

FİNANSBANK ANONİM ŞİRKETİ

**INDEPENDENT ACCOUNTANT'S
LIMITED REVIEW REPORT,
CONSOLIDATED FINANCIAL
STATEMENTS AND NOTES
FOR THE PERIOD ENDED
JUNE 30, 2013**

*Translated into English from the
Original Turkish Report*

FINANSBANK ANONİM ŞİRKETİ

INDEPENDENT ACCOUNTANT'S LIMITED REVIEW REPORT FOR THE INTERIM PERIOD JANUARY 1 –JUNE 30, 2013

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

We have reviewed the accompanying consolidated balance sheet of Finansbank A.Ş. ("The Bank") and its financial subsidiaries ("The Group") as of June 30, 2013 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.

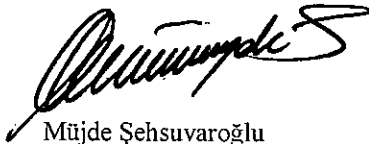
We conducted our review in accordance with the accounting rules and policies, and the accounting and auditing standards, set out as per the Banking Act No: 5411. Those standards require that we plan and perform the review to obtain limited assurance as to whether the financial statements are free of 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 June 30, 2013 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

İstanbul, August 21, 2013

**THE CONSOLIDATED FINANCIAL REPORT OF FİNANSBANK A.Ş.
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2013**

The Parent Bank's;
Address of the Head Office : Büyükdere Caddesi No:129 34394 Mecidiyeköy/İSTANBUL
Phone number : (0212) 318 50 00
Facsimile number : (0212) 318 58 50
Web page : www.finansbank.com.tr
E-mail address : name.surname@finansbank.com.tr

The consolidated financial report for the six 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 listed below:

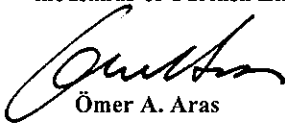
- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE PARENT BANK
- INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP
- FOOTNOTES AND EXPLANATIONS ON CONSOLIDATED FINANCIAL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

Within the context of this financial report, the consolidated subsidiaries and entities under common control 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 Faktoring Hizmetleri Anonim Şirketi
- Entities Under Common Control (Joint Ventures)**
1. Finans Emeklilik ve Hayat Anonim Şirketi

The consolidated financial statements and related disclosures and footnotes for the six month period, are prepared in accordance with the Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying consolidated financial statements are presented in thousands of Turkish Lira (TL).



Ömer A. Aras
Chairman of
the Board of Directors



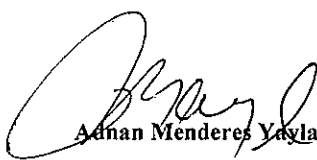
Mustafa A. Aysan
Member of the Board of
Directors and Chairman of the Audit
Committee



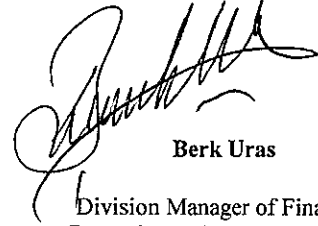
Michail Oratis
Member of the Board of
Directors and of the Audit Committee



Temel Güzeloğlu
General Manager and
Member of the
Board of Directors



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



Berk Uras
Division Manager of Financial
Reporting and Treasury Control

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

Name - Surname/Title : Berk Uras / Division Manager of Financial Reporting and Treasury Control
Phone Number : (0 212) 318 52 97
Facsimile Number : (0 212) 318 55 78

INDEX

SECTION ONE GENERAL INFORMATION

I.	Explanatory note on the establishment date, nature of activities and history	1
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	1
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	1
IV.	Information about the persons and institutions that have qualified shares on the Parent Bank	2
V.	Explanations on the Parent Bank's services and activities	2
VI.	Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between parent bank and its subsidiaries	2

SECTION TWO CONSOLIDATED FINANCIAL STATEMENTS

I.	Consolidated balance sheet	4-5
II.	Consolidated statements of off-balance sheet commitments and contingencies	6
III.	Consolidated income statement	7
IV.	Consolidated statement of profit and loss accounted for under equity	8
V.	Consolidated statement of changes in shareholders' equity	9
VI.	Consolidated cash flows statement	11

SECTION THREE ACCOUNTING POLICIES

I.	Basis of presentation	12
II.	Strategy for use of financial instruments and foreign currency transactions	13
III.	Information on associates, subsidiaries and entities under common control	14
IV.	Explanations on forwards, option contracts and derivative instruments	15
V.	Explanations on interest income and expenses	15
VI.	Explanations on fees and commission income and expenses	16
VII.	Explanations and disclosures on financial assets	16
VIII.	Explanations on impairment of financial assets	18
IX.	Explanations on netting of financial instruments and derecognition of financial assets	18
X.	Explanations on sales and repurchase agreements and lending of securities	18
XI.	Explanations on assets held for sale and discontinued operations	19
XII.	Explanations on goodwill and other intangible assets	19
XIII.	Explanations on tangible assets	19
XIV.	Explanations on leasing transactions	20
XV.	Explanations on factoring receivables	20
XVI.	Explanations on provisions and contingent liabilities	20
XVII.	Explanations on obligations of the Group concerning employee benefits	20
XVIII.	Explanations on taxation	21
XIX.	Additional explanations on borrowings	22
XX.	Explanation on share issues	22
XXI.	Explanation on confirmed bills of exchange and acceptances	22
XXII.	Explanations on government incentives	22
XXIII.	Explanations on reporting according to segmentation	22
XXIV.	Profit reserves and profit distribution	24
XXV.	Explanations on other matters	24

SECTION FOUR INFORMATION ON GROUP'S FINANCIAL STRUCTURE

I.	Explanations related to consolidated capital adequacy ratio	25
II.	Information on consolidated market risk	29
III.	Explanations related to operational risk	29
IV.	Explanations related to consolidated foreign exchange risk	31
V.	Explanations related to consolidated interest rate risk	33
VI.	Explanations related to consolidated liquidity risk	36
VII.	Explanations related to consolidated securitization positions	38
VIII.	Explanations related to consolidated credit risk mitigation techniques	38
IX.	Explanations related to risk management objectives and policies	39
X.	Explanations related to transactions carried out on behalf of the customers, items held in trust	39

SECTION FIVE EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

I.	Explanations and disclosures related to consolidated assets	40
II.	Explanations and disclosures related to consolidated liabilities	56
III.	Explanations and disclosures related to consolidated off-balance sheet items	65
IV.	Explanations and disclosures related to consolidated the income statement	70
V.	Explanations and disclosures related to consolidated cash flows statement	75
VI.	Explanations and disclosures related to the Parent Bank's risk group	76

SECTION SIX OTHER EXPLANATIONS AND DISCLOSURES

I.	Other explanations related to the Group's operations	78
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SECTION SEVEN LIMITED REVIEW REPORT

I.	Explanations on the limited review report	79
II.	Explanations on the notes prepared by independent auditors	79

FINANSBANK ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2013
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION ONE

GENERAL INFORMATION

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

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 June 30, 2013, 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
António Grammatikopoulos	Board Member	June 7, 2012	Masters
Stefanos Pantzopoulos	Board Member	October 16, 2012	Graduate
Dr. Paul Mylonas	Board Member and Audit Committee Member	March 11, 2010	Phd
Christos Alexis Komninos	Board Member	February 16, 2011	Graduate
Temel Güzeleöğlu	Board Member and Managing Director	April 16, 2010	Masters
Mustafa Hamdi Gürtin	Board Member	April 16, 2010	Masters
Ali Teoman Kerman	Board Member	April 16, 2013	Masters
Dimitrios Frangetis	Board Member	September 20, 2012	Masters
Adnan Menderes Yayla	Assistant Managing Director	May 20, 2008	Masters
Metin Karabiber	Assistant Managing Director	October 8, 2010	Graduate
Murat Şakar	Assistant Managing Director	August 18, 2008	Graduate
Köksal Çoban	Assistant Managing Director	August 18, 2008	Masters
Saruhan Doğan	Assistant Managing Director	October 9, 2009	Masters
Dr. Mehmet Kürşad Demirkol	Assistant Managing Director	October 8, 2010	Phd
Özlem Cinemre	Assistant Managing Director	July 9, 1997	Graduate
Hakan Alp	Assistant Managing Director	July 7, 2010	Graduate
Tunç Erdal	Assistant Managing Director	October 8, 2010	Graduate
Filiz Şafak	Assistant Managing Director	September 19, 2007	Graduate
Levent Yörük	Assistant Managing Director	February 1, 2010	Graduate
Erkin Aydın	Assistant Managing Director	May 16, 2011	Masters
Kunter Kutluay	Assistant Managing Director	May 16, 2011	Masters
Ömür Tan	Assistant Managing Director	October 28, 2011	Graduate
Şebnem Seniye Karaduman	Assistant Managing Director	January 9, 2012	Graduate
Halim Ersun Bilgici	Assistant Managing Director	March 15, 2013	Masters
Aytaç Aydın	Assistant Managing Director	June 13, 2013	Masters

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 JUNE 30, 2013

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

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

Name Surname/Trade Name	Amount of Shares	Percentage of Shares	Paid-up Shares	Unpaid Shares
National Bank of Greece S.A.	2,085,162	77.23%	2,085,162	-
NBG Finance (Dollar) PLC	261,343	9.68%	261,343	-
NBGI Holdings B.V.	213,300	7.90%	213,300	-

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 June 30, 2013, the Parent Bank operates through 621 domestic (December 31, 2012 - 580), 1 off-shore banking (December 31, 2012 - 1) and 1 Atatürk Airport Free Trade Zone (December 31, 2012 - 1) branches.

VI. Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between parent bank and its subsidiaries

None.

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

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

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

FİNANSBANK ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2013

(STATEMENT OF FINANCIAL POSITION)

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

I. CONSOLIDATED BALANCE SHEET – ASSETS

		Reviewed 30.06.2013			Audited 31.12.2012		
	Section 5 Part I	TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	1,190,113	5,794,522	6,984,635	1,025,036	4,302,907	5,327,943
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	873,878	250,095	1,123,973	839,686	135,876	975,562
2.1 Financial assets held for trading		617,554	250,095	867,649	487,390	135,876	623,266
2.1.1 Public sector debt securities		140,194	2,768	142,962	105,400	2,869	108,269
2.1.2 Equity securities		-	-	-	-	-	-
2.1.3 Assets on trading derivatives		448,792	247,327	696,119	357,732	133,007	490,739
2.1.4 Other securities		28,568	-	28,568	24,258	-	24,258
2.2 Financial assets at fair value through profit and loss		256,324	-	256,324	352,296	-	352,296
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Equity securities		-	-	-	-	-	-
2.2.3 Loans		256,324	-	256,324	352,296	-	352,296
2.2.4 Other securities		-	-	-	-	-	-
III. BANKS	(3)	20,309	118,964	139,273	95,410	109,827	205,237
IV. MONEY MARKET PLACEMENTS		912,786	-	912,786	1,786,785	-	1,786,785
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements	(4)	912,786	-	912,786	1,786,785	-	1,786,785
V. INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(5)	4,437,729	1,086,280	5,524,009	5,931,174	1,234,774	7,165,948
5.1 Equity securities		4,391,372	1,063,666	5,455,038	5,730,803	1,208,574	6,939,377
5.2 Public sector debt securities		46,357	22,614	68,971	200,371	26,200	226,571
5.3 Other securities		-	-	-	-	-	-
VI. LOANS AND RECEIVABLES	(6)	35,919,394	3,792,850	39,712,244	33,011,328	3,426,511	36,437,839
6.1 Loans and receivables		35,395,021	3,792,850	39,187,871	32,633,806	3,426,511	36,060,317
6.1.1 Loans to risk group of the Bank		-	-	-	-	-	-
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		35,395,021	3,792,850	39,187,871	32,633,806	3,426,511	36,060,317
6.2 Non-performing loans		2,512,656	-	2,512,656	2,512,716	-	2,512,716
6.3 Specific provisions (-)		1,988,283	-	1,988,283	2,135,194	-	2,135,194
VII. FACTORING RECEIVABLES	(7)	418,916	7,755	426,671	364,145	2,622	366,767
VIII. INVESTMENT SECURITIES HELD TO MATURITY (Net)	(8)	1,631,085	-	1,631,085	-	-	-
8.1 Public sector debt securities		1,631,085	-	1,631,085	-	-	-
8.2 Other securities		-	-	-	-	-	-
IX. INVESTMENT IN ASSOCIATES (Net)	(9)	3,766	-	3,766	7,977	-	7,977
9.1 Equity method associates		3,766	-	3,766	7,977	-	7,977
9.2 Unconsolidated		-	-	-	-	-	-
9.2.1 Financial Investments		3,766	-	3,766	7,977	-	7,977
9.2.2 Non-financial Investments		-	-	-	-	-	-
X. INVESTMENT IN SUBSIDIARIES (Net)	(10)	14,986	-	14,986	14,986	-	14,986
10.1 Unconsolidated financial investments		-	-	-	-	-	-
10.2 Unconsolidated non-financial investments		14,986	-	14,986	14,986	-	14,986
XI. ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(11)	205,048	-	205,048	201,092	-	201,092
11.1 Equity method entities under common control		202,248	-	202,248	198,292	-	198,292
11.2 Unconsolidated		2,800	-	2,800	2,800	-	2,800
11.2.1 Financial investments		-	-	-	-	-	-
11.2.2 Non-financial Investments		2,800	-	2,800	2,800	-	2,800
XII. LEASE RECEIVABLES (Net)	(12)	393,064	736,148	1,129,212	308,429	667,925	976,354
12.1 Financial lease receivables		475,215	811,377	1,286,592	376,532	738,253	1,114,785
12.2 Operational lease receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned income (-)		82,151	75,229	157,380	68,103	70,328	138,431
XIII. DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(13)	727,087	52,950	780,037	202,567	37,919	240,486
13.1 Fair value hedge		604,493	52,950	657,443	202,567	37,919	240,486
13.2 Cash flow hedge		122,594	-	122,594	-	-	-
13.3 Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)		488,821	74	488,895	436,425	69	436,494
XV. INTANGIBLE ASSETS (Net)		199,635	-	199,635	180,557	-	180,557
15.1 Goodwill		8,969	-	8,969	8,969	-	8,969
15.2 Others		190,666	-	190,666	171,588	-	171,588
XVI. INVESTMENT PROPERTIES (Net)		-	-	-	-	-	-
XVII. TAX ASSETS	(14)	21,847	-	21,847	10,215	-	10,215
17.1 Current tax assets		-	-	-	-	-	-
17.2 Deferred tax assets		21,847	-	21,847	10,215	-	10,215
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(15)	-	-	-	-	-	-
18.1 Held for sale		-	-	-	-	-	-
18.2 Discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(16)	613,709	150,084	763,793	788,855	312,473	1,101,328
TOTAL ASSETS		48,072,173	11,989,722	60,061,895	45,204,667	10,230,903	55,435,570

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 JUNE 30, 2013

(STATEMENT OF FINANCIAL POSITION)

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

I. CONSOLIDATED BALANCE SHEET – LIABILITIES AND EQUITY

		Reviewed 30.06.2013			Audited 31.12.2012			
		Section 5 Part II	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(1)	25,551,219	10,100,788	35,652,007	22,643,757	10,061,260	32,705,017
1.1	Deposits from risk group of the Bank		157,019	23,069	180,088	186,025	27,391	213,416
1.2	Other		25,394,200	10,077,719	35,471,919	22,457,732	10,033,869	32,491,601
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	541,708	154,166	695,874	368,589	106,642	475,231
III.	FUNDS BORROWED	(3)	383,929	4,178,146	4,562,075	301,184	3,238,624	3,539,808
IV.	MONEY MARKET BORROWINGS		1,596,978	852,554	2,449,532	910,793	878,081	1,788,874
4.1	Interbank money markets takings		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money markets takings		47,000	-	47,000	60,000	-	60,000
4.3	Funds provided under repurchase agreements	(4)	1,549,978	852,554	2,402,532	850,793	878,081	1,728,874
V.	SECURITIES ISSUED (Net)	(5)	1,451,876	1,648,257	3,100,133	2,789,390	1,288,923	4,078,313
5.1	Bills		1,327,421	-	1,327,421	2,789,390	-	2,789,390
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		124,455	1,648,257	1,772,712	-	1,288,923	1,288,923
VI.	FUNDS		-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	SUNDRY CREDITORS		1,399,463	796,024	2,195,487	1,154,828	138,539	1,293,367
VIII.	OTHER LIABILITIES	(6)	522,289	66,624	588,913	909,037	55,769	964,806
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)	33,417	88,189	121,606	291,541	121,330	412,871
11.1	Fair value hedge		5,100	88,189	93,289	257,139	121,330	378,469
11.2	Cash flow hedge		28,317	-	28,317	34,402	-	34,402
11.3	Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII.	PROVISIONS	(9)	1,132,361	74,967	1,207,328	969,314	51,993	1,021,307
12.1	General provisions		644,474	74,967	719,441	565,691	51,993	617,684
12.2	Restructuring provisions		-	-	-	-	-	-
12.3	Reserve for employee benefits		184,177	-	184,177	203,904	-	203,904
12.4	Insurance technical provisions (Net)		-	-	-	-	-	-
12.5	Other provisions		303,710	-	303,710	199,719	-	199,719
XIII.	TAX LIABILITY	(10)	81,216	-	81,216	114,102	-	114,102
13.1	Current tax liability		79,507	-	79,507	99,035	-	99,035
13.2	Deferred tax liability		1,709	-	1,709	15,067	-	15,067
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)	-	1,761,376	1,761,376	-	1,629,590	1,629,590
XVI.	SHAREHOLDERS' EQUITY	(13)	7,705,196	(58,848)	7,646,348	7,384,225	28,059	7,412,284
16.1	Paid-in capital	(13)	2,700,000	-	2,700,000	2,565,000	-	2,565,000
16.2	Capital reserves		(83,104)	(58,848)	(141,952)	121,086	28,059	149,145
16.2.1	Share premium	(14)	714	-	714	714	-	714
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Securities value increase fund	(15)	(82,208)	(58,848)	(141,056)	168,496	28,059	196,555
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)		36,488	-	36,488	(10,026)	-	(10,026)
16.2.9	Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		(38,098)	-	(38,098)	(38,098)	-	(38,098)
16.3	Profit reserves		4,211,481	-	4,211,481	3,394,920	-	3,394,920
16.3.1	Legal reserves		363,631	-	363,631	314,251	-	314,251
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		3,847,850	-	3,847,850	3,080,669	-	3,080,669
16.3.4	Other profit reserves		-	-	-	-	-	-
16.4	Profit or loss		719,963	-	719,963	1,153,457	-	1,153,457
16.4.1	Prior years' income/ (losses)		202,774	-	202,774	49,827	-	49,827
16.4.2	Current period income/ (loss)		517,189	-	517,189	1,103,630	-	1,103,630
16.5	Minority shares		156,856	-	156,856	149,762	-	149,762
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY			40,399,652	19,662,243	60,061,895	37,836,760	17,598,810	55,435,570

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 JUNE 30, 2013

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

II. CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES

		Reviewed 30.06.2013			Audited 31.12.2012			
		Section 5 Part III	TL	FC	TOTAL	TL	FC	TOTAL
A.	OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I-II+III)							
I.	GUARANTEES	(1), (2), (3),(4)	62,140,769	53,030,535	115,171,304	59,434,933	41,370,102	100,805,035
1.1.	Letters of guarantee		3,712,982	2,850,787	6,563,769	3,680,031	2,679,646	6,359,677
1.1.1.	Guarantees subject to State Tender Law		3,694,095	1,622,194	5,316,289	3,677,256	1,533,101	5,210,357
1.1.2.	Guarantees given for foreign trade operations		165,842	19,931	185,773	172,175	14,329	186,504
1.1.3.	Other letters of guarantee		2,344,538	1,602,263	3,946,801	2,535,231	1,518,772	4,054,003
1.2.	Bank loans		1,183,715	-	1,183,715	969,850	-	969,850
1.2.1.	Import letter of acceptance		17,632	534,555	552,187	2,771	543,143	545,914
1.2.2.	Other bank acceptances		17,632	534,555	552,187	2,771	543,143	545,914
1.3.	Letters of credit		-	-	-	-	-	-
1.3.1.	Documentary letters of credit		1,255	668,031	669,286	4	579,347	579,351
1.3.2.	Other letters of credit		1,255	646,064	647,319	4	539,429	539,433
1.4.	Refinancing given as guarantee		-	21,967	21,967	-	39,918	39,918
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		-	26,007	26,007	-	24,055	24,055
1.9.	Other collaterals		-	-	-	-	-	-
II.	COMMITMENTS		24,179,978	3,513,612	27,693,590	25,025,838	1,309,173	26,335,011
2.1.	Irrevocable commitments		23,682,942	2,156,886	25,839,828	25,025,838	1,309,173	26,335,011
2.1.1.	Forward asset purchase commitments		961,407	2,155,196	3,116,603	233,925	1,302,960	1,536,885
2.1.2.	Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3.	Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4.	Loan granting commitments		4,704,725	193	4,704,918	4,512,056	-	4,512,056
2.1.5.	Securities underwriting commitments		-	-	-	-	-	-
2.1.6.	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7.	Payment commitment for checks		1,979,580	-	1,979,580	1,685,568	-	1,685,568
2.1.8.	Tax and fund liabilities from export commitments		6,334	-	6,334	6,031	-	6,031
2.1.9.	Commitments for credit card expenditure limits		15,956,551	-	15,956,551	18,492,777	-	18,492,777
2.1.10.	Commitments for promotions related with credit cards and banking activities		40,458	-	40,458	43,189	-	43,189
2.1.11.	Receivables from short sale commitments		-	-	-	-	-	-
2.1.12.	Payables for short sale commitments		-	-	-	-	-	-
2.1.13.	Other irrevocable commitments		33,887	1,497	35,384	52,292	6,213	58,505
2.2.	Revocable commitments		497,036	1,356,726	1,853,762	-	-	-
2.2.1.	Revocable loan granting commitments		497,036	595,270	1,092,306	-	-	-
2.2.2.	Other revocable commitments		-	761,456	761,456	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(5)	34,247,809	46,666,136	80,913,945	30,729,064	37,381,283	68,110,347
3.1	Derivative financial instruments for hedging purposes		8,392,128	10,766,775	19,158,903	8,484,346	9,596,825	18,081,171
3.1.1	Fair value hedge		6,572,661	9,445,679	16,018,340	7,943,461	9,596,825	17,540,286
3.1.2	Cash flow hedge		1,819,467	1,321,096	3,140,563	540,885	-	540,885
3.1.3	Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2	Held for trading transactions		25,855,681	35,899,361	61,755,042	22,244,718	27,784,458	50,029,176
3.2.1	Forward foreign currency buy/sell transactions		2,646,302	3,873,590	6,519,892	1,873,860	2,185,881	4,059,741
3.2.1.1	Forward foreign currency transactions-buy		1,428,942	1,830,783	3,259,725	1,083,037	953,734	2,036,771
3.2.1.2	Forward foreign currency transactions-sell		1,217,360	2,042,807	3,260,167	790,823	1,232,147	2,022,970
3.2.2	Swap transactions related to foreign currency and interest rates		16,751,031	22,235,996	38,987,027	15,510,471	19,121,648	34,632,119
3.2.2.1	Foreign currency swap-buy		8,603,875	7,870,375	16,474,250	7,541,602	6,860,603	14,402,205
3.2.2.2	Foreign currency swap-sell		6,649,516	10,000,671	16,650,187	6,354,569	8,018,111	14,372,680
3.2.2.3	Interest rate swaps-buy		748,820	2,066,843	2,815,663	807,150	2,050,163	2,857,313
3.2.2.4	Interest rate swaps-sell		748,820	2,298,107	3,046,927	807,150	2,192,771	2,999,921
3.2.3	Foreign currency, interest rate and securities options		6,456,906	9,725,783	16,182,689	4,852,119	6,243,347	11,095,466
3.2.3.1	Foreign currency options-buy		3,224,825	4,878,427	8,103,252	2,465,716	3,108,568	5,574,284
3.2.3.2	Foreign currency options-sell		3,232,081	4,847,356	8,079,437	2,384,387	3,134,779	5,519,166
3.2.3.3	Interest rate options-buy		-	-	-	-	-	-
3.2.3.4	Interest rate options-sell		-	-	-	-	-	-
3.2.3.5	Securities options-buy		-	-	-	1,008	-	1,008
3.2.3.6	Securities options-sell		-	-	-	1,008	-	1,008
3.2.4	Foreign currency futures		1,442	63,992	65,434	8,268	216,992	225,260
3.2.4.1	Foreign currency futures-buy		721	31,996	32,717	4,134	108,496	112,630
3.2.4.2	Foreign currency futures-sell		721	31,996	32,717	4,134	108,496	112,630
3.2.5	Interest rate futures		-	-	-	-	16,590	16,590
3.2.5.1	Interest rate futures-buy		-	-	-	-	8,295	8,295
3.2.5.2	Interest rate futures-sell		-	-	-	-	8,295	8,295
3.2.6	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)		162,039,211	22,827,911	184,867,122	140,969,221	21,868,767	162,837,988
IV.	ITEMS HELD IN CUSTODY		7,173,885	1,228,239	8,402,124	9,038,350	1,662,193	10,700,543
4.1.	Assets under management		1,889,454	107,610	1,997,064	2,606,526	112,331	2,718,857
4.2.	Investment securities held in custody		1,650,574	255,134	1,905,708	2,379,933	546,715	2,926,648
4.3.	Checks received for collection		1,660,028	194,542	1,854,570	1,246,196	214,083	1,460,279
4.4.	Commercial notes received for collection		490,347	79,113	569,460	453,802	88,021	541,823
4.5.	Other assets received for collection		-	-	-	-	-	-
4.6.	Assets received for public offering		-	-	-	-	-	-
4.7.	Other items under custody		1,483,479	591,840	2,075,319	2,351,890	701,043	3,052,933
4.8.	Custodians		3	-	3	3	-	3
V.	PLEDGED ITEMS		154,865,326	21,599,672	176,464,998	131,930,871	20,206,574	152,137,445
5.1.	Marketable securities		542,444	485,915	1,028,359	524,393	458,219	982,612
5.2.	Guarantee notes		145,416	42,851	188,267	119,772	50,678	170,450
5.3.	Commodity		27,228	-	27,228	21,788	-	21,788
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		42,505,318	7,134,669	49,639,987	38,013,600	6,867,934	44,881,534
5.6.	Other pledged items		111,644,920	13,936,237	125,581,157	93,251,318	12,829,743	106,081,061
5.7.	Pledged items-depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)			224,179,980	75,858,446	300,038,426	200,404,154	63,238,869	263,643,023

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)**

FINANSBANK ANONİM ŞİRKETİ

**CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED JUNE 30, 2013 (STATEMENT OF
INCOME/LOSS)**

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

III. CONSOLIDATED INCOME STATEMENT

		Reviewed 01.01 - 31.06.2013	Reviewed 01.04 - 30.06.2013	Reviewed 01.01 - 30.06.2012	Reviewed 01.04 - 30.06.2012
Section 5 Part IV					
I.	INTEREST INCOME	(1)	2,835,759	1,411,000	2,803,328
1.1	Interest on loans		2,542,925	1,258,258	2,411,262
1.2	Interest received from reserve deposits		-	-	-
1.3	Interest received from banks		2,594	965	6,779
1.4	Interest received from money market placements		6,657	4,433	22,290
1.5	Interest received from marketable securities portfolio		219,029	114,117	305,832
1.5.1	Held-for-trading financial assets		5,411	2,828	9,003
1.5.2	Financial assets at fair value through profit and loss		5	-	5
1.5.3	Available-for-sale financial assets		210,128	107,804	296,824
1.5.4	Investments held-to-maturity		3,485	3,485	-
1.6	Finance lease income		47,810	24,945	36,686
1.7	Other interest income		16,744	8,282	20,479
II.	INTEREST EXPENSE	(2)	1,138,463	564,602	1,407,614
2.1	Interest on deposits		871,497	438,277	1,211,814
2.2	Interest on funds borrowed		93,157	48,443	89,707
2.3	Interest on money market borrowings		40,156	23,357	58,620
2.4	Interest on securities issued		127,640	53,774	42,517
2.5	Other interest expense		6,013	751	4,956
III.	NET INTEREST INCOME (I - II)		1,697,296	846,398	1,395,714
IV.	NET FEES AND COMMISSIONS INCOME		559,112	286,317	550,306
4.1	Fees and commissions received		627,064	320,829	649,670
4.1.1	Non-cash loans		20,442	10,321	20,590
4.1.2	Other		606,622	310,508	629,080
4.2	Fees and commissions paid		67,952	34,512	99,364
4.2.1	Non-cash loans		593	188	510
4.2.2	Other		67,359	34,324	98,854
V.	DIVIDEND INCOME	(3)	147	102	187
VI.	NET TRADING INCOME	(4)	(87,855)	(31,478)	(206,327)
6.1	Securities trading gains/ (losses)		162,828	56,823	9,240
6.2	Gains / (losses)/Financial derivative transactions		(259,751)	(90,526)	(203,787)
6.3	Foreign exchange gains/ (losses)		9,068	2,225	(11,780)
VII.	OTHER OPERATING INCOME	(5)	206,560	153,861	111,363
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)		2,375,260	1,255,200	1,851,243
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	526,899	329,509	355,611
X.	OTHER OPERATING EXPENSES (-)	(7)	1,174,742	627,878	890,800
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		673,619	297,813	604,832
XII.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-	-
XIII.	GAIN / (LOSS) ON EQUITY METHOD		3,956	1,617	-
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-	-
XV.	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	677,575	299,430	604,832
XVI.	TAX CHARGE FOR CONTINUED OPERATIONS (±)	(9)	(152,721)	(54,399)	(146,746)
16.1	Current income tax charge		(104,963)	(10,888)	(191,106)
16.2	Deferred tax charge / benefit		(47,758)	(43,511)	44,360
XVII.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	524,854	245,031	458,086
XVIII.	INCOME ON DISCONTINUED OPERATIONS		-	-	-
18.1	Income on assets held for sale		-	-	-
18.2	Income on sale of associates, subsidiaries and entities under common control		-	-	-
18.3	Income on other discontinued operations		-	-	-
XIX.	LOSS FROM DISCONTINUED OPERATIONS (-)		-	-	-
19.1	Loss from assets held for sale		-	-	-
19.2	Loss on sale of associates, subsidiaries and entities under common control		-	-	-
19.3	Loss from other discontinued operations		-	-	-
XX.	PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)	(8)	-	-	-
XXI.	TAX CHARGE FOR DISCONTINUED OPERATIONS (±)	(9)	-	-	-
21.1	Current income tax charge		-	-	-
21.2	Deferred tax charge / benefit		-	-	-
XXII.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	-	-
XXIII.	NET PROFIT/LOSS (XVII+XXII)	(11)	524,854	245,031	458,086
23.1	Group's profit/loss		517,189	241,423	450,049
23.2	Minority shares		7,665	3,608	8,037
	Earnings per share		0.19439	0.09075	0.16966

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 JUNE 30, 2013**

(STATEMENT OF OTHER COMPREHENSIVE INCOME/LOSS)

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

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

	Reviewed 01.01 – 30.06.2013	Reviewed 01.01 – 30.06.2012
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	(340,659)	199,048
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR CASH FLOW HEDGE PURPOSES (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)	53,459	(4,146)
VI. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)	-	-
VII. THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES	-	-
VIII. OTHER PROFIT LOSS ITEMS ACCOUNTED FOR UNDER EQUITY AS PER TURKISH ACCOUNTING STANDARDS	-	-
IX. DEFERRED TAX OF VALUATION DIFFERENCES	72,748	(41,245)
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	(214,452)	153,657
XI. PROFIT/LOSS	(76,645)	9,014
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(81,329)	6,242
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	4,684	2,772
11.3 Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4 Other	-	-
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR IN THE PERIOD (X±XI)	(291,097)	162,671

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 JUNE 30, 2013
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed	Section 2	Paid-in Capital	Effect of Accounting on Capital and Other Reserves	Share Premium	Share Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase / (Decrease)	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Holding 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
Fiscal period - 01.01.-30.06.2012																			
I. Beginning balance		2,440,000	-	714	-	269,937	-	2,407,433	-	-	898,412	(253,716)	-	-	(6,361)	-	5,751,419	159,904	5,911,323
II. Corrections according to TAS 8		-	-	-	-	-	-	-	(17,799)	-	-	-	-	-	-	-	-	-	(17,799)
2.1 The effect of corrections of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 The effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New balance (F+II)		2,440,000	-	714	-	269,937	-	2,407,433	(17,799)	-	898,412	(253,716)	-	-	(6,361)	-	5,733,620	159,904	(17,799)
IV. Changes in period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,893,524
V. Increase/decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Hedging funds (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Tangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus shares obtained from associates, subsidiaries and entities under common control		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Effect of change in associates' equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital increase		125,000	-	-	-	-	-	(125,000)	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share issue		125,000	-	-	-	-	-	(125,000)	-	-	-	-	-	-	-	-	-	-	-
XVI. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Initiation adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Period net income/(loss)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XX. Profit distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XX. Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.1 Transfers to reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transfers to reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending balance (I+II+...+XIX+XX)		2,565,000	-	714	-	316,870	-	3,078,822	(17,799)	450,049	50,300	(89,946)	-	-	(7,460)	-	6,346,550	162,583	6,509,133

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)

FINANSBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED JUNE 30, 2013
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Reviewed	Section 2	Paid-in Capital	Effect of inflation Accounting on Capital and Other Capital	Share Premium	Share Certificate Cancellation	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Increase/ Decrease	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Holding Funds	Acc. Val. Diff. from Assets Held for Sale and Assets Available for Sale	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Shareholders' Equity
I	Current period - 01.01.-30.06.2013																			
Beginning balance			2,565,000	-	714	-	314,251	-	3,080,609	(38,098)	-	1,153,457	196,555	-	-	(10,026)	-	7,262,522	149,762	7,412,284
Changes in period																				
IL	Increase/decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	(337,611)	-	-	-	-	(337,611)	-	(337,611)
IV.	Holding funds (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI	Tangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI	Bonus shares obtained from associates, subsidiaries and entities under common control		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII	Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Effect of change in associates' equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Capital increase		135,000	-	-	-	-	-	(135,000)	-	-	-	-	-	-	-	-	-	-	-
XII.	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1		Part XIX	-	-	-	-	-	-	(135,000)	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal sources		135,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Inflation adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other (*)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Period net income/(loss)		-	-	-	-	-	-	878	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Profit distribution		-	-	-	-	-	-	901,303	-	517,189	(950,693)	-	-	-	-	-	517,189	(971)	307
18.1	Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	Transfers to reserves	Part XXIII	-	-	-	-	49,380	-	899,505	-	-	(948,885)	-	-	-	-	-	-	-	-
18.3	Other	Part XXIV	-	-	-	-	-	-	1,798	-	-	(1,798)	-	-	-	-	-	-	-	-
	Ending balance		2,700,000	-	714	-	363,631	-	3,847,850	(38,098)	517,189	202,774	(141,056)	-	-	36,488	-	7,489,492	156,856	7,646,348

(*) Due to increase in Group's ownership of Finans Yatırım Ortaklığı A.Ş. from 82.20% to 83.75% 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 JUNE 30, 2013**

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

VI. CONSOLIDATED CASH FLOWS STATEMENT

	Section 5 Part V	Reviewed 01.01- 30.06.2013	Reviewed 01.01 - 30.06.2012
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
I.1 Operating profit before changes in operating assets and liabilities (+)		1,800,289	1,373,142
1.1.1 Interest received (+)		2,899,165	2,836,742
1.1.2 Interest paid (-)		(975,279)	(1,378,383)
1.1.3 Dividend received (+)		147	187
1.1.4 Fees and commissions received (+)		627,771	649,670
1.1.5 Other income (+)		200,756	95,234
1.1.6 Collections from previously written off loans (+)		192,492	156,660
1.1.7 Payments to personnel and service suppliers (-)		(892,788)	(706,061)
1.1.8 Taxes paid (-)		(203,460)	(278,771)
1.1.9 Other (+/-)	(1)	(48,515)	(2,136)
I.2 Changes in operating assets and liabilities		(908,705)	(3,630,265)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(40,119)	(34,655)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		52,572	122,179
1.2.3 Net (increase) decrease in due from banks (+/-)		(1,430,787)	(406,066)
1.2.4 Net (increase) decrease in loans (+/-)		(3,763,546)	(3,288,677)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	337,137	(149,133)
1.2.6 Net increase (decrease) in bank deposits (+/-)		91,861	422,917
1.2.7 Net increase (decrease) in other deposits (+/-)		2,141,479	(487,277)
1.2.8 Net increase (decrease) in funds borrowed (+/-)		761,842	(409,860)
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	940,855	600,307
I. Net cash provided from / (used in) banking operations (+/-)		891,583	(2,257,123)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		(345,485)	(240,352)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(4,696)	(5,148)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		-	-
2.3 Fixed assets purchases (-)		(102,356)	(42,907)
2.4 Fixed assets sales (+)		287	2,351
2.5 Cash paid for purchase of financial assets available for sale (-)		(6,722,668)	(4,783,583)
2.6 Cash obtained from sale of financial assets available for sale (+)		6,535,814	4,635,431
2.7 Cash paid for purchase of investment securities (-)		-	-
2.8 Cash obtained from sale of investment securities (+)		-	-
2.9 Other (+/-)		(51,866)	(46,496)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities (+/-)		(1,419,456)	695,603
3.1 Cash obtained from funds borrowed and securities issued (+)		1,480,544	1,045,603
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(2,900,000)	(350,000)
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for finance leases (-)		-	-
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)		160,143	(21,164)
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		(713,215)	(1,823,036)
VI. Cash and cash equivalents at the beginning of the period (+)	(1)	3,608,818	3,018,229
VII. Cash and cash equivalents at end of the period (V+VI)	(2)	2,895,603	1,195,193

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 JUNE 30, 2013**

(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 June 30, 2013 and the related disclosures and footnotes in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No: 26333, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated June 28, 2012 which is published in the Official Gazette No: 28337, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and other circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency (BRSA).

Statutory Decree No: 660, which has been become effective and published in the Official Gazette on 2 November 2011, and the Additional Clause 1 of the Law No: 2499 were nullified and accordingly, Public Oversight, Accounting and Audit Standards Institution (the "Institution") was established. The financial statements are prepared based on the Turkish Accounting Standards / Turkish Financial Reporting Standards ("TAS/TFRS") and the related statements and guidances announced by the Public Oversight, Accounting and Auditing Standards Authority.

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

2. Classifications

None.

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

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

(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 JUNE 30, 2013

(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, bond issues and funds borrowed from international markets. The customer deposits bear fixed interest rate and have an average maturity of 1-3 months in accordance with sector. Domestic bond issues are realized within the maturity of 6 months and foreign bond issues are based on long maturities with fixed interests. Funds borrowed from abroad 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 June 30, 2013 are translated to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities except for non-monetary items are converted into TL by using foreign currency exchange rates of the Parent Bank for the period end and the resulting exchange differences are recorded as foreign exchange gains and losses. The Bank's foreign currency exchange rates for the related period ends are as follows:

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
US Dollar	TL 1.9272	TL 1.7826
Euro	TL 2.5109	TL 2.3517

(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 JUNE 30, 2013
(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 gain included in the consolidated income statement as of June 30, 2013 is TL 9,068 (June 30, 2012 - TL 11,780 net foreign exchange loss).

2.3. Foreign subsidiaries

As of June 30, 2013 and December 31, 2012, the Parent Bank does not have any subsidiaries established abroad.

III. Information on associates, subsidiaries and entities under common control

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 corporations 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 (%)	
				June 30, 2013	December 31, 2012
1.	Finans Yatırım Menkul Değerler A.Ş. (Finans Yatırım)	Turkey	Securities Brokerage Intermediary	99.70	99.70
2.	Finans Portföy Yönetimi A.Ş. (Finans Portföy)	Turkey	Portfolio Management	99.58	99.58
3.	Finans Yatırım Ortaklığı A.Ş. (Finans Yatırım Ortaklığı)	Turkey	Investment Trust	83.75	82.20
4.	Finans Finansal Kiralama A.Ş. (Finans Leasing)	Turkey	Financial Leasing	68.94	68.94
5.	Finans Faktoring Hizmetleri A.Ş.	Turkey	Factoring	100.00	100.00
6.	Cigna Finans Emeklilik ve Hayat A.Ş. (Finans Emeklilik)	Turkey	Private Pension and Insurance	49.00	49.00

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 and entities under common control are prepared as of June 30, 2013.

1. Subsidiaries

As of June 30, 2013, 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 that are consolidated in the accompanying financial statements. Entity under common control has been consolidated by equity method as of the balance sheet date.

(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 JUNE 30, 2013

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

IV. Explanations on forwards, option contracts and derivative instruments

The Group enters into forward currency purchase/sale agreements and swap transactions to reduce the foreign currency risk and interest rate risk and manage foreign currency liquidity risk. The Group also carries out currency and interest options, swaption, credit default swap and futures agreements.

Besides customer deposits, the Parent Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Parent Bank converts the foreign currency liquidity obtained from the international markets to TL liquidity with long term swap transactions (fixed TL interest rate and floating FC interest rate). Therefore, the Bank not only funds its long term fixed interest rate loans with TL but also hedges itself against interest rate risk.

In accordance with TAS 39 "Financial Instruments: Recognition and Measurement", derivative instruments are categorized as "hedging purpose" or "trading purpose" transactions. Derivatives are initially recognized at cost including the transaction costs. Also, the liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual values. The derivative transactions are accounted for at fair value subsequent to initial recognition and are presented in the "Assets on Trading Derivatives", "Liabilities on Trading Derivatives" or "Assets on Hedging Purpose Derivatives" and "Liabilities on Hedging Purpose Derivatives" items of the balance sheet depending on the resulting positive or negative amounts of the computed value. These amounts presented on the balance sheet, represent the fair value differences based on the valuation.

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

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

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

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

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

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

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

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

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.

(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 JUNE 30, 2013

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

VI. Explanations on fees and commission income and expenses

Fee and commission income and expenses are accounted for on an accrual basis or on effective interest rate method except for the certain banking transactions that income is recognized immediately. Income generated through agreements or through the sale and purchases of assets on behalf of third parties, is recorded as income when collected.

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

VII. Explanations on financial assets

Financial assets comprise cash and cash equivalents and the contractual right to obtain cash or another financial asset from counterparty or to exchange financial assets with counterparty or the equity instrument transactions of the counterparty. Financial assets are classified in four categories; as "Financial Assets at Fair Value through Profit or Loss", "Investment Securities Available-For-Sale", "Investment Securities Held-To-Maturity", and "Loans And Other Receivables". The classification of the financial assets is determined at the initial inception of the related financial assets.

1. Financial assets at fair value through profit or loss

1.1. Trading securities

The 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 "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.

(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 JUNE 30, 2013

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

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

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

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

3. Investments securities held to maturity

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

The Parent Bank classified debt securities of nominal amounted to TL 1,307,569 under the held-to-maturity which is previously accounted under the available-for-sale in the financial statements as due to the change in the intention of holding as of June 18, 2013. Detailed information regarding the classification is given in section five 8.e .

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.

As mentioned in note "IV. Explanations on forward, option contracts and derivative instruments", the Group 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 an evidence for the possibility of uncollectibility of loans, the Parent Bank classifies related loans and receivables in non-performing loans and provides specific provision in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No 26333 which was revised with the most recent Communiqué dated December 25, 2012, published on the Official Gazette No 28508, "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves". The Bank provides specific provision for the loans under follow-up regarding credit risk and other factors, in accordance with the aforementioned regulation. Additionally, the Bank provides general provisions in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No: 26333 which was revised with the most recent Communiqué dated September 21, 2012, published on the Official Gazette No: 28418.

(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 JUNE 30, 2013

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

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

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

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

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

VIII. Explanations on impairment of financial assets

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

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

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.

The unearned interest income related to factoring transactions is netted off from the "Factoring Receivables". Additionally, the specific provision is provided for non-performing factoring receivables and netted off from factoring 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.

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of the ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for the amounts that it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated loss in equity is recognized in profit or loss.

(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 JUNE 30, 2013

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

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 2,349,558 (December 31, 2012 - TL 1,986,434).

The Group does not have any securities that are subject to lending transactions as of June 30, 2013 (December 31, 2012 - 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.

As at the balance sheet date, the Group does not have any 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.

(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 JUNE 30, 2013

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

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 is no purchase commitments related to the fixed assets.

XIV. Explanations on leasing transactions

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

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

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

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

XV. Explanations on factoring receivables

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

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

FİNANSBANK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED JUNE 30, 2013

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

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

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

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. As explained in details in Section 3 Part XXV, amendments to IAS 19 change the accounting for defined benefit plans and termination benefits retrospectively. The most significant change relates to the accounting in defined benefit obligations. Hence, the Group recognizes the changes in defined benefit obligations, "corridor approach" which was permitted in previous version of IAS 19 is eliminated and accelerate the recognition of past service costs. The Group recognizes all actuarial gains and losses immediately through other comprehensive income.

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

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

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

XVIII. Explanations on taxation

1. Corporate tax

In accordance with the Corporate Tax Law No: 5520 published in the Official Gazette No: 26205 dated June 21, 2006, statutory income is subject to corporate tax at 20%. Advance corporate taxes paid are followed under "Current Tax Liability" or "Current Tax Asset" account and are deducted from the corporate taxes of the current year.

75% of gains on disposal of subsidiary shares and real estates held in Parent Bank assets for more than two years are excepted from tax, according to Corporate Tax Law under the condition with adding these gains into equity or allocating into a specific fund account as liability for five years.

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

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

(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 JUNE 30, 2013

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

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

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

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

2. Deferred taxes

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

XIX. Additional explanations on borrowings

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

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

XX. Explanation on share issues

During the current period, the share capital has been increased by TL 135,000 from bonus shares, TL 128,250 from first dividends, TL 6,750 from share holding sale funds. (January 1 – December 31, 2012: The share capital has been increased by TL 125,000 from bonus shares, TL 122,000, from first dividends, TL 3,000 from extraordinary reserves).

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

As of June 30, 2013, the Group does not have any unused investment incentives. (December 31, 2012 – TL 2,968)

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.

(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 JUNE 30, 2013

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

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 sectorial 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.

	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Current Period (January 1 – June 30, 2013)				
Net Interest Income	804,858	250,145	642,293	1,697,296
Net Fees and Commissions Income	762,299	56,817	(260,004)	559,112
Other Operating Income and Net Trading Income	97,415	68,263	(46,973)	118,705
Dividend Income	-	-	147	147
Operating Income	1,664,572	375,225	335,463	2,375,260
Other Operating Expenses	705,234	173,954	295,554	1,174,742
Provision for Loan Losses and Other Receivables	283,514	58,908	184,477	526,899
Profit Before Taxes	675,824	142,363	(144,568)	673,619
Gain / Loss on joint venture accounted for at equity method	-	-	3,956	3,956
Provision for Tax	-	-	-	(152,721)
Net Profit/Loss	-	-	-	524,854
Total Assets	32,118,779	8,525,986	16,105,589	60,061,895
Segment Assets	32,118,779	8,525,986	16,105,589	56,750,354
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	223,800
Undistributed Assets	-	-	-	3,087,741
Total Liabilities	22,790,134	11,517,444	13,857,588	60,061,895
Segment Liabilities	22,790,134	11,517,444	13,857,588	48,165,166
Undistributed Liabilities	-	-	-	4,250,381
Equity	-	-	-	7,646,348
Other Segment Accounts	-	-	-	243,929
Capital Expenditures	-	-	-	159,884
Depreciation and Amortization	-	-	-	84,044
Value Decrease/ (Increase)	-	-	-	1

(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 JUNE 30, 2013
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

Prior Period (January 1 - June 30, 2012)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Net Interest Income	748,924	287,969	358,821	1,395,714
Net Fees and Commissions Income	761,207	52,604	(263,505)	550,306
Other Operating Income and Net Trading Income	37,400	55,876	(188,240)	(94,964)
Dividend Income	-	-	187	187
Operating Income	1,547,531	396,449	(92,737)	1,851,243
Other Operating Expenses	558,800	145,628	186,372	890,800
Provision for Loan Losses and Other Receivables	218,750	49,781	87,080	355,611
Profit Before Taxes	769,981	201,040	(366,189)	604,832
Provision for Tax	-	-	-	(146,746)
Net Profit/Loss	-	-	-	458,086
Other Segment Accounts	-	-	-	178,197
Capital Expenditures	-	-	-	104,584
Depreciation and Amortization	-	-	-	73,612
Value Decrease/ (Increase)	-	-	-	1

Prior Period (December 31, 2012)	Consumer Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Total Assets	29,154,171	7,872,140	14,696,588	55,435,570
Segment Assets	29,154,171	7,872,140	14,696,588	51,722,899
Associates and Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	224,055
Undistributed Assets	-	-	-	3,488,616
Total Liabilities	19,964,569	11,466,991	13,071,447	55,435,570
Segment Liabilities	19,964,569	11,466,991	13,071,447	44,503,007
Undistributed Liabilities	-	-	-	3,483,979
Equity	-	-	-	7,448,584

XXIV. Profit Reserves and profit distribution

At the General Assembly dated March 29, 2013, the profit distribution of the Parent Bank for the year 2012 is decided as follows:

2012 profit distribution table:

Current period income / (loss)	902,346
A – First Legal Reserves (Turkish Commercial Code 466/1) 5%	(45,117)
B – First Dividend to Shareholders ^(*)	(128,250)
C – Gains on Real estate Sales Fund	(130,187)
D – Extraordinary Reserves	(598,792)

^(*)It was decided to distribute the shares issued by adding first dividend to shareholders amounting to TL 128,250 into the capital.

(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 JUNE 30, 2013
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

XXV. Explanations on Other Matters

Changes in the financial statements of the prior period:

Within the scope of the changes that occurred in TAS 19 ‘Employee Benefits’ which would be applied retrospectively; the Group restated its prior period financial statements while preparing its current period financial statements. Accordingly, the effect of the restatement for the year 2012 is as follows:

	Previously Reported		Restated
	31 December 2012	Effect of Adjustment	31 December 2012
Reserve for employee termination benefits	158,486	45,418	203,904
Deferred tax liabilities	24,185	(9,118)	15,067
Other capital reserves	-	(38,098)	(38,098)
Period net income	1,151,659	1,798	1,153,457

(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 JUNE 30, 2013
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR

INFORMATION ON GROUP'S FINANCIAL STRUCTURE

I. Explanations Related to Consolidated Capital Adequacy Ratio

As of June 30, 2013, the Parent Bank's consolidated capital adequacy ratio is 18.85%. (December 31, 2012 - 19.22%)

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

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

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

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

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

The disclosures of credit risk mitigation techniques used under "Regulation on Credit Risk Mitigation Techniques" are presented in Section 4, Part VIII. under "Explanations related to Credit Risk Mitigation Techniques".

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

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

(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 JUNE 30, 2013

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

Consolidated and unconsolidated capital adequacy ratio:

Parent Bank									
Risk Weightings									
Current Period	0%	10%	20%	50%	75%	100%	150%	200%	1250%
Value at Credit Risk	13,015,433	-	775,284	13,116,886	18,701,344	12,572,286	2,524,870	3,423,115	-
Exposure Categories:									
Conditional and unconditional receivables from central governments or central banks	12,281,659	-	-	1,207,207	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	3,443	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	1,617	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	771,813	597,698	-	12,106	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	14,390	-	10,418,38	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	-	2	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	-	18,701,344	-	-	-	-
Past due receivables	-	-	-	11,267,954	-	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	29,637	-	495,445	-	-	-
Securities collateralized by mortgages	-	-	-	-	-	-	2,524,870	3,423,115	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	38,354	-	-	-
Other receivables	733,774	-	28	-	-	1,606,382	-	-	-

Consolidated									
Risk Weightings									
Current Period	0%	10%	20%	50%	75%	100%	150%	200%	1250%
Value at Credit Risk	13,015,447	-	708,571	13,162,227	19,807,993	13,131,589	2,550,177	3,423,115	-
Exposure Categories:									
Conditional and unconditional receivables from central governments or central banks	12,281,659	-	-	1,207,207	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	3,443	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	1,617	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	705,100	588,742	-	12,105	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	14,390	-	10,794,374	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	19,807,993	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	11,320,959	-	-	-	-	-
Past due receivables	-	-	-	30,929	-	523,550	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	2,550,177	3,423,115	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	38,354	-	-	-
Other receivables	733,788	-	28	-	-	1,761,589	-	-	-

(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 JUNE 30, 2013

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

Summary information related to consolidated and unconsolidated capital adequacy ratio:

	Parent Bank	Consolidated
	Current Period	Current Period
Capital Requirement for Credit Risk (Value at Credit Risk * 0.08) (CRCR)	3,515,626	3,630,553
Capital Requirement for Market Risk (MRCR)	66,961	72,076
Capital Requirement for Operational Risk (ORCR)	425,090	454,568
Shareholders' Equity	9,303,499	9,793,480
Shareholders' Equity/(CRCR+MRCR+ORCR) * 12.5 * 100	18.57	18.85

CRCR : Capital Requirement for Credit Risk

MRCR : Capital Requirement for Market Risk

ORCR : Capital Requirement for Operational Risk

(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 JUNE 30, 2013

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

Components of consolidated shareholders' equity items:

	Current Period
CORE CAPITAL	
Paid-in Capital	2,700,000
Nominal Capital	2,700,000
Capital Commitments (-)	-
Inflation Adjustments to Paid-in Capital	-
Share Premium	714
Share Cancellation Profits	-
Reserves	3,530,832
Inflation Adjustments to Reserves	-
Profit	719,963
Current Period's Profit	517,189
Prior Periods' Profit	202,774
Provision for Possible Losses (up to 25% of Core Capital)	117,678
Income on Sale of Equity Shares and Real Estates	642,551
Primary Subordinated Debts	-
Minority Interest	156,856
Loss (in excess of Reserves) (-)	-
Current Period's Losses	-
Prior Periods' Losses	-
Leasehold Improvements on Operational Leases (-)	123,779
Intangible Assets (-)	190,666
Deferred Tax Asset in Excess of 10% of Core Capital (-)	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-
Goodwill (Net) (-)	8,969
Total Core Capital	7,545,180
SUPPLEMENTARY CAPITAL	
General Provisions	649,562
45% of Revaluation Surplus on Movables	-
45% of Revaluation Surplus on Immovables	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	-
Primary Subordinated Debts excluding the Portion included in Core Capital	-
Secondary Subordinated Debts	1,753,373
45% of Securities Value Increase Fund	(141,056)
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss	-
Minority Interest	-
Total Supplementary Capital	2,261,879
CAPITAL	9,807,059
DEDUCTIONS FROM CAPITAL	13,579
Unconsolidated Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at 10% or more	-
Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at Less than 10% Exceeding 10% or more of the Total Core and Supplementary Capitals	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	-
Loan Granted to Customer against the Articles 50 and 51 of the Banking Law	1,209
Net Book Values of Properties exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained more than Five Years	12,361
Securitization Positions to be Deducted from Equity	-
Other	9
TOTAL SHAREHOLDERS' EQUITY	9,793,480

(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 JUNE 30, 2013
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

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 daily with historical simulation and parametric methods, whereas historical simulation is used for internal risk tracking and limit identification. Parametric VaR calculations are performed for comparison and tracking. ‘Bank Risk Tolerance’ is determined in order to manage the market risk efficiently and keep the market risk within the desirable limits. Risk Management Group monitors the VaR balances daily for compliance with the Bank Risk Tolerance.

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

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

1. Information on consolidated market risk

		Amount
(I)	Capital Requirement against General Market Risk - Standard Method	20,383
(II)	Capital Requirement against Specific Risks – Standard Method	
	Capital Requirement against Specific Risks of Securitization Positions– Standard Method	23,249
(III)	Capital Requirement against Currency Risk – Standard Method	11,700
(IV)	Capital Requirement against Commodity Risks - Standard Method	94
(V)	Capital Requirement against Settlement Risks - Standard Method	-
(VI)	Capital Requirement against Market Risks of Options - Standard Method	841
(VII)	Capital Requirement against Counterparty Credit Risk - Standard Method	15,809
(VIII)	Capital Requirement against Market Risks of Banks applying Risk Measurement Models	-
(IX)	Total Capital Obligations against Market Risk (I+II+III+IV+V+VI+VII+VIII)	72,076
(X)	Value-At-Market Risk (12,5 x VIII) or (12,5 x IX)	900,950

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’ (2012, 2011 and 2010) as per the “Calculation of Value at Operational Risk” of the article (3) of “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” which was published in the Official Gazette No: 28337 dated June 28, 2012. As of June 30, 2013, the value at operational risk is amounting to TL 5,682,100.

(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 JUNE 30, 2013

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

Basic Indicator Method	2 PP Amount	1 PP Amount	CP Amount	Total / No. of Years of Positive Gross	Rate (%)	Total
Gross Income	2,441,278	2,963,312	3,686,775	3,030,455	15	454,568
Value at operational risk (Total*12,5)						5,682,100

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

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 June 30, 2013, the net foreign currency exposure of the Group is TL 340,483 short position (December 31, 2012 – TL – 409,610 short) resulting from on balance sheet short position amounting to TL 5,831,184 (December 31, 2012 – TL 5,927,616 short) and long off balance sheet position amounting to TL 5,490,701 (December 31, 2012 – TL 5,518,006 long). The long off balance sheet position amounting to TL 2,130,296 (December 31, 2012 – TL 5,852,561) 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 1.9272
Euro purchase rate in the balance sheet date	TL 2.5109

Date	US Dollar	Euro
June 30, 2013	1.9272	2.5109
June 28, 2013	1.9272	2.5109
June 27, 2013	1.9320	2.5192
June 26, 2013	1.9339	2.5380
June 25, 2013	1.9407	2.5426
June 24, 2013	1.9312	2.5508

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

The arithmetical average of US Dollar and Euro purchase rates for June 2013 are TL 1.8961 and TL 2.4992; respectively.

(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 JUNE 30, 2013
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

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

Current Period	EUR	USD	Other FC	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R.Central Bank	1,915,533	2,526,227	1,352,762	5,794,522
Due From Banks	44,431	57,957	16,576	118,964
Financial Assets at Fair Value through Profit/Loss ⁽⁴⁾	43,262	153,485	5,147	201,894
Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	103,455	982,825	-	1,086,280
Loans and Receivables ⁽²⁾	2,342,460	3,215,067	95,187	5,652,714
Investments in Assoc., Subsidiaries and Entities under Common Control	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-
Derivative Financial Assets Hedging Purposes	-	52,950	-	52,950
Tangible Assets	-	-	74	74
Intangible Assets	-	-	-	-
Other Assets ⁽³⁾	607,667	309,090	1,152	917,909
Total Assets	5,056,808	7,297,601	1,470,898	13,825,307
Liabilities				
Bank Deposits	171,868	574,685	23,943	770,496
Foreign Currency Deposits	3,031,202	5,500,028	799,062	9,330,292
Money Market Borrowings	85,779	766,775	-	852,554
Funds Provided from Other Financial Institutions ⁽⁶⁾	1,861,074	4,087,604	3,371	5,952,049
Securities Issued	-	1,648,257	-	1,648,257
Sundry Creditors	475,346	319,432	1,246	796,024
Derivative Fin. Liabilities Hedging Purposes	27,406	60,783	-	88,189
Other Liabilities ⁽⁵⁾	53,015	160,195	5,420	218,630
Total Liabilities	5,705,690	13,117,759	833,042	19,656,491
Net Balance Sheet Position	(648,882)	(5,820,158)	637,856	(5,831,184)
Net Off-Balance Sheet Position	778,542	5,364,611	(652,452)	5,490,701
Financial Derivative Assets	3,609,876	23,010,604	419,905	27,040,385
Financial Derivative Liabilities	2,831,334	17,645,993	1,072,357	21,549,684
Non-Cash Loans ⁽¹⁾	783,329	1,912,308	155,150	2,850,787
Prior Period				
Total Assets	4,265,517	5,999,238	1,325,468	11,590,223
Total Liabilities	4,678,932	12,248,013	590,894	17,517,839
Net Balance Sheet Position	(413,415)	(6,248,775)	734,574	(5,927,616)
Net Off-Balance Sheet Position	243,796	6,006,712	(732,502)	5,518,006
Financial Derivative Assets	2,003,509	19,706,843	166,420	21,876,772
Financial Derivative Liabilities	1,759,713	13,700,131	898,922	16,358,766
Non-Cash Loans ⁽¹⁾	752,944	1,769,661	157,041	2,679,646

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

⁽²⁾ Includes foreign currency-indexed loans amounting to TL 1,859,864 (December 31, 2012 – TL 1,339,570) that are classified as TL on the balance sheet.

⁽³⁾ Does not include the prepaid expenses amounting to TL 2,996 (December 31, 2012 – TL 1,936) 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 743 (December 31, 2012 – TL 983) that are classified as FC on the balance sheet, yet includes FC indexed factoring receivables amounting to TL 27,661 (31 December 2012- TL 32,401).

⁽⁴⁾ Does not include foreign exchange income accruals on derivative transactions amounting to TL 48,201 (December 31, 2012 – TL 9,732).

⁽⁵⁾ Foreign exchange expense accruals amounting to TL 2,160, (December 31, 2012 – TL 919) on derivative transactions and the general loan loss provisions amounting to TL 74,967 (December 31, 2012 – TL 51,993) 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.

⁽⁶⁾ Includes foreign currency indexed loans amounting to TL 12,527 (December 31, 2012 – None) that are classified as TL on the balance sheet.

(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 JUNE 30, 2013

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

V. Explanations Related to Consolidated Interest Rate Risk

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

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

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

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

Besides customer deposits, the Parent Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Parent Bank changes the foreign currency liquidity obtained from the international markets to TL liquidity with long term swap transactions (fixed TL interest rate and floating FC interest rate). Therefore, the Parent Bank not only funds its long term fixed interest rate loans with TL but also hedges itself from interest rate and maturity risk.

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items
(Based on reprising dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing ^(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	-	-	-	-	-	6,984,635	6,984,635
Due from Banks	19,255	4,008	-	-	-	116,010	139,273
Financial Assets at Fair Value Through Profit/Loss ^(**)	50,558	262,885	285,741	740,439	289,047	275,340	1,904,010
Money Market Placements	912,786	-	-	-	-	-	912,786
Inv. Securities Available for Sale	1,121,979	1,767,741	1,019,903	421,580	1,146,587	46,219	5,524,009
Loans and Receivables	10,124,788	4,198,210	11,671,925	10,679,343	2,513,605	524,373	39,712,244
Inv. Securities Held to Maturity	-	343,056	1,089,660	198,369	-	-	1,631,085
Other Assets ^(*)	402,890	177,100	443,505	653,663	9,026	1,567,669	3,253,853
Total Assets	12,632,256	6,753,000	14,510,734	12,693,394	3,958,265	9,514,246	60,061,895
Liabilities							
Bank Deposits	734,336	254,172	50,286	-	-	59,531	1,098,325
Other Deposits	17,361,125	9,275,499	3,438,229	20,888	-	4,457,941	34,553,682
Money Market Borrowings	2,449,200	332	-	-	-	-	2,449,532
Sundry Creditors	753,744	-	-	-	-	1,441,743	2,195,487
Securities Issued	-	818,226	2,281,907	-	-	-	3,100,133
Funds Borrowed	947,143	2,161,666	2,852,553	347,187	14,902	-	6,323,451
Other Liabilities ^(*)	153,544	250,230	124,602	18,728	-	9,794,181	10,341,285
Total Liabilities	22,399,092	12,760,125	8,747,577	386,803	14,902	15,753,396	60,061,895
On Balance Sheet Long Position	-	-	5,763,157	12,306,591	3,943,363	-	22,013,111
On Balance Sheet Short Position	(9,766,836)	(6,007,125)	-	-	-	(6,239,150)	(22,013,111)
Off-Balance Sheet Long Position	-	-	111,216	689,098	81,386	-	881,700
Off-Balance Sheet Short Position	(111,779)	(94,494)	-	-	-	-	(206,273)
Total Position	(9,878,615)	(6,101,619)	5,874,373	12,995,689	4,024,749	(6,239,150)	675,427

^(*) "Other Assets" in "Non-Interest Bearing" column include other assets amounting to TL 633,492, tangible assets amounting to TL 488,895, intangible assets amounting to TL 199,635, associates, subsidiaries and entities under common control amounting to TL 223,800, tax asset amounting to TL 21,847 and "Other Liabilities" in the "Non-Interest Bearing" column include shareholders' equity amounting to TL 7,646,348, other liabilities amounting to TL 588,913, provisions amounting to TL 1,207,328, tax liabilities amounting to TL 81,216, derivative financial liabilities held for trading amounting to TL 270,376.

^(**) This line also includes derivative financial assets hedging purposes amounting to TL 780,037

(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 JUNE 30, 2013
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

Average interest rates applied to monetary financial instruments

Current Period	EUR	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	-	-	-	7.05
Financial Assets at Fair Value Through Profit/Loss	3.11	4.23	-	6.43
Money Market Placements	-	-	-	6.71
Investment Securities Available for Sale	4.81	5.17	-	6.84
Loans and Receivables	5.20	4.52	-	15.25 ^(*)
Investment Securities Held for Trading	-	-	-	6.63
Liabilities				
Bank Deposits	2.28	2.01	-	6.68
Other Deposits	2.60	2.73	0.42	7.09
Money Market Borrowings	0.50	0.61	-	4.68
Sundry Creditors	0.09	0.09	-	-
Securities Issued	-	5.36	-	7.27
Funds Borrowed	2.15	3.10	-	8.40

^(*) The yield of loans and receivables is 12.77% excluding credit cards.

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items
(Based on reprising dates)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing ^(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	-	-	-	-	-	5,327,943	5,327,943
Due from Banks	1,150	93,269	-	-	-	110,818	205,237
Financial Assets at Fair Value Through Profit/Loss ^(**)	118,010	329,140	230,645	152,337	283,119	102,797	1,216,048
Money Market Placements	1,786,785	-	-	-	-	-	1,786,785
Inv. Securities Available for Sale	1,183,866	2,461,940	1,642,514	436,790	1,250,593	190,245	7,165,948
Loans and Receivables	9,829,796	4,358,662	10,588,758	9,247,299	2,035,467	377,857	36,437,839
Other Assets	443,138	127,669	472,806	528,931	4,622	1,718,604	3,295,770
Total Assets	13,362,745	7,370,680	12,934,723	10,365,357	3,573,801	7,828,264	55,435,570
Liabilities							
Bank Deposits	841,828	126,173	58,044	-	-	21,529	1,047,574
Other Deposits	21,345,864	6,290,529	615,290	20,598	-	3,385,162	31,657,443
Money Market Borrowings	1,788,801	73	-	-	-	-	1,788,874
Sundry Creditors	-	-	-	-	-	1,293,367	1,293,367
Securities Issued	-	865,427	3,212,886	-	-	-	4,078,313
Funds Borrowed	935,978	854,797	3,157,620	203,527	17,476	-	5,169,398
Other Liabilities	150,100	93,607	239,667	320,247	46,993	9,549,987	10,400,601
Total Liabilities	25,062,571	8,230,606	7,283,507	544,372	64,469	14,250,045	55,435,570
On Balance Sheet Long Position	-	-	5,651,216	9,820,985	3,509,332	-	18,981,533
On Balance Sheet Short Position	(11,699,826)	(859,926)	-	-	-	(6,421,781)	(18,981,533)
Off-Balance Sheet Long Position	-	205,648	-	-	-	-	205,648
Off-Balance Sheet Short Position	(50,686)	-	(96,755)	(213,374)	(40,032)	-	(400,847)
Total Position	(11,750,512)	(654,278)	5,554,461	9,607,611	3,469,300	(6,421,781)	(195,199)

^(*) Other Assets in "Non Interest Bearing" column include, other assets amounting to TL 867,283, tangible assets amounting to TL 436,494, intangible assets amounting to TL 180,557, associates and subsidiaries amounting to TL 224,055, tax asset amounting to TL 10,215 and "Other Liabilities" in the "Non Interest Bearing" column include shareholders' equity amounting to TL 7,412,284, other liabilities amounting to TL 964,806, provisions amounting to TL 1,021,307, tax liability amounting to TL 114,102 and part of trading derivative financial liabilities amounting to TL 37,488.

^(**) This line also includes derivative financial assets hedging purposes amounting to TL 240,486.

(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 JUNE 30, 2013

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

Average interest rates applied to monetary financial instruments

Prior Period	EUR %	USD %	JPY %	TL %
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	0.51	-	-	5.88
Financial Assets at Fair Value Through Profit/Loss	3.89	3.06	-	5.54
Money Market Placements	-	-	-	6.66
Investment Securities Available for Sale	4.81	5.37	-	8.24
Loans and Receivables	6.12	5.22	5.31	17.33 ^(*)
Investment Securities Held to Maturity	-	-	-	-
Liabilities				
Bank Deposits	2.44	2.28	-	7.67
Other Deposits	3.10	3.30	0.38	8.30
Money Market Borrowings	-	0.97	-	5.54
Sundry Creditors	-	-	-	-
Securities Issued	-	5.36	-	8.61
Funds Borrowed	2.06	3.61	-	8.40

(*) The yield of loans and receivable is 14.89% excluding credit cards.

Interest rate risk on banking book

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

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

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

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

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

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

(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 JUNE 30, 2013
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

Type of Currency	Shocks Applied (+/- x basis points)	Gains/Losses	Gains/Equity- Losses/Equity
1. TL	(+) 500	(782,456)	(8.41)%
	(-) 400	771,159	8.29%
2. EURO	(+) 200	(36,952)	(0.40)%
	(-) 200	42,912	0.46%
3. USD	(+) 200	(26,905)	(0.29)%
	(-) 200	42,401	0.46%
Total (of negative shocks)		856,472	9.21%
Total (of positive shocks)		(846,313)	(9.10)%

Position risk of equity securities in banking book

Equity Securities (shares)	Comparison		
	Carrying Value	Fair Value	Market Value
1. Equity Investments Group A	22,529	-	22,529
Quoted Securities	22,529	-	22,529
2 Equity Investments Group B	2	-	2
Quoted Securities	2	-	2
3. Equity Investments Group C	-	-	-
Quoted Securities	-	-	-
4. Equity Investments Group Other ^(*)	223,800	194,916 ^(**)	-

^(*) Associates and subsidiaries not quoted to ISE and not classified as investment in shares by CMB.

^(**) Refers to entity under common control accounted at fair value but not traded at the quoted markets.

Portfolio	Gains/Losses in Current Period	Revaluation Surpluses		Unrealized Gains and Losses		
		Total	Amount under Supplementary Capital	Total	Amount under Core Capital	Amount under Supplementary Capital
1. Private Equity Investments	-	-	-	-	-	-
2. Quoted Shares	1,470	-	-	(728)	-	(328)
3. Other Shares	-	-	-	-	-	-
4. Total	1,470	-	-	(728)	-	(328)

(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 JUNE 30, 2013

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

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.

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

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

List of available limits, instruments and securities which can be used as collateral to create liquidity in the event of a possible liquidity crisis is updated weekly. Alternative funding strategies to be followed in case of a liquidity problem are evaluated within the current limits and positions to be taken are determined. Moreover, in terms of "Liquidity Emergency Action Plan" early warning signals, stress levels correlated with the level of liquidity risk and actions to be taken at each stress level are defined.

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

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 12% (December 31, 2012 – 10%) 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.

(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 JUNE 30, 2013
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

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

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Un-Allocated ^(*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	1,844,089	5,140,546	-	-	-	-	-	6,984,635
Due from Banks	116,220	19,045	4,008	-	-	-	-	139,273
Financial Assets at Fair Value Through Profit/Loss ^(**)	-	110,362	156,913	390,673	906,074	339,988	-	1,904,010
Money Market Placements	-	912,786	-	-	-	-	-	912,786
Investment Securities Available for Sale	46,219	8	893	1,546,413	2,015,786	1,914,690	-	5,524,009
Loans and Receivables	-	9,741,151	4,096,486	11,445,706	11,273,037	2,631,491	524,373	39,712,244
Investment Securities Held to Maturity	-	-	-	-	658,393	972,692	-	1,631,085
Other Assets	1,100	558,512	196,562	466,576	785,378	9,183	1,236,542	3,253,853
Total Assets	2,007,628	16,482,410	4,454,862	13,849,368	15,638,668	5,868,044	1,760,915	60,061,895
Liabilities								
Bank Deposits	59,531	734,336	254,172	50,286	-	-	-	1,098,325
Other Deposits	4,457,941	17,361,125	9,275,499	3,438,229	20,888	-	-	34,553,682
Funds Borrowed	-	335,308	850,735	2,267,061	1,002,777	1,867,570	-	6,323,451
Money Market Borrowings	-	2,449,200	332	-	-	-	-	2,449,532
Securities Issued	-	-	818,226	633,332	1,648,575	-	-	3,100,133
Sundry Creditors	7,803	2,149,406	5,198	660	-	32,420	-	2,195,487
Other Liabilities ^(*)	3,051	614,254	109,411	254,931	394,700	93,248	8,871,690	10,341,285
Total Liabilities	4,528,326	23,643,629	11,313,573	6,644,499	3,066,940	1,993,238	8,871,690	60,061,895
Liquidity Gap	(2,520,698)	(7,161,219)	(6,858,711)	7,204,869	12,571,728	3,874,806	(7,110,775)	-
Prior Period								
Total Assets	1,924,101	16,187,060	4,535,801	11,941,813	13,557,624	5,814,329	1,474,842	55,435,570
Total Liabilities	3,416,830	26,494,425	7,823,498	4,717,556	2,692,798	1,839,075	8,451,388	55,435,570
Net Liquidity Gap	(1,492,729)	(10,307,365)	(3,287,697)	7,224,257	10,864,826	3,975,254	(6,976,546)	-

^(*) 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 7,646,348, unallocated provisions amounting to TL 1,144,126 and tax liability of TL 81,216.

^(**) This line also includes derivative financial assets hedging purposes amounting to TL 780,037.

VII. Explanations Related to Consolidated Securitization Positions

As of June 30, 2013 the Group has no securitization positions.

VIII. Explanations Related to Consolidated Credit Risk Mitigation Techniques

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

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

(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 JUNE 30, 2013
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

Exposure Categories (**)	Amount(*)	Financial Collaterals	Other/Physical Collaterals	Guaranties and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	13,488,866	-	-	-
Conditional and unconditional receivables from regional or local governments	3,443	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	1,931	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	835,428	524,896	-	-
Conditional and unconditional receivables from corporates	16,826,150	376,769	-	-
Conditional and unconditional retail receivables	35,085,810	249,271	-	-
Conditional and unconditional receivables secured by mortgages	11,710,528	-	-	-
Past due receivables	2,523,395	124	-	-
Receivables defined in high risk category by BRSA	6,114,123	49,696	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	38,354	-	-	-
Other receivables	2,495,405	-	-	-
Total	89,123,433	1,200,756	-	-

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

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

IX. Explanations Related to Risk Management Objectives and Policies

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

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

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

The general objectives of the Group's Risk Management:

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

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

None.

(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 JUNE 30, 2013

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

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	492,393	210,881	439,800	212,819
T.R. Central Bank	667,137	5,583,612	584,776	4,090,086
Others	30,583	29	460	2
Total	1,190,113	5,794,522	1,025,036	4,302,907

b) Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	667,137	443,066	584,776	380,326
Restricted Time Deposits	-	5,140,546	-	3,709,760
Total	667,137	5,583,612	584,776	4,090,086

As of June 30, 2013, the compulsory rates for the reserve deposits at the Central Bank of Turkey for Turkish Lira are implemented within an interval from 5% to 11.5% depending on the maturity of deposits (December 31, 2012 – 5% to 11%) and the compulsory rates for the foreign currency liabilities are within an interval from 6% to 13% depending on the maturity of deposits (December 31, 2012 – 6% and 11.5%).

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 ^(*)	432,629	-	9,105	-
Other	-	-	-	-
Total	432,629	-	9,105	-

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

b) Trading securities subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds ^(*)	-	-	-	-
Treasury Bills ^(*)	3,718	-	1,684	-
Other Debt Securities	-	-	-	-
Bonds Issued and Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	3,718	-	1,684	-

^(*) Government bonds and treasury bills subject to repurchase agreements shown above are classified under Held-for-Trading Financial Assets 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 JUNE 30, 2013

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

c) Positive differences on trading derivative instruments

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	50,777	-	18,607	-
Swap Transactions	398,015	105,582	338,376	96,083
Futures	-	3,730	-	6,109
Options	-	138,015	749	30,815
Other	-	-	-	-
Total	448,792	247,327	357,732	133,007

3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	10,241	1,605	4,168	809
Foreign	10,068	117,359	91,242	109,018
Foreign Head Offices and Branches	-	-	-	-
Total	20,309	118,964	95,410	109,827

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount ^(**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	56,294	42,809	-	-
USA and Canada	56,495	60,881	1,364	778
OECD Countries ^(*)	2,564	2,873	-	-
Off-shore Banking Regions	10,065	91,241	-	-
Other	645	1,678	-	-
Total	126,063	199,482	1,364	778

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

^(**) Includes blocked placements at foreign banks amounting to TL 1,364 (December 31, 2012 - TL 778).

4. Information on receivables from reverse repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	912,786	-	1,786,785	-
T.R. Central Bank	-	-	-	-
Banks	910,470	-	1,785,748	-
Intermediary Institutions	2,316	-	97	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	940	-
Real Persons	-	-	-	-
Foreign Transactions	-	-	-	-
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
Total	912,786	-	1,786,785	-

(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 JUNE 30, 2013

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

5. Information on investment securities available for sale

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar marketable securities	432,629	-	430,419	-
Other	-	-	-	-
Total	432,629	-	430,419	-

b) Investment securities available for sale subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	1,382,837	963,003	859,279	1,125,471
Treasury bills	-	-	-	-
Other debt securities	-	-	-	-
Bonds issued or bank guaranteed by banks	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	1,382,837	963,003	859,279	1,125,471

c) Investment securities available for sale

	Current Period	Prior Period
Debt securities	5,604,674	6,978,832
Quoted on a stock exchange (*)	5,581,754	6,952,631
Unquoted on a stock exchange	22,920	26,201
Share certificates	44,115	190,353
Quoted on a stock exchange (**)	44,115	190,353
Unquoted on a stock exchange	-	-
Impairment provision (-)	(124,780)	(3,237)
Total	5,524,009	7,165,948

(*) The Eurobond Portfolio amounting to TL 867,023 (December 31, 2012 - TL 878,943) 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 190,308 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 36,588 (December 31, 2012 - TL 181,995).

(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 JUNE 30, 2013**

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

6. Information related to loans

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	24,452	-	29,498
Corporate Shareholders	-	24,452	-	29,498
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees ^(*)	68,232	-	58,761	-
Total	68,232	24,452	58,761	29,498

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

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

Cash Loans ^(*)	Performing Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other		Extension of Repayment Plan	Other
Non-specialized Loans						
Discount Notes	491,405	-	-	7,745	-	-
Export Loans	647,307	-	-	104,767	-	-
Import Loans	-	-	-	-	-	-
Loans Given to Financial Sector	352,978	-	-	-	-	-
Retail Loans	11,619,473	289,705	-	749,147	258,025	-
Credit Cards	10,425,650	477,951	-	334,394	147,786	-
Other	12,457,170	176,173	-	742,989	161,530	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	35,993,983	943,829	-	1,939,042	567,341	-

^(*) The loans and other receivables amounting to TL 256,324 (December 31, 2012 – TL 352,296) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

No. of Extensions	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
1 or 2 times	940,098	555,002
3, 4 or 5 times	3,731	6,322
Over 5 times	-	6,017

Extension Periods	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
0 - 6 months	250,661	76,508
6 -12 months	82,691	42,926
1 - 2 years	317,652	144,794
2 - 5 years	263,901	253,093
5 years and over	28,924	50,020

(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 JUNE 30, 2013
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

c) Loans according to their maturity structure

Cash Loans ^(*)	Performing Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms
Short-term Loans	18,521,692	-	334,394	147,786
Non-specialized Loans	18,521,692	-	334,394	147,786
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	17,472,291	943,829	1,604,648	419,555
Non-specialized Loans	17,472,291	943,829	1,604,648	419,555
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	35,993,983	943,829	1,939,042	567,341

(*) The loans and other receivables amounting to TL 256,324 (December 31, 2012 – TL 352,296) are classified under “Loans at Fair Value Through Profit/Loss” 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 JUNE 30, 2013

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

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

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Consumer Loans-TL	192,199	11,572,919	11,765,118	212,728
Housing Loans	2,490	6,558,512	6,561,002	163,493
Automobile Loans	656	84,019	84,675	735
Personal Need Loans	184,298	4,930,388	5,114,686	48,500
Other	4,755	-	4,755	-
Consumer Loans-FC Indexed	-	76,113	76,113	46,918
Housing Loans	-	71,095	71,095	44,596
Automobile Loans	-	9	9	7
Personal Need Loans	-	5,009	5,009	2,315
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-TL	9,803,364	694,982	10,498,346	113,636
Installment	4,883,353	694,982	5,578,335	60,380
Non- Installment	4,920,011	-	4,920,011	53,256
Individual Credit Cards-FC	3,047	-	3,047	24
Installment	-	-	-	-
Non- Installment	3,047	-	3,047	24
Personnel Loans-TL	3,897	27,906	31,803	165
Housing Loans	-	592	592	3
Automobile Loans	-	158	158	-
Personal Need Loans	3,897	27,156	31,053	162
Other	-	-	-	-
Personnel Loans-FC Indexed	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Credit Cards-TL	31,254	-	31,254	-
Installment	16,518	-	16,518	-
Non-Installment	14,736	-	14,736	-
Personnel Credit Cards-FC	72	-	72	-
Installment	-	-	-	-
Non-Installment	72	-	72	-
Overdraft Accounts-TL (Real Persons)	726,253	-	726,253	57,252
Overdraft Accounts-FC (Real Persons)	-	-	-	-
Total	10,760,086	12,371,920	23,132,006	430,723

(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 JUNE 30, 2013

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

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

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Commercial Loans with Installment Facility				
- TL	474,063	4,648,228	5,122,291	61,371
Real Estate Loans	163	112,868	113,031	1,700
Automobile Loans	8,715	322,320	331,035	5,311
Personal Need Loans	465,185	4,213,040	4,678,225	54,360
Other	-	-	-	-
Commercial Loans with Installment Facility - FC Indexed	45,651	668,817	714,468	76,944
Real Estate Loans	-	13,706	13,706	2,138
Automobile Loans	280	66,536	66,816	5,935
Personal Need Loans	45,371	588,575	633,946	68,871
Other	-	-	-	-
Commercial Loans with Installment Facility - FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards -TL	730,100	834	730,934	7,888
Installment	312,924	834	313,758	3,386
Non-Installment	417,176	-	417,176	4,502
Corporate Credit Cards -FC	575	-	575	5
Installment	-	-	-	-
Non-Installment	575	-	575	5
Overdraft Accounts-TL (Legal Entities)	419,004	-	419,004	894
Overdraft Accounts-FC (Legal Entities)	-	-	-	-
Total	1,669,393	5,317,879	6,987,272	147,102

f) Loans according to borrowers (*)

	Current Period	Prior Period
Public	135,560	125,458
Private	39,308,635	36,287,155
Total	39,444,195	36,412,613

(*) The loans and other receivables amounting to TL 256,324 (December 31, 2012 – TL 352,296) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

g) Domestic and foreign loans (*)

	Current Period	Prior Period
Domestic Loans	39,307,870	36,243,882
Foreign Loans	136,325	168,731
Total	39,444,195	36,412,613

(*) The loans and other receivables amounting to TL 256,324 (December 31, 2012 – TL 352,296) are classified under “Loans at Fair Value Through Profit/Loss” 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 JUNE 30, 2013

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

h) Loans granted to subsidiaries and associates

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

i) Specific provisions for loans

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectability	214,243	217,150
Loans and Receivables with Doubtful Collectability	436,252	340,379
Uncollectible Loans and Receivables	1,337,788	1,577,665
Total	1,988,283	2,135,194

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

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

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Current Period			
(Gross Amounts Before the Specific Provisions)	454	103,491	66,506
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	454	103,491	66,506
Prior Period			
(Gross Amounts Before the Specific Provisions)	8,516	3,171	58,461
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	8,516	3,171	58,461

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

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Prior Period End Balance	440,683	494,368	1,577,665
Additions (+)(***)	770,947	46,055	21,345
Transfers from Other Categories of Non-Performing Loans (+)	-	651,704	410,752
Transfers to Other Categories of Non-Performing Loans (-)	651,704	410,752	-
Collections (-)	83,052	83,381	129,637
Write-offs (-)(**)	-	-	542,337
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	107,865
Credit Cards	-	-	393,261
Others	-	-	41,211
Current Period End Balance	476,874	697,994	1,337,788
Specific Provision (-)	214,243	436,252	1,337,788
Net Balances on Balance Sheet	262,631	261,742	-

(*) Based on the "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside", the Parent Bank provided specific provisions for its 3rd group commercial loans with 50% provision rate in the prior period, whereas in the current period the Parent Bank provided provision by using minimum provision ratios. After the stated change, provision amount decreased by TL 7,185 in the current period as compared to the provisioning method used in the prior period.

(**) In the current period, non-performing loans amounting to TL 542,337 and provisioned by 100%, sold at a price of TL 100,100 in cash.

(***) Loan portfolio which has a re-payment plan and was under watch list amounting to TL 159,914 in prior years is classified in the third Group, in the current period.

(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 JUNE 30, 2013

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

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

None (December 31, 2012 – None).

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	262,631	261,742	-
Loans to Real Persons and Legal Entities (Gross)	476,874	697,994	1,327,868
Specific provision (-)	(214,243)	(436,252)	(1,327,868)
Loans to Real Persons and Legal Entities (Net)	262,631	261,742	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	9,920
Specific provision (-)	-	-	(9,920)
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	223,533	153,989	-
Loans to Real Persons and Legal Entities (Gross)	440,683	494,368	1,568,817
Specific provision (-)	(217,150)	(340,379)	1,568,817
Loans to Real Persons and Legal Entities (Net)	223,533	153,989	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	8,848
Specific provision (-)	-	-	(8,848)
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.

(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 JUNE 30, 2013**

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

7. Information on factoring receivables

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term	418,916	7,755	364,145	2,622
Medium and Long Term	-	-	-	-
Total	418,916	7,755	364,145	2,622

As of June 30, 2013 and June 30, 2012, changes in provision for non-performing factoring receivables are as follows:

	Current Period	Prior Period
Prior Period End Balance	2,936	4,060
Provided Provision / (reversal), Net	2,112	5,052
Collections	(732)	(106)
Written off	-	(6,070)
Current Period End Balance	4,316	2,936

8. Information on investment securities held-to-maturity

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

None. (December 31, 2012 – None).

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

None. (December 31, 2012 – None).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	1,631,085	-	-	-
Treasury Bills	-	-	-	-
Other Public Sector Debt Securities	-	-	-	-
Total	1,631,085	-	-	-

d) Information on investment securities held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Securities	1,631,085	-	-	-
Quoted	1,631,085	-	-	-
Non-quoted	-	-	-	-
Provision for losses (-)	-	-	-	-
Total	1,631,085	-	-	-

(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 JUNE 30, 2013

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

e) Movement of held-to-maturity investments

	Current Period	Prior Period
Value at the beginning of the period	-	-
Exchange differences on monetary assets	-	-
Acquisitions during the year (*)	1,631,085	-
Disposals through sales and redemptions	-	-
Provision for losses (-)	-	-
The sum of end of the period	1,631,085	-

(*) On June 18, 2013, debt securities with the nominal value of TL 1,307,569 reclassified to held-to-maturity investments from available for sale financial assets.

9. Investments in associates (Net)

9.1. Investments in associates

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

Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
27,657	20,724	17,233	239	-	1,116	1,998	-

(*) Current period information is obtained from financial statements as of June 30, 2013, prior period profit and loss information is obtained from financial statements as of June 30, 2012.

9.2. Movements of investments in associates

	Current Period	Prior Period
Balance at the Beginning of Period	7,977	6,769
Movements During the Period	(4,211)	1,208
Acquisitions	-	1,211(*)
Bonus Shares Received	-	-
Dividends From Current Year Profit	-	-
Sales	-	(3) (**)
Reclassifications	(4,211) (***)	-
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at the End of the Period	3,766	7,977

Capital Commitments

Share Percentage at the End of the Period (%)

-
-

(*) The amount represents the share capital increase amounting to TL 1,000 in Kredi Garanti Fonu A.Ş and distribution of shares to shareholder banks amounting to TL 211 due to the fact that shares of Fortis Bank transferred to TEB infringe the joint venture principle.

(**) The amount represents the Parent Bank's share in the capital decrease of Gelişen Bilgi Teknolojileri A.Ş.

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

(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 JUNE 30, 2013

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

9.3. Sectorial distribution and the related carrying amounts on associates

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	3,766	7,977
Total	3,766	7,977

9.4. Quoted associates

None (December 31, 2012 – None).

9.5. Valuation methods of investments in associates

	Current Period	Prior Period
Valued at Cost	3,766	7,977
Valued at Fair Value	-	-
Valued at Equity Method of Accounting	-	-
Total	3,766	7,977

9.6. Investments in associates sold during the current period

None. (December 31, 2012 – None)

9.7. Investments in associates acquired during the current period

None. (December 31, 2012 – None)

10. Investments in subsidiaries (Net)

a) Information on the Parent Bank's unconsolidated subsidiaries

Title	Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
İbtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. Ve Tic. A.Ş.	Istanbul/Turkey	99.91%	99.99%

(*)	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
	26,081	17,173	19,060	-	-	5,279	2,229	-

(*) Current period information is obtained from financial statements as of June 30, 2013, prior period profit and loss information is obtained from financial statements as of June 30, 2012.

(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 JUNE 30, 2013

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

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.	İstanbul/Turkey	99.60	99.70
2. Finans Finansal Kiralama A.Ş.	İstanbul/Turkey	51.06	68.94
3. Finans Yatırım Ortaklığı A.Ş.	İstanbul/Turkey	83.75 ^(*)	83.75 ^(*)
4. Finans Portföy Yönetimi A.Ş.	İstanbul/Turkey	0.01	99.58
5. Finans Faktoring Hizmetleri A.Ş.	İstanbul/Turkey	99.99	100

^(*) The share of the Parent Bank is 10.01 %, the remaining 73.74% 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. ^(*)	242,583	160,520	12,879	4,016	330	1,569	15,430	-
2. ^(*)	1,557,849	493,128	292	-	-	25,060	36,352	584,200
3. ^(*)	25,877	22,385	25	-	-	641	(2,136)	19,980
4. ^(*)	13,322	12,376	934	390	5	686	7,403	-
5. ^(*)	435,516	28,029	744	15,564	-	1,241	3,252	-

^(*) Current period information represents June 30, 2013 figures, and prior period profit/loss amounts represent June 30, 2012 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.

b.2) Movement of investments in subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	476,617	397,409
Movements during the Period	(60,980)	79,208
Purchases	307 ⁽⁴⁾	5,902 ⁽¹⁾
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales	-	(27,950) ⁽²⁾
Revaluation Difference	-	(22,050) ⁽³⁾
Impairment Provision	(61,287)	123,306
Balance at the End of the Period	-	-
Capital Commitments	415,637	476,617
Share Percentage at the end of the Period (%)	-	-

⁽¹⁾ Purchases in the prior period include the participation to the capital of the Parent Bank's subsidiary Finans Yatırım Ortaklığı A.Ş. amounting to TL 5,902.

⁽²⁾ Disposals in the prior period include the sale of 51% shares of Cigna Finans Emeklilik ve Hayat A.Ş. to Cigna Nederland Gamma B.V. amounting to TL 22,950 and book value of Finans Tüketici Finansmanı A.Ş. amounting to TL 5,000 regarding its sale.

⁽³⁾ Changes due to reclassification in the prior period include the transfer of the book value of Cigna Finans Emeklilik ve Hayat A.Ş. from consolidated subsidiaries to the entities under common control.

⁽⁴⁾ Purchases in the current period the participation to the capital of the Parent Bank's subsidiary Finans Yatırım Ortaklığı A.Ş. amounting to TL 307.

(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 JUNE 30, 2013
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

b.3) Sectorial distribution of the consolidated subsidiaries

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	20,000	20,000
Leasing Companies	298,293	357,012
Finance Companies	-	-
Other Subsidiaries	97,344	99,605
Total	415,637	476,617

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

b.4) Quoted subsidiaries within the context of consolidation

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	312,915	373,896
Quoted on International Stock Exchanges	-	-
Total	312,915	373,896

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

The Bank does not have any significant subsidiaries.

11. Investments in entities under common control

	The Parent Bank's Share	The Group's Share	Current Assets	Fixed Assets	Long Term Debt	Current Period Profit/Loss	Prior Year Profit/Loss
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. (*)	33.33%	33.33%	12,601	7,043	282	948	2,226
Cigna Finans Emeklilik ve Hayat A.Ş. (*)	49.00%	49.00%	539,988	4,713	57,633	6,886	9,929

(*) Current period information represents June 30, 2013 figures, and prior period profit/loss amounts represent December 31, 2012 figures.

12. Information on finance lease receivables (Net)

12.1. Maturity analysis of financial lease receivables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	557,625	482,583	503,606	436,353
Between 1-4 years	680,818	602,569	579,471	512,100
Over 4 years	48,149	44,060	31,708	27,901
Total	1,286,592	1,129,212	1,114,785	976,354

Finance lease receivables include non-performing finance lease receivables amounting to TL 111,512 (December 31, 2012 – TL 110,833) and specific provisions amounting to TL 67,462 (December 31, 2012 – TL 64,549).

(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 JUNE 30, 2013

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

Changes in non-performing finance lease receivables provision as of June 30, 2013 and June 30, 2012, are as follows:

	Current Period	Prior Period
End of prior period	64,549	69,348
Provided provision / (reversal), Net	7,467	6,103
Collections	4,554	3,144
Provision at the end of the period	67,462	72,307

12.2. Information on net investments in finance leases

	Current Period	Prior Period
Gross Finance Lease Investments	1,286,592	1,114,785
Unearned Finance Income (-)	(157,380)	(138,431)
Cancelled Leasing Agreements (-)	-	-
Net Investment on Leases	1,129,212	976,354

12.3. Information of finance lease contracts of the Parent Bank

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

13. Information on hedging purpose derivatives:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	604,493	52,950	202,567	37,919
Cash Flow Hedge	122,594	-	-	-
Net Investment Hedge	-	-	-	-
Total	727,087	52,950	202,567	37,919

(*) Derivative financial instruments designated for the fair value hedge purposes comprise of swaps. As of June 30, 2013, TL 67,205 (December 31, 2012 - TL 37,919) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in securities and TL 590,238 (December 31, 2012 - TL 202,567) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in loans.

14. Information on tax asset

As of June 30, 2013, the Group does not have current tax asset according to related regulations. Deferred tax asset amount is TL 21,847 (December 31, 2012- TL 10,215). The information about current tax and deferred tax liability is presented in the disclosures and explanations about liability accounts in footnote numbered 10.1 and 10.2.

15. Information on assets held for sale and discontinued operations

None. (December 31, 2012 - None)

(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 JUNE 30, 2013

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

16. Information on other assets:

16.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Other Prepaid Expenses	292,455	224,223
Collateral Given for Derivative Transactions	111,315	249,618
Assets Held for Resale (net)	162,917	158,966
Sundry Debtors	69,964	79,171
Advances Given on Finance Lease Transactions	-	28,210
Cheques Receivables from Other Banks	41,145	254,500
Prepaid Rent Expenses	27,502	25,318
Advances Given	6,610	4,972
Prepaid Agency Commissions	4,252	6,671
Other	47,633	69,679
Total	763,793	1,101,328

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

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

17. Accrued interest and income

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans	515,456	62,934	447,956	49,012
Derivative Financial Instruments Held for Hedging	727,087	52,950	202,567	37,919
Assets on Trading Derivatives	448,792	247,327	357,732	133,007
Investment Securities Available for Sale	80,565	32,615	328,828	161,758
Lease Receivables	3,485	5,273	2,853	4,353
Investment securities held to maturity	2,445	-	-	-
Trading Securities	1,136	16	2,178	90
Factoring Receivables	1,775	120	542	62
Money Market Receivables	471	-	748	-
Banks and Other Financial Institutions	74	-	-	-
Other Accruals	3,745	119	16,622	25
Total	1,785,031	401,354	1,360,026	386,226

(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 JUNE 30, 2013
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE

II. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES

1. Information on maturity structure of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	1,120,204	-	2,170,275	8,177,061	2,077,131	2,111,011	57,695	12,003	15,725,380
Foreign Currency Deposits	935,067	-	782,837	5,168,460	928,797	781,792	4,773	5,401	8,607,127
Residents in Turkey	893,916	-	769,009	5,084,779	872,284	672,213	4,773	5,401	8,302,375
Residents Abroad	41,151	-	13,828	83,681	56,513	109,579	-	-	304,752
Public Sector Deposits	125,679	-	2,678	120,307	13,955	1,355,182	-	-	1,617,801
Commercial Deposits	1,591,189	-	1,265,594	3,174,828	890,004	214,039	20,271	-	7,155,925
Other Ins. Deposits	24,233	-	51,363	270,250	171,162	206,964	312	-	724,284
Precious Metal Deposits	661,569	-	-	37,780	22,286	915	615	-	723,165
Bank Deposits	59,531	-	734,336	254,172	48,240	2,046	-	-	1,098,325
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	5,699	-	69,682	42,797	2,094	2,046	-	-	122,318
Foreign Banks	51,739	-	664,654	211,375	46,146	-	-	-	973,914
Participation Banks	2,093	-	-	-	-	-	-	-	2,093
Other	-	-	-	-	-	-	-	-	-
Total	4,517,472	-	5,007,083	17,202,858	4,151,575	4,671,949	83,666	17,404	35,652,007

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	867,610	-	1,665,278	9,925,707	609,492	273,809	15,616	15,286	13,372,798
Foreign Currency Deposits	891,467	-	1,362,776	5,839,836	593,895	210,169	2,620	5,130	8,905,893
Residents in Turkey	853,468	-	1,341,600	5,739,827	560,225	120,732	2,620	5,130	8,623,602
Residents Abroad	37,999	-	21,176	100,009	33,670	89,437	-	-	282,291
Public Sector Deposits	162,871	-	2,687	837,007	1,464	61	-	-	1,004,090
Commercial Deposits	982,592	-	1,679,869	3,921,557	527,438	63,520	98	-	7,175,074
Other Ins. Deposits	18,476	-	32,675	572,391	54,064	710	-	-	678,316
Precious Metal Deposits	462,149	-	-	-	-	58,985	138	-	521,272
Bank Deposits	21,529	-	841,828	126,173	49,607	8,437	-	-	1,047,574
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	1,492	-	216,197	2,020	4,202	4,114	-	-	228,025
Foreign Banks	18,858	-	625,631	124,153	45,405	4,323	-	-	818,370
Participation Banks	1,179	-	-	-	-	-	-	-	1,179
Other	-	-	-	-	-	-	-	-	-
Total	3,406,694	-	5,585,113	21,222,671	1,835,960	615,691	18,472	20,416	32,705,017

(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 JUNE 30, 2013

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

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		Exceeding the	
	Deposit Insurance Fund		Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	7,249,761	4,488,992	8,469,198	8,882,423
Foreign Currency Savings Deposits	1,442,662	909,501	4,212,642	4,809,767
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	8,692,423	5,398,493	12,681,840	13,692,190

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	35,704	28,062
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off-shore banking activities	14,808	2,027
Total	50,512	30,089

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	57,988	-	13,473	-
Swaps	483,720	53,898	355,115	84,465
Futures	-	1,674	-	100
Options	-	98,594	1	22,077
Other	-	-	-	-
Total	541,708	154,166	368,589	106,642

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	320,105	193,056	227,540	145,058
Foreign Banks, Institutions and Funds	63,824	3,985,090	73,644	3,093,566
Total	383,929	4,178,146	301,184	3,238,624

(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 JUNE 30, 2013

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

b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	383,929	2,578,297	301,184	1,722,249
Medium and Long-Term	-	1,599,849	-	1,516,375
Total	383,929	4,178,146	301,184	3,238,624

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

The Parent Bank obtained securitization loan amounting to USD 188 million and EUR 211.9 million with one year maturity according to the Board of Directors' decision No: 261 dated October 18, 2012, as of November 26, 2012.

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

As of June 30, 2013, the Group's liabilities comprise; 59% deposits (December 31, 2012 – 59%), 11% funds borrowed (December 31, 2012 – 9%) and 4% funds provided under repurchase agreements (December 31, 2012 – 3%).

4. Information on funds provided under repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	1,544,311	-	846,251	-
Financial institutions and organizations	1,529,389	-	834,084	-
Other institutions and organizations	8,739	-	4,239	-
Real persons	6,183	-	7,928	-
From foreign transactions	5,667	852,554	4,542	878,081
Financial institutions and organizations	-	852,554	-	878,081
Other institutions and organizations	5,664	-	4,542	-
Real persons	3	-	-	-
Total	1,549,978	852,554	850,793	878,081

5. Information on securities issued (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	1,327,421	-	2,789,390	-
Bills	124,455	1,648,257	-	1,288,923
Total	1,451,876	1,648,257	2,789,390	1,288,923

During the current period, on March 20, 2013 the Parent Bank has issued a bond with a nominal of TL 400,000, 7.15% interest rate and 6 months maturity. Additionally, the Parent Bank has issued bonds on April 4, 2013, with a nominal of TL 475,812, 6.95% interest rate and 6 months maturity, on June 26, 2013 with a nominal of TL 525,418, 7.36% interest rate and 6 months maturity, on April 19, 2013, with a nominal of TL 124,188 and 12 months maturity, on December 14, 2012, with a nominal of TL 650,000, 7.95% interest rate and 6 months maturity, on December 28, 2012 with a nominal of TL 600,000, 7.95% interest rate and 105 days maturity.

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, 2012 – Does not exceed).

(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 JUNE 30, 2013

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

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, 2012 – 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, 2012 – None).

8. Information on liabilities arising from hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge ^(*)	5,100	88,189	257,139	121,330
Cash Flow Hedge ^(**)	28,317	-	34,402	-
Net Investment Hedge	-	-	-	-
Total	33,417	88,189	291,541	121,330

^(*) Derivative financial instruments for hedging purposes include swaps. As of June 30, 2013, TL 24,837 (December 31, 2012 – TL 247,656) represents the fair value of derivatives which are the hedging instruments of hedged loan portfolio TL 68,452 (December 31, 2012 – TL 130,813) represents the fair value of derivatives which are the hedging instruments of hedged investment securities available for sale portfolio.

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

9. Information on provisions

9.1. Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	534,390	441,173
-Additional Provision for Loans and Receivables with Extended Maturities	46,028	29,599
Provisions for Loans and Receivables in Group II	85,529	79,834
-Additional Provision for Loans and Receivables with Extended Maturities	27,394	34,740
Provisions for Non - Cash Loans	62,748	60,135
Other	36,774	36,542
Total	719,441	617,684

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

	Current Period	Prior Period
Foreign Exchange Provision for Foreign Currency Indexed Loans ^(*)	377	6,906

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

(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 JUNE 30, 2013

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

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 54,141 (December 31,2012 - TL 47,989).

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 June 30, 2013, TL 92,205 (December 31, 2012 - TL 85,065) reserve for employee termination benefits was provided in the accompanying financial statements.

As of June 30, 2013, the Group accrued TL 28,593 (December 31, 2012 - TL 21,351) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of June 30, 2013, TL 63,379 (December 31, 2012 - TL 97,488) bonus and premium provisions have been provided under reserve for employee benefits account in the accompanying financial statements.

9.4.1 Movement of employee termination benefits

	Current Period	Prior Period
	01.01-30.06.2013	01.01-30.06.2012
As of January 1	85,065	32,870
Service cost	7,101	4,681
Interest Cost	3,149	2,457
Reclassification effect of CFEHŞ to non-current assets held for sale	-	(145)
Paid during the period	(3,110)	(8,854)
Total	92,205	31,009

9.5. Information on other provisions

9.5.1. Information on free reserves for possible loan losses

	Current Period	Prior Period
Free Reserves for Possible Loan Losses	117,678	99,747

As of June 30, 2013 the Group has provided for possible losses that could arise for loans in the watch list, considering their recovery rates.

9.5.2. Information on other provisions

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

	Current Period	Prior Period
Provision for Promotion Expenses of Credit Cards	17,557	16,187
Other Provisions	114,334	35,796
Total	131,891	51,983

Investigation on 12 banks operating in Turkey allegedly violating the fourth substance of Law on Protection Competition numbered 4054 by means of concerted action and/or agreement of deposit, loan and credit card services has been finalized by Competition Board on March 8, 2013 and administrative fine amounting to TL 54,021 has been decided to given to the Group with the majority of votes. Three forths of the mentioned fine will be paid within the 30 days after the judicial review notified amounting to TL 40,516, according to Law of Misdemeanor numbered 5326, Act No: 17. Necessary provision has been provided under other provisions for the mentioned amount by protecting the Group's right to resort to the jurisdiction.

(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 JUNE 30, 2013

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

10. Taxation

10.1. Current taxes

10.1.1. Current tax liability

As of June 30, 2013, the Group has current tax liability of TL 170,481 (December 31, 2012 - TL 382,188) and advance taxes of TL 90,974 (December 31, 2012 - TL 283,153).

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 79,507 (December 31, 2012 - TL 99,035) in the accompanying consolidated financial statements.

10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	79,507	99,035
Banking and Insurance Transaction Tax (BITT)	29,237	33,110
Taxation on Securities Income	24,347	36,055
Taxation on Real Estates Income	2,100	1,522
Other	12,796	18,856
Total	147,987	188,578

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

10.1.3 Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	12,454	5,590
Social Security Premiums - Employer Share	12,599	5,762
Unemployment Insurance - Employee Share	875	394
Unemployment Insurance - Employer Share	1,751	786
Other	-	-
Total	27,679	12,532

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 21,847 (December 31, 2012 - TL 10,215) and deferred tax liability is TL 1,709 (December 31, 2012 - TL 15,067) after deferred tax asset and liability balances in the financial statements of consolidated subsidiaries are netted off separately.

In cases whereby such differences are related with certain items under the shareholders' equity accounts, the deferred tax benefits/charges are netted under these accounts. The deferred tax liability amounting to TL 72,748 is netted under equity (December 31, 2012 - TL 48,460 deferred tax liability).

(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 JUNE 30, 2013

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

	Temporary Differences		Deferred Tax Asset / (Liability)	
	June 30, 2013	Dec. 31, 2012	June 30, 2013	Dec. 31, 2012
Reserve for employee benefits	183,203	158,486	36,641	40,781
The differences between carrying and taxable amounts of financial assets	255,328	191,770	51,066	38,354
Unused investment incentive certificates	-	2,968	-	6
Other	139,112	353,813	27,822	70,797
Deferred Tax Asset			115,529	149,938
The differences between carrying and taxable amounts of tangible assets	(119,932)	(120,173)	(23,986)	(24,035)
The differences between carrying and taxable amounts of financial assets	(186,530)	(557,890)	(37,306)	(111,578)
Other	(170,496)	(95,887)	(34,099)	(19,177)
Deferred Tax Liability			(95,391)	(154,790)
Deferred Tax Asset / (Liability), Net			20,138	(4,852)

	Current Period 01.01-30.06.2013	Prior Period 01.01-30.06.2012
Deferred Tax Asset / (Liability) as of January 1 (Net)	(4,852)	(4,934)
Deferred Tax (Charge) / Benefit	(47,758)	44,360
Deferred Tax Items Accounted for under the Equity	72,748	(41,245)
Deferred Tax Asset/ (Liability) as of June 30 (Net)	20,138	(2,908)

11. Information on payables related to assets held for sale

None. (December 31, 2012: None)

12. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	1,761,376	-	1,629,590
From Other Foreign Institutions	-	-	-	-
Total	-	1,761,376	-	1,629,590

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

(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 JUNE 30, 2013

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

13. Information on shareholder's equity

13.1. Paid-in capital

	Current Period	Prior Period
Common Stock	2,700,000	2,565,000
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	2,700,000	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.

Date of Increase	Amount of Increase	Cash	Profit Reserves	Capital Reserves
June 25, 2013	135,000	-	128,250	6,750

13.4. Information on share capital increases from revaluation funds

None (December 31, 2012 - 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, 2012 - None).

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

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

14. Common stock issue premiums, shares and equity instruments

	Current Period	Prior Period
Number of Stocks (Thousands)	27,000,000	25,650,000
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.

(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 JUNE 30, 2013

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

15. Marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control	-	-	-	-
Valuation Differences	-	-	-	-
Foreign Exchange Rate Differences	-	-	-	-
Securities Available-for-Sale	(82,208)	(58,848)	168,496	28,059
Valuation Differences	(82,208)	(58,848)	168,496	28,059
Foreign Exchange Rate Differences	-	-	-	-
Total	(82,208)	(58,848)	168,496	28,059

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	541,708	154,166	368,589	106,642
Derivative Financial Liabilities Held for Hedging	33,417	88,189	291,541	121,330
Deposits	158,540	22,127	114,732	17,784
Funds Borrowed	5,049	26,463	3,432	21,181
Money Market Borrowings	905	251	1,197	1,276
Other Accruals	46,029	39,421	25,325	44,535
Total	785,648	330,617	804,816	312,748

(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 JUNE 30, 2013

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

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

	Current Period	Prior Period
Letters of Guarantee in FC	1,622,194	1,533,101
Letters of Guarantee in TL	3,694,095	3,677,256
Letters of Credit	669,286	579,351
Bank Loans	552,187	545,914
Other Guarantees	26,007	24,055
Total	6,563,769	6,359,677

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 54,141 (December 31, 2012 – TL 47,989) followed in the off-balance sheet accounts that are not indemnified and not liquidated yet.

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

	Current Period	Prior Period
Provisional Letters of Guarantee	281,114	401,258
Final Letters of Guarantee	3,370,135	3,396,832
Advance Letters of Guarantee	184,332	179,659
Letters of Guarantee Given to Customs Offices	185,773	186,504
Other Letters of Guarantee	1,294,935	1,046,104
Total	5,316,289	5,210,357

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash		
Loans	256,530	306,450
Less Than or Equal to One Year with Original Maturity	13,496	23,503
More Than One Year with Original Maturity	243,034	282,947
Other Non-Cash Loans	6,307,239	6,053,227
Total	6,563,769	6,359,677

(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 JUNE 30, 2013

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

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

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	15,537	0.42	1,945	0.07	16,824	0.46	2,708	0.10
Farming and Raising Livestock	12,010	0.32	680	0.02	14,758	0.40	668	0.03
Forestry	2,028	0.05	-	0.00	740	0.02	-	0.00
Fishing	1,499	0.04	1,265	0.04	1,326	0.04	2,040	0.08
Manufacturing	643,062	17.32	1,352,643	47.88	644,791	17.52	1,289,546	48.56
Mining and Quarrying	24,711	0.67	1,879	0.07	21,904	0.60	1,736	0.07
Production	573,582	15.45	1,073,238	37.99	551,677	14.99	1,157,579	43.59
Electricity, gas and water	44,769	1.21	277,526	9.82	71,210	1.94	130,231	4.90
Construction	900,322	24.25	357,214	12.65	925,880	25.16	407,535	15.35
Services	2,086,254	56.19	1,105,874	39.15	2,037,904	55.38	934,644	35.20
Wholesale and Retail Trade	1,138,933	30.67	592,598	20.98	1,118,337	30.39	522,299	19.67
Hotel, Food and Beverage								
Services	47,747	1.29	11,234	0.40	45,221	1.23	15,262	0.57
Transportation&Communication	93,799	2.53	106,469	3.77	98,881	2.69	110,684	4.17
Financial Institutions	489,971	13.20	311,804	11.04	468,212	12.72	259,148	9.76
Real Estate and Renting Services	3,701	0.10	1,676	0.06	6,363	0.17	1,552	0.06
Self Employment Services	131,163	3.53	68,962	2.44	119,674	3.25	17,883	0.67
Educational Services	2,534	0.07	75	0.00	1,467	0.04	7	0.00
Health and Social Services	178,406	4.80	13,056	0.46	179,749	4.88	7,809	0.29
Other (*)	67,807	1.83	7,104	0.25	54,632	1.48	21,158	0.80
Total	3,712,982	100.00	2,824,780	100.00	3,680,031	100.00	2,655,591	100.00

(*) Does not include foreign currency balance of "Other Guarantees" amounting to TL 26,007 (December 31, 2012 - TL 24,055).

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

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	3,488,482	1,519,240	174,683	79,742
Bill of Exchange and Acceptances	17,632	526,233	-	8,322
Letters of Credit	1,255	666,408	-	1,623
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	26,007	-	-
Non-cash Loans	3,507,369	2,737,889	174,683	89,687

(*) Does not include non-cash loans amounting to TL 54,141, for which provision is provided, but which are not indemnified and not liquidated yet.

(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 JUNE 30, 2013

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

5. Information related to derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	59,009,055	45,690,221
Forward transactions (*)	9,636,495	5,596,626
Swap transactions	33,124,437	28,774,885
Futures transactions	65,434	225,260
Option transactions	16,182,689	11,093,450
Interest Related Derivative Transactions (II)	5,862,590	5,875,840
Forward rate transactions	-	-
Interest rate swap transactions	5,862,590	5,857,234
Interest option transactions	-	-
Futures interest transactions	-	16,590
Security option transactions	-	2,016
Other trading derivative transactions (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	64,871,645	51,566,061
Types of hedging transactions	19,158,903	18,081,171
Fair value hedges	16,018,340	17,540,286
Cash flow hedges	3,140,563	540,885
Net investment hedges	-	-
B. Total Hedging Related Derivatives	19,158,903	18,081,171
Total Derivative Transactions (A+B)	84,030,548	69,647,232

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

5.1 Fair value hedge accounting

a) Loans

The Parent Bank enters into swap transactions in order to hedge itself from the changes in the fair value due to the changes in market interest rates of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. As of balance sheet date; the mortgage loans amounting to TL 5,144,939 (December 31, 2012 – TL 5,777,912) were subject to hedge accounting by swaps with a nominal of TL 6,346,678 (December 31, 2012 – TL 7,711,610). On June 30, 2013 the net market valuation difference loss amounting to TL 13,705 due to the losses from the loans amounting to TL 332,660 (June 30, 2012 – TL 83,481 gain) and gains from swaps amounting to TL 318,955 (June 30, 2012 – TL 75,614 losses) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through income statement until the maturity of the hedged loans. The Parent Bank has booked the valuation effect amounting to TL 31,358 (June 30, 2012 – 32,295) related to the loans that are ineffective for hedge accounting under “gains / (losses) from financial derivatives transactions” as loss during the current period.

(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 JUNE 30, 2013

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

b) Investment securities available for sale

The Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term foreign currency Eurobonds with fixed coupon held by the Bank using swaps as hedging instruments. As at the balance sheet date; Eurobonds with a nominal of USD 346 million and EUR 26 million (December 31, 2012 – USD 322 million and EUR 26 million) were subject to hedge accounting by interest rate swaps with the same nominal value. On June 30, 2013, the net market valuation difference loss amounting to TL 195 due to losses from Eurobonds amounting to TL 76,196 (June 30, 2012 – TL 5,689 gain) and gains from swaps amounting to TL 76,001 (June 30, 2012 – TL 5,599 gain) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

The Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term TL government bonds with fixed coupon held by the Bank using swaps as hedging instruments. As at the balance sheet date; government bonds with a nominal of TL 198,305 (December 31, 2012 – TL 198,305) were subject to hedge accounting by swaps with the same nominal value. On June 30, 2013, the net market valuation difference gain amounting to TL 1,105 due to losses from government bonds amounting to TL 7,562 (June 30, 2012 – TL 5,266 gain) and gains from swaps amounting to TL 8,667 (June 30, 2012 – 5,413 loss) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

c) Bonds issued

The Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to foreign currency bonds issued by the Bank using interest rate swaps as hedging instruments. As at the balance sheet date; bonds with a nominal of USD 367 million (December 31, 2012 – USD 367 million) were subject to hedge accounting by swaps with the same nominal value. As of June 30, 2013 net market valuation difference loss amounting to TL 114 due to gains from government bonds amounting to TL 8,030 (June 30, 2012 – TL 4,411) and losses from swaps amounting to TL 8,144 (June 30, 2012 – TL 4,292) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

5.2 Cash flow hedge accounting

a) Deposit

The Parent Bank applies cash flow hedge accounting using interest rate swaps in order to hedge itself from the interest rate changes of deposits that have an average maturity of 1 month, the Parent Bank implements cash flow hedge accounting with interest rate swaps. The Parent Bank implements efficiency tests at the balance sheet dates for hedging purposes; the effective portions are accounted for under equity “Hedging Funds”, whereas the ineffective portions are accounted for at income statement as defined in TAS 39.

As at the balance sheet date, swaps amounting to TL 192,742 are subject to hedge accounting as hedging instruments (December 31, 2012 – TL 270,442). As a result of the mentioned hedge accounting, fair value losses before taxes amounting to TL 9,801 are accounted for under equity during the current period (June 30, 2012 – TL 4,145 gain). The loss amounting to TL 124 (June 30, 2012 – TL 1,547 loss) concerning for the ineffective portions are accounted for at the income statement.

As at the balance sheet date, swaps amounting to USD 686 million are subject to hedge accounting as hedging instruments (December 31, 2012 – None). As a result of the mentioned hedge accounting, fair value gain before taxes amounting to TL 43,658 are accounted for under equity during the current period (June 30, 2012 – None). The gains amounting to TL 47 (June 30, 2012 – None) concerning for the ineffective portions are accounted for at the income statement.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. Effective parts classified under equity due to hedge accounting are amortized through income statement until the maturity of swaps in case of ineffectiveness. The Parent Bank transferred loss amounting to TL 4,684 from equity to income statement due to swaps that are matured or whose effectiveness is deteriorated during the current period (June 30, 2012 – TL 2,772 loss).

(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 JUNE 30, 2013

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

As of June 30, 2013, breakdown of the Group's foreign currency forward and currency and interest rate swap transactions based on currencies are disclosed below in their TL equivalents:

	Forward Buy ^(*)	Forward Sell ^(*)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Future Buy	Future Sell
Current Period								
TL	1,812,506	1,795,203	9,545,438	15,597,721	3,224,825	3,232,081	721	721
USD	1,773,383	2,064,874	18,072,997	12,217,311	3,132,227	3,563,075	31,996	31,996
EURO	1,051,255	814,127	972,417	825,124	1,586,189	1,192,086	-	-
Other	180,691	144,443	79,204	835,718	160,011	92,195	-	-
Total	4,817,835	4,818,647	28,670,056	29,475,874	8,103,252	8,079,437	32,717	32,717

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

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

	Forward Buy ^(*)	Forward Sell ^(*)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Future Buy	Future Sell
Prior Period								
TL	1,219,391	888,393	8,619,195	15,375,623	2,466,724	2,385,395	4,134	4,134
USD	711,151	1,276,449	16,549,012	10,068,256	2,348,440	2,399,794	116,067	116,067
EURO	773,666	560,830	624,192	598,397	740,150	734,985	724	724
Other	100,963	65,782	45,477	833,139	19,978	-	-	-
Total	2,805,171	2,791,454	25,837,876	26,875,415	5,575,292	5,520,174	120,925	120,925

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

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

As of June 30, 2013, the Group has no derivative transactions for hedge of net investment.

6. Credit derivatives and risk exposures on credit derivatives

As of June 30, 2013, in the Parent Bank's "other irrevocable commitments", there are commitments for "credit linked notes" with a nominal of USD 13,494 (31 December 2012: USD 13,494).

As of June 30, 2013, included in the Parent Bank's "other derivative financial instruments", there are "total return swaps" with a nominal of USD 80,000 (31 December 2012: USD 100,000). The Parent Bank is the protection buyer in these transactions.

7. Information on contingent liabilities and assets

None (December 31, 2012 – None).

8. 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.

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

MOODY'S November 2012		FITCH April 2013		CI February 2013	
Long-Term Deposit Rating (FC)	Ba2	Long -Term Foreign Curr.	BBB-	Long-Term Foreign Curr.	BB+
Long-Term Deposit Rating (TL)	Ba2	Short-Term Foreign Curr.	F3	Short-Term Foreign Curr.	B
Short-Term Deposit Rating (TL)	NP	Long-Term TL	BBB-	Financial Strength at local market	BBB+
Financial Strength	E+	Short-Term TL	F3	Support	3
		Long-Term National	AAA(tur)		
		Support	3		
		Individual	bbb-		

(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 JUNE 30, 2013

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

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	1,352,634	19,713	1,393,995	31,006
Medium and Long-Term Loans	1,047,407	70,579	875,201	61,156
Non-Performing Loans	52,592	-	49,904	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	2,452,633	90,292	2,319,100	92,162

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	-	-	229
Domestic Banks	228	2	5,864	9
Foreign Banks	2,011	353	579	98
Foreign Headquarters and Branches	-	-	-	-
Total	2,239	355	6,443	336

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	5,308	103	8,712	291
Financial Assets at FVTPL	5	-	5	-
Investment Securities Available for Sale	179,339	30,789	273,447	23,377
Investment Securities Held to Maturity	3,485	-	-	-
Total	188,137	30,892	282,164	23,668

d) Information on interest income received from associates and subsidiaries

None (June 30, 2012 – None).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	10,862	82,295	12,220	77,487
T.R. Central Bank	-	-	-	-
Domestic Banks	7,223	3,184	6,732	1,290
Foreign Banks	3,639	79,111	5,488	76,197
Foreign Headquarters and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	10,862	82,295	12,220	77,487

(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 JUNE 30, 2013
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

b) Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	2,020	386

c) Information on interest expense paid to securities issued

The Parent Bank issued bonds on September 14, 2012 with a nominal of TL 400,000 and on September 21, 2012 with a nominal of TL 500,000, on November 15 2012 with a nominal of TL 750,000, on December 14, 2012 with an nominal of TL 650,000, on December 28, 2012 with a nominal of TL 600,000 are redeemed during the current period. Besides, the Parent Bank issued bonds with a nominal of TL 400,000, 6 months maturity and 7.15% interest rate on March 20, 2013 and on April 4, 2013 with a nominal of TL 475,812 and 6.95% interest rate, on June 26, 2013 with a nominal of TL 525,418 and 7.36% interest rate and 6 months maturity and on April 19, 2013 with a nominal of TL 124,188 bonds were issued. As of June 30, 2013, interest expense amounting to TL 127,640 is booked for the bonds issued. (June 30, 2012 – TL 42,517).

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

Time Deposits							Accumulated Deposit Account	Total
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Lira								
Bank Deposits	-	184	6,164	2,324	117	331	-	9,120
Saving Deposits	-	67,086	279,836	81,783	39,930	1,197	249	470,081
Public Sector Deposits	-	25	2,004	56	1	-	-	2,086
Commercial Deposits	-	56,206	121,324	21,778	4,891	413	-	204,612
Other Deposits	-	1,561	14,979	12,355	37,258	11	-	66,164
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	-	125,062	424,307	118,296	82,197	1,952	249	752,063
Foreign Currency								
Deposits	-	14,566	69,103	20,710	8,346	50	56	112,831
Bank Deposits	14	838	4,767	637	148	-	-	6,404
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	122	72	3	2	-	199
Total	14	15404	73,992	21,419	8,497	52	56	119,434
Grand Total	14	140,466	498,299	139,715	90,694	2,004	305	871,497

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

Time Deposits							Accumulate d Deposit Account	Total
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Lira								
Bank Deposits	-	112	6,072	1,869	37	299	-	8,389
Saving Deposits	2	80,349	558,414	146,145	15,358	969	848	802,085
Public Sector Deposits	-	531	2,676	244	5	-	-	3,456
Commercial Deposits	1	45,800	127,583	35,870	6,972	2,770	-	218,996
Other Deposits	-	785	29,892	9,116	89	434	-	40,316
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	3	127,577	724,637	193,244	22,461	4,472	848	1,073,242
Foreign Currency								
Deposits	-	15,555	96,498	16,024	5,344	462	152	134,035
Bank Deposits	102	1,830	1,793	181	31	123	-	4,060
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	391	79	5	2	-	-	477
Total	102	17,776	98,370	16,210	5,377	585	152	138,572
Grand Total	105	145,353	823,007	209,454	27,838	5,057	1,000	1,211,814

(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 JUNE 30, 2013
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expenses on Repurchase Agreements ^(*)	35,771	2,851	53,629	3,511

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

f) **Information on finance lease expenses**

None (June 30, 2012 – None).

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

None (June 30, 2012 – None).

3. **Information on dividend income**

	Current Period	Prior Period
Financial Assets Held for Trading	-	-
Financial Assets at Fair Value Through Profit or Loss	140	178
Financial Assets Available for Sale	7	9
Other	-	-
Total	147	187

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

	Current Period	Prior Period
Trading Gain	3,635,039	2,930,081
Gains on Capital Market Operations	214,160	38,172
Derivative Financial Instruments	1,173,442	1,057,244
Foreign Exchange Gains	2,247,437	1,834,665
Trading Loss (-)	(3,722,894)	(3,136,408)
Losses on Capital Market Operations	(51,332)	(28,932)
Derivative Financial Instruments	(1,433,193)	(1,261,031)
Foreign Exchange Losses	(2,238,369)	(1,846,445)
Net Trading Income/Loss	(87,855)	(206,327)

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.

(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 JUNE 30, 2013

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

6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	395,426	229,165
Loans and Receivables in Group III	(2,907)	31,451
Loans and Receivables in Group IV	95,873	76,304
Loans and Receivables in Group V	302,460	121,410
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	101,757	91,463
Provision for Free Reserves on Possible Losses	17,931	28,408
Impairment Losses on Securities	465	-
Financial assets at fair value through profit or loss	-	-
Investment Securities available for sale	465	-
Impairment Losses on Associates, Subsidiaries and Investment Securities Held-to-Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
Other	11,320	6,575
Total	526,899	355,611

7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	459,717	387,353
Reserve for employee termination benefits	7,517	-
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation charge of tangible assets	50,595	46,281
Impairment losses on intangible assets	-	-
Impairment losses on goodwill	-	-
Amortization charge of intangible assets	31,925	26,171
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed of	1	1
Depreciation on assets to be disposed	1,524	1,160
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	406,204	308,255
Operational lease related expenses	81,460	68,382
Repair and maintenance expenses	28,618	24,787
Advertisement expenses	56,602	40,146
Other expenses	239,524	174,940
Losses on sales of assets	38	1,010
Other	217,221	120,569
Total	1,174,742	890,800

(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 JUNE 30, 2013**

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

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

For the period ended June 30, 2013, net interest income of TL 1,697,296 (June 30, 2012 - TL 1,395,714), net fees and commission income of TL 559,112 (June 30, 2012 - TL 550,306) and other operating income of TL 206,560 (June 30, 2012 - TL 111,363) 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 June 30, 2013, the Group recorded current tax charge of TL 104,963 (June 30, 2012 - TL 191,106) and a deferred tax charge of TL 47,758 (June 30, 2012 - TL 44,360 deferred tax charge).

9.2. Explanations on operating profit/loss after taxes

None (June 30, 2012 - None).

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

Net profit of the Group from continued operations is TL 524,854 (June 30, 2012 - TL 458,086).

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 (June 30, 2012 - None).

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

11.3. Profit or loss attributable to minority shares

	Current Period	Prior Period
Profit / Loss Attributable to Minority Shares	7,665	8,037

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.

(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 JUNE 30, 2013

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

SECTION FIVE

V. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED CASH FLOWS STATEMENT

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

	Current Period	Prior Period
	January 1, 2013	January 1, 2012
Cash	653,081	524,265
Cash in TL	439,800	320,914
Cash in Foreign Currencies	212,819	184,674
Other	462	18,677
Cash Equivalents	2,955,737	2,493,964
Balances with the T.R. Central Bank	965,102	480,213
Banks and Other Financial Institutions	205,237	932,227
Money Market Placements	1,786,785	1,093,505
Less: Placements with Banks with Maturities Longer than 3 Months	-	(10,428)
Less: Accruals	(1,387)	(1,553)
Cash and Cash Equivalents	3,608,818	3,018,229

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

	Current Period	Prior Period
	June 30, 2013	June 30, 2012
Cash	733,886	494,293
Cash in TL	492,393	317,357
Cash in Foreign Currencies	210,881	151,007
Other	30,612	25,929
Cash Equivalents	2,161,717	700,900
Balances with the T.R. Central Bank	1,110,203	554,572
Banks and Other Financial Institutions	139,273	141,329
Money Market Placements	912,786	5,326
Less: Placements with Banks with Maturities Longer than 3 Months	-	-
Less: Accruals	(545)	(327)
Cash and Cash Equivalents	2,895,603	1,195,193

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

A portion of foreign bank accounts amounting to TL 1,364 (December 31, 2012- TL 778) includes blocked cash for foreign money and capital market transactions and for 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.

(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 JUNE 30, 2013

(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 June 30, 2013, the Parent Bank's risk group has deposits amounting to TL 180,088 (December 31, 2012 – TL 213,416), non cash loans amounting to TL 24,671 (December 31, 2012 – TL 29,498).

Current Period

Parent Bank's Risk Group ^(*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	-	29,498	-	-
Balance at the End of the Period	-	219	-	24,452	-	-
Interest and Commission Income	-	1	-	-	-	-

Prior Period

Parent Bank's Risk Group ^(*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	-	3,072	34,873	2
Balance at the End of the Period	-	-	-	29,498	-	-
Interest and Commission Income	-	-	-	5	1,131	1

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

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

Parent Bank's Risk Group ^(*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	186,538	58,340	18,692	31,009	8,186	2,116
Balance at the End of the Period	149,389	186,538	16,727	18,692	13,972	8,186
Interest on deposits	2,020	386	-	-	247	-

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

(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 JUNE 30, 2013
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

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

Parent Bank's Risk Group ^(*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading Purposes						
Beginning of the Period	-	15,581	393,221	34,165	4,711	28,702
End of the Period	-	-	494,129	393,221	214,288	4,711
Total Income/Loss ^(**)	-	-	10,170	727	(550)	(1,370)
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss ^(**)	-	-	-	-	-	-

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

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

- 1.4. As of June 30 2013, the total amount of remuneration and bonuses paid to top management of the Group is TL 34,971 (June 30, 2012- TL 28,213).

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

2.1. Relations with entities in the risk group of / or controlled by the Parent Bank regardless of the nature of relationship among the parties

Transactions with the risk group are made on an arms-length basis; terms are set according to the market conditions and in compliance with the Banking Law.

2.2. In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other matters

As of June 30, 2013, there are no cash loans of the risk group.(December 31, 2012 – None) the deposits represented 0.5% (December 31, 2012 – 0.7%) of the Parent Bank's total deposits and the derivative transactions represented 2.2% (December 31, 2012 – 1.6%) 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.

Cigna Finans Emeklilik ve Hayat Sigorta A.Ş. controlled by the Parent Bank with the rate of 49.00% provides agency services to insurance 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.

(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 JUNE 30, 2013

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

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

Investigation on "allegedly violating the fourth substance of Law on Protection Competition numbered 11-55/1438 by means of concerted action and/or agreement of deposit, loan and credit card services" regarding the banks operating in Turkey has been finalized by Competition Board on November 2, 2011 and the Parent Bank has been fined amounting to TL 54,021. The mentioned administrative fine will be paid within the 30 days after the judicial review is received by the Parent Bank amounting to TL 40,516 which is three-fourths of the mentioned fine, according to Law of Misdemeanor numbered 5326, Act No: 17/6. As of 30 June 2013, the Parent Bank, provided provision amounting to TL 40,516 in its unconsolidated financial statements. The justified decision of Competition Board, dated July 16, 2013 and numbered 81435258-645-7921 is accepted by the Parent Bank. The necessary payment will be made until the regulatory deadline with prejudice.

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

The Parent Bank signed a "Real Estate Purchase Commitment Agreement" with Koru Gayrimenkul Yatırım ve Ticaret A.Ş. on 28 June 2013, in order to acquire a new head quarter building that is located in İstanbul, Şişli District, Mecidiyeköy quarter, 304 Region, 1947 Section, 28 Parcel. The Parent Bank is going to get the ownership right of the building when the construction is completed as stated in the agreement. In pursuit of the ownership right transition, the Parent Bank is going to sell off its current headquarter buildings.

(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 JUNE 30, 2013
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

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 August 21, 2013 is presented preceding the financial statements.

II. Explanations on the notes prepared by Independent Auditors

None (December 31, 2012 – None).