

# **FİNANSBANK ANONİM ŞİRKETİ**

## **INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT, UNCONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE PERIOD ENDED SEPTEMBER 30, 2014**

**(Convenience translation of unconsolidated financial statements and the  
independent auditor's review report originally issued in Turkish, See Note I.  
of Section three)**

**(Convenience translation of the independent auditor’s review report originally issued in Turkish, See Note I. of Section three)**

## **FİNANSBANK ANONİM ŞİRKETİ**

**INDEPENDENT AUDITOR’S LIMITED REVIEW REPORT  
FOR THE INTERIM PERIOD JANUARY 1 – SEPTEMBER 30, 2014**

To the Board of Directors of  
Finansbank Anonim Şirketi

We have reviewed the accompanying unconsolidated balance sheet of Finansbank Anonim Şirketi (“The Bank”) as of September 30, 2014 and the related unconsolidated statements of income, unconsolidated statement of income and expense items accounted for under shareholders’ equity, unconsolidated statement of cash flows and unconsolidated changes in shareholders’ equity for the period then ended. These financial statements are the responsibility of the Bank’s management. Our responsibility as independent auditors is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the regulations on account and booking system and accounting and independent audit principles set out as per the Banking Act No: 5411. Those principles require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to applying analytical procedures to financial data and making inquiries of the Bank’s management, and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

As of September 30, 2014, the accompanying unconsolidated financial statements include a general reserve for possible risks amounting to TL 45,500 thousands which is provided by the Bank management for the possible results of the circumstances which may arise from any changes in the economy and market conditions.

Based on our review, except for the effect of the matter referred in the preceding paragraph on the unconsolidated financial statements nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true and fair view of the financial position of Finansbank Anonim Şirketi at September 30, 2014 and of the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with Article No:37 of the Banking Act No: 5411, and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

### *Other matters:*

The unconsolidated financial statements of the Bank as of September 30, 2013 and as of and for the year ended December 31, 2013 prepared in accordance with the accounting principles and standards set out by regulations in conformity with Article No:37 of the Banking Act No. 5411 were reviewed and audited, respectively, by another independent audit firm, who in their report dated November 8, 2013 stated that nothing has come to their attention that causes them to believe that the unconsolidated financial statements of the Bank as of and for the nine months ended September 30, 2013 do not give a true and fair view of the financial position, results of operations and cash flows in accordance with accounting principles and standards set out by regulations in conformity with Article No:37 of the Banking Act No: 5411 and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles, and in their report dated February 27, 2014 expressed an unqualified opinion on the unconsolidated financial statements as of and for the year ended December 31, 2013.

**Additional paragraph for English translation:**

As explained in detail in Note I. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with Article 37 of the Banking Act No. 5411, accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of Ernst & Young Global Limited

Hatice Dilek Çilingir Köstem  
Partner in Charge, SMMM

Istanbul, October 28, 2014

**(Convenience translation of the independent auditor's review report originally issued in Turkish, See Note I. of Section three)**

**THE UNCONSOLIDATED FINANCIAL REPORT OF FINANSBANK A.Ş.  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014**

The Bank's;  
Address of the head office : Büyükdere Cad. No: 129, 34394 Mecidiyeköy / İSTANBUL  
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The unconsolidated financial report for the nine-month period ended September 30, 2014, 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
- INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT

The unconsolidated financial statements and related disclosures and footnotes for the nine-month period ended September 30, 2014, 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

**Ali Teoman Kerman**  
Member of the Board of  
Directors and Chairman of the  
Audit Committee

**Ioannis Vagionitis**  
Member of the Board of  
Directors and of the  
Audit Committee

**Temel Güzeloğlu**  
General Manager and  
Member of the  
Board of Directors

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

**Ercan Sakarya**  
Division Manager of Financial,  
Statutory Reporting and Treasury  
Control

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

Name-Surname/Title : Ercan Sakarya / Division Manager of Financial, Statutory Reporting and Treasury Control  
Phone Number : (0 212) 318 52 92  
Facsimile Number : (0 212) 318 55 78

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## 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 Borsa Istanbul (“BIST”) (formerly known as Istanbul Stock Exchange (“ISE”)) since 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, 2014, 82.23% 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.

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 <sup>(*)</sup>	Board Member	March 9, 1993	Phd
Stefanos Pantzopoulos	Board Member	October 16, 2012	Graduate
Dr. Paul Mylonas <sup>(**)</sup>	Board Member and Audit Committee Member	February 23, 2010	Phd
Ioannis Vagionitis <sup>(***)</sup>	Board Member and Audit Committee Member	January 6, 2014	Masters
Christos Alexis Komninos	Board Member	February 16, 2011	Graduate
Temel Güzeloğlu	Board Member and Managing Director	April 16, 2010	Masters
Mustafa Hamdi Gürtin	Board Member	April 16, 2010	Masters
Ali Teoman Kerman <sup>(****)</sup>	Board Member and Head of Audit Committee	April 16, 2013	Masters
Paula Hadjisotiriou	Board Member	December 16, 2013	Masters
Georgios Koutsoudakis <sup>(*****)</sup>	Board Member	July 23, 2014	Graduate
Adnan Menderes Yayla	Assistant Managing Director	May 20, 2008	Masters
Metin Karabiber	Assistant Managing Director	October 8, 2010	Graduate
Murat Şakar	Assistant Managing Director	August 1, 2008	Graduate
Köksal Çoban	Assistant Managing Director	August 19, 2008	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
Filiz Sonat	Assistant Managing Director	September 19, 2007	Graduate
Erkin Aydın	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
Halim Ersun Bilgici	Assistant Managing Director	March 15, 2013	Masters

<sup>(\*)</sup> Prof. Dr. Mustafa Aydın Aysan resigned from Audit Committee as of April 24, 2014.

<sup>(\*\*)</sup> Dr. Paul Mylonas has been appointed as a member to the Audit Committee as of January 17, 2014.

<sup>(\*\*\*)</sup> Ioannis Vagionitis has been appointed to the Audit Committee as of January 17, 2014.

<sup>(\*\*\*\*)</sup> Ali Teoman Kerman has been appointed as the Head of Audit Committee as of April 24, 2014.

<sup>(\*\*\*\*\*)</sup> Georgios Koutsoudakis has been appointed as the Board Member as of 23 July 2014.

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

#### 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.	2,331,170	82.23%	2,331,170	-
NBG Finance (Dollar) PLC	274,411	9.68%	274,411	-
NBGI Holdings B.V.	223,965	7.90%	223,965	-

According to the Board of Directors decision dated 16 September 2014, it has been decided that 100 founder shares issued to National Bank of Greece in accordance with the Bank's Articles of Association will be canceled at no cost. Subject decision will be presented for approval in the upcoming General Council meeting. 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.

(\*)According to a put option agreement between NBG and International Finance Corporation ("IFC") dated 29 March 2007, 5% of the Bank's shares have been bought from IFC by the main shareholder of the Bank, NBG, on 26 September 2014 and following the subject purchase as of 30 September 2014, NBG's share in the Bank's capital has reached to 99.81%.

#### V. Explanations on the Bank's services and activities

The Bank's activities include trade finance and corporate banking, fund management, 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, 2014, the Bank operates through 664 domestic (December 31, 2013 - 672), 1 off-shore banking (December 31, 2013 - 1) and 1 Atatürk Airport Free Trade Zone (December 31, 2013 - 1) branches.

#### VI. A short explanation on the differences between the Regulation on Preparation of Consolidated Financial Statements of Banks and the consolidation procedures required by Turkish Accounting Standards and about institutions that are subject to full consolidation, proportional consolidation, by way of deduction from capital or those that are subject to none:

The Bank's joint venture Cigna Finans Emeklilik and Hayat Anonim Şirketi is consolidated using equity method as per the Regulation on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards.

Ibtech A.Ş. and E-finans Elektronik Ticaret ve Bilişim Hizmetleri A.Ş. included in investments in associates and Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. included in entities under common control are not consolidated to consolidated financial statements as per the Regulation on Preparation of Consolidated Financial Statements of Banks since they are nonfinancial investments. Bankalararası Kart Merkezi included in subsidiaries is carried at cost and not consolidated since the Bank does not have material control and presence over it.

All other subsidiaries are fully consolidated.

#### VII. The existing or potential, actual or legal obstacles to immediate transfer of shareholders' equity between the Parent Bank and its subsidiaries and repayment of debts:

None.

## **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, 2014 (STATEMENT OF FINANCIAL POSITION)  
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)**

**I. BALANCE SHEET – ASSETS**

		Reviewed 30.09.2014			Audited 31.12.2013			
		TL	FC	Total	TL	FC	Total	
<b>I.</b>	<b>CASH AND BALANCES WITH THE CENTRAL BANK</b>	(1)	1,324,786	7,876,805	9,201,591	887,711	7,320,682	8,208,393
<b>II.</b>	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)</b>	(2)	1,347,266	150,858	1,498,124	1,376,071	253,498	1,629,5
2.1	Financial assets held for trading		1,233,201	150,858	1,384,059	1,190,997	253,498	1,444,495
2.1.1	Public sector debt securities		50,165	3,854	54,019	161,041	1,973	163,014
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Assets on trading derivatives		1,183,036	147,004	1,330,040	1,029,956	251,525	1,281,481
2.1.4	Other securities		-	-	-	-	-	-
2.2	Financial assets at fair value through profit and loss		114,065	-	114,065	185,074	-	185,074
2.2.1	Public sector debt securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans		114,065	-	114,065	185,074	-	185,074
2.2.4	Other securities		-	-	-	-	-	-
<b>III.</b>	<b>BANKS</b>	(3)	17,279	181,332	198,611	5,037	301,088	306,125
<b>IV.</b>	<b>MONEY MARKET PLACEMENTS</b>		-	-	-	-	-	-
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements	(4)	-	-	-	-	-	-
<b>V.</b>	<b>INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)</b>	(5)	4,275,177	1,182,738	5,457,915	4,668,879	1,073,809	5,742,688
5.1	Equity securities		-	-	-	-	-	-
5.2	Public sector debt securities		4,239,268	1,176,397	5,415,665	4,633,866	1,059,507	5,693,373
5.3	Other securities		35,909	6,341	42,250	35,013	14,302	49,315
<b>VI.</b>	<b>LOANS AND RECEIVABLES</b>	(6)	42,039,489	7,045,743	49,085,232	38,105,480	4,618,996	42,724,476
6.1	Loans and receivables		41,487,795	7,045,743	48,533,538	37,596,755	4,618,996	42,215,751
6.1.1	Loans to risk group of the Bank		153,995	27,713	181,708	110,670	-	110,670
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		41,333,800	7,018,030	48,351,830	37,486,085	4,618,996	42,105,081
6.2	Non-performing loans		2,834,521	-	2,834,521	2,965,853	-	2,965,853
6.3	Specific provisions (-)		2,282,827	-	2,282,827	2,457,128	-	2,457,128
<b>VII.</b>	<b>FACTORING RECEIVABLES</b>		-	-	-	-	-	-
<b>VIII.</b>	<b>INVESTMENT SECURITIES HELD TO MATURITY (Net)</b>	(7)	3,010,042	550,908	3,560,950	2,446,859	378,920	2,825,779
8.1	Public sector debt securities		3,010,042	33,039	3,043,081	2,446,859	20,820	2,467,679
8.2	Other securities		-	517,869	517,869	-	358,100	358,100
<b>IX.</b>	<b>INVESTMENT IN ASSOCIATES (Net)</b>	(8)	3,766	-	3,766	3,766	-	3,766
9.1	Equity method associates		-	-	-	-	-	-
9.2	Unconsolidated		3,766	-	3,766	3,766	-	3,766
9.2.1	Financial Investments		-	-	-	-	-	-
9.2.2	Non-financial Investments		3,766	-	3,766	3,766	-	3,766
<b>X.</b>	<b>INVESTMENT IN SUBSIDIARIES (Net)</b>	(9)	390,981	-	390,981	423,216	-	423,216
10.1	Unconsolidated financial investments		372,935	-	372,935	405,170	-	405,170
10.2	Unconsolidated non-financial investments		18,046	-	18,046	18,046	-	18,046
<b>XI.</b>	<b>ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)</b>	(10)	197,716	-	197,716	197,716	-	197,716
11.1	Equity method entities under common control		-	-	-	-	-	-
11.2	Unconsolidated		197,716	-	197,716	197,716	-	197,716
11.2.1	Financial investments		194,916	-	194,916	194,916	-	194,916
11.2.2	Non-financial Investments		2,800	-	2,800	2,800	-	2,800
<b>XII.</b>	<b>LEASE RECEIVABLES (Net)</b>	(11)	-	-	-	-	-	-
12.1	Financial lease receivables		-	-	-	-	-	-
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
<b>XIII.</b>	<b>DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES</b>	(12)	2,030,687	44,488	2,075,175	1,866,369	61,426	1,927,795
13.1	Fair value hedge		1,509,393	44,488	1,553,881	1,487,743	61,426	1,549,169
13.2	Cash flow hedge		521,294	-	521,294	378,626	-	378,626
13.3	Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
<b>XIV.</b>	<b>TANGIBLE ASSETS (Net)</b>		1,461,396	68	1,461,464	520,776	63	520,839
<b>XV.</b>	<b>INTANGIBLE ASSETS (Net)</b>		222,063	-	222,063	198,204	-	198,204
15.1	Goodwill		-	-	-	-	-	-
15.2	Others		222,063	-	222,063	198,204	-	198,204
<b>XVI.</b>	<b>INVESTMENT PROPERTIES (Net)</b>		-	-	-	-	-	-
<b>XVII.</b>	<b>TAX ASSETS</b>	(13)	10,148	-	10,148	78,670	-	78,670
17.1	Current tax assets		10,148	-	10,148	-	-	-
17.2	Deferred tax assets		-	-	-	78,670	-	78,670
<b>XVIII.</b>	<b>ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	(14)	51,265	-	51,265	-	-	-
18.1	Held for sale		51,265	-	51,265	-	-	-
18.2	Discontinued operations		-	-	-	-	-	-
<b>XIX.</b>	<b>OTHER ASSETS</b>	(15)	1,013,625	116,310	1,129,935	770,972	451,559	1,222,531
<b>TOTAL ASSETS</b>			57,395,686	17,149,250	74,544,936	51,549,726	14,460,041	66,009,767

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  
BALANCE SHEET AS OF SEPTEMBER 30, 2014 (STATEMENT OF FINANCIAL POSITION)  
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)**

**I. BALANCE SHEET – LIABILITIES AND EQUITY**

		Reviewed 30.09.2014			Audited 31.12.2013			
		Section 5 Part II	TL	FC	Total	TL	FC	Total
<b>I.</b>	<b>DEPOSITS</b>	(1)	<b>28,327,724</b>	<b>13,891,666</b>	<b>42,219,390</b>	<b>26,382,066</b>	<b>11,939,592</b>	<b>38,321,658</b>
1.1	Deposits from risk group of the Bank		260,497	261,232	521,729	230,45	164,811	395,261
1.2	Other		28,067,227	13,630,434	41,697,661	26,151,616	11,774,781	37,926,397
<b>II.</b>	<b>DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	(2)	<b>1,086,441</b>	<b>151,993</b>	<b>1,238,434</b>	<b>1,112,851</b>	<b>189,708</b>	<b>1,302,559</b>
<b>III.</b>	<b>FUNDS BORROWED</b>	(3)	<b>104,448</b>	<b>4,710,063</b>	<b>4,814,561</b>	<b>111,366</b>	<b>3,239,684</b>	<b>3,351,050</b>
<b>IV.</b>	<b>MONEY MARKET BORROWINGS</b>		<b>2,459,043</b>	<b>1,180,983</b>	<b>3,640,026</b>	<b>2,561,162</b>	<b>1,141,561</b>	<b>3,702,723</b>
4.1	Interbank money markets takings		-	-	-	50,000	-	50,000
4.2	Istanbul Stock Exchange money markets takings		-	-	-	-	-	-
4.3	Funds provided under repurchase agreements	(4)	2,459,043	1,180,983	3,640,026	2,511,162	1,141,561	3,652,723
<b>V.</b>	<b>SECURITIES ISSUED (Net)</b>	(5)	<b>2,280,706</b>	<b>3,007,721</b>	<b>5,288,427</b>	<b>2,161,609</b>	<b>1,793,767</b>	<b>3,955,376</b>
5.1	Bills		2,280,706	-	2,280,706	2,057,875	-	2,057,875
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	3,007,721	3,007,721	103,734	1,793,767	1,897,501
<b>VI.</b>	<b>FUNDS</b>		-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
<b>VII.</b>	<b>SUNDRY CREDITORS</b>		<b>1,667,431</b>	<b>2,166,020</b>	<b>3,833,451</b>	<b>1,401,157</b>	<b>1,984,147</b>	<b>3,385,304</b>
<b>VIII.</b>	<b>OTHER LIABILITIES</b>	(6)	<b>1,292,032</b>	<b>114,678</b>	<b>1,406,710</b>	<b>857,438</b>	<b>68,974</b>	<b>926,412</b>
<b>IX.</b>	<b>FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X.</b>	<b>LEASE PAYABLES (Net)</b>	(7)	<b>1,388</b>	<b>1,113</b>	<b>2,501</b>	<b>1,542</b>	<b>1,373</b>	<b>2,915</b>
10.1	Financial lease payables		1,695	1,231	2,926	2,002	1,534	3,536
10.2	Operational lease payables		-	-	-	-	-	-
10.3	Others		-	-	-	-	-	-
10.4	Deferred financial lease expenses (-)		307	118	425	460	161	621
<b>XI.</b>	<b>DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES</b>	(8)	<b>93,571</b>	<b>129,726</b>	<b>223,297</b>	<b>7,648</b>	<b>75,101</b>	<b>82,749</b>
11.1	Fair value hedge		21,785	129,726	151,511	-	75,101	75,101
11.2	Cash flow hedge		71,786	-	71,786	7,648	-	7,648
11.3	Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
<b>XII.</b>	<b>PROVISIONS</b>	(9)	<b>1,307,753</b>	<b>100,414</b>	<b>1,408,167</b>	<b>1,193,795</b>	<b>84,572</b>	<b>1,278,367</b>
12.1	General provisions		834,451	100,414	934,865	731,719	84,572	816,291
12.2	Restructuring provisions		-	-	-	-	-	-
12.3	Reserve for employee benefits		158,98	-	158,98	208,904	-	208,904
12.4	Insurance technical provisions (Net)		-	-	-	-	-	-
12.5	Other provisions		314,322	-	314,322	253,172	-	253,172
<b>XIII.</b>	<b>TAX LIABILITY</b>	(10)	<b>68,567</b>	-	<b>68,567</b>	<b>101,457</b>	-	<b>101,457</b>
13.1	Current tax liability		-	-	-	101,457	-	101,457
13.2	Deferred tax liability		68,567	-	68,567	-	-	-
<b>XIV.</b>	<b>PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)</b>	(11)	-	-	-	-	-	-
14.1	Held for sale		-	-	-	-	-	-
14.2	Discontinued operations		-	-	-	-	-	-
<b>XV.</b>	<b>SUBORDINATED LOANS</b>	(12)	-	<b>2,110,002</b>	<b>2,110,002</b>	-	<b>1,950,719</b>	<b>1,950,719</b>
<b>XVI.</b>	<b>SHAREHOLDERS' EQUITY</b>		<b>8,377,955</b>	<b>-86,552</b>	<b>8,291,403</b>	<b>7,785,046</b>	<b>-136,568</b>	<b>7,648,478</b>
16.1	Paid-in capital	(13)	2,835,000	-	2,835,000	2,700,000	-	2,700,000
16.2	Capital reserves		353,024	-86,552	266,472	348,179	-136,568	211,611
16.2.1	Share Premium	(14)	714	-	714	714	-	714
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Securities value increase fund	(15)	327,993	-86,552	241,441	281,454	-136,568	144,886
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)		54,293	-	54,293	95,987	-	95,987
16.2.9	Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		-32,665	-	-32,665	-32,665	-	-32,665
16.3	Profit reserves		4,601,867	-	4,601,867	4,002,628	-	4,002,628
16.3.1	Legal reserves		365,367	-	365,367	328,655	-	328,655
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		4,236,500	-	4,236,500	3,673,973	-	3,673,973
16.3.4	Other profit reserves		-	-	-	-	-	-
<b>16.4</b>	<b>Profit or loss</b>		<b>588,064</b>	-	<b>588,064</b>	<b>734,239</b>	-	<b>734,239</b>
16.4.1	Prior years' income/ (losses)		-	-	-	-	-	-
16.4.2	Current period income/ (loss)		588,064	-	588,064	734,239	-	734,239
16.5	Minority shares		-	-	-	-	-	-
<b>TOTAL LIABILITIES AND EQUITY</b>			<b>47,067,109</b>	<b>27,477,827</b>	<b>74,544,936</b>	<b>43,677,137</b>	<b>22,332,630</b>	<b>66,009,767</b>

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  
STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES  
AS OF SEPTEMBER 30, 2014  
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)**

**II. STATEMENT OF OFF-BALANCE COMMITMENTS AND CONTINGENCIES**

	Section 5 Part III	Reviewed 30.09.2014			Audited 31.12.2013		
		TL	FC	TOTAL	TL	FC	TOTAL
<b>A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)</b>		<b>83,397,900</b>	<b>72,309,115</b>	<b>155,707,015</b>	<b>70,402,203</b>	<b>62,614,020</b>	<b>133,016,223</b>
<b>I. GUARANTEES</b>	(1), (2), (3),(4)	<b>5,514,846</b>	<b>3,699,156</b>	<b>9,214,002</b>	<b>4,169,967</b>	<b>2,947,967</b>	<b>7,117,934</b>
1.1. Letters of guarantee		5,498,244	2,077,449	7,575,693	4,162,296	1,777,802	5,940,098
1.1.1. Guarantees subject to State Tender Law		281,417	24,836	306,253	173,86	24,805	198,665
1.1.2. Guarantees given for foreign trade operations		2,729,192	2,052,613	4,781,805	2,619,423	1,752,997	4,372,420
1.1.3. Other letters of guarantee		2,487,635	-	2,487,635	1,369,013	-	1,369,013
1.2. Bank loans		14,315	1,015,000	1,029,315	7,668	602,163	609,831
1.2.1. Import letter of acceptance		14,315	1,015,000	1,029,315	7,668	602,163	609,831
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		2,287	585,993	588,28	3	548,603	548,606
1.3.1. Documentary letters of credit		2,287	569,031	571,318	3	531,441	531,444
1.3.2. Other letters of credit		-	16,962	16,962	-	17,162	17,162
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		-	20,714	20,714	-	19,399	19,399
1.9. Other collaterals		-	-	-	-	-	-
<b>II. COMMITMENTS</b>		<b>29,382,508</b>	<b>2,899,617</b>	<b>32,272,125</b>	<b>25,084,936</b>	<b>1,696,831</b>	<b>26,781,767</b>
2.1. Irrevocable commitments		28,910,493	2,412,278	31,322,771	24,976,518	751,5	25,728,018
2.1.1. Forward asset purchase commitments		1,367,497	2,374,703	3,742,200	327,259	749,594	1,076,853
2.1.2. Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3. Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4. Loan granting commitments		7,386,369	228	7,386,597	5,424,542	213	5,424,755
2.1.5. Securities underwriting commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Payment commitment for checks		2,442,319	-	2,442,319	2,060,004	-	2,060,004
2.1.8. Tax and fund liabilities from export commitments		8,057	-	8,057	6,988	-	6,988
2.1.9. Commitments for credit card expenditure limits		17,527,303	-	17,527,303	17,067,174	-	17,067,174
2.1.10. Commitments for promotions related with credit cards and banking activities		27,251	-	27,251	38,002	-	38,002
2.1.11. Receivables from short sale commitments		-	-	-	-	-	-
2.1.12. Payables for short sale commitments		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		151,697	37,347	189,044	52,549	1,693	54,242
2.2. Revocable commitments		472,015	477,339	949,354	108,418	945,331	1,053,749
2.2.1. Revocable loan granting commitments		472,015	477,339	949,354	108,418	351,395	459,813
2.2.2. Other revocable commitments		-	-	-	-	593,936	593,936
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	(5)	<b>48,500,546</b>	<b>65,720,342</b>	<b>114,220,888</b>	<b>41,147,300</b>	<b>57,969,222</b>	<b>99,116,522</b>
3.1. Derivative financial instruments for hedging purposes		12,615,923	16,225,459	28,841,382	10,309,736	13,695,907	24,005,643
3.1.1. Fair value hedge		6,176,677	12,224,052	18,400,729	6,675,930	10,559,020	17,234,950
3.1.2. Cash flow hedge		6,439,246	4,001,407	10,440,653	3,633,806	3,136,887	6,770,693
3.1.3. Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2. Held for trading transactions		35,884,623	49,494,883	85,379,506	30,837,564	44,273,315	75,110,879
3.2.1. Forward foreign currency buy/sell transactions		2,613,541	3,083,310	5,696,851	3,023,815	3,576,802	6,600,617
3.2.1.1. Forward foreign currency transactions-buy		1,288,682	1,564,443	2,853,125	1,406,707	1,895,433	3,302,140
3.2.1.2. Forward foreign currency transactions-sell		1,324,859	1,518,867	2,843,726	1,617,108	1,681,369	3,298,477
3.2.2. Swap transactions related to foreign currency and interest rates		29,350,817	40,519,829	69,870,646	21,556,188	31,036,622	52,592,810
3.2.2.1. Foreign currency swap-buy		15,850,544	14,167,937	30,018,481	12,502,291	9,313,810	21,816,101
3.2.2.2. Foreign currency swap-sell		12,528,433	17,792,919	30,321,352	7,761,087	14,308,290	22,069,377
3.2.2.3. Interest rate swaps-buy		485,920	4,085,780	4,571,700	646,405	3,536,517	4,182,922
3.2.2.4. Interest rate swaps-sell		485,920	4,473,193	4,959,113	646,405	3,878,005	4,524,410
3.2.3. Foreign currency, interest rate and securities options		3,919,421	5,797,444	9,716,865	6,257,051	9,617,419	15,874,470
3.2.3.1. Foreign currency options-buy		2,085,713	2,764,346	4,850,059	3,031,745	4,927,476	7,959,221
3.2.3.2. Foreign currency options-sell		1,833,708	3,033,098	4,866,866	3,225,306	4,689,943	7,915,249
3.2.3.3. Interest rate options-buy		-	-	-	-	-	-
3.2.3.4. Interest rate options-sell		-	-	-	-	-	-
3.2.3.5. Securities options-buy		-	-	-	-	-	-
3.2.3.6. Securities options-sell		-	-	-	-	-	-
3.2.4. Foreign currency futures		844	48,802	49,646	510	42,472	42,982
3.2.4.1. Foreign currency futures-buy		422	24,401	24,823	255	21,236	21,491
3.2.4.2. Foreign currency futures-sell		422	24,401	24,823	255	21,236	21,491
3.2.5. Interest rate futures		-	45,498	45,498	-	-	-
3.2.5.1. Interest rate futures-buy		-	22,749	22,749	-	-	-
3.2.5.2. Interest rate futures-sell		-	22,749	22,749	-	-	-
3.2.6. Other		-	-	-	-	-	-
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>374,125,816</b>	<b>68,313,678</b>	<b>442,439,494</b>	<b>312,753,176</b>	<b>66,309,725</b>	<b>379,062,901</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>6,808,389</b>	<b>1,438,836</b>	<b>8,247,225</b>	<b>7,254,675</b>	<b>1,085,363</b>	<b>8,340,038</b>
4.1. Assets under management		2,447,349	-	2,447,349	3,209,849	-	3,209,849
4.2. Investment securities held in custody		1,662,442	670,218	2,332,660	2,005,410	337,766	2,343,176
4.3. Checks received for collection		2,062,249	259,981	2,322,230	1,527,663	203,698	1,731,361
4.4. Commercial notes received for collection		636,344	132,451	768,795	511,706	91,359	603,065
4.5. Other assets received for collection		-	-	-	-	-	-
4.6. Assets received for public offering		-	-	-	-	-	-
4.7. Other items under custody		5	376,186	376,191	44	452,54	452,584
4.8. Custodians		-	-	-	3	-	3
<b>V. PLEDGED ITEMS</b>		<b>216,228,631</b>	<b>30,903,138</b>	<b>247,131,769</b>	<b>176,310,170</b>	<b>24,357,446</b>	<b>200,667,616</b>
5.1. Marketable securities		563,872	1,892,697	2,456,569	502,407	643,935	1,146,342
5.2. Guarantee notes		161,897	52,163	214,06	142,011	38,261	180,272
5.3. Commodity		37,976	-	37,976	27,266	-	27,266
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		54,612,048	11,029,686	65,641,734	46,396,463	7,993,070	54,389,533
5.6. Other pledged items		160,852,838	17,928,592	178,781,430	129,242,023	15,682,180	144,924,203
5.7. Pledged items-depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>151,088,796</b>	<b>35,971,704</b>	<b>187,060,500</b>	<b>129,188,331</b>	<b>40,866,916</b>	<b>170,055,247</b>
<b>TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)</b>		<b>457,523,716</b>	<b>140,622,793</b>	<b>598,146,509</b>	<b>383,155,379</b>	<b>128,923,745</b>	<b>512,079,124</b>

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**  
**INCOME STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2014**  
**(STATEMENT OF INCOME/LOSS)**  
*(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)*

**III. INCOME STATEMENT**

	Section 5	Reviewed	Reviewed	Reviewed	Reviewed
	Part IV	01.01 - 30.09.2014	01.07 - 30.09.2014	01.01 - 30.09.2013	01.07 - 30.09.2013
<b>I. INTEREST INCOME</b>	<b>(1)</b>	<b>4,768,218</b>	<b>1,697,989</b>	<b>4,219,305</b>	<b>1,450,615</b>
1.1 Interest on loans		4,098,375	1,425,230	3,859,698	1,318,414
1.2 Interest received from reserve deposits		-	-	-	-
1.3 Interest received from banks		1,251	620	812	312
1.4 Interest received from money market placements		26,271	2,942	8,183	1,568
1.5 Interest received from marketable securities portfolio		640,357	268,559	349,29	129,894
1.5.1 Held-for-trading financial assets		4,629	2,281	7,695	2,964
1.5.2 Financial assets at fair value through profit and loss		-	-	-	-
1.5.3 Available-for-sale financial assets		359,794	135,991	304,375	93,195
1.5.4 Investments held-to-maturity		275,934	130,287	37,22	33,735
1.6 Finance lease income		-	-	-	-
1.7 Other interest income		1,964	638	1,322	427
<b>II. INTEREST EXPENSE</b>	<b>(2)</b>	<b>2,565,317</b>	<b>827,377</b>	<b>1,784,207</b>	<b>661,953</b>
2.1 Interest on deposits		2,019,557	621,925	1,411,191	534,400
2.2 Interest on funds borrowed		143,350	49,109	114,281	41,160
2.3 Interest on money market borrowings		171,107	58,449	59,328	20,706
2.4 Interest on securities issued		225,188	96,031	186,405	58,765
2.5 Other interest expense		6,115	1,863	13,002	6,922
<b>III. NET INTEREST INCOME (I - II)</b>		<b>2,202,901</b>	<b>870,612</b>	<b>2,435,098</b>	<b>788,662</b>
<b>IV. NET FEES AND COMMISSIONS INCOME</b>		<b>1,042,796</b>	<b>314,334</b>	<b>769,133</b>	<b>238,153</b>
4.1 Fees and commissions received		1,208,602	371,814	873,798	276,132
4.1.1 Non-cash loans		37,139	13,162	31,586	11,144
4.1.2 Other		1,171,463	358,652	842,212	264,988
4.2 Fees and commissions paid		165,806	57,480	104,665	37,979
4.2.1 Non-cash loans		825	247	528	146
4.2.2 Other		164,981	57,233	104,137	37,833
<b>V. DIVIDEND INCOME</b>	<b>(3)</b>	<b>9,042</b>	<b>-</b>	<b>12,152</b>	<b>-</b>
<b>VI. NET TRADING INCOME</b>	<b>(4)</b>	<b>(190,727)</b>	<b>(70,611)</b>	<b>(163,394)</b>	<b>(72,063)</b>
6.1 Securities trading gains/ (losses)		(1,603)	(4,621)	169,501	7,701
6.2 Gains / (losses) from financial derivatives transactions		(196,201)	(111,342)	(308,765)	(46,765)
6.3 Foreign exchange gains/ (losses)		7,077	45,352	(24,130)	(32,999)
<b>VII. OTHER OPERATING INCOME</b>	<b>(5)</b>	<b>279,112</b>	<b>47,036</b>	<b>263,346</b>	<b>57,952</b>
<b>VIII. NET OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>3,343,124</b>	<b>1,161,371</b>	<b>3,316,335</b>	<b>1,012,704</b>
<b>IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	<b>(6)</b>	<b>821,781</b>	<b>286,518</b>	<b>788,693</b>	<b>266,086</b>
<b>X. OTHER OPERATING EXPENSES (-)</b>	<b>(7)</b>	<b>1,745,571</b>	<b>555,191</b>	<b>1,696,529</b>	<b>563,961</b>
<b>XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>775,772</b>	<b>319,662</b>	<b>831,113</b>	<b>182,657</b>
<b>XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		-	-	-	-
<b>XIII. GAIN / (LOSS) ON EQUITY METHOD</b>		-	-	-	-
<b>XIV. GAIN / (LOSS) ON NET MONETARY POSITION</b>		-	-	-	-
<b>XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)</b>	<b>(8)</b>	<b>775,772</b>	<b>319,662</b>	<b>831,113</b>	<b>182,657</b>
<b>XVI. TAX CHARGE FOR CONTINUED OPERATIONS (±)</b>	<b>(9)</b>	<b>(187,708)</b>	<b>(75,404)</b>	<b>(204,083)</b>	<b>(58,834)</b>
16.1 Current income tax charge		(37,643)	16,660	(128,094)	(30,218)
16.2 Deferred tax charge / benefit		(150,065)	(92,064)	(75,989)	(28,616)
<b>XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)</b>	<b>(10)</b>	<b>588,064</b>	<b>244,258</b>	<b>627,03</b>	<b>123,823</b>
<b>XVIII. INCOME ON DISCONTINUED OPERATIONS</b>		-	-	-	-
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		-	-	-	-
<b>XIX. LOSS FROM DISCONTINUED OPERATIONS (-)</b>		-	-	-	-
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		-	-	-	-
<b>XX. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)</b>	<b>(8)</b>	-	-	-	-
<b>XXI. TAX CHARGE FOR DISCONTINUED OPERATIONS (±)</b>	<b>(9)</b>	-	-	-	-
21.1 Current income tax charge		-	-	-	-
21.2 Deferred tax charge / benefit		-	-	-	-
<b>XXII. NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS (XX±XXI)</b>	<b>(10)</b>	-	-	-	-
<b>XXIII. NET PROFIT/(LOSS) (XVII+XXII)</b>	<b>(11)</b>	<b>588,064</b>	<b>244,258</b>	<b>627,03</b>	<b>123,823</b>
23.1 Group's profit/loss		588,064	244,258	627,03	123,823
23.2 Minority shares (-)		-	-	-	-
Earnings per share		0.02074	0.00862	0.02212	0.00437

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**  
**STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2014**  
**(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 - 30.09.2014	Reviewed 01.01 - 30.09.2013
<b>I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS</b>	105,837	(514,476)
<b>II. TANGIBLE ASSETS REVALUATION DIFFERENCES</b>	-	-
<b>III. INTANGIBLE ASSETS REVALUATION DIFFERENCES</b>	-	-
<b>IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS</b>	-	-
<b>V. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR CASH FLOW HEDGE PURPOSES (Effective Portion of Fair Value Differences)</b>	(52,117)	74,648
<b>VI. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS (Effective Portion of Fair Value Differences)</b>	-	-
<b>VII. THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES</b>	-	-
<b>VIII. OTHER PROFIT LOSS ITEMS ACCOUNTED FOR UNDER EQUITY AS PER TURKISH ACCOUNTING STANDARDS</b>	-	-
<b>IX. DEFERRED TAX OF VALUATION DIFFERENCES</b>	2,828	84,692
<b>X. TOTAL NET PROFIT/LOSS ACCOUNTED FOR UNDER EQUITY (I+II+...+IX)</b>	56,548	(355,136)
<b>XI. PROFIT/LOSS</b>	(1,687)	(64,840)
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(1,687)	(69,524)
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	-	4,684
11.3 Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4 Other	-	-
<b>XII. TOTAL PROFIT/LOSS ACCOUNTED FOR IN THE PERIOD (X±XI)</b>	54,861	(419,976)

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**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2014**

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

**V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

Reviewed	Section 5 Note II.13	Paid-in Capital	Effect of inflation Accounting on Capital and Other Capital Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinar y Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketa ble Secur ities Val ue Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtaine d from Associat es	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and Assets from Disc.Op.	Total Equity	
Prior period – 01.01 – 30.09.2013																		
I. Beginning balance		2,565,000	-	714	-	283,538	-	2,950,168	(36,915)	-	903,922	631,010	-	2,689	(10,026)	-	7,290,100	
II. Changes in period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	(483,442)	-	-	-	-	(483,442)	-
IV. Hedging funds (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	63,466	-	63,466	-
4.1 Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	63,466	-	63,466	-
4.2 Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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 assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. The reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. The effect of change in associates' equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase		135,000	-	-	-	-	-	-135,000	-	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal sources		135,000	-	-	-	-	-	-135,000	-	-	-	-	-	-	-	-	-	-
XIII. Share issue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Inflation adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Period net income/(loss)		-	-	-	-	-	-	-	-	627,030	-	-	-	-	-	-	-	627,030
XVIII. Profit distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.1 Dividends distributed		-	-	-	-	45,117	-	858,805	-	(903,922)	-	-	-	-	-	-	-	-
18.2 Transfers to reserves		-	-	-	-	45,117	-	857,229	-	(902,346)	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	1,576	-	(1,576)	-	-	-	-	-	-	-	-
Closing balance (III+IV+V+.....+ XVIII+XIX+XX)		2,700,000	-	714	-	328,655	-	3,673,973	(36,915)	627,030	-	147,568	-	2,689	53,440	-	7,497,154	

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, 2014**

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

**V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

Reviewed	Section 5 Note II.13	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. Val. Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity
<b>I. Current period – 01.01 – 30.09.2014</b>																	
Beginning Balance		2,700,000	-	714	-	328,655	-	3,673,973	(32,665)	-	734,239	144,886	-	2,689	95,987	-	7,648,478
Changes in period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>II. Increase/decrease related to merger</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	96,555	-	-	-	-	96,555
<b>IV. Hedging funds (effective portion)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	(41,694)	-	(41,694)
4.1 Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(41,694)	-	(41,694)
4.2 Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V. Tangible assets revaluation differences</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Intangible assets revaluation differences</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Bonus shares obtained from associates, subsidiaries and entities under common control</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Foreign exchange differences</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. The disposal of asset</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. The reclassification of asset</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. The effect of change in associates' equity</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XII. Capital increase</b>		135,000	-	-	-	-	-	(135,000)	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal sources		135,000	-	-	-	-	-	(135,000)	-	-	-	-	-	-	-	-	-
<b>XIII. Share Premium</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIV. Share cancellation profits</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XV. Inflation adjustment to paid-in capital</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI. Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVII. Period net income/(loss)</b>		-	-	-	-	-	-	-	-	588,064	-	-	-	-	-	-	588,064
<b>XVIII. Profit distribution</b>		-	-	-	-	36,712	-	697,527	-	-	(734,239)	-	-	-	-	-	-
18.1 Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to reserves		-	-	-	-	36,712	-	697,527	-	-	(734,239)	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance (I+II+III+..... +XVI+XVII+XVIII)</b>		<b>2,835,000</b>	<b>-</b>	<b>714</b>	<b>-</b>	<b>365,367</b>	<b>-</b>	<b>4,236,500</b>	<b>(32,665)</b>	<b>588,064</b>	<b>-</b>	<b>241,441</b>	<b>-</b>	<b>2,689</b>	<b>54,293</b>	<b>-</b>	<b>8,291,403</b>

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**

**STATEMENT OF CASH FLOWS**

**FOR THE PERIOD ENDED SEPTEMBER 30, 2014**

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

**VI. STATEMENT OF CASH FLOWS**

	Section 5 Part V.	Reviewed 01.01 – 30.09.2014	Reviewed 01.01 – 30.09.2013
<b>A. CASH FLOWS FROM / (TO) BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities (+)</b>		<b>2,764,644</b>	<b>2,735,673</b>
1.1.1 Interest received (+)		4,319,628	4,245,888
1.1.2 Interest paid (-)		(2,425,120)	(1,514,691)
1.1.3 Dividend received (+)		9,042	12,152
1.1.4 Fees and commissions received (+)		1,209,233	874,693
1.1.5 Other income (+)		268,849	252,730
1.1.6 Collections from previously written off loans (+)		457,459	294,638
1.1.7 Payments to personnel and service suppliers (-)		(1,378,215)	(1,266,129)
1.1.8 Taxes paid (-)		(192,014)	(307,568)
1.1.9 Others (+/-)	(1)	495,782	143,96
<b>1.2 Changes in operating assets and liabilities</b>		<b>(3,104,611)</b>	<b>(1,634,399)</b>
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		108,951	(45,091)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		104,008	(25,416)
1.2.3 Net (increase) decrease in due from banks (+/-)		(586,673)	(2,327,335)
1.2.4 Net (increase) decrease in loans (+/-)		(7,448,937)	(5,716,199)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	86,344	(365,205)
1.2.6 Net increase (decrease) in bank deposits (+/-)		(93,376)	186,750
1.2.7 Net increase (decrease) in other deposits (+/-)		3,131,983	3,291,287
1.2.8 Net increase (decrease) in funds borrowed (+/-)		1,043,142	229,230
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	549,947	3,137,580
<b>I. Net cash provided from / (used in) banking operations (+/-)</b>		<b>(339,967)</b>	<b>1,101,274</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from / (used in) investing activities (+/-)</b>		<b>(1,221,300)</b>	<b>(1,353,978)</b>
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		-	(3,367)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		-	-
2.3 Fixed assets purchases (-)		(780,482)	(152,200)
2.4 Fixed assets sales (+)		-	289
2.5 Cash paid for purchase of financial assets available for sale (-)		(2,773,865)	(14,313,070)
2.6 Cash obtained from sale of financial assets available for sale (+)		2,927,436	13,868,882
2.7 Cash paid for purchase of investment securities (-)		(512,693)	(681,927)
2.8 Cash obtained from sale of investment securities (+)		-	-
2.9 Others (+/-)		(81,696)	(72,585)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash provided from / (used in) financing activities (+/-)</b>		<b>1,576,608</b>	<b>(1,248,583)</b>
3.1 Cash obtained from funds borrowed and securities issued (+)		4,976,762	2,528,946
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(3,399,428)	(3,775,812)
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for finance leases (-)		(726)	(1,717)
3.6 Other (+/-)		-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)</b>		<b>283,112</b>	<b>-30,983</b>
<b>V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)</b>		<b>298,453</b>	<b>(1,532,270)</b>
<b>VI. Cash and cash equivalents at beginning of the period (+)</b>	(1)	<b>2,098,546</b>	<b>3,514,657</b>
<b>VII. Cash and cash equivalents at end of the period (V+VI)</b>	(2)	<b>2,396,999</b>	<b>1,982,387</b>

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



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

**FİNANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED SEPTEMBER 30, 2014**

*(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 unconsolidated financial statements as of September 30, 2014 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, which refers to "Turkish Accounting Standards" ("TAS"), put into effect by Public Oversight Accounting and Auditing Standards Authority ("KGK"), and "Turkish Financial Reporting Standards" ("TFRS") issued by the "Turkish Accounting Standards Board" ("TASB") and additional explanations and notes related to them and other decrees, notes and explanations related to accounting and financial reporting principles (all "Turkish Accounting Standards" or "TAS") published by the Banking Regulation and Supervision Agency ("BRSA"). The format and detail of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements", published in Official Gazette no. 28337, dated 28 June 2012, and amendments to this Communiqué.

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

**Explanation for Convenience Translation to English**

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these consolidated financial statements. Accordingly, these consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

**2. 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 and are consistent with the accounting policies applied in the annual financial statements of the year ended December 31, 2013. The amendments of TAS and TFRS, effective as of January 1, 2014, have no material impact on the the Bank's accounting policies, financial position and performance. The aforementioned accounting policies and valuation principles are explained in Notes II to XXV below.

The financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value, which are financial assets designated at fair value through profit or loss, available for sale financial assets, subsidiaries, joint ventures, trading derivative financial assets, and hedging derivative financial assets and liabilities. In addition, carrying value of assets subject to fair value hedge but are carried at historical cost is adjusted to reflect fair value changes related to risks being hedged.

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

**FİNANSBANK ANONİM ŞİRKETİ  
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2014**

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

**I. Basis of presentation (continued)**

The preparation of unconsolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent matters as of the balance sheet date. These estimates, which include the fair value calculations of financial instruments and impairments of financial assets are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

The amendments of TAS and TFRS, except TFRS 9 Financial Instruments, which have been published as of reporting date but have not been effective yet, have no impact on the accounting policies, financial condition and performance of the Bank. Aforementioned standard will mainly effect Bank's classification and valuation of financial assets. Since its impact will change based on financial asset management model used and assets held as of transition date, it has not yet been detected. The Bank is still assessing the impact of TFRS 9 Financial Instruments standard.

**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, bond issues and funds borrowed from international markets. The customer deposits bear fixed interest rate and have an average maturity of 1-3 months in line with the sector. Domestic bond issues are realized within the maturity of 6 months and foreign bond issues are based on long maturities with fixed interests. Funds borrowed from abroad mostly 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.

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 debt securities are explained in foreign currency risk section and the applications regarding the cash flow hedging of interest rate cash flow risk generated from deposits 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.

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**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, 2014 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. Foreign currency nonmonetary items measured at fair value are converted with currency exchange rates at the time of fair value measurement. The Bank’s foreign currency exchange rates for the related period ends are as follows:

	<u>September 30, 2014</u>	<u>December 31, 2013</u>
US Dollar	TL 2.2789	TL 2.1343
Euro	TL 2.8914	TL 2.9365

**III. Information on associates and subsidiaries**

Subsidiaries and joint ventures are accounted for in accordance with the principles in TAS 39 “Financial Instruments: Recognition and Measurement”, whereas subsidiaries are accounted under cost principle in the unconsolidated accompanying financial statements.

**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 fair value and subsequently measured at fair value. 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.

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.

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

Fair value of credit default swaps is calculated using internal pricing models based on market data and related unrealized gains and losses are reflected in the current period income statement.

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Upon valuation of derivative instruments that are not subject to hedge accounting, differences in fair value, except for currency revaluation differences, are recorded in the income statement on Gains/Losses from Derivative transactions. These foreign currency valuation differences are accounted for under “Foreign Exchange Gains/Losses” account.

In cash flow hedge accounting:

The Bank applies cash flow hedge accounting using interest swaps to hedge its TL and FC customer deposits with an average maturity of 1 month against interest rate fluctuations. The Bank implements effectiveness tests at the balance sheet dates for hedge accounting; 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.

In cash flow hedge accounting, when the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked; the hedging gains and losses that were previously recognized under equity are transferred to profit or loss when the cash flows of the hedged item are realized.

In fair value hedge accounting:

The Bank applies fair value hedge accounting within the framework of TAS 39 using swaps to hedge a portion of its long term, fixed rate mortgage and project finance loans against possible fair value change due to market interest rate fluctuations.

The Bank applies fair value hedge accounting using fx swaps to hedge long term, fixed rate, foreign currency eurobonds in its portfolio against interest rate fluctuations.

Information on Eurobond and loan portfolio, recognized as fair value hedged items, is presented in Section 3, Footnote VII, 2 and 4.

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.

At each balance sheet date the Parent Bank applies effectiveness tests for fair value hedge accounting.

When the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked, adjustments made to the carrying amount of the hedged item are transferred to profit and loss with straight line method for portfolio hedges or with effective interest rate method for micro hedges. In case the hedged item is derecognized, hedge accounting is discontinued and within context of fair value hedge accounting, adjustments made to the value of the hedged item are accounted in income statement.

**V. Explanations on 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. Explanations on fees and commission income and expenses**

Fees and commission income and expenses are accounted for on an accrual basis or on effective interest rate method, except for the 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.

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**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 and fair value differences are presented as “Securities Trading Gains (Losses)” in order to be in compliance with the balance sheet presentation.

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

The fair value of loans presented under “Financial Assets at Fair Value through Profit or Loss” are determined under current market conditions, taking into consideration the estimated price of a transaction at the measurement date depending on sale of an asset or transfer of a liability between market participants (in other words, exit price at measurement date from the perspective of an owner of an asset or from a debtor’s).

**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. The Bank has inflation indexed (CPI) government bonds in its available for sale and held-to-maturity portfolios. CPI government bonds that are constant throughout their lives and their real principal amounts are preserved from inflation. These marketable securities are valued and accounted by using effective interest rate method by considering the real coupon rates and reference inflation index at the issue date together with the index calculated by considering the estimated inflation rate as disclosed by the Turkish Treasury. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the real payments is determined based on the inflation rates of two months before. The estimated inflation rate used is updated during the year when necessary.

Some portion of the Eurobond portfolio which has been recognized as available for sale securities are designated as fair value hedged items, hedged against interest rate fluctuations, 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 reflected to income statement prior to discontinuation

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of hedge accounting 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.

The Bank has reclassified debt securities with fair value amounting to TL 1,601,660 from available-for-sale portfolio to held-to-maturity portfolio due to change in the intention of holding such securities as of June 21, 2013. Fair value differences accounted under the equity until the transfer date, is amortised from equity using the effective interest rate method until the maturity of the securities. Detailed information regarding the classification is provided in section five I/7.e.

**4. Loans and specific provisions**

Loans and receivables are carried initially by adding transaction cost to its purchase cost reflecting the fair value; 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 as explained in part IV, “Explanations on Forwards, Option Contracts and Derivative Instruments”, enters into fx 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 accounts for the hedged loan portfolio at fair value related to hedged risk, the swap transactions used as the hedging instrument at fair value and reflects the related net gain or loss to respective period’s 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.

In the case where there is an evidence for the possibility of uncollectibility of loans, the Bank classifies related loans and receivables in non-performing loans and provides specific provision in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No: 26333 “Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks’ Loans and Other Receivables and the Provision for These Loans and Other Receivables”. The Bank provides specific provision for the loans under follow-up regarding credit risk and other factors, in accordance with the aforementioned regulation. Additionally, the Bank provides general provisions in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No: 28789 “Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks’ Loans and Other Receivables and the Provision for These Loans and Other Receivables” and accounts such provision at the liability side of the balance sheet under general loan loss provision.

The Bank also provides provision for the closely monitored loans as a result of risk assessment. These provisions are accounted for at the liability side of the balance sheet under general provisions.

The general, specific and other provisions reserved for closely monitored loans are accounted for under “Provision for Loan Losses and Other Receivables” in the income statement.

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 and standard and closely monitored loans are recorded under “Other Operating Income” and interest collections are recorded under the “Interest on Loans” account.

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**VIII. Explanations on impairment of financial assets**

It is assessed whether there is objective evidence for a financial asset or group of financial assets is impaired at each balance sheet date. Provision for impairment is provided when there is an objective evidence of impairment.

A financial asset or a group of financial assets can be impaired and impairment loss will occur only if there is objective evidence that one or more events (“loss/profit events”) have occurred after the initial recording of subject asset and that subject loss event/s have an impairment effect on future, approximate cash flows which can accurately be guessed. Future events that are expected to occur are not accounted, no matter how probable.

Impairment for held-to-maturity financial assets carried at amortized cost is calculated as the difference between the present value of the expected future cash flows discounted based on the “Effective interest rate method” and its carrying value. Regarding available-for-sale financial assets, impairment loss is reclassified from equity to profit or loss and is the difference between acquisition cost (less all principal repayments and amortization) and fair value, after impairment losses previously accounted for under profit or loss have been deducted.

An explanation about the impairment of loans and receivables is given in Note VII-4 of Section Four.

**IX. Explanations on netting of financial instruments**

Financial assets and liabilities are offset and the net amount is reported on the balance sheet when the Bank has a legally enforceable right to offset the recognized amounts, and the intention of collecting or paying the net amount of related assets and liabilities or to realize the asset and settle the liability simultaneously.

**X. Explanations on 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 lent against securities purchased under agreements to resell (“Reverse repos”) are accounted under “Receivables from reverse repurchase agreements” on the balance sheet. The difference between the purchase and resell price determined by these repurchase agreements is accrued over the life of repurchase agreements using the “Effective interest method”.

Securities that are subject to repurchase agreements as at the balance sheet date amounted to TL 3,806,666 (December 31, 2013 – TL 3,815,605).

Securities that are subject to lending transactions as at the balance sheet date amounted to TL 1,062 (December 31, 2013 – TL 6,791).

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.

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**XI. Explanations on assets held for sale and discontinued operations**

In accordance with IFRS 5 (“Assets Held for Sale and Discontinued Operations”), assets classified as held for sale are measured at lower of carrying value or fair value less costs to sell. Amortisation on subject asset is ended and these assets are presented separately on financial statements. An asset (or a disposal group) is regarded as “asset held for sale” only when the sale is highly probable and the asset (disposal group) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset (or a disposal group) should be actively marketed at a price consistent with its fair value. Various events and conditions may prolong the sale procedures for more than one year. In case subject delay is caused by the events and conditions beyond the entity’s control and there is enough evidence that plans to sell subject asset (or a disposal group) continue subject assets continue to be classified as assets held for sale. The Bank has re-classified its real estate property with a net book value of TL 51,265 from Tangible Assets to Assets held for Sale as of 30 September 2014.

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.

The Bank classifies tangible assets that were acquired due to non-performing receivables, and that do not comply with TFRS 5 criteria, in accordance with the “Communiqué Regarding the Principles and Procedures for the Disposals of Immovables and Commodities Acquired due to Receivables and for Trading of Precious Metal” published in the Official Gazette dated 1 November 2006, no.26333 as other assets and accounts for these tangible assets according to the aforementioned Communiqué.

**XII. Explanations on 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. There is no goodwill regarding the associates and subsidiaries in the accompanying unconsolidated financial statements.

**XIII. Explanations on 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 amortization 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 in regards to amortization duration, that could have a significant impact on the current and future financial statements. There are no pledges, mortgages or other restrictions on the tangible assets.

The Bank has purchased a building amounting to TL 931,008 on March 11, 2014 to be used as its Headquarters.

**XIV. Explanations on 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. Explanations on 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 provided.

Provisions provided during the period other than specific and general provisions for loans and other receivables are recorded under “Other Operating Expenses”; provisions provided in the prior periods but reversed in the current year are accounted for under “Other Operating Income”.

**XVI. Explanations on 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. According to IAS 19, The Bank recognizes all actuarial gains and losses immediately through other comprehensive income.

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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 in accordance with IAS 19 and reflected to the financial statements.

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

**XVII. Explanations on 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.

75% of gains on subsidiary shares and profits from real estate sales held in Bank assets for more than two years are exempt from tax according to Corporate Tax Law in condition with adding them into equity or allocating into a specific fund account in Bank's liabilities for five years.

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 recognized as "Current Tax Charge" in the income statement and current tax effect related to transactions directly recognized in equity are reflected to equity.

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, 15<sup>th</sup> and 30<sup>th</sup> 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. In calculating deferred tax, legalized tax rates effective as of balance sheet date are used as per tax legislation.

Deferred tax liabilities are recognized for all temporary differences whereas deferred tax assets calculated from deductible temporary differences are only recognized if it's highly probable that these will in the future create taxable profit. Deferred tax asset is not provided over general reserve for possible risk and general loan loss provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated 8 December 2004.

Deferred tax effect in regards to transactions directly accounted for in equity, is also reflected to equity.

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**FOR THE PERIOD ENDED SEPTEMBER 30, 2014**

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

**XVIII. Explanations on additional explanations on borrowings**

The Bank generates funds from domestically and internationally resident people and institutions by using debt instruments such as syndication, securitization, collateralized debt and bond issuance. Aforementioned transactions are initially recorded at transaction cost plus acquisition cost, reflective of their fair value, and are subsequently measured at amortized cost by using effective interest rate method.

**XIX. Explanations on share issues**

During the current period the Bank's paid in capital has been increased by TL 135,000, paid from first dividend with bonus shares (January 1 – December 31, 2013 - The Bank issued TL 135,000 of bonus shares; where TL 128,250 was from first dividends, TL 6,750 were from share holding disposal funds).

**XX. Explanations on 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. Explanations on government incentives**

As of September 30, 2014, the Bank does not have any government incentives or grants.

**XXII. Explanations on 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 for retail banking (consumer banking and plastic cards), corporate and commercial banking 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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<b>Current Period (January 1 – September 30, 2014)</b>	<b>Retail Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury and Head Office</b>	<b>Total Operations of the Bank</b>
Net Interest Income	867,690	757,299	577,912	2,202,901
Net Fees and Commissions Income	858,887	195,037	(11,128)	1,042,796
Other Operating Income and Net Trading Income	241,552	47,838	(201,005)	88,385
Dividend Income	-	-	9,042	9,042
<b>Operating Income</b>	<b>1,968,129</b>	<b>1,000,174</b>	<b>374,821</b>	<b>3,343,124</b>
Other Operating Expenses	1,091,476	569,245	84,850	1,745,571
Provision for Loan Losses and Other Receivables	458,391	313,640	49,750	821,781
<b>Profit Before Taxes</b>	<b>418,262</b>	<b>117,289</b>	<b>240,221</b>	<b>775,772</b>
<b>Provision for Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(187,708)</b>
<b>Net Profit/Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>588,064</b>
<b>Total Assets</b>	<b>36,484,921</b>	<b>12,470,182</b>	<b>20,897,779</b>	<b>74,544,936</b>
Segment Assets	36,484,921	12,470,182	20,897,779	69,852,882
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	592,463
Undistributed Assets	-	-	-	4,099,591
<b>Total Liabilities</b>	<b>27,783,236</b>	<b>12,833,976</b>	<b>18,916,925</b>	<b>74,544,936</b>
Segment Liabilities	27,783,236	12,833,976	18,916,925	59,534,137
Undistributed Liabilities	-	-	-	6,719,396
Equity	-	-	-	8,291,403
<b>Other Segment Accounts</b>	<b>189,914</b>	<b>99,047</b>	<b>990,897</b>	<b>1,279,858</b>
Capital Expenditures	96,159	50,150	973,799	1,120,108
Depreciation and Amortization	93,755	48,897	17,098	159,750
Value Decrease/ (Increase)	-	-	-	-

<b>Prior Period (January 1 – September 30, 2013)</b>	<b>Retail Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury and Head Office</b>	<b>Total Operations of the Bank</b>
Net Interest Income	1,235,266	656,201	543,631	2,435,098
Net Fees and Commissions Income	672,557	104,763	(8,187)	769,133
Other Operating Income and Net Trading Income	233,899	68,898	(202,845)	99,952
Dividend Income	-	-	12,152	12,152
<b>Operating Income</b>	<b>2,141,722</b>	<b>829,862</b>	<b>344,751</b>	<b>3,316,335</b>
Other Operating Expenses	1,065,304	502,499	128,726	1,696,529
Provision for Loan Losses and Other Receivables	570,128	197,529	21,036	788,693
<b>Profit Before Taxes</b>	<b>506,290</b>	<b>129,834</b>	<b>194,989</b>	<b>831,113</b>
<b>Provision for Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(204,083)</b>
<b>Net Profit/Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>627,030</b>
<b>Other Segment Accounts</b>	<b>225,231</b>	<b>106,240</b>	<b>28,649</b>	<b>360,120</b>
Capital Expenditures	144,863	68,331	18,924	232,118
Depreciation and Amortization	80,368	37,909	9,724	128,001
Value Decrease/ (Increase)	-	-	1	1

<b>Prior Period (December 31, 2013)</b>	<b>Retail Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury and Head Office</b>	<b>Total Operations of the Bank</b>
<b>Total Assets</b>	<b>34,525,124</b>	<b>8,237,996</b>	<b>19,407,527</b>	<b>66,009,767</b>
Segment Assets	34,525,124	8,237,996	19,407,527	62,170,647
Associates and Subsidiaries and Entities	-	-	-	624,698
Undistributed Assets	-	-	-	3,214,422
<b>Total Liabilities</b>	<b>26,012,292</b>	<b>10,892,899</b>	<b>15,761,644</b>	<b>66,009,767</b>
Segment Liabilities	26,012,292	10,892,899	15,761,644	52,666,835
Undistributed Liabilities	-	-	-	5,694,454
Equity	-	-	-	7,648,478

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**XXIII. Explanations on profit reserves and profit distribution**

At the General Assembly dated March 27, 2014 it was decided to distribute the 2013 profit as follows:

**2013 profit distribution table:**

<b>Current year profit</b>	<b>734,239</b>
A – I. Legal Reserve (Turkish Commercial Code 519/A) at 5%	(36,712)
B – The First Dividend for Shareholders (*)	(135,000)
D – Extraordinary Reserves	(562,527)

(\*) It was decided to distribute the shares issued by adding first dividend to shareholders amounting to TL 135,000 to the capital.

**XXIV. Profit Per Share**

Profit per share listed on income statement is calculated by dividing net profit to weighted average amount of shares issued within respective year.

	<b>Current Period</b>	<b>Prior Period</b>
Net Profit for the Period	588,064	627,030
Weighted Average Amount of Shares Issued (Thousands)	28,350,000	28,350,000
<b>Profit Per Share</b>	<b>0.02074</b>	<b>0.02212</b>

In Turkey, companies can increase capital through “bonus share” distributed from previous year earnings to current shareholders. Such “bonus share” distributions are accounted as issued shares while calculating profit per share. Accordingly, weighted average amount of shares issued used in these calculations is found through taking into consideration retroactive effects of subject share distributions. In case, amount of shares issued increases after the balance sheet date but before the date of financial statement preparation due to distribution of “bonus share”, profit per share is calculated taking into consideration the new amount of shares.

Amount of issued bonus shared in 2014 is 1,350,000 (December 31, 2013: 1,350,000).

**XXV. Explanations on other matters**

In order to be consistent with the presentation of unconsolidated financial statements dated 30 September 2014, there are certain reclassifications made on unconsolidated cash flow statement as of 30 September 2013.

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**SECTION FOUR**

**INFORMATION ON FINANCIAL STRUCTURE**

**I. Explanations related to capital adequacy ratio**

As of September 30, 2014, the Bank's unconsolidated capital adequacy ratio is 16.30%. (December 31, 2013 - 16.95%).

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 designates 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 is 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 presented in Section 4, Part VIII. 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 by using Delta Factor Weighted Method.

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**

<b>Current Period</b>	<b>Risk Weightings</b>								
	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>	<b>250%</b>
<b>Value at Credit Risk</b>	-	-	<b>150,304</b>	<b>8,657,368</b>	<b>14,366,040</b>	<b>22,180,542</b>	<b>2,493,777</b>	<b>8,096,380</b>	<b>729,193</b>
<b>Exposure Categories:</b>	<b>16,495,035</b>	-	<b>751,521</b>	<b>17,314,735</b>	<b>19,154,720</b>	<b>22,180,542</b>	<b>1,662,518</b>	<b>4,048,190</b>	<b>291,677</b>
Conditional and unconditional receivables from central governments or central banks	15,514,641	-	-	1,374,586	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	5,244	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	120	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	746,151	2,037,522	-	22,787	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	-	-	16,926,754	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	19,154,720	1,733,414	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	13,870,115	-	-	-	-	-
Past due receivables	-	-	-	32,512	-	473,088	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	1,662,518	4,048,190	291,677
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	30,957	-	-	-
Other receivables	980,394	-	126	-	-	2,993,422	-	-	-
<b>Prior Period</b>	<b>Risk Weightings</b>								
<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>	<b>250%</b>	
<b>Value at Credit Risk</b>	-	-	<b>179,588</b>	<b>7,476,755</b>	<b>11,903,243</b>	<b>18,675,739</b>	<b>1,992,405</b>	<b>8,987,942</b>	<b>1,356,358</b>
<b>Exposure Categories:</b>	<b>15,315,268</b>	-	<b>897,940</b>	<b>14,953,510</b>	<b>15,870,990</b>	<b>18,675,739</b>	<b>1,328,270</b>	<b>4,493,971</b>	<b>542,543</b>
Conditional and unconditional receivables from central governments or central banks	14,268,181	-	-	1,333,821	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	2,452	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	1,023	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	895,415	1,608,741	-	27,180	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	16,039	-	12,719,917	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	15,870,990	3,261,960	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	11,952,456	-	-	-	-	-
Past due receivables	-	-	-	42,453	-	454,259	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	1,328,270	4,493,971	542,543
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	23,640	-	-	-
Other receivables	1,047,087	-	73	-	-	2,187,760	-	-	-

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**Summary information related to unconsolidated capital adequacy ratio**

	<b>Current Period(*)</b>	<b>Prior Period</b>
Capital Requirement for Credit Risk (Value at Credit Risk * 0.08) (CRCR)	4,533,888	4,045,762
Capital Requirement for Market Risk (MRCR)	102,092	80,017
Capital Requirement for Operational Risk (ORCR)	503,912	425,090
Shareholders' Equity	10,474,872	9,642,750
Shareholders' Equity/(CRCR+MRCR+ORCR) * 12.5 * 100	%16.30	%16.95
Additional Tier I Capital/((CRCR+CRMR+CROR)*12.5*100)	%12.36	-
Common Equity/((CRCR+CRMR+CROR)*12.5*100)	%12.63	-

CRCR : Capital Requirement for Credit Risk  
MRCR : Capital Requirement for Market Risk  
ORCR : Capital Requirement for Operational Risk

(\*) As of January 1, 2014 the Bank is calculating its equity according to "Communique on Banks' Equity" published on September 5, 2013 in the Official Gazette no 28756 and calculated Capital Adequacy Standard Ratio accordingly.

<b>Information on Equity Accounts</b>	<b>Current Period September 30, 2014</b>
<b>COMMON EQUITY</b>	
Paid-in Capital following all debts in terms of claim in liquidation of the Bank's	2,835,000
Share premium	714
Share cancellation profits	-
Reserves	4,569,202
Gains recognized in equity as per TAS	354,533
Profit	588,064
Current Period Profit	588,064
Prior Period Profit	-
Provisions for Possible Risks	45,500
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	2,689
<b>Common Equity Before Deductions</b>	<b>8,395,702</b>
<b>Deductions from Common Equity</b>	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-).	113,091
Leasehold improvements (-)	121,483
Goodwill or other intangible assets and deferred tax liability related to these items (-)	44,449
Net deferred tax asset/liability (-)	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law (-)	-
Direct and indirect investments of the Bank in its own common equity (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-
Portion of mortgage servicing rights exceeding 10% of the common equity (-).	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the common equity (-).	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital (-)	-
Excess amount arising from mortgage servicing rights (-).	-
Excess amount arising from deferred tax assets based on temporary differences (-).	-
Other items to be defined by the BRSA (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
<b>Total Deductions From Common Equity</b>	<b>279,023</b>
<b>Total Common Equity</b>	<b>8,116,679</b>



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	<b>September 30, 2014</b>
<b>ADDITIONAL TIER I CAPITAL</b>	
Capital amount and related premiums corresponding to preference shares that are not included in common equity	-
Debt instruments and premiums deemed suitable by BRSA (issued/obtained after 1.1.2014)	-
Debt instruments and premiums deemed suitable by BRSA (issued before 1.1.2014)	-
<b>Additional Tier I Capital before Deductions</b>	-
<b>Deductions from Additional Tier I Capital</b>	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I Capital and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Other items to be defined by the BRSA (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
<b>Total Deductions From Additional Tier I Capital</b>	-
<b>Total Additional Tier I Capital</b>	-
<b>DEDUCTIONS FROM TIER I CAPITAL</b>	177,796
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1 <sup>st</sup> clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	177,796
Portion of net deferred tax assets/liabilities which is not deducted from the common equity pursuant to Paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
<b>Total Tier I Capital</b>	<b>7,938,883</b>
<b>TIER II CAPITAL</b>	
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained before 1.1.2014)	1,888,505
Sources pledged to the Bank by shareholders to be used in capital increases of the Bank	-
General Loan Loss Provisions	708,420
<b>Tier II Capital Before Deductions</b>	<b>2,596,925</b>
Direct and indirect investments of the Bank in its own Tier II Capital (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Other items to be defined by the BRSA (-)	-
<b>Total Deductions from Tier II Capital</b>	-
<b>Total Tier II Capital</b>	<b>2,596,925</b>
<b>CAPITAL BEFORE DEDUCTIONS</b>	<b>10,535,808</b>
Loans granted contrary to the 50th and 51th Article of the Law (-)	2,074
Net book value of amounts exceeding the limit mentioned in the 1 <sup>st</sup> Paragraph of Article 57 of the Law and assets acquired against overdue receivables which could not be disposed of even though five years have passed since their acquisition date (-)	11,984
Loans granted to banks and financial institutions, including those established abroad, and to eligible shareholders of the Bank and investments made in the borrowing instruments issued by them (-)	-
Amounts to be deducted from equity as per the 2nd Clause of Article 20 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-)	46,878
Other items to be defined by the BRSA (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1 <sup>st</sup> clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1 <sup>st</sup> and 2 <sup>nd</sup> Paragraph of the 2 <sup>nd</sup> clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
<b>TOTAL CAPITAL</b>	<b>10,474,872</b>
<b>Amounts below the Excess Limits as per the Deduction Principles</b>	
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	-
Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	-
Amounts arising from mortgage servicing rights	-
Amounts arising from deferred tax assets based on temporary differences	-

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**Components of shareholders' equity items**

	<b>December 31, 2013</b>	
<b>CORE CAPITAL</b>		
Paid-in Capital	2,700,000	
Nominal Capital	2,700,000	
Capital Commitments (-)	-	
Inflation Adjustments to Paid-in Capital	-	
Share Premium	714	
Share Cancellation Profits	-	
Reserves	3,327,412	
Inflation Adjustments to Reserves	-	
Profit	734,239	
Current Period's Profit	734,239	
Prior Periods' Profit	-	
Provision for Possible Losses (up to 25% of Core Capital)	102,025	
Income on Sale of Equity Shares and Real Estates	642,551	
Primary Subordinated Debts	-	
Loss (in excess of Reserves) (-)	-	
Current Period's Losses	-	
Prior Periods' Losses	-	
Leasehold Improvements on Operational Leases (-)	138,965	
Intangible Assets (-)	198,204	
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 (-)	-	
<b>Total Core Capital</b>	<b>7,169,774</b>	
<b>SUPPLEMENTARY CAPITAL</b>		
General Provisions	711,073	
45% of Revaluation Surplus on Movables	-	
45% of Revaluation Surplus on Immovable	-	
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	2,689	
Primary Subordinated Debts excluding the Portion included in Core Capital	-	
Secondary Subordinated Debts	1,831,098	
45% of Securities Value Increase Fund	(57,011)	
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss	-	
<b>Total Supplementary Capital</b>	<b>2,487,849</b>	
<b>CAPITAL</b>	<b>9,657,621</b>	
<b>DEDUCTIONS FROM CAPITAL</b>	<b>14,871</b>	
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	-	
Loan Granted to Customer against the Articles 50 and 51 of the Banking Law	2,015	
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	12,855	
Securitization Positions to be Deducted from Equity	-	
Other	1	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>9,642,750</b>	

**Components of items of shareholders' equity subject to temporary applications:**

	<b>Bank</b>	
	<b>Amount Included in Equity Calculation</b>	<b>Total Amount</b>
Minority Interest in Tier I Capital	-	-
Shares of Third Parties in Additional Core Capital	-	-
Shares of Third Parties in Tier II Capital	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued before 1.1.2014)	1,888,505	1,888,505

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**Information on debt instruments included in the calculation of equity:**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Issuer	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	-	-	-	-
Governing law(s) of the instrument	BRSA	BRSA	BRSA	BRSA
Regulatory treatment	Supplementary Capital	Supplementary Capital	Supplementary Capital	Supplementary Capital
Transitional Basel III rules	Yes	Yes	Yes	Yes
Eligible at stand-alone / consolidated	Stand alone -Consolidated	Stand alone -Consolidated	Stand alone -Consolidated	Stand alone -Consolidated
Instrument type (types to be specified by each jurisdiction)	Loan	Loan	Loan	Loan
Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	555	456	285	593
Par value of instrument (Currency in million)	740	456	285	593
Accounting classification	Liability – Subordinated Loans-amortised cost	Liability – Subordinated Loans-amortised cost	Liability – Subordinated Loans-amortised cost	Liability – Subordinated Loans-amortised cost
Original date of issuance	24-Apr-08	6-Oct-09	28-Dec-09	20-Dec-11
Perpetual or dated	Dated	Dated	Dated	Dated
Original maturity date	12 years	12 years	12 years	10 years
Issuer call subject to prior BRSA approval	Yes	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	-	-	-	-
Subsequent call dates, if applicable	-	-	-	-
Coupons / dividends	6 months	6 months	6 months	6 months
Fixed or floating dividend/coupon	Floating	Floating	Floating	Floating
Coupon rate and any related index	EURIBOR + %4.50	EURIBOR + %4.34	EURIBOR + %4.34	EURIBOR + %4.50
Existence of a dividend stopper	-	-	-	-
Fully discretionary, partially discretionary or mandatory	-	-	-	-

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	1	2	3	4
Existence of step up or other incentive to redeem	-	-	-	-
Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
Convertible or non-convertible	None	None	None	None
If convertible, conversion trigger (s)	-	-	-	-
If convertible, fully or partially	-	-	-	-
If convertible, conversion rate	-	-	-	-
If convertible, mandatory or optional conversion	-	-	-	-
If convertible, specify instrument type convertible into	-	-	-	-
If convertible, specify issuer of instrument it converts into	-	-	-	-
Write-down feature	None	None	None	None
If write-down, write-down trigger(s)	-	-	-	-
If write-down, full or partial	-	-	-	-
If write-down, permanent or temporary	-	-	-	-
If temporary write-down, description of write-up mechanism	-	-	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2
Incompliance with article number 7 and 8 of "Own fund regulation"	Yes	Yes	Yes	Yes
Details of incompliances with article number 7 and 8 of "Own fund regulation"	8-2-ğ	8-2-ğ	8-2-ğ	8-2-ğ

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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 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 daily with historical simulation and parametric methods, whereas historical simulation is used for internal risk tracking and limit identification. Parametric VaR calculations are performed for comparison and tracking. ‘Bank Risk Tolerance’ is determined in order to manage the market risk efficiently and 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**

		<b>Current Period Amount</b>	<b>Prior Period Amount</b>
(I)	Capital Requirement against General Market Risk - Standard Method	28,513	24,255
(II)	Capital Requirement against Specific Risks – Standard Method	7,017	5,510
	Capital Requirement against Specific Risks of Securitization Positions– Standard Method	-	-
(III)	Capital Requirement against Currency Risk – Standard Method	43,974	24,440
(IV)	Capital Requirement against Commodity Risks - Standard Method	118	908
(V)	Capital Requirement against Settlement Risks - Standard Method	-	-
(VI)	Capital Requirement against Market Risks of Options - Standard Method	1,777	1,762
(VII)	Capital Requirement against Counterparty Credit Risk - Standard Method	20,693	23,142
(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)	102,092	80,017
<b>(X)</b>	<b>Value-At-Market Risk (12,5 x VIII) or (12,5 x IX)</b>	<b>1,276,150</b>	<b>1,000,213</b>

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**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' (2013, 2012 and 2011) 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, 2014, the value at operational risk is amounting to TL 6,298,900 (December 31, 2013 - TL 5,313,625).

<b>Basic Indicator Method</b>	<b>2 PP Amount</b>	<b>1 PP Amount</b>	<b>CP Amount</b>	<b>Total / No. of Years of Positive Gross</b>	<b>Rate (%)</b>	<b>Total</b>
Gross Income	2,764,673	3,487,483	3,826,094	3,359,417	15	503,912
<b>Value at operational risk (Total*12,5)</b>						<b>6,298,900</b>
<b>Prior Year Basic Indicator Method</b>	<b>2 PP Amount</b>	<b>1 PP Amount</b>	<b>CP Amount</b>	<b>Total / No. of Years of Positive Gross</b>	<b>Rate (%)</b>	<b>Total</b>
Gross Income	2,249,651	2,764,673	3,487,483	2,833,936	15	425,090
<b>Value at operational risk (Total*12,5)</b>						<b>5,313,625</b>

The annual gross income is composed of net interest income and net non-interest income after deducting realized gains/losses from the disposal of securities available-for-sale and held-to-maturity, extraordinary income and income derived from insurance claims at year-end.

**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, 2014, the net foreign currency exposure of the Bank is TL 1,266,887 long position (December 31, 2013–TL 125,851 short) resulting from on balance sheet short position amounting to TL 7,385,641 (December 31, 2013–TL 5,830,998 short) and off balance sheet long position amounting to TL 6,118,754 (December 31, 2013–TL 5,705,147 long). The long off balance sheet position amounting to TL 7,005,453 (December 31, 2013– TL 5,242,313) 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.

Board of Directors determine the limits considering the consistency with the "Foreign Currency Net General Position." Positions are being followed daily and limits are reviewed at least once a year depending on economic conditions and Group strategy and updated as deemed necessary.

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 Group hedges foreign currency borrowings with derivative instruments. The Group does not hedge net foreign currency investments with derivative instruments.

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**3. Bank's spot foreign exchange bid rates of the Bank 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 2.2789
Euro purchase rate at the date of the balance sheet	TL 2.8914

<b><u>Date</u></b>	<b><u>US Dollar</u></b>	<b><u>Euro</u></b>
September 30, 2014	TL 2.2789	TL 2.8914
September 29, 2014	TL 2.2557	TL 2.8748
September 26, 2014	TL 2.2482	TL 2.8607
September 25, 2014	TL 2.2325	TL 2.8677
September 24, 2014	TL 2.2319	TL 2.8745
September 23, 2014	TL 2.2400	TL 2.8781

**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 2014 are TL 2.2036 and TL 2.8501; respectively.

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

<b>Current Period</b>	<b>EUR</b>	<b>USD</b>	<b>Other FC</b>	<b>Total</b>
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank <sup>(1)</sup>	986,342	5,111,224	1,779,239	7,876,805
Due From Banks	111,695	55,231	14,406	181,332
Financial Assets at Fair Value through Profit/Loss <sup>(2)</sup>	38,745	77,417	10,229	126,391
Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	135,724	1,047,014	-	1,182,738
Loans and Receivables <sup>(3)</sup>	3,923,529	6,008,275	32,688	9,964,492
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	-	-	-	-
Investment Securities Held-to-Maturity	-	550,908	-	550,908
Derivative Financial Assets Hedging Purposes	-	44,488	-	44,488
Tangible Assets	-	-	68	68
Intangible Assets	-	-	-	-
Other Assets <sup>(4)</sup>	34,788	76,686	83	111,557
<b>Total Assets</b>	<b>5,230,823</b>	<b>12,971,243</b>	<b>1,836,713</b>	<b>20,038,779</b>
<b>Liabilities</b>				
Bank Deposits	223,767	1,133,382	47,419	1,404,568
Foreign Currency Deposits <sup>(5)</sup>	4,090,730	7,587,902	808,466	12,487,098
Money Market Borrowings	114,023	1,066,960	-	1,180,983
Funds Provided from Other Financial Institutions	1,624,543	4,549,296	646,226	6,820,065
Securities Issued	-	3,007,721	-	3,007,721
Sundry Creditors	1,464,963	662,754	38,303	2,166,020
Derivative Fin. Liabilities for Hedging Purposes	39,639	90,087	-	129,726
Other Liabilities <sup>(6)</sup>	62,333	162,036	3,870	228,239
<b>Total Liabilities</b>	<b>7,619,998</b>	<b>18,260,138</b>	<b>1,544,284</b>	<b>27,424,420</b>
<b>Net Balance Sheet Position</b>	<b>(2,389,175)</b>	<b>(5,288,895)</b>	<b>292,429</b>	<b>(7,385,641)</b>
<b>Net Off-Balance Sheet Position</b>	<b>1,950,553</b>	<b>4,352,022</b>	<b>(183,821)</b>	<b>6,118,754</b>
Financial Derivative Assets	4,661,912	31,772,811	455,682	36,890,405
Financial Derivative Liabilities	2,711,359	27,420,789	639,503	30,771,651
Non-Cash Loans <sup>(7)</sup>	1,037,445	2,522,811	138,900	3,699,156
<b>Prior Period</b>				
Total Assets	6,068,468	8,637,550	1,846,365	16,552,383
Total Liabilities	6,500,839	14,956,957	925,585	22,383,381
<b>Net Balance Sheet Position</b>	<b>(432,371)</b>	<b>(6,319,407)</b>	<b>920,780</b>	<b>(5,830,998)</b>
<b>Net Off-Balance Sheet Position</b>	<b>691,367</b>	<b>5,894,711</b>	<b>(880,931)</b>	<b>5,705,147</b>
Financial Derivative Assets	4,514,153	27,344,817	182,269	32,041,239
Financial Derivative Liabilities	3,822,786	21,450,106	1,063,200	26,336,092
Non-Cash Loans <sup>(7)</sup>	839,099	1,940,762	168,106	2,947,967

(1) Cash and Balances with TR Central; Other FC include TL 1,745,910 (December 31, 2013 – TL 1,691,019) precious metal deposit account.

(2) Does not include TL 24,467 (December 31, 2013 – 4,133 TL) of currency income accruals arising from derivative transactions.

(3) Includes TL 2,918,749 TL (December 31, 2013 – TL 2,098,813 TL) FC indexed loans.

(4) Does not include FC prepaid expenses amounting to TL 4,753 (December 31, 2013 – TL 2,338) as per BRSA's Communique published in Official Gazette no 26085 on 19 February 2006.

(5) Other foreign currency includes TL 659,851 (December 31, 2013 – TL 777,077) of precious metal deposit account.

(6) Does not include currency expense accruals of derivative financial instruments kept in FC accounts amounting to TL 39,545 (December 31, 2013 – TL 1,245) and general loan provision calculated for FC loans and kept in FC accounts due to Uniform Chart of Accounts amounting to TL 100,414 (December 31, 2013 – TL 84,572).

(7) Does not have an effect on Net Off-Balance Sheet Position.



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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 month 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.

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 repricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing <sup>(*)</sup>	Total
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	-	-	-	-	-	9,201,591	9,201,591
Due from Banks	-	-	16,000	-	-	182,611	198,611
Financial Assets at Fair Value Through Profit/Loss <sup>(**)</sup>	123	3,192	10,860	13,344	140,615	3,405,165	3,573,299
Money Market Placements	-	-	-	-	-	-	-
Inv. Securities Available for Sale	513,329	1,007,987	2,198,134	378,702	1,232,873	126,890	5,457,915
Loans and Receivables	11,165,567	4,668,408	14,209,675	13,404,613	4,274,151	1,362,818	49,085,232
Inv. Securities Held to Maturity	510,206	1,209,203	955,074	640,020	175,441	71,006	3,560,950
Other Assets	-	-	-	-	-	3,467,338	3,467,338
<b>Total Assets</b>	<b>12,189,225</b>	<b>6,888,790</b>	<b>17,389,743</b>	<b>14,436,679</b>	<b>5,823,080</b>	<b>17,817,419</b>	<b>74,544,936</b>
<b>Liabilities</b>							
Bank Deposits	1,326,832	179,224	289	-	-	27,424	1,533,769
Other Deposits	23,048,786	9,374,201	2,124,061	124,512	281	6,013,780	40,685,621
Money Market Borrowings	3,144,595	493,858	-	-	-	1,573	3,640,026
Sundry Creditors	2,166,020	-	-	-	-	1,667,431	3,833,451
Securities Issued	891,927	1,140,997	348,966	2,819,171	-	87,366	5,288,427
Funds Borrowed	1,029,725	4,085,409	1,620,759	96,929	29,560	62,181	6,924,563
Other Liabilities <sup>(***)</sup>	74	169	672	1,586	-	12,636,578	12,639,079
<b>Total Liabilities</b>	<b>31,607,959</b>	<b>15,273,858</b>	<b>4,094,747</b>	<b>3,042,198</b>	<b>29,841</b>	<b>20,496,333</b>	<b>74,544,936</b>
On Balance Sheet Long Position	-	-	13,294,996	11,394,481	5,793,239	-	30,482,716
On Balance Sheet Short Position	(19,418,734)	(8,385,068)	-	-	-	(2,678,914)	(30,482,716)
Off-Balance Sheet Long Position	3,373,130	6,306,477	730,144	-	-	-	10,409,751
Off-Balance Sheet Short Position	-	-	-	(8,336,328)	(1,914,845)	-	(10,251,173)
<b>Total Position</b>	<b>(16,045,604)</b>	<b>(2,078,591)</b>	<b>14,025,140</b>	<b>3,058,153</b>	<b>3,878,394</b>	<b>(2,678,914)</b>	<b>158,578</b>

(\*) Non Interest Bearing column includes accruals and derivative financial instruments' fair value valuation difference.

(\*\*) Financial Assets at Fair Value Through Profit/Loss include TL 2,075,175 derivative financial assets used for hedging purposes.

(\*\*\*) Other Liabilities include derivative financial liabilities used for hedging purposes amounting to TL 223,297.

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Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing <sup>(*)</sup>	Total
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	-	-	-	-	-	8,208,393	8,208,393
Due from Banks	-	-	4,144	-	-	301,981	306,125
Financial Assets at Fair Value Through Profit/Loss <sup>(**)</sup>	430	143,371	35,457	20,092	148,678	3,209,336	3,557,364
Money Market Placements	-	-	-	-	-	-	-
Inv. Securities Available for Sale	1,100,345	1,990,745	752,897	616,251	1,343,457	(61,007)	5,742,688
Loans and Receivables	9,527,458	4,610,988	12,621,186	11,295,599	3,353,664	1,315,581	42,724,476
Inv. Securities Held to Maturity	-	726,128	1,461,877	426,414	183,148	28,212	2,825,779
Other Assets	-	-	-	-	-	2,644,942	2,644,942
<b>Total Assets</b>	<b>10,628,233</b>	<b>7,471,232</b>	<b>14,875,561</b>	<b>12,358,356</b>	<b>5,028,947</b>	<b>15,647,438</b>	<b>66,009,767</b>
<b>Liabilities</b>							
Bank Deposits	891,681	407,569	16,286	-	-	25,957	1,341,493
Other Deposits	18,716,336	10,291,432	2,083,492	12,200	373	5,876,332	36,980,165
Money Market Borrowings	94,004	963,089	4,082,219	127,570	11,466	23,421	5,301,769
Sundry Creditors	3,314,571	385,695	-	-	-	2,457	3,702,723
Securities Issued	711,087	370,997	1,054,971	1,752,159	-	66,162	3,955,376
Funds Borrowed	1,984,147	-	-	-	-	1,401,157	3,385,304
Other Liabilities <sup>(***)</sup>	-	-	652	2,263	-	11,340,022	11,342,937
<b>Total Liabilities</b>	<b>25,711,826</b>	<b>12,418,782</b>	<b>7,237,620</b>	<b>1,894,192</b>	<b>11,839</b>	<b>18,735,508</b>	<b>66,009,767</b>
On Balance Sheet Long Position	-	-	7,637,941	10,464,164	5,017,108	-	23,119,213
On Balance Sheet Short Position	(15,083,593)	(4,947,550)	-	-	-	(3,088,070)	(23,119,213)
Off-Balance Sheet Long Position	3,427,681	9,295,931	-	-	-	-	12,723,612
Off-Balance Sheet Short Position	-	-	(2,125,543)	(8,548,548)	(1,831,338)	-	(12,505,429)
<b>Total Position</b>	<b>(11,655,912)</b>	<b>4,348,381</b>	<b>5,512,398</b>	<b>1,915,616</b>	<b>3,185,770</b>	<b>(3,088,070)</b>	<b>218,183</b>

(\*) Non Interest Bearing column includes accruals and derivative financial instruments' fair value valuation difference.

(\*\*) Financial Assets at Fair Value Through Profit/Loss include TL 1,927,795 derivative financial assets used for hedging purposes.

(\*\*\*) Other Liabilities include derivative financial liabilities used for hedging purposes amounting to TL 82,749.

**Average interest rates applied to monetary financial instruments**

Current Period	EURO %	USD %	JPY %	TL %
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	0.15	0.74	-	11.18
Financial Assets at Fair Value Through Profit/Loss	3.53	4.64	-	9.66
Money Market Placements	-	-	-	-
Investment Securities Available for Sale	4.73	5.43	-	10.08
Loans and Receivables	5.13	4.35	4.44	12.70(*)
Investment Securities Held to Maturity	-	5.39	-	11.78
<b>Liabilities</b>				
Bank Deposits	0.46	0.93	-	10.34
Other Deposits	1.89	2.03	0.25	9.36
Money Market Borrowings	0.40	0.62	-	8.75
Sundry Creditors	-	0.09	-	-
Securities Issued	-	5.49	-	10.08
Funds Borrowed	1.64	3.02	-	8.40

(\*) The yield of loans and receivables is 10.71% excluding credit cards.

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<b>Prior Period</b>	<b>EURO</b>	<b>USD</b>	<b>JPY</b>	<b>TL</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	-	-	-	8.13
Financial Assets at Fair Value Through Profit/Loss	3.34	4.49	-	9.08
Money Market Placements	-	-	-	-
Investment Securities Available for Sale	4.81	5.20	-	7.93
Loans and Receivables	5.59	4.64	5.18	14.33 <sup>(*)</sup>
Investment Securities Held to Maturity	-	5.61	-	7.71
<b>Liabilities</b>				
Bank Deposits	2.14	2.29	-	8.37
Other Deposits	2.96	3.05	2.09	8.91
Money Market Borrowings	0.85	0.77	-	7.23
Sundry Creditors	0.12	0.08	-	-
Securities Issued	-	5.36	-	9.00
Funds Borrowed	1.55	3.1	-	8.40

<sup>(\*)</sup> The yield of loans and receivables is 12.62% 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 prepayment rates of loans are considered managing the interest rate risk.

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 the 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.

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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 the Assets and Liability Committee, the Risk Committee and the Board of Directors.

Type of Currency	Shocks Applied (+/- x basis points)	Gains/Losses	Gains/Equity- Losses/Equity
1. TL	(+) 500	(747,373)	%(7.14)
	(-) 400	720,439	%6.88
2. EUR	(+) 200	(65,340)	%(0.62)
	(-) 200	70,508	%0.67
3. USD	(+) 200	(65,730)	%(0.63)
	(-) 200	75,103	%0.72
<b>Total (of negative shocks)</b>		866,050	%8.27
<b>Total (of positive shocks)</b>		(878,443)	%(8.39)

**Position risk of equity securities in banking book**

Equity Securities (shares)	Comparison		
	Carrying Value	Fair Value	Market Value
<b>1. Investment in Shares- grade A</b>	<b>14,786</b>	-	<b>14,786</b>
Quoted Securities	14,786	-	14,786
<b>2. Investment in Shares- grade B</b>	<b>255,430</b>	-	<b>255,430</b>
Quoted Securities	255,430	-	255,430
<b>3. Investment in Shares- grade C</b>	-	-	-
Quoted Securities	-	-	-
<b>4. Investment in Shares- grade Other (*)</b>	<b>322,250 (*)</b>	<b>194,916 (**)</b>	-

(\*) Includes associates, subsidiaries and entities under common control not quoted to ISE and not classified as investment in shares by CMB.

(\*\*) After the disposal of 51% of Finans Emeklilik ve Hayat A.Ş., the remaining 49% of the shares are accounted for at fair value, as explained in detail in Part 5, Footnote II-15.

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
			Total		Total	
1. Private Equity Investments	-	-	-	-	-	
2. Quoted Shares	1,306	-	-	1,033	465	
3. Other Shares	-	-	-	-	-	
<b>4. Total</b>	<b>1,306</b>	-	-	<b>1,033</b>	<b>465</b>	

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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.

In order to overcome the liquidity risk, the Bank diversifies its funding sources. Besides, in order to secure short term liquidity requirements, Bank heads for bond issuances and long term foreign borrowings.

The Bank evaluates its liquidity position on a daily basis. Liquidity reports, cash flow projections and scenarios are analyzed by the top management at Asset/Liability Committee meetings which are held monthly. Besides legal reports of liquidity adequacy, short-term liquidity position is monitored using the liquidity ratio, calculated daily by the Market Risk Committee. Liquidity reports in the context of Basel III are monitored monthly. Simulations for probable scenarios during crises are performed by calculating the liquidity life span according to various scenarios.

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 12% (December 31, 2013 – 12%) 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 More	Unallocated (*)	Total
<b>Assets</b>								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R Central Bank	2,218,969	6,982,622	-	-	-	-	-	9,201,591
Due from Banks	182,056	-	-	16,555	-	-	-	198,611
Financial Assets at Fair Value Through Profit/Loss (**)	-	69,176	206,566	1,114,434	1,876,159	306,964	-	3,573,299
Money Markets Placements	-	-	-	-	-	-	-	-
Investment Securities Available for Sale	35,909	-	291	571,799	1,688,609	3,161,307	-	5,457,915
Loans and Receivables	-	11,978,703	4,670,175	14,209,147	13,401,779	4,273,734	551,694	49,085,232
Investment Securities Held to Maturity	-	-	-	497,860	833,154	2,229,936	-	3,560,950
Other Assets	-	982,343	-	10,148	147,552	-	2,327,295	3,467,338
<b>Total Assets</b>	<b>2,436,934</b>	<b>20,012,844</b>	<b>4,877,032</b>	<b>16,419,943</b>	<b>17,947,253</b>	<b>9,971,941</b>	<b>2,878,989</b>	<b>74,544,936</b>
Bank Deposits	25,516	1,328,366	179,595	292	-	-	-	1,533,769
Other Deposits	5,769,279	23,161,886	9,471,616	2,156,338	126,215	287	-	40,685,621
Funds Borrowed	-	468,386	2,131,145	1,485,051	551,300	2,288,681	-	6,924,563
Money Market Borrowings	-	3,146,167	493,859	-	-	-	-	3,640,026
Securities Issued	-	642,873	884,939	864,413	2,896,202	-	-	5,288,427
Sundry Creditors	-	3,833,451	-	-	-	-	-	3,833,451
Other Liabilities (***)	-	1,607,404	360,903	673,677	62,160	166,798	9,768,137	12,639,079
<b>Total Liabilities</b>	<b>5,794,795</b>	<b>34,188,533</b>	<b>13,522,057</b>	<b>5,179,771</b>	<b>3,635,877</b>	<b>2,455,766</b>	<b>9,768,137</b>	<b>74,544,936</b>
<b>Liquidity Gap</b>	<b>(3,357,861)</b>	<b>(14,175,689)</b>	<b>(8,645,025)</b>	<b>11,240,172</b>	<b>14,311,376</b>	<b>7,516,175</b>	<b>(6,889,148)</b>	<b>-</b>
<b>Prior Period</b>								
Total Assets	2,137,549	17,281,265	4,825,032	13,758,627	17,727,073	8,349,037	1,931,184	66,009,767
Total Liabilities	5,718,769	28,400,501	12,261,606	5,730,524	3,483,345	1,570,799	8,844,223	66,009,767
<b>Net Liquidity Gap</b>	<b>(3,581,220)</b>	<b>(11,119,236)</b>	<b>(7,436,574)</b>	<b>8,028,103</b>	<b>14,243,728</b>	<b>6,778,238</b>	<b>(6,913,039)</b>	<b>-</b>

(\*) 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 8,291,403, unallocated provisions amounting to TL 1,408,167.

(\*\*) Financial Assets at Fair Value Through Profit/Loss include derivative financial assets held for hedging purposes amounting to TL 2,075,175.

(\*\*\*) Other Liabilities also include derivative financial liabilities held for hedging purposes amounting to TL 223,297.

**VII. Explanations Related to Securitization Positions**

As of September 30, 2014, the Bank has no securitization positions.

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**VIII. Explanations Related to Credit Risk Mitigation Techniques**

The Bank applies Comprehensive Financial Collateral Method with Standard Volatility Adjustment Approach in compliance with the Article 34 and 37 of the “Regulation on Credit Risk Mitigation Techniques”. In this method, the volatility adjustments regarding the exposures and collaterals are made as per the standard deduction ratio that attached to the Regulation.

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

<b>Exposure Categories (**)</b>	<b>Amount(*)</b>	<b>Financial Collaterals</b>	<b>Other/Physical Collaterals</b>	<b>Guarantees and Credit Derivatives</b>
Conditional and unconditional receivables from central governments or central banks	16,889,227	-	-	-
Conditional and unconditional receivables from regional or local governments	5,287	43	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	600	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	4,595,591	1,552,562	-	-
Conditional and unconditional receivables from corporates	25,431,548	662,504	-	-
Conditional and unconditional retail receivables	39,361,193	273,369	-	-
Conditional and unconditional receivables secured by mortgages	14,306,904	-	-	-
Past due receivables	505,692	92	-	-
Receivables defined in high risk category by BRSA	6,074,543	72,158	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	30,957	-	-	-
Other receivables	3,851,703	-	-	-
<b>Total</b>	<b>111,053,245</b>	<b>2,560,728</b>	<b>-</b>	<b>-</b>

(\*) Includes total risk amounts before credit risk mitigation and liquidity conversions.

(\*\*) The mortgages used for the determination of the risk categories as per the article 6 of the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks”, are excluded.

**IX Explanations Related to 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.

Besides the Bank's risk principles and targets, the aim of the risk strategy is to describe the Bank's current and targeted risk profile and appetite, risk management and organization and the Bank's general approach as defined by principal risk management capacities. The scope of the risk strategy includes the Bank and all of its subsidiaries in the 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.

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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,
- In order to maintain the stability of the yields 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 the 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 risk management culture throughout the Bank.

**X. Explanations related to transactions carried out on behalf of customers, items held in trust**

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.



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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	649,167	299,828	633,496	413,140
T.R. Central Bank	644,365	7,576,706	253,764	6,906,881
Other	31,254	271	451	661
<b>Total</b>	<b>1,324,786</b>	<b>7,876,805</b>	<b>887,711</b>	<b>7,320,682</b>

b) Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	644,365	594,084	253,764	499,042
Restricted Time Deposits	-	6,982,622	-	6,407,839
<b>Total</b>	<b>644,365</b>	<b>7,576,706</b>	<b>253,764</b>	<b>6,906,881</b>

As of September 30, 2014, the compulsory rates for the reserve deposits at the Central Bank of Turkey for Turkish Lira are implemented within an interval from 5% to 11.5% depending on the maturity of deposits (December 31, 2013 – 5% to 11.5%) and the compulsory rates for the foreign currency liabilities are within an interval from 6% to 13% depending on the maturity of deposits (December 31, 2013 – 6% to 13%).

According to T. C. Central Bank press release No. 2014-72 dated October 21, 2014, as of November 2014, interest will be paid on TL portion of Reserve Requirements.

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

a) Trading securities given as collateral or blocked

None (December 31, 2013 – None).

b) Trading securities subject to repurchase agreements

None (December 31, 2013 – TL 126,355).

c) Assets on trading derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	61,211	-	107,327	-
Swap Transactions	1,121,825	81,369	922,629	61,661
Futures Transactions	-	1,042	-	486
Options	-	64,593	-	189,378
Other	-	-	-	-
<b>Total</b>	<b>1,183,036</b>	<b>147,004</b>	<b>1,029,956</b>	<b>251,525</b>

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

**3. a) Information on banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	16,714	56	5,036	70
Foreign	565	181,276	1	301,018
Foreign Head Offices and Branches	-	-	-	-
<b>Total</b>	<b>17,279</b>	<b>181,332</b>	<b>5,037</b>	<b>301,088</b>

**b) Information on foreign bank accounts**

	Unrestricted Amount		Restricted Amount <sup>(**)</sup>	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	122,454	44,855	1,696	1,730
USA and Canada	49,422	233,566	1,629	1,528
OECD Countries <sup>(*)</sup>	5,623	17,136	-	-
Off-shore Banking Regions	-	-	-	-
Other	1,017	2,204	-	-
<b>Total</b>	<b>178,516</b>	<b>297,761</b>	<b>3,325</b>	<b>3,258</b>

<sup>(\*)</sup> Includes OECD countries other than the EU countries, USA and Canada.

<sup>(\*\*)</sup> Includes blocked placements at foreign banks amounting to TL 3,325 (December 31, 2013 - TL 3,258) for the syndication and securitization loans received.

**4. Information on receivables from reverse repurchase agreements**

None.

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**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	494,585	-	393,114	-
Other	-	-	-	-
<b>Total</b>	<b>494,585</b>	<b>-</b>	<b>393,114</b>	<b>-</b>

**b) Investment securities available for sale subject to repurchase agreements**

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	1,410,286	844,028	1,290,612	973,547
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>1,410,286</b>	<b>844,028</b>	<b>1,290,612</b>	<b>973,547</b>

**c) Investment securities available for sale**

	Current Period	Prior Period
<b>Debt securities</b>	<b>5,482,165</b>	<b>5,921,758</b>
Quoted on a stock exchange (*)	5,475,480	5,906,321
Unquoted on a stock exchange	6,685	15,437
<b>Share certificates</b>	<b>36,354</b>	<b>35,471</b>
Quoted on a stock exchange (**)	32,129	31,246
Unquoted on a stock exchange	4,225	4,225
<b>Impairment provision(-)</b>	<b>(60,604)</b>	<b>(214,541)</b>
<b>Total</b>	<b>5,457,915</b>	<b>5,742,688</b>

(\*) The Eurobond Portfolio amounting to TL 941,050 (December 31, 2013 – TL 851,341) 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 105,266 (December 31, 2013 – TL 102,502) 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 32,019 (December 31, 2013 – TL 30,913).

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**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
<b>Direct Loans Granted to Shareholders</b>	<b>1,658</b>	<b>61,074</b>	-	<b>32,895</b>
Corporate Shareholders	1,658	61,074	-	32,895
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees <sup>(*)</sup>	71,833	-	71,031	-
<b>Total</b>	<b>73,491</b>	<b>61,074</b>	<b>71,031</b>	<b>32,895</b>

(\*) 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**

	Performing Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	Loans and Other Receivables (Total)	Loans and Other Receivables (Total)
		Extension of Repayment Plan	Other		Extension of Repayment Plan	Other
<b>Cash Loans<sup>(*)</sup></b>						
<b>Non-specialized Loans</b>	<b>45,367,333</b>	<b>888,769</b>	-	<b>3,280,270</b>	<b>1,034,066</b>	-
Discount Notes	731,519	-	-	9,973	-	-
Export Loans	1,437,436	-	-	34,044	-	-
Import Loans	6,118	-	-	-	-	-
Loans Given to Financial Sector	971,013	-	-	-	-	-
Retail Loans	12,521,423	238,197	-	1,130,897	271,953	-
Credit Cards	7,946,209	245,481	-	854,399	539,631	-
Other	21,753,615	405,091	-	1,250,957	222,482	-
<b>Specialized Loans</b>	-	-	-	-	-	-
<b>Other Receivables</b>	-	-	-	-	-	-
<b>Total</b>	<b>45,367,333</b>	<b>888,769</b>	-	<b>3,280,270</b>	<b>1,034,066</b>	-

(\*) The loans amounting to TL 114,065 (December 31, 2013 – TL 185,074) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

Times Payment Plan has been restructured	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
	1 or 2 times	888,167
3, 4 or 5 times	592	9,981
Over 5 times	10	862
Extension Periods	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
	0 - 6 months	234,979
6 -12 months	33,625	91,079
1 - 2 years	204,012	321,671
2 - 5 years	175,085	487,975
5 years and over	241,068	83,634
<b>Total</b>	<b>888,769</b>	<b>1,034,066</b>

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

<b>Cash Loans (*)</b>	<b>Performing Loans and Other Receivables</b>		<b>Loans and Other Receivables Under Close Monitoring</b>	
	<b>Loans and Other Receivables</b>	<b>Loans and Receivables with Revised Contract Terms</b>	<b>Loans and Other Receivables</b>	<b>Loans and Receivables with Revised Contract Terms</b>
<b>Short-term Loans</b>	<b>21,702,991</b>	<b>245,481</b>	<b>854,399</b>	<b>539,631</b>
Non-specialized Loans	21,702,991	245,481	854,399	539,631
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Medium and Long-term Loans</b>	<b>23,664,342</b>	<b>643,288</b>	<b>2,425,871</b>	<b>494,435</b>
Non-specialized Loans	23,664,342	643,288	2,425,871	494,435
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>45,367,333</b>	<b>888,769</b>	<b>3,280,270</b>	<b>1,034,066</b>

(\*) The loans amounting to TL 114,065 (December 31, 2013 – TL 185,074) 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**

	<b>Short Term</b>	<b>Medium and Long Term</b>	<b>Total</b>	<b>Interest and Income Accruals</b>
<b>Consumer Loans-TL</b>	<b>213,836</b>	<b>11,719,624</b>	<b>11,933,460</b>	<b>137,554</b>
Housing Loans	1,774	5,846,715	5,848,489	84,431
Automobile Loans	332	53,405	53,737	474
Personal Need Loans	208,727	5,819,504	6,028,231	52,649
Other	3,003	-	3,003	-
<b>Consumer Loans-FC Indexed</b>	<b>-</b>	<b>25,278</b>	<b>25,278</b>	<b>18,623</b>
Housing Loans	-	24,220	24,220	17,646
Automobile Loans	-	-	-	-
Personal Need Loans	-	1,058	1,058	977
Other	-	-	-	-
<b>Consumer Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
<b>Individual Credit Cards-TL</b>	<b>7,367,488</b>	<b>348,135</b>	<b>7,715,623</b>	<b>79,567</b>
Installment	2,837,162	348,135	3,185,297	32,840
Non- Installment	4,530,326	-	4,530,326	46,727
<b>Individual Credit Cards-FC</b>	<b>3,071</b>	<b>-</b>	<b>3,071</b>	<b>18</b>
Installment	-	-	-	-
Non- Installment	3,071	-	3,071	18
<b>Personnel Loans-TL</b>	<b>5,515</b>	<b>35,244</b>	<b>40,759</b>	<b>238</b>
Housing Loans	-	206	206	1
Automobile Loans	-	74	74	1
Personal Need Loans	5,515	34,964	40,479	236
Other	-	-	-	-
<b>Personnel Loans-FC Indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>27,156</b>	<b>-</b>	<b>27,156</b>	<b>-</b>
Installment	10,376	-	10,376	-
Non-Installment	16,780	-	16,780	-
<b>Personnel Credit Cards-FC</b>	<b>67</b>	<b>-</b>	<b>67</b>	<b>-</b>
Installment	-	-	-	-
Non-Installment	67	-	67	-
<b>Overdraft Accounts-TL (Real Persons)</b>	<b>1,403,876</b>	<b>-</b>	<b>1,403,876</b>	<b>92,532</b>
<b>Overdraft Accounts-FC (Real Persons)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>9,021,009</b>	<b>12,128,281</b>	<b>21,149,290</b>	<b>328,532</b>

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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
<b>Commercial Loans with Installment Facility – TL</b>	<b>718,633</b>	<b>7,492,493</b>	<b>8,211,126</b>	<b>113,096</b>
Real Estate Loans	1,627	168,671	170,298	2,087
Automobile Loans	5,618	313,426	319,044	5,035
Personal Need Loans	711,388	7,010,396	7,721,784	105,974
Other	-	-	-	-
<b>Commercial Loans with Installment Facility - FC Indexed</b>	<b>58,578</b>	<b>1,093,976</b>	<b>1,152,554</b>	<b>126,430</b>
Real Estate Loans	-	32,438	32,438	5,445
Automobile Loans	462	73,902	74,364	8,201
Personal Need Loans	58,116	987,636	1,045,752	112,784
Other	-	-	-	-
<b>Commercial Loans with Installment Facility – FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
<b>Corporate Credit Cards –TL</b>	<b>963,140</b>	<b>1,410</b>	<b>964,550</b>	<b>9,912</b>
Installment	248,118	1,410	249,528	2,564
Non-Installment	715,022	-	715,022	7,348
<b>Corporate Credit Cards –FC</b>	<b>640</b>	<b>-</b>	<b>640</b>	<b>4</b>
Installment	-	-	-	-
Non-Installment	640	-	640	4
<b>Overdraft Accounts-TL (Legal Entities)</b>	<b>823,748</b>	<b>-</b>	<b>823,748</b>	<b>1,355</b>
<b>Overdraft Accounts-FC (Legal Entities)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2,564,739</b>	<b>8,587,879</b>	<b>11,152,618</b>	<b>250,797</b>

**f) Loans according to borrowers <sup>(\*)</sup>**

	Current Period	Prior Period
Public	160,356	150,108
Private	48,487,247	42,250,717
<b>Total</b>	<b>48,647,603</b>	<b>42,400,825</b>

<sup>(\*)</sup> The loans amounting to TL 114,065 (December 31, 2013 – TL 185,074) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

**g) Domestic and foreign loans <sup>(\*)</sup>**

	Current Period	Prior Period
Domestic Loans	48,493,286	42,209,080
Foreign Loans	154,317	191,745
<b>Total</b>	<b>48,647,603</b>	<b>42,400,825</b>

<sup>(\*)</sup> The loans amounting to TL 114,065 (December 31, 2013 – TL 185,074) 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**

	<b>Current Period</b>	<b>Prior Period</b>
Direct Loans Granted to Subsidiaries and Associates	181,708	110,670
Indirect Loans Granted to Subsidiaries and Associates	-	-
<b>Total</b>	<b>181,708</b>	<b>110,670</b>

**i) Specific provisions for loans**

	<b>Current Period</b>	<b>Prior Period</b>
Specific Provisions		
Loans and Receivables with Limited Collectability	80,174	167,353
Doubtful Loans and Other Receivables	427,625	483,952
Uncollectible Loans and Receivables	1,775,028	1,805,823
<b>Total</b>	<b>2,282,827</b>	<b>2,457,128</b>

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

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>Current Period</b>			
(Gross Amounts Before the Specific Provisions)	2,916	4,657	81,313
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	2,916	4,657	81,313
<b>Prior Period</b>			
(Gross Amounts Before the Specific Provisions)	221	1,700	159,808
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	221	1,700	159,808

**j.2) Movement of non-performing loans<sup>(\*)</sup>**

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>Prior Period End Balance</b>	<b>419,095</b>	<b>740,935</b>	<b>1,805,823</b>
Additions (+)	961,894	79,993	112,842
Transfers from Other Categories of Non-Performing Loans (+)	-	888,897	910,278
Transfers to Other Categories of Non-Performing Loans (-)	888,897	910,278	-
Collections (-)	94,341	130,284	232,834
<b>Write-offs (-)**</b>	<b>61</b>	<b>7,460</b>	<b>821,081</b>
Corporate and Commercial Loans	61	7,449	268,943
Consumer Loans	-	11	223,869
Credit Cards	-	-	328,269
Others	-	-	-
<b>Current Period End Balance</b>	<b>397,690</b>	<b>661,803</b>	<b>1,775,028</b>
Specific Provision (-)	80,174	427,625	1,775,028
<b>Net Balances on Balance Sheet</b>	<b>317,516</b>	<b>234,178</b>	<b>-</b>

<sup>(\*)</sup>Based on the "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside", the Bank provided specific provisions for its 3rd group commercial loans with 100% provision rate in the prior period, whereas in the current period the Bank provided provision by using minimum provision ratios. After the stated change, the Bank has provided TL 79,169 less provision in the current period as compared to the provisioning method used in the prior period.

<sup>(\*\*)</sup> In current period, legally nonperforming loan receivables amounting to TL 571,958 have been sold for TL 127,600 whereas loan receivables amounting to TL 254,341 have been sold for TL 8,550 cash and share from future collections.



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

None (December 31, 2013 - None).

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>Current Period (Net)</b>	<b>317,516</b>	<b>234,178</b>	-
Loans to Real Persons and Legal Entities (Gross)	397,690	661,803	1,764,762
Specific provision (-)	(80,174)	(427,625)	(1,764,762)
Loans to Real Persons and Legal Entities (Net)	317,516	234,178	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	10,266
Specific provision (-)	-	-	(10,266)
Other Loans and Receivables (Net)	-	-	-
<b>Prior Period (Net)</b>	<b>251,742</b>	<b>256,983</b>	-
Loans to Real Persons and Legal Entities (Gross)	419,095	740,935	1,804,591
Specific provision (-)	(167,353)	(483,952)	(1,804,591)
Loans to Real Persons and Legal Entities (Net)	251,742	256,983	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	1,232
Specific provision (-)	-	-	(1,232)
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**

**a) Information on financial assets held as collateral/blocked held-to-maturity**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Share Certificates	-	-	-	-
Bond, Treasury Bill and Similar Marketable Securities	523,410	-	126,049	-
Other	-	-	-	-
<b>Toplam</b>	<b>523,410</b>	<b>-</b>	<b>126,049</b>	<b>-</b>

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**b) Information on financial assets held-to-maturity subject to repurchase agreements**

Held-to-maturity financial assets subject to repurchase agreements amount to TL 1,552,352 (December 31, 2013: TL 1,425,091) as of balance sheet date.

**c) Information on financial government debt securities held-to-maturity**

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	2,947,574	33,039	2,446,859	20,820
Treasury Bill	62,468	-	-	-
Other Debt Securities	-	-	-	-
<b>Total</b>	<b>3,010,042</b>	<b>33,039</b>	<b>2,446,859</b>	<b>20,820</b>

**d) Information on investment securities held-to-maturity**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Debt Securities</b>	<b>3,010,042</b>	<b>550,908</b>	<b>2,446,859</b>	<b>378,920</b>
Publicly-traded	3,010,042	550,908	2,446,859	378,920
Non-publicly traded	-	-	-	-
<b>Provision for losses (-)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>3,010,042</b>	<b>550,908</b>	<b>2,446,859</b>	<b>378,920</b>

**e) Movement of held-to-maturity investments**

	Current Period	Prior Period
Value at the beginning of the period	2,825,779	-
Exchange differences on monetary assets	25,342	29,197
Acquisitions during the year (*)	512,693	2,768,370(*)
Disposals through sales and redemptions	-	-
Provision for losses (-)	-	-
Valuation effect	197,136	28,212
<b>The sum of end of the period</b>	<b>3,560,950</b>	<b>2,825,779</b>

(\*) Debt securities with the nominal value of TL 1,601,660 reclassified to held-to-maturity investments from available for sale financial assets on June 21, 2013 are classified under acquisitions during the year.

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**8. Investments in associates (Net):**

**8.1. Investments in associates:**

**a) Information on the unconsolidated subsidiaries**

<b>Title</b>	<b>Address (City/ Country)</b>	<b>Bank's Share-If Different, Voting Rights (%)</b>	<b>Bank's Risk Group Share (%)</b>
Bankalararası Kart Merkezi (BKM) (*)	Istanbul/Turkey	9.23%	9.23%

  

<b>Total Assets</b>	<b>Shareholder's Equity</b>	<b>Total Fixed Assets</b>	<b>Interest Income</b>	<b>Income on Securities Portfolio</b>	<b>Current Period Profit/Loss</b>	<b>Prior Period Profit/Loss</b>	<b>Company's Fair Value</b>
54,167	31,256	33,312	639	-	8,874	4,171	-

(\*) Current period information is obtained from financial statements as of September 30, 2014 while prior period profit and loss information is obtained from financial statements as of September 30, 2013.

**b) Information on the consolidated subsidiaries: None.**

**8.2. Movements of investments in associates**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balance at the Beginning of Period</b>	<b>3,766</b>	<b>7,977</b>
<b>Movements During the Period</b>	<b>-</b>	<b>(4,211)</b>
Purchases	-	-
Bonus Shares Received	-	-
Dividends From Current Year Profit	-	-
Sales	-	-
Reclassifications	-	(4,211) (*)
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
<b>Balance at the End of the Period</b>	<b>3,766</b>	<b>3,766</b>
<b>Capital Commitments</b>	<b>-</b>	<b>-</b>
<b>Share Percentage at the End of the Period (%)</b>	<b>-</b>	<b>-</b>

(\*) Represents classification of TL 4,211 share of Kredi Garanti Fonu A.Ş. to available for sale assets.

**8.3. Sectoral distribution of associates**

	<b>Current Period</b>	<b>Prior Period</b>
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	3,766	3,766
<b>Total</b>	<b>3,766</b>	<b>3,766</b>

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**8.4. Quoted Associates**

None (December 31, 2013 - None).

**8.5. Valuation methods of investments in associates**

	Current Period	Prior Period
Valued at Cost	3,766	3,766
Valued at Fair Value	-	-
Valued at Equity Method	-	-
<b>Total</b>	<b>3,766</b>	<b>3,766</b>

**8.6. Investments in associates sold during the current period**

None. (December 31, 2013 - None).

**8.7. Investments in associates acquired during the current period**

None. (December 31, 2013 - 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%
EFINANS Elektronik Ticaret ve Bilişim Hizmetleri A.Ş (*)	Istanbul/Turkey	51.00%	51.00%

  

(**)	Total Assets	Shareholders' Equity	Total Fixed Asset	Interest Income	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1.	34,151	24,778	17,410	-	-	9,661	5,653	-
2. (*)	6,920	6,123	5,040	191	-	123	-	-

(\*) Represents the investment for the foundation of EFINANS Elektronik Ticaret ve Bilişim Hizmetleri A.Ş. amounting to TL 3,060. In the Board of Directors meeting on August 22, 2013, it has been decided that the Bank shall participate with 51% share and TL 3,060 capital in the foundation of EFINANS Elektronik Ticaret ve Bilişim Hizmetleri Anonim Şirketi which is located in Istanbul and is founded with a total of TL 6,000 capital. The foundation of the Company has been announced in Commercial Registry Gazette, dated September 16, 2013 and numbered 8405.

(\*\*) Current period information is obtained from financial statements as of September 30, 2014, prior period profit and loss information is obtained from financial statements as of September 30, 2014.

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**b) Information on the consolidated subsidiaries:**

**b.1) Information on the consolidated subsidiaries**

<b>Subsidiary</b>	<b>Address (City/Country)</b>	<b>Bank's Share – If Different, Voting Rights (%)</b>	<b>Bank's Risk Group Share (%)</b>
1. Finans Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	99.60	99.74
2. Finans Finansal Kiralama A.Ş.	Istanbul/Turkey	51.06	69.01
3. Finans Yatırım Ortaklığı A.Ş. (**)	Istanbul/Turkey	76.06 <sup>(*)</sup>	76.15
4. Finans Portföy Yönetimi A.Ş.	Istanbul/Turkey	0.01	99.71
5. Finans Faktoring Hizmetleri A.Ş.	Istanbul/Turkey	99.99	100.00

<sup>(\*)</sup>The share of the Bank is 10.01%, the remaining 66.05% shareholding represents the purchases of publicly traded shares on the Istanbul Stock Exchange.

<sup>(\*\*)</sup> As per Board of Directors meeting dated 21 May 2014, it has been decided for the liquidation of Finans Investment Trust. Liquidation decision will be presented for the approval of the shareholders at the General Board Meeting and those who vote unfavorably and oppose will be granted the right to resign from the Company. The Extraordinary General Meeting is done in October 20, 2014.

Information on subsidiaries in the order presented in the table above

	<b>Total Assets</b>	<b>Shareholders' Equity</b>	<b>Total Fixed Assets</b>	<b>Interest Income</b>	<b>Income on Securities Portfolio</b>	<b>Current Period Profit/Loss</b>	<b>Prior Period Profit/Loss</b>	<b>Company's Fair Value <sup>(**)</sup></b>
1. (*)	310,069	151,489	3,737	12,107	2,947	2,574	1,621	-
2. (*)	1,864,256	543,627	963	107,895	-	33,961	35,937	500,250
3. (*)	21,285	21,002	1	985	715	1,359	(1,040)	19,440
4. (*)	11,216	10,290	601	899	4	562	967	-
5. (*)	500,086	31,532	861	39,133	-	3,110	1,189	-

<sup>(\*)</sup> Current period information represents September 30, 2014 figures, and prior period profit/loss amounts represent September 30, 2013 figures as per the financial statements prepared in accordance with BRSA regulations.

<sup>(\*\*)</sup> 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**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balance at the Beginning of the Period</b>	<b>405,170</b>	<b>476,617</b>
<b>Movements during the period</b>	<b>(32,235)</b>	<b>(71,447)</b>
Purchases	-	-
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Disposals	-	(1,069)
Changes Due to Reclassification	-	-
Revaluation Increase	(32,235)	(70,378)
Impairment Provision	-	-
<b>Balance at the End of the Period</b>	<b>372,935</b>	<b>405,170</b>
<b>Capital Commitments</b>	<b>-</b>	<b>-</b>
<b>Share Percentage at the end of the Period (%)</b>	<b>-</b>	<b>-</b>

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**b.3) Sectoral distribution of subsidiaries**

	<b>Current Period</b>	<b>Prior Period</b>
Banks	-	-
Insurance Companies	-	-
Factoring Companies	20,000	20,000
Leasing Companies	255,428	284,787
Finance Companies	-	-
Other Subsidiaries	97,507	100,383
<b>Total</b>	<b>372,935</b>	<b>405,170</b>

**b.4) Quoted subsidiaries within the context of consolidation**

	<b>Current Period</b>	<b>Prior Period</b>
Quoted on Domestic Stock Exchanges	270,214	302,448
Quoted on International Stock Exchanges	-	-
<b>Total</b>	<b>270,214</b>	<b>302,448</b>

**b.5) Explanation to capital adequacy of the significant subsidiaries**

The Bank does not have any significant subsidiaries.

**10. Investments in entities under common control:**

	<b>The Bank's Share</b>	<b>The Group's Share</b>	<b>Current Assets</b>	<b>Fixed Assets</b>	<b>Long Term Debt</b>	<b>Current Period Profit/Loss</b>	<b>Prior Period Profit/Loss</b>
Cigna Finans Emeklilik ve Hayat A.Ş. <sup>(*)</sup>	%33.33	%33.33	11,990	10,436	720	3,052	2,712
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. <sup>(*)</sup>	49.00%	49.00%	237,682	444,852	506,277	20,855	8,403

<sup>(\*)</sup> Current period information represents September 30, 2014 figures, prior period information is obtained from the financial statements from September 30, 2013.

**11. Information on leasing receivables (Net)**

None (December 31, 2013 - None).

**12. Information on hedging purpose derivatives**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Fair Value Hedge <sup>(*)</sup>	1,509,393	44,488	1,487,743	61,426
Cash Flow Hedge	521,294	-	378,626	-
Hedge of Net Investment in Foreign Operations	-	-	-	-
<b>Total</b>	<b>2,030,687</b>	<b>44,488</b>	<b>1,866,369</b>	<b>61,426</b>

<sup>(\*)</sup> Derivative financial instruments designated for the fair value hedge purposes comprise of swaps. As of September 30, 2014, TL 44,488 (December 31, 2013 - TL 84,918) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in securities and TL 1,509,303 (December 31, 2013 - TL 1,464,251) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in loans.

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**13. Information on tax asset**

As of September 30, 2014, the Bank's deferred tax asset calculated in accordance with subject regulations is none (December 31, 2013 – TL 78,670 deferred tax asset).

As of September 30, 2014, the Bank has TL 10,148 current tax asset (December 31, 2013 - none). The Bank presents net of current tax liability and prepaid tax amount in unconsolidated financial statements.

**14. Information on assets held for sale and discontinued operations**

As of September 30, 2014, The Bank has re-classified its real estate property with a net book value of TL 51,265 from Tangible Assets to Assets held for Sale.

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**15. Information on other assets**

**15.1. Information on prepaid expense, tax and similar items**

	<b>Current Period</b>	<b>Prior Period</b>
Cheques Receivables from Other Banks	383,798	188,161
Other Prepaid Expenses	330,460	284,026
Assets Held for Sale (Net)	147,553	161,832
Collateral Given for Derivative Transactions	88,854	82,739
Miscellaneous Receivables	72,201	109,161
Prepaid Rent Expenses	35,768	30,339
Advances Given	11,894	307,868
Prepaid Agency Commissions	700	3,643
Other	58,707	54,762
<b>Total</b>	<b>1,129,935</b>	<b>1,222,531</b>

**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:

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Derivative Financial Instruments Held for Hedging Purposes	2,030,687	44,488	1,866,369	61,426
Assets on Trading Derivatives	1,183,036	147,004	1,029,956	251,525
Loans and Receivables	649,895	108,773	632,960	73,137
Investments Securities Available for Sale	112,308	38,831	95,011	11,539
Investments Held-to-Maturity	62,468	8,538	23,336	4,876
Banks	555	-	143	-
Trading Securities	77	48	133	37
Other Accruals	20,901	-	206	-
<b>Total</b>	<b>4,059,927</b>	<b>347,682</b>	<b>3,648,114</b>	<b>402,540</b>



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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
<b>Saving Deposits</b>	<b>1,529,224</b>	-	<b>2,153,123</b>	<b>11,009,073</b>	<b>449,249</b>	<b>346,808</b>	<b>1,437,587</b>	<b>3,958</b>	<b>16,929,022</b>
<b>Foreign Currency Deposits</b>	<b>1,817,134</b>	-	<b>1,620,011</b>	<b>7,400,183</b>	<b>349,745</b>	<b>169,900</b>	<b>466,452</b>	<b>3,824</b>	<b>11,827,249</b>
Residents in Turkey	1,766,771	-	1,592,652	7,280,468	317,702	152,583	429,466	3,824	11,543,466
Residents Abroad	50,363	-	27,359	119,715	32,043	17,317	36,986	-	283,783
<b>Public Sector Deposits</b>	<b>271,358</b>	-	<b>24,387</b>	<b>81,506</b>	<b>794</b>	<b>874,272</b>	-	-	<b>1,252,317</b>
<b>Commercial Deposits</b>	<b>1,519,885</b>	-	<b>1,758,253</b>	<b>4,569,117</b>	<b>297,581</b>	<b>169,975</b>	<b>90,776</b>	-	<b>8,405,587</b>
<b>Other Ins. Deposits</b>	<b>23,068</b>	-	<b>57,752</b>	<b>1,003,566</b>	<b>15,217</b>	<b>462,702</b>	<b>49,292</b>	-	<b>1,611,597</b>
<b>Precious Metal Deposits</b>	<b>608,610</b>	-	<b>27,295</b>	<b>19,787</b>	<b>3,968</b>	<b>189</b>	-	-	<b>659,849</b>
<b>Bank Deposits</b>	<b>25,516</b>	-	<b>1,328,366</b>	<b>179,595</b>	-	<b>292</b>	-	-	<b>1,533,769</b>
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	7,849	-	357,737	-	-	-	-	-	365,586
Foreign Banks	16,064	-	970,629	179,595	-	292	-	-	1,166,580
Participation Banks	1,603	-	-	-	-	-	-	-	1,603
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5,794,795</b>	-	<b>6,969,187</b>	<b>24,262,827</b>	<b>1,116,554</b>	<b>2,024,138</b>	<b>2,044,107</b>	<b>7,782</b>	<b>42,219,390</b>

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
<b>Saving Deposits</b>	<b>1,633,745</b>	-	<b>1,986,642</b>	<b>10,796,200</b>	<b>979,428</b>	<b>436,045</b>	<b>312,848</b>	<b>5,859</b>	<b>16,150,767</b>
<b>Foreign Currency Deposits</b>	<b>1,538,744</b>	-	<b>853,894</b>	<b>6,321,244</b>	<b>644,676</b>	<b>461,652</b>	<b>351,038</b>	<b>5,695</b>	<b>10,176,943</b>
Residents in Turkey	1,490,688	-	841,434	6,220,353	597,287	441,805	283,983	5,695	9,881,245
Residents Abroad	48,056	-	12,460	100,891	47,389	19,847	67,055	-	295,698
<b>Public Sector Deposits</b>	<b>304,915</b>	-	<b>607</b>	<b>49,520</b>	<b>254</b>	<b>1,352,508</b>	-	-	<b>1,707,804</b>
<b>Commercial Deposits</b>	<b>1,462,761</b>	-	<b>1,760,050</b>	<b>3,724,540</b>	<b>209,984</b>	<b>123,627</b>	<b>52,502</b>	-	<b>7,333,464</b>
<b>Other Ins. Deposits</b>	<b>22,666</b>	-	<b>149,047</b>	<b>511,418</b>	<b>104,932</b>	<b>45,464</b>	<b>613</b>	-	<b>834,140</b>
<b>Precious Metal Deposits</b>	<b>734,417</b>	-	<b>24,330</b>	<b>11,191</b>	<b>6,948</b>	<b>161</b>	-	-	<b>777,047</b>
<b>Bank Deposits</b>	<b>21,521</b>	-	<b>893,646</b>	<b>409,845</b>	<b>11,499</b>	<b>4,982</b>	-	-	<b>1,341,493</b>
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2,101	-	-	48,672	4,103	2,045	-	-	56,921
Foreign Banks	19,419	-	893,646	361,173	7,396	2,937	-	-	1,284,571
Participation Banks	1	-	-	-	-	-	-	-	1
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5,718,769</b>	-	<b>5,668,216</b>	<b>21,823,958</b>	<b>1,957,721</b>	<b>2,424,439</b>	<b>717,001</b>	<b>11,554</b>	<b>38,321,658</b>

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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	9,179,360	7,860,834	7,749,103	8,280,585
Foreign Currency Savings Deposits	1,810,797	1,653,084	5,190,802	5,382,496
Other Saving Deposits		-		-
Foreign Branches' Deposits Under Foreign Insurance Coverage		-		-
Off-Shore Deposits Under Foreign Insurance Coverage		-		-
<b>Toplam</b>	<b>10,990,157</b>	<b>9,513,918</b>	<b>12,939,905</b>	<b>13,663,081</b>

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	37,239	32,736
Deposits obtained through illegal acts defined in the 282 <sup>nd</sup> 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	1,685	32,652
<b>Total</b>	<b>38,924</b>	<b>65,388</b>

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	57,573	-	108,202	-
Swaps	1,028,868	96,822	1,004,649	54,068
Futures	-	183	-	168
Options	-	54,988	-	135,472
Other	-	-	-	-
<b>Total</b>	<b>1,086,441</b>	<b>151,993</b>	<b>1,112,851</b>	<b>189,708</b>

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**3. Information on funds borrowed**

**a) Information on banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans	-	-	-	-
Domestic Bank and Institutions	104,498	144,213	111,366	119,170
Foreign Bank, Institutions and Funds	-	4,565,850	-	3,120,514
<b>Total</b>	<b>104,498</b>	<b>4,710,063</b>	<b>111,366</b>	<b>3,239,684</b>

**b) Maturity information on funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	104,498	3,849,826	111,366	2,510,248
Medium and Long-Term	-	860,237	-	729,436
<b>Total</b>	<b>104,498</b>	<b>4,710,063</b>	<b>111,366</b>	<b>3,239,684</b>

In accordance with the diversified payment rights programme, the Bank obtained securitization loans amounting to USD 75 million and EUR 10 million with five years maturity and amounting to EUR 50 million with twelve years maturity on December 20, 2012.

According to the Board of Directors' decision No: 261 dated September 17, 2013, as of November 28, 2013, the Bank obtained securitization loan amounting to USD 167 million and as of November 27, 2013, EUR 264.5 million with one year maturity.

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

As of September 30, 2014, the Bank's liabilities comprise; 57% deposits (December 31, 2013 – 58%), 6% funds borrowed (December 31, 2013 – 8%), 7% issued bonds (December 31, 2013 – 6%) and 5% funds provided under repurchase agreements (December 31, 2013 – 6%).

**4. Information on funds provided under repurchase agreements**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>From domestic transactions</b>	<b>2,448,083</b>	-	<b>2,502,997</b>	-
Financial institutions and organizations	2,419,337	-	2,460,644	-
Other institutions and organizations	11,508	-	32,319	-
Real persons	17,238	-	10,034	-
<b>From foreign transactions</b>	<b>10,960</b>	<b>1,180,983</b>	<b>8,165</b>	<b>1,141,561</b>
Financial institutions and organizations	-	1,180,983	-	1,141,561
Other institutions and organizations	10,960	-	8,165	-
Real persons	-	-	-	-
<b>Total</b>	<b>2,459,043</b>	<b>1,180,983</b>	<b>2,511,162</b>	<b>1,141,561</b>

**5. Information on securities issued (Net)**

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	2,280,706	-	2,057,875	-
Bills	-	3,007,721	103,734	1,793,767
<b>Total</b>	<b>2,280,706</b>	<b>3,007,721</b>	<b>2,161,609</b>	<b>1,793,767</b>

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The Bank has government bond issue program (Global Medium Term Note Programme) amounting to USD 1,5 Billion.

- 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 do not exceed 10% of total liabilities excluding the off-balance sheet items. (December 31, 2013 - None).

- 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, 2013- None).

- 7.2. Financial Lease Payables**

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	1,070	915	791	652
Between 1 - 4 years	1,856	1,586	2,738	2,257
More than 4 years	-	-	7	6
<b>Total</b>	<b>2,926</b>	<b>2,501</b>	<b>3,536</b>	<b>2,915</b>

- 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, 2013- 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 <sup>(*)</sup>	21,785	129,726	-	75,101
Cash Flow Hedge <sup>(**)</sup>	71,786	-	7,648	-
Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>93,571</b>	<b>129,726</b>	<b>7,648</b>	<b>75,101</b>

<sup>(\*)</sup> Derivative financial instruments for hedging purposes include swaps. As of September 30, 2014, TL 48,950 (December 31, 2013 – TL 20,901) represents the fair value of derivatives which are the hedging instruments of hedged loan portfolio. TL 4,240 (December 31, 2014 – None) represents the issued bonds and TL 98,321 (December 31, 2013 – TL 54,200) represents the fair value of derivatives which are the hedging instruments of hedged investment securities available for sale portfolio.

<sup>(\*\*)</sup> 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	641,419	608,997
-Additional Provision for Loans and Receivables with Extended Maturities	42,168	56,116
Provisions for Loans and Receivables in Group II	158,985	88,573
-Additional Provision for Loans and Receivables with Extended Maturities	42,318	30,920
Provisions for Non - Cash Loans	75,433	63,599
Other	59,028	55,122
<b>Total</b>	<b>934,865</b>	<b>816,291</b>

**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 <sup>(*)</sup>	9,446	146

<sup>(\*)</sup> 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 50,638 (December 31, 2013 - TL 53,760).

**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, 2014, TL 90,813 (December 31, 2013 - TL 86,693) reserve for employee termination benefits was provided in the accompanying financial statements.

As of September 30, 2014, the Bank accrued TL 29,324 (December 31, 2013 – TL 27,628) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of September 30, 2014, TL 38,843 (December 31, 2013- TL 94,583) 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**

	<b>Current Period</b>	<b>Prior Period</b>
	<b>01.01-30.09.2014</b>	<b>01.01-30.09.2013</b>
As of January 1	86,693	81,685
Service Cost	10,569	9,992
Interest Cost	6,216	4,524
Settlement / curtailment / termination loss	5,815	-
Paid during the period	(18,480)	(3,821)
<b>Total</b>	<b>90,813</b>	<b>92,380</b>

**9.5. Information on other provisions**

**9.5.1. Information on other provisions**

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

	<b>Current Period</b>	<b>Prior Period</b>
Other provisions made for close monitoring loans portfolio	106,998	102,025
General reserves for possible risks	45,500	-
Provision for Promotion Expenses of Credit Cards	15,729	20,138
Other Provisions	95,457	77,249
<b>Total</b>	<b>263,684</b>	<b>199,412</b>

**10. Taxation**

**10.1. Current taxes**

**10.1.1. Current tax liability**

As of September 30, 2014, the Bank have TL 44,905 current tax liability (December 31, 2013 - TL 298,168) and TL 55,053 advance taxes (December 31, 2013 - TL 196,711). As of September 30, 2014, the Bank's current tax liability calculated in accordance with subject regulations is none (December 31, 2013 – TL 101,457 deferred tax liability).

The Bank presents net of current tax liability and prepaid tax amount in unconsolidated financial statements.

**10.1.2. Information on taxes payable**

	<b>Current Period</b>	<b>Prior Period</b>
Corporate taxes payable	-	101,457
Banking and Insurance Transaction Tax (BITT)	35,330	31,734
Taxation on Securities Income	37,851	33,619
Taxation on Real Estates Income	2,968	1,803
Other	19,067	17,159
<b>Total</b>	<b>95,216</b>	<b>185,772</b>

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**

	<b>Current Period</b>	<b>Prior Period</b>
Social Security Premiums - Employee Share	7,089	7,015
Social Security Premiums - Employer Share	7,676	7,511
Unemployment Insurance - Employee Share	498	494
Unemployment Insurance - Employer Share	996	987
<b>Total</b>	<b>16,259</b>	<b>16,007</b>

**10.1.4 Information on tax liability**

As of September 30, 2014, the Bank has TL 68,567 deferred tax asset calculated in accordance with subject regulations (December 31, 2013 – None).

According to TAS 12, the deferred tax assets and liabilities are netted off in the accompanying financial statements. The Bank has calculated TL 149,281 asset (December 31, 2013 – TL 184,270) and TL 217,848 deferred tax liability (December 31, 2013 – TL 105,600) considering the book value of its assets and liabilities on the balance sheet, amount subject to taxation as per legislation and amounts to be taken into consideration in flowing periods calculating financial profit and loss.

In case the difference between the book value of assets subject to deferred tax and their value subject to taxation is related to equity, deferred tax income or expense is netted off with related accounts in this group. TL 15,043 deferred tax asset has been netted off under equity.

	<b>Temporary Differences</b>		<b>Deferred Tax Asset / (Liability)</b>	
	<b>Sep. 30, 2014</b>	<b>Dec. 31, 2013</b>	<b>Sep. 30, 2014</b>	<b>Dec. 31, 2013</b>
Reserve for employee benefits	158,980	208,904	31,796	41,781
The differences between carrying and taxable amounts of financial assets	434,508	346,088	86,902	69,218
Other	152,917	366,360	30,583	73,271
<b>Deferred Tax Asset</b>			<b>149,281</b>	<b>184,270</b>
The differences between carrying and taxable amounts of tangible assets	(142,539)	(144,634)	(28,508)	(28,927)
The differences between carrying and taxable amounts of financial assets	(478,568)	(167,560)	(95,714)	(33,512)
Other	(468,129)	(215,808)	(93,626)	(43,161)
<b>Deferred Tax Liability</b>			<b>(217,848)</b>	<b>(105,600)</b>
<b>Deferred Tax Asset / (Liability), Net</b>			<b>(68,567)</b>	<b>78,670</b>

	<b>Current Period</b>	<b>Prior Period</b>
	<b>01.01-30.09.2014</b>	<b>01.01-30.09.2013</b>
Deferred Tax Asset / (Liability) as of January 1 (Net)	78,670	(28,369)
Deferred Tax (Charge) / Benefit	(150,065)	(75,989)
Deferred Tax Items Accounted for under the Equity	2,828	84,692
<b>Deferred Tax Asset/ (Liability) as of September 30 (Net)</b>	<b>(68,567)</b>	<b>(19,666)</b>

**11. Information on payables related to assets held for sale**

None (December 31, 2013 – None).

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**12. Information on subordinated loans**

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	2,110,002	-	1,950,719
From Other Foreign Institutions	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2,110,002</b>	<b>-</b>	<b>1,950,719</b>

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 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 2011 from National Bank of Greece S.A. Aforementioned loans are subject to interest payment every 6 months and principal payment at maturity. USD 585 million of existing subordinate loans will mature in 2021, USD 325 million will mature in 2020.

**13. Information on shareholder's equity**

**13.1. Paid-in capital**

	Current Period	Prior Period
Common Stock	2,835,000	2,700,000
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	2,835,000	6,000,000

(\*) According to the Board of Directors decision dated September 16, 2014, the Bank has decided to increase the registered capital ceiling from TL 6,000,000 to TL 12,000,000 and subject decision will be submitted to the upcoming General Assembly for approval.

**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	Profit Reserves held Cash	Capital Reserves held subject to the Increase	Capital Reserves held subject to the Increase
June 24, 2014	135,000	-	135,000	-

**13.4. Information on share capital increases from revaluation funds**

None (December 31, 2013 – None).

**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.



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**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, 2013 – None).

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

According to the Board of Directors decision dated 16 September 2014, it has been decided that 100 founder shares issued to National Bank of Greece in accordance with the Bank's Articles of Association will be canceled at no cost. Subject decision will be presented for approval in the upcoming General Council meeting. 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.

**14. Common stock issue premiums, shares and equity instruments**

	<b>Current Period</b>	<b>Prior Period</b>
Number of Stocks (Thousands)	28,350,000	27,000,000
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**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
<b>Associates, Subsidiaries and Entities under Common Control</b>	<b>354,533</b>	-	<b>367,086</b>	-
Valuation Difference	354,533	-	367,086	-
Foreign Exchange Rate Difference	-	-	-	-
<b>Securities Available-for-Sale</b>	<b>(26,540)</b>	<b>(86,552)</b>	<b>(85,632)</b>	<b>(136,568)</b>
Valuation Difference	(26,540)	(86,552)	(85,632)	(136,568)
Foreign Exchange Rate Difference	-	-	-	-
<b>Total</b>	<b>327,993</b>	<b>(86,552)</b>	<b>281,454</b>	<b>(136,568)</b>

The Bank accounts for the remaining shares of 49% of Finans Emeklilik ve Hayat A.Ş. (CFEHAŞ) at fair value per TAS 39 "Financial Instruments: Recognition and Measurement" in its unconsolidated financial statements. In this respect, fair value of CFEHAŞ has been calculated and the difference between the fair value and book value amounting to TL 164,223 has been booked under the shareholder's equity, "Securities Valuation Difference".

**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:

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Deposits	232,061	14,347	157,980	25,541
Derivative Financial Liabilities Held for Trading	1,086,441	151,993	1,112,851	189,708
Funds Borrowed	1,677	60,504	1,700	21,721
Money Market Borrowings	1,573	889	821	1,660
Derivative Financial Liabilities Held for Hedging Purposes	93,571	129,726	7,648	75,101
Other Accruals	71,910	77,610	27,734	41,583
<b>Total</b>	<b>1,487,233</b>	<b>435,069</b>	<b>1,308,734</b>	<b>355,314</b>

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**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**

	<b>Current Period</b>	<b>Prior Period</b>
Credit Cards Limit Commitments	17,527,303	17,067,174
Commitment For Use Guaranteed Credit Allocation	7,386,597	5,424,755
Forward Asset Purchase Commitments	3,742,200	1,076,853
Payment Commitments for Cheques	2,442,319	2,060,004
Other Irrevocable Commitments	189,044	54,242
Credit Cards and Promotions in regards to Banking Services	27,251	38,002
Tax and Fund Liabilities due to Export Commitments	8,057	6,988
<b>Total</b>	<b>31,322,771</b>	<b>25,728,018</b>

**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 50,638 (December 31, 2013 - TL 53,760) followed in the off-balance sheet accounts that are not indemnified and liquidated yet.

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

	<b>Current Period</b>	<b>Prior Period</b>
Bank Loans	1,029,315	609,831
Letters of Credit	588,280	548,606
Other Guarantees	20,714	19,399
<b>Total</b>	<b>1,638,309</b>	<b>1,177,836</b>

**1.4. Final guarantees, provisional guarantees, sureties and similar transactions**

	<b>Current Period</b>	<b>Prior Period</b>
Provisional Letters of Guarantee	376,730	290,037
Final Letters of Guarantee	3,842,531	3,640,553
Advance Letters of Guarantee	169,917	191,920
Letters of Guarantee Given to Customs Offices	306,252	198,665
Other Letters of Guarantee	2,880,263	1,618,923
<b>Total</b>	<b>7,575,693</b>	<b>5,940,098</b>

**2. Total amount of non-cash loans**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Non-Cash Loans granted for Obtaining Cash Loans</b>	<b>436,568</b>	<b>317,326</b>
Less Than or Equal to One Year with Original Maturity	51,912	14,451
More Than One Year with Original Maturity	384,656	302,875
<b>Other Non-Cash Loans</b>	<b>8,777,434</b>	<b>6,800,608</b>
<b>Total</b>	<b>9,214,002</b>	<b>7,117,934</b>

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

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
<b>Agricultural</b>	<b>38,837</b>	<b>0.70</b>	<b>9,953</b>	<b>0.27</b>	<b>16,207</b>	<b>0.39</b>	<b>2,362</b>	<b>0.08</b>
Farming and Raising Livestock	35,652	0.65	4,897	0.13	13,627	0.33	2,033	0.07
Forestry	623	0.01	0	0.00	1,440	0.03	-	-
Fishing	2,562	0.05	5,056	0.14	1,140	0.03	329	0.01
<b>Manufacturing</b>	<b>1,084,596</b>	<b>19.67</b>	<b>1,924,811</b>	<b>52.33</b>	<b>882,213</b>	<b>21.15</b>	<b>1,523,356</b>	<b>52.02</b>
Mining and Quarrying	26,774	0.49	241	0.01	25,599	0.61	771	0.03
Production	765,301	13.88	1,599,619	43.49	554,277	13.29	1,213,207	41.43
Electricity, gas and water	292,521	5.30	324,951	8.83	302,337	7.25	309,378	10.56
<b>Construction</b>	<b>1,535,264</b>	<b>27.84</b>	<b>640,885</b>	<b>17.42</b>	<b>932,925</b>	<b>22.37</b>	<b>369,150</b>	<b>12.61</b>
<b>Services</b>	<b>2,776,712</b>	<b>50.35</b>	<b>1,091,241</b>	<b>29.67</b>	<b>2,256,615</b>	<b>54.10</b>	<b>1,016,629</b>	<b>34.72</b>
Wholesale and Retail Trade	1,494,554	27.10	502,854	13.67	1,289,108	30.91	504,487	17.23
Hotel, Food and Beverage								
Services	48,204	0.87	49,343	1.34	36,356	0.87	13,353	0.46
Transportation&Communication	338,803	6.14	63,429	1.72	94,292	2.26	97,140	3.32
Financial Institutions	574,359	10.41	443,285	12.05	491,441	11.78	301,735	10.30
Real Estate and Renting Services	2,730	0.05	2,129	0.06	2,684	0.06	1,868	0.06
Self Employment Services	134,887	2.45	23,301	0.63	155,682	3.73	84,051	2.87
Educational Services	4,513	0.08	10	0.00	4,044	0.1	9	-
Health and Social Services	178,662	3.24	6,890	0.19	183,008	4.39	13,986	0.48
<b>Other (*)</b>	<b>79,437</b>	<b>1.44</b>	<b>11,552</b>	<b>0.31</b>	<b>82,007</b>	<b>1.99</b>	<b>17,071</b>	<b>0.57</b>
<b>Total</b>	<b>5,514,846</b>	<b>100.00</b>	<b>3,678,442</b>	<b>100.00</b>	<b>4,169,967</b>	<b>100.00</b>	<b>2,928,568</b>	<b>100.00</b>

(\*) Does not include foreign currency balance of "Other Guarantees" amounting to TL 20,714 (December 31, 2013 - TL 19,399).

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

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	5,341,844	2,001,639	127,969	53,623
Bills of Exchange and Acceptances	14,315	1,003,341	-	11,659
Letters of Credit	2,287	585,925	-	48
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	20,714	-	-
<b>Non-cash Loans</b>	<b>5,358,446</b>	<b>3,611,619</b>	<b>127,969</b>	<b>65,330</b>

(\*) Does not include non-cash loans amounting to TL 50,638, for which provision is provided, but which are not indemnified and not liquidated yet.

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**5. Information on derivative financial instruments**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Types of trading transactions</b>		
<b>Foreign Currency Related Derivative Transactions (I)</b>	<b>79,545,395</b>	<b>67,480,400</b>
Forward transactions(*)	9,439,051	7,677,470
Swap transactions	60,339,833	43,885,478
Futures transactions	49,646	42,982
Option transactions	9,716,865	15,874,470
<b>Interest Related Derivative Transactions (II)</b>	<b>9,576,311</b>	<b>8,707,332</b>
Forward rate transactions	-	-
Interest rate swap transactions	9,530,813	8,707,332
Interest option transactions	-	-
Futures interest transactions	45,498	-
Security option transactions	-	-
<b>Other trading derivative transactions (III)</b>	<b>-</b>	<b>-</b>
<b>A.Total Trading Derivative Transactions (I+II+III)</b>	<b>89,121,706</b>	<b>76,187,732</b>
<b>Types of hedging transactions</b>		
Fair value hedges	18,400,729	17,234,950
Cash flow hedges	10,440,653	6,770,693
Net investment hedges	-	-
<b>B.Total Hedging Related Derivatives</b>	<b>28,841,382</b>	<b>24,005,643</b>
<b>Total Derivative Transactions (A+B)</b>	<b>117,963,088</b>	<b>100,193,375</b>

(\*) 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 5,068,302 (December 31, 2013 – TL 5,098,190) were subject to hedge accounting by swaps with a nominal of TL 6,066,342 (December 31, 2013 – TL 6,557,217). On September 30, 2014 the net market valuation difference gain amounting to TL 8,241 due to the gains amounting to TL 12,568 (September 30, 2013 – TL 444,589 loss) and losses from swaps amounting to TL 4,327 (September 30, 2013 – TL 436,208 gain) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

As at balance sheet date, project finance loans amounting to TL 324,192 (December 31, 2013 – TL 164,290) were subject to hedge accounting by swaps with a nominal of TL 314,075 (December 31, 2013 – TL 159,732). In 2014 the net market valuation difference gain amounting to TL 1,136 due to the losses amounting to TL 6,331 (September 30, 2013 – TL 16,493 loss) from swaps and gains from loans amounting to TL 7,467 (September 30, 2013 – TL 17,290 gain), 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 24,213 (September 30, 2013 – TL 42,854) related to the loans that are ineffective for hedge accounting under “gains / (losses) from financial derivatives transactions” as loss during the current period.

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**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 a nominal of USD 312 million and EUR 26 million (December 31, 2013 – USD 333 million and EUR 26 million) were subject to hedge accounting by interest rate swaps with the same nominal value. On September 30, 2014, the net market valuation difference loss amounting to TL 30 due to income from Eurobonds amounting to TL 69,660 (September 30, 2013 – TL 84,484 loss) and loss from swaps amounting to TL 69,630 (September 30, 2013 – TL 84,351 gain) 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 a nominal of TL 102,030 (December 31, 2013 – TL 198,305) were subject to hedge accounting by swaps with the same nominal value. On September 30, 2014, the net market valuation difference gain amounting to TL 60 due to losses from government bonds amounting to TL 23 (September 30, 2013 – TL 11,138 loss) and gains from swaps amounting to TL 83 (September 30, 2013 – TL 12,257 gain) 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 against the changes in the interest rates related to the foreign currency bonds issued using interest rate swaps as hedging instruments. As of the balance sheet date, bonds with nominal amount of USD 806 million (December 31, 2013 – USD 367 Million) have been subject to hedge accounting with the same nominal amount of swaps. As of September 30, 2014, TL 54 net fair valuation difference income, net of TL 17,663 (September 30, 2013 – TL 6,327 gain) income from issued bonds and TL 17,717 (September 30, 2013 – TL 6,384 losses) expense from swaps, has been recorded under “Gains / (losses) from financial derivatives transactions” on accompanying financial statements.

**d) Tangible Assets**

The Parent Bank designates fair value hedge accounting through foreign currency fundings to be hedged from fair value changes resulting from currency changes in real estate property which has been bought in foreign currency and has a market value denominated in foreign currency. As of September 30, 2014, real estate which has been designated as hedged item where issued securities have been designated as hedging instrument. As of September 30, 2014, The bank accounted fair value foreign currency gain amounting to TL 52,550 for the real estate (September 30, 2013 – None) and foreign currency loss from issued securities amounting to TL 52,550 (September 30, 2013 – None). As of September 30, 2014, the effectiveness tests of abovementioned hedge is found to be effective.

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**5.2 Cash flow hedge accounting**

**a) Deposit**

The Bank applies cash flow hedge accounting using interest rate swaps in order to hedge itself from the interest rate changes of deposits that have an average maturity until 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 accounted for under equity “Hedging Funds”, whereas the ineffective portions are accounted for at income statement as defined in TAS 39. As at the balance sheet date, swaps amounting to TL 1,175,358 are subject to hedge accounting as hedging instruments (December 31, 2013 – TL 169,643). As a result of the mentioned hedge accounting, fair value gains before taxes amounting to TL 12,780 are accounted for under equity during the current period (September 30, 2013 – TL 14,508 gain). The ineffective portion of loss amounting to TL 2 (September 30, 2013 – TL 136 gain) is accounted for at the income statement.

As at the balance sheet date, swaps amounting to USD 1,756 million are subject to hedge accounting as hedging instruments (December 31, 2013 – USD 52,117 million). As a result of the mentioned hedge accounting, fair value losses before taxes amounting to TL 147,961 are accounted for under equity during the current period (September 30, 2013 – TL 63,041 gain). The losses amounting to TL 65 (September 30, 2013 – TL 109 gain) 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. In the current period there is no transferred amount from equity to income statement due to ineffectiveness or matured swaps. (September 30, 2013 – TL 4,684 loss).

The measurements as of September 30, 2014, hedge of cash flow transactions stated above are determined as effective.

As of September 30, 2014, 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:

	<b>Forward Buy<sup>(*)</sup></b>	<b>Forward Sell<sup>(**)</sup></b>	<b>Swap Buy<sup>(*)</sup></b>	<b>Swap Sell<sup>(*)</sup></b>	<b>Option Buy</b>	<b>Option Sell</b>	<b>Future Buy</b>	<b>Future Sell</b>
<b>Current Period</b>								
TL	2,304,599	1,676,439	17,511,821	24,454,918	2,085,713	1,833,708	422	422
USD	1,579,379	2,234,525	28,645,797	23,355,547	1,523,269	2,193,762	47,150	47,150
EURO	798,483	730,028	2,853,588	1,201,772	1,009,841	779,560	-	-
Other	42,170	73,428	182,279	506,306	231,236	59,776	-	-
<b>Total</b>	<b>4,724,631</b>	<b>4,714,420</b>	<b>49,193,485</b>	<b>49,518,543</b>	<b>4,850,059</b>	<b>4,866,806</b>	<b>47,572</b>	<b>47,572</b>

(\*) This column also includes hedging purpose derivatives.

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

	<b>Forward Buy<sup>(*)</sup></b>	<b>Forward Sell<sup>(**)</sup></b>	<b>Swap Buy<sup>(*)</sup></b>	<b>Swap Sell<sup>(*)</sup></b>	<b>Option Buy</b>	<b>Option Sell</b>	<b>Future Buy</b>	<b>Future Sell</b>
<b>Prior Period</b>								
TL	1,564,585	1,786,489	13,318,339	18,547,585	3,031,745	3,225,306	255	255
USD	1,379,951	1,493,252	23,467,275	17,315,382	2,476,355	2,961,723	21,236	21,236
EURO	852,426	533,866	1,326,918	1,594,862	2,334,809	1,694,057	-	-
Other	43,473	23,428	22,484	1,005,609	116,312	34,163	-	-
<b>Total</b>	<b>3,840,435</b>	<b>3,837,035</b>	<b>38,135,016</b>	<b>38,463,438</b>	<b>7,959,221</b>	<b>7,915,249</b>	<b>21,491</b>	<b>21,491</b>

(\*) This column also includes hedging purpose derivatives.

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

As of September 30, 2014, the Bank has no derivative transactions for hedge of net investment.

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**6. Credit derivatives and risk exposures on credit derivatives**

As of September 30, 2014, in the Bank's "other irrevocable commitments", there are commitments for "credit linked notes" with a nominal of USD 9,089,264 (December 31, 2013: USD 9,089,264).

As of September 30, 2014, "Credit Default Swaps" with nominal amount of USD 180,000,000 (December 31, 2013: USD 160,000,000) are included in Bank's "Swap Interest Sell Transactions." In aforementioned transaction, the Bank is the seller of the protection.

As of September 30, 2014, "Credit Default Swaps" with nominal amount of USD 10,000,000 (December 31, 2013: none) are included in Bank's "Swap Interest Sell Transactions." In aforementioned transaction, the Bank is the buyer of the protection.

**7. Information on contingent liabilities and assets**

None (December 31, 2013 – None).

**8. 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.

**9. Information on the Bank's rating by international rating institutions**

MOODY'S December 2013		FITCH April 2014		CI February 2013	
Long-Term Deposit Rating (FC)	Ba2	Long -Term Foreign Curr.	BBB-	Long-Term Foreign Curr.	BB+
Long-Term Deposit Rating (TL)	Ba2	Short-Term Foreign Curr.	F3	Short-Term Foreign Curr.	B
Short-Term Deposit Rating (YP)	NP	Long-Term TL	BBB-	Foreign Currency Rating	Stable
Short-Term Deposit Rating (TL)	NP	Short-Term TL	F3	TL Rating	Stable
Financial Strength	E+ (b1)	Long-Term National	AA+(tur)	Long Term (TL)	BB+
Appearance	Stable	Appearance	Stable	Short Term (TL)	B
		Support	3	Financial Strength Rating	BBB+
		Individual	bbb-	Financial Strength Appearance	Stable
				Support	3

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**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	1,863,422	42,111	1,905,111	29,187
Medium and Long-Term Loans	1,952,711	165,365	1,727,241	116,901
Non-Performing Loans	74,766	-	81,258	-
Resource Utilization Support Fund Premiums	-	-	-	-
<b>Total</b>	<b>3,890,899</b>	<b>207,476</b>	<b>3,713,610</b>	<b>146,088</b>

**b) Information on interest income from banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	-	-	-
Domestic Banks	1,016	4	361	1
Foreign Banks	170	61	286	164
Foreign Headquarters and Branches	-	-	-	-
<b>Total</b>	<b>1,186</b>	<b>65</b>	<b>647</b>	<b>165</b>

**c) Information on interest income from securities portfolio**

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	4,551	78	7,554	142
Financial Assets at FVTPL	-	-	-	-
Investment Securities Available for Sale	310,402	49,392	257,168	47,206
Investment Securities Held to Maturity	257,651	18,283	34,964	2,256
<b>Total</b>	<b>572,604</b>	<b>67,753</b>	<b>299,686</b>	<b>49,604</b>

As stated in Section Three disclosure VII, the Bank has inflation indexed (CPI) government bonds in its availablefor sale and held-to-maturity portfolios. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the actual payments is determined based on the inflation rates of two months before. The Bank determines the estimated inflation rates in line with this. In this context, as of 30 September 2014, valuation of such assets is made according to estimated annual inflation rate of 9.4 %. Had the above mentioned change in estimate related to those CPI linked securities not been made, interest income would decrease by TL 75,648 and security value increase fund under equity would increase by TL 16,465 after tax effect. If valuation of these securities indexed to the CPI had been done by the reference index valid through 30 September 2014, the Bank's equity security value increase fund would increase by TL 2,456, net profit would decrease by TL 8,701.

**d) Information on interest income received from associates and subsidiaries**

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	1,817	2,443



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

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>	<b>4,813</b>	<b>138,537</b>	<b>4,299</b>	<b>109,982</b>
T.R. Central Bank	-	-	-	-
Domestic Banks	4,762	2,609	4,292	2,277
Foreign Banks	51	135,928	7	107,705
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
<b>Total</b>	<b>4,813</b>	<b>138,537</b>	<b>4,299</b>	<b>109,982</b>

**b) Information on interest expense paid to associates and subsidiaries**

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	20,235	18,116

**c) Information on interest expense paid to securities issued**

As of September 30, 2014 interest paid to securities issued is TL 225,188 (September 30, 2013 – TL 186,405).

**e) Information on maturity structure of interest expenses on deposits**

Account	Time Deposits						Accumulated Deposit Account	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
<b>Turkish Lira</b>								
Bank Deposits	-	884	9,008	4,918	-	-	-	14,810
Saving Deposits	3	111,380	847,688	80,378	30,817	72,629	200	1,143,095
Public Sector Deposits	-	198	2,116	34	91,653	-	-	94,001
Commercial Deposits	-	118,167	311,205	26,200	13,223	4,409	-	473,204
Other Deposits	-	2,437	45,798	13,180	49,308	1,552	-	112,275
7 Days Call Accounts	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3</b>	<b>233,066</b>	<b>1,215,815</b>	<b>124,710</b>	<b>185,001</b>	<b>78,590</b>	<b>200</b>	<b>1,837,385</b>
<b>Foreign Currency</b>								
Deposits	-	17,382	116,595	8,699	5,676	9,769	80	158,201
Bank Deposits	28	5,091	13,354	203	17	38	-	18,731
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	2,791	2,023	406	20	-	-	5,240
<b>Total</b>	<b>28</b>	<b>25,264</b>	<b>131,972</b>	<b>9,308</b>	<b>5,713</b>	<b>9,807</b>	<b>80</b>	<b>182,172</b>
<b>Grand Total</b>	<b>31</b>	<b>258,330</b>	<b>1,347,787</b>	<b>134,018</b>	<b>190,714</b>	<b>88,397</b>	<b>280</b>	<b>2,019,557</b>

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**Information on maturity structure of interest expense on deposits**

Prior Period Account	Time Deposits						Accumulated Deposit Account	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
<b>Turkish Lira</b>								
Bank Deposits	-	1,289	9,924	3,705	277	439	-	15,634
Saving Deposits	8	104,839	460,575	107,554	75,211	3,671	408	752,266
Public Sector Deposits	-	110	2,396	89	-	2	-	2,597
Commercial Deposits	-	94,501	191,797	36,275	9,137	1,160	-	332,870
Other Deposits	-	2,415	22,686	16,713	68,251	30	-	110,095
7 Days Call Accounts	-	-	-	-	-	-	-	-
<b>Total</b>	<b>8</b>	<b>203,154</b>	<b>687,378</b>	<b>164,336</b>	<b>152,876</b>	<b>5,302</b>	<b>408</b>	<b>1,213,462</b>
<b>Foreign Currency</b>								
Deposits	-	24,726	119,105	25,932	11,489	4,264	80	185,596
Bank Deposits	20	865	9,142	1,533	270	-	-	11,830
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	166	120	14	3	-	-	303
<b>Total</b>	<b>20</b>	<b>25,757</b>	<b>128,367</b>	<b>27,479</b>	<b>11,762</b>	<b>4,264</b>	<b>80</b>	<b>197,729</b>
<b>Grand Total</b>	<b>28</b>	<b>228,911</b>	<b>815,745</b>	<b>191,815</b>	<b>164,638</b>	<b>9,566</b>	<b>488</b>	<b>1,411,191</b>

**e) Information on interest expense on repurchase agreements**

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expense on Repurchase Agreements (*)	164,882	5,473	54,713	4,426

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

**f) Information on finance lease expenses**

	Current Period	Prior Period
Finance Lease Expenses	249	227

**g) Information on interest expense on factoring payables**

None (September 30, 2013 – None)

**3. Information on dividend income**

	Current Period	Prior Period
From Trading Securities	83	-
From Financial assets at fair value through profit and loss	-	-
From Available for Sale Financial Assets	-	7
Other	8,959	12,145
<b>Total</b>	<b>9,042</b>	<b>12,152</b>

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

**4. Information on trading income/loss**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Trading Income</b>	<b>8,021,952</b>	<b>6,288,616</b>
Gains on Capital Market Operations	54,008	214,875
Derivative Financial Instruments	2,546,532	1,850,057
Foreign Exchange Gains	5,421,412	4,223,684
<b>Trading Loss (-)</b>	<b>8,212,679</b>	<b>6,452,010</b>
Losses on Capital Market Operations	55,611	45,374
Derivative Financial Instruments	2,742,733	2,158,822
Foreign Exchange Losses	5,414,335	4,247,814
<b>Net Trading Income/Loss</b>	<b>(190,727)</b>	<b>(163,394)</b>

**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. In current period, the Parent Bank has recorded a sales profit of TL 132,377 from the sale of its legally nonperforming loan receivables and the amount was recorded under “Other Operating Income.”

**6. Provision for losses on loans and other receivables**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Specific Provisions For Loans and Other Receivables</b>	<b>653,430</b>	<b>624,069</b>
Loans and Receivables in Group III	94,342	(16,498)
Loans and Receivables in Group IV	223,941	126,754
Loans and Receivables in Group V	335,147	513,813
<b>Doubtful Fee, Commission and Other Receivables</b>	<b>-</b>	<b>-</b>
<b>General Provisions</b>	<b>118,574</b>	<b>150,470</b>
<b>General Reserves for Possible Risks</b>	<b>45,500</b>	<b>-</b>
<b>Provision Expenses for Possible Losses</b>	<b>4,974</b>	<b>7,006</b>
<b>Impairment Losses on Securities</b>	<b>943</b>	<b>228</b>
Financial assets at fair value through profit or loss	-	-
Investment securities available for sale	943	228
<b>Impairment Losses on Associates, Subsidiaries and Investment Securities Held-to-Maturity</b>	<b>-</b>	<b>-</b>
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
<b>Other</b>	<b>(1,640)</b>	<b>6,920</b>
<b>Total</b>	<b>821,781</b>	<b>788,693</b>

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

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

**7. Information on other operating expenses**

	<b>Current Period</b>	<b>Prior Period</b>
Personnel costs	706,213	665,071
Reserve for employee termination benefits	4,121	10,695
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation charge of tangible assets	98,974	76,729
Impairment losses on intangible assets	-	-
Impairment losses on goodwill	-	-
Amortization charge of intangible assets	57,836	48,878
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed of	-	1
Depreciation on assets to be disposed	2,940	2,394
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	617,958	590,883
Operational lease related expenses	153,146	126,127
Repair and maintenance expenses	54,677	42,645
Advertisement expenses	63,750	81,241
Other expenses	346,385	340,870
Losses on sales of assets	219	241
Other	257,310	301,637
<b>Total</b>	<b>1,745,571</b>	<b>1,696,529</b>

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

For the period ended September 30, 2014, net interest income in regards to continued operations of TL 2,202,901 (September 30, 2013 – TL 2,435,098), net fees and commission income of TL 1,042,796 (September 30, 2013 – TL 769,133) and other operating income of TL 279,112 (September 30, 2013 – TL 263,346) 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, 2014, the Bank has recorded tax charge TL 37,643 (September 30, 2013 – TL 128,094) and a deferred tax charge of TL 150,065 (September 30, 2013 – TL 75,989 deferred tax loss) from its continuing operations.

**9.2. Explanations on operating profit/loss after taxes**

None (September 30, 2013 – None).

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

Net profit of the Bank from continued operations is TL 588,064 (September 30, 2013 – TL 627,030).

**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, 2013 – None).

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

**FİNANSBANK ANONİM ŞİRKETİ**

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

Please refer to Section IV. Footnote 1.c.

**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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FINANSBANK ANONİM ŞİRKETİ

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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, 2014	January 1, 2013
<b>Cash</b>	<b>1,047,161</b>	<b>653,019</b>
Cash in TL	633,496	439,754
Cash in Foreign Currencies	413,140	212,803
Other	525	462
<b>Cash Equivalents</b>	<b>1,051,385</b>	<b>2,861,638</b>
Balances with the T.R. Central Bank	752,806	965,102
Banks	302,866	110,816
Money Market Placements	-	1,785,748
Less: Placements with Banks with Maturities Longer than 3 Months	(4,144)	(28)
Less: Accruals	(143)	-
<b>Cash and Cash Equivalents</b>	<b>2,098,546</b>	<b>3,514,657</b>

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

	Current Period	Prior Period
	September 30, 2014	September 30, 2013
<b>Cash</b>	<b>980,374</b>	<b>848,893</b>
Cash in TL	649,167	548,971
Cash in Foreign Currencies	299,828	286,823
Other	31,379	13,099
<b>Cash Equivalents</b>	<b>1,416,625</b>	<b>1,133,494</b>
Balances with the T.R. Central Bank	1,238,449	904,616
Banks	195,286	233,030
Money Market Placements	-	-
Less: Placements with Banks with Maturities Longer than 3 Months	(16,555)	(4,063)
Less: Accruals	(555)	(89)
<b>Cash and Cash Equivalents</b>	<b>2,396,999</b>	<b>1,982,387</b>

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

A portion of foreign bank accounts amounting to TL 3,325 (December 31, 2013- TL 3,258) includes blocked cash for foreign money and capital market transactions and for 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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**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, 2014, the Bank's risk group has deposits, cash and non-cash loans at the Bank amounting to TL 521,729 (December 31, 2013 - TL 395,261) deposit, TL 181,708 (December 31, 2013 – TL 110,670) cash loan and TL 78,673 (December 31, 2013 - TL 58,604) non-cash loans 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	110,670	25,402	-	32,895	-	307
Balance at the End of the Period	180,050	17,026	1,658	61,074	-	573
Interest and Commission Income	1,814	57	3	35	-	4

**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	65,220	13,023	-	29,498	-	-
Balance at the End of the Period	110,670	25,402	-	32,895	-	307
Interest and Commission Income (***)	2,443	34	1	2	-	-

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

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

(\*\*\*) Represents September 30, 2013 balance.

**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	359,891	403,106	18,776	18,692	16,594	8,107
Balance at the End of the Period	495,230	359,891	11,397	18,776	15,102	16,594
Interest on deposits (***)	20,235	18,116	-	-	513	395

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

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

(\*\*\*) Prior Period represents September 30, 2013 balance.

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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 <sup>(*)</sup>	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group <sup>(**)</sup>	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Transactions for Trading Purposes</b>						
Beginning of the Period	-	25,869	130,397	393,221	177,748	4,711
End of the Period	140,198	-	135,429	130,397	114,459	177,748
Total Income/Loss <sup>(***)</sup>	(1,051)	(198)	(3,374)	13,488	952	686
<b>Transactions for Hedging Purposes</b>						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss <sup>(***)</sup>	-	-	-	-	-	-

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

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

(\*\*\*) Represents September 30, 2013 balance.

1.4. As of September 30, 2014, the total amount of remuneration and bonuses paid to top management of the Bank is TL 37,056 (September 30, 2013- TL 35,328).

**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, 2014, cash loans of the risk group represented 0.3% of the Bank's total cash loans (December 31, 2013 - 0.3%), the deposits represented 1.2% of the Bank's total deposits (December 31, 2013 - 1.0%) and derivative transactions represented 0.3% of the Bank's total derivative transactions (December 31, 2013 - 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, 2014, the Bank has net finance lease payables to Finans Finansal Kiralama A.Ş. amounting to TL 2,501 (December 31, 2013 - TL 2,915) relating with finance lease agreements.

Total of investment 20 funds established by the Bank are all managed by Finans Portföy Yönetimi A.Ş.

The Bank has signed an agreement with Ibtch 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.

The Bank provides agency services to Cigna Finans Emeklilik ve Hayat A.Ş., which is a jointly controlled entity with 49% shares held by the Bank.



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**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**

The Parent Bank has issued, on October 1, 2014, bonds with a nominal amount of TL 138,458 with 2.27% interest rate and 366 days maturity.

In addition, the Parent Bank has issued, on October 20, 2014, bonds with a nominal amount of USD 10 million with 1.70% interest rate and 366 days maturity, on October 23, 2014 Eurobonds with a nominal amount of USD 50 million, 2.11% interest rate.

The Bank performed tender on October 15, 2014 to sell its Gayrettepe headquarters in Istanbul, Sisli district, Mecidiyekoy neighborhood registered to 307 plot, 1956 Island, 41 parcel. Fibabanka A.Ş. has won the tender. The result of the tender has been submitted to the approval of the Bank's Board of Directors.

**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**

The Bank's Board of Directors has decided to apply to Capital Markets Board ("CMB") along with the first draft of prospectus prepared for secondary public offering and within this framework has decided to increase the Bank's capital by TL 715,000 to TL 3,550,000 from TL 2,835,000 through right issues and for the increased amount to be received in cash, to restrict stock carrying rights of all existing shareholders of the secondary public offering in accordance with Turkish Commercial Code ("TCC") and CMB regulations and for the issued capital to be issued through public offering in accordance with CMB regulations; for the issued rights to be distributed to right owners as reserved rights in accordance with CMB's and Central Registry Agency ("MKK") regulations for reserved rights. Finans Yatırım Menkul Değerler A.Ş. has been appointed to carry out the public offering process. It has been decided to make necessary applications to BRSA and CMB and for the pricing to be determined by the Board of Directors separately. In accordance with subject Board of Directors decision application has been made to CMB on 23 October 2014.

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**SECTION SEVEN**

**INDEPENDENT LIMITED REVIEW REPORT**

**I. Explanations on the Independent Limited Review Report**

The unconsolidated financial statements for the period ended September 30, 2014 have been reviewed by Güney

Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited). The auditor's review report dated 28 October 2014 is presented preceding the unconsolidated financial statements.

**II. Explanations on the notes prepared by Independent Auditors**

None (December 31, 2013 – None).