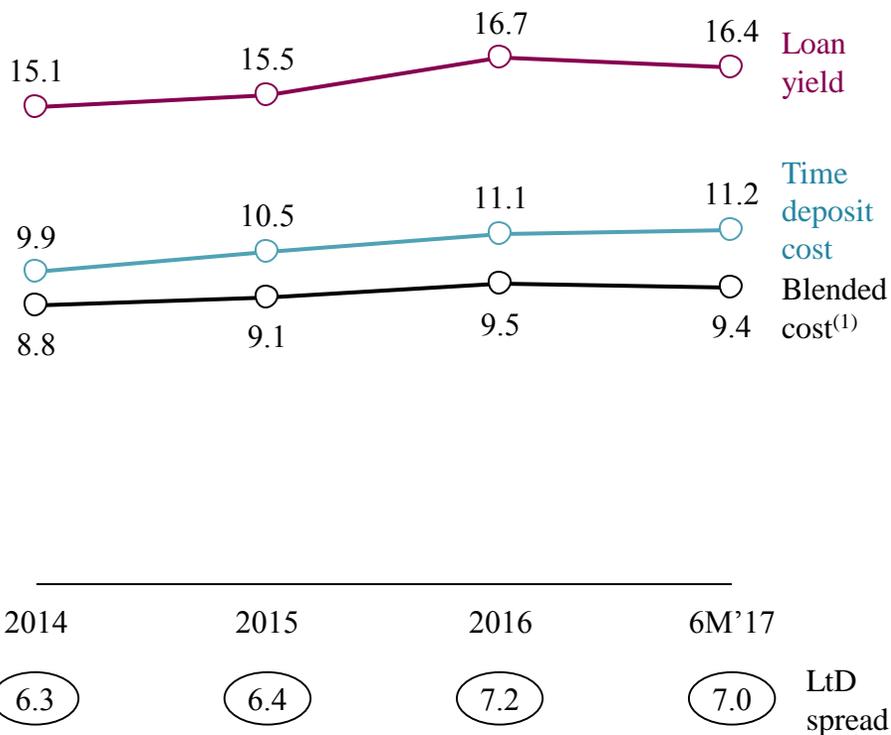
(3) Loan commissions are not allowed on CGF collateralized loans

Exceptional spread management in both TRL and FX fronts

Resilient TL loan yields and loan to deposit spreads despite strong growth in 6M'17

TRL Spread

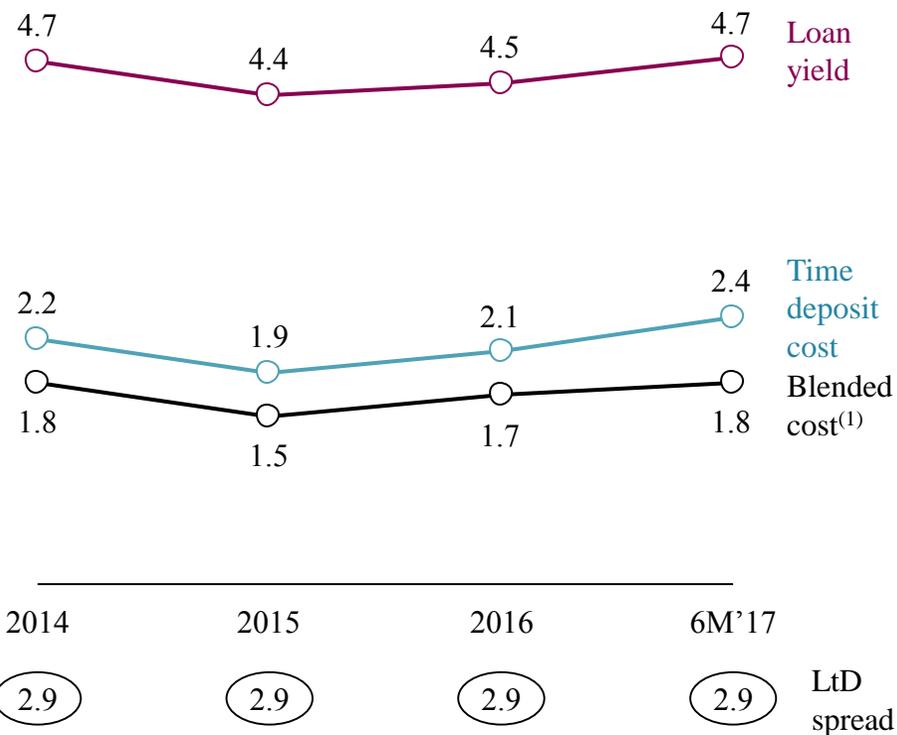
%, period average



Consistent loan-to-deposit spreads for FX side

FX Spread⁽²⁾

%, period average



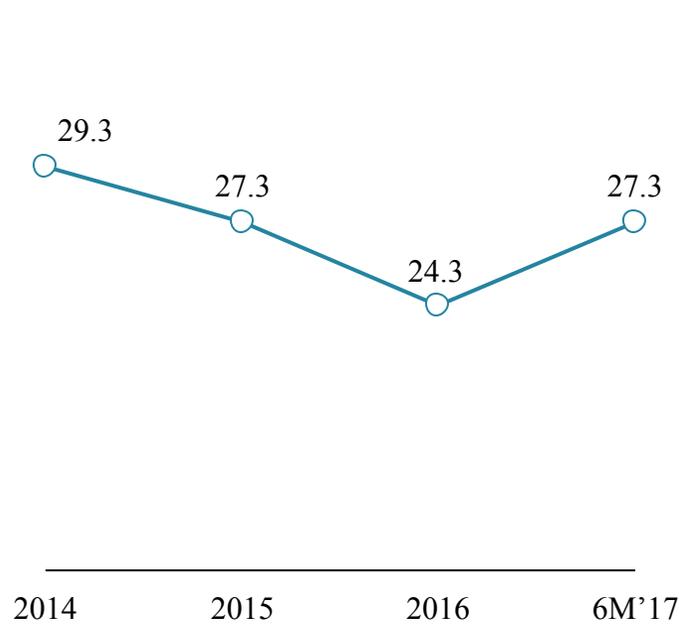
(1) Blended of time and demand deposits

(2) Adjusted for FX rate changes

Sustained fee generation with strong performance across diversified business segments

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

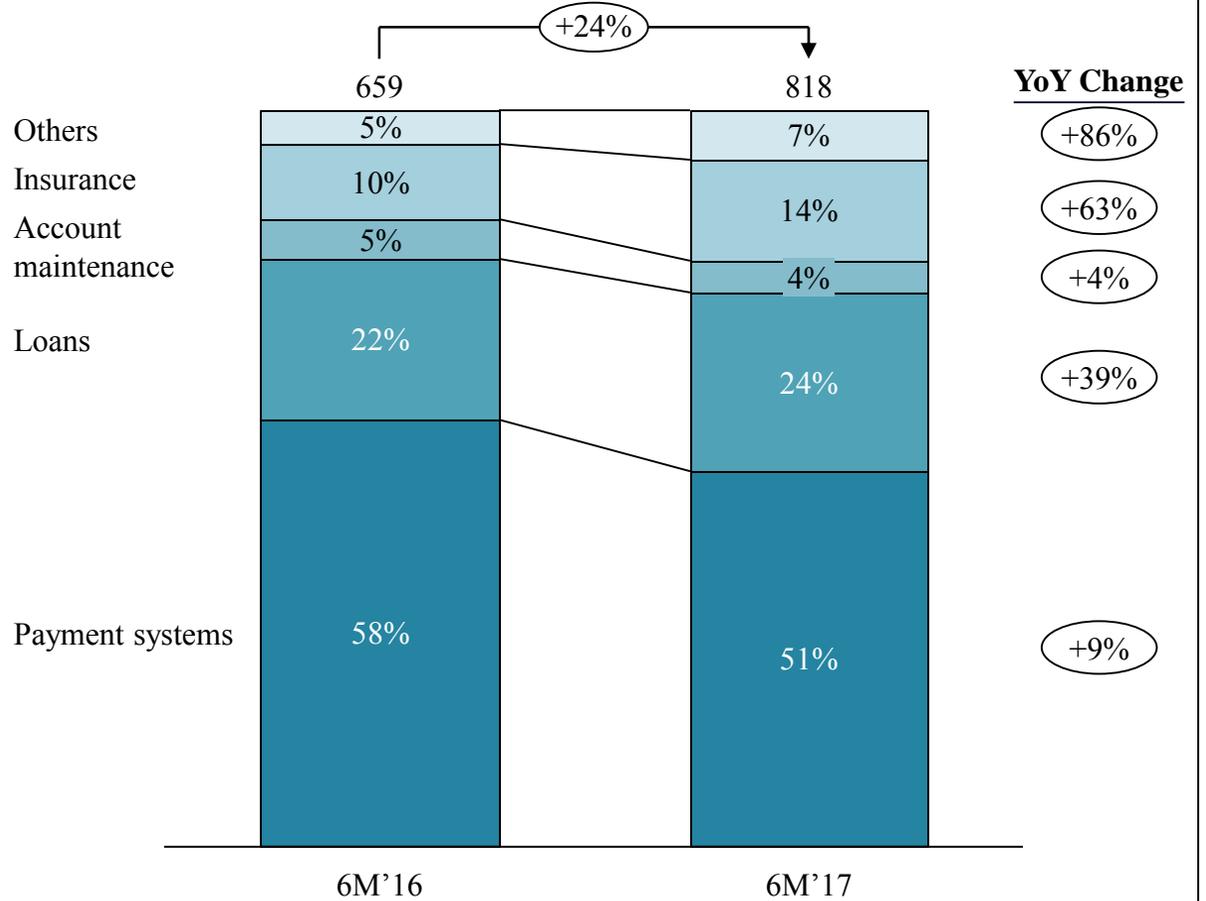
Fees / Total Income
%



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

Cumulative Net Fees and Commissions

TRL, mn



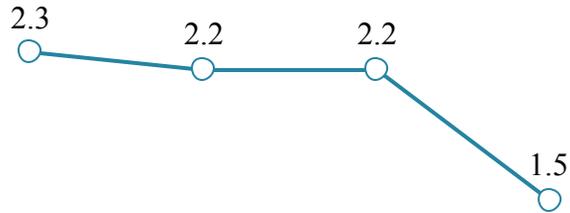
Change in business mix combined with measures taken in credit risk management across segments translates to better asset quality

Shift towards business banking helps improve cost of risk

CoR on a declining trend

Cost of Risk

%



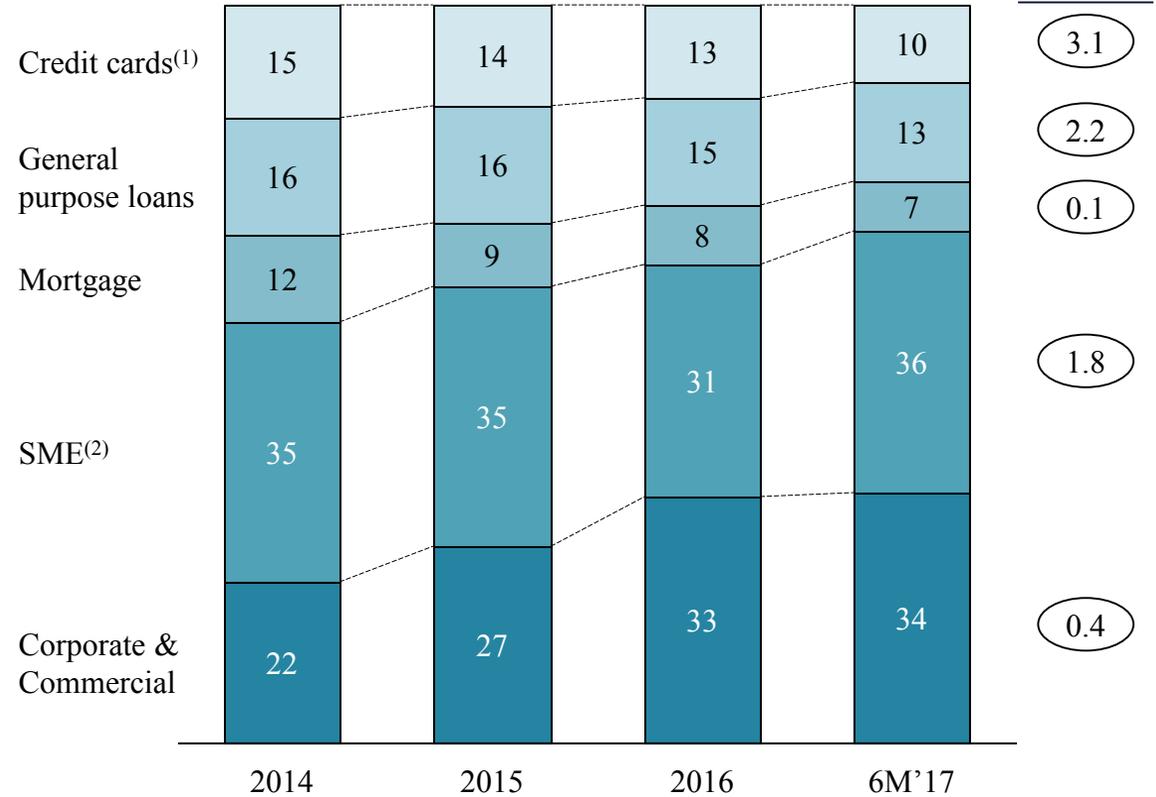
2014 2015 2016 6M'17

Loan Composition

% of total loans

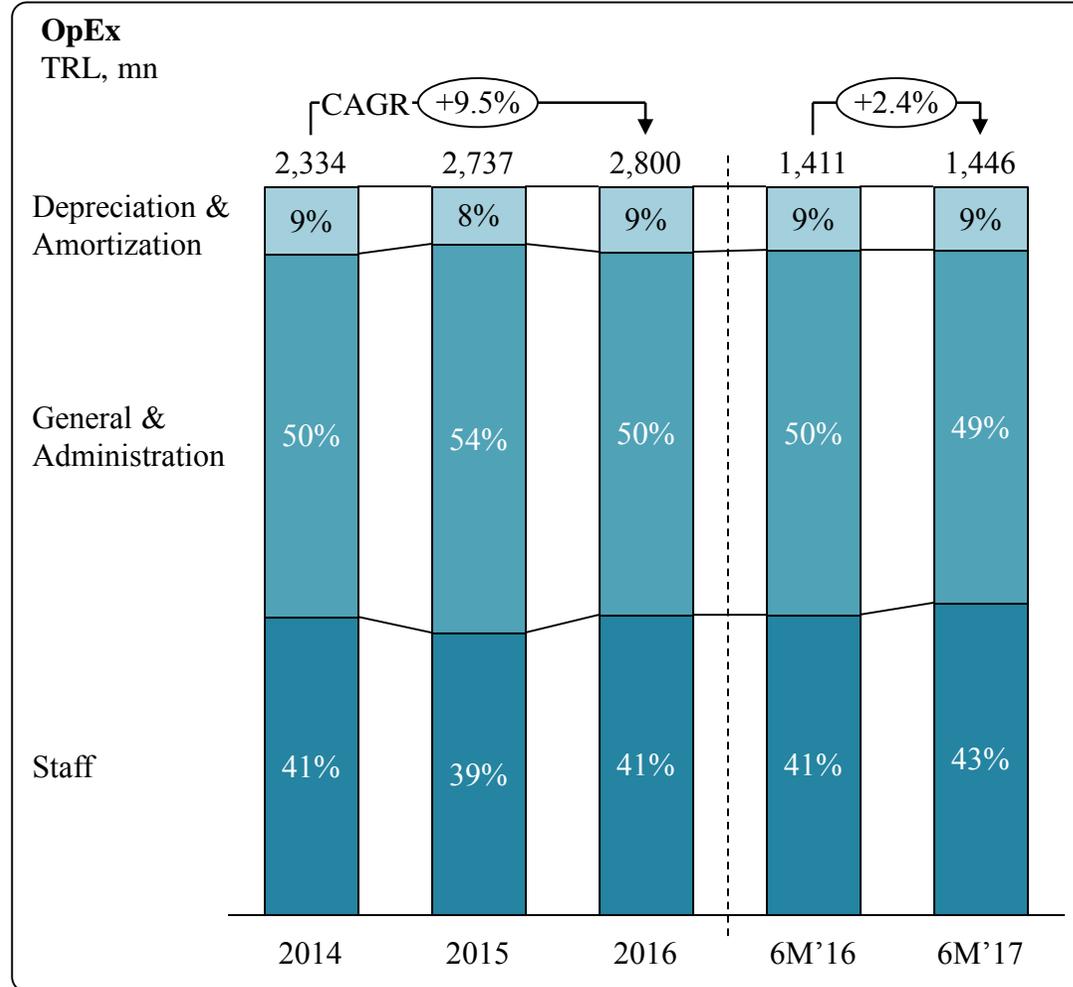
SCoR

6M'17, %

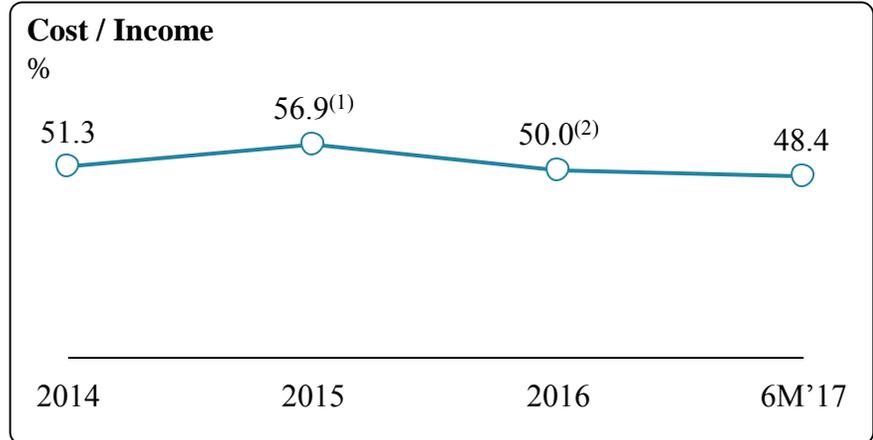


Diligent focus on efficiency even facing high business growth leading to improving efficiency metrics

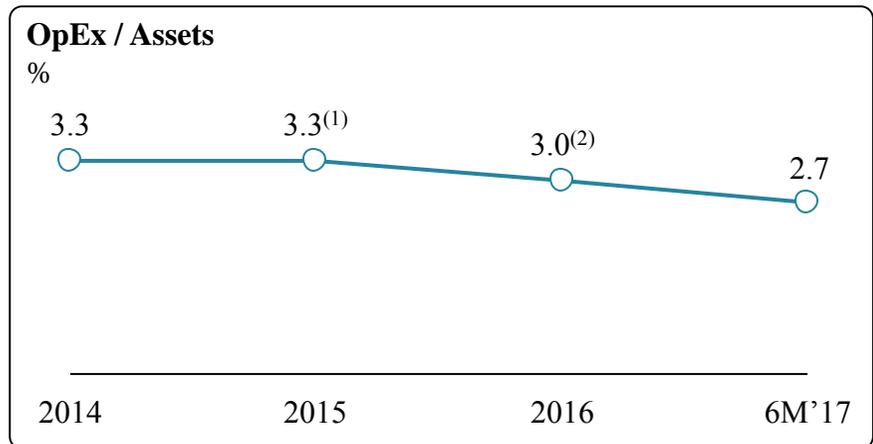
Stable operating expenses...



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



... and efficiency improvement with high business growth



Key financial ratios

	Bank only figures	2014	2015	2016	6M'16	6M'17	ΔYoY
Profitability	RoAE	10.9%	8.0%	12.7%	12.0%	15.1%	+3.2pps
	RoAA	1.2%	0.9%	1.3%	1.2%	1.5%	+0.2pps
	Cost / Income	51.3%	56.9%	50.0%	52.7%	48.4%	-4.4pps
	NIM after swap expenses	4.7%	4.7%	5.2%	4.9%	4.8%	-0.1pps
Liquidity	Loans / Deposits ⁽¹⁾	113.7%	116.6%	114.3%	111.8%	117.6%	+5.7pps
Asset Quality	NPL Ratio	5.2%	6.3%	5.8%	6.2%	5.5%	-0.6pps
	Coverage	79.2%	80.4%	84.0%	80.0%	85.9%	+5.9pps
	Cost of Risk	2.3%	2.2%	2.2%	2.0%	1.5%	-0.5pps
Solvency	CAR	17.0%	15.4%	14.5%	14.5%	15.8%	+1.4pps
	Tier I Ratio	13.0%	12.0%	12.6%	12.5%	13.1%	+0.5pps
	Leverage	8.8	9.5	10.0	9.8	10.4	+0.6

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

TRL, mn	2014	2015	2016	6M'16	6M'17
Net Interest Income (After Swap Expenses)	2,742	3,145	3,786	1,703	2,069
Net Fees & Commissions Income	1,334	1,314	1,363	659	818
Trading & Other Income	476	351	452	315	103
Total Income	4,551	4,810	5,600	2,677	2,990
Operating Expenses	(2,334)	(2,737)	(2,800)	(1,411)	(1,446)
Total Operating Income	2,218	2,073	2,800	1,265	1,544
Provisions	(1,076)	(1,170)	(1,316)	(587)	(515)
Profit before tax	1,142	903	1,484	678	1,029
Tax expenses	(265)	(197)	(280)	(126)	(219)
Profit after tax	877	706	1,203	553	810

Balance Sheet

TRL, mn	2014	2015	2016	6M'16	6M'17
Cash & Banks ⁽¹⁾	9,108	10,313	14,925	13,159	18,520
Securities	9,165	9,197	12,950	10,938	13,675
Net Loans	50,344	57,273	62,923	60,161	73,928
Fixed Asset and Investments ⁽²⁾	2,431	2,283	2,912	2,467	3,002
Other Assets	4,158	6,662	7,792	5,922	7,312
Total Assets	75,206	85,727	101,503	92,647	116,437
Deposits	42,075	48,566	53,939	53,034	62,013
Customer Deposits	40,652	47,009	51,966	50,800	58,125
Bank Deposits	1,423	1,557	1,973	2,234	3,888
Borrowings	16,541	17,278	24,821	19,355	27,267
Bonds Issued	5,373	4,336	4,312	3,379	6,563
Funds Borrowed	4,898	5,640	10,758	7,164	13,160
Sub-debt	2,122	2,662	3,236	2,650	3,217
Repo	4,147	4,639	6,515	6,162	4,326
CBRT swap funding	0	0	0	0	2,597
Other	8,017	10,860	12,617	10,813	13,349
Equity	8,574	9,024	10,126	9,445	11,212
Total Liabilities & Equity	75,206	85,727	101,503	92,647	116,437

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

(2) Including subsidiaries

Finansbank BRSA Consolidated Summary Financials

Income Statement

TRL, mn	2014	2015	2016	6M'16	6M'17
Net Interest Income (After Swap Expenses)	2,865	3,272	3,962	1,991	2,154
Net Fees & Commissions Income	1,397	1,387	1,445	702	861
Trading & Other Income	474	307	455	108	149
Total Income	4,736	4,966	5,862	2,802	3,164
Operating Expenses	(2,444)	(2,874)	(2,938)	(1,476)	(1,520)
Total Operating Income	2,292	2,092	2,923	1,326	1,644
Provisions	(1,100)	(1,207)	(1,390)	(623)	(521)
Profit before tax	1,192	884	1,533	703	1,123
Tax expenses	(276)	(204)	(295)	(132)	(228)
Profit after tax	916	680	1,238	571	896

Balance Sheet

TRL, mn	2014	2015	2016	6M'16	6M'17
Cash & Banks ⁽¹⁾	9,209	10,403	15,084	13,343	18,693
Securities	9,209	9,254	12,983	10,982	13,742
Net Loans	50,181	57,110	62,637	59,939	73,751
Fixed Assets ⁽²⁾	1,897	1,979	2,243	1,977	2,238
Other Assets ⁽³⁾	6,339	9,304	11,379	8,819	11,708
Total Assets	76,835	88,049	104,326	95,059	120,132
Deposits	41,896	48,311	53,865	52,960	61,872
Customer Deposits	40,473	46,755	51,892	50,726	57,984
Bank Deposits	1,423	1,557	1,973	2,234	3,888
Borrowings	18,016	19,364	27,351	21,491	30,681
Bonds Issued	5,825	5,827	6,332	5,030	8,447
Funds Borrowed	5,853	6,066	11,164	7,487	14,340
Sub-debt	2,122	2,662	3,236	2,650	3,217
Repo	4,216	4,809	6,620	6,324	4,677
CBRT swap funding	0	0	0	0	2,597
Other	8,126	10,968	12,806	10,944	13,594
Equity	8,798	9,405	10,304	9,665	11,387
Total Liability	76,835	88,049	104,326	95,059	120,132

International Borrowings and Issuances

Type of Borrowing	Maturity	Currency	Outstanding Principal (mn)	Tenor (Years)
Eurobond	Nov-17	USD	350.00	5
Eurobond	Apr-19	USD	500.00	5
Eurobond	May-22	USD	750.00	5
Multilateral Loan	Oct-17	EUR	2.70	7
Multilateral Loan	Nov-19	USD	6.48	7
Multilateral Loan	Dec-19	EUR	17.85	5
Multilateral Loan	May-20	EUR	42.85	5
Multilateral Loan	Nov-20	USD	9.40	7
Multilateral Loan	Mar-21	USD	36.55	7
Multilateral Loan	Apr-21	USD	21.48	7
Multilateral Loan	Dec-21	EUR	30.00	6
Multilateral Loan	Dec-22	EUR	15.00	7
Multilateral Loan	Feb-23	USD	21.13	6
Multilateral Loan	Mar-24	USD	20.00	7
Multilateral Loan	Jul-25	EUR	20.00	10
Project Finance Receivables Secured Loan	Apr-20	USD	200.00	3
Securitization	Nov-17	EUR	2.50	5
Securitization	Nov-17	USD	15.00	5
Securitization	Aug-20	USD	280.00	5
Securitization	Nov-24	EUR	41.66	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	Nov-17	EUR	397.60	1
Syndication USD Tranche	Nov-17	USD	103.50	1

Board of Directors

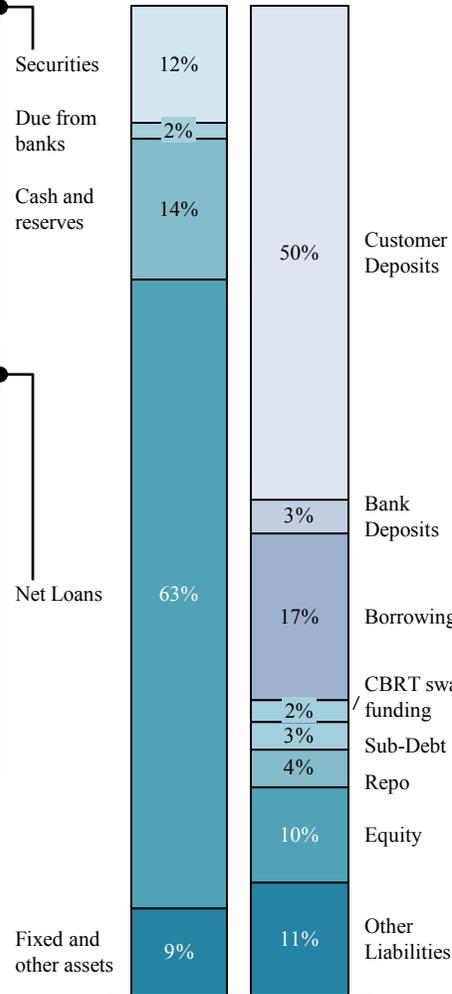
Name	Position	Background
Dr. Ömer A. Aras	Chairman and QNB Finansbank Group CEO	<ul style="list-style-type: none"> • Founding member of Finansbank • Former CEO of Finansbank for 6 years
Sinan Şahinbaş	Vice Chairman	<ul style="list-style-type: none"> • Former CEO of Finansbank for 7 years • Previously 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 ⁽¹⁾	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, 6M'17

Securities by Type	Maturity	AFS	TRL	Yield ⁽²⁾	
% of total	Years ⁽¹⁾	%	%	%	
	6.38	50	55	10.1	
CPI-Linker	31%	5.33	27	100	11.5
FRN	18%	3.14	100	100	11.2
Fixed	51%	8.14	47	13	8.8

Performing Loans ⁽³⁾	Avg. Ticket	Maturity	Collateral	TRL	Yield ⁽²⁾	
% of total	TRL, k	Years ⁽¹⁾	% ⁽⁴⁾	%	%	
	533	3.0	40	74	14.6	
Corp. & Comm.	35%	1,455	4.5	33	34	13.8
SME ⁽⁵⁾	32%	50	2.3	66	93	15.9
Mortgage	7%	47	5.8	100	100	11.0
Consumer ⁽⁶⁾	13%	7	2.2	5	100	18.1
Credit card ⁽⁷⁾	13%	2	0.2	N/A	100	12.0

100% = TRL 116bn



Customer Deposits by Segments	Avg. Ticket	Maturity	TRL	Cost ⁽²⁾	
% of total	TRL, k	Days	%	%	
	422.9	62	58	12.5	
Retail	66%	101.6	60	55	12.1
Corporate	34%	1,048.6	66	63	13.3

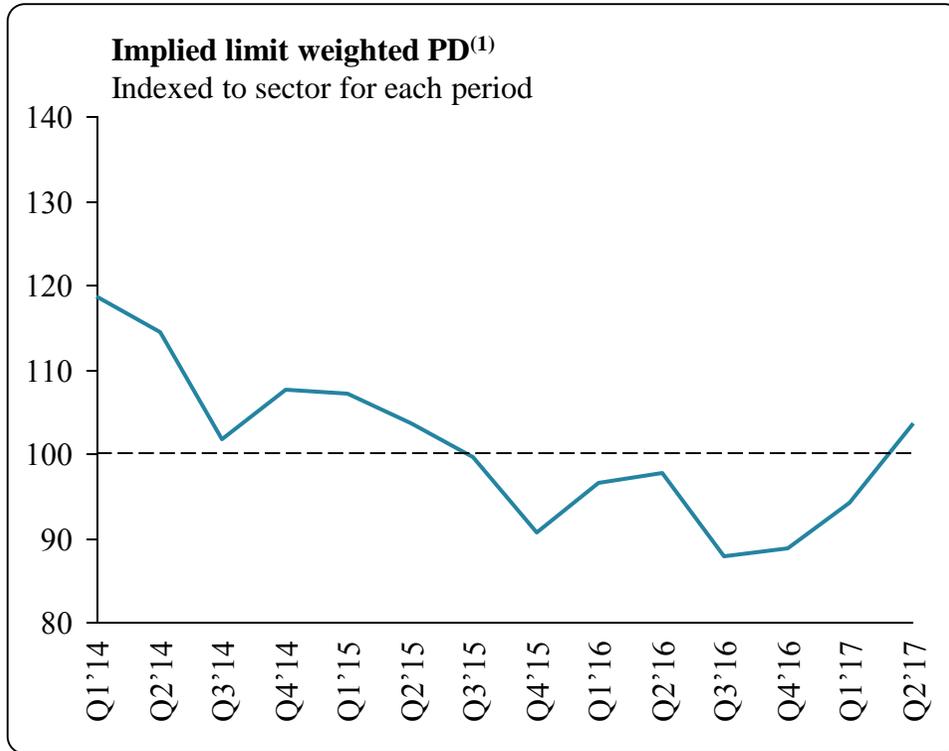
Wholesale Funding	Maturity	TRL	Cost	
% of total	Years ⁽¹⁾	%	%	
	1.5	5	4.0	
Syndication	10%	0.4	0	0.9
Eurobond	29%	2.9	0	5.9
TRL Bond	4%	0.1	100	13.0
Post finance	51%	0.9	1	2.8
Securitization	6%	3.6	0	3.8

Capital Base	Maturity	TRL	Cost	
% of total	Years ⁽¹⁾	%	%	
Sub-debt	22%	5.6	0	5.6
Equity	78%	N/A	100	-

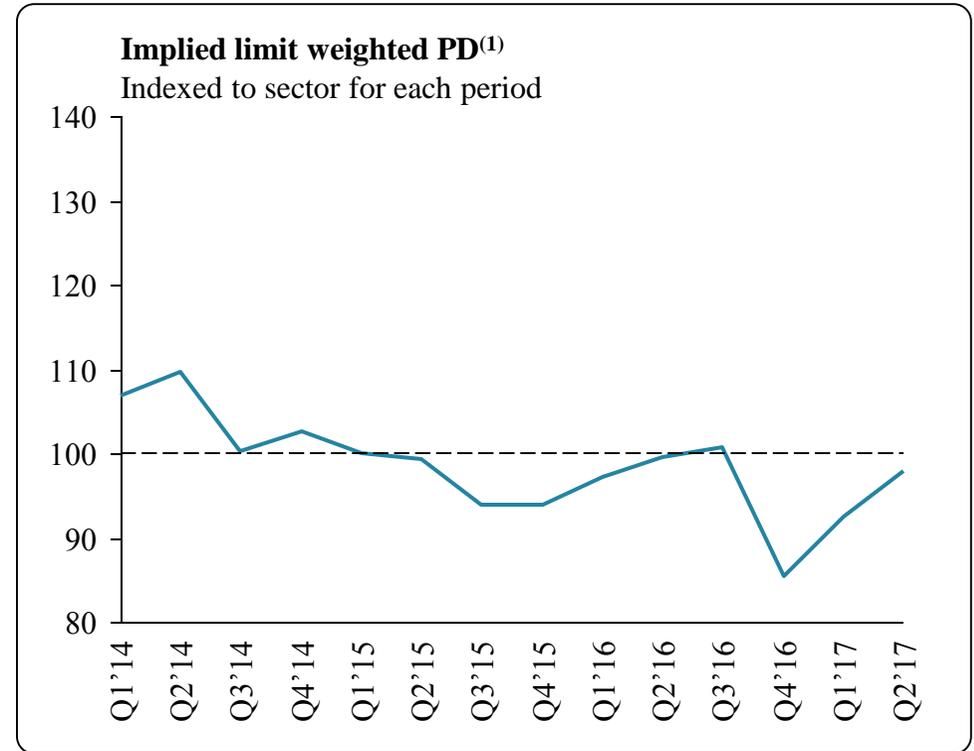
- (1) Remaining maturity
- (2) TRL yields and funding costs only
- (3) Excluding accruals. Based on QNB Finansbank business lines definition
- (4) Hard collateralization including cash, mortgages and CGF
- (5) Including Micro
- (6) Including GPL, Auto loans and Retail Overdraft
- (7) Including business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

Increasingly more conservative approach in consumer lending

QNB Finansbank credit cards

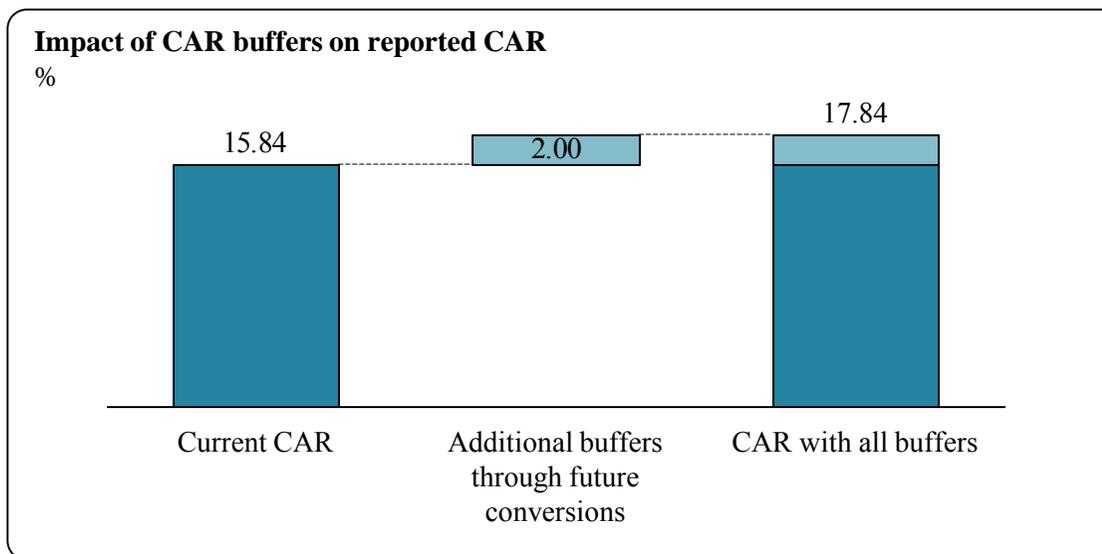


QNB Finansbank general purpose loans



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 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	



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