

Finansbank Q3'15 Corporate Presentation

Agenda

Turkish Banking Landscape & Finansbank

Loan-based Balance Sheet Delivering High Quality Earnings

Solid Financial Performance

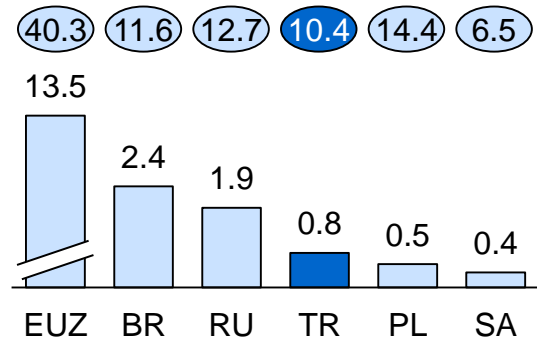
Appendix

Structurally attractive Turkish economy underpinning a dynamic banking sector⁽¹⁾

Large economy with low GDP / capita...

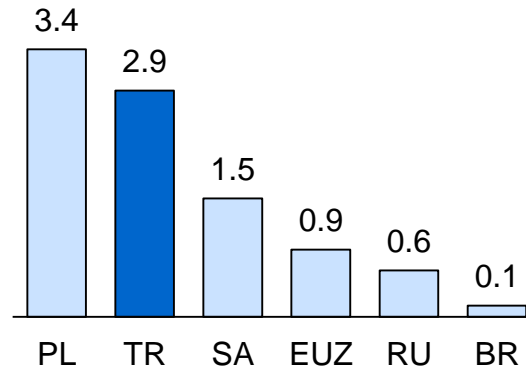
GDP
2014, USD, tn

GDP per capita (USD, k)



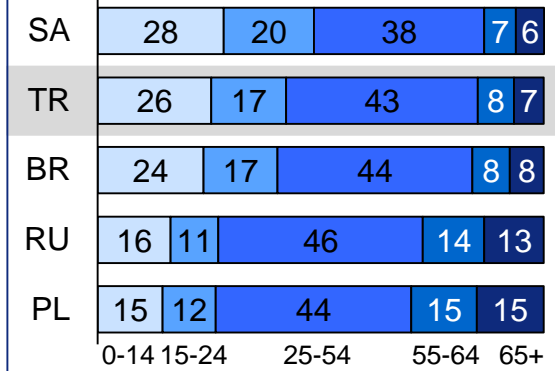
...high real GDP growth...

GDP Growth, Constant Prices
2014, %



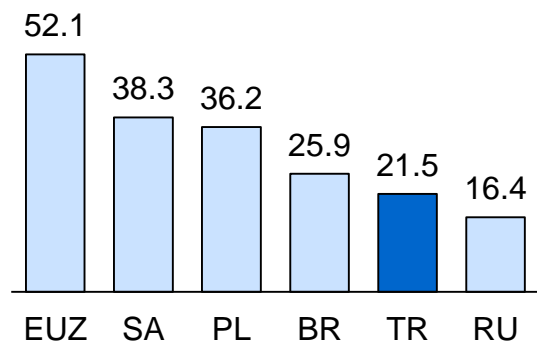
...and highly attractive demographic profile

Population by Age Groups
%



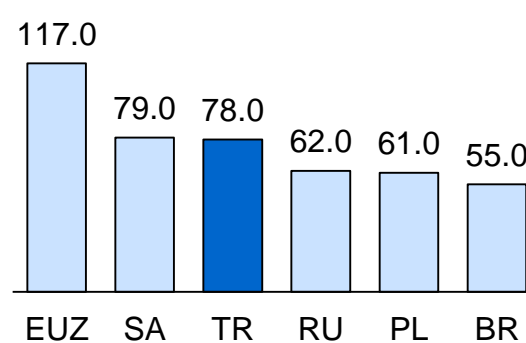
Underlevered population...

Household debt / GDP
Q3'15, %



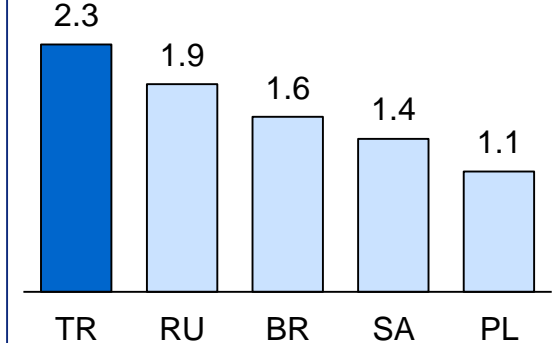
...with further penetration potential...

Loans / GDP
Q3'15, %



...and a high return on assets

Banking Sector Pre-tax RoA
2010–2014 average, %




Source: IMF WEO – Oct'15; ECB; CIA World Fact Book; Central Banks; BRSA; Turkstat; IMF FSI

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

Finansbank – 5th largest privately owned universal bank

9M'15

Financial Highlights – Bank Only		Distribution Highlights		Market Positioning ⁽¹⁾	
Total Assets TRY, bn	90.4	Active Customers mn	5.3	Total Assets	5 th
Net Loans TRY, bn	57.2	Credit Cards mn	5.0	Net Loans	5 th
Customer Deposits TRY, bn	47.3	Debit Cards mn	5.0	General Purpose Loans⁽²⁾	5 th
 Deposits TRY, bn	4.7	Branches #	647	Mortgages	6 th
Shareholder's Equity TRY, bn	8.9	Employees #	13,001	Credit Cards	5 th
Net Income TRY, mn	673	ATMs #	3,043	Commercial Installment Loans	4 th
RoAA %	1.1	POS k	241	Total Deposits	6 th
RoAE %	10.2			Branches	6 th
CAR %	15.0				

Source: The Banks Association of Turkey

(1) As of Q2'15, excludes state banks. Including Garanti, Akbank, Yapı Kredi, İşbank, Denizbank, ING, HSBC and TEB

(2) Includes overdrafts

Shareholder structure and ratings

	Finansbank			NBG Group																									
Shareholder Structure																													
	<table border="1"> <thead> <tr> <th></th> <th>Moody's</th> <th>Fitch</th> <th>CI</th> </tr> </thead> <tbody> <tr> <td>Foreign Currency Long-term</td> <td>Ba2</td> <td>BBB-</td> <td>BB+</td> </tr> <tr> <td>Foreign Currency Short-term</td> <td>NP</td> <td>F3</td> <td>B</td> </tr> </tbody> </table>				Moody's	Fitch	CI	Foreign Currency Long-term	Ba2	BBB-	BB+	Foreign Currency Short-term	NP	F3	B	<table border="1"> <thead> <tr> <th></th> <th>Moody's</th> <th>Fitch</th> <th>S&P</th> </tr> </thead> <tbody> <tr> <td>Foreign Currency Long-term</td> <td>Caa3</td> <td>CCC</td> <td>CCC+</td> </tr> <tr> <td>Foreign Currency Short-term</td> <td>NP</td> <td>C</td> <td>C</td> </tr> </tbody> </table>				Moody's	Fitch	S&P	Foreign Currency Long-term	Caa3	CCC	CCC+	Foreign Currency Short-term	NP	C
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Corporate Information	<ul style="list-style-type: none"> • 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) 			<ul style="list-style-type: none"> • The National Bank, with dominant presence in the Greek banking market and strong profile in SE Europe and Eastern Mediterranean, leads the largest and strongest financial group in Greece • The Group operates in 12 countries and controls, apart from NBG, 9 banks and 61 companies providing financial and other services, with workforce of 34 thousand employees 																									

Agenda

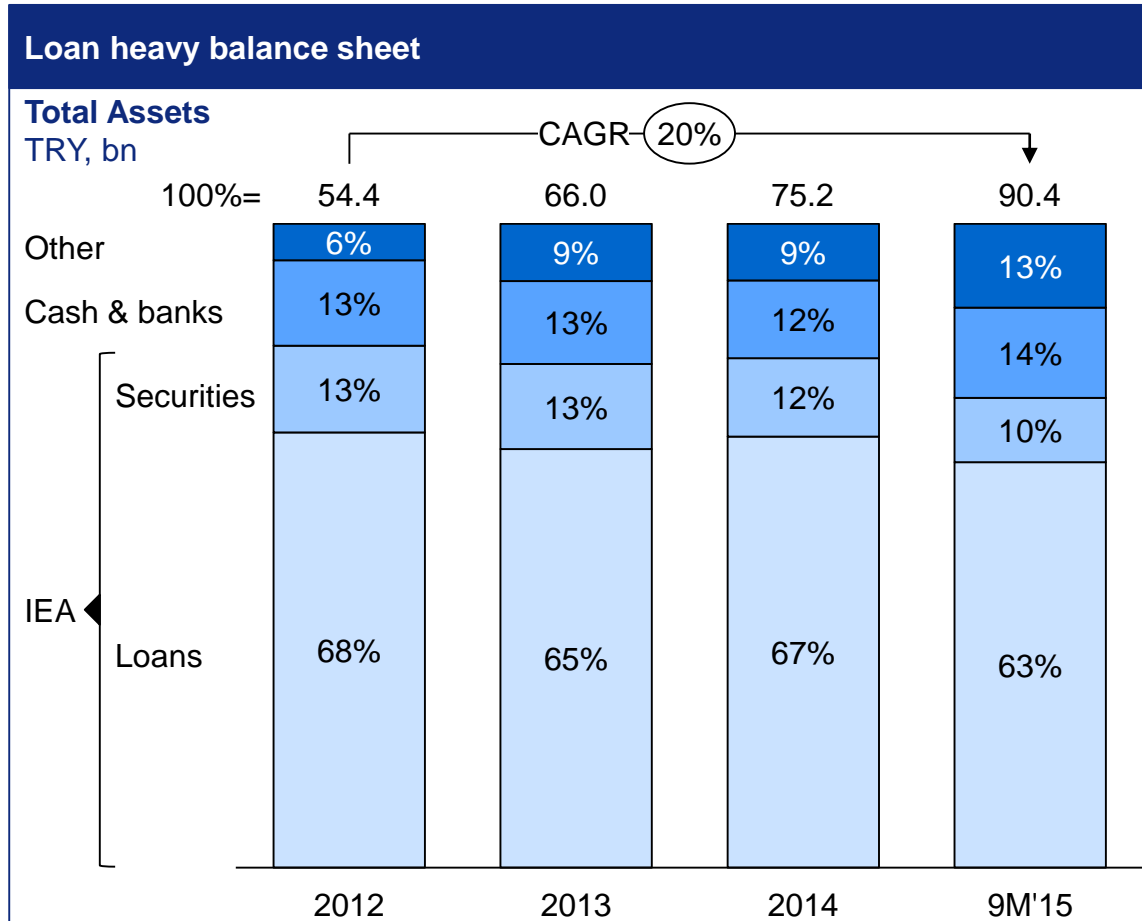
Turkish Banking Landscape & Finansbank

Loan-based Balance Sheet Delivering High Quality Earnings

Solid Financial Performance

Appendix

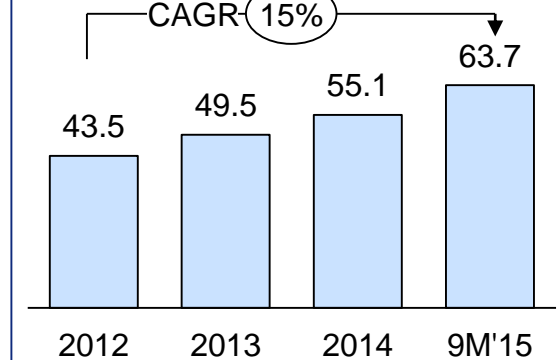
Loan heavy balance sheet



TRY assets exceeded 60 billion

TRY Assets

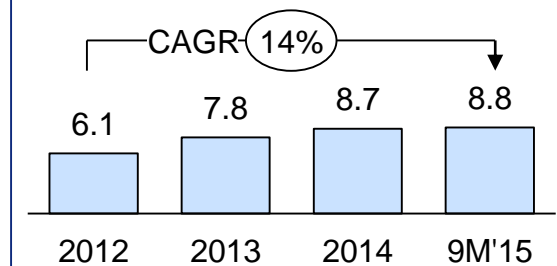
TRY, bn



FX assets on USD terms grew 14% annually on average

FX Assets⁽¹⁾

USD, bn



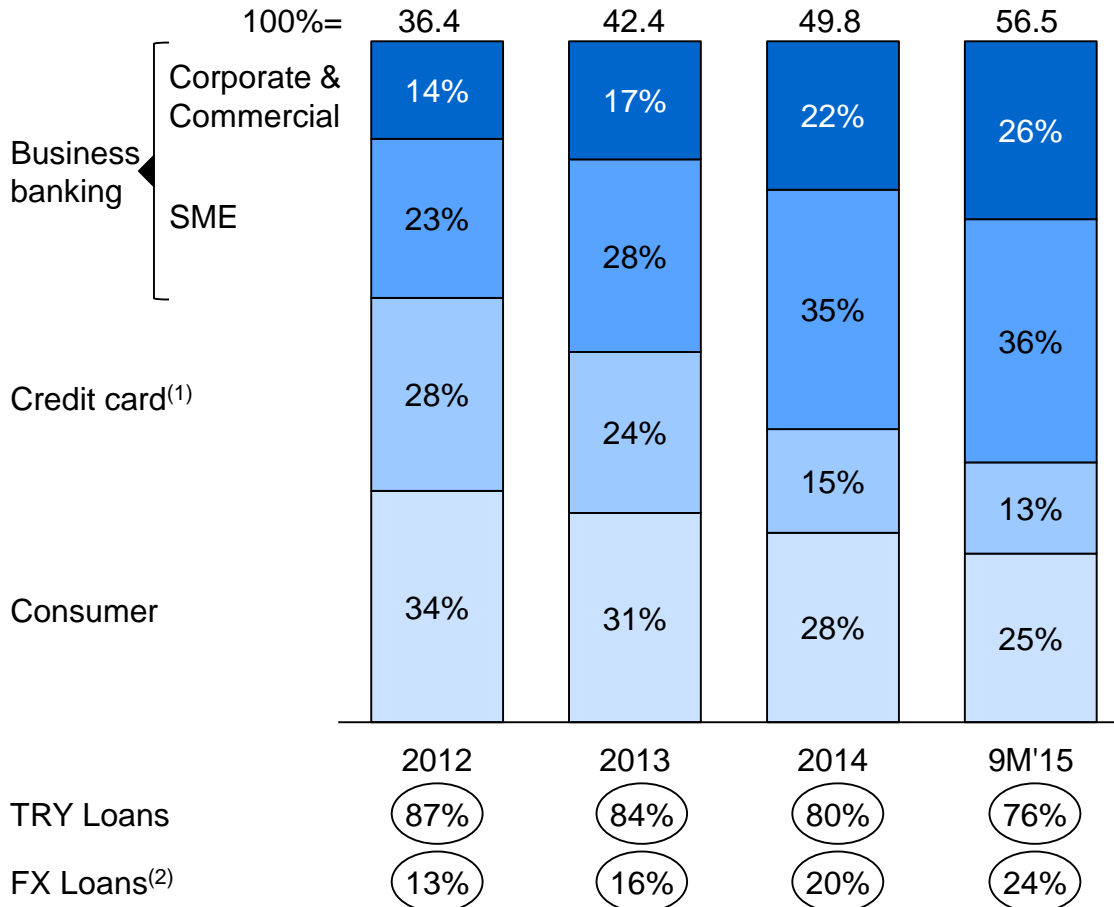
(1) FX-indexed TRY loans are shown in FX assets

Sustainable and successful execution of loan strategy

Loan book continued to shift towards business banking

Performing Loans by Segment and Currency

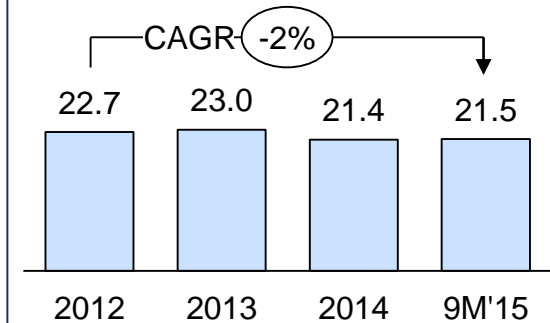
TRY, bn



Retail loans are almost flat over the period

Retail Loans

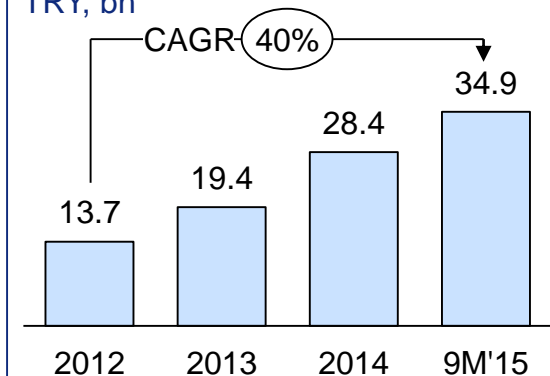
TRY, bn



Significant growth in business loans

Business Loans

TRY, bn



(1) Excluding commercial credit cards

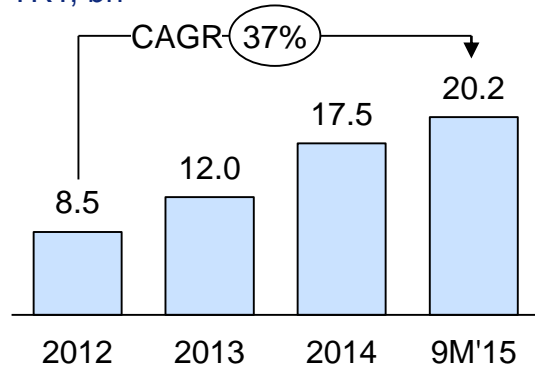
(2) FX-indexed TRY loans are shown in FX loans

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

■ Business banking
■ Retail banking

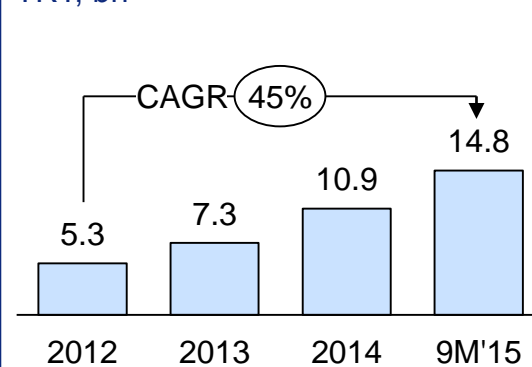
Robust growth in SME loans continued...

SME Loans TRY, bn



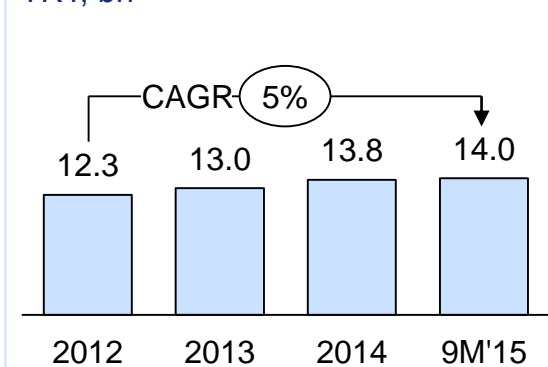
...as well as in corporate & commercial loans

Corporate & Commercial Loans TRY, bn



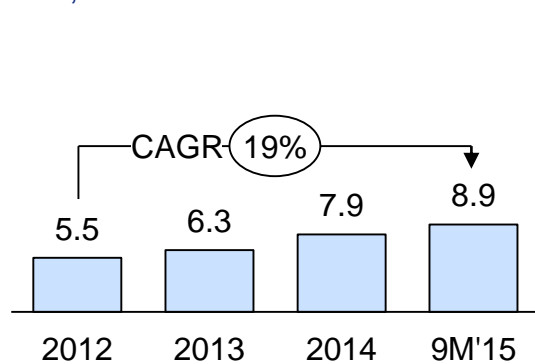
Selective growth in consumer loans

Consumer Loans⁽¹⁾ TRY, bn



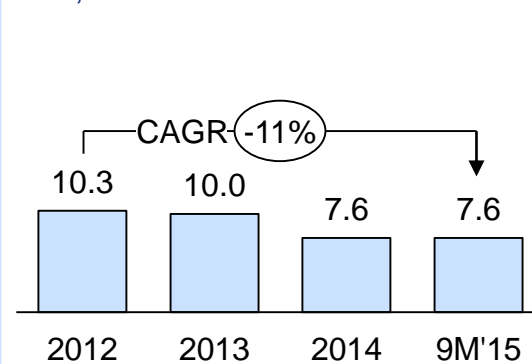
Continued focus on GPL

General Purpose Loans⁽²⁾ TRY, bn



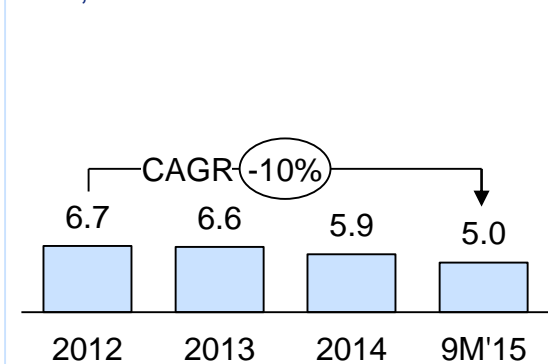
Credit card loans flat on YTD terms

Credit Card Loans TRY, bn



Downward trend continues in mortgages

Mortgage Loans TRY, bn



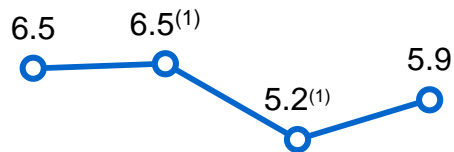
(1) Including GPL and mortgage loans

(2) Including overdraft

Controlled asset quality with high coverage ratios

NPL ratio slightly deteriorated similar to the industry trend...

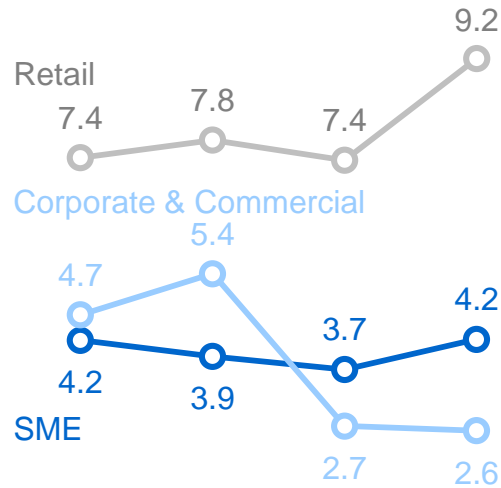
NPL Ratio
%



2012 2013 2014 9M'15

... mainly behind the slow-down in retail loan growth

NPL Ratio by Segments
%

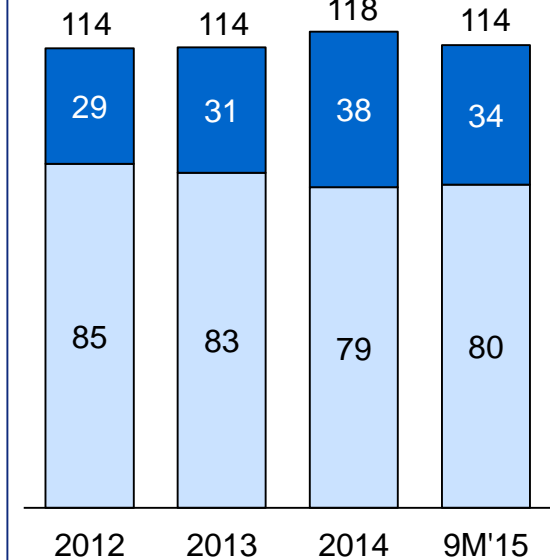


2012 2013 2014 9M'15

NPLs are well covered through general and specific provisions

NPL Coverage⁽²⁾
%

■ General provisions / NPL
■ Specific provisions / NPL



(1) After NPL sales of TRY 542 mn and TRY 1,153 mn during 2013 and 2014 respectively

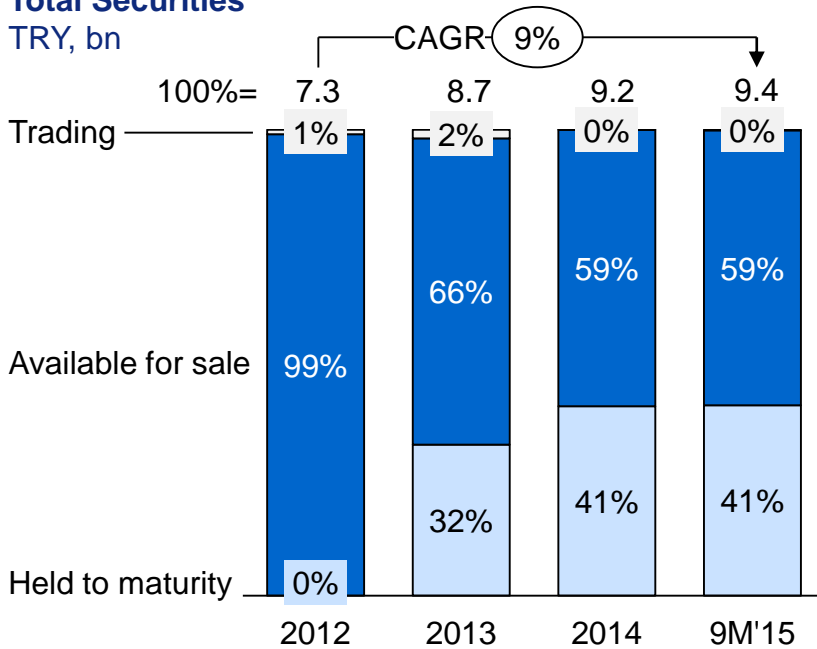
(2) General provisions include watch-list provisions

Securities portfolio is at 10% of assets

Controlled growth of securities portfolio over the period

Total Securities

TRY, bn

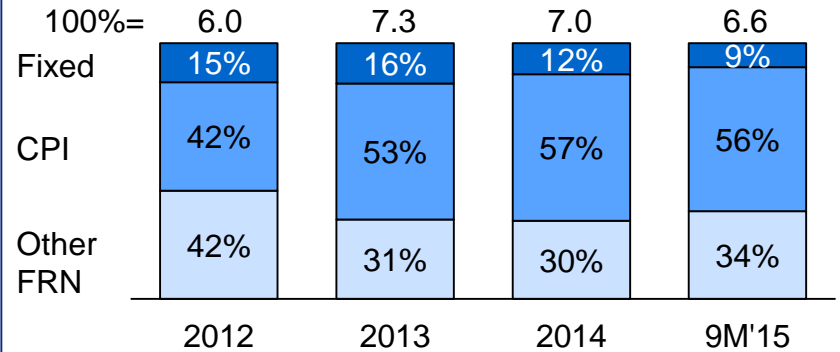


	2012	2013	2014	9M'15
TRY Securities	82%	83%	76%	70%
FX Securities	18%	17%	24%	30%

91% of TRY securities are indexed / variable rate as of Q3'15

TRY Securities

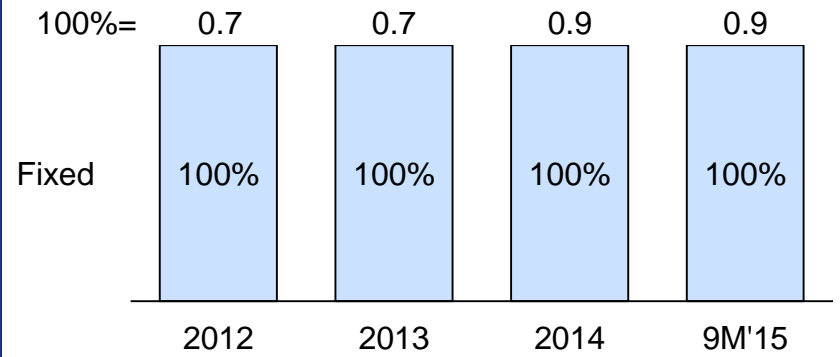
TRY, bn



FX securities portfolio grew on USD terms

FX Securities

USD, bn

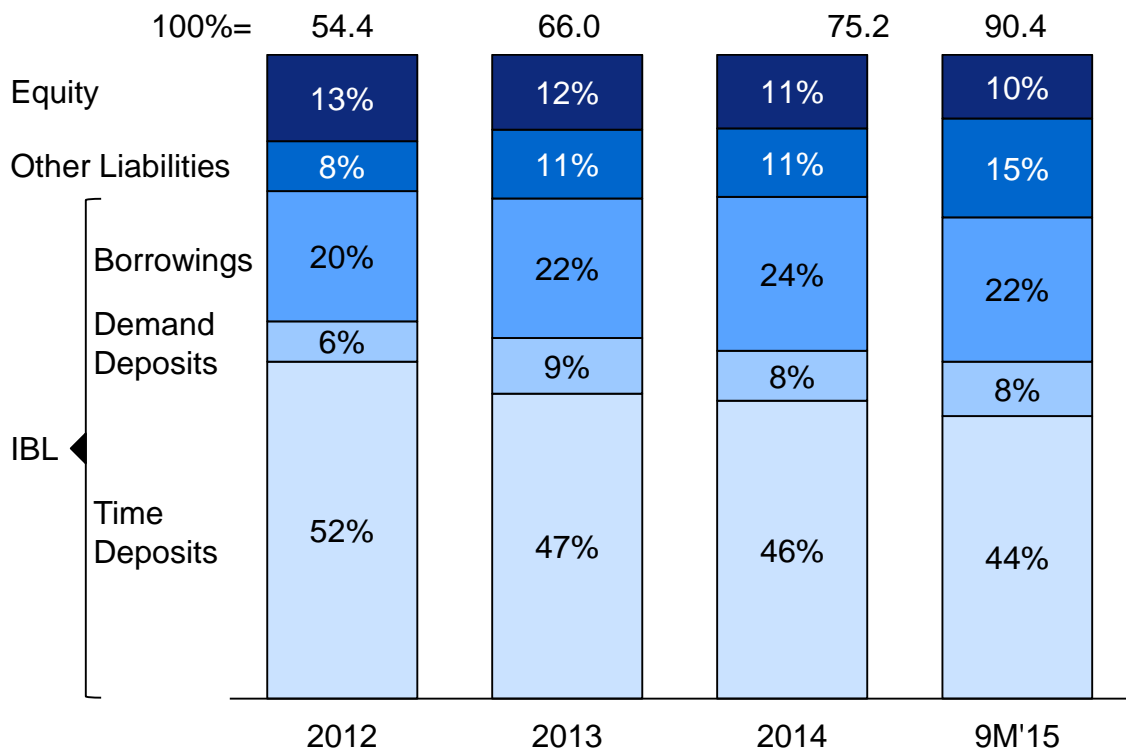


Well-diversified funding structure underpinned by solid deposit base

Increasing diversification of funding sources

Total Liabilities

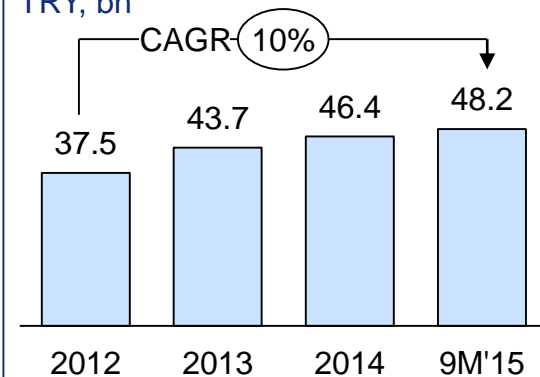
TRY, bn



Market level growth in TRY liabilities

TRY Liabilities

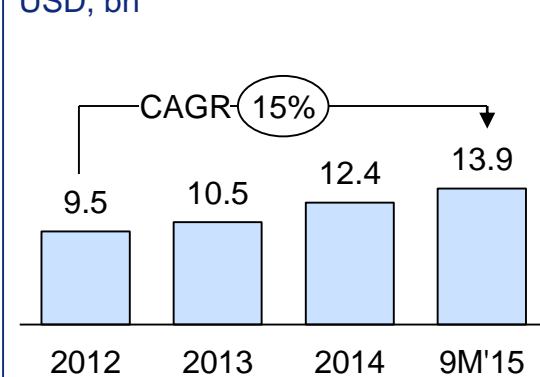
TRY, bn



FX liabilities growth faster than that of TRY

FX Liabilities

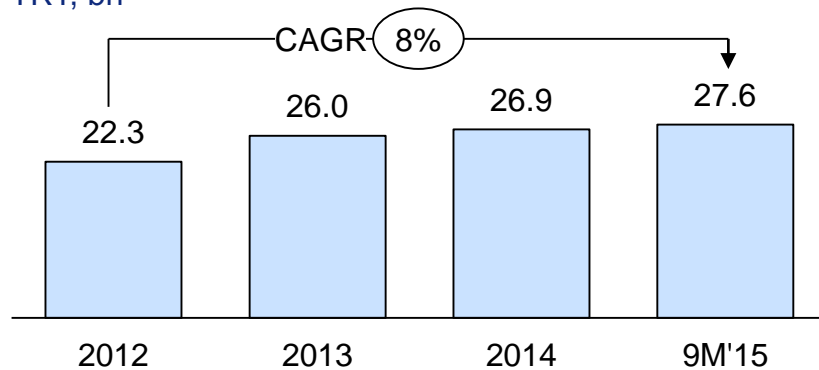
USD, bn



Solid deposit base makes up 70% of IBL

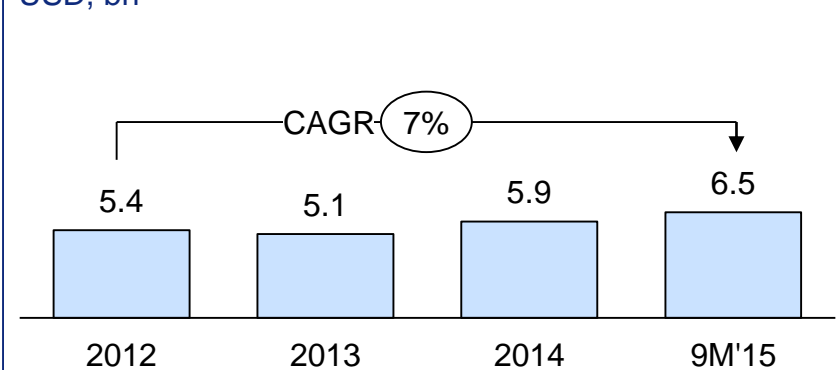
8% annual growth in TRY deposits over the period on average

TRY Deposits
TRY, bn



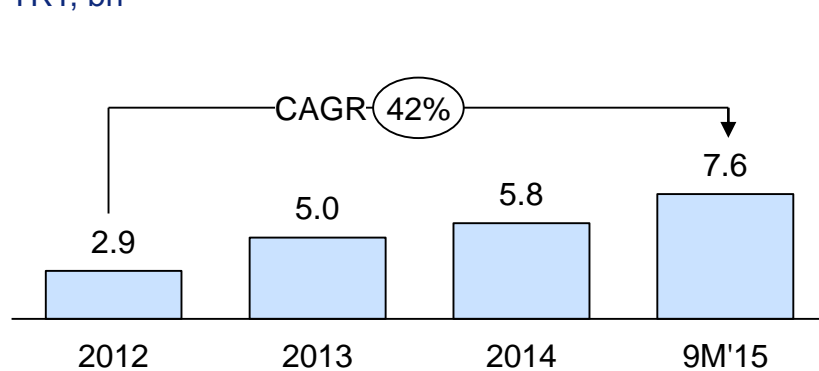
7% annual growth in FX deposits over the period on average

FX Deposits
USD, bn



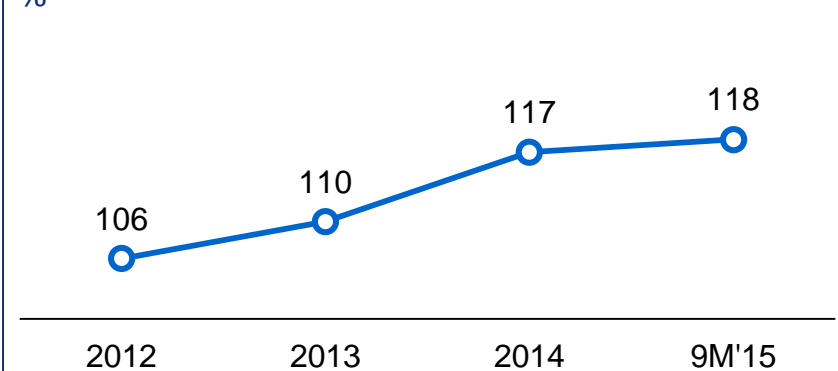
Impressive growth in demand deposits

Demand Deposits
TRY, bn



Loan-to-deposit ratio at comfortable level

Loan-to-deposit ratio⁽¹⁾
%

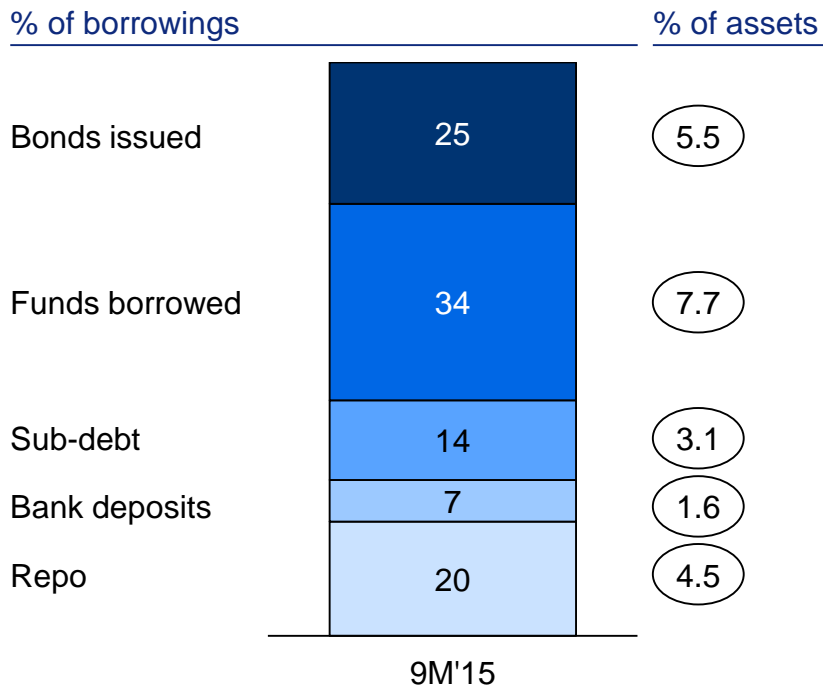


(1) Including TRY bonds

Disciplined use of non-deposit funding and strong capital base

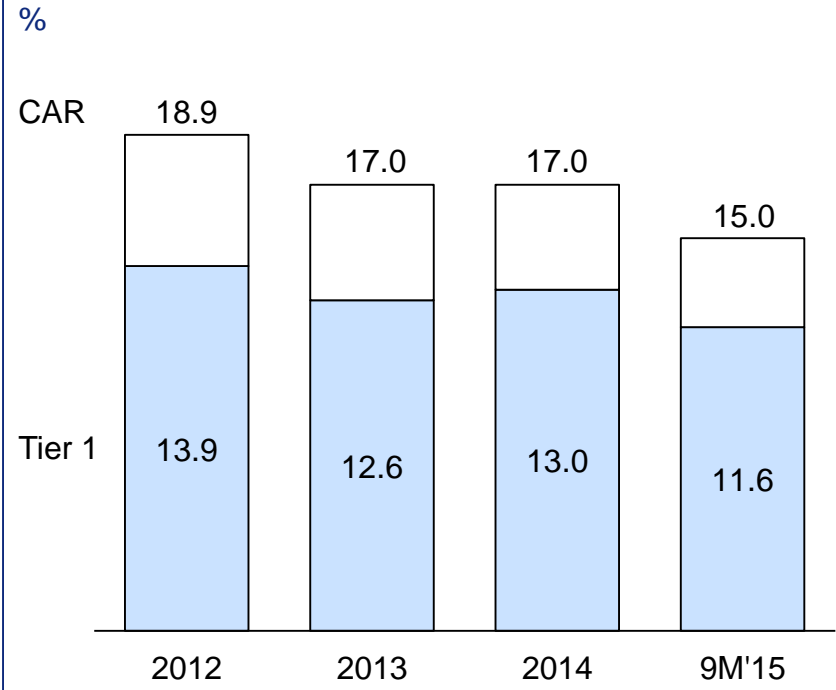
Low reliance on institutional borrowings and repo funding

Borrowings by Type



Capital adequacy at comfortable level despite exchange rate effects that drive RWA higher

Capital Adequacy



A structured approach to market and liquidity risk management

Focused ALM leads to low interest rate sensitivity

- TRY **interest rate sensitivity** is actively managed in the international swap market
- Hedge **swap book** stands at TRY 11.2 bn as of Q3'15
- TRY installment **loan book hedge ratio** is at 61.9% as of Q3'15 and net change in Economic Value / Equity is constantly monitored under several scenarios
- **Low sensitivity to interest rate increases** demonstrates that Finansbank is **one of the most conservative in the market** in managing interest rate risk (9.1% losses / equity as of Q3'15, which is well below the regulatory limit of 20%)

Prudent management of liquidity risk

- Strong framework is in place to ensure **sufficient short-term and long-term liquidity**
- Internal metrics and early warning signals are determined besides regulatory limits
- 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 what-if analysis

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Solid Financial Performance

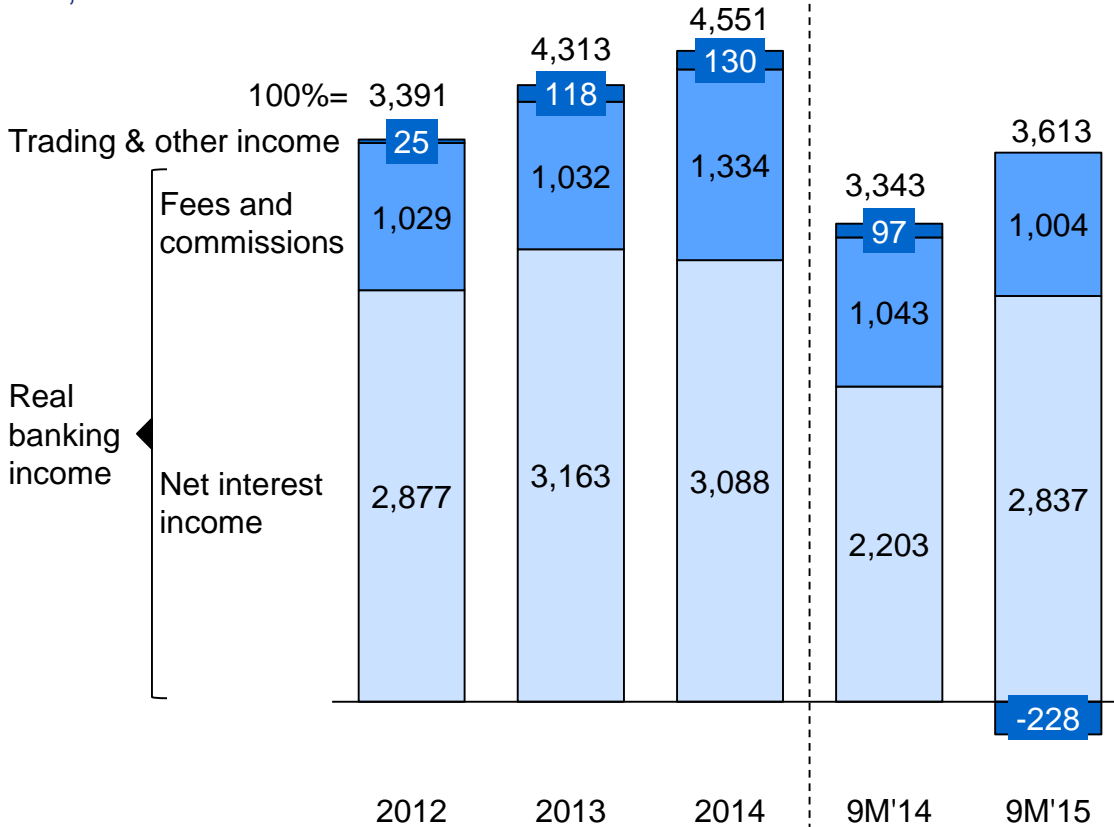
Appendix

Focus on real banking income generation

Operating income driven from core banking activities

Total Operating Income

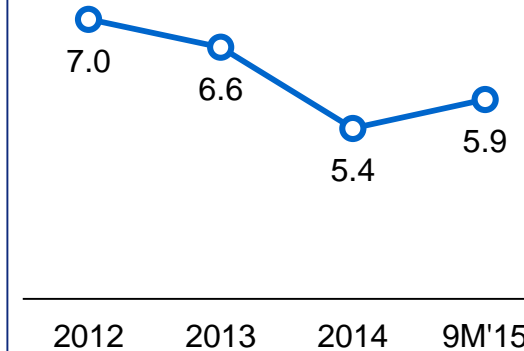
TRY, mn



NIM expansion driven by higher yields in loans & securities

NIM before Swap

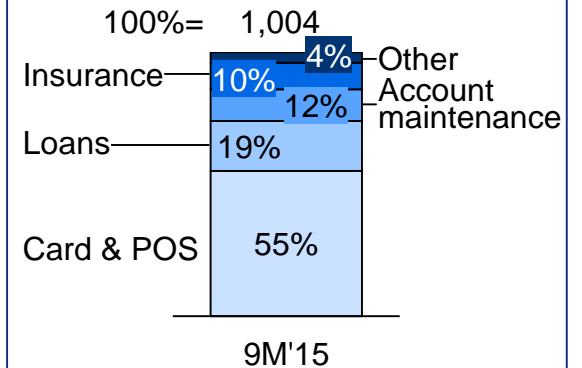
%



Fees at 30% of operating income

Fees & Commissions Breakdown

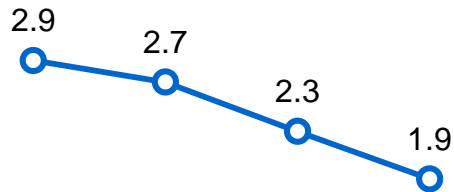
TRY, mn



Cost of risk at comfortable level

CoR on a declining trend

Cost of Risk
%



2012 2013 2014 9M'15

Shift towards business banking helps improve cost of risk

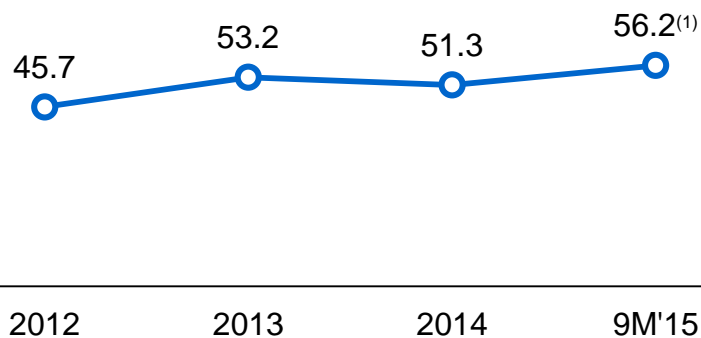
	Loan Composition				SCoR	General
	% of total loans				Q3'15, %	Prov. Rates %
Credit cards ⁽¹⁾	28	24	15	13	4.3	4.0
	15	15	16	16	3.9	4.0
General purpose loans	19	16	12	9	0.0	1.0
	23	28	35	36	2.0	0.5
SME	14	17	22	26	0.5	1.0
Corporate & Commercial						
	2012	2013	2014	9M'15		

(1) Excluding commercial credit cards

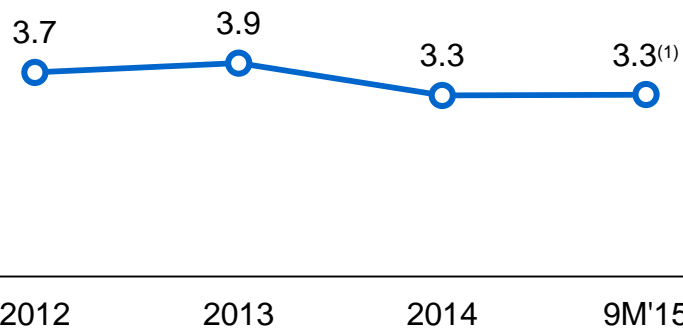
Best in class cost management limits OpEx growth

Increase in cost / income ratio due to accounting methodology change⁽¹⁾ and one-off fine

Cost / Income
%

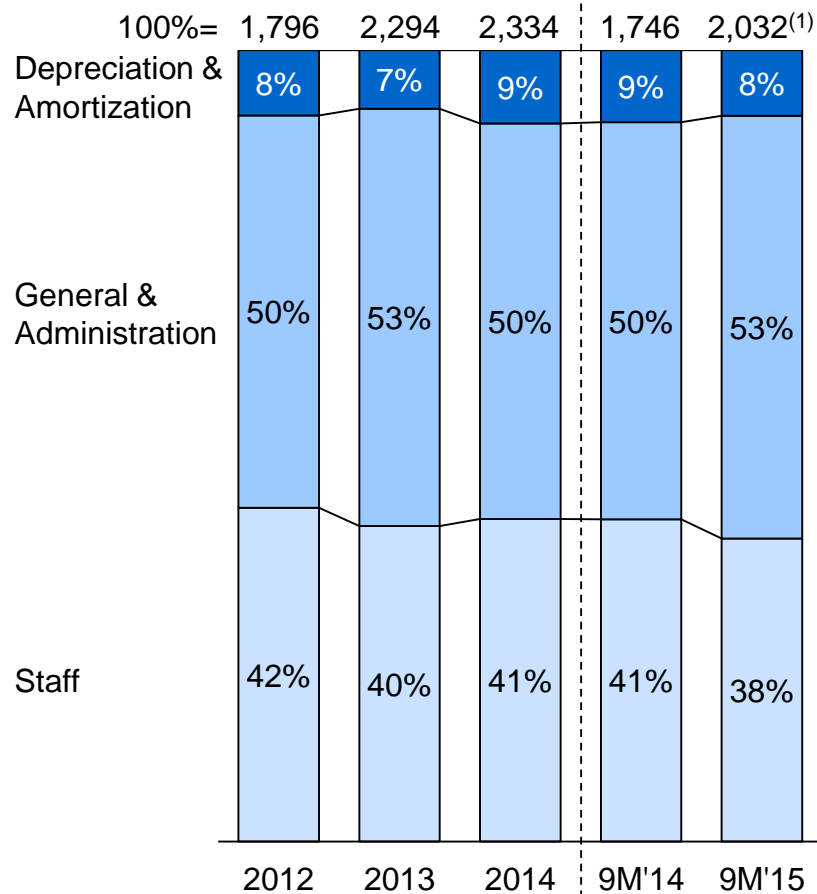


OpEx / Assets⁽¹⁾
%



Controlled OpEx growth

OpEx
TRY, mn



(1) Commission refunds are reported under OpEx starting from 2015, totaling TRY 130 mn for 9 months; including one-off fine of TRY 32.7 million from Ministry of Customs and Trade

Key financial ratios

	All figures quarterly	2012	2013	2014	9M'14	9M'15	YoY
Profitability	RoAE	14.2%	9.8%	10.9%	9.9%	10.2%	+0.4 pps
	RoAA	1.9%	1.2%	1.2%	1.1%	1.1%	flat
	Cost / Income	46%	53%	51%	52%	56%	+4.0 pps
	NIM	7.0%	6.6%	5.4%	5.4%	5.9%	+0.5 pps
Liquidity	Loans / Deposits	115%	116%	124%	121%	121%	flat
	Loans / (Dep. + TRY Bonds)	106%	110%	117%	115%	118%	+3.8 pps
Asset Quality	NPL Ratio	6.5%	6.5%	5.2%	5.5%	5.9%	+0.4 pps
	Coverage	85%	83%	79%	81%	80%	-0.7 pps
	Cost of Risk	2.9%	2.7%	2.3%	2.4%	1.9%	-0.5 pps
Solvency	CAR	18.9%	17.0%	17.0%	16.3%	15.0%	-1.3 pps
	Tier I Ratio	13.9%	12.6%	13.0%	12.4%	11.6%	-0.8 pps
	Leverage	7.5	8.6	8.8	9.0	10.1	+1.1

Key strategies in 2015 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

Mid Term Strategic Actions

- Maintain **solid growth in SME** and **Corporate & Commercial** segments above the market
- **Measured growth in consumer** lending with general purpose loans and renewed emphasis on credit cards with “high card spend” – a driver of acquiring volume (an SME business)
- Profitability and **downstream business focus** in Corporate & Commercial segments
- Continued emphasis on building a **stable deposit base** through new channels, offerings to untapped segments and customer groups (enpara.com)
- Focus on **fee generation** and **operating expenses control** as well as continuing **improvement on cost of risk** front thanks to the shift in loan book mix towards less risky segments

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Loan-based Balance Sheet Delivering High Quality Earnings

Solid Financial Performance

Appendix

Enpara.com, the first fully digital bank in Turkey provides competitive advantage to Finansbank



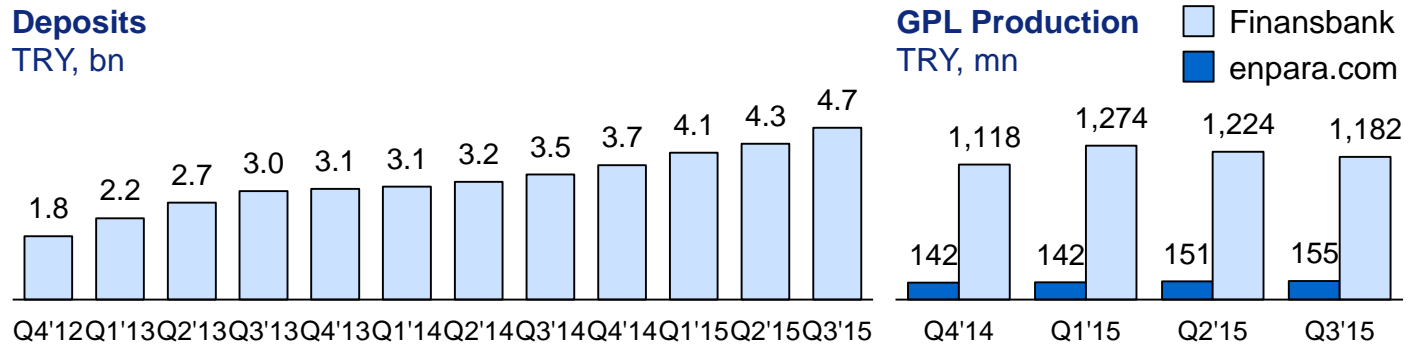
Enpara.com – the first fully digital bank in Turkey

- Founded in Oct'12 as a stand-alone brand
- Based on philosophy of simple, transparent and low-cost, fully digital banking service, available at any time and location
- Offers current accounts (TRY / EUR / USD), debit cards and deposits, transfers, payments, overdraft and consumer loans with an offer of “best price” and “no fees” and relentless focus on customer satisfaction
- Positioning and choice of target cohort minimized cannibalization: ~80% of deposits gathered from outside Finansbank, ~70% of customers are new to Finansbank’s group

Competitive advantage for Finansbank

- Structural and unique advantage for Finansbank, which allows to capture previously untapped low-ticket size deposits with low cost base:
- Provides the flexibility to selectively price the more expensive big-ticket deposits, therefore creating a downward impact on blended cost of deposits

Deposit volume and new consumer loan production as of Q1'15 equal to those of 72⁽¹⁾ and 80⁽²⁾ physical branches respectively



(1) Based on average deposits per branch, excluding Enpara.com

(2) Based on average loans per branch, excluding Enpara.com

Finansbank BRSA Bank-Only Summary Financials

Income Statement					
TRY, mn	2012	2013	2014	9M'14	9M'15
Net interest income	2,877	3,163	3,088	2,203	2,837
Net fees and commissions income	1,029	1,032	1,334	1,043	1,004
Other income ⁽¹⁾	25	118	130	97	(228)
Total income	3,931	4,313	4,551	3,343	3,613
Provisions	(965)	(1,081)	(1,076)	(822)	(769)
Operating expenses	(1,796)	(2,294)	(2,334)	(1,746)	(2,032)
Total expenses	(2,762)	(3,375)	(3,409)	(2,567)	(2,801)
Profit before tax	1,170	938	1,142	776	812
Tax	(266)	(203)	(265)	(188)	(138)
Net income	904	734	877	588	673

Balance Sheet					
TRY, mn	2012	2013	2014	9M'14	9M'15
Cash & Banks ⁽²⁾	7,224	8,515	9,108	9,400	12,209
Securities	7,310	8,731	9,165	9,073	9,356
Net Loans	36,793	42,910	50,344	49,199	57,194
Fixed Assets	1,288	1,344	2,380	2,327	2,244
Other Assets	1,786	4,510	4,209	4,545	9,406
Total Assets	54,402	66,010	75,206	74,545	90,410
Customer Deposits	31,874	36,980	40,652	40,686	47,306
Borrowings	11,021	14,301	17,964	17,387	20,296
Bonds Issued	4,078	3,955	5,373	5,288	5,004
Funds Borrowed	2,539	3,351	4,898	4,815	6,962
Sub-debt	1,630	1,951	2,122	2,110	2,820
Bank Deposit	1,048	1,341	1,423	1,534	1,466
Repo	1,727	3,703	4,147	3,640	4,044
Other	4,216	7,080	8,017	8,181	13,870
Equity	7,290	7,648	8,574	8,291	8,937

(1) Includes dividends, trading profit / loss, other operating income, gain on equity method

(2) Includes banks, interbank, other financial institutions

Finansbank BRSA Consolidated Summary Financials

Income Statement					
TRY, mn	2012	2013	2014	9M'14	9M'15
Net interest income	2,999	3,269	3,205	2,289	2,936
Net fees and commissions income	1,115	1,087	1,397	1,088	1,060
Other income ⁽¹⁾	186	105	134	98	(250)
Total income	4,300	4,461	4,736	3,474	3,750
Provisions	(978)	(1,103)	(1,100)	(836)	(811)
Operating expenses	(1,914)	(2,383)	(2,444)	(1,824)	(2,123)
Total expenses	(2,892)	(3,486)	(3,544)	(2,659)	(2,934)
Profit before tax	1,408	974	1,192	815	816
Tax	(290)	(216)	(276)	(197)	(147)
Net income	1,118	758	916	618	669

Balance Sheet					
TRY, mn	2012	2013	2014	9M'14	9M'15
Cash & Banks ⁽²⁾	7,320	8,688	9,209	9,545	12,305
Securities	7,298	8,779	9,209	9,127	9,420
Net Loans	36,790	42,856	50,181	49,019	57,010
Fixed Assets	841	943	1,897	1,885	1,940
Other Assets	3,186	6,399	6,339	6,677	11,967
Total Assets	55,436	67,666	76,835	76,252	92,642
Customer Deposits	31,657	36,766	40,473	40,372	47,027
Borrowings	12,084	15,848	19,439	19,034	22,320
Bonds Issued	4,078	3,955	5,825	5,711	6,441
Funds Borrowed	3,540	4,821	5,853	5,975	7,407
Sub-debt	1,630	1,951	2,122	2,110	2,820
Bank Deposit	1,048	1,341	1,423	1,534	1,466
Repo	1,789	3,780	4,216	3,704	4,186
Other	4,245	7,189	8,126	8,298	13,988
Equity	7,449	7,863	8,798	8,548	9,307

(1) Includes dividends, trading profit / loss, other operating income, gain on equity method







(2) Represents provision for loan or other receivable losses

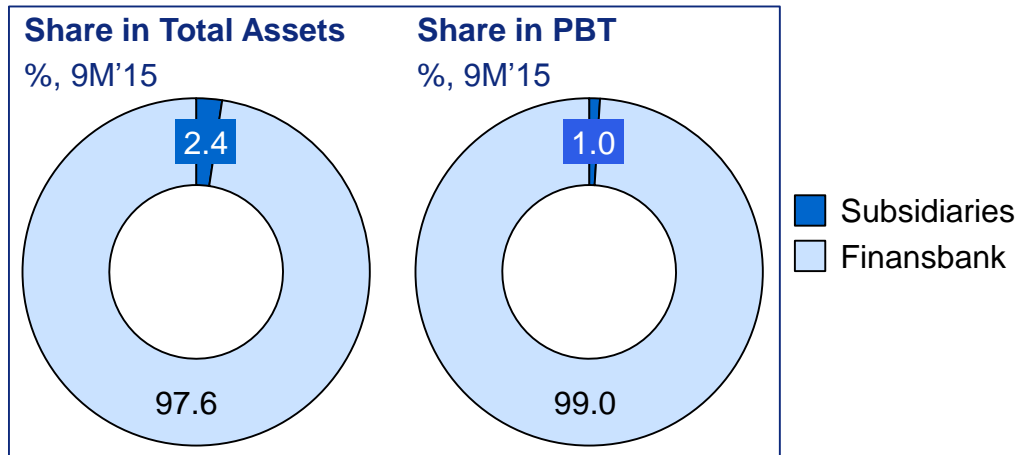
Borrowings and Issuances

Type of Borrowing	Maturity	Currency	Outstanding Principal (mn)	Tenor (Years)
TRY Bond	Oct-15	TRY	81.00	0.93
TRY Bond	Oct-15	TRY	71.14	0.43
TRY Bond	Oct-15	TRY	138.46	1.00
TRY Bond	Nov-15	TRY	243.68	0.93
TRY Bond	Oct-15	TRY	93.74	0.41
TRY Bond	Oct-15	TRY	133.90	0.24
TRY Bond	Jan-16	TRY	27.52	0.47
TRY Bond	Nov-15	TRY	278.83	0.25
TRY Bond	Nov-15	TRY	11.20	0.25
TRY Bond	Nov-15	TRY	48.42	0.22
TRY Bond	Dec-15	TRY	16.50	0.25
TRY Bond	Dec-15	TRY	92.84	0.25
Eurobond	May-16	USD	500.00	5.01
Eurobond	Nov-17	USD	350.00	5.00
Eurobond	Apr-19	USD	500.00	5.00
Eurobond	Dec-15	USD	10.00	1.00
Eurobond	Jan-16	USD	15.00	1.00
Eurobond	Oct-15	USD	50.00	1.00
EIB	Dec-15	EUR	21.54	7.00
EIB	Dec-15	EUR	19.86	6.85
EIB	May-16	EUR	29.96	7.00
EIB	Oct-17	EUR	28.63	7.01
Securitization	Nov-24	EUR	50.00	11.91
Securitization	Nov-17	EUR	10.00	4.91
Syndication	Nov-15	EUR	356.00	1.00
EBRD	May-20	EUR	50.00	5.27
EFSE	Dec-19	EUR	25.00	5.01
PROPARCO	Jul-25	EUR	20.00	10.32
Subordinated Debt from NBG	Oct-20	USD	325.00	11.07
Subordinated Debt from NBG	Oct-21	USD	200.00	12.01
Subordinated Debt from NBG	Dec-21	USD	125.00	12.01
Subordinated Debt from NBG	Dec-21	USD	260.00	10.01
EIB	Nov-19	USD	12.97	7.00
EIB	Nov-20	USD	13.43	7.01
EIB	Mar-21	USD	48.75	7.01
EIB	Apr-21	USD	26.85	7.01
Securitization	Nov-17	USD	75.00	4.91
Syndication	Nov-25	USD	397.00	11.01
Securitization	Aug-20	USD	100.00	4.92
Securitization	Aug-20	USD	100.00	4.92
Securitization	Aug-20	USD	50.00	4.92
Securitization	Aug-20	USD	30.00	4.92

Contribution of subsidiaries

Ownership

 Leasing	<ul style="list-style-type: none"> • Finansbank: 51% • NBG: 30% • FinansInvest: 18% • Free Float: 1%
 Life insurance and pension	<ul style="list-style-type: none"> • Cigna: 51% • Finansbank: 49%
 Factoring	<ul style="list-style-type: none"> • Finansbank: 100%
 Capital markets and investment banking	<ul style="list-style-type: none"> • Finansbank: 100%
 Asset management	<ul style="list-style-type: none"> • FinansInvest: 100%
 E-invoice service provider	<ul style="list-style-type: none"> • Finansbank: 51% • Cybersoft: 49%



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