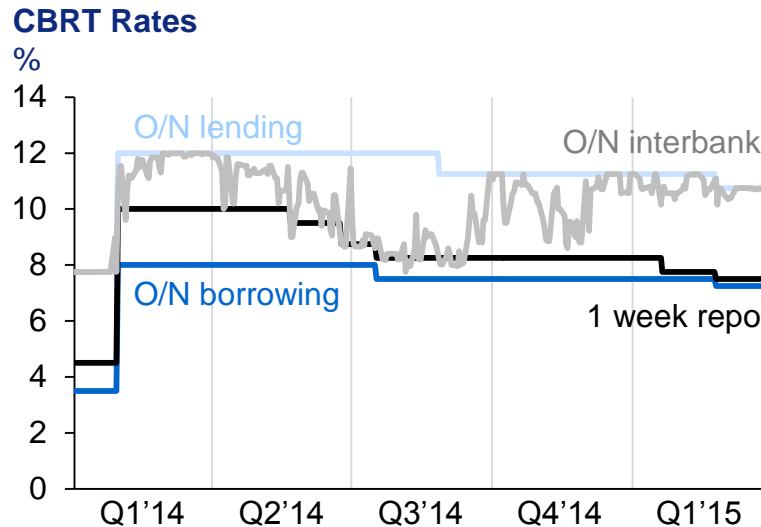


Finansbank Q1'15 Earnings Presentation

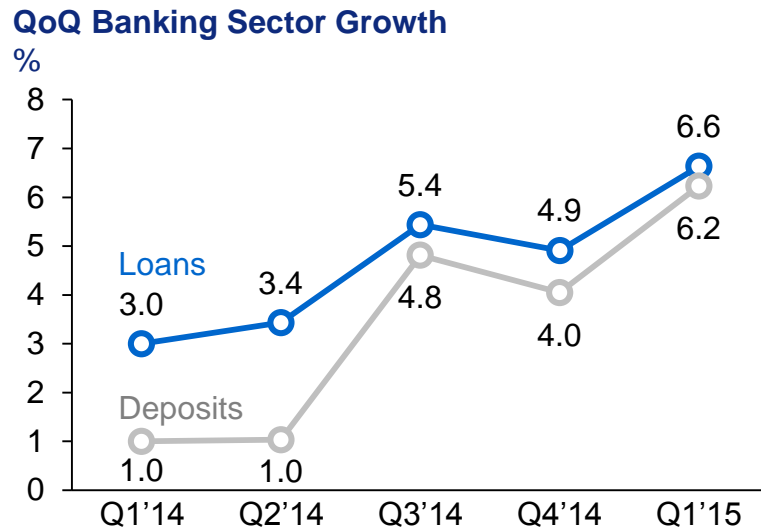
Banking sector growth accelerated in Q1'15 on the back of TRY depreciation

Macro Dynamics



- **USD** strengthened globally as US economy continued to outperform rest of the world while TRY stood among worst performing EM currencies
- Downward effect of oil prices on CPI since Q3'14, was offset in Q1'15 by TRY depreciation and higher than anticipated food inflation. This brought the **annual inflation** to 7.6% by Q1'15
- Q4'14 **GDP growth** remained subdued at 2.6% with domestic demand taking the leading role
- CBRT cut **policy rate** by 75 bps to 7.5% while using liquidity policies to manage short-term interest rates towards ceiling of the corridor

Banking Sector Dynamics



- **Growth** accelerated in banking sector both on loans and deposits fronts, supported by the impact of TRY depreciation
- Along with the growth, funding costs remained elevated. This heightened the pressure on **NIM**
- **Asset quality** remained intact despite slight increase in NPL ratio

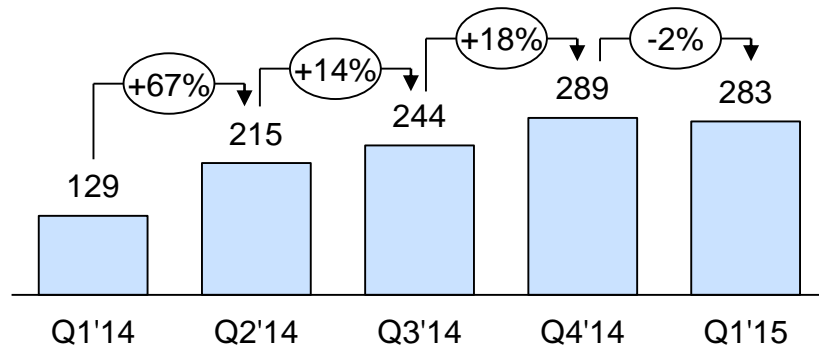
Source: CBRT; BRSA

Solid profitability maintained with comfortable asset quality and solvency

Net income more than doubled on YoY basis

Quarterly Net Income

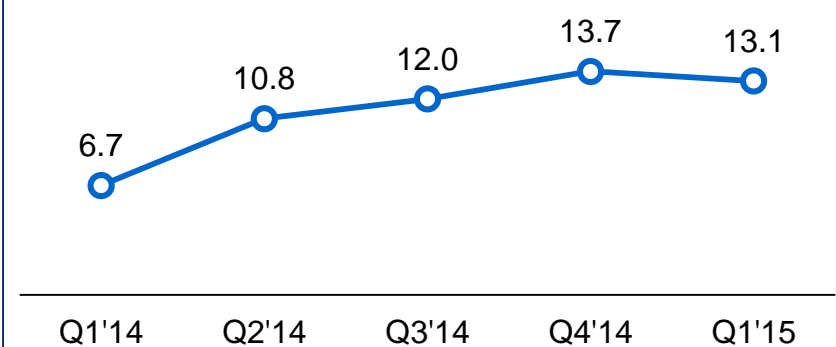
TRY, mn



Above sector profitability maintained

Quarterly RoE

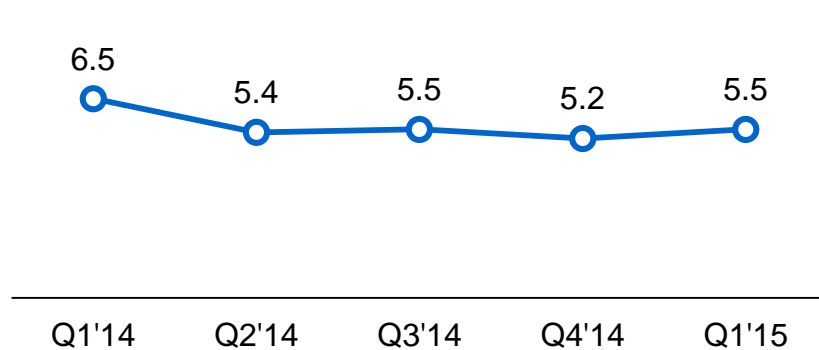
%



NPL ratio is well under control

NPL Ratio

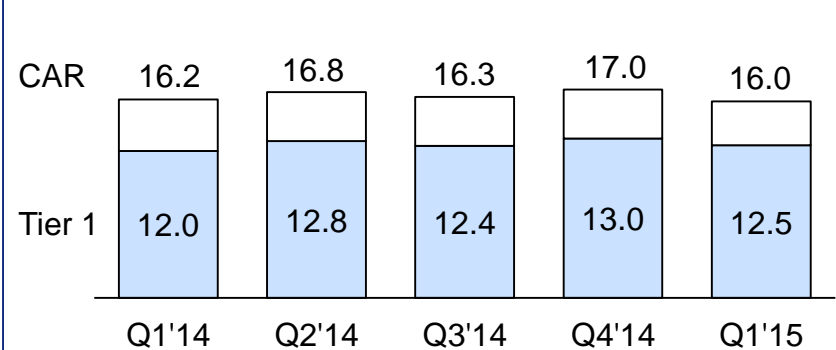
%



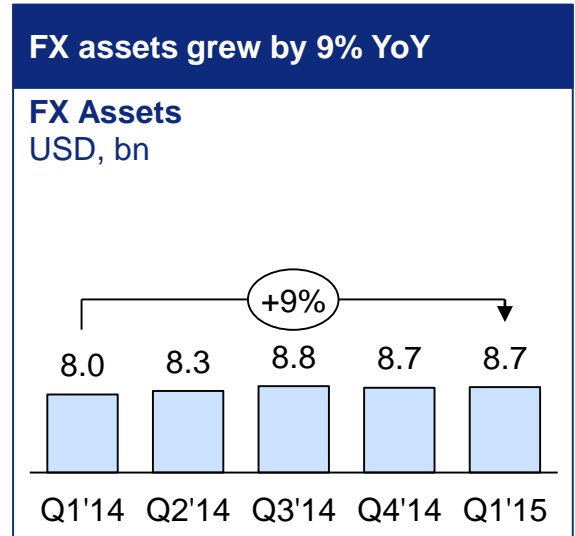
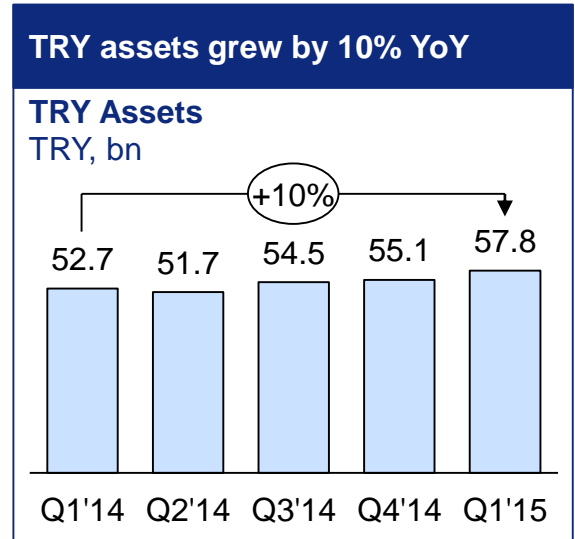
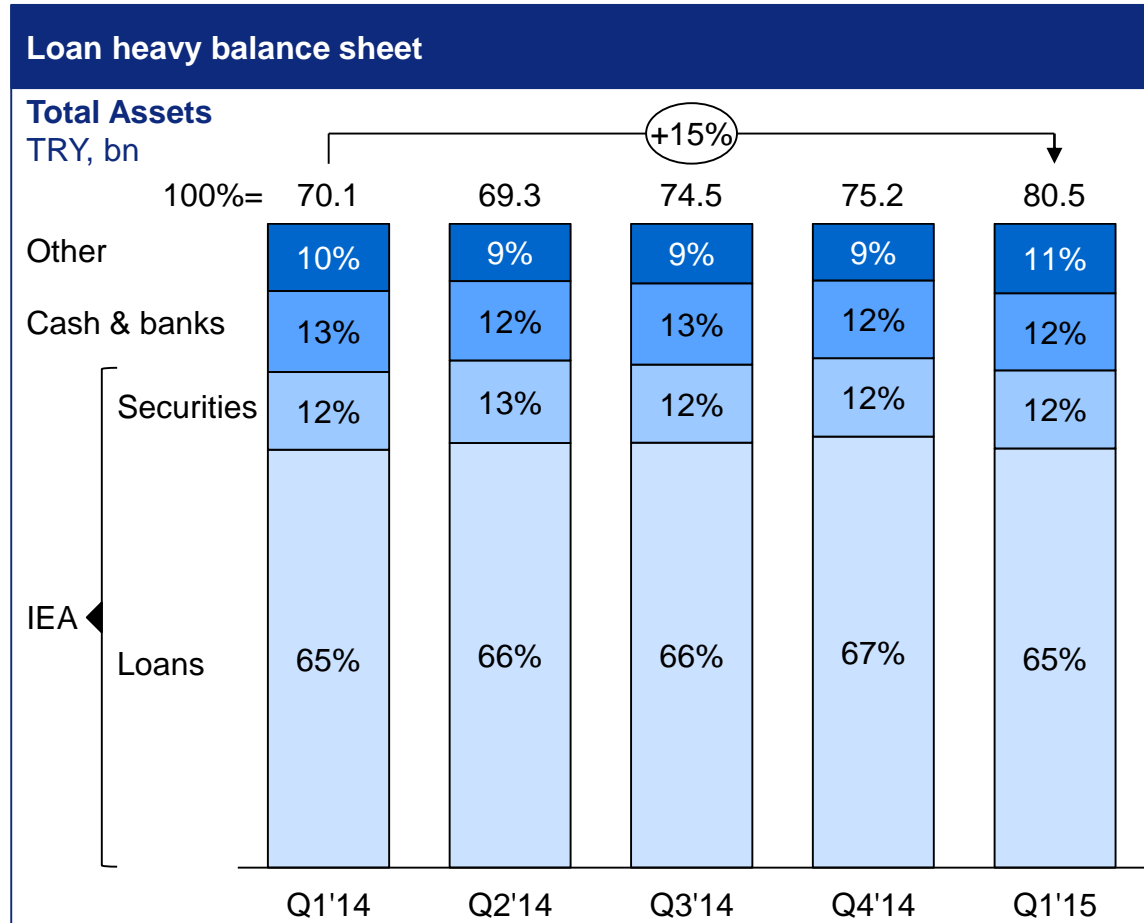
Best in class CAR and Tier 1 ratio maintained despite amortization of sub-loan in Q1'15

CAR

%



Asset size exceeded TRY 80 billion in Q1'15 with 15% YoY growth

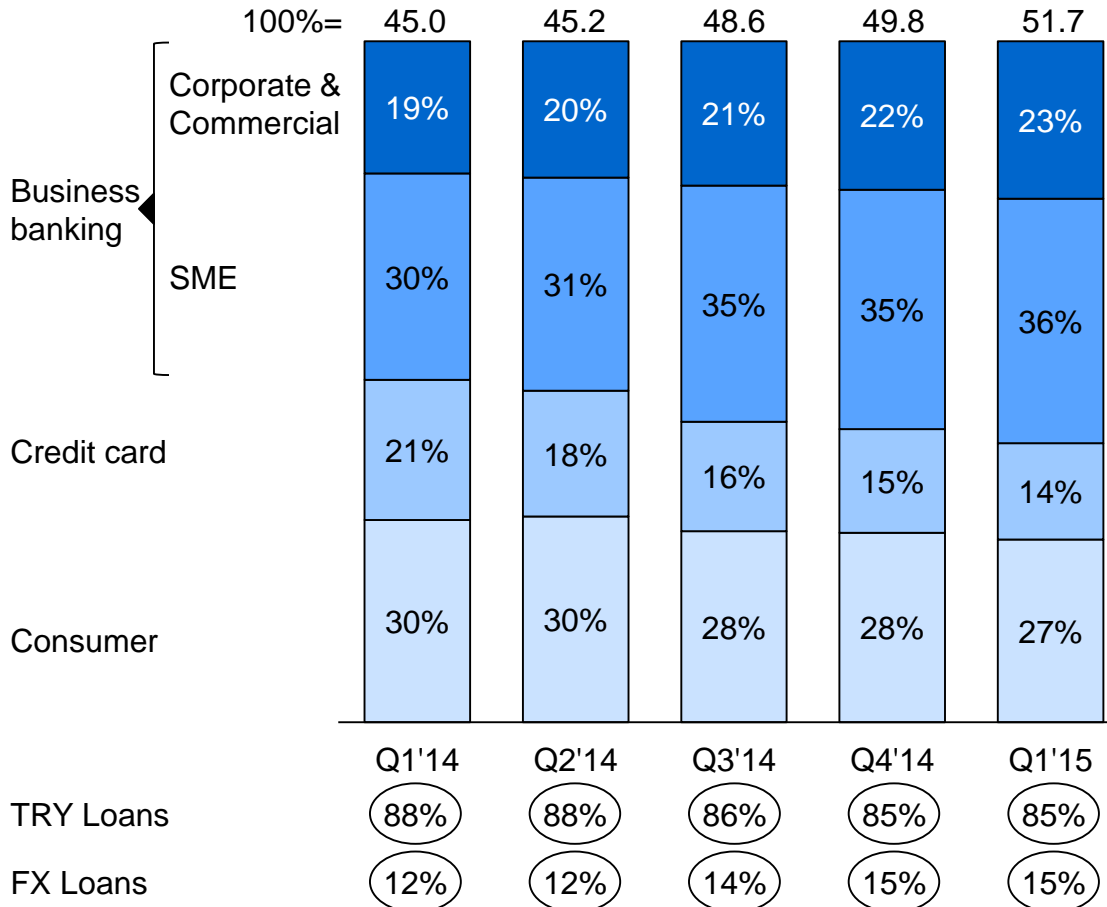


Sustainable and successful execution of the growth strategy...

Loan book continued to shift towards business banking

Performing Loans by Segment and Currency

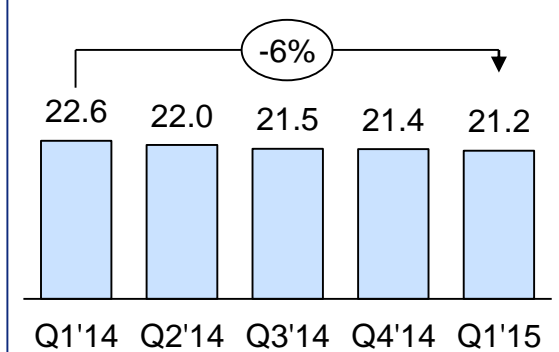
TRY, bn



Retail loans remained almost flat QoQ

Retail Loans

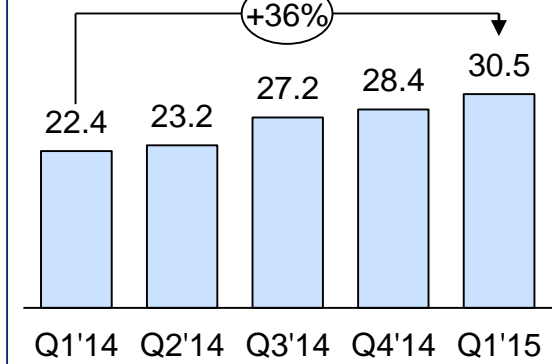
TRY, bn



Business loans grew by 8% in the last quarter

Business Loans

TRY, bn



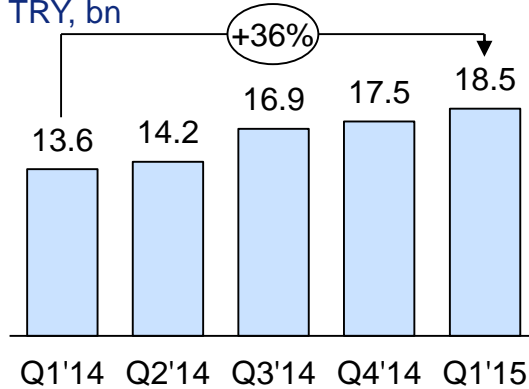
...focused on business banking loans and selective retail banking segments

■ Business banking
■ Retail banking

Robust growth in SME loans continued...

SME Loans

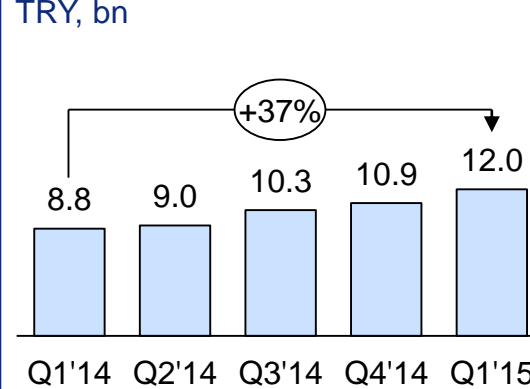
TRY, bn



...as well as in corporate & commercial loans

Corporate & Commercial Loans

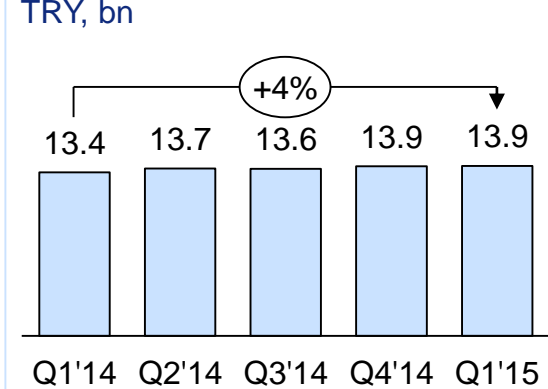
TRY, bn



Consumer loans are flat on QoQ basis

Consumer Loans⁽¹⁾

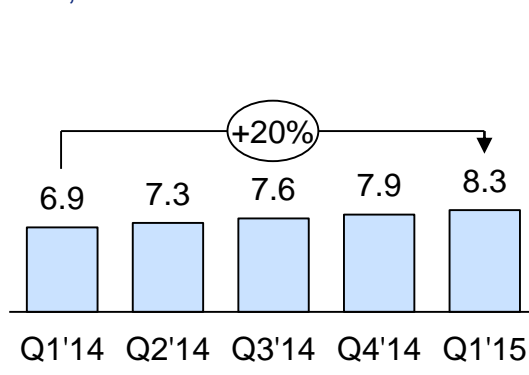
TRY, bn



Continued focus on GPL

General Purpose Loans⁽²⁾

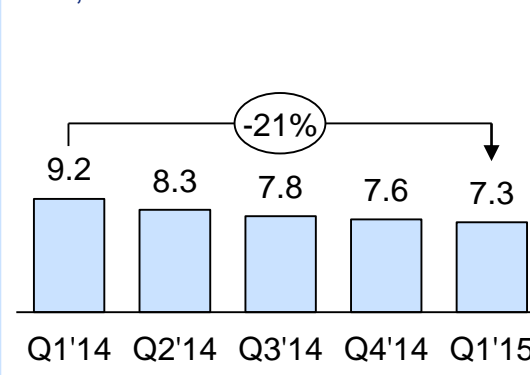
TRY, bn



Downward trend continues in credit card loans...

Credit Card Loans

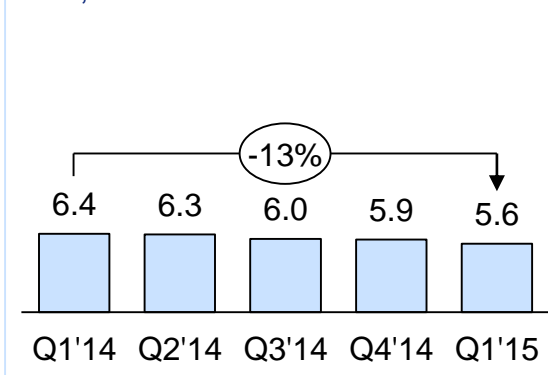
TRY, bn



...and mortgages

Mortgage Loans

TRY, bn



(1) Including GPL and mortgage loans

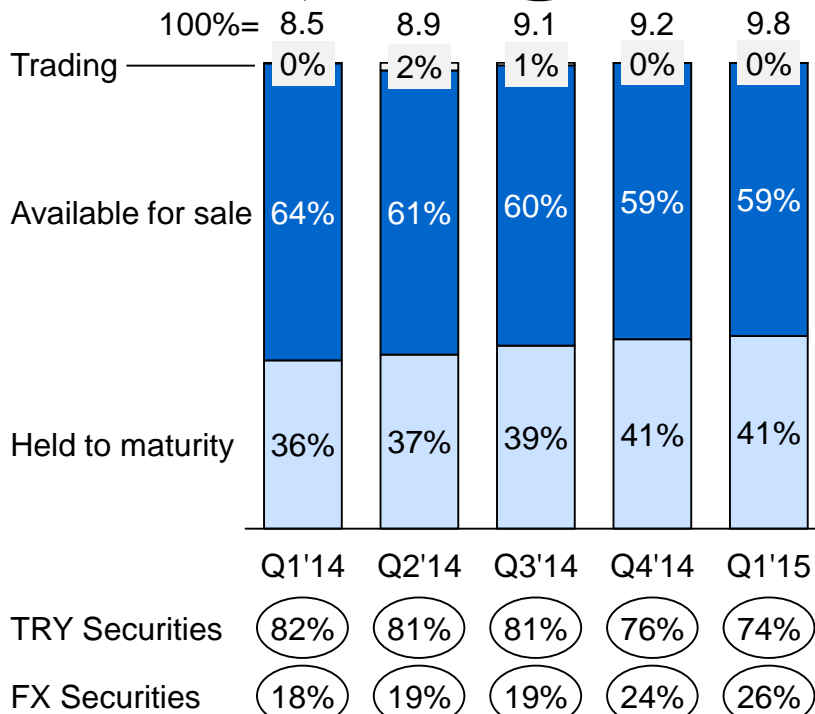
(2) Including overdraft

Securities remained at 12% of assets

Security portfolio reached close to TRY 10 billion

Total Securities

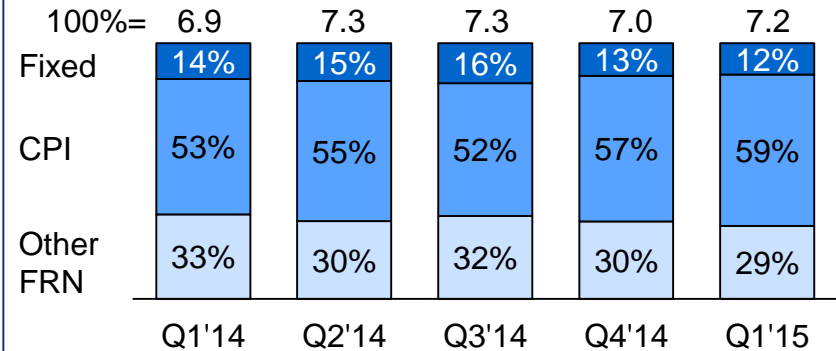
TRY, bn



88% of TRY securities are indexed / variable rate

TRY Securities

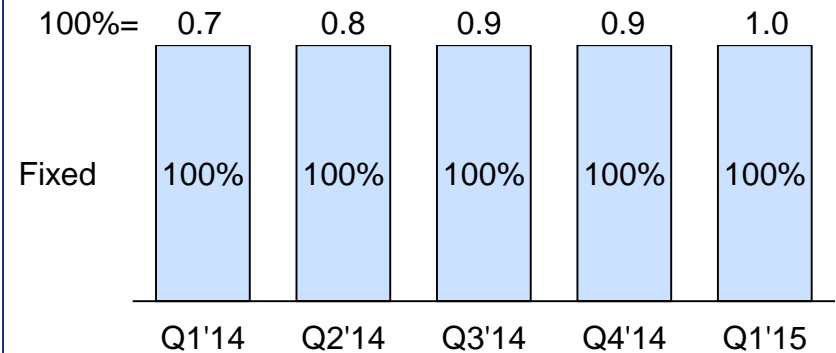
TRY, bn



FX securities are also growing in USD terms

FX Securities

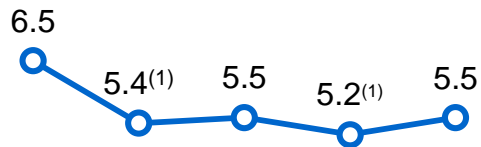
USD, bn



Comfortable asset quality with high coverage ratios

NPL ratio is well under control

NPL Ratio
%



Q1'14 Q2'14 Q3'14 Q4'14 Q1'15

Segmental NPLs are within historical boundaries

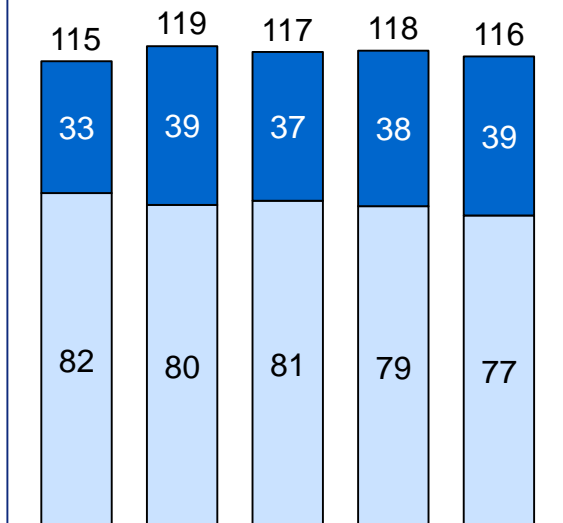
NPL Ratio by Segments
%



Q1'14 Q2'14 Q3'14 Q4'14 Q1'15

NPLs are well covered through general and specific provisions

NPL Coverage⁽²⁾
%



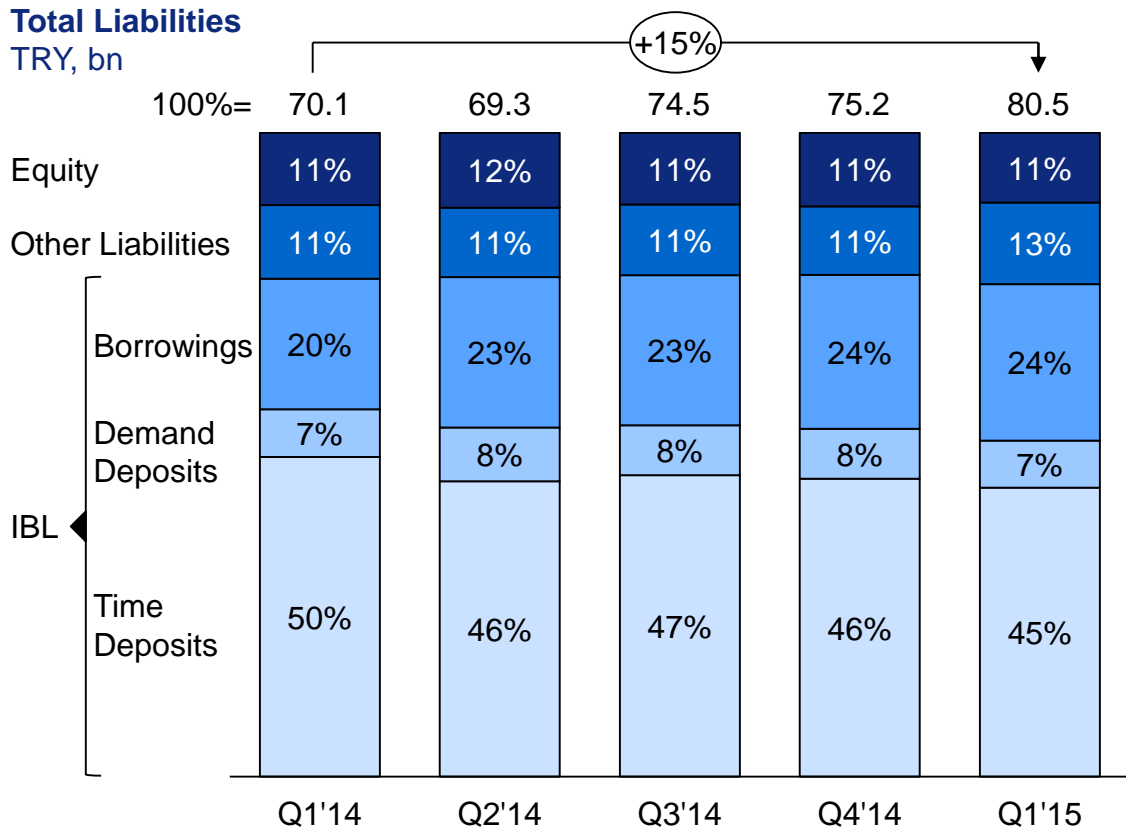
Q1'14 Q2'14 Q3'14 Q4'14 Q1'15

(1) After NPL sales during the periods

(2) General provisions include watch-list provisions

Well-diversified funding structure underpinned by solid deposit base

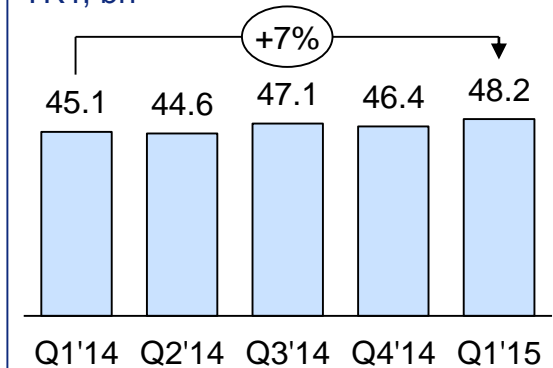
Increasing diversification of funding sources



TRY liabilities grew by 7% YoY

TRY Liabilities

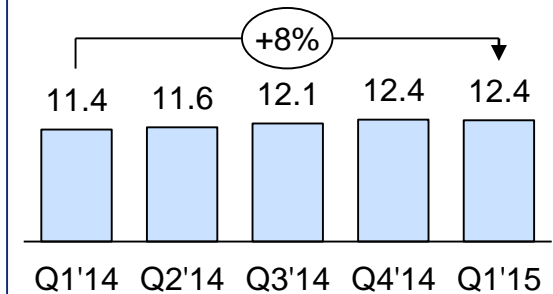
TRY, bn



FX liabilities grew by 8% YoY

FX Liabilities

USD, bn

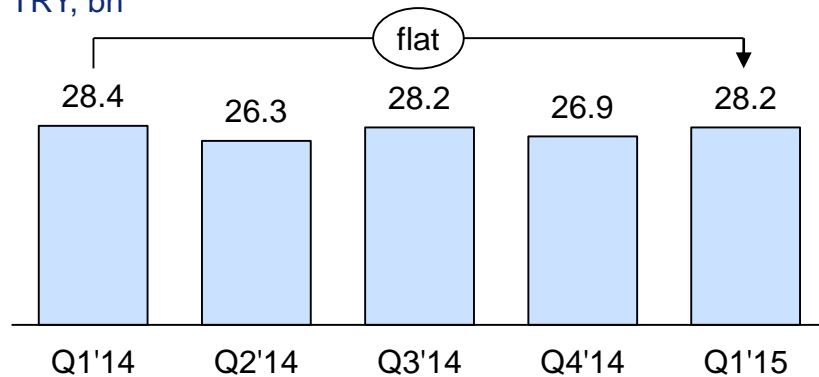


Solid deposit base makes up 68% of IBL

5% increase in TRY customer deposits on QoQ basis

TRY Deposits

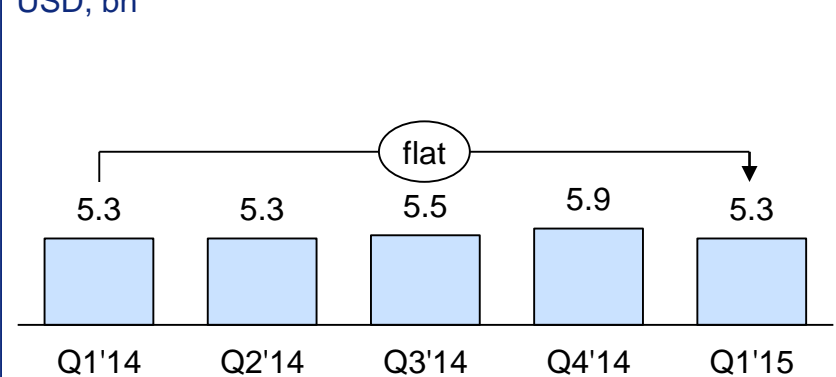
TRY, bn



FX deposits are flat on YoY basis

FX Deposits

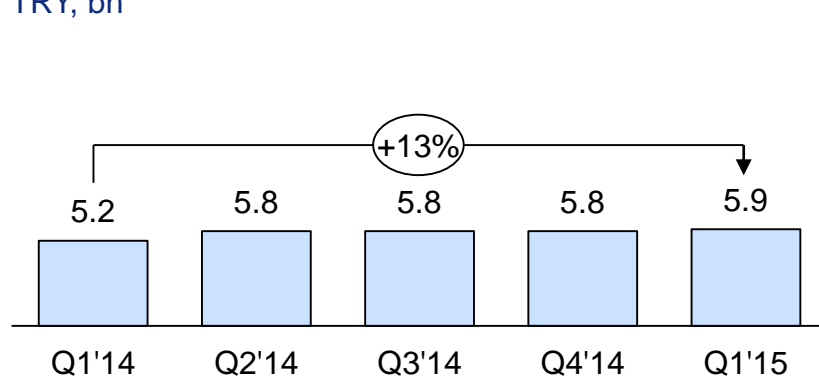
USD, bn



Demand deposits are 14% of total deposits

Demand Deposits

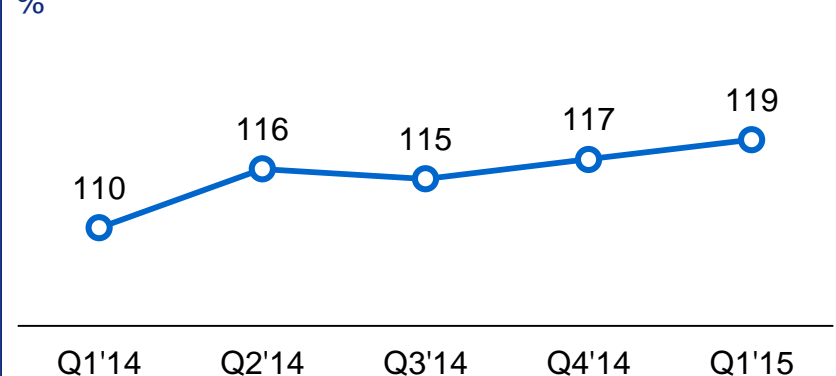
TRY, bn



Loan-to-deposit ratio increased to 119% in Q1'15

Loan-to-deposit ratio⁽¹⁾

%



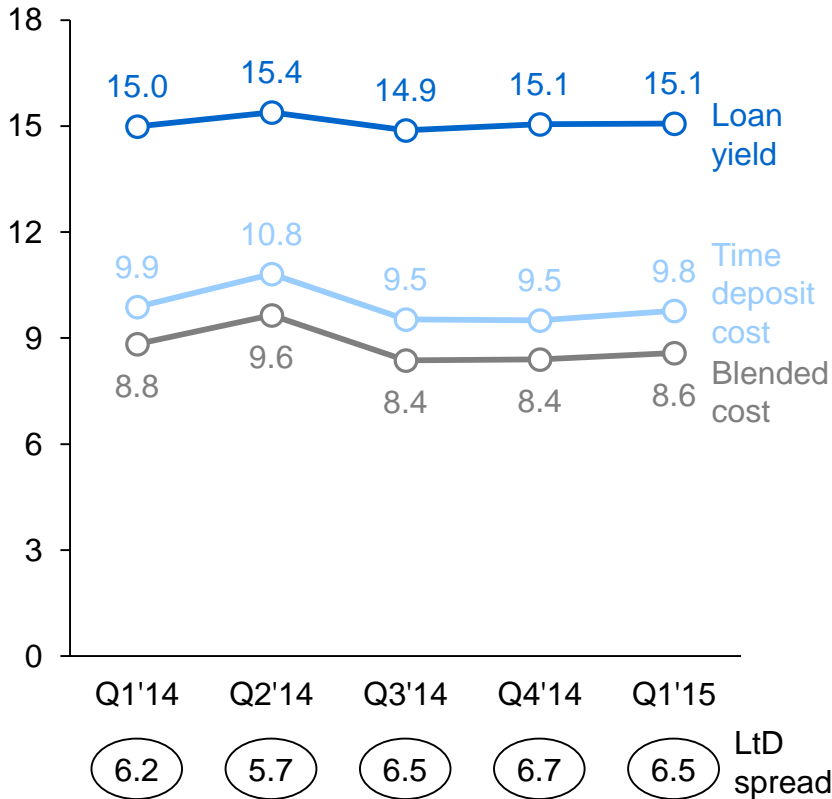
(1) Including TRY bonds

Loan-deposit spread is almost flat on QoQ basis

TRY loan-deposit spread decreased by 16 bps QoQ

TRY Spread

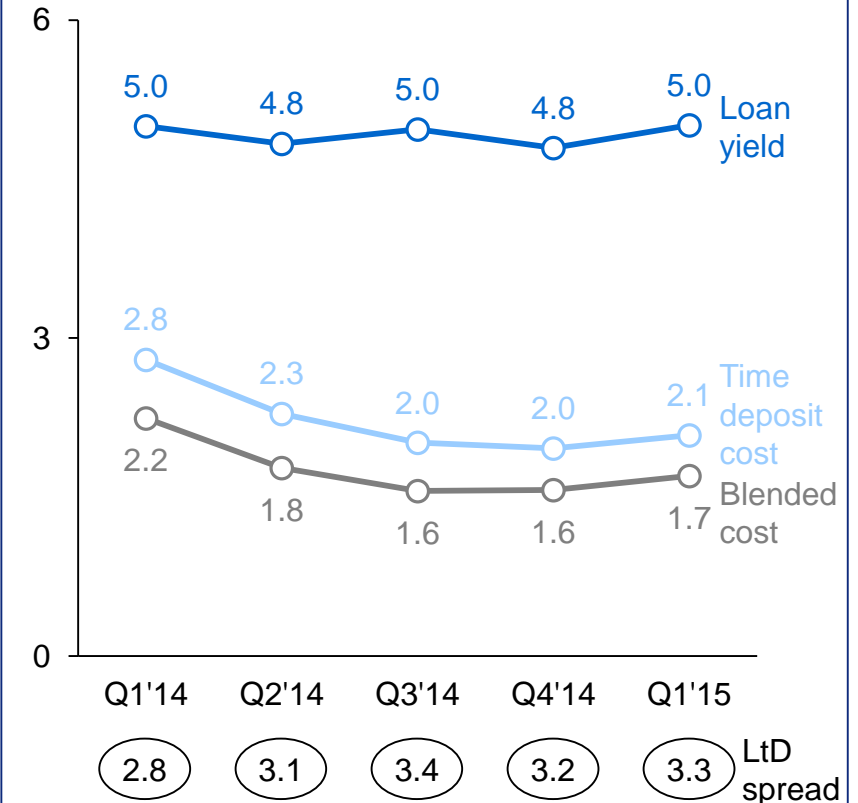
%, Quarterly average



FX loan-deposit spread decreased by 8 bps QoQ

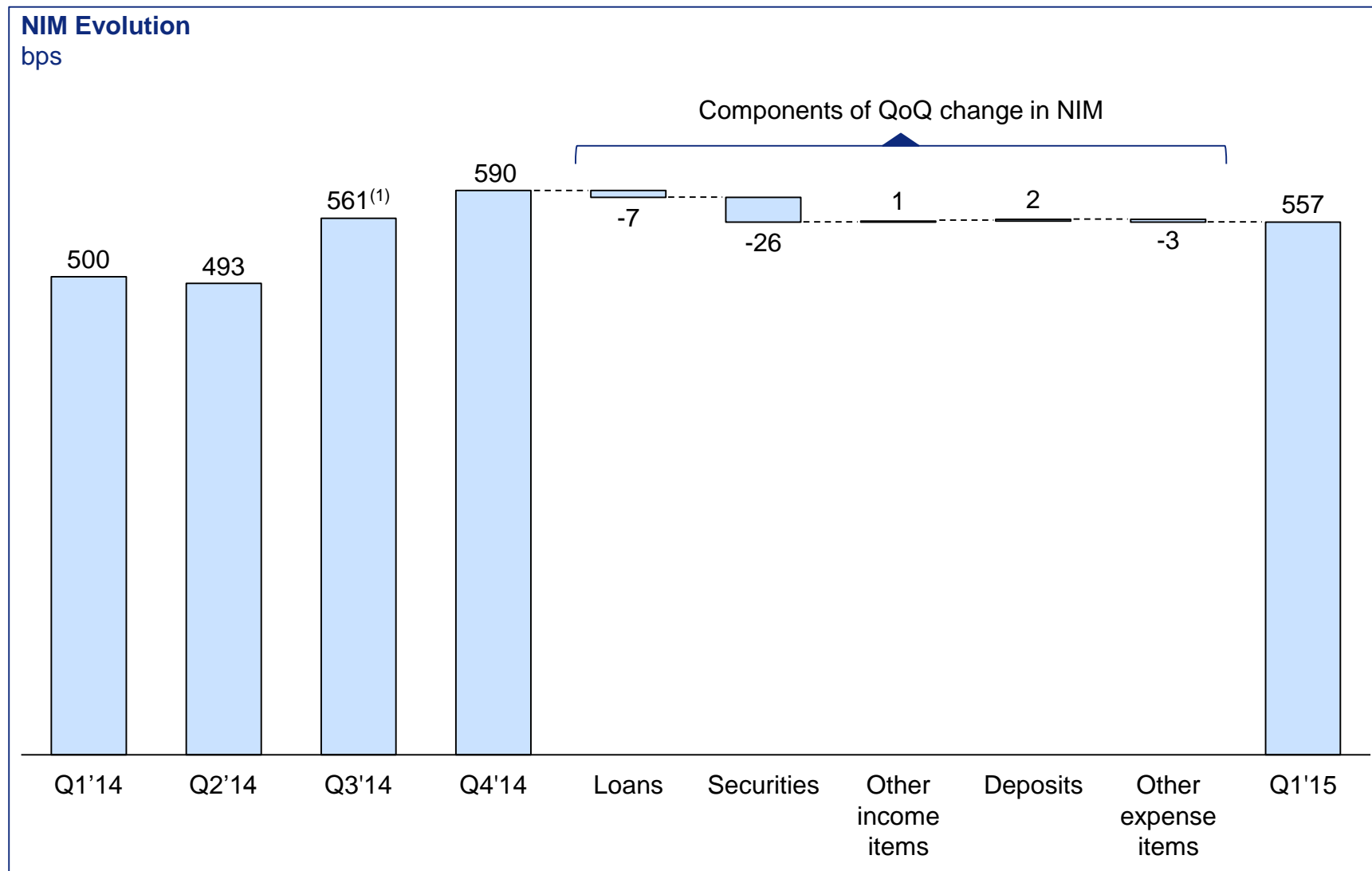
FX Spread

%, Quarterly average



23 bps QoQ decrease in blended loan-deposit spread due to heightened pressure on deposit rates

NIM slightly narrowed in Q1'15 mainly due to decrease in securities yield driven by CPI linkers

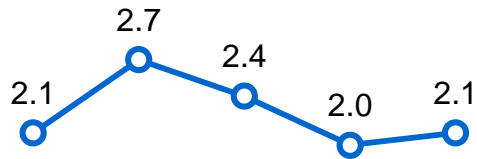


(1) Excludes the TRY 75mn effect of accounting methodology change for CPI-linked bonds. If included, Q3'14 NIM would be 6.1%

Cost of risk is flat on YoY basis

CoR is flat on YoY basis

Cost of Risk
%



Q1'14 Q2'14 Q3'14 Q4'14 Q1'15

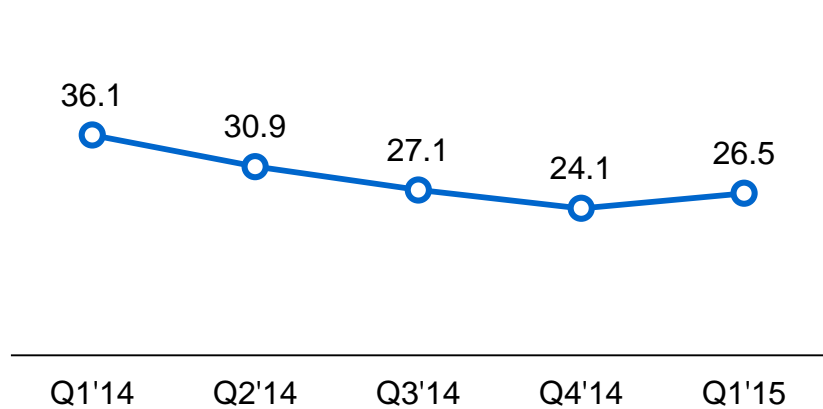
Cost of risk improvement is a natural result of loan book shift towards business banking

	Loan Composition					SCoR	General
	% of total loans					Q1'15, %	Prov. Rates %
Credit cards	21	18	16	15	14	4.3	4.0
General purpose loans	15	16	16	16	16	3.7	4.0
Mortgage	14	14	12	12	11	0.5	1.0
SME	30	31	35	35	36	1.7	0.5
Corporate & Commercial	20	20	21	22	23	1.1	1.0
	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15		

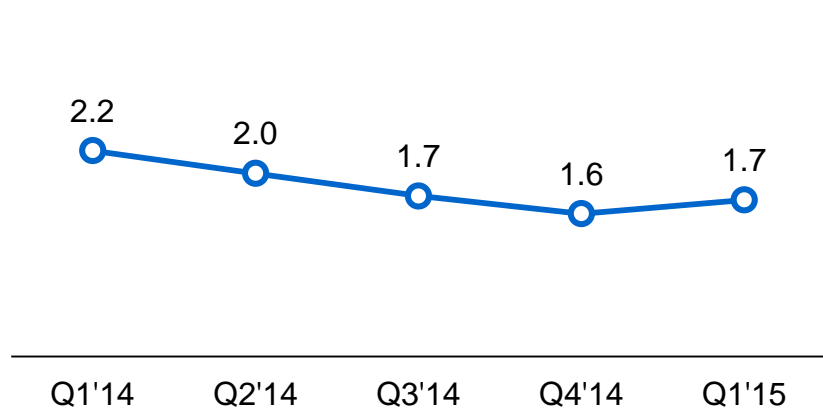
Fee generation from diversified sources continues in Q1'15

Fee generation increased quarterly despite the shift towards less fee oriented business banking

Fees / Total Income
%

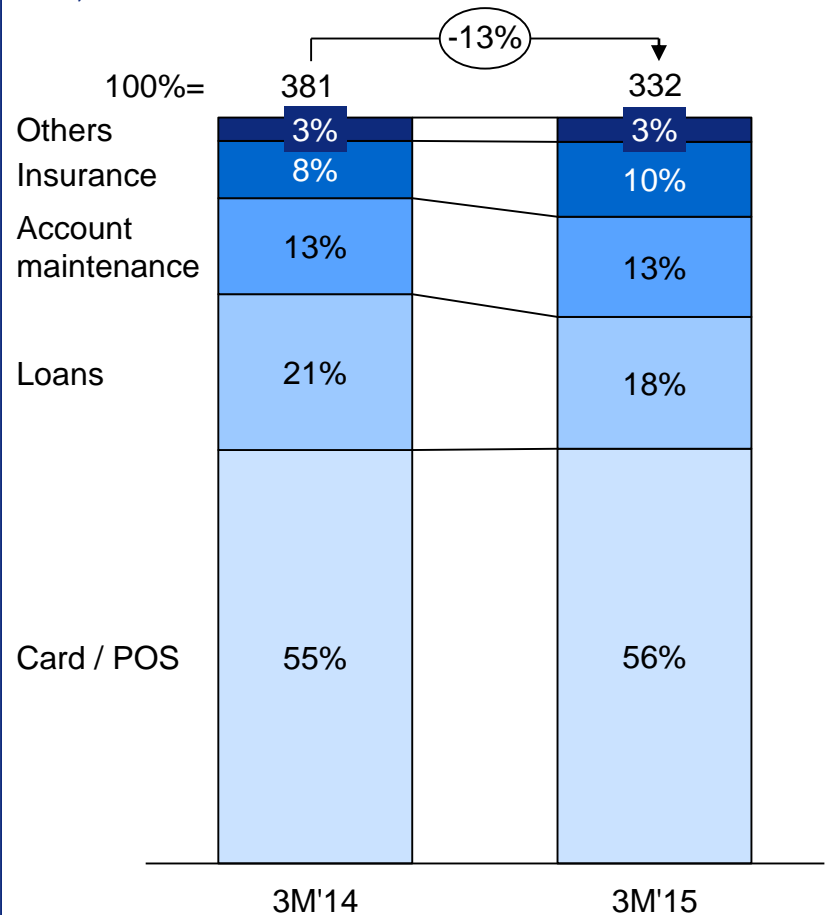


Fees / Assets
%



Fee generation continues to be under pressure on a yearly basis due to regulations

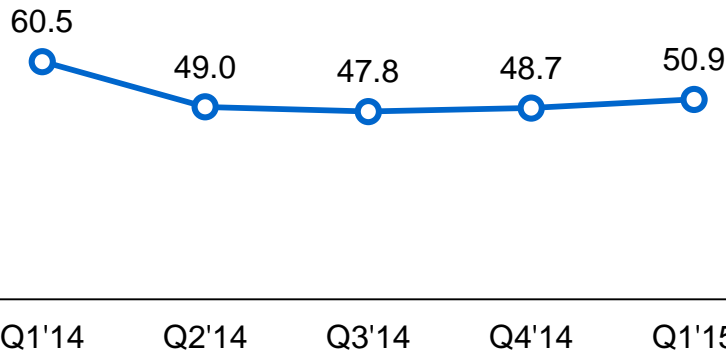
Cumulative Net Fees and Commissions
TRY, mn



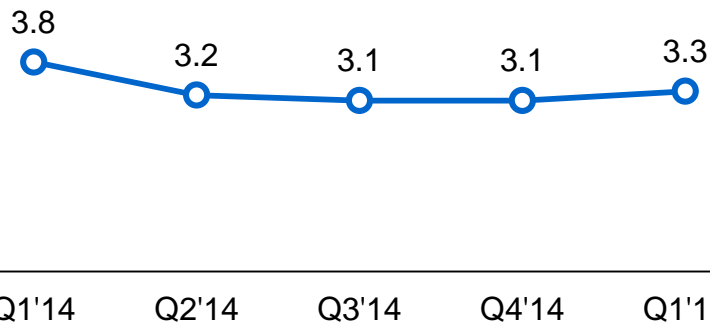
High operating efficiency thanks to stringent cost management

Significant YoY improvement in operating efficiency

Cost / Income
%

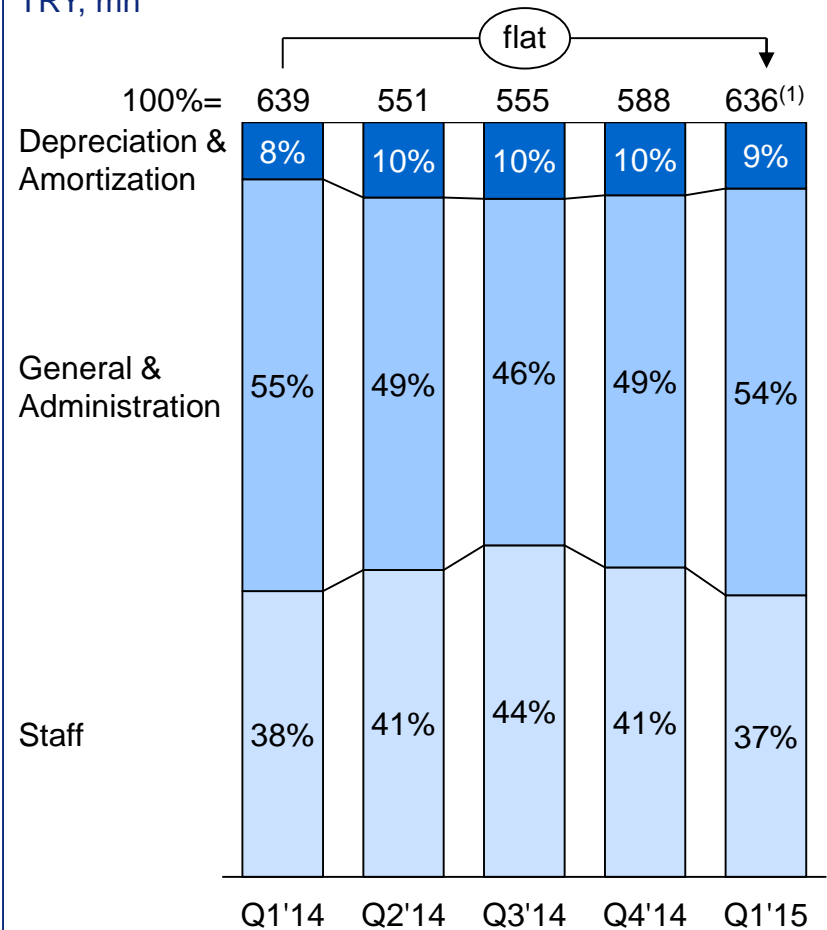


OpEx / Assets
%



OpEx is flat on YoY basis

OpEx
TRY, mn



(1) Including commission refunds of TRY 43 million

Stellar profit growth on a yearly basis

TRY, mn	Q1'14	Q4'14	Q1'15	ΔQoQ	ΔYoY
Net Interest Income	660	885	859	-3%	30%
Net Fees & Commissions	381	291	332	14%	-13%
Trading & Other Income	16	32	60 ⁽¹⁾	86%	273%
Total Operating Income	1057	1208	1250	3%	18%
Provisions	(227)	(254)	(272)	7%	20%
OpEx	(639)	(588)	(636)	8%	0%
Net Operating Income	191	366	342	-7%	79%
Taxation	(62)	(77)	(59)	-24%	-5%
Net Income	129	289	283	-2%	119%

- **3% QoQ increase in operating income** supported by fee income and other income
- **7% QoQ increase in provisions** due to growing loan book
- **OpEx flat YoY** due to the effects of cost containment actions
- **119% YoY increase in net income**

(1) Including dividend income from subsidiaries

Appendix

Pg. 17 Key financial ratios

Pg. 18 Balance sheet summary

Key financial ratios

	All figures quarterly	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	ΔQoQ	ΔYoY
Profitability	RoAE	6.7%	10.8%	12.0%	13.7%	13.1%	-0.6%	6.4%
	RoAA	0.8%	1.2%	1.4%	1.5%	1.5%	-0.1%	0.7%
	Cost / Income	60.5%	49.0%	47.8%	48.7%	50.9%	2.2%	-9.6%
	NIM	5.0%	4.9%	5.6%	5.9%	5.6%	-0.3%	0.6%
Liquidity	Loans / Deposits	114%	122%	121%	124%	125%	1%	11%
	Loans / (Dep. + TRY Bonds)	110%	116%	115%	117%	119%	2%	9%
Asset Quality	NPL Ratio	6.5%	5.4%	5.5%	5.2%	5.5%	0.3%	-1.0%
	Coverage	83%	80%	81%	79%	77%	-2%	-6%
	Cost of Risk	2.1%	2.7%	2.4%	2.0%	2.1%	0.1%	0%
Solvency	CAR	16.2%	16.8%	16.3%	17.0%	16.0%	-0.9%	-0.2%
	Tier I Ratio	12.0%	12.8%	12.4%	13.0%	12.5%	-0.5%	0.5%
	Leverage	8.9	8.6	9.0	8.8	9.2	0.5	0.3

Balance sheet summary

	TRY, mn	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	ΔQoQ	ΔYoY
Assets	Cash & Banks ⁽¹⁾	8,839	8,548	9,400	9,108	9,668	6%	9%
	Securities	8,456	8,913	9,073	9,165	9,759	6%	15%
	Net Loans	45,514	45,741	49,199	50,344	52,412	4%	15%
	Fixed Assets & Subsidiaries	2,318	2,313	2,327	2,380	2,232	-6%	-4%
	Other	4,974	3,833	4,545	4,209	6,423	53%	29%
	Total Assets	70,101	69,348	74,545	75,206	80,494	7%	15%
Liabilities & Equity	Customer Deposits	40,022	37,615	40,686	40,652	42,009	3%	5%
	Borrowings	14,193	16,210	17,387	17,964	19,581	9%	38%
	Bonds Issued	3,266	4,673	5,288	5,373	5,583	4%	71%
	Funds Borrowed	4,107	4,726	4,815	4,898	5,519	13%	34%
	Sub-debt	2,025	1,942	2,110	2,122	2,417	14%	19%
	Bank Deposit	1,603	1,150	1,534	1,423	1,561	10%	-3%
	Repo	3,191	3,719	3,640	4,147	4,501	9%	41%
	Other	8,035	7,474	8,181	8,017	10,190	27%	27%
	Equity	7,851	8,049	8,291	8,574	8,714	2%	11%
Total Liabilities & Equity	70,101	69,348	74,545	75,206	80,494	7%	15%	

(1) Includes banks, interbank, other financial institutions

Disclaimer

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