

FİNANSBANK ANONİM ŞİRKETİ

INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT, UNCONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE PERIOD ENDED JUNE 30, 2015

(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 – JUNE 30, 2015

To the Board of Directors of
Finansbank Anonim Şirketi

Introduction

We have reviewed the unconsolidated balance sheet of Finansbank A.Ş. (“the Bank”) at 30 June 2015 and the related unconsolidated income statement, unconsolidated statement of income and expense items under shareholders’ equity, unconsolidated statement of changes in shareholders’ equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the six-month period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial statements in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority, (together referred as BRSA Accounting and Reporting Legislation) and Turkish Accounting Standard 34 “Interim Financial Reporting” except for the matters regulated by BRSA Legislation. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, “Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an opinion.

Basis of Qualified Conclusion

Subsequent to the reversal of TL 36.000 thousands during the year 2015, the accompanying unconsolidated financial statements as at 30 June 2015 include a general reserve amounting to TL 46.000 thousands which is fully provided in 2014 by the Bank management for the possible results of the circumstances which may arise from any changes in the economy and market conditions.

Qualified Conclusion

Based on our review, except for the effect of the matter referred in the ‘basis of qualified conclusion 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 view of the financial position of Finansbank A.Ş. at 30 June 2015 and of the results of its operations and its cash flows for the six-month-period then ended in all aspects in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority, (together referred as BRSA Accounting and Reporting Legislation) and Turkish Accounting Standard 34 “Interim Financial Reporting” except for the matters regulated by BRSA Legislation.

Additional paragraph for convenience translation to English:

As explained in detail in Note I.1. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with BRSA Accounting and Reporting Legislation and Turkish Accounting Standard 34 “Interim Financial Reporting” except for the matters regulated by BRSA Legislation., 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

Damla Harman
Partner, SMMM

Istanbul, July 30, 2015

(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 SIX-MONTH PERIOD ENDED JUNE 30, 2015**

The Bank's;
Address of the head office : Esentepe Mahallesi Büyükdere Caddesi Kristal Kule Binası No: 215, Şişli / İSTANBUL
Phone number : (0 212) 318 50 00
Facsimile number : (0 212) 318 58 50
Web page : www.finansbank.com.tr
E-mail address : name.surname@finansbank.com.tr

The unconsolidated financial report for the six-month period ended June 30, 2015, 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
- INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT

The unconsolidated financial statements and related disclosures and footnotes for the six-month period ended June 30, 2015, 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

Paul Mylonas
Member of the Board of
Directors and 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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(CONVENIENCE TRANSLATION OF UNCONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

**FINANSBANK ANONİM ŞİRKETİ
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2015**

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

SECTION ONE

GENERAL INFORMATION

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

Finansbank Anonim Şirketi (“the Bank”) was incorporated in Istanbul on September 23, 1987. The Bank’s shares have been listed on the 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 June 30, 2015, 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	Board Member	March 9, 1993	Phd
Stefanos Pantzopoulos	Board Member	October 16, 2012	Graduate
Dr. Paul Mylonas	Board Member and Audit Committee Member	February 23, 2010	Phd
Ioannis Vagionitis	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	Board Member and Head of Audit Committee	April 16, 2013	Masters
Georgios Koutsoudakis	Board Member	July 23, 2014	Graduate
Adnan Menderes Yayla	Executive Vice President	May 20, 2008	Masters
Metin Karabiber	Executive Vice President	October 8, 2010	Graduate
Murat Şakar	Executive Vice President	August 1, 2008	Graduate
Köksal Çoban	Executive Vice President	August 19, 2008	Masters
Dr. Mehmet Kürşad Demirkol	Executive Vice President	October 8, 2010	Phd
Özlem Cinemre	Executive Vice President	July 9, 1997	Graduate
Hakan Alp	Executive Vice President	July 7, 2010	Graduate
Filiz Sonat	Executive Vice President	September 19, 2007	Graduate
Erkin Aydın	Executive Vice President	May 16, 2011	Masters
Ömür Tan	Executive Vice President	October 28, 2011	Graduate
Şebnem Seniye Karaduman (*)	Executive Vice President	January 9, 2012	Graduate
Halim Ersun Bilgici	Executive Vice President	March 15, 2013	Masters
Enis Kurtuluş (**)	Executive Vice President	May 14, 2015	Masters
Murat Koraş (**)	Executive Vice President	May 14, 2015	Masters
Onur Özkan (**)	Executive Vice President	May 14, 2015	Masters
Elsa Pekmez Atan (**)	Executive Vice President	May 14, 2015	Masters

(*) Şebnem Seniye Karaduman, the Executive Vice President responsible for Legal Consultancy Department has resigned as of June 30, 2015.

(**) Enis Kurtuluş has been assigned as the Executive Vice President responsible for Mass Banking, Murat Koraş has been assigned as the Executive Vice President responsible for Retail Payment Systems, Onur Özkan has been assigned the Executive Vice President responsible for Private and Exclusive Banking and Elsa Pekmez Atan has been assigned as the Executive Vice President responsible for Enpara.com. All necessary legal processes have been completed as of May 14, 2015.

In addition to the explanations about members of Board of the Directors, Paula Hadjisotiriou has resigned from the Board of Directors as of June 24, 2015.

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

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

FINANSBANK ANONİM ŞİRKETİ
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2015

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

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

Name Surname/Trade Name	Amount of Shares	Percentage of Shares	Paid-up Shares	Unpaid Shares
National Bank of Greece S.A.	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 Associates will be canceled at no cost. Subject decision has been approved at the Extraordinary General Meeting dated December 4, 2014. 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.

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 June 30, 2015, the Bank operates through 652 domestic (December 31, 2014 - 656), 1 off-shore banking (December 31, 2014 - 1) and 1 Atatürk Airport Free Trade Zone (December 31, 2014 - 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)**

**FİNANSBANK ANONİM ŞİRKETİ
BALANCE SHEET AS OF JUNE 30, 2015 (STATEMENT OF FINANCIAL POSITION)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)**

I. BALANCE SHEET – ASSETS

		Reviewed 30.06.2015			Audited 31.12.2014			
		Section 5						
		Part I	TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	1.029.767	6.679.961	7.709.728	1.503.207	7.160.628	8.663.835
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	2.135.537	231.304	2.366.841	1.203.668	152.639	1.356.307
2.1	Financial assets held for trading		2.067.022	231.304	2.298.326	1.105.525	152.639	1.258.164
2.1.1	Public sector debt securities		1.270	3.363	4.633	2.520	2.299	4.819
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Assets on trading derivatives		2.065.752	227.941	2.293.693	1.103.005	150.340	1.253.345
2.1.4	Other securities		-	-	-	-	-	-
2.2	Financial assets at fair value through profit and loss		68.515	-	68.515	98.143	-	98.143
2.2.1	Public sector debt securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans		68.515	-	68.515	98.143	-	98.143
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	(3)	9.080	365.859	374.939	19.390	224.302	243.692
IV.	MONEY MARKET PLACEMENTS		1.500.441	134.394	1.634.835	200.062	-	200.062
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements	(4)	1.500.441	134.394	1.634.835	200.062	-	200.062
V.	INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(5)	3.790.684	1.736.113	5.526.797	3.956.061	1.477.171	5.433.232
5.1	Equity securities		4.232	-	4.232	4.229	-	4.229
5.2	Public sector debt securities		3.772.647	1.706.091	5.478.738	3.924.071	1.444.438	5.368.509
5.3	Other securities		13.805	30.022	43.827	27.761	32.733	60.494
VI.	LOANS AND RECEIVABLES	(6)	45.889.989	8.644.378	54.534.367	42.874.766	7.371.360	50.246.126
6.1	Loans and receivables		45.169.779	8.644.378	53.814.157	42.306.593	7.371.360	49.677.953
6.1.1	Loans to risk group of the Bank		132.867	54.657	187.524	119.800	39.473	159.273
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3.	Other		45.036.912	8.589.721	53.626.633	42.186.793	7.331.887	49.518.680
6.2	Non-performing loans		3.282.119	-	3.282.119	2.731.499	-	2.731.499
6.3	Specific provisions (-)		2.561.909	-	2.561.909	2.163.326	-	2.163.326
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	INVESTMENT SECURITIES HELD TO MATURITY (Net)	(7)	2.870.125	797.786	3.667.911	3.052.566	674.657	3.727.223
8.1	Public sector debt securities		2.870.125	102.694	2.972.819	3.052.566	90.418	3.142.984
8.2	Other securities		-	695.092	695.092	-	584.239	584.239
IX.	INVESTMENT IN ASSOCIATES (Net)	(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
X.	INVESTMENT IN SUBSIDIARIES (Net)	(9)	334.376	-	334.376	444.859	-	444.859
10.1	Unconsolidated financial investments		316.330	-	316.330	426.813	-	426.813
10.2	Unconsolidated non-financial investments		18.046	-	18.046	18.046	-	18.046
XI.	ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(10)	186.217	-	186.217	186.217	-	186.217
11.1	Equity method entities under common control		-	-	-	-	-	-
11.2	Unconsolidated		186.217	-	186.217	186.217	-	186.217
11.2.1	Financial investments		183.417	-	183.417	183.417	-	183.417
11.2.2	Non-financial Investments		2.800	-	2.800	2.800	-	2.800
XII.	LEASE RECEIVABLES (Net)	(11)	-	-	-	-	-	-
12.1	Financial lease receivables		-	-	-	-	-	-
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
XIII.	DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(12)	3.145.739	32.561	3.178.300	1.965.902	22.844	1.988.746
13.1	Fair value hedge		2.239.968	32.561	2.272.529	1.459.151	22.844	1.481.995
13.2	Cash flow hedge		905.771	-	905.771	506.751	-	506.751
13.3	Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)		1.502.723	13	1.502.736	1.470.096	10	1.470.106
XV.	INTANGIBLE ASSETS (Net)		231.429	-	231.429	223.847	-	223.847
15.1	Goodwill		-	-	-	-	-	-
15.2	Others		231.429	-	231.429	223.847	-	223.847
XVI.	INVESTMENT PROPERTIES (Net)		-	-	-	-	-	-
XVII.	TAX ASSETS	(13)	56.639	-	56.639	50.050	-	50.050
17.1	Current tax assets		-	-	-	-	-	-
17.2	Deferred tax assets		56.639	-	56.639	50.050	-	50.050
XVIII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(14)	-	-	-	51.265	-	51.265
18.1	Held for sale		-	-	-	51.265	-	51.265
18.2	Discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(15)	1.052.530	92.188	1.144.718	817.623	99.398	917.021
TOTAL ASSETS			63.739.042	18.714.557	82.453.599	58.023.345	17.183.009	75.206.354

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

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

FİNANSBANK ANONİM ŞİRKETİ

BALANCE SHEET AS OF JUNE 30, 2015 (STATEMENT OF FINANCIAL POSITION)

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

I. BALANCE SHEET – LIABILITIES AND EQUITY

		Reviewed 30.06.2015			Audited 31.12.2014			
		TL	FC	Total	TL	FC	Total	
		Section 5						
		Part II						
I.	DEPOSITS	(1)	27.037.671	17.155.412	44.193.083	27.240.961	14.833.593	42.074.554
1.1	Deposits from risk group of the Bank		208.460	170.372	378.832	284.836	132.296	417.132
1.2	Other		26.829.211	16.985.040	43.814.251	26.956.125	14.701.297	41.657.422
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	1.773.853	270.113	2.043.966	1.092.806	160.505	1.253.311
III.	FUNDS BORROWED	(3)	99.182	5.754.351	5.853.533	115.661	4.782.482	4.898.143
IV.	MONEY MARKET BORROWINGS		2.643.657	1.817.607	4.461.264	2.716.251	1.431.183	4.147.434
4.1	Interbank money markets takings		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money markets takings		-	-	-	-	-	-
4.3	Funds provided under repurchase agreements	(4)	2.643.657	1.817.607	4.461.264	2.716.251	1.431.183	4.147.434
V.	SECURITIES ISSUED (Net)	(5)	1.500.877	3.633.510	5.134.387	2.218.569	3.154.880	5.373.449
5.1	Bills		1.320.532	318.593	1.639.125	1.971.791	262.040	2.233.831
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		180.345	3.314.917	3.495.262	246.778	2.892.840	3.139.618
VI.	FUNDS		-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	SUNDRY CREDITORS		1.827.429	4.161.407	5.988.836	1.629.052	2.133.518	3.762.570
VIII.	OTHER LIABILITIES	(6)	1.372.694	172.904	1.545.598	916.276	120.953	1.037.229
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	LEASE PAYABLES (Net)	(7)	1.132	1.150	2.282	1.311	1.235	2.546
10.1	Financial lease payables		1.304	1.262	2.566	1.563	1.368	2.931
10.2	Operational lease payables		-	-	-	-	-	-
10.3	Others		-	-	-	-	-	-
10.4	Deferred financial lease expenses (-)		172	112	284	252	133	385
XI.	DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(8)	33.570	144.315	177.885	202.104	149.976	352.080
11.1	Fair value hedge		518	144.315	144.833	70.738	149.976	220.714
11.2	Cash flow hedge		33.052	-	33.052	131.366	-	131.366
11.3	Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII.	PROVISIONS	(9)	1.562.608	-	1.562.608	1.438.400	-	1.438.400
12.1	General provisions		1.113.711	-	1.113.711	942.661	-	942.661
12.2	Restructuring provisions		-	-	-	-	-	-
12.3	Reserve for employee benefits		197.482	-	197.482	200.134	-	200.134
12.4	Insurance technical provisions (Net)		-	-	-	-	-	-
12.5	Other provisions		251.415	-	251.415	295.605	-	295.605
XIII.	TAX LIABILITY	(10)	70.225	-	70.225	170.778	-	170.778
13.1	Current tax liability		70.225	-	70.225	170.778	-	170.778
13.2	Deferred tax liability		-	-	-	-	-	-
XIV.	PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)	(11)	-	-	-	-	-	-
14.1	Held for sale		-	-	-	-	-	-
14.2	Discontinued operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS	(12)	-	2.458.652	2.458.652	-	2.121.712	2.121.712
XVI.	SHAREHOLDERS' EQUITY		9.069.942	(108.662)	8.961.280	8.630.767	(56.619)	8.574.148
16.1	Paid-in capital	(13)	2.835.000	-	2.835.000	2.835.000	-	2.835.000
16.2	Capital reserves		251.306	(108.662)	142.644	316.472	(56.619)	259.853
16.2.1	Share Premium	(14)	714	-	714	714	-	714
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Securities value increase fund	(15)	223.238	(108.662)	114.576	401.689	(56.619)	345.070
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)		72.806	-	72.806	(40.479)	-	(40.479)
16.2.9	Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		(48.141)	-	(48.141)	(48.141)	-	(48.141)
16.3	Profit reserves		5.479.295	-	5.479.295	4.601.867	-	4.601.867
16.3.1	Legal reserves		409.238	-	409.238	365.367	-	365.367
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		5.070.057	-	5.070.057	4.236.500	-	4.236.500
16.3.4	Other profit reserves		-	-	-	-	-	-
16.4	Profit or loss		504.341	-	504.341	877.428	-	877.428
16.4.1	Prior years' income/ (losses)		-	-	-	-	-	-
16.4.2	Current period income/ (loss)		504.341	-	504.341	877.428	-	877.428
16.5	Minority shares		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY			46.992.840	35.460.759	82.453.599	46.372.936	28.833.418	75.206.354

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

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

**FINANSBANK ANONİM ŞİRKETİ
STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES
AS OF JUNE 30, 2015**

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

II. STATEMENT OF OFF-BALANCE COMMITMENTS AND CONTINGENCIES

		Reviewed 30.06.2015			Audited 31.12.2014		
Section 5. Part III.		TL	FC	Total	TL	FC	Total
A.	OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)	89.668.239	87.670.445	177.338.684	88.912.523	81.029.264	169.941.787
I.	GUARANTEES	(1), (2), (3),(4),(6)					
1.1.	Letters of guarantee	5.619.029	4.243.303	9.862.332	5.214.732	3.945.677	9.160.409
1.1.1.	Letters of guarantee subject to State Tender Law	5.598.894	2.537.212	8.136.106	5.205.798	2.208.929	7.414.727
1.1.2.	Guarantees given for foreign trade operations	285.062	29.522	314.584	238.293	28.417	266.710
1.1.3.	Other letters of guarantee	3.019.811	2.507.690	5.527.501	2.895.013	2.180.512	5.075.525
1.2.	Bank loans	2.294.021	-	2.294.021	2.072.492	-	2.072.492
1.2.1.	Bank loans subject to acceptance	20.133	936.795	956.928	8.934	903.353	912.287
1.2.2.	Other bank acceptances	20.133	936.795	956.928	8.934	903.353	912.287
1.3.	Letters of credit	-	769.296	769.298	-	812.318	812.318
1.3.1.	Documentary letters of credit	-	746.220	746.222	-	614.869	614.869
1.3.2.	Other letters of credit	-	23.076	23.076	-	197.449	197.449
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	-	-	-	-	21.077	21.077
1.9.	Other collaterals	-	-	-	-	-	-
II.	COMMITMENTS	(1)					
2.1.	Irrevocable commitments	32.185.798	2.806.256	34.992.054	29.008.708	1.907.143	30.915.851
2.1.1.	Forward asset purchase commitments	698.547	2.756.515	3.455.062	688.063	1.862.257	2.550.320
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	11.707.004	269	11.707.273	8.536.833	232	8.537.065
2.1.5.	Securities underwriting commitments	-	-	-	-	-	-
2.1.6.	Commitments for reserve deposit requirements	-	-	-	-	-	-
2.1.7.	Payment commitment for checks	2.593.268	-	2.593.268	2.420.299	-	2.420.299
2.1.8.	Tax and fund liabilities from export commitments	8.524	-	8.524	7.626	-	7.626
2.1.9.	Commitments for credit card expenditure limits	16.651.976	-	16.651.976	16.812.040	-	16.812.040
2.1.10.	Commitments for promotions related with credit cards and banking activities	30.699	-	30.699	22.604	-	22.604
2.1.11.	Receivables from short sale commitments	-	-	-	-	-	-
2.1.12.	Payables for short sale commitments	-	-	-	-	-	-
2.1.13.	Other irrevocable commitments	495.780	49.472	545.252	521.243	44.654	565.897
2.2.	Revocable commitments	118.766	374.379	493.145	103.805	458.561	562.366
2.2.1.	Revocable loan granting commitments	118.766	374.379	493.145	103.805	458.561	562.366
2.2.2.	Other revocable commitments	-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(6)					
3.1.	Derivative financial instruments for hedging purposes	12.100.656	17.640.816	29.741.472	13.357.379	16.633.829	29.991.208
3.1.1.	Fair value hedge	4.980.031	13.359.525	18.339.556	6.870.913	12.335.168	19.206.081
3.1.2.	Cash flow hedge	7.120.625	4.281.291	11.401.916	6.486.466	4.298.661	10.785.127
3.1.3.	Hedge of net investment in foreign operations	-	-	-	-	-	-
3.2.	Held for trading transactions	39.643.990	62.605.691	102.249.681	41.227.899	58.084.054	99.311.953
3.2.1.	Forward foreign currency buy/sell transactions	4.393.267	5.037.004	9.430.271	2.329.798	2.771.354	5.101.152
3.2.1.1.	Forward foreign currency transactions-buy	2.673.980	2.050.968	4.724.948	1.305.411	1.244.832	2.550.243
3.2.1.2.	Forward foreign currency transactions-sell	1.719.287	2.986.036	4.705.323	1.024.387	1.526.522	2.550.909
3.2.2.	Swap transactions related to foreign currency and interest rates	30.791.956	48.988.317	79.780.273	35.786.236	47.901.622	83.687.858
3.2.2.1.	Foreign currency swap-buy	13.724.076	19.825.765	33.549.841	19.144.314	17.935.272	37.079.586
3.2.2.2.	Foreign currency swap-sell	16.209.694	17.080.014	33.289.708	15.712.662	21.352.952	37.065.614
3.2.2.3.	Interest rate swaps-buy	429.093	6.068.132	6.497.225	464.630	4.306.699	4.771.329
3.2.2.4.	Interest rate swaps-sell	429.093	6.014.406	6.443.499	464.630	4.306.699	4.771.329
3.2.3.	Foreign currency, interest rate and securities options	4.457.945	7.943.338	12.401.283	3.110.969	6.955.232	10.066.201
3.2.3.1.	Foreign currency options-buy	2.046.830	4.141.795	6.188.625	1.502.096	3.520.388	5.022.484
3.2.3.2.	Foreign currency options-sell	2.411.115	3.801.543	6.212.658	1.608.873	3.434.844	5.043.717
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	822	32.614	33.436	896	38.444	39.340
3.2.4.1.	Foreign currency futures-buy	411	16.307	16.718	448	19.222	19.670
3.2.4.2.	Foreign currency futures-sell	411	16.307	16.718	448	19.222	19.670
3.2.5.	Interest rate futures	-	-	-	-	-	-
3.2.5.1.	Interest rate futures-buy	-	-	-	-	-	-
3.2.5.2.	Interest rate futures-sell	-	-	-	-	-	-
3.2.6.	Other	-	604.418	604.418	-	417.402	417.402
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)	439.947.742	77.776.091	517.723.833	398.851.830	69.067.178	467.919.008
IV.	ITEMS HELD IN CUSTODY	9.874.362	1.762.381	11.636.743	7.076.630	1.530.536	8.607.166
4.1.	Assets under management	6.278.580	-	6.278.580	3.128.580	-	3.128.580
4.2.	Investment securities held in custody	756.601	898.857	1.655.458	1.232.314	757.722	1.990.036
4.3.	Checks received for collection	2.114.800	281.222	2.396.022	2.054.477	258.410	2.312.887
4.4.	Commercial notes received for collection	724.378	150.490	874.868	661.253	138.426	799.679
4.5.	Other assets received for collection	-	-	-	-	-	-
4.6.	Assets received for public offering	-	-	-	-	-	-
4.7.	Other items under custody	3	431.812	431.815	6	375.978	375.984
4.8.	Custodians	-	-	-	-	-	-
V.	PLEDGED ITEMS	257.427.761	40.239.489	297.667.250	234.715.130	31.709.225	266.424.355
5.1.	Marketable securities	558.572	3.171.396	3.729.968	620.378	2.260.821	2.881.199
5.2.	Guarantee notes	204.719	62.090	266.809	181.761	52.651	234.412
5.3.	Commodity	45.695	-	45.695	41.344	-	41.344
5.4.	Warranty	-	-	-	-	-	-
5.5.	Properties	64.567.846	19.864.814	84.432.660	57.209.764	11.327.616	68.537.380
5.6.	Other pledged items	192.050.929	17.141.189	209.192.118	176.661.883	18.068.137	194.730.020
5.7.	Pledged items-depository	-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES	172.645.619	35.774.221	208.419.840	157.060.070	35.827.417	192.887.487
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		529.615.981	165.446.536	695.062.517	487.764.353	150.096.442	637.860.795

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 JUNE 30, 2015
(STATEMENT OF INCOME/LOSS)**

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

III. INCOME STATEMENT

		Reviewed	Reviewed	Reviewed	Reviewed	
		01.01 -	01.04 -	01.01 -	01.04 -	
		30.06.2015	30.06.2015	30.06.2014	30.06.2014	
		Section 5				
		Part IV.				
I.	INTEREST INCOME	(1)	3.576.973	1.852.998	3.070.229	1.575.289
1.1	Interest on loans		3.152.233	1.620.724	2.663.105	1.384.092
1.2	Interest received from reserve deposits		7.067	4.183	-	-
1.3	Interest received from banks		1.160	600	631	370
1.4	Interest received from money market placements		42.814	29.016	23.329	7.915
1.5	Interest received from marketable securities portfolio		371.324	197.664	381.838	182.356
1.5.1	Held-for-trading financial assets		784	363	2.348	1.005
1.5.2	Financial assets at fair value through profit and loss		5.328	2.447	10.040	4.627
1.5.3	Available-for-sale financial assets		207.694	109.310	223.803	106.686
1.5.4	Investments held-to-maturity		157.518	85.544	145.647	70.038
1.6	Finance lease income		-	-	-	-
1.7	Other interest income		2.375	811	1.326	556
II.	INTEREST EXPENSE	(2)	1.763.287	898.031	1.737.940	902.660
2.1	Interest on deposits		1.343.278	686.460	1.397.632	721.126
2.2	Interest on funds borrowed		116.161	61.872	94.241	49.549
2.3	Interest on money market borrowings		104.424	53.455	112.658	59.764
2.4	Interest on securities issued		191.900	95.005	129.157	71.767
2.5	Other interest expense		7.524	1.239	4.252	454
III.	NET INTEREST INCOME (I - II)		1.813.686	954.967	1.332.289	672.629
IV.	NET FEES AND COMMISSIONS INCOME		658.795	327.286	728.462	347.484
4.1	Fees and commissions received		774.334	388.801	836.788	406.495
4.1.1	Non-cash loans		28.300	14.308	23.977	12.389
4.1.2	Other		746.034	374.493	812.811	394.106
4.2	Fees and commissions paid		115.539	61.515	108.326	59.011
4.2.1	Non-cash loans		492	213	578	391
4.2.2	Other		115.047	61.302	107.748	58.620
V.	DIVIDEND INCOME	(3)	62.872	415	9.042	9.042
VI.	NET TRADING INCOME	(4)	(271.194)	(143.064)	(120.116)	(76.749)
6.1	Securities trading gains/ (losses)		11.238	(965)	3.018	(357)
6.2	Gains / (losses) from financial derivatives transactions		(251.966)	(153.940)	(84.859)	(95.180)
6.3	Foreign exchange gains/ (losses)		(30.466)	11.841	(38.275)	18.788
VII.	OTHER OPERATING INCOME	(5)	197.190	71.507	232.076	172.617
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)		2.461.349	1.211.111	2.181.753	1.125.023
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	529.290	257.108	535.263	308.499
X.	OTHER OPERATING EXPENSES (-)	(7)	1.323.889	687.450	1.190.380	550.983
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		608.170	266.553	456.110	265.541
XII.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-	-	-
XIII.	GAIN / (LOSS) ON EQUITY METHOD		-	-	-	-
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-	-	-
XV.	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)		-	-	-	-
XVI.	TAX CHARGE FOR CONTINUED OPERATIONS (±)	(8)	608.170	266.553	456.110	265.541
16.1	Current income tax charge	(9)	(103.829)	(45.199)	(112.304)	(50.702)
16.2	Deferred tax charge / benefit		(111.236)	(73.911)	(54.303)	(54.303)
XVII.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	504.341	221.354	343.806	214.839
XVIII.	INCOME ON DISCONTINUED OPERATIONS		-	-	-	-
18.1	Income on assets held for sale		-	-	-	-
18.2	Income on sale of associates, subsidiaries and entities under common control		-	-	-	-
18.3	Income on other discontinued operations		-	-	-	-
XIX.	LOSS FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1	Loss from assets held for sale		-	-	-	-
19.2	Loss on sale of associates, subsidiaries and entities under common control		-	-	-	-
19.3	Loss from other discontinued operations		-	-	-	-
XX.	PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)	(8)	-	-	-	-
XXI.	TAX CHARGE FOR DISCONTINUED OPERATIONS (±)	(9)	-	-	-	-
21.1	Current income tax charge		-	-	-	-
21.2	Deferred tax charge / benefit		-	-	-	-
XXII.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	-	-	-
XXIII.	NET PROFIT/LOSS (XVII+XXII)	(11)	504.341	221.354	343.806	214.839
23.1	Group's profit/loss		504.341	221.354	343.806	214.839
23.2	Minority shares (-)		-	-	-	-
	Earnings per share		0,01779	0,00781	0,01213	0,00758

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 JUNE 30, 2015
(INCOME STATEMENT ACCOUNTS BOOKED IN SHAREHOLDERS' EQUITY)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

IV. STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

	Reviewed 01.01 - 30.06.2015	Reviewed 01.01 - 30.06.2014
I.		
ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	(257.998)	214.151
II.		
TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III.		
INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV.		
FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V.		
PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR CASH FLOW HEDGE PURPOSES (Effective Portion of Fair Value Differences)	141.607	(168.425)
VI.		
PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS (Effective Portion of Fair Value Differences)	-	-
VII.		
THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES	-	-
VIII.		
OTHER PROFIT LOSS ITEMS ACCOUNTED FOR UNDER EQUITY AS PER TURKISH ACCOUNTING STANDARDS	-	-
IX.		
DEFERRED TAX OF VALUATION DIFFERENCES	(818)	11.080
X.		
TOTAL NET PROFIT/LOSS ACCOUNTED FOR UNDER EQUITY (I+II+...+IX)	(117.209)	56.806
XI.		
PROFIT/LOSS	504.341	343.806
11.1	6.109	(6.465)
11.2		
Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	(29.722)	-
11.3	-	-
Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4	527.954	350.271
XII.		
TOTAL PROFIT/LOSS ACCOUNTED FOR IN THE PERIOD (X±XI)	387.132	400.612

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 JUNE 30, 2015

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed	Section 5 Part II	Paid-in Capital	Effect of inflation Accounting on Capital and Other Capital Reserves	Share Cancellation Premium	Share Certificate 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
Prior period – 01.01 – 30.06.2014																	
I. Beginning balance		2.700.000	-	714	-	328.655	-	3.673.973	(32.665)	-	734.239	144.886	-	2.689	95.987	-	7.648.478
II. Changes in period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Increase/decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Marketable securities valuation differences	(15)	-	-	-	-	-	-	-	-	-	-	191.547	-	-	-	-	191.547
V. Hedging funds (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(134.740)	-	(134.740)
4.2 Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	(134.740)	-	(134.740)
VI. Tangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Bonus shares obtained from associates, subsidiaries and entities under common control		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. The disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. The reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. The effect of change in associates' equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Capital increase	(13.3)	135.000	-	-	-	-	-	(135.000)	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal sources		135.000	-	-	-	-	-	(135.000)	-	-	-	-	-	-	-	-	-
XIV. Share issue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Inflation adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Period net income/(loss)		-	-	-	-	-	-	-	-	343.806	-	-	-	-	-	-	343.806
XIX. Profit distribution		-	-	-	-	-	-	-	-	-	(734.239)	-	-	-	-	-	-
18.1 Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to reserves		-	-	-	-	-	-	-	-	-	(734.239)	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance (I+II+III+...+XVI+XVII+XVIII)		2.835.000	-	714	-	365.367	-	4.236.500	(32.665)	343.806	-	336.433	-	2.689	(38.753)	-	8.049.091

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 JUNE 30, 2015

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed	Section 5 Part II	Paid-in Capital	Effect of inflation Accounting on Capital and Other Capital		Share Cancellation Premium	Share Certificate 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
			Reserves	Reserves														
Current period – 01.01 – 30.06.2015																		
I.		2.835.000	-	714	-	365.367	-	4.236.500	(48.141)	-	877.428	345.070	-	2.689	(40.479)	-	-	8.574.148
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	(15)	-	-	-	-	-	-	-	-	-	-	(230.494)	-	-	-	-	-	(230.494)
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	113.285	-	113.285
4.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	113.285	-	113.285
V.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	(13.3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.		-	-	-	-	-	-	-	-	504.341	-	-	-	-	-	-	-	504.341
XVIII.		-	-	-	-	43.871	-	833.557	-	-	(877.428)	-	-	-	-	-	-	-
18.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2		-	-	-	-	43.871	-	833.557	-	-	(877.428)	-	-	-	-	-	-	-
18.3		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance (I+II+III+...+XVI+XVII+XVIII)		2.835.000	-	714	-	409.238	-	5.070.057	(48.141)	504.341	-	114.576	-	2.689	72.806	-	-	8.961.280

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 JUNE 30, 2015**

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

VI. STATEMENT OF CASH FLOWS

	Section 5. Part V.	Reviewed 01.01 – 30.06.2015	Reviewed 01.01 – 30.06.2014
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		661.669	1.560.052
1.1.1 Interest received (+)		3.264.329	3.034.291
1.1.2 Interest paid (-)		(1.724.950)	(1.651.491)
1.1.3 Dividend received (+)		55.872	9.042
1.1.4 Fees and commissions received (+)		758.497	837.673
1.1.5 Other income (+)		55.502	231.258
1.1.6 Collections from previously written off loans (+)		308.544	294.834
1.1.7 Payments to personnel and service suppliers (-)		(916.521)	(949.418)
1.1.8 Taxes paid (-)		(286.434)	(163.306)
1.1.9 Others (+/-)		(853.170)	(82.831)
1.2 Changes in operating assets and liabilities		1.373.757	(1.689.498)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		58	12.972
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		(27.894)	153.310
1.2.3 Net (increase) decrease in due from banks (+/-)		669.842	25.357
1.2.4 Net (increase) decrease in loans (+/-)		(3.671.382)	(3.560.204)
1.2.5 Net (increase) decrease in other assets (+/-)		(97)	45.181
1.2.6 Net increase (decrease) in bank deposits (+/-)		(15.909)	(153.056)
1.2.7 Net increase (decrease) in other deposits (+/-)		1.513.363	939.770
1.2.8 Net increase (decrease) in funds borrowed (+/-)		78.606	771.192
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)		2.827.170	75.980
I. Net cash provided from / (used in) banking operations (+/-)		2.035.426	(129.446)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		(140.943)	(762.841)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(10.000)	-
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		-	-
2.3 Fixed assets purchases (-)		(98.774)	(705.507)
2.4 Fixed assets sales (+)		185.424	-
2.5 Cash paid for purchase of financial assets available for sale (-)		(1.664.681)	(12.743.603)
2.6 Cash obtained from sale of financial assets available for sale (+)		1.232.905	13.248.593
2.7 Cash paid for purchase of investment securities (-)		(246.398)	(510.284)
2.8 Cash obtained from sale of investment securities (+)		512.035	-
2.9 Others (+/-)		(51.454)	(52.040)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities (+/-)		(701.617)	863.201
3.1 Cash obtained from funds borrowed and securities issued (+)		1.827.105	3.437.908
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(2.528.326)	(2.574.186)
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for finance leases (-)		(396)	(521)
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)		91.650	87.800
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		1.284.516	58.714
VI. Cash and cash equivalents at beginning of the period (+)	(1)	2.867.988	2.098.546
VII. Cash and cash equivalents at end of the period (V+VI)	(2)	4.152.504	2.157.260

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 JUNE 30, 2015**

(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 June 30, 2015 and the related disclosures and footnotes, in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by BRSA, 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. Classifications

None.

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

Accounting policies and valuation principles used in the preparation of the financial statements are determined and applied, in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by BRSA, the requirements of TAS and are consistent with the accounting policies applied in the annual financial statements of the year ended December 31, 2014. The amendments of TAS and TFRS, effective as of January 1, 2015, 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 JUNE 30, 2015**

(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.

(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 JUNE 30, 2015**

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

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

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 June 30, 2015 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>June 30, 2015</u>	<u>December 31, 2014</u>
US Dollar	TL 2,6863	TL 2,3189
Euro	TL 2,9822	TL 2,8207

2.2. Net profit or loss is included in the total foreign exchange differences for the period

As of June 30, 2015, the net loss on exchange included in net profit is TL 30.466 (June 30, 2014 – TL 38.275 loss on exchange).

III. Information on associate, subsidiaries and entities under common control (joint ventures)

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.

(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 JUNE 30, 2015**

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

IV. Explanations on forwards, option contracts and derivative instruments (continued)

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 of related stock market 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.

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.

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.

Information on Eurobond, TL government bonds 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 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.

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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.

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).

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VII. Explanations on financial assets (continued)

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 and some portion of TL government bonds are designated as fair value hedged items, hedged against interest rate fluctuations, starting from July 2011. 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 Eurobond and TL government bond 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 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

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to held-to-maturity other than those that the entity upon initial recognition designates as at fair value through profit or loss, those that the entity designates as available-for-sale; and those that meet the definition of loans and receivables. Held-to-maturity financial assets are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective interest rate method. Interest income obtained from held-to-maturity financial assets is accounted in income statement.

There are no financial assets previously classified as held-to-maturity but which cannot be subject to this classification for two years due to the contradiction of classification principles.

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VII. Explanations on financial assets (continued)

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 note Note IV- Section III, “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.

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 Footnote VII-4 of Section Four.

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IX. Explanations on netting of financial instruments and derecognition of financial assets

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 4.821.807 (December 31, 2014 – TL 4.409.923).

Securities that are subject to lending transactions as at the balance sheet date amounted to TL 792 (December 31, 2014 – TL 1.345).

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

XI. 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.

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 has no discounting operations.

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.

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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, entities under common controls 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.

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.

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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.

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.

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.

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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, 15th and 30th Articles, profit distribution for the period is subject to withholding tax by 15%, for full-fledged real person taxpayers, for those who are not responsible for corporate tax and income tax, for those exempt from corporate and income tax (except for those taxed through their businesses or permanent representatives in Turkey) and for foreign based real person taxpayers.

2. Deferred taxes

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

3. Transfer Pricing

The article no.13 of the Corporate Tax Law describes the issue of transfer pricing under the title of “disguised profit distribution” by way of transfer pricing. “The General Communique on Disguised Profit Distribution by way of Transfer Pricing” published on November 18, 2007 explains the application related issues in detail. According to this Communique, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm’s length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

Disguised profit distribution amount will be recognized as share in net profit and stoppage tax will be calculated depending on whether the profit distributing institution is a real or corporate entity, full fledged or foreign based taxpayer, is subject to or exempt from tax.

As discussed under subject Communique’s 7.1 Annual Documentation section, taxpayers are required to fill out the “Transfer Pricing, Controlled Foreign Entities and Thin Capitalization” form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices.

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 hasn’t been changed. (January 1 – December 31, 2014 - paid from first dividend with bonus shares increased by TL 135.000).

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 June 30, 2015, 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.

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XXII. Explanations on segment reporting (continued)

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.

Current Period (January 1 – June 30, 2015)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Net Interest Income	765.713	560.786	487.187	1.813.686
Net Fees and Commissions Income	504.768	166.657	(12.630)	658.795
Other Operating Income and Net Trading Income	18.306	16.375	(108.685)	(74.004)
Dividend Income	-	-	62.872	62.872
Operating Income	1.288.787	743.818	428.744	2.461.349
Other Operating Expenses	822.022	392.473	109.394	1.323.889
Provision for Loan Losses and Other Receivables	337.264	232.370	(40.344)	529.290
Profit Before Taxes	129.501	118.975	359.694	608.170
Provision for Tax	-	-	-	(103.829)
Net Profit/Loss	-	-	-	504.341
Total Assets	39.968.359	14.161.652	23.385.795	82.453.599
Segment Assets	39.968.359	14.161.652	23.385.795	77.515.806
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	524.359
Undistributed Assets	-	-	-	4.413.434
Total Liabilities	32.431.519	10.311.206	21.580.045	82.453.599
Segment Liabilities	32.431.519	10.311.206	21.580.045	64.322.770
Undistributed Liabilities	-	-	-	9.169.549
Equity	-	-	-	8.961.280
Other Segment Accounts	111.952	53.451	78.857	244.260
Capital Expenditures	41.814	19.964	69.271	131.049
Depreciation and Amortization	70.138	33.487	9.586	113.211
Value Decrease/ (Increase)	-	-	-	-

Prior Period (January 1 – June 30, 2014)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Net Interest Income	535.426	488.605	308.258	1.332.289
Net Fees and Commissions Income	610.608	125.490	(7.636)	728.462
Other Operating Income and Net Trading Income	202.131	35.381	(125.552)	111.960
Dividend Income	-	-	9.042	9.042
Operating Income	1.348.165	649.476	184.112	2.181.753
Other Operating Expenses	748.726	387.332	54.322	1.190.380
Provision for Loan Losses and Other Receivables	329.718	199.805	5.740	535.263
Profit Before Taxes	269.721	62.339	124.050	456.110
Provision for Tax	-	-	-	(112.304)
Net Profit/Loss	-	-	-	343.806
Other Segment Accounts	142.265	73.617	970.698	1.186.580
Capital Expenditures	80.272	41.538	961.398	1.083.208
Depreciation and Amortization	61.993	32.079	9.300	103.372
Value Decrease/ (Increase)	-	-	-	-

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

XXII. Explanations on segment reporting (continued)

Prior Period (December 31, 2014)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Total Assets	37.337.428	12.627.104	20.675.451	75.206.354
Segment Assets	37.337.428	12.627.104	20.675.451	70.639.983
Associates and Subsidiaries and Entities	-	-	-	634.842
Undistributed Assets	-	-	-	3.931.529
Total Liabilities	29.485.415	11.084.903	19.650.365	75.206.354
Segment Liabilities	29.485.415	11.084.903	19.650.365	60.220.683
Undistributed Liabilities	-	-	-	6.411.523
Equity	-	-	-	8.574.148

XXIII. Explanations on profit reserves and profit distribution

The Ordinary General Assembly Meeting of the Bank was held on 31 March 2015. In the Ordinary General Assembly, it was decided to distribute a TL 43.871 cash dividend over the TL 877.428 net income from 2014 operations to the Bank's shareholders. In accordance with the 26th clause of the Bank's Articles of Association, it has been decided in the Extraordinary General Assembly Meeting dated May 28, 2015 to distribute the net profit remaining after General Legal Reserve has been appropriated as of 2014 financials, amounting to TL 833.557.

Statement of Profit Distribution, 2014

Profit for the Period	877.428
A – 1 st Legal Reserve (TCC 519/A) 5%	(43.871)
B – Extraordinary Reserves	(833.557)

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.

	Current Period	Prior Period
Net Profit for the Period	504.341	343.806
Weighted Average Amount of Shares Issued (Thousands)	28.350.000	28.350.000
Profit Per Share	0,01779	0,01213

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.

There is no issued bonus shared in 2015 (December 31, 2014: 1.350.000).

XXV. Explanations on other matters

In order to be consistent with the presentation of unconsolidated financial statements dated 30 June 2015, there are certain reclassifications made on unconsolidated “Statement of Other Comprehensive Income” as of 30 June 2014.

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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations related to capital adequacy ratio

As of June 30, 2015, the Bank's unconsolidated capital adequacy ratio is 15,80%. (December 31, 2014 – 16,98%).

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: 28756 dated September 5, 2013.

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 X. 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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**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
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Unconsolidated capital adequacy ratio

Current Period	Risk Weightings									
	0%	10%	20%	50%	75%	100%	150%	200%	250%	
Value at Credit Risk	-	-	316.967	10.277.520	16.175.231	22.516.030	3.556.286	8.265.756	615.930	
Exposure Categories:	14.411.031	-	1.584.837	20.555.039	21.566.975	22.516.030	2.370.857	4.132.878	246.372	
Conditional and unconditional receivables from central governments or central banks	13.407.280	-	-	1.997.708	-	-	-	-	-	
Conditional and unconditional receivables from regional or local governments	-	-	3.034	-	-	-	-	-	-	
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	162	-	-	-	
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-	
Conditional and unconditional receivables from banks and brokerage houses	-	-	1.581.581	2.316.296	-	37.118	-	-	-	
Conditional and unconditional receivables from corporates	-	-	-	-	-	17.018.534	-	-	-	
Conditional and unconditional retail receivables	-	-	-	-	21.566.975	1.768.758	-	-	-	
Conditional and unconditional receivables secured by mortgages	-	-	-	16.241.035	-	-	-	-	-	
Past due receivables	-	-	-	-	-	693.393	-	-	-	
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	2.370.857	4.132.878	246.372	
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	
Securitization positions	-	-	-	-	-	-	-	-	-	
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	
Investments similar to collective investment funds	-	-	-	-	-	13.154	-	-	-	
Other receivables	1.003.751	-	222	-	-	2.984.911	-	-	-	
Prior Period	Risk Weightings									
	0%	10%	20%	50%	75%	100%	150%	200%	250%	
Value at Credit Risk	-	-	245.829	9.465.302	15.417.255	20.617.801	2.513.757	7.994.862	676.638	
Exposure Categories:	15.690.061	-	1.229.146	18.930.604	20.556.340	20.617.801	1.675.838	3.997.431	270.655	
Conditional and unconditional receivables from central governments or central banks	14.850.852	-	-	1.697.937	-	-	-	-	-	
Conditional and unconditional receivables from regional or local governments	-	-	4.048	-	-	-	-	-	-	
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	316	-	-	-	
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-	
Conditional and unconditional receivables from banks and brokerage houses	-	-	1.224.868	2.181.022	-	29.459	-	-	-	
Conditional and unconditional receivables from corporates	-	-	-	-	-	15.318.399	-	-	-	
Conditional and unconditional retail receivables	-	-	-	-	20.556.340	1.825.386	-	-	-	
Conditional and unconditional receivables secured by mortgages	-	-	-	15.051.645	-	-	-	-	-	
Past due receivables	-	-	-	-	-	541.919	-	-	-	
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	1.675.838	3.997.431	270.655	
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	
Securitization positions	-	-	-	-	-	-	-	-	-	
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	
Investments similar to collective investment funds	-	-	-	-	-	26.414	-	-	-	
Other receivables	839.209	-	230	-	-	2.875.908	-	-	-	

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Summary information related to unconsolidated capital adequacy ratio

	Current Period(*)	Prior Period
Capital Requirement for Credit Risk (Value at Credit Risk * 0.08) (CRCR)	4.937.898	4.554.516
Capital Requirement for Market Risk (MRCR)	93.708	98.679
Capital Requirement for Operational Risk (ORCR)	572.223	503.912
Shareholders' Equity	11.065.857	10.946.807
Shareholders' Equity/(CRCR+MRCR+ORCR) * 12.5 * 100	%15,80	%16,98
Additional Tier I Capital/((CRCR+CRMR+CROR)*12.5*100)	%12,29	%12,97
Common Equity/((CRCR+CRMR+CROR)*12.5*100)	%12,48	%13,24

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.

Information on Equity Accounts	Current Period June 30, 2015	Prior Period Dec. 31, 2014
COMMON EQUITY		
Paid-in Capital following all debts in terms of claim in liquidation of the Bank's	2.835.000	2.835.000
Share premium	714	714
Share cancellation profits	-	-
Reserves	5.431.154	4.553.726
Gains recognized in equity as per TAS	276.442	397.191
Profit	504.341	877.428
Current Period Profit	504.341	877.428
Prior Period Profit	-	-
Provisions for Possible Risks	46.000	82.000
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	2.689	2.689
Common Equity Before Deductions	9.096.340	8.748.748
Deductions from Common Equity		
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-).	161.866	52.121
Leasehold improvements (-)	96.574	114.052
Goodwill or other intangible assets and deferred tax liability related to these items (-)	92.644	44.806
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 (-)	-	-
Total Deductions From Common Equity	351.084	210.979
Total Common Equity	8.745.256	8.537.769

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	June 30, 2015	December 31, 2014
ADDITIONAL TIER I CAPITAL		
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)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital		
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 (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-
DEDUCTIONS FROM TIER I CAPITAL	138.967	179.223
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1 st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	138.967	179.223
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 (-)	-	-
Total Tier I Capital	8.606.289	8.358.546
TIER II CAPITAL		
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)	1.736.305	1.940.559
Sources pledged to the Bank by shareholders to be used in capital increases of the Bank	-	-
General Loan Loss Provisions	771.546	711.643
Tier II Capital Before Deductions	2.507.851	2.652.202
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 (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	2.507.851	2.652.202
CAPITAL BEFORE DEDUCTIONS	11.114.140	11.010.748
Loans granted contrary to the 50th and 51th Article of the Law (-)	1.506	1.856
Net book value of amounts exceeding the limit mentioned in the 1 st 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 (-)	12.257	11.289
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 (-)	-	-
Other items to be defined by the BRSA (-)	34.520	50.796
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 st 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 st and 2 nd Paragraph of the 2 nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-
TOTAL CAPITAL	11.065.857	10.946.807
Amounts below the Excess Limits as per the Deduction Principles		
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	-	-

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

	Bank	
	Amount Included in Equity	Total Amount
	Calculation	
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)	1.736.305	1.736.305

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Information on debt instruments included in the calculation of equity:

	1	2	3	4
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)	511	419	262	544
Par value of instrument (Currency in million)	873	537	336	698
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	LIBOR + %4,50	LIBOR + %4,34	LIBOR + %4,34	LIBOR + %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

		Current Period Amount	Prior Period Amount
(I)	Capital Requirement against General Market Risk - Standard Method	35.839	25.987
(II)	Capital Requirement against Specific Risks – Standard Method	9.325	6.749
	Capital Requirement against Specific Risks of Securitization Positions– Standard Method	-	-
(III)	Capital Requirement against Currency Risk – Standard Method	12.350	45.766
(IV)	Capital Requirement against Commodity Risks - Standard Method	241	320
(V)	Capital Requirement against Settlement Risks - Standard Method	-	-
(VI)	Capital Requirement against Market Risks of Options - Standard Method	3.355	2.692
(VII)	Capital Requirement against Counterparty Credit Risk - Standard Method	32.598	17.165
(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)	93.708	98.679
(X)	Value-At-Market Risk (12,5 x VIII) or (12,5 x IX)	1.171.350	1.233.488

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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' (2014, 2013 and 2012) 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 June 30, 2015, the value at operational risk is amounting to TL 7.152.788 (December 31, 2014 - TL 6.298.900).

Basic Indicator Method	2 PP Amount	1 PP Amount	CP Amount	Total / No. of Years of Positive Gross	Rate (%)	Total
Gross Income	3.487.483	3.826.094	4.130.877	3.814.818	15	572.223
Value at operational risk (Total*12,5)						7.152.788
Prior Year Basic Indicator Method	2 PP Amount	1 PP Amount	CP Amount	Total / No. of Years of Positive Gross	Rate (%)	Total
Gross Income	2.764.673	3.487.483	3.826.093	3.359.416	15	503.912
Value at operational risk (Total*12,5)						6.298.900

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 June 30, 2015, the net foreign currency exposure of the Bank is TL 56.839 short position (December 31, 2014–TL 1.267.808 short) resulting from on balance sheet short position amounting to TL 13.536.452 (December 31, 2014–TL 8.838.502 short) and off balance sheet long position amounting to TL 13.479.613 (December 31, 2014–TL 7.570.694 long). The long off balance sheet position amounting to TL 14.297.951 (December 31, 2014– TL 8.119.363) 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 2,6863
Euro purchase rate at the date of the balance sheet	TL 2,9822

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
June 30, 2015	TL 2,6863	TL 2,9822
June 29, 2015	TL 2,6587	TL 2,9777
June 26, 2015	TL 2,6638	TL 2,9813
June 25, 2015	TL 2,6770	TL 3,0003
June 24, 2015	TL 2,6710	TL 3,0017
June 23, 2015	TL 2,6786	TL 3,0401

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 June 2015 are TL 2,7012 and TL 3,0267; respectively.

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

Current Period	EUR	USD	Other FC	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank ⁽¹⁾	1.395.598	3.939.338	1.345.025	6.679.961
Due From Banks	50.358	298.855	16.646	365.859
Financial Assets at Fair Value through Profit/Loss ⁽²⁾	124.775	97.087	-	221.862
Money Market Placements	-	134.394	-	134.394
Investment Securities Available-for-Sale	300.141	1.435.972	-	1.736.113
Loans and Receivables ⁽³⁾	4.859.562	7.065.776	20.968	11.946.306
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	-	-	-	-
Investment Securities Held-to-Maturity	12.989	784.797	-	797.786
Derivative Financial Assets Hedging Purposes	1.292	31.269	-	32.561
Tangible Assets	-	-	13	13
Intangible Assets	-	-	-	-
Other Assets ⁽⁴⁾	37.094	50.413	53	87.560
Total Assets	6.781.809	13.837.901	1.382.705	22.002.415
Liabilities				
Bank Deposits	243.685	1.073.724	53.220	1.370.629
Foreign Currency Deposits ⁽⁵⁾	5.319.101	9.840.450	625.232	15.784.783
Money Market Borrowings	262.532	1.555.075	-	1.817.607
Funds Provided from Other Financial Institutions	1.750.763	5.510.767	951.473	8.213.003
Securities Issued	-	3.633.510	-	3.633.510
Sundry Creditors	2.792.862	1.367.088	1.457	4.161.407
Derivative Fin. Liabilities for Hedging Purposes	35.267	109.048	-	144.315
Other Liabilities ⁽⁶⁾	135.947	277.548	118	413.613
Total Liabilities	10.540.157	23.367.210	1.631.500	35.538.867
Net Balance Sheet Position				
	(3.758.348)	(9.529.309)	(248.795)	(13.536.452)
Net Off-Balance Sheet Position				
	3.665.807	9.567.836	245.970	13.479.613
Financial Derivative Assets	7.707.600	39.865.546	339.099	47.912.245
Financial Derivative Liabilities	4.041.793	30.297.710	93.129	34.432.632
Non-Cash Loans ⁽⁷⁾	1.246.797	2.932.229	64.277	4.243.303
Prior Period				
Total Assets	5.516.764	12.703.403	1.816.148	20.036.315
Total Liabilities	7.729.338	20.025.742	1.119.737	28.874.817
Net Balance Sheet Position	(2.212.574)	(7.322.339)	696.411	(8.838.502)
Net Off-Balance Sheet Position	1.510.261	6.691.465	(631.032)	7.570.694
Financial Derivative Assets	3.787.761	36.916.265	1.162.690	41.866.716
Financial Derivative Liabilities	2.277.500	30.224.800	1.793.722	34.296.022
Non-Cash Loans ⁽⁷⁾	1.093.104	2.718.582	133.991	3.945.677

(1) Cash and Balances with TR Central; Other FC include TL 1.329.585 (December 31, 2014 – TL 1.747.613) precious metal deposit account.

(2) Does not include TL 9.442 (December 31, 2014 – 18.466 TL) of currency income accruals arising from derivative transactions.

(3) Includes TL 3.301.928 TL (December 31, 2014 – TL 2.876.246 TL) FC indexed loans.

(4) Does not include FC prepaid expenses amounting to TL 4.628 (December 31, 2014 – TL 4.474) as per BRSA's Communique published in Official Gazette no 26085 on 19 February 2006.

(5) Other foreign currency includes TL 455.188 (December 31, 2014 – TL 634.530) of precious metal deposit account.

(6) Does not include currency expense accruals of derivative financial instruments kept in FC accounts amounting to TL 30.554 (December 31, 2014 – TL 15.220).

(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 ^(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	899.712	-	-	-	-	6.810.016	7.709.728
Due from Banks	2.000	6.000	-	-	-	366.939	374.939
Financial Assets at Fair Value Through Profit/Loss ^(**)	122	1.678	5.497	7.393	58.515	5.471.936	5.545.141
Money Market Placements	1.634.835	-	-	-	-	-	1.634.835
Inv. Securities Available for Sale	1.384.905	396.576	1.606.794	388.279	1.665.192	85.051	5.526.797
Loans and Receivables	11.548.841	5.533.661	15.517.278	14.754.273	5.423.738	1.756.576	54.534.367
Inv. Securities Held to Maturity	160.536	756.423	1.601.596	898.457	163.593	87.306	3.667.911
Other Assets	-	-	-	-	-	3.459.881	3.459.881
Total Assets	15.630.951	6.694.338	18.731.165	16.048.402	7.311.038	18.037.705	82.453.599
Liabilities							
Bank Deposits	1.077.241	319.499	30.229	-	-	22.831	1.449.800
Other Deposits	25.239.230	8.244.342	2.207.371	100.214	-	6.952.126	42.743.283
Money Market Borrowings	3.168.546	841.995	445.803	-	-	4.920	4.461.264
Sundry Creditors	4.161.407	-	-	-	-	1.827.429	5.988.836
Securities Issued	363.149	978.774	1.656.207	2.084.858	-	51.399	5.134.387
Funds Borrowed	1.407.713	818.507	6.026.664	28.108	-	31.193	8.312.185
Other Liabilities ^(***)	95	189	832	1.167	-	14.361.561	14.363.844
Total Liabilities	35.417.381	11.203.306	10.367.106	2.214.347	-	23.251.459	82.453.599
On Balance Sheet Long Position	-	-	8.364.059	13.834.055	7.311.038	-	29.509.152
On Balance Sheet Short Position	(19.786.430)	(4.508.968)	-	-	-	(5.213.754)	(29.509.152)
Off-Balance Sheet Long Position	4.769.486	6.917.804	3.010.913	-	-	-	14.698.203
Off-Balance Sheet Short Position	-	-	-	(9.362.926)	(1.882.570)	-	(11.245.496)
Total Position	(15.016.944)	2.408.836	11.374.972	4.471.129	5.428.468	(5.213.754)	3.452.707

(*) Non Interest Bearing column includes accruals, provision for losses and derivative financial instruments' fair value valuation difference.

(**) Financial Assets at Fair Value Through Profit/Loss include TL 3.178.300 derivative financial assets used for hedging purposes.

(***) Other Liabilities include derivative financial liabilities used for hedging purposes amounting to TL 177.885.

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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 ^(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	912.650	-	-	-	-	7.751.185	8.663.835
Due from Banks	2.000	6.000	10.000	-	-	225.692	243.692
Financial Assets at Fair Value Through Profit/Loss ^(**)	122	2.377	7.568	9.942	82.786	3.242.258	3.345.053
Money Market Placements	200.062	-	-	-	-	-	200.062
Inv. Securities Available for Sale	1.347.692	677.591	1.454.350	195.492	1.508.473	249.634	5.433.232
Loans and Receivables	10.819.801	5.063.645	14.874.731	13.324.249	4.661.639	1.502.061	50.246.126
Inv. Securities Held to Maturity	158.930	811.585	1.759.766	684.905	256.315	55.722	3.727.223
Other Assets	-	-	-	-	-	3.347.131	3.347.131
Total Assets	13.441.257	6.561.198	18.106.415	14.214.588	6.509.213	16.373.683	75.206.354
Liabilities							
Bank Deposits	1.103.611	258.593	40.184	-	-	20.614	1.423.002
Other Deposits	24.547.984	7.767.393	2.199.172	102.961	-	6.034.042	40.651.552
Money Market Borrowings	3.412.859	730.965	-	-	-	3.610	4.147.434
Sundry Creditors	2.133.518	-	-	-	-	1.629.052	3.762.570
Securities Issued	241.279	1.167.753	1.061.031	2.848.641	-	54.745	5.373.449
Funds Borrowed	252.470	1.202.489	5.462.014	64.379	-	38.503	7.019.855
Other Liabilities ^(***)	76	154	765	1.551	-	12.825.946	12.828.492
Total Liabilities	31.691.797	11.127.347	8.763.166	3.017.532	-	20.606.512	75.206.354
On Balance Sheet Long Position	-	-	9.343.249	11.197.056	6.509.213	-	27.049.518
On Balance Sheet Short Position	(18.250.540)	(4.566.149)	-	-	-	(4.232.829)	(27.049.518)
Off-Balance Sheet Long Position	4.644.902	6.246.235	-	-	-	-	10.891.137
Off-Balance Sheet Short Position	-	-	(390.290)	(8.285.438)	(1.858.489)	-	(10.534.217)
Total Position	(13.605.638)	1.680.086	8.952.959	2.911.618	4.650.724	(4.232.829)	356.920

(*) Non Interest Bearing column includes accruals, provision for losses and derivative financial instruments' fair value valuation difference.

(**) Financial Assets at Fair Value Through Profit/Loss include TL 1.988.746 derivative financial assets used for hedging purposes.

(***) Other Liabilities include derivative financial liabilities used for hedging purposes amounting to TL 352.080.

Average interest rates applied to monetary financial instruments

Current Period	EURO %	USD %	JPY %	TL %
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	0,15	-	2,09
Due from Banks	-	0,82	-	9,32
Financial Assets at Fair Value Through Profit/Loss	1,95	4,50	-	9,35
Money Market Placements	-	0,40	-	10,74
Investment Securities Available for Sale	3,68	4,98	-	9,16
Loans and Receivables	4,51	4,44	4,09	13,73
Investment Securities Held to Maturity	2,96	5,22	-	9,91
Liabilities				
Bank Deposits	1,19	0,99	-	10,27
Other Deposits	1,62	1,99	0,25	10,58
Money Market Borrowings	0,46	0,80	-	7,90
Sundry Creditors	0,02	0,08	-	-
Securities Issued	-	6,27	-	10,58
Funds Borrowed	1,50	2,87	-	8,40

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Prior Period	EURO	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	1,51
Due from Banks	0,10	0,63	-	11,19
Financial Assets at Fair Value Through Profit/Loss	3,50	4,65	-	8,81
Money Market Placements	-	-	-	11,24
Investment Securities Available for Sale	3,79	5,40	-	9,78
Loans and Receivables	4,88	4,47	4,37	13,65
Investment Securities Held to Maturity	2,96	5,27	-	11,38
Liabilities				
Bank Deposits	0,51	0,90	-	10,60
Other Deposits	2,00	2,30	0,25	9,89
Money Market Borrowings	0,67	0,66	-	8,86
Sundry Creditors	0,03	0,11	-	-
Securities Issued	-	5,40	-	8,79
Funds Borrowed	1,42	2,91	-	8,40

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	(914.991)	%(8,27)
	(-) 400	879.489	%7,95
2. EUR	(+) 200	(15.697)	%(0,14)
	(-) 200	29.242	%0,26
3. USD	(+) 200	(94.391)	%(0,85)
	(-) 200	96.114	%0,87
Total (of negative shocks)		1.004.845	%9,08
Total (of positive shocks)		(1.025.079)	%(9,26)

VI. Position risk of equity securities in banking book

Equity Securities (shares)	Comparison		
	Carrying Value	Fair Value	Market Value
1. Investment in Shares- grade A	-	-	-
Quoted Securities	-	-	-
2. Investment in Shares- grade B	168.531	-	168.531
Quoted Securities	168.531	-	168.531
3. Investment in Shares- grade C	-	-	-
Quoted Securities	-	-	-
4. Investment in Shares- grade Other (*)	355.835(*)	326.710	-

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

Portfolio	Revaluation Surpluses				Unrealized Gains and Losses		
	Gains/Losses in Current Period	Total	Amount under Core Capital		Amount under Core Capital	Amount under Supplementary Capital	
			Core Capital	Total			
1. Private Equity Investments	-	276.442	276.442	-	-	-	
2. Quoted Shares	(245)	-	-	800	-	360	
3. Other Shares	-	-	-	-	-	-	
4. Total	(245)	276.442	276.442	800	-	360	

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VII. 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.

Liquidity coverage ratios are calculated weekly and monthly starting from 1 January 2015 as per “Regulation on Liquidity Coverage Ratio Calculation” published in the Official Gazette no. 28948, dated 21 March 2014. Liquidity coverage ratios should be at least 40% for foreign currency denominated assets and liabilities and 60% for total assets and liabilities for 2015. Liquidity coverage ratios for the second quarter of 2015 are as follows:

Current Period - 30 June 2015	FC	FC + TL
Average (%)	88,9	94,3

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 11% (December 31, 2014 – 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
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R Central Bank	2.172.531	5.537.197	-	-	-	-	-	7.709.728
Due from Banks	366.264	2.184	6.491	-	-	-	-	374.939
Financial Assets at Fair Value Through Profit/Loss (**)	-	386.328	516.307	1.690.753	2.756.104	195.649	-	5.545.141
Money Markets Placements	-	1.634.835	-	-	-	-	-	1.634.835
Investment Securities Available for Sale	18.037	54	53.759	98.965	1.701.047	3.654.935	-	5.526.797
Loans and Receivables	-	12.590.396	5.534.736	15.516.710	14.749.154	5.423.161	720.210	54.534.367
Investment Securities Held to Maturity	-	-	-	-	1.647.159	2.020.752	-	3.667.911
Other Assets	-	1.031.568	-	-	113.149	-	2.315.164	3.459.881
Total Assets	2.556.832	21.182.562	6.111.293	17.306.428	20.966.613	11.294.497	3.035.374	82.453.599
Bank Deposits	20.855	1.078.525	319.905	30.515	-	-	-	1.449.800
Other Deposits	6.747.507	25.348.754	8.286.247	2.258.299	102.476	-	-	42.743.283
Funds Borrowed	-	1.243.952	241.893	3.493.624	722.541	-	-	8.312.185
Money Market Borrowings	-	3.171.283	760.879	446.859	-	82.243	-	4.461.264
Securities Issued	-	363.718	820.014	1.840.864	2.109.791	-	-	5.134.387
Sundry Creditors	-	3.052.142	217.595	780.375	1.938.724	-	-	5.988.836
Other Liabilities (***)	-	1.675.033	290.814	989.530	683.221	201.358	10.523.888	14.363.844
Total Liabilities	6.768.362	35.933.407	10.937.347	9.840.066	5.556.753	2.893.776	10.523.888	82.453.599
Liquidity Gap	(4.211.530)	(14.750.845)	(4.826.054)	7.466.362	15.409.860	8.400.721	(7.488.514)	-
Prior Period								
Total Assets	2.697.823	19.165.736	5.613.381	16.535.762	17.585.293	10.610.042	2.998.317	75.206.354
Total Liabilities	5.865.674	34.385.995	10.510.161	8.261.313	3.703.109	2.467.554	10.012.548	75.206.354
Net Liquidity Gap	(3.167.851)	(15.220.259)	(4.896.780)	8.274.449	13.882.184	8.142.488	(7.014.231)	-

(*) 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 8.961.280, unallocated provisions amounting to TL 1.562.608.

(**) Financial Assets at Fair Value Through Profit/Loss include derivative financial assets held for hedging purposes amounting to TL 3.178.300.

(***) Other Liabilities also include derivative financial liabilities held for hedging purposes amounting to TL 177.885.

VIII. Explanations Related to Securitization Positions

As of June 30, 2015, the Bank has no securitization positions.

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IX. 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. The Bank has no risk concentration related to credit risk mitigation.

Exposure Categories (**)	Amount (*)	Financial Collaterals	Other/Physical Collaterals	Guarantees and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	18.021.018	2.616.030	-	-
Conditional and unconditional receivables from regional or local governments	3.177	43	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	781	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	10.555.202	6.133.290	-	-
Conditional and unconditional receivables from corporates	23.504.381	784.222	-	-
Conditional and unconditional retail receivables	46.574.602	367.398	-	-
Conditional and unconditional receivables secured by mortgages	16.915.362	-	-	-
Past due receivables	693.567	174	-	-
Receivables defined in high risk category by BRSA	6.818.687	68.580	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	13.154	-	-	-
Other receivables	3.988.884	-	-	-
Total	127.088.815	9.969.737	-	-

(*) 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.

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X. 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.

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.

XI. 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	627.218	354.173	590.424	248.652
T.R. Central Bank	380.408	6.324.278	912.650	6.911.681
Other	22.141	1.510	133	295
Total	1.029.767	6.679.961	1.503.207	7.160.628

b) Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	380.408	787.081	912.650	689.015
Restricted Time Deposits	-	5.537.197	-	6.222.666
Total	380.408	6.324.278	912.650	6.911.681

As of June 30, 2015, 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, 2014 – 5% to 11,5%) and the compulsory rates for the foreign currency liabilities are within an interval from 6% to 20% depending on the maturity of deposits (December 31, 2014 – 6% to 13%).

According to T. C. Central Bank press release No. 2014-72 dated October 21, 2014, starting from November 2014, interest is paid on reserve requirements held in TL. Additionally, according to T. C. Central Bank press release No. 2015-35 dated May 2, 2015, starting from May 5, 2015 interest is paid on USD reserve deposits, reserve options and unrestricted deposits. Interest rates used in subject interest payments are determined daily according to the changing global and local market conditions.

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

a) Trading securities given as collateral or blocked

None (December 31, 2014 – None).

b) Trading securities subject to repurchase agreements

None (December 31, 2014 – None).

c) Assets on trading derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	118.482	-	43.664	-
Swap Transactions	1.947.270	86.103	1.059.341	84.274
Futures Transactions	-	246	-	126
Options	-	141.592	-	65.940
Other	-	-	-	-
Total	2.065.752	227.941	1.103.005	150.340

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3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	8.949	77	19.266	68
Foreign	131	365.782	124	224.234
Foreign Head Offices and Branches	-	-	-	-
Total	9.080	365.859	19.390	224.302

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount ^(**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	101.698	53.136	1.652	1.550
USA and Canada	234.435	158.377	22.222	3.923
OECD Countries ^(*)	4.245	2.935	-	-
Off-shore Banking Regions	-	-	-	-
Other	1.661	4.437	-	-
Total	342.039	218.885	23.874	5.473

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

^(**) Includes blocked placements at foreign banks amounting to TL 23.874 (December 31, 2014 - TL 5.473) for the syndication and securitization loans received.

4. Information on receivables from reverse repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	1.500.441	134.394	200.062	-
T.R Central Bank	-	-	-	-
Banks	1.500.441	134.394	200.062	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organization	-	-	-	-
Real Persons	-	-	-	-
Foreign Transactions	-	-	-	-
T.R. Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	-	-
Real Persons	-	-	-	-
Total	1.500.441	134.394	200.062	-

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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	315.376	324.354	413.810	284.954
Other	-	-	-	-
Total	315.376	324.354	413.810	284.954

b) Investment securities available for sale subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	1.082.600	1.406.371	1.744.037	1.111.796
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	1.082.600	1.406.371	1.744.037	1.111.796

c) Investment securities available for sale

	Current Period	Prior Period
Debt securities	5.581.330	5.416.289
Quoted on a stock exchange (*)	5.581.330	5.409.632
Unquoted on a stock exchange	-	6.657
Share certificates	18.279	32.137
Quoted on a stock exchange (**)	14.054	27.912
Unquoted on a stock exchange	4.225	4.225
Impairment provision(-)	(72.812)	(15.194)
Total	5.526.797	5.433.232

(*) The Eurobond Portfolio amounting to TL 1.371.884 (December 31, 2014 – TL 1.199.653) which is accounted for as investment securities available for sale was hedged under fair value hedge accounting starting from March and April 2009. In the current period, government bonds portfolio hedged under fair value hedge accounting is nil (December 31, 2014 – TL 106.392). 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 13.941 (December 31, 2014 – TL 27.757).

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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
Direct Loans Granted to Shareholders	-	40.655	1.716	34.288
Corporate Shareholders	-	40.655	1.716	34.288
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees ^(*)	70.075	-	66.957	-
Total	70.075	40.655	68.673	34.288

(*) 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
Cash Loans^(*)						
Non-specialized Loans	50.949.637	613.843	-	2.933.035	1.083.381	-
Discount Notes	1.017.572	-	-	16.947	-	-
Export Loans	1.258.714	-	-	109.595	-	-
Import Loans	9.692	-	-	-	-	-
Loans Given to Financial Sector	869.050	-	-	-	-	-
Retail Loans	12.942.132	80.030	-	939.161	181.755	-
Credit Cards	7.952.564	360.609	-	603.715	331.615	-
Other	26.899.913	173.204	-	1.263.617	570.011	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	50.949.637	613.843	-	2.933.035	1.083.381	-

(*) The loans amounting to TL 68.515 (December 31, 2014 – TL 98.143) 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	576.895	950.259
3, 4 or 5 times	36.948	1.719
Over 5 times	-	131.403
Total	613.843	1.083.381

Extension Periods	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
0 - 6 months	89.529	191.653
6 -12 months	50.323	84.502
1 - 2 years	158.138	241.906
2 - 5 years	275.413	427.593
5 years and over	40.440	137.727
Total	613.843	1.083.381

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c) Loans according to their maturity structure

Cash Loans (*)	Performing Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms
Short-term Loans	22.763.547	360.609	603.715	331.615
Non-specialized Loans	22.763.547	360.609	603.715	331.615
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	28.186.090	253.234	2.329.320	751.766
Non-specialized Loans	28.186.090	253.234	2.329.320	751.766
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	50.949.637	613.843	2.933.035	1.083.381

(*) The loans amounting to TL 68.515 (December 31, 2014 – TL 98.143) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

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

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Consumer Loans-TL	160.768	11.450.301	11.611.069	108.438
Housing Loans	751	5.147.833	5.148.584	61.492
Automobile Loans	238	38.959	39.197	331
Personal Need Loans	159.779	6.263.509	6.423.288	46.615
Other	-	-	-	-
Consumer Loans-FC Indexed	-	17.520	17.520	16.385
Housing Loans	-	16.834	16.834	15.617
Automobile Loans	-	-	-	-
Personal Need Loans	-	686	686	768
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-TL	6.892.977	323.822	7.216.799	87.271
Installment	2.400.440	323.822	2.724.262	32.949
Non- Installment	4.492.537	-	4.492.537	54.322
Individual Credit Cards-FC	3.724	-	3.724	26
Installment	-	-	-	-
Non- Installment	3.724	-	3.724	26
Personnel Loans-TL	3.920	35.773	39.693	229
Housing Loans	-	387	387	-
Automobile Loans	-	43	43	-
Personal Need Loans	3.920	35.343	39.263	229
Other	-	-	-	-
Personnel Loans-FC Indexed	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Credit Cards-TL	26.635	-	26.635	-
Installment	10.477	-	10.477	-
Non-Installment	16.158	-	16.158	-
Personnel Credit Cards-FC	82	-	82	-
Installment	-	-	-	-
Non-Installment	82	-	82	-
Overdraft Accounts-TL (Real Persons)	1.978.034	-	1.978.034	109.925
Overdraft Accounts-FC (Real Persons)	-	-	-	-
Total	9.066.140	11.827.416	20.893.556	322.274

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

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Commercial Loans with Installment Facility – TL	498.848	9.564.032	10.062.880	162.798
Real Estate Loans	210	254.317	254.527	2.798
Automobile Loans	3.813	352.636	356.449	5.404
Personal Need Loans	494.825	8.957.079	9.451.904	154.596
Other	-	-	-	-
Commercial Loans with Installment Facility - FC Indexed	34.382	1.364.948	1.399.330	198.556
Real Estate Loans	-	24.827	24.827	8.659
Automobile Loans	320	83.690	84.010	8.111
Personal Need Loans	34.062	1.256.431	1.290.493	181.786
Other	-	-	-	-
Commercial Loans with Installment Facility – FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards –TL	1.205.314	1.439	1.206.753	14.539
Installment	367.998	1.439	369.437	4.451
Non-Installment	837.316	-	837.316	10.088
Corporate Credit Cards –FC	447	-	447	3
Installment	-	-	-	-
Non-Installment	447	-	447	3
Overdraft Accounts-TL (Legal Entities)	968.530	-	968.530	2.572
Overdraft Accounts-FC (Legal Entities)	-	-	-	-
Total	2.707.521	10.930.419	13.637.940	378.468

f) Loans according to borrowers ^(*)

	Current Period	Prior Period
Public	188.923	163.249
Private	53.693.749	49.612.847
Total	53.882.672	49.776.096

^(*) The loans amounting to TL 68.515 (December 31, 2014 – TL 98.143) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

g) Domestic and foreign loans ^(*)

	Current Period	Prior Period
Domestic Loans	53.656.523	49.569.219
Foreign Loans	226.149	206.877
Total	53.882.672	49.776.096

^(*) The loans amounting to TL 68.515 (December 31, 2014 – TL 98.143) are classified under “Loans at Fair Value Through Profit/Loss in the financial statements.

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h) Loans granted to subsidiaries and associates

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and Associates	187.524	157.557
Indirect Loans Granted to Subsidiaries and Associates	-	-
Total	187.524	157.557

i) Specific provisions for loans

	Current Period	Prior Period
Specific Provisions		
Loans and Receivables with Limited Collectability	87.532	84.959
Doubtful Loans and Other Receivables	380.957	439.784
Uncollectible Loans and Receivables	2.093.420	1.638.583
Total	2.561.909	2.163.326

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

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period			
(Gross Amounts Before the Specific Provisions)	2.082	1.199	73.741
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	2.082	1.199	73.741
Prior Period			
(Gross Amounts Before the Specific Provisions)	133	4.457	78.247
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	133	4.457	78.247

j.2) Movement of non-performing loans^(*)

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Prior Period End Balance	420.940	671.976	1.638.583
Additions (+)	785.612	41.644	31.908
Transfers from Other Categories of Non-Performing Loans (+)	-	709.445	588.797
Transfers to Other Categories of Non-Performing Loans (-)	709.445	588.797	-
Collections (-)	59.460	83.216	165.868
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Others	-	-	-
Current Period End Balance	437.647	751.052	2.093.420
Specific Provision (-)	87.532	380.957	2.093.420
Net Balances on Balance Sheet	350.115	370.095	-

^(*)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 4th 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 106.803 less provision as compared to the provisioning method used in the prior period.

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

None (December 31, 2014 - None).

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	350.115	370.095	-
Loans to Real Persons and Legal Entities (Gross)	437.647	751.052	2.077.735
Specific provision (-)	(87.532)	(380.957)	(2.077.735)
Loans to Real Persons and Legal Entities (Net)	350.115	370.095	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	15.685
Specific provision (-)	-	-	(15.685)
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	335.981	232.192	-
Loans to Real Persons and Legal Entities (Gross)	420.940	671.976	1.627.696
Specific provision (-)	(84.959)	(439.784)	(1.627.696)
Loans to Real Persons and Legal Entities (Net)	335.981	232.192	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	10.887
Specific provision (-)	-	-	(10.887)
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.

7. Information on investment securities held-to-maturity

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bond, Treasury Bill and Similar Marketable Securities	524.367	-	398.384	-
Other	-	-	-	-
Toplam	524.367	-	398.384	-

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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 2.332.836 (December 31, 2014: TL 1.554.090) 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	2.792.418	102.694	3.052.566	90.418
Treasury Bill	77.707	-	-	-
Other Debt Securities	-	-	-	-
Total	2.870.125	102.694	3.052.566	90.418

d) Information on investment securities held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Securities	2.870.125	797.786	3.052.566	674.657
Publicly-traded	2.870.125	797.786	3.052.566	674.657
Non-publicly traded	-	-	-	-
Provision for losses (-)	-	-	-	-
Total	2.870.125	797.786	3.052.566	674.657

e) Movement of held-to-maturity investments

	Current Period	Prior Period
Value at the beginning of the period	3.727.223	2.825.779
Exchange differences on monetary assets	106.559	32.352
Acquisitions during the year (*)	246.398	631.486
Disposals through sales and redemptions	(512.035)	-
Provision for losses (-)	-	-
Valuation effect	99.766	237.606
The sum of end of the period	3.667.911	3.727.223

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8. Investments in associates (Net):

8.1. Investments in associates:

a) Information on the unconsolidated subsidiaries

Title	Address (City/ Country)	Bank's Share-If Different, Voting Rights (%)	Bank's Risk Group Share (%)
Bankalararası Kart Merkezi (BKM) (*)	Istanbul/Turkey	9,23%	9,23%

Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
57.389	30.944	36.771	411	-	5.165	3.980	-

(*) Current period information is obtained from financial statements as of June 30, 2015 while prior period profit and loss information is obtained from financial statements as of June 30, 2014.

b) Information on the consolidated subsidiaries:

None.

8.2. Movements of investments in associates

	Current Period	Prior Period
Balance at the Beginning of Period	3.766	3.766
Movements During the Period	-	-
Purchases	-	-
Bonus Shares Received	-	-
Dividends From Current Year Profit	-	-
Sales	-	-
Reclassifications	-	-
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at the End of the Period	3.766	3.766
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

8.3. Sectoral distribution of associates

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	3.766	3.766
Total	3.766	3.766

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8.4. Quoted Associates

None (December 31, 2014 - 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	-	-
Total	3.766	3.766

8.6. Investments in associates sold during the current period

None. (December 31, 2014 - None).

8.7. Investments in associates acquired during the current period

None. (December 31, 2014 - 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 (%)
1) Ibtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş.	Istanbul/Turkey	99,91%	99,99%
2) EFINANS Elektronik Ticaret ve Bilişim Hizmetleri A.Ş. (*)	İstanbul/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.	38.051	24.091	16.696	-	-	3.187	4.038	-
2. (*)	7.257	5.808	4.764	54	-	(559)	731	-

(*) 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 June 30, 2015, prior period profit and loss information is obtained from financial statements as of June 30, 2014.

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b) Information on the consolidated subsidiaries:

b.1) Information on the consolidated subsidiaries

Subsidiary	Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1. Finans Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	99,60	99,74
2. Finans Finansal Kiralama A.Ş.	Istanbul/Turkey	51,06	69,00
3. Finans Yatırım Ortaklığı A.Ş. Under Liquidation (**)	Istanbul/Turkey	76,06 ^(*)	76,13
4. Finans Portföy Yönetimi A.Ş.	Istanbul/Turkey	0,01	99,72
5. Finans Faktoring Hizmetleri A.Ş.	Istanbul/Turkey	99,99	100,00

(*) 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.

(**) 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. The decisions of The Extraordinary General Meeting have been registered as of November 7, 2014. The shares of Finans Yatırım Ortaklığı A.Ş. have been unquoted from the exchange list and markets of Istanbul Stock exchange and banned for trade as of November 10, 2014. Finans Yatırım Ortaklığı A.Ş. is referred to as “Finans Yatırım Ortaklığı A.Ş. Under Liquidation” since November 7, 2014. Liquidation process is still in progress.

Information on subsidiaries in the order presented in the table above

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value ^(**)
1. (*)	236.852	115.168	3.347	6.657	581	38.135	2.989	93.868
2. (*)	2.090.665	582.486	4.584	83.363	-	24.931	25.520	168.524(**)
3. (*)	22.055	22.017	1	1.133	-	884	1.611	14.512(**)(***)
4. (*)	12.305	11.369	240	546	4	1.108	728	-
5. (*)	562.447	36.298	1.078	27.393	-	721	1.667	39.425

(*) Current period information represents June 30, 2015 figures, and prior period profit/loss amounts represent June 30, 2014 figures as per the financial statements prepared in accordance with BRSA regulations.

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

(***) The Market Value of the Finans Yatırım Ortaklığı A.Ş. as of November 7, 2014.

b.2) Movement of investments in subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	426.813	405.170
Movements during the period	(110.483)	21.643
Purchases (*)	10.000	-
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Disposals	-	-
Changes Due to Reclassification	-	-
Revaluation Increase	(120.483)	21.643
Impairment Provision	-	-
Balance at the End of the Period	316.330	426.813
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	-	-

(*) In the current period, Finans Faktoring Hizmetleri A.Ş. increased its' share capital by TL 10.000 in cash.

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b.3) Sectoral distribution of subsidiaries

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	39.425	39.565
Leasing Companies	168.524	260.125
Finance Companies	-	-
Other Subsidiaries	108.381	127.123
Total	316.330	426.813

b.4) Quoted subsidiaries within the context of consolidation

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	183.036	260.125
Quoted on International Stock Exchanges	-	-
Total	183.036	260.125

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:

	The Bank's Share	The Group's Share	Current Assets	Fixed Assets	Long Term Debt	Current Period Profit/Loss	Prior Period Profit/Loss
Cigna Finans Emeklilik ve Hayat A.Ş. ^(*)	49,00%	49,00%	244.193	531.564	591.789	2.742	17.045
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. ^(*)	33,33%	33,33%	17.567	10.198	886	3.174	(320)

^(*) Current period information represents June 30, 2015 figures, prior period information is obtained from the financial statements from June 30, 2014. Cigna Finans Emeklilik ve Hayat A.Ş., is accounted with fair value method as Comminique on Bank's Consolidated Financial Statement and Turkish Accounting Standards.

11. Information on leasing receivables (Net)

None (December 31, 2014 - None).

12. Information on hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge ^(*)	2.239.968	32.561	1.459.151	22.844
Cash Flow Hedge	905.771	-	506.751	-
Hedge of Net Investment in Foreign Operations	-	-	-	-
Total	3.145.739	32.561	1.965.902	22.844

^(*) Derivative financial instruments designated for the fair value hedge purposes comprise of swaps. As of June 30, 2015, TL 10.835 (December 31, 2014 - TL 36.343) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in securities and TL 21.726 (December 31, 2014 - TL 20.170) represents the amount of issued bonds, TL 2.239.968 (December 31, 2014 - TL 1.425.482), 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 June 30, 2015, the Bank's deferred tax asset calculated in accordance with subject regulations is TL 56.639 (December 31, 2014 – TL 50.050 deferred tax asset).

According to TAS 12, the deferred tax assets and liabilities are netted off in the accompanying financial statements. The Bank has calculated TL 162.828 deferred tax asset (December 31, 2014 – TL 198.406) and TL 106.189 deferred tax liability (December 31, 2014 – TL 148.356) 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 34.676 deferred tax asset has been netted off under equity. (December 31, 2014 – TL 35.494 deferred tax asset).

	Accumulated Temporary Differences		Deferred Tax Assets/(Liabilities)	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Provision for Employee Rights	197.482	200.134	39.496	40.027
Difference Between the Book Value of Financial Assets and Tax Base	376.087	641.365	75.217	128.273
Other	240.573	150.530	48.115	30.106
Deferred Tax Assets			162.828	198.406
Difference Between the Book Value Financial Fixed Assets and Tax Base	(148.548)	(257.159)	(29.710)	(51.432)
Difference Between the Book Value of Financial Assets and Tax Base değeri arasındaki farklar	(161.753)	(300.415)	(32.351)	(60.083)
Other	(220.638)	(184.205)	(44.128)	(36.841)
Deferred Tax Liabilities			(106.189)	(148.356)
Deferred Tax Assets/(Liabilities), Net			56.639	50.050

	Current Period	Prior Period
	01.01-30.06.2015	01.01-31.12.2014
Deferred Tax as of January 1 Active/ (Passive) - Net	50.050	78.670
Deferred Tax (Loss) / Gain	7.407	(58.001)
Deferred Tax that is Realized Under Shareholder's Equity	(818)	11.080
30 June Deferred Tax Assets / (Liabilities) - Net	56.639	31.749

14. Information on assets held for sale and discontinued operations

As of June 30, 2015, the Bank's assets held for sale is nil (December 31, 2014: TL 51.265).

Transfer of titles for the Bank's Gayrettepe Headquarter Building on Istanbul, Şişli, Mecidiyeköy, map section 307, Isle 1956, Parcel 41 and Polat Residence on Istanbul, Şişli, Mecidiyeköy, map section 303, Isle 1997 has been completed in March 25, 2015 and April 27, 2015, respectively. Subject buildings, which were accounted as assets held for sale, have been sold for USD 65.250.000 and USD 28.000.000, respectively.

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15. Information on other assets

15.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Cheques Receivables from Other Banks	430.018	254.690
Other Prepaid Expenses	336.025	305.057
Assets Held for Sale (Net)	113.149	138.126
Collateral Given for Derivative Transactions	55.031	73.722
Miscellaneous Receivables	74.237	64.730
Prepaid Rent Expenses	34.840	31.657
Advances Given	12.969	9.640
Prepaid Agency Commissions	3.035	6.564
Other	85.414	32.835
Total	1.144.718	917.021

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

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

16. Accrued interest and income

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Derivative Financial Instruments Held for Hedging Purposes	3.145.739	32.561	1.965.902	22.844
Assets on Trading Derivatives	2.065.752	227.941	1.103.005	150.340
Loans and Receivables	878.395	124.365	670.666	119.800
Investments Securities Available for Sale	78.125	61.459	132.088	100.324
Investments Held-to-Maturity	77.707	9.599	48.794	6.928
Central Bank	4.183	-	-	-
Banks	675	-	997	31
Trading Securities	12	27	50	117
Other Accruals	30.616	189	125	-
Total	6.281.204	456.141	3.921.627	400.384

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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
Saving Deposits	1.644.613	-	2.292.231	12.680.220	349.364	175.572	953.421	3.021	18.098.442
Foreign Currency Deposits	2.814.954	-	1.656.282	9.839.429	432.631	162.479	419.980	3.840	15.329.595
Residents in Turkey	2.730.470	-	1.633.405	9.593.721	418.393	148.448	382.493	3.840	14.910.770
Residents Abroad	84.484	-	22.877	245.708	14.238	14.031	37.487	-	418.825
Public Sector Deposits	295.151	-	14.620	17.850	158	369	-	-	328.148
Commercial Deposits	1.554.577	-	1.309.839	2.700.084	192.835	112.554	171.550	-	6.041.439
Other Ins. Deposits	28.589	-	101.623	1.403.919	191.231	550.983	214.126	-	2.490.471
Precious Metal Deposits	409.623	-	-	3.174	5.484	103	36.804	-	455.188
Bank Deposits	20.855	-	38.738	1.118.784	243.759	27.215	449	-	1.449.800
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	4.362	-	-	-	-	8.365	-	-	12.727
Foreign Banks	16.493	-	38.738	1.118.784	243.759	18.850	449	-	1.437.073
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	6.768.362	-	5.413.333	27.763.460	1.415.462	1.029.275	1.796.330	6.861	44.193.083

Prior Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	1.478.602	-	2.302.799	11.989.509	479.169	287.251	1.491.669	3.859	18.032.858
Foreign Currency Deposits	1.842.949	-	1.523.086	8.626.554	441.796	159.241	482.581	3.521	13.079.728
Residents in Turkey	1.783.331	-	1.504.174	8.445.573	417.655	141.878	456.424	3.521	12.752.556
Residents Abroad	59.618	-	18.912	180.981	24.141	17.363	26.157	-	327.172
Public Sector Deposits	329.657	-	7.469	44.378	506	281	-	-	382.291
Commercial Deposits	1.587.845	-	1.436.648	4.160.402	139.228	121.681	89.369	-	7.535.173
Other Ins. Deposits	26.723	-	67.314	556.455	42.042	117.491	176.947	-	986.972
Precious Metal Deposits	582.107	-	-	3.920	42.910	5.586	7	-	634.530
Bank Deposits	17.791	-	1.105.752	259.084	34.475	5.900	-	-	1.423.002
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2.259	-	-	14.220	-	4.081	-	-	20.560
Foreign Banks	15.299	-	1.105.752	244.864	34.475	1.819	-	-	1.402.209
Participation Banks	233	-	-	-	-	-	-	-	233
Other	-	-	-	-	-	-	-	-	-
Total	5.865.674	-	6.443.068	25.640.302	1.180.126	697.431	2.240.573	7.380	42.074.554

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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	9.656.495	9.502.043	8.440.373	8.529.289
Foreign Currency Savings Deposits	2.293.248	1.833.144	7.943.858	5.793.036
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Toplam	11.949.743	11.335.187	16.384.231	14.322.325

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	55.923	38.539
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004	-	-
Saving deposits in banks established in Turkey exclusively for off-shore banking activities	3.522	2.632
Total	59.445	41.171

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	111.129	-	51.369	-
Swaps	1.662.724	139.884	1.041.437	110.167
Futures	-	123	-	47
Options	-	130.106	-	50.291
Other	-	-	-	-
Total	1.773.853	270.113	1.092.806	160.505

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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	99.182	106.306	115.661	107.020
Foreign Bank, Institutions and Funds	-	5.648.045	-	4.675.462
Total	99.182	5.754.351	115.661	4.782.482

b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	99.182	4.537.379	115.661	3.875.625
Medium and Long-Term	-	1.216.972	-	906.857
Total	99.182	5.754.351	115.661	4.782.482

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: 221 dated October 23, 2014, as of November 26, 2014, the Bank obtained securitization loan amounting to USD 397 million and as of November 27, 2014, EUR 356 million with one year maturity.

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

As of June 30, 2015, the Bank's liabilities comprise; 54% deposits (December 31, 2014 – 56%), 7% funds borrowed (December 31, 2014 – 7%), 6% issued bonds (December 31, 2014 – 7%) and 5% funds provided under repurchase agreements (December 31, 2014 – 6%).

4. Information on funds provided under repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	2.638.643	-	2.706.350	-
Financial institutions and organizations	2.616.250	-	2.674.209	-
Other institutions and organizations	6.148	-	12.101	-
Real persons	16.245	-	20.040	-
From foreign transactions	5.014	1.817.607	9.901	1.431.183
Financial institutions and organizations	-	1.817.607	-	1.431.183
Other institutions and organizations	5.011	-	9.901	-
Real persons	3	-	-	-
Total	2.643.657	1.817.607	2.716.251	1.431.183

5. Information on securities issued (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	1.320.532	318.593	1.971.791	262.040
Bills	180.345	3.314.917	246.778	2.892.840
Total	1.500.877	3.633.510	2.218.569	3.154.880

The Bank has government bond issue program (Global Medium Term Note Programme) amounting to USD 2 Billion.

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- 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, 2014 - 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, 2014- None).

- 7.2. Financial Lease Payables**

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	1.254	1.115	1.146	996
Between 1 - 4 years	1.312	1.167	1.785	1.550
More than 4 years	-	-	-	-
Total	2.566	2.282	2.931	2.546

- 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. The Bank arranges operating lease arrangements for some of its ATM and branches. The lease contract is done on a yearly basis and the payment is made upfront each year and realized as an expense under the "Other Assets" account.

- 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, 2014- 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 ^(*)	518	144.315	70.738	149.976
Cash Flow Hedge ^(**)	33.052	-	131.366	-
Net Investment Hedge	-	-	-	-
Total	33.570	144.315	202.104	149.976

^(*) Derivative financial instruments for hedging purposes include swaps. As of June 30, 2015, TL 24.799 (December 31, 2014 – TL 98.050) represents the fair value of derivatives which are the hedging instruments of hedged loan portfolio. TL 120.034 (December 31, 2014 - TL 122.664) represents the fair value of derivatives which are the hedging instruments of hedged investment securities available for sale portfolio.

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

9. Information on provisions

9.1. Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	806.852	680.928
-Additional Provision for Loans and Receivables with Extended Maturities	56.262	55.947
Provisions for Loans and Receivables in Group II	155.356	125.096
-Additional Provision for Loans and Receivables with Extended Maturities	27.201	36.679
Provisions for Non - Cash Loans	83.700	75.473
Other	67.803	61.164
Total	1.113.711	942.661

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 ^(*)	5.624	21.043

^(*) 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 36.315 (December 31, 2014 - TL 47.736).

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 June 30, 2015, TL 122.377 (December 31, 2014 - TL 116.324) reserve for employee termination benefits was provided in the accompanying financial statements.

As of June 30, 2015, the Bank accrued TL 36.222 (December 31, 2014 – TL 30.279) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of June 30, 2015, TL 38.883 (December 31, 2014- TL 53.531) bonus and premium provisions have been provided under reserve for employee benefits account in the accompanying financial statements.

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9.4.1. Movement of employee termination benefits

	Current Period	Prior Period
	01.01-30.06.2015	01.01-30.06.2014
As of January 1	116.324	86.693
Service Cost	9.082	7.046
Interest Cost	4.713	4.144
Settlement / curtailment / termination loss	4.059	1.216
Paid during the period	(11.801)	(6.695)
Total	122.377	92.404

9.5. Information on other provisions

9.5.1. Information on general reserves for possible risks

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

	Current Period	Prior Period
Other provisions made for close monitoring loans portfolio	113.318	106.334
General reserves for possible risks	46.000	82.000
Provision for Promotion Expenses of Credit Cards	7.862	12.495
Other Provisions	47.920	47.040
Total	215.100	247.869

As of June 30, 2015, The Bank has made a provision of TL 113.318 (December 31, 2014- 106.334 TL) for the possible risks in its loan portfolio by taking the collection rate of its watchlist into account.

10. Taxation

10.1. Current taxes

10.1.1. Current tax liability

As of June 30, 2015, the Bank have TL 111.839 current tax liability (December 31, 2014 - TL 228.268) and TL 41.614 advance taxes (December 31, 2014 - TL 57.490). The Bank presents net of current tax liability and prepaid tax amount in unconsolidated financial statements.

10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	70.225	170.778
Taxation on Securities Income	42.674	40.495
Taxation on Real Estates Income	2.536	1.893
Banking and Insurance Transaction Tax (BITT)	43.542	38.497
Other	18.399	17.664
Total	177.376	269.327

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

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10.1.3. Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	7.277	6.693
Social Security Premiums - Employer Share	7.947	7.268
Unemployment Insurance - Employee Share	512	470
Unemployment Insurance - Employer Share	1.024	942
Total	16.760	15.373

11. Information on payables related to assets held for sale

None (December 31, 2014 – None).

12. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	2.458.652	-	2.121.712
From Other Foreign Institutions	-	-	-	-
Total	-	2.458.652	-	2.121.712

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	2.835.000
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	12.000.000

(*) 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 is approved in the General Assembly dated December 4, 2014.

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

None (December 31, 2014 - 135.000 TL).

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13.4. Information on share capital increases from revaluation funds

None (December 31, 2014 – 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.

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, 2014 – 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 is approved in the General Assembly Meeting dated December 4, 2014. 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

	Current Period	Prior Period
Number of Stocks (Thousands)	28.350.000	28.350.000
Preferred Capital Stock	-	-
Common Stock Issue Premiums (*)	714	714
Common Stock Withdrawal Profits	-	-
Other Capital Instruments	-	-

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

15. Securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under				
Common Control	276.442	-	396.926	-
Valuation Difference	276.442	-	396.926	-
Foreign Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	(53.204)	(108.662)	4.763	(56.619)
Valuation Difference	(53.204)	(108.662)	4.763	(56.619)
Foreign Exchange Rate Difference	-	-	-	-
Total	223.238	(108.662)	401.689	(56.619)

16. Accrued interest and expenses

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	186.788	19.808	169.770	19.211
Derivative Financial Liabilities Held for Trading	1.773.853	270.113	1.092.806	160.505
Funds Borrowed	1.676	29.518	2.038	28.886
Money Market Borrowings	2.074	2.847	2.227	1.382
Derivative Financial Liabilities Held for Hedging Purposes	33.570	144.315	202.104	149.976
Securities Issued	1.352	49.691	10.545	44.198
Other Accruals	58.812	85	30.795	39
Total	2.058.125	516.377	1.510.285	404.197

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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

	Current Period	Prior Period
Credit Cards Limit Commitments	16.651.976	16.812.040
Commitment For Use Guaranteed Credit Allocation	11.707.273	8.537.065
Forward Asset Purchase Commitments	3.455.062	2.550.320
Payment Commitments for Cheques	2.593.268	2.420.299
Other Irrevocable Commitments	545.252	565.897
Credit Cards and Promotions in regards to Banking Services	30.699	22.604
Tax and Fund Liabilities due to Export Commitments	8.524	7.626
Total	34.992.054	30.915.851

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 36.315 (December 31, 2014 - TL 47.736) followed in the off-balance sheet accounts that are not indemnified and liquidated yet.

1.3 Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Bank Loans	956.928	912.287
Letters of Credit	769.298	812.318
Other Guarantees	-	21.077
Total	1.726.226	1.745.682

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

	Current Period	Prior Period
Provisional Letters of Guarantee	352.147	412.514
Final Letters of Guarantee	4.411.202	4.054.914
Advance Letters of Guarantee	241.598	201.394
Letters of Guarantee Given to Customs Offices	314.584	266.710
Other Letters of Guarantee	2.816.575	2.479.195
Total	8.136.106	7.414.727

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	573.860	477.125
Less Than or Equal to One Year with Original Maturity	66.739	63.872
More Than One Year with Original Maturity	507.121	413.253
Other Non-Cash Loans	9.288.472	8.683.284
Total	9.862.332	9.160.409

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

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	30.552	0,54	2.441	0,06	38.340	0,73	10.157	0,26
Farming and Raising Livestock	27.498	0,49	2.381	0,06	35.181	0,67	8.106	0,21
Forestry	960	0,02	-	-	746	0,01	-	-
Fishing	2.094	0,04	60	-	2.413	0,05	2.051	0,05
Manufacturing	1.016.869	18,10	2.424.492	57,14	977.016	18,74	1.987.079	50,63
Mining and Quarrying	35.647	0,63	11.915	0,28	27.120	0,52	-	-
Production	735.678	13,09	1.855.285	43,72	692.665	13,28	1.557.967	39,70
Electricity, gas and water	245.544	4,37	557.292	13,13	257.231	4,93	429.112	10,93
Construction	1.431.362	25,47	575.104	13,55	1.274.329	24,44	550.172	14,02
Services	3.057.546	54,41	1.232.799	29,05	2.838.584	54,43	1.364.461	34,77
Wholesale and Retail Trade	1.777.219	31,63	532.240	12,54	1.663.568	31,90	699.396	17,82
Hotel, Food and Beverage								
Services	76.500	1,36	64.942	1,53	54.015	1,04	60.312	1,54
Transportation&Communication	119.533	2,13	53.969	1,27	109.173	2,09	47.105	1,20
Financial Institutions	662.140	11,78	468.770	11,05	602.922	11,56	402.638	10,26
Real Estate and Renting Services	5.659	0,10	2.452	0,06	2.517	0,05	2.158	0,05
Self Employment Services	175.307	3,12	21.026	0,50	173.592	3,33	30.618	0,78
Educational Services	4.999	0,09	-	-	5.087	0,10	10	-
Health and Social Services	236.189	4,20	89.400	2,11	227.710	4,37	122.224	3,11
Other (*)	82.700	1,47	8.467	0,20	86.463	1,66	12.731	0,32
Total	5.619.029	100,00	4.243.303	100,00	5.214.732	100,00	3.924.600	100,00

(*) Does not include foreign currency balance of "Other Guarantees" TL 21.077 as of December 31, 2014.

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

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	5.448.897	2.493.182	122.378	35.402
Bills of Exchange and Acceptances	20.133	934.388	-	2.339
Letters of Credit	2	769.295	-	1
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	-	-	-
Non-cash Loans	5.469.032	4.196.865	122.378	37.742

(*) Does not include non-cash loans amounting to TL 36.315, for which provision is provided, but which are not indemnified and not liquidated yet.

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5. Information on derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	92.159.601	91.902.213
Forward transactions(*)	12.885.333	7.651.472
Swap transactions	66.839.549	74.145.200
Futures transactions	33.436	39.340
Option transactions	12.401.283	10.066.201
Interest Related Derivative Transactions (II)	12.940.724	9.542.658
Forward rate transactions	-	-
Interest rate swap transactions	12.940.724	9.542.658
Interest option transactions	-	-
Futures interest transactions	-	-
Security option transactions	-	-
Other trading derivative transactions (III)	604.418	417.402
A.Total Trading Derivative Transactions (I+II+III)	105.704.743	101.862.273
Types of hedging transactions		
Fair value hedges	18.339.556	19.206.081
Cash flow hedges	11.401.916	10.785.127
Net investment hedges	-	-
B.Total Hedging Related Derivatives	29.741.472	29.991.208
Total Derivative Transactions (A+B)	135.446.215	131.853.481

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

As of June 30, 2015, breakdown of the Bank's foreign currency forward and swap and interest rate swap transactions based on currencies are disclosed below in their TL equivalents:

	Forward Buy(**)	Forward Sell(**)	Swap Buy(*)	Swap Sell(*)	Option Buy	Option Sell	Future Buy	Future Sell	Other
Current Period									
TL	3.134.514	1.957.300	16.068.299	26.824.313	2.046.830	2.411.115	411	411	-
USD	1.870.438	3.568.944	35.244.625	24.212.086	2.787.902	2.500.374	16.307	16.307	604.418
EURO	1.394.924	874.883	4.971.312	1.878.269	1.341.365	1.288.641	-	-	-
Other	52.103	32.227	274.468	48.373	12.528	12.528	-	-	-
Total	6.451.979	6.433.354	56.558.704	52.963.041	6.188.625	6.212.658	16.718	16.718	604.418

(*) This column also includes hedging purpose derivatives.

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

	Forward Buy(**)	Forward Sell(**)	Swap Buy(*)	Swap Sell(*)	Option Buy	Option Sell	Future Buy	Future Sell	Other
Prior Period									
TL	1.824.574	1.193.287	20.666.332	28.477.283	1.502.096	1.608.873	448	448	-
USD	1.158.737	2.152.924	33.503.776	25.832.069	2.234.524	2.220.577	19.222	19.222	417.402
EURO	505.723	379.428	2.682.753	1.241.365	599.284	656.707	-	-	-
Other	335.237	101.562	140.878	1.134.610	686.580	557.560	-	-	-
Total	3.824.271	3.827.201	56.993.739	56.685.327	5.022.484	5.043.717	19.670	19.670	417.402

(*) This column also includes hedging purpose derivatives.

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

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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 4.912.211 (December 31, 2014 – TL 5.529.871) were subject to hedge accounting by swaps with a nominal of TL 4.980.031 (December 31, 2014 – TL 5.683.996). On June 30, 2015 the net market valuation difference loss amounting to TL 10.977 due to the losses amounting to TL 151.843 (June 30, 2014 – TL 154.049 gain) and gains from swaps amounting to TL 140.866 (June 30, 2014 – TL 143.793 loss) 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 152.237 (December 31, 2014 – TL 148.712) were subject to hedge accounting by swaps with a nominal of TL 146.873 (December 31, 2014 – TL 144.000). In 2015 the net market valuation difference gain amounting to TL 31 due to the gains amounting to TL 3.286 (June 30, 2014 – TL 143.793 loss) from swaps and losses from loans amounting to TL 3.255 (June 30, 2014 – TL 5.610 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 11.712 (June 30, 2014 – TL16.527) related to the loans that are ineffective for hedge accounting under “gains / (losses) from financial derivatives transactions” as loss during the current period.

b) Investment securities available for sale

The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term foreign currency Eurobonds with fixed coupon held by the Bank using swaps as hedging instruments. As at the balance sheet date; Eurobonds with a nominal of USD 344,7 million and EUR 75,8 million (December 31, 2014 – USD 301 million and EUR 70,8 million) were subject to hedge accounting by interest rate swaps with the same nominal value. On June 30, 2015, the net market valuation difference gain amounting to TL 29 due to losses from Eurobonds amounting to TL 13.079 (June 30, 2014 – TL 58.164 gain) and gain from swaps amounting to TL 13.108 (June 30, 2014 – TL 58.242 loss) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

The Bank does not apply fair value hedge on TL government bonds in the current period. (As of December 31, 2014, government bonds with a nominal of TL 102.030 were subject to hedge accounting by swaps with the same nominal value.)

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 650 million (December 31, 2014 – USD 650 Million) have been subject to hedge accounting with the same nominal amount of swaps. As of June 30, 2015, TL 157 net fair valuation difference expense, net of TL 1.160 (June 30, 2014 – TL 5.924 gain) expense from issued bonds and TL 1.003 (June 30, 2014 – TL 6.055 losses) gains 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 until December 30, 2014. As of December 30, 2014, The bank accounted fair value foreign currency gain amounting to TL 59.663 (June 30, 2014 – None) and the real estate that will be subject to hedge accounting is amortized over the economic life.

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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 1.915.130 are subject to hedge accounting as hedging instruments (December 31, 2014 – TL 1.057.388). As a result of the mentioned hedge accounting, fair value gains before taxes amounting to TL 48.750 are accounted for under equity during the current period (June 30, 2014 – TL 20.463 loss). The ineffective portion of gain amounting to TL 1 (June 30, 2014 – TL 884 loss) is accounted for at the income statement.

As at the balance sheet date, swaps amounting to USD 1.594 million are subject to hedge accounting as hedging instruments (December 31, 2014 – USD 1.854 million). As a result of the mentioned hedge accounting, fair value gains before taxes amounting to TL 82.720 are accounted for under equity during the current period (June 30, 2014 – TL 147.961 loss). The gains amounting to TL 265 (June 30, 2014 – TL 4.220 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 loss of TL 2.531 transferred amount from equity to income statement due to ineffectiveness or matured swaps. (June 30, 2014 – None).

The measurements as of June 30, 2015, hedge of cash flow transactions stated above are determined as effective.

6. Credit derivatives and risk exposures on credit derivatives

As of June 30, 2015, the Bank has no commitments “credit linked notes”.(As of December 31, 2014, in the Bank’s “other irrevocable commitments”, there are commitments for “credit linked notes” with a nominal of USD 9.089.264.)

As of June 30, 2015, “Other Derivative Financial Instruments” with nominal amount of USD 225.000.000 (December 31, 2014: USD 180.000.000) are included in Bank’s “Swap Interest Sell Transactions.” In aforementioned transaction, the Bank is the seller of the protection.

7. Information on contingent liabilities and assets

None (December 31, 2014 – None).

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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 May 2015		FITCH March 2015		CI August 2014	
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	Negative	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
Short-Term Loans	1.466.088	28.869	1.211.140	27.558
Medium and Long-Term Loans	1.444.760	172.955	1.271.116	102.887
Non-Performing Loans	39.561	-	50.404	-
Resource Utilization Support Fund Premiums	-	-	-	-
Total	2.950.409	201.824	2.532.660	130.445

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank ^(*)	-	-	-	-
Domestic Banks	633	1	421	3
Foreign Banks	7	519	169	38
Foreign Headquarters and Branches	-	-	-	-
Total	640	520	590	41

^(*)The interest income on Required Reserve amounting TL 7.067 doesn't included into interest income on Banks. (December 31, 2014 – None).

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	662	122	2.311	37
Financial Assets at FVTPL	5.008	320	9.531	509
Investment Securities Available for Sale	156.483	51.211	191.987	31.816
Investment Securities Held to Maturity	137.069	20.449	134.760	10.887
Total	299.222	72.102	338.589	43.249

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 used for valuation of securities in line with this. In this context, as of 30 June 2015, valuation of such assets is made according to estimated annual inflation rate of 7,5%. If valuation of these securities indexed to the CPI had been done by the reference index valid through 30 June 2015, the Bank's equity security value fund would decrease by TL 7 million, net profit would increase by TL 21 million and would be TL 525 million.

d) Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	2.451	948

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
T.R. Central Bank	-	-	-	-
Domestic Banks	3.720	1.089	3.002	1.712
Foreign Banks	5.630	105.722	44	89.483
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	9.350	106.811	3.046	91.195

b) Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	14.417	13.438

c) Information on interest expense paid to securities issued

As of June 30, 2015 interest paid to securities issued is TL 191.900 (June 30, 2014 – TL 129.157).

d) 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		
Turkish Lira								
Bank Deposits	-	3.018	5.623	846	-	-	-	9.487
Saving Deposits	-	91.782	608.769	12.775	11.209	61.246	-	785.781
Public Sector Deposits	-	544	2.658	20	17	-	-	3.239
Commercial Deposits	-	80.706	202.176	11.901	5.424	5.816	-	306.023
Other Deposits	-	3.996	78.875	1.509	17.372	11.791	-	113.543
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	-	180.046	898.101	27.051	34.022	78.853	-	1.218.073
Foreign Currency								
Deposits	-	11.504	92.885	3.130	1.756	5.642	-	114.917
Bank Deposits	16	7.758	2.055	175	3	-	-	10.007
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	281	-	-	-	-	-	281
Total	16	19.543	94.940	3.305	1.759	5.642	-	125.205
Grand Total	16	199.589	993.041	30.356	35.781	84.495	-	1.343.278

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Information on maturity structure of interest expense on deposits

Prior Period	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		
Turkish Lira								
Bank Deposits	-	3.059	5.147	2.375	-	97	-	10.678
Saving Deposits	3	64.802	608.449	57.151	20.193	36.023	103	786.724
Public Sector Deposits	-	103	1.915	13	69.301	-	-	71.332
Commercial Deposits	-	82.294	225.568	9.412	8.258	2.368	-	327.900
Other Deposits	-	1.625	29.731	11.357	28.691	285	-	71.689
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	3	151.883	870.810	80.308	126.443	38.773	103	1.268.323
Foreign Currency								
Deposits	-	11.388	84.137	6.181	4.658	6.569	47	112.980
Bank Deposits	22	839	13.057	309	46	41	-	14.314
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	820	1.085	100	10	-	-	2.015
Total	22	13.047	98.279	6.590	4.714	6.610	47	129.309
Grand Total	25	164.930	969.089	86.898	131.157	45.383	150	1.397.632

e) Information on interest expense on repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expense on Repurchase Agreements (*)	97.736	6.688	108.225	3.681

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

f) Information on finance lease expenses

	Current Period	Prior Period
Finance Lease Expenses	136	171

g) Information on interest expense on factoring payables

None (June 30, 2014 – 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	-	-
Other	62.872	8.959
Total	62.872	9.042

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4. Information on trading income/loss

	Current Period	Prior Period
Trading Income	9.245.053	5.884.164
Gains on Capital Market Operations	25.850	36.359
Derivative Financial Instruments	2.274.047	1.998.710
Foreign Exchange Gains	6.945.156	3.849.095
Trading Loss (-)	9.516.247	6.004.280
Losses on Capital Market Operations	14.612	33.341
Derivative Financial Instruments	2.526.013	2.083.569
Foreign Exchange Losses	6.975.622	3.887.370
Net Trading Income/Loss	(271.194)	(120.116)

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 expense accrual cancelations in “Other Operating Income” account. As stated in Section Five disclosure I.14, in the current period, Gayrettepe Head Office’s and Polat Residence’s property titles are transferred to the new owners respectively as of March 25, 2015 and April 27, 2015. The Bank has recorded the profit from the sale of these buildings under “Other Operating Income” amounting to TL 159.182.

6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	398.583	433.748
Loans and Receivables in Group III	103.717	28.849
Loans and Receivables in Group IV	81.330	198.866
Loans and Receivables in Group V	213.536	206.033
Doubtful Fee, Commission and Other Receivables	6.984	6.000
General Provisions	171.050	95.775
General Reserves for Possible Risks	(36.000)	-
Impairment Losses on Securities	94	-
Financial assets at fair value through profit or loss	94	-
Investment securities available for sale	-	-
Impairment Losses on Associates, Subsidiaries and Investment Securities Held-to-Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
Other	(11.421)	(260)
Total	529.290	535.263

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7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	514.602	460.746
Reserve for employee termination benefits	6.053	5.711
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation charge of tangible assets	67.638	63.791
Impairment losses on intangible assets	-	-
Impairment losses on goodwill	-	-
Amortization charge of intangible assets	43.872	37.531
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed of	-	-
Depreciation on assets to be disposed	1.701	2.050
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	412.214	434.350
Operational lease related expenses	108.383	100.994
Repair and maintenance expenses	41.000	35.181
Advertisement expenses	32.776	47.500
Other expenses	230.055	250.675
Losses on sales of assets	35	28
Other (*)	277.774	186.173
Total	1.323.889	1.190.380

(*) Comprising repayments amounting to TL 82.995 (June 30, 2014: TL 29.573) in respect of Consumer Arbitration Committee and courts' decision, which was fees and commissions recognised in previous year as income.

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

For the period ended June 30, 2015, net interest income of TL 1.813.686 (June 30, 2014 – TL 1.332.289), net fees and commission income of TL 658.795 (June 30, 2014 – TL 728.462) and other operating income of TL 197.190 (June 30, 2014 – TL 232.076) 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 June 30, 2015, the Bank has recorded tax charge TL 111.236 (June 30, 2014 – TL 54.303 tax charge) and a deferred tax income of TL 7.407 (June 30, 2014 – TL 58.001 deferred tax charge) from its continuing operations.

9.2. Explanations on operating profit/loss after taxes

None (June 30, 2014 – None).

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

Net profit of the Bank from continued operations is TL 504.341 (June 30, 2014 – TL 343.806).

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 (June 30, 2014 – None).

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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.

None.

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

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

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

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

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V. EXPLANATIONS AND DISCLOSURES RELATED TO CASH FLOWS STATEMENT

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

	Current Period	Prior Period
	January 1, 2015	January 1, 2014
Cash	839.439	1.047.161
Cash in TL	590.424	633.496
Cash in Foreign Currencies	248.652	413.140
Other	363	525
Cash Equivalents	2.028.549	1.051.385
Balances with the T.R. Central Bank	1.601.665	752.806
Banks	238.219	302.866
Money Market Placements	200.062	-
Less: Placements with Banks with Maturities Longer than 3 Months	(10.369)	(4.144)
Less: Accruals	(1.028)	(143)
Cash and Cash Equivalents	2.867.988	2.098.546

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

	Current Period	Prior Period
	June 30, 2015	June 30, 2014
Cash	1.003.973	1.030.765
Cash in TL	627.218	615.674
Cash in Foreign Currencies	354.173	391.604
Other	22.582	23.487
Cash Equivalents	3.148.531	1.126.495
Balances with the T.R. Central Bank	1.167.489	854.070
Banks	351.065	272.962
Money Market Placements	1.634.835	-
Less: Placements with Banks with Maturities Longer than 3 Months	-	-
Less: Accruals	(4.858)	(537)
Cash and Cash Equivalents	4.152.504	2.157.260

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

A portion of foreign bank accounts amounting to TL 23.874 (December 31, 2014- TL 5.473) 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 June 30, 2015, the Bank's risk group has deposits, cash and non-cash loans at the Bank amounting to TL 378.832 (December 31, 2014 - TL 417.132) deposit, TL 187.524 (December 31, 2014 – TL 159.273) cash loan and TL 57.585 (December 31, 2014 - TL 54.733) 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	157.557	19.742	1.716	34.288	-	702
Balance at the End of the Period	187.524	15.642	-	40.655	-	1.288
Interest and Commission Income	2.451	77	-	18	-	6

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	110.670	25.402	-	32.895	-	307
Balance at the End of the Period	157.557	19.742	1.716	34.288	-	702
Interest and Commission Income ^(***)	948	33	3	24	-	2

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

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

^(***) Represents June 30, 2014 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	380.996	359.891	17.036	18.776	19.100	16.594
Balance at the End of the Period	354.954	380.996	16.673	17.036	7.205	19.100
Interest on deposits ^(***)	14.417	13.438	4.776	-	125	322

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

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

^(***) Prior Period represents June 30, 2014 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 (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group (**)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading Purposes						
Beginning of the Period	140.998	-	134.496	130.397	102.824	177.748
End of the Period	-	140.998	155.805	134.496	85.844	102.824
Total Income/Loss(***)	(1.063)	(3.795)	(2.082)	(2.748)	1.091	869
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss(***)	-	-	-	-	-	-

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

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

(***) Represents June 30, 2014 balance.

1.4. As of June 30, 2015, the total amount of remuneration and bonuses paid to top management of the Bank is TL 41.424 (June 30, 2014- TL 32.837).

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 June 30, 2015, cash loans of the risk group represented 0,3% of the Bank's total cash loans (December 31, 2014 – 0,3%), the deposits represented 0,9% of the Bank's total deposits (December 31, 2014 – 0,9%) and derivative transactions represented 0,1% of the Bank's total derivative transactions (December 31, 2014 – 0,2%).

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 June 30, 2015, the Bank has net finance lease payables to Finans Finansal Kiralama A.Ş. amounting to TL 2.282 (December 31, 2014 - TL 2.546) 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 49,00% 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 Bank has issued, on July 3, 2015, bonds with a nominal amount of TL 34.452.300 with 11,53% interest rate and 77 days maturity, on July 23, 2015, bonds with a nominal amount of TL 27.500.000 with 10,80% interest rate and 180 days maturity, on July 29, 2015 bonds with a nominal amount of TL 133.900.000, 10,80% interest rate and 86 days maturity.

On July 15, 2015, the Bank's Board of Directors has decided to acquire PSA Finansman Anonim Şirketi to provide consumer financing services and signed a share purchase agreement with Banque PSA Finance, PSA Financial Holding B.V., Peugeot Finance International N.V., Marcin Bartosz Kruczkowski, BPF Pazarlama ve Acentelik Hiz. A.Ş. Transfer of subject shares to the Bank will be realized following release of necessary authorizations from BRSA.

As at July 22, 2015, the Bank's Board of Directors has decided to increase its paid-in capital from TL 2.835.000 to TL 3.000.000 as bonus shares through internal reserves amounting to TL 165.000. TL 141.750 of the bonus shares will be provided from first dividend of the year 2014 and TL 23.250 of the bonus shares will be provided from subsidiary and real estate sales fund. The dematerialized shares will be allocated to the shareholders in accordance with the Capital Market legislation. General Management will be authorized in the process to apply to BRSA, the Capital Markets Board and other related institutions in order to obtain the necessary permissions.

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

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

3. Other matters

None

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SECTION SEVEN

INDEPENDENT LIMITED REVIEW REPORT

I. Explanations on the Independent Limited Review Report

The unconsolidated financial statements for the period ended June 30, 2015 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 limited review report dated 30 July 2015 is presented preceding the unconsolidated financial statements.

II. Explanations on the notes prepared by Independent Auditors

None (December 31, 2014 – None).