

FİNANSBANK ANONİM ŞİRKETİ

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

*Translated into English from the
Original Turkish Report*

FİNANSBANK ANONİM ŞİRKETİ

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

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

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

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements are not presented fairly, in all material respects, the financial position, the results of its operations and its cash flows, of the Group for the period ended September 30, 2012 in accordance with the prevailing accounting principles and standards set out as per the Article No: 37 and No: 38 of the Banking Act No: 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting made by the Banking Regulation and Supervision Board and the pronouncements made by Banking Regulation and Supervision Agency.

Additional paragraph for English translation:

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

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Müjde Şehsuvaroğlu
Partner

Istanbul, November 26, 2012

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

The Parent Bank's;

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

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

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

Within the context of this financial report, the consolidated subsidiaries are as follows. There are no associates included in the consolidation.

Subsidiaries

- 1- Finans Finansal Kiralama Anonim Şirketi
- 2- Finans Yatırım Menkul Değerler Anonim Şirketi
- 3- Finans Yatırım Ortaklığı Anonim Şirketi
- 4- Finans Portföy Yönetimi Anonim Şirketi
- 5- Finans Emeklilik ve Hayat Anonim Şirketi
- 6- Finans Tüketici Finansmanı Anonim Şirketi
- 7- Finans Faktoring Hizmetleri Anonim Şirketi

The consolidated financial statements and related disclosures and footnotes for the nine months period 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 consolidated financial statements are presented in **thousands of Turkish Lira (TL)**.

Ömer A. Aras Chairman of the Board of Directors	Mustafa A. Aysan Member of the Board of Directors and Chairman of the Audit Committee	Paul Mylonas Member of the Board of Directors and of the Audit Committee	Michail Oratis Member of the Board of Directors and of the Audit Committee
Temel Güzeloğlu General Manager and Member of the Board of Directors	Adnan Menderes Yayla Executive Vice President Responsible of Financial Control and Planning	Berk Uras Division Manager Responsible of Financial Reporting and Treasury Control	

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

Name-Surname/Title : Berk Uras
Division Manager Responsible of Financial Reporting and Treasury Control

Phone Number : (0 212) 318 52 97
Facsimile Number : (0 212) 318 55 78

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

FİNANSBANK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

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

SECTION ONE

GENERAL INFORMATION ABOUT THE PARENT BANK

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

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

II. Information about the Parent 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 Parent Bank

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

The Parent 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 and commercial banking, assets management, intermediary services and investment banking.

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

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

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

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

FİNANSBANK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

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

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

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

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

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

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

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

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

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

FİNANSBANK ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2012

(STATEMENT OF FINANCIAL POSITION)

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

I. CONSOLIDATED BALANCE SHEET – ASSETS

		Reviewed 30.09.2012			Audited 31.12.2011			
		Section 5 Part I	TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	462,358	4,048,530	4,510,888	479,788	2,490,490	2,970,278
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	1,012,421	129,866	1,142,287	1,429,378	236,681	1,666,059
2.1	Financial assets held for trading		611,851	129,866	741,717	861,766	236,681	1,098,447
2.1.1	Public sector debt securities		228,211	5,111	233,322	71,004	2,138	73,142
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Assets on trading derivatives		363,651	124,728	488,379	775,278	234,520	1,009,798
2.1.4	Other securities		19,989	27	20,016	15,484	23	15,507
2.2	Financial assets at fair value through profit and loss		400,570	-	400,570	567,612	-	567,612
2.2.1	Public sector debt securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans		400,570	-	400,570	567,612	-	567,612
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	(3)	89,958	178,019	267,977	388,499	543,727	932,226
IV.	MONEY MARKET PLACEMENTS		5,692	-	5,692	702,580	390,926	1,093,506
4.1	Interbank money market placements		-	-	-	-	390,926	390,926
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements	(4)	5,692	-	5,692	702,580	-	702,580
V.	INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(5)	5,863,631	1,058,915	6,922,546	5,995,564	845,401	6,840,965
5.1	Equity securities		-	-	-	-	-	-
5.2	Public sector debt securities		5,630,906	1,031,156	6,662,062	5,869,410	770,224	6,639,634
5.3	Other securities		232,725	27,759	260,484	126,154	75,177	201,331
VI.	LOANS AND RECEIVABLES	(6)	31,603,155	3,389,703	34,992,858	26,840,612	3,426,138	30,266,750
6.1	Loans and receivables		31,126,035	3,389,703	34,515,738	26,437,253	3,426,138	29,863,391
6.1.1	Loans to risk group of the Bank		-	32,531	32,531	-	34,873	34,873
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		31,126,035	3,357,172	34,483,207	26,437,253	3,391,265	29,828,518
6.2	Non-performing loans		2,296,828	-	2,296,828	1,849,496	-	1,849,496
6.3	Specific provisions (-)		1,819,708	-	1,819,708	1,446,137	-	1,446,137
VII.	FACTORING RECEIVABLES	(7)	354,569	4,305	358,874	251,562	4,269	255,831
VIII.	INVESTMENT SECURITIES HELD TO MATURITY (Net)	(8)	-	-	-	-	-	-
8.1	Public sector debt securities		-	-	-	-	-	-
8.2	Other securities		-	-	-	-	-	-
IX.	INVESTMENT IN ASSOCIATES (Net)	(9)	7,769	-	7,769	6,769	-	6,769
9.1	Equity method associates		-	-	-	-	-	-
9.2	Unconsolidated		7,769	-	7,769	6,769	-	6,769
9.2.1	Financial Investments		-	-	-	-	-	-
9.2.2	Non-financial Investments		7,769	-	7,769	6,769	-	6,769
X.	INVESTMENT IN SUBSIDIARIES (Net)	(10)	14,986	-	14,986	14,986	-	14,986
10.1	Unconsolidated financial investments		-	-	-	-	-	-
10.2	Unconsolidated non-financial investments		14,986	-	14,986	14,986	-	14,986
XI.	ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(11)	2,800	-	2,800	2,800	-	2,800
11.1	Equity method entities under common control		-	-	-	-	-	-
11.2	Unconsolidated		2,800	-	2,800	2,800	-	2,800
11.2.1	Financial investments		-	-	-	-	-	-
11.2.2	Non-financial Investments		2,800	-	2,800	2,800	-	2,800
XII.	LEASE RECEIVABLES (Net)	(12)	296,447	662,431	958,878	213,329	769,214	982,543
12.1	Financial lease receivables		362,747	727,021	1,089,768	254,491	837,542	1,092,033
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		66,300	64,590	130,890	41,162	68,328	109,490
XIII.	DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(13)	365,597	60,258	425,855	960,793	40,954	1,001,747
13.1	Fair value hedge		365,597	60,258	425,855	960,793	40,954	1,001,747
13.2	Cash flow hedge		-	-	-	-	-	-
13.3	Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)		407,898	86	407,984	400,297	76	400,373
XV.	INTANGIBLE ASSETS (Net)		173,838	-	173,838	146,439	-	146,439
15.1	Goodwill		8,969	-	8,969	8,969	-	8,969
15.2	Others		164,869	-	164,869	137,470	-	137,470
XVI.	INVESTMENT PROPERTIES (Net)		-	-	-	-	-	-
XVII.	TAX ASSETS	(14)	8,105	-	8,105	16,489	-	16,489
17.1	Current tax assets		419	-	419	533	-	533
17.2	Deferred tax assets		7,686	-	7,686	15,956	-	15,956
XVIII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(15)	183,151	-	183,151	-	-	-
18.1	Held for sale		183,151	-	183,151	-	-	-
18.2	Discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(16)	520,140	243,551	763,691	529,486	103,586	633,072
TOTAL ASSETS			41,372,515	9,775,664	51,148,179	38,379,371	8,851,462	47,230,833

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

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

FİNANSBANK ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2012

(STATEMENT OF FINANCIAL POSITION)

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

I. CONSOLIDATED BALANCE SHEET – LIABILITIES AND EQUITY

		Reviewed 30.09.2012			Audited 31.12.2011			
		Section 5 Part II	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(1)	21,588,518	8,875,544	30,464,062	21,107,102	7,886,185	28,993,287
1.1	Deposits from risk group of the Bank		62,783	25,950	88,733	60,755	30,710	91,465
1.2	Other		21,525,735	8,849,594	30,375,329	21,046,347	7,855,475	28,901,822
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	359,739	129,837	489,576	831,948	215,832	1,047,780
III.	FUNDS BORROWED	(3)	300,288	2,734,502	3,034,790	192,492	3,389,690	3,582,182
IV.	MONEY MARKET BORROWINGS		1,949,729	768,154	2,717,883	834,491	699,830	1,534,321
4.1	Interbank money markets takings		-	-	-	-	147,695	147,695
4.2	Istanbul Stock Exchange money markets takings		48,035	-	48,035	17,648	-	17,648
4.3	Funds provided under repurchase agreements	(4)	1,901,694	768,154	2,669,848	816,843	552,135	1,368,978
V.	SECURITIES ISSUED (Net)	(5)	1,698,911	885,693	2,584,604	268,023	989,875	1,257,898
5.1	Bills		1,698,911	-	1,698,911	268,023	-	268,023
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	885,693	885,693	-	989,875	989,875
VI.	FUNDS		-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	SUNDRY CREDITORS		1,235,879	211,370	1,447,249	968,933	610,204	1,579,137
VIII.	OTHER LIABILITIES	(6)	409,717	67,789	477,506	496,448	52,365	548,813
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	LEASE PAYABLES (Net)	(7)	-	-	-	-	-	-
10.1	Financial lease payables		-	-	-	-	-	-
10.2	Operational lease payables		-	-	-	-	-	-
10.3	Others		-	-	-	-	-	-
10.4	Deferred financial lease expenses (-)		-	-	-	-	-	-
XI.	DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(8)	190,753	126,312	317,065	64,659	124,258	188,917
11.1	Fair value hedge		140,410	126,312	266,722	30,334	124,258	154,592
11.2	Cash flow hedge		50,343	-	50,343	34,325	-	34,325
11.3	Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII.	PROVISIONS	(9)	802,803	50,832	853,635	701,985	43,702	745,687
12.1	General provisions		506,484	50,832	557,316	356,739	43,702	400,441
12.2	Restructuring provisions		-	-	-	-	-	-
12.3	Reserve for employee benefits		108,793	-	108,793	103,242	-	103,242
12.4	Insurance technical provisions (Net)		-	-	-	78,324	-	78,324
12.5	Other provisions		187,526	-	187,526	163,680	-	163,680
XIII.	TAX LIABILITY	(10)	128,040	-	128,040	98,847	-	98,847
13.1	Current tax liability		119,793	-	119,793	77,957	-	77,957
13.2	Deferred tax liability		8,247	-	8,247	20,890	-	20,890
XIV.	PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)	(11)	128,236	-	128,236	-	-	-
14.1	Held for sale		128,236	-	128,236	-	-	-
14.2	Discontinued operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS	(12)	-	1,647,670	1,647,670	-	1,742,641	1,742,641
XVI.	SHAREHOLDERS' EQUITY	(13)	6,894,314	(36,451)	6,857,863	6,066,107	(154,784)	5,911,323
16.1	Paid-in capital	(13)	2,565,000	-	2,565,000	2,440,000	-	2,440,000
16.2	Capital reserves		41,094	(36,451)	4,643	(104,579)	(154,784)	(259,363)
16.2.1	Share premium	(14)	714	-	714	714	-	714
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Securities value increase fund	(15)	49,419	(36,451)	12,968	(98,932)	(154,784)	(253,716)
16.2.4	Revaluation fund on tangible assets		-	-	-	-	-	-
16.2.5	Revaluation fund on intangible assets		-	-	-	-	-	-
16.2.6	Investment property revaluation differences		-	-	-	-	-	-
16.2.7	Bonus shares obtained from associates, subsidiaries and entities under common control (joint ventures)		-	-	-	-	-	-
16.2.8	Hedging funds (effective portion)		(9,039)	-	(9,039)	(6,361)	-	(6,361)
16.2.9	Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		-	-	-	-	-	-
16.3	Profit reserves		3,396,347	-	3,396,347	2,672,370	-	2,672,370
16.3.1	Legal reserves		316,870	-	316,870	269,937	-	269,937
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		3,079,477	-	3,079,477	2,402,433	-	2,402,433
16.3.4	Other profit reserves		-	-	-	-	-	-
16.4	Profit or loss		745,574	-	745,574	898,412	-	898,412
16.4.1	Prior years' income/ (losses)		50,300	-	50,300	14,681	-	14,681
16.4.2	Current period income/ (loss)		695,274	-	695,274	883,731	-	883,731
16.5	Minority shares		146,299	-	146,299	159,904	-	159,904
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY			35,686,927	15,461,252	51,148,179	31,631,035	15,599,798	47,230,833

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

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

**FİNANSBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND
CONTINGENCIES AS OF SEPTEMBER 30, 2012**

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

II. CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES

		Reviewed 30.09.2012			Audited 31.12.2011			
		Section 5 Part III	TL	FC	TOTAL	TL	FC	TOTAL
A.	OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I-II+III)		58,963,890	40,701,471	99,665,361	54,546,443	48,205,280	102,751,723
I.	GUARANTEES	(1), (2), (3),(4)	3,763,273	2,887,140	6,650,413	3,457,506	3,528,152	6,985,658
1.1.	Letters of guarantee		3,754,053	1,517,666	5,271,719	3,423,939	1,791,107	5,215,046
1.1.1.	Guarantees subject to State Tender Law		190,457	15,518	205,975	187,409	15,510	202,919
1.1.2.	Guarantees given for foreign trade operations		2,593,162	1,502,148	4,095,310	2,699,043	1,775,597	4,474,640
1.1.3.	Other letters of guarantee		970,434	-	970,434	537,487	-	537,487
1.2.	Bank loans		9,220	722,924	732,144	33,348	1,014,981	1,048,329
1.2.1.	Import letter of acceptance		9,220	722,924	732,144	33,348	1,014,981	1,048,329
1.2.2.	Other bank acceptances		-	-	-	-	-	-
1.3.	Letters of credit		-	622,503	622,503	219	688,392	688,611
1.3.1.	Documentary letters of credit		-	581,502	581,502	219	636,142	636,361
1.3.2.	Other letters of credit		-	41,001	41,001	-	52,250	52,250
1.4.	Prefinancing given as guarantee		-	-	-	-	-	-
1.5.	Endorsements		-	-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2.	Other endorsements		-	-	-	-	-	-
1.6.	Securities issue purchase guarantees		-	-	-	-	-	-
1.7.	Factoring guarantees		-	-	-	-	-	-
1.8.	Other guarantees		-	24,047	24,047	-	33,672	33,672
1.9.	Other collaterals		-	-	-	-	-	-
II.	COMMITMENTS		25,039,079	1,905,691	26,944,770	21,972,487	3,450,324	25,422,811
2.1.	Irrevocable commitments		25,039,079	1,905,691	26,944,770	21,972,487	3,450,324	25,422,811
2.1.1.	Forward asset purchase commitments		853,168	1,901,193	2,754,361	1,524,715	3,136,224	4,660,939
2.1.2.	Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3.	Share capital commitment to associates and subsidiaries		-	-	-	1,000	-	1,000
2.1.4.	Loan granting commitments		4,602,996	-	4,602,996	3,229,674	-	3,229,674
2.1.5.	Securities underwriting commitments		-	-	-	-	-	-
2.1.6.	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7.	Payment commitment for checks		1,606,642	-	1,606,642	1,100,363	-	1,100,363
2.1.8.	Tax and fund liabilities from export commitments		6,560	-	6,560	5,665	-	5,665
2.1.9.	Commitments for credit card expenditure limits		17,884,142	-	17,884,142	15,984,413	-	15,984,413
2.1.10.	Commitments for promotions related with credit cards and banking activities		40,264	-	40,264	35,807	-	35,807
2.1.11.	Receivables from short sale commitments		-	-	-	-	-	-
2.1.12.	Payables for short sale commitments		-	-	-	-	-	-
2.1.13.	Other irrevocable commitments		45,307	4,498	49,805	90,850	314,100	404,950
2.2.	Revocable commitments		-	-	-	-	-	-
2.2.1.	Revocable loan granting commitments		-	-	-	-	-	-
2.2.2.	Other revocable commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(5)	30,161,538	35,908,640	66,070,178	29,116,450	41,226,804	70,343,254
3.1	Derivative financial instruments for hedging purposes		9,365,043	10,430,869	19,795,912	7,725,392	10,589,390	18,314,782
3.1.1	Fair value hedge		8,505,428	10,430,869	18,936,297	6,662,917	10,589,390	17,252,307
3.1.2	Cash flow hedge		859,615	-	859,615	1,062,475	-	1,062,475
3.1.3	Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2	Held for trading transactions		20,796,495	25,477,771	46,274,266	21,391,058	30,637,414	52,028,472
3.2.1	Forward foreign currency buy/sell transactions		1,431,753	1,552,070	2,983,823	1,755,826	4,349,180	6,105,006
3.2.1.1	Forward foreign currency transactions-buy		771,954	725,850	1,497,804	1,127,282	1,924,927	3,052,209
3.2.1.2	Forward foreign currency transactions-sell		659,799	826,220	1,486,019	628,544	2,424,253	3,052,797
3.2.2	Swap transactions related to foreign currency and interest rates		14,096,181	18,257,985	32,354,166	15,113,615	19,606,020	34,719,635
3.2.2.1	Foreign currency swap-buy		7,508,954	5,936,123	13,445,077	6,371,959	7,918,158	14,290,117
3.2.2.2	Foreign currency swap-sell		5,041,007	8,365,828	13,406,835	7,540,796	7,924,315	15,465,111
3.2.2.3	Interest rate swaps-buy		773,110	1,906,737	2,679,847	600,430	1,815,046	2,415,476
3.2.2.4	Interest rate swaps-sell		773,110	2,049,297	2,822,407	600,430	1,948,501	2,548,931
3.2.3	Foreign currency, interest rate and securities options		5,221,386	5,270,946	10,492,332	4,514,905	6,321,019	10,835,924
3.2.3.1	Foreign currency options-buy		2,527,464	2,756,128	5,283,592	2,187,494	3,246,717	5,434,211
3.2.3.2	Foreign currency options-sell		2,693,922	2,514,818	5,208,740	2,287,411	3,074,302	5,361,713
3.2.3.3	Interest rate options-buy		-	-	-	20,000	-	20,000
3.2.3.4	Interest rate options-sell		-	-	-	20,000	-	20,000
3.2.3.5	Securities options-buy		-	-	-	-	-	-
3.2.3.6	Securities options-sell		-	-	-	-	-	-
3.2.4	Foreign currency futures		47,175	219,184	266,359	6,712	209,429	216,141
3.2.4.1	Foreign currency futures-buy		21,557	111,597	133,154	2,667	105,391	108,058
3.2.4.2	Foreign currency futures-sell		25,618	107,587	133,205	4,045	104,038	108,083
3.2.5	Interest rate futures		-	177,586	177,586	-	151,766	151,766
3.2.5.1	Interest rate futures-buy		-	88,793	88,793	-	75,883	75,883
3.2.5.2	Interest rate futures-sell		-	88,793	88,793	-	75,883	75,883
3.2.6	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)		125,794,652	21,800,943	147,595,595	93,856,211	22,097,329	115,953,540
IV.	ITEMS HELD IN CUSTODY		5,923,124	1,428,998	7,352,122	4,912,046	1,053,084	5,965,130
4.1.	Assets under management		71,435	1,055	72,490	1,147,341	141,057	1,288,398
4.2.	Investment securities held in custody		1,850,777	348,298	2,199,075	729,374	471,607	1,200,981
4.3.	Checks received for collection		1,403,051	168,181	1,571,232	1,150,539	208,681	1,359,220
4.4.	Commercial notes received for collection		431,447	84,906	516,353	356,609	111,143	467,752
4.5.	Other assets received for collection		-	-	-	-	-	-
4.6.	Assets received for public offering		-	-	-	-	-	-
4.7.	Other items under custody		2,166,411	826,558	2,992,969	1,528,180	120,596	1,648,776
4.8.	Custodians		3	-	3	3	-	3
V.	PLEDGED ITEMS		119,871,528	20,371,945	140,243,473	88,944,165	21,044,245	109,988,410
5.1.	Marketable securities		560,782	339,860	900,642	340,489	380,744	721,233
5.2.	Guarantee notes		113,852	49,865	163,717	99,211	59,196	158,407
5.3.	Commodity		29,433	-	29,433	28,968	-	28,968
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		36,507,436	7,162,981	43,670,417	34,833,664	7,669,994	42,503,658
5.6.	Other pledged items		82,660,025	12,819,239	95,479,264	53,641,833	12,934,311	66,576,144
5.7.	Pledged items-depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)			184,758,542	62,502,414	247,260,956	148,402,654	70,302,609	218,705,263

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

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

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

III. CONSOLIDATED INCOME STATEMENT

		Reviewed 01.01 – 30.09.2012	Reviewed 01.07 - 30.09.2012	Reviewed 01.01 – 30.09.2011	Reviewed 01.07 - 30.09.2011	
Section 5 Part IV						
I.	INTEREST INCOME	(1)	4,251,928	1,448,600	3,377,238	1,238,256
1.1	Interest on loans		3,682,139	1,270,877	2,976,270	1,094,229
1.2	Interest received from reserve deposits		-	-	-	-
1.3	Interest received from banks		10,803	4,024	10,267	3,192
1.4	Interest received from money market placements		22,429	139	378	133
1.5	Interest received from marketable securities portfolio		446,291	140,459	314,306	113,121
1.5.1	Held-for-trading financial assets		13,388	4,385	4,474	2,025
1.5.2	Financial assets at fair value through profit and loss		11	6	618	5
1.5.3	Available-for-sale financial assets		432,892	136,068	309,214	111,091
1.5.4	Investments held-to-maturity		-	-	-	-
1.6	Finance lease income		58,231	21,545	55,294	19,428
1.7	Other interest income		32,035	11,556	20,723	8,153
II.	INTEREST EXPENSE	(2)	2,088,322	680,708	1,659,484	670,770
2.1	Interest on deposits		1,774,920	563,106	1,413,961	579,635
2.2	Interest on funds borrowed		136,265	46,558	140,476	46,932
2.3	Interest on money market borrowings		91,539	32,919	84,068	29,995
2.4	Interest on securities issued		80,619	38,102	20,187	13,871
2.5	Other interest expense		4,979	23	792	337
III.	NET INTEREST INCOME (I - II)		2,163,606	767,892	1,717,754	567,486
IV.	NET FEES AND COMMISSIONS INCOME		830,853	280,547	628,618	232,224
4.1	Fees and commissions received		976,216	326,546	742,218	272,759
4.1.1	Non-cash loans		31,523	10,933	32,514	12,085
4.1.2	Other		944,693	315,613	709,704	260,674
4.2	Fees and commissions paid		145,363	45,999	113,600	40,535
4.2.1	Non-cash loans		770	260	645	206
4.2.2	Other		144,593	45,739	112,955	40,329
V.	DIVIDEND INCOME	(3)	197	10	248	-
VI.	NET TRADING INCOME	(4)	(269,623)	(63,296)	(136,308)	(136,228)
6.1	Securities trading gains/ (losses)		64,500	55,260	92,218	22,578
6.2	Gains / (losses) Financial derivative transactions		(325,634)	(121,847)	(164,230)	(145,424)
6.3	Foreign exchange gains/ (losses)		(8,489)	3,291	(64,296)	(13,382)
VII.	OTHER OPERATING INCOME	(5)	157,768	46,405	127,544	52,528
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)		2,882,801	1,031,558	2,337,856	716,010
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	577,423	221,812	241,744	114,588
X.	OTHER OPERATING EXPENSES (-)	(7)	1,364,789	473,989	1,233,994	409,787
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		940,589	335,757	862,118	191,635
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)	940,589	335,757	862,118	191,635
XVI.	TAX CHARGE FOR CONTINUED OPERATIONS (±)	(9)	(233,486)	(86,740)	(216,934)	(48,549)
16.1	Current income tax charge		(305,720)	(114,614)	(152,634)	(21,197)
16.2	Deferred tax charge / benefit		72,234	27,874	(64,300)	(27,352)
XVII.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	707,103	249,017	645,184	143,086
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)	707,103	249,017	645,184	143,086
23.1	Group's profit/loss		695,274	245,225	635,232	139,794
23.2	Minority shares		11,829	3,792	9,952	3,292
	Earnings per share		0.02711	0.00956	0.02594	0.00571

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

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

FİNANSBANK ANONİM ŞİRKETİ

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER SHAREHOLDERS'
EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

(STATEMENT OF OTHER COMPREHENSIVE INCOME/LOSS)

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

IV. CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

	Reviewed 01 .01 – 30.09.2012	Reviewed 01. 01 – 30.09.2011
I.		
ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	336,294	(377,336)
II.		
TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III.		
INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV.		
FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V.		
PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR CASH FLOW HEDGE PURPOSES (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)	(7,454)	(12,762)
VI.		
PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)	-	-
VII.		
THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES	-	-
VIII.		
OTHER PROFIT LOSS ITEMS ACCOUNTED FOR UNDER EQUITY AS PER TURKISH ACCOUNTING STANDARDS	-	-
IX.		
DEFERRED TAX OF VALUATION DIFFERENCES	(66,580)	81,061
X.		
TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	262,260	(309,037)
XI.		
PROFIT/LOSS	1,746	(12,943)
11.1		
Change in fair value of marketable securities (Transfer to Profit/Loss)	(2,361)	(16,222)
11.2		
Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	4,107	3,279
11.3		
Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4		
Other	-	-
XII.		
TOTAL PROFIT/LOSS ACCOUNTED FOR IN THE PERIOD (X±XI)	264,006	(321,980)

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

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

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

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Reviewed	Paid-in Capital	Effect of inflation Accounting on Capital and Other Capital Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Shareholders' Equity
I.	Prior period – 01.01.-30.09.2011																		
II.	Beginning balance	2,205,000	-	665	-	204,185	-	1,792,239	-	-	937,603	124,246	-	-	(21,176)	-	5,242,762	143,705	5,386,467
2.1	Corrections according to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	The effect of corrections of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	The effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New balance (I-II)	2,205,000	-	665	-	204,185	-	1,792,239	-	-	937,603	124,246	-	-	(21,176)	-	5,242,762	143,705	5,386,467
	Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	(314,393)	-	-	-	-	(314,393)	-	(314,393)
VI.	Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,587)	-	(7,587)	-	(7,587)
6.1	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,587)	-	(7,587)	-	(7,587)
6.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital increase	115,000	-	-	-	-	-	(115,000)	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal sources	115,000	-	-	-	-	-	(115,000)	-	-	-	-	-	-	-	-	-	-	-
XV.	Share issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Period net income/(loss)	-	-	-	-	-	-	-	-	635,232	-	-	-	-	-	-	635,232	(3,502)	(3,502)
XX.	Profit distribution	-	-	-	-	64,422	-	728,748	-	-	(922,922)	-	-	-	-	-	(129,752)	9,952	645,184
20.1	Dividends distributed	-	-	-	-	-	-	(129,752)	-	-	-	-	-	-	-	-	(129,752)	-	(129,752)
20.2	Transfers to reserves	-	-	-	-	64,422	-	858,500	-	-	(922,922)	-	-	-	-	-	(129,752)	-	(129,752)
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Closing balance																		
	(III+.....+ XVIII+XIX+XX)	2,320,000	-	665	-	268,607	-	2,405,987	-	635,232	14,681	(190,147)	-	-	(28,763)	-	5,426,262	150,155	5,576,417

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

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

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

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed	Paid-in Capital	Effect of inflation Accounting on Capital and Other Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Valuation Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Shareholders' Equity
I. Current period – 01.01.-30.09.2012																		
Beginning Balance	2,440,000	-	714	-	269,937	-	2,402,433	-	-	898,412	(253,716)	-	-	(6,361)	-	5,751,419	159,904	5,911,323
Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	266,684	-	-	-	-	266,684	-	266,684
IV. Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,678)	-	(2,678)	-	(2,678)
4.1 Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,678)	-	(2,678)	-	(2,678)
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. Disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase	125,000	-	-	-	-	-	(125,000)	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal sources	125,000	-	-	-	-	-	(125,000)	-	-	-	-	-	-	-	-	-	-	-
XIII. Share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other (*)	-	-	-	-	-	-	865	-	-	-	-	-	-	-	-	865	(25,434)	(24,569)
XVII. Period net income/(loss)	-	-	-	-	-	-	-	695,274	-	(848,112)	-	-	-	-	-	695,274	11,829	707,103
XVIII. Profit distribution	-	-	-	-	46,933	-	801,179	-	-	-	-	-	-	-	-	-	-	-
18.1 Dividends distributed	-	-	-	-	-	-	-	-	-	(848,112)	-	-	-	-	-	-	-	-
18.2 Transfers to reserves	-	-	-	-	46,933	-	801,179	-	-	(848,112)	-	-	-	-	-	-	-	-
18.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance																		
(I+II+III+...+XVI+XVII+XVIII)	2,565,000	-	714	-	316,870	-	3,079,477	-	695,274	50,300	12,968	-	-	(9,039)	-	6,711,564	146,299	6,857,863

(*) Results from the increase of Group's share in Finans Yatırım Ortaklığı A.Ş. and Finans Finansal Kiralama A.Ş. from 49.36% to 80.98% and from 64.32% to 68.50% in the current period, respectively.

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

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

FİNANSBANK ANONİM ŞİRKETİ
CONSOLIDATED CASH FLOWS STATEMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2012

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

VI. CONSOLIDATED CASH FLOWS STATEMENT

	Section 5 Part V	Reviewed 01.01- 30.09.2012	Reviewed 01.01 – 30.09.2011
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		2,375,558	763,621
1.1.1 Interest received (+)		4,385,891	2,930,945
1.1.2 Interest paid (-)		(2,006,866)	(1,571,123)
1.1.3 Dividend received (+)		197	248
1.1.4 Fees and commissions received (+)		976,216	742,218
1.1.5 Other income (+)		143,831	117,019
1.1.6 Collections from previously written off loans (+)		246,989	414,043
1.1.7 Payments to personnel and service suppliers (-)		(1,057,639)	(981,914)
1.1.8 Taxes paid (-)		(337,943)	(204,652)
1.1.9 Other (+/-)	(1)	24,882	(683,163)
1.2 Changes in operating assets and liabilities		(5,460,506)	(837,048)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(165,647)	(105,865)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		173,044	359,844
1.2.3 Net (increase) decrease in due from banks (+/-)		(1,544,004)	(1,279,863)
1.2.4 Net (increase) decrease in loans (+/-)		(5,399,116)	(5,321,229)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	(333,650)	(227,067)
1.2.6 Net increase (decrease) in bank deposits (+/-)		715,193	(599,680)
1.2.7 Net increase (decrease) in other deposits (+/-)		835,633	4,902,654
1.2.8 Net increase (decrease) in funds borrowed (+/-)		(647,453)	(688,714)
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	905,494	2,122,872
I. Net cash provided from / (used in) banking operations (+/-)		(3,084,948)	(73,427)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		(211,865)	(178)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(25,569)	(3,126)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		-	-
2.3 Fixed assets purchases (-)		(78,071)	(76,825)
2.4 Fixed assets sales (+)		315	6,284
2.5 Cash paid for purchase of financial assets available for sale (-)		(8,518,907)	(11,288,529)
2.6 Cash obtained from sale of financial assets available for sale (+)		8,479,123	11,424,659
2.7 Cash paid for purchase of investment securities (-)		-	-
2.8 Cash obtained from sale of investment securities (+)		-	-
2.9 Other (+/-)		(68,756)	(62,641)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities (+/-)		1,529,965	654,756
3.1 Cash obtained from funds borrowed and securities issued (+)		1,904,423	765,048
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(374,458)	-
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		-	(110,292)
3.5 Payments for finance leases (-)		-	-
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)		9,868	92,934
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		(1,756,980)	674,085
VI. Cash and cash equivalents at the beginning of the period (+)	(1)	3,018,229	2,955,697
VII. Cash and cash equivalents at end of the period (V+VI)	(2)	1,261,249	3,629,782

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

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

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

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

1. Preparation of the consolidated 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 Parent Bank and its financial subsidiaries ("The Group") prepared the accompanying financial statements as of September 30, 2012 and the related disclosures and footnotes in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No: 26333, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated June 28, 2012 which is published in the Official Gazette No: 28337, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and other circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency (BRSA).

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

2. Classifications

None.

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

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

Explanation for Convenience Translation to English

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

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

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

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

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

1. Strategy for the use of financial instruments

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

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

Besides customer deposits, the Parent 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 Parent 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). Thus, the Parent Bank generates TL denominated resources for funding long term loans with fixed interest rates.

The Parent 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 Group’s foreign currency available-for-sale investment securities are explained in foreign currency risk section and the applications regarding the hedging of interest rate risk resulting from deposits with fixed or floating interest rates are explained in the interest rate risk section in detail.

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

2. Foreign currency transactions

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

The Group accounts for the transactions denominated in foreign currencies in accordance with TAS 21 “The Effects of Changes in Foreign Exchange Rates”. Foreign exchange gains and losses arising from transactions that are completed as of September 30, 2012 are 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 Parent Bank for the period end and the resulting exchange differences are recorded as foreign exchange gains and losses. The Bank’s foreign currency exchange rates for the related period ends are as follows:

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

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

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

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

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

The net foreign exchange loss included in the consolidated income statement as of September 30, 2012 is TL 8,489 (September 30, 2011 - TL 64,296 net foreign exchange loss).

2.3. Foreign subsidiaries

As of September 30, 2012 and December 31, 2011, the Parent Bank does not have any subsidiaries established abroad.

III. Information on associates and subsidiaries

The accompanying consolidated financial statements are prepared in accordance with TAS 27 "Consolidated and Separate Financial Statements" and BRSA communiqué published on the Official Gazette numbered 26340 and dated November 8, 2006.

The subsidiaries included in consolidation and their places of incorporation, nature of activities and shareholding percentages are as follows:

		Place of Incorporation	Principal Activity	Effective Shareholding and Voting Rights (%)	
				September 30, 2012	December 31, 2011
1.	Finans Yatırım Menkul Değerler A.Ş. (Finans Invest)	Turkey	Securities Brokerage Intermediary	100.00	100.00
2.	Finans Portföy Yönetimi A.Ş. (Finans Portfolio)	Turkey	Portfolio Management	100.00	100.00
3.	Finans Yatırım Ortaklığı A.Ş. (Finans Investment Trust)	Turkey	Investment Trust	80.98	49.36
4.	Finans Finansal Kiralama A.Ş. (Finans Leasing)	Turkey	Financial Leasing	68.50	64.32
5.	Finans Emeklilik ve Hayat A.Ş. (Finans Pension Fund)	Turkey	Private Pension and Insurance	99.99	99.99
6.	Finans Tüketici Finansmanı A.Ş.	Turkey	Consumer Finance	99.99	99.99
7.	Finans Faktoring Hizmetleri A.Ş.	Turkey	Factoring	99.99	99.99

Subsidiaries maintain their books of accounts and prepare their financial statements in accordance with the regulations on accounting and reporting framework and accounting standards which are determined by the accounting standards promulgated by the Turkish Commercial Code, Financial Leasing Law and Turkish Capital Markets Board regulations. Certain adjustments and reclassifications were made on the financial statements of the subsidiaries for the purpose of fair presentation in accordance with the prevailing regulations and accounting standards according to the Articles 37 and 38 of the Turkish Banking Law No: 5411 and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting issued by the BRSA.

Differences between the accounting policies of the subsidiaries and the Parent Bank are adjusted, if material. The financial statements of the subsidiaries are prepared as of September 30, 2012.

1. Subsidiaries

As of September 30, 2012, the financial subsidiaries are fully consolidated and intercompany balances and income and expenses resulting from intercompany transactions are eliminated.

2. Associates and entities under common control

The Parent Bank does not have any associates or entities under common control that are consolidated in the accompanying financial statements.

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

FİNANSBANK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

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

IV. Explanations on forwards, option contracts and derivative instruments

The Group 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 Group also carries out currency and interest options, swaption, credit default swap and futures agreements.

Besides customer deposits, the Parent 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 Parent 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 cost including the transaction costs. Also, the liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual values. The derivative transactions are accounted for at fair value subsequent to initial recognition and are presented in the “Assets on Trading Derivatives”, “Liabilities on Trading Derivatives” or “Assets on Hedging Purpose Derivatives” and “Liabilities on Hedging Purpose Derivatives” items of the balance sheet depending on the resulting positive or negative amounts of the computed value. These amounts presented on the balance sheet, represent the fair value differences based on the valuation.

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

To avoid from the changes of customer deposits’ interest rates that have an average prompt of 1 month, the Parent Bank implements cash flow risk prevention accounting policies by means of interest swaps. The Bank implements efficiency tests at the balance sheet dates for hedging purposes; the effective parts are entered in the accounts, as defined in TAS 39, in financial statements under equity “Hedging Funds”, whereas the amount concerning ineffective parts is associated with income statement.

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

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

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

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

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

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

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V. Explanations on interest income and expenses

Interest income and expenses are recognized in the income statement for all interest bearing instruments on an accrual basis using the effective interest rate method. In accordance with the related regulation, the interest 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, except for certain banking transactions that income is recognized immediately. Income generated through agreements or through the sale and purchases of assets on behalf of third parties, is recorded as income when collected.

Dividend income is accrued when the subsidiaries' and associates' profit distribution decisions are approved. Dividend income from subsidiaries is eliminated in the accompanying financial statements by adjusting in the retained earnings as part of the consolidation principles.

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

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

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

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

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“Securities value increase fund” (Unrealized Gains/Losses on Securities). When investment securities available for sale are sold, collected or otherwise disposed of, the cumulative fair value adjustments under equity are transferred to the income statement.

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

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

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

3. Investments securities held to maturity

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

4. Loans and specific provisions

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

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

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

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

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

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

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

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

The collections made in relation to amounts that provision 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

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

IX. Explanations on netting of financial instruments

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

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

The unearned interest income related to leasing agreements is presented by netting off with the “Lease Receivables”. Additionally, the specific provision is provided for non-performing lease receivables and net off with lease receivables.

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

X. Explanations on sales and repurchase agreements and lending of securities

Securities sold under repurchase agreements are recorded on the balance sheet 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 Group Management’s future intentions, either at market prices or using discounting method with internal rate of return. Funds received through repurchase agreements are classified separately under liability accounts and the related interest expenses are accounted for on an accrual basis.

Securities that are subject to repurchase agreements as at the balance sheet date amounted to TL 2,886,421 (December 31, 2011 - TL 1,516,898).

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

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

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XI. Explanations on assets held for sale and discontinued operations

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

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

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

XII. Explanations on goodwill and other intangible assets

The Group’s intangible assets consist of software, intangible rights and goodwill.

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

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

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

XIII. Explanations on tangible assets

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

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

Properties	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 the 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.

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

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

There are no purchase commitments related to the fixed assets.

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 gross lease receivables including interest and principal amounts regarding the Group’s financial leasing activities as “Lessor” are stated under the “Finance Lease Receivables”. The difference between the total of rental payments and the cost of the related fixed assets is reflected to the “unearned income” account. The interest income is recognized based on a pattern reflecting a constant periodic rate of return on the net investment outstanding.

The provisions for lease receivables are set as per BRSA communiqué numbered 26588 and dated July 20, 2007 “Methods and Principles for the Determination of Receivables of Leasing, Factoring and Financing Companies to be Reserved for and Allocation of Reserves”. Those provisions are accounted under “Lease Receivables” at the accompanying financial statements.

XV. Explanations on factoring receivables

Factoring receivables are carried at amortized cost by using the effective interest rate method after unearned interest income is deducted and specific provisions for impairments are provided, if any. These provisions are accounted for under “Factoring Receivables” at the accompanying financial statements.

XVI. 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 Group. 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 is probable and the amount of the obligation can be reliably measured, a provision is provided.

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

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

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XVII. Explanations on obligations of the Group for employee benefits

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

In accordance with the existing social legislation in Turkey, the Group 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 Group 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 Group.

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

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

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

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

XVIII. 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.

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

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

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

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

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

2. Deferred taxes

In accordance with Turkish Accounting Standard on Income Taxes (TAS 12), the Group 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.

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XIX. Additional explanations on borrowings

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

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

XX. Explanation on share issues

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

XXI. 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.

XXII. Explanations on government incentives

The Group has various numerous investment incentive certificates in relation to its investment expenditures from its leasing company. The related certificates allow the Group to use 100% and 40% of investment incentives over its investment expenditures. Tax deduction by 19.8% should be made on the amount of investment incentive deduction pursuant to investment incentive certificates obtained prior to April 24, 2003. No deduction is made on investment expenses after this date without incentive certificates.

Upon the Constitutional Court’s resolution No: 2009/144 published in the Official Gazette on January 8, 2010, the expression of “solely for the periods related to 2006, 2007 and 2008” in the Provisional Article No: 69 of Income Tax Law No: 193, and 5th Article of the Law No: 6009 that came into effect by being published in the Official Gazette No: 27659 dated August 1, 2010 had been annulled. The new resolution enabled to continue to benefit from investment incentive deduction that was not deducted due to insufficient earnings and that passed on next periods without period limitation, however proposed that the deduction amount would not exceed 25% of the taxable income of the period. Moreover, the effective corporate tax rate for investment incentive deduction beneficiaries would be adopted as 20%, rather than 30%. The Constitutional Court has decided that the sentence “the amount subject to deduction as exemption of investment allowance in tax basis determination cannot exceed 25% of relevant earnings” which was added to the first clause of 69th temporary article of Income Tax Law, and 5th article of Law No: 6009 is contrary to the Constitutional Law and has decided to repeal the mentioned sentence at the meeting dated February 9, 2012. In addition, it is decided to stay of execution until the publication of the decision in the Official Gazette, to avoid the circumstances and losses that are difficult or impossible to compensate subsequently and for that the annulment decision does not remain inconclusive, due to the fact that aforementioned sentence is repealed by the decision no: E. 2010/93 K. 2012/20 as of February 9, 2012 at the same meeting.

Finans Finansal Kiralama A.Ş. did not reflect the effects resulting from the implementation of the decision of the Constitutional Court in the financial statements as of December 31, 2011, due to the fact that the annulment decision of the Constitutional Court had not been published in the Official Gazette yet, and it was uncertain if the mentioned stay of execution decision would be taken into consideration in preparing the corporate tax declaration for the year 2011. Finans Finansal Kiralama A.Ş. took into consideration that there would be no change in the net profit for the year and but a reclassification between deferred tax and current tax in case the effects of the mentioned decision are reflected in the financial statements as of December 31, 2011, due to the fact that Finans Finansal Kiralama A.Ş. accounted for the deferred tax asset related to the unused investment allowance.

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The decision of the Constitutional Court was taken into consideration by the Revenue Administration during the preparation of corporate tax declarations for year 2011, after the publication of financial statements as of December 31, 2011 and it is permitted to benefit from the exemption of investment allowance at the rate of 100%.

Within the scope of this application, Finans Finansal Kiralama A.Ş., booked the tax effect of the exemption of investment allowance that Finans Finansal Kiralama A.Ş. had benefited from at the rate of 100%, accrued investment allowance withholding tax amounting to TL 9,345, and made subject to allowance during the preparation of corporate tax declaration for year 2011, however; could not reflect in the financial statements as of December 31, 2011 due to the uncertainty at the publication date of the financial statements, amounting to TL 7,735 as income under “current tax provision” in the financial statements as of September 30, 2012. Finans Finansal Kiralama A.Ş. decreased unused investment allowance amounting to the benefited exemption of investment allowance during the preparation of corporate tax declaration and booked deferred tax expense at the same amount, due to the fact that Finans Finansal Kiralama A.Ş. accounted for the deferred tax asset related to the unused investment allowance, thus, the application did not have any effect on the net profit for the year.

XXIII. Explanation on reporting according to segmentation

In addition to corporate banking, retail banking and commercial banking services, the Group also provides private banking, SME banking, treasury operations and credit card services through branches and alternative channels. The Group serves its retail banking clients with time, demand deposits, also overdraft services, automatic account services, consumer loans, vehicle loans, housing loans and investment fund services. The Group provides services including deposit and loans, foreign trade financing, forward and option agreements to its corporate clients. Other than those mentioned above, the Group also serves in trading financial instruments, treasury operations, and performs insurance, factoring, and domestic and abroad finance lease operations.

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

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

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

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Current Period (January 1 - September 30, 2012)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Net Interest Income	1,145,514	434,720	583,372	2,163,606
Net Fees and Commissions Income	1,150,317	79,341	(398,805)	830,853
Other Operating Income and Net Trading Income	79,839	79,935	(271,629)	(111,855)
Dividend Income	-	-	197	197
Operating Income	2,375,670	593,996	(86,865)	2,882,801
Other Operating Expenses	863,674	223,240	277,875	1,364,789
Provision for Loan Losses and Other Receivables	341,308	124,953	111,162	577,423
Profit Before Taxes	1,170,688	245,803	(475,902)	940,589
Tax Charge	-	-	-	(233,486)
Net Profit/Loss	-	-	-	707,103
Total Assets	27,408,258	8,078,170	12,352,447	51,148,179
Segment Assets	27,408,258	8,078,170	12,352,447	47,838,875
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	25,555
Undistributed Assets	-	-	-	3,283,749
Total Liabilities	19,425,797	9,835,925	11,866,582	51,148,179
Segment Liabilities	19,425,797	9,835,925	11,866,582	41,128,304
Undistributed Liabilities	-	-	-	3,162,012
Equity	-	-	-	6,857,863
Other Segment Accounts	-	-	-	304,779
Capital Expenditures	-	-	-	192,276
Depreciation and Amortization	-	-	-	112,502
Value Decrease/ (Increase)	-	-	-	1

Prior Period (January 1 - September 30, 2011)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Net Interest Income	964,481	374,361	378,912	1,717,754
Net Fees and Commissions Income	928,398	86,900	(386,680)	628,618
Other Operating Income and Net Trading Income	41,449	90,090	(140,303)	(8,764)
Dividend Income	-	-	248	248
Operating Income	1,934,328	551,351	(147,823)	2,337,856
Other Operating Expenses	774,041	229,209	230,744	1,233,994
Provision for Loan Losses and Other Receivables	174,353	33,876	33,515	241,744
Profit Before Taxes	985,934	288,266	(412,082)	862,118
Tax Charge	-	-	-	(216,934)
Net Profit/Loss	-	-	-	645,184
Other Segment Accounts	-	-	-	224,612
Capital Expenditures	-	-	-	130,344
Depreciation and Amortization	-	-	-	94,263
Value Decrease/ (Increase)	-	-	-	5

Prior Period (December 31, 2011)	Consumer Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Total Assets	23,301,608	7,784,933	13,412,986	47,230,833
Segment Assets	23,301,608	7,784,933	13,412,986	44,499,527
Associates and Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	24,555
Undistributed Assets	-	-	-	2,706,751
Total Liabilities	20,240,321	8,234,010	9,711,761	47,230,833
Segment Liabilities	20,240,321	8,234,010	9,711,761	38,186,092
Undistributed Liabilities	-	-	-	3,133,418
Equity	-	-	-	5,911,323

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XXIV. Profit Reserves and profit distribution

At the General Assembly dated March, 29, 2012, the profit distribution of the Parent Bank for the year 2011 is decided as follows:

2011 profit distribution table:

Current period income / (loss)	848,112
A – First Legal Reserves (Turkish Commercial Code 466/1) 5%	(42,405)
B – First Dividend to Shareholders ^(*)	(122,000)
C – Gains on Real estate Sales Fund	(504)
D – Extraordinary Reserves	(683,203)

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

XXV. Explanations on Other Matters

None.

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SECTION FOUR

INFORMATION ON GROUP'S FINANCIAL STRUCTURE

I. Explanations Related to Consolidated Capital Adequacy Ratio

As of September 30, 2012, the Parent Bank's consolidated capital adequacy ratio is 17.52%

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

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

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

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

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

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

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

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

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Consolidated and unconsolidated capital adequacy ratio:

	Risk Weightings								
	0%	10%	20%	50%	75%	100%	150%	200%	1250%
Value at Credit Risk	10,435,387	-	710,810	8,052,801	19,582,798	16,320,806	2,683,744	2,565,589	-
Exposure Categories:									
Conditional and unconditional receivables from central governments or central banks	9,130,881	-	-	-	-	1,418,798	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	-	-	-	5,085	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	1,450	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	500,140	-	67,560	86,773	-	186,999	-	-	-
Conditional and unconditional receivables from corporates	140,456	-	121,785	-	-	12,668,938	-	-	-
Conditional and unconditional retail receivables	131,753	-	41,295	-	19,582,798	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	7,872,123	-	-	-	-	-
Past due receivables	19	-	53	20,616	-	397,148	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	2,683,744	2,565,589	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	7,160	-	480,067	73,289	-	34,876	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-
Other receivables	524,978	-	50	-	-	1,607,512	-	-	-

Summary information related to consolidated and unconsolidated capital adequacy ratio:

	Current Period
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	3,546,661
Capital Requirement for Market Risk (MRCR)	83,454
Capital Requirement for Operational Risk (ORCR)	390,558
Shareholders' Equity	8,806,237
Shareholders' Equity/(CRCR+MRCR+ORCR) * 12.5 * 100	17.52
CRCR : Capital Requirement for Credit Risk	
MRCR : Capital Requirement for Market Risk	
ORCR : Capital Requirement for Operational Risk	

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Components of consolidated shareholders' equity items:

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	2,565,000	2,440,000
Nominal Capital	2,565,000	2,440,000
Capital Commitments (-)	-	-
Inflation Adjustments to Paid-in Capital	-	-
Share Premium	714	714
Share Cancellation Profits	-	-
Reserves	2,877,233	2,153,760
Inflation Adjustments to Reserves	-	-
Profit	745,574	898,412
Current Period's Profit	695,274	883,731
Prior Periods' Profit	50,300	14,681
Provision for Possible Losses (up to 25% of Core Capital)	93,590	63,702
Income on Sale of Equity Shares and Real Estates	519,114	518,610
Primary Subordinated Debts	-	-
Minority Interest	146,299	159,904
Loss (in excess of Reserves) (-)	-	-
Current Period's Losses	-	-
Prior Periods' Losses	-	-
Leasehold Improvements on Operational Leases (-)	105,188	101,979
Intangible Assets (-)	164,869	137,470
Deferred Tax Asset in Excess of 10% of Core Capital (-)	-	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Goodwill (Net) (-)	8,969	8,969
Total Core Capital	6,668,498	5,986,684
SUPPLEMENTARY CAPITAL		
General Provisions	557,316	400,441
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Immovables	-	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	-	-
Primary Subordinated Debts excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debts	1,620,112	1,734,435
45% of Securities Value Increase Fund	5,835	(253,716)
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss	-	-
Minority Interest	-	-
Total Supplementary Capital	2,183,263	1,881,160
CAPITAL	8,851,761	7,867,844
DEDUCTIONS FROM CAPITAL	45,524	47,835
Unconsolidated Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at 10% or more	-	-
Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at Less than 10% Exceeding 10% or more of the Total Core and Supplementary Capitals	32,101	34,429
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	-	-
Loan Granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Properties exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained more than Five Years	13,411	13,366
Securitization Positions to be Deducted from Equity	-	-
Other	12	40
TOTAL SHAREHOLDERS' EQUITY	8,806,237	7,820,009

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II. Information on Consolidated Market Risk

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

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

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

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

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

1. Information on consolidated market risk

		Amount
(I)	Capital Requirement against General Market Risk - Standard Method	27,244
(II)	Capital Requirement against Specific Risks – Standard Method	21,997
	Capital Requirement against Specific Risks of Securitization Positions– Standard Method	-
(III)	Capital Requirement against Currency Risk – Standard Method	8,809
(IV)	Capital Requirement against Commodity Risks - Standard Method	7,538
(V)	Capital Requirement against Settlement Risks - Standard Method	-
(VI)	Capital Requirement against Market Risks of Options - Standard Method	11,111
(VII)	Capital Requirement against Counterparty Credit Risk - Standard Method	6,755
(VIII)	Capital Requirement against Market Risks of Banks applying Risk Measurement Models	-
(IX)	Total Capital Obligations against Market Risk (I+II+III+IV+V+VI+VII+VIII)	83,454
(X)	Value-At-Market Risk (12,5 x VIII) or (12,5 x IX)	1,043,175

III. Explanations Related to the Operational Risk

Value at operational risk is calculated with basic indicator method by using the gross profits for the last three years’ (2011, 2010 and 2009) as per the “Calculation of Value at Operational Risk” of the article (3) of “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” which was published in the Official Gazette No: 28337 dated June 28, 2012. As of September 30, 2012, the value at operational risk is amounting to TL 4,881,972.

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IV. Explanations Related to Consolidated Foreign Exchange Risk

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

As of September 30, 2012, the net foreign currency exposure of the Group is TL 108,178 short position (December 31, 2011 – TL – 455,490 short) resulting from on balance sheet short position amounting to TL 4,263,323 (December 31, 2011 – TL 5,364,101 short) and long off balance sheet position amounting to TL 4,155,145 (December 31, 2011 – TL 4,908,611 long). The long off balance sheet position amounting to TL 3,824,265 (December 31, 2011 – TL 6,219,112) is related with the FC/TL swap transactions performed with banks and customers. The Group used these transactions to manage the foreign currency liquidity risk and to hedge itself from interest rate risk.

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

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

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

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

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

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

US Dollars purchase rate in the balance sheet date TL 1.7820

Euro purchase rate in the balance sheet date TL 2.2929

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

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

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

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5. Information on the consolidated foreign exchange risk of the Group (Thousands of TL)

Current Period	EUR	USD	Other FC	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	2,147,829	958,818	941,883	4,048,530
Due From Banks	52,185	111,134	14,700	178,019
Financial Assets at Fair Value through Profit/Loss ⁽⁴⁾	11,477	106,143	7,785	125,405
Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	98,009	960,906	-	1,058,915
Loans and Receivables ⁽²⁾	2,079,206	2,576,511	124,161	4,779,878
Investments in Assoc., Subsidiaries and Entities under Common Control	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-
Derivative Financial Assets Hedging Purposes	-	60,258	-	60,258
Tangible Assets	-	-	86	86
Intangible Assets	-	-	-	-
Other Assets ⁽³⁾	560,626	366,202	1,212	928,040
Total Assets	4,949,332	5,139,972	1,089,827	11,179,131
Liabilities				
Bank Deposits	120,632	342,443	7,334	470,409
Foreign Currency Deposits	2,945,984	5,027,094	432,057	8,405,135
Money Market Borrowings	76,032	692,122	-	768,154
Funds Provided from Other Financial Institutions	1,347,527	3,034,645	-	4,382,172
Securities Issued	-	885,693	-	885,693
Sundry Creditors	135,609	74,994	767	211,370
Derivative Fin. Liabilities Hedging Purposes	8,809	117,503	-	126,312
Other Liabilities ⁽⁵⁾	38,250	151,515	3,444	193,209
Total Liabilities	4,672,843	10,326,009	443,602	15,442,454
Net Balance Sheet Position	276,489	(5,186,037)	646,225	(4,263,323)
Net Off-Balance Sheet Position	(337,990)	5,114,219	(621,084)	4,155,145
Financial Derivative Assets	1,781,033	18,669,303	320,120	20,770,456
Financial Derivative Liabilities	2,119,023	13,555,084	941,204	16,615,311
Non-Cash Loans ⁽¹⁾	796,962	1,929,115	161,063	2,887,140
Prior Period				
Total Assets	4,794,688	5,094,909	443,934	10,333,531
Total Liabilities	4,570,571	10,664,931	462,130	15,697,632
Net Balance Sheet Position	224,117	(5,570,022)	(18,196)	(5,364,101)
Net Off-Balance Sheet Position	(289,244)	5,178,787	19,068	4,908,611
Financial Derivative Assets	3,373,856	20,411,234	784,002	24,569,092
Financial Derivative Liabilities	3,663,100	15,232,447	764,934	19,660,481
Non-Cash Loans ⁽¹⁾	969,080	2,342,380	216,692	3,528,152

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

⁽²⁾ Includes foreign currency-indexed loans amounting to TL 1,390,175 (December 31, 2011 – TL 1,501,344) that are classified as TL on the balance sheet.

⁽³⁾ Does not include the prepaid expenses amounting to TL 83 (December 31, 2011 – TL 2,095) that are classified as FC on the balance sheet in accordance with the communiqué issued by BRSA and published in the Official Gazette No: 26085 dated February 19, 2006. Does not include the terminated lease receivables amounting to TL 826 (December 31, 2011 – TL 769) that are classified as FC on the balance sheet, yet includes FC indexed factoring receivables amounting to TL 18,662 (31 December 2011- TL 4,078).

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

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

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V. Explanations Related to Consolidated Interest Rate Risk

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

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

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

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

Besides customer deposits, the Parent 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 Parent 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 Parent Bank not only funds its long term fixed interest rate loans with TL but also hedges itself from interest rate and maturity risk.

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

(Based on reprising dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing ^(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	-	-	-	-	-	4,510,888	4,510,888
Due from Banks	87,570	-	-	-	-	180,407	267,977
Financial Assets at Fair Value Through Profit/Loss ^(**)	112,643	334,482	334,634	317,448	353,016	115,919	1,568,142
Money Market Placements	5,692	-	-	-	-	-	5,692
Inv. Securities Available for Sale	1,511,905	744,888	2,221,095	1,140,247	1,081,707	222,704	6,922,546
Loans and Receivables	9,280,081	4,073,539	10,543,702	8,740,298	1,877,973	477,265	34,992,858
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets ^(*)	266,404	163,203	489,117	670,544	4,782	1,286,026	2,880,076
Total Assets	11,264,295	5,316,112	13,588,548	10,868,537	3,317,478	6,793,209	51,148,179
Liabilities							
Bank Deposits	625,618	285,580	57,257	-	-	32,411	1,000,866
Other Deposits	15,477,164	9,967,196	868,518	20,534	-	3,129,784	29,463,196
Money Market Borrowings	2,483,702	191,471	42,710	-	-	-	2,717,883
Sundry Creditors	-	-	-	-	-	1,447,249	1,447,249
Securities Issued	-	839,126	1,745,478	-	-	-	2,584,604
Funds Borrowed	1,921,699	1,896,294	738,631	117,599	8,237	-	4,682,460
Other Liabilities ^(*)	56,312	202,398	255,305	191,212	21,947	8,524,747	9,251,921
Total Liabilities	20,564,495	13,382,065	3,707,899	329,345	30,184	13,134,191	51,148,179
On Balance Sheet Long Position	-	-	9,880,649	10,539,192	3,287,294	-	23,707,135
On Balance Sheet Short Position	(9,300,200)	(8,065,953)	-	-	-	(6,340,982)	(23,707,135)
Off-Balance Sheet Long Position	55,527	106,752	-	-	-	-	162,279
Off-Balance Sheet Short Position	-	-	(14,425)	(43,068)	(11,568)	-	(69,061)
Total Position	(9,244,673)	(7,959,201)	9,866,224	10,496,124	3,275,726	(6,340,982)	93,218

^(*) "Other Assets" in "Non Interest Bearing" column include other assets amounting to TL 638,340, tangible assets amounting to TL 407,984, intangible assets amounting to TL 173,838, associates, subsidiaries and entities under common control amounting to TL 25,555, tax assets amounting to TL 8,105 and assets held for sale and discontinued operations amounting to TL 32,204; and "Other Liabilities" in the "Non Interest Bearing" column include shareholders' equity amounting to TL 6,857,863, other liabilities amounting to TL 477,506, part of payables related to assets held for sale and discontinued operations amounting to TL 128,236, provisions amounting to TL 853,635, tax liability amounting to TL 128,040 and part of trading derivative financial liabilities amounting to TL 79,470.

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

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Average interest rates applied to monetary financial instruments

	EUR	USD	JPY	TL
Current Period	%	%	%	%
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	-	-	-	9.10
Financial Assets at Fair Value Through Profit/Loss	3.98	3.84	-	6.98
Money Market Placements	-	-	-	6.65
Investment Securities Available for Sale	4.82	5.43	-	8.79
Loans and Receivables	6.14	5.43	5.30	20.09(*)
Investment Securities Held for Trading	-	-	-	-
Liabilities				
Bank Deposits	2.46	3.03	-	9.12
Other Deposits	3.42	3.38	0.36	9.25
Money Market Borrowings	0.85	0.90	-	7.13
Sundry Creditors	-	-	-	-
Securities Issued	-	5.50	-	10.25
Funds Borrowed	2.10	3.67	-	8.40

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

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

(Based on reprising dates)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing (*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	-	-	-	-	-	2,970,278	2,970,278
Due from Banks	640,419	75,300	10,427	-	-	206,080	932,226
Financial Assets at Fair Value Through Profit/Loss (**)	81,588	160,836	650,309	997,470	497,187	280,416	2,667,806
Money Market Placements	1,093,506	-	-	-	-	-	1,093,506
Inv. Securities Available for Sale	1,222,212	1,398,075	1,275,305	1,928,613	897,305	119,455	6,840,965
Loans and Receivables	8,811,958	3,569,915	8,164,208	7,677,273	1,640,037	403,359	30,266,750
Other Assets	199,832	132,463	450,657	506,826	8,000	1,161,524	2,459,302
Total Assets	12,049,515	5,336,589	10,550,906	11,110,182	3,042,529	5,141,112	47,230,833
Liabilities							
Bank Deposits	167,388	55,465	26,613	-	-	36,748	286,214
Other Deposits	15,020,524	10,023,293	974,628	28,297	-	2,660,331	28,707,073
Money Market Borrowings	1,534,253	68	-	-	-	-	1,534,321
Sundry Creditors	815	-	-	-	-	1,578,322	1,579,137
Securities Issued	-	-	268,023	989,875	-	-	1,257,898
Funds Borrowed	953,347	436,084	3,588,654	335,114	11,624	-	5,324,823
Other Liabilities	280,765	476,219	188,458	30,929	7,032	7,557,964	8,541,367
Total Liabilities	17,957,092	10,991,129	5,046,376	1,384,215	18,656	11,833,365	47,230,833
On Balance Sheet Long Position	-	-	5,504,530	9,725,967	3,023,873	-	18,254,370
On Balance Sheet Short Position	(5,907,577)	(5,654,540)	-	-	-	(6,692,253)	(18,254,370)
Off-Balance Sheet Long Position	-	-	447,161	860,705	84,105	-	1,391,971
Off-Balance Sheet Short Position	(298,321)	(330,936)	-	-	-	-	(629,257)
Total Position	(6,205,898)	(5,985,476)	5,951,691	10,586,672	3,107,978	(6,692,253)	762,714

(*) "Other Assets" in "Non Interest Bearing" column include, other assets amounting to TL 573,668, tangible assets amounting to TL 400,373, intangible assets amounting to TL 146,439, associates and subsidiaries amounting to TL 24,555, tax asset amounting to TL 16,489 and "Other Liabilities" in the "Non Interest Bearing" column include shareholders' equity amounting to TL 5,911,323, other liabilities amounting to TL 548,813, provisions amounting to TL 745,687, tax liability amounting to TL 98,847 and part of trading derivative financial liabilities amounting to TL 253,294.

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

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Average interest rates applied to monetary financial instruments

	EUR	USD	JPY	TL
Prior Period	%	%	%	%
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	-	2.42	-	10.54
Financial Assets at Fair Value Through Profit/Loss	4.21	3.23	-	9.61
Money Market Placements	-	4.28	-	9.84
Investment Securities Available for Sale	4.85	5.73	-	7.57
Loans and Receivables	6.29	5.44	5.31	18.51 ^(*)
Investment Securities Held to Maturity	-	-	-	-
Liabilities				
Bank Deposits	4.59	4.19	-	10.68
Other Deposits	4.72	5.05	0.44	11.59
Money Market Borrowings	3.90	-	-	5.84
Sundry Creditors	-	-	-	-
Securities Issued	-	5.50	-	10.84
Funds Borrowed	2.65	3.48	-	11.06

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

Interest rate risk on banking book

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

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

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

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

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

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

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

Position risk of equity securities in banking book

Equity Securities (shares)	Comparison		
	Carrying Value	Fair Value	Market Value
1. Securities Available-for-Sale	24,458	-	24,458
Quoted Securities	24,458	-	24,458
Unquoted Securities	-	-	-
2. Investments in Associates	7,769	-	-
Quoted Securities	-	-	-
Unquoted Securities	7,769	-	-
3. Investment in Subsidiaries	14,986	-	-
Quoted Securities	-	-	-
Unquoted Securities	14,986	-	-
4. Joint Ventures	2,800	-	-
Quoted Securities	-	-	-
Unquoted Securities	2,800	-	-

Portfolio	Gains/Losses in Current Period	Revaluation Surpluses		Unrealized Gains and Losses		
		Total	Amount under Supplementary Capital	Total	Amount under Core Capital	Amount under Supplementary Capital
1. Private Equity						
Investments	-	-	-	-	-	-
2. Quoted Shares	7,490	-	-	(4,240)	-	(1,908)
3. Other Shares	-	-	-	-	-	-
4. Total	7,490	-	-	(4,240)	-	(1,908)

VI. Explanations Related to Consolidated Liquidity Risk

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

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

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

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

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

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

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

4. Evaluation of the Group’s cash flows and their resources

Cash flows of the Group are mainly denominated in Turkish Lira, US Dollars and Euro.

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

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Un- Allocated ^(*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	990,655	3,520,233	-	-	-	-	-	4,510,888
Due from Banks	180,407	87,570	-	-	-	-	-	267,977
Financial Assets at Fair Value Through Profit/Loss ^(**)	-	132,924	177,903	404,636	499,631	353,048	-	1,568,142
Money Market Placements	-	5,692	-	-	-	-	-	5,692
Investment Securities Available for Sale	222,704	-	2,342	91,183	3,727,780	2,878,537	-	6,922,546
Loans and Receivables	-	9,273,191	3,821,364	10,241,017	9,131,108	2,049,058	477,120	34,992,858
Investment Securities Held to Maturity	-	-	-	-	-	-	-	-
Other Assets	5,846	689,488	241,422	398,562	677,365	6,543	860,850	2,880,076
Total Assets	1,399,612	13,709,098	4,243,031	11,135,398	14,035,884	5,287,186	1,337,970	51,148,179
Liabilities								
Bank Deposits	32,411	625,618	285,580	57,257	-	-	-	1,000,866
Other Deposits	3,129,784	15,477,164	9,967,196	868,518	20,534	-	-	29,463,196
Funds Borrowed	-	323,901	1,041,021	788,094	867,569	1,661,875	-	4,682,460
Money Market Borrowings	-	2,483,702	191,471	42,710	-	-	-	2,717,883
Securities Issued	-	-	839,126	859,786	885,692	-	-	2,584,604
Sundry Creditors	7,417	1,406,795	-	1,763	-	31,274	-	1,447,249
Other Liabilities ^(*)	2,240	513,397	69,489	315,481	521,559	37,134	7,792,621	9,251,921
Total Liabilities	3,171,852	20,830,577	12,393,883	2,933,609	2,295,354	1,730,283	7,792,621	51,148,179
Liquidity Gap	(1,772,240)	(7,121,479)	(8,150,852)	8,201,789	11,740,530	3,556,903	(6,454,651)	-
Prior Period								
Total Assets	1,337,664	12,896,673	3,754,784	9,153,384	13,302,708	5,609,182	1,176,438	47,230,833
Total Liabilities	2,705,322	18,993,093	10,592,112	3,711,774	2,635,672	1,887,002	6,705,858	47,230,833
Net Liquidity Gap	(1,367,658)	(6,096,420)	(6,837,328)	5,441,610	10,667,036	3,722,180	(5,529,420)	-

^(*) 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 column includes shareholders' equity amounting to TL 6,857,863, unallocated provisions amounting to TL 806,718 and tax liability of TL 128,040.

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

6. Securitization Positions

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

7. Credit Risk Mitigation Techniques

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

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

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

Exposure Categories	Amount(*)	Financial Collaterals	Other/Physical Collaterals	Guaranties and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	10,548,606	-	-	-
Conditional and unconditional receivables from regional or local governments	5,085	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	1,747	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	925,386	8,223	-	-
Conditional and unconditional receivables from corporates	18,531,439	306,338	-	-
Conditional and unconditional retail receivables	36,136,009	223,066	-	-
Conditional and unconditional receivables secured by mortgages	8,049,627	-	-	-
Past due receivables	417,836	72	-	-
Receivables defined in high risk category by BRSA	5,249,333	-	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	632,716	10,882	-	-
Investments similar to collective investment funds	-	-	-	-
Other receivables	2,132,540	-	-	-

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

8. Risk management objectives and policies

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

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

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

The general objectives of the Group's Risk Management:

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

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

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None.

SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	333,199	168,285	320,914	184,673
T.R. Central Bank	111,259	3,877,398	140,547	2,305,467
Others	17,900	2,847	18,327	350
Total	462,358	4,048,530	479,788	2,490,490

b) Balances with the Central Bank of Turkey

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

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

The Parent Bank maintains required reserves in TL for TL liabilities and in USD and/or Euro for foreign currency liabilities in accordance with the “Communiqué on Reserve Requirements No. 2005/1”, published by the Central Bank of the Republic of Turkey. As per the “Amendment to the Communiqué on Reserve Requirements No.2012/13”, published in the Official Gazette No.25995, dated October 16, 2012, up to 60% of the required reserve for TL liabilities can be maintained in USD or Euro over the amount calculated by multiplying the amount that corresponds to the first bracket of 40% with the coefficient “1.4”, the amount that corresponds to the second bracket of 5% with the coefficient “1.8”, the amount that corresponds to the third bracket of 5% with the coefficient “2.1”, the amount that corresponds to the fourth bracket of 5% with the coefficient “2.3”, the amount that corresponds to the fifth bracket of 5% with the coefficient “2.4” and at least 50% of required reserves must be allocated in USD. With this amendment, up to 60% of required reserves for TL liabilities can be maintained as USD and/or Euro, and up to 30% can be maintained as standard gold over the amount calculated by multiplying the amount that corresponds to the first bracket of 20% with the coefficient “1.2”, the amount that corresponds to the second bracket of 5% with the coefficient “1.7” the amount that corresponds to the third bracket of 5% with the coefficient “2.2”. Up to total amount of required reserves for precious metal deposit accounts of required reserves for foreign currency liabilities can be maintained as standard gold, while, 0% of required reserves for foreign currency liabilities other than precious metal deposit accounts can be maintained as standard gold.

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2. Further information on financial assets at fair value through profit/loss (net amounts are expressed)

a) Trading securities given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bonds, Treasury Bills and Similar Marketable Securities ^(*)	11,342	-	11,520	-
Other	-	-	-	-
Total	11,342	-	11,520	-

^(*) Government bonds given as collateral are classified under Held-for-Trading Financial Assets in the financial statements.

b) Trading securities subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds ^(*)	-	-	-	-
Treasury Bills ^(*)	5,919	-	2,175	-
Other Debt Securities	-	-	-	-
Bonds Issued and Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	5,919	-	2,175	-

^(*) Government bonds and treasury bills subject to repurchase agreements shown above are classified under Held-for-Trading Financial Assets in the financial statements.

c) Positive differences on trading derivative instruments

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	38,875	-	76,791	-
Swap Transactions	324,143	88,505	698,073	86,401
Futures	-	260	-	6,742
Options	633	30,356	414	140,680
Other	-	5,607	-	697
Total	363,651	124,728	775,278	234,520

3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	74,896	15,646	388,479	343,154
Foreign	15,062	162,373	20	200,573
Foreign Head Offices and Branches	-	-	-	-
Total	89,958	178,019	388,499	543,727

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b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount ^(**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	62,492	76,168	15,062	-
USA and Canada	91,683	58,505	6	59,921
OECD Countries ^(*)	7,199	4,971	-	-
Off-shore Banking Regions	-	-	-	-
Other	993	1,028	-	-
Total	162,367	140,672	15,068	59,921

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

^(**) Includes blocked placements at foreign banks amounting to TL 15,068 (December 31, 2011 - TL 59,921).

4. Information on receivables from reverse repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	5,692	-	702,580	-
T.R. Central Bank	-	-	-	-
Banks	865	-	700,409	-
Intermediary Institutions	4,827	-	2,171	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
Foreign Transactions	-	-	-	-
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
Total	5,692	-	702,580	-

5. Information on investment securities available for sale

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar marketable securities	423,382	-	1,175,542	-
Other	-	-	-	-
Total	423,382	-	1,175,542	-

b) Investment securities available for sale subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	1,921,313	959,189	811,442	703,281
Treasury bills	-	-	-	-
Other debt securities	-	-	-	-
Bonds issued or bank guaranteed by banks	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	1,921,313	959,189	811,442	703,281

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c) Investment securities available for sale

	Current Period	Prior Period
Debt securities	6,706,482	6,850,104
Quoted on a stock exchange ^(*)	6,678,722	6,802,782
Unquoted on a stock exchange	27,761	47,322
Share certificates	223,768	126,491
Quoted on a stock exchange ^(**)	223,406	126,129
Unquoted on a stock exchange	362	362
Impairment provision (-)	(7,705)	(135,630)
Total	6,922,546	6,840,965

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

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

6. Information related to loans

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

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

^(*) Include the advances given to the bank personnel.

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

	Standard Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
Cash Loans^(*)	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	
		Extension of Repayment Plan			Extension of Repayment Plan	
			Other			Other
Non-specialized Loans	32,863,977	161,251	-	1,459,766	431,314	-
Discount Notes	487,549	-	-	4,465	-	-
Export Loans	744,072	12,739	-	116,363	2,050	-
Import Loans	-	-	-	-	-	-
Loans Given to Financial Sector	467,310	-	-	-	-	-
Retail Loans	11,031,875	-	-	574,795	155,809	-
Credit Cards	9,828,119	-	-	210,336	144,248	-
Other	10,305,052	148,512	-	553,807	129,207	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	32,863,977	161,251	-	1,459,766	431,314	-

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

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

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

c) Loans according to their maturity structure

Cash Loans ^(*)	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms
Short-term Loans	17,779,032	-	210,336	144,248
Non-specialized Loans	17,779,032	-	210,336	144,248
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	15,084,945	161,251	1,249,430	287,066
Non-specialized Loans	15,084,945	161,251	1,249,430	287,066
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	32,863,977	161,251	1,459,766	431,314

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

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

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

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

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

f) Loans according to borrowers ^(*)

	Current Period	Prior Period
Public	125,526	134,129
Private	34,790,782	30,296,874
Total	34,916,308	30,431,003

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

g) Domestic and foreign loans ^(*)

	Current Period	Prior Period
Domestic Loans	34,719,341	30,212,356
Foreign Loans	196,967	218,647
Total	34,916,308	30,431,003

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

h) Loans granted to subsidiaries and associates

Loans granted to subsidiaries and associates are eliminated reciprocally in the accompanying consolidated financial statements.

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i) Specific provisions for loans

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

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

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

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

j.2) Movement of non-performing loans

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

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

None (December 31, 2011 – None).

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

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

k) Liquidation policies for uncollectible loans and other receivables

For the unrecoverable non-performing loans under legal follow up, the loan quality, collateral quality, bona fide of the debtor and assessment of the emergency of legal follow up are considered, before applying the best practice for unrecoverable non-performing loans under legal follow up. The Parent Bank prefers to liquidate the risk through negotiations with the debtors. If this cannot be possible, then the Parent 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) Explanations on write-off policy

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

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7. Information on factoring receivables

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term	354,569	4,305	251,562	4,269
Medium and Long Term	-	-	-	-
Total	354,569	4,305	251,562	4,269

As of September 30, 2012 and September 30, 2011, changes in provision for non-performing factoring receivables are as follows:

	Current Period	Prior Period
Prior Period End Balance	4,060	-
Provided Provision / (reserval), Net	3,203	4,060
Collections	-	-
Written off	-	-
Current Period End Balance	7,263	4,060

8. Information on investment securities held-to-maturity

None (December 31, 2011 – None).

9. Investments in associates (Net)

9.1. Investments in associates

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

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

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

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

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9.2. Movements of investments in associates

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

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

9.3. Sectoral distribution and the related carrying amounts on associates

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

9.4. Quoted associates

None (December 31, 2011 – None).

9.5. Valuation methods of investments in associates

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

9.6. Investments in associates sold during the current period

None.

9.7. Investments in associates acquired during the current period

None.

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10. Investments in subsidiaries (Net)

a) Information on the Parent Bank's unconsolidated subsidiaries

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

(*)	Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
	23,717	19,323	19,224	-	-	3,177	(2,253)	-

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

b) Information on the consolidated subsidiaries

b.1) Information on the consolidated subsidiaries

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

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

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

	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 (**)
1. (*)	216,129	142,102	13,140	7,953	547	8,273	15,430	-
2. (*)	1,342,137	453,354	376	-	-	31,810	36,352	486,450
3. (*)	21,698	21,437	38	-	-	3,352	(2,136)	21,240
4. (*)	12,836	11,722	952	1,242	11	976	7,403	-
5. (*)	193,516	65,195	2,584	11,407	3,556	17,476	9,493	-
6. (*)	1,863	1,860	12	126	-	41	(1,302)	-
7. (*)	376,673	26,107	828	29,726	-	2,727	3,252	-

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

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

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b.2) Movement of investments in subsidiaries

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

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

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

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

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

b.3) Sectoral distribution of the consolidated subsidiaries

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

The balances of the subsidiaries have been eliminated as part of the consolidation principles.

b.4) Quoted subsidiaries within the context of consolidation

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

11. Investments in entities under common control

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

^(*) Current period information represents September 30, 2012 figures, and prior period profit/loss amounts represent December 31, 2011 figures.

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12. Information on finance lease receivables (Net)

12.1. Maturity analysis of financial lease receivables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	498,378	432,674	501,635	446,763
Between 1-4 years	584,474	519,717	547,285	494,995
Over 4 years	6,916	6,487	43,113	40,785
Total	1,089,768	958,878	1,092,033	982,543

Finance lease receivables include non-performing finance lease receivables amounting to TL 121,732 (December 31, 2011 – TL 123,172) and specific provisions amounting to TL 74,992 (December 31, 2011 – TL 69,348).

Changes in non-performing finance lease receivables provision as of September 30, 2012 and September 30, 2011, are as follows:

	Current Period	Prior Period
End of prior period	69,348 ^(*)	65,665
Provided provision / (reversal), Net	8,789	15,144
Collections	(3,145)	(2,495)
Provision at the end of the period	74,992	78,314

^(*) On November 30, 2011, Finans Finansal Kiralama A.Ş., transferred financial lease receivables valorized as TL 22,630 as of sales date; of which TL 15,478 with condition that 5% of the revenue obtained after the sale will be paid to Finans Finansal Kiralama A.Ş. for TL 525 in cash, and of which TL 7,152, for TL 235 in cash, total of TL 760. TL 10,325 of mentioned receivables comprises of receivables previously written-off. The remaining amount of TL 12,305 which is non-performing lease receivables and TL 11,954 which is provision for non-performing lease receivables are written-off.

12.2. Information on net investments in finance leases

	Current Period	Prior Period
Gross Finance Lease Investments	1,089,768	1,092,033
Unearned Finance Income (-)	(130,890)	(109,490)
Cancelled Leasing Agreements (-)	-	-
Net Investment on Leases	958,878	982,543

12.3. Information of finance lease contracts of the Parent Bank

The leasing balances between the Parent Bank and the subsidiaries have been eliminated as part of the consolidation principles.

13. Information on hedging purpose derivatives:

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

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

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14. Information on tax asset

The Group has current tax asset of TL 419 (December 31, 2011 – TL 533) and deferred tax asset of TL 7,686 (December 31, 2011 – TL 15,956) calculated in line with related regulations. The information about current and deferred tax is presented in the disclosures and explanations about liability accounts in footnote number 10.1 and 10.2.

15. Information on assets held for sale and discontinued operations

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

16. Information on other assets:

16.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Other Prepaid Expenses	221,595	178,389
Collateral Given for Derivative Transactions	147,496	69,070
Assets Held for Resale (net)	146,949	125,432
Sundry Debtors	75,327	69,073
Advances Given on Finance Lease Transactions	45,772	10,689
Cheques Receivables from Other Banks	35,908	91,960
Prepaid Rent Expenses	26,399	20,188
Advances Given	14,829	2,298
Prepaid Agency Commissions	912	4,993
Other	48,504	60,980
Total	763,691	633,072

16.2 If other assets exceed 10% of total assets, excluding off balance sheet commitments, the names and the balances of these accounts, the name and the amount of the subaccounts which create at least 20% of them are:

Details of the other assets are described in note 16.1 section of disclosure.

17. 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
Loans	465,545	45,649	557,874	31,273
Derivative Financial Instruments Held for Hedging	365,597	60,258	960,793	40,954
Assets on Trading Derivatives	363,651	124,728	775,278	234,520
Investment Securities Available for Sale	145,500	98,602	54,821	5,959
Lease Receivables	2,808	4,431	1,933	5,344
Factoring Receivables	621	35	324	59
Trading Securities	384	60	1,349	53
Banks and Other Financial Institutions	276	3	1,152	6
Other Accruals	4,264	-	965	93
Total	1,348,646	333,766	2,354,489	318,261

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SECTION FIVE

II. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES

1. Information on maturity structure of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	819,329	-	1,727,111	9,844,036	1,092,799	126,870	17,671	15,297	13,643,113
Foreign Currency Deposits	868,329	-	1,359,568	4,764,530	782,415	248,020	3,312	5,074	8,031,248
Residents in Turkey	838,901	-	1,338,213	4,638,744	731,756	163,613	3,312	5,074	7,719,613
Residents Abroad	29,428	-	21,355	125,786	50,659	84,407	-	-	311,635
Public Sector Deposits	55,733	-	7,523	18,015	9	-	-	-	81,280
Commercial Deposits	1,055,875	-	1,620,689	2,356,120	885,858	80,864	23,626	-	6,023,032
Other Ins. Deposits	16,167	-	40,261	758,778	494,111	1,319	-	-	1,310,636
Precious Metal Deposits	314,351	-	-	-	59,232	293	11	-	373,887
Bank Deposits	32,411	-	625,618	285,580	47,469	9,788	-	-	1,000,866
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	1,549	-	219,681	16,558	-	6,152	-	-	243,940
Foreign Banks	23,943	-	405,937	269,022	47,469	3,636	-	-	750,007
Participation Banks	6,919	-	-	-	-	-	-	-	6,919
Other	-	-	-	-	-	-	-	-	-
Total	3,162,195	-	5,380,770	18,027,059	3,361,893	467,154	44,620	20,371	30,464,062

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	541,194	-	692,737	12,136,105	1,731,329	244,484	16,529	15,900	15,378,278
Foreign Currency Deposits	816,888	-	925,350	4,574,504	594,057	399,517	53,146	5,533	7,368,995
Residents in Turkey	792,069	-	912,102	4,472,326	564,043	257,225	53,146	5,533	7,056,444
Residents Abroad	24,819	-	13,248	102,178	30,014	142,292	-	-	312,551
Public Sector Deposits	42,342	-	14,276	17,755	400	-	-	-	74,773
Commercial Deposits	986,320	-	754,436	1,974,661	708,499	181,485	63,178	-	4,668,579
Other Ins. Deposits	15,380	-	77,931	677,110	77,923	2,594	10,663	-	861,601
Precious Metal Deposits	258,207	-	96,640	-	-	-	-	-	354,847
Bank Deposits	36,748	-	167,388	55,465	7,190	19,423	-	-	286,214
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2,306	-	11,174	1,718	4,176	4,139	-	-	23,513
Foreign Banks	30,950	-	156,214	53,747	3,014	15,284	-	-	259,209
Participation Banks	3,492	-	-	-	-	-	-	-	3,492
Other	-	-	-	-	-	-	-	-	-
Total	2,697,079	-	2,728,758	19,435,600	3,119,398	847,503	143,516	21,433	28,993,287

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

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

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

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

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

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	32,375	-	95,651	-
Swaps	327,364	92,844	736,219	104,091
Futures	-	8,683	-	2,138
Options	-	23,072	78	108,978
Other	-	5,238	-	625
Total	359,739	129,837	831,948	215,832

3. a) Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans	-	-	-	-
Domestic Banks and Institutions	203,223	84,551	128,851	121,886
Foreign Banks, Institutions and Funds	97,065	2,649,951	63,641	3,267,804
Total	300,288	2,734,502	192,492	3,389,690

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b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	300,288	1,465,679	192,492	2,029,154
Medium and Long-Term	-	1,268,823	-	1,360,536
Total	300,288	2,734,502	192,492	3,389,690

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

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

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

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

As of September 30, 2012, the Group's liabilities comprise; 60% deposits (December 31, 2011 – 61%), 9% funds borrowed (December 31, 2011 – 11%) and 5% funds provided under repurchase agreements (December 31, 2011 – 3%).

4. Information on funds provided under repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	1,898,384	-	816,309	-
Financial institutions and organizations	1,880,040	-	789,989	-
Other institutions and organizations	5,174	-	9,099	-
Real persons	13,170	-	17,221	-
From foreign transactions	3,310	768,154	534	552,135
Financial institutions and organizations	-	768,154	-	552,135
Other institutions and organizations	3,186	-	333	-
Real persons	124	-	201	-
Total	1,901,694	768,154	816,843	552,135

5. Information on securities issued (Net)

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

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

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

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

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

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

- 7.1. Changes in agreements and further commitments arising**

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

- 7.2. Financial lease payables**

The leasing balances between the Parent Bank and the subsidiaries have been eliminated as part of the consolidation principles.

- 7.3. Information on operational lease**

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

- 7.4. Information on “Sale -and- lease back” agreements**

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

- 8. Information on liabilities arising from hedging purpose derivatives**

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

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

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

- 9. Information on provisions**

- 9.1. Information on general provisions**

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

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

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

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

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

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

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

9.4 Information on employee termination benefits and unused vacation accrual

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

As of September 30, 2012, TL 31,094 (December 31, 2011 - TL 32,870) reserve for employee termination benefits was provided in the accompanying financial statements.

As of September 30, 2012, the Group accrued TL 19,450 (December 31, 2011 - TL 18,779) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of September 30, 2012, TL 58,249 (December 31, 2011 – TL 51,593) bonus and premium provisions have been provided under reserve for employee benefits account in the accompanying financial statements.

9.4.1 Movement of employee termination benefits

	Current Period 01.01-30.09.2012	Prior Period 01.01-30.09.2011
As of January 1	32,870	26,826
Service cost	7,044	7,335
Interest Cost	3,663	2,362
Classification effect of FEHAŞ to Assets Held for Sale and Discontinued Operations	(145)	-
Paid during the period	(12,338)	(8,831)
Total	31,094	27,692

9.5. Information on other provisions

9.5.1. Information on free reserves for possible loan losses

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

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

9.5.2. Information on other provisions

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

	Current Period	Prior Period
Provision for Promotion Expenses of Credit Cards	13,858	13,832
Other Provisions	27,390	26,936
Total	41,248	40,768

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10. Taxation

10.1. Current taxes

10.1.1. Current tax liability

As of September 30, 2012, the Group has current tax liability of TL 293,652 (December 31, 2011 - TL 226,159) and advance taxes of TL 174,278 (December 31, 2011 - TL 148,735).

The current tax liability and the advance taxes of the consolidated subsidiaries have been offset separately in their financial statements. After the offsetting, the current tax liability is disclosed as TL 119,793 (December 31, 2011 - TL 77,957) and the current tax asset as TL 419 (December 31, 2011 - TL 533) are disclosed in the accompanying consolidated financial statements.

10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	119,793	77,957
Banking and Insurance Transaction Tax (BITT)	32,537	30,496
Taxation on Securities Income	32,096	32,463
Taxation on Real Estates Income	2,132	1,210
Other	13,980	19,997
Total	200,538	162,123

The Parent Bank presents The “Corporate Taxes Payable” balance in the “Current Tax Liability” account and other taxes are presented in the “Other Liabilities” account in the accompanying unconsolidated financial statements.

10.1.3 Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	10,960	9,387
Social Security Premiums - Employer Share	11,250	9,922
Unemployment Insurance - Employee Share	771	659
Unemployment Insurance - Employer Share	1,497	1,325
Other	-	-
Total	24,478	21,293

10.2. Information on deferred tax liabilities

According to TAS 12, the deferred tax assets and liabilities are netted off in the accompanying financial statements.

Deferred tax asset is TL 7,686 (December 31, 2011 - TL 15,956) and deferred tax liability is TL 8,247 (December 31, 2011 - 20,890) after deferred tax asset and liability balances in the financial statements of consolidated subsidiaries are netted off separately.

In cases whereby such differences are related with certain items under the shareholders’ equity accounts, the deferred tax benefits/charges are netted under these accounts. The deferred tax liability amounting to TL 474 is netted under equity (December 31, 2011 - TL 66,106 deferred tax asset).

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	Temporary Differences		Deferred Tax Asset / (Liability)	
	September 30, 2012	Dec. 31, 2011	September 30, 2012	Dec. 31, 2011
Reserve for employee benefits	108,793	103,242	21,759	20,648
The differences between carrying and taxable amounts of financial assets	287,018	347,075	57,404	69,415
Unused investment incentive certificates	6,342	38,671	13	7,734
Other	198,121	27,091	39,622	5,419
Deferred Tax Asset			118,798	103,216
The differences between carrying and taxable amounts of tangible assets	(99,765)	(105,565)	(19,953)	(21,113)
The differences between carrying and taxable amounts of financial assets	(437,877)	(380,220)	(87,575)	(76,044)
Other	(59,156)	(54,962)	(11,831)	(10,993)
Deferred Tax Liability			(119,359)	(108,150)
Deferred Tax Asset / (Liability), Net			(561)	(4,934)

	Current Period 01.01-30.09.2012	Prior Period 01.01-30.09.2011
Deferred Tax Asset / (Liability) as of January 1 (Net)	(4,934)	(42,451)
Deferred Tax (Charge) / Benefit	72,234	(64,300)
Classification effect of FEHAŞ to Assets Held for Sale and Discontinued Operations	(1,281)	-
Deferred Tax Items Accounted for under the Equity	(66,580)	81,061
Deferred Tax Asset/ (Liability) as of September 30, 2012 (Net)	(561)	(25,690)

11. Information on payables related to assets held for sale

Information on payables related to assets held for sale is explained under Section 5, Part I., and Footnote 15. (December 31, 2011 – None).

12. Information on subordinated loans

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

The Parent Bank received USD 650 million of subordinated loans during 2008 and USD 325 million of subordinated loans during 2009 from its main shareholder, National Bank of Greece S.A. The maturity of the loan is 10 years with semi-annual interest payments and principle payment at maturity. There is a re-payment option at the end of the 5th year. In addition, interest is paid every six months and principal payment will be realized at maturity. The loan amounting to USD 325 million which was received in 2008 was paid back in 2010 to be used in capital increase. In addition, the Parent Bank received USD 260 million of subordinated loans in 2011 from National Bank of Greece S.A.

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13. Information on shareholder's equity

13.1. Paid-in capital

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

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

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

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

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

13.4. Information on share capital increases from revaluation funds

None (December 31, 2011 - None).

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

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

None (December 31, 2011 - None).

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

The Parent Bank has 100 founder shares stated in the Articles of Association. The profit distribution of the Parent Bank is calculated in accordance with prevailing statutory regulations and its Article of Association. According to these regulations, after deducting the statutory and fiscal obligations of the Parent Bank, 5% of the remaining net income is appropriated as legal reserves, 5% of the paid in capital might be distributed to shareholders as first dividend and 10% of the remaining net profit might be distributed to founder shares. Moreover, additional 10% legal reserve is provided from the dividends distributed to founder shares.

14. Common stock issue premiums, shares and equity instruments

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

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

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15. Marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control	-	-	-	-
Valuation Differences	-	-	-	-
Foreign Exchange Rate Differences	-	-	-	-
Securities Available-for-Sale	49,419	(36,451)	(98,932)	(154,784)
Valuation Differences	49,419	(36,451)	(98,932)	(154,784)
Foreign Exchange Rate Differences	-	-	-	-
Total	49,419	(36,451)	(98,932)	(154,784)

16. Accrued interest and expenses

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Derivative Financial Liabilities Held for Trading	359,739	129,837	831,948	215,832
Derivative Financial Liabilities Held for Hedging Purposes	190,753	126,312	64,659	124,258
Deposits	110,657	21,485	135,902	26,499
Funds Borrowed	4,217	37,617	1,424	27,212
Money Market Borrowings	2,157	516	642	587
Other Accruals	38,991	64,665	23,971	47,546
Total	706,514	380,432	1,058,546	441,934

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

1. Information related to consolidated off-balance sheet contingencies

1.1. Type and amount of irrevocable commitments

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

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

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

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

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

2. Total amount of non-cash loans

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

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

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	14,626	0.39	5,050	0.18	11,480	0.33	4,632	0.13
Farming and Raising Livestock	12,725	0.34	1,622	0.06	10,074	0.29	1,454	0.04
Forestry	624	0.02	-	-	624	0.02	-	-
Fishing	1,277	0.03	3,428	0.12	782	0.02	3,178	0.09
Manufacturing	693,035	18.41	1,363,212	47.61	628,915	18.19	1,624,198	46.47
Mining and Quarrying	21,927	0.58	198	0.01	20,112	0.58	492	0.01
Production	598,520	15.90	1,275,912	44.56	531,089	15.36	1,509,406	43.19
Electricity, gas and water	72,588	1.93	87,102	3.04	77,714	2.25	114,300	3.27
Construction	981,362	26.08	402,618	14.06	848,019	24.53	572,361	16.38
Services	2,025,855	53.84	1,079,268	37.70	1,918,313	55.48	1,276,181	36.53
Wholesale and Retail Trade	1,196,187	31.79	668,161	23.34	1,185,470	34.27	721,489	20.65
Hotel, Food and Beverage								
Services	33,896	0.90	15,868	0.55	24,926	0.72	4,368	0.12
Transportation&Communication	103,736	2.76	128,813	4.50	68,698	1.99	150,092	4.30
Financial Institutions	419,748	11.15	233,322	8.15	373,121	10.79	312,094	8.93
Real Estate and Renting Services	5,684	0.15	7,817	0.27	5,719	0.17	2,138	0.06
Self Employment Services	86,936	2.31	17,227	0.60	80,738	2.34	11,707	0.34
Educational Services	1,424	0.04	7	0.00	1,606	0.05	-	-
Health and Social Services	178,244	4.74	8,053	0.28	178,035	5.15	74,293	2.13
Other (*)	48,395	1.28	12,945	0.45	50,779	1.47	17,108	0.49
Total	3,763,273	100.00	2,863,093	100.00	3,457,506	100.00	3,494,480	100.00

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

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

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

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

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5. Information related to derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	43,348,787	51,533,238
Forward transactions ^(*)	5,738,184	10,765,945
Swap transactions	26,851,912	29,755,228
Futures transactions	266,359	216,141
Option transactions	10,492,332	10,795,924
Interest Related Derivative Transactions (II)	5,679,840	5,156,173
Forward rate transactions	-	-
Interest rate swap transactions	5,502,254	4,964,407
Interest option transactions	-	40,000
Futures interest transactions	177,586	151,766
Security option transactions	-	-
Other trading derivative transactions (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	49,028,627	56,689,411
Types of hedging transactions		
Fair value hedges	18,936,297	17,252,307
Cash flow hedges	859,615	1,062,475
Net investment hedges	-	-
B. Total Hedging Related Derivatives	19,795,912	18,314,782
Total Derivative Transactions (A+B)	68,824,539	75,004,193

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

5.1 Fair value hedge accounting

a) Loans

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

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

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b) Investment securities available for sale

The Parent 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 Parent Bank using swaps as hedging instruments. As at the balance sheet date; Eurobonds with the nominal values of USD 273 million and EUR 26 million (December 31, 2011 – USD 214 million and EUR 26 million) were subject to hedge accounting by interest rate swaps with the same nominal value. In 2012, net market valuation difference gain amounting to TL 300 due to gains from Eurobonds amounting to TL 4,780 (September 30, 2011 – TL 107,545 gains) and losses from swaps amounting to TL 4,480 (September 30, 2011 – TL 107,452 losses) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

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

c) Bonds issued

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

5.2 Cash flow hedge accounting

a) Deposit

To avoid from the interest rate changes of deposits that have an average maturity of 1 month, the Parent Bank implements cash flow hedge accounting with interest rate swaps. The Parent Bank implements efficiency tests at the balance sheet dates for hedging purposes; the effective portions are accounting for under equity “Hedging Funds”, whereas the amount concerning ineffective portions are accounted for at income statement as defined in TAS 39. As at the balance sheet date, swaps amounting to TL 429,807 are subject to hedge accounting as hedging instruments (December 31, 2011 – TL 531,238). As a result of the mentioned hedge accounting, fair value gain before taxes amounting to TL 7,454 are accounted for under equity during the current period (September 30, 2011 – TL 12,763). The losses amounting to TL 1,570 (September 30, 2011 – 1,547) concerning for the ineffective portions are accounted for at the income statement.

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

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

	Forward Buy ^(**)	Forward Sell ^(**)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Future Buy	Future Sell
Current Period								
TL	1,118,616	1,166,305	9,496,278	13,964,948	2,527,464	2,693,922	21,557	25,618
USD	1,093,872	1,090,949	15,529,334	10,715,834	1,868,163	1,712,927	195,755	195,756
EURO	558,228	493,865	620,987	1,072,751	711,207	683,625	4,635	624
Other	104,044	112,306	39,316	710,633	176,758	118,266	-	-
Total	2,874,760	2,863,425	25,685,915	26,464,166	5,283,592	5,208,740	221,947	221,998

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

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

	Forward Buy ^(**)	Forward Sell ^(**)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Future Buy	Future Sell
Prior Period								
TL	2,374,243	906,298	8,285,726	14,553,282	2,207,494	2,307,411	2,667	4,045
USD	1,595,058	2,783,388	16,864,863	10,533,469	1,771,968	1,869,700	179,345	179,344
EURO	1,174,180	1,471,895	1,094,213	1,340,533	1,103,534	850,095	1,929	577
Other	231,329	229,554	181,456	180,875	371,215	354,507	-	-
Total	5,374,810	5,391,135	26,426,258	26,608,159	5,454,211	5,381,713	183,941	183,966

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

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

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

6. Information on contingent liabilities and assets

None (December 31, 2011 – None).

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

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

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

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

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SECTION FIVE

IV. EXPLANATIONS ON DISCLOSURES RELATED TO CONSOLIDATED INCOME STATEMENT

1. a) Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans				
Short-Term Loans	2,112,922	46,160	1,619,273	36,687
Medium and Long-Term Loans	1,354,675	95,226	1,176,904	72,326
Non-Performing Loans	73,156	-	71,080	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	3,540,753	141,386	2,867,257	109,013

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	229	-	-
Domestic Banks	8,904	11	4,924	249
Foreign Banks	1,495	164	1,623	3,471
Foreign Headquarters and Branches	-	-	-	-
Total	10,399	404	6,547	3,720

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	12,983	404	4,260	214
Financial Assets at FVTPL	11	-	618	-
Investment Securities Available for Sale	396,066	36,827	274,604	34,610
Investment Securities Held to Maturity	-	-	-	-
Total	409,060	37,231	279,482	34,824

d) Information on interest income received from associates and subsidiaries

None (September 30, 2011 – None).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	19,260	117,005	25,080	115,396
T.R. Central Bank	-	-	-	-
Domestic Banks	11,011	2,073	11,254	3,459
Foreign Banks	8,249	114,932	13,826	111,937
Foreign Headquarters and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	19,260	117,005	25,080	115,396

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b) Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	4,759	24,811

c) Information on interest expense paid to securities issued

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

d) Information on maturity structure of interest expenses on deposits (Current Period)

Time Deposits								
Account Name	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	-	5,458	5,703	4,329	-	183	-	15,673
Saving Deposits	5	114,532	828,777	175,531	21,369	1,442	1,248	1,142,904
Public Sector Deposits	-	853	3,533	331	8	-	-	4,725
Commercial Deposits	2	76,847	192,974	49,542	10,826	3,581	-	333,772
Other Deposits	-	1,369	48,929	15,135	127	434	-	65,994
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	7	199,059	1,079,916	244,868	32,330	5,640	1,248	1,563,068
Foreign Currency								
Deposits	-	24,704	147,129	22,582	7,972	301	462	203,150
Bank Deposits	114	743	5,886	1,017	63	252	-	8,075
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	624	3	-	-	627
Total	114	25,447	153,015	24,223	8,038	553	462	211,852
Grand Total	121	224,506	1,232,931	269,091	40,368	6,193	1,710	1,774,920

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Information on maturity structure of interest expense on deposits (Prior Period)

Time Deposits								
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated	Total
							Deposit Account	
Turkish Lira								
Bank Deposits	-	346	11,858	-	220	881	-	13,305
Saving Deposits	6	68,054	633,217	96,552	12,547	401	509	811,286
Public Sector Deposits	-	270	7,577	409	-	-	-	8,256
Commercial Deposits	2	61,307	230,557	38,804	20,840	1,713	-	353,223
Other Deposits	-	1,381	51,108	5,792	446	393	-	59,120
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	8	131,358	934,317	141,557	34,053	2,588	509	1,245,190
Foreign Currency								
Deposits	5	17,659	122,637	13,099	7,154	1,366	157	162,077
Bank Deposits	80	248	4,965	1,085	-	-	-	6,378
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	316	-	-	-	-	-	316
Total	85	18,223	127,602	14,184	7,154	1,366	666	168,771
Grand Total	93	149,581	1,061,919	155,741	41,207	3,954	666	1,413,961

e) Information on interest expenses on repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expenses on Repurchase Agreements ^(*)	84,158	5,190	78,424	3,565

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

f) Information on finance lease expenses

None (September 30, 2011 – None).

g) Information on interest expenses on factoring payables

None (September 30, 2011 – None).

3. Information on dividend income

	Current Period	Prior Period
Financial Assets Held for Trading	35	141
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets Available for Sale	-	-
Other	162	107
Total	197	248

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4. Information on trading income/loss

	Current Period	Prior Period
Trading Gain	4,083,756	6,160,979
Gains on Capital Market Operations	102,452	164,218
Derivative Financial Instruments	1,533,203	2,167,767
Foreign Exchange Gains	2,448,101	3,828,994
Trading Loss (-)	(4,353,379)	(6,297,287)
Losses on Capital Market Operations	(37,952)	(72,000)
Derivative Financial Instruments	(1,858,837)	(2,331,997)
Foreign Exchange Losses	(2,456,590)	(3,893,290)
Net Trading Income/Loss	(269,623)	(136,308)

5. Information on other operating income

The Group recorded the current year collections from loans written off in the previous periods, portfolio management fees and commissions and expense accruals in “Other Operating Income” account.

6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	377,665	91,302
Loans and Receivables in Group III	45,923	(75,623)
Loans and Receivables in Group IV	80,461	(92,052)
Loans and Receivables in Group V	251,281	258,977
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	156,875	130,575
Provision for Free Reserves on Possible Losses	29,888	-
Impairment Losses on Securities	11	67
Financial assets at fair value through profit or loss	-	67
Investment Securities available for sale	11	-
Impairment Losses on Associates, Subsidiaries and Investment Securities Held-to-Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
Other	12,984	19,800
Total	577,423	241,744

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7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	589,926	559,710
Reserve for employee termination benefits	-	866
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation charge of tangible assets	69,701	62,084
Impairment losses on intangible assets	-	-
Impairment losses on goodwill	-	-
Amortization charge of intangible assets	41,036	30,424
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed of	1	5
Depreciation on assets to be disposed	1,765	1,755
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	475,041	417,597
Operational lease related expenses	103,495	88,861
Repair and maintenance expenses	38,070	32,684
Advertisement expenses	64,496	40,673
Other expenses	268,980	255,379
Losses on sales of assets	1,023	683
Other	186,296	160,870
Total	1,364,789	1,233,994

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

For the period ended September 30, 2012, net interest income of TL 2,163,606 (September 30, 2011 - TL 1,717,754), net fees and commission income of TL 830,853 (September 30, 2011 – TL 628,618) and other operating income of TL 157,768 (September 30, 2011 – TL 127,544) constitute an important part of the period income.

9. Explanations on tax provision for continued and discontinued operations

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

As of September 30, 2012, the Group recorded current tax charge of TL 305,720 (September 30, 2011 - TL 152,634) and a deferred tax benefit of TL 72,234 (September 30, 2011 – TL 64,300 deferred tax charge).

	Current Period	Prior Period
Current Tax Provision	(304,110)	(148,064)
Adjustment concerning the prior period's corporate tax	(1,610) ^(*)	(4,570) ^(**)
Deferred Tax Income/(Expense)	72,234	(64,300)
Total	(233,486)	(216,934)

^(*)As explained in section 3 footnote XXII, Finans Finansal Kiralama A.Ş., booked the tax effect of the exemption of investment allowance that Finans Finansal Kiralama A.Ş. had benefited from at the rate of 100%, accrued investment allowance withholding tax amounting to TL 9,345, and made subject to allowance during the preparation of corporate tax declaration for year 2011, however; could not reflect in the financial statements as of December 31, 2011 due to the uncertainty at the publication date of the financial statements, amounting to TL 7,735 as income under “current tax provision” in the financial statements as of September 30, 2012.

^(**) The Parent Bank increased the Corporate Tax base for the prior periods, within the context of “Restructuring of Some Public Claims and on the Amendment of Social Security and General Health Insurance Law and of Some Other Laws and Legislative Decrees” numbered 6111, and accrued liability in the financial statements amounting to TL 17,907 during the prior period.

Additionally, ongoing lawsuit of subsidiary Finans Finansal Kiralama A.Ş. regarding the application of investment allowance has resulted and Finans Finansal Kiralama A.Ş. is entitled to withdraw prior years' corporate tax that paid with prejudice. Accordingly, in the financial statements as of September 30, 2012 the corporate tax amount for the year 2009 that withdrawn on July 6, 2011 and August 11, 2011 is accounted as revenue in the income statement under “current income tax charge” account, amounting to TL 13,337.

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9.2. Explanations on operating profit/loss after taxes

None (September 30, 2011 – None).

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

Net profit of the Group from continued operations is TL 695,274 (September 30, 2011 – TL 635,232).

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 Group's performance for the period

None (September 30, 2011 – None).

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

11.3. Profit or loss attributable to minority shares

	Current Period	Prior Period
Profit / Loss Attributable to Minority Shares	11,829	9,952

11.4. There is no change in the 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 Parent Bank.

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SECTION FIVE

V. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED CASH FLOWS STATEMENT

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

	Current Period	Prior Period
	January 1, 2012	January 1, 2011
Cash	524,265	429,473
Cash in TL	320,914	223,045
Cash in Foreign Currencies	184,674	177,056
Other	18,677	29,372
Cash Equivalents	2,493,964	2,526,224
Balances with the T.R. Central Bank	480,213	1,968,848
Banks and Other Financial Institutions	932,227	559,177
Money Market Placements	1,093,505	4,977
Less: Placements with Banks with Maturities Longer than 3 Months	(10,428)	(4,322)
Less: Accruals	(1,553)	(2,456)
Cash and Cash Equivalents	3,018,229	2,955,697

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

	Current Period	Prior Period
	September 30, 2012	September 30, 2011
Cash	519,434	491,111
Cash in TL	333,199	288,445
Cash in Foreign Currencies	168,287	152,545
Other	17,948	50,121
Cash Equivalents	741,815	3,138,671
Balances with the T.R. Central Bank	468,425	2,879,084
Banks and Other Financial Institutions	267,977	261,056
Money Market Placements	5,692	9,333
Less: Placements with Banks with Maturities Longer than 3 Months	-	(10,209)
Less: Accruals	(279)	(593)
Cash and Cash Equivalents	1,261,249	3,629,782

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

Foreign bank balances include TL 15,068 (December 31, 2011- TL 59,921) of cash blocked at foreign banks held for transactions made for foreign money markets and capital markets and borrowings from foreign markets.

4. Additional information

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

None.

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SECTION FIVE

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

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

- 1.1. As of September 30, 2012, the Parent Bank's risk group has deposits, cash and non-cash loans at the Parent Bank amounting to TL 88,733 (December 31, 2011 – TL 91,465), TL 32,531 (December 31, 2011 – TL 34,873) and TL 19,872 (December 31, 2011 – TL 3,074); respectively.

Current Period

Parent 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	-	-	-	3,072	34,873	2
Balance at the End of the Period	-	-	-	19,872	32,531	-
Interest and Commission Income	-	-	-	24	1,695	-

Prior Period

Parent 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	-	270	-	48,794	29,061	2
Balance at the End of the Period	-	-	-	3,072	34,873	2
Interest and Commission Income	-	1	-	9	1,746	-

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

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

Parent Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	58,340	27,579	31,009	1,707	2,116	98,385
Balance at the End of the Period	56,062	58,340	23,303	31,009	9,368	2,116
Interest on deposits	4,759	24,811	-	56	-	679

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

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

Parent 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	-	-	34,165	817,073	28,702	246,599
End of the Period	-	-	375,622	34,165	6,121	28,702
Total Income/Loss (**)	-	-	-	-	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss (**)	-	-	-	-	-	-

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

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

- 1.4.** As of September 30 2012, the total amount of remuneration and bonuses paid to top management of the Group is TL 37,994 (September 30, 2011- TL 29,944).

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

2.1. Relations with entities in the risk group of / or controlled by the Parent 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 matters

As of September 30, 2012, cash loans of the risk group represented 0.1% (December 31, 2011 – 0.1%) of the Parent Bank's total cash loans; the deposits represented 0.3 % (December 31, 2011 – 0.3%) of the Parent Bank's total deposits and the derivative transactions represented 1.6% (December 31, 2011 – 0.2%) of the total derivative transactions.

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 Parent Bank enters into finance lease agreements with Finans Finansal Kiralama A.Ş.

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

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

The Parent Bank signs agency engagements with Finans Emeklilik ve Hayat A.Ş.

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

Information about the Parent Bank's subordinated loan obtained from NBG is explained under Section 5, Part II., Footnote 12.

The receivables, payables, income and expenses of the transactions conducted with the financial subsidiaries those stated above are eliminated from the accompanying consolidated financial statements.

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SECTION SIX

OTHER EXPLANATIONS AND DISCLOSURES

I. Other explanations related to the Group's operations

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

1.1 On November 1, 2012, the Parent Bank completed the sale of the bonds registered with the approval of the Capital Markets Board which were planned to be sold to individuals and corporations outside of Turkey, with a nominal of USD 350 million with 5.15% interest rate and 5 year maturity.

1.2 Disposal of %51 shares of Finans Emeklilik and Hayat A.Ş. to Cigna Nederland Gamma B.V is approved by Competition Authority and Undersecretariat of Treasury and the transfer of shares took place on November 9, 2012 and the transaction is completed.

1.3 Board of Directors of the Parent Bank decided to seek for domestic and/or foreign corporates for the opportunities of strategic collaboration for Finans Faktoring Hizmetleri A.Ş. and Finans Finansal Kiralama A.Ş., of whose shares are owned by the Bank by 99.99% and 51.06%; respectively.

1.4 The Parent Bank issued bonds with TL 750,000 nominal value and 8.30% interest rate on November 14, 2012.

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

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

3. Other matters

None.

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SECTION SEVEN

LIMITED REVIEW REPORT

I. Explanations on the Limited Review Report

The consolidated financial statements of the Group have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and the limited review report dated November 26, 2012 is presented preceding the financial statements.

II. Explanations on the notes prepared by Independent Auditors

None (December 31, 2011 – None).