



QNB Finansbank
Allocation Report 2024 Q1

Sustainability at QNB Finansbank

QNB Finansbank defines sustainability as a transformation journey that starts from its own activities and extends to all its stakeholders.

The main guidance of QNB Finansbank's sustainability strategy is the sustainability framework of QNB Group.

The key pillars of QNB Group's sustainability framework are

**Sustainable Finance,
Sustainable Operations and
Beyond Banking.**



In this regard, QNB Finansbank has adopted the Group's sustainability framework and created "QNB Finansbank Sustainability Road Map". All three pillars support QNB Finansbank's goal of Sustainable Financial Performance, through reducing risks, opening up new business opportunities and strengthening our brand. Under each pillar, we have identified Material Topics and a series of actions plans to improve our performance.

The QNB Finansbank sustainability roadmap focuses on four main impact areas: "**Green Transformation**", "**Responsible Transformation**", "**Internal Transformation**" and "**Transformation of the Financier**".

The first two impact areas,

Green Transformation and Responsible Transformation, focus on the sustainable transformation of our customers,

The other two impact areas,

Internal Transformation and Financier Transformation, centers sustainability of the Bank's own operations.

We adapt «**Becoming 1 with the World**» as our Sustainability vision, where we commit to integrate humanely, environmentally, economically, and socially to the global community by acknowledging our responsibility to the unity of the world's ecosystem

Green Bonds

**In 2023, QNB Finansbank issued a Green Private Placement Bond in the amount of USD 63 million.
In 2021, EBRD invested USD 50 million as QNB Finansbank's first ever green bond.**

- The European Bank for Reconstruction and Development (EBRD), a leading institutional investor in Türkiye, invested USD 50 million in QNB Finansbank's first ever green bond in 2021. This issuance also marks the EBRD's first investment in a green bond issued in Turkish DCM space.
- In 2023, QNB Finansbank made one of the very few green Bond issuance in Turkish Private Placement Market.
- In accordance with the International Capital Market Association (ICMA) Green Bond Principles, the USD 113 million proceeds will be used to finance/refinance internationally certified green building projects in the QNB Finansbank's portfolio.

Bond Details	Investor #1	Investor #2
Issuer	QNB Finansbank A.S.	
LEI	789000Q21SW842S9IJ58	
ISIN	XS2354246220	XS2711887146
Issuance Type	Green Bond	Green Bond
Issue Date	15 June 2021	1 November 2023
Maturity	3 years	1 year
Bond Amount	USD 50 million	USD 63 million
Allocation	100 %	100 %
Total as of 31.03.2024	USD 50mn	USD 63mn

Green/Sustainable Deposit – 1st in Türkiye

We enable our customers to invest in sustainable projects in our portfolio

- We, as QNB Finansbank, enabling our customers to access finance/refinance sustainable projects under our eligible portfolio constructed in accordance with QNB Sustainable Finance and Product Framework
- QNB Finansbank become the 1st Bank offering such product to its clients in Türkiye. With this opportunity given;
 - We allow depositors to invest their excess cash in projects in line with the UN Sustainable Development Goals.
 - Support customers' sustainability reports and ESG KPIs.
 - Offer the advantage of having a reliable and sustainable product.
- In accordance with QNB Sustainable Finance and Product Framework, the equivalent of USD 37 million proceeds will be used to finance/refinance green/social projects in the QNB Finansbank's portfolio.

Depositors	Deposit Amount (million)	Agreement Date	Tenor	Status
Depositor 1	TL 50	Oct 2023	1 year	Open
Depositor 2	TL 250	Oct 2023	3 month	Closed
Depositor 3	TL 500	Oct 2023	3 months	Closed
Depositor 4	TL 250	Nov 2023	3 months	Closed
Depositor 5	TL 400	Jan 2024	3 months	Open
Depositor 6	TL 500	Jan 2024	3 months	Open
Closing Balance as of 31.03.2024	TL 950		USD29 million¹	
Maximum Balance reached during 1Q	TL 1,200		USD37 million	

Allocation Report

Green Bond and Green/Sustainable Deposit Allocation status

The Allocation Report is prepared in accordance with the QNB Sustainable Finance and Product Framework.

Total amount of Green Bond issuance is USD 113 million as well as the total amount of proceeds allocated to eligible projects for refinancing purposes.

Total amount of Green/Sustainable Deposit is USD 37 million as well as the total amount of proceeds allocated to eligible projects.

As of December 2023, allocation is made to 1 green and 1 social loan project

There's no balance of unallocated proceeds.

Allocation of proceeds by...

Green Asset category ^{1,2}	Allocation Amount, (USD'000) ²	Percent of Total Allocation	Number of Eligible Green Loans	UN SDG
Green Buildings	126	100%	1	
Access to Essential Services	24	100%	1	
Total	150	100%	1	

Expected percentage of net proceeds of green funding allocated to eligible green/social loan portfolio

100%