

**FİNANSBANK ANONİM ŞİRKETİ**

**INDEPENDENT ACCOUNTANT'S  
LIMITED REVIEW REPORT,  
CONSOLIDATED FINANCIAL  
STATEMENTS AND NOTES  
FOR THE PERIOD ENDED  
MARCH 31, 2012**

*Translated into English from the  
Original Turkish Report*

## **FİNANSBANK ANONİM ŞİRKETİ**

### **INDEPENDENT ACCOUNTANT’S LIMITED REVIEW REPORT FOR THE INTERIM PERIOD JANUARY 1 – MARCH 31, 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 March 31, 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 March 31, 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, May 23, 2012

**THE CONSOLIDATED FINANCIAL REPORT OF FİNANSBANK A.Ş.  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 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](http://www.finansbank.com.tr)  
E-mail address : name.surname@finansbank.com.tr

The consolidated financial report for the three 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 three 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)**.

<b>Ömer A. Aras</b> Chairman of the Board of Directors	<b>Mustafa A. Aysan</b> Member of the Board of Directors and Chairman of the Audit Committee	<b>Paul Mylonas</b> Member of the Board of Directors and of the Audit Committee	<b>Michail Oratis</b> Member of the Board of Directors and of the Audit Committee
<b>Temel Güzelöğlu</b> General Manager and Member of the Board of Directors	<b>Adnan Menderes Yayla</b> Executive Vice President Responsible of Financial Control and Planning	<b>Gökhan Yücel</b> Senior Vice President Responsible of Financial – Legal Reporting and Treasury Control	

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

Name-Surname/Title : Gökhan Yücel  
Senior Vice President Responsible of Financial – Legal Reporting and Treasury Control

Phone Number : (0 212) 318 55 65  
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)**

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED MARCH 31, 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 March 31, 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
Dimitrios Anagnostopoulos <sup>(*)</sup>	Board Member	September 24, 2009	Graduate
Edward Nassim	Board Member	April 17, 2007	Masters
Anthimos Thomopoulos	Board Member	November 9, 2006	Masters
Dr. Paul Mylonas	Board Member and Audit Committee Member	March 11, 2010	Phd
Christos Alexis Komninos	Board Member	February 16, 2011	Graduate
Temel Güzelöğlu	Board Member and General Manager	April 16, 2010	Masters
Mustafa Hamdi Görtin	Board Member	April 16, 2010	Masters
Agis Leopoulou	Board Member	April 16, 2010	Masters
Adnan Menderes Yayla	Assistant Managing Director	May 20, 2008	Masters
Metin Karabiber	Assistant Managing Director	October 8, 2010	Graduate
Hakan Şenünel	Assistant Managing Director	August 18, 2008	Graduate
Murat Şakar	Assistant Managing Director	August 18, 2008	Graduate
Köksal Çoban	Assistant Managing Director	August 18, 2008	Masters
Saruhan Doğan	Assistant Managing Director	October 9, 2009	Masters
Dr. Mehmet Kürşad Demirkol	Assistant Managing Director	October 8, 2010	Phd
Özlem Cinemre	Assistant Managing Director	July 9, 1997	Graduate
Hakan Alp	Assistant Managing Director	July 7, 2010	Graduate
Tunç Erdal	Assistant Managing Director	October 8, 2010	Graduate
Kubilay Güler	Assistant Managing Director	January 16, 2004	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
Kunter Kutluay	Assistant Managing Director	May 16, 2011	Masters
Erkin Aydın	Assistant Managing Director	May 16, 2011	Masters
Ömür Tan	Assistant Managing Director	October 28, 2011	Graduate
Şebnem Seniye Karaduman	Assistant Managing Director	January 9, 2012	Graduate
Ahmet Cihat Kumuşoğlu	Statutory Auditor	March 27, 2008	Graduate
Sedat Eratalar	Statutory Auditor	April 1, 2000	Graduate

<sup>(\*)</sup> As of April 26, 2012 Dimitrios Anagnostopoulos was resigned from his board member duty and Antonios Grammatikopoulos was elected instead. Appointment process continues as of the reporting date.

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 MARCH 31, 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**

<b>Name Surname/Trade Name</b>	<b>Amount of Shares</b>	<b>Percentage of Shares</b>	<b>Paid-up Shares</b>	<b>Unpaid Shares</b>
National Bank of Greece S.A.	1,884,369	77.23%	1,884,369	-
NBG Finance (Dollar) PLC	236,177	9.68%	236,177	-
NBGI Holdings B.V.	192,760	7.90%	192,760	-

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 March 31, 2012, the Parent Bank operates through 520 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)
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**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND  
RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

**FİNANSBANK ANONİM ŞİRKETİ**

**CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2012**

**(STATEMENT OF FINANCIAL POSITION)**

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

**I. CONSOLIDATED BALANCE SHEET – ASSETS**

		Reviewed 31.03.2012			Audited 31.12.2011			
		Section 5 Part I	TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	1,930,479	2,352,209	4,282,688	479,788	2,490,490	2,970,278
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	1,060,433	164,829	1,225,262	1,429,378	236,681	1,666,059
2.1	Financial assets held for trading		553,605	164,829	718,434	861,766	236,681	1,098,447
2.1.1	Public sector debt securities		150,736	27,086	177,822	71,004	2,138	73,142
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Assets on trading derivatives		385,328	137,631	522,959	775,278	234,520	1,009,798
2.1.4	Other securities		17,541	112	17,653	15,484	23	15,507
2.2	Financial assets at fair value through profit and loss		506,828	-	506,828	567,612	-	567,612
2.2.1	Public sector debt securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans		506,828	-	506,828	567,612	-	567,612
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	(3)	110,691	178,717	289,408	388,499	543,727	932,226
IV.	MONEY MARKET PLACEMENTS		95,284	-	95,284	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		95,284	-	95,284	702,580	-	702,580
V.	INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(4)	5,902,703	803,267	6,705,970	5,995,564	845,401	6,840,965
5.1	Equity securities		-	-	-	-	-	-
5.2	Public sector debt securities		5,755,113	728,400	6,483,513	5,869,410	770,224	6,639,634
5.3	Other securities		147,590	74,867	222,457	126,154	75,177	201,331
VI.	LOANS AND RECEIVABLES	(5)	27,388,109	3,336,798	30,724,907	26,840,612	3,426,138	30,266,750
6.1	Loans and receivables		26,963,872	3,336,798	30,300,670	26,437,253	3,426,138	29,863,391
6.1.1	Loans to risk group of the Bank		-	33,406	33,406	-	34,873	34,873
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		26,963,872	3,303,392	30,267,264	26,437,253	3,391,265	29,828,518
6.2	Non-performing loans		1,965,675	-	1,965,675	1,849,496	-	1,849,496
6.3	Specific provisions (-)		1,541,438	-	1,541,438	1,446,137	-	1,446,137
VII.	FACTORING RECEIVABLES	(6)	255,294	3,166	258,460	251,562	4,269	255,831
VIII.	INVESTMENT SECURITIES HELD TO MATURITY (Net)	(7)	-	-	-	-	-	-
8.1	Public sector debt securities		-	-	-	-	-	-
8.2	Other securities		-	-	-	-	-	-
IX.	INVESTMENT IN ASSOCIATES (Net)	(8)	6,769	-	6,769	6,769	-	6,769
9.1	Equity method associates		-	-	-	-	-	-
9.2	Unconsolidated		6,769	-	6,769	6,769	-	6,769
9.2.1	Financial Investments		-	-	-	-	-	-
9.2.2	Non-financial Investments		6,769	-	6,769	6,769	-	6,769
X.	INVESTMENT IN SUBSIDIARIES (Net)	(9)	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)	(10)	2,800	-	2,800	2,800	-	2,800
11.1	Equity method entities under common control		-	-	-	-	-	-
11.2	Unconsolidated		2,800	-	2,800	2,800	-	2,800
11.2.1	Financial investments		-	-	-	-	-	-
11.2.2	Non-financial Investments		2,800	-	2,800	2,800	-	2,800
XII.	LEASE RECEIVABLES (Net)	(11)	225,135	684,489	909,624	213,329	769,214	982,543
12.1	Financial lease receivables		272,123	745,444	1,017,567	254,491	837,542	1,092,033
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		46,988	60,955	107,943	41,162	68,328	109,490
XIII.	DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(12)	501,113	51,397	552,510	960,793	40,954	1,001,747
13.1	Fair value hedge		501,113	51,397	552,510	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)		399,165	82	399,247	400,297	76	400,373
XV.	INTANGIBLE ASSETS (Net)		152,938	-	152,938	146,439	-	146,439
15.1	Goodwill		8,969	-	8,969	8,969	-	8,969
15.2	Others		143,969	-	143,969	137,470	-	137,470
XVI.	INVESTMENT PROPERTIES (Net)		-	-	-	-	-	-
XVII.	TAX ASSETS	(13)	13,962	-	13,962	16,489	-	16,489
17.1	Current tax assets		5,597	-	5,597	533	-	533
17.2	Deferred tax assets		8,365	-	8,365	15,956	-	15,956
XVIII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(14)	-	-	-	-	-	-
18.1	Held for sale		-	-	-	-	-	-
18.2	Discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(15)	583,943	125,219	709,162	529,486	103,586	633,072
TOTAL ASSETS			38,643,804	7,700,173	46,343,977	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 MARCH 31, 2012**

**(STATEMENT OF FINANCIAL POSITION)**

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

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

		Reviewed 31.03.2012			Audited 31.12.2011			
		Section 5 Part II	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(1)	20,966,909	7,639,494	28,606,403	21,107,102	7,886,185	28,993,287
1.1	Deposits from risk group of the Bank		57,927	29,980	87,907	60,755	30,710	91,465
1.2	Other		20,908,982	7,609,514	28,518,496	21,046,347	7,855,475	28,901,822
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	435,617	153,355	588,972	831,948	215,832	1,047,780
III.	FUNDS BORROWED	(3)	209,965	2,908,398	3,118,363	192,492	3,389,690	3,582,182
IV.	MONEY MARKET BORROWINGS		1,475,622	539,719	2,015,341	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		30,000	-	30,000	17,648	-	17,648
4.3	Funds provided under repurchase agreements	(4)	1,445,622	539,719	1,985,341	816,843	552,135	1,368,978
V.	SECURITIES ISSUED (Net)	(5)	236,809	932,987	1,169,796	268,023	989,875	1,257,898
5.1	Bills		236,809	-	236,809	268,023	-	268,023
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	932,987	932,987	-	989,875	989,875
VI.	FUNDS		-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	SUNDRY CREDITORS		998,159	294,196	1,292,355	968,933	610,204	1,579,137
VIII.	OTHER LIABILITIES	(6)	519,144	51,367	570,511	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)	111,220	93,334	204,554	64,659	124,258	188,917
11.1	Fair value hedge		65,720	93,334	159,054	30,334	124,258	154,592
11.2	Cash flow hedge		45,500	-	45,500	34,325	-	34,325
11.3	Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII.	PROVISIONS	(9)	755,286	46,670	801,956	701,985	43,702	745,687
12.1	General provisions		393,500	46,670	440,170	356,739	43,702	400,441
12.2	Restructuring provisions		-	-	-	-	-	-
12.3	Reserve for employee benefits		111,888	-	111,888	103,242	-	103,242
12.4	Insurance technical provisions (Net)		86,366	-	86,366	78,324	-	78,324
12.5	Other provisions		163,532	-	163,532	163,680	-	163,680
XIII.	TAX LIABILITY	(10)	104,751	-	104,751	98,847	-	98,847
13.1	Current tax liability		88,121	-	88,121	77,957	-	77,957
13.2	Deferred tax liability		16,630	-	16,630	20,890	-	20,890
XIV.	PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)	(11)	-	-	-	-	-	-
14.1	Held for sale		-	-	-	-	-	-
14.2	Discontinued operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS	(12)	-	1,637,303	1,637,303	-	1,742,641	1,742,641
XVI.	SHAREHOLDERS' EQUITY	(13)	6,329,578	(95,906)	6,233,672	6,066,107	(154,784)	5,911,323
16.1	Paid-in capital	(13)	2,440,000	-	2,440,000	2,440,000	-	2,440,000
16.2	Capital reserves		(52,570)	(95,906)	(148,476)	(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)	(45,566)	(95,906)	(141,472)	(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)		(7,718)	-	(7,718)	(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		3,520,975	-	3,520,975	2,672,370	-	2,672,370
16.3.1	Legal reserves		312,342	-	312,342	269,937	-	269,937
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		3,208,633	-	3,208,633	2,402,433	-	2,402,433
16.3.4	Other profit reserves		-	-	-	-	-	-
16.4	Profit or loss		262,502	-	262,502	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)		212,202	-	212,202	883,731	-	883,731
16.5	Minority shares		158,671	-	158,671	159,904	-	159,904
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY			32,143,060	14,200,917	46,343,977	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 MARCH 31, 2012**

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

**II. CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES**

		Reviewed 31.03.2012			Audited 31.12.2011			
		Section 5 Part III	TL	FC	TOTAL	TL	FC	TOTAL
A.	OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I-II-III)		57,432,266	46,060,220	103,492,486	54,546,443	48,205,280	102,751,723
I.	GUARANTEES	(1), (2), (3),(4)	3,700,161	3,066,384	6,766,545	3,457,506	3,528,152	6,985,658
1.1.	Letters of guarantee		3,638,859	1,575,713	5,214,572	3,423,939	1,791,107	5,215,046
1.1.1.	Guarantees subject to State Tender Law		186,762	16,050	202,812	187,409	15,510	202,919
1.1.2.	Guarantees given for foreign trade operations		2,738,558	1,559,663	4,298,221	2,699,043	1,775,597	4,474,640
1.1.3.	Other letters of guarantee		713,539	-	713,539	537,487	-	537,487
1.2.	Bank loans		61,137	829,746	890,883	33,348	1,014,981	1,048,329
1.2.1.	Import letter of acceptance		61,137	829,746	890,883	33,348	1,014,981	1,048,329
1.2.2.	Other bank acceptances		-	-	-	-	-	-
1.3.	Letters of credit		165	629,634	629,799	219	688,392	688,611
1.3.1.	Documentary letters of credit		165	586,451	586,616	219	636,142	636,361
1.3.2.	Other letters of credit		-	43,183	43,183	-	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		-	31,291	31,291	-	33,672	33,672
1.9.	Other collaterals		-	-	-	-	-	-
II.	COMMITMENTS		22,208,067	2,304,010	24,512,077	21,972,487	3,450,324	25,422,811
2.1.	Irrevocable commitments		22,208,067	2,304,010	24,512,077	21,972,487	3,450,324	25,422,811
2.1.1.	Forward asset purchase commitments		458,235	2,011,254	2,469,489	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	1,000	-	1,000
2.1.4.	Loan granting commitments		3,342,867	-	3,342,867	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		1,484,770	-	1,484,770	1,100,363	-	1,100,363
2.1.8.	Tax and fund liabilities from export commitments		5,892	-	5,892	5,665	-	5,665
2.1.9.	Commitments for credit card expenditure limits		16,800,809	-	16,800,809	15,984,413	-	15,984,413
2.1.10.	Commitments for promotions related with credit cards and banking activities		37,148	-	37,148	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		77,346	292,756	370,102	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)	31,524,038	40,689,826	72,213,864	29,116,450	41,226,804	70,343,254
3.1	Derivative financial instruments for hedging purposes		8,071,212	10,064,966	18,136,178	7,725,392	10,589,390	18,314,782
3.1.1	Fair value hedge		7,008,737	10,064,966	17,073,703	6,662,917	10,589,390	17,252,307
3.1.2	Cash flow hedge		1,062,475	-	1,062,475	1,062,475	-	1,062,475
3.1.3	Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2	Held for trading transactions		23,452,826	30,624,860	54,077,686	21,391,058	30,637,414	52,028,472
3.2.1	Forward foreign currency buy/sell transactions		2,275,199	3,740,323	6,015,522	1,755,826	4,349,180	6,105,006
3.2.1.1	Forward foreign currency transactions-buy		1,210,352	1,803,799	3,014,151	1,127,282	1,924,927	3,052,209
3.2.1.2	Forward foreign currency transactions-sell		1,064,847	1,936,524	3,001,371	628,544	2,424,253	3,052,797
3.2.2	Swap transactions related to foreign currency and interest rates		13,981,042	17,295,912	31,276,954	15,113,615	19,606,020	34,719,635
3.2.2.1	Foreign currency swap-buy		6,520,253	6,378,268	12,898,521	6,371,959	7,918,158	14,290,117
3.2.2.2	Foreign currency swap-sell		6,581,329	7,428,544	14,009,873	7,540,796	7,924,315	15,465,111
3.2.2.3	Interest rate swaps-buy		439,730	1,744,550	2,184,280	600,430	1,815,046	2,415,476
3.2.2.4	Interest rate swaps-sell		439,730	1,744,550	2,184,280	600,430	1,948,501	2,548,931
3.2.3	Foreign currency, interest rate and securities options		7,183,660	9,183,814	16,367,474	4,514,905	6,321,019	10,835,924
3.2.3.1	Foreign currency options-buy		3,728,508	4,481,464	8,209,972	2,187,494	3,246,717	5,434,211
3.2.3.2	Foreign currency options-sell		3,379,952	4,702,350	8,082,302	2,287,411	3,074,302	5,361,713
3.2.3.3	Interest rate options-buy		20,000	-	20,000	20,000	-	20,000
3.2.3.4	Interest rate options-sell		20,000	-	20,000	20,000	-	20,000
3.2.3.5	Securities options-buy		17,600	-	17,600	-	-	-
3.2.3.6	Securities options-sell		17,600	-	17,600	-	-	-
3.2.4	Foreign currency futures		12,925	193,217	206,142	6,712	209,429	216,141
3.2.4.1	Foreign currency futures-buy		9,153	93,951	103,104	2,667	105,391	108,058
3.2.4.2	Foreign currency futures-sell		3,772	99,266	103,038	4,045	104,038	108,083
3.2.5	Interest rate futures		-	211,594	211,594	-	151,766	151,766
3.2.5.1	Interest rate futures-buy		-	105,797	105,797	-	75,883	75,883
3.2.5.2	Interest rate futures-sell		-	105,797	105,797	-	75,883	75,883
3.2.6	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)		95,936,400	20,881,561	116,817,961	93,856,211	22,097,329	115,953,540
IV.	ITEMS HELD IN CUSTODY		4,058,503	1,451,917	5,510,420	4,912,046	1,053,084	5,965,130
4.1.	Assets under management		230,827	10,888	241,715	1,147,341	141,057	1,288,398
4.2.	Investment securities held in custody		617,629	337,597	955,226	729,374	471,607	1,200,981
4.3.	Checks received for collection		1,170,726	194,105	1,364,831	1,150,539	208,681	1,359,220
4.4.	Commercial notes received for collection		373,011	101,242	474,253	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		1,666,307	808,085	2,474,392	1,528,180	120,596	1,648,776
4.8.	Custodians		3	-	3	3	-	3
V.	PLEDGED ITEMS		91,877,897	19,429,644	111,307,541	88,944,165	21,044,245	109,988,410
5.1.	Marketable securities		408,576	356,937	765,513	340,489	380,744	721,233
5.2.	Guarantee notes		104,366	54,116	158,482	99,211	59,196	158,407
5.3.	Commodity		29,107	-	29,107	28,968	-	28,968
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		33,773,799	6,974,871	40,748,670	34,833,664	7,669,994	42,503,658
5.6.	Other pledged items		57,562,049	12,043,720	69,605,769	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)			153,368,666	66,941,781	220,310,447	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**  
**MARCH 31, 2012 (STATEMENT OF INCOME/LOSS)**

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

**III. CONSOLIDATED INCOME STATEMENT**

			Reviewed 01.01 - 31.03.2012	Reviewed 01.01 - 31.03.2011
		Section 5 Part IV		
<b>I.</b>	<b>INTEREST INCOME</b>	(1)	<b>1,383,265</b>	<b>1,031,930</b>
1.1	Interest on loans		1,177,757	906,262
1.2	Interest received from reserve deposits		-	-
1.3	Interest received from banks		3,990	3,788
1.4	Interest received from money market placements		21,179	122
1.5	Interest received from marketable securities portfolio		153,001	98,632
1.5.1	Held-for-trading financial assets		4,279	719
1.5.2	Financial assets at fair value through profit and loss		5	613
1.5.3	Available-for-sale financial assets		148,717	97,300
1.5.4	Investments held-to-maturity		-	-
1.6	Finance lease income		17,670	17,491
1.7	Other interest income		9,668	5,635
<b>II.</b>	<b>INTEREST EXPENSE</b>	(2)	<b>726,632</b>	<b>445,299</b>
2.1	Interest on deposits		637,960	370,215
2.2	Interest on funds borrowed		43,088	50,521
2.3	Interest on money market borrowings		22,915	24,328
2.4	Interest on securities issued		17,993	-
2.5	Other interest expense		4,676	235
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>656,633</b>	<b>586,631</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>257,803</b>	<b>180,881</b>
4.1	Fees and commissions received		306,345	215,903
4.1.1	Non-cash loans		9,170	9,903
4.1.2	Other		297,175	206,000
4.2	Fees and commissions paid		48,542	35,022
4.2.1	Non-cash loans		203	210
4.2.2	Other		48,339	34,812
<b>V.</b>	<b>DIVIDEND INCOME</b>	(3)	<b>-</b>	<b>43</b>
<b>VI.</b>	<b>NET TRADING INCOME</b>	(4)	<b>(117,649)</b>	<b>82,224</b>
6.1	Securities trading gains/ (losses)		419	57,736
6.2	Gains / (losses) Financial derivative transactions		(98,831)	43,570
6.3	Foreign exchange gains/ (losses)		(19,237)	(19,082)
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	(5)	<b>61,331</b>	<b>34,317</b>
<b>VIII.</b>	<b>NET OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>858,118</b>	<b>884,096</b>
<b>IX.</b>	<b>PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	(6)	<b>145,077</b>	<b>75,562</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	(7)	<b>434,923</b>	<b>410,616</b>
<b>XI.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>278,118</b>	<b>397,918</b>
<b>XII.</b>	<b>AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		-	-
<b>XIII.</b>	<b>GAIN / (LOSS) ON EQUITY METHOD</b>		-	-
<b>XIV.</b>	<b>GAIN / (LOSS) ON NET MONETARY POSITION</b>		-	-
<b>XV.</b>	<b>PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)</b>	(8)	<b>278,118</b>	<b>397,918</b>
<b>XVI.</b>	<b>TAX CHARGE FOR CONTINUED OPERATIONS (±)</b>	(9)	<b>(61,855)</b>	<b>(83,169)</b>
16.1	Current income tax charge		(86,823)	(53,788)
16.2	Deferred tax charge / benefit		24,968	(29,381)
<b>XVII.</b>	<b>NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)</b>	(10)	<b>216,263</b>	<b>314,749</b>
<b>XVIII.</b>	<b>INCOME ON DISCONTINUED OPERATIONS</b>		-	-
18.1	Income on assets held for sale		-	-
18.2	Income on sale of associates, subsidiaries and entities under common control		-	-
18.3	Income on other discontinued operations		-	-
<b>XIX.</b>	<b>LOSS FROM DISCONTINUED OPERATIONS (-)</b>		-	-
19.1	Loss from assets held for sale		-	-
19.2	Loss on sale of associates, subsidiaries and entities under common control		-	-
19.3	Loss from other discontinued operations		-	-
<b>XX.</b>	<b>PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)</b>	(8)	-	-
<b>XXI.</b>	<b>TAX CHARGE FOR DISCONTINUED OPERATIONS (±)</b>	(9)	-	-
21.1	Current income tax charge		-	-
21.2	Deferred tax charge / benefit		-	-
<b>XXII.</b>	<b>NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)</b>	(10)	-	-
<b>XXIII.</b>	<b>NET PROFIT/LOSS (XVII+XXII)</b>	(11)	<b>216,263</b>	<b>314,749</b>
23.1	Group's profit/loss		212,202	311,371
23.2	Minority shares		4,061	3,378
	Earnings per share		0.00870	0.01340

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 MARCH 31, 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 – 31.03.2012	Reviewed 01. 01 – 31.03.2011
<b>I.</b>		
ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	133,342	(229,027)
<b>II.</b>		
TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
<b>III.</b>		
INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
<b>IV.</b>		
FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	-	-
<b>V.</b>		
PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR CASH FLOW HEDGE PURPOSES (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)	(3,123)	16,500
<b>VI.</b>		
PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)	-	-
<b>VII.</b>		
THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES	-	-
<b>VIII.</b>		
OTHER PROFIT LOSS ITEMS ACCOUNTED FOR UNDER EQUITY AS PER TURKISH ACCOUNTING STANDARDS	-	-
<b>IX.</b>		
DEFERRED TAX OF VALUATION DIFFERENCES	(28,299)	45,510
<b>X.</b>		
TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	101,920	(167,017)
<b>XI.</b>		
PROFIT/LOSS	8,967	(8,411)
11.1	7,540	(8,411)
11.2		
Change in fair value of marketable securities (Transfer to Profit/Loss)		
11.3		
Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	1,427	-
11.4		
Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
Other	-	-
<b>XII.</b>		
TOTAL PROFIT/LOSS ACCOUNTED FOR IN THE PERIOD (X±XI)	110,887	(175,428)

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 MARCH 31, 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
<b>I.</b>	<b>Prior period – 01.01.-31.03.2011</b>																		
<b>II.</b>	<b>Beginning balance</b>	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III.</b>	<b>New balance (I-II)</b>	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IV.</b>	<b>Increase/decrease related to merger</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V.</b>	<b>Marketable securities valuation differences</b>	-	-	-	-	-	-	-	-	-	-	(188,629)	-	-	-	-	(188,629)	-	(188,629)
<b>VI.</b>	<b>Hedging funds (effective portion)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	13,201	-	13,201	-	13,201
6.1	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	13,201	-	13,201	-	13,201
6.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII.</b>	<b>Tangible assets revaluation differences</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII.</b>	<b>Intangible assets revaluation differences</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX.</b>	<b>Bonus shares obtained from associates, subsidiaries and entities under common control</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X.</b>	<b>Foreign exchange differences</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI.</b>	<b>Disposal of assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XII.</b>	<b>Reclassification of assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIII.</b>	<b>Effect of change in associates' equity</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIV.</b>	<b>Capital increase</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XV.</b>	<b>Share issue</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI.</b>	<b>Share cancellation profits</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVII.</b>	<b>Inflation adjustment to paid-in capital</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVIII.</b>	<b>Other</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIX.</b>	<b>Period net income/(loss)</b>	-	-	-	-	-	-	-	-	311,371	-	-	-	-	-	-	-	(820)	(820)
<b>XX.</b>	<b>Profit distribution</b>	-	-	-	-	1,152	-	21,886	-	-	(23,038)	-	-	-	-	-	311,371	3,378	314,749
20.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2	Transfers to reserves	-	-	-	-	1,152	-	21,886	-	-	(23,038)	-	-	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Closing balance</b>	2,205,000	-	665	-	205,337	-	1,814,125	-	311,371	914,565	(64,383)	-	-	(7,975)	-	5,378,705	146,263	5,524,968
	<b>(III+.....+ XVIII+XIX+XX)</b>																		

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 MARCH 31, 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. Valuation Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Shareholders' Equity
<b>I. Current period – 01.01.-30.03.2012</b>																		
<b>Beginning Balance</b>	<b>2,440,000</b>	-	<b>714</b>	-	<b>269,937</b>	-	<b>2,402,433</b>	-	-	<b>898,412</b>	<b>(253,716)</b>	-	-	<b>(6,361)</b>	-	<b>5,751,419</b>	<b>159,904</b>	<b>5,911,323</b>
Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>II. Increase/decrease related to merger</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Marketable securities valuation differences</b>	-	-	-	-	-	-	-	-	-	-	<b>112,244</b>	-	-	-	-	<b>112,244</b>	-	<b>112,244</b>
<b>IV. Hedging funds (effective portion)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>(1,357)</b>	-	<b>(1,357)</b>	-	<b>(1,357)</b>
4.1 Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>(1,357)</b>	-	<b>(1,357)</b>	-	<b>(1,357)</b>
4.2 Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V. Tangible assets revaluation differences</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Intangible assets revaluation differences</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Bonus shares obtained from associates, subsidiaries and entities under common control</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Foreign exchange differences</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Disposal of assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Reclassification of assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. Effect of change in associates' equity</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XII. Capital increase</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIII. Share premium</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIV. Share cancellation profits</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XV. Inflation adjustment to paid-in capital</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI. Other (*)</b>	-	-	-	-	-	-	<b>493</b>	-	-	-	-	-	-	-	-	<b>493</b>	<b>(5,294)</b>	<b>(4,801)</b>
<b>XVII. Period net income/(loss)</b>	-	-	-	-	-	-	-	<b>212,202</b>	-	-	-	-	-	-	-	<b>212,202</b>	<b>4,061</b>	<b>216,263</b>
<b>XVIII. Profit distribution</b>	-	-	-	-	<b>42,405</b>	-	<b>805,707</b>	-	-	<b>(848,112)</b>	-	-	-	-	-	-	-	-
18.1 Dividends distributed	-	-	-	-	<b>42,405</b>	-	<b>805,707</b>	-	-	<b>(848,112)</b>	-	-	-	-	-	-	-	-
18.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>2,440,000</b>	-	<b>714</b>	-	<b>312,342</b>	-	<b>3,208,633</b>	-	<b>212,202</b>	<b>50,300</b>	<b>(141,472)</b>	-	-	<b>(7,718)</b>	-	<b>6,075,001</b>	<b>158,671</b>	<b>6,233,672</b>
<b>(I+II+III+...+XVI+XVII+XVIII)</b>	<b>2,440,000</b>	-	<b>714</b>	-	<b>312,342</b>	-	<b>3,208,633</b>	-	<b>212,202</b>	<b>50,300</b>	<b>(141,472)</b>	-	-	<b>(7,718)</b>	-	<b>6,075,001</b>	<b>158,671</b>	<b>6,233,672</b>

(\*) It resulted from the increase in Group's share at Finans Yatırım Ortaklığı A.Ş. from 49.36% to 77.16% in the current period.

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 MARCH 31, 2012**

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

**VI. CONSOLIDATED CASH FLOWS STATEMENT**

	<b>Section 5 Part V</b>	<b>Reviewed 01.01- 31.03.2012</b>	<b>Reviewed 01.01 – 31.03.2011</b>
<b>A. CASH FLOWS FROM / (TO) BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities (+)</b>		<b>496,105</b>	<b>434,915</b>
1.1.1 Interest received (+)		1,326,714	958,670
1.1.2 Interest paid (-)		(661,878)	(476,250)
1.1.3 Dividend received (+)		-	43
1.1.4 Fees and commissions received (+)		306,345	215,903
1.1.5 Other income (+)		50,911	32,484
1.1.6 Collections from previously written off loans (+)		128,276	119,403
1.1.7 Payments to personnel and service suppliers (-)		(326,965)	(304,037)
1.1.8 Taxes paid (-)		(106,749)	(19,825)
1.1.9 Other (+/-)	(1)	(220,549)	(91,476)
<b>1.2 Changes in operating assets and liabilities</b>		<b>(909,855)</b>	<b>(853,505)</b>
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(105,982)	(33,932)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		62,793	184,901
1.2.3 Net (increase) decrease in due from banks (+/-)		77,314	(776,202)
1.2.4 Net (increase) decrease in loans (+/-)		(831,276)	(1,489,747)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	(33,162)	6,714
1.2.6 Net increase (decrease) in bank deposits (+/-)		165,228	243,352
1.2.7 Net increase (decrease) in other deposits (+/-)		(108,899)	(364,129)
1.2.8 Net increase (decrease) in funds borrowed (+/-)		(345,871)	(529,877)
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	210,000	1,905,415
<b>I. Net cash provided from / (used in) banking operations (+/-)</b>		<b>(413,750)</b>	<b>(418,590)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from / (used in) investing activities (+/-)</b>		<b>155,830</b>	<b>802,982</b>
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(4,801)	(494)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		-	-
2.3 Fixed assets purchases (-)		(23,804)	(14,662)
2.4 Fixed assets sales (+)		2,694	3
2.5 Cash paid for purchase of financial assets available for sale (-)		(2,998,260)	(4,690,258)
2.6 Cash obtained from sale of financial assets available for sale (+)		3,199,189	5,524,036
2.7 Cash paid for purchase of investment securities (-)		-	-
2.8 Cash obtained from sale of investment securities (+)		-	-
2.9 Other (+/-)		(19,188)	(15,643)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>
<b>III. Net cash provided from / (used in) financing activities (+/-)</b>		<b>-</b>	<b>-</b>
3.1 Cash obtained from funds borrowed and securities issued (+)		-	-
3.2 Cash used for repayment of funds borrowed and securities issued (-)		-	-
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for finance leases (-)		-	-
3.6 Other (+/-)		-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)</b>		<b>6,985</b>	<b>(34,660)</b>
<b>V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)</b>		<b>(250,935)</b>	<b>349,732</b>
<b>VI. Cash and cash equivalents at the beginning of the period (+)</b>	(1)	<b>3,018,229</b>	<b>2,955,697</b>
<b>VII. Cash and cash equivalents at end of the period (V+VI)</b>	(2)	<b>2,767,294</b>	<b>3,305,429</b>

**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 MARCH 31, 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 March 31, 2012 and the related disclosures and footnotes in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No: 26333, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated February 10, 2007 which is published in the Official Gazette No: 26430, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and other circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency (BRSA).

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

**2. Classifications**

None.

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

Accounting policies and valuation principles used in the preparation of the financial statements are determined and applied in accordance with the requirements of TAS, TFRS, "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No: 26333, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated February 10, 2007 which is published in the Official Gazette No: 26430 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 MARCH 31, 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 March 31, 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:

	<b><u>March 31, 2012</u></b>	<b><u>December 31, 2011</u></b>
US Dollar	TL 1.7717	TL 1.9065
Euro	TL 2.3554	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 MARCH 31, 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 March 31, 2012 is TL 19,237 (March 31, 2011 - TL 19,082 net foreign exchange loss).

**2.3. Foreign subsidiaries**

As of March 31, 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 (%)	
				March 31, 2012	December 31, 2011
1.	Finans Yatırım Menkul Değerler A.Ş.	Turkey	Securities Brokerage Intermediary	100.00	100.00
2.	Finans Portföy Yönetimi A.Ş.	Turkey	Portfolio Management	100.00	100.00
3.	Finans Yatırım Ortaklığı A.Ş.	Turkey	Investment Trust	77.16	49.36
4.	Finans Finansal Kiralama A.Ş.	Turkey	Financial Leasing	64.32	64.32
5.	Finans Emeklilik ve Hayat A.Ş.	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 March 31, 2012.

**1. Subsidiaries**

As of March 31, 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.

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**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 “Securities Trading Gains/Losses”, 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.

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. Investment securities held to maturity**

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

**4. Loans and specific provisions**

The 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 dated November 1, 2006, published on the Official Gazette No: 26333 and revised by the Communiqué dated March 6, 2010, published on the Official Gazette No: 27513 and the Communiqué dated January 23, 2009, published on the Official Gazette No: 27119 “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”. 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: 27968 dated June 18, 2011, No: 27947 dated May, 28, 2011 and No: 28158 dated December 30, 2011. The Parent Bank provides specific provision for the loans under follow-up regarding credit risk and other factors, in accordance with the aforementioned regulation.

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”.

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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 2,122,478 (December 31, 2011 - TL 1,516,898).

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

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

**XI. 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.

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The Group does not have assets held for sale.

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.

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.

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**XIV. Explanations on leasing transactions**

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

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

The 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”.

**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.



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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.

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

**2. Deferred taxes**

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

**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**

In the current period there was no change in the paid in capital of the Bank.

**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.

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Upon the Constitutional Court's resolution No: 2009/144 published in the Official Gazette on January 8, 2010, the annulled 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 reviewed. 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.

The Revenue Administration has considered the above-mentioned Constitutional Court's resolution in the preparation of 2011 corporate tax returns subsequent to the issuance of financial statements as of December 31, 2011 and the Revenue Administration also permits the full application of investment incentive exemption.

Accordingly, as of 31 March 2012, Finans Finansal Kiralama A.Ş., applied the investment incentive exemption fully; accrued investment incentive withholding tax amounting to TL 2,753; and recognized the tax effect of investment incentive exemption amounting to TL 7,735 as income under "current tax provision" in the financial statements. The related amount was subject to discount in the preparation of 2011 corporate tax returns; however; was not reflected in the financial statements as of December 31, 2011 due to the uncertainty of the issuance date of the financial statements. As Finans Finansal Kiralama A.Ş. accounted for deferred tax assets related to the unused investment incentives, discounted the unused investment incentives in relation to the investment incentive exemption in the preparation of 2011 corporate tax returns and recognized the corresponding deferred tax expense in the current period; the related application has no effect over 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.

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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.

<b>Current Period</b>	<b>Retail Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury and Head Office</b>	<b>Total Operations of the Group</b>
Net Interest Income	349,141	143,561	163,931	656,633
Net Fees and Commissions Income	363,426	25,363	(130,986)	257,803
Other Operating Income and Net Trading Income	12,055	25,979	(94,352)	(56,318)
Dividend Income	-	-	-	-
<b>Operating Income</b>	<b>724,622</b>	<b>194,903</b>	<b>(61,407)</b>	<b>858,118</b>
Other Operating Expenses	268,848	71,041	95,034	434,923
Provision for Loan Losses and Other Receivables	99,812	17,251	28,014	145,077
<b>Profit Before Taxes</b>	<b>355,962</b>	<b>106,611</b>	<b>(184,455)</b>	<b>278,118</b>
<b>Tax Charge</b>	-	-	-	<b>(61,855)</b>
<b>Net Profit/Loss</b>	-	-	-	<b>216,263</b>
<b>Total Assets</b>	<b>23,780,017</b>	<b>7,568,728</b>	<b>12,161,310</b>	<b>46,343,977</b>
Segment Assets	23,780,017	7,568,728	12,161,310	43,510,055
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	24,555
Undistributed Assets	-	-	-	2,809,367
<b>Total Liabilities</b>	<b>20,061,199</b>	<b>7,850,550</b>	<b>9,250,726</b>	<b>46,343,977</b>
Segment Liabilities	20,061,199	7,850,550	9,250,726	37,162,475
Undistributed Liabilities	-	-	-	2,947,830
Equity	-	-	-	6,233,672
<b>Other Segment Accounts</b>	-	-	-	<b>86,861</b>
Capital Expenditures	-	-	-	50,373
Depreciation and Amortization	-	-	-	36,488
Value Decrease/ (Increase)	-	-	-	-

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<b>Prior Period (January 1 - March 31, 2011)</b>	<b>Retail Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury and Head Office</b>	<b>Total Operations of the Group</b>
Net Interest Income	306,459	99,944	180,228	586,631
Net Fees and Commissions Income	260,993	28,659	(108,771)	180,881
Other Operating Income and Net Trading Income	15,036	23,758	77,747	116,541
Dividend Income	-	-	43	43
<b>Operating Income</b>	<b>582,488</b>	<b>152,361</b>	<b>149,247</b>	<b>884,096</b>
Other Operating Expenses	258,456	77,070	75,090	410,616
Provision for Loan Losses and Other Receivables	40,402	8,418	26,742	75,562
<b>Profit Before Taxes</b>	<b>283,630</b>	<b>66,873</b>	<b>47,415</b>	<b>397,918</b>
<b>Tax Charge</b>	-	-	-	<b>(83,169)</b>
<b>Net Profit/Loss</b>	-	-	-	<b>314,749</b>
<b>Other Segment Accounts</b>	-	-	-	<b>60,035</b>
Capital Expenditures	-	-	-	30,415
Depreciation and Amortization	-	-	-	29,620
Value Decrease/ (Increase)	-	-	-	-

  

<b>Prior Period (December 31, 2011)</b>	<b>Consumer Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury and Head Office</b>	<b>Total Operations of the Group</b>
<b>Total Assets</b>	<b>23,301,608</b>	<b>7,784,933</b>	<b>13,412,986</b>	<b>47,230,833</b>
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
<b>Total Liabilities</b>	<b>20,240,321</b>	<b>8,234,010</b>	<b>9,711,761</b>	<b>47,230,833</b>
Segment Liabilities	20,240,321	8,234,010	9,711,761	38,186,092
Undistributed Liabilities	-	-	-	3,133,418
Equity	-	-	-	5,911,323

**XXIV. Profit Reserves and profit distribution**

In the Ordinary General Assembly Meeting of Finansbank A.Ş. dated March, 29, 2012, the profit distribution of the Parent Bank for the year 2011 is decided as follows:

**2011 profit distribution table:**

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

<sup>(\*)</sup>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 March 31, 2012, the Group's consolidated capital adequacy ratio is 17.55% (December 31, 2011 - 17.61%).

Capital adequacy ratio is calculated in accordance with the "The Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette No: 26333, dated November 1, 2006 and "The Regulation on Amendments to the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette No: 26669, 26824, 27320 and 27968, dated October 10, 2007, March 22, 2008, August 15, 2009 and June 18, 2011 respectively. For the calculation of the capital adequacy ratio, the accounting records prepared in compliance with the current legislation are used. Moreover, market risk value is calculated in accordance with the "The Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" and factored into capital adequacy ratio.

The items deducted from the capital base are not included in the calculation of risk weighted assets, non-cash loans and liabilities. For the calculation of risk weighted assets, impairments, depreciation and amortization, and provisions are considered as deductions from related assets.

In the calculation of their risk-based values, non-cash loans are weighted after netting with specific provisions that are classified under liabilities and calculated based on the "Regulation on the Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves". The net amounts are then multiplied by the rates stated in the Article 5 of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

In the calculation of the risk based values of the derivative financial instruments, such instruments are weighted again and classified according to the related risk groups after being multiplied by the rates stated in the Article 5 of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

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**Consolidated and unconsolidated capital adequacy ratio:**

	Risk Weight													
	Parent Bank							Consolidated						
	0%	10%	20%	50%	100%	150%	200%	0%	10%	20%	50%	100%	150%	200%
<b>Value at Credit Risk</b>														
<b>Balance Sheet Items (Net)</b>	<b>4,966,767</b>	-	<b>214,271</b>	<b>9,508,049</b>	<b>19,084,995</b>	<b>1,481,973</b>	<b>1,795,138</b>	<b>4,993,154</b>	-	<b>328,868</b>	<b>9,645,032</b>	<b>19,821,167</b>	<b>1,481,973</b>	<b>1,795,138</b>
Cash on Hand	476,749	-	53	-	-	-	-	482,932	-	53	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances with the T.R. Central Bank	1,905,023	-	-	-	-	-	-	1,905,023	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Head Offices and Branches	-	-	173,151	-	7	-	-	-	-	287,748	-	543	-	-
Money Market Placements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	90,000	-	-	-	-	-	-	95,230	-	-	-	-	-	-
Reserve Deposits	1,894,680	-	-	-	-	-	-	1,894,680	-	-	-	-	-	-
Loans and Receivables	599,679	-	40,334	9,084,904	16,885,311	1,481,973	1,795,138	599,679	-	40,334	9,084,904	16,911,300	1,481,973	1,795,138
Non-performing Loans (Net)	-	-	-	-	424,237	-	-	-	-	-	-	424,237	-	-
Lease Receivables	-	-	-	-	-	-	-	666	-	-	135,939	766,031	-	-
Investment Securities Available-for-Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments Held-to-Maturity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Forward Sale of Assets	-	-	-	-	27,738	-	-	-	-	-	-	27,738	-	-
Sundry Debtors	-	-	-	-	128,524	-	-	-	-	-	-	155,784	-	-
Accrued Interest and Income	54	-	733	423,145	446,587	-	-	400	-	733	424,189	444,099	-	-
Investments in Associates, Subsidiaries and Entities Under Common Control (Net)	-	-	-	-	425,605	-	-	-	-	-	-	24,555	-	-
Tangible Assets	-	-	-	-	282,549	-	-	-	-	-	-	296,888	-	-
Other Assets <sup>(*)</sup>	582	-	-	-	464,437	-	-	14,544	-	-	-	769,992	-	-
<b>Off-Balance Sheet Items</b>	<b>783,226</b>	-	<b>2,126,041</b>	<b>266,211</b>	<b>8,266,089</b>	-	-	<b>783,226</b>	-	<b>2,125,389</b>	<b>266,211</b>	<b>8,266,363</b>	-	-
Non-Cash Loans and Commitments	783,226	-	123,492	266,211	8,166,537	-	-	783,226	-	123,492	266,211	8,166,537	-	-
Derivative Financial Instruments	-	-	2,002,549	-	99,552	-	-	-	-	2,001,897	-	99,826	-	-
<b>Non-Risk-Weighted Accounts</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Value at Risk</b>	<b>5,749,993</b>	-	<b>2,340,312</b>	<b>9,774,260</b>	<b>27,351,084</b>	<b>1,481,973</b>	<b>1,795,138</b>	<b>5,776,380</b>	-	<b>2,454,257</b>	<b>9,911,243</b>	<b>28,087,530</b>	<b>1,481,973</b>	<b>1,795,138</b>
<b>Total Risk Weighted Assets</b>	-	-	<b>468,062</b>	<b>4,887,130</b>	<b>27,351,084</b>	<b>2,222,960</b>	<b>3,590,276</b>	-	-	<b>490,851</b>	<b>4,955,622</b>	<b>28,087,530</b>	<b>2,222,960</b>	<b>3,590,276</b>

<sup>(\*)</sup> Also includes factoring receivables.

**Summary information related to consolidated and unconsolidated capital adequacy ratio:**

	Parent Bank		Consolidated	
	Current Period	Prior Period	Current Period	Prior Period
Value at Credit Risk	38,519,512	37,236,020	39,347,239	38,091,924
Value at Market Risk	1,451,088	1,639,763	1,529,700	1,739,738
Value at Operational Risk	4,690,928	4,195,358	5,052,489	4,581,039
Shareholders' Equity	7,659,804	7,399,378	8,060,310	7,820,009
Shareholders' Equity/(VACR+VAMR+VAOR)x100	17.15%	17.18%	17.55%	17.61%
VACR	: Value at Credit Risk			
VAMR	: Value at Market Risk			
VAOR	: Value at Operational Risk			

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**Components of consolidated shareholders' equity items:**

	<b>Current Period</b>	<b>Prior Period</b>
Paid-in Capital	2,440,000	2,440,000
Nominal Capital	2,440,000	2,440,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	-	-
Share Premium	714	714
Share Cancellation Profits	-	-
Legal Reserves	312,342	269,937
I. Legal Reserve (Turkish Commercial Code 466/1)	273,850	231,445
II. Legal Reserve (Turkish Commercial Code 466/2)	38,492	38,492
Reserves allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	2,689,519	1,883,823
Reserve Allocated as per the Decision Held by the General Assembly	2,689,519	1,883,823
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	262,502	898,412
Current Period Profit	212,202	883,731
Prior Periods Profit	50,300	14,681
Free Reserves for Possible Losses (up to 25% of Core Capital)	68,931	63,702
Income on Sale of Equity Shares and Real Estates to be Used up for Capital Increase	519,114	518,610
Primary Subordinated Debt (up to 15% of Core Capital)	-	-
Minority Interest	158,671	159,904
Losses Excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-)	102,359	101,979
Prepaid Expenses (-) (*)	-	-
Intangible Assets (-)	143,969	137,470
Deferred Tax Asset Excess of 10% of Core Capital (-)	-	-
Limit Excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Consolidation Goodwill (Net) (-)	8,969	8,969
<b>Total Core Capital</b>	<b>6,196,496</b>	<b>5,986,684</b>
<b>SUPPLEMENTARY CAPITAL</b>		
General Provisions	440,170	400,441
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Real Estate	-	-
Bonus Shares of Associates, Subsidiaries and Entities Under Common Control	-	-
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	1,611,578	1,734,435
Securities Value Increase Fund	(141,472)	(253,716)
Associates and Subsidiaries	-	-
Investment Securities Available for Sale	(141,472)	(253,716)
Inflation Component of Capital Reserves, Profit Reserves and Prior Period Profits (Excluding Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves)	-	-
Minority Shares	-	-
<b>Total Supplementary Capital</b>	<b>1,910,276</b>	<b>1,881,160</b>
<b>TIER III CAPITAL</b>		
<b>CAPITAL</b>	<b>8,106,772</b>	<b>7,867,844</b>
<b>DEDUCTIONS FROM CAPITAL</b>	<b>46,462</b>	<b>47,835</b>
Unconsolidated Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at 10% or more	-	-
Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at Less than 10% Exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	32,976	34,429
Loan Granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Properties exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 Of the Banking Law but Retained more than Five Years After Foreclosure	13,456	13,366
Others	30	40
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>8,060,310</b>	<b>7,820,009</b>

(\*) According to the amendment on Communique on Equity of Banks published in the Official Gazette dated March 10, 2011 and numbered 27870, prepaid expenses are not deducted from shareholders' equity but included in the 100% risk group under 'Other Assets' account.

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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 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. Value at market risk**

	<b>Amount</b>
(I) Capital Obligation against General Market Risk - Standard Method	74,699
(II) Capital Obligation against Specific Risks - Standard Method	18,155
(III) Capital Obligation against Currency Risk - Standard Method	13,176
(IV) Capital Obligation against Commodity Risks – Standard Method	10,330
(V) Capital Obligation against Settlement Risks - Standard Method	-
(VI) Capital Obligation against Market Risks of Options - Standard Method	6,016
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement Models	-
(VIII) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI+VII)	122,376
<b>(IX) Value-At-Market Risk (12,5 x VIII) or (12,5 x VII)</b>	<b>1,529,700</b>

**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 (4) of “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” which was published in the Official Gazette No: 26333 dated November 1, 2006 and became effective as of June 1, 2007. As of March 31, 2012, the value at operational risk is amounting to TL 5,052,489 (December 31, 2011 - TL 4,581,039).



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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 March 31, 2012, the net foreign currency exposure of the Group is TL 654,121 short (December 31, 2011 – TL – 455,490 short) resulting from on balance sheet short position amounting to TL 5,228,994 (December 31, 2011 – TL 5,364,101 short) and long off balance sheet position amounting to TL 4,574,873 (December 31, 2011 – TL 4,908,611 long). The long off balance sheet position amounting to TL 4,947,114 (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 1.7717

Euro purchase rate in the balance sheet date TL 2.3554

<b><u>Date</u></b>	<b><u>US Dollar</u></b>	<b><u>Euro</u></b>
March 31, 2012	TL 1.7717	TL 2.3554
March 30, 2012	TL 1.7717	TL 2.3554
March 29, 2012	TL 1.7738	TL 2.3685
March 28, 2012	TL 1.7762	TL 2.3715
March 27, 2012	TL 1.7859	TL 2.3651
March 26, 2012	TL 1.7918	TL 2.3736

**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 March 2012 are TL 1.7790 and TL 2.3507; respectively.

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

<b>Current Period</b>	<b>EUR</b>	<b>USD</b>	<b>JPY</b>	<b>Other FC</b>	<b>Total</b>
<b>Assets</b>					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R.Central Bank	2,045,762	69,022	85	237,340	2,352,209
Due From Banks	71,912	93,103	875	12,827	178,717
Financial Assets at Fair Value through Profit/Loss <sup>(4)</sup>	19,220	109,030	-	33,215	161,465
Money Market Placements	-	-	-	-	-
Investment Securities Available-for-Sale	91,366	711,901	-	-	803,267
Loans and Receivables <sup>(2)</sup>	1,861,812	2,634,525	77,519	61,381	4,635,237
Investments in Assoc., Subsidiaries and Entities under Common Control	-	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-	-
Derivative Financial Assets Hedging Purposes	-	51,397	-	-	51,397
Tangible Assets	-	-	-	82	82
Intangible Assets	-	-	-	-	-
Other Assets <sup>(3)</sup>	553,666	281,652	967	971	837,256
<b>Total Assets</b>	<b>4,643,738</b>	<b>3,950,630</b>	<b>79,446</b>	<b>345,816</b>	<b>9,019,630</b>
<b>Liabilities</b>					
Bank Deposits	98,919	134,119	145	2,038	235,221
Foreign Currency Deposits	2,408,948	4,553,216	1,641	440,468	7,404,273
Money Market Borrowings	73,056	466,663	-	-	539,719
Funds Provided from Other Financial Institutions	1,481,796	3,063,905	-	-	4,545,701
Securities Issued	-	932,987	-	-	932,987
Sundry Creditors	89,511	201,476	1,951	1,258	294,196
Derivative Fin. Liabilities Hedging Purposes	6,983	86,351	-	-	93,334
Other Liabilities <sup>(5)</sup>	40,323	129,139	-	33,731	203,193
<b>Total Liabilities</b>	<b>4,199,536</b>	<b>9,567,856</b>	<b>3,737</b>	<b>477,495</b>	<b>14,248,624</b>
<b>Net Balance Sheet Position</b>	<b>444,202</b>	<b>(5,617,226)</b>	<b>75,709</b>	<b>(131,679)</b>	<b>(5,228,994)</b>
<b>Net Off-Balance Sheet Position</b>	<b>(949,280)</b>	<b>5,539,211</b>	<b>(78,862)</b>	<b>63,804</b>	<b>4,574,873</b>
Financial Derivative Assets	2,875,697	19,449,321	25,761	604,649	22,955,428
Financial Derivative Liabilities	3,824,977	13,910,110	104,623	540,845	18,380,555
Non-Cash Loans <sup>(1)</sup>	775,817	2,087,411	5,737	197,419	3,066,384
<b>Prior Period</b>	<b>4,794,688</b>	<b>5,094,909</b>	<b>95,934</b>	<b>348,000</b>	<b>10,333,531</b>
Total Assets	4,794,688	5,094,909	95,934	348,000	10,333,531
Total Liabilities	4,570,571	10,664,931	561	461,569	15,697,632
<b>Net Balance Sheet Position</b>	<b>224,117</b>	<b>(5,570,022)</b>	<b>95,373</b>	<b>(113,569)</b>	<b>(5,364,101)</b>
<b>Net Off-Balance Sheet Position</b>	<b>(289,244)</b>	<b>5,178,787</b>	<b>(97,272)</b>	<b>116,340</b>	<b>4,908,611</b>
Financial Derivative Assets	3,373,856	20,411,234	10,977	773,025	24,569,092
Financial Derivative Liabilities	3,663,100	15,232,447	108,249	656,685	19,660,481
Non-Cash Loans <sup>(1)</sup>	969,080	2,342,380	5,656	211,036	3,528,152

<sup>(1)</sup> Does not affect net off-balance sheet position.

<sup>(2)</sup> Includes foreign currency-indexed loans amounting to TL 1,298,439 (December 31, 2011 – TL 1,501,344) that are classified as TL on the balance sheet.

<sup>(3)</sup> Does not include the prepaid expenses amounting to TL 2,050 (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 488 (December 31,2011 – TL 769 ) that are classified as FC on the balance sheet, yet includes FC indexed factoring receivables amounting to TL 26,920 (31 December 2011- TL 4,078 ).

<sup>(4)</sup> Does not include foreign exchange income accruals on derivative transactions amounting to TL 3,364 (December 31, 2011 – TL 17,180).

<sup>(5)</sup> Foreign exchange expense accruals amounting to TL 1,529 (December 31,2011 – TL 13,248 ) on derivative transactions and the general loan loss provisions amounting to TL 46,670 (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 <sup>(*)</sup>	Total
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	-	-	-	-	-	4,282,688	4,282,688
Due from Banks	35,184	85,124	4,235	-	-	164,865	289,408
Financial Assets at Fair Value Through Profit/Loss <sup>(**)</sup>	22,243	15,670	50,897	183,274	412,757	1,092,931	1,777,772
Money Market Placements	95,284	-	-	-	-	-	95,284
Inv. Securities Available for Sale	1,984,268	583,742	1,345,515	1,835,862	815,507	141,076	6,705,970
Loans and Receivables	8,808,046	3,716,824	8,413,560	7,719,393	1,642,465	424,619	30,724,907
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets <sup>(*)</sup>	254,989	154,727	358,543	453,701	5,377	1,240,611	2,467,948
<b>Total Assets</b>	<b>11,200,014</b>	<b>4,556,087</b>	<b>10,172,750</b>	<b>10,192,230</b>	<b>2,876,106</b>	<b>7,346,790</b>	<b>46,343,977</b>
<b>Liabilities</b>							
Bank Deposits	184,193	204,819	26,654	-	-	24,042	439,708
Other Deposits	16,021,562	8,262,552	1,223,466	27,004	-	2,632,111	28,166,695
Money Market Borrowings	2,015,323	18	-	-	-	-	2,015,341
Sundry Creditors	742	628	-	-	-	1,290,985	1,292,355
Securities Issued	111,361	125,448	-	932,987	-	-	1,169,796
Funds Borrowed	1,527,708	2,383,452	679,730	155,230	9,546	-	4,755,666
Other Liabilities <sup>(*)</sup>	121,754	208,669	198,543	99,137	2,963	7,873,350	8,504,416
<b>Total Liabilities</b>	<b>19,982,643</b>	<b>11,185,586</b>	<b>2,128,393</b>	<b>1,214,358</b>	<b>12,509</b>	<b>11,820,488</b>	<b>46,343,977</b>
On Balance Sheet Long Position	-	-	8,044,357	8,977,872	2,863,597	-	19,885,826
On Balance Sheet Short Position	(8,782,629)	(6,629,499)	-	-	-	(4,473,698)	(19,885,826)
Off-Balance Sheet Long Position	-	-	189,228	178,639	31,538	-	399,405
Off-Balance Sheet Short Position	(50,842)	(51,556)	-	-	-	-	(102,398)
<b>Total Position</b>	<b>(8,833,471)</b>	<b>(6,681,055)</b>	<b>8,233,585</b>	<b>9,156,511</b>	<b>2,895,135</b>	<b>(4,473,698)</b>	<b>297,007</b>

<sup>(\*)</sup> "Other Assets" in "Non Interest Bearing" column include other assets amounting to TL 649,909, tangible assets amounting to TL 399,247, intangible assets amounting to TL 152,938, associates, subsidiaries and entities under common control amounting to TL 24,555 and tax assets amounting to TL 13,962 ; and "Other Liabilities" in the "Non Interest Bearing" column include shareholders' equity amounting to TL 6,233,672, other liabilities amounting to TL 570,511, provisions amounting to TL 801,956, tax liability amounting to TL 104,751 and part of trading derivative financial liabilities amounting to TL 162,460.

<sup>(\*\*)</sup> This line also includes derivative financial assets hedging purposes amounting to TL 552,510.

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

	EUR	USD	JPY	TL
Current Period	%	%	%	%
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	-	-	-	9.21
Financial Assets at Fair Value Through Profit/Loss	-	5.56	-	8.66
Money Market Placements	-	-	-	10.78
Investment Securities Available for Sale	4.84	5.66	-	9.20
Loans and Receivables	6.11	5.58	5.24	19.40 <sup>(*)</sup>
Investment Securities Held for Trading	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	3.59	3.21	-	10.25
Other Deposits	3.95	4.14	0.52	11.09
Money Market Borrowings	-	-	-	9.82
Sundry Creditors	-	-	-	-
Securities Issued	-	5.50	-	10.84
Funds Borrowed	2.65	3.63	-	8.40

<sup>(\*)</sup> The yield of loans is 15.92% 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 <sup>(*)</sup>	Total
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	-	-	-	-	-	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 <sup>(**)</sup>	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
<b>Total Assets</b>	<b>12,049,515</b>	<b>5,336,589</b>	<b>10,550,906</b>	<b>11,110,182</b>	<b>3,042,529</b>	<b>5,141,112</b>	<b>47,230,833</b>
<b>Liabilities</b>							
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
<b>Total Liabilities</b>	<b>17,957,092</b>	<b>10,991,129</b>	<b>5,046,376</b>	<b>1,384,215</b>	<b>18,656</b>	<b>11,833,365</b>	<b>47,230,833</b>
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)
<b>Total Position</b>	<b>(6,205,898)</b>	<b>(5,985,476)</b>	<b>5,951,691</b>	<b>10,586,672</b>	<b>3,107,978</b>	<b>(6,692,253)</b>	<b>762,714</b>

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

<sup>(\*\*)</sup> 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	%	%	%	%
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	-	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 <sup>(*)</sup>
Investment Securities Held to Maturity	-	-	-	-
<b>Liabilities</b>				
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

<sup>(\*)</sup> The yield of loans is 15.38% excluding credit cards.

**VI. Explanations Related to Consolidated Liquidity Risk**

**1. 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.

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**

<b>Current Period</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Un- Allocated<sup>(*)</sup></b>	<b>Total</b>
<b>Assets</b>								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	2,381,895	1,900,793	-	-	-	-	-	4,282,688
Due from Banks	164,865	16,289	104,019	4,235	-	-	-	289,408
Financial Assets at Fair Value Through Profit/Loss <sup>(**)</sup>	-	75,388	114,831	562,781	577,275	447,497	-	1,777,772
Money Market Placements	-	95,284	-	-	-	-	-	95,284
Investment Securities Available for Sale	140,714	995	1,349	85,014	3,698,650	2,779,248	-	6,705,970
Loans and Receivables	-	8,809,086	3,450,258	8,177,181	7,998,399	1,865,746	424,237	30,724,907
Investment Securities Held to Maturity	-	-	-	-	-	-	-	-
Other Assets	-	400,162	132,047	491,033	603,465	9,689	831,552	2,467,948
<b>Total Assets</b>	<b>2,687,474</b>	<b>11,297,997</b>	<b>3,802,504</b>	<b>9,320,244</b>	<b>12,877,789</b>	<b>5,102,180</b>	<b>1,255,789</b>	<b>46,343,977</b>
<b>Liabilities</b>								
Bank Deposits	24,042	184,193	204,819	26,654	-	-	-	439,708
Other Deposits	2,632,111	16,021,562	8,262,552	1,223,466	27,004	-	-	28,166,695
Funds Borrowed	-	402,188	277,605	1,484,534	932,229	1,659,110	-	4,755,666
Money Market Borrowings	-	2,015,323	18	-	-	-	-	2,015,341
Securities Issued	-	111,361	125,448	-	932,987	-	-	1,169,796
Sundry Creditors	6,472	1,265,252	2,662	1,834	-	16,135	-	1,292,355
Other Liabilities <sup>(*)</sup>	1,962	455,954	172,538	325,016	443,264	21,246	7,084,436	8,504,416
<b>Total Liabilities</b>	<b>2,664,587</b>	<b>20,455,833</b>	<b>9,045,642</b>	<b>3,061,504</b>	<b>2,335,484</b>	<b>1,696,491</b>	<b>7,084,436</b>	<b>46,343,977</b>
<b>Liquidity Gap</b>	<b>22,887</b>	<b>( 9,157,836 )</b>	<b>( 5,243,138 )</b>	<b>6,258,740</b>	<b>10,542,305</b>	<b>3,405,689</b>	<b>( 5,828,647 )</b>	<b>-</b>
<b>Prior Period</b>								
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
<b>Net Liquidity Gap</b>	<b>(1,367,658)</b>	<b>(6,096,420)</b>	<b>(6,837,328)</b>	<b>5,441,610</b>	<b>10,667,036</b>	<b>3,722,180</b>	<b>(5,529,420)</b>	<b>-</b>

<sup>(\*)</sup> 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 6,233,672, unallocated provisions amounting to TL 746,013 and tax liability of TL 104,751.

<sup>(\*\*)</sup> This line also includes derivative financial assets hedging purposes amounting to TL 552,510.

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**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	318,348	144,874	320,914	184,673
T.R. Central Bank	1,593,046	2,206,657	140,547	2,305,467
Others	19,085	678	18,327	350
<b>Total</b>	<b>1,930,479</b>	<b>2,352,209</b>	<b>479,788</b>	<b>2,490,490</b>

**b) Balances with the Central Bank of Turkey**

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	1,593,046	311,977	140,547	339,666
Restricted Time Deposits	-	1,894,680	-	1,965,801
<b>Total</b>	<b>1,593,046</b>	<b>2,206,657</b>	<b>140,547</b>	<b>2,305,467</b>

As of March 31, 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%).

According to “Communiqué on the Amendment of the Communiqué on Reserve Requirements” dated March 28, 2012 and No: 28247, required reserve ratio on TL liabilities that could be maintained as gold has been increased to 20% from 10%, required reserve ratio on FC liabilities other than precious metal that could be maintained as standard gold has been reduced to 0% from 10%.

**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 <sup>(*)</sup>	10,824	-	11,520	-
Other	-	-	-	-
<b>Total</b>	<b>10,824</b>	<b>-</b>	<b>11,520</b>	<b>-</b>

<sup>(\*)</sup> 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 <sup>(*)</sup>	-	-	-	-
Treasury Bills <sup>(*)</sup>	1,932	-	2,175	-
Other Debt Securities	-	-	-	-
Bonds Issued and Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>1,932</b>	<b>-</b>	<b>2,175</b>	<b>-</b>

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

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**c) Positive differences on trading derivative instruments**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	59,297	-	76,791	-
Swap Transactions	325,164	59,656	698,073	86,401
Futures	-	1,146	-	6,742
Options	867	76,829	414	140,680
Other	-	-	-	697
<b>Total</b>	<b>385,328</b>	<b>137,631</b>	<b>775,278</b>	<b>234,520</b>

**3. a) Information on banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	110,672	4,904	388,479	343,154
Foreign	19	173,813	20	200,573
Foreign Head Offices and Branches	-	-	-	-
<b>Total</b>	<b>110,691</b>	<b>178,717</b>	<b>388,499</b>	<b>543,727</b>

**b) Information on foreign bank accounts**

	Unrestricted Amount		Restricted Amount <sup>(**)</sup>	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	78,131	76,168	-	-
USA and Canada	90,946	58,505	7	59,921
OECD Countries <sup>(*)</sup>	3,643	4,971	-	-
Off-shore Banking Regions	-	-	-	-
Other	1,105	1,028	-	-
<b>Total</b>	<b>173,825</b>	<b>140,672</b>	<b>7</b>	<b>59,921</b>

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

<sup>(\*\*)</sup> Includes blocked placements at foreign banks amounting to TL 7 (December 31, 2011 - TL 59,921).

**c) Information on receivables from reverse repurchase agreements**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Domestic Transactions</b>	<b>95,284</b>	<b>-</b>	<b>702,580</b>	<b>-</b>
T.R. Central Bank	-	-	-	-
Banks	90,057	-	700,409	-
Intermediary Institutions	5,227	-	2,171	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
<b>Foreign Transactions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
<b>Total</b>	<b>95,284</b>	<b>-</b>	<b>702,580</b>	<b>-</b>



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**4. 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	565,010	-	1,175,542	-
Other	-	-	-	-
<b>Total</b>	<b>565,010</b>	<b>-</b>	<b>1,175,542</b>	<b>-</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	1,450,131	670,415	811,442	703,281
Treasury bills	-	-	-	-
Other debt securities	-	-	-	-
Bonds issued or bank guaranteed by banks	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>1,450,131</b>	<b>670,415</b>	<b>811,442</b>	<b>703,281</b>

**c) Investment securities available for sale**

	Current Period	Prior Period
<b>Debt securities</b>	<b>6,605,512</b>	<b>6,850,104</b>
Quoted on a stock exchange (*)	6,555,189	6,802,782
Unquoted on a stock exchange	50,323	47,322
<b>Share certificates</b>	<b>141,219</b>	<b>126,491</b>
Quoted on a stock exchange (**)	140,857	126,129
Unquoted on a stock exchange	362	362
<b>Impairment provision (-)</b>	<b>(40,761)</b>	<b>(135,630)</b>
<b>Total</b>	<b>6,705,970</b>	<b>6,840,965</b>

(\*) The Eurobond Portfolio amounting to TL 510,421 (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 208,068 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 118,838 (December 31, 2011 - TL 107,682).

**5. 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	-	6,993	-	3,072
Corporate Shareholders	-	6,993	-	3,072
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees (*)	49,285	-	47,740	-
<b>Total</b>	<b>49,285</b>	<b>6,993</b>	<b>47,740</b>	<b>3,072</b>

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

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

<b>Cash Loans (*)</b>	<b>Standard Loans and Other Receivables</b>		<b>Loans and Other Receivables Under Close Monitoring</b>	
	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>
<b>Non-specialized Loans</b>	<b>29,123,925</b>	<b>147,241</b>	<b>1,226,376</b>	<b>309,956</b>
Discount Notes	253,427	-	5,004	-
Export Loans	819,545	12,645	73,444	2,038
Import Loans	-	-	-	-
Loans Given to Financial Sector	386,088	-	-	-
International Loans	204,721	-	-	-
Retail Loans	10,196,270	-	488,648	116,741
Credit Cards	8,074,551	-	257,822	62,819
Precious Metals Loans	-	-	-	-
Other	9,189,323	134,596	401,458	128,358
<b>Specialized Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>29,123,925</b>	<b>147,241</b>	<b>1,226,376</b>	<b>309,956</b>

(\*) The loans and other receivables amounting to TL 506,828 (December 31, 2011 – TL 567,612) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

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

<b>Cash Loans (*)</b>	<b>Standard Loans and Other Receivables</b>		<b>Loans and Other Receivables Under Close Monitoring</b>	
	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>
<b>Short-term Loans</b>	<b>14,939,337</b>	<b>-</b>	<b>257,822</b>	<b>62,819</b>
Non-specialized Loans	14,939,337	-	257,822	62,819
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Medium and Long-term Loans</b>	<b>14,184,588</b>	<b>147,241</b>	<b>968,554</b>	<b>247,137</b>
Non-specialized Loans	14,184,588	147,241	968,554	247,137
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>29,123,925</b>	<b>147,241</b>	<b>1,226,376</b>	<b>309,956</b>

(\*) The loans and other receivables amounting to TL 506,828 (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
<b>Consumer Loans-TL</b>	<b>83,356</b>	<b>9,452,189</b>	<b>9,535,545</b>	<b>404,763</b>
Housing Loans	388	5,440,445	5,440,833	364,549
Automobile Loans	352	128,407	128,759	1,166
Personal Need Loans	77,895	3,883,337	3,961,232	39,048
Other	4,721	-	4,721	-
<b>Consumer Loans-FC Indexed</b>	<b>-</b>	<b>128,675</b>	<b>128,675</b>	<b>77,368</b>
Housing Loans	-	118,410	118,410	73,152
Automobile Loans	-	258	258	97
Personal Need Loans	-	10,007	10,007	4,119
Other	-	-	-	-
<b>Consumer Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
<b>Individual Credit Cards-TL</b>	<b>7,673,094</b>	<b>282,417</b>	<b>7,955,511</b>	<b>126,295</b>
Installment	3,233,035	282,417	3,515,452	55,818
Non- Installment	4,440,059	-	4,440,059	70,477
<b>Individual Credit Cards-FC</b>	<b>2,770</b>	<b>-</b>	<b>2,770</b>	<b>25</b>
Installment	-	-	-	-
Non- Installment	2,770	-	2,770	25
<b>Personnel Loans-TL</b>	<b>255</b>	<b>21,086</b>	<b>21,341</b>	<b>127</b>
Housing Loans	-	608	608	2
Automobile Loans	-	85	85	-
Personal Need Loans	255	20,393	20,648	125
Other	-	-	-	-
<b>Personnel Loans-FC Indexed</b>	<b>-</b>	<b>6</b>	<b>6</b>	<b>5</b>
Housing Loans	-	6	6	5
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>24,432</b>	<b>-</b>	<b>24,432</b>	<b>-</b>
Installment	11,384	-	11,384	-
Non-Installment	13,048	-	13,048	-
<b>Personnel Credit Cards-FC</b>	<b>38</b>	<b>-</b>	<b>38</b>	<b>-</b>
Installment	-	-	-	-
Non-Installment	38	-	38	-
<b>Overdraft Accounts-TL (Real Persons)</b>	<b>570,979</b>	<b>-</b>	<b>570,979</b>	<b>62,850</b>
<b>Overdraft Accounts-FC (Real Persons)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>8,354,924</b>	<b>9,884,373</b>	<b>18,239,297</b>	<b>671,433</b>

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

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
<b>Commercial Loans with Installment Facility</b>				
<b>- TL</b>	<b>139,113</b>	<b>2,951,672</b>	<b>3,090,785</b>	<b>42,346</b>
Real Estate Loans	-	128,532	128,532	4,985
Automobile Loans	1,694	265,074	266,768	2,943
Personal Need Loans	137,419	2,558,066	2,695,485	34,418
Other	-	-	-	-
<b>Commercial Loans with Installment Facility - FC Indexed</b>	<b>21,579</b>	<b>571,066</b>	<b>592,645</b>	<b>68,455</b>
Real Estate Loans	-	13,256	13,256	2,987
Automobile Loans	-	66,868	66,868	5,542
Personal Need Loans	21,579	490,942	512,521	59,926
Other	-	-	-	-
<b>Commercial Loans with Installment Facility - FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
<b>Corporate Credit Cards -TL</b>	<b>281,310</b>	<b>-</b>	<b>281,310</b>	<b>4,453</b>
Installment	74,283	-	74,283	1,176
Non-Installment	207,027	-	207,027	3,277
<b>Corporate Credit Cards -FC</b>	<b>355</b>	<b>-</b>	<b>355</b>	<b>3</b>
Installment	-	-	-	-
Non-Installment	355	-	355	3
<b>Overdraft Accounts-TL (Legal Entities)</b>	<b>289,837</b>	<b>-</b>	<b>289,837</b>	<b>860</b>
<b>Overdraft Accounts-FC (Legal Entities)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>732,194</b>	<b>3,522,738</b>	<b>4,254,932</b>	<b>116,117</b>

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

	Current Period	Prior Period
Public	124,801	134,129
Private	30,682,697	30,296,874
<b>Total</b>	<b>30,807,498</b>	<b>30,431,003</b>

<sup>(\*)</sup> The loans and other receivables amounting to TL 506,828 (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 <sup>(\*)</sup>**

	Current Period	Prior Period
Domestic Loans	30,602,777	30,212,356
Foreign Loans	204,721	218,647
<b>Total</b>	<b>30,807,498</b>	<b>30,431,003</b>

<sup>(\*)</sup> The loans and other receivables amounting to TL 506,828 (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**

<b>Specific Provisions</b>	<b>Current Period</b>	<b>Prior Period</b>
Loans and Receivables with Limited Collectability	58,301	66,145
Loans and Receivables with Doubtful Collectability	198,324	147,153
Uncollectible Loans and Receivables	1,284,813	1,232,839
<b>Total</b>	<b>1,541,438</b>	<b>1,446,137</b>

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

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>Current Period</b>			
(Gross Amounts Before the Specific Provisions)	2,635	7,185	67,320
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	2,635	7,185	67,320
<b>Prior Period</b>			
(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**

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>Prior Period End Balance</b>	<b>326,776</b>	<b>289,881</b>	<b>1,232,839</b>
Additions (+)	237,866	5,491	1,848
Transfers from Other Categories of Non- Performing Loans (+)	-	246,446	106,321
Transfers to Other Categories of Non- Performing Loans (-)	246,446	106,321	-
Collections (-)	29,752	43,079	54,616
<b>Write-offs (-)</b>	<b>-</b>	<b>-</b>	<b>1,579</b>
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	585
Credit Cards	-	-	994
Others	-	-	-
<b>Current Period End Balance</b>	<b>288,444</b>	<b>392,418</b>	<b>1,284,813</b>
Specific Provision (-)	58,301	198,324	1,284,813
<b>Net Balances on Balance Sheet</b>	<b>230,143</b>	<b>194,094</b>	<b>-</b>

**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
<b>Current Period (Net)</b>	<b>230,143</b>	<b>194,094</b>	-
Loans to Real Persons and Legal Entities (Gross)	288,444	392,418	1,273,772
Specific provision (-)	(58,301)	(198,324)	(1,273,772)
Loans to Real Persons and Legal Entities (Net)	230,143	194,094	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	11,041
Specific provision (-)	-	-	(11,041)
Other Loans and Receivables (Net)	-	-	-
<b>Prior Period (Net)</b>	<b>260,631</b>	<b>142,728</b>	-
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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**6. Information on factoring receivables**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term	255,294	3,166	251,562	4,269
Medium and Long Term	-	-	-	-
<b>Total</b>	<b>255,294</b>	<b>3,166</b>	<b>251,562</b>	<b>4,269</b>

As of March 31, 2012 and 2011, changes in provision for non-performing factoring receivables are as follows:

	Current Period	Prior Period
Prior Period End Balance	-	-
Provided Provision / (reserval), Net	4,060	-
Collections	-	-
Written off	-	-
<b>Current Period End Balance</b>	<b>4,060</b>	<b>-</b>

**7. Information on investment securities held-to-maturity**

None (December 31, 2011 – None).

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

**8.1. Investments in associates**

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

  

Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
427	425	-	32	-	(5)	356	-
25,106	20,942	10,950	249	-	2,458	2,619	-
203,965	196,750	2,194	2,435	-	1,928	997	-

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

<sup>(\*\*)</sup> Current period information is obtained from financial statements as of March 31, 2012, prior period profit and loss information is obtained from financial statements as of December 31, 2011.

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**8.2. Movements of investments in associates**

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

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

**8.3. Sectoral distribution and the related carrying amounts on associates**

	<b>Current Period</b>	<b>Prior Period</b>
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	6,769	6,769
<b>Total</b>	<b>6,769</b>	<b>6,769</b>

**8.4. Quoted associates**

None (December 31, 2011 – None).

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

	<b>Current Period</b>	<b>Prior Period</b>
Valued at Cost	6,769	6,769
Valued at Fair Value	-	-
Valued at Equity Method of Accounting	-	-
<b>Total</b>	<b>6,769</b>	<b>6,769</b>

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

None.

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

None.



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**9. 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
	22,680	15,803	19,626	-	-	(344)	(2,253)	-

(\*) Current period information is obtained from financial statements as of March 31, 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	64.32
3.	Finans Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	77.16 (*)	77.16 (*)
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 67.15% 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. (*)	188,890	132,717	12,890	2,842	448	2,211	15,430	-
2. (*)	1,338,408	431,106	383	-	-	9,562	36,352	464,600
3. (*)	21,269	21,004	48	-	-	2,919	(2,136)	15,120
4. (*)	19,037	17,364	674	513	5	686	7,403	-
5. (*)	169,952	60,797	1,909	3,820	1,249	4,477	9,493	-
6. (*)	1,806	1,804	13	44	-	(15)	(1,302)	-
7. (*)	284,004	24,606	862	9,176	-	1,226	3,252	-

(\*) Current period information represents March 31, 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**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balance at the Beginning of the Period</b>	<b>397,409</b>	<b>362,058</b>
<b>Movements during the Period</b>	<b>3,641</b>	<b>35,351</b>
Purchases	4,801 <sup>(1)</sup>	18,187 <sup>(2)</sup>
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales	-	(3,706) <sup>(3)</sup>
Revaluation Difference	(1,160)	20,870
Impairment Provision	-	-
<b>Balance at the End of the Period</b>	<b>401,050</b>	<b>397,409</b>
<b>Capital Commitments</b>	<b>-</b>	<b>-</b>
<b>Share Percentage at the end of the Period (%)</b>	<b>-</b>	<b>-</b>

<sup>(1)</sup> 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 4,801.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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**

	<b>Current Period</b>	<b>Prior Period</b>
Banks	-	-
Insurance Companies	45,000	45,000
Factoring Companies	20,000	20,000
Leasing Companies	231,940	237,225
Finance Companies	5,000	5,000
Other Subsidiaries	99,110	90,184
<b>Total</b>	<b>401,050</b>	<b>397,409</b>

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

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

	<b>Current Period</b>	<b>Prior Period</b>
Quoted on Domestic Stock Exchanges	248,329	244,688
Quoted on International Stock Exchanges	-	-
<b>Total</b>	<b>248,329</b>	<b>244,688</b>

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

	<b>The Parent Bank's Share</b>	<b>The Group's Share</b>	<b>Current Assets</b>	<b>Fixed Assets</b>	<b>Long Term Debt</b>	<b>Current Period Profit/Loss</b>	<b>Prior Year Profit/Loss</b>
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. <sup>(*)</sup>	33.33%	33.33%	9,661	6,846	-	2,383	1,972

<sup>(\*)</sup> Current period information represents March 31, 2012 figures, and prior period profit/loss amounts represent December 31, 2011 figures.

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**11. Information on finance lease receivables (Net)**

**11.1. Maturity analysis of financial lease receivables**

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	473,095	418,387	501,635	446,763
Between 1-4 years	513,543	462,047	547,285	494,995
Over 4 years	30,929	29,190	43,113	40,785
<b>Total</b>	<b>1,017,567</b>	<b>909,624</b>	<b>1,092,033</b>	<b>982,543</b>

Finance lease receivables include non-performing finance lease receivables amounting to TL 119,526 (December 31, 2011 – TL 123,172) and specific provisions amounting to TL 70,989 (December 31, 2011 – TL 69,348).

Changes in non-performing finance lease receivables provision as of March 31, 2012 and 2011, are as follows:

	Current Period	Prior Period
End of prior period	69,348	65,665
Provided provision / (reversal), Net	2,470	6,215
Collections	(829)	(655)
<b>Provision at the end of the period</b>	<b>70,989</b>	<b>71,225</b>

**11.2. Information on net investments in finance leases**

	Current Period	Prior Period
Gross Finance Lease Investments	1,017,567	1,092,033
Unearned Finance Income (-)	107,943	109,490
Cancelled Leasing Agreements (-)	-	-
<b>Net Investment on Leases</b>	<b>909,624</b>	<b>982,543</b>

**11.3. 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.

**12. Information on hedging purpose derivatives:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge <sup>(*)</sup>	501,113	51,397	960,793	40,954
Cash Flow Hedge	-	-	-	-
Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>501,113</b>	<b>51,397</b>	<b>960,793</b>	<b>40,954</b>

<sup>(\*)</sup> Derivative financial instruments designated for the fair value hedge purposes comprise of swaps. TL 57,702 (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 494,808 represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in loans as of March 31, 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.

**13. Information on tax asset**

The Group has current tax asset of TL 5,597 (December 31, 2011 – TL 533) and deferred tax asset of TL 8,365 (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.

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

None (December 31, 2011 – None).

**15. Information on other assets:**

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

	Current Period	Prior Period
Other Prepaid Expenses	229,064	178,389
Assets Held for Resale (net)	120,697	125,432
Cheques Receivables from Other Banks	90,242	91,960
Sundry Debtors	89,575	69,073
Collateral Given for Derivative Transactions	66,209	69,070
Advances Given on Finance Lease Transactions	24,656	10,689
Prepaid Rent Expenses	21,990	20,188
Advances Given	4,711	2,298
Prepaid Agency Commissions	3,637	4,993
Other	58,381	60,980
<b>Total</b>	<b>709,162</b>	<b>633,072</b>

**15.2. 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 15.1 section of disclosure.

**16. Accrued interest and income**

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Derivative Financial Instruments Held for Hedging	501,113	51,397	960,793	40,954
Assets on Trading Derivatives	385,328	137,631	775,278	234,520
Loans	482,692	34,055	557,874	31,273
Investment Securities Available for Sale	52,187	13,989	54,821	5,959
Lease Receivables	2,213	4,756	1,933	5,344
Trading Securities	2,236	10	1,349	53
Banks and Other Financial Institutions	1,117	-	1,152	6
Factoring Receivables	368	22	324	59
Other Accruals	142	-	965	93
<b>Total</b>	<b>1,427,396</b>	<b>241,860</b>	<b>2,354,489</b>	<b>318,261</b>

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**SECTION FIVE**

**II. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES**

**1. Information on maturity structure of deposits**

<b>Current Period</b>	<b>Demand</b>	<b>7 Days Notice</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-6 Months</b>	<b>6-12 Months</b>	<b>1 Year and Over</b>	<b>Accumulated Deposit Accounts</b>	<b>Total</b>
<b>Saving Deposits</b>	<b>694,520</b>	-	<b>2,135,256</b>	<b>8,928,667</b>	<b>3,186,182</b>	<b>291,620</b>	<b>19,858</b>	<b>15,180</b>	<b>15,271,283</b>
<b>Foreign Currency Deposits</b>	<b>724,371</b>	-	<b>1,100,461</b>	<b>4,215,667</b>	<b>721,615</b>	<b>236,140</b>	<b>14,686</b>	<b>5,150</b>	<b>7,018,090</b>
Residents in Turkey	699,438	-	1,056,366	4,132,179	687,643	125,941	14,686	5,150	6,721,403
Residents Abroad	24,933	-	44,095	83,488	33,972	110,199	-	-	296,687
<b>Public Sector Deposits</b>	<b>67,959</b>	-	<b>11,510</b>	<b>14,786</b>	<b>7,034</b>	-	-	-	<b>101,289</b>
<b>Commercial Deposits</b>	<b>819,383</b>	-	<b>1,177,137</b>	<b>1,890,569</b>	<b>539,211</b>	<b>163,519</b>	<b>64,764</b>	-	<b>4,654,583</b>
<b>Other Ins. Deposits</b>	<b>13,381</b>	-	<b>18,800</b>	<b>486,911</b>	<b>203,771</b>	<b>1,476</b>	<b>10,927</b>	-	<b>735,266</b>
<b>Precious Metal Deposits</b>	<b>312,497</b>	-	<b>73,687</b>	-	-	-	-	-	<b>386,184</b>
<b>Bank Deposits</b>	<b>24,042</b>	-	<b>184,193</b>	<b>204,819</b>	<b>12,289</b>	<b>14,365</b>	-	-	<b>439,708</b>
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	1,962	-	17,041	8,337	4,234	-	-	-	31,574
Foreign Banks	21,249	-	167,152	196,482	8,055	14,365	-	-	407,303
Participation Banks	831	-	-	-	-	-	-	-	831
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,656,153</b>	-	<b>4,701,044</b>	<b>15,741,419</b>	<b>4,670,102</b>	<b>707,120</b>	<b>110,235</b>	<b>20,330</b>	<b>28,606,403</b>

<b>Prior Period</b>	<b>Demand</b>	<b>7 Days Notice</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-6 Months</b>	<b>6-12 Months</b>	<b>1 Year and Over</b>	<b>Accumulated Deposit Accounts</b>	<b>Total</b>
<b>Saving Deposits</b>	<b>541,194</b>	-	<b>692,737</b>	<b>12,136,105</b>	<b>1,731,329</b>	<b>244,484</b>	<b>16,529</b>	<b>15,900</b>	<b>15,378,278</b>
<b>Foreign Currency Deposits</b>	<b>816,888</b>	-	<b>925,350</b>	<b>4,574,504</b>	<b>594,057</b>	<b>399,517</b>	<b>53,146</b>	<b>5,533</b>	<b>7,368,995</b>
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
<b>Public Sector Deposits</b>	<b>42,342</b>	-	<b>14,276</b>	<b>17,755</b>	<b>400</b>	-	-	-	<b>74,773</b>
<b>Commercial Deposits</b>	<b>986,320</b>	-	<b>754,436</b>	<b>1,974,661</b>	<b>708,499</b>	<b>181,485</b>	<b>63,178</b>	-	<b>4,668,579</b>
<b>Other Ins. Deposits</b>	<b>15,380</b>	-	<b>77,931</b>	<b>677,110</b>	<b>77,923</b>	<b>2,594</b>	<b>10,663</b>	-	<b>861,601</b>
<b>Precious Metal Deposits</b>	<b>258,207</b>	-	<b>96,640</b>	-	-	-	-	-	<b>354,847</b>
<b>Bank Deposits</b>	<b>36,748</b>	-	<b>167,388</b>	<b>55,465</b>	<b>7,190</b>	<b>19,423</b>	-	-	<b>286,214</b>
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	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,697,079</b>	-	<b>2,728,758</b>	<b>19,435,600</b>	<b>3,119,398</b>	<b>847,503</b>	<b>143,516</b>	<b>21,433</b>	<b>28,993,287</b>

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

	Covered by Deposit Insurance Fund		Exceeding the Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	4,958,601	4,398,629	10,307,013	10,973,995
Foreign Currency Savings Deposits	786,954	779,577	3,598,865	3,612,679
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
<b>Total</b>	<b>5,745,555</b>	<b>5,178,206</b>	<b>13,905,878</b>	<b>14,586,674</b>

**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 <sup>nd</sup> Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off-shore banking activities	18,068	18,979
<b>Total</b>	<b>18,068</b>	<b>18,979</b>

**2. Information on trading purpose derivatives**

**a) Negative value of trading purpose derivatives**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	60,826	-	95,651	-
Swaps	373,924	72,555	736,219	104,091
Futures	-	406	-	2,138
Options	867	80,394	78	108,978
Other	-	-	-	625
<b>Total</b>	<b>435,617</b>	<b>153,355</b>	<b>831,948</b>	<b>215,832</b>

**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	153,319	90,604	128,851	121,886
Foreign Banks, Institutions and Funds	56,646	2,817,794	63,641	3,267,804
<b>Total</b>	<b>209,965</b>	<b>2,908,398</b>	<b>192,492</b>	<b>3,389,690</b>

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**b) Maturity information on funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	209,965	1,581,200	192,492	2,029,154
Medium and Long-Term	-	1,327,198	-	1,360,536
<b>Total</b>	<b>209,965</b>	<b>2,908,398</b>	<b>192,492</b>	<b>3,389,690</b>

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). Mentioned 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 March 31, 2012, the Group's liabilities comprise; 62% deposits (December 31, 2011 – 61%), 10% funds borrowed (December 31, 2011 – 11%) and 4% 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
<b>From domestic transactions</b>	<b>1,442,463</b>	-	<b>816,309</b>	-
Financial institutions and organizations	1,427,677	-	789,989	-
Other institutions and organizations	4,989	-	9,099	-
Real persons	9,797	-	17,221	-
<b>From foreign transactions</b>	<b>3,159</b>	<b>539,719</b>	<b>534</b>	<b>552,135</b>
Financial institutions and organizations	-	539,719	-	552,135
Other institutions and organizations	3,155	-	333	-
Real persons	4	-	201	-
<b>Total</b>	<b>1,445,622</b>	<b>539,719</b>	<b>816,843</b>	<b>552,135</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	236,809	-	268,023	-
Bills	-	932,987	-	989,875
<b>Total</b>	<b>236,809</b>	<b>932,987</b>	<b>268,023</b>	<b>989,875</b>

The Parent Bank has issued bonds with USD 500 million nominal value, 5 years maturity and 5.5% fixed interest rate in foreign markets on May 11, 2011. The Parent Bank has issued bonds with TL 150,000 nominal value, 6 months maturity and 10.66% interest rate on November 2, 2011 and issued bonds with TL 200,000 nominal value, 6 months maturity and 10.45% interest rate on November 30, 2011.

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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 <sup>(*)</sup>	65,720	93,334	30,334	124,258
Cash Flow Hedge <sup>(**)</sup>	45,500	-	34,325	-
Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>111,220</b>	<b>93,334</b>	<b>64,659</b>	<b>124,258</b>

<sup>(\*)</sup> Derivative financial instruments held for the fair value hedge purposes include swaps. As of March 31, 2012, TL 61,217 (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 97,837 (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.

<sup>(\*\*)</sup> Represents the fair value of derivatives which are the hedging instruments of deposits' cash flow risk.



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**9. Information on provisions**

**9.1. Information on general provisions**

	<b>Current Period</b>	<b>Prior Period</b>
Provisions for Loans and Receivables in Group I	318,362	286,073
Provisions for Loans and Receivables in Group II	40,091	34,212
Provisions for Non - Cash Loans	51,866	50,771
Other	29,851	29,385
<b>Total</b>	<b>440,170</b>	<b>400,441</b>

In accordance with the “Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside” published in Official Gazette No: 27947 dated May 28, 2011, No: 27968 dated June 18, 2011, and No: 28158 dated December 30, 2011 general provision amounts provided on rescheduled loans without considering the reason are changed. As of March 31, 2012 loans and receivables amounting to TL 352,084 is extended up to 1 year and TL 459,832 is extended for 1 year and longer and rescheduled.

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

	<b>Current Period</b>	<b>Prior Period</b>
Foreign Exchange Provision for Foreign Currency Indexed Loans <sup>(*)</sup>	11,334	1,647

<sup>(\*)</sup> The foreign exchange provision for foreign currency indexed loans netted against “Loans and Receivables” in asset.

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

The specific provision for non cash loans which are related with the non-performing cash loans in arrears or the loans which were written off from balance sheet is TL 52,817 (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 March 31, 2012, TL 33,485 (December 31, 2011 - TL 32,870) reserve for employee termination benefits was provided in the accompanying financial statements.

As of March 31, 2012, the Group accrued TL 20,880 (December 31, 2011 - TL 18,779) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of March 31, 2012, TL 57,523 (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**

	<b>Current Period</b> <b>01.01-31.03.2012</b>	<b>Prior Period</b> <b>01.01-30.03.2011</b>
As of January 1	32,870	26,826
Service cost	2,384	2,184
Interest Cost	1,229	787
Paid during the period	(2,998)	(1,575)
<b>Total</b>	<b>33,485</b>	<b>28,222</b>

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**9.5. Information on other provisions**

**9.5.1. Information on free reserves for possible loan losses**

	<b>Current Period</b>	<b>Prior Period</b>
Free Reserves for Possible Loan Losses	68,931	63,702

As of March 31, 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:

	<b>Current Period</b>	<b>Prior Period</b>
Provision for Promotion Expenses of Credit Cards	13,011	13,832
Other Provisions	28,773	26,936
<b>Total</b>	<b>41,784</b>	<b>40,768</b>

**10. Taxation**

**10.1. Current taxes**

**10.1.1. Current tax liability**

As of March 31, 2012, the Group has current tax liability of TL 302,003 (December 31, 2011 - TL 226,159) and advance taxes of TL 219,479 (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 88,121 (December 31, 2011 - TL 77,957) and the current tax asset as TL 5,597 (December 31, 2011 - TL 533) are disclosed in the accompanying consolidated financial statements.

**10.1.2. Information on taxes payable**

	<b>Current Period</b>	<b>Prior Period</b>
Corporate taxes payable	88,121	77,957
Banking and Insurance Transaction Tax (BITT)	30,896	30,496
Taxation on Securities Income	36,108	32,463
Taxation on Real Estates Income	1,794	1,210
Other	7,557	19,997
<b>Total</b>	<b>164,476</b>	<b>162,123</b>

**10.1.3. Information on premiums**

	<b>Current Period</b>	<b>Prior Period</b>
Social Security Premiums - Employee Share	9,852	9,387
Social Security Premiums - Employer Share	10,407	9,922
Unemployment Insurance - Employee Share	692	659
Unemployment Insurance - Employer Share	1,377	1,325
Other	15	-
<b>Total</b>	<b>22,343</b>	<b>21,293</b>

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**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 8,365 (December 31, 2011 – TL 15,956) and deferred tax liability is TL 16,630 (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 asset amounting to TL 37,807 is netted under equity (December 31, 2011 –TL 66,106 deferred tax asset).

	<b>Temporary Differences</b>		<b>Deferred Tax Asset / (Liability)</b>	
	<b>March 31, 2012</b>	<b>Dec. 31, 2011</b>	<b>March 31, 2012</b>	<b>Dec. 31, 2011</b>
Reserve for employee benefits	111,888	103,242	22,378	20,648
The differences between carrying and taxable amounts of financial assets	264,284	347,075	52,857	69,415
Unused investment incentive certificates	39,634	38,671	79	7,734
Other	109,287	27,091	21,857	5,419
<b>Deferred Tax Asset</b>			<b>97,171</b>	<b>103,216</b>
The differences between carrying and taxable amounts of tangible assets	(102,744)	(105,565)	(20,549)	(21,113)
The differences between carrying and taxable amounts of financial assets	(351,460)	(380,220)	(70,292)	(76,044)
Other	(72,979)	(54,962)	(14,595)	(10,993)
<b>Deferred Tax Liability</b>			<b>(105,436)</b>	<b>(108,150)</b>
<b>Deferred Tax Asset / (Liability), Net</b>			<b>(8,265)</b>	<b>(4,934)</b>

	<b>Current Period 01.01-31.03.2012</b>	<b>Prior Period 01.01-31.03.2011</b>
Deferred Tax Asset / (Liability) as of January 1 (Net)	(4,934)	(42,451)
Deferred Tax (Charge) / Benefit	24,968	(29,381)
Deferred Tax Items Accounted for under the Equity	(28,299)	45,510
<b>Deferred Tax Asset/ (Liability) as of March 31, 2012 (Net)</b>	<b>(8,265)</b>	<b>(26,322)</b>

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

None (December 31, 2011 – None).

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**12. Information on subordinated loans**

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	1,637,303	-	1,742,641
From Other Foreign Institutions	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1,637,303</b>	<b>-</b>	<b>1,742,641</b>

The Parent Bank received USD 650 million of subordinated loan during 2008 and USD 325 million of subordinated loan 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 5<sup>th</sup> 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 the previous period to be used in capital increase. In addition, the Parent Bank received USD 260 million of subordinated loan in the prior period from National Bank of Greece S.A.

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

**13.1. Paid-in capital**

	Current Period	Prior Period
Common Stock	2,440,000	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	2,440,000	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**

None.

**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.

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

	Current Period	Prior Period
Number of Stocks (Thousands)	24,400,000	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.

**15. Marketable securities value increase fund**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Associates, Subsidiaries and Entities under Common Control</b>	-	-	-	-
Valuation Differences	-	-	-	-
Foreign Exchange Rate Differences	-	-	-	-
<b>Securities Available-for-Sale</b>	<b>(45,566)</b>	<b>(95,906)</b>	<b>(98,932)</b>	<b>(154,784)</b>
Valuation Differences	(45,566)	(95,906)	(98,932)	(154,784)
Foreign Exchange Rate Differences	-	-	-	-
<b>Total</b>	<b>(45,566)</b>	<b>(95,906)</b>	<b>(98,932)</b>	<b>(154,784)</b>

**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	435,617	153,355	831,948	215,832
Deposits	159,236	21,125	135,902	26,499
Derivative Financial Liabilities Held for Hedging Purposes	111,220	93,334	64,659	124,258
Money Market Borrowings	1,902	314	642	587
Funds Borrowed	1,030	43,340	1,424	27,212
Other Accruals	42,623	57,824	23,971	47,546
<b>Total</b>	<b>751,628</b>	<b>369,292</b>	<b>1,058,546</b>	<b>441,934</b>

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**SECTION FIVE**

**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**

	<b>Current Period</b>	<b>Prior Period</b>
Letters of Guarantee in FC	1,575,713	1,791,107
Letters of Guarantee in TL	3,638,859	3,423,939
Letters of Credit	629,799	688,611
Bank Loans	890,883	1,048,329
Other Guarantees	31,291	33,672
<b>Total</b>	<b>6,766,545</b>	<b>6,985,658</b>

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

Specific provision is provided for the non-cash loans amounting to TL 52,817 (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**

	<b>Current Period</b>	<b>Prior Period</b>
Provisional Letters of Guarantee	508,047	395,780
Final Letters of Guarantee	3,733,754	3,826,420
Advance Letters of Guarantee	164,190	172,828
Letters of Guarantee Given to Customs Offices	202,812	202,919
Other Letters of Guarantee	605,769	617,099
<b>Total</b>	<b>5,214,572</b>	<b>5,215,046</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
<b>Non-Cash Loans granted for Obtaining Cash Loans</b>	<b>399,209</b>	<b>383,661</b>
Less Than or Equal to One Year with Original Maturity	35,250	23,877
More Than One Year with Original Maturity	363,959	359,784
<b>Other Non-Cash Loans</b>	<b>6,367,336</b>	<b>6,601,997</b>
<b>Total</b>	<b>6,766,545</b>	<b>6,985,658</b>

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

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
<b>Agricultural</b>	<b>12,948</b>	<b>0.35</b>	<b>12,020</b>	<b>0.40</b>	<b>11,480</b>	<b>0.33</b>	<b>4,632</b>	<b>0.13</b>
Farming and Raising Livestock	11,312	0.30	8,720	0.29	10,074	0.29	1,454	0.04
Forestry	650	0.02	-	-	624	0.02	-	-
Fishing	986	0.03	3,300	0.11	782	0.02	3,178	0.09
<b>Manufacturing</b>	<b>670,570</b>	<b>18.12</b>	<b>1,483,171</b>	<b>48.87</b>	<b>628,915</b>	<b>18.19</b>	<b>1,624,198</b>	<b>46.47</b>
Mining and Quarrying	19,331	0.52	220	0.01	20,112	0.58	492	0.01
Production	570,902	15.43	1,380,838	45.50	531,089	15.36	1,509,406	43.19
Electricity, gas and water	80,337	2.17	102,113	3.36	77,714	2.25	114,300	3.27
<b>Construction</b>	<b>1,004,506</b>	<b>27.15</b>	<b>440,489</b>	<b>14.51</b>	<b>848,019</b>	<b>24.53</b>	<b>572,361</b>	<b>16.38</b>
<b>Services</b>	<b>1,967,760</b>	<b>53.18</b>	<b>1,080,383</b>	<b>35.59</b>	<b>1,918,313</b>	<b>55.48</b>	<b>1,276,181</b>	<b>36.53</b>
Wholesale and Retail Trade	1,215,503	32.84	618,657	20.38	1,185,470	34.27	721,489	20.65
Hotel, Food and Beverage								
Services	26,929	0.73	16,491	0.54	24,926	0.72	4,368	0.12
Transportation&Communication	98,414	2.66	139,355	4.59	68,698	1.99	150,092	4.30
Financial Institutions	350,973	9.49	240,419	7.92	373,121	10.79	312,094	8.93
Real Estate and Renting Services	3,720	0.10	8,712	0.29	5,719	0.17	2,138	0.06
Self Employment Services	89,684	2.42	12,476	0.41	80,738	2.34	11,707	0.34
Educational Services	1,326	0.04	266	0.01	1,606	0.05	-	-
Health and Social Services	181,211	4.90	44,007	1.45	178,035	5.15	74,293	2.13
<b>Other (*)</b>	<b>44,377</b>	<b>1.20</b>	<b>19,030</b>	<b>0.63</b>	<b>50,779</b>	<b>1.47</b>	<b>17,108</b>	<b>0.49</b>
<b>Total</b>	<b>3,700,161</b>	<b>100.00</b>	<b>3,035,093</b>	<b>100.00</b>	<b>3,457,506</b>	<b>100.00</b>	<b>3,494,480</b>	<b>100.00</b>

(\*) Does not include foreign currency balance of "Other Guarantees" amounting to TL 31,291 (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	3,465,841	1,465,761	146,917	83,236
Bill of Exchange and Acceptances	61,137	805,665	-	24,081
Letters of Credit	165	627,152	-	2,482
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	31,291	-	-
<b>Non-cash Loans</b>	<b>3,527,143</b>	<b>2,929,869</b>	<b>146,917</b>	<b>109,799</b>

(\*) Does not include non-cash loans amounting to TL 52,817, 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**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Types of trading transactions</b>		
<b>Foreign Currency Related Derivative Transactions (I)</b>	<b>51,891,821</b>	<b>51,533,238</b>
Forward transactions (*)	8,485,011	10,765,945
Swap transactions	26,908,394	29,755,228
Futures transactions	206,142	216,141
Option transactions	16,292,274	10,795,924
<b>Interest Related Derivative Transactions (II)</b>	<b>4,655,354</b>	<b>5,156,173</b>
Forward rate transactions	-	-
Interest rate swap transactions	4,368,560	4,964,407
Interest option transactions	40,000	40,000
Futures interest transactions	211,594	151,766
Security option transactions	35,200	-
<b>Other trading derivative transactions (III)</b>	<b>-</b>	<b>-</b>
<b>A. Total Trading Derivative Transactions (I+II+III)</b>	<b>56,547,175</b>	<b>56,689,411</b>
<b>Types of hedging transactions</b>		
Fair value hedges	17,073,703	17,252,307
Cash flow hedges	1,062,475	1,062,475
Net investment hedges	-	-
<b>B. Total Hedging Related Derivatives</b>	<b>18,136,178</b>	<b>18,314,782</b>
<b>Total Derivative Transactions (A+B)</b>	<b>74,683,353</b>	<b>75,004,193</b>

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

**5.1 Fair value hedge accounting**

**a) Loans**

The Bank enters into swap transactions in order to hedge itself from the changes in the fair value due to the changes in market interest rates of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. As of the balance sheet date; the mortgage loans amounting to TL 4,900,222 (December 31, 2011 – TL 4,357,337) are subject to hedge accounting by swaps with the nominal values of TL 6,750,109 (December 31, 2011 – TL 6,528,617). In 2012, the net market valuation difference loss amounting to TL 3,213 due to the gains from loans amounting to TL 41,740 (March 31, 2011 – None) and losses from swaps amounting to TL 44,953 (March 31, 2011 - None) is accounted for under “securities trading gains/losses” line in the accompanying financial statements.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through income statement until the maturity of the hedged loans. The Bank has booked the valuation effect amounting to TL 17,243 (March 31, 2011 – 26,434) related to the loans that are ineffective for hedge accounting under “securities trading gains/losses” as loss during the current period.



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**b) Investment securities available for sale**

The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term foreign currency Eurobonds with fixed coupon held by the Bank using swaps as hedging instruments. As at the balance sheet date; Eurobonds with the nominal values of USD 214 million and EUR 26 million (December 31, 2011 – USD 214 million and EUR 26 million) were subject to hedge accounting by interest rate swaps with the same nominal value. In 2012, the net market valuation difference gain amounting to TL 260 due to losses from Eurobonds amounting to TL 27,498 (March 31, 2011 – TL 3,742 gains) and gains from swaps amounting to TL 27,758 (March 31, 2011 – TL 3,729 losses) is accounted for under “securities trading gains/losses” line in the accompanying financial statements.

The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term TL government bonds with fixed coupon held by the Bank using swaps as hedging instruments. As at the balance sheet date; government bonds with the nominal values of TL 198,305 (December 31, 2011 – TL 102,030) were subject to hedge accounting by swaps with the same nominal value. In 2012, the net market valuation difference gains amounting to TL 15 due to gain from government bonds amounting to TL 3,003 (March 31, 2011 – none) and loss from swaps amounting to TL 2,988 (March 31, 2011 - none) is accounted for under “securities trading gains/losses” line in the accompanying financial statements.

**c) Bonds issued**

The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to foreign currency bonds issued by the Bank using interest rate swaps as hedging instruments. As at the balance sheet date; bonds with the nominal values of USD 497 million (December 31, 2011 – USD 497 million) were subject to hedge accounting by swaps with the same nominal value. As of March 31, 2012 net market valuation difference loss amounting to TL 78 due to gains from government bonds amounting to TL 1,511 (March 31, 2011 – none) and losses from swaps amounting to TL 1,589 (March 31, 2011 - none) is accounted for under “securities trading gains/losses” line in the accompanying financial statements.

**5.2 Cash flow hedge accounting**

**a) Deposit**

To avoid from the interest rate changes of deposits that have an average maturity of 1 month, the Bank implements cash flow hedge accounting with interest rate swaps. The Bank implements efficiency tests at the balance sheet dates for hedging purposes; the effective portions are accounting for under equity “Hedging Funds”, whereas the amount concerning ineffective portions are accounted for at income statement as defined in TAS 39. Swaps amounting to TL 531,238 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 3,123 are accounted for under equity during the current period (March 31, 2011 – TL 1,049). The losses amounting to TL 163 concerning for the ineffective portions are accounted for at the income statement.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. Effective parts classified under equity due to hedge accounting are amortized through income statement until the maturity of swaps in case of ineffectiveness. The Bank transferred loss amounting to TL 1,427 from equity to income statement due to swaps that are matured or whose effectiveness is deteriorated during the current period (March 31, 2011 – TL 1,050 gain).

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As of March 31, 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 <sup>(*)</sup>	Forward Sell <sup>(*)</sup>	Swap Buy <sup>(*)</sup>	Swap Sell <sup>(*)</sup>	Option Buy	Option Sell	Future Buy	Future Sell
<b>Current Period</b>								
TL	1,438,599	1,294,836	8,273,164	13,779,090	3,766,108	3,417,552	9,153	3,772
USD	1,645,230	1,858,345	15,206,145	9,617,304	2,763,631	2,705,185	199,123	204,438
EURO	950,582	918,144	661,364	1,409,941	1,469,224	1,691,278	625	625
Other	214,613	164,663	167,187	174,918	248,609	305,887	-	-
<b>Total</b>	<b>4,249,024</b>	<b>4,235,988</b>	<b>24,307,860</b>	<b>24,981,253</b>	<b>8,247,572</b>	<b>8,119,902</b>	<b>208,901</b>	<b>208,835</b>

<sup>(\*)</sup> This column also includes hedging purpose derivatives.

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

	Forward Buy <sup>(*)</sup>	Forward Sell <sup>(*)</sup>	Swap Buy <sup>(*)</sup>	Swap Sell <sup>(*)</sup>	Option Buy	Option Sell	Future Buy	Future Sell
<b>Prior Period</b>								
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	-	-
<b>Total</b>	<b>5,374,810</b>	<b>5,391,135</b>	<b>26,426,258</b>	<b>26,608,159</b>	<b>5,454,211</b>	<b>5,381,713</b>	<b>183,941</b>	<b>183,966</b>

<sup>(\*)</sup> This column also includes hedging purpose derivatives.

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

As of March 31, 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**

<b>MOODY'S March 2012</b>		<b>FITCH April 2012</b>		<b>CI September 2011</b>	
Long-Term Deposit Rating (FC)	Ba3	Long -Term Foreign Curr.	BBB-	Long-Term Foreign Curr.	BB
Long-Term Deposit Rating (TL)	Baa2	Short-Term Foreign Curr.	F3	Short-Term Foreign Curr.	B
Short-Term Deposit Rating (TL)	Prime-2	Long-Term TL	BBB-	Financial Strength at local market	BBB+
Financial Strength	C-	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	680,281	15,258	488,451	10,501
Medium and Long-Term Loans	429,222	28,290	365,154	18,597
Non-Performing Loans	24,706	-	23,559	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>1,134,209</b>	<b>43,548</b>	<b>877,164</b>	<b>29,098</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	229	-	-
Domestic Banks	3,288	7	1,025	71
Foreign Banks	396	70	1,053	1,639
Foreign Headquarters and Branches	-	-	-	-
<b>Total</b>	<b>3,684</b>	<b>306</b>	<b>2,078</b>	<b>1,710</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	4,146	133	596	123
Financial Assets at FVTPL	5	-	613	-
Investment Securities Available for Sale	138,505	10,212	85,181	12,119
Investment Securities Held to Maturity	-	-	-	-
<b>Total</b>	<b>142,656</b>	<b>10,345</b>	<b>86,390</b>	<b>12,242</b>

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

None (March 31, 2011 – None).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
T.R. Central Bank	-	-	-	-
Domestic Banks	2,610	631	2,885	629
Foreign Banks	3,039	36,808	10,262	36,745
Foreign Headquarters and Branches	-	-	-	-
Other Institutions	-	-	-	-
<b>Total</b>	<b>5,649</b>	<b>37,439</b>	<b>13,147</b>	<b>37,374</b>

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

None (March 31, 2011 – None).

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

The Parent Bank has issued bonds with USD 500 million nominal value, 5 years maturity and 5.5% fixed interest rate in foreign markets on May 11, 2011. The Parent Bank has issued bonds with TL 150,000 nominal value, 6 months maturity and 10.66% interest rate on November 2, 2011 and issued bonds with TL 200,000 nominal value, 6 months maturity and 10.45% interest rate on November 30, 2011. As of March 31, 2012, interest expense amounting to TL 17,993 is booked for the bond issued (March 31, 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	Total
							Deposit Account	
Turkish Lira								
Bank Deposits	-	3,096	307	121	8	16	-	3,548
Saving Deposits	1	27,838	316,564	74,607	7,640	535	409	427,594
Public Sector Deposits	-	188	1,259	115	3	-	-	1,565
Commercial Deposits	1	21,013	62,893	21,681	2,624	1,648	-	109,860
Other Deposits	-	517	18,954	4,147	44	264	-	23,926
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	2	52,652	399,977	100,671	10,319	2,463	409	566,493
Foreign Currency								
Deposits	-	7,227	50,290	8,535	2,946	275	96	69,369
Bank Deposits	61	823	826	37	-	58	-	1,805
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	293	-	-	-	-	-	293
Total	61	8,343	51,116	8,572	2,946	333	96	71,467
Grand Total	63	60,995	451,093	109,243	13,265	2,796	505	637,960

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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	-	5,473	2,298	-	-	48	-	7,819
Saving Deposits	1	35,395	162,643	7,461	1,985	8	273	207,766
Public Sector Deposits	-	102	2,485	16	-	-	-	2,603
Commercial Deposits	1	19,426	62,809	6,938	4,460	-	-	93,634
Other Deposits	-	690	10,855	906	47	-	-	12,498
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	2	61,086	241,090	15,321	6,492	56	273	324,320
Foreign Currency								
Deposits	1	7,396	30,923	2,881	954	326	48	42,529
Bank Deposits	32	1,684	1,271	311	-	-	-	3,298
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	68	-	-	-	-	-	68
Total	33	9,148	32,194	3,192	954	326	48	45,895
Grand Total	35	70,234	273,284	18,513	7,446	382	321	370,215

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expenses on Repurchase Agreements <sup>(*)</sup>	20,117	2,148	22,754	1,023

<sup>(\*)</sup> Disclosed in "Interest on Money Market Transactions".

**f) Information on finance lease expenses**

None (March 31, 2011 – None).

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

None (March 31, 2011 – None).

**3. Information on dividend income**

	Current Period	Prior Period
Financial Assets Held for Trading	-	-
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets Available for Sale	-	37
Other	-	6
<b>Total</b>	<b>-</b>	<b>43</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
<b>Trading Gain</b>	<b>1,447,327</b>	<b>1,880,666</b>
Gains on Capital Market Operations	20,334	85,757
Derivative Financial Instruments	558,519	584,218
Foreign Exchange Gains	868,474	1,210,691
<b>Trading Loss (-)</b>	<b>(1,564,976)</b>	<b>(1,798,442)</b>
Losses on Capital Market Operations	(19,915)	(28,021)
Derivative Financial Instruments	(657,350)	(540,648)
Foreign Exchange Losses	(887,711)	(1,229,773)
<b>Net Trading Income/Loss</b>	<b>(117,649)</b>	<b>82,224</b>

**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**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Specific Provisions For Loans and Other Receivables</b>	<b>96,880</b>	<b>43,259</b>
Loans and Receivables in Group III	(7,844)	2,449
Loans and Receivables in Group IV	51,171	5,749
Loans and Receivables in Group V	53,553	35,061
<b>Doubtful Fee, Commission and Other Receivables</b>	<b>-</b>	<b>-</b>
<b>General Provisions</b>	<b>39,729</b>	<b>21,409</b>
<b>Provision for Free Reserves on Possible Losses</b>	<b>5,229</b>	<b>4,789</b>
<b>Impairment Losses on Securities</b>	<b>315</b>	<b>15</b>
Financial assets at fair value through profit or loss	-	-
Investment Securities available for sale	315	15
<b>Impairment Losses on Associates, Subsidiaries and</b>		
<b>Investment Securities Held-to-Maturity</b>	<b>-</b>	<b>-</b>
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
<b>Other</b>	<b>2,924</b>	<b>6,090</b>
<b>Total</b>	<b>145,077</b>	<b>75,562</b>

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**7. Information on other operating expenses**

	<b>Current Period</b>	<b>Prior Period</b>
Personnel costs	183,808	181,463
Reserve for employee termination benefits	615	1,006
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation charge of tangible assets	23,219	20,498
Impairment losses on intangible assets	-	-
Impairment losses on goodwill	-	-
Amortization charge of intangible assets	12,689	8,769
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed of	-	-
Depreciation on assets to be disposed	580	353
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	151,803	135,449
Operational lease related expenses	33,828	28,271
Repair and maintenance expenses	12,472	11,420
Advertisement expenses	17,650	15,485
Other expenses	87,853	80,273
Losses on sales of assets	1,006	184
Other	61,203	62,894
<b>Total</b>	<b>434,923</b>	<b>410,616</b>

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

For the period ended March 31, 2012, net interest income of TL 656,633 (March 31, 2011 - TL 586,631), net fees and commission income of TL 257,803 (March 31, 2011 – TL 180,881) and other operating income of TL 61,331 (March 31, 2011 – TL 34,317) 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 March 31, 2012, the Group recorded current tax charge of TL 86,823 (March 31, 2011 - TL 53,788) and a deferred tax benefit of TL 24,968 (March 31, 2011 – TL 29,381 deferred tax charge).

	<b>Current Period</b>	<b>Prior Period</b>
Current Tax Provision	(81,841)	(53,788)
Adjustment concerning the prior period's corporate tax (*)	(4,982)	-
Deferred Tax Income/(Expense)	24,968	(29,381)
<b>Total</b>	<b>(61,855)</b>	<b>(83,169)</b>

(\*)As explained in section 3 footnote XXII, as of 31 March 2012, Finans Finansal Kiralama A.Ş., applied the investment incentive exemption fully; accrued investment incentive withholding tax amounting to TL 2,753; and recognized the tax effect of investment incentive exemption amounting to TL 7,735 as income under "current tax provision" in the financial statements. The related amount was deducted from the tax base during the calculation of 2011 corporate tax; however; was not reflected in the financial statements as of December 31, 2011 due to the uncertainty of the issuance date of the financial statements..

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

None (March 31, 2011 – None).

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

Net profit of the Group from continued operations is TL 216,263 (March 31, 2011 – TL 314,749).

**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 (March 31, 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**

	<b>Current Period</b>	<b>Prior Period</b>
Profit / Loss Attributable to Minority Shares	4,061	3,378

**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 FLOW STATEMENT**

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

	<b>Current Period</b>	<b>Prior Period</b>
	<b>January 1, 2012</b>	<b>January 1, 2011</b>
<b>Cash</b>	<b>524,265</b>	<b>429,473</b>
Cash in TL	320,914	223,045
Cash in Foreign Currencies	184,674	177,056
Other	18,677	29,372
<b>Cash Equivalents</b>	<b>2,493,964</b>	<b>2,526,224</b>
Balances with the T.R. Central Bank	480,213	1,968,847
Banks and Other Financial Institutions	932,227	559,178
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)
<b>Cash and Cash Equivalents</b>	<b>3,018,229</b>	<b>2,955,697</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
	<b>March 31, 2012</b>	<b>March 31, 2011</b>
<b>Cash</b>	<b>482,985</b>	<b>429,026</b>
Cash in TL	318,348	223,042
Cash in Foreign Currencies	144,874	144,159
Other	19,763	61,825
<b>Cash Equivalents</b>	<b>2,284,309</b>	<b>2,876,403</b>
Balances with the T.R. Central Bank	1,905,023	2,576,937
Banks and Other Financial Institutions	289,408	295,866
Money Market Placements	95,284	5,299
Less: Placements with Banks with Maturities Longer than 3 Months	(1,171)	-
Less: Accruals	(4,235)	(1,699)
<b>Cash and Cash Equivalents</b>	<b>2,767,294</b>	<b>3,305,429</b>

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

Foreign bank balances include TL 7 (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 (March 31, 2011 – None).

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

FINANSBANK ANONİM ŞİRKETİ

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

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 March 31, 2012, the Parent Bank's risk group has deposits, cash and non-cash loans at the Parent Bank amounting to TL 87,907 (December 31, 2011 – TL 91,465), TL 33,406 (December 31, 2011 – TL 34,873) and TL 7,406 (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
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	-	-	-	3,072	34,873	2
Balance at the End of the Period	-	-	-	6,993	33,406	413
Interest and Commission Income	-	-	1	7	571	-

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
<b>Loans and Other Receivables</b>						
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	-	4	535	-

(\*) 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
<b>Deposits</b>						
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	57,664	58,340	28,463	31,009	1,780	2,116
Interest on deposits	188	66	-	-	-	645

(\*) 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 <sup>(*)</sup>	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
<b>Transactions for Trading Purposes</b>						
Beginning of the Period	-	-	34,165	817,073	28,702	246,599
End of the Period	-	-	382,626	34,165	14,889	28,702
Total Income/Loss <sup>(**)</sup>	-	-	-	-	-	-
<b>Transactions for Hedging Purposes</b>						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss <sup>(**)</sup>	-	-	-	-	-	-

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

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

**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**

The pricing of transactions with the risk group companies is set in compliance with the market prices. As of March 31, 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 1.7 % (December 31, 2011 – 0.3%) of the Parent Bank's total deposits and the derivative transactions represented 1.5% (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 Ibttech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek Sanayi ve Ticaret A.Ş. regarding research, development, advisory and improvement services.

Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., in which the 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 NBB 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.

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND  
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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** According to Board of Directors' decision dated April 26, 2012 numbered 169, Head Office has been authorized to increase issued capital amounting to TL 2,440,000 by TL 125,000 from bonus shares, providing TL 122,000 from first dividends of 2011 and TL 3,000 from extraordinary reserves, to TL 2,565,000 within the limits of registered capital ceiling amounting to TL 6,000,000 which has been specified by Bank's Board of Directors, to distribute representative shares due to increase in capital from bonus shares to shareholders within the framework of registered system regulations of the legislation of Capital Market, to apply to official institutions in order to obtain necessary permissions and to perform necessary operations.

**1.2** On April 27, 2012 bank bills with nominal value of TL 150,000 has been matured.

**1.3** The Bank obtained approval to issue bank bills with nominal value of TL 400,000 from the Capital Markets Board on May 4, 2012. The demand building procedure for the bank bills was performed on May 7-8-9, 2012. TRQFNBKK1215 ISIN coded bill is started to be traded since May 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 Bank have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and the limited review report dated May 23, 2012 is presented preceding the financial statements.

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

None (December 31, 2011 – None).