

FİNANSBANK ANONİM ŞİRKETİ

**INDEPENDENT ACCOUNTANT'S
LIMITED REVIEW REPORT,
CONSOLIDATED FINANCIAL
STATEMENTS AND NOTES
FOR THE PERIOD ENDED
MARCH 31, 2013**

*Translated into English from the
Original Turkish Report*

FİNANSBANK ANONİM ŞİRKETİ

INDEPENDENT ACCOUNTANT’S LIMITED REVIEW REPORT FOR THE INTERIM PERIOD JANUARY 1 – MARCH 31, 2013

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

We have reviewed the accompanying consolidated balance sheet of Finansbank A.Ş. (“The Bank”) and its financial subsidiaries (“The Group”) as of March 31, 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 March 31, 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
Istanbul, May 21, 2013

**THE CONSOLIDATED FINANCIAL REPORT OF FİNANSBANK A.Ş.
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2013**

The Parent Bank's;

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

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

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

Within the context of this financial report, the consolidated subsidiaries 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

1. Finans Emeklilik ve Hayat Anonim Şirketi

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

Ömer A. Aras Chairman of the Board of Directors	Mustafa A. Aysan Member of the Board of Directors and Chairman of the Audit Committee	Paul Mylonas Member of the Board of Directors and of the Audit Committee	Michail Oratis Member of the Board of Directors and of the Audit Committee
Temel Güzelöğlu 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 report 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

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

FINANSBANK ANONİM ŞİRKETİ

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2013**

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

SECTION ONE

GENERAL INFORMATION ABOUT THE PARENT BANK

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

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

II. Information about the Parent Bank's shareholding structure, shareholders who individually or jointly have power to control the management and audit directly or indirectly, changes regarding these subjects during the year, if any, and information about the controlling group of the Parent Bank

As of March 31, 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
Antonios 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 Güzelöğlu	Board Member and Managing Director	April 16, 2010	Masters
Mustafa Hamdi Görtin	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

^(*) Ali Teoman Kerman was appointed as a Board Member as of April 16, 2013.

^(**) Dr. Paul Mylonas has been resigned from the membership of the audit committee and Board Member as of April 18, 2013.

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

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

FİNANSBANK ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 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.	1,980,904	77.23%	1,980,904	-
NBG Finance (Dollar) PLC	248,276	9.68%	248,276	-
NBGI Holdings B.V.	202,635	7.90%	202,635	-

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

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

The Parent Bank's activities include trade finance and corporate banking, treasury, retail banking and credit card operations. In addition, the Parent Bank carries out insurance agency activities on behalf of insurance companies through its branches. As of March 31, 2013, the Parent Bank operates through 590 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
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**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND
RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**

FİNANSBANK ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2013

(STATEMENT OF FINANCIAL POSITION)

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

I. CONSOLIDATED BALANCE SHEET – ASSETS

		Reviewed 31.03.2013			Audited 31.12.2012			
		Section 5						
		Part I	TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	818,821	5,707,439	6,526,260	1,025,036	4,302,907	5,327,943
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	622,007	131,162	753,169	839,686	135,876	975,562
2.1	Financial assets held for trading		316,893	131,162	448,055	487,390	135,876	623,266
2.1.1	Public sector debt securities		53,494	2,315	55,809	105,400	2,869	108,269
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Assets on trading derivatives		241,942	128,847	370,789	357,732	133,007	490,739
2.1.4	Other securities		21,457	-	21,457	24,258	-	24,258
2.2	Financial assets at fair value through profit and loss		305,114	-	305,114	352,296	-	352,296
2.2.1	Public sector debt securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans		305,114	-	305,114	352,296	-	352,296
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	(3)	13,509	122,363	135,872	95,410	109,827	205,237
IV.	MONEY MARKET PLACEMENTS		264,565	-	264,565	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)	264,565	-	264,565	1,786,785	-	1,786,785
V.	INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(5)	5,490,341	1,080,381	6,570,722	5,931,174	1,234,774	7,165,948
5.1	Equity securities		-	-	-	-	-	-
5.2	Public sector debt securities		5,285,325	1,056,329	6,341,654	5,730,803	1,208,574	6,939,377
5.3	Other securities		205,016	24,052	229,068	200,371	26,200	226,571
VI.	LOANS AND RECEIVABLES	(6)	34,464,077	3,276,032	37,740,109	33,011,328	3,426,511	36,437,839
6.1	Loans and receivables		34,001,438	3,276,032	37,277,470	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		34,001,438	3,276,032	37,277,470	32,633,806	3,426,511	36,060,317
6.2	Non-performing loans		-	-	-	2,512,716	-	2,512,716
6.3	Specific provisions (-)		2,266,095	-	2,266,095	2,135,194	-	2,135,194
VII.	FACTORING RECEIVABLES	(7)	311,701	7,176	318,877	364,145	2,622	366,767
VIII.	INVESTMENT SECURITIES HELD TO MATURITY (Net)	(8)	-	-	-	-	-	-
8.1	Public sector debt securities		-	-	-	-	-	-
8.2	Other securities		-	-	-	-	-	-
IX.	INVESTMENT IN ASSOCIATES (Net)	(9)	7,977	-	7,977	7,977	-	7,977
9.1	Equity method associates		-	-	-	-	-	-
9.2	Unconsolidated		7,977	-	7,977	7,977	-	7,977
9.2.1	Financial Investments		-	-	-	-	-	-
9.2.2	Non-financial Investments		7,977	-	7,977	7,977	-	7,977
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)	203,430	-	203,430	201,092	-	201,092
11.1	Equity method entities under common control		200,630	-	200,630	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)	345,213	641,460	986,673	308,429	667,925	976,354
12.1	Financial lease receivables		420,500	709,833	1,130,333	376,532	738,253	1,114,785
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		75,287	68,373	143,660	68,103	70,328	138,431
XIII.	DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(13)	265,810	49,661	315,471	202,567	37,919	240,486
13.1	Fair value hedge		265,810	49,661	315,471	202,567	37,919	240,486
13.2	Cash flow hedge		-	-	-	-	-	-
13.3	Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)		466,994	70	467,064	436,425	69	436,494
XV.	INTANGIBLE ASSETS (Net)		186,465	-	186,465	180,557	-	180,557
15.1	Goodwill		8,969	-	8,969	8,969	-	8,969
15.2	Others		177,496	-	177,496	171,588	-	171,588
XVI.	INVESTMENT PROPERTIES (Net)		-	-	-	-	-	-
XVII.	TAX ASSETS	(14)	18,042	-	18,042	10,215	-	10,215
17.1	Current tax assets		-	-	-	-	-	-
17.2	Deferred tax assets		18,042	-	18,042	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)	588,160	236,673	824,833	788,855	312,473	1,101,328
TOTAL ASSETS			44,082,098	11,252,417	55,334,515	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 MARCH 31, 2013

(STATEMENT OF FINANCIAL POSITION)

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

I. CONSOLIDATED BALANCE SHEET – LIABILITIES AND EQUITY

			Reviewed 31.03.2013			Audited 31.12.2012		
		Section 5 Part II	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(1)	22,635,444	10,481,486	33,116,930	22,643,757	10,061,260	32,705,017
1.1	Deposits from risk group of the Bank		174,687	27,252	201,939	186,025	27,391	213,416
1.2	Other		22,460,757	10,454,234	32,914,991	22,457,732	10,033,869	32,491,601
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	323,422	109,127	432,549	368,589	106,642	475,231
III.	FUNDS BORROWED	(3)	259,052	3,369,297	3,628,349	301,184	3,238,624	3,539,808
IV.	MONEY MARKET BORROWINGS		849,679	803,268	1,652,947	910,793	878,081	1,788,874
4.1	Interbank money markets takings		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money markets takings		49,250	-	49,250	60,000	-	60,000
4.3	Funds provided under repurchase agreements	(4)	800,429	803,268	1,603,697	850,793	878,081	1,728,874
V.	SECURITIES ISSUED (Net)	(5)	2,296,103	1,476,318	3,772,421	2,789,390	1,288,923	4,078,313
5.1	Bills		2,296,103	-	2,296,103	2,789,390	-	2,789,390
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	1,476,318	1,476,318	-	1,288,923	1,288,923
VI.	FUNDS		-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	SUNDRY CREDITORS		1,245,954	176,034	1,421,988	1,154,828	138,539	1,293,367
VIII.	OTHER LIABILITIES	(6)	428,139	82,632	510,771	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)	167,414	123,199	290,613	291,541	121,330	412,871
11.1	Fair value hedge		131,483	123,199	254,682	257,139	121,330	378,469
11.2	Cash flow hedge		35,931	-	35,931	34,402	-	34,402
11.3	Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII.	PROVISIONS	(9)	1,091,096	45,571	1,136,667	969,314	51,993	1,021,307
12.1	General provisions		615,163	45,571	660,734	565,691	51,993	617,684
12.2	Restructuring provisions		-	-	-	-	-	-
12.3	Reserve for employee benefits		210,397	-	210,397	203,904	-	203,904
12.4	Insurance technical provisions (Net)		-	-	-	-	-	-
12.5	Other provisions		265,536	-	265,536	199,719	-	199,719
XIII.	TAX LIABILITY	(10)	106,609	-	106,609	114,102	-	114,102
13.1	Current tax liability		105,295	-	105,295	99,035	-	99,035
13.2	Deferred tax liability		1,314	-	1,314	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)	-	1,675,766	1,675,766	-	1,629,590	1,629,590
XVI.	SHAREHOLDERS' EQUITY	(13)	7,623,624	(34,719)	7,588,905	7,384,225	28,059	7,412,284
16.1	Paid-in capital	(13)	2,565,000	-	2,565,000	2,565,000	-	2,565,000
16.2	Capital reserves		80,355	(34,719)	45,636	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)	120,491	(34,719)	85,772	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)		(2,752)	-	(2,752)	(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		4,345,950	-	4,345,950	3,394,920	-	3,394,920
16.3.1	Legal reserves		361,757	-	361,757	314,251	-	314,251
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		3,984,193	-	3,984,193	3,080,669	-	3,080,669
16.3.4	Other profit reserves		-	-	-	-	-	-
16.4	Profit or loss		478,540	-	478,540	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)		275,766	-	275,766	1,103,630	-	1,103,630
16.5	Minority shares		153,779	-	153,779	149,762	-	149,762
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY			37,026,536	18,307,979	55,334,515	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 MARCH 31, 2013**

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

II. CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES

		Reviewed 31.03.2013			Audited 31.12.2012			
		Section 5 Part III	TL	FC	TOTAL	TL	FC	TOTAL
A.	OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I-II-III)		64,071,135	46,801,382	110,872,517	59,434,933	41,370,102	100,805,035
I.	GUARANTEES	(1), (2), (3),(4)	3,623,512	2,637,508	6,261,020	3,680,031	2,679,646	6,359,677
1.1.	Letters of guarantee		3,615,262	1,463,589	5,078,851	3,677,256	1,533,101	5,210,357
1.1.1.	Guarantees subject to State Tender Law		164,625	14,140	178,765	172,175	14,329	186,504
1.1.2.	Guarantees given for foreign trade operations		2,383,368	1,449,449	3,832,817	2,535,231	1,518,772	4,054,003
1.1.3.	Other letters of guarantee		1,067,269	-	1,067,269	969,850	-	969,850
1.2.	Bank loans		8,246	545,172	553,418	2,771	543,143	545,914
1.2.1.	Import letter of acceptance		8,246	545,172	553,418	2,771	543,143	545,914
1.2.2.	Other bank acceptances		-	-	-	-	-	-
1.3.	Letters of credit		4	604,272	604,276	4	579,347	579,351
1.3.1.	Documentary letters of credit		4	581,770	581,774	4	539,429	539,433
1.3.2.	Other letters of credit		-	22,502	22,502	-	39,918	39,918
1.4.	Prefinancing given as guarantee		-	-	-	-	-	-
1.5.	Endorsements		-	-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2.	Other endorsements		-	-	-	-	-	-
1.6.	Securities issue purchase guarantees		-	-	-	-	-	-
1.7.	Factoring guarantees		-	-	-	-	-	-
1.8.	Other guarantees		-	24,475	24,475	-	24,055	24,055
1.9.	Other collaterals		-	-	-	-	-	-
II.	COMMITMENTS		27,324,640	1,876,918	29,201,558	25,025,838	1,309,173	26,335,011
2.1.	Irrevocable commitments		27,324,640	1,876,918	29,201,558	25,025,838	1,309,173	26,335,011
2.1.1.	Forward asset purchase commitments		751,936	1,875,338	2,627,274	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		4,965,304	-	4,965,304	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		1,853,549	-	1,853,549	1,685,568	-	1,685,568
2.1.8.	Tax and fund liabilities from export commitments		6,391	-	6,391	6,031	-	6,031
2.1.9.	Commitments for credit card expenditure limits		19,675,985	-	19,675,985	18,492,777	-	18,492,777
2.1.10.	Commitments for promotions related with credit cards and banking activities		37,181	-	37,181	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		34,294	1,580	35,874	52,292	6,213	58,505
2.2.	Revocable commitments		-	-	-	-	-	-
2.2.1.	Revocable loan granting commitments		-	-	-	-	-	-
2.2.2.	Other revocable commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(5)	33,122,983	42,286,956	75,409,939	30,729,064	37,381,283	68,110,347
3.1	Derivative financial instruments for hedging purposes		8,135,843	9,793,667	17,929,510	8,484,346	9,596,825	18,081,171
3.1.1	Fair value hedge		7,618,158	9,793,667	17,411,825	7,943,461	9,596,825	17,540,286
3.1.2	Cash flow hedge		517,685	-	517,685	540,885	-	540,885
3.1.3	Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2	Held for trading transactions		24,987,140	32,493,289	57,480,429	22,244,718	27,784,458	50,029,176
3.2.1	Forward foreign currency buy/sell transactions		2,079,091	3,789,629	5,868,720	1,873,860	2,185,881	4,059,741
3.2.1.1	Forward foreign currency transactions-buy		1,110,659	1,825,660	2,936,319	1,083,037	953,734	2,036,771
3.2.1.2	Forward foreign currency transactions-sell		968,432	1,963,969	2,932,401	790,823	1,232,147	2,022,970
3.2.2	Swap transactions related to foreign currency and interest rates		16,865,119	20,268,244	37,133,363	15,510,471	19,121,648	34,632,119
3.2.2.1	Foreign currency swap-buy		8,588,693	7,166,199	15,754,892	7,541,602	6,860,603	14,402,205
3.2.2.2	Foreign currency swap-sell		6,728,826	9,217,569	15,946,395	6,354,569	8,018,111	14,372,680
3.2.2.3	Interest rate swaps-buy		773,800	1,869,690	2,643,490	807,150	2,050,163	2,857,313
3.2.2.4	Interest rate swaps-sell		773,800	2,014,786	2,788,586	807,150	2,192,771	2,999,921
3.2.3	Foreign currency, interest rate and securities options		6,031,919	8,208,267	14,240,186	4,852,119	6,243,347	11,095,466
3.2.3.1	Foreign currency options-buy		2,864,759	4,266,536	7,131,295	2,465,716	3,108,568	5,574,284
3.2.3.2	Foreign currency options-sell		3,147,160	3,941,731	7,088,891	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		10,000	-	10,000	1,008	-	1,008
3.2.3.6	Securities options-sell		10,000	-	10,000	1,008	-	1,008
3.2.4	Foreign currency futures		11,011	227,149	238,160	8,268	216,992	225,260
3.2.4.1	Foreign currency futures-buy		5,616	113,464	119,080	4,134	108,496	112,630
3.2.4.2	Foreign currency futures-sell		5,395	113,685	119,080	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)		149,404,010	21,655,022	171,059,032	140,969,221	21,868,767	162,837,988
IV.	ITEMS HELD IN CUSTODY		7,263,490	1,324,881	8,588,371	9,038,350	1,662,193	10,700,543
4.1.	Assets under management		2,339,493	110,057	2,449,550	2,606,526	112,331	2,718,857
4.2.	Investment securities held in custody		1,955,510	326,406	2,281,916	2,379,933	546,715	2,926,648
4.3.	Checks received for collection		1,350,173	190,991	1,541,164	1,246,196	214,083	1,460,279
4.4.	Commercial notes received for collection		464,992	82,010	547,002	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		1,153,319	615,417	1,768,736	2,351,890	701,043	3,052,933
4.8.	Custodians		3	-	3	3	-	3
V.	PLEDGED ITEMS		142,140,520	20,330,141	162,470,661	131,930,871	20,206,574	152,137,445
5.1.	Marketable securities		517,578	459,127	976,705	524,393	458,219	982,612
5.2.	Guarantee notes		133,306	35,939	169,245	119,772	50,678	170,450
5.3.	Commodity		25,174	-	25,174	21,788	-	21,788
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		39,849,480	6,844,222	46,693,702	38,013,600	6,867,934	44,881,534
5.6.	Other pledged items		101,614,982	12,990,853	114,605,835	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)			213,475,145	68,456,404	281,931,549	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)**

FİNANSBANK ANONİM ŞİRKETİ
CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED
MARCH 31, 2013 (STATEMENT OF INCOME/LOSS)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

III. CONSOLIDATED INCOME STATEMENT

			Reviewed 01.01 – 31.03.2013	Reviewed 01.01 – 31.03.2012
		Section 5 Part IV		
I.	INTEREST INCOME	(1)	1,424,759	1,383,265
1.1	Interest on loans		1,284,667	1,177,757
1.2	Interest received from reserve deposits		-	-
1.3	Interest received from banks		1,629	3,990
1.4	Interest received from money market placements		2,224	21,179
1.5	Interest received from marketable securities portfolio		104,912	153,001
1.5.1	Held-for-trading financial assets		2,583	4,279
1.5.2	Financial assets at fair value through profit and loss		5	5
1.5.3	Available-for-sale financial assets		102,324	148,717
1.5.4	Investments held-to-maturity		-	-
1.6	Finance lease income		22,865	17,670
1.7	Other interest income		8,462	9,668
II.	INTEREST EXPENSE	(2)	573,861	726,632
2.1	Interest on deposits		433,220	637,960
2.2	Interest on funds borrowed		44,714	43,088
2.3	Interest on money market borrowings		16,799	22,915
2.4	Interest on securities issued		73,866	17,993
2.5	Other interest expense		5,262	4,676
III.	NET INTEREST INCOME (I - II)		850,898	656,633
IV.	NET FEES AND COMMISSIONS INCOME		272,795	257,803
4.1	Fees and commissions received		306,235	306,345
4.1.1	Non-cash loans		10,121	9,170
4.1.2	Other		296,114	297,175
4.2	Fees and commissions paid		33,440	48,542
4.2.1	Non-cash loans		405	203
4.2.2	Other		33,035	48,339
V.	DIVIDEND INCOME	(3)	45	-
VI.	NET TRADING INCOME	(4)	(56,377)	(117,649)
6.1	Securities trading gains/ (losses)		106,005	419
6.2	Gains / (losses) Financial derivative transactions		(169,225)	(98,831)
6.3	Foreign exchange gains/ (losses)		6,843	(19,237)
VII.	OTHER OPERATING INCOME	(5)	52,699	61,331
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)		1,120,060	858,118
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	197,390	145,077
X.	OTHER OPERATING EXPENSES (-)	(7)	546,864	434,923
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		375,806	278,118
XII.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XIII.	GAIN / (LOSS) ON EQUITY METHOD		2,339	-
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV.	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	378,145	278,118
XVI.	TAX CHARGE FOR CONTINUED OPERATIONS (±)	(9)	(98,322)	(61,855)
16.1	Current income tax charge		(94,075)	(86,823)
16.2	Deferred tax charge / benefit		(4,247)	24,968
XVII.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	279,823	216,263
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)	279,823	216,263
23.1	Group's profit/loss		275,766	212,202
23.2	Minority shares		4,057	4,061
	Earnings per share		0.01063	0.00867

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

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

FİNANSBANK ANONİM ŞİRKETİ

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER SHAREHOLDERS'
EQUITY FOR THE PERIOD ENDED MARCH 31, 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 – 31.03.2013	Reviewed 01.01 – 31.03.2012
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	(66,580)	133,342
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)	4,408	(3,123)
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	25,827	(28,299)
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	(36,345)	101,920
XI. PROFIT/LOSS	(67,164)	8,967
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(71,848)	7,540
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	4,684	1,427
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)	(103,509)	110,887

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

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

FİNANSBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED MARCH 31, 2013

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Reviewed	Paid-in Capital	Effect of inflation Accounting on Capital and Other Capital Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Shareholders' Equity
I.	Prior period – 01.01.-31.03.2012																		
II.	Beginning balance	2,440,000	-	714	-	269,937	-	2,402,433	-	-	898,412	(253,716)	-	-	(6,361)	-	5,751,419	159,904	5,911,323
2.1	Corrections according to TAS 8	-	-	-	-	-	-	-	(17,799)	-	520	-	-	-	-	-	(17,279)	-	(17,279)
2.2	The effects of changes in accounting policies	-	-	-	-	-	-	-	(17,799)	-	520	-	-	-	-	-	(17,279)	-	(17,279)
III.	New balance (I-II)	XXV 2,440,000	-	714	-	269,937	-	2,402,433	(17,799)	-	898,932	(253,716)	-	-	(6,361)	-	5,734,140	159,904	5,894,044
	Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	112,244	-	-	-	-	112,244	-	112,244
VI.	Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,357)	-	(1,357)	-	(1,357)
6.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,357)	-	(1,357)	-	(1,357)
VII.	Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other	-	-	-	-	-	-	493	-	-	-	-	-	-	-	-	493	(5,294)	(4,801)
XIX.	Period net income/(loss)	-	-	-	-	-	-	-	212,202	-	-	-	-	-	-	-	212,202	4,061	216,263
XX.	Profit distribution	-	-	-	-	42,405	-	805,707	-	-	(848,112)	-	-	-	-	-	-	-	-
20.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2	Transfers to reserves	-	-	-	-	42,405	-	805,707	-	-	(848,112)	-	-	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Closing balance	2,440,000	-	714	-	312,342	-	3,208,633	(17,799)	212,202	50,820	(141,472)	-	-	(7,718)	-	6,057,722	158,671	6,216,393
	(III+.....+ XVIII+XIX+XX)																		

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

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

FİNANSBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED MARCH 31, 2013

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed	Paid-in Capital	Effect of inflation Accounting on Capital and Other Capital Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Shareholders' Equity
I. Current period – 01.01.-31.03.2013																		
Beginning Balance	2,565,000	-	714	-	314,251	-	3,080,669	(38,098)	-	1,153,457	196,555	-	-	(10,026)	-	7,262,522	149,762	7,412,284
Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	(110,783)	-	-	-	-	(110,783)	-	(110,783)
IV. Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	7,274	-	7,274	-	7,274
4.2 Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	7,274	-	7,274	-	7,274
V. Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other ^(*)	-	-	-	-	-	-	-	347	-	-	-	-	-	-	-	-	-	-
XVII. Period net income/(loss)	-	-	-	-	-	-	-	-	275,766	-	-	-	-	-	-	275,766	347	307
XVIII. Profit distribution	-	-	-	-	-	-	-	903,177	-	(950,683)	-	-	-	-	-	275,766	4,057	279,823
18.1 Dividends distributed	-	-	-	-	47,506	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to reserves	-	-	-	-	47,506	-	-	903,177	-	(950,683)	-	-	-	-	-	-	-	-
18.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	2,565,000	-	714	-	361,757	-	3,984,193	(38,098)	275,766	202,774	85,772	-	-	(2,752)	-	7,435,126	153,779	7,588,905
(I+II+III+...+XVI+XVII+XVIII)																		

(*) 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 MARCH 31, 2013

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

VI. CONSOLIDATED CASH FLOWS STATEMENT

	Section 5 Part V	Reviewed 01.01- 31.03.2013	Reviewed 01.01 – 31.03.2012
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		1,005,399	496,105
1.1.1 Interest received (+)		1,477,188	1,326,714
1.1.2 Interest paid (-)		(440,045)	(661,878)
1.1.3 Dividend received (+)		45	-
1.1.4 Fees and commissions received (+)		306,793	306,345
1.1.5 Other income (+)		54,490	50,911
1.1.6 Collections from previously written off loans (+)		91,015	128,276
1.1.7 Payments to personnel and service suppliers (-)		(397,286)	(326,965)
1.1.8 Taxes paid (-)		(151,751)	(106,749)
1.1.9 Other (+/-)	(1)	64,950	(220,549)
1.2 Changes in operating assets and liabilities		(2,693,125)	(909,855)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		54,241	(105,982)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		40,308	62,793
1.2.3 Net (increase) decrease in due from banks (+/-)		(1,388,310)	77,314
1.2.4 Net (increase) decrease in loans (+/-)		(1,642,040)	(831,276)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	543,415	(33,162)
1.2.6 Net increase (decrease) in bank deposits (+/-)		(253,476)	165,228
1.2.7 Net increase (decrease) in other deposits (+/-)		581,213	(108,899)
1.2.8 Net increase (decrease) in funds borrowed (+/-)		77,872	(345,871)
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	(706,348)	210,000
I. Net cash provided from / (used in) banking operations (+/-)		(1,687,726)	(413,750)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		440,581	155,830
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(307)	(4,801)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		-	-
2.3 Fixed assets purchases (-)		(54,250)	(23,804)
2.4 Fixed assets sales (+)		76	2,694
2.5 Cash paid for purchase of financial assets available for sale (-)		(3,472,180)	(2,998,260)
2.6 Cash obtained from sale of financial assets available for sale (+)		3,989,646	3,199,189
2.7 Cash paid for purchase of investment securities (-)		-	-
2.8 Cash obtained from sale of investment securities (+)		-	-
2.9 Other (+/-)		(22,404)	(19,188)
C. CASH FLOWS FROM FINANCING ACTIVITIES			-
III. Net cash provided from / (used in) financing activities (+/-)		(513,405)	-
3.1 Cash obtained from funds borrowed and securities issued (+)		386,595	-
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(900,000)	-
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 (+/-)		(19,801)	6,985
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		(1,780,351)	(250,935)
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)	1,828,467	2,767,294

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

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

FİNANSBANK ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 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 March 31, 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. As per Additional Article 1 of the Statutory Decree, applicable laws and standards will apply until new standards and regulations be issued by the Institution and will become effective. In this respect, the respective matter has no effect over the 'Basis of The Preparation of Financial Statements' Note disclosed in the accompanying financial statements as of the reporting date.

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 MARCH 31, 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 March 31, 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>March 31, 2013</u>	<u>December 31, 2012</u>
US Dollar	TL 1.8137	TL 1.7826
Euro	TL 2.3206	TL 2.3517

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 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 March 31, 2013 is TL 6,843 (March 31, 2012 - TL 19,237 net foreign exchange loss).

2.3. Foreign subsidiaries

As of March 31, 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 (%)	
				March 31, 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.	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 March 31, 2013.

1. Subsidiaries

As of March 31, 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 using 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 MARCH 31, 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.

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

**FİNANSBANK ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2013**

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

V. Explanations on interest income and expenses

Interest income and expenses are recognized in the income statement for all interest bearing instruments on an accrual basis using the effective interest rate method. In accordance with the related regulation, the interest accruals of non-performing loans are cancelled and not recorded as interest income until collected.

VI. Explanations on fees and commission income and expenses

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

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

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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.

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.

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

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Gazette No: 26333 which was revised with the most recent Communiqué dated September 21, 2012, published on the Official Gazette No: 28418.

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

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

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

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

VIII. Explanations on impairment of financial assets

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

IX. Explanations on netting of financial instruments

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

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

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

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.

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 1,784,610 (December 31, 2012 - TL 1,986,434).

The Group does not have any securities that are subject to lending transactions as of March 31, 2013 (December 31, 2012 – None).

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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.

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.

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

XIV. Explanations on leasing transactions

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

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

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

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

XV. Explanations on factoring receivables

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

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 Bank. Whenever the amount of such obligations cannot be measured, they are regarded as “contingent”. If the possibility of an outflow of resources embodying economic benefits becomes probable and the amount of the obligation can reliably be measured, a provision is provided.

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

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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 XXIV, 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.

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

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

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

2. Deferred taxes

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

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XIX. Additional explanations on borrowings

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

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

XX. Explanation on share issues

During the current period, there has been no change in the share capital of the Bank. (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 March 31, 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.

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

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

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

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Current Period (January 1 – March 31, 2013)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Net Interest Income	397,259	121,973	331,666	850,898
Net Fees and Commissions Income	396,354	29,110	(152,669)	272,795
Other Operating Income and Net Trading Income	48,432	29,556	(81,666)	(3,678)
Dividend Income	-	-	45	45
Operating Income	842,045	180,639	97,376	1,120,060
Other Operating Expenses	334,652	81,739	130,473	546,864
Provision for Loan Losses and Other Receivables	146,589	30,310	20,491	197,390
Profit Before Taxes	360,804	68,590	(53,588)	375,806
Gain / Loss on joint venture accounted for at equity method	-	-	2,339	2,339
Provision for Tax	-	-	-	(98,322)
Net Profit/Loss	-	-	-	279,823
Total Assets	30,649,824	7,613,245	13,647,440	55,334,515
Segment Assets	30,649,824	7,613,245	13,647,440	51,910,509
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	226,393
Undistributed Assets	-	-	-	3,197,613
Total Liabilities	20,911,606	11,188,039	12,331,464	55,334,515
Segment Liabilities	20,911,606	11,188,039	12,331,464	44,431,109
Undistributed Liabilities	-	-	-	3,314,501
Equity	-	-	-	7,588,905
Other Segment Accounts	-	-	-	123,471
Capital Expenditures	-	-	-	82,535
Depreciation and Amortization	-	-	-	40,936
Value Decrease/ (Increase)	-	-	-	-

Prior Period (January 1 - March 31, 2012)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Net Interest Income	349,141	143,561	163,931	656,633
Net Fees and Commissions Income	363,426	25,363	(130,986)	257,803
Other Operating Income and Net Trading Income	12,055	25,979	(94,352)	(56,318)
Dividend Income	-	-	-	-
Operating Income	724,622	194,903	(61,407)	858,118
Other Operating Expenses	268,848	71,041	95,034	434,923
Provision for Loan Losses and Other Receivables	99,812	17,251	28,014	145,077
Profit Before Taxes	355,962	106,611	(184,455)	278,118
Provision for Tax	-	-	-	(61,855)
Net Profit/Loss	-	-	-	216,263
Other Segment Accounts	-	-	-	86,861
Capital Expenditures	-	-	-	50,373
Depreciation and Amortization	-	-	-	36,488
Value Decrease/ (Increase)	-	-	-	-

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	-	-	-	3,520,279
Equity	-	-	-	7,412,284

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XXIV. Profit Reserves and profit distribution

At the General Assembly dated March, 28, 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.

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

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SECTION FOUR

INFORMATION ON GROUP'S FINANCIAL STRUCTURE

I. Explanations Related to Consolidated Capital Adequacy Ratio

As of March 31, 2013, the Parent Bank's consolidated capital adequacy ratio is 19.07%. (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.

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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	11,615,343	-	719,480	12,239,903	19,030,449	11,876,849	2,601,134	3,247,350	-
Exposure Categories:									
Conditional and unconditional receivables from central governments or central banks	11,001,928	-	-	1,117,976	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	3,872	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	110	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	715,599	263,543	-	12,138	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	13,396	-	9,703,272	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	19,030,449	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	10,810,214	-	-	-	-	-
Past due receivables	-	-	-	34,774	-	402,438	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	2,601,134	3,247,350	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	196,942	-	-	-
Other receivables	613,415	-	9	-	-	1,561,949	-	-	-

Consolidated									
Risk Weightings									
Current Period	0%	10%	20%	50%	75%	100%	150%	200%	1250%
Value at Credit Risk	11,615,343	-	657,186	12,299,305	19,894,055	12,349,477	2,621,208	3,247,350	-
Exposure Categories:									
Conditional and unconditional receivables from central governments or central banks	11,001,928	-	-	1,117,976	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	3,872	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	110	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	653,305	275,644	-	12,138	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	13,396	-	10,156,65	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	19,894,055	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	10,856,300	-	-	-	-	-
Past due receivables	-	-	-	35,989	-	421,687	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	2,621,208	3,247,350	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	196,942	-	-	-
Other receivables	613,415	-	9	-	-	1,561,949	-	-	-

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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)	3,424,795	3,518,210
Capital Requirement for Market Risk (MRCR)	62,408	66,311
Capital Requirement for Operational Risk (ORCR)	425,090	454,568
Shareholders' Equity	9,149,996	9,626,968
Shareholders' Equity/(CRCR+MRCR+ORCR) * 12.5 * 100	18.71%	19.07%

CRCR : Capital Requirement for Credit Risk

MRCR : Capital Requirement for Market Risk

ORCR : Capital Requirement for Operational Risk

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Components of consolidated shareholders' equity items:

	Current Period
CORE CAPITAL	
Paid-in Capital	2,565,000
Nominal Capital	2,565,000
Capital Commitments (-)	-
Inflation Adjustments to Paid-in Capital	-
Share Premium	714
Share Cancellation Profits	-
Reserves	3,658,551
Inflation Adjustments to Reserves	-
Profit	478,540
Current Period's Profit	275,766
Prior Periods' Profit	202,774
Provision for Possible Losses (up to 25% of Core Capital)	116,444
Income on Sale of Equity Shares and Real Estates	649,301
Primary Subordinated Debts	-
Minority Interest	153,779
Loss (in excess of Reserves) (-)	-
Current Period's Losses	-
Prior Periods' Losses	-
Leasehold Improvements on Operational Leases (-)	118,148
Intangible Assets (-)	177,496
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	7,317,716
SUPPLEMENTARY CAPITAL	
General Provisions	632,631
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	1,650,339
45% of Securities Value Increase Fund	38,597
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss	-
Minority Interest	-
Total Supplementary Capital	2,321,567
CAPITAL	9,639,283
DEDUCTIONS FROM CAPITAL	12,315
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	-
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	12,282
Securitization Positions to be Deducted from Equity	-
Other	33
TOTAL SHAREHOLDERS' EQUITY	9,626,968

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II. Information on Consolidated Market Risk

The Group has established market risk operations and has taken the necessary measures in order to hedge market risk within its financial risk management purposes, in accordance with the regulation on “Banks’ Internal Control and Risk Management Systems” and the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks”.

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

The market risk is measured by using an internal model developed with Value-at-Risk (VaR) methodology. VaR is calculated 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	17,202
(II)	Capital Requirement against Specific Risks – Standard Method	16,157
	Capital Requirement against Specific Risks of Securitization Positions– Standard Method	-
(III)	Capital Requirement against Currency Risk – Standard Method	16,223
(IV)	Capital Requirement against Commodity Risks - Standard Method	3,947
(V)	Capital Requirement against Settlement Risks - Standard Method	-
(VI)	Capital Requirement against Market Risks of Options - Standard Method	631
(VII)	Capital Requirement against Counterparty Credit Risk - Standard Method	12,151
(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)	66,311
(X)	Value-At-Market Risk (12,5 x VIII) or (12,5 x IX)	828,888

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III. Explanations Related to the Operational Risk

Value at operational risk is calculated with basic indicator method by using the gross profits for the last three years' (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 March 31, 2013, the value at operational risk is amounting to TL 5,682,100.

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.

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IV. Explanations Related to Consolidated Foreign Exchange Risk

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

As of March 31, 2013, the net foreign currency exposure of the Group is TL 228,597 short position (December 31, 2012 – TL – 409,610 short) resulting from on balance sheet short position amounting to TL 5,661,968 (December 31, 2012 – TL 5,927,616 short) and long off balance sheet position amounting to TL 5,433,371 (December 31, 2012 – TL 5,518,006 long). The long off balance sheet position amounting to TL 4,849,105 (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 1.8137

Euro purchase rate in the balance sheet date TL 2.3206

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
March 31, 2013	1.8137	2.3206
March 29, 2013	1.8137	2.3206
March 28, 2013	1.8176	2.3257
March 27, 2013	1.8168	2.3379
March 26, 2013	1.8140	2.3551
March 25, 2013	1.8174	2.3510

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

The arithmetical average of the Bank’s US Dollar and Euro purchase rates for March 2013 are TL 1.8075 and TL 2.3437; respectively.

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

Current Period	EUR	USD	Other FC	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	1,834,636	2,453,625	1,419,178	5,707,439
Due From Banks	40,236	66,290	15,837	122,363
Financial Assets at Fair Value through Profit/Loss ⁽⁴⁾	20,424	108,728	1,108	130,260
Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	102,344	978,037	-	1,080,381
Loans and Receivables ⁽²⁾	2,048,850	2,504,376	98,206	4,651,432
Investments in Assoc., Subsidiaries and Entities under Common Control	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-
Derivative Financial Assets Hedging Purposes	-	49,661	-	49,661
Tangible Assets	-	-	70	70
Intangible Assets	-	-	-	-
Other Assets ⁽³⁾	532,856	368,410	2,641	903,907
Total Assets	4,579,346	6,529,127	1,537,040	12,645,513
Liabilities				
Bank Deposits	154,818	349,841	37,936	542,595
Foreign Currency Deposits	2,884,164	6,264,546	790,181	9,938,891
Money Market Borrowings	78,911	724,357	-	803,268
Funds Provided from Other Financial Institutions ⁽⁶⁾	1,490,539	3,564,922	1,391	5,056,852
Securities Issued	-	1,476,318	-	1,476,318
Sundry Creditors	95,244	78,977	1,813	176,034
Sundry Creditors	32,137	91,062	-	123,199
Derivative Fin. Liabilities Hedging Purposes	40,927	146,674	2,723	190,324
Other Liabilities ⁽⁵⁾	4,776,740	12,696,697	834,044	18,307,481
Total Liabilities				
Net Balance Sheet Position	(197,394)	(6,167,570)	702,996	(5,661,968)
Net Off-Balance Sheet Position	105,708	6,010,052	(682,389)	5,433,371
Financial Derivative Assets	2,861,429	21,584,378	279,477	24,725,284
Financial Derivative Liabilities	2,755,721	15,574,326	961,866	19,291,913
Non-Cash Loans ⁽¹⁾	654,119	1,836,806	146,583	2,637,508
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 1,375,400 (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 2,807 (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 814 (December 31, 2012 – TL 983) that are classified as FC on the balance sheet, yet includes FC indexed factoring receivables amounting to TL 22,219 (31 December 2012- TL 32,401).

⁽⁴⁾ Does not include foreign exchange income accruals on derivative transactions amounting to TL 902 (December 31, 2012 – TL 9,732).

⁽⁵⁾ Foreign exchange expense accruals amounting to TL 1,435 (December 31, 2012 – TL 919) on derivative transactions and the general loan loss provisions amounting to TL 45,571 (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 11,789 (December 31, 2012 – None) that are classified as TL on the balance sheet.

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V. Explanations Related to Consolidated Interest Rate Risk

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

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

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

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

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

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

(Based on reprising dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing ^(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	-	-	-	-	-	6,526,260	6,526,260
Due from Banks	14,165	6	-	-	-	121,701	135,872
Financial Assets at Fair Value Through Profit/Loss ^(**)	56,227	232,109	190,699	236,289	256,502	96,814	1,068,640
Money Market Placements	264,565	-	-	-	-	-	264,565
Inv. Securities Available for Sale	1,670,614	1,183,069	1,987,021	484,280	1,046,368	199,370	6,570,722
Loans and Receivables	9,685,033	4,588,213	10,908,131	9,942,608	2,153,485	462,639	37,740,109
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets ^(*)	251,900	174,795	347,301	525,456	6,098	1,722,797	3,028,347
Total Assets	11,942,504	6,178,192	13,433,152	11,188,633	3,462,453	9,129,581	55,334,515
Liabilities							
Bank Deposits	531,715	205,475	24,618	-	-	34,635	796,443
Other Deposits	16,426,577	9,688,234	2,405,889	19,504	-	3,780,283	32,320,487
Money Market Borrowings	1,652,923	24	-	-	-	-	1,652,947
Sundry Creditors	-	-	-	-	-	1,421,988	1,421,988
Securities Issued	593,868	1,317,070	385,165	1,476,318	-	-	3,772,421
Funds Borrowed	1,216,449	2,789,365	1,021,136	261,974	15,191	-	5,304,115
Other Liabilities ^(*)	24,838	215,242	225,522	169,620	13,517	9,417,375	10,066,114
Total Liabilities	20,446,370	14,215,410	4,062,330	1,927,416	28,708	14,654,281	55,334,515
On Balance Sheet Long Position	-	-	9,370,822	9,261,217	3,433,745	-	22,065,783
On Balance Sheet Short Position	(8,503,866)	(8,037,218)	-	-	-	(5,524,700)	(22,065,783)
Off-Balance Sheet Long Position	24,142	-	-	28,197	1,186	-	53,525
Off-Balance Sheet Short Position	(1,276)	(15,333)	(81,040)	-	-	(5,524,700)	(97,649)
Total Position	(8,481,000)	(8,052,551)	9,289,782	9,289,414	3,434,931	(5,524,700)	(44,124)

^(*) "Other Assets" in "Non-Interest Bearing" column include other assets amounting to TL 824,833, tangible assets amounting to TL 467,064, intangible assets amounting to TL 186,465, associates, subsidiaries and entities under common control amounting to TL 226,393, tax asset amounting to TL 18,042 and "Other Liabilities" in the "Non-Interest Bearing" column include shareholders' equity amounting to TL 7,588,905, other liabilities amounting to TL 510,771, provisions amounting to TL 1,136,667, tax liabilities amounting to TL 106,609, derivative financial liabilities held for trading amounting to TL 74,423.

^(**) This line also includes derivative financial assets hedging purposes amounting to TL 315,471.

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Average interest rates applied to monetary financial instruments

	EUR	USD	JPY	TL
Current Period	%	%	%	%
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	0.12	-	-	5.87
Financial Assets at Fair Value Through Profit/Loss	3.34	3.11	-	4.84
Money Market Placements	-	-	-	8.44
Investment Securities Available for Sale	4.81	5.24	-	6.94
Loans and Receivables	5.78	4.97	5.20	19.00 ^(*)
Investment Securities Held for Trading	-	-	-	-
Liabilities				
Bank Deposits	1.93	2.05	-	7.16
Other Deposits	2.66	2.84	0.25	7.37
Money Market Borrowings	-	-	-	5.60
Sundry Creditors	-	-	-	-
Securities Issued	-	5.36	-	8.05
Funds Borrowed	2.10	3.28	-	8.40

^(*) The yield of loans is 14.51% 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							
On Balance Sheet Short Position	-	-	5,651,216	9,820,985	3,509,332	-	18,981,533
Off-Balance Sheet Long Position	(11,699,826)	(859,926)	-	-	-	(6,421,781)	(18,981,533)
Off-Balance Sheet Short Position	-	205,648	-	-	-	-	205,648
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 1,101,328, 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.

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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	19.70 ^(*)
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 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.

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Type of Currency	Shocks Applied (+/- x basis points)	Gains/Losses	Gains/Equity- Losses/Equity
1. TL	(+) 500	(802,570)	(8.77)%
	(-) 400	787,651	8.61%
2. EURO	(+) 200	(31,958)	(0.35)%
	(-) 200	35,652	0.39%
3. USD	(+) 200	(38,406)	(0.42)%
	(-) 200	51,582	0.56%
Total (of negative shocks)		872,934	9.54%
Total (of positive shocks)		(874,885)	(9.56)%

Position risk of equity securities in banking book

Equity Securities (shares)	Comparison		
	Carrying Value	Fair Value	Market Value
1. Equity Investments Group A	15,505	-	15,015
Quoted Securities	15,015	-	15,015
2 Equity Investments Group B	3	-	-
Quoted Securities	3	-	-
3. Equity Investments Group C	-	-	-
Quoted Securities	-	-	-
4. Equity Investments Group Other^(*)	226,393	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	1,292	-	-	1,621	-	729
3. Other Shares	-	-	-	-	-	-
4. Total	1,292	-	-	1,621	-	729

VI. Explanations Related to Consolidated Liquidity Risk

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

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

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.

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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.

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

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Un-Allocated ^(*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	1,428,191	5,098,069	-	-	-	-	-	6,526,260
Due from Banks	121,701	14,165	6	-	-	-	-	135,872
Financial Assets at Fair Value Through Profit/Loss ^(**)	-	54,455	87,945	242,329	427,145	256,766	-	1,068,640
Money Market Placements	-	264,565	-	-	-	-	-	264,565
Investment Securities Available for Sale	199,370	5,074	21,141	1,013,496	2,846,169	2,485,472	-	6,570,722
Loans and Receivables	-	9,700,753	4,374,145	10,513,996	10,424,274	2,264,302	462,639	37,740,109
Investment Securities Held to Maturity	-	-	-	-	-	-	-	-
Other Assets	3,713	621,546	156,267	373,272	705,689	6,524	1,161,336	3,028,347
Total Assets	1,752,975	15,758,627	4,639,504	12,143,093	14,403,277	5,013,064	1,623,975	55,334,515
Liabilities								
Bank Deposits	34,635	531,715	205,475	24,618	-	-	-	796,443
Other Deposits	3,780,283	16,426,577	9,688,234	2,405,889	19,504	-	-	32,320,487
Funds Borrowed	-	224,793	374,872	2,180,253	745,665	1,778,532	-	5,304,115
Money Market Borrowings	-	1,652,923	24	-	-	-	-	1,652,947
Securities Issued	-	593,868	1,317,070	385,165	1,476,318	-	-	3,772,421
Sundry Creditors	9,046	1,392,147	2,855	-	-	17,940	-	1,421,988
Other Liabilities ^(*)	2,243	434,552	113,860	234,108	499,680	47,268	8,734,403	10,066,114
Total Liabilities	3,826,207	21,256,575	11,702,390	5,230,033	2,741,167	1,843,740	8,734,403	55,334,515
Liquidity Gap	(2,073,232)	(5,497,948)	(7,062,886)	6,913,060	11,662,110	3,169,324	(7,110,428)	-
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 7,588,905, unallocated provisions amounting to TL 1,038,711 and tax liability of TL 106,609.

^(**) This line also includes derivative financial assets hedging purposes amounting to TL 315,471.

VII. Explanations Related to Securitization Positions

As of March 31, 2013 the Group has no securitization positions.

VIII. Explanations Related to 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" ("Regulation"). In this method, the volatility regarding the exposures and collaterals is adjusted as per the standard deduction ratio announced in the attachment of the Regulation.

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

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Exposure Categories(**)	Amount(*)	Financial Collaterals	Other/Physical Collaterals	Guaranties and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	12,119,904	-	-	-
Conditional and unconditional receivables from regional or local governments	3,872	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	531	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	1,084,662	64,712	-	-
Conditional and unconditional receivables from corporates	16,025,750	363,665	-	-
Conditional and unconditional retail receivables	38,200,361	255,793	-	-
Conditional and unconditional receivables secured by mortgages	11,203,757	-	-	-
Past due receivables	457,786	110	-	-
Receivables defined in high risk category by BRSA	5,919,030	50,472	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	196,942	-	-	-
Other receivables	2,297,345	-	-	-
Total	87,509,940	734,752	-	-

(*) 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 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 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.

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	414,719	175,366	439,800	212,819
T.R. Central Bank	380,691	5,532,064	584,776	4,090,086
Others	23,411	9	460	2
Total	818,821	5,707,439	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	380,691	433,995	584,776	380,326
Restricted Time Deposits	-	5,098,069	-	3,709,760
Total	380,691	5,532,064	584,776	4,090,086

As of March 31, 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 12.5% depending on the maturity of deposits (December 31, 2012 – 6% and 11%).

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 ^(*)	10,023	-	9,105	-
Other	-	-	-	-
Total	10,023	-	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 ^(*)	1,090	-	-	-
Treasury Bills ^(*)	-	-	1,684	-
Other Debt Securities	-	-	-	-
Bonds Issued and Guaranteed by Banks	7,362	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	8,452	-	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.

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c) Positive differences on trading derivative instruments

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	20,860	-	18,607	-
Swap Transactions	220,996	78,917	338,376	96,083
Futures	-	173	-	6,109
Options	86	49,757	749	30,815
Other	-	-	-	-
Total	241,942	128,847	357,732	133,007

3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	6,466	9,574	4,168	809
Foreign	7,043	112,789	91,242	109,018
Foreign Head Offices and Branches	-	-	-	-
Total	13,509	122,363	95,410	109,827

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount ^(**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	53,501	42,809	-	-
USA and Canada	60,588	60,881	1,247	778
OECD Countries ^(*)	3,843	2,873	-	-
Off-shore Banking Regions	-	91,241	-	-
Other	653	1,678	-	-
Total	118,585	199,482	1,247	778

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

^(**) Includes blocked placements at foreign banks amounting to TL 1,247 (December 31, 2012 - TL 778).

4. Information on receivables from reverse repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	264,565	-	1,786,785	-
T.R. Central Bank	-	-	-	-
Banks	260,153	-	1,785,748	-
Intermediary Institutions	4,412	-	97	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	940	-
Real Persons	-	-	-	-
Foreign Transactions	-	-	-	-
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
Total	264,565	-	1,786,785	-

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5. Information on investment securities available for sale

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar marketable securities	388,855	-	430,419	-
Other	-	-	-	-
Total	388,855	-	430,419	-

b) Investment securities available for sale subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	798,818	977,340	859,279	1,125,471
Treasury bills	-	-	-	-
Other debt securities	-	-	-	-
Bonds issued or bank guaranteed by banks	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	798,818	977,340	859,279	1,125,471

c) Investment securities available for sale

	Current Period	Prior Period
Debt securities	6,380,891	6,978,832
Quoted on a stock exchange (*)	6,356,829	6,952,631
Unquoted on a stock exchange	24,062	26,201
Share certificates	200,797	190,353
Quoted on a stock exchange (**)	200,797	190,353
Unquoted on a stock exchange	-	-
Impairment provision (-)	(10,966)	(3,237)
Total	6,570,722	7,165,948

(*) The Eurobond Portfolio amounting to TL 831,276 (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 200,969 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 195,622 (December 31, 2012 - TL 181,995).

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	-	25,473	-	29,498
Corporate Shareholders	-	25,473	-	29,498
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees (*)	63,895	-	58,761	-
Total	63,895	25,473	58,761	29,498

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

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

Cash Loans ^(*)	Standard Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other		Extension of Repayment Plan	Other
Non-specialized Loans						
Discount Notes	318,979	-	-	4,347	-	-
Export Loans	625,672	46	-	88,075	1,130	-
Import Loans	-	-	-	-	-	-
Loans Given to Financial Sector	317,108	-	-	-	-	-
Retail Loans	11,594,908	369,190	-	690,246	124,112	-
Credit Cards	10,213,657	501,787	-	301,533	165,248	-
Other	11,218,597	182,883	-	756,154	108,912	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	34,288,921	1,053,906	-	1,840,355	399,402	-

^(*) The loans and other receivables amounting to TL 305,114 (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	1,053,893	385,326
3, 4 or 5 times	4	6,293
Over 5 times	9	7,783
Total	1,053,906	399,402

Extension Periods	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
0 - 6 months	228,936	56,973
6 -12 months	94,583	31,570
1 - 2 years	358,109	117,003
2 - 5 years	322,349	173,379
5 years and over	49,929	20,477
Total	1,053,906	399,402

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

Cash Loans ^(*)	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms
Short-term Loans	18,333,661	-	301,533	165,248
Non-specialized Loans	18,333,661	-	301,533	165,248
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	15,955,260	1,053,906	1,538,822	234,154
Non-specialized Loans	15,955,260	1,053,906	1,538,822	234,154
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	34,288,921	1,053,906	1,840,355	399,402

(*) The loans and other receivables amounting to TL 305,114 (December 31, 2012 – TL 352,296) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

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

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Consumer Loans-TL	175,737	11,266,764	11,442,501	411,562
Housing Loans	2,042	6,348,494	6,350,536	362,178
Automobile Loans	733	91,920	92,653	807
Personal Need Loans	168,195	4,826,350	4,994,545	48,577
Other	4,767	-	4,767	-
Consumer Loans-FC Indexed	-	86,189	86,189	45,861
Housing Loans	-	79,907	79,907	43,572
Automobile Loans	-	34	34	13
Personal Need Loans	-	6,248	6,248	2,276
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-TL	9,630,757	759,375	10,390,132	111,088
Installment	4,990,708	759,375	5,750,083	61,477
Non- Installment	4,640,049	-	4,640,049	49,611
Individual Credit Cards-FC	3,247	-	3,247	22
Installment	-	-	-	-
Non- Installment	3,247	-	3,247	22
Personnel Loans-TL	3,420	24,820	28,240	160
Housing Loans	-	530	530	1
Automobile Loans	-	223	223	1
Personal Need Loans	3,420	24,067	27,487	158
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	29,918	-	29,918	-
Installment	16,473	-	16,473	-
Non-Installment	13,445	-	13,445	-
Personnel Credit Cards-FC	104	-	104	-
Installment	-	-	-	-
Non-Installment	104	-	104	-
Overdraft Accounts-TL (Real Persons)	687,082	-	687,082	76,861
Overdraft Accounts-FC (Real Persons)	-	-	-	-
Total	10,530,265	12,137,148	22,667,413	645,554

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

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Commercial Loans with Installment Facility				
- TL	448,978	4,064,033	4,513,011	57,975
Real Estate Loans	-	111,714	111,714	4,318
Automobile Loans	6,402	308,157	314,559	4,684
Personal Need Loans	442,576	3,644,162	4,086,738	48,973
Other	-	-	-	-
Commercial Loans with Installment Facility - FC Indexed	40,505	573,457	613,962	36,803
Real Estate Loans	-	13,728	13,728	1,412
Automobile Loans	435	62,558	62,993	2,178
Personal Need Loans	40,070	497,171	537,241	33,213
Other	-	-	-	-
Commercial Loans with Installment Facility - FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards -TL	639,104	1,104	640,208	6,826
Installment	278,468	1,104	279,572	2,981
Non-Installment	360,636	-	360,636	3,845
Corporate Credit Cards -FC	675	-	675	5
Installment	-	-	-	-
Non-Installment	675	-	675	5
Overdraft Accounts-TL (Legal Entities)	399,084	-	399,084	1,625
Overdraft Accounts-FC (Legal Entities)	-	-	-	-
Total	1,528,346	4,638,594	6,166,940	103,234

f) Loans according to borrowers ^(*)

	Current Period	Prior Period
Public	127,665	125,458
Private	37,454,919	36,287,155
Total	37,582,584	36,412,613

^(*) The loans and other receivables amounting to TL 305,114 (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	37,449,344	36,243,882
Foreign Loans	133,240	168,731
Total	37,582,584	36,412,613

^(*) The loans and other receivables amounting to TL 305,114 (December 31, 2012 – TL 352,296) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

h) Loans granted to subsidiaries and associates

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

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i) Specific provisions for loans

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectability	180,310	217,150
Loans and Receivables with Doubtful Collectability	381,220	340,379
Uncollectible Loans and Receivables	1,704,565	1,577,665
Total	2,266,095	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)	28,287	21,878	57,647
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	28,287	21,878	57,647
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 (+)	343,046	8,259	6,219
Transfers from Other Categories of Non-Performing Loans (+)	-	293,176	181,388
Transfers to Other Categories of Non-Performing Loans (-)	293,176	181,388	-
Collections (-)	42,356	38,443	60,707
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Others	-	-	-
Current Period End Balance	448,197	575,972	1,704,565
Specific Provision (-)	180,310	381,220	1,704,565
Net Balances on Balance Sheet	267,887	194,752	-

^(*)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 36,816 in the current period as compared to the provisioning method used in the prior period.

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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)	267,887	194,752	-
Loans to Real Persons and Legal Entities (Gross)	448,197	575,972	1,695,596
Specific provision (-)	(180,310)	(381,220)	(1,695,596)
Loans to Real Persons and Legal Entities (Net)	267,887	194,752	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	8,969
Specific provision (-)	-	-	(8,969)
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.

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7. Information on factoring receivables

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term	311,701	7,176	364,145	2,622
Medium and Long Term	-	-	-	-
Total	311,701	7,176	364,145	2,622

As of March 31, 2013 and March 31, 2012, changes in provision for non-performing factoring receivables are as follows:

	Current Period	Prior Period
Prior Period End Balance	2,936	-
Provided Provision / (reversal), Net	1,675	4,060
Collections	(196)	-
Written off	-	-
Current Period End Balance	4,415	4,060

8. Information on investment securities held-to-maturity

The Group has no investment securities held-to-maturity (December 31, 2012 – None).

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%
Kredi Garanti Fonu A.Ş. ^(*)	Istanbul/Turkey	1.75%	1.75%

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
32,354	19,628	15,161	730	-	1,144	2,619	-
263,447	263,124	3,042	2,137	-	2,148	198	-

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

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9.2. Movements of investments in associates

	Current Period	Prior Period
Balance at the Beginning of Period	7,977	6,769
Movements During the Period	-	1,208
Acquisitions	-	1,211 ^(*)
Bonus Shares Received	-	-
Dividends From Current Year Profit	-	-
Sales	-	(3) ^(**)
Reclassifications	-	-
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at the End of the Period	7,977	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 Bank's share in the capital decrease of Gelişen Bilgi Teknolojileri A.Ş.

9.3. Sectoral distribution and the related carrying amounts on associates

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	7,977	7,977
Total	7,977	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	7,977	7,977
Valued at Fair Value	-	-
Valued at Equity Method of Accounting	-	-
Total	7,977	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)

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10. Investments in subsidiaries (Net)

a) Information on the Parent Bank's unconsolidated subsidiaries

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

(*)	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
	26,901	13,754	19,061	-	-	1,860	54	-

(*) Current period information is obtained from financial statements as of March 31, 2013, prior period profit and loss information is obtained from financial statements as of March 31, 2012.

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. ^(*)	252,890	161,086	12,945	2,005	49	698	2,211	-
2. ^(*)	1,294,639	480,636	324	-	-	12,557	9,562	591,100
3. ^(*)	25,877	22,385	25	-	-	641	2,919	19,980
4. ^(*)	13,369	12,036	984	204	5	346	686	-
5. ^(*)	336,631	27,047	779	7,812	-	219	1,226	-

(*) Current period information represents March 31, 2013 figures, and prior period profit/loss amounts represent March 31, 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.

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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	(55,347)	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	(55,654)	123,306
Balance at the End of the Period	-	-
Capital Commitments	421,270	476,617
Share Percentage at the end of the Period (%)	-	-

⁽¹⁾ Purchases in the prior period include the participation to the capital of 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 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 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 Bank's subsidiary Finans Yatırım Ortaklığı A.Ş. amounting to TL 307.

b.3) Sectoral distribution of the consolidated subsidiaries

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	20,000	20,000
Leasing Companies	301,816	357,012
Finance Companies	-	-
Other Subsidiaries	99,454	99,605
Total	421,270	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	318,549	373,896
Quoted on International Stock Exchanges	-	-
Total	318,549	373,896

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

The Bank does not have any significant subsidiaries.

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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
Finans Emeklilik ve Hayat A.Ş. ^(*)	49.00%	49.00%	494,808	4,168	53,980	4,071	28,768
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. ^(*)	33.33%	33.33%	10,453	6,681	436	615	2,826

^(*) Current period information represents March 31, 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	508,371	438,696	503,606	436,353
Between 1-4 years	588,268	518,174	579,471	512,100
Over 4 years	33,694	29,803	31,708	27,901
Total	1,130,333	986,673	1,114,785	976,354

Finance lease receivables include non-performing finance lease receivables amounting to TL 113,924 (December 31, 2012 – TL 110,833) and specific provisions amounting to TL 64,810 (December 31, 2012 – TL 64,549).

Changes in non-performing finance lease receivables provision as of March 31, 2013 and March 31, 2012, are as follows:

	Current Period	Prior Period
End of prior period	64,549	69,348
Provided provision / (reversal), Net	2,876	2,470
Collections	(2,615)	(829)
Provision at the end of the period	64,810	70,989

12.2. Information on net investments in finance leases

	Current Period	Prior Period
Gross Finance Lease Investments	1,130,333	1,114,785
Unearned Finance Income (-)	(143,660)	(138,431)
Cancelled Leasing Agreements (-)	-	-
Net Investment on Leases	986,673	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.

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13. Information on hedging purpose derivatives:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge ^(*)	265,810	49,661	202,567	37,919
Cash Flow Hedge	-	-	-	-
Net Investment Hedge	-	-	-	-
Total	265,810	49,661	202,567	37,919

^(*) Derivative financial instruments designated for the fair value hedge purposes comprise of swaps. As of March 31, 2013, TL 49,661 (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 265,810 (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 March 31, 2013, the Group does not have current tax asset according to related regulations. Deferred tax asset amount is TL 18,042 (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)

16. Information on other assets:

16.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Other Prepaid Expenses	275,925	224,223
Collateral Given for Derivative Transactions	158,133	249,618
Assets Held for Resale (net)	159,502	158,966
Sundry Debtors	69,794	79,171
Advances Given on Finance Lease Transactions	39,500	28,210
Cheques Receivables from Other Banks	27,930	254,500
Prepaid Rent Expenses	26,330	25,318
Advances Given	10,870	4,972
Prepaid Agency Commissions	5,463	6,671
Other	51,386	69,679
Total	824,833	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.

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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	444,745	68,436	447,956	49,012
Derivative Financial Instruments Held for Hedging	265,810	49,661	202,567	37,919
Assets on Trading Derivatives	241,942	128,847	357,732	133,007
Investment Securities Available for Sale	214,581	76,079	328,828	161,758
Lease Receivables	3,022	4,194	2,853	4,353
Factoring Receivables	1,203	45	2,178	90
Trading Securities	692	102	542	62
Banks and Other Financial Institutions	155	-	748	-
Other Accruals	19,134	100	16,622	25
Total	1,191,284	327,464	1,360,026	386,226

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SECTION FIVE

II. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES

1. Information on maturity structure of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	938,275	-	2,492,754	6,861,490	2,645,070	662,551	43,292	14,093	13,657,525
Foreign Currency Deposits	846,040	-	1,442,702	4,738,106	1,701,899	489,224	3,020	5,321	9,226,312
Residents in Turkey	824,744	-	1,431,987	4,664,527	1,638,398	390,309	3,020	5,321	8,958,306
Residents Abroad	21,296	-	10,715	73,579	63,501	98,915	-	-	268,006
Public Sector Deposits	88,553	-	605	225,688	153,953	982,469	-	-	1,451,268
Commercial Deposits	1,247,772	-	1,305,030	3,361,549	634,400	74,183	8,259	-	6,631,193
Other Ins. Deposits	15,400	-	42,291	156,184	272,421	155,009	305	-	641,610
Precious Metal Deposits	644,243	-	-	-	-	63,247	5,089	-	712,579
Bank Deposits	34,635	-	531,715	205,475	16,138	8,480	-	-	796,443
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	1,327	-	2,012	4,305	2,143	4,071	-	-	13,858
Foreign Banks	28,930	-	529,703	201,170	13,995	4,409	-	-	778,207
Participation Banks	4,378	-	-	-	-	-	-	-	4,378
Other	-	-	-	-	-	-	-	-	-
Total	3,814,918	-	5,815,097	15,548,492	5,423,881	2,435,163	59,965	19,414	33,116,930

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

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

	Covered by Deposit Insurance Fund		Exceeding the Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	6,534,588	4,488,992	7,121,558	8,882,423
Foreign Currency Savings Deposits	1,496,150	909,501	4,540,834	4,809,767
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	8,030,738	5,398,493	11,662,392	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	31,807	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	9,356	2,027
Total	41,163	30,089

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	25,547	-	13,473	-
Swaps	297,807	72,329	355,115	84,465
Futures	-	461	-	100
Options	68	36,337	1	22,077
Other	-	-	-	-
Total	323,422	109,127	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	187,959	137,219	227,540	145,058
Foreign Banks, Institutions and Funds	71,093	3,232,078	73,644	3,093,566
Total	259,052	3,369,297	301,184	3,238,624

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b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	259,052	2,064,263	301,184	1,722,249
Medium and Long-Term	-	1,305,034	-	1,516,375
Total	259,052	3,369,297	301,184	3,238,624

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

The Bank 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 March 31, 2013, the Group's liabilities comprise; 60% deposits (December 31, 2012 – 59%), 10% funds borrowed (December 31, 2012 – 9%) and 3% 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	789,858	-	846,251	-
Financial institutions and organizations	770,844	-	834,084	-
Other institutions and organizations	10,146	-	4,239	-
Real persons	8,868	-	7,928	-
From foreign transactions	10,571	803,268	4,542	878,081
Financial institutions and organizations	-	803,268	-	878,081
Other institutions and organizations	10,571	-	4,542	-
Real persons	-	-	-	-
Total	800,429	803,268	850,793	878,081

5. Information on securities issued (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	2,296,103	-	2,789,390	-
Bills	-	1,476,318	-	1,288,923
Total	2,296,103	1,476,318	2,789,390	1,288,923

During the current period, on March 20, 2013 the Bank has issued bond with a nominal of TL 400,000, 7.15% interest rate and 6 months maturity. Additionally, the Bank has issued bonds on November 15, 2012, with a nominal of TL 750,000, 8.30% interest rate, 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).

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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 ^(*)	131,483	123,199	257,139	121,330
Cash Flow Hedge ^(**)	35,931	-	34,402	-
Net Investment Hedge	-	-	-	-
Total	167,414	123,199	291,541	121,330

^(*)Derivative financial instruments for hedging purposes include swaps. As of March 31, 2013, TL 148,362 (December 31, 2012 – TL 247,656) represents the fair value of derivatives which are the hedging instruments of hedged loan portfolio. TL 106,320 (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	495,705	441,173
-Additional Provision for Loans and Receivables with Extended Maturities	55,352	29,599
Provisions for Loans and Receivables in Group II	66,944	79,834
-Additional Provision for Loans and Receivables with Extended Maturities	16,934	34,740
Provisions for Non - Cash Loans	65,081	60,135
Other	33,004	36,542
Total	660,734	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 ^(*)	5,916	6,906

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

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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 51,533 (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 March, 2013, TL 86,390 (December 31, 2012 - TL 85,065) reserve for employee termination benefits was provided in the accompanying financial statements.

As of March 31, 2013, the Group accrued TL 24,467 (December 31, 2012 - TL 21,351) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of March 31, 2013, TL 99,540 (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
	01.01-31.03.2013	01.01-31.03.2012
As of January 1	85,065	48,420
Service cost	3,639	7,335
Interest Cost	1,575	2,362
Paid during the period	(3,889)	(8,831)
Total	86,390	49,286

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	116,444	99,747

As of March 31, 2013 the Group has provided provision amounting TL 116,444 (December 31, 2012 – 99,747) 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	16,210	16,187
Other Provisions	81,349	35,796
Total	97,559	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 declared to given to the Group. 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.

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10. Taxation

10.1. Current taxes

10.1.1. Current tax liability

As of March 31, 2013, the Group has current tax liability of TL 473,761 (December 31, 2012 - TL 382,188) and advance taxes of TL 368,466 (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 105,295 (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	105,295	99,035
Banking and Insurance Transaction Tax (BITT)	29,245	33,110
Taxation on Securities Income	23,827	36,055
Taxation on Real Estates Income	2,259	1,522
Other	15,517	18,856
Total	176,143	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	11,695	5,590
Social Security Premiums - Employer Share	12,037	5,762
Unemployment Insurance - Employee Share	824	394
Unemployment Insurance - Employer Share	1,645	786
Other	142	-
Total	26,343	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 18,042 (December 31, 2012 – TL 10,215) and deferred tax liability is TL 1,314 (December 31, 2012 – 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 22,633 is netted under equity (December 31, 2012 –TL 48,460 deferred tax liability).

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	Temporary Differences		Deferred Tax Asset / (Liability)	
	March 31, 2013	Dec. 31, 2012	March 31, 2013	Dec. 31, 2012
Reserve for employee benefits	210,397	203,904	42,079	40,781
The differences between carrying and taxable amounts of financial assets	227,070	191,770	45,414	38,354
Unused investment incentive certificates	2,250	2,968	5	6
Other	399,455	353,985	79,891	70,797
Deferred Tax Asset			167,389	149,938
The differences between carrying and taxable amounts of tangible assets	(117,726)	(120,173)	(23,545)	(24,035)
The differences between carrying and taxable amounts of financial assets	(372,239)	(557,890)	(74,448)	(111,578)
Other	(263,341)	(95,887)	(52,668)	(19,177)
Deferred Tax Liability			(150,661)	(154,790)
Deferred Tax Asset / (Liability), Net			16,728	(4,852)

	Current Period	Prior Period
	01.01-31.03.2013	01.01-31.03.2012
Deferred Tax Asset / (Liability) as of January 1 (Net)	(4,852)	(620)
Deferred Tax (Charge) / Benefit	(4,247)	24,968
Deferred Tax Items Accounted for under the Equity	25,827	(28,299)
Deferred Tax Asset/ (Liability) as of March 31 (Net)	16,728	(3,951)

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	-	1,675,766	-	1,629,590
From Other Foreign Institutions	-	-	-	-
Total	-	1,675,766	-	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.

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13. Information on shareholder's equity

13.1. Paid-in capital

	Current Period	Prior Period
Common Stock	2,565,000	2,565,000
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	2,565,000	6,000,000

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

None (December 31, 2012 – TL 125,000).

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)	25,650,000	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.

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15. Marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under				
Common Control	-	-	-	-
Valuation Differences	-	-	-	-
Foreign Exchange Rate Differences	-	-	-	-
Securities Available-for-Sale	120,491	(34,719)	168,496	28,059
Valuation Differences	120,491	(34,719)	168,496	28,059
Foreign Exchange Rate Differences	-	-	-	-
Total	120,491	(34,719)	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	323,422	109,127	368,589	106,642
Derivative Financial Liabilities Held for Hedging	167,414	123,199	291,541	121,330
Deposits	119,694	22,429	114,732	17,784
Funds Borrowed	4,801	39,617	3,432	21,181
Money Market Borrowings	506	225	1,197	1,276
Other Accruals	53,992	62,754	25,325	44,535
Total	669,829	357,351	804,816	312,748

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SECTION FIVE

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

1. Information related to consolidated off-balance sheet contingencies

1.1. Type and amount of irrevocable commitments

	Current Period	Prior Period
Letters of Guarantee in FC	1,463,589	1,533,101
Letters of Guarantee in TL	3,615,262	3,677,256
Letters of Credit	604,276	579,351
Bank Loans	553,418	545,914
Other Guarantees	24,475	24,055
Total	6,261,020	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 51,533 (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	350,698	401,258
Final Letters of Guarantee	3,206,552	3,396,832
Advance Letters of Guarantee	186,093	179,659
Letters of Guarantee Given to Customs Offices	178,765	186,504
Other Letters of Guarantee	1,156,743	1,046,104
Total	5,078,851	5,210,357

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	274,677	306,450
Less Than or Equal to One Year with Original Maturity	20,120	23,503
More Than One Year with Original Maturity	254,557	282,947
Other Non-Cash Loans	5,986,343	6,053,227
Total	6,261,020	6,359,677

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

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	13,255	0.36	1,010	0.04	16,824	0.46	2,708	0.10
Farming and Raising Livestock	11,302	0.31	856	0.03	14,758	0.40	668	0.03
Forestry	700	0.02	-	-	740	0.02	-	-
Fishing	1,253	0.03	154	0.01	1,326	0.04	2,040	0.08
Manufacturing	603,784	16.66	1,115,575	42.69	644,791	17.52	1,289,546	48.56
Mining and Quarrying	23,242	0.64	1,346	0.05	21,904	0.60	1,736	0.07
Production	540,119	14.90	985,206	37.70	551,677	14.99	1,157,579	43.59
Electricity, gas and water	40,423	1.12	129,023	4.94	71,210	1.94	130,231	4.90
Construction	909,468	25.10	380,303	14.55	925,880	25.16	407,535	15.35
Services	2,029,022	56.00	1,107,565	42.38	2,037,904	55.38	934,644	35.19
Wholesale and Retail Trade	1,098,773	30.32	727,595	27.84	1,118,337	30.39	522,299	19.67
Hotel, Food and Beverage								
Services	45,787	1.26	15,541	0.59	45,221	1.23	15,262	0.57
Transportation&Communication	90,611	2.50	106,373	4.07	98,881	2.69	110,684	4.17
Financial Institutions	491,290	13.57	219,726	8.41	468,212	12.72	259,148	9.76
Real Estate and Renting Services	3,966	0.11	1,574	0.06	6,363	0.17	1,552	0.06
Self Employment Services	117,040	3.23	28,452	1.09	119,674	3.25	17,883	0.67
Educational Services	2,745	0.08	8	-	1,467	0.04	7	-
Health and Social Services	178,810	4.93	8,296	0.32	179,749	4.88	7,809	0.29
Other (*)	67,983	1.88	8,580	0.33	54,632	1.48	21,158	0.80
Total	3,623,512	100.00	2,613,033	100.00	3,680,031	100.00	2,655,591	100.00

(*) Does not include foreign currency balance of "Other Guarantees" amounting to TL 24,475 (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	3,400,867	1,356,233	186,111	85,175
Bill of Exchange and Acceptances	8,246	532,149	-	11,955
Letters of Credit	4	601,257	-	3,015
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	24,475	-	-
Non-cash Loans	3,409,117	2,514,114	186,111	100,145

(*) Does not include non-cash loans amounting to TL 51,533, for which provision is provided, but which are not indemnified and not liquidated yet.

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5. Information related to derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	54,655,627	45,690,221
Forward transactions (*)	8,495,994	5,596,626
Swap transactions	31,701,287	28,774,885
Futures transactions	238,160	225,260
Option transactions	14,220,186	11,093,450
Interest Related Derivative Transactions (II)	5,452,076	5,875,840
Forward rate transactions	-	-
Interest rate swap transactions	5,432,076	5,857,234
Interest option transactions	-	-
Futures interest transactions	-	16,590
Security option transactions	20,000	2,016
Other trading derivative transactions (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	60,107,703	51,566,061
Types of hedging transactions	17,929,510	18,081,171
Fair value hedges	17,411,825	17,540,286
Cash flow hedges	517,685	540,885
Net investment hedges	-	-
B. Total Hedging Related Derivatives	17,929,510	18,081,171
Total Derivative Transactions (A+B)	78,037,213	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 5,676,467 (December 31, 2012 – TL 5,777,912) were subject to hedge accounting by swaps with a nominal of TL 7,392,485 (December 31, 2012 – TL 7,711,610). On March 31, 2013 the net market valuation difference loss amounting to TL 37,171 due to the losses from the loans amounting to TL 126,062 (March 31, 2012 – TL 41,740 gain) and gains from swaps amounting to TL 88,891 (March 31, 2012 – TL 44,953 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 17,625 (March 31, 2012 – 17,243) related to the loans that are ineffective for hedge accounting under “gains / (losses) from financial derivatives transactions” as loss during the current period.

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b) Investment securities available for sale

The Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term foreign currency Eurobonds with fixed coupon held by the Bank using swaps as hedging instruments. As at the balance sheet date; Eurobonds with a nominal of USD 325 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 March 31, 2013, the net market valuation difference loss amounting to TL 70 due to losses from Eurobonds amounting to TL 23,290 (March 31, 2012 – TL 27,498 loss) and gains from swaps amounting to TL 23,220 (March 31, 2012 – TL 27,758 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 182,280 (December 31, 2012 – TL 198,305) were subject to hedge accounting by swaps with the same nominal value. On March 31, 2013, the net market valuation difference gain amounting to TL 283 due to losses from government bonds amounting to TL 2,386 (March 31, 2012 – TL 3,003 gain) and gains from swaps amounting to TL 2,669 (March 31, 2012 – 2,988 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 March 31, 2013 net market valuation difference income amounting to TL 36 due to gains from government bonds amounting to TL 2,390 (March 31, 2012 – TL 1,511) and losses from swaps amounting to TL 2,354 (March 31, 2012 – TL 1,589) 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 258,842 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 4,407 are accounted for under equity during the current period (March 31, 2012 – TL 3,123 gain). The gains amounting to TL 14 (March 31, 2012 – TL 163 loss) 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 (March 31, 2012 – TL 1,427 loss).

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As of March 31, 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	1,287,285	1,543,741	9,621,336	15,379,626	2,874,759	3,157,160	5,616	5,395
USD	1,760,423	1,650,093	16,725,695	11,169,293	2,985,558	2,787,335	112,702	112,703
EURO	1,104,533	966,163	612,737	718,404	1,143,403	1,070,169	762	982
Other	97,374	86,386	44,528	791,254	137,575	84,227	-	-
Total	4,249,615	4,246,383	27,004,296	28,058,577	7,141,295	7,098,891	119,080	119,080

^(*) 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 March 31, 2013, the Group has no derivative transactions for hedge of net investment.

6. Information on contingent liabilities and assets

None (December 31, 2012 – None).

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

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

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

MOODY'S November 2012		FITCH April 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-		

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SECTION FIVE

IV. EXPLANATIONS ON DISCLOSURES RELATED TO CONSOLIDATED INCOME STATEMENT

1. a) Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans				
Short-Term Loans	706,424	10,166	680,281	15,258
Medium and Long-Term Loans	511,036	33,004	429,222	28,290
Non-Performing Loans	24,037	-	24,706	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	1,241,497	43,170	1,134,209	43,548

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	-	-	229
Domestic Banks	43	70	3,288	7
Foreign Banks	1,516	-	396	70
Foreign Headquarters and Branches	-	-	-	-
Total	1,559	70	3,684	306

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	2,535	48	4,146	133
Financial Assets at FVTPL	5	-	5	-
Investment Securities Available for Sale	86,791	15,533	138,505	10,212
Investment Securities Held to Maturity	-	-	-	-
Total	89,331	15,581	142,656	10,345

d) Information on interest income received from associates and subsidiaries

None (March 31, 2012 – None).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
T.R. Central Bank	-	-	-	-
Domestic Banks	3,509	1,333	2,610	631
Foreign Banks	1,583	38,289	3,039	36,808
Foreign Headquarters and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	5,092	39,622	5,649	37,439

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b) Information on interest expense paid to associates and subsidiaries

None. (December 31, 2012 – None).

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 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. As of March 31, 2013, interest expense amounting to TL 73,866 is booked for the bonds issued. (March 31, 2012 – TL 17,993).

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

Time Deposits								
							Accumulated	
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Deposit Account	Total
Turkish Lira								
Bank Deposits	-	78	1,285	2,719	112	269	-	4,463
Saving Deposits	1	32,856	152,031	37,498	10,412	331	108	233,237
Public Sector Deposits	-	14	1,034	29	1	-	-	1,078
Commercial Deposits	-	30,529	62,289	9,178	1,357	149	-	103,502
Other Deposits	-	1,160	9,640	5,057	12,193	5	-	28,055
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	1	64,637	226,279	54,481	24,075	754	108	370,335
Foreign Currency								
Deposits	-	8,674	37,328	10,514	3,001	6	11	59,534
Bank Deposits	8	43	2,200	849	136	-	-	3,236
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	106	9	-	115
Total	8	8,717	39,528	11,363	3,243	15	11	62,885
Grand Total	9	73,354	265,807	65,844	27,318	769	119	433,220

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

Time Deposits								
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit Account	Total
Turkish Lira								
Bank Deposits	-	3,096	307	121	8	16	-	3,548
Saving Deposits	1	27,838	316,564	74,607	7,640	535	409	427,594
Public Sector Deposits	-	188	1,259	115	3	-	-	1,565
Commercial Deposits	1	21,013	62,893	21,681	2,624	1,648	-	109,860
Other Deposits	-	517	18,954	4,147	44	264	-	23,926
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	2	52,652	399,977	100,671	10,319	2,463	409	566,493
Foreign Currency								
Deposits	-	7,227	50,290	8,535	2,946	275	96	69,369
Bank Deposits	61	823	826	37	-	58	-	1,805
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	293	-	-	-	-	-	293
Total	61	8,343	51,116	8,572	2,946	333	96	71,467
Grand Total	63	60,995	451,093	109,243	13,265	2,796	505	637,960

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e) Information on interest expenses on repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expenses on Repurchase Agreements ^(*)	14,584	1,496	20,117	2,148

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

f) Information on finance lease expenses

None (March 31, 2012 – None).

g) Information on interest expenses on factoring payables

None (March 31, 2012 – None).

3. Information on dividend income

	Current Period	Prior Period
Financial Assets Held for Trading	45	-
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets Available for Sale	-	-
Other	-	-
Total	45	-

4. Information on trading income/loss

	Current Period	Prior Period
Trading Gain	1,358,116	1,447,327
Gains on Capital Market Operations	118,920	20,334
Derivative Financial Instruments	461,866	558,519
Foreign Exchange Gains	777,330	868,474
Trading Loss (-)	1,414,493	1,564,976
Losses on Capital Market Operations	12,915	19,915
Derivative Financial Instruments	631,091	657,350
Foreign Exchange Losses	770,487	887,711
Net Trading Income/Loss	(56,377)	(117,649)

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.

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6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	130,901	96,880
Loans and Receivables in Group III	(36,840)	(7,844)
Loans and Receivables in Group IV	40,841	51,171
Loans and Receivables in Group V	126,900	53,553
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	43,050	39,729
Provision for Free Reserves on Possible Losses	16,697	5,229
Impairment Losses on Securities	36	315
Financial assets at fair value through profit or loss	-	-
Investment Securities available for sale	36	315
Impairment Losses on Associates, Subsidiaries and Investment Securities Held-to-Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
Other	6,706	2,924
Total	197,390	145,077

7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	207,612	183,808
Reserve for employee termination benefits	1,325	615
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation charge of tangible assets	24,177	23,219
Impairment losses on intangible assets	-	-
Impairment losses on goodwill	-	-
Amortization charge of intangible assets	15,993	12,689
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed of	-	-
Depreciation on assets to be disposed	766	580
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	194,842	151,803
Operational lease related expenses	39,458	33,828
Repair and maintenance expenses	13,298	12,472
Advertisement expenses	31,137	17,650
Other expenses	110,949	87,853
Losses on sales of assets	-	1,006
Other	102,149	61,203
Total	546,864	434,923

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

For the period ended March 31, 2013, net interest income of TL 850,898 (March 31, 2012 - TL 656,633), net fees and commission income of TL 272,795 (March 31, 2012 – TL 257,803) and other operating income of TL 52,699 (March 31, 2012 – TL 61,331) constitute an important part of the period income.

9. Explanations on tax provision for continued and discontinued operations

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

As of March 31, 2013, the Group recorded current tax charge of TL 94,075 (March 31, 2012 - TL 86,823) and a deferred tax charge of TL 4,247 (March 31, 2012 – TL 24,968 deferred tax charge).

	Current Period	Prior Period
Current Tax Provision	(94,075)	(94,558)
Adjustment concerning the prior period's corporate tax	-	7,735 ^(*)
Deferred Tax Income/(Expense)	(4,247)	24,968
Total	(98,322)	(61,855)

^(*)As explained in section 3 footnote XXII, Finans Finansal Kiralama A.Ş., booked the tax effect of the exemption of investment allowance that Finans Finansal Kiralama A.Ş. had benefited from at the rate of 100%, accrued investment allowance withholding tax amounting to TL 2,753 and made subject to allowance during the preparation of corporate tax declaration for year 2011, however; could not reflect in the financial statements as of December 31, 2011 due to the uncertainty at the publication date of the financial statements, amounting to TL 7,735 as income under “current tax provision” in the financial statements as of March 31, 2012.

9.2. Explanations on operating profit/loss after taxes

None (March 31, 2012 – None).

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

Net profit of the Group from continued operations is TL 279,823 (March 31, 2012 – TL 216,263).

11. Explanations on net income/loss for the period

11.1. The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for a complete understanding of the Group's performance for the period

None (March 31, 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	4,057	4,061

11.4. There is no change in the accounting estimates, which have a material effect on current period or expected to have a material effect on subsequent periods.

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

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

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SECTION FIVE

V. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED CASH FLOWS STATEMENT

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

	Current Period	Prior Period
	January 1, 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
	March 31, 2013	March 31, 2012
Cash	613,505	482,985
Cash in TL	414,719	318,348
Cash in Foreign Currencies	175,366	144,874
Other	23,420	19,763
Cash Equivalents	1,214,962	2,284,309
Balances with the T.R. Central Bank	814,686	1,905,023
Banks and Other Financial Institutions	135,873	289,408
Money Market Placements	264,565	95,284
Less: Placements with Banks with Maturities Longer than 3 Months	-	(1,171)
Less: Accruals	(162)	(4,235)
Cash and Cash Equivalents	1,828,467	2,767,294

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

The foreign bank accounts includes of TL 1,247 (December 31, 2012- TL 778) 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.

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SECTION FIVE

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

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

- 1.1.** As of March 31, 2013, the Parent Bank's risk group has deposits amounting to TL 201,939 (December 31, 2012 – TL 213,416), non cash loans amounting to TL 26,950 (December 31, 2012 – TL 29,498) and no any cash loans (December 31, 2012 – None).

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	-	-	-	25,473	-	1,477
Interest and Commission Income	-	-	-	-	-	-

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	20	2,195	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	164,070	186,538	24,182	18,692	13,687	8,186
Interest on deposits	17	906	-	-	123	-

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

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

Parent Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading Purposes						
Beginning of the Period	-	15,581	393,221	34,165	4,711	28,702
End of the Period	-	-	485,632	393,221	218,362	4,711
Total Income/Loss (**)	-	-	-	-	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss (**)	-	-	-	-	-	-

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

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

1.4. As of March 31 2013, the total amount of remuneration and bonuses paid to top management of the Group is TL 13,739 (March 31, 2012- TL 11,949).

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 March 31, 2013, there are no cash loans of the risk group.(December 31, 2012 – None) the deposits represented 0.6% (December 31, 2012 – 0.7%) of the Parent Bank's total deposits and the derivative transactions represented 1.3% (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 Ibtch Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek Sanayi ve Ticaret A.Ş. regarding research, development, advisory and improvement services.

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 NBG is explained under Section 5, Part II., Footnote 12.

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SECTION SIX

OTHER EXPLANATIONS AND DISCLOSURES

I. Other explanations related to the Group's operations

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

Based on the Board of Directors decision dated April 18, 2013, the Parent Bank issued TL 135,000 of bonus shares. Thus the share capital reached to TL 2,700,000. TL 128,250 of the increase is transferred from the first dividends of 2012 and TL 6,750 is from gain on disposal of the subsidiary. In order to obtain the necessary approvals in line with the Capital Market legislation related to registered system; from BRSA, the Capital Markets Board and other institutions General Management was authorized, regarding the recorded shares issued resulting from increasing the share capital of the Parent Bank.

The Parent Bank issued bonds of a nominal value of TL 475,812, with 6 months maturity and 6.95% interest rate, on April 4, 2013 and of a nominal of TL 124,188, with 12 months maturity and 7.8% interest rate on April 19, 2013.

The compulsory rates for the foreign currency liabilities were within an interval from 6% to 12.5% depending on the maturity of deposits, Central Bank of Turkey has increased the upper limit of compulsory rates to 13% as of May 16, 2013.

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

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

3. Other matters

None.

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SECTION SEVEN

LIMITED REVIEW REPORT

I. Explanations on the Limited Review Report

The consolidated financial statements of the Bank have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and the limited review report dated May 21, 2013 is presented preceding the financial statements.

II. Explanations on the notes prepared by Independent Auditors

None (December 31, 2012 – None).