

FİNANSBANK ANONİM ŞİRKETİ

**INDEPENDENT ACCOUNTANT'S
LIMITED REVIEW REPORT,
UNCONSOLIDATED FINANCIAL
STATEMENTS AND NOTES
FOR THE PERIOD ENDED
SEPTEMBER 30, 2012**

*Translated into English from the
Original Turkish Report*

To the Board of Directors of
Finansbank A.Ş.
İstanbul

FİNANSBANK ANONİM ŞİRKETİ

INDEPENDENT ACCOUNTANT'S LIMITED REVIEW REPORT FOR THE INTERIM PERIOD JANUARY 1 – SEPTEMBER 30, 2012

We have reviewed the accompanying unconsolidated balance sheet of Finansbank A.Ş. ("The Bank") as of September 30, 2012 and the related unconsolidated statements of income, cash flows and changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. As independent accountants our responsibility is to issue a report based on the review performed on these financial statements.

We conducted our review in accordance with the accounting rules and policies, and the accounting and auditing standards, set out as per the Banking Act No: 5411. Those standards require that we plan and perform the review to obtain limited assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to reviewing financial statements by applying analytical procedures, inquiring as to the integrity of the financial statements and making inquiries of management to obtain information, it is substantially less in scope than an audit and therefore provides a lesser assurance. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements are not presented fairly, in all material respects, the financial position, the results of its operations and its cash flows, of Finansbank A.Ş. for the period ended September 30, 2012 in accordance with the prevailing accounting principles and standards set out as per the Article No: 37 of the Banking Act No: 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by the Banking Regulation and Supervision Agency.

Additional paragraph for English translation:

The effect of the differences between the accounting principles summarized in Section 3 and the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified and reflected in the accompanying financial statements. The accounting principles used in the preparation of the accompanying financial statements differ materially from IFRS. Accordingly, the accompanying financial statements are not intended to present the Bank's financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Müjde Şehsuvaroğlu
Partner
Istanbul, November 14, 2012

**THE UNCONSOLIDATED FINANCIAL REPORT OF FİNANSBANK A.Ş.
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2012**

The Bank's;

Address of the head office : Büyükdere Cad. No:129, 34394 Mecidiyeköy / İSTANBUL
Phone number : (0 212) 318 50 00
Facsimile number : (0 212) 318 58 50
Web page : www.finansbank.com.tr
E-mail address : name.surname@finansbank.com.tr

The unconsolidated financial report for the nine month period, designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections below:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE BANK
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- FOOTNOTES AND EXPLANATIONS ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- LIMITED REVIEW REPORT

The unconsolidated financial statements and related disclosures and footnotes for the nine months, are prepared in accordance with the Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying unconsolidated financial statements are presented in **thousands of Turkish Lira (TL)**.

**Ömer
A. Aras**
Chairman of the
Board of Directors

**Mustafa
A. Aysan**
Member of the Board
of Directors and Chairman
of the Audit Committee

Paul Mylonas
Member of the Board
of Directors and of
the Audit Committee

Michail Oratis
Member of the Board
of Directors and of the
Audit Committee

Temel Güzelöğlu
General Manager and
Member of the Board of
Directors

Adnan Menderes Yayla
Executive Vice President Responsible of
Financial Control and Planning

Berk Uras
Division Manager Responsible of
Financial Reporting and
Treasury Control

Information related to the responsible personnel to whom the questions about the financial report can be communicated:

Name-Surname/Title : Berk Uras
Division Manager Responsible of Financial Reporting and Treasury Control
Phone Number : (0 212) 318 52 97
Facsimile Number : (0 212) 318 55 78

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(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FINANSBANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2012

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION ONE

GENERAL INFORMATION

I. Explanatory note on the establishment date, nature of activities and history of the Bank

Finansbank Anonim Şirketi (the Bank) was incorporated in Istanbul on September 23, 1987. The Bank's shares have been listed on the Istanbul Stock Exchange since the first public offering on February 3, 1990.

II. Information about the Bank's shareholding structure, shareholders who individually or jointly have power to control the management and audit directly or indirectly, changes regarding these subjects during the year, if any, and information about the controlling group of the Bank

As of September 30, 2012, 77.23% of the Bank's shares are owned by National Bank of Greece S.A. ("NBG"), 9.68% by NBG Finance (Dollar) PLC, 7.90% by NBGI Holdings B.V. and 5.00% by International Finance Corporation ("IFC").

The Bank is a National Bank of Greece S.A (NBG) Group entity. NBG was founded in 1841 and its shares have been traded on Athens Stock Exchange since 1880 and traded on the New York Stock Exchange since 1999. NBG offers financial services to its customers such as retail banking, assets management, intermediary services and investment banking.

III. Information about the chairman and members of board of directors, members of audit committee, managing directors and executive vice presidents; any changes, and the information about the Bank shares they hold and their responsibilities

Name	Title	Date of Appointment	Education
Dr. Ömer A. Aras	Chairman and Executive Member	April 16, 2010	Phd
Sinan Şahinbaş	Deputy Chairman and Executive Member	April 16, 2010	Masters
Prof. Dr. Mustafa Aydın Aysan	Board Member and Head of Audit Committee	November 9, 2006	Phd
Michail Oratis	Board Member and Audit Committee Member	March 2, 2011	Masters
Antonios Grammatikopoulos	Board Member	June 7, 2012	Masters
Edward Nassim	Board Member	April 17, 2007	Masters
Stefanos Pantzopoulos	Board Member	November 9, 2006	Masters
Dr. Paul Mylonas	Board Member and Audit Committee Member	March 11, 2010	Phd
Christos Alexis Komninos	Board Member	February 16, 2011	Graduate
Temel Güzelöğlu	Board Member and Managing Director	April 16, 2010	Masters
Mustafa Hamdi Gürtin	Board Member	April 16, 2010	Masters
Dimitrios Frangetis(*)	Board Member	September 20, 2012	Masters
Adnan Menderes Yayla	Assistant Managing Director	May 20, 2008	Masters
Metin Karabiber	Assistant Managing Director	October 8, 2010	Graduate
Hakan Şenünel	Assistant Managing Director	August 18, 2008	Graduate
Murat Şakar	Assistant Managing Director	August 18, 2008	Graduate
Köksal Çoban	Assistant Managing Director	August 18, 2008	Masters
Saruhan Doğan	Assistant Managing Director	October 9, 2009	Masters
Dr. Mehmet Kürşad Demirkol	Assistant Managing Director	October 8, 2010	Phd
Özlem Cinemre	Assistant Managing Director	July 9, 1997	Graduate
Hakan Alp	Assistant Managing Director	July 7, 2010	Graduate
Tunç Erdal	Assistant Managing Director	October 8, 2010	Graduate
Filiz Şafak	Assistant Managing Director	September 19, 2007	Graduate
Levent Yörük	Assistant Managing Director	February 1, 2010	Graduate
Bülent Yurdalan	Assistant Managing Director	March 7, 2011	Graduate
Erkin Aydın	Assistant Managing Director	May 16, 2011	Masters
Kunter Kutluay	Assistant Managing Director	May 16, 2011	Masters
Ömür Tan	Assistant Managing Director	October 28, 2011	Graduate
Şebnem Seniye Karaduman	Assistant Managing Director	January 9, 2012	Graduate
Ahmet Cihat Kumuşoğlu	Statutory Auditor	March 27, 2008	Graduate
Sedat Eratalar	Statutory Auditor	April 1, 2000	Graduate

(*) Dimitrios Frangetis was appointed as Board Member to replace Anthimos Thomopoulos. Appointment process continues as of the reporting date.

The top level management listed above possesses immaterial number of shares of the Bank.

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FINANSBANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2012

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

IV. Information about the persons and institutions that have qualified shares

Name Surname/Trade Name	Amount of Shares	Percentage of Shares	Paid-up Shares	Unpaid Shares
National Bank of Greece S.A.	1,980,904	77.23%	1,980,904	-
NBG Finance (Dollar) PLC	248,276	9.68%	248,276	-
NBGI Holdings B.V.	202,635	7.90%	202,635	-

The Bank has 100 founder shares as stated in the Articles of Association. The profit distribution is performed according to the prevailing regulations and the Articles of Association. Accordingly, 5% of the distributable profit is appropriated as legal reserves, 5% of the paid up capital is paid out as first dividend and 10% of the remaining distributable profit might be distributed to the founder shares. In addition, 10% of dividends distributed to founder shares are provided as additional legal reserve.

V. Explanations on the Bank's services and activities

The Bank's activities include trade finance and corporate banking, treasury, retail banking and credit card operations. In addition, the Bank carries out insurance agency activities on behalf of insurance companies through its branches. As of September 30, 2012, the Bank operates through 528 domestic (December 31, 2011 - 520), 1 off-shore banking (December 31, 2011 - 1) and 1 Atatürk Airport Free Trade Zone (December 31, 2011 - 1) branches.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance Sheet (Statement of Financial Position)
- II. Statement of Off-Balance Sheet Commitments and Contingencies
- III. Income Statement (Statement of Income / Loss)
- IV. Statement of Profit and Loss Accounted for Under Equity (Statement of Other Comprehensive Income and Loss)
- V. Statement of Changes in Shareholders' Equity
- VI. Statement of Cash Flows

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

FINANSBANK ANONİM ŞİRKETİ

BALANCE SHEET AS OF SEPTEMBER 30, 2012 (STATEMENT OF FINANCIAL POSITION)

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

I. BALANCE SHEET – ASSETS

			Reviewed 30.09.2012			Audited 31.12.2011			
			Section 5						
			Part I	TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	462,274	4,048,493		4,510,767	474,296	2,490,490	2,964,786
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	966,545	129,839	1,096,384	1,365,366	236,618	1,601,984	
2.1	Financial assets held for trading		565,975	129,839	695,814	797,754	236,618	1,034,372	
2.1.1	Public sector debt securities		201,023	5,111	206,134	22,476	2,138	24,614	
2.1.2	Equity securities		-	-	-	-	-	-	
2.1.3	Assets on trading derivatives		364,952	124,728	489,680	775,278	234,480	1,009,758	
2.1.4	Other securities		-	-	-	-	-	-	
2.2	Financial assets at fair value through profit and loss		400,570	-	400,570	567,612	-	567,612	
2.2.1	Public sector debt securities		-	-	-	-	-	-	
2.2.2	Equity securities		-	-	-	-	-	-	
2.2.3	Loans		400,570	-	400,570	567,612	-	567,612	
2.2.4	Other securities		-	-	-	-	-	-	
III.	BANKS	(3)	2,274	161,542	163,816	290,066	539,396	829,462	
IV.	MONEY MARKET PLACEMENTS		-	-	-	700,396	390,926	1,091,322	
4.1	Interbank money market placements		-	-	-	-	390,926	390,926	
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-	
4.3	Receivables from reverse repurchase agreements	(4)	-	-	-	700,396	-	700,396	
V.	INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(5)	5,863,495	1,129,890	6,993,385	5,995,065	929,227	6,924,292	
5.1	Equity securities		-	-	-	-	-	-	
5.2	Public sector debt securities		5,630,906	1,031,156	6,662,062	5,869,410	770,224	6,639,634	
5.3	Other securities		232,589	98,734	331,323	125,655	159,003	284,658	
VI.	LOANS AND RECEIVABLES	(6)	31,623,747	3,389,703	35,013,450	26,844,417	3,426,138	30,270,555	
6.1	Loans and receivables		31,146,627	3,389,703	34,536,330	26,441,058	3,426,138	29,867,196	
6.1.1	Loans to risk group of the Bank		76,921	32,531	109,452	55,015	34,873	89,888	
6.1.2	Public sector debt securities		-	-	-	-	-	-	
6.1.3	Other		31,069,706	3,357,172	34,426,878	26,386,043	3,391,265	29,777,308	
6.2	Non-performing loans		2,296,828	-	2,296,828	1,849,496	-	1,849,496	
6.3	Specific provisions (-)		1,819,708	-	1,819,708	1,446,137	-	1,446,137	
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-	
VIII.	INVESTMENT SECURITIES HELD TO MATURITY (Net)	(7)	-	-	-	-	-	-	
8.1	Public sector debt securities		-	-	-	-	-	-	
8.2	Other securities		-	-	-	-	-	-	
IX.	INVESTMENT IN ASSOCIATES (Net)	(8)	7,769	-	7,769	6,769	-	6,769	
9.1	Equity method associates		-	-	-	-	-	-	
9.2	Unconsolidated		7,769	-	7,769	6,769	-	6,769	
9.2.1	Financial Investments		-	-	-	-	-	-	
9.2.2	Non-financial Investments		7,769	-	7,769	6,769	-	6,769	
X.	INVESTMENT IN SUBSIDIARIES (Net)	(9)	410,339	-	410,339	412,395	-	412,395	
10.1	Unconsolidated financial investments		395,353	-	395,353	397,409	-	397,409	
10.2	Unconsolidated non-financial investments		14,986	-	14,986	14,986	-	14,986	
XI.	ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(10)	2,800	-	2,800	2,800	-	2,800	
11.1	Equity method entities under common control		-	-	-	-	-	-	
11.2	Unconsolidated		2,800	-	2,800	2,800	-	2,800	
11.2.1	Financial investments		-	-	-	-	-	-	
11.2.2	Non-financial Investments		2,800	-	2,800	2,800	-	2,800	
XII.	LEASE RECEIVABLES (Net)	(11)	-	-	-	-	-	-	
12.1	Financial lease receivables		-	-	-	-	-	-	
12.2	Operational lease receivables		-	-	-	-	-	-	
12.3	Others		-	-	-	-	-	-	
12.4	Unearned income (-)		-	-	-	-	-	-	
XIII.	DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(12)	365,597	60,258	425,855	960,793	40,954	1,001,747	
13.1	Fair value hedge		365,597	60,258	425,855	960,793	40,954	1,001,747	
13.2	Cash flow hedge		-	-	-	-	-	-	
13.3	Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-	
XIV.	TANGIBLE ASSETS (Net)		393,006	86	393,092	384,421	76	384,497	
XV.	INTANGIBLE ASSETS (Net)		162,552	-	162,552	134,472	-	134,472	
15.1	Goodwill		-	-	-	-	-	-	
15.2	Others		162,552	-	162,552	134,472	-	134,472	
XVI.	INVESTMENT PROPERTIES (Net)		-	-	-	-	-	-	
XVII.	TAX ASSETS	(13)	-	-	-	-	-	-	
17.1	Current tax assets		-	-	-	-	-	-	
17.2	Deferred tax assets		-	-	-	-	-	-	
XVIII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(14)	22,950	-	22,950	-	-	-	
18.1	Held for sale		22,950	-	22,950	-	-	-	
18.2	Discontinued operations		-	-	-	-	-	-	
XIX.	OTHER ASSETS	(15)	499,889	198,948	698,837	480,552	93,240	573,792	
TOTAL ASSETS			40,783,237	9,118,759	49,901,996	38,051,808	8,147,065	46,198,873	

The accompanying notes are an integral part of these financial statements.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FİNANSBANK ANONİM ŞİRKETİ

BALANCE SHEET AS OF SEPTEMBER 30, 2012 (STATEMENT OF FINANCIAL POSITION)

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

I. BALANCE SHEET – LIABILITIES AND EQUITY

		Reviewed 30.09.2012			Audited 31.12.2011			
		Section 5						
		Part II	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(1)	21,673,780	9,043,397	30,717,177	21,283,271	7,992,299	29,275,570
1.1	Deposits from risk group of the Bank		148,045	193,803	341,848	236,924	136,824	373,748
1.2	Other		21,525,735	8,849,594	30,375,329	21,046,347	7,855,475	28,901,822
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	358,752	129,428	488,180	832,672	215,343	1,048,015
III.	FUNDS BORROWED	(3)	77,649	1,940,558	2,018,207	75,321	2,545,782	2,621,103
IV.	MONEY MARKET BORROWINGS		1,895,775	768,154	2,663,929	814,668	699,830	1,514,498
4.1	Interbank money markets takings		-	-	-	-	147,695	147,695
4.2	Istanbul Stock Exchange money markets takings		-	-	-	-	-	-
4.3	Funds provided under repurchase agreements	(4)	1,895,775	768,154	2,663,929	814,668	552,135	1,366,803
V.	SECURITIES ISSUED (Net)	(5)	1,698,911	885,693	2,584,604	268,023	989,875	1,257,898
5.1	Bills		1,698,911	-	1,698,911	268,023	-	268,023
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	885,693	885,693	-	989,875	989,875
VI.	FUNDS		-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	SUNDRY CREDITORS		1,225,705	170,039	1,395,744	947,020	596,930	1,543,950
VIII.	OTHER LIABILITIES	(6)	401,453	59,979	461,432	492,362	49,102	541,464
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	LEASE PAYABLES (Net)	(7)	2,633	1	2,634	9,294	-	9,294
10.1	Financial lease payables		2,911	8	2,919	10,052	55	10,107
10.2	Operational lease payables		-	-	-	-	-	-
10.3	Others		-	-	-	-	-	-
10.4	Deferred financial lease expenses (-)		278	7	285	758	55	813
XI.	DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(8)	190,753	126,312	317,065	64,659	124,258	188,917
11.1	Fair value hedge		140,410	126,312	266,722	30,334	124,258	154,592
11.2	Cash flow hedge		50,343	-	50,343	34,325	-	34,325
11.3	Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII.	PROVISIONS	(9)	794,724	50,832	845,556	612,146	43,702	655,848
12.1	General provisions		506,484	50,832	557,316	356,739	43,702	400,441
12.2	Restructuring provisions		-	-	-	-	-	-
12.3	Reserve for employee benefits		102,034	-	102,034	92,866	-	92,866
12.4	Insurance technical provisions (Net)		-	-	-	-	-	-
12.5	Other provisions		186,206	-	186,206	162,541	-	162,541
XIII.	TAX LIABILITY	(10)	125,924	-	125,924	103,719	-	103,719
13.1	Current tax liability		108,946	-	108,946	74,850	-	74,850
13.2	Deferred tax liability		16,978	-	16,978	28,869	-	28,869
XIV.	PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)	(11)	-	-	-	-	-	-
14.1	Held for sale		-	-	-	-	-	-
14.2	Discontinued operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS	(12)	-	1,647,670	1,647,670	-	1,742,641	1,742,641
XVI.	SHAREHOLDERS' EQUITY		6,668,986	(35,112)	6,633,874	5,849,062	(153,106)	5,695,956
16.1	Paid-in capital	(13)	2,565,000	-	2,565,000	2,440,000	-	2,440,000
16.2	Capital reserves		210,346	(35,112)	175,234	50,356	(153,106)	(102,750)
16.2.1	Share Premium	(14)	714	-	714	714	-	714
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Securities value increase fund	(15)	215,982	(35,112)	180,870	53,314	(153,106)	(99,792)
16.2.4	Revaluation fund on tangible asset		-	-	-	-	-	-
16.2.5	Revaluation fund on intangible asset		-	-	-	-	-	-
16.2.6	Investment property revaluation differences		-	-	-	-	-	-
16.2.7	Bonus shares obtained from associates, subsidiaries and entities under common control (joint ventures)		2,689	-	2,689	2,689	-	2,689
16.2.8	Hedging funds (effective portion)		(9,039)	-	(9,039)	(6,361)	-	(6,361)
16.2.9	Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		-	-	-	-	-	-
16.3	Profit reserves		3,233,706	-	3,233,706	2,510,594	-	2,510,594
16.3.1	Legal reserves		283,538	-	283,538	241,133	-	241,133
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		2,950,168	-	2,950,168	2,269,461	-	2,269,461
16.3.4	Other profit reserves		-	-	-	-	-	-
16.4	Profit or loss		659,934	-	659,934	848,112	-	848,112
16.4.1	Prior years' income/ (losses)		-	-	-	-	-	-
16.4.2	Current period income/ (loss)		659,934	-	659,934	848,112	-	848,112
16.5	Minority shares		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY			35,115,045	14,786,951	49,901,996	31,352,217	14,846,656	46,198,873

The accompanying notes are an integral part of these financial statements.

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

FINANSBANK ANONİM ŞİRKETİ
STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES
AS OF SEPTEMBER 30, 2012

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

II. STATEMENT OF OFF-BALANCE COMMITMENTS AND CONTINGENCIES

				Reviewed 30.09.2012	Audited 31.12.2011			
		Section 5 Part III	TL	FC	TOTAL	TL	FC	TOTAL
A.	OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I-II+III)		58,981,595	40,658,370	99,639,965	54,502,347	48,070,517	102,572,864
I.	GUARANTEES	(1), (2), (3),(4)	3,763,273	2,887,140	6,650,413	3,457,506	3,528,152	6,985,658
1.1.	Letters of guarantee		3,754,053	1,517,666	5,271,719	3,423,939	1,791,107	5,215,046
1.1.1.	Guarantees subject to State Tender Law		190,457	15,518	205,975	187,409	15,510	202,919
1.1.2.	Guarantees given for foreign trade operations		2,593,162	1,502,148	4,095,310	2,699,043	1,775,597	4,474,640
1.1.3.	Other letters of guarantee		970,434	-	970,434	537,487	-	537,487
1.2.	Bank loans		9,220	722,924	732,144	33,348	1,014,981	1,048,329
1.2.1.	Import letter of acceptance		9,220	722,924	732,144	33,348	1,014,981	1,048,329
1.2.2.	Other bank acceptances		-	-	-	-	-	-
1.3.	Letters of credit		-	622,503	622,503	219	688,392	688,611
1.3.1.	Documentary letters of credit		-	581,502	581,502	219	636,142	636,361
1.3.2.	Other letters of credit		-	41,001	41,001	-	52,250	52,250
1.4.	Prefinancing given as guarantee		-	-	-	-	-	-
1.5.	Endorsements		-	-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2.	Other endorsements		-	-	-	-	-	-
1.6.	Securities issue purchase guarantees		-	-	-	-	-	-
1.7.	Factoring guarantees		-	-	-	-	-	-
1.8.	Other guarantees		-	24,047	24,047	-	33,672	33,672
1.9.	Other collaterals		-	-	-	-	-	-
II.	COMMITMENTS		25,039,079	1,905,691	26,944,770	21,972,487	3,450,324	25,422,811
2.1.	Irrevocable commitments		25,039,079	1,905,691	26,944,770	21,972,487	3,450,324	25,422,811
2.1.1.	Forward asset purchase commitments		853,168	1,901,193	2,754,361	1,524,715	3,136,224	4,660,939
2.1.2.	Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3.	Share capital commitment to associates and subsidiaries		-	-	-	1,000	-	1,000
2.1.4.	Loan granting commitments		4,602,996	-	4,602,996	3,229,674	-	3,229,674
2.1.5.	Securities underwriting commitments		-	-	-	-	-	-
2.1.6.	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7.	Payment commitment for checks		1,606,642	-	1,606,642	1,100,363	-	1,100,363
2.1.8.	Tax and fund liabilities from export commitments		6,560	-	6,560	5,665	-	5,665
2.1.9.	Commitments for credit card expenditure limits		17,884,142	-	17,884,142	15,984,413	-	15,984,413
2.1.10.	Commitments for promotions related with credit cards and banking activities		40,264	-	40,264	35,807	-	35,807
2.1.11.	Receivables from short sale commitments		-	-	-	-	-	-
2.1.12.	Payables for short sale commitments		-	-	-	-	-	-
2.1.13.	Other irrevocable commitments		45,307	4,498	49,805	90,850	314,100	404,950
2.2.	Revocable commitments		-	-	-	-	-	-
2.2.1.	Revocable loan granting commitments		-	-	-	-	-	-
2.2.2.	Other revocable commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(5)	30,179,243	35,865,539	66,044,782	29,072,354	41,092,041	70,164,395
3.1	Derivative financial instruments for hedging purposes		9,365,043	10,430,869	19,795,912	7,725,392	10,589,390	18,314,782
3.1.1	Fair value hedge		8,505,428	10,430,869	18,936,297	6,662,917	10,589,390	17,252,307
3.1.2	Cash flow hedge		859,615	-	859,615	1,062,475	-	1,062,475
3.1.3	Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2	Held for trading transactions		20,814,200	25,434,670	46,248,870	21,346,962	30,502,651	51,849,613
3.2.1	Forward foreign currency buy/sell transactions		1,459,368	1,580,012	3,039,380	1,771,407	4,364,871	6,136,278
3.2.1.1	Forward foreign currency transactions-buy		799,569	727,194	1,526,763	1,127,282	1,940,618	3,067,900
3.2.1.2	Forward foreign currency transactions-sell		659,799	852,818	1,512,617	644,125	2,424,253	3,068,378
3.2.2	Swap transactions related to foreign currency and interest rates		14,086,271	18,186,942	32,273,213	15,053,938	19,455,566	34,509,504
3.2.2.1	Foreign currency swap-buy		7,508,954	5,927,410	13,436,364	6,342,113	7,883,964	14,226,077
3.2.2.2	Foreign currency swap-sell		5,031,097	8,365,828	13,396,925	7,510,965	7,890,121	15,401,086
3.2.2.3	Interest rate swaps-buy		773,110	1,875,572	2,648,682	600,430	1,774,013	2,374,443
3.2.2.4	Interest rate swaps-sell		773,110	2,018,132	2,791,242	600,430	1,907,468	2,507,898
3.2.3	Foreign currency, interest rate and securities options		5,221,386	5,270,946	10,492,332	4,514,905	6,321,019	10,835,924
3.2.3.1	Foreign currency options-buy		2,527,464	2,756,128	5,283,592	2,187,494	3,246,717	5,434,211
3.2.3.2	Foreign currency options-sell		2,693,922	2,514,818	5,208,740	2,287,411	3,074,302	5,361,713
3.2.3.3	Interest rate options-buy		-	-	-	20,000	-	20,000
3.2.3.4	Interest rate options-sell		-	-	-	20,000	-	20,000
3.2.3.5	Securities options-buy		-	-	-	-	-	-
3.2.3.6	Securities options-sell		-	-	-	-	-	-
3.2.4	Foreign currency futures		47,175	219,184	266,359	6,712	209,429	216,141
3.2.4.1	Foreign currency futures-buy		21,557	111,597	133,154	2,667	105,391	108,058
3.2.4.2	Foreign currency futures-sell		25,618	107,587	133,205	4,045	104,038	108,083
3.2.5	Interest rate futures		-	177,586	177,586	-	151,766	151,766
3.2.5.1	Interest rate futures-buy		-	88,793	88,793	-	75,883	75,883
3.2.5.2	Interest rate futures-sell		-	88,793	88,793	-	75,883	75,883
3.2.6	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)		125,118,571	21,755,587	146,874,158	92,024,392	21,927,529	113,951,921
IV.	ITEMS HELD IN CUSTODY		5,247,043	1,383,642	6,630,685	3,080,227	883,284	3,963,511
4.1.	Assets under management		1,804,713	107,110	1,911,823	1,014,534	130,064	1,144,598
4.2.	Investment securities held in custody		1,845,883	348,285	2,194,168	722,384	471,581	1,193,965
4.3.	Checks received for collection		1,177,825	137,328	1,315,153	999,537	172,447	1,171,984
4.4.	Commercial notes received for collection		418,559	84,087	502,646	343,769	100,390	444,159
4.5.	Other assets received for collection		-	-	-	-	-	-
4.6.	Assets received for public offering		-	-	-	-	-	-
4.7.	Other items under custody		60	706,832	706,892	-	8,802	8,802
4.8.	Custodians		3	-	3	3	-	3
V.	PLEDGED ITEMS		119,871,528	20,371,945	140,243,473	88,944,165	21,044,245	109,988,410
5.1.	Marketable securities		560,782	339,860	900,642	340,489	380,744	721,233
5.2.	Guarantee notes		113,852	49,865	163,717	99,211	59,196	158,407
5.3.	Commodity		29,433	-	29,433	28,968	-	28,968
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		36,507,436	7,162,981	43,670,417	34,833,664	7,669,994	42,503,658
5.6.	Other pledged items		82,660,025	12,819,239	95,479,264	53,641,833	12,934,311	66,576,144
5.7.	Pledged items-depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)			184,100,166	62,413,957	246,514,123	146,526,739	69,998,046	216,524,785

The accompanying notes are an integral part of these financial statements.

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

FINANSBANK ANONİM ŞİRKETİ
INCOME STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2012
(STATEMENT OF INCOME/LOSS)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

III. INCOME STATEMENT

	Section 5 Part IV	Reviewed 01.01 - 30.09.2012	Reviewed 01.07 - 30.09.2012	Reviewed 01.01 - 30.09.2011	Reviewed 01.07 - 30.09.2011
I. INTEREST INCOME	(1)	4,143,667	1,409,204	3,293,986	1,209,105
1.1 Interest on loans		3,677,078	1,269,455	2,973,343	1,093,131
1.2 Interest received from reserve deposits		-	-	-	-
1.3 Interest received from banks		1,598	257	2,955	956
1.4 Interest received from money market placements		22,016	1	-	-
1.5 Interest received from marketable securities portfolio		441,972	139,098	317,083	114,840
1.5.1 Held-for-trading financial assets		9,080	3,030	3,329	1,499
1.5.2 Financial assets at fair value through profit and loss		-	-	608	-
1.5.3 Available-for-sale financial assets		432,892	136,068	313,146	113,341
1.5.4 Investments held-to-maturity		-	-	-	-
1.6 Finance lease income		-	-	-	-
1.7 Other interest income		1,003	393	605	178
II. INTEREST EXPENSE	(2)	2,071,774	673,594	1,650,102	668,004
2.1 Interest on deposits		1,794,593	568,065	1,436,625	587,885
2.2 Interest on funds borrowed		102,077	35,064	111,058	36,826
2.3 Interest on money market borrowings		89,164	32,141	81,670	29,190
2.4 Interest on securities issued		80,619	38,102	20,187	13,871
2.5 Other interest expense		5,321	222	562	232
III. NET INTEREST INCOME (I - II)		2,071,893	735,610	1,643,884	541,101
IV. NET FEES AND COMMISSIONS INCOME		766,832	258,720	568,639	213,011
4.1 Fees and commissions received		863,518	292,163	633,758	237,042
4.1.1 Non-cash loans		31,523	10,933	32,514	12,085
4.1.2 Other		831,995	281,230	601,244	224,957
4.2 Fees and commissions paid		96,686	33,443	65,119	24,031
4.2.1 Non-cash loans		499	172	374	113
4.2.2 Other		96,187	33,271	64,745	23,918
V. DIVIDEND INCOME	(3)	8,762	10	8,309	-
VI. NET TRADING INCOME	(4)	(267,793)	(64,127)	(137,645)	(132,048)
6.1 Securities trading gains/ (losses)		60,632	52,934	94,045	29,054
6.2 Gains / (losses) from financial derivatives transactions		(322,142)	(121,884)	(163,836)	(144,951)
6.3 Foreign exchange gains/ (losses)		(6,283)	4,823	(67,854)	(16,151)
VII. OTHER OPERATING INCOME	(5)	143,096	43,079	114,478	48,901
VIII. NET OPERATING INCOME (III+IV+V+VI+VII)		2,722,790	973,292	2,197,665	670,965
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	568,576	218,066	228,067	109,577
X. OTHER OPERATING EXPENSES (-)	(7)	1,275,859	442,931	1,156,388	383,903
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		878,355	312,295	813,210	177,485
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-	-	-
XIII. GAIN / (LOSS) ON EQUITY METHOD		-	-	-	-
XIV. GAIN / (LOSS) ON NET MONETARY POSITION		-	-	-	-
XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	878,355	312,295	813,210	177,485
XVI. TAX CHARGE FOR CONTINUED OPERATIONS (±)	(9)	(218,421)	(81,560)	(203,613)	(44,904)
16.1 Current income tax charge		(296,996)	(108,955)	(151,755)	(16,601)
16.2 Deferred tax charge / benefit		78,575	27,395	(51,858)	(28,303)
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	659,934	230,735	609,597	132,581
XVIII. INCOME ON DISCONTINUED OPERATIONS		-	-	-	-
18.1 Income on assets held for sale		-	-	-	-
18.2 Income on sale of associates, subsidiaries and entities under common control		-	-	-	-
18.3 Income on other discontinued operations		-	-	-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1 Loss from assets held for sale		-	-	-	-
19.2 Loss on sale of associates, subsidiaries and entities under common control		-	-	-	-
19.3 Loss from other discontinued operations		-	-	-	-
XX. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)	(8)	-	-	-	-
XXI. TAX CHARGE FOR DISCONTINUED OPERATIONS (±)	(9)	-	-	-	-
21.1 Current income tax charge		-	-	-	-
21.2 Deferred tax charge / benefit		-	-	-	-
XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	-	-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	(11)	659,934	230,735	609,597	132,581
23.1 Group's profit/loss		659,934	230,735	609,597	132,581
23.2 Minority shares		-	-	-	-
Earnings per share		0,02573	0,00900	0,02490	0,00541

The accompanying notes are an integral part of these financial statements.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FINANSBANK ANONİM ŞİRKETİ
STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2012
(STATEMENT OF OTHER COMPREHENSIVE INCOME / LOSS)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

IV. STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

	Reviewed 01.01 - 30.09.2012	Reviewed 01.01 - 30.09.2011
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	350,376	(377,448)
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR CASH FLOW HEDGE PURPOSES (Effective Portion of Fair Value Differences)	(7,454)	(12,762)
VI. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS (Effective Portion of Fair Value Differences)	-	-
VII. THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES	-	-
VIII. OTHER PROFIT LOSS ITEMS ACCOUNTED FOR UNDER EQUITY AS PER TURKISH ACCOUNTING STANDARDS	-	-
IX. DEFERRED TAX OF VALUATION DIFFERENCES	(66,684)	81,209
X. TOTAL NET PROFIT/LOSS ACCOUNTED FOR UNDER EQUITY (I+II+...+IX)	276,238	(309,001)
XI. PROFIT/LOSS	1,746	(12,943)
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(2,361)	(16,222)
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	4,107	3,279
11.3 Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4 Other	-	-
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR IN THE PERIOD (X±XI)	277,984	(321,944)

The accompanying notes are an integral part of these financial statements.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FINANSBANK ANONİM ŞİRKETİ
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2012

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Reviewed	Paid-in Capital	Effect of inflation Accounting on Capital and Other Capital Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Equity
I.	Prior period – 01.01.-30.09.2011																		
II.	Beginning balance	2,205,000	-	665	-	182,424	-	1,661,915	-	-	914,674	262,300	-	2,689	(21,176)	-	5,208,491	-	5,208,491
2.1	Corrections according to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	The effect of corrections of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	The effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New balance (I+II)	2,205,000	-	665	-	182,424	-	1,661,915	-	-	914,674	262,300	-	2,689	(21,176)	-	5,208,491	-	5,208,491
	Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	(314,357)	-	-	-	-	(314,357)	-	(314,357)
VI.	Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,587)	-	(7,587)	-	(7,587)
6.1	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,587)	-	(7,587)	-	(7,587)
6.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	The disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	The reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	The effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital increase	115,000	-	-	-	-	-	(115,000)	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal sources	115,000	-	-	-	-	-	(115,000)	-	-	-	-	-	-	-	-	-	-	-
XV.	Share issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Period net income/(loss)	-	-	-	-	-	-	-	-	609,597	-	-	-	-	-	-	609,597	-	609,597
XX.	Profit distribution	-	-	-	-	58,709	-	726,213	-	-	(914,674)	-	-	-	-	-	(129,752)	-	(129,752)
20.1	Dividends distributed	-	-	-	-	-	-	(129,752)	-	-	-	-	-	-	-	-	(129,752)	-	(129,752)
20.2	Transfers to reserves	-	-	-	-	58,709	-	855,965	-	-	(914,674)	-	-	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Closing balance	2,320,000	-	665	-	241,133	-	2,273,128	-	609,597	-	(52,057)	-	2,689	(28,763)	-	5,366,392	-	5,366,392
	(III+IV+V+.....+ XVIII+XIX+XX)																		

The accompanying notes are an integral part of these financial statements.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FINANSBANK ANONİM ŞİRKETİ
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2012

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed	Paid-in Capital	Effect of inflation Accounting on Capital and Other Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Valuation Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Equity
I. Current period – 01.01.-30.09.2012																		
Changes in period	2,440,000	-	714	-	241,133	-	2,269,461	-	-	848,112	(99,792)	-	2,689	(6,361)	-	5,695,956	-	5,695,956
II. Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	280,662	-	-	-	-	280,662	-	280,662
4.1 Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,678)	-	(2,678)	-	(2,678)
4.2 Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,678)	-	(2,678)	-	(2,678)
V. Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. The disposal of asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. The reclassification of asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XL. The effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash	125,000	-	-	-	-	-	(125,000)	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share Premium	125,000	-	-	-	-	-	(125,000)	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Period net income/(loss)	-	-	-	-	-	-	-	-	659,934	-	-	-	-	-	-	659,934	-	659,934
XVIII. Profit distribution	-	-	-	-	42,405	-	805,707	-	-	(848,112)	-	-	-	-	-	-	-	-
18.1 Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to reserves	-	-	-	-	42,405	-	805,707	-	-	(848,112)	-	-	-	-	-	-	-	-
18.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	2,565,000	-	714	-	283,538	-	2,950,168	-	659,934	-	180,870	-	2,689	(9,039)	-	6,633,874	-	6,633,874
(I+II+III+..... +XVI+XVII+XVIII)	2,565,000	-	714	-	283,538	-	2,950,168	-	659,934	-	180,870	-	2,689	(9,039)	-	6,633,874	-	6,633,874

The accompanying notes are an integral part of these financial statements.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FINANSBANK ANONİM ŞİRKETİ

CASH FLOWS STATEMENT

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

VI. STATEMENT OF CASH FLOWS

	Section 5 Part V.	Reviewed 01.01- 30.09.2012	Reviewed 01.01 – 30.09.2011
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		2,258,624	631,883
1.1.1 Interest received (+)		4,277,286	2,851,547
1.1.2 Interest paid (-)		(1,992,672)	(1,561,825)
1.1.3 Dividend received (+)		8,762	8,309
1.1.4 Fees and commissions received (+)		863,518	633,758
1.1.5 Other income (+)		128,859	103,953
1.1.6 Collections from previously written off loans (+)		243,844	411,548
1.1.7 Payments to personnel and service suppliers (-)		(974,271)	(905,161)
1.1.8 Taxes paid (-)		(336,470)	(191,291)
1.1.9 Others (+/-)	(1)	39,768	(718,955)
1.2 Changes in operating assets and liabilities		(5,357,209)	(442,822)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(181,452)	(129,615)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		173,044	359,844
1.2.3 Net (increase) decrease in due from banks (+/-)		(1,544,004)	(1,279,863)
1.2.4 Net (increase) decrease in loans (+/-)		(5,416,230)	(5,328,018)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	(23,410)	(18,717)
1.2.6 Net increase (decrease) in bank deposits (+/-)		715,193	(599,680)
1.2.7 Net increase (decrease) in other deposits (+/-)		806,517	4,823,692
1.2.8 Net increase (decrease) in funds borrowed (+/-)		(705,718)	(452,086)
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	818,851	2,181,621
I. Net cash provided from / (used in) banking operations (+/-)		(3,098,585)	189,061
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		(191,526)	9,603
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(6,894)	(6,314)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		-	-
2.3 Fixed assets purchases (-)		(77,234)	(64,672)
2.4 Fixed assets sales (+)		282	5,504
2.5 Cash paid for purchase of financial assets available for sale (-)		(8,518,931)	(11,288,529)
2.6 Cash obtained from sale of financial assets available for sale (+)		8,479,123	11,424,659
2.7 Cash paid for purchase of investment securities (-)		-	-
2.8 Cash obtained from sale of investment securities (+)		-	-
2.9 Others (+/-)		(67,872)	(61,045)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities (+/-)		1,522,984	652,938
3.1 Cash obtained from funds borrowed and securities issued (+)		1,904,423	765,048
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(374,458)	-
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		-	(110,292)
3.5 Payments for finance leases (-)		(6,981)	(1,818)
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)		9,934	92,929
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		(1,757,193)	944,531
VI. Cash and cash equivalents at beginning of the period (+)	(1)	2,908,743	2,579,736
VII. Cash and cash equivalents at end of the period (V+VI)	(2)	1,151,550	3,524,267

The accompanying notes are an integral part of these financial statements.

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

FINANSBANK ANONİM ŞİRKETİ

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

1. Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents

The Turkish Banking Law No: 5411 is published in the Official Gazette No: 25983 dated November 1, 2005. The Bank prepared the accompanying financial statements as of September 30, 2012 and the related disclosures and footnotes in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No: 26333, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated February 10, 2007 which is published in the Official Gazette No: 26430, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and other circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency (BRSA).

Financial statements and the related disclosures and footnotes have been presented in thousands of Turkish Lira unless otherwise specified.

2. Classifications

None.

3. Accounting policies and valuation principles used in the preparation of the financial statements

Accounting policies and valuation principles used in the preparation of the financial statements are determined and applied in accordance with the requirements of TAS, TFRS, "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No: 26333, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated June 28, 2012 which is published in the Official Gazette No: 28337 and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by BRSA.

Explanation for Convenience Translation to English

The accounting principles used in the preparation of the accompanying financial statements differ from International Financial Reporting Standards (IFRS). The effects of the differences between these accounting principles and the accounting principles generally accepted in the countries in which the accompanying financial statements to be used and IFRS have not been quantified in the financial statements.

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FINANSBANK ANONİM ŞİRKETİ
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

II. Strategy for the use of financial instruments and the foreign currency transactions

1. Strategy for the use of financial instruments

The major funding sources of the Bank are customer deposits and funds borrowed from international markets. The customer deposits bear fixed interest rate and have an average maturity of 1-3 months. Funds borrowed from abroad generally bear floating rates and are reprised at an average period of 3-6 months. The Bank diverts its placements to assets with high return and sufficient collaterals. The Bank manages the liquidity structure to meet its liabilities when due by diversifying the funding sources and keeping sufficient cash and cash equivalents. The maturity of fund sources and maturity and yield of placements are considered to the extent possible within the current market conditions and higher return on long-term placements is aimed.

Among the operations of the Bank, the main activities generating yields higher than the calculated average yields are credit card transactions.

Besides customer deposits, the Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Bank converts the foreign currency liquidity obtained from the international markets to TL liquidity using long term swap transactions (fixed TL interest rate and floating FC interest rate). Thus, the Bank generates TL denominated resources for funding long term loans with fixed interest rates.

The Bank has determined securities portfolio limits based on the market risk limitations for money, capital and commodity markets. Products included in the securities portfolio are subject to position and risk limits. Position limits restrict the maximum nominal position based on the product. Risk limits are expressed in terms of "Value at Risk (VAR)" by taking the risk tolerance as a cap. The maximum VAR amounts are determined for the three main risk factors, which affect the securities portfolio that is subject to market risk, as well as determining the risk tolerance based on the total value at risk. The above mentioned limits are revised annually.

The strategies for hedging exchange rate risk generated from the Bank's foreign currency available-for-sale investment securities are explained in foreign currency risk section and the applications regarding the hedging of interest rate risk generated from deposits with fixed or floating interest rates are explained in the Interest Rate Risk section in detail.

Hedging strategies for foreign exchange risk resulting from other foreign currency transactions are explained in the foreign currency risk section.

2. Foreign currency transactions

2.1. Foreign currency exchange rates used in converting transactions denominated in foreign currencies and presentation of them in the financial statements

The Bank accounts for the transactions denominated in foreign currencies in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign exchange gains and losses arising from transactions that are completed as of September 30, 2012 are converted to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities except for non-monetary amounts are converted into TL by using foreign currency exchange rates of the Bank for the period end and the resulting exchange differences are recorded as foreign exchange gains and losses. The Bank's foreign currency exchange rates for the related period ends are as follows:

	<u>September 30, 2012</u>	<u>December 31, 2011</u>
US Dollar	TL 1.7820	TL 1.9065
Euro	TL 2.2929	TL 2.4592

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**FINANSBANK ANONİM ŞİRKETİ
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FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

2.2. Foreign exchange gains and losses included in the income statement

The net foreign exchange loss included in the income statement as of September 30, 2012 is TL 6,283 (September 30, 2011 – TL 67,854 net foreign exchange loss).

III. Information on associates and subsidiaries

Associates and subsidiaries are accounted for in accordance with the principles in TAS 39 “Financial Instruments: Recognition and Measurement” in the unconsolidated accompanying financial statements. Associates and subsidiaries that do not have a quoted market price in an active market or whose fair value cannot be reliably measured are recorded at cost after deducting related impairment provision.

IV. Explanations on forwards, option contracts and derivative instruments

The Bank enters into forward currency purchase/sale agreements and swap transactions to reduce the foreign currency risk and interest rate risk and manage foreign currency liquidity risk. The Bank also carries out currency and interest options, station, and credit default swap and futures agreements.

Besides customer deposits, the Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Bank changes the foreign currency liquidity obtained from the international markets to TL liquidity with long term swap transactions (fixed TL interest rate and floating FC interest rate). Therefore, the Bank not only funds its long term fixed interest rate loans with TL but also hedges itself against interest rate risk.

In accordance with TAS 39 “Financial Instruments: Recognition and Measurement”, derivative instruments are categorized as “hedging purpose” or “trading purpose” transactions. Derivatives are initially recognized at cost including the transaction costs. Also, the liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual values. The derivative transactions are accounted for at fair value subsequent to initial recognition and are presented in the “Assets on Trading Derivatives” and “Liabilities on Trading Derivatives” or “Assets on Hedging Purpose Derivatives” and “Liabilities on Hedging Purpose Derivatives” items of the balance sheet depending on the resulting positive or negative amounts of the computed value. These amounts presented on the balance sheet, represent the fair value differences based on the valuation.

The fair value differences regarding the derivative financial instruments held for the fair value hedge purposes are accounted for under “gains / (losses) from financial derivative transactions”, except for the foreign currency valuation differences. These foreign currency valuation differences are accounted for under “Foreign Exchange Gains/Losses” account. Information on Eurobond portfolio, recognized as fair value hedged items, is presented in section 3, footnote VII, 2 and 4.

The Bank implements cash flow hedge accounting by means of interest rate swaps in order to hedge itself for the changes in interest rates of deposits that have an average maturity of 1 month. The Bank implements effectiveness tests at the balance sheet dates for hedging purposes; the effective parts are accounted as defined in TAS 39, in financial statements under equity “Hedging Funds”, whereas the amount concerning ineffective parts is associated with income statement.

The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to the long term government bonds with fixed coupon held by the Bank using swaps as hedging instruments. The Bank performs hedge effectiveness tests at each balance sheet date.

The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to the foreign currency bonds issued by the Bank using interest rate swaps as hedging instruments. The Bank performs hedge effectiveness tests at each balance sheet date.

Fair values of forward foreign currency purchase and sales contracts, currency and interest rate swap transactions are calculated by using internal pricing models based on market data. Unrealized gains and losses are reflected in the income statement in the current period.

Fair values of option contracts are calculated with option pricing models and the resulting unrealized gains and losses are reflected in the current period income statement.

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**FINANSBANK ANONİM ŞİRKETİ
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

Futures transactions are accounted for at settlement prices obtained from counterparties as of the balance sheet date and related unrealized gains and losses are reflected in the current period income statement.

Credit default and swaption transactions are accounted for at market prices as of the balance sheet date and related unrealized gains and losses are reflected in the current period income statement.

V. Interest income and expenses

Interest income and expenses are recognized in the income statement for all interest bearing instruments on an accrual basis using the effective interest rate method. In accordance with the related regulation, the interest receivables and accruals of non-performing loans are cancelled and not recorded as interest income until collected.

VI. Fees and commission income and expenses

Fees and commission income and expenses are accounted for on an accrual basis, except for certain banking transactions that income is recognized immediately. Income generated through agreements or through the sale and purchases of assets on behalf of third parties, is recorded as income when collected.

Dividend income is accrued when the subsidiaries' and associates' profit distribution decisions are approved.

VII. Explanations on financial assets

Financial assets comprise cash and cash equivalents and the contractual right to obtain cash or another financial asset from counterparty or to exchange financial assets with counterparty or the equity instrument transactions of the counterparty. Financial assets are classified in four categories; as "Financial Assets at Fair Value through Profit or Loss", "Investment Securities Available-For-Sale", "Investment Securities Held-To-Maturity", and "Loans And Other Receivables". The classification of the financial assets is determined at the initial inception of the related financial assets.

1. Financial assets at fair value through profit or loss

1.1. Trading securities

The Bank accounts for its trading securities at fair value. The interest income that is from trading securities is presented as interest income in the income statement, while the difference between the cost and the fair value of trading securities and the gain or loss resulting from the sale of these financial assets before their maturity are realized under securities trading gains / losses.

1.2. Financial assets at fair value through profit or loss

The Bank has classified its mortgage loans that were initiated between January 1, 2006 – December 31, 2007, as financial assets at fair value through profit or loss in compliance with TAS 39. These loans are presented under "Financial Assets at Fair Value through Profit or Loss" as loan in order to be in compliance with the balance sheet presentation. The Bank has not classified its mortgage loans that were initiated after January 1, 2008, as fair value through profit or loss. Interest on related loans is presented under "Income statement" as "Interest on Loans" and fair value differences are presented as "Securities Trading Gains (Losses)".

Financial assets at fair value through profit or loss are initially recorded at cost and are measured at fair value in the following periods.

Fair value of loans that are classified as financial assets at fair value through profit or loss has been determined by using effective interest rates used for similar financial assets within the market. The fair values of public sector debt securities that are classified in the mentioned group have been determined by using the market prices as at the balance sheet date.

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**FINANSBANK ANONİM ŞİRKETİ
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

2. Investment securities available for sale

Available for sale assets represent financial assets other than financial assets at fair value through profit or loss, loans and other receivables and investment securities held to maturity.

Premiums and discounts on investments securities available-for-sale are considered during the computation of the internal rate of return and are included in interest income in the income statement. Accrued interest income on investment securities available for sale is recognized in the income statement whereas gains and losses arising from the change in the fair values of such securities are reflected in equity under "Securities value increase fund" (Unrealized Gains/Losses on Securities). When investment securities available for sale are sold, collected or otherwise disposed of, the cumulative fair value adjustments under equity are transferred to the income statement.

Real coupons of consumer price indexed government bonds that are constant throughout their lives and their real principal amounts are preserved from inflation. In addition, payments are made considering the reference index as of the issue date, as stated in the explanations of Republic of Turkey Prime Ministry Undersecretariat of Treasury. In this context, cash flows calculated in line with T.R. Central Bank's inflation expectation are taken into account in the valuation of consumer price indexed government bonds in the Bank's portfolio.

Some portion of the Eurobond portfolio which has been recognized as available for sale securities are designated as fair value hedged items starting from March and April 2009. Those securities are disclosed under Investment Securities Available for Sale in order to be in line with balance sheet presentation. The fair value differences of hedged items are accounted for under "Securities Trading Gains/ Losses" in the income statement.

In cases where fair value hedge operations cannot be effectively performed as described in TAS 39, fair value hedge accounting is ceased. The fair value differences are amortized through equity until the maturity of related hedged securities. The fair value differences of related portfolio securities sold prior to maturity are immediately realized in the income statement.

3. Investment securities held to maturity

Investments held to maturity include securities with fixed or determinable payments and fixed maturity where there is an intention of holding until maturity and the relevant conditions for fulfillment of such intention, including the funding ability and excluding loans and receivables.

4. Loans and specific provisions

The Bank initially records loans and receivables at cost; except for the loans that are recorded with fair value through profit or loss and loans subject to fair value hedge. In the following periods, these loans are carried at amortized cost by using the effective interest rate method.

The Bank enters into swap transactions against TL in order to hedge the possible losses which might arise due to the changes in the fair value of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. The Bank accounted for the hedged part of the loan portfolio at fair value, together with the swap transactions used as the hedging instrument and the related net gain or loss was included in the income statement.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through income statement until the maturity of the hedged loans.

Provision is set for the loans that maybe doubtful and amount is charged in the current period income statement.

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In the case where there is evidence for the possibility of uncollectibility of loans, the Bank classifies related loans and receivables in non-performing loans and provides specific and general provision, in accordance with the Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves, dated November 1, 2006, published on the Official Gazette No: 26333 and revised by the Communiqué dated January 23, 2009, published on the Official Gazette No: 27119 and the Communiqué dated March 6, 2010, published in the Official Gazette No: 27513 and the Communiqué dated September 20, 2012, published in the official Gazette No: 28418. Additionally, the Bank revised its calculation for general provisions in line with the context of the regulations published in the Official Gazette No: 27968 dated June 18, 2011, No: 27947 dated May 28, 2011 and No: 28158 dated December 30, 2011 and No: 28418 dated September 20, 2012. The Bank provides specific provision for the loans under follow-up regarding credit risk and other factors, in accordance with the aforementioned regulation.

The Bank also provides specific provisions for the closely monitored loans as a result of risk assessment. These provisions accounted for in liabilities under other provisions as “Free Reserves for Possible Loan Losses”.

Except for specific provisions and free reserves for possible loan losses within the framework of the regulation referred to above, the Bank provides general loan loss provision and presents it in the liabilities as “General Provisions”.

The provisions provided for loans are accounted for under “Provision for Loan Losses and Other Receivables” in the statement of income.

The collections made in relation to amounts that provision is provided in the current period and the principle collections from the loans previously provisioned in the prior periods are offset against the “Provision for Loan and Other Receivables” in the income statement. The principal collections made related to the loans that were written-off are recorded under “Other Operating Income” and interest collections are recorded under the “Interest on Loans” account.

VIII. Impairment of financial assets

If the amount computed by discounting expected future cash flows of a financial asset using the effective interest rate method or (if any) the fair value is lower than the carrying value of financial assets, impairment can be recognized. Provision is provided for impairment of the financial assets and recorded to related expense accounts.

IX. Netting of financial instruments

In cases where the fair values of trading securities, securities available-for-sale, securities quoted at the stock exchanges, associates and subsidiaries are less than their carrying values, a provision for impairment is allocated, and the net value is presented on the balance sheet.

The Bank provides specific allowances for loans and other receivables in accordance with “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” and offset against overdue loans in the assets.

Financial assets and liabilities other than those explained above are offset when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities, simultaneously. Otherwise, no offsetting is made.

X. Sales and repurchase agreements and lending of securities

Securities sold under repurchase agreements are recorded on the balance in accordance with Uniform Chart of Accounts. Accordingly, government bonds and treasury bills sold to customers under repurchase agreements are classified as “Investments Subject to Repurchase Agreements” and valued based on the Bank management’s future intentions, either at market prices or using discounting method with internal rate of return. Funds received through repurchase agreements are classified separately under liability accounts and the related interest expenses are accounted for on an accrual basis.

Securities that are subject to repurchase agreements as at the balance sheet date amounted to TL 2,880,502 (December 31, 2011 – TL 1,514,723).

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The Bank does not have any securities that are subject to lending transactions as of September 30, 2012 (December 31, 2011 – None).

Securities purchased with a commitment to resell (reverse repurchase agreements) are recorded in a separate account under “Money Market Placements” in the balance sheet. The difference resulting from purchase and resale prices is treated as interest income and accrued over the life of the agreement.

XI. Assets held for sale and discontinued operations

Assets held for sale are those with highly saleable condition requiring a plan by the management regarding the sale of the asset to be disposed, together with an active program for determination of buyers as well as for the completion of the plan. Also, the asset shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or canceling the plan is low.

As at the balance sheet date, due to the fact that the Bank has made a plan related to the sale of 51% of the shares of Finans Emeklilik ve Hayat A.Ş. (FEHAŞ) and started an active programme intending to determine the purchaser and complete the plan; mentioned shares are classified as assets held for sale within the scope of “Non-current Assets Held for Sale and Discontinued Operations related Financial Reporting Standard of Turkey”- TFRS 5.

A discontinued operation is a part of the Bank’s business classified as disposed or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement.

XII. Goodwill and other intangible assets

The Bank’s intangible assets consist of softwares and intangible rights.

The intangible assets are recorded at their historical cost less accumulated amortization and provision for impairment, if any. Amortization is calculated on a straight-line basis.

Softwares have been classified as other intangible fixed assets. The useful life of softwares is determined as 3 years.

If there is objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the Turkish Accounting Standard on Impairment of Assets (TAS 36) and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

XIII. Tangible Assets

The tangible assets are recorded at their historical cost less accumulated depreciation and provision for impairment, if any.

Depreciation is calculated on a straight-line basis over the estimated useful life of tangible assets. The annual rates used are as follows:

Property	2 %
Movables purchased and acquired under finance lease contracts	7% - 25%

The depreciation of leasehold improvements acquired before December 2009, under operating lease agreements, is calculated according to their useful lives. Depreciation of leasehold improvements acquired after this date is calculated over the lease period not exceeding 5 years where the lease duration is certain; or 5 years where the lease period is not certain in accordance with “Communiqué on the Amendment of Communiqué on Uniform Chart of Accounts and Explanatory Notes” dated January 10, 2011.

Depreciation is calculated on a pro-rata basis for the assets that have been placed in use for less than a year as of the balance sheet date.

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Net book value of the property and leased assets under financial lease contracts are compared with the fair values determined by independent appraisers as of the year end and provision for impairment is recognized in “Other Operating Expenses” in the related period income statement when the fair value is below the net book value in accordance with “Turkish Accounting Standard on Impairment of Assets” (TAS 36).

Gains or losses resulting from disposals of the tangible assets are recorded in the income statement as the difference between the net proceeds and net book value of the asset.

Expenses for repairs are capitalized if the expenditure increases economic life of the asset; otherwise they are expensed.

There are no changes in the accounting estimates, which could have a significant impact on the current and future financial statements. There are no pledges, mortgages or other restrictions on the tangible assets.

There is no purchase commitments related to the fixed assets.

XIV. Leasing transactions

Fixed assets acquired under finance lease contracts are presented under “Tangible Fixed Assets” on the asset side and under “Financial Lease Payables” on the liability side at the initial date of the lease. The basis for the determination of related balance sheet amounts is the lower of fair value of the leased asset and the present value of the lease payments. The direct costs incurred for a finance lease transaction are capitalized as additions to the cost of the leased asset. Lease payments include the financing costs incurred due to the leasing transaction and the principal amount of the leased asset for the current period. Depreciation is calculated on a straight-line basis over the estimated useful life of the leased assets at the rate of 20% except for the buildings which are depreciated at the rate of 2%.

Total payments made under operating leases are charged to income statement on a straight-line basis over the period of the lease.

The Bank has no leasing transactions as lessor.

XV. Provisions and contingent liabilities

Provisions, other than specific and general provisions for loans and other receivables, and contingent liabilities are provided for in accordance with TAS 37 “Provisions, Contingent Liabilities and Contingent Assets”. Provisions are accounted for immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by the Bank. Whenever the amount of such obligations cannot be measured, they are regarded as “contingent”. If the possibility of an outflow of resources embodying economic benefits becomes probable and the amount of the obligation can reliably be measured, a provision is recognized.

Provisions made during the period are recorded under “Other Operating Expenses”; provisions that were booked in the prior periods and released in the current year are recorded under “Other Operating Income”.

According to the decision of the Competition Board numbered 11-55/1438-M dated November 2, 2011, investigation on some banks and firms including the Bank allegedly violating the “Law on Preserving the Competition” continues. Considering the stage and uncertainty of the inquiry, no provision is provided as of September 30, 2012.

XVI. Obligations of the Bank concerning employee benefits

Provision for employee severance benefits has been accounted for in accordance with TAS 19 “Employee Benefits”.

In accordance with the existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated due to resignation or for reasons other than misconduct. The retirement pay is calculated for every working year within the Bank over salary for 30 days or the official ceiling amount per year of employment and the notice pay is calculated for the relevant notice period time as determined based on the number of years worked for the Bank.

The Bank has reflected the retirement pay liability amount, which was calculated by an independent actuary, in the accompanying financial statements.

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The Bank does not have any employees who work under limited period contracts with remaining terms longer than 12 months after the balance sheet date.

Provision for the employees' unused vacations has been booked and reflected to the financial statements.

There are no foundations, pension funds or similar associations of which the employees are members.

XVII. Taxation

1. Corporate tax

In accordance with the Corporate Tax Law No. 5520 published in the Official Gazette No: 26205 dated June 21, 2006, statutory income is subject to corporate tax at 20%. Advance corporate taxes paid are followed under "Current Tax Liability" or "Current Tax Asset" account and are deducted from the corporate taxes of the current year.

Companies file their tax returns between the 1st and the 25th day of the fourth month following the closing of the fiscal year to which they relate and the payments are made until the end of that month.

Losses occurred due to prior year's financial statements can be deducted from corporate income under condition that each year amounts are shown separately on Corporate Tax declaration and are not carried more than five years.

Taxes that are not been levied or notified to tax payer in five years, starting from the beginning of the year following the calendar year that the tax asset emerged are prescribed. Therefore, the tax authority can perform tax audit up to five years backwards. Besides, in case of benefiting from the decision of the document that is subject to stamp duty, yet the tax and the penalty is prescribed, after period of limitation is expired, tax asset of aforementioned document is emerged again.

The provision for corporate and income taxes for the period is reflected as the "Current Tax Charge" in the income statement.

Undistributed profit for the period is not subject to withholding tax if it is added to capital or it is distributed to full-fledged taxpayer corporations. However, with the Council of Ministers' decisions numbered 2009/14593 and 2009/14594; published in the Official Gazette No: 27130 dated February 3, 2009 and based on Corporate Tax Law No: 5520, 15th and 30th Articles, profit distribution for the period is subject to withholding tax by 15%, for full-fledged real person taxpayers, for those who are not responsible for corporate tax and income tax, for those exempt from corporate and income tax (except for those taxed through their businesses or permanent representatives in Turkey) and for foreign based real person taxpayers.

2. Deferred taxes

In accordance with Turkish Accounting Standard on Income Taxes (TAS 12), the Bank accounts for deferred taxes based on the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

XVIII. Additional explanations on borrowings

The Bank generates funds from domestic and foreign sources when this is necessary. The funds borrowed from foreign sources are mainly in the form of syndications and securitizations. The funds borrowed are measured at amortized cost by using the internal rate of return method.

The Bank has not issued convertible bonds. Debt instruments directly issued by the Bank are classified under "Securities Issued", while the funds obtained through the debt instruments issued by the special purpose vehicles (SPV's) are classified under funds borrowed.

XIX. Share issues

During the current period, the share capital of the Bank has been increased by TL 125,000 as non-cash, of which TL 122,000 is allocated from first dividends and TL 3,000 from extraordinary reserves. (January 1 – December 31, 2011: TL 118,667 from bonus shares, TL 110,250 from first dividends of year 2010, TL 8,417 from extraordinary reserves, and by TL 116,333 in cash).

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XX. Confirmed bills of exchange and acceptances

Confirmed bills of exchange and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts as possible debt and commitment, if any.

There are no acceptances and confirmed bills of exchange presented as liabilities against any assets.

XXI. Government incentives

As of September 30, 2012, the Bank does not have any government incentives or grants.

XXII. Segment reporting

In addition to corporate banking, retail banking and commercial banking services, the Bank also provides private banking, SME banking, treasury operations and credit card services through branches and alternative channels. The Bank serves its retail banking clients with time and demand deposits, also overdraft services, automatic account services, consumer loans, vehicle loans, housing loans and investment fund services. The Bank provides services including deposit and loans, foreign trade financing, forward and option agreements to its corporate clients. The Bank also serves in trading financial instruments and treasury operations.

The calculations based on the income statement on corporate and commercial banking, consumer banking, SME banking, plastic cards, that have operational units designated as the main profit centers, have been made according to the product and customer types. During the profitability calculations, the pricing of transfers among these units and treasury unit are made by using cost/return ratios that are determined by the Bank's senior management and which are updated periodically. In this pricing method, general market conditions and the Bank's internal policies are considered.

The Corporate Marketing Unit provides services to firms that are institutional, big size, that have annual revenues of TL 100,000 and higher and multi-national firms operating in Turkey. The firms that have annual revenues between TL 2,000 and TL 100,000 are considered as "Commercial Enterprise". The Bank gives importance to the commercial segmentation in order to hedge risk and decrease the concentration of income. Moreover; The Bank also offers sectoral solution packages to these small and medium-size firms.

The Consumer Banking meets the needs and expectations of the retail banking customers. The Private Banking Unit has formed and started to operate to serve customers with high level income, in a more effective way. The installments, discounts and bonus advantages are provided to the users of Card Finans in the plastic cards line. The main function of Treasury Segment is managing the liquidity of the Bank and interest and foreign currency risks resulting from market conditions. This segment is in close relation with corporate, commercial, retail and private banking units in order to increase the number of customers and the volume of transactions in treasury products of the Bank.

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Current Period (January 1 – September 30, 2012)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Net Interest Income	1,145,514	361,313	565,066	2,071,893
Net Fees and Commissions Income	1,150,317	73,774	(457,259)	766,832
Other Operating Income and Net Trading Income	79,839	81,864	(286,400)	(124,697)
Dividend Income	-	-	8,762	8,762
Operating Income	2,375,670	516,951	(169,831)	2,722,790
Other Operating Expenses	863,674	199,638	212,547	1,275,859
Provision for Loan Losses and Other Receivables	341,308	116,106	111,162	568,576
Profit Before Taxes	1,170,688	201,207	(493,540)	878,355
Tax Charge	-	-	-	(218,421)
Net Profit/Loss	-	-	-	659,934
Total Assets	27,408,258	6,780,983	12,299,574	49,901,996
Segment Assets	27,408,258	6,780,983	12,299,574	46,488,815
Associates, Subsidiaries and Entities Under Common Control	-	-	-	420,908
Undistributed Assets	-	-	-	2,992,273
Total Liabilities	19,425,797	10,088,510	10,794,646	49,901,996
Segment Liabilities	19,425,797	10,088,510	10,794,646	40,308,953
Undistributed Liabilities	-	-	-	2,959,169
Equity	-	-	-	6,633,874
Other Segment Accounts	-	-	-	296,855
Capital Expenditures	-	-	-	187,386
Depreciation and Amortization	-	-	-	109,468
Value Decrease/Increase	-	-	-	1
Prior Period (January 1 - September 30, 2011)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Net Interest Income	964,481	310,684	368,719	1,643,884
Net Fees and Commissions Income	928,398	82,042	(441,801)	568,639
Other Operating Income and Net Trading Income	41,449	83,456	(148,072)	(23,167)
Dividend Income	-	-	8,309	8,309
Operating Income	1,934,328	476,182	(212,845)	2,197,665
Other Operating Expenses	774,040	204,870	177,478	1,156,388
Provision for Loan Losses and Other Receivables	174,353	21,217	32,497	228,067
Profit Before Taxes	985,935	250,095	(422,820)	813,210
Tax Charge	-	-	-	(203,613)
Net Profit/Loss	-	-	-	609,597
Other Segment Accounts	-	-	-	218,085
Capital Expenditures	-	-	-	126,788
Depreciation and Amortization	-	-	-	91,292
Value Decrease/Increase	-	-	-	5
Prior Period (December 31, 2011)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Total Assets	23,301,608	6,549,673	13,411,511	46,198,873
Segment Assets	23,301,608	6,549,673	13,411,511	43,262,792
Associates, Subsidiaries and Entities Under Common Control	-	-	-	421,964
Undistributed Assets	-	-	-	2,514,117
Total Liabilities	20,240,321	8,515,329	8,731,090	46,198,873
Segment Liabilities	20,240,321	8,515,329	8,731,090	37,486,740
Undistributed Liabilities	-	-	-	3,016,177
Equity	-	-	-	5,695,956

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XXIII. Profit reserves and profit distribution

At the General Assembly dated March 29, 2012 it was decided to distribute the 2011 profit as follows:

2011 profit distribution table:

Current year profit	848,112
A – I. Legal Reserve (Turkish Commercial Code 466/1) at 5%	(42,405)
B – The First Dividend for Shareholders(*)	(122,000)
C – Gains on Real estate Sales Fund	(504)
D – Extraordinary Reserves	(683,203)

(*) It was decided to distribute the shares issued by adding first dividend to shareholders amounting to TL 122,000 into the capital.

XXIV. Explanations on other matters

None.

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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations related to capital adequacy ratio

As of September 30, 2012, the Bank's unconsolidated capital adequacy ratio is 17.23%.

Capital adequacy ratio is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (the "Regulation")", "Communiqué on Credit Risk Mitigation Techniques" and "Communiqué on Calculation of Risk Weighted Amounts for Securitizations" published in the Official Gazette No: 28337 dated June, 28 2012 and the "Communiqué on Equities of Banks" published in the Official Gazette No: 26333 dated November, 1 2006.

The Bank classes balance sheet items and non-balance sheet items as "trading book" and "banking book" according to capital adequacy account.

Calculation of the risk weighted assets are made on related assets by net basis after items deducted from capital base and depreciation and provisions are reduced.

The items classified as trading book are not included in the calculation of the credit risk. However, counterparty credit risk for all transactions stated in the Article 21 of the Regulation, are made as per the rates stated in the Appendix-2 of the Regulation.

Balance sheet items and the rates stated in the Article 5 of the Regulation, and non-balance sheet items whose credit equivalent risk amount are calculated, are included in the relevant exposure category defined in the Article 6 of the Regulation and weighted as per Appendix-1 of the Regulation.

The disclosures of credit risk mitigation techniques used under "Regulation on Credit Risk Mitigation Techniques" are indicated at Section 4, Part VI. Article 7 under "Explanations related to Credit Risk Mitigation Techniques".

Capital requirement for the market risk is calculated by using the standard method. Market risk for the options is calculated within the scope of the regulation "Capital Requirement for Market Risk of Options - Standard Method" published in the Official Gazette No: 28337 dated June, 28 2012.

Capital requirement for the operational risk is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (the Regulation)" published in the Official Gazette No: 28337 dated June, 28 2012 by using Basic Indicator Approach.

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Unconsolidated capital adequacy ratio

	Risk Weightings								
	0%	10%	20%	50%	75%	100%	150%	200%	1250%
Value at Credit Risk	10,428,736	-	934,294	8,051,274	19,087,631	15,141,522	2,673,165	2,565,589	-
Exposure Categories:									
Conditional and unconditional receivables from central governments or central banks	9,130,881	-	-	-	-	1,418,798	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	-	-	-	5,085	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	1,450	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	500,119	-	51,262	155,211	-	84,643	-	-	-
Conditional and unconditional receivables from corporates	137,965	-	120,771	-	-	11,812,497	-	-	-
Conditional and unconditional retail receivables	130,550	-	40,965	-	19,087,631	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	7,802,199	-	-	-	-	-
Past due receivables	-	-	-	20,575	-	370,341	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	2,673,165	2,565,589	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	7,160	-	721,246	73,289	-	34,270	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-
Other receivables	522,061	-	50	-	-	1,414,438	-	-	-

Summary information related to unconsolidated capital adequacy ratio

	Current Period
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	3,424,853
Capital Requirement for Market Risk (MRCR)	85,239
Capital Requirement for Operational Risk (ORCR)	359,393
Shareholders' Equity	8,334,262
Shareholders' Equity/(CRCR+MRCR+ORCR) * 12.5 * 100	17.23
CRCR : Capital Requirement for Credit Risk	
MRCR : Capital Requirement for Market Risk	
ORCR : Capital Requirement for Operational Risk	

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Components of shareholders' equity items

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	2,565,000	2,440,000
Nominal Capital	2,565,000	2,440,000
Capital Commitments (-)	-	-
Inflation Adjustments to Paid-in Capital	-	-
Share Premium	714	714
Share Cancellation Profits	-	-
Reserves	2,714,592	1,991,984
Inflation Adjustments to Reserves	-	-
Profit	659,934	848,112
Current Period's Profit	659,934	848,112
Prior Periods' Profit	-	-
Provision for Possible Losses (up to 25% of Core Capital)	93,590	63,702
Income on Sale of Equity Shares and Real Estates	519,114	518,610
Primary Subordinated Debts	-	-
Loss (in excess of Reserves) (-)	-	-
Current Period's Losses	-	-
Prior Periods' Losses	-	-
Leasehold Improvements on Operational Leases (-)	103,732	100,670
Intangible Assets (-)	162,552	134,472
Deferred Tax Asset in Excess of 10% of Core Capital (-)	-	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Total Core Capital	6,286,660	5,627,980
SUPPLEMENTARY CAPITAL		
General Provisions	557,316	400,441
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Immovables	-	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	2,689	2,689
Primary Subordinated Debts excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debts	1,451,730	1,599,814
45% of Securities Value Increase Fund	81,391	(183,711)
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss	-	-
Total Supplementary Capital	2,093,126	1,819,233
CAPITAL	8,379,786	7,447,213
DEDUCTIONS FROM CAPITAL	45,524	47,835
Unconsolidated Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at 10% or more	-	-
Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at Less than 10% Exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	32,101	34,429
Loan Granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Properties exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained more than Five Years	13,411	13,366
Securitization Positions to be Deducted from Equity	-	-
Other	12	40
TOTAL SHAREHOLDERS' EQUITY	8,334,262	7,399,378

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II. Information on Market Risk

The Bank has established market risk operations and has taken the necessary measures in order to hedge market risk within its financial risk management purposes, in accordance with the regulation that is published in the Official Gazette No: 28337 dated June 28, 2012 regulation on “Banks’ Internal Control and Risk Management Systems” and the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks”.

Based on the proposal of High Level Risk Committee, the Board of Directors of the Bank determines risk management strategies and policies for managing market risk and ensures periodic monitoring of the application of strategies. The Board of Directors of the Bank determines the risk limits by considering the primary risk factors and those limits are revised as seen necessary. Additionally, the Board of Directors of the Bank requires risk management group and the top management of the Bank to take necessary actions in order to identify, measure, control and manage the risks that the Bank is exposed to.

The market risk is measured by using an internal model developed with Value-at-Risk (VAR) methodology. VAR is calculated with ‘Historical Simulation’ method. ‘Bank Risk Tolerance’ is determined in order to manage the market risk efficiently and to keep the market risk within the desirable limits. Risk Management Group monitors the VAR balances daily for compliance with the Bank Risk Tolerance.

Periodic stress tests and scenario analysis are used to support results of VAR. Furthermore, conventional risk measurement methods such as cash flow projection, duration and variation analysis are also used.

The capital required for General Market Risk and Specific Risk is calculated and reported monthly in accordance with the Standard Method defined in the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks”.

1. Information on market risk

		Amount
(I)	Capital Requirement against General Market Risk - Standard Method	25,801
(II)	Capital Requirement against Specific Risks – Standard Method	21,997
	Capital Requirement against Specific Risks of Securitization Positions– Standard Method	-
(III)	Capital Requirement against Currency Risk – Standard Method	12,037
(IV)	Capital Requirement against Commodity Risks - Standard Method	7,538
(V)	Capital Requirement against Settlement Risks - Standard Method	-
(VI)	Capital Requirement against Market Risks of Options - Standard Method	11,111
(VII)	Capital Requirement against Counterparty Credit Risk - Standard Method	6,755
(VIII)	Capital Requirement against Market Risks of Banks applying Risk Measurement Models	-
(IX)	Total Capital Obligations against Market Risk (I+II+III+IV+V+VI+VII+VIII)	85,239
(X)Value-At-Market Risk (12,5 x VIII) or (12,5 x IX)		1,065,488

III. Explanations Related to the Operational Risk

Value at operational risk is calculated with basic indicator method by using the gross profits for the last three years’ (2011, 2010 and 2009) as per the “Calculation of Value at Operational Risk” of the article (3) of “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” which was published in the Official Gazette No: 28337 dated June 28, 2012. As of September 30, 2012, the value at operational risk is amounting to TL 4,492,416.

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IV. Explanations Related to Foreign Currency Exchange Rate Risk

1. Whether the Bank is exposed to foreign exchange risk, whether the effects of this situation are estimated, and whether the Board of Directors of the Bank sets limits for positions that are monitored daily

As of September 30, 2012, the net foreign currency exposure of the Bank is TL 153,486 short position (December 31, 2011 –TL 380,187 short) resulting from on balance sheet short position amounting to TL 4,256,846 (December 31, 2011 –TL 5,304,487 short) and off balance sheet long position amounting to TL 4,103,360 (December 31, 2011 –TL 4,924,300 long). The long off balance sheet position amounting to TL 3,824,265 (December 31, 2011 – TL 6,219,112) is related with the FC/TL swap transactions entered into with banks and customers. The Bank used these transactions to manage foreign currency liquidity risk and to hedge itself from interest rate risk.

The Bank enters into foreign currency forward transactions to decrease foreign currency position risk. The Bank also engages in foreign currency and Eurobond buy-sell option transactions.

Position limit related with currency risk is determined according to Foreign Currency Net Position Standard Ratio. Measurable and manageable risks are taken within legal limits.

Foreign Currency Exchange Rate Risk is monitored along with potential evaluation differences in foreign currency translations in accordance with “Regulations on Bank’s Internal Control and Risk Management Systems”. Standard method is used in measuring foreign currency exchange rate risk on a weekly basis.

2. The magnitude of hedging foreign currency debt instruments and net foreign currency investments by using derivatives

The Bank does not hedge foreign currency borrowings and net foreign currency investments by derivative instruments.

3. Bank’s spot foreign exchange bid rates as of the balance sheet date and for each of the five days prior to that date

US Dollar purchase rate at the date of the balance sheet	TL 1.7820
Euro purchase rate at the date of the balance sheet	TL 2.2929

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
September 30, 2012	TL 1.7820	TL 2.2929
September 29, 2012	TL 1.7820	TL 2.2929
September 28, 2012	TL 1.7820	TL 2.2929
September 27, 2012	TL 1.7852	TL 2.2964
September 26, 2012	TL 1.7859	TL 2.3074
September 25, 2012	TL 1.7915	TL 2.3145

4. The basic arithmetical average of the Bank’s foreign exchange bid rate for the last thirty days

The arithmetical average of the Bank’s US Dollar and Euro purchase rates for September 2012 are TL 1.7956 and TL 2.3051; respectively.

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5. Information on the foreign currency exchange rate risk of the bank

Current Period	EUR	USD	Other FC	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	2,147,802	958,806	941,885	4,048,493
Due From Banks	48,423	98,881	14,238	161,542
Financial Assets at Fair Value through Profit/Loss ⁽⁴⁾	11,477	106,143	7,758	125,378
Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	98,009	1,031,881	-	1,129,890
Loans and Receivables ⁽²⁾	2,079,206	2,582,089	124,161	4,785,456
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-
Derivative Financial Assets Hedging Purposes	-	60,258	-	60,258
Tangible Assets	-	-	86	86
Intangible Assets	-	-	-	-
Other Assets ⁽³⁾	48,656	150,105	104	198,865
Total Assets	4,433,573	4,988,163	1,088,232	10,509,968
Liabilities				
Bank Deposits	120,632	342,443	7,334	470,409
Foreign Currency Deposits	3,056,497	5,084,425	432,066	8,572,988
Money Market Borrowings	76,032	692,122	-	768,154
Funds Borrowed	715,976	2,872,252	-	3,588,228
Securities Issued	-	885,693	-	885,693
Sundry Creditors	103,961	65,784	294	170,039
Derivative Fin. Liabilities for Hedging Purposes	8,809	117,503	-	126,312
Other Liabilities ⁽⁵⁾	32,397	149,151	3,443	184,991
Total Liabilities	4,114,304	10,209,373	443,137	14,766,814
Net Balance Sheet Position	319,269	(5,221,210)	645,095	(4,256,846)
Net Off-Balance Sheet Position	(389,775)	5,114,219	(621,084)	4,103,360
Financial Derivative Assets	1,724,681	18,669,303	320,120	20,714,104
Financial Derivative Liabilities	2,114,456	13,555,084	941,204	16,610,744
Non-Cash Loans ⁽¹⁾	796,963	1,929,115	161,062	2,887,140
Prior Period				
Total Assets	4,221,957	4,974,493	441,875	9,638,325
Total Liabilities	3,926,444	10,554,240	462,128	14,942,812
Net Balance Sheet Position	295,513	(5,579,747)	(20,253)	(5,304,487)
Net Off-Balance Sheet Position	(273,554)	5,178,787	19,067	4,924,300
Financial Derivative Assets	3,314,319	20,411,234	784,002	24,509,555
Financial Derivative Liabilities	3,587,873	15,232,447	764,935	19,585,255
Non-Cash Loans ⁽¹⁾	969,080	2,342,380	216,692	3,528,152

⁽¹⁾ Does not affect net off balance sheet position.

⁽²⁾ Includes foreign currency-indexed loans amounting to TL 1,395,753 (December 31, 2011 – TL 1,510,535) that are classified as TL on the balance sheet.

⁽³⁾ Does not include the prepaid expenses amounting to TL 83 (December 31, 2011 – TL 2,095) that are classified as FC on the balance sheet in accordance with the communiqué issued by BRSA and published in the Official Gazette No: 26085 dated February 19, 2006.

⁽⁴⁾ Does not include foreign exchange income accruals amounting to TL 4,461 (December 31, 2011 – TL 17,180).

⁽⁵⁾ Foreign exchange expense accruals amounting to TL 4,417 (December 31, 2011 – TL 13,248) on derivative transactions and the general loan loss provisions amounting to TL 50,832 (December 31, 2011 – TL 43,702) computed for foreign currency loans and accounted as foreign currency amount in order to be in compliance with the Uniform Chart of Accounts are excluded.

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V. Explanations Related to Interest Rate Risk

Interest rate risk that would arise from the changes in interest rates depending on the Bank's position is managed by the Asset/Liability Committee of the Bank.

Interest rate sensitivity of assets, liabilities and off balance sheet items is analyzed by top management in the Asset/Liability Committee meetings held every two weeks by taking the market developments into consideration.

The management of the Bank follows the interest rates in the market on a daily basis and revises interest rates of the Bank when necessary.

The assets and liabilities of the Bank carry a positive interest yield, assets and liabilities are repriced within an average of 6 months. Consequently the Bank carries limited interest rate risk.

Besides customer deposits, the Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Bank changes the foreign currency liquidity obtained from the international markets to TL liquidity with long term swap transactions (fixed TL interest rate and floating FC interest rate). Therefore, the Bank not only funds its long term fixed interest rate loans with TL but also hedges itself from interest rate and maturity risk.

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items

(Based on reprising dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing^(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	-	-	-	-	-	4,510,767	4,510,767
Due from Banks	-	-	-	-	-	163,816	163,816
Financial Assets at Fair Value Through Profit/Loss ^(**)	113,333	319,493	322,538	317,345	353,016	96,514	1,522,239
Money Market Placements	-	-	-	-	-	-	-
Inv. Securities Available for Sale	1,511,907	744,888	2,292,069	1,140,110	1,081,707	222,704	6,993,385
Loans and Receivables	9,297,364	4,073,539	10,547,156	8,740,298	1,877,973	477,120	35,013,450
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets ^(*)	125,353	-	-	-	-	1,572,986	1,698,339
Total Assets	11,047,957	5,137,920	13,161,763	10,197,753	3,312,696	7,043,907	49,901,996
Liabilities							
Bank Deposits	625,618	285,580	57,257	-	-	32,411	1,000,866
Other Deposits	15,621,498	10,057,106	875,529	20,534	-	3,141,644	29,716,311
Money Market Borrowings	2,429,748	191,471	42,710	-	-	-	2,663,929
Sundry Creditors	-	-	-	-	-	1,395,744	1,395,744
Securities Issued	-	839,126	1,745,478	-	-	-	2,584,604
Funds Borrowed	1,118,230	1,821,916	718,763	6,968	-	-	3,665,877
Other Liabilities ^(*)	57,956	202,398	255,236	190,872	21,947	8,146,256	8,874,665
Total Liabilities	19,853,050	13,397,597	3,694,973	218,374	21,947	12,716,055	49,901,996
On Balance Sheet Long Position	-	-	9,466,790	9,979,379	3,290,749	-	22,736,918
On Balance Sheet Short Position	(8,805,093)	(8,259,677)	-	-	-	(5,672,148)	(22,736,918)
Off-Balance Sheet Long Position	55,527	106,267	-	-	-	-	161,794
Off-Balance Sheet Short Position	-	-	(13,984)	(42,998)	(11,568)	-	(68,550)
Total Position	(8,749,566)	(8,153,410)	9,452,806	9,936,381	3,279,181	(5,672,148)	93,244

^(*) "Other Assets" in "Non-Interest Bearing" column include other assets amounting to TL 573,484, tangible assets amounting to TL 393,092, intangible assets amounting to TL 162,552, associates, subsidiaries and entities under common control amounting to TL 420,908, assets held for sale and discontinued operations amounting to TL 22,950; and "Other Liabilities" in the "Non-Interest Bearing" column include shareholders' equity amounting to TL 6,633,874, other liabilities amounting to TL 461,432, provisions amounting to TL 845,556, tax liability amounting to TL 125,924 and trading derivative financial liabilities amounting to TL 79,470.

^(**) This line also includes derivative financial assets hedging purposes amounting to TL 425,855.

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Average interest rates applied to monetary financial instruments

	EUR	USD	JPY	TL
Current Period	%	%	%	%
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	-	-	-	-
Financial Assets at Fair Value Through Profit/Loss	3.98	3.84	-	7.55
Money Market Placements	-	-	-	-
Investment Securities Available for Sale	4.82	5.43	-	8.79
Loans and Other Receivables	6.14	5.43	5.30	20.09 ^(*)
Investment Securities Held to Maturity	-	-	-	-
Liabilities				
Bank Deposits	2.46	3.03	-	9.12
Other Deposits	3.42	3.38	0.36	9.25
Money Market Borrowings	0.85	0.89	-	7.09
Sundry Creditors	-	-	-	-
Securities Issued	-	5.50	-	10.25
Funds Borrowed	1.68	3.76	-	8.40

^(*) The yield of loans is 15.47% excluding credit cards.

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items

(Based on repricing dates)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing ^(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	-	-	-	-	-	2,964,786	2,964,786
Due from Banks	618,197	-	10,427	-	-	200,838	829,462
Financial Assets at Fair Value Through Profit/Loss ^(**)	60,491	160,836	650,309	976,542	490,399	265,154	2,603,731
Money Market Placements	1,091,322	-	-	-	-	-	1,091,322
Inv. Securities Available for Sale	1,221,851	1,404,493	1,275,305	2,005,883	897,305	119,455	6,924,292
Loans and Receivables	8,795,575	3,572,699	8,181,619	7,677,266	1,640,037	403,359	30,270,555
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets	59,398	-	-	-	-	1,455,327	1,514,725
Total Assets	11,846,834	5,138,028	10,117,660	10,659,691	3,027,741	5,408,919	46,198,873
Liabilities							
Bank Deposits	167,388	55,465	26,613	-	-	36,748	286,214
Other Deposits	15,095,423	10,208,860	974,628	28,397	-	2,682,048	28,989,356
Money Market Borrowings	218,936	425,118	3,430,371	289,319	-	-	4,363,744
Sundry Creditors	1,514,430	68	-	-	-	-	1,514,498
Securities Issued	-	-	268,023	989,875	-	-	1,257,898
Funds Borrowed	-	-	-	-	-	1,543,950	1,543,950
Other Liabilities ^(*)	358,473	475,096	155,208	4,154	-	7,250,282	8,243,213
Total Liabilities	17,354,650	11,164,607	4,854,843	1,311,745	-	11,513,028	46,198,873
On Balance Sheet Long Position	-	-	5,262,817	9,347,946	3,027,741	-	17,638,504
On Balance Sheet Short Position	(5,507,816)	(6,026,579)	-	-	-	(6,104,109)	(17,638,504)
Off-Balance Sheet Long Position	-	-	447,161	860,705	84,105	-	1,391,971
Off-Balance Sheet Short Position	(298,321)	(330,936)	-	-	-	-	(629,257)
Total Position	(5,806,137)	(6,357,515)	5,709,978	10,208,651	3,111,846	(6,104,109)	762,714

^(*) "Other Assets" in "Non-Interest Bearing" column include other assets amounting to TL 514,394, tangible assets amounting to TL 384,497, intangible assets amounting to TL 134,472, associates and subsidiaries amounting to TL 421,964 and "Other Liabilities" in the "Non-Interest Bearing" column include shareholders' equity amounting to TL 5,695,956, other liabilities amounting to TL 541,464, provisions amounting to TL 655,848, tax liability amounting to TL 103,719 and the fair value of the trading derivative financial liabilities amounting to TL 253,295.

^(**) This line also includes derivative financial assets hedging purposes amounting to TL 1,001,747.

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Average interest rates applied to monetary financial instruments

Prior Period	EUR %	USD %	JPY %	TL %
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	-	2.42	-	10.69
Financial Assets at Fair Value Through Profit/Loss	4.21	3.23	-	10.00
Money Market Placements	-	4.28	-	9.84
Investment Securities Available for Sale	4.85	5.73	-	7.57
Loans and Receivables	6.29	5.44	5.31	18.51(*)
Investment Securities Held to Maturity	-	-	-	-
Liabilities				
Bank Deposits	4.59	4.19	-	10.68
Other Deposits	4.72	5.05	0.44	11.59
Money Market Borrowings	3.90	-	-	5.84
Sundry Creditors	-	-	-	-
Securities Issued	-	5.50	-	10.84
Funds Borrowed	2.37	3.55	-	8.40

(*) The yield of loans is 15.38% excluding credit cards.

Interest rate risk on banking book

The interest rate risk resulting from banking book comprises of maturity mismatch risk, yield-curve risk, base risk and option risk. Within the scope of the interest rate risk, the Bank analyzes all these risks periodically, and considering market conditions, manages all aspects of interest rate risk on banking book effectively in accordance with the bank strategy. In order to this, within the scope of "Asset Liability Management Policy" risks are measured, monitored and limited on a regular basis.

In the calculation of the interest rate risk on banking book, income approach and the economic value approach are applied. The analysis of economic value, duration and gap analysis are calculated on a weekly basis, analysis of the standard economic value approach is supported by different scenarios. In addition, the sensitivity of the net interest income is monitored, the rates of early repayment of loans in the direction of the interest rate risk is taken into consideration.

In customer deposits, core deposits analyses are performed regularly on profit center base and the rate of core deposits in demand deposits, are considered in economic value, gap and duration analyses. The interest rate risk of uncertain due credits is determined considering the nature of the credit and added to calculations.

All these analyses are reported to Asset and Liability Committee and Risk Committee and by considering market conditions and bank strategy, the interest rate risk on banking book is managed within specified limits parallel to the Bank's appetite of risk.

Available for sale securities included in banking book are daily monitored by being added to the scope of market risk. In this context, the risk level of this portfolio is managed considering the sensitivity of nominal, interest rate and VaR limits.

The interest rate risk on banking book is measured legally as per the "Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method" published in the Official Gazette No: 28034 dated August 23, 2011, and the legal limit as per this measurement is monitored and reported monthly to Assets and Liabilities Committee, Risk Committee and Board of Directors.

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Type of Currency	Shocks Applied (+/- x basis points)	Gains/Losses	Gains/Equity- Losses/Equity
1. TL	(+) 500	(746,551)	(8.96)%
	(-) 400	724,749	8.70%
2. EUR	(+) 200	(40,132)	(0.48)%
	(-) 200	46,140	0.55%
3. USD	(+) 200	(122,023)	(1.46)%
	(-) 200	148,665	1.78%
Total (of negative shocks)		919,554	11.03%
Total (of positive shocks)		(908,706)	(10.90)%

Position risk of equity securities in banking book

Equity Securities (shares)	Carrying Value	Comparison	
		Fair Value	Market Value
1. Securities Available-for-Sale	24,321	-	24,321
Quoted Securities	24,321	-	24,321
Unquoted Securities	-	-	-
2. Investments in Associates	7,769	-	-
Quoted Securities	-	-	-
Unquoted Securities	7,769	-	-
3. Investment in Subsidiaries	410,339	-	265,582
Quoted Securities	265,582 ^(*)	-	265,582 ^(*)
Unquoted Securities	144,757	-	-
4. Joint Ventures	2,800	-	-
Quoted Securities	-	-	-
Unquoted Securities	2,800	-	-

^(*) 10.01% of Finans Yatırım Ortaklığı A.Ş. is included.

Portfolio	Gains/Losses in Current Period	Revaluation Surpluses		Unrealized Gains and Losses		
		Total	Amount under Supplementary Capital	Total	Amount under Core Capital	Amount under Supplementary Capital
1. Private Equity Investments	-	-	-	-	-	-
2. Quoted Shares	4,229	-	-	(4,125)	-	(1,856)
3. Other Shares	-	-	-	-	-	-
4. Total	4,229	-	-	(4,125)	-	(1,856)

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VI. Explanations Related to Liquidity Risk

- 1. The sources of the current liquidity risk of the Bank; whether the necessary precautions have been taken, whether the Board of Directors sets limits on the funds available to meet the urgent liquidity requirements and to be able to pay borrowings when they become due**

Liquidity risk represents risk insufficient cash or cash inflows to meet the cash outflows completely and on time, as a result of instable cash flows. Liquidity risk may also result from inability to penetrate to market and to close open positions quickly at suitable prices and with sufficient amounts due to market disruptions or barriers. To mitigate liquidity risk, the Bank diversifies funding sources as customer deposits and funds borrowed from abroad and keep certain level of assets as cash and cash equivalents.

The Bank evaluates liquidity position on a daily basis. Cash flow projections and scenarios are analyzed every two weeks by the top management at Asset/Liability Committee meetings. Liquidity ratio, calculated monthly by the Market Risk Committee is used as preliminary indicator of the general liquidity position of the Bank. List of available limits, instruments and securities which can be used as collateral to create liquidity in the event of a possible liquidity crisis is updated weekly. Alternative funding strategies to be followed in case of a liquidity problem are evaluated within the current limits and positions to be taken are determined. Moreover, in terms of “Liquidity Emergency Action Plan” early warning signals, stress levels correlated with the level of liquidity risk and actions to be taken at each stress level are defined.

- 2. Whether the payments, assets and liabilities match with the interest rates, and whether the effect of mismatch on profitability is measured, if any**

Bank’s payments, assets and liabilities match with the interest rates.

- 3. Internal and external sources to meet the short and long-term liquidity needs, significant sources of liquidity that are not utilized**

In order to meet urgent liquidity needs 9% (December 31, 2011 – 6%) of the balance sheet is allocated as cash and cash equivalents.

- 4. Evaluation of the Bank’s cash flows and their resources**

Cash flows of the Bank are mainly denominated in Turkish Lira, US Dollar and Euro.

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5. Presentation of assets and liabilities according to their remaining maturities

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unallocated (*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R Central Bank	990,534	3,520,233	-	-	-	-	-	4,510,767
Due from Banks	163,816	-	-	-	-	-	-	163,816
Financial Assets at Fair Value Through Profit/Loss (**)	-	114,209	162,914	392,540	499,528	353,048	-	1,522,239
Money Markets Placements	-	-	-	-	-	-	-	-
Investment Securities Available for Sale	222,704	-	2,344	162,157	3,727,643	2,878,537	-	6,993,385
Loans and Receivables	-	9,290,329	3,821,364	10,244,471	9,131,108	2,049,058	477,120	35,013,450
Investment Securities Held to Maturity	-	-	-	-	-	-	-	-
Other Assets	-	313,237	-	-	146,949	-	1,238,153	1,698,339
Total Assets	1,377,054	13,238,008	3,986,622	10,799,168	13,505,228	5,280,643	1,715,273	49,901,996
Liabilities								
Bank Deposits	32,411	625,618	285,580	57,257	-	-	-	1,000,866
Other Deposits	3,141,644	15,621,498	10,057,106	875,529	20,534	-	-	29,716,311
Funds Borrowed	-	106,129	997,631	732,336	176,143	1,653,638	-	3,665,877
Money Market Borrowings	-	2,429,748	191,471	42,710	-	-	-	2,663,929
Securities Issued	-	-	839,126	859,786	885,692	-	-	2,584,604
Sundry Creditors	-	1,395,744	-	-	-	-	-	1,395,744
Other Liabilities (*)	-	502,809	69,186	304,046	520,801	35,801	7,442,022	8,874,665
Total Liabilities	3,174,055	20,681,546	12,440,100	2,871,664	1,603,170	1,689,439	7,442,022	49,901,996
Liquidity Gap	(1,797,001)	(7,443,538)	(8,453,478)	7,927,504	11,902,058	3,591,204	(5,726,749)	-
Prior Period								
Total Assets	1,319,278	12,626,347	3,511,674	8,776,464	12,835,348	5,589,444	1,540,318	46,198,873
Total Liabilities	2,718,796	19,111,351	10,684,797	3,477,622	2,009,486	1,859,877	6,336,944	46,198,873
Net Liquidity Gap	(1,399,518)	(6,485,004)	(7,173,123)	5,298,842	10,825,862	3,729,567	(4,796,626)	-

(*) The assets which are necessary to provide banking services and could not be liquidated in the short-term, such as fixed assets, investments in subsidiaries and associates, common shares unquoted on stock exchange, office stationery, and prepaid expenses are classified under this column.

Unallocated other liabilities include shareholders' equity amounting to TL 6,663,874, unallocated provisions amounting to TL 791,170 and deferred tax liability amounting to TL 16,978.

(**) This line also includes derivative financial assets hedging purposes amounting to TL 425,855.

6. Securitization Positions

As of September 30, 2012, the Bank has no securitization positions.

7. Credit Risk Mitigation Techniques

The Bank applies simple financial collateral method that includes the effects of risk mitigation calculations at fair value in compliance with the Article 33 of the "Regulation on Credit Risk Mitigation Techniques".

Besides, the Bank applies Comprehensive Financial Collateral Method for calculation of the counterparty credit risk in compliance with the Article 33 of the "Regulation on Credit Risk Mitigation Techniques" for transactions included in trading book. In this method, risk and collateral amounts are subjected to standard volatility adjustments.

For mitigating the credit risk, cash and cash equivalents and high-credit-quality debt instruments are used.

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Exposure Categories	Amount(*)	Financial Collaterals	Other/Physical Collaterals	Guaranties and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	10,548,606	-	-	-
Conditional and unconditional receivables from regional or local governments	5,085	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	1,747	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	875,232	8,203	-	-
Conditional and unconditional receivables from corporates	17,680,168	302,797	-	-
Conditional and unconditional retail receivables	35,639,310	221,533	-	-
Conditional and unconditional receivables secured by mortgages	7,979,703	-	-	-
Past due receivables	390,916	-	-	-
Receivables defined in high risk category by BRSA	5,238,754	-	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	873,289	10,882	-	-
Investments similar to collective investment funds	-	-	-	-
Other receivables	1,936,549	-	-	-

(*) Includes total risk amounts before credit risk mitigation.

8. Risk management objectives and policies

The Bank's risk strategy is approved by the Board of Directors and implementation of this strategy is under the responsibility of the Bank's Risk Committee and senior management.

The objective of the risk strategy defines risk principles and objectives besides the Bank's current and targeted risk profile and appetite, risk management, risk organization and general behavior of the Bank as defined by principal risk management capacities. The scope of the risk strategy includes the Bank and all of the subsidiaries of the Bank in financial sector.

The Risk Management's mission is to optimize the relationship between risk and returns, by taking into account the interests of customers and employees, creating value for shareholders in line with the Bank's business strategy, consistent with both the best practices and the Bank's risk strategy in accordance with legal obligations.

The general objectives of the Bank's Risk Management:

- In accordance with the Bank's risk management policies, in order to maximize the potential benefits and acquire the opportunities that creates value addition for shareholders, comprise the basic standards for bank-wide risk management,
- To adjust the Bank's regulatory capital requirements and risk management with the other relevant legal regulations,
- In order to maintain the stability of yield against unpredictable losses, to support Bank's business strategy in the manner that control the risk by carrying out the business objectives,
- To improve the use and distribution of the capital and to increase the risk adjusted returns by adding risk to the measurement of business performance,
- To support decision making process by providing the essential risk-related perspective,
- To comply with legal, qualitative and quantitative requirements and consistency with the best practices,
- Contribute to the continued position of ethics standards and strong corporate governance of the Bank, which is one of the leading and reputable financial institutions in Turkey,
- To promote risk awareness and management culture throughout the Bank.

VII. Transactions carried out on behalf of customers, items held in trust

None.

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS

1.a) Cash and balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	333,116	168,248	320,851	184,673
T.R. Central Bank	111,259	3,877,398	140,547	2,305,467
Other	17,899	2,847	12,898	350
Total	462,274	4,048,493	474,296	2,490,490

b) Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	111,259	357,165	140,547	339,666
Restricted Time Deposits	-	3,520,233	-	1,965,801
Total	111,259	3,877,398	140,547	2,305,467

As of September 30, 2012, the compulsory rates for the reserve deposits at the Central Bank of Turkey for Turkish Lira are implemented within an interval from 5% to 11% depending on the maturity of deposits (December 31, 2011 – 5% to 11%) and the compulsory rates for the foreign currency liabilities are within an interval from 9% to 11% depending on the maturity of deposits (December 31, 2011 – 9% to 11%).

The Bank maintains required reserves in TL for TL liabilities and in USD and/or Euro for foreign currency liabilities in accordance with the “Communiqué on Reserve Requirements No. 2005/1”, published by the Central Bank of the Republic of Turkey. As per the “Amendment to the Communiqué on Reserve Requirements No: 2012/11”, published in the Official Gazette No: 28418, dated September 21, 2012, up to 60% of the required reserve for TL liabilities can be maintained in USD or Euro over the amount calculated by multiplying the amount that corresponds to the first bracket of 40% with the coefficient “1.3”, the amount that corresponds to the second bracket of 5% with the coefficient “1.6”, the amount that corresponds to the third bracket of 5% with the coefficient “1.9”, the amount that corresponds to the fourth bracket of 5% with the coefficient “2.1”, the amount that corresponds to the fifth bracket of 5% with the coefficient “2.2” and at least 50% of required reserves must be allocated in USD. With this amendment, up to 60% of required reserves for TL liabilities can be maintained as USD and/or Euro, and up to 30% can be maintained as standard gold over the amount calculated by multiplying the amount that corresponds to the first bracket of 20% with the coefficient “1”, the amount that corresponds to the second bracket of 5% with the coefficient “1.5” the amount that corresponds to the third bracket of 5% with the coefficient “2”. Up to total amount of required reserves for precious metal deposit accounts of required reserves for foreign currency liabilities can be maintained as standard gold, while, 0% of required reserves for foreign currency liabilities other than precious metal deposit accounts can be maintained as standard gold.

2. Further information on financial assets at fair value through profit/loss

a) Trading securities given as collateral or blocked

None (December 31, 2011 – None).

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b) Trading securities subject to repurchase agreements

None (December 31, 2011 – None).

c) Assets on trading derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	40,176	-	76,791	-
Swap Transactions	324,143	88,505	698,073	86,361
Futures Transactions	-	260	-	6,742
Options	633	30,356	414	140,680
Other	-	5,607	-	697
Total	364,952	124,728	775,278	234,480

3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	2,262	41	290,047	342,054
Foreign	12	161,501	19	197,342
Foreign Head Offices and Branches	-	-	-	-
Total	2,274	161,542	290,066	539,396

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount ^(**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	61,632	72,946	-	-
USA and Canada	91,683	58,505	6	59,921
OECD Countries ^(*)	7,199	4,962	-	-
Off-shore Banking Regions	-	-	-	-
Other	993	1,027	-	-
Total	161,507	137,440	6	59,921

^(*) Includes OECD countries other than the EU countries, USA and Canada.

^(**) Includes blocked placements at foreign banks amounting to TL 6 (December 31, 2011 - TL 59,921) for the syndication and securitization loans received.

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4. Information on receivables from reverse repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	-	-	700,396	-
T.R. Central Bank	-	-	-	-
Banks	-	-	700,396	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	-	-
Real Persons	-	-	-	-
Foreign Transactions	-	-	-	-
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	-	-
Real Persons	-	-	-	-
Total	-	-	700,396	-

5. Information on investment securities available for sale

a) Investment securities available-for-sale given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bond, Treasury Bill and Similar	-	-	-	-
Marketable Securities	423,382	-	1,175,542	-
Other	-	-	-	-
Total	423,382	-	1,175,542	-

b) Investment securities available for sale subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	1,921,313	959,189	811,442	703,281
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	1,921,313	959,189	811,442	703,281

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c) Investment securities available for sale

	Current Period	Prior Period
Debt securities	6,777,684	6,933,793
Quoted on a stock exchange(*)	6,678,950	6,798,130
Unquoted on a stock exchange	98,734	135,663
Share certificates	223,406	126,129
Quoted on a stock exchange (**)	223,406	126,129
Unquoted on a stock exchange	-	-
Impairment provision(-)	(7,705)	(135,630)
Total	6,993,385	6,924,292

(*) The Eurobond Portfolio amounting to TL 719,837 (December 31, 2011 – TL 537,063) which is accounted for as investment securities available for sale was hedged under fair value hedge accounting starting from March and April 2009 and the government bonds portfolio amounting to TL 215,997 which is accounted for as investment securities available for sale was hedged under fair value hedge accounting starting from August 2011. The mentioned financial assets are accounted for as Investment Securities Available for Sale in order to be in line with balance sheet presentation.

(**) Share certificates that are quoted on a stock exchange include “exchange traded mutual funds” amounting to TL 194,398 (December 31, 2011 – TL 107,682).

6. Information related to loans

a) Information on all types of loans and advances given to shareholders and employees of the Bank

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	19,872	-	3,072
Corporate Shareholders	-	19,872	-	3,072
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees (*)	56,972	-	47,740	-
Total	56,972	19,872	47,740	3,072

(*) Includes the advances given to the bank personnel.

b) Information on the first and second group loans and other receivables including rescheduled or restructured loans

	Standard Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables	Loans and Receivables with Rescheduled Contract Terms		Loans and Other Receivables	Loans and Receivables with Rescheduled Contract Terms	
Cash Loans(*)		Extension of Repayment Plan	Other		Extension of Repayment Plan	Other
Non-specialized Loans	32,884,569	161,251	-	1,459,766	431,314	-
Discount Notes	487,549	-	-	4,465	-	-
Export Loans	744,072	12,739	-	116,363	2,050	-
Import Loans	-	-	-	-	-	-
Loans Given to Financial Sector	544,230	-	-	-	-	-
Retail Loans	11,031,875	-	-	574,795	155,809	-
Credit Cards	9,828,119	-	-	210,336	144,248	-
Other	10,248,724	148,512	-	553,807	129,207	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	32,884,569	161,251	-	1,459,766	431,314	-

(*) The loans amounting to TL 400,570 (December 31, 2011 – TL 567,612) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

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No. of Extensions	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
1 or 2 times	161,251	430,836
3, 4 or 5 times	-	478
Over 5 times	-	-

Extension Periods	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
0 - 6 months	-	23,819
6 -12 months	-	13,926
1 - 2 years	41,642	34,956
2 - 5 years	42,414	114,017
5 years and over	77,195	244,596

c) **Loans according to their maturity structure**

Cash Loans (*)	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms
Short-term Loans	17,799,624	-	210,336	144,248
Non-specialized Loans	17,799,624	-	210,336	144,248
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	15,084,945	161,251	1,249,430	287,066
Non-specialized Loans	15,084,945	161,251	1,249,430	287,066
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	32,884,569	161,251	1,459,766	431,314

(*) The loans amounting to TL 400,570 (December 31, 2011 – TL 567,612) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

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d) Information on consumer loans, individual credit cards, personnel loans and personnel credit cards

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Consumer Loans-TL	150,988	10,216,498	10,367,486	508,207
Housing Loans	995	5,868,820	5,869,815	454,535
Automobile Loans	685	106,193	106,878	977
Personal Need Loans	144,265	4,241,485	4,385,750	52,695
Other	5,043	-	5,043	-
Consumer Loans-FC Indexed	-	108,759	108,759	68,350
Housing Loans	-	100,170	100,170	64,858
Automobile Loans	-	95	95	35
Personal Need Loans	-	8,494	8,494	3,457
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-TL	9,005,246	577,546	9,582,792	115,159
Installment	4,703,804	577,546	5,281,350	63,470
Non- Installment	4,301,442	-	4,301,442	51,689
Individual Credit Cards-FC	3,371	-	3,371	23
Installment	-	-	-	-
Non- Installment	3,371	-	3,371	23
Personnel Loans-TL	2,886	21,714	24,600	161
Housing Loans	-	529	529	1
Automobile Loans	-	72	72	-
Personal Need Loans	2,886	21,113	23,999	160
Other	-	-	-	-
Personnel Loans-FC Indexed	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Credit Cards-TL	28,383	-	28,383	-
Installment	15,872	-	15,872	-
Non-Installment	12,511	-	12,511	-
Personnel Credit Cards-FC	92	-	92	-
Installment	-	-	-	-
Non-Installment	92	-	92	-
Overdraft Accounts-TL (Real Persons)	612,799	-	612,799	72,117
Overdraft Accounts-FC (Real Persons)	-	-	-	-
Total	9,803,765	10,924,517	20,728,282	764,017

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e) Information on commercial loans with installments and corporate credit cards

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Commercial Loans with Installment Facility				
– TL	333,881	3,264,957	3,598,838	48,294
Real Estate Loans	-	117,140	117,140	6,182
Automobile Loans	6,385	274,392	280,777	3,750
Personal Need Loans	327,496	2,873,425	3,200,921	38,362
Other	-	-	-	-
Commercial Loans with Installment Facility - FC Indexed	28,752	510,140	538,892	46,241
Real Estate Loans	-	10,519	10,519	2,105
Automobile Loans	260	68,079	68,339	3,096
Personal Need Loans	28,492	431,542	460,034	41,040
Other	-	-	-	-
Commercial Loans with Installment Facility - FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards –TL	442,862	4,126	446,988	5,356
Installment	184,567	4,126	188,693	2,261
Non-Installment	258,295	-	258,295	3,095
Corporate Credit Cards –FC	536	-	536	3
Installment	-	-	-	-
Non-Installment	536	-	536	3
Overdraft Accounts-TL (Legal Entities)	361,490	-	361,490	1,449
Overdraft Accounts-FC (Legal Entities)	-	-	-	-
Total	1,167,521	3,779,223	4,946,744	101,343

f) Loans according to borrowers ^(*)

	Current Period	Prior Period
Public	125,526	134,129
Private	34,811,374	30,300,679
Total	34,936,900	30,434,808

^(*) The loans amounting to TL 400,570 (December 31, 2011 – TL 567,612) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

g) Domestic and foreign loans ^(*)

	Current Period	Prior Period
Domestic Loans	34,739,933	30,216,161
Foreign Loans	196,967	218,647
Total	34,936,900	30,434,808

^(*) The loans amounting to TL 400,570 (December 31, 2011 – TL 567,612) are classified under “Loans at Fair Value Through Profit/Loss in the financial statements.

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h) Loans granted to subsidiaries and associates

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and Associates	76,921	55,015
Indirect Loans Granted to Subsidiaries and Associates	-	-
Total	76,921	55,015

i) Specific provisions for loans

	Current Period	Prior Period
Specific Provisions		
Loans and Receivables with Limited Collectability	112,068	66,145
Loans and Receivables with Doubtful Collectability	227,614	147,153
Uncollectible Loans and Receivables	1,480,026	1,232,839
Total	1,819,708	1,446,137

j) Non-performing loans (NPLs) (Net)

j.1) Non-performing loans and other receivables restructured or rescheduled

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period			
(Gross Amounts Before the Specific Provisions)	9,739	3,690	73,978
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	9,739	3,690	73,978
Prior Period			
(Gross Amounts Before the Specific Provisions)	616	9,171	65,676
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	616	9,171	65,676

j.2) Movement of non-performing loans

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Prior Period End Balance	326,776	289,881	1,232,839
Additions (+)	776,580	20,527	16,806
Transfers from Other Categories of Non-Performing Loans (+)	-	662,708	403,627
Transfers to Other Categories of Non-Performing Loans (-)	662,708	403,627	-
Collections (-)	73,252	120,083	169,152
Write-offs (-)	-	-	4,094
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	1,668
Credit Cards	-	-	2,426
Others	-	-	-
Current Period End Balance	367,396	449,406	1,480,026
Specific Provision (-)	112,068	227,614	1,480,026
Net Balances on Balance Sheet	255,328	221,792	-

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j.3) Information on foreign currency non-performing loans and other receivables

None (December 31, 2011 - None).

j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	255,328	221,792	-
Loans to Real Persons and Legal Entities (Gross)	367,396	449,406	1,468,967
Specific provision (-)	(112,068)	(227,614)	(1,468,967)
Loans to Real Persons and Legal Entities (Net)	255,328	221,792	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	11,059
Specific provision (-)	-	-	(11,059)
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	260,631	142,728	-
Loans to Real Persons and Legal Entities (Gross)	326,776	289,089	1,222,590
Specific provision (-)	(66,145)	(146,361)	(1,222,590)
Loans to Real Persons and Legal Entities (Net)	260,631	142,728	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	792	10,249
Specific provision (-)	-	(792)	(10,249)
Other Loans and Receivables (Net)	-	-	-

k) Liquidation policies for uncollectible loans and other receivables:

For the unrecoverable non-performing loans under legal follow-up, the loan quality, collateral quality, bona fide of the debtor and assessment of the emergency of legal follow-up are considered, before applying the best practice for unrecoverable non-performing loans under legal follow up. The bank prefers to liquidate the risk through negotiations with the debtors. If this cannot be possible, then the Bank starts the legal procedures for the liquidation of the risk. Ongoing legal follow-up procedures do not prevent negotiations with the debtors. An agreement is made with the debtor at all stage of the negotiations for the liquidation of the risk.

l) Write-off policy:

Unrecoverable non-performing loans under legal follow-up, for which 100% provision is provided in compliance with the "Provisioning Decree" and with no collateral that are deemed as uncollectible are written off by the Board of Directors' decision, in accordance with the laws and regulations.

7. Information on investment securities held-to-maturity

None (December 31, 2011 – None).

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8. Investments in associates (Net):

8.1. Investments in associates:

Title	Address (City/ Country)	Bank's Share-If Different, Voting Rights (%)	Bank's Risk Group Share (%)
Gelişen Bilgi Teknolojileri A.Ş. (*)	Istanbul/Turkey	5.00%	5.00%
Bankalararası Kart Merkezi (BKM) (**)	Istanbul/Turkey	9.23%	9.23%
Kredi Garanti Fonu A.Ş. (**)	Istanbul/Turkey	1.67%	2.00%

Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
427	425	-	32	-	(5)	356	-
30,507	20,440	13,440	593	-	1,957	2,619	-
247,800	242,307	2,168	8,322	1	6,695	997	-

(*) Current period information is obtained from financial statements as of December 31, 2011 while prior period profit and loss information is obtained from financial statements as of December 31, 2010.

(**) Current period information is obtained from financial statements as of September 30, 2012 while prior period profit and loss information is obtained from financial statements as of December 31, 2011.

8.2. Movements of investments in associates

	Current Period	Prior Period
Balance at the Beginning of Period	6,769	5,769
Movements During the Period	1,000	1,000
Purchases	1,000(*)	1,000(*)
Bonus Shares Received	-	-
Dividends From Current Year Profit	-	-
Sales	-	-
Reclassifications	-	-
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at the End of the Period	7,769	6,769
Capital Commitments	-	1,000
Share Percentage at the End of the Period (%)	-	-

(*) The amount represents the share capital increase amounting to TL 1,000 to Kredi Garanti Fonu A.Ş.

8.3. Sectoral distribution of associates

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	7,769	6,769
Total	7,769	6,769

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8.4. Quoted Associates

None (December 31, 2011 - None).

8.5. Valuation methods of investments in associates

	Current Period	Prior Period
Valued at Cost	7,769	6,769
Valued at Fair Value	-	-
Valued at Equity Method	-	-
Total	7,769	6,769

8.6. Investments in associates sold during the current period

None.

8.7. Investments in associates acquired during the current period

None.

9. Investments in subsidiaries (Net)

a) Information on the unconsolidated subsidiaries

Title	Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
İbtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş.	Istanbul/Turkey	99.91%	99.91%

	Total Assets	Shareholders' Equity	Total Fixed Asset	Interest Income	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
(*)	23,717	19,323	19,224	-	-	3,117	(2,253)	-

(*) Current period information is obtained from financial statements as of September 30, 2012, prior period profit and loss information is obtained from financial statements as of December 31, 2011.

b) Information on the consolidated subsidiaries:

b.1) Information on the consolidated subsidiaries

Subsidiary	Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1. Finans Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	99.60	100.00
2. Finans Finansal Kiralama A.Ş.	Istanbul/Turkey	51.06	68.50
3. Finans Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	80.98 (*)	80.98 (*)
4. Finans Portföy Yönetimi A.Ş.	Istanbul/Turkey	0.01	100.00
5. Finans Emeklilik ve Hayat A.Ş.	Istanbul/Turkey	99.99	99.99
6. Finans Tüketici Finansmanı A.Ş.	Istanbul/Turkey	99.99	99.99
7. Finans Faktoring Hizmetleri A.Ş.	Istanbul/Turkey	99.99	99.99

(*) The share of the Bank is 10.01%, the remaining 70.97% shareholding represents the purchases of publicly traded shares on the Istanbul Stock Exchange.

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Information on subsidiaries in the order presented in the table above:

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value ^(**)
1. ^(*)	216,129	142,102	13,140	7,953	547	8,273	15,430	-
2. ^(*)	1,342,137	453,354	376	-	-	31,810	36,352	486,450
3. ^(*)	21,698	21,437	38	-	-	3,352	(2,136)	21,240
4. ^(*)	12,836	11,722	952	1,242	11	976	7,403	-
5. ^(*)	193,516	65,195	2,584	11,407	3,556	17,476	9,493	-
6. ^(*)	1,863	1,860	12	126	-	41	(1,302)	-
7. ^(*)	376,673	26,107	828	29,726	-	2,727	3,252	-

^(*)Current period information represents September 30, 2012 figures, and prior period profit/loss amounts represent December 31, 2011 figures as per the financial statements prepared in accordance with BRSA regulations.

^(**)Fair values of publicly traded subsidiaries reflect their Istanbul Stock Exchange (ISE) values as of balance sheet date.

b.2) Movement of investments in subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	397,409	362,058
Movements during the period	(2,056)	35,351
Purchases	5,894 ⁽¹⁾	18,187 ⁽³⁾
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales	(22,950) ⁽²⁾	(3,706) ⁽⁴⁾
Revaluation Increase	15,000	20,870
Impairment Provision	-	-
Balance at the End of the Period	395,353	397,409
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	-	-

⁽¹⁾ Purchases in the current period include the purchase of publicly traded shares of Bank's subsidiary Finans Yatırım Ortaklığı A.Ş. received from ISE amounting to TL 5,894.

⁽²⁾ Sales and transfers in current period represent the classification of 51% of shares of Finans Emeklilik ve Hayat A.Ş. under "Assets Held for Sale and Discontinued Operations" due to the fact that the approval process of share purchase and sale agreement to Cigna Nederland Gamma B.V. was finalized after balance sheet date.

⁽³⁾ Purchases in the prior period include the participation to the capital of Bank's subsidiary Finans Emeklilik ve Hayat A.Ş. amounting to TL 8,187 and Finans Faktoring Hiz.A.Ş. amounting to TL 10,000.

⁽⁴⁾ Disposal in the prior period amount represents disposal of the shares of the Bank's subsidiary Finans Yatırım Ortaklığı A.Ş. amounting to TL 5,027. The Bank had sales profit amounting to TL 1,321.

b.3) Sectoral distribution of subsidiaries

	Current Period	Prior Period
Banks	-	-
Insurance Companies	22,050	45,000
Factoring Companies	20,000	20,000
Leasing Companies	248,381	237,225
Finance Companies	5,000	5,000
Other Subsidiaries	99,922	90,184
Total	395,353	397,409

b.4) Quoted subsidiaries within the context of consolidation

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	265,582	244,688
Quoted on International Stock Exchanges	-	-
Total	265,582	244,688

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10. Investments in entities under common control:

	The Bank's Share	The Group's Share	Current Assets	Fixed Assets	Long Term Debt	Current Period Profit/Loss	Prior Period Profit/Loss
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. (*)	33.33%	33.33%	11,183	5,932	535	2,034	1,770

(*) Current period information represents September 30, 2012 figures, prior period information is obtained from the financial statements from December 31, 2011.

11. Information on leasing receivables (Net)

None (December 31, 2011 - None).

12. Information on hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	365,597	60,258	960,793	40,954
Cash Flow Hedge	-	-	-	-
Hedge of Net Investment in Foreign Operations	-	-	-	-
Total	365,597	60,258	960,793	40,954

(*) Derivative financial instruments designated for the fair value hedge purposes comprise of swaps. As of September 30, 2012, TL 60,258 (December 31, 2011 - TL 48,183) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in securities and TL 365,597 (December 31, 2012 - TL 953,564) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in loans.

13. Information on tax asset

There is no deferred tax asset calculated based on the related regulations. The information about deferred tax calculation is presented in the disclosures and explanations about liability accounts in disclosure number 10.1.4.

14. Information on assets held for sale and discontinued operations

As at the balance sheet date, due to the fact that the Bank has made a plan related to the sale of 51% of the shares of Finans Emeklilik ve Hayat A.Ş. (FEHAŞ) and started an active programme intending to determine the purchaser and complete the plan; mentioned shares are classified as assets held for sale within the scope of "Non-current Assets Held for Sale and Discontinued Operations Financial Reporting Standard of Turkey"- TFRS 5.

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15. Information on other assets

15.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Other Prepaid Expenses	211,352	170,878
Collateral Given for Derivative Transactions	147,496	69,042
Assets Held for Resale (Net)	146,949	125,432
Sundry Debtors	73,981	44,598
Other	41,061	44,488
Cheques Receivables from Other Banks	35,908	91,960
Prepaid Rent Expenses	26,399	20,155
Advances Given	14,790	2,246
Prepaid Agency Commissions	901	4,993
Total	698,837	573,792

15.2. If other assets exceed 10% of total assets excluding the off-balance sheet items, the name and the amount of the subaccounts which create at least 20% of them are:

Details of the other assets are described above in the 15.1 section of explanations and disclosures related to assets.

16. Accrued interest and income

The details of accrued interest and income allocated to the related items on the assets side of the balance sheet are as follows:

	Current Period		Prior Period	
	TL	FC	TL	FC
Derivative Financial Instruments Held for Hedging Purposes	465,571	45,649	558,565	31,273
Assets on Trading Derivatives	365,597	60,258	960,793	40,954
Loans and Receivables	364,952	124,728	775,278	234,480
Investments Securities Available for Sale	145,501	100,028	54,821	8,959
Banks	-	3	592	6
Trading Securities	92	60	31	53
T.R. Central Bank	-	-	-	-
Financial Assets at Fair Value through Profit or Loss	-	-	-	-
Other Accruals	3,657	-	1,054	93
Total	1,345,370	330,726	2,351,134	315,818

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SECTION FIVE

II. EXPLANATIONS AND DISCLOSURES RELATED TO LIABILITIES

1. Information on maturity structure of deposits

Current Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	819,329	-	1,727,111	9,844,036	1,092,799	126,870	17,671	15,297	13,643,113
Foreign Currency Deposits	870,443	-	1,497,525	4,792,313	782,415	248,020	3,312	5,074	8,199,102
Residents in Turkey	841,015	-	1,476,170	4,666,527	731,756	163,613	3,312	5,074	7,887,467
Residents Abroad	29,428	-	21,355	125,786	50,659	84,407	-	-	311,635
Public Sector Deposits	55,733	-	7,523	18,015	9	-	-	-	81,280
Commercial Deposits	1,065,621	-	1,627,068	2,418,246	892,868	80,864	23,626	-	6,108,293
Other Ins. Deposits	16,167	-	40,261	758,778	494,111	1,319	-	-	1,310,636
Precious Metal Deposits	314,351	-	-	-	59,232	293	11	-	373,887
Bank Deposits	32,411	-	625,618	285,580	47,469	9,788	-	-	1,000,866
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	1,549	-	219,681	16,558	-	6,152	-	-	243,940
Foreign Banks	23,943	-	405,937	269,022	47,469	3,636	-	-	750,007
Participation Banks	6,919	-	-	-	-	-	-	-	6,919
Other	-	-	-	-	-	-	-	-	-
Total	3,174,055	-	5,525,106	18,116,968	3,368,903	467,154	44,620	20,371	30,717,177

Prior Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	541,194	-	692,737	12,136,105	1,731,329	244,484	16,529	15,900	15,378,278
Foreign Currency Deposits	834,314	-	965,156	4,623,383	594,057	399,517	53,149	5,533	7,475,109
Residents in Turkey	809,495	-	951,908	4,521,205	564,043	257,225	53,149	5,533	7,162,558
Residents Abroad	24,819	-	13,248	102,178	30,014	142,292	-	-	312,551
Public Sector Deposits	42,342	-	14,276	17,755	400	-	-	-	74,773
Commercial Deposits	990,611	-	789,512	2,111,369	708,499	181,485	63,272	-	4,844,748
Other Ins. Deposits	15,380	-	77,931	677,110	77,923	2,594	10,663	-	861,601
Precious Metal Deposits	258,207	-	96,640	-	-	-	-	-	354,847
Bank Deposits	36,748	-	167,388	55,465	7,190	19,423	-	-	286,214
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2,306	-	11,174	1,718	4,176	4,139	-	-	23,513
Foreign Banks	30,950	-	156,214	53,747	3,014	15,284	-	-	259,209
Participation Banks	3,492	-	-	-	-	-	-	-	3,492
Other	-	-	-	-	-	-	-	-	-
Total	2,718,796	-	2,803,640	19,621,187	3,119,398	847,503	143,613	21,433	29,275,570

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1.1. Information on savings deposits insured by Saving Deposit Insurance Fund and the total amount of the deposits exceeding the insurance coverage limit

	Covered by Deposit Insurance Fund		Exceeding the Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	4,575,649	4,398,629	9,063,845	10,973,995
Foreign Currency Savings Deposits	821,831	779,577	4,068,882	3,612,679
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	5,397,480	5,178,206	13,132,727	14,586,674

1.2. Savings deposits in Turkey are not covered under insurance in another country since the headquarter of the Bank is not located abroad.

1.3. Savings deposits that are not covered under the guarantee of deposit insurance fund

	Current Period	Prior Period
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close family members	-	-
Deposits of chairman and members of the Board of Directors and their close family members	-	-
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004	-	-
Saving deposits in banks established in Turkey exclusively for off-shore banking activities	5,709	18,979
Total	5,709	18,979

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	33,140	-	95,651	-
Swaps	325,612	92,435	736,943	103,602
Futures	-	8,683	-	2,138
Options	-	23,072	78	108,978
Other	-	5,238	-	625
Total	358,752	129,428	832,672	215,343

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3. Information on funds borrowed

3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans	-	-	-	-
Domestic Bank and Institutions	77,649	84,551	75,321	121,886
Foreign Bank, Institutions and Funds	-	1,856,007	-	2,423,896
Total	77,649	1,940,558	75,321	2,545,782

b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	77,649	1,465,678	75,321	1,947,823
Medium and Long-Term	-	474,880	-	597,959
Total	77,649	1,940,558	75,321	2,545,782

In accordance with the Board of Directors' decision dated February 23, 2005 numbered 41, the Bank obtained a securitization loan amounting to USD 500 million with seven years maturity, quarterly floating interest payment and no principal payment for three years from abroad on March 15, 2005 via special purpose entities (SPEs). The aforementioned amount was paid back on February 15, 2012.

As of March 24, 2006, with the Board of Directors' decision dated March 20, 2006 numbered 59, the Bank obtained a loan amounting to USD 220 million with 5 years and 7 years maturities and semi-annually floating interest rate via SPE's. The loan amounting to USD 110 million with 5 years maturity has been paid back on March 24, 2011.

The Bank extended the maturity of USD 220.5 million and EUR 210.8 million portion of the syndicated loan in line with the Board of Directors' decision No: 240 dated November 25, 2010, for one year as of December 1, 2011.

c) Additional information on concentrations of the Bank's liabilities

As of September 30, 2012, the Bank's liabilities comprise; 62% deposits (December 31, 2011 – 63%), 7% funds borrowed (December 31, 2011 – 9%) and 5% funds provided under repurchase agreements (December 31, 2011 – 3%).

4. Information on funds provided under repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	1,892,465	-	814,133	-
Financial institutions and organizations	1,880,040	-	789,989	-
Other institutions and organizations	5,174	-	9,098	-
Real persons	7,251	-	15,046	-
From foreign transactions	3,310	768,154	535	552,135
Financial institutions and organizations	-	768,154	-	552,135
Other institutions and organizations	3,186	-	333	-
Real persons	124	-	202	-
Total	1,895,775	768,154	814,668	552,135

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5. Information on securities issued (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	1,698,911	-	268,023	-
Bills	-	885,693	-	989,875
Total	1,698,911	885,693	268,023	989,875

During the current period, the Bank has issued bonds with TL 400,000 nominal value, 10.47% interest rate and 6 months maturity on May 11, 2012 and bonds with TL 700,000 nominal value, 10.72% interest rate and 6 months maturity on June 11, 2012 and bonds with TL 400,000 nominal value, 10.00% interest rate and 6 months maturity on September 17, 2012 and bonds with TL 500,000 nominal value, 9.60% interest rate and 6 months maturity on September 24, 2012.

6. If other liabilities account exceeds 10% of total liabilities excluding the off-balance sheet items, information given about components of other liabilities account that exceeds 20% of the individual liability item in the unconsolidated balance sheet

Other liabilities account does not exceed 10% of total liabilities excluding the off-balance sheet items. (December 31, 2011 - does not exceed).

7. Criteria used in the determination of lease installments in the financial lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts

Interest rate and cash flow of the Bank are the main criteria which are taken into consideration determination of payment plans in the leasing contracts.

7.1. Changes in agreements and further commitments arising

No changes have been made to the leasing agreements in the current period (December 31, 2011- None).

7.2. Financial Lease Payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	2,854	2,575	8,482	7,799
Between 1 - 4 years	65	59	1,625	1,495
More than 4 years	-	-	-	-
Total	2,919	2,634	10,107	9,294

7.3. Information on operational lease

Operational lease payments are recognized as an expense in the income statement on a straight-line basis over the lease terms.

7.4. Information on "Sale -and- lease back" agreements

The Bank does not have any sale-and-lease back transactions in the current period (December 31, 2011- None).

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8. Information on liabilities arising from hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge ^(*)	140,410	126,312	30,334	124,258
Cash Flow Hedge ^(**)	50,343	-	34,325	-
Net Investment Hedge	-	-	-	-
Total	190,753	126,312	64,659	124,258

^(*)Derivative financial instruments for hedging purposes include swaps. As of September 30, 2012, TL 137,458 (December 31, 2011 – TL 30,334) represents the fair value of derivatives which are the hedging instruments of hedged loan portfolio. TL 129,264 (December 31, 2011 – TL 124,258) represents the fair value of derivatives which are the hedging instruments of hedged investment securities available for sale portfolio.

^(**)Represents the fair values of derivatives which are the hedging instruments of deposits' cash flow risk.

9. Information on provisions

9.1. Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	406,728	286,073
-Additional Provision for Loans and Receivables with Extended Maturities	26,827	9,762
Provisions for Loans and Receivables in Group II	61,981	34,212
-Additional Provision for Loans and Receivables with Extended Maturities	26,110	5,849
Provisions for Non - Cash Loans	57,914	50,771
Other	30,693	29,385
Total	557,316	400,441

As of September 30, 2012 loans and receivables amounting to TL 405,198 is extended up to 1 year and TL 927,992 is extended for 1 year and longer and rescheduled.

9.2. Provision for currency exchange gain/loss on foreign currency indexed loans

	Current Period	Prior Period
Foreign Exchange Provision for Foreign Currency Indexed Loans ^(*)	13,408	1,647

^(*) The foreign exchange provision for foreign currency indexed loans netted against "Loans and Receivables" in asset.

9.3. Specific provisions for non-cash loans that are not indemnified and converted into cash

The specific provision for non-cash loans which are related with the non-performing cash loans in arrears or the loans which were written off from balance sheet is TL 52,688 (December 31, 2011 - TL 59,210).

9.4. Information on employee termination benefits and unused vacation accrual

The Bank has calculated reserve for employee termination benefits by using actuarial valuations as set out in TAS 19 and reflected these accompanying financial statements.

As of September 30, 2012, TL 28,866 (December 31, 2011 - TL 30,943) reserve for employee termination benefits was provided in the accompanying financial statements.

As of September 30, 2012, the Bank accrued TL 17,199 (December 31, 2011 – TL 16,603) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of September 30, 2012, TL 55,969 (December 31, 2011- TL 45,320) bonus and premium provisions have been provided under reserve for employee benefits account in the accompanying financial statements.

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9.4.1. Movement of employee termination benefits

	Current Period 01.01-30.09.2012	Prior Period 01.01-30.09.2011
As of January 1	30,943	25,086
Service Cost	6,769	7,349
Interest Cost	3,492	2,073
Paid during the period	(12,338)	(8,050)
Total	28,866	26,458

9.5. Information on other provisions

9.5.1. Information on free reserves for possible loan losses

	Current Period	Prior Period
Free Reserves for Possible Loan Losses	93,590	63,702

As of September 30, 2012, the Bank has provided provision for possible losses that could arise for loans in the watch list, considering their recovery rates.

9.5.2 Information on other provisions

Apart from the information provided in 9.3 and 9.5.1, the other provisions are given below as follows:

	Current Period	Prior Period
Provision for Promotion Expenses of Credit Cards	13,858	13,832
Other Provisions	26,070	25,797
Total	39,928	39,629

10. Taxation

10.1. Current taxes

10.1.1. Current tax liability

As of September 30, 2012, the Bank has current tax liability of TL 282,672 (December 31, 2011 - TL 210,153) and advance taxes of TL 173,726 (December 31, 2011 - TL 135,303). The current tax liability and advance taxes are presented by net basis in the accompanying financial statements.

10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	108,946	74,850
Banking and Insurance Transaction Tax (BITT)	32,057	29,863
Taxation on Securities Income	31,960	31,977
Taxation on Real Estates Income	2,132	1,210
Other	11,140	18,645
Total	186,235	156,545

The "Corporate Taxes Payable" balance is presented in the "Current Tax Liability" account and other taxes are presented in the "Other Liabilities" account in the accompanying unconsolidated financial statements.

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10.1.3. Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	10,352	9,036
Social Security Premiums - Employer Share	10,747	9,549
Unemployment Insurance - Employee Share	727	635
Unemployment Insurance - Employer Share	1,455	1,269
Total	23,281	20,489

10.1.4. Information on deferred tax liabilities

As of September 30, 2012, deferred tax liability amounting to TL 16,978 has been disclosed in the accompanying financial statements (December 31, 2011 - TL 28,869).

According to the TAS 12, the deferred tax assets and liabilities are netted off in the accompanying financial statements after netting off with each other. As of September 30, 2012 the Bank has presented the net amount of deferred tax asset TL 107,137 (December 31, 2011 –TL 82,824) and deferred tax liability of TL 124,115 (December 31, 2011 –TL 111,693) in the accompanying financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

In cases whereby such differences are related with certain items under the shareholders' equity accounts, the deferred tax benefits/charges are netted under these accounts. The deferred tax asset amounting to TL 10,031 (December 31, 2011 –TL 56,653 deferred tax asset) is netted under "Securities Value Increase Fund" account in the equity.

	Temporary Differences		Deferred Tax Asset / (Liability)	
	Sep. 30, 2012	Dec. 31, 2011	Sep. 30, 2012	Dec. 31, 2011
Reserve for Employee Benefits	102,034	92,866	20,407	18,573
The differences between carrying and taxable amounts of financial asset	248,052	307,421	49,610	61,484
Other	185,598	13,832	37,120	2,767
Deferred Tax Asset			107,137	82,824
The differences between carrying and taxable amounts of tangible assets	(99,548)	(105,296)	(19,910)	(21,059)
The differences between carrying and taxable amounts of financial assets	(430,609)	(372,845)	(86,122)	(74,569)
Other	(90,416)	(80,325)	(18,083)	(16,065)
Deferred Tax Liability			(124,115)	(111,693)
Deferred Tax Asset / (Liability), Net			(16,978)	(28,869)

	Current Period 01.01-30.09.2012	Prior Period 01.01-30.09.2011
Deferred Tax Asset/ (Liability) as of January 1 (Net)	(28,869)	(75,673)
Deferred Tax (Charge) / Benefit	78,575	(51,858)
Deferred Tax Items accounted for under the equity	(66,684)	81,209
Deferred Tax Asset/ (Liability) as of September 30, 2012 (Net)	(16,978)	(46,322)

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11. Information on payables related to assets held for sale

None (December 31, 2011 – None).

12. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	1,647,670	-	1,742,641
From Other Foreign Institutions	-	-	-	-
Total	-	1,647,670	-	1,742,641

The Bank received USD 650 million of subordinated loans during 2008 and USD 325 million of subordinated loans during 2009 from its main shareholder, National Bank of Greece S.A. The maturity of the loan is 10 years with semi-annual interest payments and principle payment at maturity. There is a re-payment option at the end of the 5th year. In addition, interest is paid every six months and principal payment will be realized at maturity. The loan amounting to USD 325 million which was received in 2008 is closed in 2010 to be used in capital increase. In addition, the Bank received USD 260 million subordinated loan in the prior period from National Bank of Greece S.A.

13. Information on shareholder's equity

13.1. Paid-in capital

	Current Period	Prior Period
Common Stock	2,565,000	2,440,000
Preferred Stock	-	-

13.2. Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so the amount of registered share capital

Capital System	Paid-in Capital	Ceiling
Registered Capital System	2,565,000	6,000,000

13.3. Information on share capital increases and their sources; other information on any increase in capital shares during the current period

Increase Date	Increase Amount	Cash Amount	Profit Reserves Subject to Increase	Capital Reserves Subject to Increase
June 13, 2012	125,000	-	125,000	-

13.4. Information on share capital increases from revaluation funds

None (December 31, 2011 – None).

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13.5. Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments

The Bank does not have any capital commitments, all of the capital is fully paid-in.

13.6. Prior periods' indicators related with the Bank's income, profit and liquidity and the possible effects of the uncertainties in these indicators on the Bank's equity

None (December 31, 2011 – None).

13.7. Information on the privileges given to stocks representing the capital

The Bank has 100 founder shares stated in the Articles of Association. The profit distribution of the Bank is calculated in accordance with prevailing statutory regulations and its Article of Association. According to the these regulations, after deducting the statutory and fiscal obligations of the Bank, five percent of the remaining net income is appropriated as legal reserves, five percent of the paid in capital might be distributed to shareholders as first dividend and ten percent of the remaining net profit might be distributed to founder shares. Moreover, additional ten percent legal reserve is provided from the dividends distributed to founder shares.

14. Common stock issue premiums, shares and equity instruments

	Current Period	Prior Period
Number of Stocks (Thousands)	25,650,000	24,400,000
Preferred Capital Stock	-	-
Common Stock Issue Premiums (*)	714	714
Common Stock Withdrawal Profits	-	-
Other Capital Instruments	-	-

(*) Due to the Bank's capital increase at the prior periods, common stock issue premiums accounted amounting to TL 714.

15. Securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control	166,832	-	152,581	-
Valuation Difference	166,832	-	152,581	-
Foreign Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	49,150	(35,112)	(99,267)	(153,106)
Valuation Difference	49,150	(35,112)	(99,267)	(153,106)
Foreign Exchange Rate Difference	-	-	-	-
Total	215,982	(35,112)	53,314	(153,106)

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16. Accrued interest and expenses

The details of accrued interest and expenses allocated to the related items on the liability side of the balance sheet are as follows:

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	110,986	21,686	136,692	26,820
Derivative Financial Liabilities Held for Trading	358,752	129,428	832,672	215,343
Funds Borrowed	1,575	36,579	1,424	25,317
Money Market Borrowings	2,157	516	642	587
Derivative Financial Liabilities Held for Hedging Purposes	190,753	126,312	64,659	124,258
Other Accruals	38,991	64,666	23,960	47,546
Total	703,214	379,187	1,060,049	439,871

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SECTION FIVE

III. EXPLANATIONS AND DISCLOSURES RELATED TO OFF-BALANCE SHEET ITEMS

1. Information related to off-balance sheet contingencies

1.1. Type and amount of irrevocable commitments

	Current Period	Prior Period
Letters of Guarantee in FC	1,517,666	1,791,107
Letters of Guarantee in TL	3,754,053	3,423,939
Letters of Credit	622,503	688,611
Bank Loans	732,144	1,048,329
Other Guarantees	24,047	33,672
Total	6,650,413	6,985,658

1.2. Type and amount of possible losses from off-balance sheet items

Specific provision is provided for the non-cash loans amounting to TL 52,688 (December 31, 2011 - TL 59,210) followed in the off-balance sheet accounts that are not indemnified and liquidated yet.

1.3. Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Provisional Letters of Guarantee	391,616	395,780
Final Letters of Guarantee	3,506,110	3,826,420
Advance Letters of Guarantee	157,980	172,828
Letters of Guarantee Given to Customs Offices	205,976	202,919
Other Letters of Guarantee	1,010,037	617,099
Total	5,271,719	5,215,046

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	336,562	383,661
Less Than or Equal to One Year with Original Maturity	28,765	23,877
More Than One Year with Original Maturity	307,797	359,784
Other Non-Cash Loans	6,313,851	6,601,997
Total	6,650,413	6,985,658

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3. Information on risk concentration in sector terms in non-cash loans

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	14,626	0.39	5,050	0.18	11,480	0.33	4,632	0.13
Farming and Raising Livestock	12,725	0.34	1,622	0.06	10,074	0.29	1,454	0.04
Forestry	624	0.02	-	-	624	0.02	-	-
Fishing	1,277	0.03	3,428	0.12	782	0.02	3,178	0.09
Manufacturing	693,035	18.42	1,363,212	47.61	628,915	18.19	1,624,198	46.47
Mining and Quarrying	21,927	0.58	198	0.01	20,112	0.58	492	0.01
Production	598,520	15.90	1,275,912	44.56	531,089	15.36	1,509,406	43.19
Electricity, gas and water	72,588	1.93	87,102	3.04	77,714	2.25	114,300	3.27
Construction	981,362	26.08	402,618	14.06	848,019	24.53	572,361	16.38
Services	2,025,855	53.83	1,079,268	37.70	1,918,313	55.48	1,276,181	36.53
Wholesale and Retail Trade	1,196,187	31.79	668,161	23.34	1,185,470	34.27	721,489	20.65
Hotel, Food and Beverage Services	33,896	0.90	15,868	0.55	24,926	0.72	4,368	0.12
Transportation&Communication	103,736	2.76	128,813	4.50	68,698	1.99	150,092	4.30
Financial Institutions	419,748	11.15	233,322	8.15	373,121	10.79	312,094	8.93
Real Estate and Renting Services	5,684	0.15	7,817	0.27	5,719	0.17	2,138	0.06
Self Employment Services	86,936	2.31	17,227	0.60	80,738	2.34	11,707	0.34
Educational Services	1,424	0.04	7	0.00	1,606	0.05	-	-
Health and Social Services	178,244	4.74	8,053	0.28	178,035	5.15	74,293	2.13
Other (*)	48,395	1.29	12,945	0.45	50,779	1.47	17,108	0.49
Total	3,763,273	100.00	2,863,093	100.00	3,457,506	100.00	3,494,480	100.00

(*) Does not include foreign currency balance of "Other Guarantees" amounting to TL 24,047 (December 31, 2011 - TL 33,672).

4. Information on non-cash loans classified in first and second groups (*)

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	3,552,159	1,405,230	175,110	86,532
Bills of Exchange and Acceptances	9,220	718,315	-	4,609
Letters of Credit	-	621,775	-	728
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	24,047	-	-
Non-cash Loans	3,561,379	2,769,367	175,110	91,869

(*) Does not include non-cash loans amounting to TL 52,688, for which provision is provided, but which are not indemnified and not liquidated yet.

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5. Information on derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	43,385,721	51,436,445
Forward transactions(*)	5,793,741	10,797,217
Swap transactions	26,833,289	29,627,163
Futures transactions	266,359	216,141
Option transactions	10,492,332	10,795,924
Interest Related Derivative Transactions (II)	5,617,510	5,074,107
Forward rate transactions	-	-
Interest rate swap transactions	5,439,924	4,882,341
Interest option transactions	-	40,000
Futures interest transactions	177,586	151,766
Security option transactions	-	-
Other trading derivative transactions (III)	-	-
A.Total Trading Derivative Transactions (I+II+III)	49,003,231	56,510,552
Types of hedging transactions		
Fair value hedges	18,936,297	17,252,307
Cash flow hedges	859,615	1,062,475
Net investment hedges	-	-
B.Total Hedging Related Derivatives	19,795,912	18,314,782
Total Derivative Transactions (A+B)	68,799,143	74,825,334

(*) This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

5.1 Fair value hedge accounting

a) Loans

The Bank enters into swap transactions in order to hedge itself from the changes in the fair value due to the changes in market interest rates of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. As of balance sheet date; the mortgage loans amounting to TL 5,631,813 (December 31, 2011 – TL 4,357,337) were subject to hedge accounting by swaps with the nominal values of TL 8,253,742 (December 31, 2011 – TL 6,528,617). In 2012, the net market valuation difference gain amounting to TL 10,852 due to the gains from loans amounting to TL 153,412 (September 30, 2011 – TL 272,262 gain) and losses from swaps amounting to TL 142,560 (September 30, 2011 – TL 249,109 loss) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through income statement until the maturity of the hedged loans. The Bank has booked the valuation effect amounting to TL 46,740 (September 30, 2011 – TL 69,434) related to the loans that are ineffective for hedge accounting under “gains / (losses) from financial derivatives transactions” as loss during the current period.

b) Investment securities available for sale

The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term foreign currency Eurobonds with fixed coupon held by the Bank using swaps as hedging instruments. As at the balance sheet date; Eurobonds with the nominal values of USD 273 million and EUR 26 million (December 31, 2011 – USD 214 million and EUR 26 million) were subject to hedge accounting by interest rate swaps with the same nominal value. In 2012, the net market valuation difference gain

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amounting to TL 300 due to gains from Eurobonds amounting to TL 4,780 (September 30, 2011 – TL 107,545 gain) and losses from swaps amounting to TL 4,480 (September 30, 2011 – TL 107,452 loss) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term TL government bonds with fixed coupon held by the Bank using swaps as hedging instruments. As at the balance sheet date; government bonds with the nominal values of TL 198,305 (December 31, 2011 – TL 102,030) were subject to hedge accounting by swaps with the same nominal value. In 2012, the net market valuation difference loss amounting to TL 485 due to gain from government bonds amounting to TL 9,063 (September 30, 2011 – 14,190 gain) and loss from swaps amounting to TL 9,548 (September 30, 2011 - 15,866 loss) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

c) Bonds issued

The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to foreign currency bonds issued by the Bank using interest rate swaps as hedging instruments. As at the balance sheet date; bonds with the nominal values of USD 484 million (December 31, 2011 – USD 497 million) were subject to hedge accounting by swaps with the same nominal value. As of September 30, 2012 net market valuation difference loss amounting to TL 64 due to losses from government bonds amounting to TL 6,394 (September 30, 2011 – TL 40,672) and gains from swaps amounting to TL 6,330 (September 30, 2011 – TL 40,976) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

5.2 Cash flow hedge accounting

a) Deposit

To avoid from the interest rate changes of deposits that have an average maturity of 1 month, the Bank implements cash flow hedge accounting with interest rate swaps. The Bank implements efficiency tests at the balance sheet dates for hedging purposes; the effective portions are accounting for under equity “Hedging Funds”, whereas the amount concerning ineffective portions are accounted for at income statement as defined in TAS 39. As at the balance sheet date, swaps amounting to TL 429,807 are subject to hedge accounting as hedging instruments (December 31, 2011 – TL 531,238). As a result of the mentioned hedge accounting, fair value gain before taxes amounting to TL 7,454 are accounted for under equity during the current period (September 30, 2011 – TL 12,762). The losses amounting to TL 1,570 (September 30, 2011 – TL 1,547) concerning for the ineffective portions are accounted for at the income statement.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. Effective parts classified under equity due to hedge accounting are amortized through income statement until the maturity of swaps in case of ineffectiveness. The Bank transferred loss amounting to TL 4,107 from equity to income statement due to swaps that are matured or whose effectiveness is deteriorated during the current period (September 30, 2011 – TL 3,279 loss).

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As of September 30, 2012, breakdown of the Bank's foreign currency forward and swap and interest rate swap transactions based on currencies are disclosed below in their TL equivalents:

	Forward Buy ^(*)	Forward Sell ^(**)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Future Buy	Future Sell
Current Period								
TL	1,146,231	1,166,305	9,496,278	13,955,036	2,527,464	2,693,922	21,557	25,618
USD	1,093,872	1,090,949	15,529,334	10,715,834	1,868,163	1,712,927	195,755	195,756
EURO	559,572	520,462	581,108	1,041,586	711,207	683,625	4,635	624
Other	104,044	112,306	39,316	710,633	176,758	118,266	-	-
Total	2,903,719	2,890,022	25,646,036	26,423,089	5,283,592	5,208,740	221,947	221,998

(*) This column also includes hedging purpose derivatives.

(**) This column also includes Forward Asset Purchase Commitments accounted for under Commitments

	Forward Buy ^(*)	Forward Sell ^(**)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Future Buy	Future Sell
Prior Period								
TL	2,374,243	921,879	8,255,880	14,523,450	2,207,494	2,307,411	2,667	4,045
USD	1,595,058	2,783,388	16,864,863	10,533,469	1,771,968	1,869,700	179,345	179,344
EURO	1,189,871	1,471,895	1,018,986	1,265,307	1,103,534	850,095	1,929	577
Other	231,329	229,554	181,456	180,875	371,215	354,507	-	-
Total	5,390,501	5,406,716	26,321,185	26,503,101	5,454,211	5,381,713	183,941	183,966

(*) This column also includes hedging purpose derivatives.

(**) This column also includes Forward Asset Purchase Commitments and accounted for under Commitments.

As of September 30, 2012, the Bank has no derivative transactions for hedge of net investment.

6. Information on contingent liabilities and assets

None (December 31, 2011 – None).

7. Information on the services in the name and account of third parties

The Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

8. Information on the Bank's rating by international rating institutions

MOODY's July 2012		FITCH April 2012		CI August 2012	
Long-Term Deposit Rating (FC)	Ba2	Long-Term Foreign Curr.	BBB-	Long-Term Foreign Curr.	BB
Long-Term Deposit Rating (TL)	Ba1	Short-Term Foreign Curr.	F3	Short-Term Foreign Curr.	B
Short-Term Deposit Rating (TL)	NP	Long-term TL	BBB-	Financial strength at local	BBB+
Financial Strength	D+	Short-term TL	F3	market	
		Long-term National	AAA (tur)	Support	3
		Individual	3		
		Support	bbb-		

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SECTION FIVE

IV. EXPLANATIONS AND DISCLOSURES RELATED TO THE INCOME STATEMENT

1. a) Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans				
Short-Term Loans	2,106,909	46,160	1,614,022	36,687
Medium and Long-Term Loans	1,354,675	96,178	1,176,900	74,654
Non-Performing Loans	73,156	-	71,080	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	3,534,740	142,338	2,862,002	111,341

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	229	-	-
Domestic Banks	730	6	178	68
Foreign Banks	468	164	764	1,945
Foreign Headquarters and Branches	-	-	-	-
Total	1,198	400	942	2,013

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	8,675	404	3,115	214
Financial Assets at FVTPL	-	-	608	-
Investment Securities Available for Sale	396,066	36,827	274,604	38,542
Investment Securities Held to Maturity	-	-	-	-
Total	404,741	37,231	278,327	38,756

d) Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	952	2,328

2. a) Information on interest expense related to funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	4,203	97,874	14,893	96,165
T.R. Central Bank	-	-	-	-
Domestic Banks	4,203	1,972	4,760	2,732
Foreign Banks	-	95,902	10,133	93,433
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	4,203	97,874	14,893	96,165

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b) Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	24,214	24,811

c) Information on interest expense paid to securities issued

TL bonds of the Bank issued on November 2, 2011 with TL 150,000 nominal value and on November 30, 2011 with TL 200,000 nominal value are amortized during the current period. Besides, the Bank has issued bonds with TL 400,000 nominal value, 10.47% interest rate and 6 months maturity on May 11, 2012, bonds with TL 700,000 nominal value, 10.72% interest rate and 6 months maturity on June 11, 2012 bonds with TL 400,000 nominal value, 10.00% interest rate and 6 months maturity on September 17, 2012 and bonds with TL 500,000 nominal value, 9.60% interest rate and 6 months maturity on September 24, 2012 (September 30, 2011-None).

d) Information on maturity structure of interest expenses on deposits

Current Period		Time Deposits					Accumulated Deposit Account	Total
Account	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Lira								
Bank Deposits	-	5,458	5,703	4,329	-	183	-	15,673
Saving Deposits	5	114,532	828,777	175,531	21,369	1,442	1,248	1,142,904
Public Sector Deposits	-	853	3,533	331	8	-	-	4,725
Commercial Deposits	2	90,916	192,974	49,542	10,826	3,582	-	347,842
Other Deposits	-	1,369	48,929	15,135	127	434	-	65,994
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	7	213,128	1,079,916	244,868	32,330	5,641	1,248	1,577,138
Foreign Currency								
Deposits	-	30,307	147,129	22,582	7,972	301	462	208,753
Bank Deposits	114	743	5,886	1,017	63	252	-	8,075
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	624	3	-	-	627
Total	114	31,050	153,015	24,223	8,038	553	462	217,455
Grand Total	121	244,178	1,232,931	269,091	40,368	6,194	1,710	1,794,593

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Information on maturity structure of interest expense on deposits

Prior Period		Time Deposits					Accumulated Deposit Account	Total
Account	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Lira								
Bank Deposits	-	346	11,858	-	220	881	-	13,305
Saving Deposits	7	68,054	633,214	96,552	12,547	401	509	811,284
Public Sector Deposits	-	270	7,577	409	-	-	-	8,256
Commercial Deposits	2	74,024	230,557	38,804	20,840	1,713	-	365,940
Other Deposits	-	1,381	51,108	5,792	446	393	-	59,120
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	9	144,075	934,314	141,557	34,053	3,388	509	1,257,905
Foreign Currency								
Deposits	5	27,606	122,638	13,099	7,154	1,366	157	172,025
Bank Deposits	80	248	4,965	1,086	-	-	-	6,379
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	316	-	-	-	-	-	316
Total	85	28,170	127,603	14,185	7,154	1,366	157	178,720
Grand Total	94	172,245	1,061,917	155,742	41,207	5,263	157	1,436,625

e) Information on interest expense on repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expense on Repurchase Agreements (*)	83,812	5,190	78,105	3,565

(*) Disclosed in "Interest on Money Market Transactions".

f) Information on finance lease expenses

	Current Period	Prior Period
Finance Lease Expenses	702	331

g) Information on interest expense on factoring payables

None (September 30, 2011 – None).

3. Information on dividend income

	Current Period	Prior Period
Financial Assets Held for Trading	-	-
Financial Assets at Fair Value Through Profit or Loss	143	-
Financial Assets Available for Sale	19	101
Other	8,600	8,208
Total	8,762	8,309

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4. Information on trading income/loss

	Current Period	Prior Period
Trading Income	3,914,460	5,845,591
Gains on Capital Market Operations	90,874	141,927
Derivative Financial Instruments	1,533,203	2,167,730
Foreign Exchange Gains	2,290,383	3,535,934
Trading Loss (-)	4,182,253	5,983,236
Losses on Capital Market Operations	30,242	47,882
Derivative Financial Instruments	1,855,345	2,331,566
Foreign Exchange Losses	2,296,666	3,603,788
Net Trading Income/Loss	(267,793)	(137,645)

5. Information on other operating income

The Bank recorded the current year collections from loans written off in the previous period, portfolio management fees and commissions and expense accruals in "Other Operating Income" account.

6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	377,665	91,302
Loans and Receivables in Group III	45,923	(75,623)
Loans and Receivables in Group IV	80,461	(92,052)
Loans and Receivables in Group V	251,281	258,977
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	156,875	130,575
Provision Expenses for Possible Losses	29,888	-
Impairment Losses on Securities	11	67
Financial assets at fair value through profit or loss	-	67
Investment securities available for sale	11	-
Impairment Losses on Associates, Subsidiaries and		
Investment Securities Held-to-Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
Other	4,137	6,123
Total	568,576	228,067

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7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	538,634	510,647
Reserve for employee termination benefits	-	1,372
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation charge of tangible assets	67,912	60,287
Impairment losses on intangible assets	-	-
Impairment losses on goodwill	-	-
Amortization charge of intangible assets	39,791	29,250
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed of	1	5
Depreciation on assets to be disposed	1,765	1,755
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	446,882	393,487
Operational lease related expenses	101,587	86,924
Repair and maintenance expenses	37,722	32,242
Advertisement expenses	61,593	39,669
Other expenses	245,980	234,652
Losses on sales of assets	1,023	683
Other	179,851	158,902
Total	1,275,859	1,156,388

8. Information on profit/loss from continued and discontinued operations before taxes

For the period ended September 30, 2012, net interest income of TL 2,071,893 (September 30, 2011 – TL 1,643,884), net fees and commission income of TL 766,832 (September 30, 2011 – TL 568,639) and other operating income of TL 143,096 (September 30, 2011 – TL 114,478) constitute an important part of the income.

9. Explanations on tax provision for continued and discontinued operations

9.1. Current period taxation benefit or charge and deferred tax benefit or charge

As of September 30, 2012, the Bank recorded current tax charge of TL 296,996 (September 30, 2011 – TL 151,755) and a deferred tax benefit of TL 78,575 (September 30, 2011 – TL 51,858 deferred tax charge) from its continuing operations.

9.2. Explanations on operating profit/loss after taxes

None (September 30, 2011 – None).

10. Explanations on net profit/(loss) from continued and discontinued operations

Net profit of the Bank from continued operations is TL 659,934 (September 30, 2011 – TL 609,597).

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11. Explanations on net income/loss for the period

11.1. The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for a complete understanding of the Bank's performance for the period

None (September 30, 2011 – None).

11.2. There is no material effect of changes in accounting estimates on income statement for the current and for subsequent periods.

11.3. There is no profit or loss attributable to minority shares.

11.4. There are no changes in the nature and amount of accounting estimates, which have a material effect on current period or expected to have a material effect on subsequent periods.

12. Information on the components of other items in the income statement exceeding 10% of the total, or items that comprise at least 20% of the income statement

Fees and commissions from credit cards, transfers and insurance intermediaries are recorded in the “Others” line under “Fees and Commissions Received” account, while fees and commissions given to credit cards are recorded in the “Others” line under “Fees and Commissions Paid” account by the Bank.

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V. EXPLANATIONS AND DISCLOSURES RELATED TO CASH FLOWS STATEMENT

1. Information regarding the balances of cash and cash equivalents at the beginning of the period

	Current Period	Prior Period
	January 1, 2012	January 1, 2011
Cash	518,772	425,536
Cash in TL	320,851	222,979
Cash in Foreign Currencies	184,673	177,028
Other	13,248	25,529
Cash Equivalents	2,389,971	2,154,200
Balances with the T.R. Central Bank	480,213	1,968,847
Banks	829,462	191,503
Money Market Placements	1,091,322	-
Less: Placements with Banks with Maturities		
Longer than 3 Months	(10,428)	(4,322)
Less: Accruals	(598)	(1,828)
Cash and Cash Equivalents	2,908,743	2,579,736

2. Information regarding the balances of cash and cash equivalents at the end of the period

	Current Period	Prior Period
	September 30, 2012	September 30, 2011
Cash	519,312	485,659
Cash in TL	333,116	288,390
Cash in Foreign Currencies	168,248	152,518
Other	17,948	44,751
Cash Equivalents	632,238	3,038,608
Balances with the T.R. Central Bank	468,425	2,879,084
Banks	163,816	169,975
Money Market Placements	-	-
Less: Placements with Banks with Maturities		
Longer than 3 Months	-	(10,209)
Less: Accruals	(3)	(242)
Cash and Cash Equivalents	1,151,550	3,524,267

3. Restricted cash and cash equivalents due to legal requirements or other reasons

Foreign bank balances include TL 6 (December 31, 2011- TL 59,921) of cash blocked at foreign banks held for transactions made for foreign money markets and capital markets and borrowings from foreign markets.

4. Additional information

4.1. Restrictions on the Bank's potential borrowings that can be used for ordinary operations or capital commitment

None.

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SECTION FIVE

VI. EXPLANATIONS AND DISCLOSURES RELATED TO THE BANK'S RISK GROUP

1. Information on the volume of transactions with the Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period

- 1.1.** As of September 30, 2012, the Bank's risk group has deposits, cash and non-cash loans at the Bank amounting to TL 341,848 (December 31, 2011 - TL 373,748), TL 109,452 (December 31, 2011 - TL 89,888) and TL 36,800 (December 31, 2011 - TL 10,584) respectively.

Current Period

Bank's Risk Group ^(*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group ^(**)	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	55,015	7,510	-	3,072	34,873	2
Balance at the End of the Period	76,921	16,928	-	19,872	32,531	-
Interest and Commission Income	952	20	-	24	1,695	-

Prior Period

Bank's Risk Group ^(*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group ^(**)	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	44,247	45,916	-	48,794	29,061	2
Balance at the End of the Period	55,015	7,510	-	3,072	34,873	2
Interest and Commission Income	2,328	28	-	9	1,746	-

^(*) As described in the Article 49 of Banking Law No 5411.

^(**) Includes the loans given to the Bank's indirect subsidiaries.

1.2. Information on deposits held by the Bank's risk group

Bank's Risk Group ^(*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group ^(**)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	340,624	447,922	31,009	1,707	2,115	98,388
Balance at the End of the Period	309,177	340,624	23,303	31,009	9,368	2,115
Interest on deposits	24,214	24,811	-	56	-	679

^(*) As described in the Article 49 of Banking Law No 5411.

^(**) Includes the deposits taken to the Bank's indirect subsidiaries.

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1.3. Information on forward and option agreements and similar agreements made with the Bank's risk group

Bank's Risk Group ^(*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group ^(**)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading Purposes						
Beginning of the Period	15,581	-	34,165	817,073	28,702	246,559
End of the Period	26,598	15,581	375,622	34,165	6,121	28,702
Total Income/Loss ^(***)	-	-	-	-	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss ^(***)	-	-	-	-	-	-

^(*) As described in the Article 49 of Banking Law No 5411.

^(**) Includes the derivative transactions between the Bank's indirect subsidiaries.

^(***) Profit and loss amounts of transactions for trading purposes made with risk group cannot be differentiated in total profit and loss accounts.

- 1.4.** As of September 30 2012, the total amount of remuneration and bonuses paid to top management of the Bank is TL 27,569 (September 30, 2011- TL 20,897).

2. Disclosures of transactions with the Bank's risk group

2.1. Relations with entities in the risk group of / or controlled by the Bank regardless of the nature of relationship among the parties

Transactions with the risk group are made on an arms-length basis; terms are set according to the market conditions and in compliance with the Banking Law.

2.2 In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other

As of September 30, 2012, cash loans of the risk group represented 0.3% of the Bank's total cash loans (December 31, 2011 - 0.3%), the deposits represented 1.1% of the Bank's total deposits (December 31, 2011 - 1.3%) and derivative transactions represented 1.2% of the Bank's total derivative transactions (December 31, 2011 - 0.3%).

2.3. Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agent contracts, financial lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts

The Bank enters into finance lease agreements with Finans Finansal Kiralama A.Ş. As of September 30, 2012, the Bank has net finance lease payables to Finans Finansal Kiralama A.Ş. amounting to TL 2,634 (December 31, 2011 - TL 9,294) relating with finance lease agreements.

The Bank places certain amount of its funds from time to time to Finans Portföy Yönetimi A.Ş.

The Bank has signed an agreement with Ibttech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek Sanayi ve Ticaret A.Ş. regarding research, development, advisory and improvement services.

Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., in which the Bank participated 33.33% shareholding, provides cash transfer services to the Bank.

Information about the Bank's subordinated loans obtained from National Bank of Greece is explained under Section 5, Part II. footnote 12.

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

FINANSBANK ANONİM ŞİRKETİ

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION SIX

OTHER EXPLANATIONS AND DISCLOSURES

I. Other explanations related to the Bank's operations

1. Disclosure related to subsequent events and transactions that have not been finalized yet, and their impact on the financial statements

- 1.1** On November 1, 2012, the Bank completed the sale of the bonds registered with the approval of the Capital Markets Board which were planned to be sold to individuals and corporations outside of Turkey, with a nominal of USD 350 million with 5.15% interest rate and 5 year maturity.
- 1.2** Disposal of %51 shares of Finans Emeklilik and Hayat A.Ş. to Cigna Nederland Gamma B.V is approved by Competition Authority and Undersecretariat of Treasury and the transfer of shares took place on November 9, 2012 and the transaction is completed.
- 1.3** Board of Directors of the Bank decided to seek for domestic and/or foreign corporates for the opportunities of strategic collaboration for Finans Faktoring Hizmetleri A.Ş. and Finans Finansal Kiralama A.Ş., of whose shares are owned by the Bank by 99.99% and 51.06%; respectively.
- 1.4** The public offering of the bond amounting to TL 750,000 was completed on November 13, 2012.

2. Information about effects of significant changes in foreign exchange rates after balance sheet date that would affect decision making process of users and foreign operations of the bank

There are no significant fluctuations in the currency exchange rates after the balance sheet date that would affect the analysis and decision making process of the readers of the financial statements.

3. Other matters

None.

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FINANSBANK ANONİM ŞİRKETİ

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION SEVEN

LIMITED REVIEW REPORT

I. Explanations on the Limited Review Report

The unconsolidated financial statements of the Bank have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and the limited review report dated November 14, 2012 is presented preceding the financial statements.

II. Explanations on the notes prepared by Independent Auditors

None (December 31, 2011 – None).