



# **Investor Presentation with FY2023 Financials**

# Executive summary

## **Türkiye's long-term growth outlook remains strong**

- Despite the devastating earthquake in February, GDP growth remained strong throughout 2023 with the support of the accommodative financial conditions in the first half of the year. As financial conditions continue to tighten, we project the full-year GDP growth to slow down to 3.5% in 2024, after closing 2023 at 4.5%.
- Consumer inflation rose significantly in the second half of 2023, and reached 64.8% at the year-end as a result of currency depreciation, minimum wage hike, tax increases and strong domestic demand. We expect headline inflation to rise further and peak near 70% by mid-2024, before falling towards 45% by end-2024.
- Under the new economic management established after the elections in May 2023, the CBRT increased the policy rate from 8.5% to 42.5% as of 2023 year-end and 45.0% in January 2024. The CBRT communicated that the tightening cycle would be completed as soon as possible, and the tightness would be maintained as long as needed.
- Aside from temporary fluctuations, the Turkish economy maintains its favorable position among emerging markets due to its long-term growth potential stemming from its large size along with its highly attractive demographic profile.

## **One of the Top Performing Banks in the Market**

- QNB Finansbank is one of the strongest players in this market ranked 5<sup>th</sup> across most categories amongst privately owned banks.
- QNB Finansbank 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.
- QNB Finansbank has shown strong financial performance beyond its scale even in the most volatile market conditions, driven by differentiation, adaptability and bringing the right people together.

## **Strong Shareholder Supports QNB Finansbank for Future Growth**

- QNB stands out as having one of the highest ratings among all banks with a presence in Türkiye.
- QNB is the largest bank in the Middle East and Africa by all critical measures.
- QNB's presence across a wide geography overlaps well with Türkiye'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
- Following the QNB acquisition, QNB Finansbank has added a new growth chapter in its successful history, capturing Corporate and Commercial Banking market share, while sustaining its success in Retail and SME Banking

# Contents

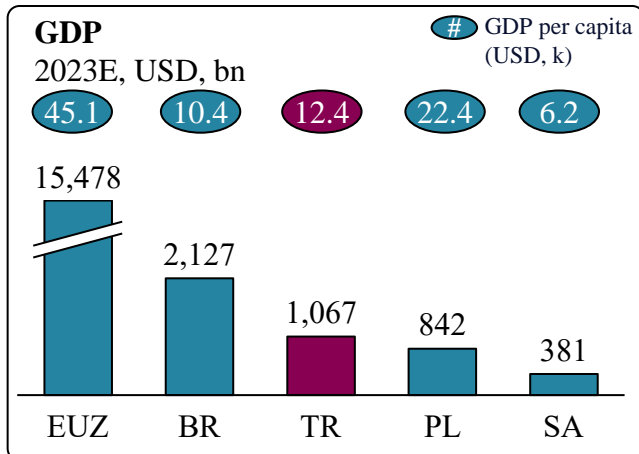
- |   |   |
|---|---|
| 1 | Macro-economic Overview                                   |
| 2 | QNB Finansbank and QNB Group at a Glance                  |
| 3 | Loan-based Balance Sheet Delivering High Quality Earnings |
| 4 | Solid Financial Performance                               |
| 5 | Appendix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

# Macro-economic Overview

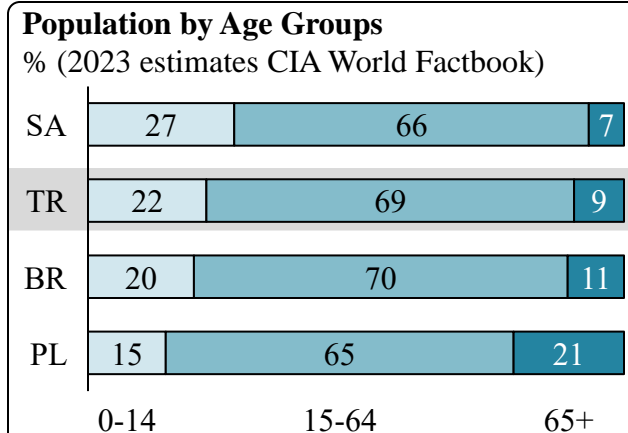
# Long-term growth potential remains intact

EUZ: Eurozone PL: Poland  
SA: South Africa TR: Türkiye  
BR: Brazil

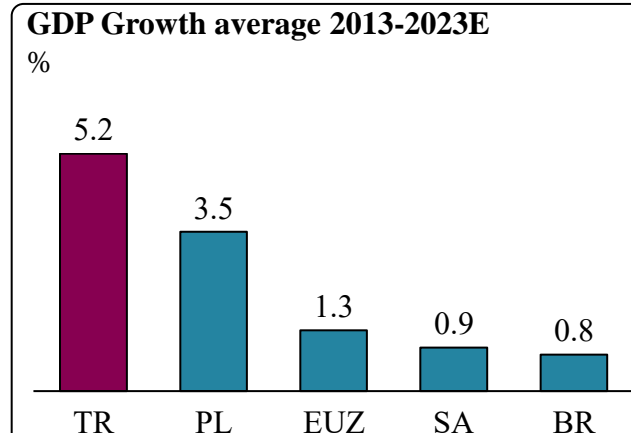
## Large economy with moderate GDP per capita...



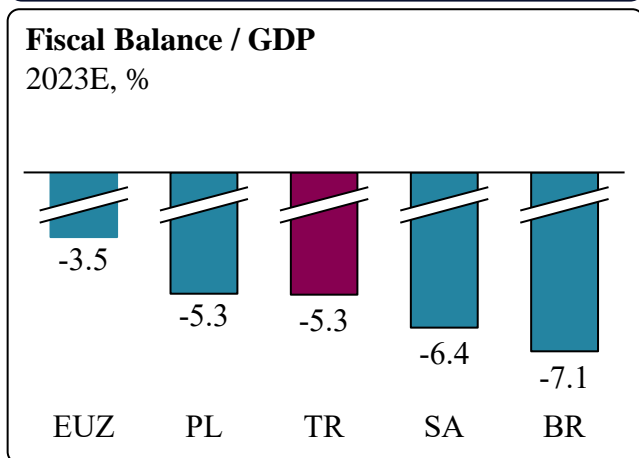
## ...and highly attractive demographic profile



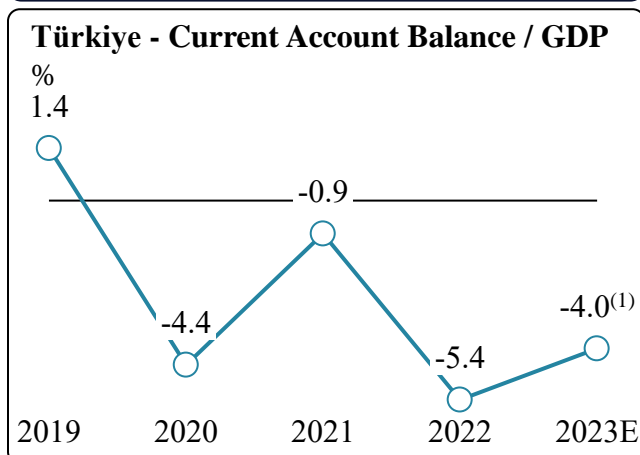
## ... generating high real GDP growth



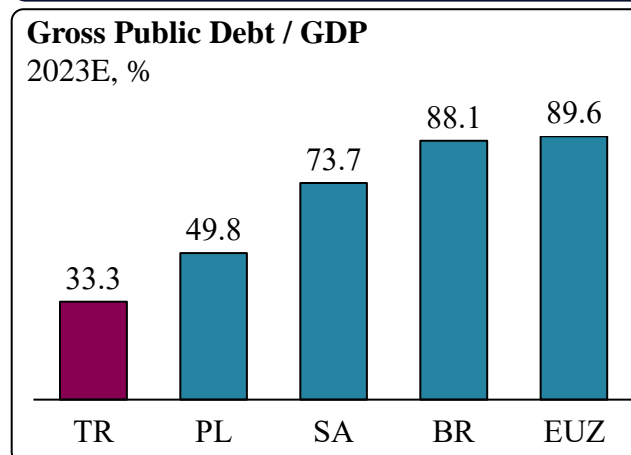
## Temporarily rising fiscal deficit and



## ..temporarily high current account deficit...



## ... with relatively low public debt

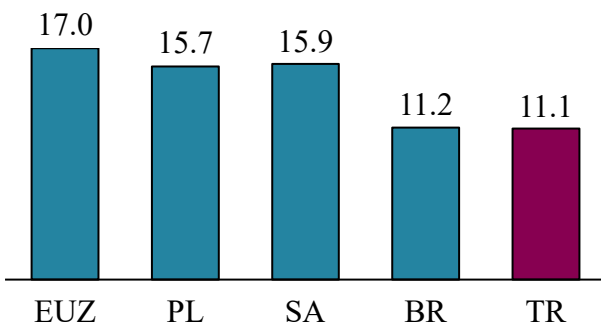


# Sound banking system with inherent growth potential

EUZ: Eurozone PL: Poland  
SA: South Africa TR: Türkiye  
BR: Brazil

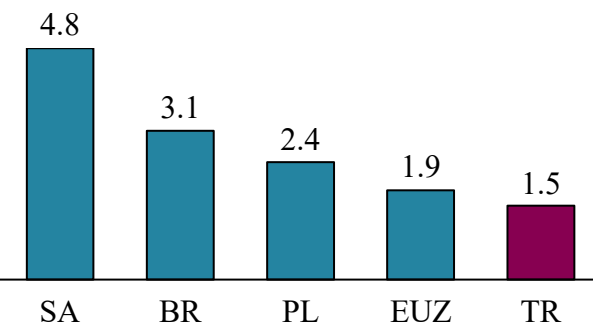
## Relatively low leverage ratio...

**Leverage ratio<sup>(1)</sup>**  
Q3'23



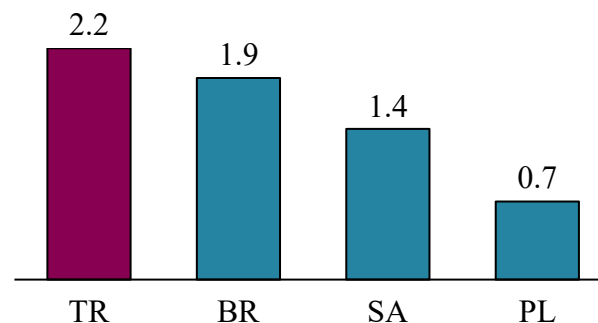
## ...and contained NPL levels...

**NPL ratio<sup>(2)</sup>**  
Q3'23, %



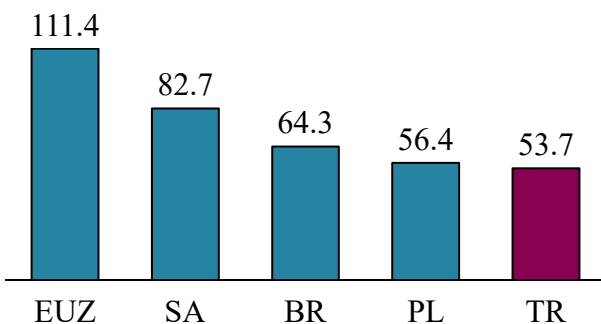
## ... with strong profitability characteristics

**Banking Sector RoA<sup>(3)</sup>**  
2013-2023 average, %



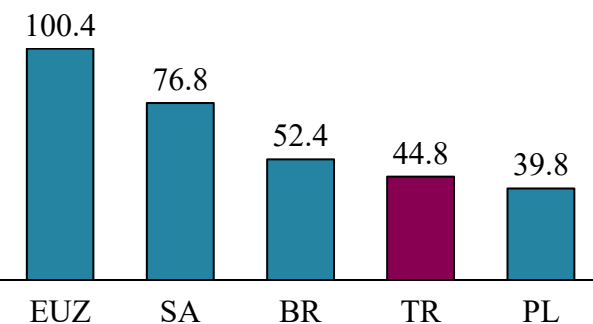
## Further growth potential in deposits...

**Deposits / GDP**  
Q3'23, %



## ... with potential to boost lending activity across the board,

**Loans / GDP**  
Q3'23, %



## ... but particularly in Retail, given its untapped potential.

**Household debt / GDP**  
Q3'23, %



<sup>(1)</sup> Latest data Q2'23 for PL; Q3'22 for SA

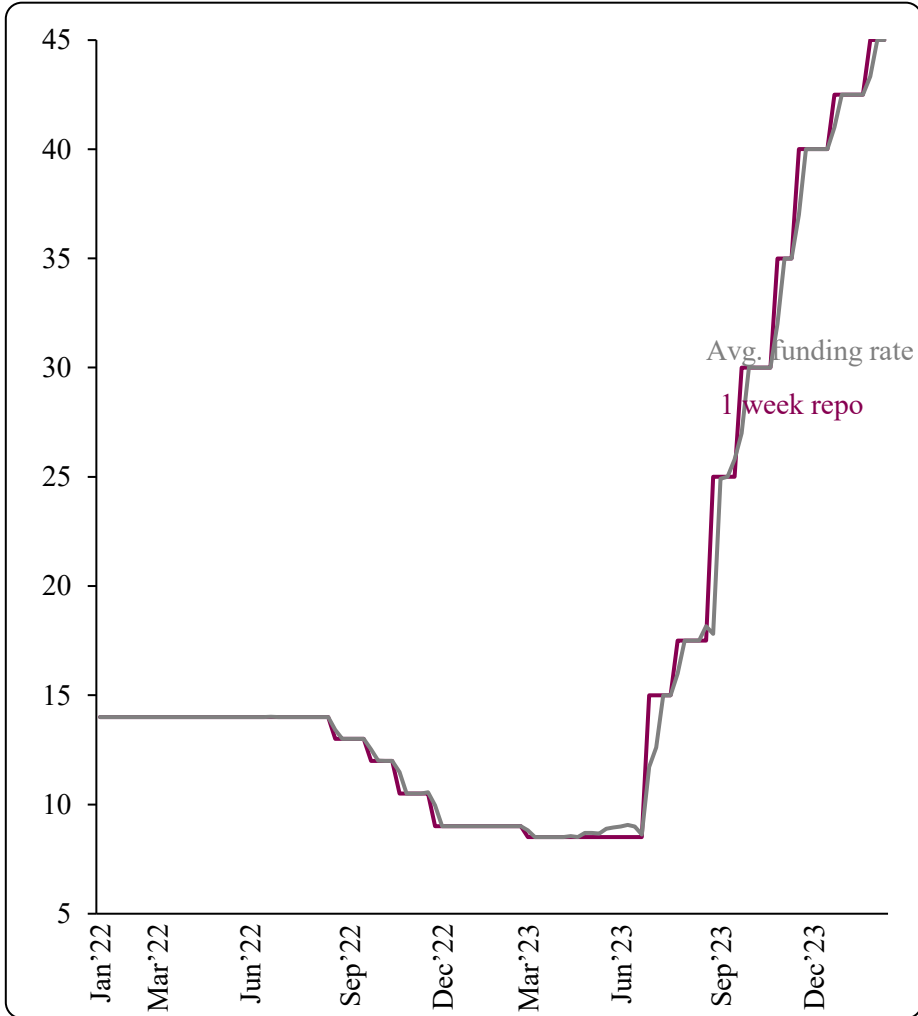
<sup>(2)</sup> Latest data Q2'23 for PL and EUZ; Q3'22 for SA; EUZ figure represents significant institutions as designated by ECB

<sup>(3)</sup> Latest data Q2'23 for PL; Q3'22 for SA

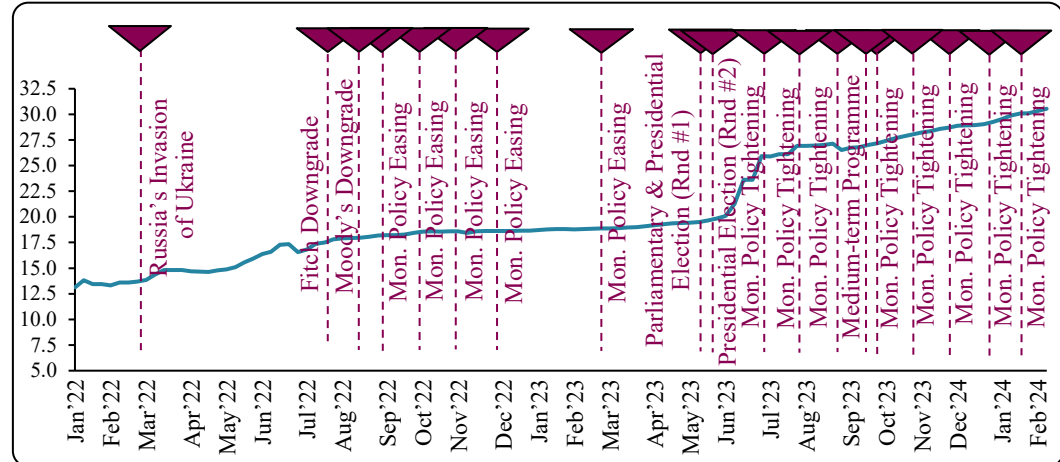
Source: Refinitiv- Data Stream, IMF, ECB, BRSA, Turkstat

# Decisive tightening in monetary policy

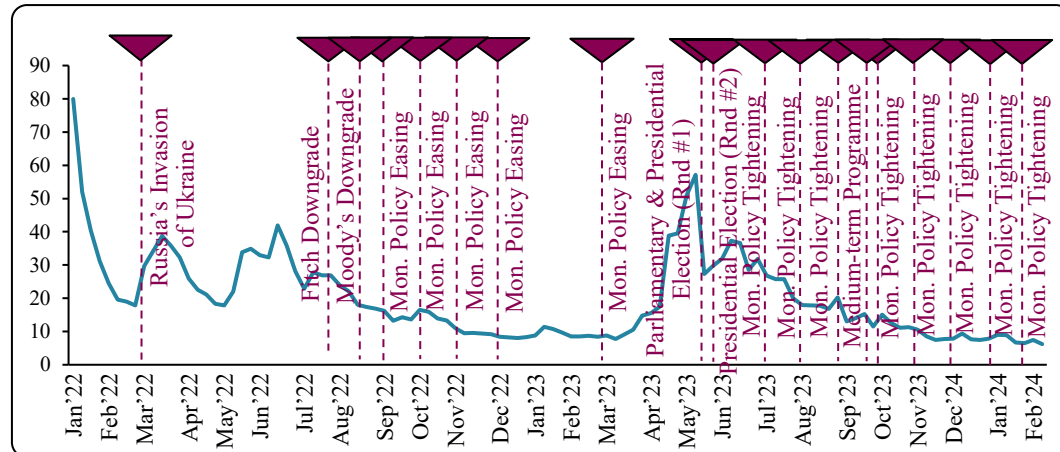
CBRT has tightened monetary policy since June 2023



After the rapid rise in June-July 2023, USD/TL has displayed a gradual upward trend



Options implied volatility has retreated with shift to orthodox policies





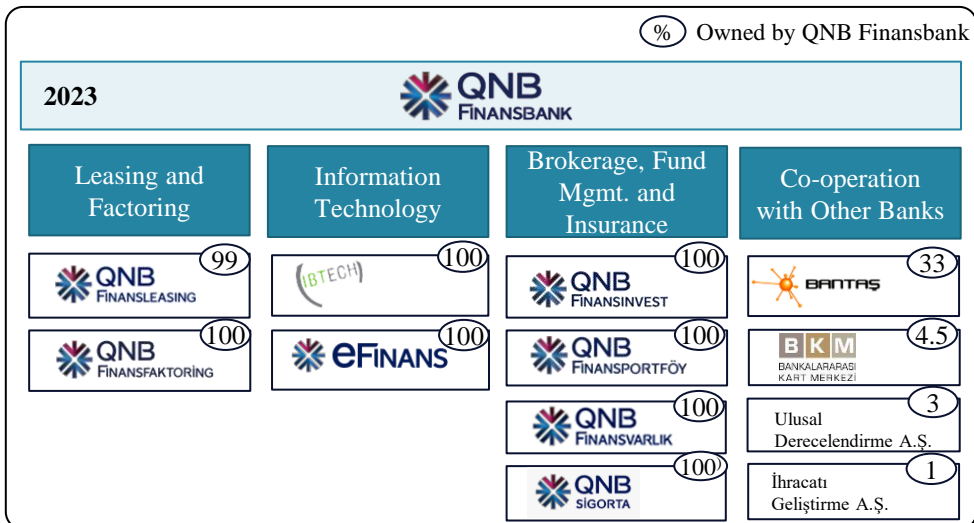
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# **QNB Finansbank and QNB Group at a Glance**



# QNB Finansbank: 5<sup>th</sup> Largest Privately Owned Universal Bank<sup>(1)</sup>

## QNB Finansbank group structure









## Financial highlights

QNB Finansbank BRSA bank only financials	2023
TL, bn	Eop
Total assets	987.8
Net loans	571.0
Customer deposits	606.5
Shareholder's equity	81.6
Branches (#)	436
Active customers (mn)	10.1
Bank only employees (#)	11,756

## QNB Finansbank market positioning

### Bank only, 9M'23 eop

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

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


<sup>(1)</sup> In terms of total assets, net loans, retail loans and customer deposits

<sup>(3)</sup> Including overdraft and credit cards

Source: BRSA bank only data; BAT

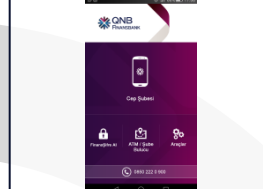
# QNB Finansbank covers Türkiye through a diverse distribution network and the market's only “pure digital bank”

### Internet banking



281K active internet banking customers

### Mobile banking



6.0 mn active mobile banking customers

### Direct sales




671 in-house personnel

### 436 branches




Covering 68 out of 81 cities of Türkiye

### Call center



1.1K inbound agents

### Telesales



38 outbound agents

### ATMs




3,308 ATMs around Türkiye and reaches 7,965 ATM's through new ATM sharing program

### POS



290K POS terminals

### Mobile banking



4.1 mn active mobile banking customers


### Internet banking



187K active internet banking customers



### Call center



524 inbound agents

### Field service



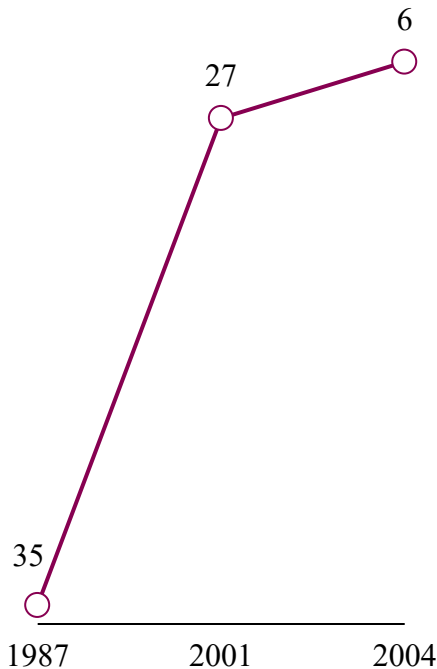
248 field service personnel

# One of Türkiye's top performers on the back of its flexible business model

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

## Total Assets

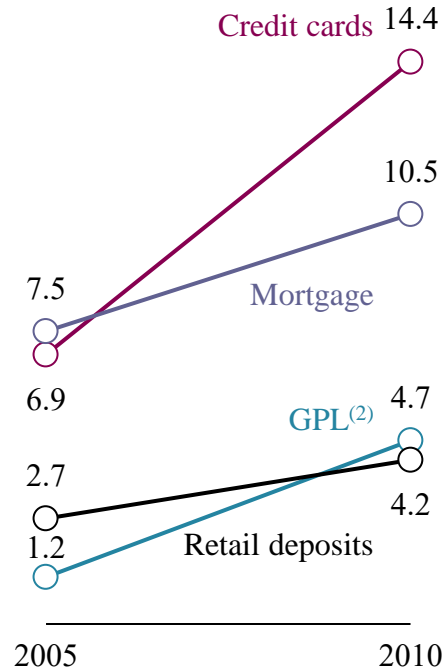
Ranking in Private Banks<sup>(1)</sup>



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

## Market share

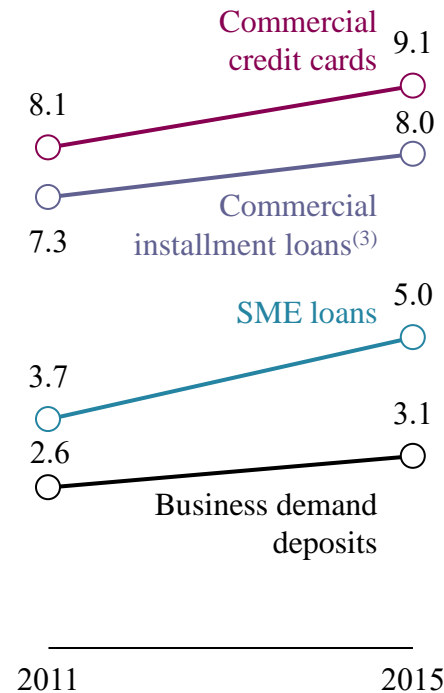
%



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

## Market share

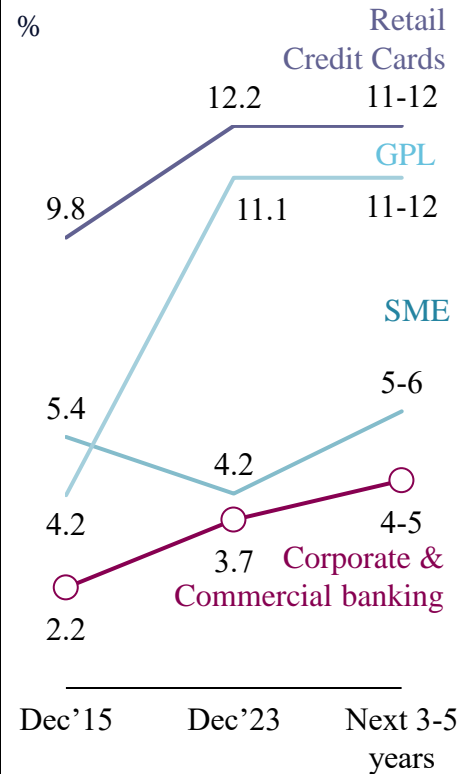
%



**2016 beyond:** Sustained success in Retail and SME, while beating the market in Corporate & Commercial Banking

## Market share

%



<sup>(1)</sup> Among private banks operating in given year

<sup>(2)</sup> Including overdraft

<sup>(3)</sup> Excluding commercial auto and mortgage loans

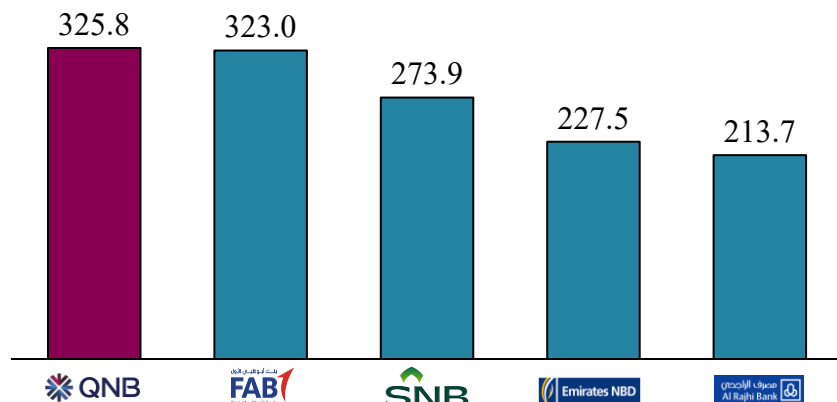
Source: BAT; BRSA

# QNB ownership has provided a strong support to one of market's leading performers

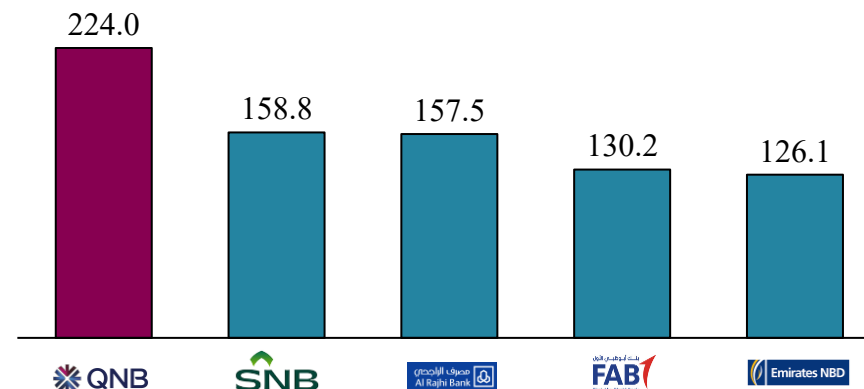
QNB Finansbank			QNB (Q.P.S.C.)																						
Shareholder Structure	<div><div>%</div><div><div><div></div></div><div><div>Qatar National Bank (Q.P.S.C.) 99.88</div><div>Other 0.12</div></div></div></div>		<div><div>%</div><div><div><div></div></div><div><div>Qatar Investment Authority 50.0</div><div>Private Sector 50.0</div></div></div></div>																						
Ratings	<table><thead><tr><th></th><th>Moody's</th><th>Fitch</th></tr></thead><tbody><tr><td>Foreign Currency Long-term Debt</td><td>B2</td><td>B-</td></tr><tr><td>Foreign Currency Short-term Debt</td><td>NP</td><td>B</td></tr></tbody></table>			Moody's	Fitch	Foreign Currency Long-term Debt	B2	B-	Foreign Currency Short-term Debt	NP	B	<table><thead><tr><th></th><th>Moody's</th><th>Fitch</th><th>S&amp;P</th></tr></thead><tbody><tr><td>Foreign Currency Long-term</td><td>Aa3</td><td>A</td><td>A+</td></tr><tr><td>Foreign Currency Short-term</td><td>P-1</td><td>F1</td><td>A-1</td></tr></tbody></table>			Moody's	Fitch	S&P	Foreign Currency Long-term	Aa3	A	A+	Foreign Currency Short-term	P-1	F1	A-1
		Moody's	Fitch																						
Foreign Currency Long-term Debt	B2	B-																							
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	Moody's	Fitch	S&P																						
Foreign Currency Long-term	Aa3	A	A+																						
Foreign Currency Short-term	P-1	F1	A-1																						
Corporate Information	<ul style="list-style-type: none"><li>Focused on traditional banking activities, complemented by ancillary services (investment banking, brokerage, leasing, factoring, asset management)</li><li>Important partnerships in insurance with leading international institutions (Sompo Japan for basic insurance)</li></ul>		<ul style="list-style-type: none"><li>Largest bank in Qatar by market cap, assets, loans, deposits and profit</li><li>Largest bank in MEA by total assets, loans and deposits</li><li>Operating in more than 28 countries around the world across 3 continents</li><li>Serving with approximately 30K staff, at more than 900 locations and 4.8K ATMs</li></ul>																						

# QNB retains its position as the leading financial institution in the MEA across all balance sheet categories...

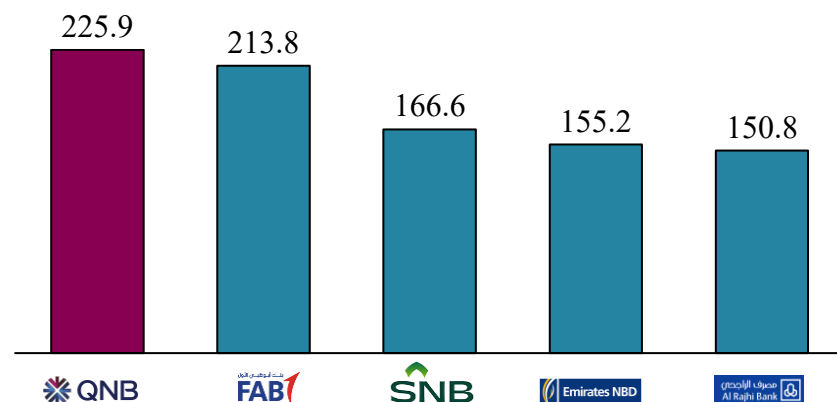
**Total Assets**  
USD bn, Sep'23



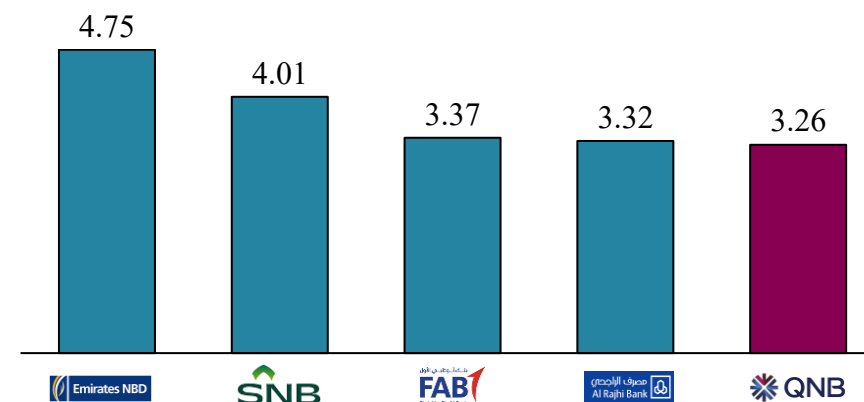
**Loans**  
USD bn, Sep'23



**Deposits**  
USD bn, Sep'23



**Net Profit**  
USD bn, Sep'23

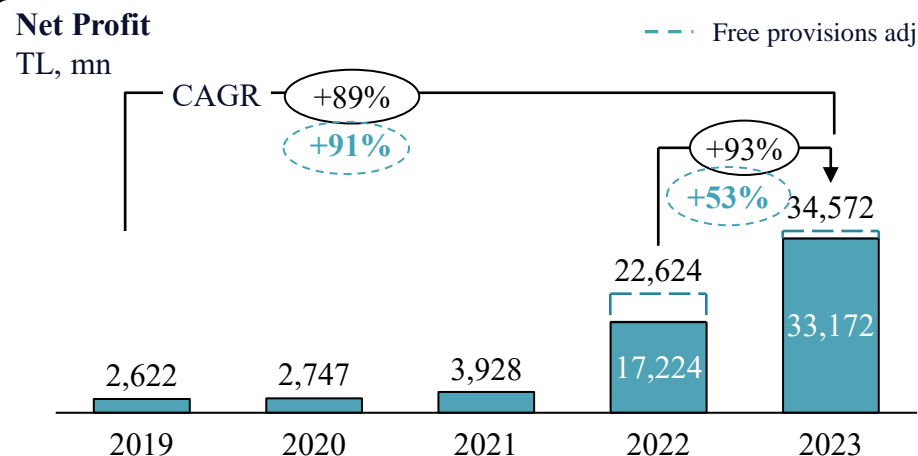


# Financial Performance

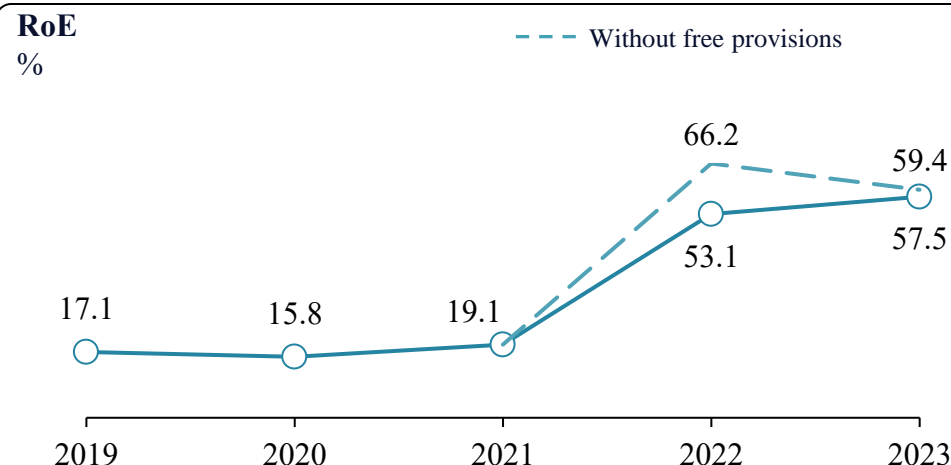
A decorative graphic on the right side of the slide, consisting of a large, stylized arrow pointing to the right. The arrow is composed of two overlapping shapes: a dark blue outer layer and a lighter blue inner layer. The arrow's tail is at the bottom left, and it tapers to a point at the top right.

# Robust operating performance reflected onto outstanding ROE of 57.5%, as resilient asset quality metrics and capital buffers maintained

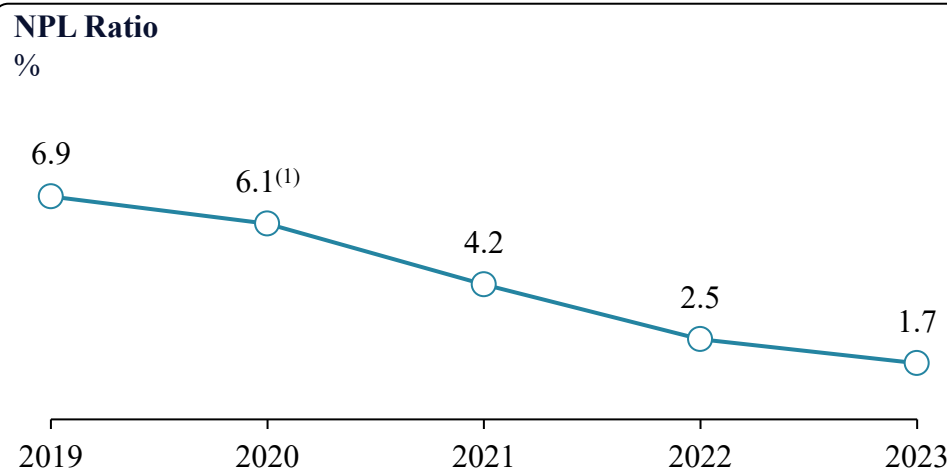
2023 net profit was up by 93% YoY thanks to resilient income growth



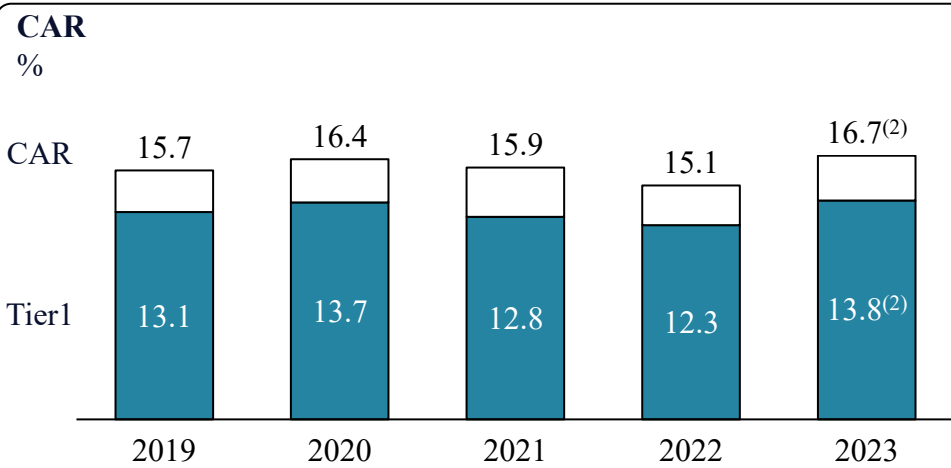
... leading to an outstanding 58% ROE in 2023



NPL ratio improved on the back of strong collections, low new NPL inflow and solid loan growth



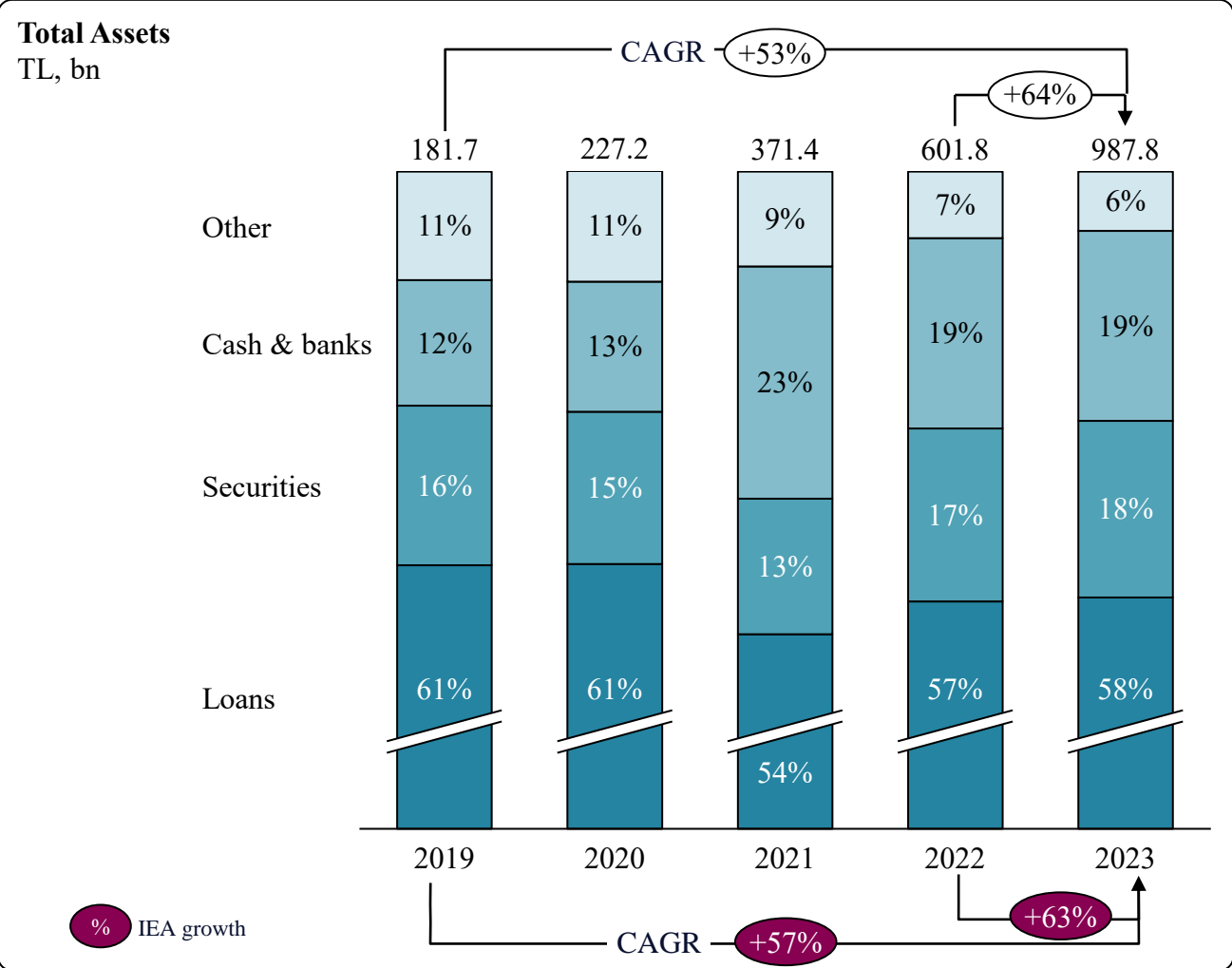
Capital adequacy upheld solid even with strong loan growth and adverse exchange rate



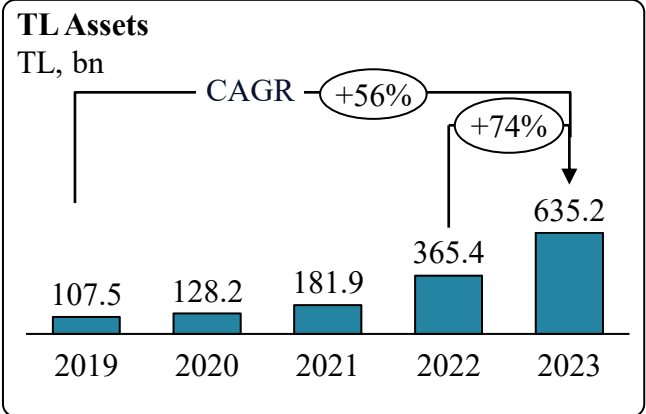


# Well-balanced asset base reached TL 988 bn with a robust 64% YoY growth

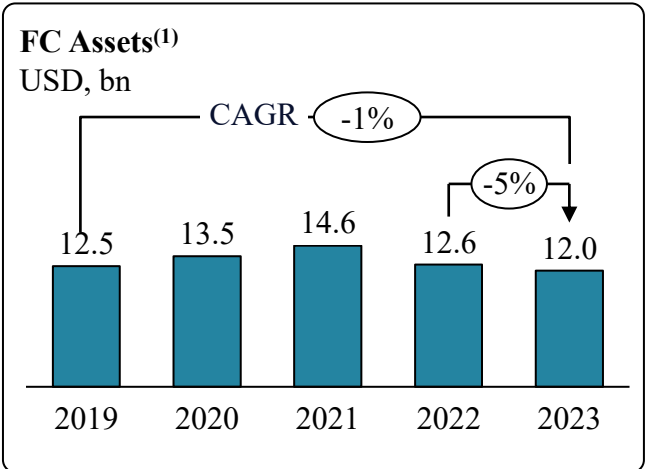
Loans & securities with 76% share in total assets have remained as the main source of income



Balance sheet growth has been primarily driven by TL assets, ...



...as the demand on FC side has continued to remain muted



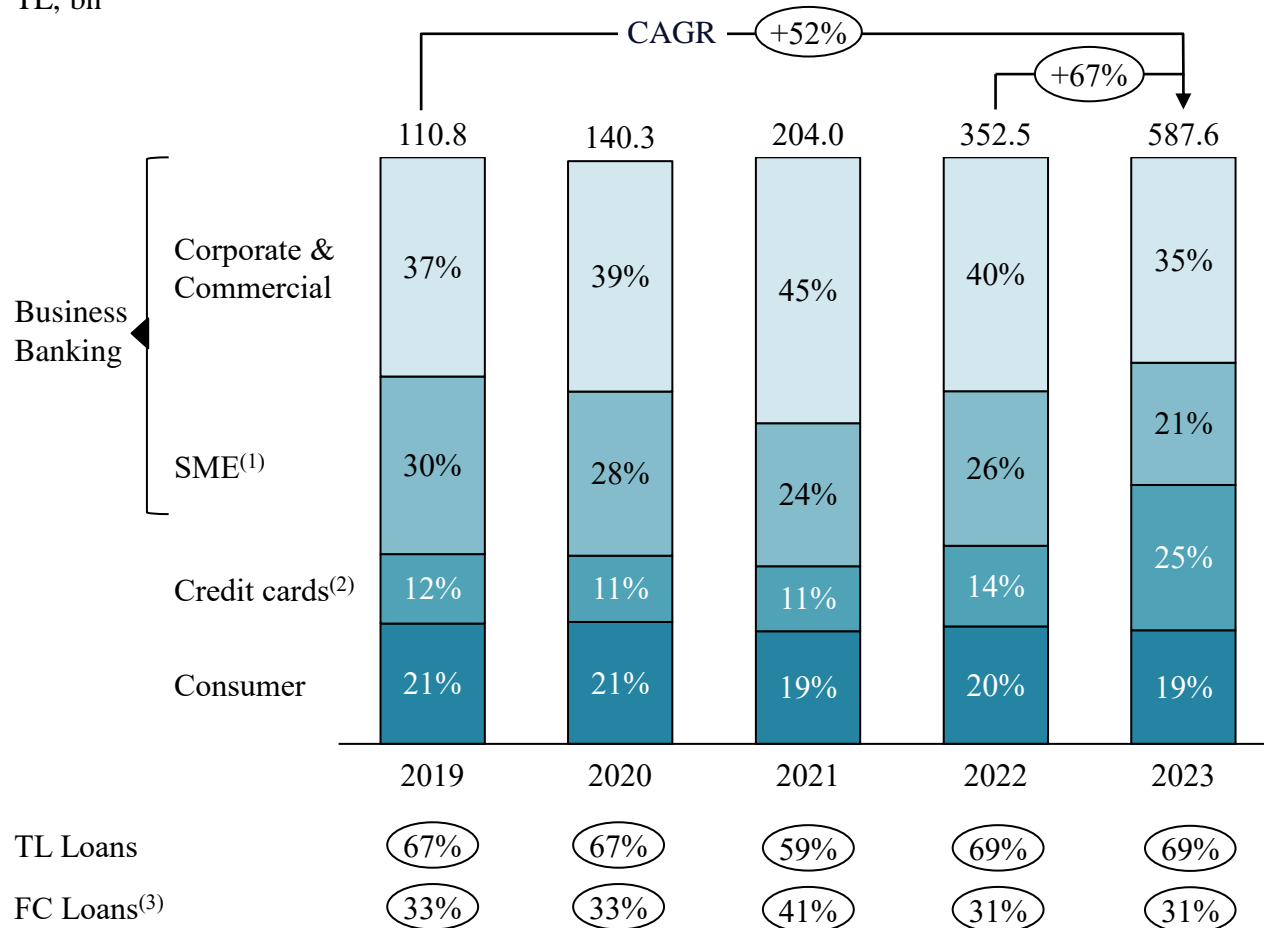
<sup>(1)</sup> FC-indexed TL loans are shown in FC assets

# Loan growth decelerates parallel to tighter monetary policy; Retail lending remained relatively stronger

Well-diversified performing loans portfolio recorded 67% YoY growth

## Performing Loans by Segment and Currency

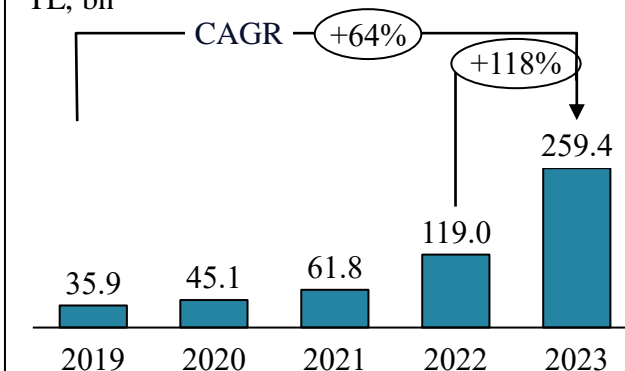
TL, bn



As retail loans were up by 118% YoY on top of an already strong base,

## Retail Loans

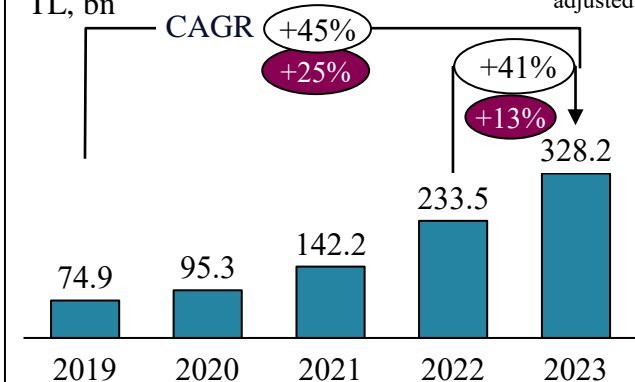
TL, bn



... business loans growth stood at 41% YoY

## Business Loans

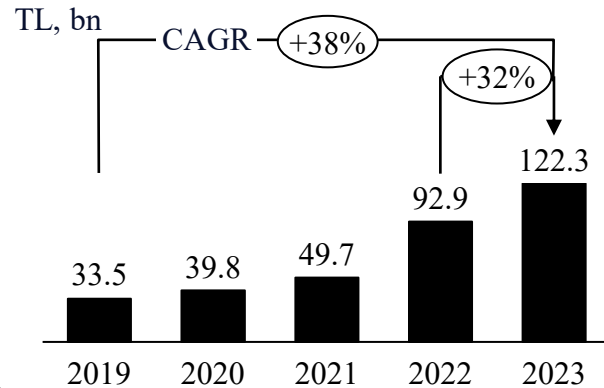
TL, bn



# Limited Business Banking growth stemmed from working capital needs, while General Purpose Loans and Credit Cards remained focus areas at Retail lending

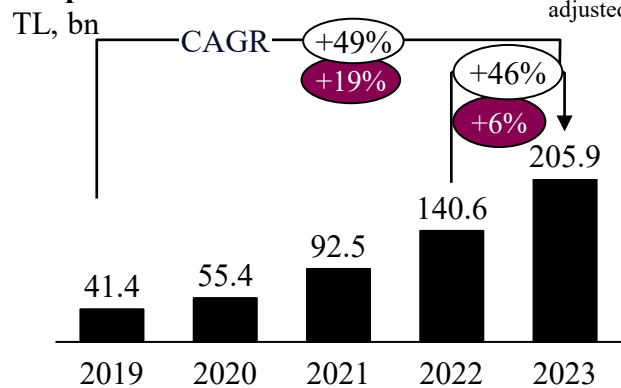
**Growth in SME and Business loans mainly driven by working capital loans,**

**SME Loans<sup>(1)</sup>**



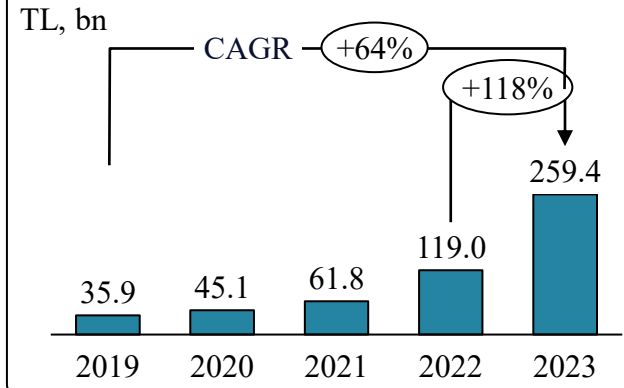
**...as growth in Corporate & Commercial benefited from currency impact on FC loans**

**Corporate & Commercial Loans** % FC rate adjusted



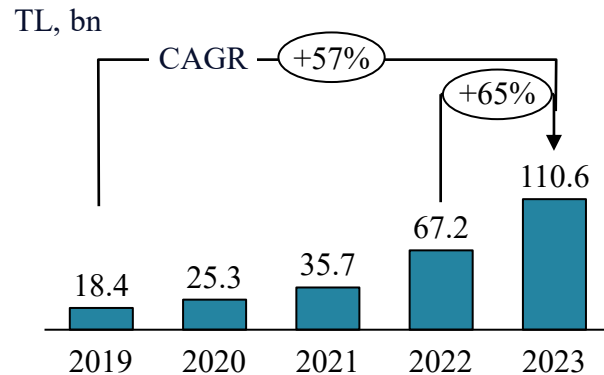
**Retail lending focussed on**

**Retail Loans**



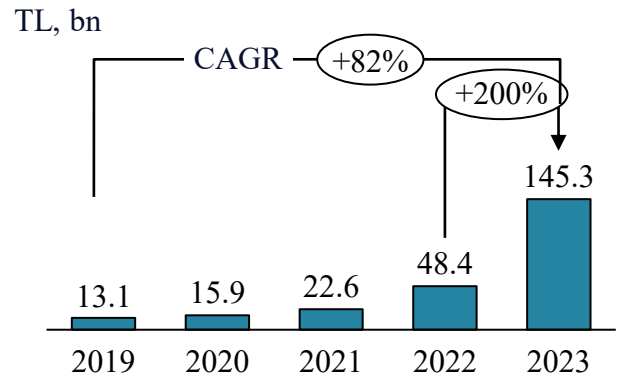
**...General Purpose Loans...**

**General Purpose Loans<sup>(2)</sup>**



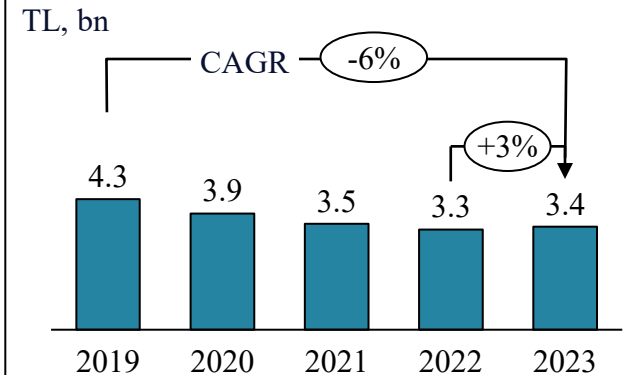
**... and Credit Cards, ...**

**Credit Card Loans<sup>(3)</sup>**



**... while redemptions in mortgage portfolio continued.**

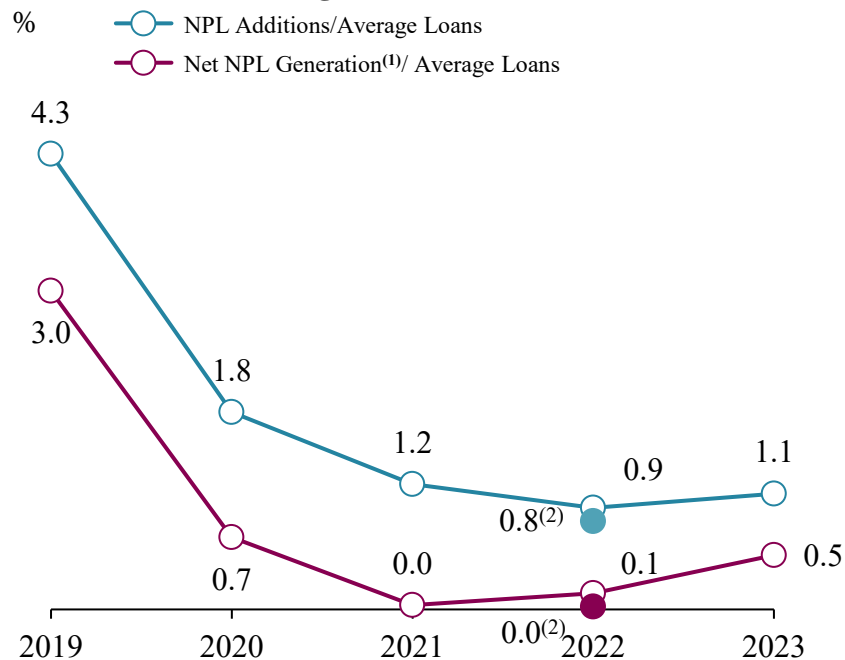
**Mortgage Loans**



# Net new NPL generation continued to remain muted throughout 2023 on the back of strong collections performance and very limited NPL inflow

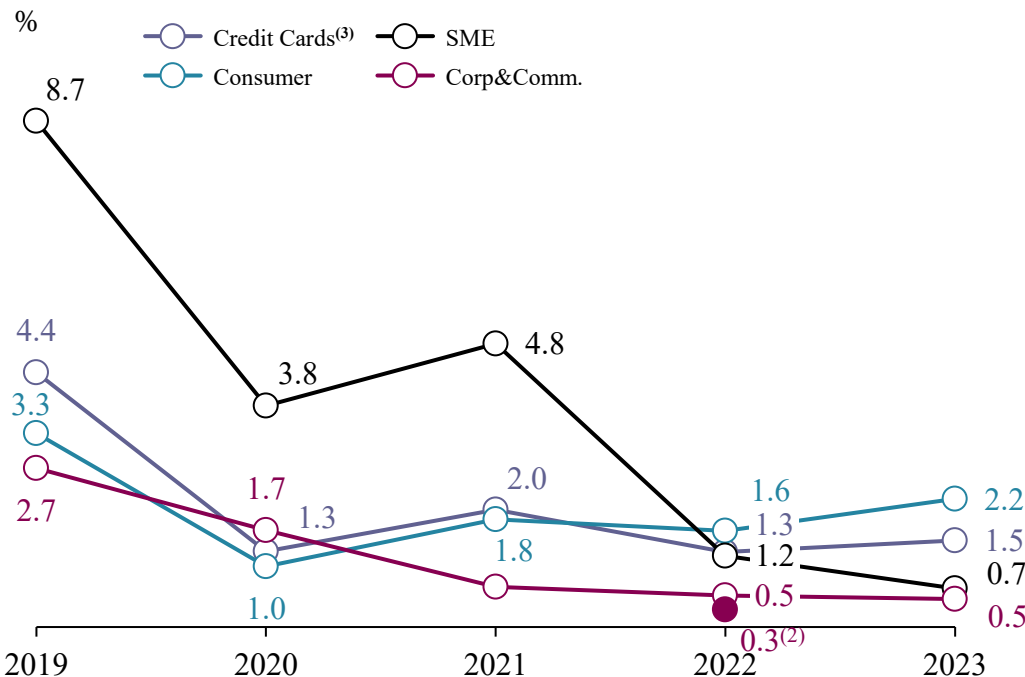
NPL additions were limited, while collection performance was robust

NPL Additions / Average Loans



Performance fared better than projected across the board in all segments

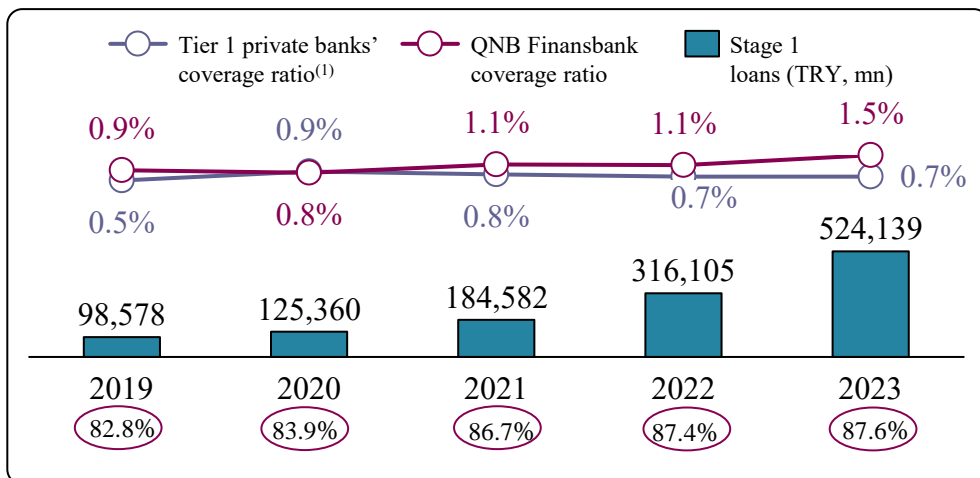
NPL Additions / Average Loans by Segment



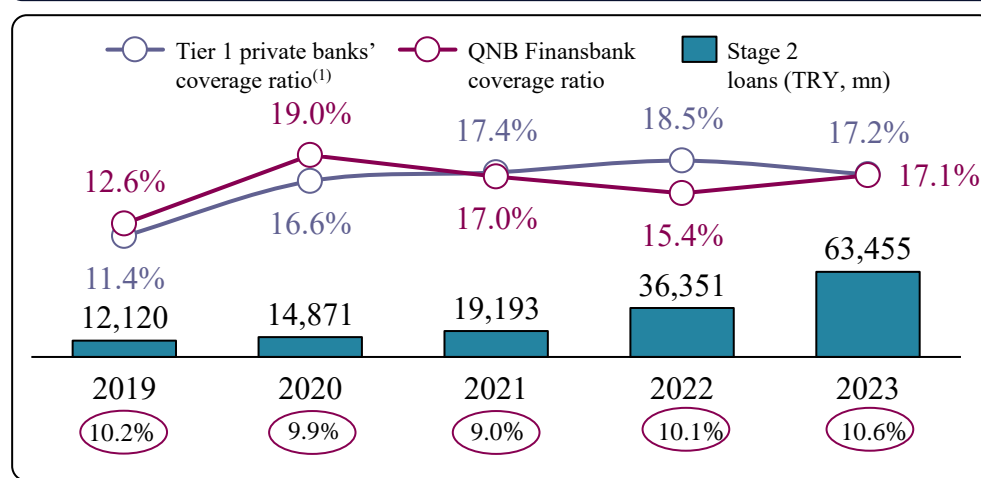
# Conservative provisioning stance and staging policies maintained

○ as a % of gross loans<sup>(2)</sup>  
for the relevant period

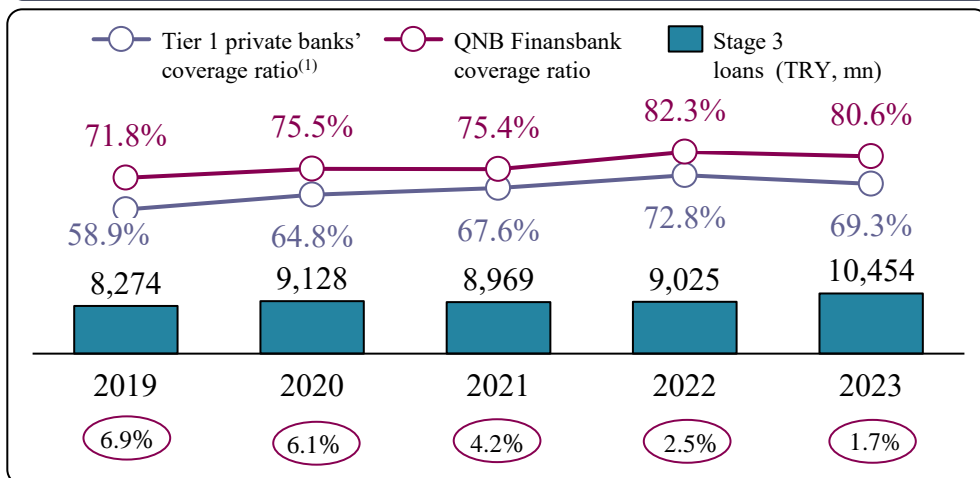
**Prudent provisioning approach from the first moment has yielded a Stage I coverage standing well above peers' average**



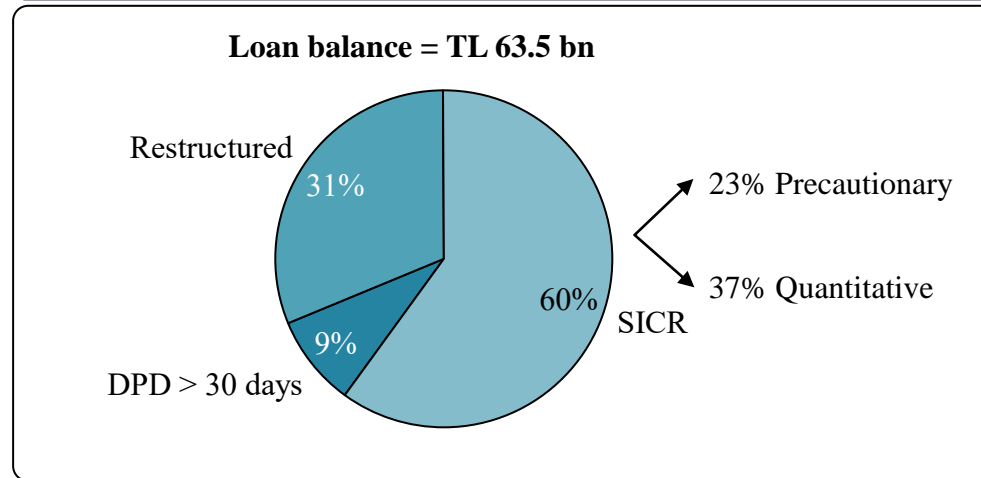
**Sound Stage II coverage has been reinforced with proactive staging stance**



**Stage III coverage maintained well above peers' average, fortifying provision buffers built across the board**



**60% of Stage II loans composed of SICRs, of which majority are non-delinquent at all**

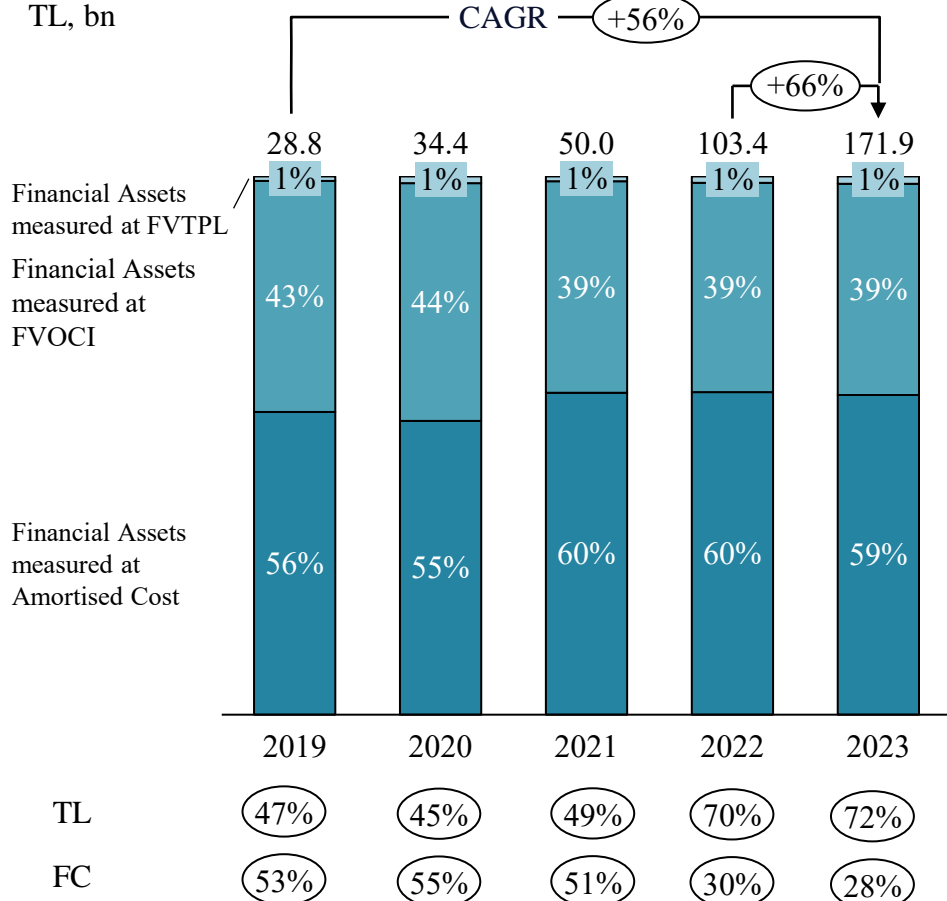


# Securities portfolio reached TL172 bn, accounting for 18% of assets base

Securities portfolio's growth was attributable to TL securities growth

## Total Securities

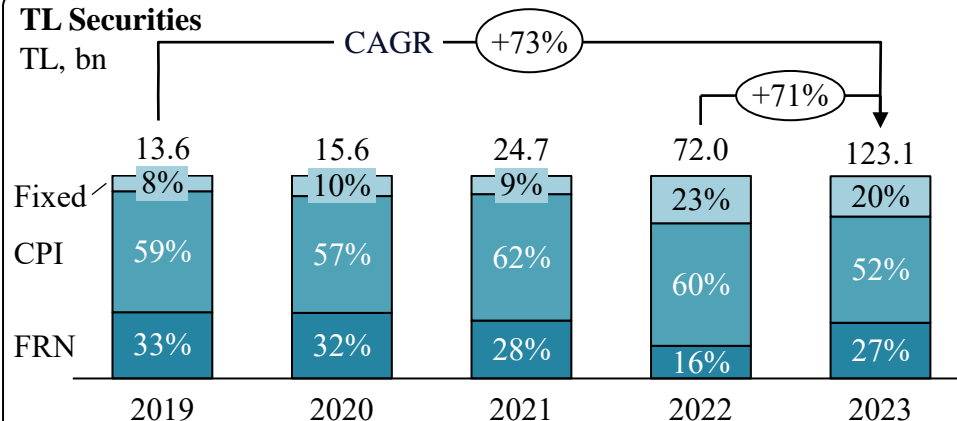
TL, bn



CPI linkers & FRNs accounted for 80% of TL securities portfolio, while fixed securities' share retreated to 20%

## TL Securities

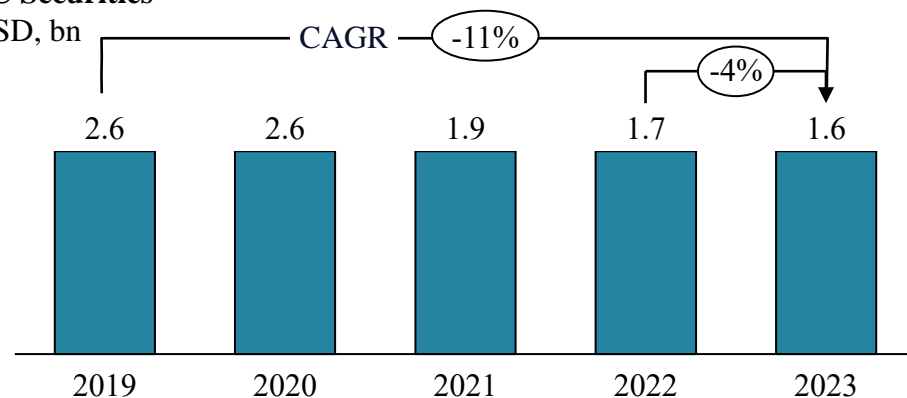
TL, bn



FC securities of US 1.6 bn accounted for 28% of securities portfolio

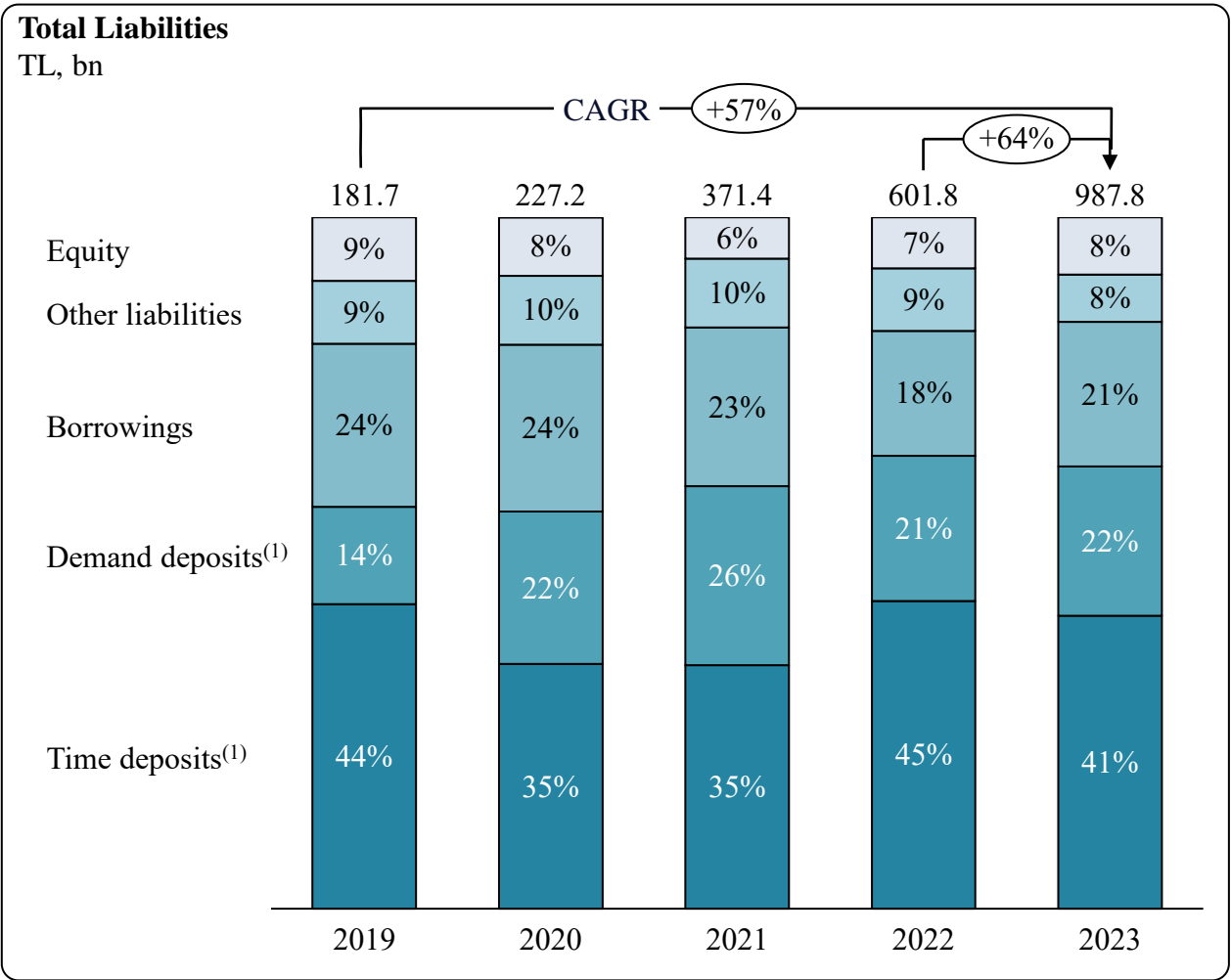
## FC Securities

USD, bn

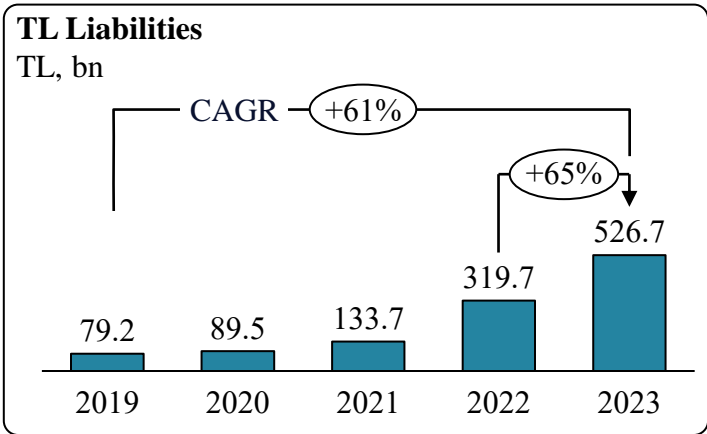


# Well-diversified & disciplined funding mix maintained with a tilt towards TL funding,

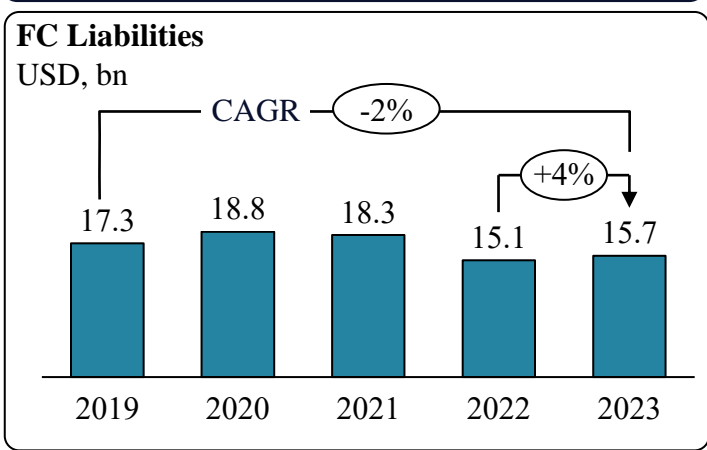
Deposits maintained as the major source of funding, accounting for 63% of asset base



Balance sheet growth funded mainly by TL with a deliberate financial deepening strategy,



while FC liabilities recorded a limited growth of 4% YoY



<sup>(1)</sup> Includes bank deposits

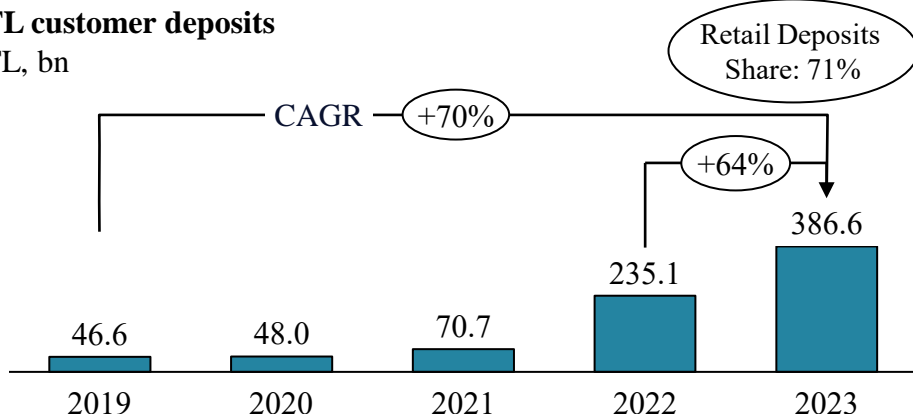


# Deposits' growth was driven by TL, as trend supported by the fx-protected deposits scheme. Demand deposits' performance stood eye-catching in a high rate environment

TL customer deposits grew by 64% YoY as sticky, low-cost Retail Deposits accounted for 71% of the base, ...

## TL customer deposits

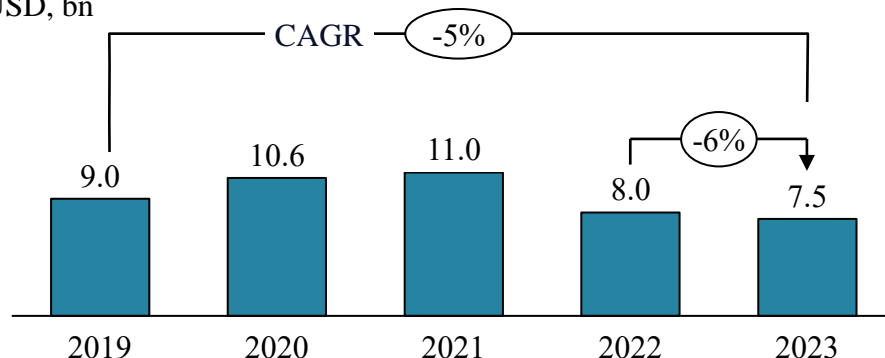
TL, bn



Conversions from FC deposits reduced reliance on swaps

## FC customer deposits<sup>(1)</sup>

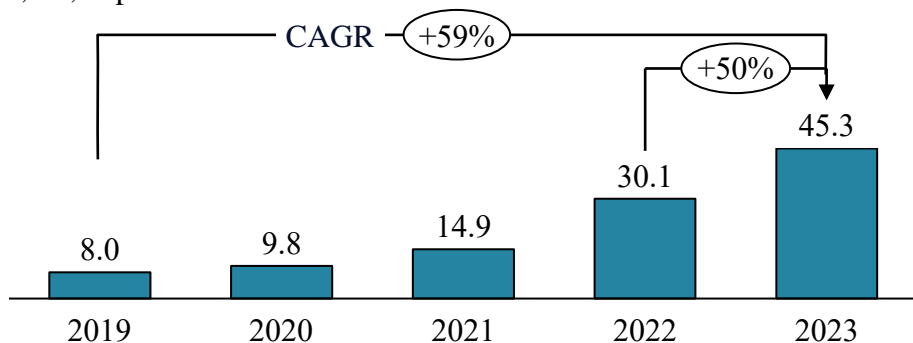
USD, bn



Sound and healthy demand deposit contribution sustained in a high rate environment

## TL customer demand deposits

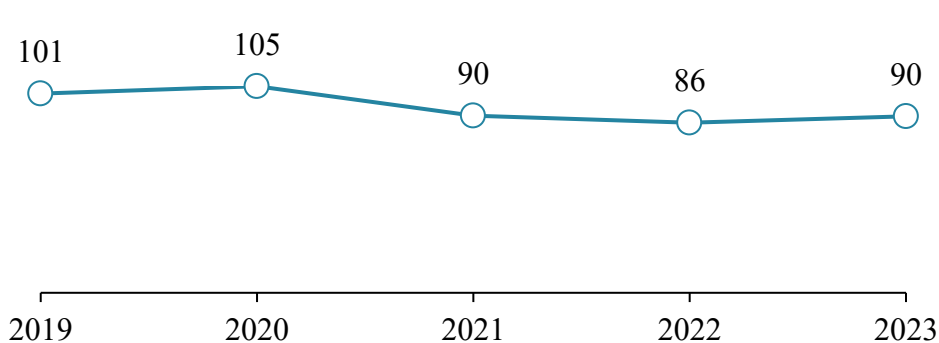
TL, bn, aop



LDR improvement sustained thanks to robust deposits' performance

## Loan-to-deposit ratio<sup>(2)</sup>

%

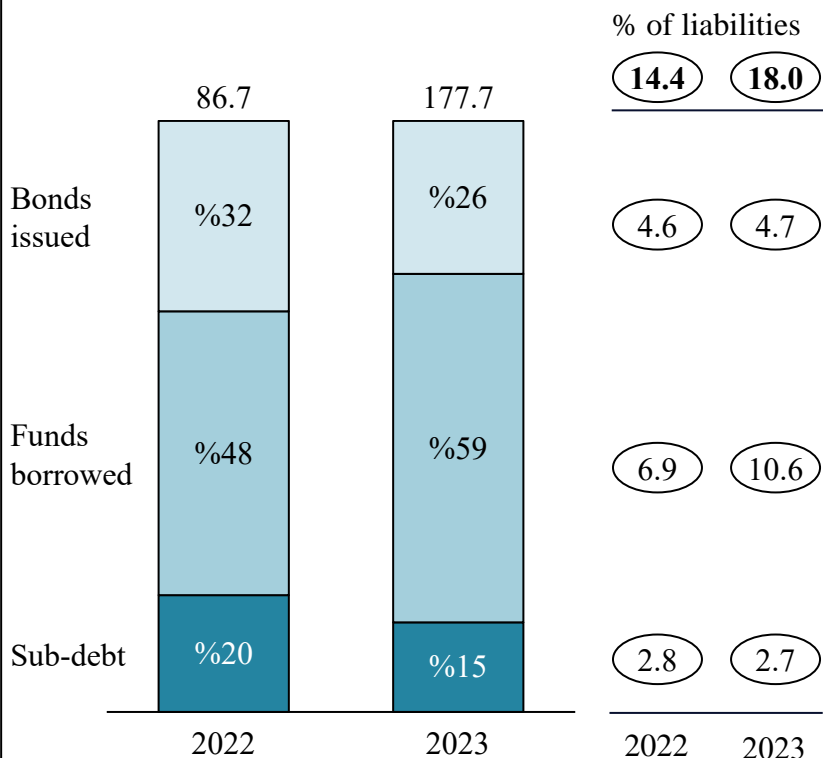


# Well-balanced wholesale borrowing mix has been actively managed with a cost-oriented approach, closely assessing loan & demand dynamics

Well diversified wholesale borrowing mix funded 18% of the assets base,

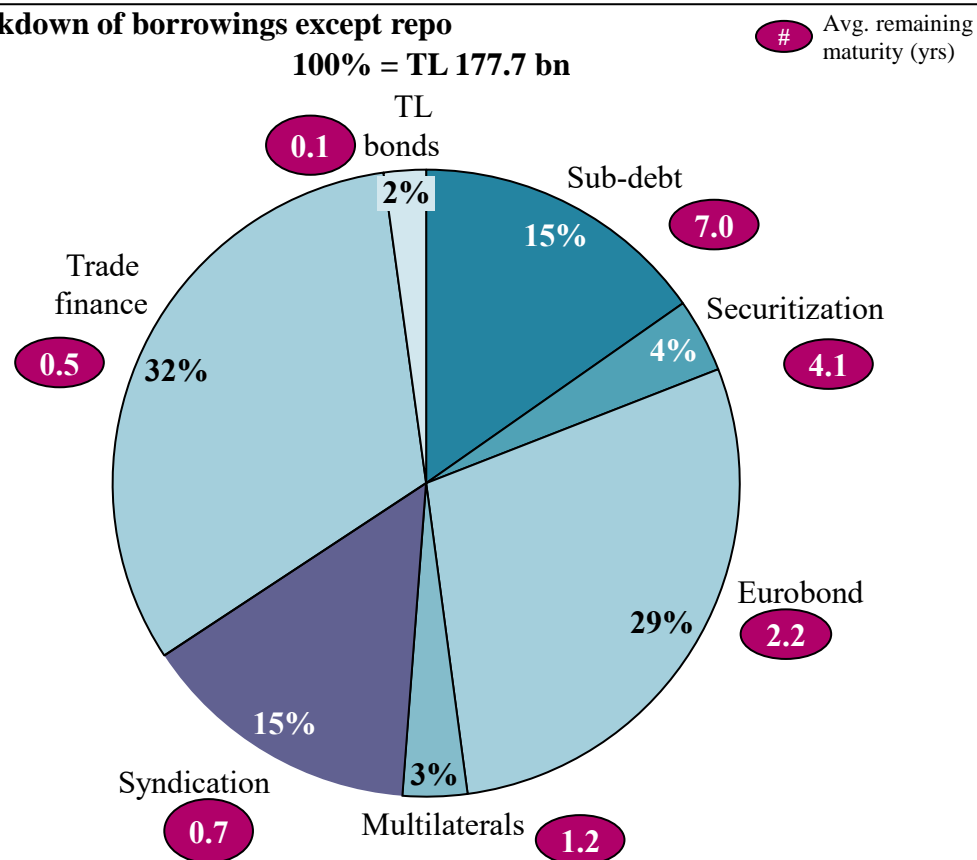
... as wholesale funding portfolio proactively managed with a cost-oriented approach, considering demand dynamics

**Borrowings<sup>(1)</sup> by Type**  
TL, bn, % of borrowings



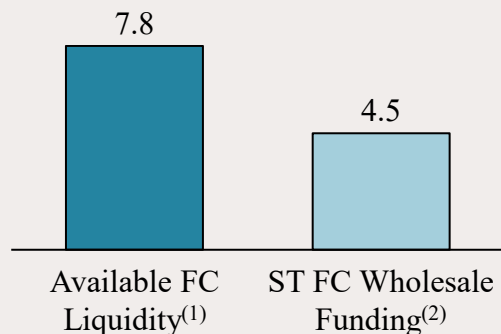
**Breakdown of borrowings except repo**

100% = TL 177.7 bn

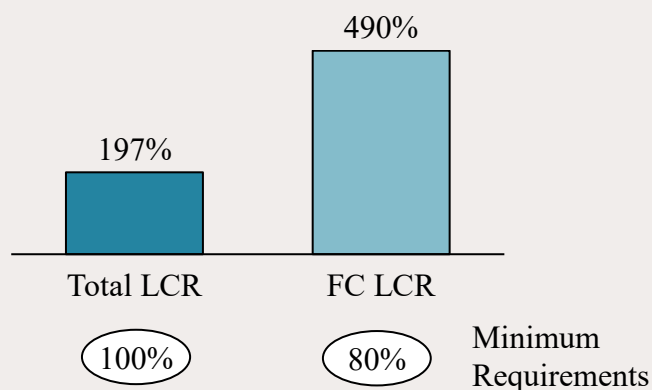


# Manageable external borrowings led to ample FC liquidity vis-a-vis short-term dues

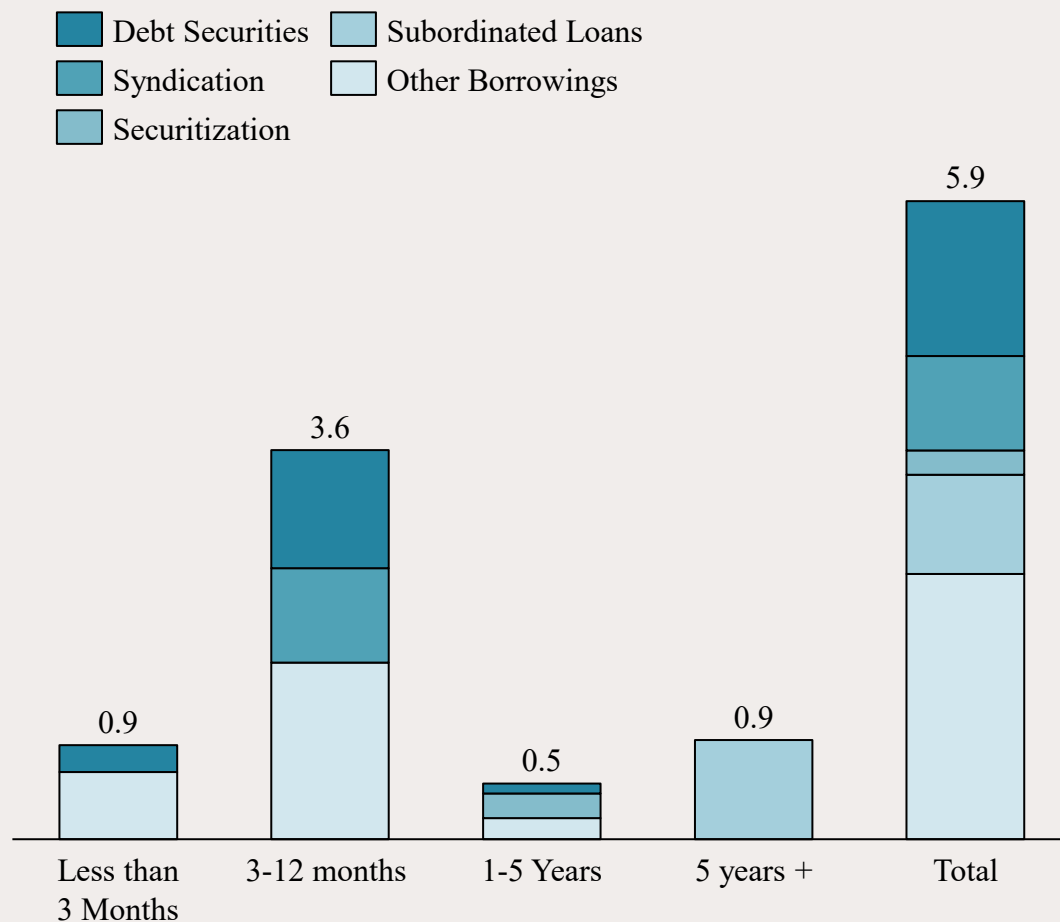
Available FC Liquidity vs Short-term Dues (USD bn)



Liquidity Coverage Ratios (% eop)



Maturity Profiles of FC Wholesale Funding (USD bn)



# A structured approach to market and liquidity risk management

## Focused ALM leads to low interest rate sensitivity

- TL interest rate sensitivity is actively managed with a maturity mismatch at its all-time low
- Hedge swap book stands at TL 2.4 bn as of 2023 year-end
- Net change in Economic Value / Equity is constantly monitored under several scenarios
- Regulatory IRRBB ratio is at 3.1% as opposed to 20% limit; indicating a conservative interest rate position on the banking book (as of 2023 year-end)

## Prudent management of liquidity risk

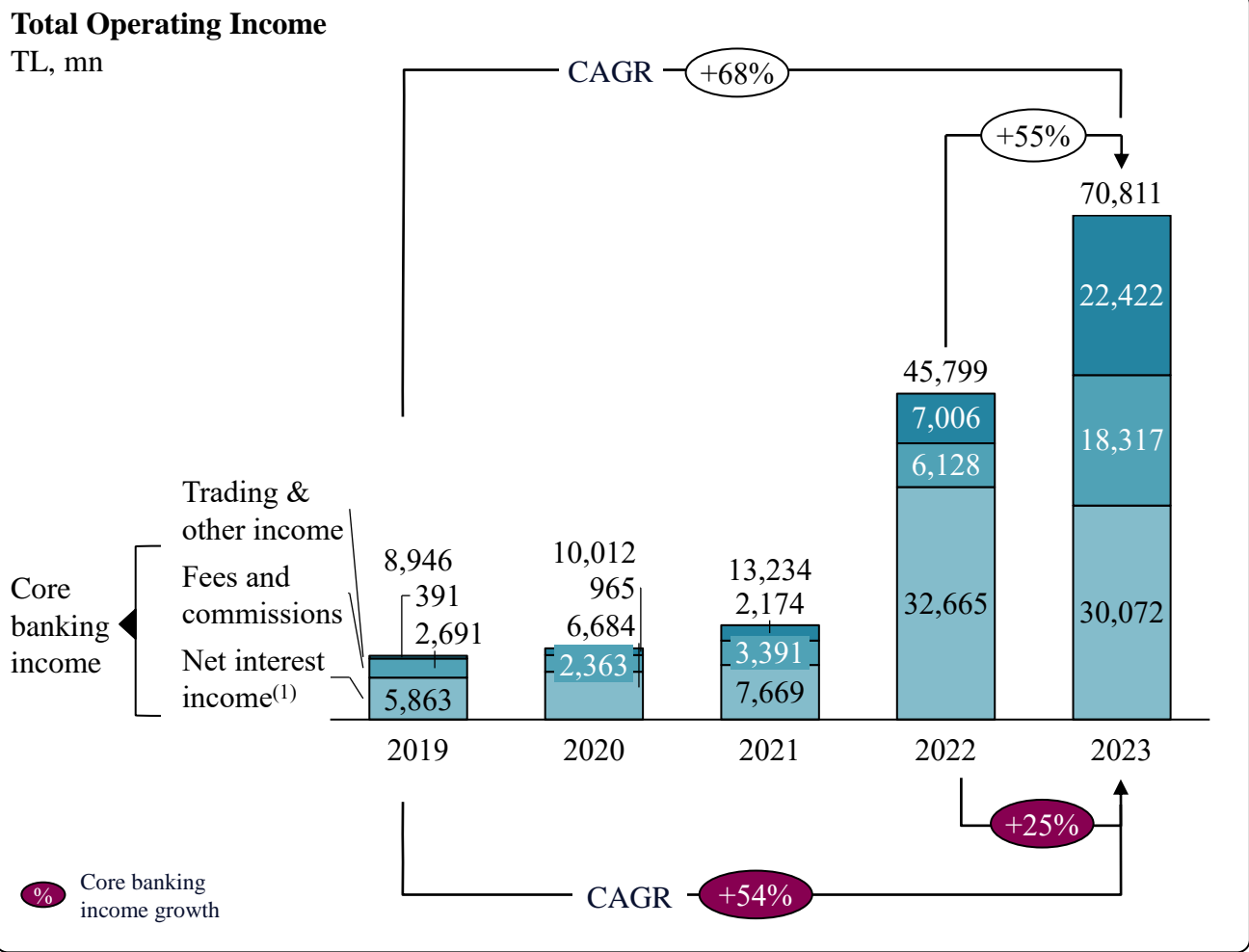
- Strong framework is in place to ensure sufficient short-term and long-term liquidity
- Total Regulatory Liquidity Coverage ratio is 197% as opposed to 100% limit, whereas FC Regulatory Liquidity coverage ratio is 490% as opposed to 80% limit. (as of 2023 year-end)
- Continuous monitoring and reporting are in place to support effective management in addition to contingency plans for extreme situations

## Low risk appetite for trading risks

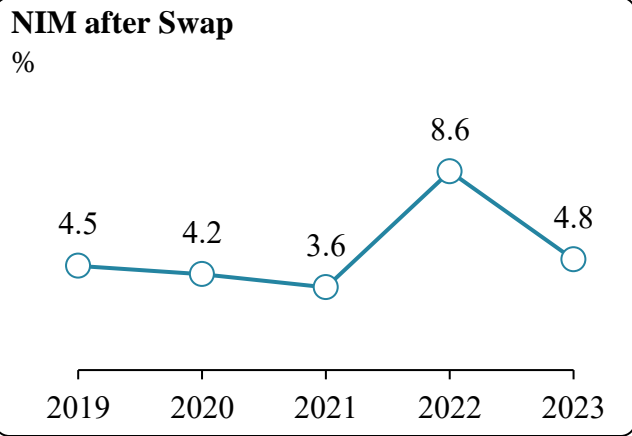
- Low trading risk appetite is reflected by the limit structure both on portfolio and product level
- Best-in-class measurement methodologies are in place with daily monitoring of all market risk metrics (VaR, sensitivities, etc.) in addition to stress tests and scenario analysis

# Robust Fees&Commissions, resilient Net Interest Income and exceptional Trading Income led to 55% YoY growth in total operating income

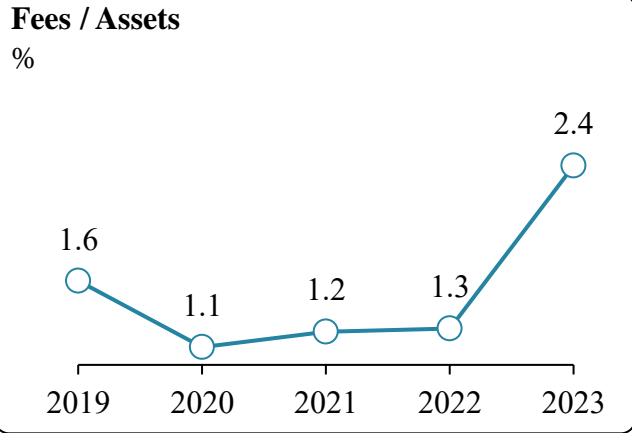
Core banking income grew by 25% in 2023 thanks to outstanding Fees & Commissions and resilient Net Interest Income



Resilient NIM upheld by Bank's prudent maturity mismatch and CPI linkers



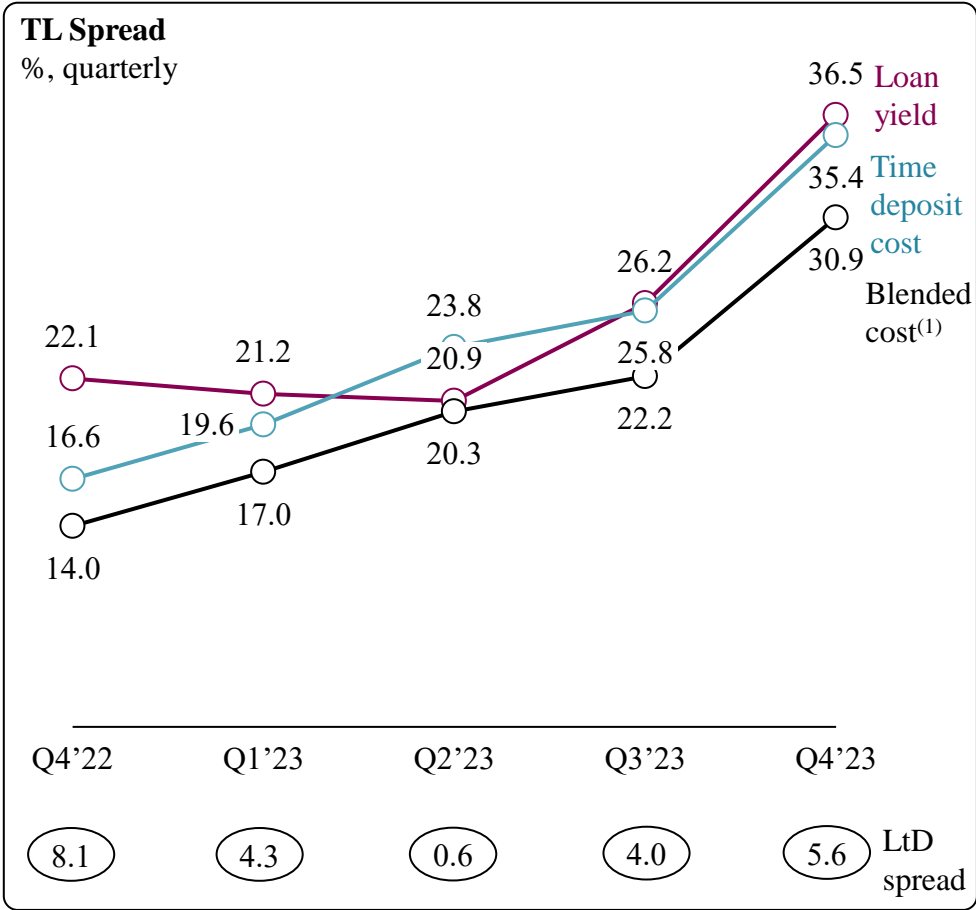
Solid Fees&Commissions contribution albeit strong assets growth



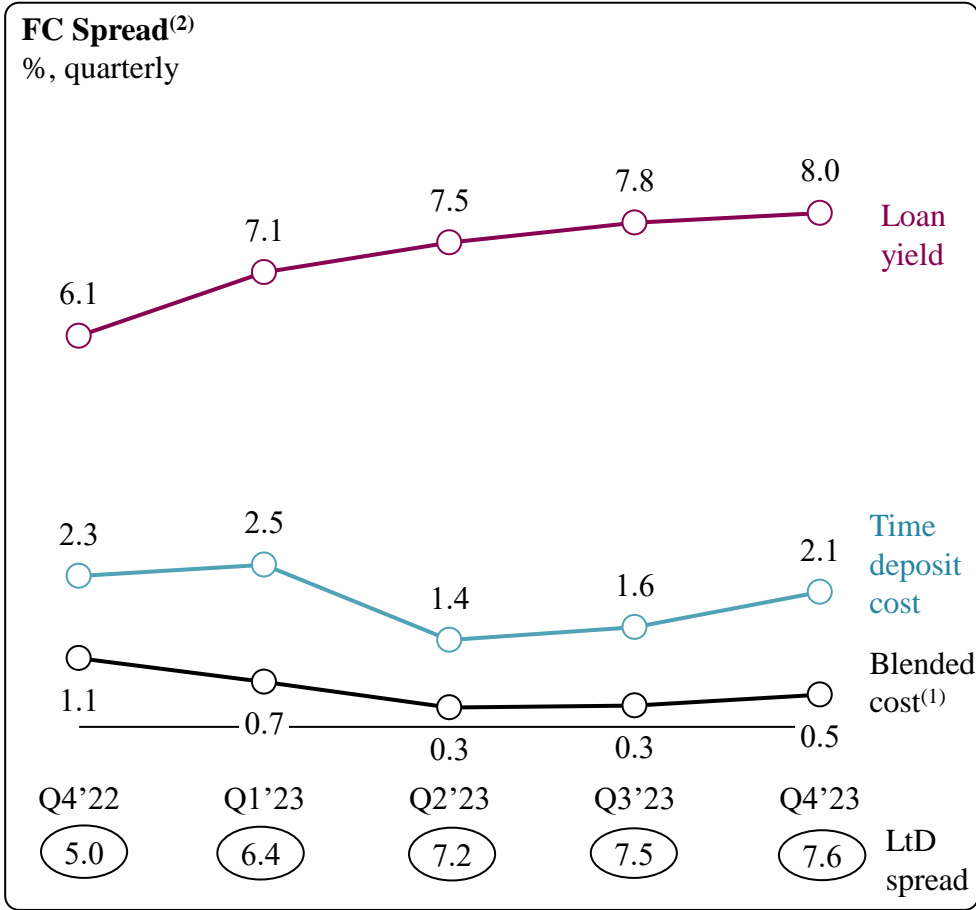
<sup>(1)</sup> Including swap expenses

# Rising deposits and swap costs pressured overall spreads, while FC spreads enjoyed ample FC deposit supply

Subsequent to CBRT's shift to orthodox policies, TL loan yields recorded a rapid & healthy recovery in H2'23 thanks to prudent maturity mismatch of the Bank



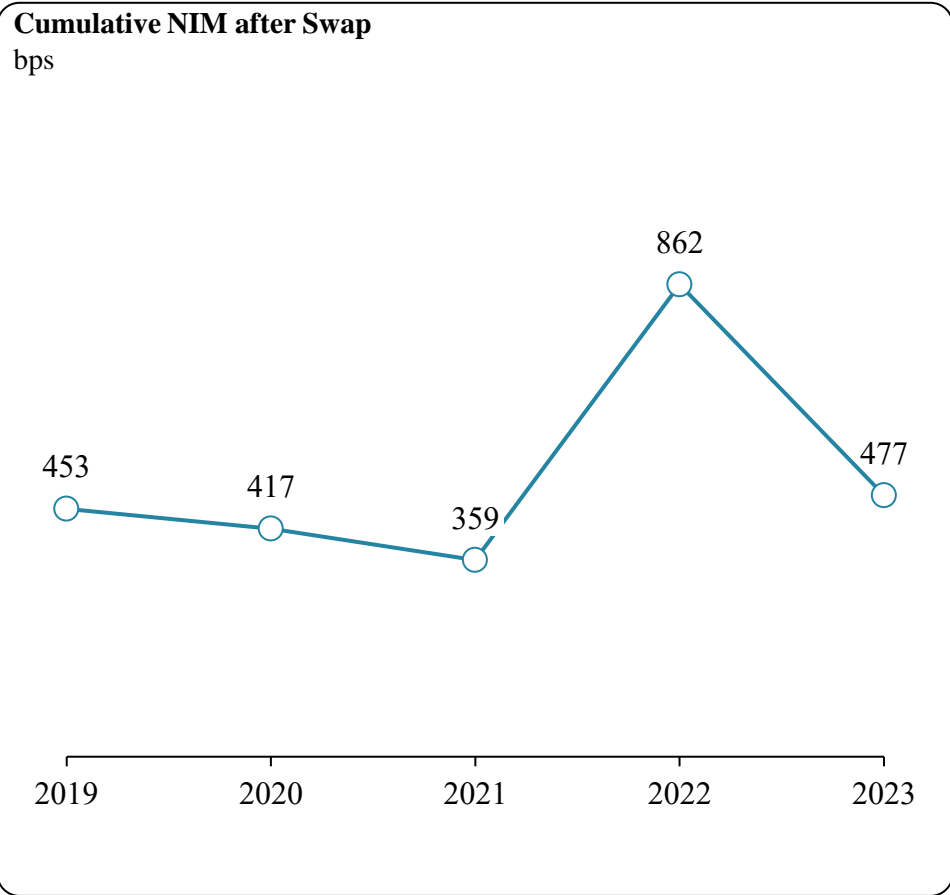
FC spreads remained relatively intact throughout 2023 mainly on the back of ample FC deposit supply and macroprudential policies



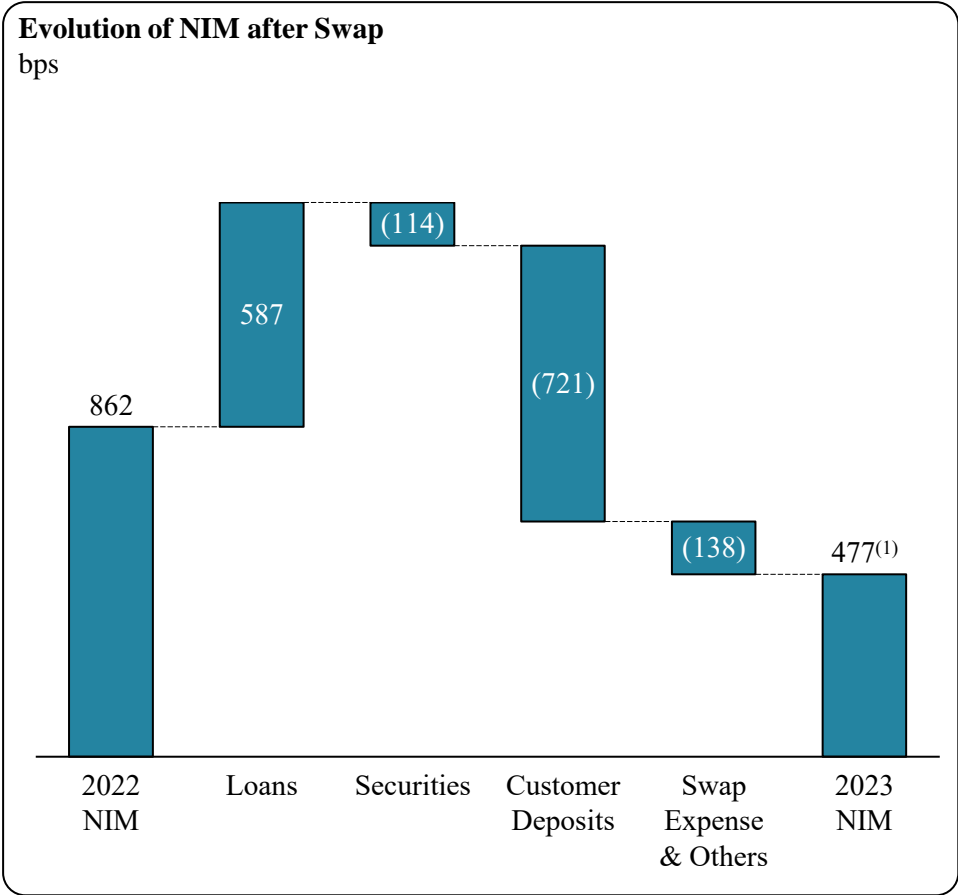
<sup>(1)</sup> Blended of time and demand deposits  
<sup>(2)</sup> Adjusted for FC rate changes

# Resilient NIM upheld by Bank's prudent maturity mismatch and CPI linkers, while rising deposits and swap costs pressured overall spreads

NIM normalized after the exceptional 2022 performance seen on the back of CPI linkers' contribution



Yet, 2023 NIM was pressured by interest rate caps on TL loans, simultaneous increase in deposits and swap costs as well as lower CPI linkers' contribution on a YoY basis

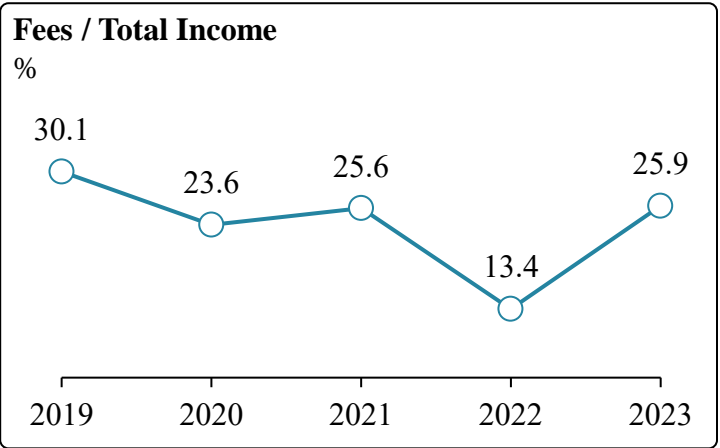


<sup>(1)</sup> October-October inflation realized at 61.4%.  
An additional 100 bps increase in CPI projection contributes TL 615 mn/yr to NII and 7 bps to annual NIM.

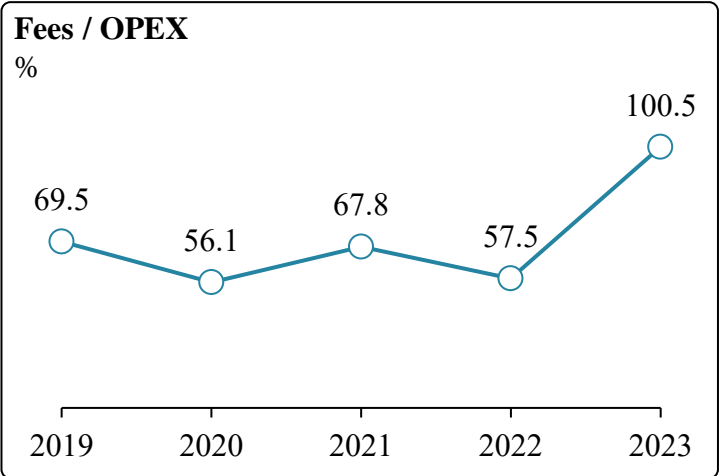


# Fees&Commissions once again outperformed the expectations across the board

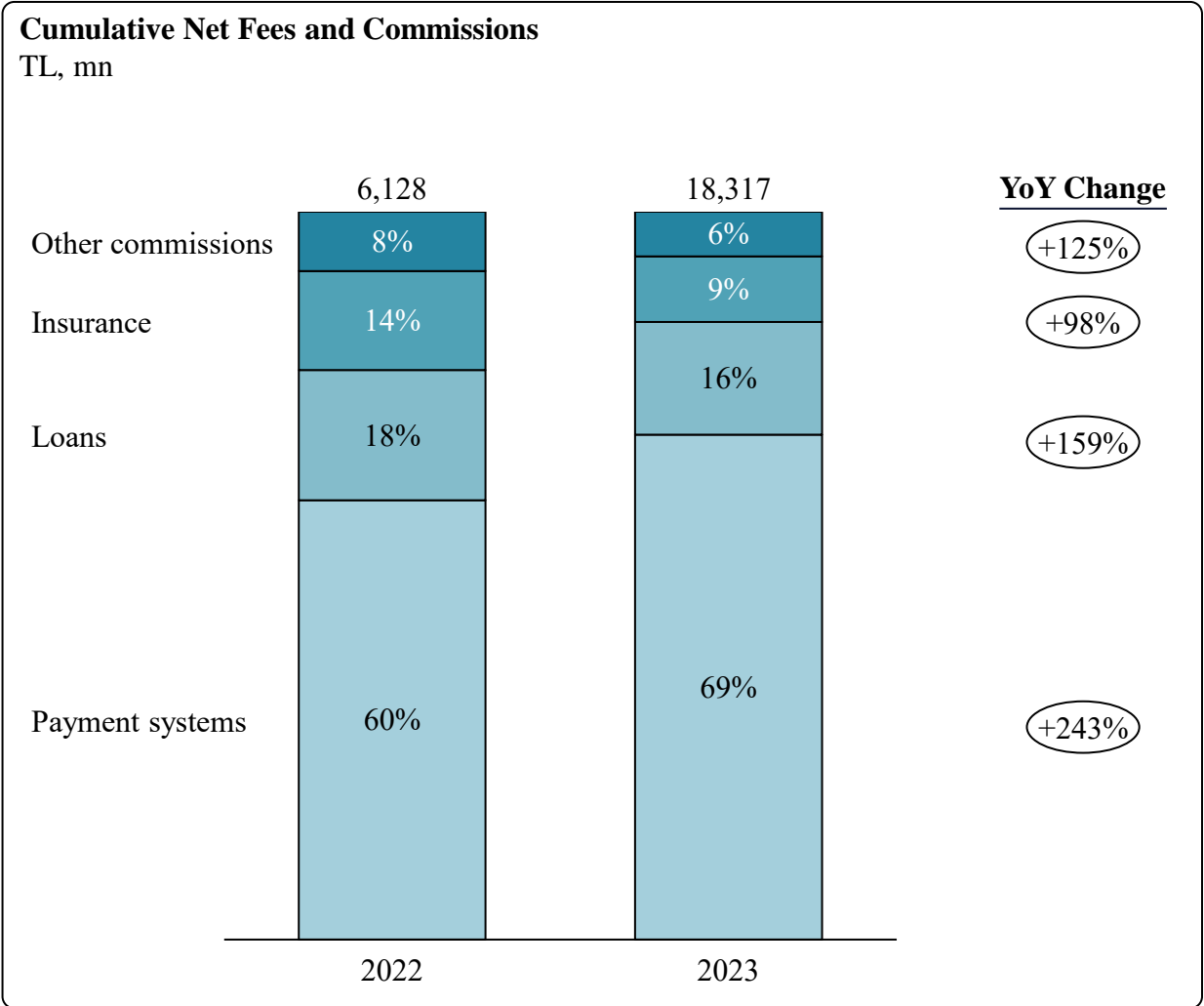
**Robust fees contribution to total income diluted by exceptional trading and other income**



**Fees alone more than covered OPEX in 2023**



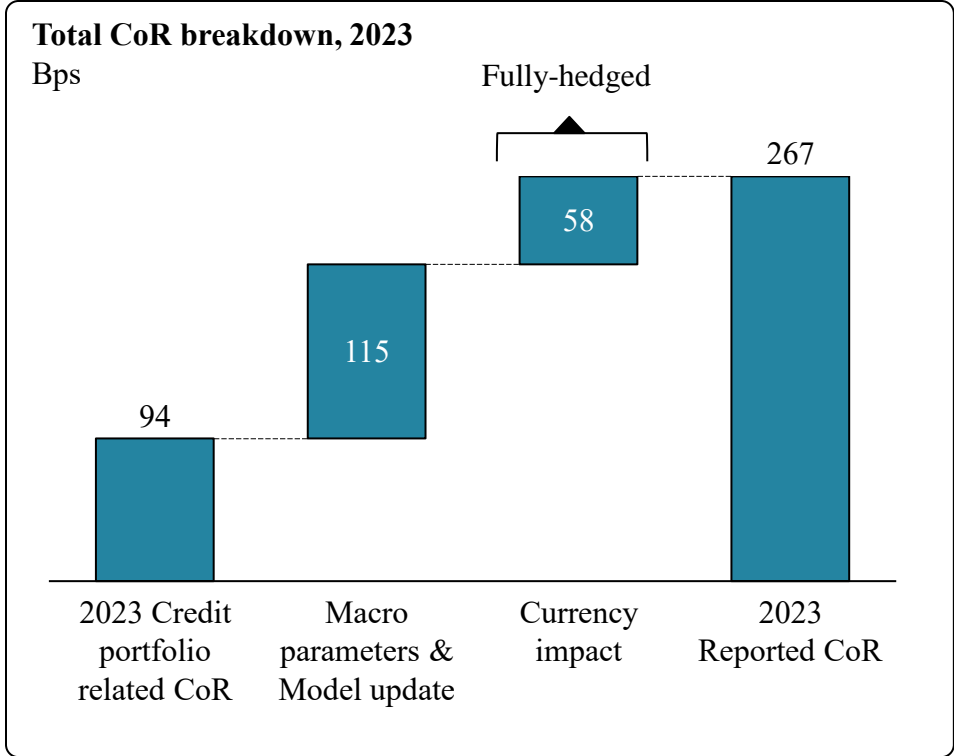
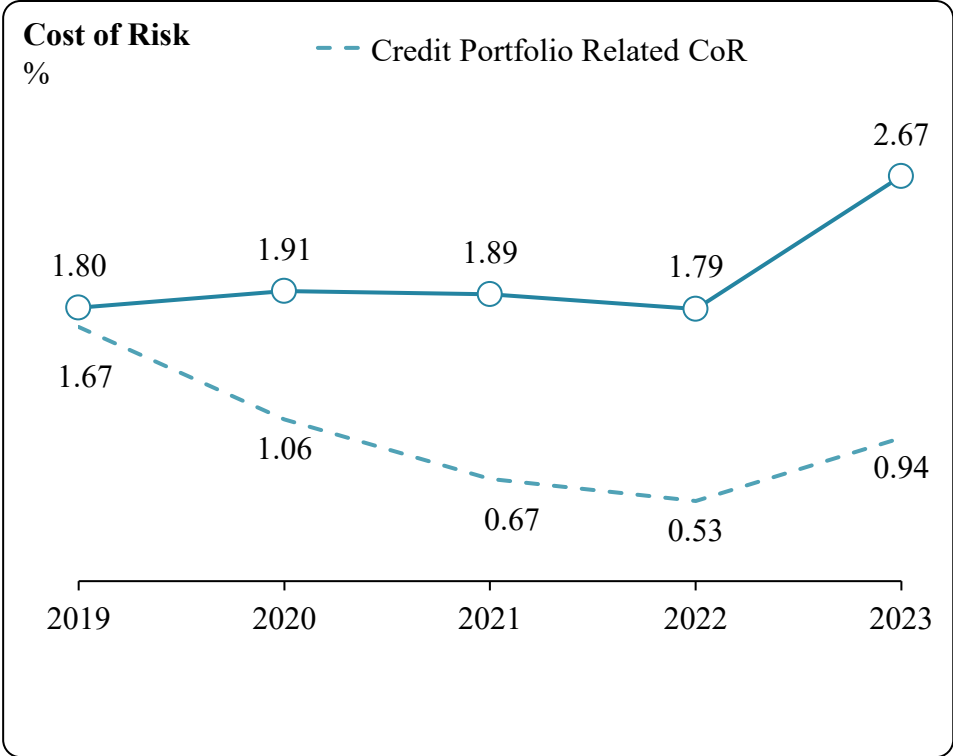
**Fees&Commissions recorded a remarkable 199% YoY growth even with a strong base, as performance was widely supported by all fee categories**



# Reported CoR reflected prudent stance for potential macro risks, as credit related portion mainly increased on the back of loan growth and conservative coverages at all stages

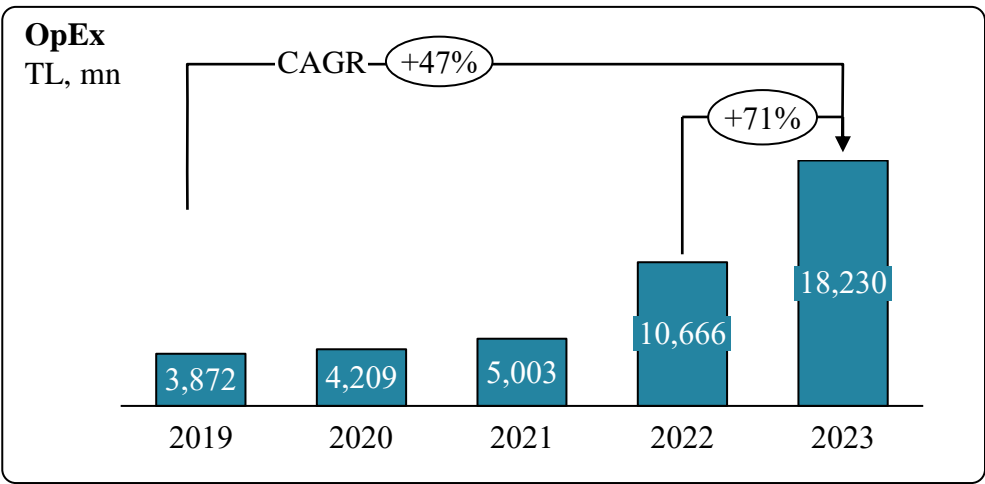
Limited NPL additions and solid collection performance enabled the Bank to further build provision buffers,

as reported CoR also incorporated conservative macro parameters for potential risks

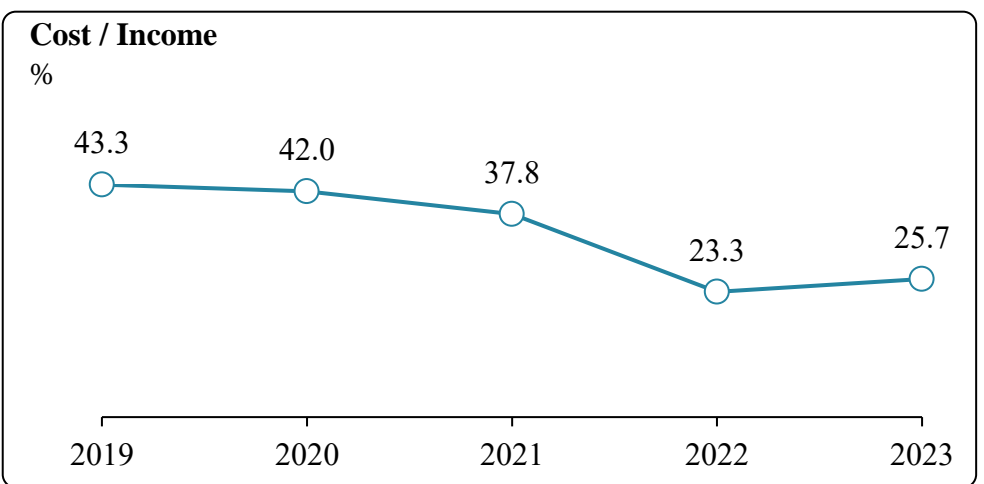


# Expense management, supported by digitalization efforts, remained main focus area given elevated inflation and material TL depreciation & paid-off in the form of a resilient ROE

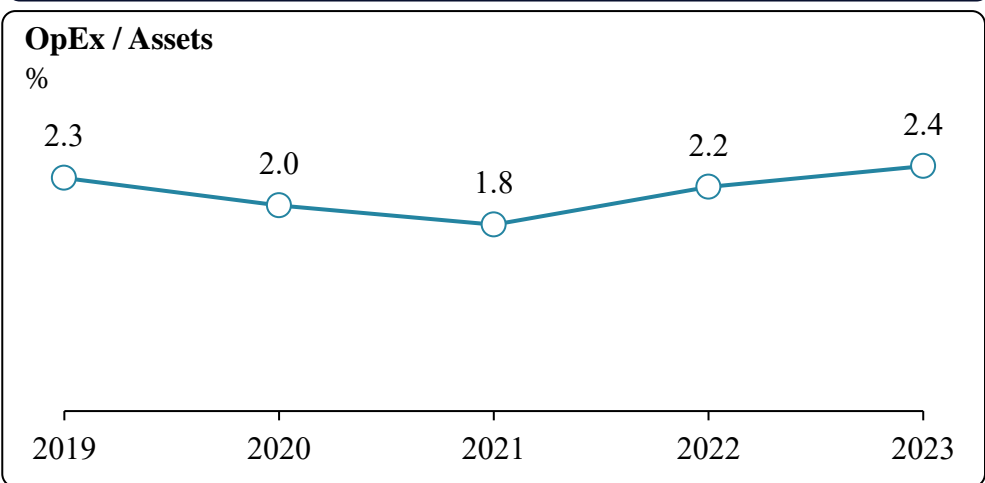
2023 OPEX was up by 71% due to soaring inflation pressure as well as pass-through impact of material TL depreciation



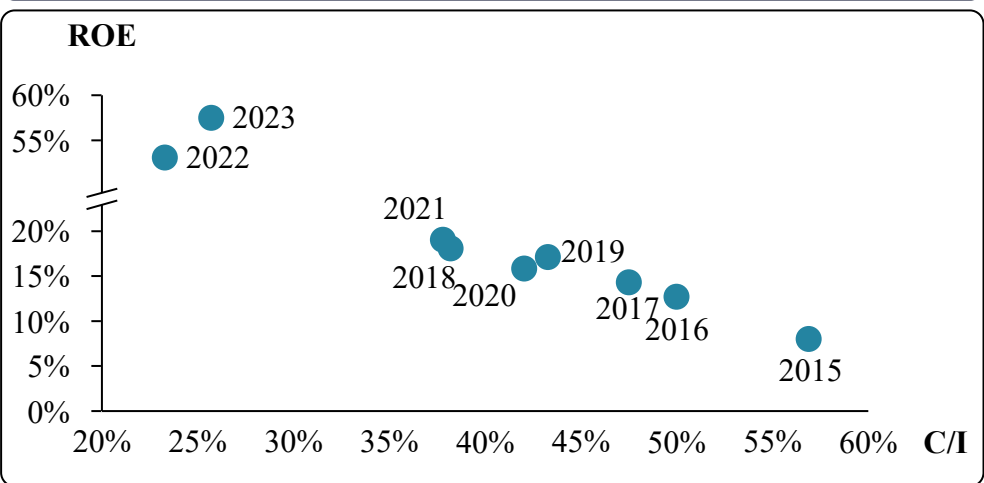
Nevertheless, robust income kept the cost/income ratio below historical averages



Economies of scale improvement built-up over years sustained relatively well in a challenging backdrop



... contributing positively to the sustainable profitability evolution



## Key strategies going forward

- **Core banking**, i.e., minimum market risk
- **Prudent credit risk management**
- **High liquidity** at all times
- Maintain **above market growth in Corporate & Commercial** seeking to achieve fair market share in the long-term
- **Leverage digital transformation** investments in SME segment for new client gathering as well as increasing service coverage for existing clients in line with our target of becoming **client's 'Main Bank'**
- **Continue targeting above-market growth in Retail** via general purpose loans and renewed emphasis on credit cards with 'high card spend'
- Continued emphasis on building a **stable deposit base** through new channels, offerings to untapped segments and customer groups, stronger loyalty (ie: Turkish Airlines co-branded program) and digital offerings (Digital Affluent Model, enpara.com)
- Cost and ESG will remain key focus areas in wholesale funding strategy
- Focus on **fee generation** and **operating expenses control** as well as continuing **improvement on cost of risk** front



We are committed to combating climate change on the pathway to net zero

- <sup>(1)</sup> Cash Risk <sup>(2)</sup> Excluding subloan

*(\*)Audit Committee members are deemed independent within the scope of the II-17.1 Corporate Governance Communiqué issued by the Capital Markets Board of Türkiye.*



Collaboration with both national and international initiatives, coupled with contributions to social welfare in accordance with a responsible banking approach

## Initiatives, Ratings & Cooperations



Signatory since 2019



Signatory since 2021



Listed since 2023



Climate Change  
Leadership Level «A-»



Signatory since 2022



ISO 14001 EMS  
certification  
3 HQ Buildings



LEED certified  
Kristal Kule



Signatory since 2023

## Corporate Social Responsibility Projects

- **Tiny Hands Big Dreams** - Touching the lives of **700,000** children with more than **80+** projects & **4,000** "Volunteer Finansçı"
  - UNICEF - **TL 10M** donation - **100** School Renovations»
  - TEV & TED - **TL 36M** scholarship for **350** children
  - KAHEV - scholarship for **45** students
  - TDSD «+1 for the Future Academy» Psychosocial support to children primarily who have down syndrome
  - WWF «Nature Pioneers Youth Program» **10,000** children & **1,000** teachers
  - TEGV «Social and Emotional Based Disaster Activities» Psychosocial support to **1,750** children
  - WTECH «100 Female Leaders in Technology on the Centennial of the Republic Project»
- **Sustainable art exhibition «Breaking Point: Write the end of the story»** with Artkolik





# Appendix

A decorative graphic on the right side of the page, resembling a folded book corner. It consists of a dark red outer layer and a lighter red inner layer, with a white diagonal line separating them. The layers are folded over each other, creating a three-dimensional effect.

# BRSA Bank-Only Key Financial Ratios

	Bank only figures	2019 <sup>(1)</sup>	2020 <sup>(1)</sup>	2021	2022	2023
Profitability	RoAE	17.1%	15.8%	19.0%	53.1%	57.5%
	RoAA	1.5%	1.3%	1.4%	3.5%	4.3%
	Cost / Income	43.3%	42.0%	37.8%	23.3%	25.7%
	NIM after swap expenses	4.5%	4.2%	3.6%	8.6%	4.8%
Liquidity	Loans / Deposits <sup>(2)</sup>	101.0%	105.0%	90.1%	86.5%	89.8%
	LCR	121.5%	117.4%	145.5%	166.8%	173.7%
Asset quality	NPL Ratio	6.9%	6.1%	4.2%	2.5%	1.7%
	Cost of Risk	1.8%	1.9%	1.9%	1.8%	2.7%
Solvency	CAR	15.7%	16.4%	15.9%	15.1%	16.7%
	Tier I Ratio	13.1%	13.7%	12.8%	12.3%	13.8%
	Liability/Equity	10.9x	11.8x	16.8x	13.6x	12.1x

# QNB Finansbank BRSA Bank-Only Summary Financials<sup>(1)</sup>

## Income Statement

TL, mn	2019	2020	2021	2022	2023	ΔYoY
Net Interest Income (After Swap Expenses)	5,863	6,684	7,669	32,665	30,072	-8%
Net Fees & Commissions Income	2,691	2,363	3,391	6,128	18,317	199%
Trading & Other Income	391	965	2,174	7,006	22,422	220%
<b>Total Operating Income</b>	<b>8,946</b>	<b>10,012</b>	<b>13,234</b>	<b>45,799</b>	<b>70,811</b>	<b>55%</b>
Operating Expenses	(3,872)	(4,209)	(5,003)	(10,666)	(18,230)	71%
<b>Net Operating Income</b>	<b>5,074</b>	<b>5,803</b>	<b>8,231</b>	<b>35,133</b>	<b>52,581</b>	<b>50%</b>
Provisions	(1,894)	(2,544)	(3,241)	(5,450)	(13,449)	147%
Free Provisions	-	-	-	(5,400)	(1,400)	-74%
<b>Profit Before Tax</b>	<b>3,180</b>	<b>3,259</b>	<b>4,990</b>	<b>24,283</b>	<b>37,732</b>	<b>55%</b>
Tax Expenses	(558)	(512)	(1,062)	(7,059)	(4,560)	-35%
<b>Profit After Tax</b>	<b>2,622</b>	<b>2,747</b>	<b>3,928</b>	<b>17,224</b>	<b>33,172</b>	<b>93%</b>

## Balance Sheet

TL, mn	2019	2020	2021	2022	2023	ΔYoY
Cash & Banks <sup>(2)</sup>	22,643	29,202	85,564	113,652	185,099	63%
Securities	28,761	34,368	49,960	103,354	171,782	66%
Net Loans	110,683	138,719	200,832	344,957	571,044	66%
Fixed Asset and Investments <sup>(3)</sup>	5,308	5,864	6,689	9,710	26,648	174%
Other Assets	14,286	19,089	28,324	30,082	33,244	11%
<b>Total Assets</b>	<b>181,681</b>	<b>227,243</b>	<b>371,369</b>	<b>601,755</b>	<b>987,817</b>	<b>64%</b>
Deposits	105,626	130,560	226,923	394,284	632,050	60%
Customer Deposits	100,219	125,976	213,946	384,058	606,467	58%
Bank Deposits	5,406	4,583	12,977	10,226	25,583	150%
Borrowings	42,893	54,892	85,294	108,650	206,558	90%
Bonds Issued	13,086	13,506	28,389	27,940	45,949	64%
Funds Borrowed	15,309	20,192	27,032	41,653	104,824	152%
Sub-debt	5,433	6,704	11,853	17,128	26,949	57%
Repo	9,065	14,489	18,020	21,929	28,836	31%
Other	16,477	22,579	37,009	54,555	67,591	24%
Equity	16,685	19,212	22,144	44,266	81,618	84%
<b>Total Liabilities &amp; Equity</b>	<b>181,681</b>	<b>227,243</b>	<b>371,369</b>	<b>601,755</b>	<b>987,817</b>	<b>64%</b>

<sup>(1)</sup> IAS-27 equity method consolidation has been implemented as of Q4'21. As 2020 figures have been restated, 2019 data have not been restated

<sup>(2)</sup> Includes CBRT, banks, interbank, other financial institutions

<sup>(3)</sup> Including subsidiaries

## BRSA Consolidated Key Financial Ratios

	Bank only figures	2019	2020	2021	2022	2023
<b>Profitability</b>	RoAE	18.4%	15.8%	18.9%	53.0%	57.5%
	RoAA	1.6%	1.3%	1.4%	3.4%	4.1%
	Cost / Income	42.7%	42.4%	38.0%	23.9%	27.5%
	NIM after swap expenses	4.5%	4.3%	3.7%	8.7%	5.3%
<b>Liquidity</b>	Loans / Deposits <sup>(1)</sup>	105.6%	110.1%	91.7%	90.4%	94.1%
	LCR	119.5%	114.2%	144.1%	159.8%	168.2%
<b>Asset quality</b>	NPL Ratio	7.0%	6.0%	4.2%	2.5%	1.7%
	Cost of Risk	1.8%	1.9%	1.9%	1.8%	2.6%
<b>Solvency</b>	CAR	15.2%	15.8%	15.2%	14.5%	15.9%
	Tier I Ratio	12.7%	13.1%	12.2%	11.6%	13.2%
	Liability/Equity	11.2x	12.2x	17.3x	14.0x	12.5x

# QNB Finansbank BRSA Consolidated Summary Financials

## Income Statement

TL, mn	2019	2020	2021	2022	2023	ΔYoY
Net Interest Income (After Swap Expenses)	6,121	7,103	8,150	33,836	33,848	0%
Net Fees & Commissions Income	2,824	2,601	3,682	6,689	20,306	204%
Trading & Other Income	618	799	2,068	6,373	20,625	224%
<b>Total Operating Income</b>	<b>9,562</b>	<b>10,503</b>	<b>13,900</b>	<b>46,898</b>	<b>74,779</b>	<b>59%</b>
Operating Expenses	(4,079)	(4,451)	(5,278)	(11,207)	(20,558)	83%
<b>Net Operating Income</b>	<b>5,483</b>	<b>6,053</b>	<b>8,622</b>	<b>35,690</b>	<b>54,222</b>	<b>52%</b>
Provisions	(1,994)	(2,672)	(3,487)	(5,636)	(13,578)	141%
Free Provisions	-	-	-	(5,400)	(1,400)	-74%
<b>Profit Before Tax</b>	<b>3,489</b>	<b>3,381</b>	<b>5,135</b>	<b>24,654</b>	<b>39,244</b>	<b>59%</b>
Tax Expenses	(625)	(626)	(1,227)	(7,428)	(6,066)	-18%
<b>Profit After Tax</b>	<b>2,865</b>	<b>2,755</b>	<b>3,908</b>	<b>17,226</b>	<b>33,178</b>	<b>93%</b>

## Balance Sheet

TL, mn	2019	2020	2021	2022	2023	ΔYoY
Cash & Banks <sup>(1)</sup>	23,072	29,661	86,263	114,128	186,098	63%
Securities	28,809	34,430	50,090	103,820	177,162	71%
Net Loans <sup>(2)</sup>	116,749	146,449	212,565	363,105	602,746	66%
Fixed Asset and Investments	4,058	4,248	4,613	6,308	18,822	198%
Other Assets	14,838	20,232	30,318	33,784	38,594	14%
<b>Total Assets</b>	<b>187,526</b>	<b>235,020</b>	<b>383,849</b>	<b>621,144</b>	<b>1,023,422</b>	<b>65%</b>
Deposits	105,500	130,275	225,877	392,763	630,728	61%
Customer Deposits	100,094	125,692	212,900	382,537	605,145	58%
Bank Deposits	5,406	4,583	12,977	10,226	25,583	150%
Borrowings	48,352	62,320	97,098	127,441	237,949	87%
Bonds Issued	14,352	14,724	29,803	32,017	52,037	63%
Funds Borrowed	19,419	25,897	37,252	55,217	127,865	132%
Sub-debt	5,433	6,704	11,853	17,128	26,949	57%
Repo	9,149	14,995	18,191	23,079	31,098	35%
Other	16,908	23,184	38,722	56,664	73,111	29%
Equity	16,765	19,241	22,152	44,276	81,634	84%
<b>Total Liabilities &amp; Equity</b>	<b>187,526</b>	<b>235,020</b>	<b>383,849</b>	<b>621,144</b>	<b>1,023,422</b>	<b>65%</b>

## Board of Directors

Name	Position	Background
Dr. Ömer A. Aras	Chairperson and QNB Finansbank Group CEO	Co-founder of Finansbank Former CEO of Finansbank for 6 years Vice President of the High Advisory Council of TUSIAD, member of the Higher Advisory Board of Darüşşafaka Cemiyeti and Board of Trustees of Boğazici University Foundation
Yousef Mahmoud H N Al-Neama	Vice Chairperson	Group Chief Business Officer at QNB Q.P.S.C. Serves as VP of HBTF in Jordan and Bank Mansour in Iraq and Board member at QNB Capital Previously worked at Group Corp., Institutional Banking & International Banking of QNB and Doha Bank
Temel Güzeloglu	Member of the BoD	Former CEO of QNB Finansbank Experience at Unilever, Citibank, McKinsey & Co.
Osman Ömür Tan	Member of the BoD and QNB Finansbank CEO	Former EVP of Corporate and Commercial Banking Experience at Yapı Kredi Bank Member of TBA Board of Directors and Board member at QNB Finansbank subsidiaries
Yeşim Güra <sup>(*)</sup>	Member of the BoD	Independent Board member at Pınar Dairy Products, Altın Yunus Çeşme Tourism Company and Sanko Holding's Super Film Flexible Packaging Company. IFC Nominee Director Experience at P&G, Danone, Draeger Medical and Safety Technology. Currently at European Innovation Council. Qualified Risk Director®.
Adel Ali M A Al-Malki	Member of the BoD	General Manager - Group Information Technology Holds board membership at Egypt's QNB Al Ahli and in the Group's subsidiaries, including Al-Mansour Investment Bank in Iraq Previously worked at Development and User Services, E-Business & System Analyst of QNB
Ramzi T. A. Mari	Member of the BoD and Member of the Audit Committee	QNB Group Chief Financial Officer Holds board membership at Housing Bank for Trade and Finance (Jordan) and QNB Capital LLC
Noor Mohd J. A. Al-Naimi	Member of the BoD and Member of the Audit Committee	QNB Senior Executive Vice President - Group Treasury and Financial Institutions Previously held positions in Treasury Operations Trading & Investment Assistant General Manager
Fatma Abdulla S S Al-Suwaidi	Member of the BoD	QNB Group Chief Risk Officer Serves as President Commissioner of QNB Indonesia
Saleh Nofal <sup>(**)</sup>	Member of the BoD and Chairperson of the Audit Committee	Member of the Association of Certified Fraud Examiners (ACFE), Association of Certified Anti-Money Laundering Specialists (ACAMS) and Institute of Internal Auditors (IIA), MENA Financial Crime Compliance Group (FCCG) in partnership with the Union of Arab Banks Previously worked as QNB Group Chief Compliance Officer and with the Arab Bank Group, Jordan Ahli Bank, the Arab World Auditing Bureau and a Jordanian Public Accountancy Firm
Durmuş Ali Kuzu	Member of the BoD and Member of the Audit Committee	Former Vice President of BRSA Experience at Vakıfbank, Emlakbank, Treasury, Public Oversight Institution Holds board membership at TMA Türkiye and Bank Examiners Foundation

# Disclaimer

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