



Investor Presentation with 6M'18 Financials

July 2018

Executive summary

Structurally Attractive Turkish Economy Underpinning a Dynamic Banking Sector

- Turkish market presents a strong opportunity among emerging markets thanks to large and growing economy energized by a highly attractive demographic profile and strong resilience to significant negative developments
- In this macro backdrop, banking sector has a promising future, with growth opportunities implied by current product and volume penetration figures, and a profitability higher than that of emerging market peers
- CBRT delivered strong monetary policy tightening through Q2, to stabilize currency and prevent further deterioration in inflation outlook
- Economic activity will lose some momentum in the upcoming period, which will help curb the imbalances and translate into a more stable macroeconomic background for the banking system to operate in

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

- 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 has added 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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- 2 QNB Finansbank and QNB Group at a Glance
- 3 Loan-based Balance Sheet Delivering High Quality Earnings
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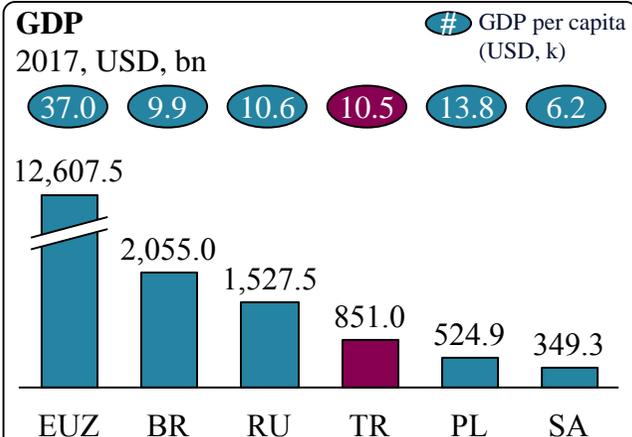


Macro-economic Overview

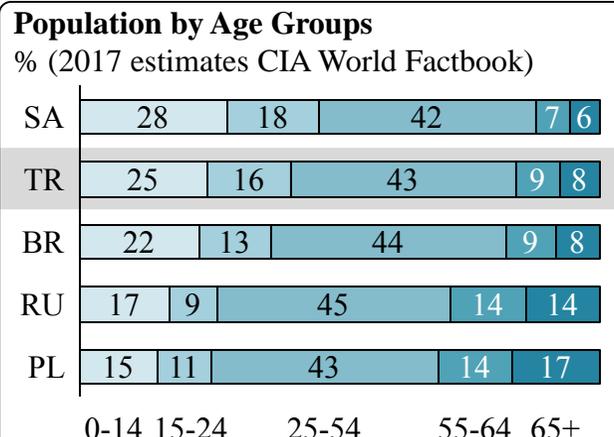
Structurally attractive Turkish economy and focus on fiscal discipline

EUZ: Eurozone PL: Poland
SA: South Africa RU: Russia
BR: Brazil TR: Turkey

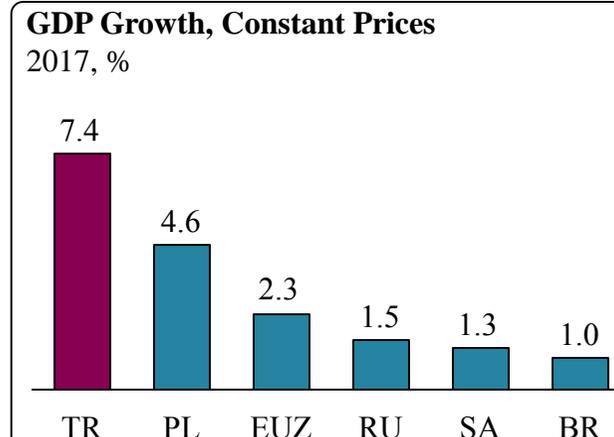
Large economy with low GDP / capita...



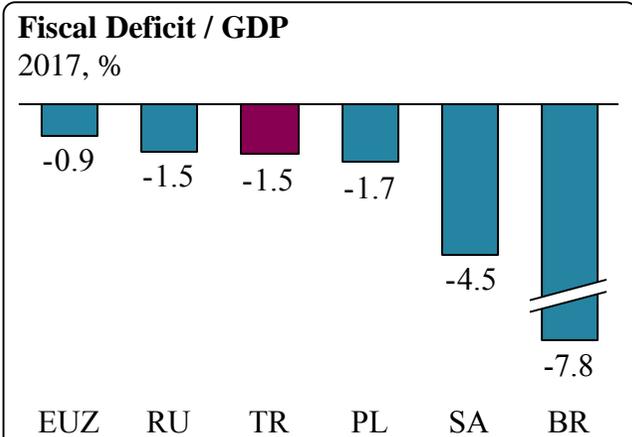
...and highly attractive demographic profile



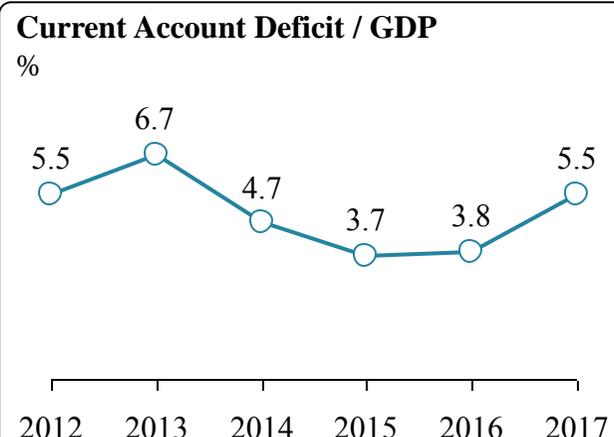
... generating high real GDP growth



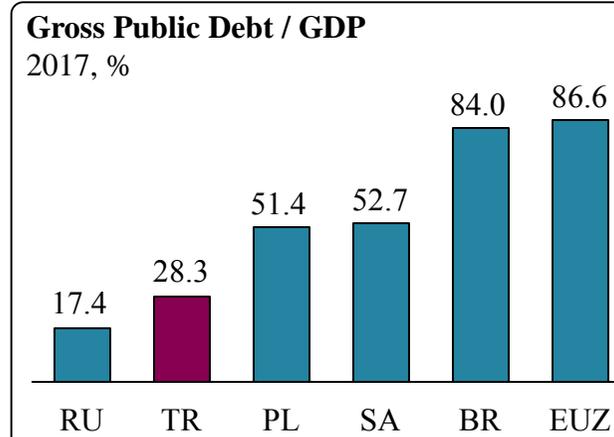
Low fiscal deficit...



... and controlled external deficit...



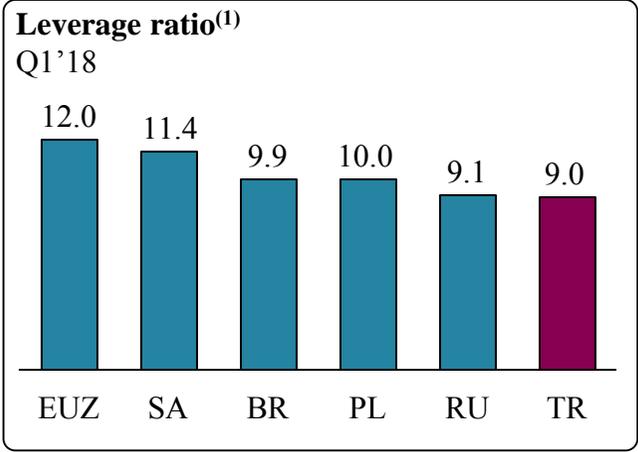
... with low public debt



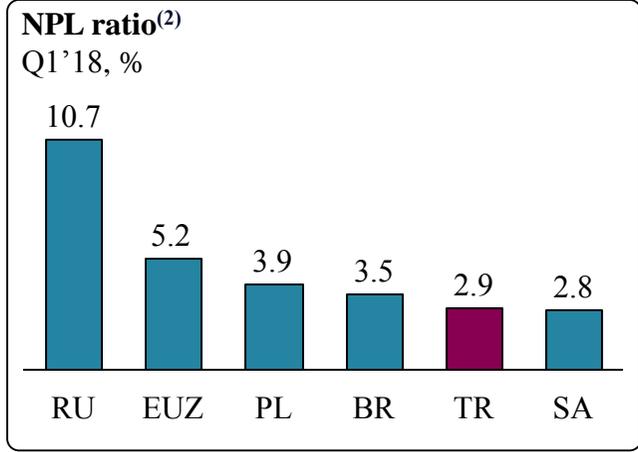
Sound banking system with inherent growth potential⁽¹⁾

EUZ: Eurozone PL: Poland
 SA: South Africa RU: Russia
 BR: Brazil TR: Turkey

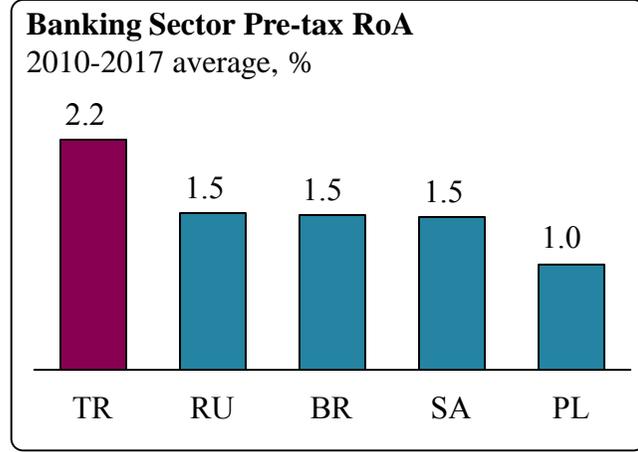
Low leverage ratio...



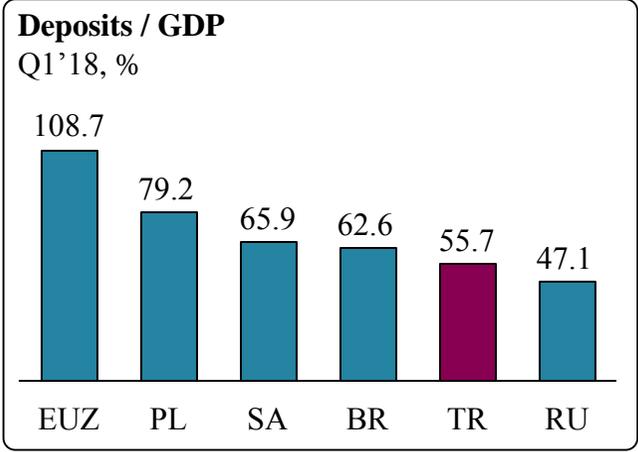
... and limited NPL levels...



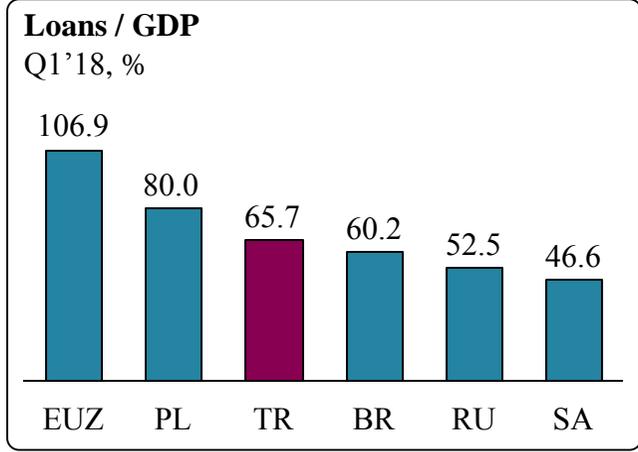
... with strong profitability characteristics



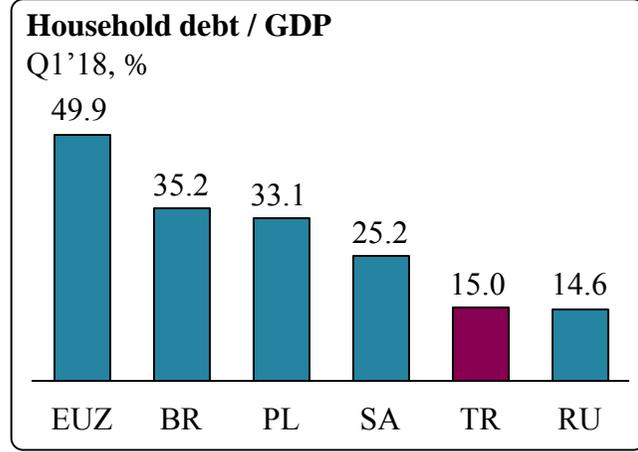
Further growth potential in deposits...



... feeding overall lending growth potential...

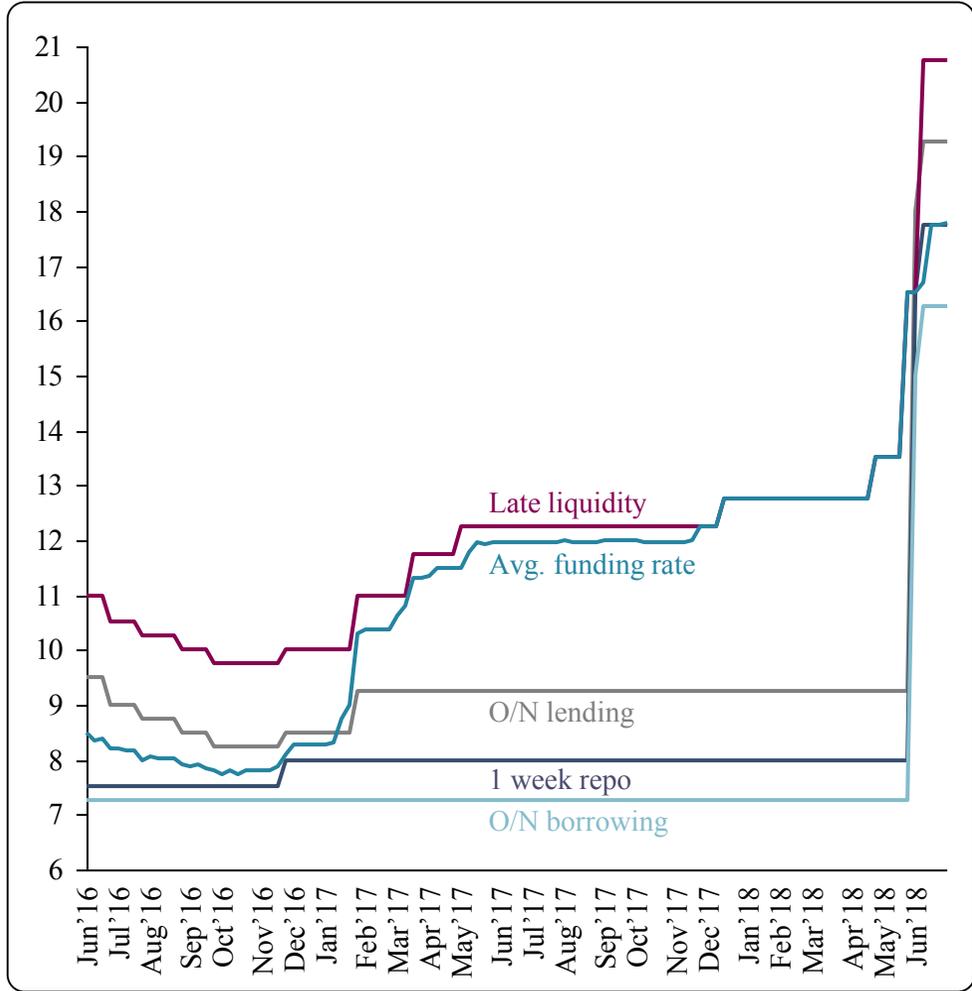


... as well as ongoing retail lending growth

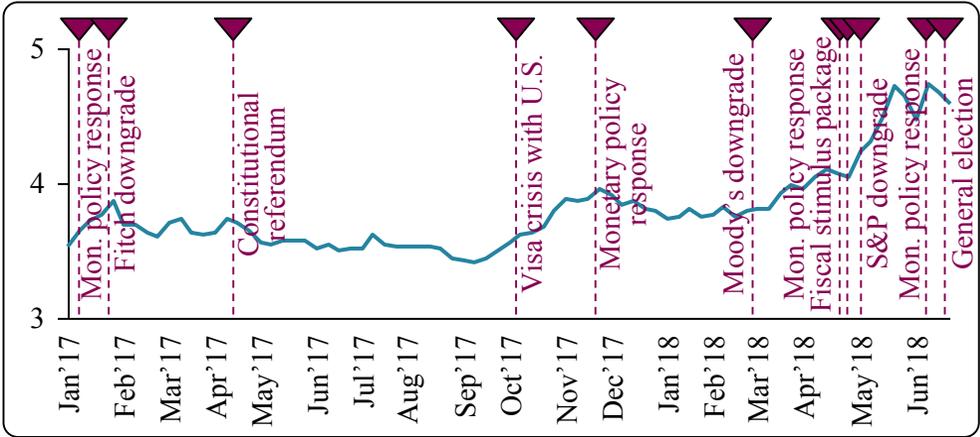


Tight monetary policy stance to be maintained, as price stability remains the main concern

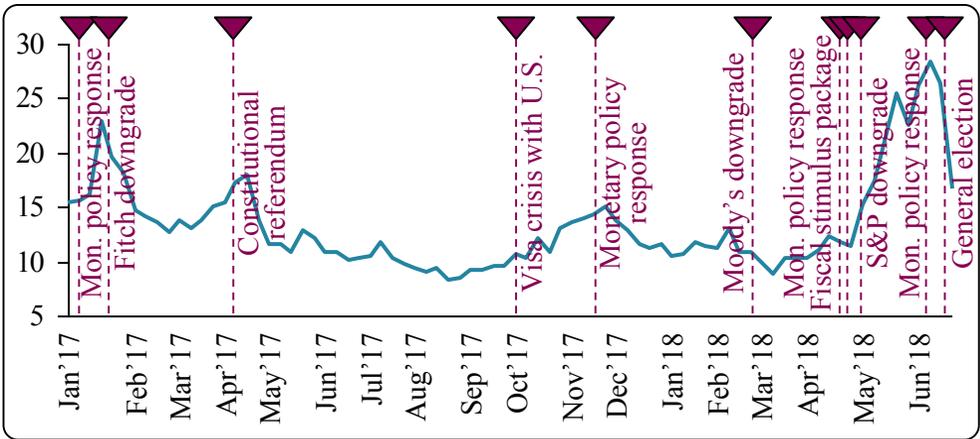
Central Bank rates



TRY against USD



Options implied TRY volatility

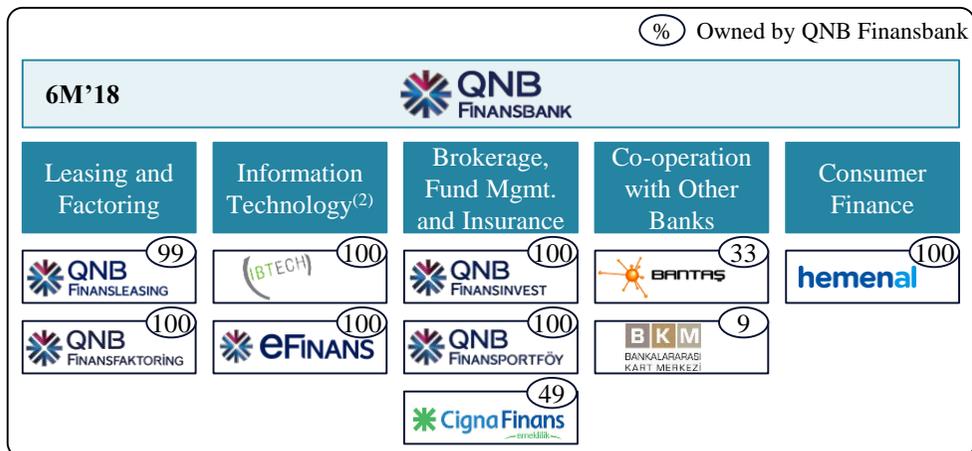




**QNB Finansbank and QNB
Group at a Glance**

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

QNB Finansbank group structure



Financial highlights

| QNB Finansbank BRSA bank only financials | 6M'18 |
|--|--------|
| TRY, bn | |
| Total assets | 149.3 |
| Performing loans | 93.2 |
| Customer deposits | 73.8 |
| Shareholder's equity | 13.2 |
| Branches (#) | 542 |
| Active customers (mn) | 5.4 |
| Bank only employees (#) | 12,011 |

QNB Finansbank market positioning

Bank only, 3M'18

| | Numbers of Branches | Total Assets | Net Loans | Customer Deposits | Retail Loans ⁽³⁾ | Commercial Installment Loans |
|-----------------|---------------------|--------------|------------|-------------------|-----------------------------|------------------------------|
| 1 st | İşbank | İşbank | İşbank | İşbank | Garanti | İşbank |
| 2 nd | Garanti | Garanti | Garanti | Garanti | İşbank | Garanti |
| 3 rd | Yapı Kredi | Akbank | Akbank | Akbank | Yapı Kredi | Yapı Kredi |
| 4 th | Akbank | Yapı Kredi | Yapı Kredi | Yapı Kredi | Akbank | Akbank |
| 5 th | Denizbank | | | Denizbank | | |
| 6 th | | Denizbank | Denizbank | | Denizbank | Denizbank |
| 7 th | TEB | TEB | TEB | TEB | TEB | TEB |
| 8 th | ING | ING | ING | ING | ING | ING |
| 9 th | HSBC | HSBC | HSBC | HSBC | HSBC | HSBC |

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

(1) In terms of total assets, net loans, retail loans and commercial installment loans

(2) Ownership in eFinans increased to 100% as of 25.04.2018

(3) Including overdraft

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



589k active internet banking customers

Mobile banking



2,125k active mobile banking customers

Direct sales



697 in-house personnel

542 branches



Covering 71 out of 81 cities of Turkey

Call center



899 inbound agents

Telesales



55 outbound agents

ATMs



2,912 ATMs around Turkey

Mobile banking



703k active mobile banking customers

Internet banking



312k active internet banking customers



POS



247k POS terminals

Call center



212 inbound agents

Field service



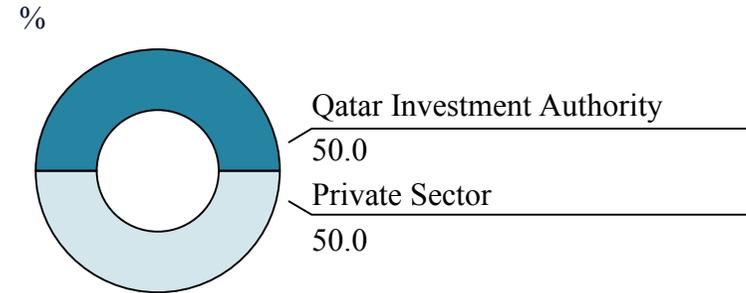
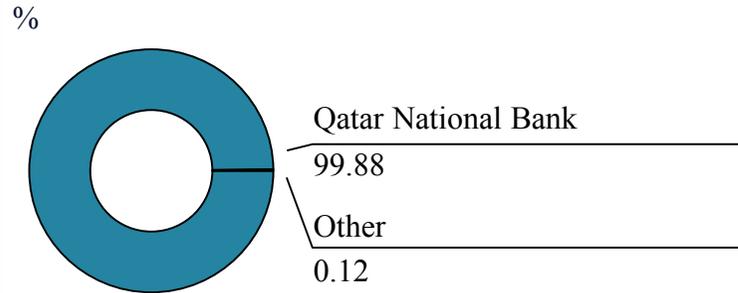
170 field service personnel

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 | CI |
|----------------------------------|---------|-------|-----|
| Foreign Currency Long-term Debt | Ba2 | BB | BB+ |
| Foreign Currency Short-term Debt | NP | B | B |

| | Moody's | Fitch | S&P | CI |
|-----------------------------|---------|-------|-----|-----|
| Foreign Currency Long-term | Aa3 | A+ | A | AA- |
| Foreign Currency Short-term | P-1 | F1 | A-1 | A1+ |

Corporate Information

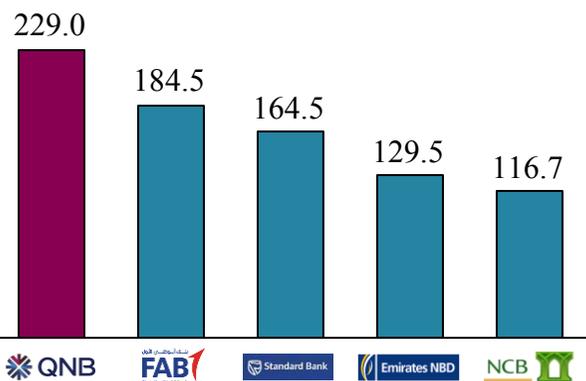
- Focused on traditional banking activities, complemented by ancillary services (investment banking, brokerage, leasing, factoring, asset management)
- Important partnerships in insurance with leading international institutions (Sompo Japan in basic insurance and Cigna in life insurance and private pensions)

- 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
- Serving a customer base of more than 22 million customers with more than 29K staff, 1.1K locations and 4.4K ATMs

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

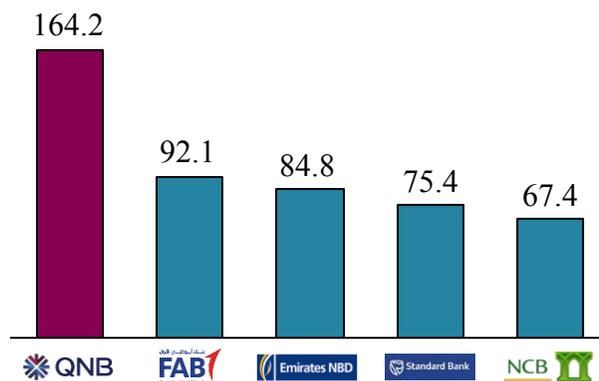
Total Assets

USD bn, Mar'18⁽¹⁾



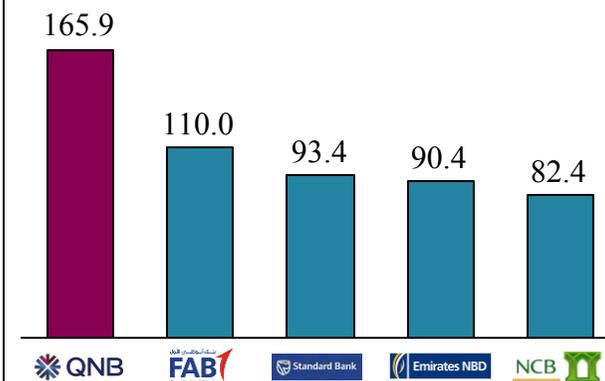
Loans

USD bn, Mar'18⁽¹⁾



Deposits

USD bn, Mar'18⁽¹⁾



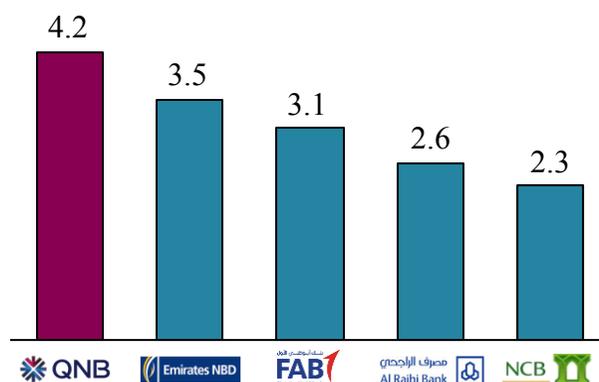
Net Profit

USD bn, Mar'18



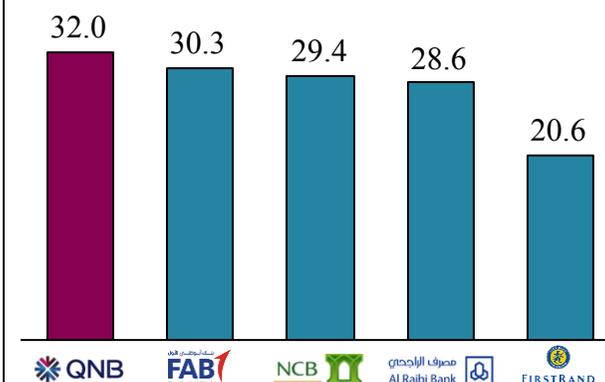
Top MEA Banking Brands

USD bn, Dec'17



Top MEA Banks by Market Cap

USD bn, Dec'17



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

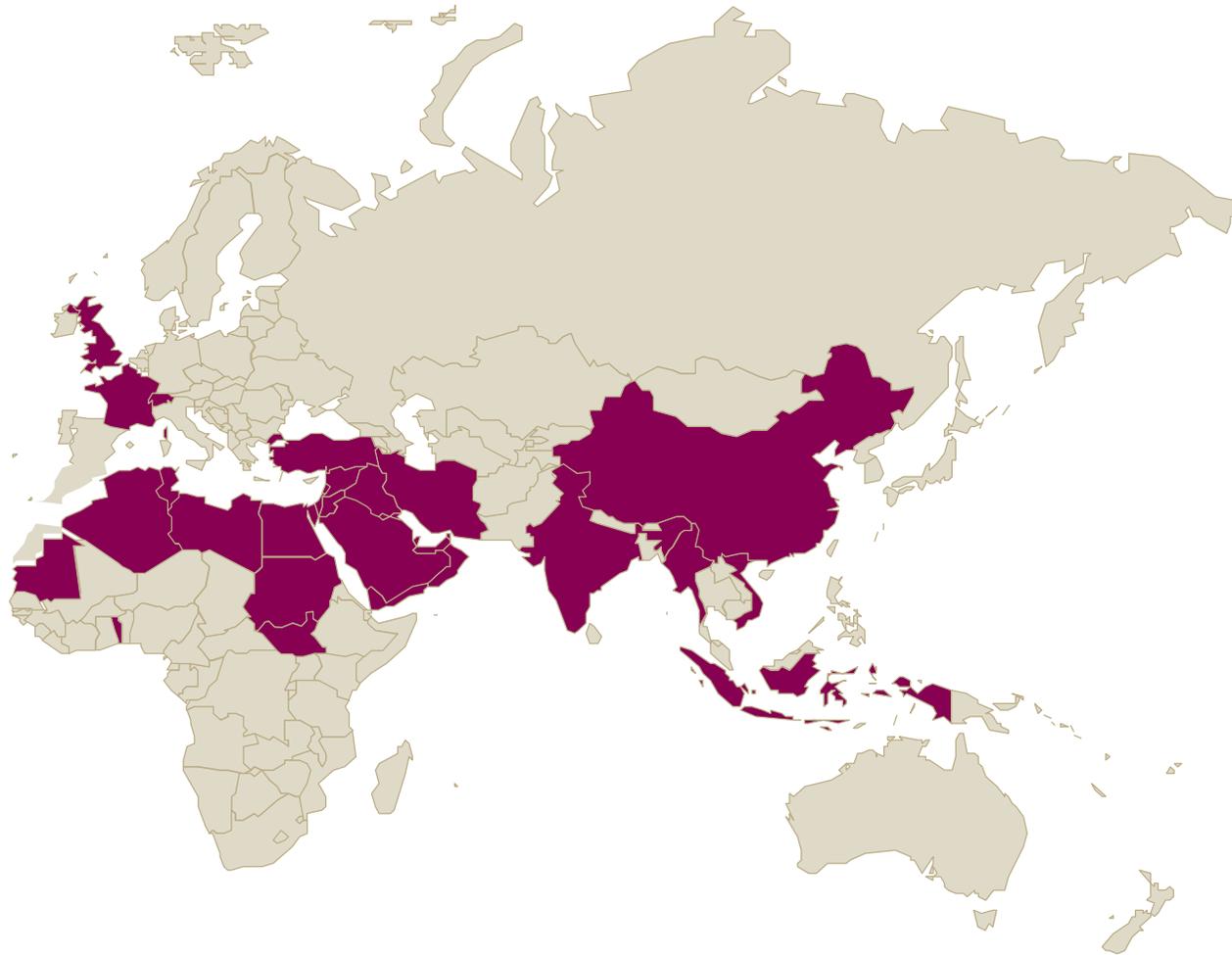
 QNB presence
 Top 40 trade partners of Turkey

Middle East

| | | |
|--|---------------------|---|
|  | Qatar | |
|  | KSA |  |
|  | Jordan | |
|  | UAE |  |
|  | Syria | |
|  | Palestine | |
|  | Iraq |  |
|  | Oman | |
|  | Bahrain | |
|  | Kuwait | |
|  | Lebanon | |
|  | Yemen | |
|  | Iran ⁽¹⁾ |  |

Sub-Saharan Africa

| | | |
|--|-------------|--|
|  | South Sudan | |
|  | Togo | |



North Africa

| | | |
|---|------------|---|
|  | Egypt |  |
|  | Libya | |
|  | Tunisia | |
|  | Sudan | |
|  | Algeria | |
|  | Mauritania | |

Europe

| | | |
|---|----------------|---|
|  | United Kingdom |  |
|  | France |  |
|  | Switzerland |  |
|  | Turkey | |

Asia

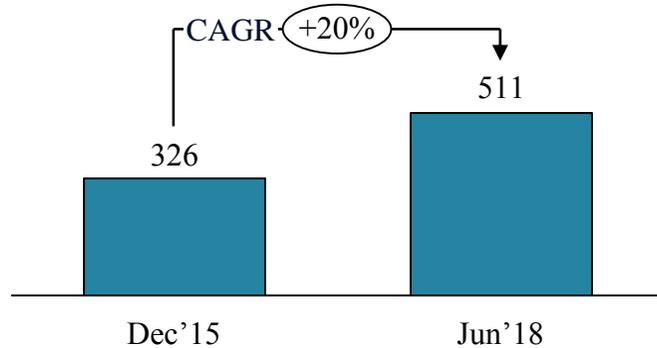
| | | |
|---|-----------|---|
|  | Indonesia |  |
|  | Singapore | |
|  | India |  |
|  | China |  |
|  | Vietnam |  |
|  | Myanmar | |

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

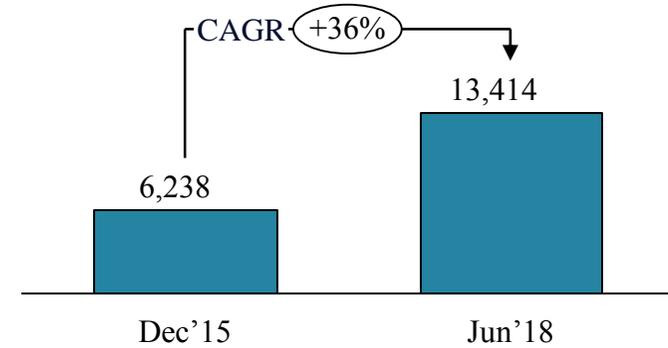
Number of retail deposit clients⁽¹⁾

Thousands



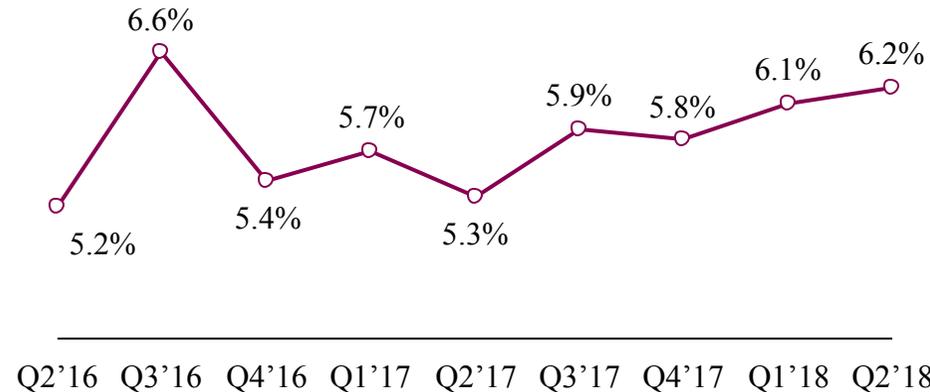
Ability to attract stable and cheap deposits from SME clients

Number of active SME time deposit clients⁽²⁾



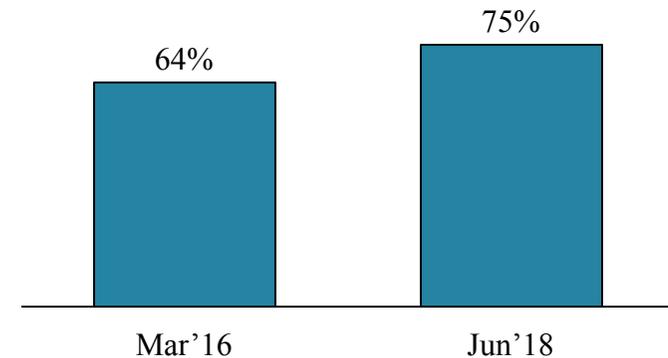
Leveraging groups geographic footprint and stronger correspondent access for improving trade business

Trade finance market share



Significant improvement in SME lending thanks to more competitive pricing

Share of low risk clients in SME portfolio

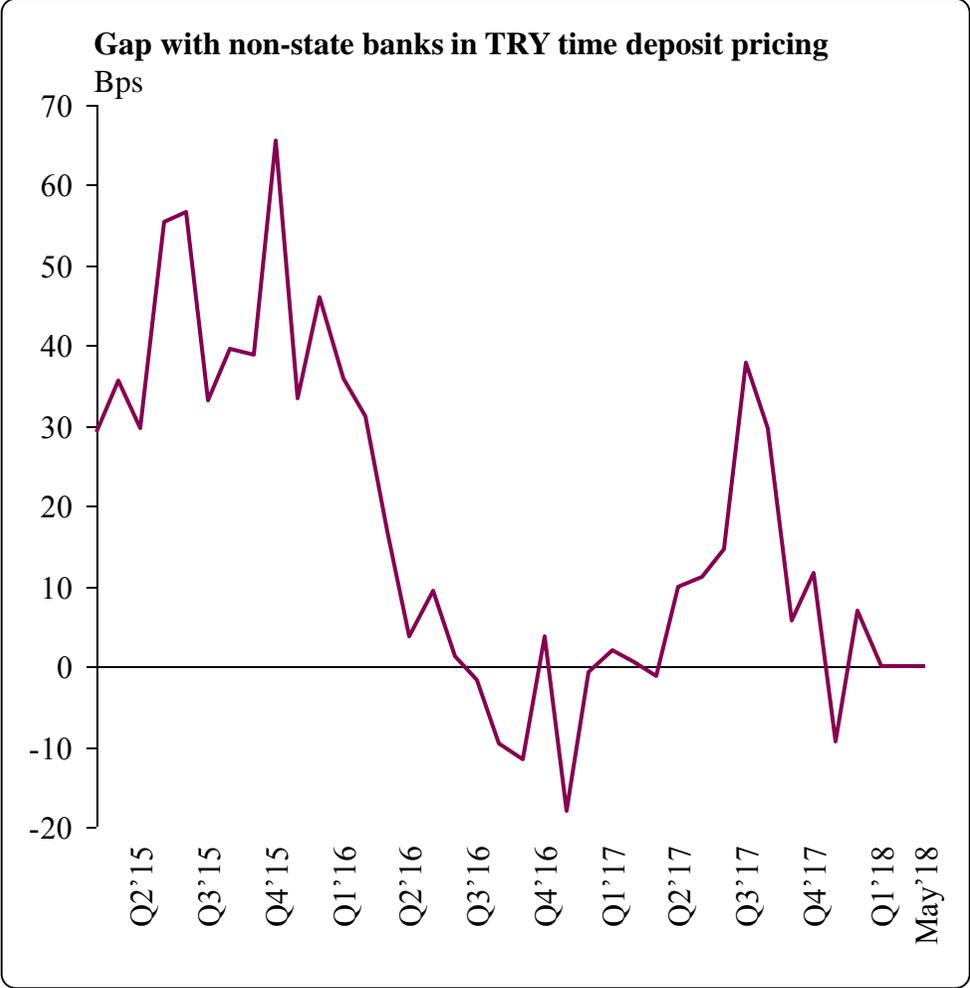


(1) Includes clients with at least TRY 3,000 in total deposit balances

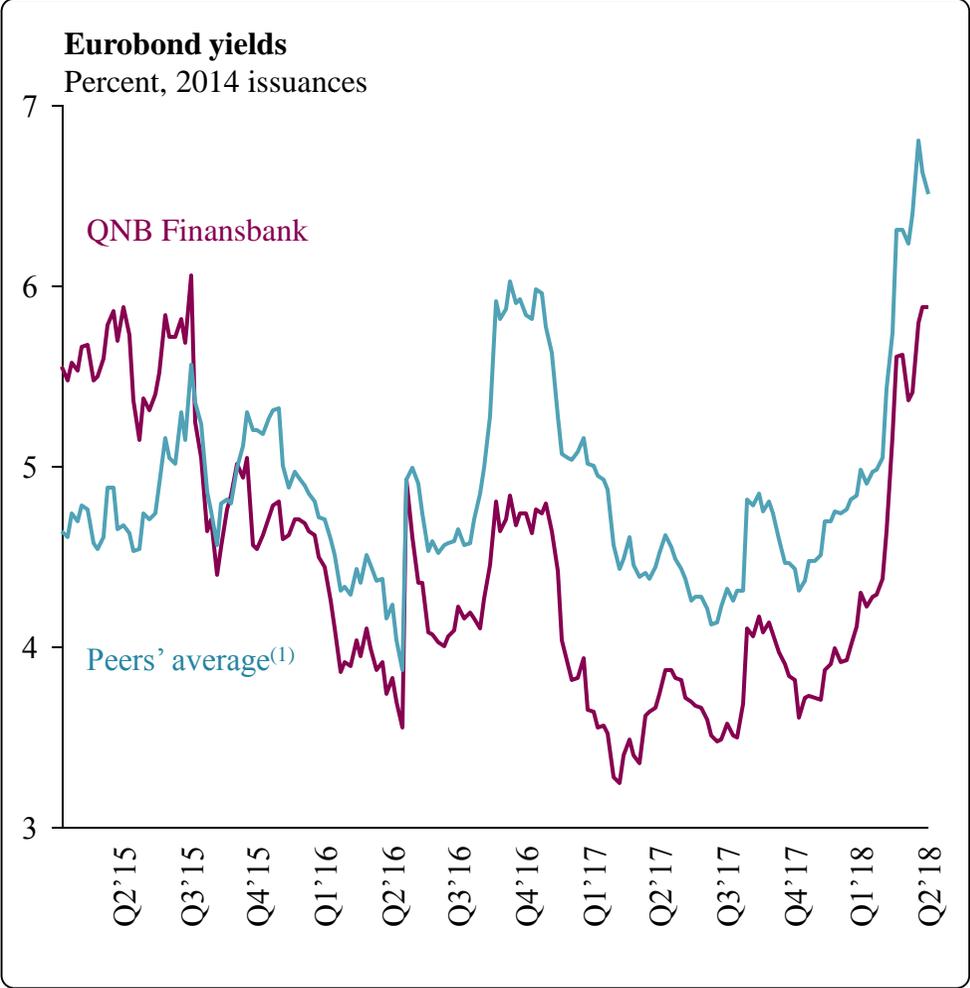
(2) Segment minimum volumes per customer applied

... and delivering improvement in cost of funding

QNB Finansbank's deposit funding costs have converged to sector following QNB acquisition...



... while wholesale funding costs have descended below the sector average



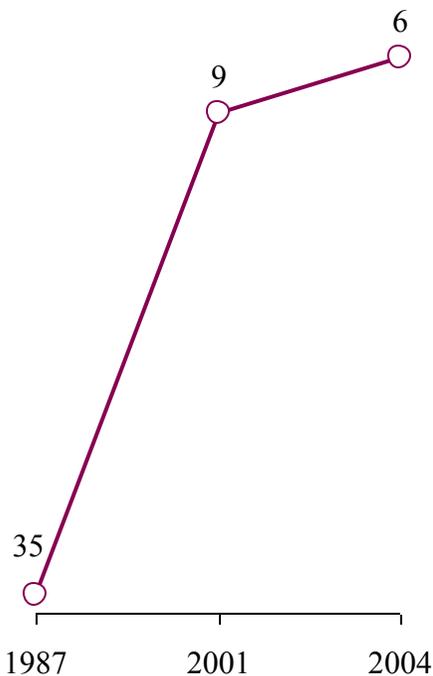
(1) Eurobonds of Garanti, Akbank, Isbank and Yapi Kredi issued around the same time as QNB Finansbank
Source: BRSA; Bloomberg

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

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

Total Assets

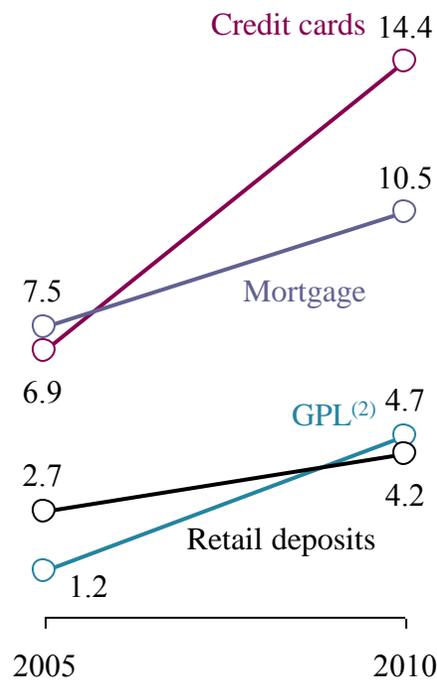
Ranking in Private Banks⁽¹⁾



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

Market share

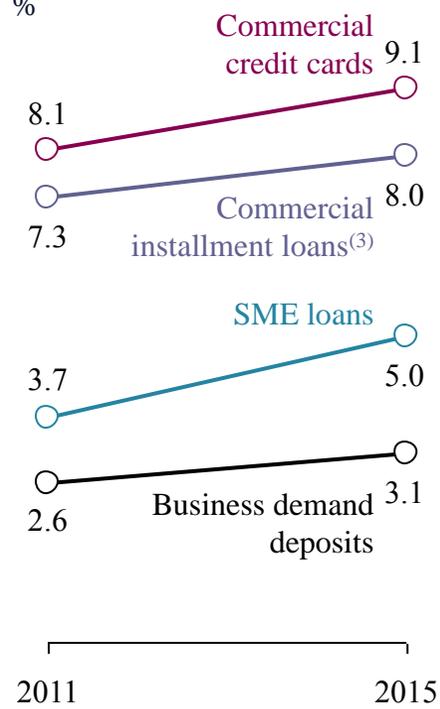
%



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

Market share

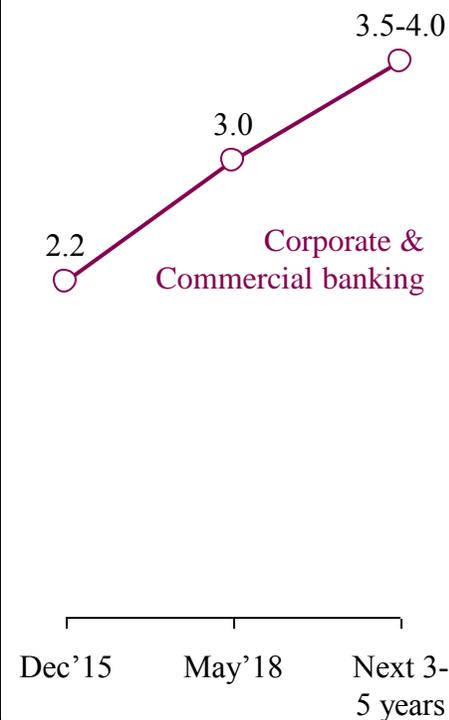
%



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

Market share

%



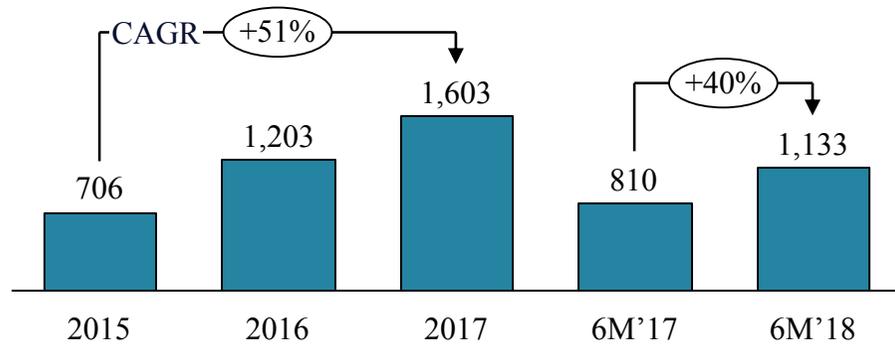


**Loan-based Balance Sheet
Delivering High Quality
Earnings**

Strong profitability continued with controlled asset quality and comfortable capital position

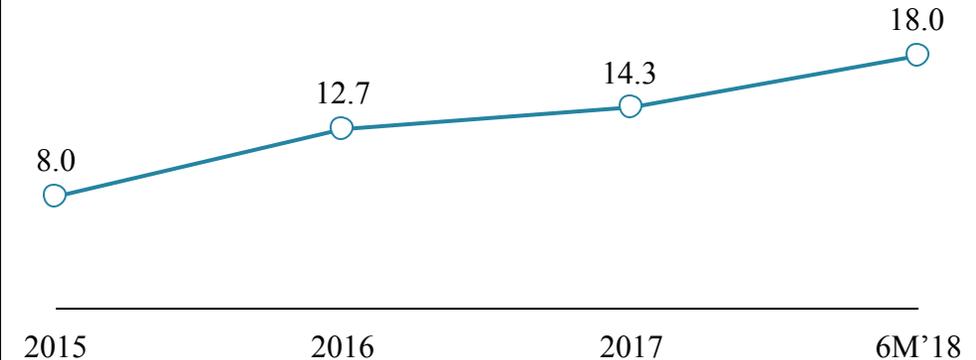
Strong net income performance, growth accelerating in 2018

Net Income
TRY, mn



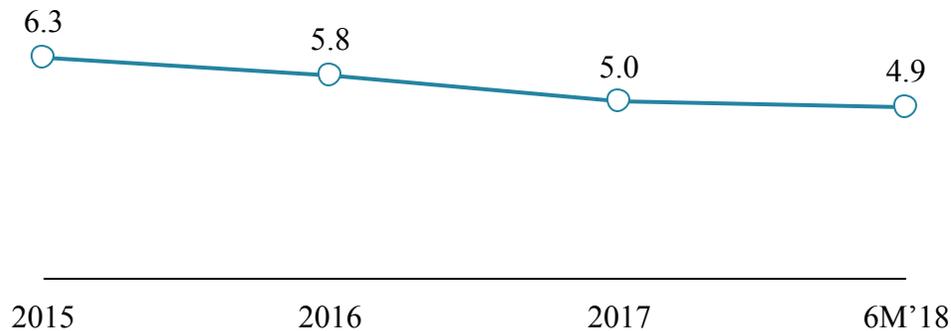
RoE consistently on upwards trend with strong boost over 2017

RoE
%



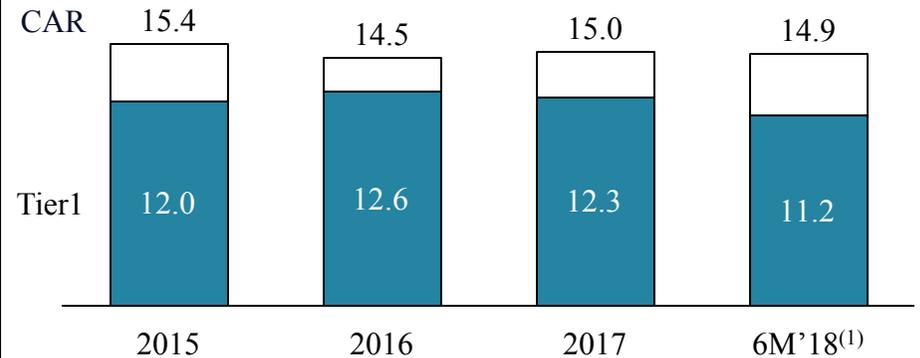
Ongoing asset quality improvement

NPL Ratio
%



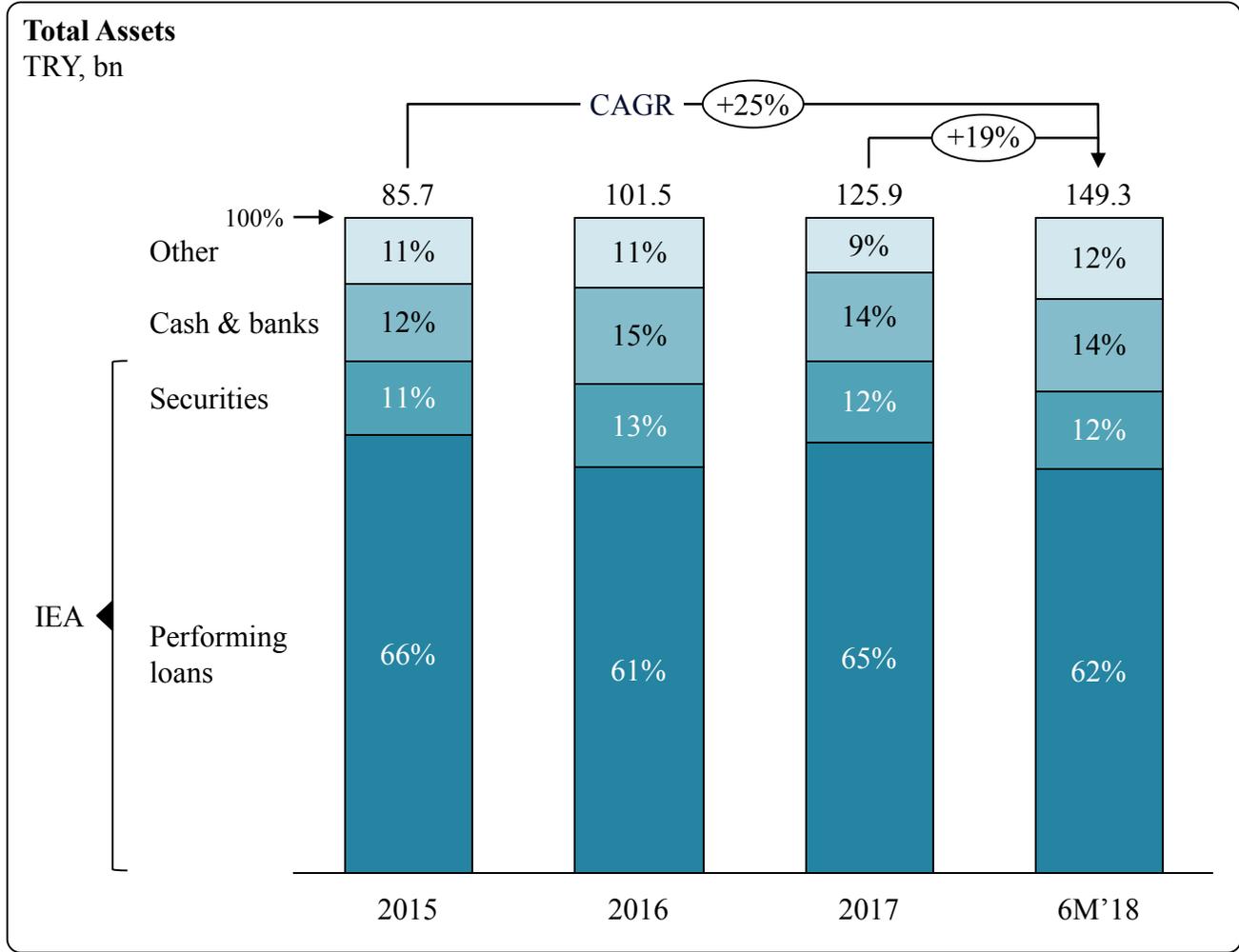
Solid capital adequacy; additional buffers remain

CAR
%

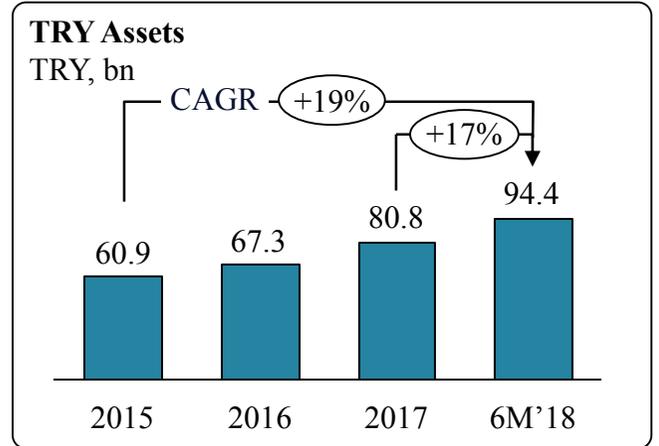


Asset size reached to TRY 149bn, with an above market growth of 19% realized in the first half of 2018

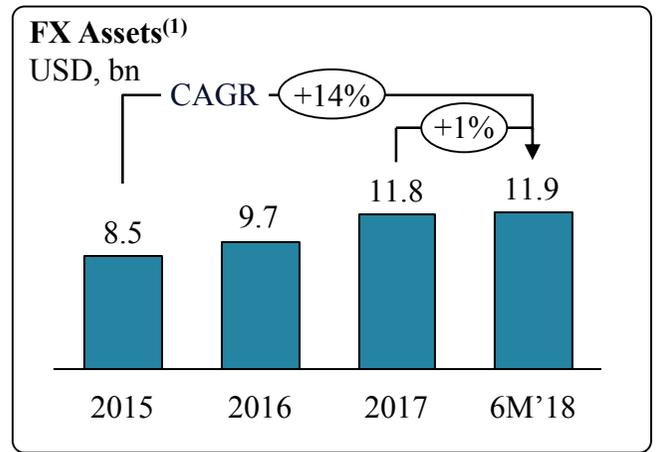
Loan heavy balance sheet with above the market growth in 2018



As TRY asset growth has picked up in 6M'18, ...



... FX assets growth has muted in 6M'18

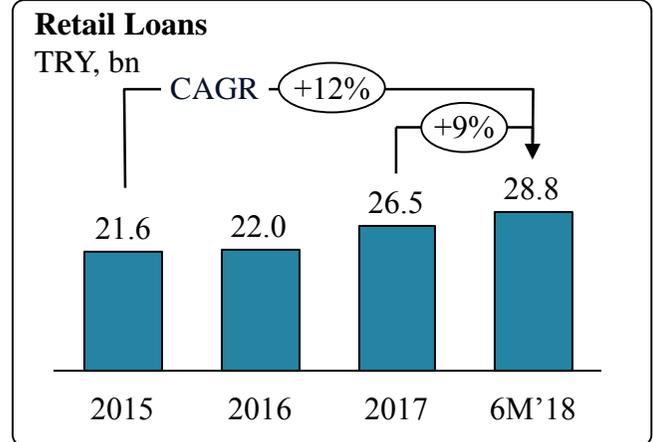
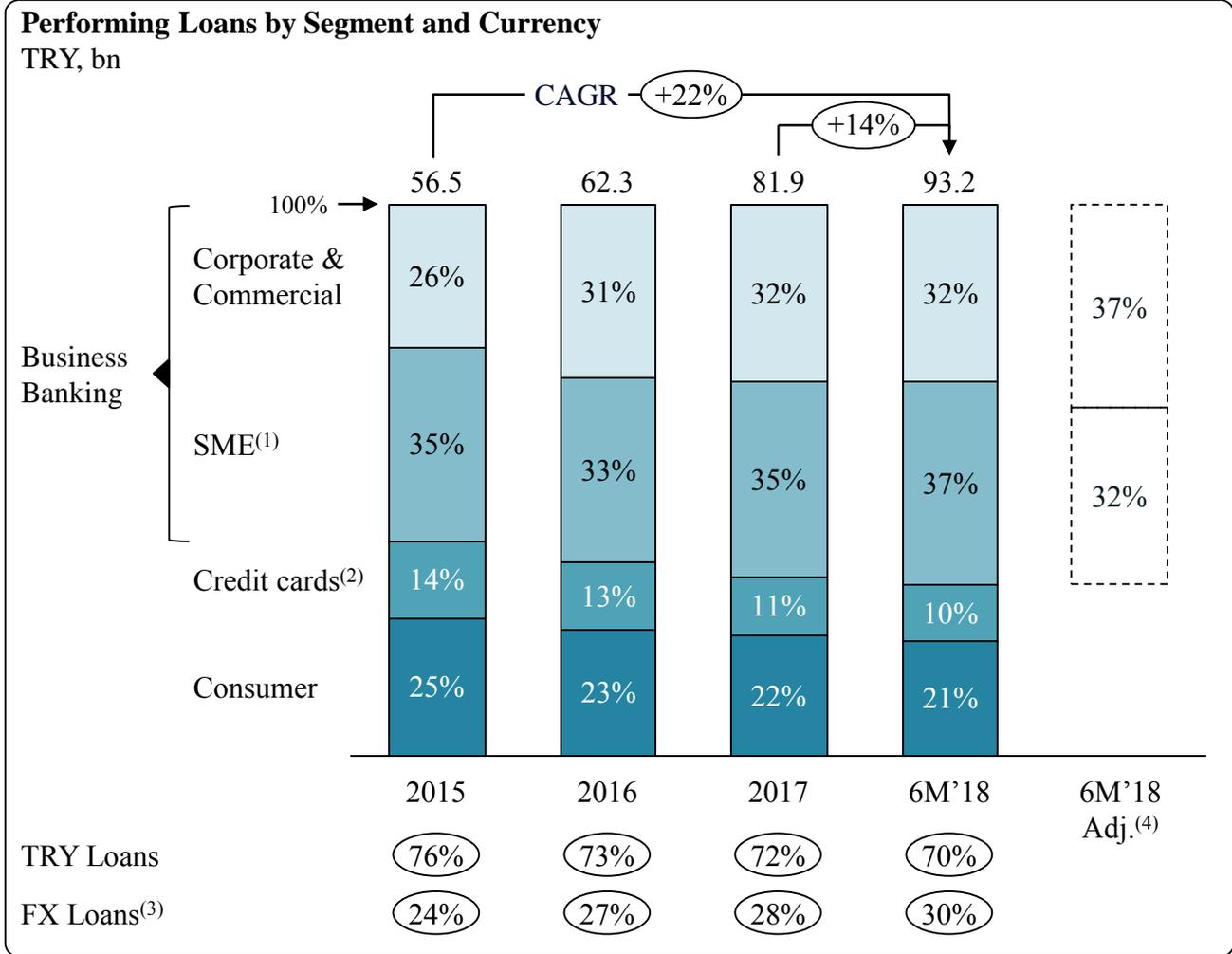


(1) FX-indexed TRY loans are shown in FX assets

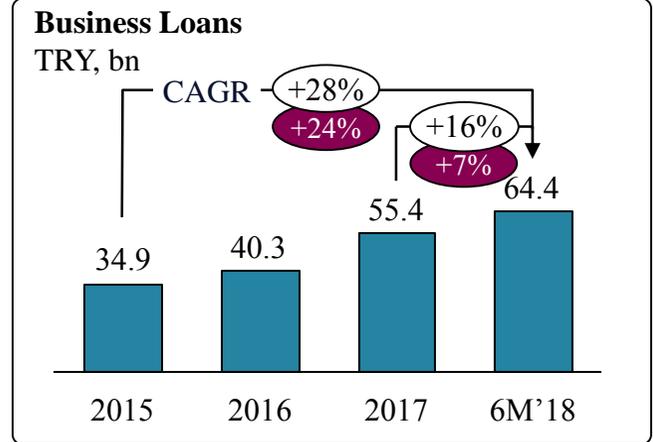
Sustained and successful execution of the growth strategy...

Balanced across-the-board growth in loan book excluding the FX impact, which favors the business banking particularly corporate and commercial

Mild retail loan growth over the period, though geared up in 6M'18...



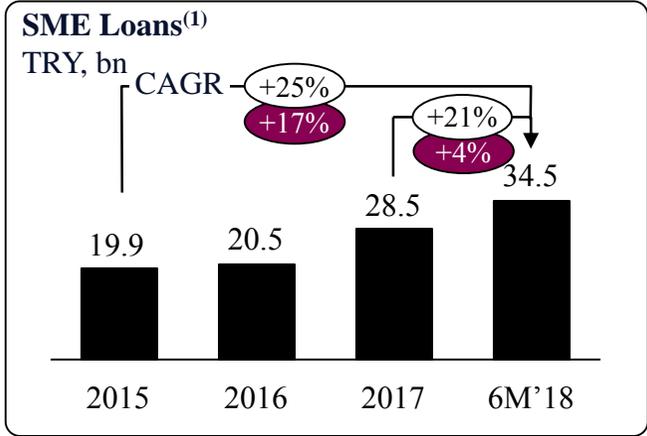
... while high-growth business loans took a breath in 6M'18, growth mainly stemming from FX impact



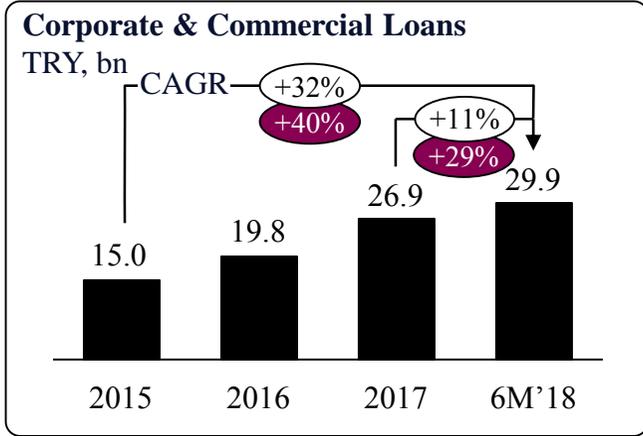
(1) Based on BRSA segment definition, including SME credit cards as of 2016. As of Jun'18, BRSA introduced a broader SME customer definition shifting upper limit for turnover from TRY 40mn to TRY 125mn
 (2) Excluding commercial credit cards
 (3) FX-indexed TRY loans are shown in FX loans
 (4) If SME definition was not updated, the shares of SME and Corporate&Commercial would be as shown above.

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

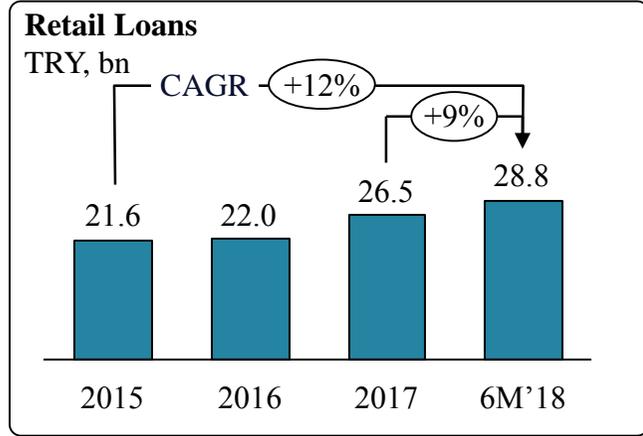
Strong SME loan growth with focused use of CGF program, while losing pace in 6M'18



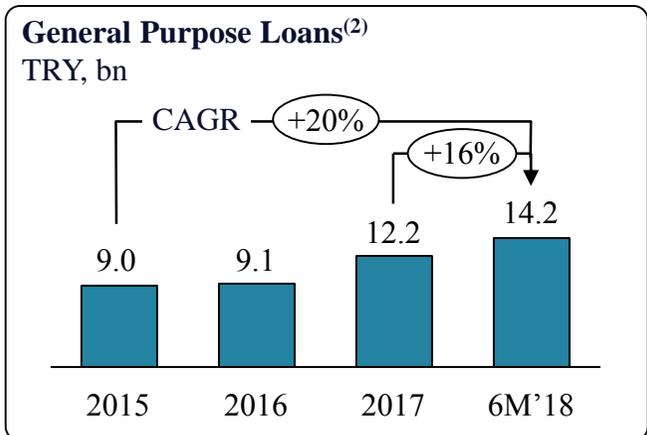
Strong growth in corporate & commercial loans supported by fx contribution



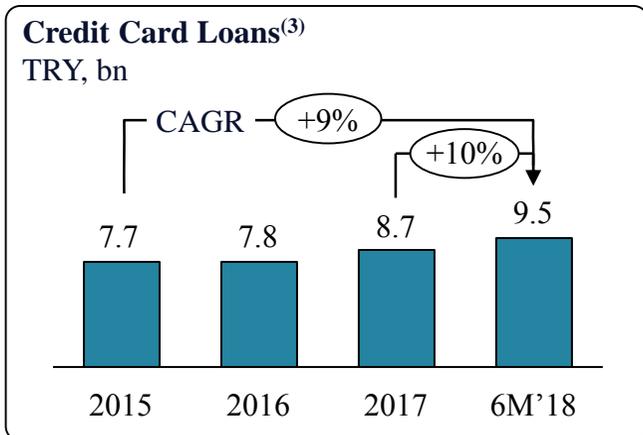
Selective historical growth in retail loans...



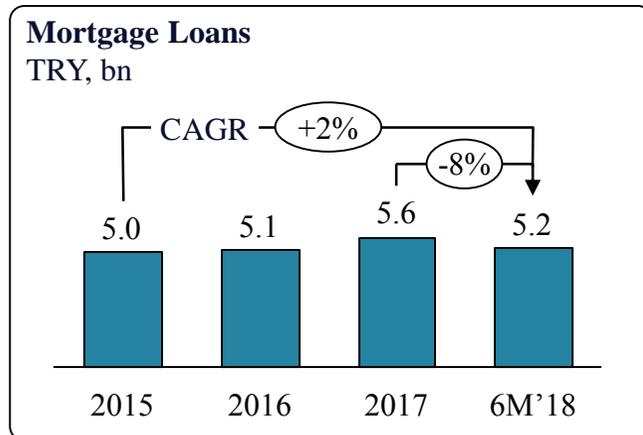
... mainly driven by GPLs where growth accelerated in 2017 and 6M'18...



... above market growth continued in credit cards...



... while slowed down in mortgages



(1) Based on BRSA segment definition, including SME credit cards as of 2016. As of Jun'18, BRSA introduced a broader SME customer definition shifting upper limit for turnover from TRY 40mn to TRY 125mn

(2) Including overdraft

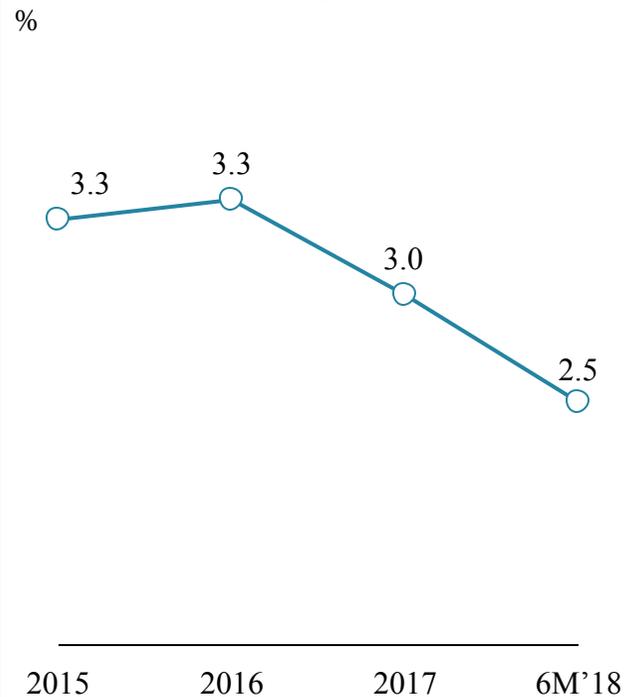
(3) Credit card outstanding from individual clients

(4) If SME definition was not updated, growth rates in SME and Corporate&Commercial Loans would be as shown above.

Controlled asset quality with high coverage ratios

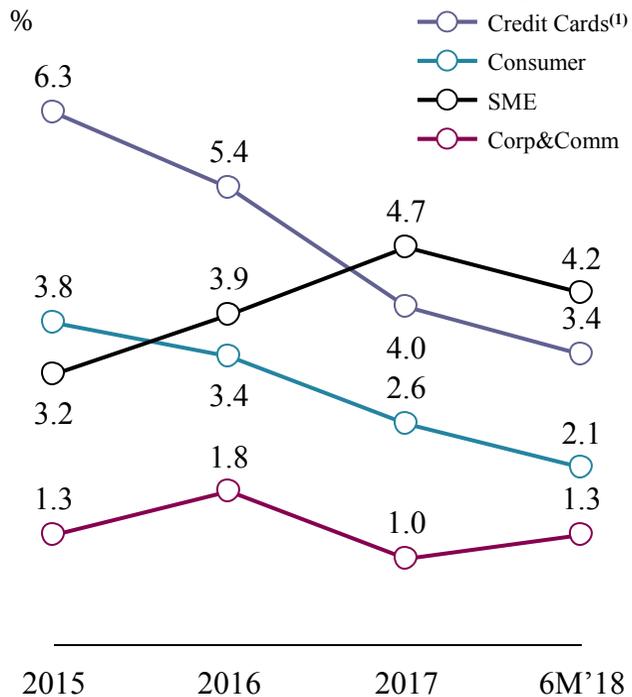
Improving NPL inflows thanks to stringent risk measures...

NPL Additions / Average Loans



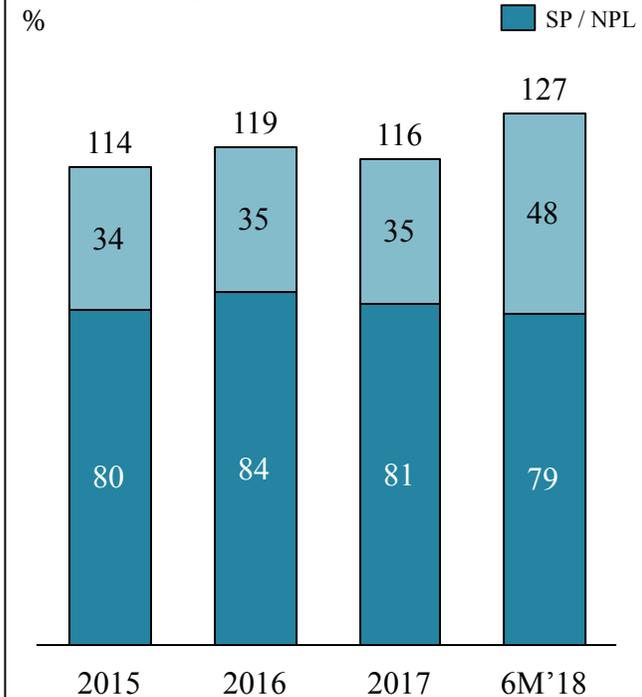
... resulting in improvement in all segments

NPL Additions / Average Loans by Segment



NPLs are well covered through general and specific provisions, additional contribution from IFRS 9 transition as of beginning of 2018

NPL Coverage⁽²⁾



Provisioning from BRSA to IFRS 9

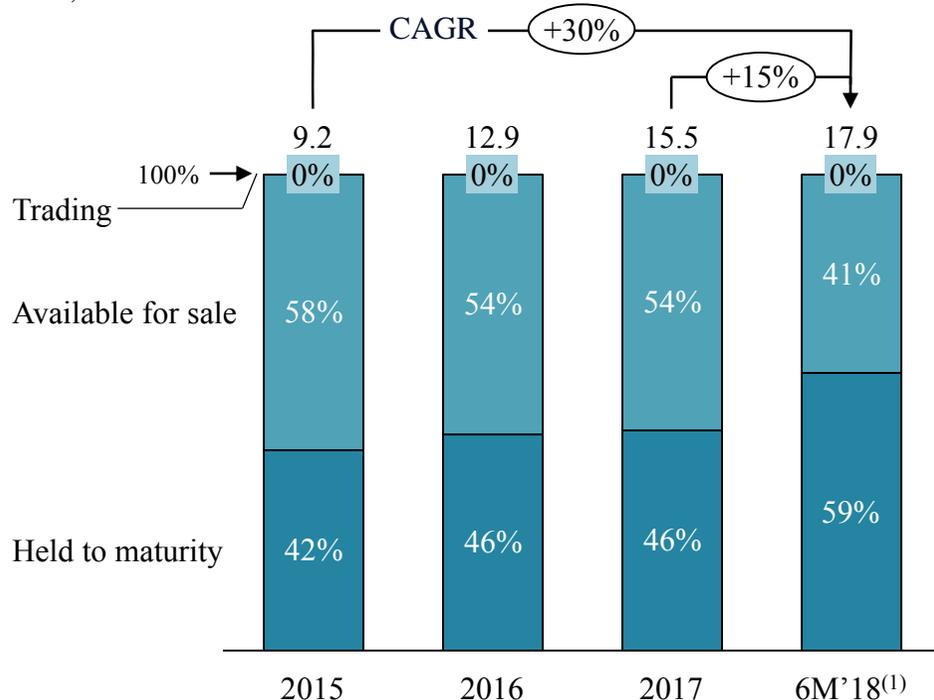
| Dec'17 BRSA (TRY, mn) | | Jan'1 2018 (TRY, mn) | | 6M 2018 (TRY, mn) | | | |
|--|--------------|----------------------|----------------------|----------------------|----------------|--------------|----------|
| | | | Equity impact (-) | Jan'1 2018 IFRS 9 | P&L impact (-) | 6M'18 IFRS 9 | Coverage |
| • General provisions | 1,505 | • Total | 604 | 2,108 | 158 | 2,266 | |
| | | - Stage 1 | | 1,008 | | 903 | 1.1% |
| | | - Stage 2 | | 1,100 | | 1,363 | 17.9% |
| • Specific provisions | 3,530 | - Stage 3 | -149 | 3,381 | 387 | 3,768 | 79.2% |
| • Total Loan provisions | 5,035 | | 455 | 5,489 | 545 | 6,034 | |
| • Other provisions (includes other BS and OBS items) | 78 | | 197 | 275 | 48 | 323 | |
| • Grand Total | 5,112 | | 652 | 5,764 | 593 | 6,357 | |

Securities portfolio increased to TRY 17.9bn, making up 12% of assets

Growth in securities portfolio largely driven by TRY indexed/variable securities

Total Securities

TRY, bn



TRY Securities

70% (2015), 58% (2016), 57% (2017), 57% (6M'18)

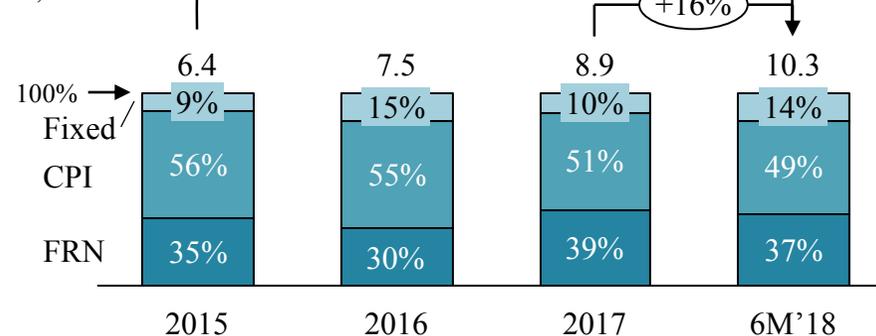
FX Securities

30% (2015), 42% (2016), 43% (2017), 43% (6M'18)

86% of TRY securities are indexed/variable rate

TRY Securities

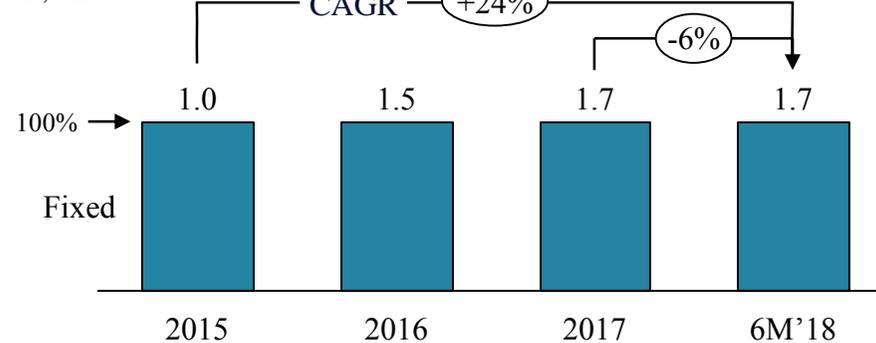
TRY, bn



Strong growth in FX securities over the period, though took a breath in 6M'18

FX Securities

USD, bn

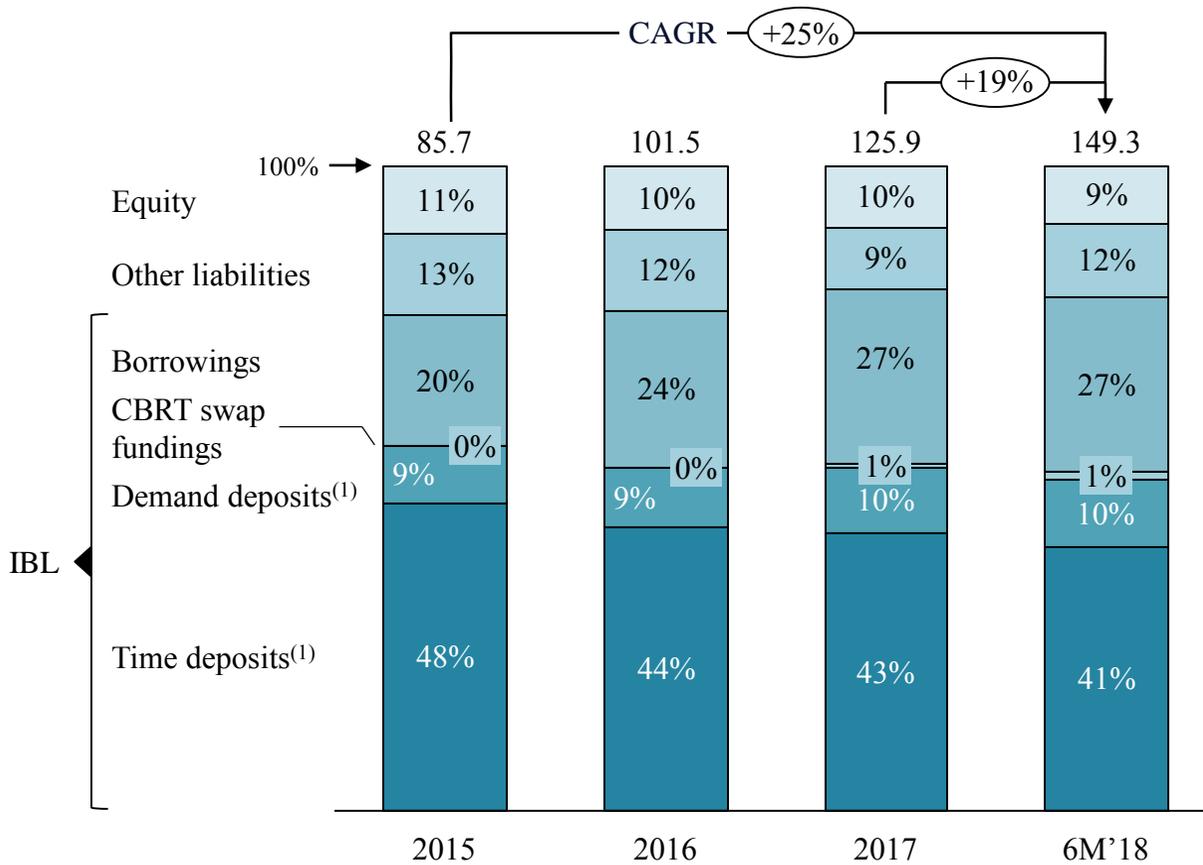


Well-diversified funding structure underpinned by solid deposit base

Use of diversified funding sources while leveraging new shareholder structure

Total Liabilities

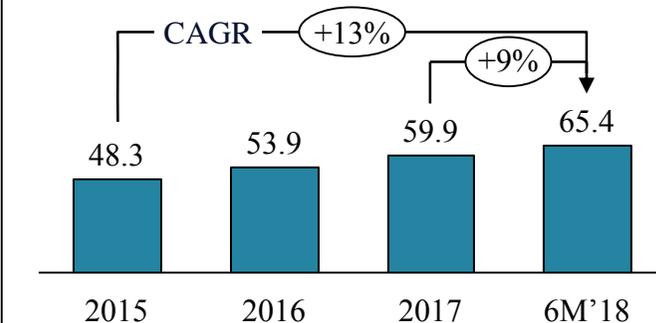
TRY, bn



TRY liabilities growth picked up in 6M'18 due to focus on TRY customer funds

TRY Liabilities

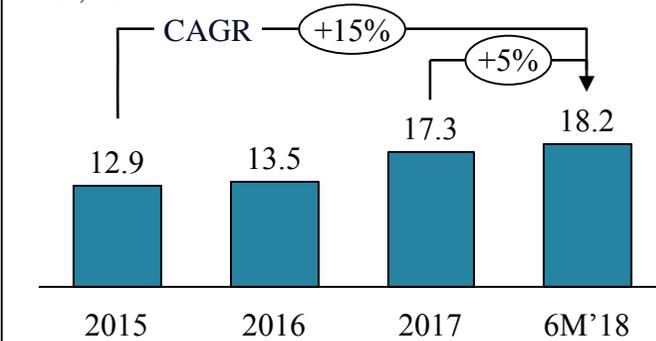
TRY, bn



FX liabilities growth leveraging diverse wholesale funding sources and CBRT swap facility

FX Liabilities

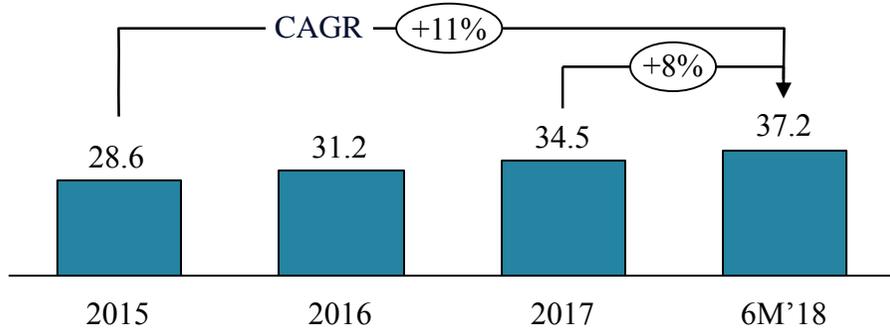
USD, bn



L/D ratio essentially stable and in-line with sector

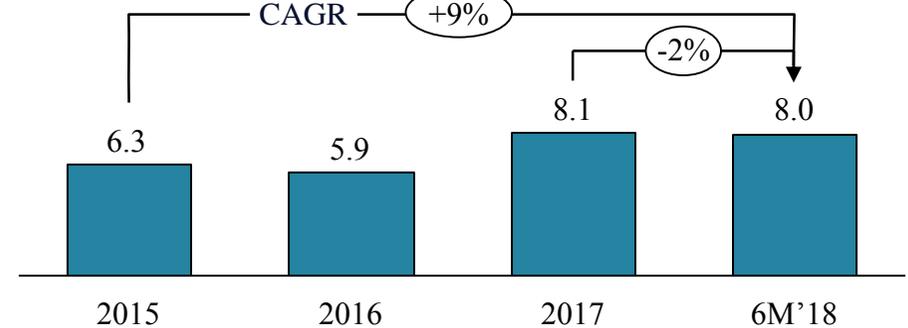
Stable TRY customer deposits growth above the sector

TRY customer deposits
TRY, bn



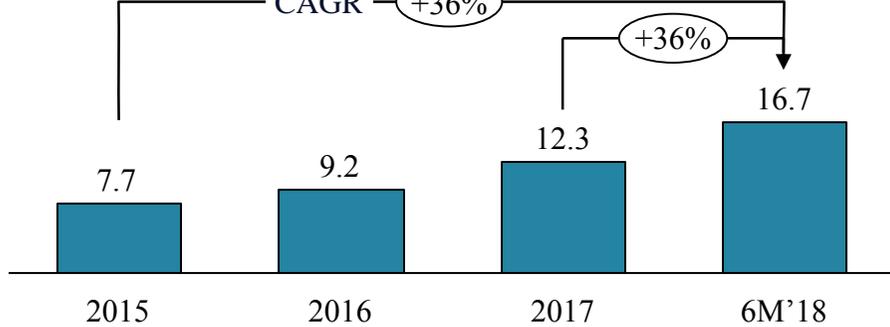
Sustained growth in FX customer deposits with a slight switch to TRY deposits in 6M'18

FX customer deposits
USD, bn



Sustained impressive growth in demand deposits

Customer demand deposits
TRY, bn



Loan-to-deposits ratio essentially in line with the sector

Loan-to-deposit ratio⁽¹⁾
%

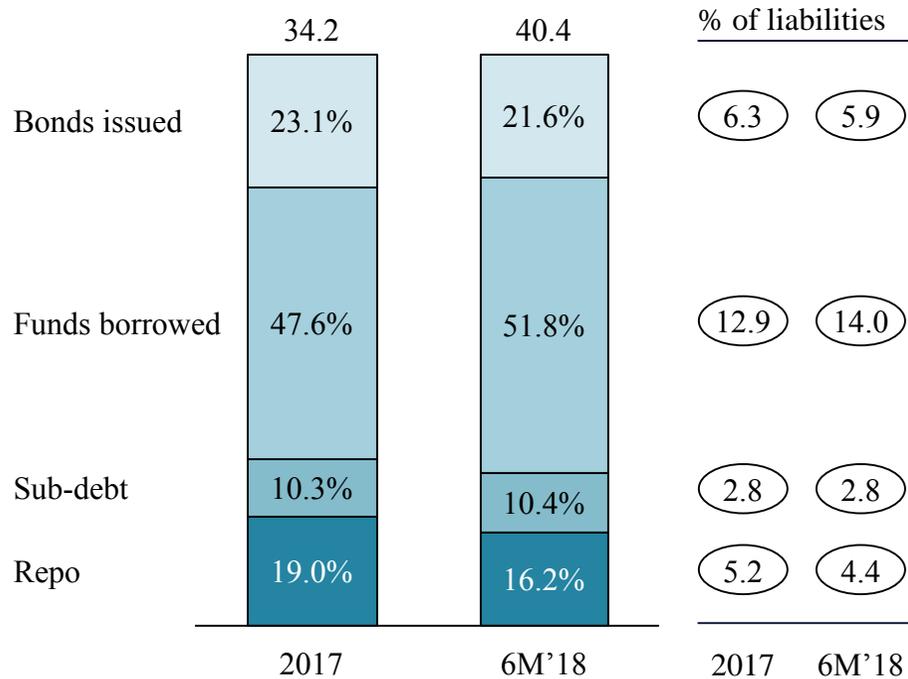


Disciplined use of non-deposit funding and strong capital base

Low reliance on institutional borrowings, while growth supported by balanced funding mix

Borrowings⁽¹⁾ by Type

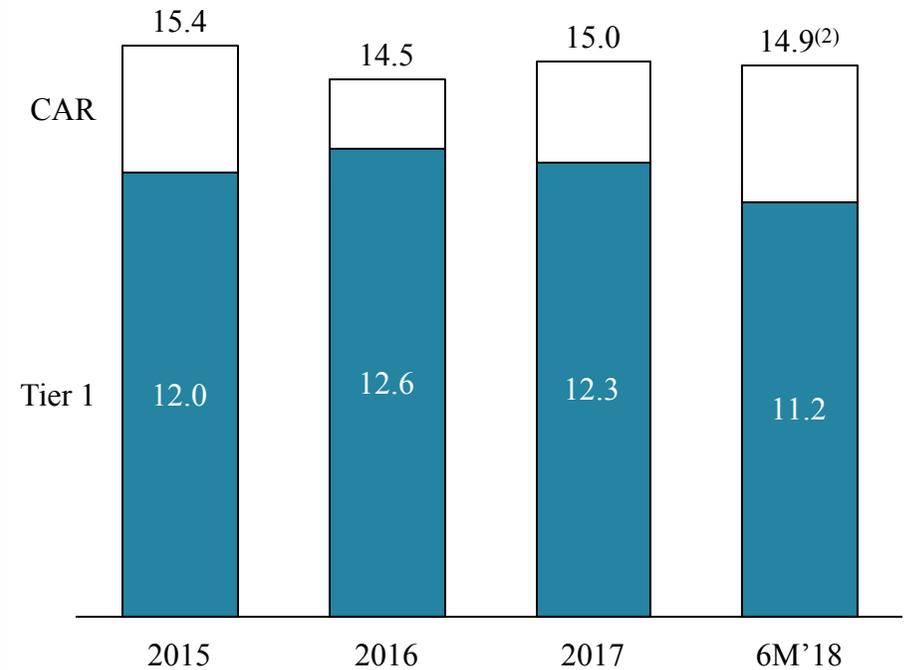
TRY, bn, % of borrowings



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

Capital Adequacy

%



(1) Non-deposit funding

(2) In Q2'18, USD 325mn sub-loan was converted into Basel III compliant debt. There still exists a capital buffer of 110bps upon potential conversion of the remaining sub-loan tranches, amounting USD 325mn

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 16.4bn as of Q2'18
- Net change in Economic Value / Equity is constantly monitored under several scenarios
- Regulatory IRRBB ratio is at 7.8% as opposed to 20% limit; indicating a conservative interest rate position on the banking book (as of May'18)

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 112.9% as opposed to 90% limit, whereas FX Regulatory Liquidity coverage ratio is 121% as opposed to 70% limit. Liquidity coverage ratio limits will be increased gradually by 10% each year up to 100% and 80% in 2019 for total liquidity and FX liquidity, respectively
- Continuous monitoring and reporting are in place to support effective management in addition to contingency plans for extreme situations

Low risk appetite for trading risks

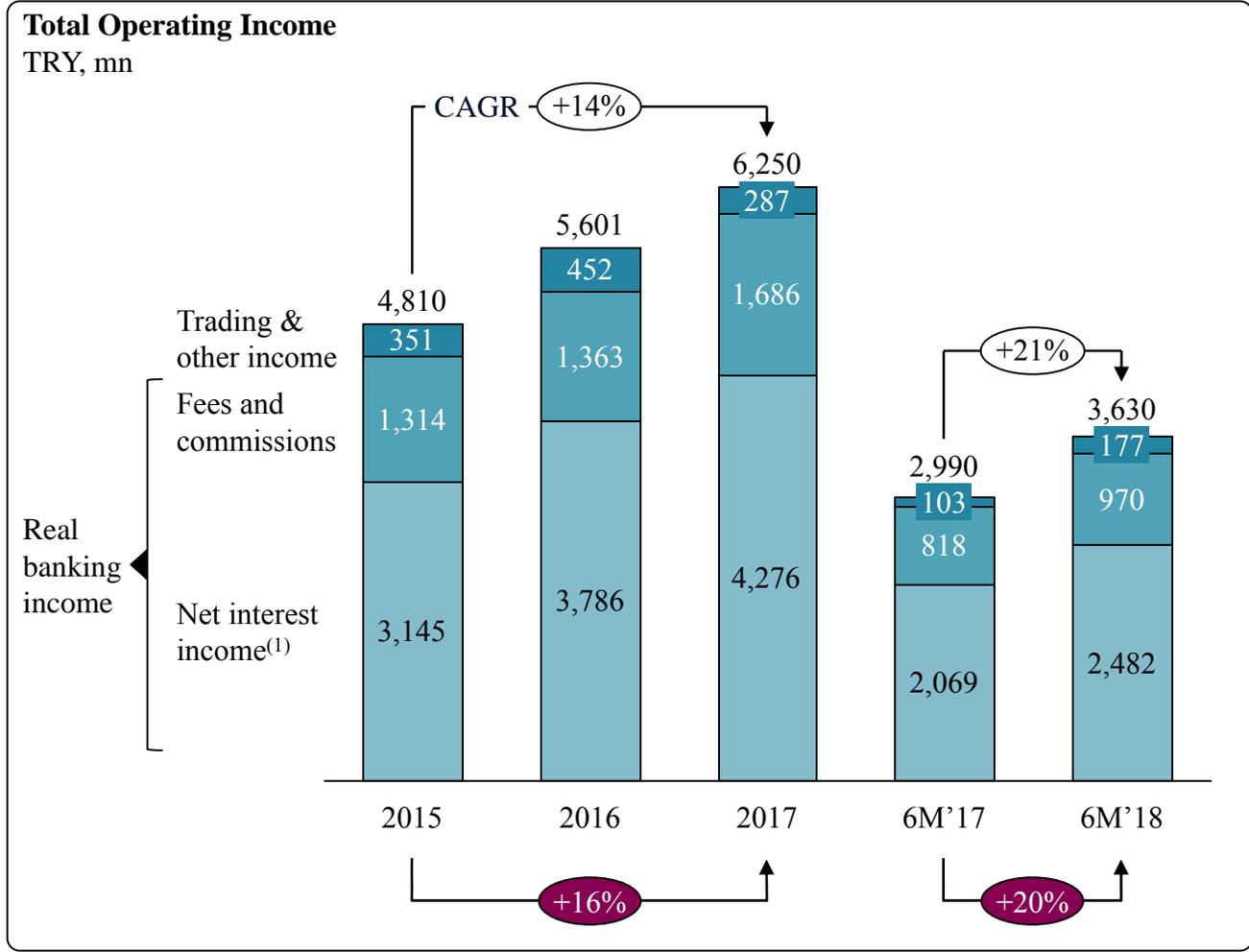
- Low trading risk appetite is reflected by the limit structure both on portfolio and product level
- Best-in-class measurement methodologies are in place with daily monitoring of all market risk metrics (VaR, sensitivities, etc.) in addition to stress tests and scenario analysis



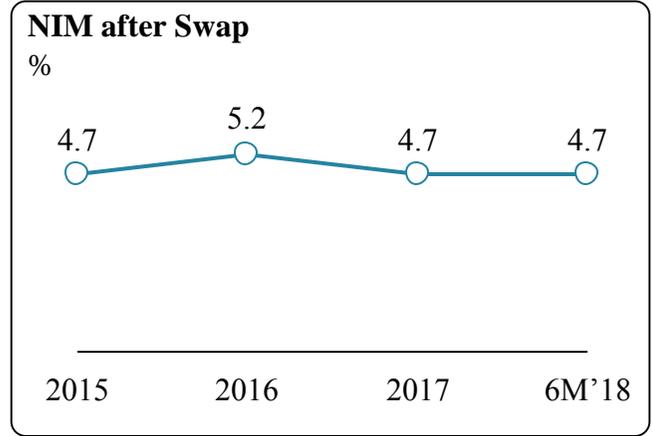
Solid Financial Performance

Focus on real banking income generation

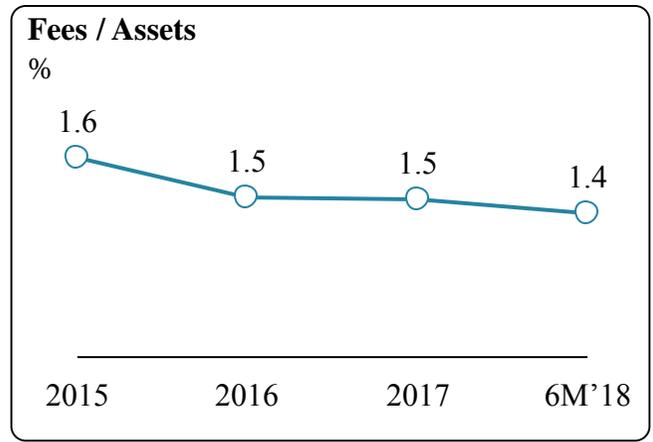
Operating income driven from core banking activities with strong YoY growth



Resilient NIM⁽¹⁾ despite the headwinds of rising cost of funding



Stable fee generation despite strong asset growth



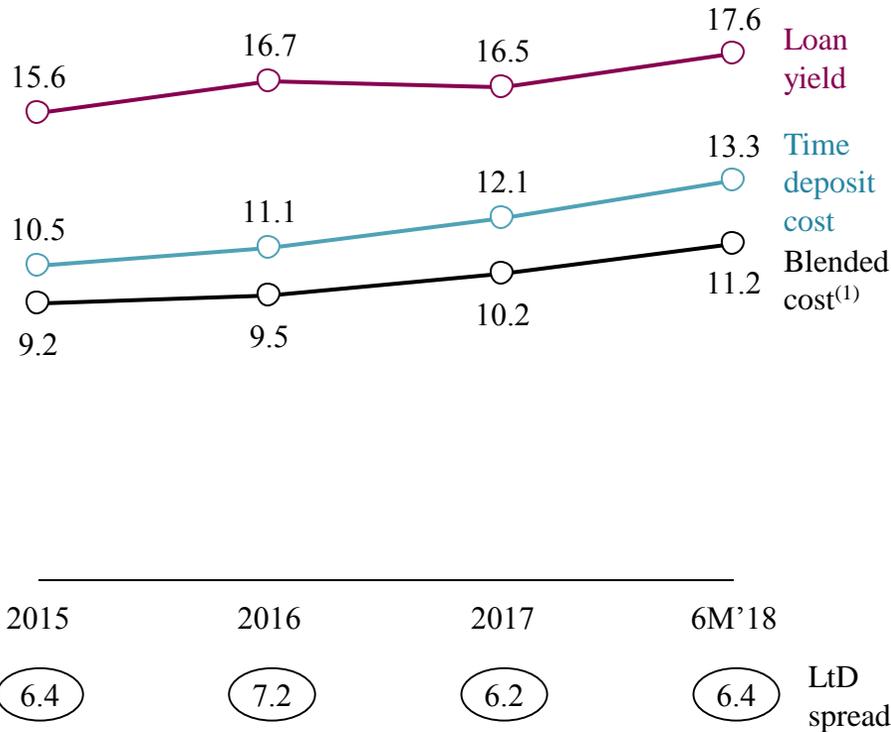
(1) Including swap expenses

Exceptional spread management in both TRY and FX fronts

Resilient TL loan to deposit spreads thanks to proactive asset repricing and effective ALM

TRY Spread

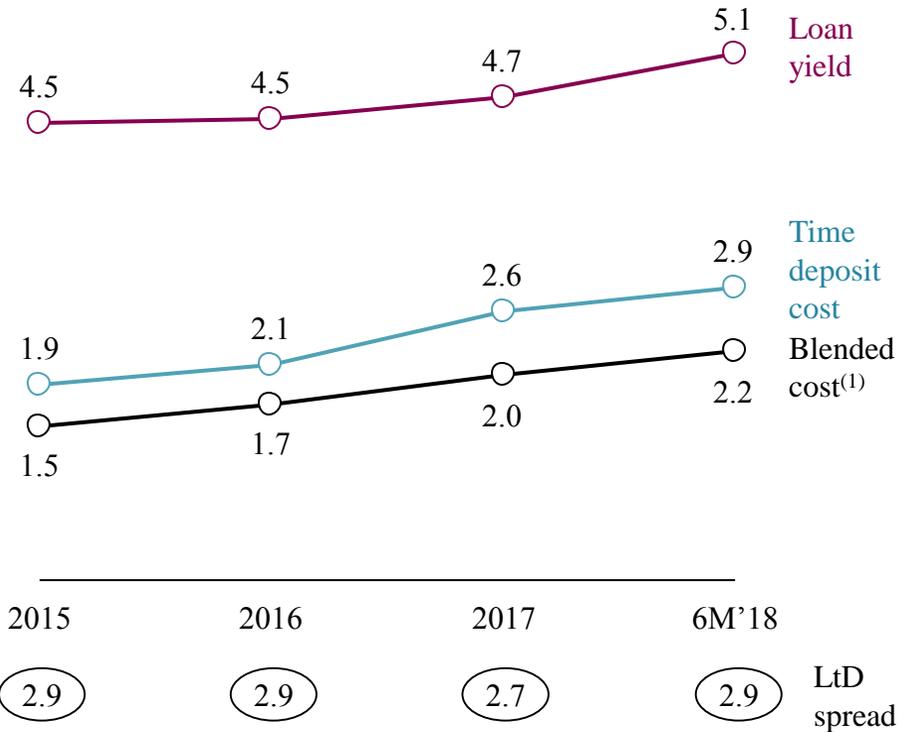
%, period average



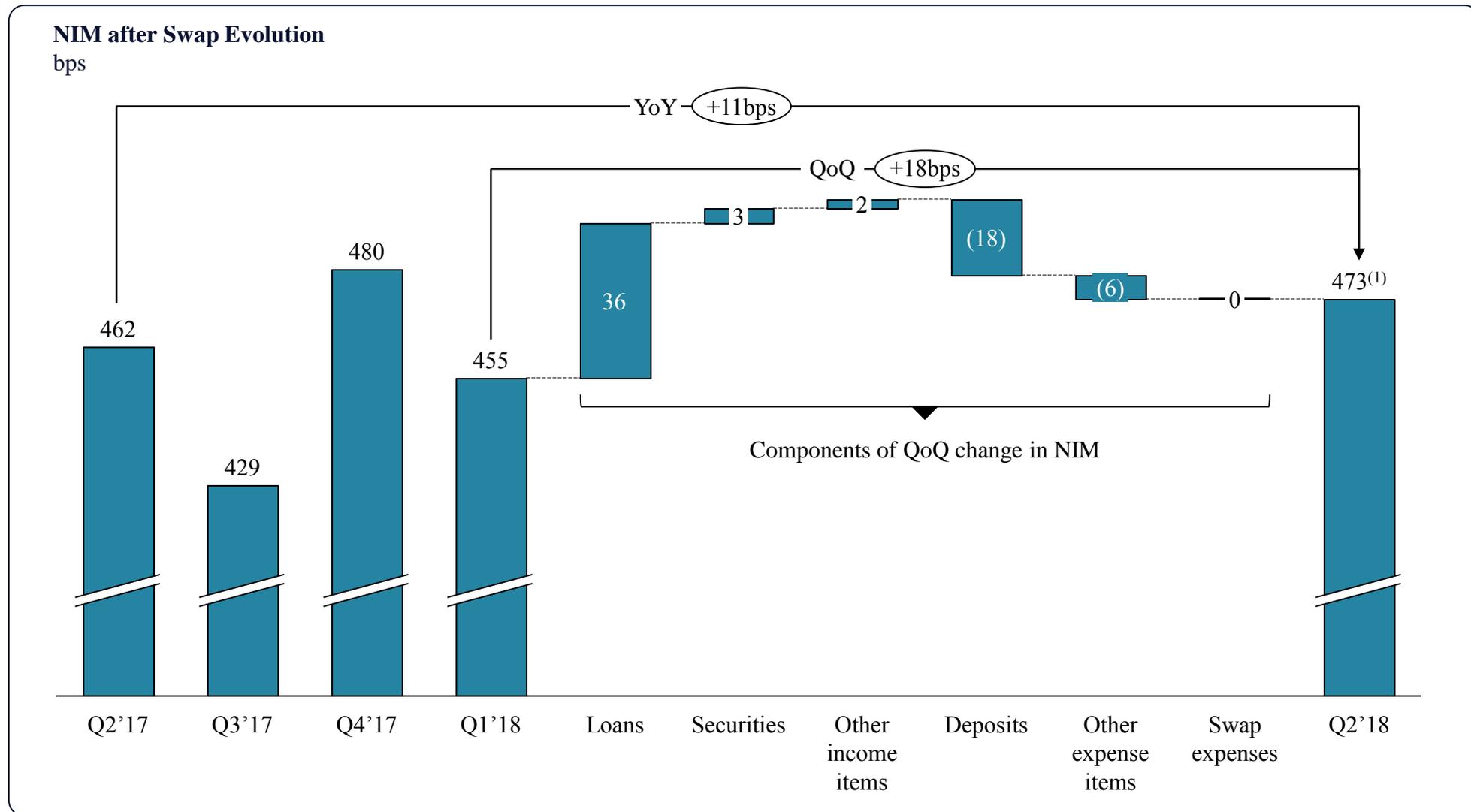
Consistent loan-to-deposit spreads for FX side

FX Spread⁽²⁾

%, period average



Resilient NIM on the back of proactive asset repricing

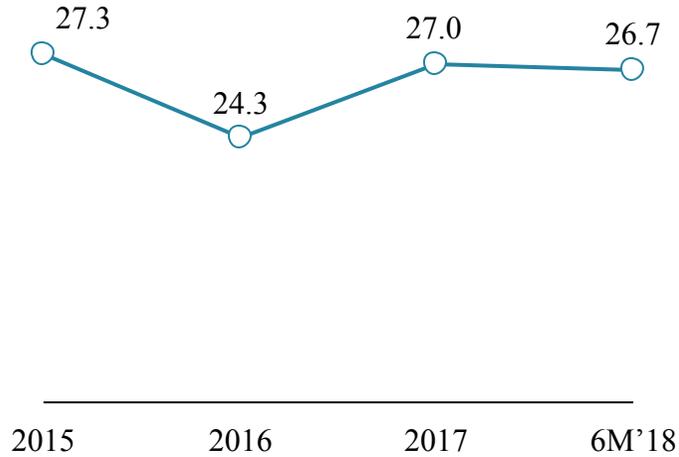


Sustained fee generation with strong performance across diversified business segments

Stable contribution from fees to total income

Fees / Total Income

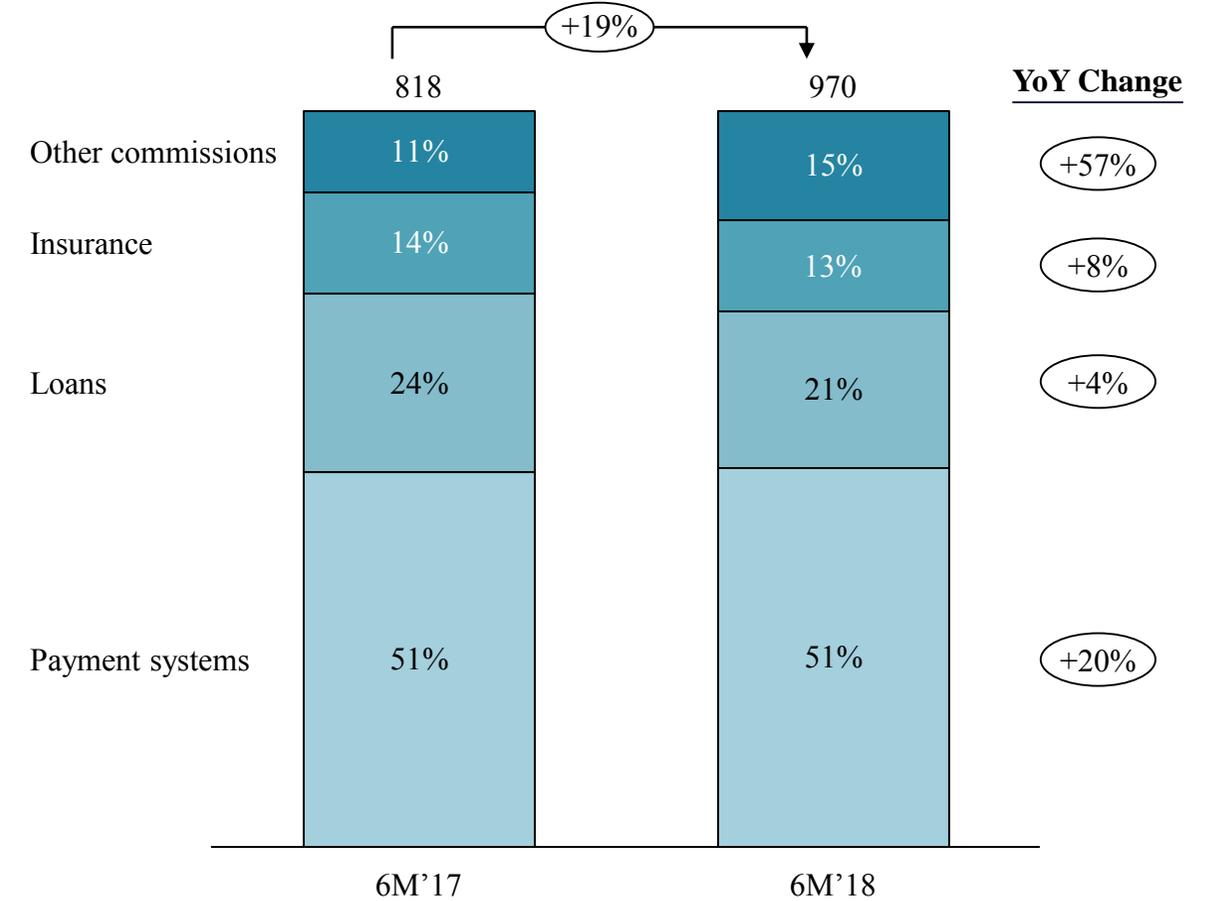
%



19% YoY growth in fee generation driven by strong payment systems and value added service revenues

Cumulative Net Fees and Commissions

TRY, mn

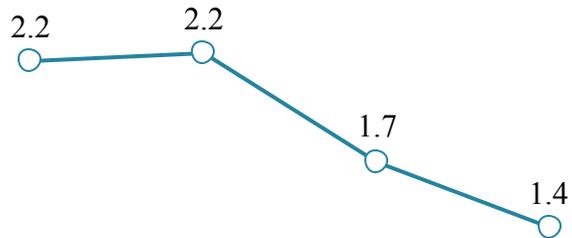


Change in business mix combined with measures taken in credit risk management across segments translates to better asset quality

CoR on a declining trend

Cost of Risk⁽¹⁾

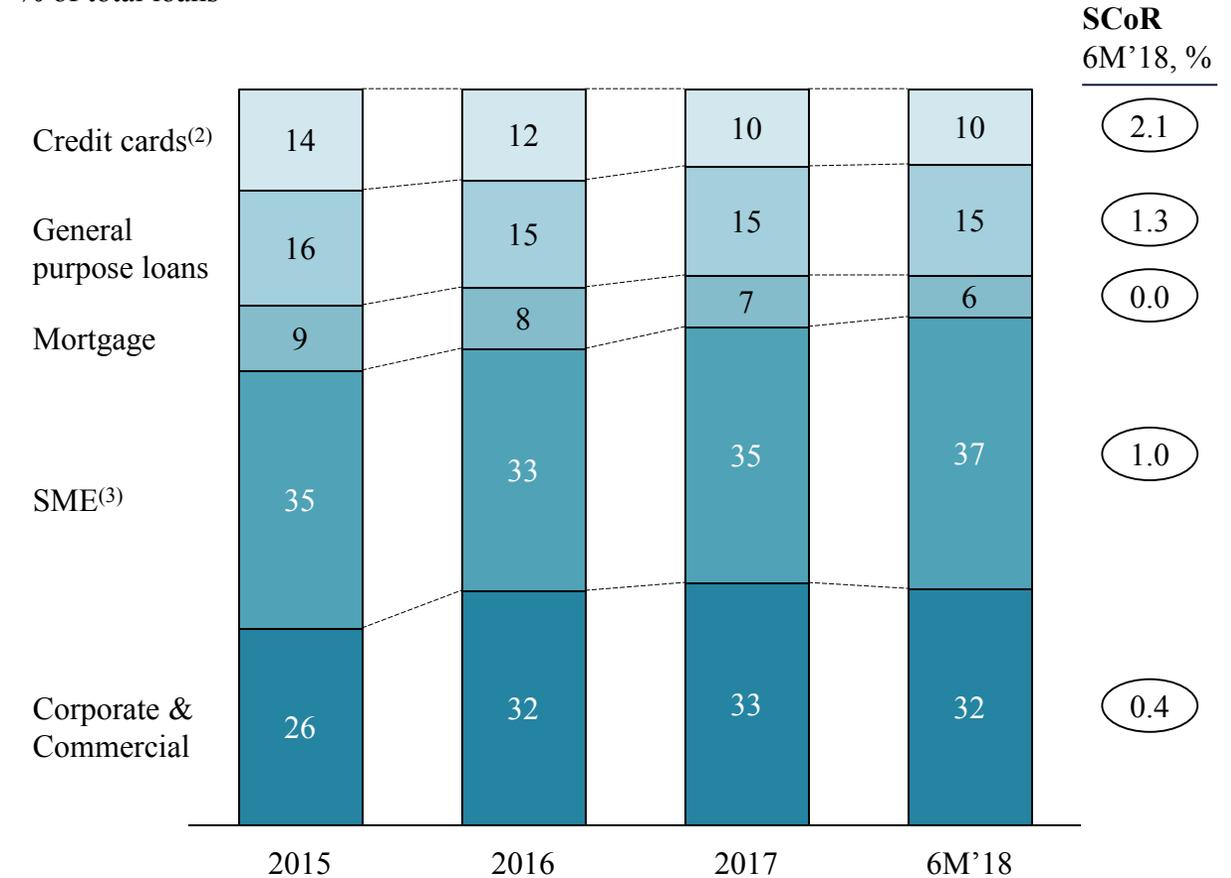
%



Shift towards business banking helps improve cost of risk

Loan Composition

% of total loans



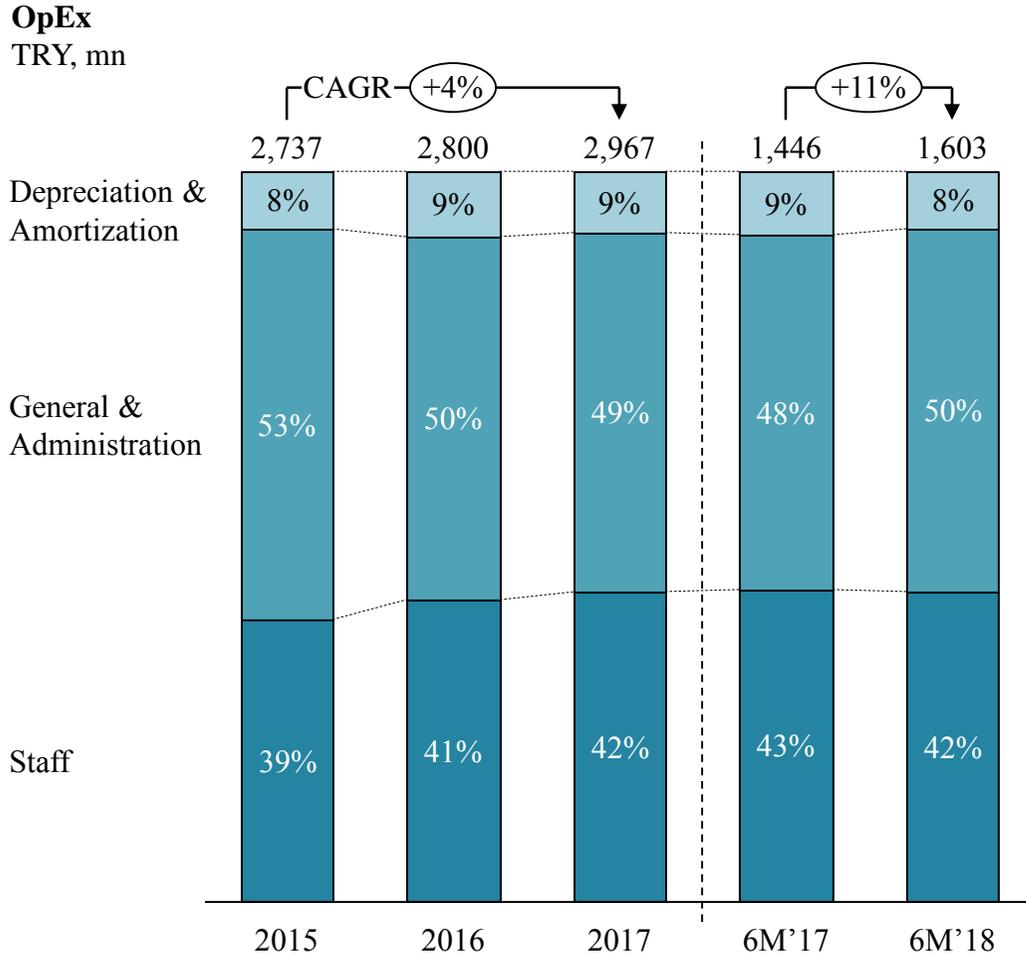
(1) IFRS 9 standards with regard to provisions implemented starting on 01/01/2018

(2) Excluding commercial credit cards

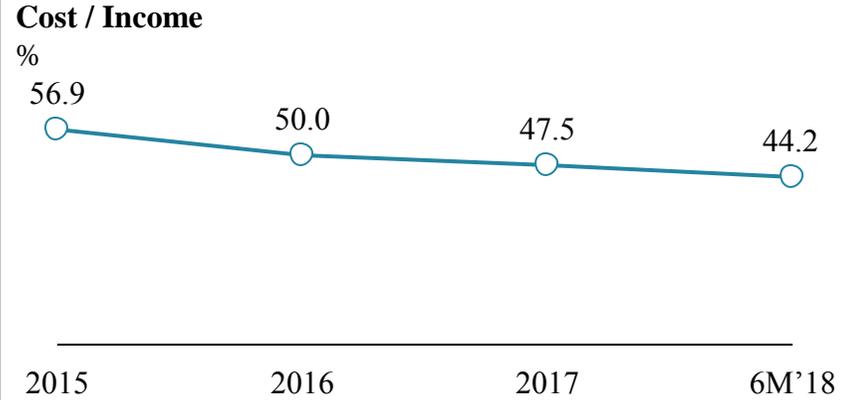
(3) Based on BRSA segment definition, including SME credit cards as of 2016. As of Jun'18, BRSA introduced a broader SME customer definition shifting upper limit for turnover from TRY 40mn to TRY 125mn

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

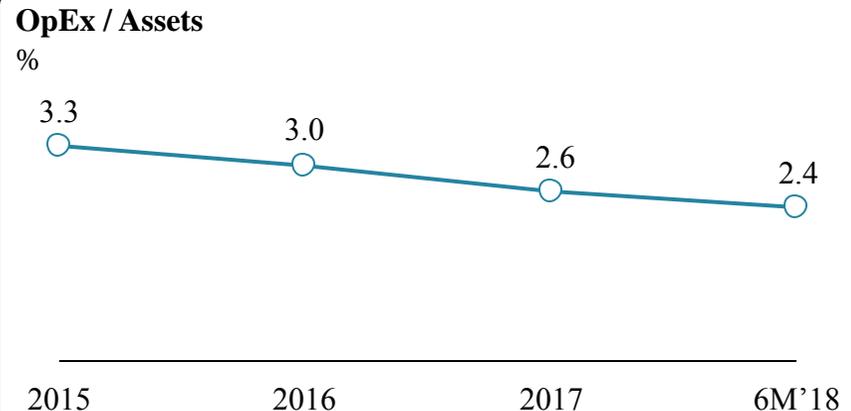
Stable operating expenses growth below the inflation



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



... and efficiency improvement with high business growth



Key financial ratios

| | Bank only figures | 2015 | 2016 | 2017 | 6M'17 | 6M'18 ⁽¹⁾ | ΔYoY |
|----------------------|---------------------------------|--------|--------|--------|--------|----------------------|----------|
| Profitability | RoAE | 8.0% | 12.7% | 14.3% | 15.1% | 18.0% | +2.8pps |
| | RoAA | 0.9% | 1.3% | 1.4% | 1.5% | 1.7% | +0.2pps |
| | Cost / Income | 56.9% | 50.0% | 47.5% | 48.4% | 44.2% | -4.2pps |
| | NIM after swap expenses | 4.7% | 5.2% | 4.7% | 4.8% | 4.7% | -0.1pps |
| Liquidity | Loans / Deposits ⁽²⁾ | 115.1% | 113.2% | 116.8% | 116.6% | 116.7% | +0.1pps |
| | LCR | 88.5% | 86.2% | 102.7% | 94.9% | 118.3% | +23.4pps |
| Asset quality | NPL Ratio | 6.3% | 5.8% | 5.0% | 5.5% | 4.9% | -0.6pps |
| | Coverage ⁽³⁾ | 114.6% | 118.6% | 116.3% | 117.9% | 126.8% | +8.9pps |
| | Cost of Risk | 2.2% | 2.2% | 1.7% | 1.5% | 1.4% | -0.1pps |
| Solvency | CAR | 15.4% | 14.5% | 15.0% | 15.8% | 14.9% | -1.0pps |
| | Tier I Ratio | 12.0% | 12.6% | 12.3% | 13.1% | 11.2% | -1.9pps |
| | Liability/Equity | 9.5 | 10.0 | 10.4 | 10.4 | 10.4 | +0.0 |

Key strategies in 2018 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
- **Selective 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 a way that creates a layered, ribbon-like effect, extending from the top right towards the bottom left.

Finansbank BRSA Bank-Only Summary Financials⁽¹⁾

Income Statement

| TRY, mn | 2015 | 2016 | 2017 | 6M'17 | 6M'18 ⁽²⁾ |
|--|--------------|--------------|--------------|--------------|----------------------|
| Net Interest Income (After Swap Expenses) | 3,145 | 3,786 | 4,276 | 2,069 | 2,482 |
| Net Fees & Commissions Income | 1,314 | 1,363 | 1,686 | 818 | 970 |
| Trading & Other Income | 351 | 452 | 287 | 103 | 177 |
| Total Operating Income | 4,810 | 5,600 | 6,250 | 2,990 | 3,630 |
| Operating Expenses | (2,737) | (2,800) | (2,967) | (1,446) | (1,603) |
| Net Operating Income | 2,073 | 2,800 | 3,282 | 1,544 | 2,026 |
| Provisions | (1,170) | (1,316) | (1,233) | (515) | (593) |
| Profit before tax | 903 | 1,484 | 2,049 | 1,029 | 1,433 |
| Tax expenses | (197) | (280) | (446) | (219) | (300) |
| Profit after tax | 706 | 1,203 | 1,603 | 810 | 1,133 |

Balance Sheet

| TRY, mn | 2015 | 2016 | 2017 | 6M'17 | 6M'18 ⁽²⁾ |
|---|---------------|----------------|----------------|----------------|----------------------|
| Cash & Banks ⁽³⁾ | 10,313 | 14,925 | 17,291 | 18,520 | 20,829 |
| Securities | 9,197 | 12,950 | 15,543 | 13,675 | 17,880 |
| Performing Loans | 56,529 | 62,310 | 81,883 | 73,324 | 93,217 |
| Fixed Asset and Investments ⁽⁴⁾ | 2,283 | 2,912 | 3,168 | 3,002 | 3,586 |
| Other Assets | 7,405 | 8,406 | 7,972 | 7,917 | 13,754 |
| Total Assets | 85,727 | 101,503 | 125,857 | 116,437 | 149,266 |
| Deposits | 48,566 | 53,939 | 67,032 | 62,013 | 76,783 |
| Customer Deposits | 47,009 | 51,966 | 65,297 | 58,125 | 73,818 |
| Bank Deposits | 1,557 | 1,973 | 1,735 | 3,888 | 2,965 |
| Borrowings | 17,278 | 24,821 | 34,188 | 27,267 | 40,392 |
| Bonds Issued | 4,336 | 4,312 | 7,914 | 6,563 | 8,735 |
| Funds Borrowed | 5,640 | 10,758 | 16,274 | 13,160 | 20,906 |
| Sub-debt | 2,662 | 3,236 | 3,511 | 3,217 | 4,214 |
| Repo | 4,639 | 6,515 | 6,490 | 4,326 | 6,537 |
| CBRT SWAP Funding | 0 | 0 | 610 | 2,597 | 1,578 |
| Other | 10,860 | 12,617 | 11,872 | 13,349 | 17,277 |
| Equity | 9,024 | 10,126 | 12,155 | 11,212 | 13,235 |
| Total Liabilities & Equity | 85,727 | 101,503 | 125,857 | 116,437 | 149,266 |

Finansbank BRSA Consolidated Summary Financials⁽¹⁾

Income Statement

| TRY, mn | 2015 | 2016 | 2017 | 6M'17 | 6M'18 ⁽²⁾ |
|--|--------------|--------------|--------------|--------------|----------------------|
| Net Interest Income (After Swap Expenses) | 3,272 | 3,962 | 4,441 | 2,154 | 2,566 |
| Net Fees & Commissions Income | 1,387 | 1,445 | 1,783 | 861 | 1,033 |
| Trading & Other Income | 307 | 455 | 413 | 149 | 260 |
| Total Operating Income | 4,966 | 5,862 | 6,636 | 3,164 | 3,859 |
| Operating Expenses | (2,874) | (2,938) | (3,126) | (1,520) | (1,695) |
| Net Operating Income | 2,092 | 2,923 | 3,510 | 1,644 | 2,164 |
| Provisions | (1,207) | (1,390) | (1,269) | (521) | (594) |
| Profit before tax | 884 | 1,533 | 2,241 | 1,123 | 1,570 |
| Tax expenses | (204) | (295) | (469) | (228) | (333) |
| Profit after tax | 680 | 1,238 | 1,772 | 896 | 1,237 |

Balance Sheet

| TRY, mn | 2015 | 2016 | 2017 | 6M'17 | 6M'18 ⁽²⁾ |
|---------------------------------|---------------|----------------|----------------|----------------|----------------------|
| Cash & Banks ⁽³⁾ | 10,403 | 15,084 | 17,424 | 18,693 | 21,022 |
| Securities | 9,254 | 12,983 | 15,608 | 13,742 | 17,932 |
| Performing Loans ⁽⁴⁾ | 58,865 | 65,452 | 87,483 | 77,357 | 99,778 |
| Fixed Assets | 1,979 | 2,243 | 2,427 | 2,238 | 3,331 |
| Other Assets | 7,548 | 8,564 | 8,254 | 8,102 | 13,570 |
| Total Assets | 88,049 | 104,326 | 131,195 | 120,132 | 155,633 |
| Deposits | 48,311 | 53,865 | 66,934 | 61,872 | 76,520 |
| Customer Deposits | 46,755 | 51,892 | 65,198 | 57,984 | 73,554 |
| Bank Deposits | 1,557 | 1,973 | 1,735 | 3,888 | 2,965 |
| Borrowings | 19,364 | 27,351 | 38,921 | 30,681 | 46,288 |
| Bonds Issued | 5,827 | 6,332 | 10,398 | 8,447 | 11,647 |
| Funds Borrowed | 6,066 | 11,164 | 18,012 | 14,340 | 23,294 |
| Sub-debt | 2,662 | 3,236 | 3,511 | 3,217 | 4,214 |
| Repo | 4,809 | 6,620 | 7,000 | 4,677 | 7,132 |
| CBRT SWAP Funding | 0 | 0 | 610 | 2,597 | 1,578 |
| Other | 10,968 | 12,806 | 12,302 | 13,594 | 17,758 |
| Equity | 9,405 | 10,304 | 12,428 | 11,387 | 13,489 |
| Total Liability | 88,049 | 104,326 | 131,195 | 120,132 | 155,633 |

(1) IFRS 9 standards implemented as of 01/01/2018, whereas the previous year figures have not been restated accordingly

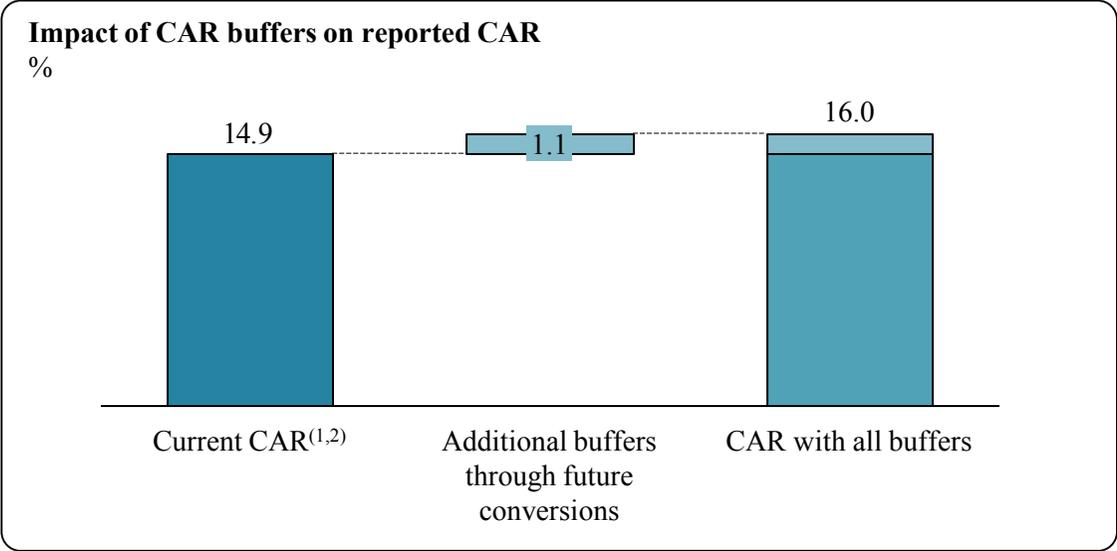
(2) IFRS 9 standards implemented as of 01/01/2018

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

(4) Including Leasing & Factoring receivables

Current sub-loan portfolio continues to offer substantial capital buffer, enhancing bank's resilience

| Outstanding sub-loans | Maturity | Amount | Compliance | Capital consideration | |
|-----------------------|----------|------------|------------|-----------------------|---|
| • Tranche 1 | Oct'21 | USD 200.00 | Basel II | USD 30.9 mn | <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 | Dec'21 | USD 125.00 | Basel II | USD 19.3 mn | |



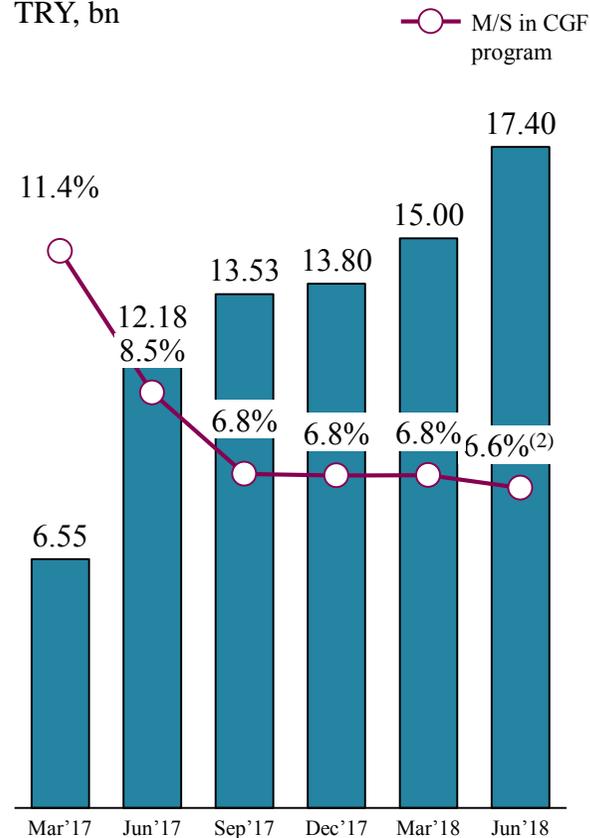
(1) 10% depreciation of TRY reduces the CAR by 28bps on account of the mitigating contribution of USD denominated subloan
 (2) 100bps increase in both LC and FX interest rates decreases the CAR by 19bps

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

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

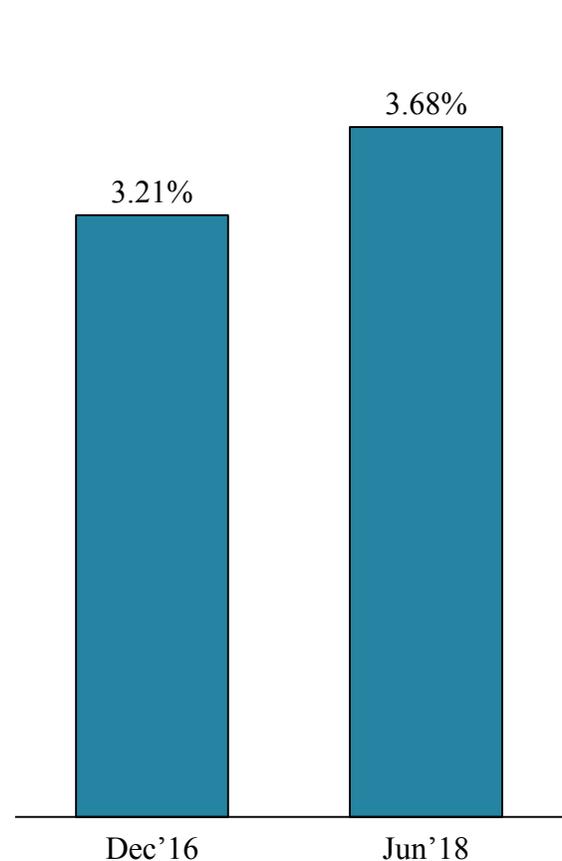
Volume of CGF guaranteed loans

TRY, bn



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

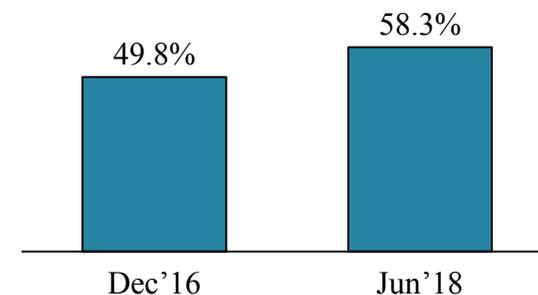
Business loan market share



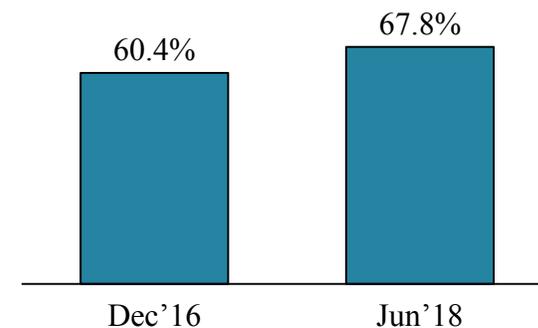
... and portfolio collateralization

Collateralization ratio⁽³⁾

Small enterprises



Medium enterprises



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 at 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 at 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 at 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 at various QNB subsidiaries in Qatar, Egypt and Jordan |
| Noor Mohd J. A. Al-Naimi | Member of the BoD | <ul style="list-style-type: none"> • QNB Group General Manager Group Treasury • Assistant General Manager • Executive Manager |
| Fatma A Al-Suwaidi | Member of the BoD | <ul style="list-style-type: none"> • QNB – AGM of Group Credits • Holds board membership at 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 • Board Member at Bahçeşehir University Graduate School of Business |
| Dr. Osman Reha Yolalan | Member of the BoD | <ul style="list-style-type: none"> • Current Vice President of Corporate Affairs at Tekfen Holding • Former CEO of Yapı Kredi • Part-time professor at various universities |
| Durmuş Ali Kuzu | Member of the BoD | <ul style="list-style-type: none"> • Former Vice President of BRSA • Experience at 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 at Unilever, Citibank, McKinsey & Co. |

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