

FİNANSBANK ANONİM ŞİRKETİ

INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT, UNCONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE PERIOD ENDED MARCH 31, 2016

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

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

INTERIM REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

To the Board of Directors of Finansbank A.Ş.

Introduction

We have reviewed the unconsolidated balance sheet of Finansbank A.Ş. (“the Bank”) at March 31, 2016 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 three-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 of Turkey 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

The accompanying unconsolidated financial statements as at March 31, 2016 include general reserve for possible risks amounting TL 100.000 thousands , of which TL 82.000 thousands is carried from 2014 and TL 18.000 thousands of which has been reserved in the last quarter of 2015.

Qualified Conclusion

Based on our review, except for the effect of the matter referred in the qualified conclusion basis of 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 March 31, 2016 and of the results of its operations and its cash flows for the three month-period then ended in all aspects in accordance with the BRSA Accounting and Reporting Legislation.

Report on other regulatory requirements arising from legislation

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim activity report in Section VII, are not consistent with the unconsolidated financial statements and disclosures in all material respects.

Additional paragraph for convenience translation to English:

As explained in detail in Note I of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with 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, SMMM
Partner

April 27, 2016
İstanbul, Türkiye

**THE UNCONSOLIDATED FINANCIAL REPORT OF FINANSBANK A.Ş.
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016**

The Bank's;
Address of the Head Office : Esentepe Mahallesi Büyükdere Caddesi Kristal Kule Binası 215 Şişli – İSTANBUL

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The unconsolidated financial report for the three- month period ended March 31, 2016, 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 AND RISK MANAGEMENT OF THE BANK
- FOOTNOTES AND EXPLANATIONS ON UNCONSOLIDATED FINANCIAL STATEMENTS
- INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT
- INTERİM ACTIVITY REPORT

The unconsolidated financial statements and related disclosures and footnotes for the three-month period ended March 31, 2016, 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 Chairman of the
Audit Committee

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

Temel Güzeloğlu
General Manager and
Member of the
Board of Directors

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

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

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

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

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

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2016

(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 March 31,2016, 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.

As of December 21, 2015, a share sales agreement has been signed between NBG, principal shareholder of the Bank, and Qatar National Bank (“QNB”) regarding direct sale of 99,81% of the Bank’s shares NBG owns at the Bank and in direct sale of the Bank’s shares in subsidiaries and existing partners to QNB at a price of EUR 2 billion 750 million. On 7 April 2016, Banking Regulation and Supervision Agency (BRSA) has allowed the transfer of 82,23% of the Parent Bank’s shares owned by NBG, 9,68% of the Parent Bank’s shares owned by NBG Finance (Dollar) PLC., 7,90% of the Parent Bank’s shares owned by NBGI Holdings B.V. to Qatar National Bank S.A.Q. within the framework of the 18/1st Clause of the Banking Law, and for the direct share of NBG to decrease to 0%. Share transfer will finalized after necessary regulatory permissions within the related countries have been completed. Principal shareholder of the Bank is NBG until the completion of necessary legal permits.

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 18, 2010	Phd
Ioannis Vagionitis	Board Member and Audit Committee Member	January 6, 2014	Masters
Christos Alexis Komninos	Board Member	February 16, 2011	Masters
Temel Güzeloğlu	Board Member and General Manager	April 16, 2010	Masters
Mustafa Hamdi Gürtin	Board Member	April 16, 2010	Masters
Ali Teoman Kerem	Board Member and Head of Audit Committee	April 16, 2013	Masters
Georgios Koutsoudakis	Board Member	July 23, 2014	Graduate
Adnan Menderes Yayla	Assistant Managing Director	May 20, 2008	Masters
Metin Karabiber	Assistant Managing Director	October 8, 2010	Graduate
Murat Şakar	Assistant Managing Director	August 1, 2008	Graduate
Köksal Çoban	Assistant Managing Director	August 19, 2008	Masters
Dr. Mehmet Kürşad Demirkol	Assistant Managing Director	October 8, 2010	Phd
Özlem Cinemre	Assistant Managing Director	July 9, 1997	Graduate
Hakan Alp	Assistant Managing Director	July 7, 2010	Graduate
Filiz Sonat	Assistant Managing Director	September 19,2007	Graduate
Erkin Aydın	Assistant Managing Director	May 16, 2011	Masters
Ömür Tan	Assistant Managing Director	October 28, 2011	Graduate
Halim Ersun Bilgici	Assistant Managing Director	March 15, 2013	Masters
Enis Kurtoğlu	Assistant Managing Director	May 14, 2015	Masters
Murat Koraş	Assistant Managing Director	May 14, 2015	Masters
Onur Özkan	Assistant Managing Director	May 14, 2015	Masters
Elsa Pekmez Atan	Assistant Managing Director	May 14, 2015	Masters
Emel Yılmaz Özbay (*)	Assistant Managing Director	Feb 12, 2016	Graduate

(*) As of Feb 12, 2016 Emel Yılmaz Özbay has been assigned as the Executive Vice President responsible for legal department.

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

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

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2016**

(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.	2.466.847	%82,23	2.466.847	-
NBG Finance (Dollar) PLC	290.382	%9,68	290.382	-
NBGI Holdings B.V.	237.000	%7,90	237.000	-

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 March 31, 2016, the Bank operates through 640 domestic (December 31, 2015 – 640), 1 abroad (December 31, 2015 - 1) and 1 Atatürk Airport Free Trade Zone (December 31, 2015 – 1) branches. As of 31 March 2016, the Bank has 12.903 employees (31 December 2015 - 12.950 employees).

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 Flow

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

FINANSBANK ANONİM ŞİRKETİ
BALANCE SHEET AS OF MARCH 31, 2016 (STATEMENT OF FINANCIAL POSITION)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

I. BALANCE SHEET – ASSETS

		Reviewed 31.03.2016			Audited 31.12.2015			
		Section 5						
		Part I	TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	914.068	9.547.237	10.461.305	2.088.091	7.908.950	9.997.041
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	1.750.251	303.019	2.053.270	2.059.461	253.202	2.312.663
2.1	Financial assets held for trading		1.710.390	303.019	2.013.409	2.012.107	253.202	2.265.309
2.1.1	Public sector debt securities		89.642	7.773	97.415	23.207	4.853	28.060
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Assets on trading derivatives		1.620.748	295.246	1.915.994	1.988.900	248.349	2.237.249
2.1.4	Other securities		-	-	-	-	-	-
2.2	Financial assets at fair value through profit and loss		39.861	-	39.861	47.354	-	47.354
2.2.1	Public sector debt securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans		39.861	-	39.861	47.354	-	47.354
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	(3)	5.121	474.201	479.322	9.536	306.366	315.902
IV.	MONEY MARKET PLACEMENTS		-	-	-	-	-	-
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements		-	-	-	-	-	-
V.	INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(4)	3.649.418	2.054.920	5.704.338	3.382.972	1.912.514	5.295.486
5.1	Equity securities		4.234	130.194	134.428	4.231	-	4.231
5.2	Public sector debt securities		3.645.184	1.892.724	5.537.908	3.378.323	1.880.669	5.258.992
5.3	Other securities		0	32.002	32.002	418	31.845	32.263
VI.	LOANS AND RECEIVABLES	(5)	48.562.283	9.845.343	58.407.626	47.256.465	9.969.165	57.225.630
6.1	Loans and receivables		47.794.009	9.845.343	57.639.352	46.512.772	9.969.165	56.481.937
6.1.1	Loans to risk group of the Bank		119.482	57.206	176.688	96.840	59.113	155.953
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3.	Other		47.674.527	9.788.137	57.462.664	46.415.932	9.910.052	56.325.984
6.2	Non-performing loans		4.093.803	-	4.093.803	3.797.990	-	3.797.990
6.3	Specific provisions (-)		3.325.529	-	3.325.529	3.054.297	-	3.054.297
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	INVESTMENT SECURITIES HELD TO MATURITY (Net)	(6)	3.062.461	900.876	3.963.337	3.009.964	863.950	3.873.914
8.1	Public sector debt securities		3.062.461	151.252	3.213.713	3.009.964	110.652	3.120.616
8.2	Other securities		-	749.624	749.624	-	753.298	753.298
IX.	INVESTMENT IN ASSOCIATES (Net)	(7)	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)	(8)	455.684	-	455.684	343.000	-	343.000
10.1	Unconsolidated financial investments		437.638	-	437.638	324.954	-	324.954
10.2	Unconsolidated non-financial investments		18.046	-	18.046	18.046	-	18.046
XI.	ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(9)	95.233	-	95.233	95.233	-	95.233
11.1	Equity method entities under common control		-	-	-	-	-	-
11.2	Unconsolidated		95.233	-	95.233	95.233	-	95.233
11.2.1	Financial investments		92.433	-	92.433	92.433	-	92.433
11.2.2	Non-financial Investments		2.800	-	2.800	2.800	-	2.800
XII.	LEASE RECEIVABLES (Net)	(10)	-	-	-	-	-	-
12.1	Financial lease receivables		-	-	-	-	-	-
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
XIII.	DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(11)	2.604.674	21.054	2.625.728	3.219.905	19.104	3.239.009
13.1	Fair value hedge		1.879.971	21.054	1.901.025	2.292.114	18.069	2.310.183
13.2	Cash flow hedge		724.703	-	724.703	927.791	1.035	928.826
13.3	Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)		1.582.085	25	1.582.110	1.576.634	8	1.576.642
XV.	INTANGIBLE ASSETS (Net)		261.438	-	261.438	263.957	-	263.957
15.1	Goodwill		-	-	-	-	-	-
15.2	Others		261.438	-	261.438	263.957	-	263.957
XVI.	INVESTMENT PROPERTIES (Net)		-	-	-	-	-	-
XVII.	TAX ASSETS	(12)	39.882	-	39.882	78.968	-	78.968
17.1	Current tax assets		1.962	-	1.962	-	-	-
17.2	Deferred tax assets		37.920	-	37.920	78.968	-	78.968
XVIII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(13)	-	-	-	-	-	-
18.1	Assets held for sale		-	-	-	-	-	-
18.2	Discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(14)	1.066.740	153.797	1.220.537	976.301	129.885	1.106.186
TOTAL ASSETS			64.053.104	23.300.472	87.353.576	64.364.253	21.363.144	85.727.397

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

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

**FINANSBANK ANONİM ŞİRKETİ
BALANCE SHEET AS OF MARCH 31, 2016 (STATEMENT OF FINANCIAL POSITION)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)**

I. BALANCE SHEET – LIABILITIES AND EQUITY

		Reviewed 31.03.2016			Audited 31.12.2015			
		Section 5 Part II						
		TL	FC	Total	TL	FC	Total	
I.	DEPOSITS	(1)	29.467.040	21.105.268	50.572.308	28.874.448	19.691.389	48.565.837
1.1	Deposits from risk group of the Bank		365.909	184.208	550.117	304.656	220.154	524.810
1.2	Other		29.101.131	20.921.060	50.022.191	28.569.792	19.471.235	48.041.027
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	1.579.352	266.502	1.845.854	1.882.909	273.555	2.156.464
III.	FUNDS BORROWED	(3)	102.854	5.819.408	5.922.262	107.591	5.532.825	5.640.416
IV.	MONEY MARKET BORROWINGS		2.422.579	1.827.370	4.249.949	2.781.534	1.857.920	4.639.454
4.1	Interbank money markets takings		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money markets takings		-	-	-	-	-	-
4.3	Funds provided under repurchase agreements	(4)	2.422.579	1.827.370	4.249.949	2.781.534	1.857.920	4.639.454
V.	SECURITIES ISSUED (Net)	(5)	776.744	3.948.093	4.724.837	535.327	3.800.454	4.335.781
5.1	Bills		776.744	80.203	856.947	535.327	-	535.327
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	3.867.890	3.867.890	-	3.800.454	3.800.454
VI.	FUNDS		-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	SUNDRY CREDITORS		1.890.433	2.815.412	4.705.845	2.042.291	3.417.799	5.460.090
VIII.	OTHER LIABILITIES	(6)	1.053.968	233.549	1.287.517	987.164	154.881	1.142.045
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	LEASE PAYABLES (Net)	(7)	691	955	1.646	838	1.066	1.904
10.1	Financial lease payables		797	1.036	1.833	981	1.159	2.140
10.2	Operational lease payables		-	-	-	-	-	-
10.3	Others		-	-	-	-	-	-
10.4	Deferred financial lease expenses (-)		106	81	187	143	93	236
XI.	DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(8)	216.869	314.377	531.246	60.229	223.215	283.444
11.1	Fair value hedge		15.028	232.577	247.605	-	178.808	178.808
11.2	Cash flow hedge		201.841	81.800	283.641	60.229	44.407	104.636
11.3	Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII.	PROVISIONS	(9)	1.718.389	-	1.718.389	1.759.828	-	1.759.828
12.1	General provisions		1.212.015	-	1.212.015	1.190.403	-	1.190.403
12.2	Restructuring provisions		-	-	-	-	-	-
12.3	Reserve for employee benefits		190.545	-	190.545	236.751	-	236.751
12.4	Insurance technical provisions (Net)		-	-	-	-	-	-
12.5	Other provisions		315.829	-	315.829	332.674	-	332.674
XIII.	TAX LIABILITY	(10)	-	-	-	56.239	-	56.239
13.1	Current tax liability		-	-	-	56.239	-	56.239
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)	-	2.627.341	2.627.341	-	2.662.119	2.662.119
XVI.	SHAREHOLDERS' EQUITY		9.253.793	(87.411)	9.166.382	9.202.073	(178.297)	9.023.776
16.1	Paid-in capital	(13)	3.000.000	-	3.000.000	3.000.000	-	3.000.000
16.2	Capital reserves		71.756	(87.411)	(15.655)	182.006	(178.297)	3.709
16.2.1	Share Premium	(14)	714	-	714	714	-	714
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Securities value increase fund	(15)	120.969	(49.889)	71.080	141.358	(178.297)	(36.939)
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)		(8.686)	(37.522)	(46.208)	81.175	-	81.175
16.2.9	Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		(43.930)	-	(43.930)	(43.930)	-	(43.930)
16.3	Profit reserves		6.020.067	-	6.020.067	5.314.295	-	5.314.295
16.3.1	Legal reserves		444.527	-	444.527	409.238	-	409.238
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		5.575.540	-	5.575.540	4.905.057	-	4.905.057
16.3.4	Other profit reserves		-	-	-	-	-	-
16.4	Profit or loss		161.970	-	161.970	705.772	-	705.772
16.4.1	Prior years' income/ (losses)		-	-	-	-	-	-
16.4.2	Current period income/ (loss)		161.970	-	161.970	705.772	-	705.772
TOTAL LIABILITIES AND EQUITY			48.482.712	38.870.864	87.353.576	48.290.471	37.436.926	85.727.397

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

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

**FINANSBANK ANONİM ŞİRKETİ
BALANCE SHEET AS OF MARCH 31, 2016 (STATEMENT OF FINANCIAL POSITION)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)**

II. STATEMENT OF OFF-BALANCE COMMITMENTS AND CONTINGENCIES

	Section 5, Part III.	Reviewed 31.03.2016			Audited 31.12.2015		
		TL	FC	Total	TL	FC	Total
OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS							
A. (I+II+III)		97.649.045	82.629.687	180.278.732	101.035.556	99.438.836	200.474.392
I. GUARANTEES	(1), (2), (3),(4)	6.368.322	4.538.658	10.906.980	6.009.442	4.466.384	10.475.826
1.1. Letters of guarantee		6.352.891	2.896.656	9.249.547	5.981.355	3.047.590	9.028.945
1.1.1. Guarantees subject to State Tender Law		329.795	31.455	361.250	294.530	30.894	325.424
1.1.2. Guarantees given for foreign trade operations		3.292.214	2.865.201	6.157.415	3.171.512	3.016.696	6.188.208
1.1.3. Other letters of guarantee		2.730.882	-	2.730.882	2.515.313	-	2.515.313
1.2. Bank loans		10.431	949.278	959.709	23.085	772.477	795.562
1.2.1. Import letter of acceptance		10.431	949.278	959.709	23.085	772.477	795.562
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		5.000	692.724	697.724	5.002	646.317	651.319
1.3.1. Documentary letters of credit		5.000	613.785	618.785	5.002	628.377	633.379
1.3.2. Other letters of credit		-	78.939	78.939	-	17.940	17.940
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		-	-	-	-	-	-
1.9. Other collaterals		-	-	-	-	-	-
II. COMMITMENTS	(1)	37.266.996	1.838.641	39.105.637	35.030.262	727.276	35.757.538
2.1. Irrevocable commitments		36.298.082	1.838.641	38.136.723	33.929.719	663.627	34.593.346
2.1.1. Forward asset purchase commitments		790.703	1.310.345	2.101.048	190.701	612.957	803.658
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		15.707.026	283	15.707.309	14.364.712	291	14.365.003
2.1.5. Securities underwriting commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Payment commitment for checks		2.761.327	-	2.761.327	2.558.758	-	2.558.758
2.1.8. Tax and fund liabilities from export commitments		8.220	-	8.220	8.479	-	8.479
2.1.9. Commitments for credit card expenditure limits		16.525.308	-	16.525.308	16.255.578	-	16.255.578
2.1.10. Commitments for promotions related with credit cards and banking activities		39.580	-	39.580	34.278	-	34.278
2.1.11. Receivables from short sale commitments		-	-	-	-	-	-
2.1.12. Payables for short sale commitments		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		465.918	528.013	993.931	517.213	50.379	567.592
2.2. Revocable commitments		968.914	-	968.914	1.100.543	63.649	1.164.192
2.2.1. Revocable loan granting commitments		968.914	-	968.914	1.100.543	63.649	1.164.192
2.2.2. Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5), (6)	54.013.727	76.252.388	130.266.115	59.995.852	94.245.176	154.241.028
3.1. Derivative financial instruments for hedging purposes		16.627.343	18.359.672	34.987.015	14.891.873	21.742.737	36.634.610
3.1.1. Fair value hedge		4.084.455	10.641.117	14.725.572	4.300.297	13.464.154	17.764.451
3.1.2. Cash flow hedge		12.542.888	7.718.555	20.261.443	10.591.576	8.278.583	18.870.159
3.1.3. Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2. Held for trading transactions		37.386.384	57.892.716	95.279.100	45.103.979	72.502.439	117.606.418
3.2.1. Forward foreign currency buy/sell transactions		2.849.947	3.324.662	6.174.609	3.972.761	4.554.462	8.527.223
3.2.1.1. Forward foreign currency transactions-buy		1.693.836	1.415.382	3.109.218	2.602.412	1.664.211	4.266.623
3.2.1.2. Forward foreign currency transactions-sell		1.156.111	1.909.280	3.065.391	1.370.349	2.890.251	4.260.600
3.2.2. Swap transactions related to foreign currency and interest rates		29.060.731	47.226.363	76.287.094	35.943.194	58.224.153	94.167.347
3.2.2.1. Foreign currency swap-buy		12.580.069	18.950.035	31.530.104	15.836.451	25.523.539	41.359.990
3.2.2.2. Foreign currency swap-sell		16.434.386	15.155.442	31.589.828	19.805.147	21.547.586	41.352.733
3.2.2.3. Interest rate swaps-buy		23.138	6.560.443	6.583.581	150.798	5.576.514	5.727.312
3.2.2.4. Interest rate swaps-sell		23.138	6.560.443	6.583.581	150.798	5.576.514	5.727.312
3.2.3. Foreign currency, interest rate and securities options		5.475.706	6.312.676	11.788.382	5.187.330	8.443.962	13.631.292
3.2.3.1. Foreign currency options-buy		2.861.621	3.044.036	5.905.657	2.727.400	4.088.589	6.815.989
3.2.3.2. Foreign currency options-sell		2.614.085	3.268.640	5.882.725	2.459.930	4.355.373	6.815.303
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		-	45.802	45.802	694	32.026	32.720
3.2.4.1. Foreign currency futures-buy		-	22.901	22.901	347	16.013	16.360
3.2.4.2. Foreign currency futures-sell		-	22.901	22.901	347	16.013	16.360
3.2.5. Interest rate futures		-	260.696	260.696	-	535.474	535.474
3.2.5.1. Interest rate futures-buy		-	130.348	130.348	-	267.737	267.737
3.2.5.2. Interest rate futures-sell		-	130.348	130.348	-	267.737	267.737
3.2.6. Other		-	722.517	722.517	-	712.362	712.362
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		501.107.464	79.651.750	580.759.214	456.270.909	82.337.037	538.607.946
IV. ITEMS HELD IN CUSTODY		6.815.253	1.493.987	8.309.240	7.770.373	1.752.505	9.522.878
4.1. Assets under management		3.058.823	-	3.058.823	4.494.763	-	4.494.763
4.2. Investment securities held in custody		317.987	774.382	1.092.369	196.455	815.520	1.011.975
4.3. Checks received for collection		2.613.738	327.978	2.941.716	2.309.274	323.362	2.632.636
4.4. Commercial notes received for collection		824.705	154.867	979.572	769.881	155.165	925.046
4.5. Other assets received for collection		-	-	-	-	-	-
4.6. Assets received for public offering		-	-	-	-	-	-
4.7. Other items under custody		-	236.760	236.760	-	458.458	458.458
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		314.326.615	43.567.721	357.894.336	274.029.387	44.825.851	318.855.238
5.1. Marketable securities		883.237	3.427.006	4.310.243	889.715	3.510.280	4.399.995
5.2. Guarantee notes		205.623	47.904	253.527	202.830	56.171	259.001
5.3. Commodity		60.455	-	60.455	62.871	-	62.871
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		72.271.820	22.966.657	95.238.477	68.856.288	23.649.829	92.506.117
5.6. Other pledged items		240.905.480	17.126.154	258.031.634	204.017.683	17.609.571	221.627.254
5.7. Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		179.965.596	34.590.042	214.555.638	174.471.149	35.758.681	210.229.830
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		598.756.509	162.281.437	761.037.946	557.306.465	181.775.873	739.082.338

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

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

FINANSBANK ANONİM ŞİRKETİ
INCOME STATEMENT FOR THE PERIOD ENDED MARCH 31, 2016
(STATEMENT OF INCOME/LOSS)

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

III. INCOME STATEMENT

		Revised	Audited	
		01.01 -	01.01 -	
		31.03.2016	31.03.2015	
		Section 5 Part		
		IV.		
I.	INTEREST INCOME	(1)	2,052,940	1,725,433
1.1	Interest on loans		1,823,755	1,531,509
1.2	Interest received from reserve deposits		12,585	2,884
1.3	Interest received from banks		1,218	560
1.4	Interest received from money market placements		13,079	13,798
1.5	Interest received from marketable securities portfolio		200,356	173,660
1.5.1	Held-for-trading financial assets		1,445	421
1.5.2	Financial assets at fair value through profit and loss		1,453	2,881
1.5.3	Available-for-sale financial assets		112,748	98,384
1.5.4	Investments held-to-maturity		84,710	71,974
1.6	Finance lease income		-	-
1.7	Other interest income		1,947	3,022
II.	INTEREST EXPENSE	(2)	1,058,827	866,714
2.1	Interest on deposits		865,929	658,276
2.2	Interest on funds borrowed		67,868	54,289
2.3	Interest on money market borrowings		47,436	50,969
2.4	Interest on securities issued		68,863	96,895
2.5	Other interest expense		8,731	6,285
III.	NET INTEREST INCOME (I - II)		994,113	858,719
IV.	NET FEES AND COMMISSIONS INCOME		319,483	331,509
4.1	Fees and commissions received		399,422	385,533
4.1.1	Non-cash loans		16,116	13,992
4.1.2	Other		383,306	371,541
4.2	Fees and commissions paid		79,939	54,024
4.2.1	Non-cash loans		345	279
4.2.2	Other		79,594	53,745
V.	DIVIDEND INCOME	(3)	2	62,457
VI.	NET TRADING INCOME	(4)	(163,808)	(128,130)
6.1	Securities trading gains/ (losses)		10,121	12,203
6.2	Gains / (losses) from financial derivatives transactions		(152,387)	(98,026)
6.3	Foreign exchange gains/ (losses)		(21,542)	(42,307)
VII.	OTHER OPERATING INCOME	(5)	23,472	125,683
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)		1,173,262	1,250,238
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	266,427	272,182
X.	OTHER OPERATING EXPENSES (-)	(7)	702,834	636,439
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		204,001	341,617
XII.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XIII.	GAIN / (LOSS) ON EQUITY METHOD		-	-
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV.	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	204,001	341,617
XVI.	TAX CHARGE FOR CONTINUED OPERATIONS (±)	(9)	(42,031)	(58,630)
16.1	Current income tax charge		-	(37,325)
16.2	Deferred tax charge / benefit		(42,031)	(21,305)
XVII.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	161,970	282,987
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)	161,970	282,987
	Earnings per share		0,0054	0,00943

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

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

FINANSBANK ANONİM ŞİRKETİ
STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY
FOR THE PERIOD ENDED MARCH 31, 2016
(STATEMENT OF OTHER COMPREHENSIVE INCOME / LOSS)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

IV. STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

	Revised	Audited
	01.01 -	01.01 -
	31.03.2016	31.03.2015
I.		
ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	138.882	(191.006)
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)	(159.229)	38.779
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	983	8.818
X.		
TOTAL NET PROFIT/LOSS ACCOUNTED FOR UNDER EQUITY (I+II+...+IX)	(19.364)	(143.409)
XI.		
PROFIT/LOSS	161.970	282.987
11.1		
Change in fair value of marketable securities (Transfer to Profit/Loss)	9.133	8.041
11.2		
Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	501	(24.89)4
11.3		
Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4		
Other	152.336	299.840
XII.		
TOTAL PROFIT/LOSS ACCOUNTED FOR IN THE PERIOD (X±XI)	142.606	139.578

The accompanying notes are an integral part of these financial statement

(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 MARCH 31, 2016

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed	Part 5 Section II.13	Paid-in Capital	Effect of inflation Accounting on Capital and Other Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity
Prior period – 01.01 – 31.03.2015																	
I.		2.835.000	-	714	-	365.367	-	4.236.500	(48.141)	-	877.428	345.070	-	2.689	(40.479)	-	8.574.148
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.		2.835.000	-	714	-	365.367	-	4.236.500	(48.141)	-	877.428	345.070	-	2.689	(40.479)	-	8.574.148
Changes in period																	
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-	-	-	-	-	(174.432)	-	-	-	-	(174.432)
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1		-	-	-	-	-	-	-	-	-	-	-	-	-	31.023	-	31.023
6.2		-	-	-	-	-	-	-	-	-	-	-	-	-	31.023	-	31.023
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.		-	-	-	-	-	-	-	-	282.987	-	-	-	-	-	-	282.987
XX.		-	-	-	-	43.871	-	-	-	-	(43.871)	-	-	-	-	-	-
20.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2		-	-	-	-	43.871	-	-	-	-	(43.871)	-	-	-	-	-	-
20.3		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance (III+IV+V+...+XVII+XIX+XX)		2.835.000	-	714	-	409.238	-	4.236.500	(48.141)	282.987	833.557	170.638	-	2.689	(9.456)	-	8.713.726

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 MARCH 31, 2016

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed	Part 5 Section II.13	Paid-in Capital	Effect of inflation Accounting on Capital and Other Capital Reserves	Share Premium	Share Certificate Cancellati on 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
Current period – 01.01 – 31.03.2016																	
I.	Beginning balance	3.000.000	-	714	-	409.238	-	4.905.057	(43.930)	-	705.772	(36.939)	-	2.689	81.175	-	9.023.776
Changes in period																	
II.	Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	108.019	-	-	-	-	108.019
IV.	Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	(127.383)	-	(127.383)
4.1	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	(127.383)	-	(127.383)
4.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	The disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	The reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	The effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Period net income/(loss)	-	-	-	-	-	-	-	-	161.970	-	-	-	-	-	-	161.970
XVIII.	Profit distribution	-	-	-	-	35.289	-	670.483	-	-	(705.772)	-	-	-	-	-	-
18.1	Dividends distributed	-	-	-	-	-	-	-	-	-	(705.772)	-	-	-	-	-	-
18.2	Transfers to reserves	-	-	-	-	35.289	-	670.483	-	-	(705.772)	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance (I+II+III+...+XVI+XVII+XVIII)		3.000.000	-	714	-	444.527	-	5.575.540	(43.930)	161.970	-	71.080	-	2.689	(46.208)	-	9.166.382

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 CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2016

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

VI. STATEMENT OF CASH FLOWS

	Part 5 Section V	Reviewed 01.01 – 31.03.2016	Reviewed 01.01 – 31.03.2015
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		1.758.293	106.446
1.1.1 Interest received (+)		1.995.793	1.429.631
1.1.2 Interest paid (-)		(856.588)	(1.009.091)
1.1.3 Dividend received (+)		2	-
1.1.4 Fees and commissions received (+)		376.990	385.749
1.1.5 Other income (+)		13.743	408
1.1.6 Collections from previously written off loans (+)		175.614	156.105
1.1.7 Payments to personnel and service suppliers (-)		(561.362)	(439.806)
1.1.8 Taxes paid (-)		(275.664)	(240.655)
1.1.9 Others (+/-)		889.765	(175.895)
1.2 Changes in operating assets and liabilities		(2.522.700)	(466.916)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(118.009)	(541)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		72.022	5.704
1.2.3 Net (increase) decrease in due from banks (+/-)		(1.708.807)	(1.125.352)
1.2.4 Net (increase) decrease in loans (+/-)		(2.491.626)	(1.500.581)
1.2.5 Net (increase) decrease in other assets (+/-)		727.957	(93.788)
1.2.6 Net increase (decrease) in bank deposits (+/-)		85.753	10.241
1.2.7 Net increase (decrease) in other deposits (+/-)		1.576.033	376.339
1.2.8 Net increase (decrease) in funds borrowed (+/-)		921.777	161.436
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)		(1.587.800)	1.699.626
I. Net cash provided from / (used in) banking operations (+/-)		(764.407)	(360.470)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		(453.203)	(588.219)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(128.112)	-
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		-	-
2.3 Fixed assets purchases (-)		(40.025)	(31.668)
2.4 Fixed assets sales (+)		301	160.755
2.5 Cash paid for purchase of financial assets available for sale (-)		(560.464)	(934.144)
2.6 Cash obtained from sale of financial assets available for sale (+)		353.918	420.627
2.7 Cash paid for purchase of investment securities (-)		(55.212)	(250.519)
2.8 Cash obtained from sale of investment securities (+)		-	71.450
2.9 Others (+/-)		(23.609)	(24.720)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities (+/-)		367.565	98.782
3.1 Cash obtained from funds borrowed and securities issued (+)		910.440	949.830
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(542.595)	(850.839)
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for finance leases (-)		(280)	(209)
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)		(227.027)	273.618
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		(1.077.072)	(576.289)
VI. Cash and cash equivalents at beginning of the period (+)		3.641.584	2.867.988
VII. Cash and cash equivalents at end of the period (V+VI)		2.564.512	2.291.699

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

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

FİNANSBANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016
(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 December 31, 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. The amounts expressed in foreign currency is indicated by the full amount.

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, 2015. The amendments of TAS and TFRS, effective as of January 1, 2016, have no material impact on 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

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FİNANSBANK ANONİM ŞİRKETİ

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FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016

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

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.

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 (2011 version) 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. TFRS 9 Financial Instruments standard will mainly effect Bank's classification and valuation of financial assets. Its impact has not yet been detected since it will change based on financial asset management model used and financial assets held as of transition date, 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 resulting 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 resulting from deposits are explained in the Interest Rate Risk section in detail.

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

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FINANSBANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016

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

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 March 31, 2016 are translated to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities except for non-monetary items 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:

	March 31, 2016	December 31, 2015
US Dollar	TL 2,8334	TL 2,9076
Euro	TL 3,2081	TL 2,1776

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

As of March 31, 2016, the net loss on exchange included in net profit is TL 21.542 (March 31, 2015 – TL 42.307 gain on exchange).

III. Information on Associates and Subsidiaries and Entities Under Common Control

Associates and Entities Under Common Control are recognized in the framework of TAS39 “Financial Instruments: Turkish Accounting Standards related to Recognition and Measurement” in accordance with TAS27 “Individual Financial Statements” and TAS28 “Investments in Subsidiaries and Associates” standards while subsidiaries are recognized based on cost principle.

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, swaption 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 converts 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” , “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.

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FİNANSBANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016

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

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

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

Futures transactions are accounted for at settlement 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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**FİNANSBANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016**

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

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

Fee 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 and Disclosures 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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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 investment 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 the 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 after fair value accounting is ceased value differences, previously reflected to the income statement are amortized through the equity until the maturity of related hedged securities. The fair value differences of related portfolio securities sold prior to maturity are immediately recognized 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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4. Loans and specific provisions

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

The Bank as explained in part IV, “Explanations on Forwards, Option Contracts and Derivative Instruments”, enters into fx swap transactions against TL in order to hedge the possible losses which might arise due to the changes in the fair value of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. The Bank accounts for the hedged loan portfolio at fair value related to hedged risk, the swap transactions used as the hedging instrument at fair value and reflects the related net gain or loss to respective period’s income statement.

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

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

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

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

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

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

VIII. Explanations on Impairment of Financial Assets

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

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

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

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

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IX. Explanations on Netting of Financial Instruments

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

X. Explanations on Sales and Repurchase Agreements and Lending of Securities

Securities sold under repurchase agreements are recorded on the balance in accordance with Uniform Chart of Accounts. Accordingly, government bonds and treasury bills sold to customers under repurchase agreements are classified as “Investments Subject to Repurchase Agreements” and valued based on the Bank management’s future intentions, either at market prices or using discounting method with internal rate of return.

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

Securities that are subject to repurchase agreements as at the balance sheet date amounted to TL 4.701.583 (December 31, 2015– TL 5.089.003).

As of March 31, 2016 the Bank has no securities that are subject to lending transactions (December 31, 2015 – non).

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. Amortization 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 discontinuing 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 3-5 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 disposal of subsidiary shares and profits from real estate sales held in Bank assets for more than two years are exempted from tax according to Corporate Tax Law in condition with adding these gains 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 legislations.

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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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 current period, The Bank’s paid in capital is no change. (1 January -31 December 2015 The Bank’s paid in capital has been increased by TL 165.000, TL 141.750 paid from first dividend with bonus shares and TL 23.250 paid from subsidiary and real estate sales fund.)

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 March 31, 2016, the Bank does not have any government incentives or grants.

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XXII. Explanations on Segment Reporting

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

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

The Corporate Marketing Unit provides services to firms that are institutional, big size, that have annual revenues of TL 300.000 and higher and multi-national firms operating in Turkey. The firms that have annual revenues between TL 40.000 and TL 300.000 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 –March 31, 2016)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Net Interest Income	385.110	339.280	269.723	994.113
Net Fees and Commissions Income	226.321	98.553	(5.391)	319.483
Other Operating Income and Net Trading Income	7.323	4.972	(152.631)	(140.336)
Dividend Income	-	-	2	2
Operating Income	618.754	442.805	111.703	1.173.262
Other Operating Expenses	422.854	232.842	47.138	702.834
Provision for Loan Losses and Other Receivables	161.657	131.186	(26.416)	266.427
Profit Before Taxes	34.243	78.777	90.981	204.001
Provision for Tax	-	-	-	(42.031)
Net Profit/Loss	-	-	-	161.970
Total Assets	42.834.103	15.613.385	24.446.424	87.353.576
Segment Assets	42.834.103	15.613.385	24.446.424	82.893.912
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	554.683
Undistributed Assets	-	-	-	3.904.981
Total Liabilities	37.574.600	11.345.062	21.554.135	87.353.576
Segment Liabilities	37.574.600	11.345.062	21.554.135	70.473.797
Undistributed Liabilities	-	-	-	7.713.397
Equity	-	-	-	9.166.382
Other Segment Accounts	89.759	49.425	12.135	151.319
Capital Expenditures	52.494	28.905	7.975	89.374
Depreciation and Amortization	37.265	20.520	4.160	61.945
Value Decrease/ (Increase)	-	-	-	-

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Prior Period (January 1 – December 31, 2015)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Net Interest Income	376.018	273.728	208.973	858.719
Net Fees and Commissions Income	253.642	80.199	(2.332)	331.509
Other Operating Income and Net Trading Income	10.120	7.829	(20.396)	(2.447)
Dividend Income	-	-	62.457	62.457
Operating Income	639.780	361.756	248.702	1.250.238
Other Operating Expenses	411.789	183.077	41.573	636.439
Provision for Loan Losses and Other Receivables(-)	175.052	106.723	(9.593)	272.182
Profit Before Taxes	52.939	71.956	216.722	341.617
Provision for Tax	-	-	-	(58.630)
Net Profit/Loss	-	-	-	282.987
Other Segment Accounts	59.231	26.333	31.978	117.542
Capital Expenditures	23.078	10.260	28.276	61.614
Depreciation and Amortization	36.153	16.073	3.702	55.928
Value Decrease/ (Increase)	-	-	-	-
Prior Period 31.12.2015	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Total Assets	41.669.742	15.603.242	24.030.762	85.727.397
Segment Assets	41.669.742	15.603.242	24.030.762	81.303.746
Associates and Subsidiaries and Entities	-	-	-	441.999
Undistributed Assets	-	-	-	3.981.652
Total Liabilities	35.560.072	11.448.435	21.275.008	85.727.397
Segment Liabilities	35.560.072	11.448.435	21.275.008	68.283.515
Undistributed Liabilities	-	-	-	8.420.106
Equity	-	-	-	9.023.776

XXIII. Explanations on Profit Reserves and Profit Distribution

The Ordinary General Assembly Meeting of the Bank was held on 24 March 2016. In the Ordinary General Assembly, it was decided to net income from 2015 operations to the Bank's shareholders.

Statement of Profit Distribution, 2015

Profit for the Period	705.772
A – First Legal Reserves (Turkish Commercial Code 519/A) 5%	(35.289)
B – First Profit share to be distributed (*)	(150.000)
C – Real Estate sale income fund (KVK 5-1/e)	(145.684)
D – Extraordinary Reserves	(374.799)

(*) It has been decided for TL 150.000 reserved as the First Profit shares to be distributed to be added to Shareholder's Equity.

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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	161.970	282.987
Weighted Average Amount of Shares Issued (Thousands)	30.000.000	30.000.000
Profit Per Share	0,00540	0,00943

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 bonus shared in 2016. (Amount of issued bonus shared in 2015 is 1.650.000)

XXV. Explanations on Other Matters

None.

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK

I. EXPLANATIONS ON EQUITY:

Total capital and Capital adequacy ratio have been calculated in accordance with the “Regulation on Equity of Banks” and “Regulation on Measurement and Assessment of Capital Adequacy of Banks”.

As of 31 March 2016 Bank’s total capital has been calculated as TL 10.251.285, Capital adequacy ratio is % 14,65. As of 31 December 2015, Bank’s total capital amounted to TL 11.193.253 , Capital adequacy ratio was % 15.40 calculated pursuant to former regulations. This ratio is well above the minimum ratio required by the legislation

	Current Period	1/1/2014
	31.Mar.16	Amounts related to previous application(*)
COMMON EQUITY		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	3.000.000	
Share Premium	714	
Reserves	6.020.067	
Gains recognized in equity as per TAS	334.296	
Profit	161.970	
Current Period Profit	161.970	
Prior Period Profit	-	
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	2.689	
Common Equity Before Deductions	9.519.736	
Deductions from Common Equity		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	
Portion of the current and prior periods’ losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	291.932	
Leasehold improvements	85.096	
Goodwill after deduction of the related deferred tax liabilities	-	
Other intangible assets after the deduction of related deferred tax liabilities, except mortgage servicing rights	140.398	233.996
Deferred tax assets based on the taxable income will be achieved in future periods, except when deferred tax assets based on temporary differences, after the deduction of deferred tax liabilities	20.792	34.653
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	15.214	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to fair value of the Bank’s liabilities arising from the credit worthiness	-	
Net amount of a defined benefit plan assets	-	
Direct and indirect investments of the Bank in its own Common Equity	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
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	553.432	
Total Common Equity	8.966.304	

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	Current Period 31.Mar.16	1/1/2014 Amounts related to previous application(*)
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	
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	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other items to be defined by the BRSA	-	
Transition from the Core Capital to Continue to deduce Components		
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	93.598	
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 (-)	13.861	
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	-	
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	8.858.845	
TIER II CAPITAL		
Debt instruments and premiums deemed suitable by the BRSA	-	
Debt instruments and premiums deemed suitable by BRSA (Temporary Article 4)	693.264	
Provisions (Article 8 of the Regulation on the Equity of Banks)	769.973	
Tier II Capital Before Deductions	1.463.237	
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	
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 item 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	1.463.237	
Total Equity(Tier II Capital and Total Capital)	10.322.082	
Deductions from Equity		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	14.021	
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	12.874	
Other items to be defined by the BRSA (-)	43.902	
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
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 item 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 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 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	

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	Current Period 31.03.2016	1/1/2014 Amounts related to previous application (*)
EQUITY		
Equity	10.251.285	
Total risk weighted amounts	69.991.376	
Capital Adequacy Ratios		
Core Capital Adequacy Ratio	12,81%	
Tier I Capital Adequacy Ratio	12,66%	
Capital Adequacy Ratio	14,65%	
BUFFERS		
Total Core Capital Ratio specific to Bank	0,63%	
Total Core Capital Ratio specific to Bank	0,63%	
Circular capital buffer ratio specific to Bank	-	
Ratio of Core Capital amount calculated in accordance with Capital Conservation and Circular Capital Buffers with the first paragraph of Article 4 to Risk Weighted Assets amount	6,81%	
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	92.433	
Amount arising from deferred tax assets based on temporary differences	-	
Limits related to provisions considered in Tier II calculation	3.267	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	1.212.015	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	769.973	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	693.264	
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	1.885.130	

Amounts in this column represents the amounts of items that are subject to transition provisions in accordance with the temporary Articles of "Regulations regarding to changes on Regulation on Equity of Banks" and taken into consideration at the end of transition process.

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	Prior Period 31 December 2015
COMMON EQUITY	
Paid-in capital following all debts in terms of claim in liquidation of the Bank	3.000.000
Share premium	714
Share cancellation profits	-
Reserves	5.314.295
Gains recognized in equity as per TAS	207.320
Profit	705.772
Current Period Profit	705.772
Prior Period Profit	-
Provisions for Possible Risks	100.000
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	2.689
Common Equity Before Deductions	9.330.790
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 (-)	288.189
Leasehold improvements(-)	88.288
Goodwill or other intangible assets and deferred tax liability related to these items (-)	94.243
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	470.720
Total Common Equity	8.860.070
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	-

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	31 December 2015
DEDUCTIONS FROM TIER I CAPITAL	141.365
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	141.365
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	8.718.705
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
Sources pledged to the Bank by shareholders to be used in capital increases of the Bank	-
General Loan Loss Provisions	805.676
Tier II Capital Before Deductions	2.541.981
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	2.541.981
CAPITAL BEFORE DEDUCTIONS	11.260.686
Deductions from Capital	
Loans granted contrary to the 50th and 51th Article of the Law (-)	15.456
Net book value of amounts exceeding the limit mentioned in the 1st 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(-)	13.246
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 (-)	38.731
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 1st 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 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
TOTAL CAPITAL	11.193.253
Amounts below the Excess Limits as per the Deduction Principles	171.401
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	92.433
Amounts arising from mortgage servicing rights	-
Amounts arising from deferred tax assets based on temporary differences	78.968

	31 December 2015^(*)
Capital Requirements for Credit Risk (Related of Credit Risk Amount 0,08) (KRSY)	5.156.328
Capital Requirement for Market Risk (PRSY)	85.370
Capital Requirement for Operations Risk (ORSY)	572.223
Equity	11.193.253
Equity/(KRSY +PRSY+ORSY)*12,5*100	%15,40
Capital /(KRSY+PRSY+ORSY) *12,5*100)	%12,00
	%12,19
Common Equity /(KRSY+PRSY+ORSY) *12,5*100)	

(*) Total capital has been calculated in accordance with the “Regulations regarding to changes on Regulation on Equity of Banks” effective from date 31 March 2016, the information given in the prior period column has been calculated pursuant to former regulation.

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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 recognized in regulatory capital (Currency in million, as of most recent reporting date)	347	213	133	-
Par value of instrument (Currency in million)	921	566	354	737
Accounting classification	Liability – Subordinated Loans- amortized cost	Liability – Subordinated Loans- amortized cost	Liability – Subordinated Loans- amortized cost	Liability – Subordinated Loans- amortized cost
Original date of issuance	Apr-24-08	Oct-6-09	Dec-28-09	Dec-20-11
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. EXPLANATIONS ON RISK MANAGEMENT :

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. According to Communiqué have to be presented on a quarterly basis. Due to usage of standard approach for the calculation of capital adequacy by the Bank, the following tables have not been presented:

- RWA flow statements of credit risk exposures under IRB
- RWA flow statements of CCR exposures under the Internal Model Method (IMM)
- RWA flow statements of market risk exposures under an IMA

	Risk Weighted Amount		Minimum Capital Requirement
	31.03.2016	31.03.2015	Current Period
Credit Risk (exculuding counterparty Credit Risk (CCR)	60.435.676	59.177.031	4.834.854
Standardised approach (SA)	60.435.676	59.177.031	4.834.854
Internal rating-based (IRB) approach	-	-	-
Counterparty credit risk	1.162.195	515.524	92.976
Standardised approach for counterparty credit Risk (SA-CCR)	1.162.195	515.524	92.976
Internal model method (IMM)	-	-	-
Basic risk weight approach to internal models equity position in the banking account	-	-	-
Investments made in collective investment companies – look-through approach	-	-	-
Investments made in collective investment companies – mandate-based approach (*)	-	-	-
Investments made in collective investment companies - %1250 weighted risk approach	-	-	-
Settlement risk	-	-	-
Securitization positions in banking accounts	-	-	-
IRB ratings-based approach (RBA)	-	-	-
IRB Supervisory Formula Approach (SFA)	-	-	-
SA/simplified supervisory formula approach (SSFA)	-	-	-
Market risk	740.888	1.194.000	59.271
Standardised approach (SA)	740.888	1.194.000	59.271
Internal model approaches (IMM)	-	-	-
Operational Risk	7.652.617	7.152.784	612.209
Basic Indicator Approach	7.652.617	7.152.784	612.209
Standart Approach	-	-	-
Advanced measurement approach	-	-	-
The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
Floor adjustment	-	-	-
TOTAL (1+4+7+8+9+10+11+12+16+19+23+24)	69.991.376	68.039.339	5.599.310

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III. 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 March 31, 2016, the net foreign currency exposure of the Bank is TL 85.875 short position (December 31, 2015–TL 233.015 short) resulting from on balance sheet short position amounting to TL 12.265.247 (December 31, 2015 –TL 12.791.416 short) and off balance sheet long position amounting to TL 12.179.372 (December 31, 2015 – TL 12.558.401 long). The long off balance sheet position amounting to TL 12.835.609 (December 31, 2015 – TL 14.072.076) 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. (Details explaining Section Five Part three)

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	2,8334TL
Euro purchase rate at the date of the balance sheet	3,2081 TL

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
March 31, 2015	2,8334	3,2081
March 30, 2015	2,8695	3,2114
March 29, 2015	2,8733	3,2082
March 28, 2015	2,8705	3,2049
March 25, 2015	2,8789	3,2141
March 24, 2015	2,8693	3,2096

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 March 2016 are TL 2,8917 and TL 3,2063 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⁾	1.574.917	6.197.718	1.774.602	9.547.237
Due From Banks	82.650	377.971	13.580	474.201
Financial Assets at Fair Value through Profit/Loss ⁽²⁾	82.805	208.923	102	291.830
Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	442.658	1.612.262	-	2.054.920
Loans and Receivables ⁽³⁾	6.012.735	7.215.482	11.343	13.239.560
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	-	-	-	-
Investment Securities Held-to-Maturity	14.284	886.592	-	900.876
Derivative Financial Assets Hedging Purposes	1.119	19.935	-	21.054
Tangible Assets	-	-	25	25
Intangible Assets	-	-	-	-
Other Assets ⁽⁴⁾	64.809	85.025	1	149.835
Total Assets	8.275.977	16.603.908	1.799.653	26.679.538
Liabilities				
Bank Deposits	536.209	887.077	105.417	1.528.703
Foreign Currency Deposits ⁽⁵⁾	5.646.279	13.248.308	681.978	19.576.565
Money Market Borrowings	171.419	1.655.951	-	1.827.370
Funds Provided from Other Financial Institutions	2.138.275	5.895.308	413.166	8.446.749
Securities Issued	80.273	3.867.820	-	3.948.093
Sundry Creditors	1.788.771	1.024.964	1.677	2.815.412
Derivative Fin. Liabilities for Hedging Purposes	65.634	248.743	-	314.377
Other Liabilities ⁽⁶⁾	107.319	380.007	190	487.516
Total Liabilities	10.534.179	27.208.178	1.202.428	38.944.785
Net Balance Sheet Position	(2.258.202)	(10.604.270)	597.225	(12.265.247)
Net Off-Balance Sheet Position	2.592.930	10.176.759	(590.317)	12.179.372
Financial Derivative Assets	6.272.938	37.845.061	391.795	44.509.794
Financial Derivative Liabilities	3.680.008	27.668.302	982.112	32.330.422
Non-Cash Loans ⁽⁷⁾	1.744.460	1.168.307	1.625.891	4.538.658
Prior Period				
Total Assets	8.172.969	14.878.654	1.733.311	24.784.934
Total Liabilities	11.088.271	25.360.692	1.127.387	37.576.350
Net Balance Sheet Position	(2.915.302)	(10.482.038)	605.924	(12.791.416)
Net Off-Balance Sheet Position	2.672.374	10.488.686	(602.659)	12.558.401
Financial Derivative Assets	7.810.606	45.187.218	354.262	53.352.086
Financial Derivative Liabilities	5.138.232	34.698.532	956.921	40.793.685
Non-Cash Loans ⁽⁷⁾	1.304.766	2.171.515	990.103	4.466.384

(1) Cash and Balances with TR Central; Other FC include TL 1.762.600 (December 31, 2015 – TL 1.694.042) precious metal deposit account.

(2) Does not include TL 11.189 (December 31, 2015 – 9.501TL) of currency income accruals arising from derivative transactions.

(3) Includes 3.394.217 (December 31, 2015 – TL 3.435.405 TL) FC indexed loans.

(4) Does not include FC prepaid expenses amounting to TL 3.962 (December 31, 2015 – TL 4.414) as per BRSA's Communique published in Official Gazette no 26085 on 19 February 2006.

(5) Other foreign currency includes TL 442.436 (December 31, 2015 – TL 430.694) of precious metal deposit account.

(6) Does not include currency expense accruals of derivative financial instruments kept in FC accounts amounting to TL 13.490 (December 31, 2015 – TL 38.873)

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

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IV. 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	01.Mar Months	03.Ara Months	01.May 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	5.726.664	-	-	-	-	4.734.641	10.461.305
Due from Banks	184.738	-	-	-	-	294.584	479.322
Financial Assets at Fair Value Through Profit/Loss ^(**)	162	1.033	3.960	71.432	60.221	4.542.190	4.678.998
Money Market Placements	-	-	-	-	-	-	-
Inv. Securities Available for Sale	1.025.554	1.042.469	1.361.179	434.520	1.634.131	206.485	5.704.338
Loans and Receivables	14.494.573	8.570.990	19.310.773	12.555.880	1.616.908	1.858.502	58.407.626
Inv. Securities Held to Maturity	588.711	879.657	1.300.739	881.828	216.421	95.981	3.963.337
Other Assets	-	-	-	-	-	3.658.650	3.658.650
Total Assets	22.020.402	10.494.149	21.976.651	13.943.660	3.527.681	15.391.033	87.353.576
Liabilities							
Bank Deposits	1.288.606	332.889	5.185	-	-	25.352	1.652.032
Other Deposits	30.420.511	8.743.393	1.626.106	25.814	-	8.104.452	48.920.276
Money Market Borrowings	3.390.408	656.501	198.201	-	-	4.839	4.249.949
Sundry Creditors	2.815.412	-	-	-	-	1.890.433	4.705.845
Securities Issued	215.761	1.796.902	219.291	2.388.068	-	104.815	4.724.837
Funds Borrowed	1.334.468	5.221.309	1.879.399	38.509	-	75.918	8.549.603
Other Liabilities ^(***)	96	191	769	590	-	14.549.388	14.551.034
Total Liabilities	39.465.262	16.751.185	3.928.951	2.452.981	-	24.755.197	87.353.576
On Balance Sheet Long Position	-	-	18.047.700	11.490.679	3.527.681	-	33.066.060
On Balance Sheet Short Position	(17.444.860)	(6.257.036)	-	-	-	(9.364.164)	(33.066.060)
Off-Balance Sheet Long Position	5.007.283	9.637.604	-	-	-	-	14.644.887
Off-Balance Sheet Short Position	-	-	(319.959)	(9.769.219)	(1.620.544)	-	(11.709.722)
Total Position	(12.437.577)	3.380.568	17.727.741	1.721.460	1.907.137	-9.364.164	2.935.165

(*) 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 2.625.728 derivative financial assets used for hedging purposes.

(***) Other Liabilities include derivative financial liabilities used for hedging purposes amounting to TL 531.246.

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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	5.726.664	-	-	-	-	4.270.377	9.997.041
Due from Banks	98.933	5.000	-	-	-	211.969	315.902
Financial Assets at Fair Value Through Profit/Loss ^(**)	131	9.378	12.408	10.641	42.785	5.476.329	5.551.672
Money Market Placements	-	-	-	-	-	-	-
Inv. Securities Available for Sale	1.392.244	310.046	1.427.730	334.391	1.832.927	(1.852)	5.295.486
Loans and Receivables	11.585.411	7.892.411	19.432.083	14.351.621	1.154.277	1.809.797	57.225.630
Inv. Securities Held to Maturity	166.413	1.026.712	1.468.368	951.410	176.449	84.562	3.873.914
Other Assets	-	-	-	-	-	3.467.752	3.467.752
Total Assets	19.969.796	9.243.577	22.340.589	15.648.063	3.206.438	15.318.934	85.727.397
Liabilities							
Bank Deposits	1.247.544	268.133	12.689	-	-	28.404	1.556.770
Other Deposits	27.377.446	10.147.458	1.694.628	38.035	-	7.751.500	47.009.067
Money Market Borrowings	3.486.174	796.433	349.686	-	-	7.161	4.639.454
Sundry Creditors	3.417.799	-	-	-	-	2.042.291	5.460.090
Securities Issued	286.396	292.546	1.261.806	2.450.170	-	44.863	4.335.781
Funds Borrowed	875.417	1.861.337	5.493.556	31.758	-	40.467	8.302.535
Other Liabilities ^(***)	100	198	819	787	-	14.421.796	14.423.700
Total Liabilities	36.690.876	13.366.105	8.813.184	2.520.750	-	24.336.482	85.727.397
On Balance Sheet Long Position	-	-	13.527.405	13.127.313	3.206.438	-	29.861.156
On Balance Sheet Short Position	(16.721.080)	(4.122.528)	-	-	-	(9.017.548)	(29.861.156)
Off-Balance Sheet Long Position	5.075.073	8.149.847	1.652.123	-	-	-	14.877.043
Off-Balance Sheet Short Position	-	-	-	(9.587.001)	(1.796.952)	-	(11.383.953)
Total Position	(11.646.007)	4.027.319	915.179.528	3.540.312	1.409.486	(9.017.548)	3.493.090

(*) 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 3.329.009 derivative financial assets used for hedging purposes.

(***) Other Liabilities include derivative financial liabilities used for hedging purposes amounting to TL 283.444.

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	-	0,49	-	3,9
Due from Banks	-	0,86	-	10,5
Financial Assets at Fair Value Through Profit/Loss	2,33	4,66	-	10,04
Money Market Placements	-	-	-	-
Investment Securities Available for Sale	3,61	4,94	-	10,46
Loans and Receivables	4,26	4,76	5,46	14,37
Investment Securities Held to Maturity	2,96	5,2	-	10,4
Liabilities				
Bank Deposits	0,63	0,99	-	11,54
Other Deposits	1,83	2,54	1,85	12,15
Money Market Borrowings	0,49	1,02	-	7,51
Sundry Creditors	0,29	0,34	-	-
Securities Issued	0,49	5,85	-	12,08
Funds Borrowed	1,38	3,41	-	7,57

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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	-	0,49	-	3,81
Due from Banks	0,1	0,92	-	10,86
Financial Assets at Fair Value Through Profit/Loss	1,94	4,57	-	10,94
Money Market Placements	-	-	-	-
Investment Securities Available for Sale	3,68	4,96	-	9,93
Loans and Receivables	4,23	4,57	3,65	14,46
Investment Securities Held to Maturity	2,96	5,22	-	10,01
Liabilities				
Bank Deposits	0,87	0,97	-	11,33
Other Deposits	1,62	2,13	0,25	11,78
Money Market Borrowings	0,45	0,92	-	8,03
Sundry Creditors	0,2	0,17	-	-
Securities Issued	-	5,89	-	11,9
Funds Borrowed	1,38	3,43	-	7,57

V. 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	321.068	-	321.068
Quoted Securities	321.068	-	321.068
3. Investment in Shares- grade C	-	-	-
Quoted Securities	-	-	-
4. Investment in Shares- grade Other^(*)	233.623^(*)	209.010	-

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

Portfolio	Gains/Losses in Current Period	Revaluation Surpluses		Unrealized Gains and Losses		
		Total	Amount under Supplementary Capital	Total	Amount under Core Capital	Amount under Supplementary Capital
1. Private Equity Investments	-	191.891	191.891	-	-	-
2. Quoted Shares	-	-	-	6	-	3
3. Other Shares	-	-	-	-	-	-
4. Total	-	191.891	191.891	6	-	3

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VI. Remarks regarding Liquidity Risk Management and Liquidity Coverage Rate

Liquidity Risk of Finansbank is monitored and managed in accordance with Liquidity Risk Management Policy. According to this policy, Board of Directors is responsible to review and approve risk profile and appetite of Finansbank periodically. Senior Management takes necessary measures to monitor aforementioned risk and controls liquidity risk in line with accepted strategies and policies.

Treasury Department is responsible to carry out liquidity strategy determined and approved by Board of Directors. Risk Management Department is responsible to define, measure, monitor and control liquidity risk besides developing internal and external methods and procedures which are in line with context and structure of applicable activities in Finansbank in order to monitor related limits. Senior management of Finansbank is informed periodically regarding current liquidity risk amount exposed in order to ensure being under the approved limits of Bank's liquidity risk profile. Assets and Liabilities Committee (ALC) meetings, which ensure the necessary monitoring for liquidity risk, are held monthly. Risk Committee reviews the liquidity risk of the Bank monthly in addition to aforementioned meetings and informs Board of Directors.

The Bank reviews its liquidity position daily. Internal and legal reports related to liquidity positions are examined in ALC meetings monthly with the participation of senior management. Several decisions are taken related to management of short and long term liquidity in this scope. Internal metrics such as reserve liquidity and deposit concentration are monitored daily besides liquidity coverage rate related to measurement of liquidity coverage. Internal limit and warning level are periodically monitored and reported to related parties by the Board of Directors.

Finansbank has no liquidity management center and each entity, which is under control of the Bank, performs its liquidity management separately from the Bank by an authority responsible for liquidity management. Fund amounts, which shall be used by associates from the Bank, are determined in the framework of limits.

It is essential for the Bank to monitor its liquidity position and funding strategy consistently. Funding management of the Bank is carried out in line with limits and internal warning systems within the framework of ALC decisions. Funding and placement strategies are developed through evaluating the liquidity of the Bank. Liquidity position is evaluated and funding strategy is developed taking into consideration customer based concentration and maturity levels. While developing this strategy, it is aimed to fully utilize funding from long term and consistent resources.

A large part of the Bank's liabilities consist of TL, USD and EUR. Gap reports issued based on the aforementioned three currencies are presented in ALC meetings. Maturity mismatches based on currencies are managed through FC swap and FC forward.

The Bank diversifies its funding sources as customer deposits, foreign loans and bond issuance in order to reduce its liquidity risk. Measures are taken through making investments to assets having higher capacity to generate cash against liquidity crisis. The Bank watches over reducing customer deposit concentration and controls concentration level daily in line with warning level approved by the Board of Directors.

Liquidity life cycle approach is determined as the liquidity risk stress test methodology. This approach is a stress test to measure the period in which Finansbank can meet its cumulative cash outflows without providing a fund from the market. Liquidity life cycle is calculated according to various scenarios and simulated in line with possible scenarios in crisis situation and the results are reported to Risk Committee and Board of Directors.

Emergency Funding Plan (EMP) of the Bank regulates funding activities to be used in liquidity crisis periods specific to the Bank or in liquidity crisis at financial markets. EMP defines components triggering the crisis and early warning indicators which help to evaluate and manage the liquidity crisis and determine primary funding structure. EMP also defines actions of the Bank against cash and guarantee need. In addition to aforementioned issues, EMP determines duties and responsibilities in performing actions in a liquidity crisis included in risk management and emergency funding plan.

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Liquidity Coverage Ratio

	Unweighted Amounts(1)		Weighted Amounts(1)	
CURRENT PERIOD - March 31, 2016	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS			13.030.655	7.678.485
1. High Quality Liquid Assets	14.658.148	9.305.978	13.030.655	7.678.485
CASH OUTFLOWS				
2. Retail and Small Business Customers Deposits	34.467.726	12.728.640	3.003.509	1.162.849
3. Stable deposits	8.865.278	2.200.305	443.264	110.015
4. Less stable deposits	25.602.448	10.528.335	2.560.245	1.052.834
5. Unsecured Funding other than Retail and Small Business Customers Deposits	12.763.613	6.435.779	6.732.562	3.278.329
6. Operational deposits	496.264	38.492	124.066	9.623
7. Non-Operational Deposits	12.267.349	6.397.287	6.608.496	3.268.706
8. Other Unsecured Funding	2.892.794	1.156.236	2.403.418	1.156.236
9. Secured funding			240.530	240.530
10. Other Cash Outflows	12.661.160	7.846.643	12.661.160	7.846.643
11. Liquidity needs related to derivatives and market valuation changes on derivatives transactions	12.661.160	7.846.643	12.661.160	7.846.643
12. Debts related to the structured financial products	-	-	-	-
13. Commitment related to debts to financial markets and other off balance sheet liabilities				
14. Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	916.345	-	45.817	-
15. Other irrevocable or conditionally revocable commitments	45.610.995	4.775.450	3.082.771	423.441
16. TOTAL CASH OUTFLOWS			28.169.767	14.108.028
CASH INFLOWS				
17. Secured Lending Transactions	506.909	-	-	-
18. Unsecured Lending Transactions	4.248.568	507.943	2.308.754	365.280
19. Other contractual cash inflows	11.219.832	8.309.906	11.219.832	8.309.906
20. TOTAL CASH INFLOWS	15.975.309	8.817.849	13.528.586	8.675.186
			Capped Amounts	
21. TOTAL HIGH QUALITY LIQUID ASSETS			13.585.278	7.377.354
22. TOTAL NET CASH OUTFLOWS			15.344.591	7.438.220
23. Liquidity Coverage Ratio (%)			89,00%	141,33%

(1) In current period unconsolidated Liquidity Coverage Ratio table, the arithmetic average of the last three months weekly unconsolidated Liquidity Coverage Ratio's are used.

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PREVIOUS PERIOD - December 31, 2015	Unweighted Amounts(1)		Weighted Amounts(1)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS			13.585.278	7.377.354
1. High Quality Liquid Assets	15.280.757	9.072.833	13.585.278	7.377.354
CASH OUTFLOWS				
2. Retail and Small Business Customers Deposits	32.924.299	12.722.640	2.796.206	1.147.503
3. Stable deposits	9.924.481	2.495.227	496.224	124.761
4. Less stable deposits	22.999.818	10.227.413	2.299.982	1.022.742
5. Unsecured Funding other than Retail and Small Business Customers Deposits	13.211.900	7.314.134	6.634.558	3.633.912
6. Operational deposits	543.372	23.829	135.843	5.957
7. Non-Operational Deposits	12.668.528	7.290.305	6.498.715	3.627.955
8. Other Unsecured Funding	4.221.523	2.636.626	3.860.182	2.636.626
9. Secured funding			253.941	253.941
10. Other Cash Outflows	14.969.899	9.119.362	14.969.899	9.119.362
11. Liquidity needs related to derivatives and market valuation changes on derivatives transactions	14.969.899	9.119.362	14.969.899	9.119.362
12. Debts related to the structured financial products	-	-	-	-
13. Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
14. Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	1.089.536	6.715	54.477	336
15. Other irrevocable or conditionally revocable commitments	43.150.504	4.505.502	2.915.750	398.929
16. TOTAL CASH OUTFLOWS			31.485.013	17.190.609
CASH INFLOWS				
17. Secured Lending Transactions	1.531.481	-	-	-
18. Unsecured Lending Transactions	4.916.599	463.145	2.587.613	338.834
19. Other contractual cash inflows	13.552.810	9.413.555	13.552.809	9.413.555
20. TOTAL CASH INFLOWS	20.000.890	9.876.700	16.140.422	9.752.389
			Capped Amounts	
21. TOTAL HIGH QUALITY LIQUID ASSETS			13.585.278	7.377.354
22. TOTAL NET CASH OUTFLOWS			15.344.591	7.438.220
23. Liquidity Coverage Ratio (%)			88,53%	99,18%

(1) In current period unconsolidated Liquidity Coverage Ratio table, the arithmetic average of the last three months weekly unconsolidated Liquidity Coverage Ratio's are used.

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The dates and values of minimum and maximum foreign currency and total liquidity coverage ratios calculated weekly related to the last three months are explained in the table below. According to “Regulation on Liquidity Coverage Ratio Calculation” published in the Official Gazette no. 28948, dated 21 March 2014.

	Maximum	Week	Maximum	Week	Average
TP+FC	95.6	21.03.2016	81.0	01.02.2016	89.1
FC	231.8	21.03.2016	104.78	18.01.2016	149.8

Liquidity coverage ratio is regulated by the BRSA to make sure that the Banks sustain high quality liquid asset stock to cover probable cash outflows in the short term.

All of Bank’s high quality liquid assets are comprised of first quality liquid assets, most of which are CBT accounts and securities that are issued by the Turkish Treasury that have not been collateralized. Optional use of reserve levels and fluctuations in repo amount lead up to periodical variations in liquidity coverage ratio. Additionally syndication loans and large amount funds such as foreign bond issuances that have less than 1 month to maturity, lead up to short term fall in liquidity coverage ratios.

Funding sources of the Bank mainly consist of deposits which constitute 58 % of total liabilities of the bank (31 December 2015 – 57%) and also include repo, syndication, securitization, bond/security issuance and other instruments including subordinated debts.

The Bank effectively uses derivative transactions to manage interest and liquidity risk. Impact of derivative cash flows in terms of liquidity coverage ratio is limited. However, FX swaps used in short term foreign currency liquidity management cause liquidity coverage ratio to fluctuate due to changes in volume and 1-month maturity. In addition, possible cash outflow caused by margin call requirements of derivative transactions is taken into consideration in accordance with the respective regulations.

Secured funding consists repo securitized borrowing transactions. A large part of securities which are subjects of aforementioned guaranteed funding transactions consist of Sovereign Bonds issued by Treasury of the Republic of Turkey and transactions are carried out both in CBRT market and interbank market.

The Bank manages all the transactions made before its foreign branches and partnership in the framework of central bank, markets and related legislation of the country in which the institutions are located. Legal lending limits and high limit transactions are closely monitored in this framework.

All cash inflow and outflow items related to liquidity profile of the Bank are included in liquidity coverage ratio tables above.

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Presentation of assets and liabilities according to their remaining maturities

Current Period	Demand	Up to 1 Month	01.Mar Months	03.Ara 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	2.124.456	8.336.849	-	-	-	-	-	10.461.305
Due from Banks	294.584	184.738	-	-	-	-	-	479.322
Financial Assets at Fair Value Through Profit/Loss (**)	-	190.776	302.819	1.708.816	2.234.646	241.941	-	4.678.998
Money Markets Placements	-	-	-	-	-	-	-	-
Investment Securities Available for Sale	134.428	60	6.843	487.673	1.754.928	3.320.406	-	5.704.338
Loans and Receivables	-	12.828.619	6.541.105	17.298.967	16.066.784	4.903.877	768.274	58.407.626
Investment Securities Held to Maturity	-	-	-	64.436	1.671.468	2.227.433	-	3.963.337
Other Assets	-	982.251	-	-	238.283	-	2.438.116	3.658.650
Total Assets	2.553.468	22.523.293	6.850.767	19.559.892	21.966.109	10.693.657	3.206.390	87.353.576
Liabilities								
Bank Deposits	23.442	1.289.936	333.464	5.190	-	-	-	1.652.032
Other Deposits	7.812.652	30.594.270	8.820.874	1.665.874	26.606	-	-	48.920.276
Funds Borrowed	-	669.584	409.380	3.112.415	2.452.463	1.905.761	-	8.549.603
Money Market Borrowings	-	3.086.724	656.971	198.783	-	307.471	-	4.249.949
Securities Issued	-	215.761	1.826.535	219.592	2.462.949	-	-	4.724.837
Sundry Creditors	-	2.871.902	103.269	753.528	977.146	-	-	4.705.845
Other Liabilities (***)	-	1.532.098	205.201	650.151	864.047	414.766	10.884.771	14.551.034
Total Liabilities	7.836.094	40.260.275	12.355.694	6.605.533	6.783.211	2.627.998	10.884.771	87.353.576
Liquidity Gap	(5.282.626)	(17.736.982)	(5.504.927)	12.954.359	15.182.898	8.065.659	(7.678.381)	-
Prior Period								
Total Assets	3.582.103	20.221.368	6.896.648	19.047.087	22.454.934	10.419.997	3.105.260	85.727.397
Total Liabilities	7.550.745	37.175.354	12.592.576	6.690.986	7.459.212	3.474.920	10.783.604	85.727.397
Net Liquidity Gap	(3.968.642)	(16.953.986)	(5.695.928)	12.356.101	14.995.722	6.945.077	(7.678.344)	-

(*) 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 9.166.382, unallocated provisions amounting to TL 1.718.389.

(**) Financial Assets at Fair Value Through Profit/Loss include derivative financial assets held for hedging purposes amounting to TL 2.625.728.

(***) Other Liabilities also include derivative financial liabilities held for hedging purposes amounting to TL 531.246.

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VII. Information regarding Leverage Ratio

Information in regards to the differences between current period and prior period leverage ratio

The Bank's leverage ratio, calculated in accordance with the "Regulation on Measurement and Evaluation of Bank's Leverage Levels" is 6,42% (December 31, 2015: 6.51%). Subject level is above the minimum requirement which is determined as 3% by the regulation. Difference between current period and prior period leverage ratios is mostly due to increase in risk amounts of balance sheet asset items.

The table related to leverage ratio calculated in accordance with the "Regulation on Measurement and Evaluation of Bank's Leverage Levels" published in Official Gazette dated November 5, 2013 and numbered 28812 is below:

	Book Value	
	Current Period (*)	Prior Period (*)
Assets on Balance sheet		
Assets on Balance sheet (except for derivative financial instruments and credit derivatives, including guarantees)	82.845.438	81.424.211
(Assets deducted from capital stock)	(333.928)	335.554
Total risk amount related to Assets on Balance sheet	82.511.510	81.088.657
Derivative financial instruments and credit derivatives		
Replacement cost of derivative financial instruments and credit derivatives	5.013.676	5.796.483
Potential credit risk amount of derivative financial instruments and credit derivatives	1.144.169	1.350.098
Total risk amount related to derivative financial instruments and credit derivatives	6.157.845	7.146.581
Financial transactions having security or commodity collateral		
Risk amount of financial transactions having security or commodity collateral	-	-
Risk amount sourcing from transactions mediated	-	-
Total risk amount related to financial transactions having security or commodity collateral	-	-
Off-Balance sheet Transaction		
Gross nominal amount of off-balance sheet transactions	48.799.347	46.196.301
(Adjustment amount sourcing from multiplying to credit conversion rates)	(869.562)	(553.365)
Total risk amount related to off-balance sheet transactions	47.929.785	45.642.936
Capital and Total Risk		
Core Capital	8.774.380	8.712.330
Amount of total risk	136.599.140	133.878.174
Financial leverage ratio	6,42%	6,51%
Financial leverage ratio	6,42%	6,51%

(*) Amounts stated in table shows the last quarter averages of related period.

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS

a) Cash and balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	543.139	238.142	678.545	274.820
T.R. Central Bank	353.343	9.306.944	1.409.024	7.632.114
Other	17.586	2.151	522	2.016
Total	914.068	9.547.237	2.088.091	7.908.950

b) Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	340.758	982.680	1.400.527	1.009.092
Restricted Time Deposits	12.585	8.324.264	8.497	6.623.022
Total	353.343	9.306.944	1.409.024	7.632.114

As of March 31, 2016, 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, 2015 – 5% to 11.5%) and the compulsory rates for the foreign currency liabilities are within an interval from 5% to 25% depending on the maturity of deposits (December 31, 2015 – 5% to 25%).

In accordance with the “Communiqué Regarding the Reserve Requirements”, the reserve requirements can be maintained as TL, USD, EUR and standard gold.

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.

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

a) Trading securities given as collateral or blocked

None (December 31, 2015 – None).

b) Assets on trading derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	75.370	0	52.806	-
Swap Transactions	1.545.378	233.408	1.936.094	123.192
Futures Transactions	-	372	-	313
Options	-	61.466	-	124.844
Other	-	-	-	-
Total	1.620.748	295.246	1.988.900	248.349

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3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	3.644	10	9.402	51
Foreign	1.477	474.191	134	306.315
Foreign Head Offices and Branches	-	-	-	-
Total	5.121	474.201	9.536	306.366

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount (**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	105.861	49.059	10.098	10.112
USA and Canada	326.671	215.324	29.167	29.691
OECD Countries (*)	2.596	1.759	-	-
Off-shore Banking Regions	-	-	-	-
Other	1.275	504	-	-
Total	436.403	266.646	39.265	39.803

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

(**) Includes blocked placements at foreign banks amounting to TL 39.265 (December 31, 2015 - TL 39.803) for the syndication and securitization loans received.

4. Information on Subject to repurchase agreements and given as Collateral /blocked Investment securities available for sale

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Given as Collateral / Blocked	554.056	449.527	573.686	459.933
Subject to repurchase agreements	1.060.482	1.361.026	1.403.911	1.419.256
Total	1.614.538	1.810.553	1.977.597	1.879.189

b) Investment securities available for sale

	Current Period	Prior Period
Debt securities	5.637.777	5.392.394
Quoted on a stock exchange (*)	5.637.777	5.392.394
Unquoted on a stock exchange	-	-
Share certificates	134.535	4.824
Quoted on a stock exchange (**)	115	599(**)
Unquoted on a stock exchange	134.420	4.225
Impairment provision(-)	(67.974)	(101.732)
Total	5.704.338	5.295.486

(*) The Eurobond Portfolio amounting to TL 1.519.600 (December 31, 2015 – TL 1.520.298) which is accounted for as investment securities available for sale was hedged under fair value hedge accounting starting from March and April 2009. The mentioned financial assets are accounted for as Investment Securities Available for Sale in order to be in line with balance sheet presentation.

(**) As of 31 December 2015 Share certificates that are quoted on a stock exchange include “exchange traded mutual funds” amounting to TL 487.

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5. 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	-	-	-	21.651
Corporate Shareholders	-	-	-	21.651
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees ^(*)	74.181	-	74.844	-
Total	74.181	-	74.844	21.651

^(*) 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

Cash 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	Other	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	Other
		Extension of Repayment Plan			Extension of Repayment Plan	
Non-specialized Loans	54.581.507	914.884	-	3.097.706	1.293.267	-
Discount Notes	960.196	-	-	15.214	-	-
Export Loans	964.186	-	-	166.852	-	-
Import Loans	6.567	-	-	-	-	-
Loans Given to Financial Sector	1.264.371	-	-	-	-	-
Retail Loans	13.472.840	143.777	-	753.107	231.288	-
Credit Cards	8.731.667	312.833	-	414.760	202.372	-
Other	29.181.680	458.274	-	1.747.773	859.607	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	54.581.507	914.884	-	3.097.706	1.293.267	-

^(*) The loans amounting to TL 39.861 (December 31, 2014 – TL 47.354) 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	904.608
3, 4 or 5 times	9.978	11.049
Over 5 times	298	248
Total	914.884	1.293.267
Extension Periods		
0 - 6 months	97.033	103.959
6 -12 months	28.225	69.270
1 - 2 years	144.508	151.974
2 - 5 years	460.132	560.347
5 years and over	184.986	407.717
Total	914.884	1.293.267

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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	22.948.986	312.833	414.760	202.372
Non-specialized Loans	22.948.986	312.833	414.760	202.372
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	31.632.521	602.051	2.682.946	1.090.895
Non-specialized Loans	31.632.521	602.051	2.682.946	1.090.895
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	54.581.507	914.884	3.097.706	1.293.267

(*) The loans amounting to TL 39.861 (December 31, 2015 – TL 47.354) 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	358.065	12.329.983	12.688.048	159.332
Housing Loans	515	5.002.871	5.003.386	86.758
Automobile Loans	77	28.955	29.032	258
Personal Need Loans	357.473	7.298.157	7.655.630	72.316
Other	-	-	-	-
Consumer Loans-FC Indexed	-	12.597	12.597	13.437
Housing Loans	-	12.143	12.143	12.841
Automobile Loans	-	-	-	-
Personal Need Loans	-	454	454	596
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-TL	7.251.217	256.044	7.507.261	85.591
Installment	2.648.288	256.044	2.904.332	33.120
Non- Installment	4.602.929	-	4.602.929	52.471
Individual Credit Cards-FC	2.727	-	2.727	20
Installment	-	-	-	-
Non- Installment	2.727	-	2.727	20
Personnel Loans-TL	4.384	38.692	43.076	261
Housing Loans	-	719	719	5
Automobile Loans	-	26	26	-
Personal Need Loans	4.384	37.947	42.331	256
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	27.639	-	27.639	-
Installment	11.357	-	11.357	-
Non-Installment	16.282	-	16.282	-
Personnel Credit Cards-FC	99	-	99	-
Installment	-	-	-	-
Non-Installment	99	-	99	-
Overdraft Accounts-TL (Real Persons)	1.209.578	-	1.209.578	99.618
Overdraft Accounts-FC (Real Persons)	-	-	-	-
Total	8.853.709	12.637.316	21.491.025	358.259

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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	258.987	10.569.911	10.828.898	213.468
Real Estate Loans	23	296.162	296.185	4.835
Automobile Loans	1.480	297.196	298.676	5.016
Personal Need Loans	257.484	9.976.553	10.234.037	203.617
Other	-	-	-	-
Commercial Loans with Installment Facility - FC Indexed	16.090	1.390.547	1.406.637	191.205
Real Estate Loans	-	34.433	34.433	7.327
Automobile Loans	1.020	78.342	79.362	8.771
Personal Need Loans	15.070	1.277.772	1.292.842	175.107
Other	-	-	-	-
Commercial Loans with Installment Facility – FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards –TL	1.501.509	3.827	1.505.336	17.099
Installment	485.642	3.827	489.469	5.560
Non-Installment	1.015.867	-	1.015.867	11.539
Corporate Credit Cards –FC	651	-	651	4
Installment	-	-	-	-
Non-Installment	651	-	651	4
Overdraft Accounts-TL (Legal Entities)	1.062.506	-	1.062.506	3.395
Overdraft Accounts-FC (Legal Entities)	-	-	-	-
Total	2.839.743	11.964.285	14.804.028	425.171

f) Loans according to borrowers (*)

	Current Period	Prior Period
Public	199.572	204.567
Private	57.479.641	56.324.724
Total	57.679.213	56.529.291

(*) The loans amounting to TL 39.861 (December 31, 2015 – TL 47.354) 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	57.419.752	56.241.729
Foreign Loans	259.461	287.562
Total	57.679.213	56.529.291

(*) The loans amounting to TL 39.861 (December 31, 2015 – TL 47.354) 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	176.688	155.953
Indirect Loans Granted to Subsidiaries and Associates	-	-
Total	176.688	155.953

i) Specific provisions for loans

	Current Period	Prior Period
Specific Provisions		
Loans and Receivables with Limited Collectability	102.272	92.057
Doubtful Loans and Other Receivables	359.188	375.466
Uncollectible Loans and Receivables	2.864.069	2.586.774
Total	3.325.529	3.054.297

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)	966	4.459	112.570
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	966	4.459	112.570
Prior Period			
(Gross Amounts Before the Specific Provisions)	2.471	7.336	96.276
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	2.471	7.336	96.276

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	460.289	750.927	2.586.774
Additions (+)	441.793	18.021	11.613
Transfers from Other Categories of Non-Performing Loans (+)	-	343.153	345.361
Transfers to Other Categories of Non-Performing Loans (-)	343.153	345.361	-
Collections (-)	47.570	48.365	79.679
Write-offs (-)^(**)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Others	-	-	-
Current Period End Balance	511.359	718.375	2.864.069
Specific Provision (-)	102.272	359.188	2.864.069
Net Balances on Balance Sheet	409.087	359.187	-

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

None (December 31, 2015 - 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)	409.087	359.187	-
Loans to Real Persons and Legal Entities (Gross)	511.359	718.375	2.839.510
Specific provision (-)	(102.272)	(359.188)	(2.839.510)
Loans to Real Persons and Legal Entities (Net)	409.087	359.187	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	24.559
Specific provision (-)	-	-	(24.559)
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	368.232	375.461	-
Loans to Real Persons and Legal Entities (Gross)	460.289	750.927	2.561.505
Specific provision (-)	(92.057)	(375.466)	(2.561.505)
Loans to Real Persons and Legal Entities (Net)	368.232	375.461	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	25.269
Specific provision (-)	-	-	(25.269)
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, in compliance with the "Provisioning Decree" and with no collateral that are deemed as uncollectible are written off by the Board of Directors' decision.

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6. 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
Given as Collateral / Blocked	110.040	-	96.191	-
Subject to repurchase agreements	1.379.339	900.735	1.417.955	847.881
Total	1.489.379	900.735	1.514.146	847.881

a) Information on financial government debt securities held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	3.062.461	151.252	3.009.964	110.652
Treasury Bill	-	-	-	-
Other Debt Securities	-	-	-	-
Total	3.062.461	151.252	3.009.964	110.652

b) Information on investment securities held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Securities	3.062.461	900.876	3.009.964	863.950
Publicly-traded	3.062.461	900.876	3.009.964	863.950
Non-publicly traded	-	-	-	-
Provision for losses (-)	-	-	-	-
Total	3.062.461	900.876	3.009.964	863.950

c) Movement of held-to-maturity investments

	Current Period	Prior Period
Value at the beginning of the period	3.873.914	3.727.223
Exchange differences on monetary assets	(22.020)	171.250
Acquisitions during the year	55.212	290.680
Disposals through sales and redemptions	-	(512.035)
Provision for losses (-)	-	-
Valuation effect	56.231	196.796
The sum of end of the period	3.963.337	3.873.914

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7. Investments in associates (Net):

7.1. Investments in associates:

a) Information on the unconsolidated subsidiaries

Title	Address (City/	Bank's Share-If	Bank's Risk
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
68.358	29.660	43.170	985	-	3.869	3.490	-

^(*) Current period information is obtained from financial statements as of December 31, 2015 while prior period profit and loss information is obtained from financial statements as of December 31, 2014.

b) Information on the consolidated subsidiaries:

None.

7.2. 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 (%)	-	-

7.3. 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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7.4. Quoted Associates

None (December 31, 2015 - None).

7.5. 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. Investments in subsidiaries (Net)

a) Information on the unconsolidated subsidiaries

	Title	Address (City/Country)	Bank's Share-If different, Voting Rights (%)	Bank' Risk Group Share (%)
1.	Ibtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş.	İstanbul/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.	52.486	21.080	17.024	-	-	(1.435)	1.252	-
2.	11.352	6.199	4.470	68	-	1.083	12	-

(*)Current period information is obtained from financial statements as of March 31, 2016, prior period profit and loss information is obtained from financial statements as of December 31, 2015.

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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	80,92	98,87
3. PSA Finansman A.Ş. ^(**)	Istanbul/Turkey	100,00	100,00
4. Finans Portföy Yönetimi A.Ş.	Istanbul/Turkey	0,01	99,72
5. Finans Faktoring Hizmetleri A.Ş.	Istanbul/Turkey	99,99	100,00

(*) On February 3, 2016 in accordance with the board of directors of Bank, it is been decided to acquire 3.434.632 shares NBG owns in Finans Finansal Kiralama A.Ş. representing the %29,87 of Finans Finansal Kiralama's equity and with TL 34.346 nominal amount for TL 128.112. Subject share transfer has occurred on 8 February 2016. Together with this transaction, the Parent Bank's share in Finans Finansal Kiralama A.Ş. has reached 80,92%.

(**) As of 9 November 2015, acquisition of PSA Finansman Anonim Şirketi has been approved by BRSA and share transfer of subject company has been completed as of 14 December 2015. Additionally, the trade name of PSA Finansman Anonim Şirketi has been changed to Hemenal Finansman Anonim Şirketi as of 18 April 2016

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.	302.726	117.851	3.694	2.819	648	1.572	38.112	64.213
2.	2.272.150	622.892	3.204	52.376	-	13.795	12.706	396.750 (*)
3.	8.106	7.868	2.545	121	-	(518)	-	-
4.	12.969	11.999	160	391	2	19	585	-
5.	568.031	40.431	1.183	22.568	-	1.791	605	44.226

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

b.2) Movement of investments in subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	324.954	426.813
Movements during the period	112.684	(101.859)
Purchases(*)	128.112	18.395
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Disposals(**)	-	(14.512)
Changes Due to Reclassification	-	-
Revaluation Increase	(15.428)	(105.742)
Impairment Provision	-	-
Balance at the End of the Period	437.638	324.954
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	-	-

(*) In prior period, 3.434.632 shares NBG owns in Finans Finansal Kiralama A.Ş. representing the %29,87 of Finans Finansal Kiralama's equity and with TL 34.346 nominal amount for TL 128.112. has been bought from NBG. In prior period Finans Faktoring A.Ş. increased its capital at an amount of TL 10.000 through rights offering. Also in prior period, PSA Finansman A.Ş., whose share transfer transactions are completed, has been acquired with a price of TL 8.395 as of December 14, 2015.

(**) Represents the cash outflow as a result of liquidation of Finans Yatırım Ortaklığı A.Ş. realized as of December 7, 2015.

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b.3) Sectoral distribution of subsidiaries

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	44.226	40.918
Leasing Companies	321.060	206.691
Finance Companies	8.395	8.395
Other Subsidiaries	63.957	68.950
Total	437.638	324.954

b.4) Quoted subsidiaries within the context of consolidation

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	321.060	206.691
Quoted on International Stock Exchanges	-	-
Total	321.060	206.691

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

The Bank does not have any significant subsidiaries.

9. Investments in entities under common control:

	Title	Address (City/Country)	Bank's Share-If different, Voting Rights (%)	Bank' Risk Group Share (%)
1.	Cigna Finans Emeklilik ve Hayat A.Ş (*)	İstanbul/Turkey	49,00	49,00
2.	Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.	İstanbul/Turkey	33,33	33,33

	Total Assets	Shareholders' Equity	Total Fixed Asset	Interest Income	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1. (**)	912.576	74.408	619.738	-	-	4.471	2.999	188.639
2. (***)	32.890	22.560	14.180	-	-	7.495	2.004	-

(*) In accordance with partnership agreement signed between the Bank and Cigna Nederland Gamma BV, the parent of Cigna Finans Emeklilik and Hayat A.Ş., on July 12, 2012 in case the ownership structure of the Bank changes, Cigna Nederland Gamma BV has the right to purchase the shares owned by the Bank. If subject transfer is actualized share transfer will be based on fair value of the shares. As of the report date, there is no official request received from Cigna Nederland Gamma BV in regards to purchase of the shares.

(**) Cigna Finans Emeklilik ve Hayat A.Ş., is accounted with fair value method as Communique on Bank's Consolidated Financial Statement and Turkish Accounting Standards. Current year information is based on 31 March 2016 financials. Prior year profit and loss amounts are based on 31 March 2015 financials

(***) Current year information is based on 31 March 2016 financials. Prior year profit and loss amounts are based on 31 March 2015 financials.

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10. Information on leasing receivables (Net)

None (December 31, 2015 - None).

11. Information on hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	1.879.971	21.054	2.292.114	18.069
Cash Flow Hedge	724.703	-	927.791	1.035
Hedge of Net Investment in Foreign Operations	-	-	-	-
Total	2.604.674	21.054	3.219.905	19.104

(*) Derivative financial instruments designated for the fair value hedge purposes comprise of swaps. As of March 31, 2016, TL 67 (December 31, 2015 - TL 3.991) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in debt securities issued, TL 19.868 (December 31, 2015 - TL 14.078) worth of TL 1.119 securities issued, and TL 1.879.971 (December 31, 2015 - TL 2.292.114) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in loans.

12. Information on Tax Asset

As of March 31, 2016, the Bank has calculated deferred tax asset amounting to TL 37.920 (December 31, 2015 - TL 78.968 deferred tax liability).

According to the TAS 12, the deferred tax assets and liabilities are netted off in the accompanying financial statements. As of March 31, 2016 the Bank has presented the net amount of deferred tax asset of TL 210.791 (December 31, 2015–TL 175.147) and deferred tax liability of TL 172.871 (December 31, 2015–TL 96.179) in the accompanying financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

In cases whereby deferred tax differences arising from the differences between the carrying amounts and the taxable amounts of the assets subjected to deferred tax that are related with certain items under the shareholders' equity accounts, the deferred tax benefits/charges are netted under these accounts. The deferred tax asset amounting to TL 52.737 (December 31, 2015 –TL 51.754 deferred tax liability) is netted in the equity.

	Accumulated Temporary Differences		Deferred Tax Assets/(Liabilities)	
	31.03.2016	31.12.2015	31.03.2016	31.12.2015
Provision for Employee Rights	190.545	236.751	38.109	47.350
Difference Between the Book Value of Financial Assets and Tax Base	401.723	391.743	80.345	78.349
Other	461.687	247.239	92.337	49.448
Deferred Tax Assets			210.791	175.147
Difference Between the Book Value Financial Fixed Assets and Tax Base	(187.124)	(193.598)	(37.425)	(38.720)
Difference Between the Book Value of Financial Assets and Tax Base	(172.011)	(84.538)	(34.402)	(16.908)
Other	(505.222)	(202.757)	(101.044)	(40.551)
Deferred Tax Liabilities			(172.871)	(96.179)
Deferred Tax Assets/(Liabilities), Net			37.920	78.968

	Current Period	Prior Period
	01.01-31.03.2016	01.01-31.03.2015
Deffered Tax as of January 1 Active/ (Passive) - Net	78.968	50.050
Deferred Tax (Loss) / Gain	(42.031)	(21.305)
Deferred Tax that is Realized Under Shareholder's Equity	983	8.818
December 31 Deferred Tax Active/ (Passive) - Net	37.920	37.563

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13. Information on assets held for sale and discontinued operations

As of March 31, 2016 there is no tangible asset held for sale (31 Aralık 2015: none).

Deed transfers of Gayrettepe head office building, registered at İstanbul province, Şişli District, Mecidiyeköy quarter, 307 Map section, 1956 city block, 41 parcel and Polat building registered at İstanbul province, Şişli District, Mecidiyeköy quarter, 303 Map section, 1997 city block, which are owned by the Bank, have been completed on March 25, 2015 and April 27, 2015 respectively within terms mentioned in agreements concluded between parties and the sales of the aforementioned buildings, which are recognized as fixed assets held to be sold, have been made with prices of USD 65.250.000 and USD 28.000.000 respectively.

14. Information on other assets

14.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Other Prepaid Expenses	398.374	319.655
Cheques Receivables from Other Banks	279.237	271.452
Assets Held for Sale (Net)	238.283	220.249
Collateral Given for Derivative Transactions	135.557	108.495
Miscellaneous Receivables	75.831	74.308
Prepaid Rent Expenses	40.686	38.905
Prepaid Agency Commissions	3.634	14.330
Advances Given	3.965	4.338
Other	44.970	54.454
Toplam	1.220.537	1.106.186

14.2. 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 14.1 section of explanations and disclosures related to assets.

15. 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	2.604.674	21.054	3.219.905	19.104
Assets on Trading Derivatives	1.620.748	295.246	1.988.900	248.349
Loans and Receivables	929.557	160.671	935.008	131.096
Investments Securities Available for Sale	63.641	76.284	43.025	52.031
Investments Held-to-Maturity	82.090	13.891	73.776	10.784
Central Bank of Turkey	12.585	-	8.497	-
Banks	-	-	37	-
Trading Securities	358	131	165	18
Other Accruals	18.861	435	15.244	1.237
Total	5.332.514	567.712	6.284.557	462.619

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SECTION FIVE

II. EXPLANATIONS AND DISCLOSURES RELATED TO LIABILITIES

1. Information on maturity structure of deposits

Current Period

	Demand	7 Days Notice	Up to 1 Month	01.Mar Months	03.Haz Months	06.Ara Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	1.831.510	-	2.227.729	14.344.453	483.111	256.735	882.516	2.973	20.029.027
Foreign Currency Deposits	3.726.012	-	2.083.373	12.034.022	682.820	193.900	410.605	3.396	19.134.128
Residents in Turkey	3.649.586	-	2.068.069	11.718.467	653.412	183.257	373.272	3.396	18.649.459
Residents Abroad	76.426	-	15.304	315.555	29.408	10.643	37.333	-	484.669
Public Sector Deposits	328.863	-	176	51.723	86	398	94	-	381.340
Commercial Deposits	1.515.304	-	1.448.842	3.995.733	648.780	134.017	223.210	-	7.965.886
Other Ins. Deposits	28.212	-	84.718	396.965	106.036	351.424	103	-	967.458
Precious Metal Deposits	382.751	-	-	4.688	2.687	-	52.311	-	442.437
Bank Deposits	23.442	-	116.705	1.266.931	230.625	13.840	489	-	1.652.032
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	7.230	-	-	-	-	-	-	-	7.230
Foreign Banks	16.212	-	116.705	1.266.931	230.625	13.840	489	-	1.644.802
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	7.836.094	-	5.961.543	32.094.515	2.154.145	950.314	1.569.328	6.369	50.572.308

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	1.836.314	-	2.453.079	13.626.243	628.259	260.686	880.499	3.002	19.688.082
Foreign Currency Deposits	3.309.786	-	2.090.008	11.129.390	866.874	169.550	436.221	3.306	18.005.135
Residents in Turkey	3.251.799	-	2.067.469	10.796.958	839.704	159.101	395.311	3.306	17.513.648
Residents Abroad	57.987	-	22.539	332.432	27.170	10.449	40.910	-	491.487
Public Sector Deposits	236.348	-	509	137.003	408	387	76	-	374.731
Commercial Deposits	1.730.003	-	1.710.341	3.542.286	345.933	115.456	178.330	-	7.622.349
Other Ins. Deposits	35.463	-	104.997	662.999	10.997	5.763	67.858	-	888.077
Precious Metal Deposits	376.794	-	-	4.325	101	-	49.473	-	430.693
Bank Deposits	26.037	-	133.860	1.194.672	189.475	12.244	482	-	1.556.770
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	7.652	-	110.195	105.521	-	-	-	-	223.368
Foreign Banks	18.385	-	23.665	1.089.151	189.475	12.244	482	-	1.333.402
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	7.550.745	-	6.492.794	30.296.918	2.042.047	564.086	1.612.939	6.308	48.565.837

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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	10.942.087	10.434.904	9.083.302	9.249.580
Foreign Currency Savings Deposits	2.857.797	2.473.087	10.124.248	9.041.063
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Toplam	13.799.884	12.907.991	19.207.550	18.290.643

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	76.564	61.131
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237	-	-
Saving deposits in banks established in Turkey exclusively for off-shore	6.149	5.707
Total	82.713	66.838

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	38.568	-	53.207	-
Swaps	1.540.784	219.354	1.829.702	153.242
Futures	-	543	-	273
Options	-	46.605	-	120.040
Other	-	-	-	-
Total	1.579.352	266.502	1.882.909	273.555

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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	102.854	125.593	107.591	119.321
Foreign Bank, Institutions and Funds	-	5.693.815	-	5.413.504
Total	102.854	5.819.408	107.591	5.532.825

b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	102.854	3.705.322	107.591	3.266.070
Medium and Long-Term	-	2.114.086	-	2.266.755
Total	102.854	5.819.408	107.591	5.532.825

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.

The Bank has obtained 5 year maturity securitization loans amounting to USD 280 million on 18 September 2015 within the context of money transfer based securitization program.

The Bank has obtained syndication loans with 1 year maturity, amounting to USD 99.5 million and EUR 376 million on 25 November 2015 and 26 November 2015, respectively.

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

As of March 31, 2016, the Bank's liabilities comprise; 58% deposits (December 31, 2015 – 57%), 7% funds borrowed (December 31, 2015 – 7%), 5% issued bonds (December 31, 2015 – 5%) and 5% funds provided under repurchase agreements (December 31, 2015 – 5%).

4. Information on funds provided under repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	2.416.908	-	2.779.124	-
Financial institutions and organizations	2.395.580	-	2.754.209	-
Other institutions and organizations	8.267	-	10.130	-
Real persons	13.061	-	14.785	-
From foreign transactions	5.671	1.827.370	2.410	1.857.920
Financial institutions and organizations	-	1.827.370	-	1.857.920
Other institutions and organizations	5.671	-	2.241	-
Real persons	-	-	169	-
Total	2.422.579	1.827.370	2.781.534	1.857.920

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5. Information on securities issued (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	776.744	80.203	535.327	-
Bills	-	3.867.890	-	3.800.454
Total	776.744	3.948.093	535.327	3.800.454

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

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

Other liabilities do not exceed 10% of total liabilities excluding the off-balance sheet items. (December 31, 2015 - 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, 2015- None).

7.2. Financial Lease Payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	1.177	1.057	1.255	1.116
Between 1 - 4 years	656	589	885	788
More than 4 years	-	-	-	-
Total	1.833	1.646	2.140	1.904

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, 2015- 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 ^(*)	15.028	232.577	-	178.808
Cash Flow Hedge ^(**)	201.841	81.800	60.229	44.407
Net Investment Hedge	-	-	-	-
Total	216.869	314.377	60.229	223.215

^(*) Derivative financial instruments for hedging purposes include swaps. As of March 31, 2016, TL 42.681 (December 31, 2015 – TL 25.804) represents the fair value of derivatives which are the hedging instruments of hedged loan portfolio, TL 204.914 (December 31, 2015 – TL 152.099). As of March 31, 2016, fair value of derivatives which are hedging instruments of hedged borrowings is none (December 31, 2015 – TL 905) .

^(**) 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	935.830	905.191
-Additional Provision for Loans and Receivables with Extended Maturities	59.905	52.253
Provisions for Loans and Receivables in Group II	149.184	167.383
-Additional Provision for Loans and Receivables with Extended Maturities	38.573	38.079
Provisions for Non - Cash Loans	91.760	85.275
Other	35.241	32.554
Total	1.212.015	1.190.403

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 ^(*)	42.302	20.065

^(*) 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 36.353 (December 31, 2014 - TL 36.737).

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 March 31, 2016, TL 128.560 (December 31, 2015 - TL 125.433) reserve for employee termination benefits was provided in the accompanying financial statements.

As of March 31, 2016, the Bank accrued TL 36.669 (December 31, 2015 – TL 33.200) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of March 31, 2016, TL 25.316 (December 31, 2015- TL 78.118) bonus and premium provisions have been provided under reserve for employee benefits account in the accompanying financial statements.

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9.4.1. Movement of employee termination benefits

	Current Period 01.01-31.03.2016	Prior Period 01.01-31.12.2015
As of January 1	125.433	116.324
Service Cost	4.536	4.542
Interest Cost	3.354	2.356
Settlement / curtailment / termination loss	3.801	1.466
Actuarial Difference	-	-
Paid during the period	(8.564)	(5.533)
Total	128.560	119.155

9.5. Information on other provisions

9.5.1. Information on special provisions 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	100.000	100.000
General reserves for possible risks	79.219	106.241
Provision for Promotion Expenses of Credit Cards	7.046	6.458
Other Provisions	93.211	83.238
Total	279.476	295.937

As of March 31, 2016, The Bank has made a provision of 79.219 TL (December 31, 2015- 106.241 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 March 31, 2016, the Bank haven't current tax liability (December 31, 2015 - TL 210.338) and advance taxes (December 31, 2015 - TL 154.099).

10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	-	56.239
Banking and Insurance Transaction Tax (BITT)	42.941	48.440
Taxation on Securities Income	3.206	2.008
Taxation on Real Estates Income	46.486	49.062
Other	38.046	19.756
Total	130.679	175.505

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	9.209	7.392
Social Security Premiums - Employer Share	9.947	8.019
Unemployment Insurance - Employee Share	648	520
Unemployment Insurance - Employer Share	1.296	1.041
Total	21.100	16.972

11. Information on payables related to assets held for sale

None (December 31, 2015 – None).

12. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	2.627.341	-	2.662.119
From Other Foreign Institutions	-	-	-	-
	-	2.627.341	-	2.662.119

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 subordinated loans are subject to interest payment every 6 months and principal payment at maturity. USD 585 million of existing subordinated loans will mature in 2021, USD 325 million will mature in 2020. As explained in Section I, Note III, in accordance with the share purchase agreement signed on December 21, 2015, with the completion of legal permissions in regards to transfer of shares, subject subordinated loans will be transferred to QNB.

13. Information on shareholder's equity

13.1. Paid-in capital

	Current Period	Prior Period
Common Stock	3.000.000	3.000.000
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	3.000.000	12.000.000

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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, 2015 – 165.000).

13.4. Information on share capital increases from revaluation funds

None (December 31, 2015 – 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, 2015 – None).

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

None (December 31, 2015 – None).

14. Common stock issue premiums, shares and equity instruments

	Current Period	Prior Period
Number of Stocks (Thousands)	30.000.000	30.000.000
Preferred Capital Stock	-	-
Common Stock Issue Premiums (*)	714	714
Common Stock Withdrawal Profits	-	-
Other Capital Instruments	-	-

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

15. Securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control	191.891	-	207.320	-
Valuation Difference	191.891	-	207.320	-
Foreign Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	(70.922)	(49.889)	(65.962)	(178.297)
Valuation Difference	(70.922)	(49.889)	(65.962)	(178.297)
Foreign Exchange Rate Difference	-	-	-	-
Total	120.969	(49.889)	141.358	(178.297)

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16. Accrued interest and expenses

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	264.484	29.218	207.107	22.050
Derivative Financial Liabilities Held for Trading	1.579.352	266.502	1.882.909	273.555
Funds Borrowed	1.666	74.253	1.667	38.800
Money Market Borrowings	2.524	2.288	2.349	4.811
Derivative Financial Liabilities Held for Hedging Purposes	216.869	314.377	60.229	223.215
Securities Issued	-	104.815	-	44.863
Other Accruals	92.702	107	44.824	78
Total	2.157.597	791.560	2.199.085	607.372

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SECTION FIVE

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

1. Information related to off-balance sheet contingencies

1.1. Type and amount of irrevocable commitments

	Current Period	Prior Period
Credit Cards Limit Commitments	16.525.308	16.255.578
Commitment For Use Guaranteed Credit Allocation	15.707.309	14.365.003
Payment Commitments for Cheques	2.761.327	2.558.758
Forward Asset Purchase Commitments	2.101.048	803.658
Other Irrevocable Commitments	993.931	567.592
Commitments for promotions related with credit cards and banking activities	39.580	34.278
Tax and Fund Liabilities due to Export Commitments	8.220	8.479
Total	38.136.723	34.593.346

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 36.353 (December 31, 2015 - TL 36.737) 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	959.709	795.562
Letters of Credit	697.724	651.319
Other Guarantees	-	-
Total	1.657.433	1.446.881

1.4 Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Provisional Letters of Guarantee	465.051	373.483
Final Letters of Guarantee	4.725.086	4.716.970
Advance Letters of Guarantee	422.085	457.160
Letters of Guarantee Given to Customs Offices	361.250	325.424
Other Letters of Guarantee	3.276.075	3.155.908
Total	9.249.547	9.028.945

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	757.490	771.408
Less Than or Equal to One Year with Original Maturity	82.795	95.968
More Than One Year with Original Maturity	674.695	675.440
Other Non-Cash Loans	10.149.490	9.704.418
Total	10.906.980	10.475.826

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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	30.000	0,47	4.785	0,11	28.986	0,48	6.200	0,14
Farming and Raising Livestock	28.028	0,44	4.372	0,10	26.741	0,44	6.149	0,14
Forestry	773	0,01	-	-	963	0,02	-	-
Fishing	1.199	0,02	413	0,01	1.282	0,02	51	-
Manufacturing	1.110.905	17,44	2.407.476	53,04	1.083.869	18,04	2.298.573	51,46
Mining and Quarrying	44.238	0,69	19.447	0,43	52.298	0,87	19.420	0,43
Production	862.317	13,54	1.854.849	40,87	813.184	13,53	1.676.460	37,54
Electricity, gas and water	204.350	3,21	533.180	11,75	218.387	3,63	602.693	13,49
Construction	1.766.872	27,74	679.882	14,98	1.536.308	25,56	767.217	17,18
Services	3.365.665	52,85	1.409.705	31,06	3.268.772	54,39	1.371.772	30,71
Wholesale and Retail Trade	1.996.761	31,35	608.637	13,41	1.938.370	32,26	580.540	13,00
Hotel, Food and Beverage	82.815	1,30	90.014	1,98	76.266	1,27	72.025	1,61
Transportation&Communication	131.136	2,06	79.627	1,75	129.391	2,15	61.789	1,38
Financial Institutions	694.315	10,90	448.892	9,89	665.350	11,07	487.465	10,91
Real Estate and Renting Services	2.538	0,04	2.484	0,05	4.145	0,07	2.574	0,06
Self Employment Services	206.260	3,24	38.713	0,85	211.077	3,51	36.507	0,82
Educational Services	6.255	0,10	-	-	6.667	0,11	-	-
Health and Social Services	245.585	3,86	141.338	3,11	237.506	3,95	130.872	2,93
Other	94.880	1,49	36.810	0,81	91.507	1,52	22.622	0,51
Total	6.368.322	100,0	4.538.658	100,00	6.009.442	100,00	4.466.384	100,00

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

Current Period(*)	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	6.172.507	2.847.364	151.377	41.946
Bills of Exchange and Acceptances	10.431	948.520	-	758
Letters of Credit	5.000	692.038	-	686
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	-	-	-
Non-cash Loans	6.187.938	4.487.922	151.377	43.390

(*) Does not include non-cash loans amounting to TL 36.353, for which provision is provided, but which are not indemnified and not liquidated yet.

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Prior Period (*)	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	5.950.440	3.038.895	2.874	-
Bills of Exchange and Acceptances	23.085	772.186	-	291
Letters of Credit	5.002	646.317	-	-
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	-	-	-
Non-cash Loans	5.978.527	4.457.398	2.874	291

(*) Does not include non-cash loans amounting to TL 36.736, for which provision is provided, but which are not indemnified and not liquidated yet.

5. Information on derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	83.229.773	105.707.616
Forward transactions(*)	8.275.657	9.330.881
Swap transactions	63.119.932	82.712.723
Futures transactions	45.802	32.720
Option transactions	11.788.382	13.631.292
Interest Related Derivative Transactions (II)	13.427.858	11.990.098
Forward rate transactions	-	-
Interest rate swap transactions	13.167.162	11.454.624
Interest option transactions	-	-
Futures interest transactions	260.696	535.474
Security option transactions	-	-
Other trading derivative transactions (III)	722.517	712.362
A.Total Trading Derivative Transactions (I+II+III)	97.380.148	118.410.076
Types of hedging transactions		
Fair value hedges	14.725.572	17.764.451
Cash flow hedges	20.261.443	18.870.159
Net investment hedges	-	-
B.Total Hedging Related Derivatives	34.987.015	36.634.610
Total Derivative Transactions (A+B)	132.367.163	155.044.686

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

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As of March 31, 2016, 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	Futures Sell	Other
Current Period									
TL	2.058.674	1.581.976	17.743.337	27.944.737	2.861.621	2.614.085	-	-	-
USD	1.256.678	2.011.504	34.501.969	23.066.850	1.933.166	2.436.700	153.249	153.249	722.517
EURO	825.970	461.272	4.340.300	2.386.796	1.106.669	831.940	-	-	-
Other	19.038	60.545	368.554	921.566	4.201	-	-	-	-
Total	4.160.360	4.115.297	56.954.160	54.319.949	5.905.657	5.882.725	153.249	153.249	722.517

	Forward Buy ^(**)	Forward Sell ^(**)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Future Buy	Futures Sell	Other
Prior Period									
TL	2.708.325	1.455.137	20.022.379	30.812.688	2.727.400	2.459.930	347	347	-
USD	1.098.411	2.750.074	41.217.474	28.811.962	2.587.585	2.852.748	283.750	283.750	712.362
EURO	797.778	386.959	5.512.115	3.249.638	1.500.712	1.501.634	-	-	-
Other	64.075	70.122	289.894	885.807	292	991	-	-	-
Total	4.668.589	4.662.292	67.041.862	63.760.095	6.815.989	6.815.303	284.097	284.097	712.362

^(*)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 4.042.144 (December 31, 2015 – TL 4.352.016) were subject to hedge accounting by swaps with a nominal of TL 4.135.350 (December 31, 2015 – TL 4.378.077). On March 31, 2016 the net market valuation difference income amounting to TL 14.861 due to the gain amounting to TL 100.168 (March 31, 2015 – TL 39.378 gain) and losses from swaps amounting to TL 85.307 (March 31, 2015 – TL 37.678 loss) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

As of balance sheet date project finance loans amounting to TL 155.108 (December 31, 2015 – TL 156.493) have been subject to hedge accounting with swaps with a nominal amount of TL 149.109 (December 31, 2015 – TL 150.774). In 2016 TL 769 net fair valuation difference income, net of TL 2.582 (March 31, 2015 – TL 461 gain) income from loans and TL 1.813 (March 31, 2015 – TL 131 loss) loss from swaps has been recorded under “Gains / (losses) from financial derivatives transactions” on 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 239 (March 31, 2015 – TL 8.893) 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 of the balance sheet date; Eurobonds with a nominal of USD 363.7 million and EUR 75.8 million (December 31, 2015 – USD 365.7 million and EUR 70.8 million) were subject to hedge accounting by interest rate swaps with the same nominal value. On March 31, 2016, the net market valuation difference loss amounting to TL 1.501, due to gain from Eurobonds amounting to TL 64.128 (December 31, 2015 – TL 46.654 gain) and expense from swaps amounting to TL 65.629 (31 March, 2015 – 46.580) 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, 2015, - non)

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 283 million (December 31, 2015 – USD 650 Million) have been subject to hedge accounting with the same nominal amount of swaps. As of March 31, 2016, TL 2.091 net fair valuation difference losses, net of TL 7.420 (March 31, 2015 – TL 7.642 gain) losses from issued bonds and TL 5.329 (March 31, 2015 – TL 7.726 loss) income from swaps, has been recorded under “Gains / (losses) from financial derivatives transactions” on accompanying financial statements.

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d) Tangible assets

The Bank implemented fair value hedge accounting through foreign exchange borrowings until December 31, 2014 in order to provide fair value hedge sourcing from changes in foreign exchange rates related to immovable, whose fair value consists of foreign currency in market and acquired as foreign currency. The Bank ended the related hedging transaction as of December 31, 2014 and fair value exchange rate income at an amount of TL 60.269 is amortized through the economic life of immovable property subjected to hedging transaction. Fair value exchange difference income at an amount of TL 1.528 sourcing from currency exchanges related to immovable property which is subject to hedging transaction is amortized as of March 31, 2016.

e) Borrowings

The Bank implements fair value hedge accounting through interest swaps aiming to provide hedging from changes in interest rates related to fixed rate foreign exchange credits used. Credit at an amount of EUR 30 million (31 December 2015: EUR 30 million) is subjected to hedge accounting with a swap having the same amount. A net mark to market difference expense at an amount of TL 185 sourcing from income at an amount of TL 2.128 losses and TL 1.943 gain from swaps is recognized under "Gain/loss from Derivative Financial Transactions." (31 December 2015:None)

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 3 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 5.140.130 are subject to hedge accounting as hedging instruments (December 31, 2015 – TL 4.035.130). As a result of the mentioned hedge accounting, fair value losses before taxes amounting to TL 85.633 are accounted for under equity during the current period (March 31, 2015 – TL 11.086 losses). There is no ineffective portion of amounting .(March 31, 2015 – TL 38 gain) is accounted for at the income statement.

As of the balance sheet date, swaps with a nominal amount of USD 1.743 million (December 31, 2015 – USD 1.877 Million) have been subject to hedge accounting with USD deposits and swaps with a nominal amount of EUR 139 million (December 31, 2015 –EUR 139 million) have been subject to hedge accounting with Euro deposits. As a result of above mentioned hedge accounting, fair value losses before taxes amounting to TL 73.596 are accounted for under equity during the current period (March 31, 2015 – TL 25.071 loss). The loss amounting to TL 993 (March 31, 2015 – TL 187 loss) relating to the ineffective portion is 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 profit of TL 501 transferred amount from equity to income statement due to ineffectiveness or matured swaps. (March 31, 2015 – TL 2.689 losses).

The measurements as of March 31, 2016, hedge of cash flow transactions stated above are determined as effective.

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6. Credit derivatives and risk exposures on credit derivatives

As of March 31, 2016, the Bank has no commitments “credit linked notes”.(As of December 31, 2015- non)

As of March 31, 2016, “Other Derivative Financial Instruments” with nominal amount of USD 255.000.000 (December 31, 2015: USD 225.000.000) are included in Bank’s “Swap Interest Sell Transactions.” In aforementioned transaction, the Bank is the seller of the protection for USD 245.000.000

7. Information on contingent liabilities and assets

The Bank has recorded a provision of TL 37.302 (December 31, 2015 - TL 37.664) for litigation and has accounted for it in the accompanying financial statements under the “Other Provisions” account(Section Five, part II.9.5). Except for the claims where provisions are recorded, management considers as remote the probability of a negative result in ongoing litigations and therefore does not foresee cash outflow for such claims.

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 Jan 2016	FITCH March 2016		CI Aug 2015		
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 (FC)	NP	Long-Term TL	BBB-	Foreign Currency Rating	Stable
Short-Term Deposit Rating (TL)	NP	Short-Term TL	F3	TL Rating	Stable
Main Credit Evaluation	(b1)	Long-Term National	AA+(tur)	Long Term (TL)	BB+
	Under	Appearance		Short Term (TL)	B
Appearance	review for		Positive		
	possible		Watch		
	increase	Support	3	Financial Strength Rating	BBB
		Individual	bbb-	Financial Strength Appearance	Stable
				Support	4

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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	843.878	8.955	708.192	15.648
Medium and Long-Term Loans	841.966	109.449	705.401	81.379
Non-Performing Loans	19.507	-	20.889	-
Resource Utilization Support Fund	-	-	-	-
Total	1.705.351	118.404	1.434.482	97.027

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	-	-	-
Domestic Banks	193	1	408	1
Foreign Banks	37	987	7	144
Foreign Headquarters and Branches	-	-	-	-
Total	230	988	415	145

^(*) The interest income on Required Reserve amounting TL 12.585 is not included into interest income on Banks. (March 31, 2015 : 2.884).

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	1.383	62	358	63
Financial Assets at FVTPL	1.348	105	2.705	176
Investment Securities Available for Sale	87.360	25.388	73.685	24.699
Investment Securities Held to Maturity	74.071	10.639	61.870	10.104
Total	164.162	36.194	138.618	35.042

As stated in Section Three disclosure VII, the Bank has inflation indexed (CPI) government bonds in its available for 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, The estimated inflation rate used is updated during the year when necessary. In this context, as of 31 March 2016, valuation of such assets is made according to estimated annual inflation rate of 8%. If valuation of these securities indexed to the CPI had been done by the reference index valid through 31 March 2016, the Bank's Marketable securities valuation differences would be decreased by TL 5 million (in full TL amount) and net profit would be increased by TL 22 million (in full TL amount) to TL 184 million (in full TL amount).

d) Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	2.037	971

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	1.701	66.167	1.924	50.087
T.R. Central Bank	-	-	-	-
Domestic Banks	1.690	447	1.923	580
Foreign Banks	11	65.720	1	49.507
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	2.278	-
Total	1.701	66.167	4.202	50.087

b) Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	5.104	7.291

c) Information on interest expense paid to securities issued

As of March 31, 2016 interest paid to securities issued is TL 68.863 (March 31, 2015 – TL96.895).

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d) Information on maturity structure of interest expenses on deposits

Time Deposits								
Current Period								
Account	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit Account	Total
Turkish Lira								
Bank Deposits	-	2.346	2.917	-	-	-	-	5.263
Saving Deposits	-	58.143	425.540	14.505	7.222	23.603	-	529.013
Public Sector Deposits	-	36	2.624	7	11	2	-	2.680
Commercial Deposits	-	51.129	136.925	16.182	3.909	5.194	-	213.339
Other Deposits	-	1.289	16.430	2.395	10.613	129	-	30.856
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	-	112.943	584.436	33.089	21.755	28.928	-	781.151
Foreign Currency								
Deposits	-	7.610	65.804	3.943	937	2.078	-	80.372
Bank Deposits	15	3.438	748	14	-	-	-	4.215
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	191	-	-	-	-	-	191
Total	15	11.239	66.552	3.957	937	2.078	-	84.778
Grand Total	15	124.182	650.988	37.046	22.692	31.006	-	865.929

Information on maturity structure of interest expense on deposits

Time Deposits								
Prior Period								
Account	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit Account	Total
Turkish Lira								
Bank Deposits	-	4.959	1.087	42	42	-	-	6.130
Saving Deposits	-	43.398	293.822	7.244	6.625	35.150	-	386.239
Public Sector Deposits	-	116	1.046	12	7	-	-	1.181
Commercial Deposits	-	40.511	107.738	6.974	2.928	2.808	-	160.959
Other Deposits	-	782	31.002	585	3.037	5.920	-	41.326
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	-	89.766	434.695	14.857	12.639	43.878	-	595.835
Foreign Currency								
Deposits	-	6.309	45.506	1.654	940	3.081	-	57.490
Bank Deposits	5	3.044	1.739	31	8	-	-	4.827
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	124	-	-	-	-	-	124
Total	5	9.477	47.245	1.685	948	3.081	-	62.441
Grand Total	5	99.243	481.940	16.542	13.587	46.959	-	658.276

e) Information on interest expense on repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expense on Repurchase Agreements (*)	42.832	4.604	48.019	2.950

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

f) Information on finance lease expenses

	Current Period	Prior Period
Finance Lease Expenses	53	69

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g) Information on interest expense on factoring payables

None (December 31, 2015 – None).

3. Information on dividend income

	Current Period	Prior Period
From Trading Securities	-	-
From Financial assets at fair value through profit and loss	-	-
From Available for Sale Financial Assets	-	-
Other	2	62.457
Total	2	62.457

4. Information on trading income/loss

	Current Period	Prior Period
Trading Income	3.922.295	4.508.299
Gains on Capital Market Operations	13.383	19.383
Derivative Financial Instruments	1.256.190	1.298.966
Foreign Exchange Gains	2.652.722	3.189.950
Trading Loss (-)	4.086.103	4.636.429
Losses on Capital Market Operations	3.262	7.180
Derivative Financial Instruments	1.408.577	1.396.992
Foreign Exchange Losses	2.674.264	3.232.257
Net Trading Income/Loss	(163.808)	(128.130)

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.

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6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	271.232	150.834
Loans and Receivables in Group III	60.611	1.895
Loans and Receivables in Group IV	46.524	65.117
Loans and Receivables in Group V	164.097	83.822
Provision for Loans Under Close Monitoring	(27.022)	2.164
General Provisions	21.612	130.941
General Reserves for Possible Risks	18.000	82.000
Provision Expenses for Possible Losses	-	-
Impairment Losses on Securities	-	24
Financial assets at fair value through profit or loss	-	-
Investment securities available for sale	-	24
Impairment Losses on Associates, Subsidiaries and	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
Other	605	(11.781)
Total	266.427	272.182

7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	282.167	234.812
Reserve for employee termination benefits	3.126	2.832
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation charge of tangible assets	34.277	33.567
Impairment losses on intangible assets	-	-
Impairment losses on goodwill	-	-
Amortization charge of intangible assets	26.127	21.470
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed of	-	-
Depreciation on assets to be disposed	1.541	891
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	229.862	202.157
<i>Operational lease related expenses</i>	<i>56.444</i>	<i>53.529</i>
<i>Repair and maintenance expenses</i>	<i>29.054</i>	<i>19.545</i>
<i>Advertisement expenses</i>	<i>21.250</i>	<i>11.523</i>
<i>Other expenses</i>	<i>123.114</i>	<i>117.560</i>
Losses on sales of assets	312	35
Other (*)	125.422	140.675
Total	702.834	636.439

(*) Comprising repayments amounting to TL 30.802 (March 31, 2015: TL 42.585) in respect of Consumer Arbitration Committee and courts' decision, which was fees and commissions recognized in previous year as income.

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

For the period ended March 31, 2016, net interest income in regards to continued operations of TL 994.113 (March 31, 2015 – 858.719), net fees and commission income of TL 319.483 (March 31, 2015 – TL 331.509) and other operating income of TL 23.472 (March 31, 2015 – TL 125.683) 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 March 31, 2016, the Bank has not recorded tax charge (March 31, 2015 – TL 37.325 tax charge) and a deferred tax expense of TL 42.031 (March 31, 2015 – TL 21.305 deferred tax charge) from its continuing operations.

9.2. Explanations on operating profit/loss after taxes

None (March 31, 2015 – None).

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

Net profit of the Bank from continued operations is TL 161.970 (March 31, 2015 – TL 282.987).

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 (March 31, 2015 – None).

11.2. 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.

V. EXPLANATIONS AND DISCLOSURES RELATED TO CASH FLOWS STATEMENTS

Have not been prepared in accordance with the 25th clause of Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements.

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SECTION FIVE

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

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

- 1.1. As of March 31, 2016, the Bank's risk group has deposits, cash and non-cash loans at the Bank amounting to TL 550.117 (December 31, 2015 - TL 524.810) deposit, TL176.688 (December 31, 2015 - TL 155.953) cash loan and TL 4.551 (December 31, 2015 - TL 33.930) 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	155.953	11.315	-	21.651	-	964
Balance at the End of the Period	176.393	3.573	-	-	295	978
Interest and Commission Income	2.037	39	-	2	4	3

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	157.557	19.742	1.716	34.288	-	702
Balance at the End of the Period	155.953	11.315	-	21.651	-	964
Interest and Commission Income(***)	971	36	-	1	-	3

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

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

(***) Prior Period Balance Represents March 31, 2015 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	265.905	380.996	-	17.036	258.905	57.639
Balance at the End of the Period	351.079	265.905	-	-	199.038	258.905
Interest on deposits	5.104	7.291	-	3.372	3.342	965

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

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

(***) Prior Period Balance Represents March 31, 2015 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	168.641	134.496	74.646	102.824
End of the Period	-	-	164.337	168.641	67.886	74.646
Total Income/Loss ^(***)	-	(1.063)	(2.503)	(3.379)	364	848
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.

^(***) Prior Period Balance Represents March 31, 2015 balance.

1.4. As of March 31, 2016, the total amount of remuneration and bonuses paid to top management of the Bank is TL 43.147 (March 31, 2015- TL 20.391).

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 March 31, 2016, cash loans of the risk group represented 0,3% of the Bank's total cash loans (December 31, 2015 – 0,3%), the deposits represented 1,1% of the Bank's total deposits (December 31, 2015-1,1 %) and derivative transactions represented 0,2% of the Bank's total derivative transactions (December 31, 2015 – 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 March 31, 2016, the Bank has net finance lease payables to Finans Finansal Kiralama A.Ş. amounting to TL 1.646 (December 31, 2015 - TL 1.904) relating with finance lease agreements.

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

Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., in which the Bank participated 33,33% shareholding, provides cash transfer services to the Bank.

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

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

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VII. OTHER EXPLANATIONS AND DISCLOSURES

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

The Parent Bank has made a bond issuance at nominal amount of TL 82.170.000 with 10,90% interest rate and 91 days maturity on April 15, 2016 and at nominal amount of TL 188.490.000 with 10,40% interest rate and 91 days maturity on April 22, 2016.

On 7 April 2016, Banking Regulation and Supervision Agency (BRSA) has allowed the transfer of 82, 23% of the Parent Bank's shares owned by NBG, 9,68% of the Parent Bank's shares owned by NBG Finance (Dollar) PLC., 7,90% of the Parent Bank's shares owned by NBGI Holdings B.V. to Qatar National Bank S.A.Q. within the framework of the 18/1st Clause of the Banking Law, and for the direct share of NBG to decrease to 0%. Share transfer will occur after necessary local regulatory permissions have been completed, until then the main shareholder of the Bank is NBG.

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 SIX

LIMITED INDEPENDENT AUDIT REPORT

I. Explanations on the Independent Limited Review Report

The unconsolidated financial statements for the period ended March 31, 2016 have been limited audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited). The auditor's limited report dated April 27, 2016 is presented preceding the unconsolidated financial statements.

II. Explanations on the notes prepared by Independent Auditors

None (December 31, 2015 – None).

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SECTION SEVEN

UNCONSOLIDATED INTERIM ACTIVITY REPORT

I. Interim Unconsolidated Activity Report that Includes the Assessment of the Chairman of the Board of Directors and General Manager of Operations

Message by the Chairman

Esteemed Shareholders,

Despite global economic problems and geopolitical risks in its vicinity, Turkey managed to outgrow expectations with a 4% GDP growth in 2015. 2016 will be a year when uncertainty regarding FED's interest policies may lead to economic fluctuations worldwide. It will also be a time when risk management will be of utmost importance to Turkey. Thanks to political stability achieved following elections held in November, expectations regarding growth and inflation rates have continuously been improving.

In the first quarter of 2016 we have posted robust results thanks to our sound strategy, effective management approach and outstanding performance of our employees, who constitute Finansbank's greatest strength.

Our Bank has closed the first quarter of 2016 with total assets amounting to TL87 billion 354 million and net profit at an amount of TL162 million. Total amount of our credits has increased to TL 58 billion 447 million while our net interest income has increased to TL 994 million through an increase at a ratio of 16%, compared to first quarter of 2015, in the first quarter of 2016.

We will continue to maintain our profitable and sustainable growth policy in the remaining periods of the year. We will continue to grow above sector average in corporate, commercial and SME segments thanks to our innovative and customer oriented approach in this context.

We expect that necessary official permission processes in order to transfer shares of NBB, owned in our Bank and its affiliates to Qatar National Bank (QNB), shall be completed in the second quarter of the year. We believe that we will continue our path with strong steps in the following period thanks to support of strong capital structure and international experiences of QNB.

I would like to express my gratitude once again to our customers and shareholders, who increased our ambition to success by their trust, to all our employees and stakeholders for their contribution to Finansbank.

Ömer A. Aras

Chairman, Finansbank A.Ş.

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Message by the General Manager

Esteemed Shareholders and Board Members,

As the innovative force in the Turkish banking system, we continue our successful journey in a highly sensitive period when financial markets are marred by uncertainty in global markets.

Our 1Q16 financials demonstrate the success and potential, robust capital structure and the competent performance of Finansbank, clear outcomes of our people-oriented approach. As of end of first quarter our assets exceeded TL 87 billion.

The increase in loans continues to be reflected in the financials. Total loans increased 2% compared to year-end 2015, and reached TL 58,447 million. In addition, net interest income increased 16% on year-on-year basis and equaled TL 994 million.

Net fees and commissions was TL 319 million and total shareholders' equity was TL 9,166 million in 1Q16.

Our robust growth in customer deposits, a matter becoming increasingly crucial, was a result of Finansçı's people-oriented approach. Compared to year-end 2015, customer deposits rose by 4% and reached TL 48,920 million. Net profit for the period was TL 162 million. Finansbank currently has 642 branches and its number of employees is 12,903.

I would like to thank everyone for bringing value to Finansbank, my colleagues, our customers, all strategic business partners and correspondent banks.

Temel Güzeloğlu

CEO and Board Member, Finansbank A.Ş.

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Summary Financial Belonging to the Period of 31.03.2016

Principal Financial Indicators (Million TL)	31 March 2016	31 December 2015
Total Loans	58.447	57.273
Securities	9.765	9.197
Total Assets	87.354	85.727
Customer Deposits	48.920	47.009
Equity	9.166	9.024

Profitability	31 March 2016	31 March 2015
Net interest income	944	859
Net fees and commission income	319	332
Provision loans and other Receivables(-)	(266)	(272)
Operating profit before tax	204	342
Tax Provision	(42)	(59)
Net profit for the period	162	283

As of March 31, 2016 total assets of Bank realized as 87 billion and 354 million TL. When compared with the end of year 2015, total loans increased by 2% and reached 58 billion and 447 million TL while Customer Deposits increased by 4% and reached up to 48 billion and 920 million TL.

Unconsolidated profit of the Bank before tax reached 204 million TL and the unconsolidated net profit for the first quarter realized as 162 million TL. Net interest income grew %16 and reached 994 million TL in the three-month period of the year 2016 compared to same period of previous year. Net fees and commission income arrived at 319 million TL.

When compared with the end of year 2015, total consolidated shareholders' equity increased by %2 and reached up to 9 billion 166 million TL. As of March 31, 2016 capital adequacy ratio of the Bank was %14,65.

As of March 31, 2016 Finansbank has 12.903 personnel and 642 branch.

Information Regarding the Financial Status, Profitability and Solvency of the Bank

Assets:

Finansbank maintained its customer-oriented activities during year 2016 and continued to grow mainly in SME and commercial loans. As of March 31, 2016, total unconsolidated loans increased by 2% and reached 58 billion and 447 million TL while total unconsolidated assets increased by 2% and reached 87 billion and 354 million TL as well. The Bank has maintained developing of corporate based loans (Corporate, Commercial and SMEs) which the Bank has focused strategically during 2016 and corporate based loans has increased by 3% compared 2015 year end.

Liabilities:

Total customer deposits of the Bank increased by 4% and reached 48 billion and 920 million TL and shareholders' equity increased by %2 and reached 9 billion and 166 million TL.

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Profitability:

Net interest income increased by 16% and reached 994 million TL and net fees and commission income amounts to 319 million TL. Profit before tax of the Bank amounts to 204 million TL and the net profit for the period is 162 million TL.

Solvency

Due to its strong capital structure and high shareholders' equity profitability, Finansbank has a sound financial structure. Bank has utilized its capital efficiently for its banking activities and has maintained its profitability of shareholders' equity. When taking into consideration of its funding structure; beside large deposit base that Finansbank has, The Bank has also fund to its loans by using long-term external sources. Bank has a quite great cost advantage due to benefiting from such various funding resources and at the same time it is minimizing the risks arising from differences in the maturity dates.

As having a significant place in the Turkish financial markets; Finansbank with its strong financial structure also proves its credibility by the high ratings that received from the independent rating firms.

Amendments made to the Articles of Association

None

Other Issues

As of December 21, 2015, a share sales agreement has been signed between NBG, principal shareholder of the Bank, and Qatar National Bank ("QNB") regarding direct sale of 99,81% of the Bank's shares NBG owns at the Bank and indirect sale of the Bank's shares in subsidiaries and existing partners to QNB at a price of EUR 2 billion 750 million. On 7 April 2016, Banking Regulation and Supervision Agency (BRSA) has allowed the transfer of 82, 23% of the Parent Bank's shares owned by NBG, 9,68% of the Parent Bank's shares owned by NBG Finance (Dollar) PLC., 7,90% of the Parent Bank's shares owned by NBGI Holdings B.V. to Qatar National Bank S.A.Q. within the framework of the 18/1st Clause of the Banking Law, and for the direct share of NBG to decrease to 0%. Share transfer will occur after necessary local regulatory permissions have been completed, until then the main shareholder of the Bank is NBG.

General Grants realized during the Period

General grants realized as of March 31, 2016 was TL 318,700