

FİNANSBANK ANONİM ŞİRKETİ

INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT, CONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE PERIOD ENDED MARCH 31, 2014

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

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

FİNANSBANK ANONİM ŞİRKETİ

INDEPENDENT AUDITOR’S LIMITED REVIEW REPORT FOR THE INTERIM PERIOD JANUARY 1 –MARCH 31, 2014

To the Board of Directors of
Finansbank A.Ş.

We have reviewed the accompanying consolidated balance sheet of Finansbank A.Ş. (“The Bank”) and its consolidated subsidiaries (“The Group”) as of March 31, 2014 and the related consolidated statements of income, consolidated statement of income and expense items accounted under shareholder’s equity, consolidated statement of cash flows and consolidated statement of changes in shareholders’ equity for the period then ended. These financial statements are the responsibility of the Bank’s management. Our responsibility as independent auditors is to issue a report based on these financial statements based on our review.

We conducted our review in accordance with the regulations on account and booking system and accounting and independent audit principles set out as per the Banking Act No: 5411. Those principles require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to applying analytical procedures to financial data and making inquiries of the Group’s management, and thus provides less assurance than an audit. 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 do not give a true and fair view of the financial position of Finansbank A.Ş. and its consolidated subsidiaries at March 31, 2014 and of the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by the regulations in conformity with Articles 37 and 38 of the Banking Act No: 5411, and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

Other matters:

The consolidated financial statements of the Group as of March 31, 2013 and as of and for the year ended December 31, 2013 prepared in accordance with the accounting principles and standards set out by regulations in conformity with Articles 37 and 38 of the Banking Act No. 5411 were reviewed and audited, respectively, by another audit firm, who in their report dated May 21, 2013 stated that nothing has come to their attention that causes them to believe that the consolidated financial statements of the Group as of and for the three months ended March 31, 2013 do not give a true and fair view of the financial position, results of operations and cash flows in accordance with accounting principles and standards set out by regulations in conformity with Articles 37 and 38 of the Banking Act No: 5411 and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles, and in their report dated February 27, 2014 expressed an unqualified opinion on the consolidated financial statements as of and for the year ended December 31, 2013.

Additional paragraph for English translation:

As explained in detail in Note I. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with Articles 37 and 38 of the Banking Act No. 5411, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Ayşe Zeynep Deldağ, SMMM
Partner

Istanbul, May 9, 2014

**THE CONSOLIDATED INTERIM FINANCIAL REPORT OF FİNANSBANK A.Ş.
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014**

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
- INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT

Within the context of this three month financial report, the consolidated subsidiaries and entities under common control and special purpose entities 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. Cigna Finans Emeklilik ve Hayat Anonim Şirketi

Special Purpose Entities

1. Bosphorus Financial Services Limited

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	Mustafa A. Aysan	Ioannis Vagionitis
Chairman of the Board of Directors	Member of the Board of Directors and Chairman of the Audit Committee	Member of the Board of Directors and Audit Committee
Temel Güzeloğlu	Adnan Menderes Yayla	Ercan Sakarya
General Manager and Member of the Board of Directors	Executive Vice President Responsible for Financial Control and Planning	Division Manager of Financial, Statutory Reporting and Treasury Control

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

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

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(CONVENIENCE TRANSLATION OF 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, 2014**

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

SECTION ONE

GENERAL INFORMATION ABOUT THE GROUP

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 Borsa Istanbul ("BIST") (formerly known as Istanbul Stock Exchange ("ISE")) since the first public offering on February 3, 1990.

II. Information about the Parent Bank's shareholding structure, shareholders who individually or jointly have the 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, 2014, 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	April 16, 2010	Phd
Sinan Şahinbaş	Deputy Chairman	April 16, 2010	Masters
Prof. Dr. Mustafa Aydın Aysan ^(*)	Board Member and Head of Audit Committee	November 9, 2006	Phd
Stefanos Pantzopoulos	Board Member	October 16, 2012	Graduate
Dr. Paul Mylonas ^(**)	Board Member and Audit Committee Member	February 23, 2010	Phd
Ioannis Vagionitis ^(***)	Board Member and Audit Committee Member	January 6, 2014	Masters
Christos Alexis Komninos	Board Member	February 16, 2011	Graduate
Temel Güzeloğlu	Board Member and Managing Director	April 16, 2010	Masters
Mustafa Hamdi Gürtin	Board Member	April 16, 2010	Masters
Ali Teoman Kerman ^(****)	Board Member	April 16, 2013	Masters
Paula Hadjisotiriou	Board Member	December 16, 2013	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 Sonat	Assistant Managing Director	September 19, 2007	Graduate
Levent Yörük	Assistant Managing Director	February 1, 2010	Masters
Erkin Aydın	Assistant Managing Director	May 16, 2011	Masters
Ömür Tan	Assistant Managing Director	October 28, 2011	Graduate
Şebnem Seniye Karaduman	Assistant Managing Director	January 9, 2012	Graduate
Halim Ersun Bilgici	Assistant Managing Director	March 15, 2013	Masters

^(*) Prof. Dr. Mustafa Aydın Aysan resigned from Audit Committee as of April 24, 2014.

^(**) Dr. Paul Mylonas has been appointed as member to the Audit Committee as of January 17, 2014.

^(***) Ioannis Vagionitis has been appointed to the Board of Directors as of January 6, 2014 and to the Audit Committee as of January 17, 2014.

^(****) Ali Teoman Kerman has been appointed as the Head of Audit Committee as of April 24, 2014.

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, 2014

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

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

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

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

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

The Parent Bank's activities include trade finance and corporate banking, treasury, retail banking and credit card operations. In addition, the Parent Bank carries out insurance agency activities on behalf of insurance companies through its branches. As of March 31, 2014, the Parent Bank operates through 672 domestic (December 31, 2013 - 672), 1 off-shore banking (December 31, 2013 - 1) and 1 Atatürk Airport Free Trade Zone (December 31, 2013 - 1) branches.

VI. Information on application differences between consolidation practices as per the Regulation on Preparation of Consolidated Financial Statements of Banks and the Turkish Accounting Standards, and entities subject to full or proportional consolidation or deducted from equity or not subject to any of these three methods

Parent Bank's joint venture Cigna Finans Emeklilik and Hayat Anonim Şirketi is consolidated using equity method as per the Regulation on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards.

Ibtech A.Ş and E-finans Elektronik Ticaret ve Bilişim Hizmetleri A.Ş. included in investments in associates and Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. included in joint ventures are not consolidated to accompanying financial statements as per the Regulation on Preparation of Consolidated Financial Statements of Banks since they are nonfinancial investments. Bankalararası Kart Merkezi included in subsidiaries is carried at cost and not consolidated since the Parent Bank does not have material control and presence over it.

All other subsidiaries are fully consolidated.

VII. Current or likely actual or legal barriers to immediate transfer of shareholders' equity or repayment of debts between parent the Parent Bank and its subsidiaries

None.

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

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

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

**FİNANSBANK ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2014
(STATEMENT OF FINANCIAL POSITION)**

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

I. CONSOLIDATED BALANCE SHEET – ASSETS

		Reviewed 31.03.2014			Audited 31.12.2013			
		Section 5 Part I	TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	1,159,110	7,327,633	8,486,743	887,790	7,320,692	8,208,482
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	1,555,682	238,753	1,794,435	1,423,069	253,498	1,676,567
2.1	Financial assets held for trading		1,399,617	238,753	1,638,370	1,237,995	253,498	1,491,493
2.1.1	Public sector debt securities		62,338	826	63,164	198,580	1,973	200,553
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Assets on trading derivatives		1,324,096	237,927	1,562,023	1,029,956	251,525	1,281,481
2.1.4	Other securities		13,183	-	13,183	9,459	-	9,459
2.2	Financial assets at fair value through profit and loss		156,065	-	156,065	185,074	-	185,074
2.2.1	Public sector debt securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans		156,065	-	156,065	185,074	-	185,074
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	(3)	22,861	561,640	584,501	5,987	470,167	476,154
IV.	MONEY MARKET PLACEMENTS		122,480	-	122,480	3,433	-	3,433
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements	(4)	122,480	-	122,480	3,433	-	3,433
V.	INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(5)	4,268,925	1,121,583	5,390,508	4,669,176	1,073,809	5,742,985
5.1	Equity securities		-	-	-	-	-	-
5.2	Public sector debt securities		4,226,406	1,109,134	5,335,540	4,633,866	1,059,507	5,693,373
5.3	Other securities		42,519	12,449	54,968	35,310	14,302	49,612
VI.	LOANS AND RECEIVABLES	(6)	39,812,566	5,518,043	45,330,609	38,052,309	4,618,996	42,671,305
6.1	Loans and receivables		39,264,179	5,518,043	44,782,222	37,543,584	4,618,996	42,162,580
6.1.1	Loans to risk group of the Bank		-	-	-	-	-	-
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		39,264,179	5,518,043	44,782,222	37,543,584	4,618,996	42,162,580
6.2	Non-performing loans		3,130,052	-	3,130,052	2,965,853	-	2,965,853
6.3	Specific provisions (-)		2,581,665	-	2,581,665	2,457,128	-	2,457,128
VII.	FACTORING RECEIVABLES	(7)	416,696	10,720	427,416	512,851	7,806	520,657
VIII.	INVESTMENT SECURITIES HELD TO MATURITY (Net)	(8)	2,649,604	400,920	3,050,524	2,446,859	378,920	2,825,779
8.1	Public sector debt securities		2,649,604	31,818	2,681,422	2,446,859	20,820	2,467,679
8.2	Other securities		-	369,102	369,102	-	358,100	358,100
IX.	INVESTMENT IN ASSOCIATES (Net)	(9)	3,766	-	3,766	3,766	-	3,766
9.1	Equity method associates		-	-	-	-	-	-
9.2	Unconsolidated		3,766	-	3,766	3,766	-	3,766
9.2.1	Financial Investments		-	-	-	-	-	-
9.2.2	Non-financial Investments		3,766	-	3,766	3,766	-	3,766
X.	INVESTMENT IN SUBSIDIARIES (Net)	(10)	18,048	-	18,048	18,048	-	18,048
10.1	Unconsolidated financial investments		-	-	-	-	-	-
10.2	Unconsolidated non-financial investments		18,048	-	18,048	18,048	-	18,048
XI.	ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(11)	178,255	-	178,255	177,608	-	177,608
11.1	Equity method entities under common control		175,455	-	175,455	174,808	-	174,808
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)	492,667	830,057	1,322,724	468,975	833,813	1,302,788
12.1	Financial lease receivables		589,421	919,106	1,508,527	561,460	921,274	1,482,734
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		96,754	89,049	185,803	92,485	87,461	179,946
XIII.	DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(13)	2,173,801	62,814	2,236,615	1,866,369	61,426	1,927,795
13.1	Fair value hedge		1,642,172	62,814	1,704,986	1,487,743	61,426	1,549,169
13.2	Cash flow hedge		531,629	-	531,629	378,626	-	378,626
13.3	Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)		1,493,894	65	1,493,959	533,983	63	534,046
XV.	INTANGIBLE ASSETS (Net)		216,419	-	216,419	209,767	-	209,767
15.1	Goodwill		8,969	-	8,969	8,969	-	8,969
15.2	Others		207,450	-	207,450	200,798	-	200,798
XVI.	INVESTMENT PROPERTIES (Net)		-	-	-	-	-	-
XVII.	TAX ASSETS	(14)	38,090	-	38,090	107,583	-	107,583
17.1	Current tax assets		2,395	-	2,395	-	-	-
17.2	Deferred tax assets		35,695	-	35,695	107,583	-	107,583
XVIII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(15)	-	-	-	-	-	-
18.1	Held for sale		-	-	-	-	-	-
18.2	Discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(16)	1,167,752	51,440	1,219,192	800,887	458,068	1,258,955
TOTAL ASSETS			55,790,616	16,123,668	71,914,284	52,188,460	15,477,258	67,665,718

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, 2014
(STATEMENT OF FINANCIAL POSITION)**

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

I. CONSOLIDATED BALANCE SHEET – LIABILITIES AND EQUITY

		Reviewed 31.03.2014			Audited 31.12.2013			
		Section 5						
		Part II	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(1)	28,494,271	12,989,739	41,484,010	26,304,628	11,802,374	38,107,002
1.1	Deposits from risk group of the Bank		188,034	44,438	232,472	153,012	27,593	180,605
1.2	Other		28,306,237	12,945,301	41,251,538	26,151,616	11,774,781	37,926,397
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	984,440	179,586	1,164,026	1,112,851	198,046	1,310,897
III.	FUNDS BORROWED	(3)	471,573	4,779,014	5,250,587	542,041	4,278,910	4,820,951
IV.	MONEY MARKET BORROWINGS		2,217,039	1,020,048	3,237,087	2,638,931	1,141,561	3,780,492
4.1	Interbank money markets takings		-	-	-	50,000	-	50,000
4.2	Istanbul Stock Exchange money markets takings		35,500	-	35,500	62,210	-	62,210
4.3	Funds provided under repurchase agreements	(4)	2,181,539	1,020,048	3,201,587	2,526,721	1,141,561	3,668,282
V.	SECURITIES ISSUED (Net)	(5)	1,549,653	2,178,845	3,728,498	2,160,812	1,793,767	3,954,579
5.1	Bills		1,374,636	-	1,374,636	2,057,078	-	2,057,078
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		175,017	2,178,845	2,353,862	103,734	1,793,767	1,897,501
VI.	FUNDS		-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	SUNDRY CREDITORS		1,317,924	2,798,678	4,116,602	1,417,764	2,031,963	3,449,727
VIII.	OTHER LIABILITIES	(6)	1,233,179	77,362	1,310,541	867,142	76,561	943,703
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)	34,693	96,182	130,875	7,648	75,101	82,749
11.1	Fair value hedge		4,135	96,182	100,317	-	75,101	75,101
11.2	Cash flow hedge		30,558	-	30,558	7,648	-	7,648
11.3	Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII.	PROVISIONS	(9)	1,321,039	88,500	1,409,539	1,207,228	84,572	1,291,800
12.1	General provisions		830,026	88,500	918,526	731,719	84,572	816,291
12.2	Restructuring provisions		-	-	-	-	-	-
12.3	Reserve for employee benefits		227,010	-	227,010	220,328	-	220,328
12.4	Insurance technical provisions (Net)		-	-	-	-	-	-
12.5	Other provisions		264,003	-	264,003	255,181	-	255,181
XIII.	TAX LIABILITY	(10)	6,669	-	6,669	109,638	-	109,638
13.1	Current tax liability		5,126	-	5,126	108,308	-	108,308
13.2	Deferred tax liability		1,543	-	1,543	1,330	-	1,330
XIV.	PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)	(11)	-	-	-	-	-	-
14.1	Held for sale		-	-	-	-	-	-
14.2	Discontinued operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS	(12)	-	2,025,491	2,025,491	-	1,950,719	1,950,719
XVI.	SHAREHOLDERS' EQUITY	(13)	8,159,026	(108,667)	8,050,359	8,000,029	(136,568)	7,863,461
16.1	Paid-in capital	(13)	2,700,000	-	2,700,000	2,700,000	-	2,700,000
16.2	Capital reserves		(3,970)	(108,667)	(112,637)	(22,675)	(136,568)	(159,243)
16.2.1	Share premium	(14)	714	-	714	714	-	714
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Securities value increase fund	(15)	(120,863)	(108,667)	(229,530)	(85,632)	(136,568)	(222,200)
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)		149,923	-	149,923	95,987	-	95,987
16.2.9	Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		(33,744)	-	(33,744)	(33,744)	-	(33,744)
16.3	Profit reserves		4,987,731	-	4,987,731	4,210,843	-	4,210,843
16.3.1	Legal reserves		402,474	-	402,474	363,631	-	363,631
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		4,585,257	-	4,585,257	3,847,212	-	3,847,212
16.3.4	Other profit reserves		-	-	-	-	-	-
16.4	Profit or loss		308,647	-	308,647	948,925	-	948,925
16.4.1	Prior years' income/ (losses)		172,037	-	172,037	202,774	-	202,774
16.4.2	Current period income/ (loss)		136,610	-	136,610	746,151	-	746,151
16.5	Minority shares		166,618	-	166,618	162,936	-	162,936
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY			45,789,506	26,124,778	71,914,284	44,368,712	23,297,006	67,665,718

The accompanying notes are an integral part of these consolidated financial statement

(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, 2014**

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

II. CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES

	Reviewed 31.03.2014			Audited 31.12.2013		
	Section 5			Section 5		
	Part III			Part III		
	TL	FC	TOTAL	TL	FC	TOTAL
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)	81,035,046	67,983,952	149,018,998	70,483,727	62,693,666	133,177,393
I. GUARANTEES	4,550,119	3,304,237	7,854,356	4,170,445	2,947,967	7,118,412
1.1. Letters of guarantee	4,538,019	1,772,531	6,310,550	4,162,774	1,777,802	5,940,576
1.1.1. Guarantees subject to State Tender Law	220,692	25,768	246,460	173,860	24,805	198,665
1.1.2. Guarantees given for foreign trade operations	2,662,303	1,746,763	4,409,066	2,619,423	1,752,997	4,372,420
1.1.3. Other letters of guarantee	1,655,024	-	1,655,024	1,369,491	-	1,369,491
1.2. Bank loans	12,100	691,063	703,163	7,668	602,163	609,831
1.2.1. Import letter of acceptance	12,100	691,063	703,163	7,668	602,163	609,831
1.2.2. Other bank acceptances	-	-	-	-	-	-
1.3. Letters of credit	-	820,739	820,739	3	548,603	548,606
1.3.1. Documentary letters of credit	-	803,930	803,930	3	531,441	531,444
1.3.2. Other letters of credit	-	16,809	16,809	-	17,162	17,162
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	-	19,904	19,904	-	19,399	19,399
1.9. Other collaterals	-	-	-	-	-	-
II. COMMITMENTS	27,326,723	2,355,102	29,681,825	25,084,936	1,696,831	26,781,767
2.1. Irrevocable commitments	27,218,087	1,850,734	29,068,821	24,976,518	751,500	25,728,018
2.1.1. Forward asset purchase commitments	1,018,460	1,813,442	2,831,902	327,259	749,594	1,076,853
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	6,176,604	219	6,176,823	5,424,542	213	5,424,755
2.1.5. Securities underwriting commitments	-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements	-	-	-	-	-	-
2.1.7. Payment commitment for checks	2,348,505	-	2,348,505	2,060,004	-	2,060,004
2.1.8. Tax and fund liabilities from export commitments	7,381	-	7,381	6,988	-	6,988
2.1.9. Commitments for credit card expenditure limits	17,475,069	-	17,475,069	17,067,174	-	17,067,174
2.1.10. Commitments for promotions related with credit cards and banking activities	39,455	-	39,455	38,002	-	38,002
2.1.11. Receivables from short sale commitments	-	-	-	-	-	-
2.1.12. Payables for short sale commitments	-	-	-	-	-	-
2.1.13. Other irrevocable commitments	152,613	37,073	189,686	52,549	1,693	54,242
2.2. Revocable commitments	108,636	504,368	613,004	108,418	945,331	1,053,749
2.2.1. Revocable loan granting commitments	108,636	504,368	613,004	108,418	351,395	459,813
2.2.2. Other revocable commitments	-	-	-	-	593,936	593,936
III. DERIVATIVE FINANCIAL INSTRUMENTS	49,158,204	62,324,613	111,482,817	41,228,346	58,048,868	99,277,214
3.1. Derivative financial instruments for hedging purposes	11,304,397	14,568,816	25,873,213	10,309,736	13,695,907	24,005,643
3.1.1. Fair value hedge	6,545,729	10,524,584	17,070,313	6,675,930	10,559,020	17,234,950
3.1.2. Cash flow hedge	4,758,668	4,044,232	8,802,900	3,633,806	3,136,887	6,770,693
3.1.3. Hedge of net investment in foreign operations	-	-	-	-	-	-
3.2. Held for trading transactions	37,853,807	47,755,797	85,609,604	30,918,610	44,352,961	75,271,571
3.2.1. Forward foreign currency buy/sell transactions	3,203,505	3,657,358	6,860,863	3,023,815	3,576,802	6,600,617
3.2.1.1. Forward foreign currency transactions-buy	1,443,223	1,997,947	3,441,170	1,406,707	1,895,433	3,302,140
3.2.1.2. Forward foreign currency transactions-sell	1,760,282	1,659,411	3,419,693	1,617,108	1,681,369	3,298,477
3.2.2. Swap transactions related to foreign currency and interest rates	27,601,683	35,525,368	63,127,051	21,637,234	31,116,268	52,753,502
3.2.2.1. Foreign currency swap-buy	14,749,824	11,864,341	26,614,165	12,583,337	9,313,810	21,897,147
3.2.2.2. Foreign currency swap-sell	10,397,789	16,025,467	26,423,256	7,761,087	14,387,936	22,149,023
3.2.2.3. Interest rate swaps-buy	1,227,035	3,642,596	4,869,631	646,405	3,536,517	4,182,922
3.2.2.4. Interest rate swaps-sell	1,227,035	3,992,964	5,219,999	646,405	3,878,005	4,524,410
3.2.3. Foreign currency, interest rate and securities options	7,048,003	8,518,919	15,566,922	6,257,051	9,617,419	15,874,470
3.2.3.1. Foreign currency options-buy	3,603,450	4,194,230	7,797,680	3,031,745	4,927,476	7,959,221
3.2.3.2. Foreign currency options-sell	3,444,553	4,324,689	7,769,242	3,225,306	4,689,943	7,915,249
3.2.3.3. Interest rate options-buy	-	-	-	-	-	-
3.2.3.4. Interest rate options-sell	-	-	-	-	-	-
3.2.3.5. Securities options-buy	-	-	-	-	-	-
3.2.3.6. Securities options-sell	-	-	-	-	-	-
3.2.4. Foreign currency futures	616	32,544	33,160	510	42,472	42,982
3.2.4.1. Foreign currency futures-buy	308	16,272	16,580	255	21,236	21,491
3.2.4.2. Foreign currency futures-sell	308	16,272	16,580	255	21,236	21,491
3.2.5. Interest rate futures	-	21,608	21,608	-	-	-
3.2.5.1. Interest rate futures-buy	-	10,804	10,804	-	-	-
3.2.5.2. Interest rate futures-sell	-	10,804	10,804	-	-	-
3.2.6. Other	-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)	337,667,621	69,260,149	406,927,770	315,542,822	66,407,768	381,950,590
IV. ITEMS HELD IN CUSTODY	9,654,711	1,277,292	10,932,003	10,043,403	1,183,406	11,226,809
4.1. Assets under management	3,553,868	1,427	3,555,295	3,513,680	6,252	3,519,932
4.2. Investment securities held in custody	1,031,862	432,697	1,464,559	2,005,410	337,766	2,343,176
4.3. Checks received for collection	2,028,465	265,450	2,293,915	1,756,326	231,738	1,988,064
4.4. Commercial notes received for collection	552,405	93,894	646,299	521,071	93,224	614,295
4.5. Other assets received for collection	-	-	-	-	-	-
4.6. Assets received for public offering	-	-	-	-	-	-
4.7. Other items under custody	2,488,108	483,824	2,971,932	2,246,913	514,426	2,761,339
4.8. Custodians	3	-	3	3	-	3
V. PLEDGED ITEMS	189,608,550	25,749,845	215,358,395	176,311,088	24,357,446	200,668,534
5.1. Marketable securities	469,260	754,247	1,223,507	503,325	643,935	1,147,260
5.2. Guarantee notes	140,050	44,781	184,831	142,011	38,261	180,272
5.3. Commodity	30,547	-	30,547	27,266	-	27,266
5.4. Warranty	-	-	-	-	-	-
5.5. Properties	49,220,515	9,064,460	58,284,975	46,396,463	7,993,070	54,389,533
5.6. Other pledged items	139,748,178	15,886,357	155,634,535	129,242,023	15,682,180	144,924,203
5.7. Pledged items-depository	-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES	138,404,360	42,233,012	180,637,372	129,188,331	40,866,916	170,055,247
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)	418,702,667	137,244,101	555,946,768	386,026,549	129,101,434	515,127,983

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, 2014 (STATEMENT OF INCOME/LOSS)**

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

III. CONSOLIDATED INCOME STATEMENT

			Reviewed 01.01 - 31.03.2014	Reviewed 01.01 - 31.03.2013
		Section 5 Part IV		
I.	INTEREST INCOME	(1)	1,542,910	1,424,759
1.1	Interest on loans		1,285,662	1,284,667
1.2	Interest received from reserve deposits		-	-
1.3	Interest received from banks		1,606	1,629
1.4	Interest received from money market placements		15,521	2,224
1.5	Interest received from marketable securities portfolio		195,502	104,912
1.5.1	Held-for-trading financial assets		2,772	2,583
1.5.2	Financial assets at fair value through profit and loss		4	5
1.5.3	Available-for-sale financial assets		117,117	102,324
1.5.4	Investments held-to-maturity		75,609	-
1.6	Finance lease income		31,266	22,865
1.7	Other interest income		13,353	8,462
II.	INTEREST EXPENSE	(2)	855,221	573,861
2.1	Interest on deposits		673,632	433,220
2.2	Interest on funds borrowed		64,125	44,714
2.3	Interest on money market borrowings		54,357	16,799
2.4	Interest on securities issued		59,307	73,866
2.5	Other interest expense		3,800	5,262
III.	NET INTEREST INCOME (I - II)		687,689	850,898
IV.	NET FEES AND COMMISSIONS INCOME		392,058	272,795
4.1	Fees and commissions received		442,597	306,235
4.1.1	Non-cash loans		11,588	10,121
4.1.2	Other		431,009	296,114
4.2	Fees and commissions paid		50,539	33,440
4.2.1	Non-cash loans		305	405
4.2.2	Other		50,234	33,035
V.	DIVIDEND INCOME	(3)	25	45
VI.	NET TRADING INCOME	(4)	(41,812)	(56,377)
6.1	Securities trading gains/ (losses)		3,613	106,005
6.2	Gains / (losses)Financial derivative transactions		10,417	(169,225)
6.3	Foreign exchange gains/ (losses)		(55,842)	6,843
VII.	OTHER OPERATING INCOME	(5)	59,882	52,699
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)		1,097,842	1,120,060
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	229,542	197,390
X.	OTHER OPERATING EXPENSES (-)	(7)	663,732	546,864
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		204,568	375,806
XII.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XIII.	GAIN / (LOSS) ON EQUITY METHOD		647	2,339
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV.	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)		205,215	378,145
XVI.	TAX CHARGE FOR CONTINUED OPERATIONS (±)	(9)	(64,923)	(98,322)
16.1	Current income tax charge		(4,551)	(94,075)
16.2	Deferred tax charge / benefit		(60,372)	(4,247)
XVII.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	140,292	279,823
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)	140,292	279,823
23.1	Group's profit/loss		136,610	275,766
23.2	Minority shares		3,682	4,057
	Earnings per share		0.005060	0.01021

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, 2014
(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 – 31.03.2014	Reviewed 01. 01 – 31.03.2013
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	11,027	(66,580)
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)	67,420	4,408
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	(11,729)	25,827
TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	66,718	(36,345)
XI. PROFIT/LOSS	(20,112)	(67,164)
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(20,112)	(71,848)
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	-	4,684
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)	46,606	(103,509)

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, 2014

(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
	Prior period – 01.01.-31.03.2013																		
I.	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
II.	Corrections according to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	The effect of corrections of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	The effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	(110,783)	-	-	-	-	(110,783)	-	(110,783)
III.	New balance (I-II)	-	-	-	-	-	-	-	-	-	-	-	-	-	7,274	-	7,274	-	7,274
	Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	7,274	-	7,274	-	7,274
IV.	Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other ^(*)	-	-	-	-	-	-	347	-	-	-	-	-	-	-	-	347	(40)	307
XIX.	Period net income/(loss)	-	-	-	-	-	-	-	-	275,766	-	-	-	-	-	-	275,766	4,057	279,823
XX.	Profit distribution	-	-	-	-	47,506	-	903,177	-	-	(950,683)	-	-	-	-	-	-	-	-
20.1	Dividends distributed	-	-	-	-	47,506	-	903,177	-	-	(950,683)	-	-	-	-	-	-	-	-
20.2	Transfers to reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Closing balance (III+.....+ XVIII+XIX+XX)	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

^(*) Includes the effect of change in ownership of Finans Yatırım Ortaklığı A.Ş. from 82.2 % to 83.75 % in the current year.

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, 2014

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed	Paid-in Capital	Effect of inflation Accounting on Capital and Other Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. 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.-31.03.2014	2,700,000	-	714	-	363,631	-	3,847,212	(33,744)	-	948,925	(222,200)	-	-	95,987	-	7,700,525	162,936	7,863,461
Beginning Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	(7,330)	-	-	-	-	(7,330)	-	(7,330)
III. Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	53,936	-	53,936	-	53,936
4.1 Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Period net income/(loss)	-	-	-	-	-	-	-	-	136,610	-	-	-	-	-	-	136,610	3,682	140,292
XVIII. Profit distribution	-	-	-	-	38,843	-	738,045	-	-	(776,888)	-	-	-	-	-	-	-	-
18.1 Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to reserves	-	-	-	-	38,843	-	738,045	-	-	(776,888)	-	-	-	-	-	-	-	-
18.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	2,700,000	-	714	-	402,474	-	4,585,257	(33,744)	136,610	172,037	(229,530)	-	-	149,923	-	7,883,741	166,618	8,050,359
(I+II+III+..... +XVI+XVII+XVIII)	2,700,000	-	714	-	402,474	-	4,585,257	(33,744)	136,610	172,037	(229,530)	-	-	149,923	-	7,883,741	166,618	8,050,359

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 FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2014

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

VI. CONSOLIDATED CASH FLOW STATEMENT

	Section 5 Part V	Reviewed	Reviewed
		01.01-31.03.2014	01.01 – 31.03.2013
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		1,084,962	1,005,399
1.1.1 Interest received (+)		1,529,570	1,477,188
1.1.2 Interest paid (-)		(723,223)	(440,045)
1.1.3 Dividend received (+)		25	45
1.1.4 Fees and commissions received (+)		442,139	306,793
1.1.5 Other income (+)		54,765	54,490
1.1.6 Collections from previously written off loans (+)		161,506	91,015
1.1.7 Payments to personnel and service suppliers (-)		(488,130)	(397,286)
1.1.8 Taxes paid (-)		(133,637)	(151,751)
1.1.9 Other (+/-)	(1)	241,947	64,950
1.2 Changes in operating assets and liabilities		952,277	(2,693,125)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		135,542	54,241
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		(112,794)	40,308
1.2.3 Net (increase) decrease in due from banks (+/-)		(100,456)	(1,388,310)
1.2.4 Net (increase) decrease in loans (+/-)		(2,466,476)	(1,642,040)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	484,958	543,415
1.2.6 Net increase (decrease) in bank deposits (+/-)		232,519	(253,476)
1.2.7 Net increase (decrease) in other deposits (+/-)		2,794,663	581,213
1.2.8 Net increase (decrease) in funds borrowed (+/-)		(358,594)	77,872
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	342,915	(706,348)
I. Net cash provided from / (used in) banking operations (+/-)		2,037,239	(1,687,726)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		(1,062,144)	440,581
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(4,914)	(307)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		-	-
2.3 Fixed assets purchases (-)		(989,774)	(54,250)
2.4 Fixed assets sales (+)		47	76
2.5 Cash paid for purchase of financial assets available for sale (-)		(12,829,314)	(3,472,180)
2.6 Cash obtained from sale of financial assets available for sale (+)		13,020,951	3,989,646
2.7 Cash paid for purchase of investment securities (-)		(234,084)	-
2.8 Cash obtained from sale of investment securities (+)		-	-
2.9 Other (+/-)		(25,056)	(22,404)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities (+/-)		(468,456)	(513,405)
3.1 Cash obtained from funds borrowed and securities issued (+)		676,129	386,595
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(1,144,585)	(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 (+/-)		(104,180)	(19,801)
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		402,459	(1,780,351)
VI. Cash and cash equivalents at the beginning of the period (+)	(1)	2,272,098	3,608,818
VII. Cash and cash equivalents at end of the period (V+VI)	(2)	2,674,557	1,828,467

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, 2014**

(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, 2014 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, which refers to "Turkish Accounting Standards" ("TAS"), put into effect by Public Oversight Accounting and Auditing Standards Authority ("KGK"), and "Turkish Financial Reporting Standards" ("TFRS") issued by the "Turkish Accounting Standards Board" ("TASB") and additional explanations and notes related to them and other decrees, notes and explanations related to accounting and financial reporting principles (all "Turkish Accounting Standards" or "TAS") published by the Banking Regulation and Supervision Agency ("BRSA"). The format and detail of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements", published in Official Gazette no. 28337, dated 28 June 2012, and amendments to this Communiqué.

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

Explanation for Convenience Translation to English

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these consolidated financial statements. Accordingly, these consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

2. Classifications

None.

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

Accounting policies and valuation principles used in the preparation of the financial statements are determined and applied in accordance with the requirements of TAS and are consistent with the accounting policies applied in the annual financial statements of the year ended December 31, 2013. The amendments of TAS and TFRS, effective as of January 1, 2014, have no material impact on the the Group's accounting policies, financial position and performance. The aforementioned accounting policies and valuation principles are explained in Notes II to XXIV below.

The consolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value, which are financial assets designated at fair value through profit or loss, available for sale financial assets, trading derivative financial assets, and hedging derivative financial assets and liabilities. In addition, carrying value of assets subject to fair value hedge but are carried at historical cost is adjusted to reflect fair value changes related to risks being hedged.

(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, 2014**

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

The preparation of consolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Group management to exercise its judgment on the assets and liabilities of the balance sheet and contingent matters as of the balance sheet date. These estimates, which include the fair value calculations of financial instruments and impairments of financial assets are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

The amendments of TAS and TFRS, except TFRS 9 Financial Instruments, which have been published as of reporting date but have not been effective yet, have no impact on the accounting policies, financial condition and performance of the Group. Aforementioned standard will mainly effect Group's classification and valuation of financial assets. Its impact has not yet been detected since it will change based on financial asset management model used and financial assets held as of transition date. The Group is still assessing the impact of TFRS 9 Financial Instruments standard.

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

1. Strategy for the use of financial instruments

The major funding sources of the 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 their sector. Domestic bond issues are realized within the maturity of 6 months and foreign bond issues are based on long maturities with fixed interests. Funds borrowed from abroad mostly bear floating rates and are 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.

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 using 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 debt 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.

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FİNANSBANK ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2014

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

2. Foreign currency transactions

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

The 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, 2014 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. Foreign currency nonmonetary items measured at fair value are converted with currency exchange rates at the time of fair value measurement. The Bank’s foreign currency exchange rates for the related period ends are as follows:

	<u>March 31, 2014</u>	<u>December 31, 2013</u>
US Dollar	TL 2.1898	TL 2.1343
Euro	TL 3,0072	TL 2.9365

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

The accompanying consolidated financial statements are prepared in accordance with TFRS 10 “Turkish Financial Reporting Standard in regards to Consolidated Financial Statements” and BRSA’s “Regulation on Preparation of Consolidated Financial Statements of Banks” 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, 2014	December 31, 2013	
1	Finans Yatırım Menkul Değerler A.Ş. (Finans Yatırım)	Turkey	Securities Brokerage Intermediary	99.74	99.74
2	Finans Portföy Yönetimi A.Ş. (Finans Portföy)	Turkey	Portfolio Management	99.71	99.71
3	Finans Yatırım Ortaklığı A.Ş. (Finans Yatırım Ortaklığı)	Turkey	Investment Trust	76.16	76.10
4	Finans Finansal Kiralama A.Ş. (Finans Leasing)	Turkey	Financial Leasing	69.01	69.01
5	Finans Faktoring Hizmetleri A.Ş.	Turkey	Factoring	100.00	100.00

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, 2014.

(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, 2014**

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

1. Subsidiaries

Subsidiaries are the entities controlled directly or indirectly by the Parent Bank.

Control is defined as the power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Bank's returns.

Subsidiaries are consolidated using the full consolidation method based on the size of their asset equity, and result of operations. Financial statements of related subsidiaries are consolidated from the date when the control is transferred to the Bank and are put out of consolidation's scope as soon as control is removed. Accounting policies applied by subsidiaries that are included in consolidated financial statements are not different from Parent Bank's accounting policies.

According to full consolidation method, 100% of subsidiaries' asset, liability, income, expense and off balance sheet items are consolidated with the Parent Bank's asset, liability, income, expense and off balance sheet items. Book value of the Group's investment in each subsidiary is netted off with Group's equity shares. Unrealized gains and losses and balances that arise due to transactions between subsidiaries within consolidation scope, have been net off. Non-controlling interests are shown separately from earnings per share on consolidated balance sheet and income statement.

2. Associates and entities under common control

The Parent Bank does not have any associates that are consolidated in the accompanying financial statements.

The joint venture is established locally, has its primary operations in private pension and insurance, is controlled jointly with another group with a partnership agreement, and is included in Parent Bank's capital. Subject joint venture is included in consolidated financial statements by using equity method.

Equity method is a method of accounting whereby the book value of the investor's share capital in the subsidiary or the joint venture is either added to or subtracted in proportion with investor's share from the change in the subsidiary's or joint venture's equity within the period. The method also foresees that profit will be deducted from the subsidiary's or joint venture's accordingly recalculated value.

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

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Upon valuation, differences in fair value, except for currency revolution differences, are recorded in the income statement on Gains/Losses from Derivative transactions. These foreign currency valuation differences are accounted for under “Foreign Exchange Gains/Losses” account. Information on Eurobond and loan portfolio, recognized as fair value hedged items, is presented in section 3, footnote VII, 2 and 4.

In cash flow hedge accounting, when the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked; the hedging gains and losses that were previously recognized under equity are transferred to profit or loss when the cash flows of the hedged item are realized.

The Parent Bank applies fair value hedge accounting within the framework of TAS 39 using swaps to hedge a portion of its long term, fixed rate mortgage and project finance loans against possible fair value change due to market interest rate fluctuations.

The Parent Bank applies cash flow hedge accounting using interest swaps to hedge its TL and FC customer deposits with an average maturity of 1 month against interest rate fluctuations. The Bank implements efficiency tests at the balance sheet dates for hedging purposes; the effective parts are accounted under equity “Hedging Funds”, whereas the amount concerning ineffective parts is associated with the income statement, as stated in TAS 39.

The Parent Bank applies fair value hedge accounting using swaps to hedge long term, fixed rate, foreign currency eurobonds in its portfolio against interest rate fluctuations. The Bank performs effectiveness tests as of balance sheet dates for hedge accounting.

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 payment using swaps as hedging instruments.

The Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to the foreign currency bonds issued using interest rate swaps as hedging instruments.

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 presented in the current period income statement.

Fair value of credit default swaps is calculated using internal pricing models based on market data and related unrealized gains and losses are reflected to the current period income statement.

V. Explanations on interest income and expenses

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

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 profit distribution decisions of the related subsidiaries, associates and entities under common control, 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.

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VII. Explanations and disclosures on financial assets

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

1. Financial assets at fair value through profit or loss

1.1. Trading securities

The Group accounts for its trading securities at fair value. The interest income that is from trading securities is presented as interest income in the income statement, while the difference between the cost and the fair value of trading securities and the gain or loss resulting from the sale of these financial assets before their maturity are realized under securities trading gains / losses.

1.2. Financial assets at fair value through profit or loss

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

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

Fair value of loans that are classified as financial assets at fair value through profit or loss has been determined by using effective interest rates used for similar financial assets within the market.

2. Investment securities available for sale

Available for sale assets represent financial assets other than financial assets at fair value through profit or loss, loans and other receivables and investment securities held to maturity.

Premiums and discounts on investment securities available-for-sale are considered during the computation of the internal rate of return and are included in interest income in the income statement. Accrued interest income on investment securities available for sale is recognized in the income statement whereas gains and losses arising from the change in the fair values of such securities are reflected in equity under “Securities value increase fund” (Unrealized Gains/Losses on Securities). When investment securities available for sale are sold, collected or otherwise disposed of, the cumulative fair value adjustments under equity are transferred to the income statement.

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 Parent Bank’s portfolio.

Some portion of the Eurobond portfolio which has been recognized as available for sale securities are designated as fair value hedged items, hedged against interest rate fluctuations, 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.

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

3. Investments securities held to maturity

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

The Bank classified debt securities nominal amounted to TL 1,601,660 as investment securities held-to-maturity which is previously accounted under investment securities available-for-sale in the financial statements as due to the change in the intention of holding as of June 21, 2013. Fair value differences accounted under the equity until the transfer date, will be amortised through the equity until the maturity of the securities. Detailed information regarding the classification given in Section Five I/8.e

4. Loans and specific provisions

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

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 “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 Parent Bank provides general provisions in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No: 28789 “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” and accounts such provision at the liability side of the balance sheet under general loan loss provision.

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”.

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.

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VIII. Explanations on impairment of financial assets

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

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

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

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

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

Financial assets and liabilities are offset and the net amount is reported on the balance sheet when the Group has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

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

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

Securities that are subject to repurchase agreements as at the balance sheet date amounted to TL 3,358,954 (December 31, 2013 - TL 3,834,984).

The Group does not have any securities that are subject to lending transactions as of March 31, 2014 (December 31, 2013 – None).

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

XI. Explanations on assets held for sale and discontinued operations

In accordance with TFRS 5, assets held for sale are those with highly saleable condition requiring a plan by the management regarding the sale of the asset to be disposed, together with an active program for determination of buyers as well as for the completion of the plan. Also, the asset shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or canceling the plan is low.

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As at the balance sheet date, the Parent Bank does not have any assets held for sale.

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

The Parent Bank classifies tangible assets that were acquired due to non-performing receivables, and that do not comply with TFRS 5 criteria, in accordance with the "Communiqué Regarding the Principles and Procedures for the Disposals of Immovables and Commodities Acquired due to Receivables and for Trading of Precious Metal" published in the Official Gazette dated 1 November 2006, no.26333 as other assets and accounts for these tangible assets according to the aforementioned Communiqué.

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 amortization rates used are as follows:

Properties	2%
Movables purchased and acquired under finance lease contracts	7% - 25%

The depreciation of leasehold improvements acquired before December 2009, under operating lease agreements, is calculated according to their useful lives. Depreciation of the leasehold improvements acquired after this date is calculated over the lease period not exceeding 5 years where the lease duration is certain; or 5 years where the lease period is not certain in accordance with "Communiqué on the Amendment of Communiqué on Uniform Chart of Accounts and Explanatory Notes" dated January 10, 2011.

Depreciation is calculated on a pro-rata basis for the assets that have been placed in use for less than a year as of the balance sheet date.

Net book value of the property and leased assets under financial lease contracts are compared with the fair values determined by independent appraisers as of the year end and provision for impairment is recognized in "Other Operating Expenses" in the related period income statement when the fair value is below the net book value in accordance with "Turkish Accounting Standard on Impairment of Assets" (TAS 36).

Gains or losses resulting from disposals of the tangible assets are recorded in the income statement as the difference between the net proceeds and net book value of the asset.

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

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

The Parent Bank has purchased a building amounting to TL 931,008 on March 11, 2014 to be used as its Headquarters.

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XIV. Explanations on leasing transactions

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

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

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

The provisions for lease receivables are set as per BRSA communiqué numbered 28861 and dated December 24, 2013 “Communique on Accounting Principles and Financial Statements of Leasing, Factoring and Financing Companies”. 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 lease receivables are set as per BRSA communiqué numbered 28861 and dated December 24, 2013 “Communique on Accounting Principles and Financial Statements of Leasing, Factoring and Financing Companies”. 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 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.

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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

Turkish Tax Legislation does not allow the Parent Company to prepare tax declaration from the financial statements which subsidiaries and investment associates are consolidated into. Therefore, tax provision in accompanying consolidated financial statements is determined by calculating tax provision for each corporation in consolidation scope separately.

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 deducted from the corporate taxes of the current year and shown in financial statements.

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 recognized as “Current Tax Charge” in the income statement and current tax effect related to transactions directly recognized in equity are reflected to equity.

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

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2. Deferred taxes

In accordance with Turkish Accounting Standard on Income Taxes (TAS 12), the Bank accounts for deferred taxes based on the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. In calculating deferred tax, legalized tax rates effective as of balance sheet date are used as per tax legislations.

Deferred tax liabilities are recognized for all temporary differences whereas deferred tax assets calculated from deductible temporary differences are only recognized if it's highly probable that these will in the future create taxable profit would be available against which the deferred tax assets can be utilized. Deferred tax asset is not provided over provisions for possible risks and general loan loss provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated 8 December 2004.

According to TAS 12, deferred taxes and liabilities resulting from different subsidiaries subject to consolidation are not presented as net; rather they are presented separately as assets and liabilities in the financial statements.

XIX. Additional explanations on borrowings

The Parent Bank and consolidated Group companies generate funds from domestically and internationally resident people and institutions by using debt instruments such as syndication, securitization, collateralized debt and bond issuance. Aforementioned transactions are initially recorded at transaction cost plus acquisition cost, reflective of their fair value, and are subsequently measured at amortized cost by using effective interest rate method.

XX. Explanation on share issues

During the current period there hasn't been any change in the Bank's paid in capital (January 1 – December 31, 2013 - The Bank issued TL 135,000 of bonus shares; where TL 128,250 was from first dividends, TL 6,750 were from share holding disposal funds).

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, 2014, the Group does not have any unused investment incentives. (December 31, 2013 – None)

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 for 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.

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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.

Current Period (January 1 – March 31, 2014)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Net Interest Income	269,907	137,835	279,947	687,689
Net Fees and Commissions Income	438,149	38,287	(84,378)	392,058
Other Operating Income and Net Trading Income	37,715	32,470	(52,115)	18,070
Dividend Income	-	-	25	25
Operating Income	745,771	208,592	143,479	1,097,842
Other Operating Expenses	454,426	104,684	104,622	663,732
Provision for Loan Losses and Other Receivables	177,483	21,514	30,545	229,542
Profit Before Taxes	113,862	82,394	8,312	204,568
Gain / Loss on joint venture accounted for at equity method	-	-	647	647
Provision for Tax	-	-	-	(64,923)
Net Profit/Loss	-	-	-	140,292
Total Assets	35,404,967	11,274,985	20,588,141	71,914,284
Segment Assets	35,404,967	11,274,985	20,588,141	67,268,093
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	200,069
Undistributed Assets	-	-	-	4,446,122
Total Liabilities	28,611,666	10,947,753	17,220,842	71,914,284
Segment Liabilities	28,611,666	10,947,753	17,220,842	56,780,261
Undistributed Liabilities	-	-	-	7,083,664
Equity	-	-	-	8,050,359
Other Segment Accounts	-	-	-	1,068,794
Capital Expenditures	-	-	-	1,020,576
Depreciation and Amortization	-	-	-	48,218
Value Decrease/ (Increase)	-	-	-	-

Prior 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
Provision for Tax	-	-	-	(98,322)
Net Profit/Loss	-	-	-	279,823
Other Segment Accounts	-	-	-	123,471
Capital Expenditures	-	-	-	82,535
Depreciation and Amortization	-	-	-	40,936
Value Decrease/ (Increase)	-	-	-	-

Prior Period (December 31, 2013)	Consumer Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Total Assets	34,123,577	9,912,457	19,618,825	67,665,718
Segment Assets	34,123,577	9,912,457	19,618,825	63,654,859
Associates and Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	199,422
Undistributed Assets	-	-	-	3,811,437
Total Liabilities	25,886,321	10,625,129	17,316,855	67,665,718
Segment Liabilities	25,886,321	10,625,129	17,316,855	53,828,305
Undistributed Liabilities	-	-	-	5,973,952
Equity	-	-	-	7,863,461

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XXIV. Profit Reserves and profit distribution

At the General Assembly dated March 27, 2014, the profit distribution of the Parent Bank for the year 2013 is decided as follows:

2013 profit distribution table:

Current period income / (loss)	734,239
A – First Legal Reserves (Turkish Commercial Code 519/1) 5%	(36,712)
B – First Dividend to Shareholders ^(*)	(135,000)
D – Extraordinary Reserves	(562,527)

^(*)It was decided to distribute the shares issued by adding first dividend to shareholders amounting to TL 135,000 to the share capital.

XXV. Explanations on Other Matters

None.

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SECTION FOUR

INFORMATION ON GROUP'S FINANCIAL STRUCTURE

I. Explanations Related to Consolidated Capital Adequacy Ratio

As of March 31, 2014, the Parent Bank's consolidated capital adequacy ratio is 16,04%. (December 31, 2013 - 17.16%)

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:

Current Period	Parent Bank									
	Risk Weightings									
	0%	10%	20%	50%	75%	100%	150%	200%	250%	
Value at Credit Risk	-	-	123,991	7,950,360	12,728,609	21,181,729	2,156,891	8,575,238	1,063,700	
Exposure Categories:	15,596,831	-	619,955	15,900,720	16,971,479	21,181,729	1,437,927	4,287,619	425,480	
Conditional and unconditional receivables from central governments or central banks	14,675,305	-	-	1,350,402	-	-	-	-	-	
Conditional and unconditional receivables from regional or local governments	-	-	6,013	-	-	-	-	-	-	
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	956	-	-	-	
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-	
Conditional and unconditional receivables from banks and brokerage houses	-	-	613,933	1,677,390	-	20,291	-	-	-	
Conditional and unconditional receivables from corporates	-	-	-	-	-	14,631,675	-	-	-	
Conditional and unconditional retail receivables	-	-	-	-	16,971,479	2,887,275	-	-	-	
Conditional and unconditional receivables secured by mortgages	-	-	-	12,841,803	-	-	-	-	-	
Past due receivables	-	-	-	31,125	-	491,909	-	-	-	
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	1,437,927	4,287,619	425,480	
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	
Securitization positions	-	-	-	-	-	-	-	-	-	
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	
Investments similar to collective investment funds	-	-	-	-	-	23,702	-	-	-	
Other receivables	921,526	-	9	-	-	3,125,921	-	-	-	

Current Period	Consolidated									
	Risk Weightings									
	0%	10%	20%	50%	75%	100%	150%	200%	250%	
Value at Credit Risk	-	-	120,757	8,078,993	12,975,720	22,699,975	2,221,241	8,575,238	1,063,700	
Exposure Categories:	15,596,839	-	603,785	16,157,985	17,300,960	22,699,975	1,480,827	4,287,619	425,480	
Conditional and unconditional receivables from central governments or central banks	14,675,305	-	-	1,350,401	-	-	-	-	-	
Conditional and unconditional receivables from regional or local governments	-	-	6,013	-	-	-	-	-	-	
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	955	-	-	-	
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-	
Conditional and unconditional receivables from banks and brokerage houses	-	-	597,763	1,874,818	-	20,291	-	-	-	
Conditional and unconditional receivables from corporates	-	-	-	-	-	16,090,676	-	-	-	
Conditional and unconditional retail receivables	-	-	-	-	17,300,960	2,887,275	-	-	-	
Conditional and unconditional receivables secured by mortgages	-	-	-	12,900,416	-	-	-	-	-	
Past due receivables	-	-	-	32,350	-	518,185	-	-	-	
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	1,480,827	4,287,619	425,480	
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	
Securitization positions	-	-	-	-	-	-	-	-	-	
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	
Investments similar to collective investment funds	-	-	-	-	-	23,702	-	-	-	
Other receivables	921,534	-	9	-	-	3,158,891	-	-	-	

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Parent Bank									
Risk Weightings									
Prior Period	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	179,588	7,476,755	11,903,243	18,675,739	1,992,405	8,987,942	1,356,358
Exposure Categories:	15,315,268	-	897,940	14,953,510	15,870,990	18,675,739	1,328,270	4,493,971	542,543
Conditional and unconditional receivables from central governments or central banks	14,268,181	-	-	1,333,821	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	2,452	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	1,023	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	895,415	1,608,741	-	27,180	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	16,039	-	12,719,917	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	15,870,990	3,261,960	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	11,952,456	-	-	-	-	-
Past due receivables	-	-	-	42,453	-	454,259	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	1,328,270	4,493,971	542,543
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	23,640	-	-	-
Other receivables	1,047,087	-	73	-	-	2,187,760	-	-	-

Consolidated									
Risk Weightings									
Prior Period	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	158,471	7,561,842	12,328,796	20,062,864	2,044,314	8,987,942	1,356,358
Exposure Categories:	15,315,351	-	792,355	15,123,683	16,438,394	20,062,864	1,362,876	4,493,971	542,543
Conditional and unconditional receivables from central governments or central banks	14,268,181	-	-	1,333,821	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	2,452	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	1,023	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	789,829	1,717,364	-	27,181	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	16,039	-	13,945,683	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	16,438,394	3,261,959	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	12,012,528	-	-	-	-	-
Past due receivables	-	-	-	43,931	-	486,837	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	1,362,876	4,493,971	542,543
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	23,640	-	-	-
Other receivables	1,047,170	-	74	-	-	2,316,541	-	-	-

Summary information related to consolidated and unconsolidated capital adequacy ratio:

	Parent Bank	Consolidated	Parent Bank	Consolidated
	Current Period	Current Period	Prior Period	Prior Period
Capital Requirement for Credit Risk (Value at Credit Risk * 0.08) (CRCR)	4,302,441	4,458,850	4,045,762	4,200,047
Capital Requirement for Market Risk (MRCR)	85,174	89,645	80,017	94,166
Capital Requirement for Operational Risk (ORCR)	503,912	532,294	425,090	454,568
Shareholders' Equity	9,938,475	10,188,487	9,642,750	10,188,321
Shareholders' Equity/(CRCR+MRCR+ORCR) * 12.5 * 100	% 16.25	% 16.04	% 16.95	% 17.16
Additional Tier I Capital/((CRCR+CRMR+CROR)*12.5*100)	% 11.98	% 11.84	-	-
Common Equity/((CRCR+CRMR+CROR)*12.5*100)	% 12.29	% 12.15	-	-

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
	March 31, 2014
COMMON EQUITY	
Paid-in capital following all debts in terms of claim in liquidation of the Bank's	2,700,000
Share premium	714
Share cancellation profits	-
Reserves	4,953,987
Gains recognized in equity as per TAS	458,851
Profit	308,647
Current Period Profit	136,610
Prior Period Profit	172,037
Provisions for Possible Risks	-
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	2,689
Minority shares	166,618
Common Equity Before Deductions	8,591,506
Deductions from Common Equity	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-).	688,381
Leasehold improvements (-)	136,954
Goodwill or other intangible assets and deferred tax liability related to these items (-)	41,526
Net deferred tax asset/liability (-)	7,583
Shares obtained contrary to the 4th clause of the 56th Article of the Law (-)	-
Direct and indirect investments of the Bank in its own common equity (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-
Portion of mortgage servicing rights exceeding 10% of the common equity (-).	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the common equity (-).	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital (-)	-
Excess amount arising from mortgage servicing rights (-).	-
Excess amount arising from deferred tax assets based on temporary differences (-).	-
Other items to be defined by the BRSB (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
Total Deductions From Common Equity	874,444
Total Common Equity	7,717,062

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	March 31, 2014
ADDITIONAL TIER I CAPITAL	
Capital amount and related premiums corresponding to preference shares that are not included in common equity	-
Debt instruments and premiums deemed suitable by BRSA (issued/obtained after 1.1.2014)	-
Debt instruments and premiums deemed suitable by BRSA (issued before 1.1.2014)	-
Additional Tier I Capital before Deductions	-
Deductions from Additional Tier I Capital	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I Capital and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Other items to be defined by the BRSA (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
Total Deductions From Additional Tier I Capital	-
Total Additional Tier I Capital	-
DEDUCTIONS FROM TIER I CAPITAL	196,440
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1 st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	166,106
Portion of net deferred tax assets/liabilities which is not deducted from the common equity pursuant to Paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-)	30,334
Total Tier I Capital	7,520,622
TIER II CAPITAL	
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained before 1.1.2014)	1,991,548
Sources pledged to the Bank by shareholders to be used in capital increases of the Bank	-
General Loan Loss Provisions	696,695
Share of 3 rd parties in Tier II Capital	-
Tier II Capital Before Deductions	2,688,243
DEDUCTIONS FROM TIER II CAPITAL	
Direct and indirect investments of the Bank in its own Tier II Capital (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-
Portion of the total of net long positions of investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-
Other items to be defined by the BRSA (-)	-
Total Deductions from Tier II Capital	-
Total Tier II Capital	2,688,243
CAPITAL BEFORE DEDUCTIONS	10,208,865
Loans granted contrary to the 50th and 51th Article of the Law (-)	2,356
Net book value of amounts exceeding the limit mentioned in the 1 st Paragraph of Article 57 of the Law and assets acquired against overdue receivables which could not be disposed of even though five years have passed since their acquisition date (-)	12,824
Loans granted to banks and financial institutions, including those established abroad, and to eligible shareholders of the Bank and investments made in the borrowing instruments issued by them (-).	-
Amounts to be deducted from equity as per the 2nd Clause of Article 20 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-).	-
Other items to be defined by the BRSA (-)	5,198
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1 st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1 st and 2 nd Paragraph of the 2 nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
TOTAL CAPITAL	10,188,487
Amounts below the Excess Limits as per the Deduction Principles	-
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	-
Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	-
Amounts arising from mortgage servicing rights	-
Amounts arising from deferred tax assets based on temporary differences	-

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	December 31, 2013
CORE CAPITAL	
Paid-in Capital	2,700,000
Nominal Capital	2,700,000
Capital Commitments (-)	-
Inflation Adjustments to Paid-in Capital	-
Share Premium	714
Share Cancellation Profits	-
Reserves	3,534,548
Inflation Adjustments to Reserves	-
Profit	948,925
Current Period's Profit	746,151
Prior Periods' Profit	202,774
Provision for Possible Losses (up to 25% of Core Capital)	102,025
Income on Sale of Equity Shares and Real Estates	642,551
Primary Subordinated Debts	-
Minority Interest	162,936
Loss (in excess of Reserves) (-)	-
Current Period's Losses	-
Prior Periods' Losses	-
Leasehold Improvements on Operational Leases (-)	140,275
Intangible Assets (-)	200,798
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	7,741,657
SUPPLEMENTARY CAPITAL	
General Provisions	741,997
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	1,941,738
45% of Securities Value Increase Fund	(222,200)
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss	-
Minority Interest	-
Total Supplementary Capital	2,461,535
CAPITAL	10,203,192
DEDUCTIONS FROM CAPITAL	14,871
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	2,015
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	12,855
Securitization Positions to be Deducted from Equity	-
Other	1
TOTAL SHAREHOLDERS' EQUITY	10,188,321

Components of items of shareholders' equity subject to temporary applications:

	Parent Bank		Consolidated	
	Amount Included in Equity Calculation	Total Amount	Amount Included in Equity Calculation	Total Amount
Minority Interest in Tier I Capital	-	-	-	-
Shares of Third Parties in Additional Core Capital	-	-	-	-
Shares of Third Parties in Tier II Capital	-	-	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued before 1.1.2014)	1,964,398	1,964,398	1,991,548	1,991,548

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Information on debt instruments included in the calculation of equity:

	1	2	3	4
Issuer	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	-	-	-	-
Governing law(s) of the instrument	BRSA	BRSA	BRSA	BRSA
Regulatory treatment	Supplementary Capital	Supplementary Capital	Supplementary Capital	Supplementary Capital
Transitional Basel III rules	Yes	Yes	Yes	Yes
Eligible at stand-alone / consolidated	Stand alone -Consolidated	Stand alone -Consolidated	Stand alone -Consolidated	Stand alone -Consolidated
Instrument type (types to be specified by each jurisdiction)	Loan	Loan	Loan	Loan
Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	711	438	274	569
Par value of instrument (Currency in million)	712	438	274	569
Accounting classification	Liability – Subordinated Loans-amortised cost	Liability – Subordinated Loans-amortised cost	Liability – Subordinated Loans-amortised cost	Liability – Subordinated Loans-amortised cost
Original date of issuance	April 24, 2008	October 06, 2009	December 28, 2009	December 20, 2011
Perpetual or dated	Dated	Dated	Dated	Dated
Original maturity date	12 years	12 years	12 years	10 years
Issuer call subject to prior BRSA approval	Yes	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	-	-	-	-
Subsequent call dates, if applicable	-	-	-	-
Coupons / dividends	6 months	6 months	6 months	6 months
Fixed or floating dividend/coupon	Floating	Floating	Floating	Floating
Coupon rate and any related index	EURIBOR + %4.50	EURIBOR + %4.34	EURIBOR + %4.34	EURIBOR + %4.50
Existence of a dividend stopper	-	-	-	-
Fully discretionary, partially discretionary or mandatory	-	-	-	-

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	1	2	3	4
Existence of step up or other incentive to redeem	-	-	-	-
Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
Convertible or non-convertible	None	None	None	None
If convertible, conversion trigger (s)	-	-	-	-
If convertible, fully or partially	-	-	-	-
If convertible, conversion rate	-	-	-	-
If convertible, mandatory or optional conversion	-	-	-	-
If convertible, specify instrument type convertible into	-	-	-	-
If convertible, specify issuer of instrument it converts into	-	-	-	-
Write-down feature	None	None	None	None
If write-down, write-down trigger(s)	-	-	-	-
If write-down, full or partial	-	-	-	-
If write-down, permanent or temporary	-	-	-	-
If temporary write-down, description of write-up mechanism	-	-	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2
Incompliance with article number 7 and 8 of "Own fund regulation"	Yes	Yes	Yes	Yes
Details of incompliances with article number 7 and 8 of "Own fund regulation"	8-2-ğ	8-2-ğ	8-2-ğ	8-2-ğ

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II. 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

		Current Period Amount	Prior Period Amount
(I)	Capital Requirement against General Market Risk - Standard Method	30,625	27,165
(II)	Capital Requirement against Specific Risks – Standard Method	8,632	6,593
	Capital Requirement against Specific Risks of Securitization Positions– Standard Method	-	-
(III)	Capital Requirement against Currency Risk – Standard Method	22,953	34,596
(IV)	Capital Requirement against Commodity Risks - Standard Method	613	908
(V)	Capital Requirement against Settlement Risks - Standard Method	-	-
(VI)	Capital Requirement against Market Risks of Options - Standard Method	1,785	1,762
(VII)	Capital Requirement against Counterparty Credit Risk - Standard Method	25,037	23,142
(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)	89,645	94,166
(X)	Value-At-Market Risk (12,5 x VIII) or (12,5 x IX)	1,120,563	1,177,075

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’ (2013, 2012 and 2011) 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 31,2014, the value at operational risk is amounting to TL 6,653,675. (TL 5,682,100 in December 31, 2013)

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Current Period				Total / No.		
Basic Indicator Method	2 PP Amount	1 PP Amount	CP Amount	of Years of Positive Gross	Rate (%)	Total
Gross Income	2,963,312	3,686,775	3,995,793	3,548,627	15	532,294
Value at operational risk (Total*12,5)						6,653,675

Prior Period				Total / No.		
Basic Indicator Method	2 PP Amount	1 PP Amount	CP Amount	of Years of Positive Gross	Rate (%)	Total
Gross Income	2,441,279	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 disposal of securities available-for-sale and held-to-maturity, extraordinary income and income derived from insurance claims at year-end.

IV. Explanations Related to Consolidated Foreign Exchange Risk

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

As of March 31, 2014, the net foreign currency exposure of the Group is TL 122,202 short position (December 31, 2013 – TL – 119,111 short) resulting from on balance sheet short position amounting to TL 7,510,363 (December 31, 2013 – TL 5,744,613 short) and long off balance sheet position amounting to TL 7,388,161 (December 31, 2013 – TL 5,625,502 long). The long off balance sheet position amounting to TL 3,761,459 (December 31, 2013 – TL 5,074,126) 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.

Board of Directors have determined the limits considering the consistency with the “Foreign Currency Net General Position.” Positions are being followed daily and limits are reviewed at least once a year depending on economic conditions and Group strategy and updated as deemed necessary.

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

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

The Group hedges foreign currency borrowings with derivative instruments. The Group does not hedge net foreign currency investments with derivative instruments.

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3. The spot foreign exchange bid rates of the Parent Bank 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 2.1898
Euro purchase rate in the balance sheet date	TL 3.0072

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
March 31, 2014	2.1898	3.0072
March 28, 2013	2.1912	3.0148
March 27, 2013	2.2121	3.0524
March 26, 2013	2.2319	3.0831
March 25, 2013	2.2370	3.0823

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 2014 are TL 2.170 and TL 2.9264; 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⁾	2,520,052	3,171,347	1,636,234	7,327,633
Due From Banks	433,750	114,910	12,980	561,640
Financial Assets at Fair Value through Profit/Loss ⁽²⁾	87,609	133,194	9,601	230,404
Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	122,759	998,824	-	1,121,583
Loans and Receivables ⁽³⁾	3,332,383	4,579,740	84,097	7,996,220
Investments in Assoc., Subsidiaries and Entities under Common Control	-	-	-	-
Investment Securities Held-to-Maturity	-	400,920	-	400,920
Derivative Financial Assets Hedging Purposes	-	62,814	-	62,814
Tangible Assets	-	-	65	65
Intangible Assets	-	-	-	-
Other Assets ⁽⁴⁾	601,701	322,942	2,183	926,826
Total Assets	7,098,254	9,784,691	1,745,160	18,628,105
Liabilities				
Bank Deposits	246,910	1,153,597	50,947	1,451,454
Foreign Currency Deposits ⁽⁵⁾	3,754,161	7,056,459	727,665	11,538,285
Money Market Borrowings	98,666	921,382	-	1,020,048
Funds Provided from Other Financial Institutions ⁽⁶⁾	2,317,552	4,268,837	218,116	6,804,505
Securities Issued	177,052	2,001,793	-	2,178,845
Sundry Creditors	1,954,290	843,621	767	2,798,678
Derivative Fin. Liabilities Hedging Purposes	36,003	60,174	5	96,182
Other Liabilities ⁽⁷⁾	81,216	163,513	5,742	250,471
Total Liabilities	8,665,850	16,469,376	1,003,242	26,138,468
Net Balance Sheet Position	(1,567,596)	(6,684,685)	741,918	(7,510,363)
Net Off-Balance Sheet Position	1,632,084	6,471,036	(714,959)	7,388,161
Financial Derivative Assets	4,982,167	30,514,228	486,730	35,983,125
Financial Derivative Liabilities	3,350,083	24,043,192	1,201,689	28,594,964
Non-Cash Loans ⁽⁸⁾	862,030	2,279,060	163,147	3,304,237
Prior Period				
Total Assets	6,814,625	8,939,954	1,848,565	17,603,144
Total Liabilities	7,190,776	15,230,825	926,156	23,347,757
Net Balance Sheet Position	(376,151)	(6,290,871)	922,409	(5,744,613)
Net Off-Balance Sheet Position	632,637	5,873,795	(880,930)	5,625,502
Financial Derivative Assets	4,514,153	27,344,817	182,268	32,041,238
Financial Derivative Liabilities	3,881,516	21,471,022	1,063,198	26,415,736
Non-Cash Loans ⁽⁸⁾	839,099	1,940,762	168,107	2,947,968

(1) Cash and Balances with TR Central; Other FC include TL 1,610,792 TL precious metal deposit account.

(2) Does not include TL 8,439 (December 31, 2013 – 4,133 TL) of currency income accruals arising from derivative transactions.

(3) Includes TL 2,478,177 TL (December 31, 2013 – TL 2,098,813 TL) FC indexed loans.

(4) Does not include FC prepaid expenses amounting to TL 2,558 (December 31, 2013 – TL 2,338) as per BRSA's Communique published in Official Gazette no 26085 on 19 February 2006. Does not include repealed financial leasing receivables amounting to TL1,181 (December 31, 2013 – TL 1,402) accounted as FC in balance sheet. Does not include FC indexed factoring receivables amounting to TL 38,348 (December 31, 2013 – TL 34,945) accounted as TL in balance sheet.

(5) Other foreign currency includes TL 598,247 (December 31, 2013 – TL 587,254) of precious metal deposit account.

(6) Includes TL 14,387 (December 31, 2013 – TL 20,097) FC indexed loans accounted as TL in balance sheet.

(7) Does not include currency expense accruals of derivative financial instruments kept in FC accounts amounting to TL 6,477 (December 31, 2013 – TL 1,245) and general loan provision calculated for FC loans and kept in FC accounts due to Uniform Chart of Accounts amounting to TL 88,500 (December 31, 2013 – TL 84,572).

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

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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.

Parent Bank's asset and liabilities carry positive interest rate income and are repriced every six months. Therefore the Bank holds limited amount of 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 repricing 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	8	-	-	-	-	8,486,735	8,486,743
Due from Banks	306,936	43,800	10,271	-	-	223,494	584,501
Financial Assets at Fair Value Through Profit/Loss ^(**)	29,383	4,279	37,614	25,387	129,038	3,805,349	4,031,050
Money Market Placements	122,480	-	-	-	-	-	122,480
Inv. Securities Available for Sale	1,318,972	618,826	1,819,595	618,677	1,308,982	294,544	5,390,508
Loans and Receivables	9,853,164	5,482,718	13,265,907	12,030,820	3,328,784	1,369,216	45,330,609
Inv. Securities Held to Maturity	886,356	651,587	764,415	460,761	199,050	88,355	3,050,524
Other Assets	280,647	171,424	534,219	698,993	8,890	3,223,696	4,917,869
Total Assets	12,797,946	6,972,634	16,432,021	13,834,638	4,974,744	16,902,301	71,914,284
Liabilities							
Bank Deposits	1,291,482	277,919	6,988	-	-	26,444	1,602,833
Other Deposits	22,684,268	8,761,035	2,979,417	8,824	423	5,447,210	39,881,177
Money Market Borrowings	2,386,303	846,572	-	-	-	4,212	3,237,087
Sundry Creditors	2,763,186	-	-	-	-	1,353,416	4,116,602
Securities Issued	939,491	737,655	177,385	1,777,292	-	96,675	3,728,498
Funds Borrowed	1,757,904	2,578,835	2,250,634	562,831	76,155	49,719	7,276,078
Other Liabilities ^(***)	78	156	669	12,484	-	12,058,622	12,072,009
Total Liabilities	31,822,712	13,202,172	5,415,093	2,361,431	76,578	19,036,298	71,914,284
On Balance Sheet Long Position	-	-	11,016,928	11,473,207	4,898,166	-	27,388,301
On Balance Sheet Short Position	(19,024,766)	(6,229,538)	-	-	-	(2,133,997)	(27,388,301)
Off-Balance Sheet Long Position	2,657,179	9,026,817	-	-	-	-	11,683,996
Off-Balance Sheet Short Position	-	-	(313,442)	(9,159,195)	(1,859,654)	-	(11,332,291)
Total Position	(16,367,587)	2,797,279	10,703,486	2,314,012	3,038,512	(2,133,997)	351,705

(*) Non Interest Bearing column includes accruals and derivative financial instruments' fair value valuation difference.

(**) Financial Assets at Fair Value Through Profit/Loss include TL 2,236,615 derivative financial assets used for hedging purposes.

(***) Other Liabilities include derivative financial liabilities used for hedging purposes amounting to TL 130,875.

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Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing ^(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	13	-	-	-	-	8,208,469	8,208,482
Due from Banks	90,812	77,697	4,144	-	-	303,501	476,154
Financial Assets at Fair Value Through Profit/Loss ^(**)	2,965	153,499	47,243	29,547	151,514	3,219,594	3,604,362
Money Market Placements	3,433	-	-	-	-	-	3,433
Inv. Securities Available for Sale	1,100,642	1,990,745	752,897	616,251	1,343,457	(61,007)	5,742,985
Loans and Receivables	9,474,287	4,610,988	12,621,186	11,295,599	3,353,664	1,315,581	42,671,305
Inv. Securities Held to Maturity	-	726,128	1,461,877	426,414	183,148	28,212	2,825,779
Other Assets	352,283	255,471	454,554	686,507	12,142	2,372,261	4,133,218
Total Assets	11,024,435	7,814,528	15,341,901	13,054,318	5,043,925	15,386,611	67,665,718
Liabilities							
Bank Deposits	891,681	407,569	16,286	-	-	25,957	1,341,493
Other Deposits	18,515,174	10,291,432	2,083,492	12,200	373	5,862,838	36,765,509
Money Market Borrowings	3,392,340	385,695	-	-	-	2,457	3,780,492
Sundry Creditors	1,984,510	-	-	-	-	1,465,217	3,449,727
Securities Issued	710,291	370,997	1,054,971	1,752,158	-	66,162	3,954,579
Funds Borrowed	723,982	997,749	4,489,359	519,124	18,035	23,421	6,771,670
Other Liabilities ^(***)	-	-	652	10,601	-	11,590,995	11,602,248
Total Liabilities	26,217,978	12,453,442	7,644,760	2,294,083	18,408	19,037,047	67,665,718
On Balance Sheet Long Position	-	-	7,697,141	10,760,235	5,025,517	-	23,482,893
On Balance Sheet Short Position	(15,193,543)	(4,638,914)	-	-	-	(3,650,436)	(23,482,893)
Off-Balance Sheet Long Position	3,427,681	9,295,931	-	-	-	-	12,723,612
Off-Balance Sheet Short Position	-	-	(2,125,543)	(8,387,856)	(1,831,338)	-	(12,344,737)
Total Position	(11,765,862)	4,657,017	5,571,598	2,372,379	3,194,179	(3,650,436)	378,875

(*) Non Interest Bearing column includes accruals and derivative financial instruments' fair value valuation difference.

(**) Financial Assets at Fair Value Through Profit/Loss include TL1,927,795 derivative financial assets used for hedging purposes.

(***) Other Liabilities include derivative financial liabilities used for hedging purposes amounting to TL 82,749.

Average interest rates applied to monetary financial instruments

Current Period	EUR %	USD %	JPY %	TL %
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	1.18	0.86	-	11.92
Financial Assets at Fair Value Through Profit/Loss	3.91	4.78	-	11.15
Money Market Placements	-	-	-	11.94
Investment Securities Available for Sale	4.79	5.16	-	9.18
Loans and Receivables	5.57	4.67	5.26	14.92(*)
Investment Securities Held for Trading	-	5.62	-	9.97
Liabilities				
Bank Deposits	2.19	2.11	-	10.62
Other Deposits	2.65	2.65	0.25	11.36
Money Market Borrowings	0.75	0.75	-	10.04
Sundry Creditors	-	0.08	-	-
Securities Issued	-	5.36	-	10.53
Funds Borrowed	1.22	2.97	-	8.40

(*) The yield of loans and receivables is 13.61% excluding credit cards.

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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	1.46	0.21	-	8.73
Financial Assets at Fair Value Through Profit/Loss	3.33	4.15	-	8.35
Money Market Placements	-	-	-	7.07
Investment Securities Available for Sale	4.81	5.19	-	7.02
Loans and Receivables	5.54	4.58	5.26	14.90 (*)
Investment Securities Held to Maturity	-	5.79	-	7.24
Liabilities				
Bank Deposits	2.14	2.29	-	8.37
Other Deposits	2.96	3.05	2.09	8.91
Money Market Borrowings	0.85	0.77	-	7.27
Sundry Creditors	0.12	0.08	-	-
Securities Issued	-	5.36	-	8.24
Funds Borrowed	1.16	2.89	-	8.40

(*) The yield of loans and receivable is 12.62% 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, sensitivity of net interest income is monitored and the prepayment rates of loans is considered managing the interest rate risk.

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	(771,381)	% (7.76)
	(-) 400	749,552	% 7.54
2. EURO	(+) 200	(55,209)	% (0.56)
	(-) 200	63,342	% 0.64
3. USD	(+) 200	(41,759)	% (0.42)
	(-) 200	48,246	% 0.49
Total (of negative shocks)		861,140	% 8.66
Total (of positive shocks)		(868,349)	% (8.74)

Position risk of equity securities in banking book

Equity Securities (shares)	Comparison		
	Carrying Value	Fair Value	Market Value
1. Equity Investments Group A	23,880	-	23,880
Quoted Securities	23,880	-	23,880
2. Equity Investments Group B	2	-	2
Quoted Securities	2	-	2
3. Equity Investments Group C	-	-	-
Quoted Securities	-	-	-
4. Equity Investments Group Other^(*)	200,069	194,916^(**)	-

(*) Associates and subsidiaries not quoted to BIST 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 Suppleme ntary Capital
1. Private Equity Investments	-	-	-	-	-	-
2. Quoted Shares	(230)	-	-	(91)	-	(41)
3. Other Shares	-	-	-	-	-	-
4. Total	(230)	-	-	(91)	-	(41)

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VI. Explanations Related to Consolidated Liquidity Risk

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

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

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

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

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

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

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

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

In order to meet urgent liquidity needs 12% (December 31, 2013 – 12%) 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	1,983,812	6,502,931	-	-	-	-	-	8,486,743
Due from Banks	223,494	306,936	43,800	10,271	-	-	-	584,501
Financial Assets at Fair Value Through Profit/Loss ^(**)	-	163,925	282,309	1,061,304	2,190,269	333,243	-	4,031,050
Money Market Placements	-	122,480	-	-	-	-	-	122,480
Investment Securities Available for Sale	42,222	378,303	35,592	365,923	1,876,343	2,692,125	-	5,390,508
Loans and Receivables	-	10,653,201	5,098,259	12,691,851	12,885,496	3,453,415	548,387	45,330,609
Investment Securities Held to Maturity	-	-	-	69,154	943,108	2,038,262	-	3,050,524
Other Assets	19,140	1,237,358	242,558	440,174	866,369	8,911	2,103,359	4,917,869
Total Assets	2,268,668	19,365,134	5,702,518	14,638,677	18,761,585	8,525,956	2,651,746	71,914,284
Liabilities								
Bank Deposits	22,805	1,293,684	279,218	7,126	-	-	-	1,602,833
Other Deposits	5,206,897	22,817,707	8,824,485	3,022,666	8,989	433	-	39,881,177
Funds Borrowed	-	221,716	532,707	3,447,883	995,776	2,077,996	-	7,276,078
Money Market Borrowings	-	2,389,356	847,731	-	-	-	-	3,237,087
Securities Issued	-	965,366	406,493	177,853	2,031,232	147,554	-	3,728,498
Sundry Creditors	9,336	4,078,684	1,611	749	-	26,222	-	4,116,602
Other Liabilities ^(*)	8,490	1,440,551	296,703	689,779	70,869	121,379	9,444,238	12,072,009
Total Liabilities	5,247,528	33,207,064	11,188,948	7,346,056	3,106,866	2,373,584	9,444,238	71,914,284
Liquidity Gap	(2,978,860)	(13,841,930)	(5,486,430)	7,292,621	15,654,719	6,152,372	(6,792,492)	-
Prior Period								
Total Assets	2,156,311	17,631,803	5,145,605	14,234,719	18,442,561	8,364,040	1,690,679	67,665,718
Total Liabilities	5,718,911	28,648,859	12,290,769	6,092,770	4,240,779	1,618,909	9,054,721	67,665,718
Net Liquidity Gap	(3,562,600)	(11,017,056)	(7,145,164)	8,141,949	14,201,782	6,745,131	(7,364,042)	-

- (*) The assets which are necessary to provide banking services and could not be liquidated in the short-term, such as fixed assets, investments in subsidiaries and associates, common shares unquoted on stock exchange, office stationery, and prepaid expenses are classified under this column.
Unallocated other liabilities include shareholders' equity amounting to TL 8,070,481 , unallocated provisions amounting to TL 1,387,210 and tax liability amounting to TL 6,669.
- (**) Financial Assets at Fair Value Through Profit/Loss include derivative financial assets held for hedging purposes amounting to TL 2,236,615 .
- (***) Other Liabilities also include derivative financial liabilities held for hedging purposes amounting to TL 130,875.

VII. Explanations Related to Securitization Positions

As of March 31, 2014 the Group has no securitization positions.

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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”. In this method, the volatility adjustments regarding the exposures and collaterals are made as per the standard deduction ratio that attached to the Regulation.

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

Exposure Categories (**)	Amount(*)	Financial Collaterals	Other/Physical Collaterals	Guaranties and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	16,025,707	-	-	-
Conditional and unconditional receivables from regional or local governments	6,056	43	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	1,405	35	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	4,802,270	2,131,136	-	-
Conditional and unconditional receivables from corporates	24,602,872	597,951	-	-
Conditional and unconditional retail receivables	37,348,263	260,354	-	-
Conditional and unconditional receivables secured by mortgages	13,323,966	-	-	-
Past due receivables	550,753	219	-	-
Receivables defined in high risk category by BRSA	6,254,764	60,838	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	23,702	-	-	-
Other receivables	4,080,434	-	-	-
Total	107,020,192	3,050,576	-	-

(*) 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,

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- 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

The Group 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.

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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	590,263	307,267	633,575	413,150
T.R. Central Bank	547,398	7,017,745	253,764	6,906,881
Others	21,449	2,621	451	661
Total	1,159,110	7,327,633	887,790	7,320,692

b) Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	547,398	514,816	253,764	499,042
Restricted Time Deposits	-	6,502,929	-	6,407,839
Total	547,398	7,017,745	253,764	6,906,881

As of March 31, 2014, 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, 2013 – 5% to 11.5%) and the compulsory rates for the foreign currency liabilities are within an interval from 6% to 13% depending on the maturity of deposits (December 31, 2013 – 6% and 13%).

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 ^(*)	-	-	103	-
Other	-	-	-	-
Total	-	-	103	-

^(*) 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 ^(*)	8,965	-	140,916	-
Treasury Bills ^(*)	-	-	-	-
Other Debt Securities	-	-	-	-
Bonds Issued and Guaranteed by Banks	5,053	-	4,818	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	14,018	-	145,734	-

^(*) Government bonds and treasury bills subject to repurchase agreements presented 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	89,010	-	107,327	-
Swap Transactions	1,235,086	75,041	922,629	61,661
Futures	-	464	-	486
Options	-	162,422	-	189,378
Other	-	-	-	-
Total	1,324,096	237,927	1,029,956	251,525

3. a) **Information on banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	11,629	144	5,985	2,301
Foreign	11,232	561,496	2	302,327
Foreign Head Offices and Branches	-	-	-	165,539
Total	22,861	561,640	5,987	470,167

b) **Information on foreign bank accounts**

	Unrestricted Amount		Restricted Amount ^(**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	150,315	44,881	1,651	1,730
USA and Canada	63,891	233,566	1,433	1,528
OECD Countries ^(*)	2,659	17,147	-	-
Off-shore Banking Regions	349,992	165,538	-	-
Other	2,787	3,478	-	-
Total	569,644	464,610	3,084	3,258

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

(**) Includes blocked placements at foreign banks amounting to TL 3,084 (December 31, 2013 - TL 3,258).

4. **Information on receivables from reverse repurchase agreements**

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	122,480	-	3,433	-
T.R. Central Bank	-	-	-	-
Banks	120,039	-	-	-
Intermediary Institutions	2,441	-	3,433	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
Foreign Transactions	-	-	-	-
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
Total	122,480	-	3,433	-

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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	896,699	-	393,114	-
Other	-	-	-	-
Total	896,699	-	393,114	-

b) Investment securities available for sale subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	805,249	904,055	1,290,612	973,547
Treasury bills	-	-	-	-
Other debt securities	-	-	-	-
Bonds issued or bank guaranteed by banks	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	805,249	904,055	1,290,612	973,547

c) Investment securities available for sale

	Current Period	Prior Period
Debt securities	5,538,547	5,444,796
Quoted on a stock exchange (*)	5,525,493	5,429,359
Unquoted on a stock exchange	13,054	15,437
Share certificates	39,386	512,730
Quoted on a stock exchange (**)	39,089	512,570
Unquoted on a stock exchange	297	160
Impairment provision (-)	(187,425)	(214,541)
Total	5,390,508	5,742,985

(*) The Eurobond Portfolio amounting to TL 911,840 (December 31, 2013 - TL 851,341) 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 22,475 (December 31, 2013 - TL 505,309).

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	-	33,619	-	32,895
Corporate Shareholders	-	33,619	-	32,895
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees (*)	68,658	-	71,031	-
Total	68,658	33,619	71,031	32,895

(*) 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 ^(*)	Performing Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other		Extension of Repayment Plan	Other
Non-specialized Loans	41,687,067	1,294,848	-	3,251,220	684,787	-
Discount Notes	501,153	-	-	8,362	-	-
Export Loans	1,169,774	-	-	33,667	-	-
Import Loans	9,429	-	-	-	-	-
Loans Given to Financial Sector	601,177	-	-	-	-	-
Retail Loans	12,080,037	245,040	-	1,278,681	281,146	-
Credit Cards	9,532,457	610,009	-	720,751	218,097	-
Other	17,793,040	439,799	-	1,209,759	185,544	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	41,687,067	1,294,848	-	3,251,220	684,787	-

(*) The loans and other receivables amounting to 156,065 (December 31, 2013 – TL 185,074) 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	1,293,756		678,489
3, 4 or 5 times	1,085		5,207	
Over 5 times	7		1,091	
Total	1,294,848		684,787	

Extension Periods	Performing Loans and Other Receivables		Loans and Other Receivables under Follow-up	
	0 - 6 months	265,204		40,334
6 -12 months	77,178		47,384	
1 - 2 years	376,004		181,839	
2 - 5 years	327,069		323,963	
5 years and over	249,393		91,267	
Total	1,294,848		684,787	

c) Loans according to their maturity structure

Cash Loans ^(*)	Performing Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring			
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	
		Loans and Other Receivables	Loans and Other Receivables		Loans and Other Receivables	Loans and Other Receivables
Short-term Loans	20,607,637	-	720,751	218,097	-	
Non-specialized Loans	20,607,637	-	720,751	218,097	-	
Specialized Loans	-	-	-	-	-	
Other Receivables	-	-	-	-	-	
Medium and Long-term Loans	21,079,430	1,294,848	2,530,469	466,690	-	
Non-specialized Loans	21,079,430	1,294,848	2,530,469	466,690	-	
Specialized Loans	-	-	-	-	-	
Other Receivables	-	-	-	-	-	
Total	41,687,067	1,294,848	3,251,220	684,787	-	

(*) The loans and other receivables amounting to TL 156,065 (December 31, 2013 – TL 185,074) 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	187,910	11,679,568	11,867,478	172,266
Housing Loans	2,481	6,158,247	6,160,728	123,367
Automobile Loans	782	66,573	67,355	577
Personal Need Loans	180,905	5,454,748	5,635,653	48,322
Other	3,742	-	3,742	-
Consumer Loans-FC Indexed	-	55,542	55,542	48,692
Housing Loans	-	53,713	53,713	46,887
Automobile Loans	-	-	-	-
Personal Need Loans	-	1,829	1,829	1,805
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-TL	8,438,067	688,854	9,126,921	83,623
Installment	4,113,015	688,854	4,801,869	43,991
Non- Installment	4,325,052	-	4,325,052	39,632
Individual Credit Cards-FC	3,263	-	3,263	20
Installment	-	-	-	-
Non- Installment	3,263	-	3,263	20
Personnel Loans-TL	3,665	31,618	35,283	176
Housing Loans	-	353	353	2
Automobile Loans	-	85	85	-
Personal Need Loans	3,665	31,180	34,845	174
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	30,015	-	30,015	-
Installment	15,223	-	15,223	-
Non-Installment	14,792	-	14,792	-
Personnel Credit Cards-FC	156	-	156	-
Installment	-	-	-	-
Non-Installment	156	-	156	-
Overdraft Accounts-TL (Real Persons)	1,117,972	-	1,117,972	61,309
Overdraft Accounts-FC (Real Persons)	-	-	-	-
Total	9,781,048	12,455,582	22,236,630	366,086

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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	742,857	6,634,548	7,377,405	88,015
Real Estate Loans	329	147,331	147,660	1,735
Automobile Loans	5,756	315,537	321,293	4,797
Personal Need Loans	736,772	6,171,680	6,908,452	81,483
Other	-	-	-	-
Commercial Loans with Installment Facility - FC Indexed	55,545	891,098	946,643	152,517
Real Estate Loans	-	29,913	29,913	5,019
Automobile Loans	227	71,807	72,034	14,029
Personal Need Loans	55,318	789,378	844,696	133,469
Other	-	-	-	-
Commercial Loans with Installment Facility - FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards –TL	997,445	2,074	999,519	9,128
Installment	375,726	2,074	377,800	3,450
Non-Installment	621,719	-	621,719	5,678
Corporate Credit Cards –FC	560	-	560	3
Installment	-	-	-	-
Non-Installment	560	-	560	3
Overdraft Accounts-TL (Legal Entities)	717,665	-	717,665	639
Overdraft Accounts-FC (Legal Entities)	-	-	-	-
Total	2,514,072	7,527,720	10,041,792	250,302

f) **Loans according to borrowers** (*)

	Current Period	Prior Period
Public	154,071	150,108
Private	44,784,216	42,197,546
Total	44,938,287	42,347,654

(*) The loans and other receivables amounting to TL 156,065 (December 31, 2013 – TL 185,074) 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	44,734,639	42,155,909
Foreign Loans	203,648	191,745
Total	44,938,287	42,347,654

(*) The loans and other receivables amounting to TL 156,065 (December 31, 2013 – TL 185,074) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

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h) Loans granted to subsidiaries and associates

There are no loans granted to subsidiaries and associates

i) Specific provisions for loans

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectability	76,565	167,353
Loans and Receivables with Doubtful Collectability	453,879	483,952
Uncollectible Loans and Receivables	2,051,221	1,805,823
Total	2,581,665	2,457,128

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

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period			
(Gross Amounts Before the Specific Provisions)	2,479	8,828	120,496
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	2,479	8,828	120,496
Prior Period			
(Gross Amounts Before the Specific Provisions)	221	1,700	159,808
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	221	1,700	159,808

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Prior Period End Balance	419,095	740,935	1,805,823
Additions (+)	275,809	28,610	11,363
Transfers from Other Categories of Non-Performing Loans (+)	-	282,023	302,391
Transfers to Other Categories of Non-Performing Loans (-)	282,023	302,391	-
Collections (-)	34,562	48,665	68,356
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Others	-	-	-
Current Period End Balance	378,319	700,512	2,051,221
Specific Provision (-)	76,565	453,879	2,051,221
Net Balances on Balance Sheet	301,754	246,633	-

(*) 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 100% 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, the Bank has provided TL 78,164 less provision 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, 2013 – 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)	301,754	246,633	-
Loans to Real Persons and Legal Entities (Gross)	378,319	700,512	2,049,954
Specific provision (-)	(76,565)	(453,879)	(2,049,954)
Loans to Real Persons and Legal Entities (Net)	301,754	246,633	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	1,267
Specific provision (-)	-	-	(1,267)
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	251,742	256,983	-
Loans to Real Persons and Legal Entities (Gross)	419,095	740,935	1,804,591
Specific provision (-)	(167,353)	(483,952)	(1,804,591)
Loans to Real Persons and Legal Entities (Net)	251,742	256,983	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	1,232
Specific provision (-)	-	-	(1,232)
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	416,696	10,720	512,851	7,806
Medium and Long Term	-	-	-	-
Total	416,696	10,720	512,851	7,806

As of March 31, 2014 and March 31, 2013 , changes in provision for non-performing factoring receivables are as follows:

	Current Period	Prior Period
Prior Period End Balance	7,120	2,936
Provided Provision / (reversal), Net	1,530	1,675
Collections	(38)	(196)
Written off	-	-
Current Period End Balance	8,612	4,415

8. Information on investment securities held-to-maturity

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

	Cari Dönem		Önceki Dönem	
	TP	YP	TP	YP
Share certificates	-	-	-	-
Bond, Treasury bill and similar marketable securities	139,768	-	126,049	-
Other	-	-	-	-
Toplam	139,768	-	126,049	-

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

Held-to-maturity financial assets subject to repurchase agreements amount to TL 1,829,184 TL (31December 2013: TL 1,425,091) as of balance sheet date.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	2,618,317	31,818	2,446,859	20,820
Treasury Bill	31,287	-	-	-
Other Public Sector Debt Securities	-	-	-	-
Total	2,649,604	31,818	2,446,859	20,820

d) Information on investment securities held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Securities	2,649,604	400,920	2,446,859	378,920
Publicly-traded	2,649,604	400,920	2,446,859	378,920
Non-publicly traded	-	-	-	-
Provision for losses (-)	-	-	-	-
Total	2,649,604	400,920	2,446,859	378,920

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e) Movement of held-to-maturity investments

	Current Period	Prior Period
Value at the beginning of the period	2,825,779	-
Exchange differences on monetary assets	-	-
Acquisitions during the year (*)	224,745	2,825,779
Disposals through sales and redemptions	-	-
Provision for losses (-)	-	-
The sum of end of the period	3,050,524	2,825,779

(*) Debt securities with the nominal value of TL 1,601,660 reclassified to held-to-maturity investments from available for sale financial assets on June 21, 2013 are classified under acquisitions during the year.

9. Investments in associates (Net)

9.1. Investments in associates

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

Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
46,506	25,427	32,393	189	-	3,047	282	-

(*) Current period information is obtained from financial statements as of March 31, 2014, prior period profit and loss information is obtained from financial statements as of March 31, 2013.

10. Investments in subsidiaries (Net)

a) Information on the Parent Bank's unconsolidated subsidiaries:

Subsidiaries below have not been consolidated since they are non financial investments, they are instead valued by cost method.

Title	Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1. Ibtch Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. Ve Tic. A.Ş.	Istanbul/Turkey	%99.91	%99.91
2. EFINANS Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.	Istanbul/Turkey	%51.00	%51.00

(*)	Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1.	23,859	19,928	19,020	-	-	3,782	(2,253)	-
2. (**)	6,000	6,000	-	-	-	-	-	-

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

(**) Represents the investment for the foundation of EFINANS Elektronik Ticaret ve Bilişim Hizmetleri A.Ş. amounting to TL 3,060. In the Board of Directors meeting on August 22, 2013, it has been decided that the Bank shall participate with 51% share and TL 3,060 capital in the foundation of EFINANS Elektronik Ticaret ve Bilişim Hizmetleri Anonim Şirketi which is located in Istanbul and is founded with a total of TL 6,000 capital. The foundation of the Company has been announced in Commercial Registry Gazette, dated September 16, 2013 and numbered 8405.

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b) Information on the consolidated subsidiaries

b.1) Information on the consolidated subsidiaries

Subsidiary	Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1. Finans Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	99.60	99.74
2. Finans Finansal Kiralama A.Ş.	İstanbul/Turkey	51.06	69.01
3. Finans Yatırım Ortaklığı A.Ş.	İstanbul/Turkey	76.06 ^(*)	76.10
4. Finans Portföy Yönetimi A.Ş.	İstanbul/Turkey	0.01	99.71
5. Finans Faktoring Hizmetleri A.Ş.	İstanbul/Turkey	99.99	100

(*) The share of the Parent Bank is 10.01 %, the remaining 66.05% shareholding represents the purchases of publicly traded shares on the Borsa Istanbul (BIST).

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. (*)	241,990	164,613	11,618	3,709	1,169	(1,829)	698	-
2. (*)	1,824,864	521,442	875	3,882	-	11,776	12,557	580,750
3. (*)	20,110	19,851	2	52	260	208	641	17,100
4. (*)	14,043	12,855	743	325	4	132	346	-
5. (*)	437,929	28,632	711	12,018	-	210	219	-

(*) Current period information represents March 31, 2014 figures, and prior period profit/loss amounts represent March 31, 2013 figures as per the financial statements prepared in accordance with the BRSA regulations.

(**) Fair values of publicly traded subsidiaries reflect their Borsa Istanbul (BIST) values as of the balance sheet date.

b.2) Movement of investments in subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	405,170	476,617
Movements during the Period	7,089	(71,447)
Purchases	-	-
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales	-	(1,069)
Changes Due to Reclassification	-	-
Revaluation Difference	7,089	(70,378)
Impairment Provision	-	-
Balance at the End of the Period	412,259	405,170
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	-	-

b.3) Sectoral distribution of the consolidated subsidiaries

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	20,000	20,000
Leasing Companies	296,531	284,787
Finance Companies	-	-
Other Subsidiaries	95,728	100,383
Total	412,259	405,170

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

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b.4) Quoted subsidiaries within the context of consolidation

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	309,537	302,448
Quoted on International Stock Exchanges	-	-
Total	309,537	302,448

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

None.

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
Cigna Finans Emeklilik ve Hayat A.Ş. ^(*)	49.00%	49.00%	627,620	6,933	67,118	8,217	4,071
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. ^(*)	33.33%	33.33%	9,814	8,422	379	(499)	615

^(*) Current period information represents March 31, 2014 figures, and prior period profit/loss amounts represent March 31, 2013 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	650,170	560,207	629,447	543,853
Between 1-4 years	806,778	713,991	797,021	706,442
Over 4 years	51,579	48,526	56,266	52,493
Total	1,508,527	1,322,724	1,482,734	1,302,788

Finance lease receivables include non-performing finance lease receivables amounting to TL 136,671 (December 31, 2013 – TL 133,655) and specific provisions amounting to TL 84,255 (December 31, 2013 – TL 83,006).

Changes in non-performing finance lease receivables provision as of March 31, 2014 and March 31, 2013, are as follows:

	Current Period	Prior Period
End of prior period	83,006	64,549
Provided provision / (reversal), Net	5,760	2,876
Collections	(4,511)	(2,615)
Provision at the end of the period	84,255	64,810

12.2. Information on net investments in finance leases

	Current Period	Prior Period
Gross Finance Lease Investments	1,508,527	1,482,734
Unearned Finance Income (-)	(185,803)	(179,946)
Cancelled Leasing Agreements (-)	-	-
Net Investment on Leases	1,322,724	1,302,788

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 ^(*)	1,642,172	62,814	1,487,743	61,426
Cash Flow Hedge	531,629	-	378,626	-
Net Investment Hedge	-	-	-	-
Total	2,173,801	62,814	1,866,369	61,426

^(*) Derivative financial instruments designated for the fair value hedge purposes comprise of swaps. As of March 31, 2014, TL 89,811 (December 31, 2013 - TL 84,918) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in securities and TL 1,615,175 (December 31, 2013 - TL 1,464,251) 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, 2014, the Group have TL 2,395 tax asset according to related regulations. Deferred tax asset amount is TL 35,695 (December 31, 2013- TL 107,583). 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, 2013 – None)

16. Information on other assets:

16.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Other Prepaid Expenses	353,488	299,361
Cheques Receivables from Other Banks	340,059	188,161
Miscellaneous Receivables	220,271	83,362
Assets Held for Resale (net)	149,000	159,080
Prepaid rent expenses	30,898	30,352
Collateral Given for Derivative Transactions	21,423	109,767
Advances Given	3,563	307,905
Prepaid Agency Commissions	2,724	3,643
Other	97,766	77,324
Total	1,219,192	1,258,955

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
Assets on Trading Derivatives	2,173,801	62,814	1,866,369	61,426
Derivative Financial Instruments Held for Hedging	1,324,096	237,927	1,029,956	251,525
Loans	638,165	92,643	632,960	73,137
Investment Securities Available for Sale	51,199	15,167	95,011	11,539
Investment securities held to maturity	31,288	6,263	23,336	4,876
Lease Receivables	4,152	6,996	4,135	6,869
Banks and Other Financial Institutions	271	-	143	-
Trading Securities	725	24	(1,164)	37
Other Accruals	4,464	526	1,418	105
Total	4,228,161	422,360	3,652,164	409,514

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II. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES

1. Information on maturity structure of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	1,225,757	-	1,564,784	12,400,412	1,150,663	413,915	664,415	4,197	17,424,143
Foreign Currency									
Deposits	1,719,202	-	1,328,157	6,774,483	369,600	310,473	432,350	5,773	10,940,038
Residents in Turkey	1,675,563	-	1,314,383	6,635,321	338,734	289,560	376,894	5,773	10,636,228
Residents Abroad	43,639	-	13,774	139,162	30,866	20,913	55,456	-	303,810
Public Sector Deposits	393,246	-	1,796	94,352	-	1,557,320	-	-	2,046,714
Commercial Deposits	1,296,688	-	1,248,623	4,783,197	102,078	153,108	49,678	-	7,633,372
Other Ins. Deposits	22,157	-	130,354	383,480	270,369	431,797	506	-	1,238,663
Precious Metal Deposits	549,847	-	31,745	12,575	3,750	330	-	-	598,247
Bank Deposits	22,805	-	1,293,685	279,214	4,681	2,448	-	-	1,602,833
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	1,552	-	195,334	30,675	2,089	-	-	-	229,650
Foreign Banks	20,826	-	1,098,351	248,539	2,592	2,448	-	-	1,372,756
Participation Banks	427	-	-	-	-	-	-	-	427
Other	-	-	-	-	-	-	-	-	-
Total	5,229,702	-	5,599,144	24,727,713	1,901,141	2,869,391	1,146,949	9,970	41,484,010

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	1,633,745	-	1,986,642	10,796,200	979,428	436,045	312,848	5,859	16,150,767
Foreign Currency									
Deposits	1,531,397	-	781,342	6,221,329	644,676	461,652	351,038	5,695	9,997,129
Residents in Turkey	1,483,341	-	768,882	6,120,438	597,287	441,805	283,983	5,695	9,701,431
Residents Abroad	48,056	-	12,460	100,891	47,389	19,847	67,055	-	295,698
Public Sector Deposits	304,915	-	607	49,520	254	1,352,508	-	-	1,707,804
Commercial Deposits	1,457,168	-	1,748,841	3,706,500	209,984	123,627	52,502	-	7,298,622
Other Ins. Deposits	22,666	-	149,047	511,418	104,932	45,464	613	-	834,140
Precious Metal Deposits	734,417	-	24,330	11,191	6,948	161	-	-	777,047
Bank Deposits	21,521	-	893,646	409,845	11,499	4,982	-	-	1,341,493
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2,101	-	-	48,672	4,103	2,045	-	-	56,921
Foreign Banks	19,419	-	893,646	361,173	7,396	2,937	-	-	1,284,571
Participation Banks	1	-	-	-	-	-	-	-	1
Other	-	-	-	-	-	-	-	-	-
Total	5,705,829	-	5,584,455	21,706,003	1,957,721	2,424,439	717,001	11,554	38,107,002

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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		Exceeding the	
	Deposit Insurance Fund	Deposit Insurance Fund	Deposit Insurance Limit	Deposit Insurance Limit
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	8,819,161	7,860,834	8,603,761	8,280,585
Foreign Currency Savings Deposits	1,739,742	1,653,084	5,508,899	5,382,496
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	10,558,903	9,513,918	14,112,660	13,663,081

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	36,332	32,736
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	20,877	32,652
Total	57,209	65,388

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	82,166	-	108,202	-
Swaps	902,274	76,149	1,004,649	62,406
Futures	-	95	-	168
Options	-	103,342	-	135,472
Other	-	-	-	-
Total	984,440	179,586	1,112,851	198,046

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	370,304	351,165	391,541	313,408
Foreign Banks, Institutions and Funds	101,269	4,427,849	150,500	3,965,502
Total	471,573	4,779,014	542,041	4,278,910

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b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	388,918	3,141,540	461,350	2,553,062
Medium and Long-Term	82,655	1,637,474	80,691	1,725,848
Total	471,573	4,779,014	542,041	4,278,910

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 167 million in November 27, 2013 and EUR 264.5 million in November 28, 2013 with one year maturity according to the Board of Directors' decision No: 261 dated September 17, 2013.

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

As of March 31, 2014, the Group's liabilities comprise; 58% deposits (December 31, 2013 – 56%), 7% funds borrowed (December 31, 2013 – 7%) and 4% funds provided under repurchase agreements (December 31, 2013 – 5%).

4. Information on funds provided under repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	2,172,802	-	2,518,556	-
Financial institutions and organizations	2,147,995	-	2,470,009	-
Other institutions and organizations	5,753	-	32,319	-
Real persons	19,054	-	16,228	-
From foreign transactions	8,737	1,020,048	8,165	1,141,561
Financial institutions and organizations	-	1,020,048	-	1,141,561
Other institutions and organizations	8,737	-	8,165	-
Real persons	-	-	-	-
Total	2,181,539	1,020,048	2,526,721	1,141,561

5. Information on securities issued (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	1,374,636	-	2,057,078	-
Bills	175,017	2,178,845	103,734	1,793,767
Total	1,549,653	2,178,845	2,160,812	1,793,767

During the current period, on February 11, 2014 the Bank issued bonds with a nominal of TL 243,776, 10.97% interest rate and 87 days maturity, on February 28, 2014, with a nominal of TL 170,500, 11.25% interest rate and 91 days maturity, on March 14, 2014 with a nominal of TL 60,196, 13.50% interest rate and 364 days maturity, on March 26, 2014 with a nominal of TL 63,400, 12.24% interest rate and 345 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 does not exceed 10% of total liabilities excluding the off-balance sheet items (December 31, 2013 – Does not exceed 10%).

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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, 2013 – 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, 2013 – None).

8. Information on liabilities arising from hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge ^(*)	4,135	96,182	-	75,101
Cash Flow Hedge ^(**)	30,558	-	7,648	-
Net Investment Hedge	-	-	-	-
Total	34,693	96,182	7,648	75,101

^(*) Derivative financial instruments for hedging purposes include swaps. As of March 31, 2014, TL 28,114 (December 31, 2013 – TL 20,901) represents the fair value of derivatives which are the hedging instruments of hedged loan portfolio TL 72,204 (December 31, 2013 – TL 54,200) 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	682,570	608,997
-Additional Provision for Loans and Receivables with Extended Maturities	58,394	56,116
Provisions for Loans and Receivables in Group II	107,461	88,573
-Additional Provision for Loans and Receivables with Extended Maturities	31,875	30,920
Provisions for Non - Cash Loans	71,696	63,599
Other	56,799	55,122
Total	918,526	816,291

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 ^(*)	9,618	146

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

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

The specific provision for non cash loans which are related with the non-performing cash loans in arrears or the loans which were written off from balance sheet is TL 53,475 (December 31,2013 - TL 53,760).

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9.4 Information on employee termination benefits and unused vacation accrual

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

As of March 31, 2014, TL 94,154 (December 31, 2013 - TL 90,390) reserve for employee termination benefits was provided in the accompanying financial statements.

As of March 31, 2014, the Group accrued TL 33,450 (December 31, 2013 - TL 30,354) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of March 31, 2014, TL 99,406 (December 31, 2013 – TL 99,584) 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
	01.01-31.03.2014	01.01-31.03.2013
As of January 1	90,390	85,065
Service cost	3,660	3,639
Interest Cost	2,161	1,575
Paid during the period	(2,057)	(3,889)
Total	94,154	86,390

9.5. Information on other provisions

9.5.1. Information on other provisions

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

	Current Period	Prior Period
Provision for Closely Monitored Loans	101,508	102,025
Provision for Promotion Expenses of Credit Cards	21,365	20,138
Other Provisions	87,655	79,258
Total	210,528	201,421

10. Taxation

10.1. Current taxes

10.1.1. Current tax liability

As of March 31, 2014, the Group has current tax liability of TL 5,126 (December 31, 2013 - TL 319,023) and advance taxes of TL 19,094 (December 31, 2013 - TL 210,715).

10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	5,126	108,308
Banking and Insurance Transaction Tax (BITT)	33,811	32,349
Taxation on Securities Income	38,454	33,750
Taxation on Real Estates Income	2,698	1,803
VAT Payable	4,681	2,080
Other	17,987	18,403
Total	102,757	196,693

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.

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10.1.3 Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	7,645	7,336
Social Security Premiums - Employer Share	8,300	7,881
Pension Fund Fee and Provisions – Employee Share	3	-
Pension Fund Fee and Provisions – Employer Share	11	-
Unemployment Insurance - Employee Share	535	517
Unemployment Insurance - Employer Share	1,070	1,032
Other	2	11
Total	17,566	16,777

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 38,090 (December 31, 2013 – TL 107,583) and deferred tax liability is TL 1,543 (December 31, 2013 – 1,330) 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 40,426 is netted under equity (December 31, 2013 –TL 28,697 deferred tax liability).

	Temporary Differences		Deferred Tax Asset / (Liability)	
	March 31, 2014	Dec. 31, 2013	March 31, 2014	Dec. 31, 2013
Reserve for employee benefits	227,010	220,328	45,402	44,066
The differences between carrying and taxable amounts of financial assets	265,120	457,250	53,024	91,450
Unused investment incentive certificates	-	-	-	-
Other	761,809	392,946	152,362	78,590
Deferred Tax Asset			250,788	214,106
The differences between carrying and taxable amounts of tangible assets	(612,139)	(144,882)	(122,428)	(28,976)
The differences between carrying and taxable amounts of financial assets	(397,655)	(145,362)	(79,531)	(29,072)
Other	(73,386)	(249,018)	(14,677)	(49,805)
Deferred Tax Liability			(216,636)	(107,853)
Deferred Tax Asset / (Liability), Net			34,152	106,253
			Current Period	Prior Period
			01.01-31.03.2014	01.01-31.03.2013
Deferred Tax Asset / (Liability) as of January 1 (Net)			106,253	(4,852)
Deferred Tax (Charge) / Benefit			(60,372)	(4,247)
Deferred Tax Items Accounted for under the Equity			(11,729)	25,827
Deferred Tax Asset/ (Liability) as of March 31 (Net)			34,152	16,728

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11. Information on payables related to assets held for sale

None. (December 31, 2013: None)

12. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	2,025,491	-	1,950,719
From Other Foreign Institutions	-	-	-	-
Total	-	2,025,491	-	1,950,719

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 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. Aforementioned loans are subject to interest payment every 6 months and principal payment at maturity. USD 585 million of existing subordinate loans will mature in 2021, USD 325 million will mature in 2020.

13. Information on shareholder's equity

13.1. Paid-in capital

	Current Period	Prior Period
Common Stock	2,700,000	2,700,000
Preferred Stock	-	-

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

Capital System	Paid-in Capital	Ceiling
Registered Capital System	2,700,000	6,000,000

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

None (December 31, 2013 - 135,000 TL)

13.4. Information on share capital increases from revaluation funds

None (December 31, 2013 - 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, 2013 - None).

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

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

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14. Common stock issue premiums, shares and equity instruments

	Current Period		Prior Period	
	TL	FC	TL	FC
Number of Stocks (Thousands)		27,000,000		27,000,000
Preferred Capital Stock		-		-
Common Stock Issue Premiums ^(*)		714		714
Common Stock Withdrawal Profits		-		-

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

15. Marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control				
Valuation Differences	-	-	-	-
Foreign Exchange Rate Differences	-	-	-	-
Securities Available-for-Sale	(120,863)	(108,667)	(85,632)	(136,568)
Valuation Differences	(120,863)	(108,667)	(85,632)	(136,568)
Foreign Exchange Rate Differences	-	-	-	-
Total	(120,863)	(108,667)	(85,632)	(136,568)

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
Deposits	218,353	25,048	157,980	25,541
Derivative Financial Liabilities Held for Trading	984,440	179,586	1,112,851	198,046
Funds Borrowed	9,435	64,533	6,281	31,700
Money Market Borrowings	2,954	1,258	821	1,660
Derivative Financial Liabilities Held for Hedging	34,694	96,182	7,648	75,101
Other Accruals	60,770	63,671	27,734	41,583
Total	1,310,646	430,278	1,313,315	373,631

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

1. Information related to consolidated off-balance sheet contingencies

1.1. Type and amount of irrevocable commitments

	Current Period	Prior Period
Letters of Guarantee in FC	1,772,531	1,777,802
Letters of Guarantee in TL	4,538,019	4,162,774
Letters of Credit	820,739	548,606
Bank Loans	703,163	609,831
Other Guarantees	19,904	19,399
Total	7,854,356	7,118,412

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 53,475 (December 31, 2013 – TL 53,760) 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	345,576	290,037
Final Letters of Guarantee	3,701,434	3,640,553
Advance Letters of Guarantee	146,440	191,920
Letters of Guarantee Given to Customs Offices	246,460	198,665
Other Letters of Guarantee	1,870,640	1,619,401
Total	6,310,550	5,940,576

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	349,617	317,804
Less Than or Equal to One Year with Original Maturity	26,853	14,451
More Than One Year with Original Maturity	322,764	303,353
Other Non-Cash Loans	7,504,739	6,800,608
Total	7,854,356	7,118,412

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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	24,255	0.54	3,190	0.09	16,207	0.39	2,362	0.08
Farming and Raising Livestock	22,708	0.50	759	0.02	13,627	0.33	2,033	0.07
Forestry	397	0.01	-	-	1,440	0.03	-	-
Fishing	1,150	0.03	2,431	0.07	1,140	0.03	329	0.01
Manufacturing	900,617	19.79	1,683,859	51.27	882,213	21.15	1,523,356	52.02
Mining and Quarrying	25,299	0.56	1,118	0.03	25,599	0.61	771	0.03
Production	572,543	12.58	1,367,822	41.65	554,277	13.29	1,213,207	41.43
Electricity, gas and water	302,775	6.65	314,919	9.59	302,337	7.25	309,378	10.56
Construction	1,144,242	25.15	433,948	13.21	932,925	22.37	369,150	12.61
Services	2,417,138	53.13	1,150,473	35.03	2,256,615	54.10	1,016,629	34.72
Wholesale and Retail Trade	1,432,681	31.49	656,440	19.99	1,289,108	30.91	504,487	17.23
Hotel, Food and Beverage								
Services	44,545	0.98	43,220	1.32	36,356	0.87	13,353	0.46
Transportation&Communication	88,413	1.94	66,235	2.02	94,292	2.26	97,140	3.32
Financial Institutions	563,694	12.39	350,457	10.67	491,441	11.78	301,735	10.3
Real Estate and Renting Services	2,469	0.05	2,112	0.06	2,684	0.06	1,868	0.06
Self Employment Services	97,188	2.14	23,021	0.70	155,682	3.73	84,051	2.87
Educational Services	3,969	0.09	9	-	4,044	0.1	9	-
Health and Social Services	184,179	4.05	8,979	0.27	183,008	4.39	13,986	0.48
Other (*)	63,867	1.39	12,863	0.40	82,485	1.99	17,071	0.57
Total	4,550,119	100.00	3,284,333	100.00	4,170,445	100.00	2,928,568	100.00

(*) Does not include foreign currency balance of "Other Guarantees" amounting to TL 19,904 (December 31, 2013 - TL 19,399).

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

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	4,381,012	1,666,055	128,137	82,309
Bill of Exchange and Acceptances	11,984	676,512	116	14,551
Letters of Credit	-	818,862	-	1,439
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	19,904	-	-
Non-cash Loans	4,392,996	3,181,333	128,253	98,299

(*) Does not include non-cash loans amounting to TL 53,475, 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)	78,330,268	67,641,092
Forward transactions (*)	9,692,765	7,677,470
Swap transactions	53,037,421	44,046,170
Futures transactions	33,160	42,982
Option transactions	15,566,922	15,874,470
Interest Related Derivative Transactions (II)	10,111,238	8,707,332
Forward rate transactions	-	-
Interest rate swap transactions	10,089,630	8,707,332
Interest option transactions	-	-
Futures interest transactions	21,608	-
Security option transactions	-	-
Other trading derivative transactions (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	88,441,506	76,348,424
Types of hedging transactions	25,873,213	24,005,643
Fair value hedges	17,070,313	17,234,950
Cash flow hedges	8,802,900	6,770,693
Net investment hedges	-	-
B. Total Hedging Related Derivatives	25,873,213	24,005,643
Total Derivative Transactions (A+B)	114,314,719	100,354,067

(*) 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 5,628,356 (December 31, 2013 – TL 5,098,190) were subject to hedge accounting by swaps with a nominal of TL 6,426,945 (December 31, 2013 – TL 6,557,217). On March 31, 2014 the net market valuation difference loss amounting to TL 20,575 due to the losses from the loans amounting to TL 138,085 (March 31, 2013 – TL 126,062 gain) and gains from swaps amounting to TL 117,510 (March 31, 2013 – TL 88,891 loss) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

As of balance sheet date project finance loans amounting to TL 165,911 (December 31, 2013 – TL 164,290) have been subject to hedge accounting with swaps with a nominal amount of TL 161,063 (December 31, 2013 – TL 159,732). In 2013 TL 411 net fair valuation difference income, net of TL 3,384 (March 31, 2013 – None) income from loans and TL 2,973 expense from swaps has been recorded under “Gains / (losses) from financial derivatives transactions” on accompanying financial statements.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through income statement until the maturity of the hedged loans. The Parent Bank has booked the valuation effect amounting to TL 8,737 TL (March 31, 2013 – 17,625) 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 333 million and EUR 26 million (December 31, 2013 – USD 333 million and EUR 26 million) were subject to hedge accounting by interest rate swaps with the same nominal value. On March 31, 2014, the net market valuation difference loss amounting to TL 34 due to losses from Eurobonds amounting to TL 28,544 (March 31, 2013 – TL 23,290 loss) and gains from swaps amounting to TL 28,510 (March 31, 2013 – TL 23,220 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 102,030 (December 31, 2013 – TL 102,030) were subject to hedge accounting by swaps with the same nominal value. On March 31, 2014, the net market valuation difference gain amounting to TL 195 due to losses from government bonds amounting to TL 2,086 (March 31, 2013 – TL 2,386 loss) and gains from swaps amounting to TL 2,281 (March 31, 2013 – 2,669 gain) 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 the foreign currency bonds issued using interest rate swaps as hedging instruments. As of the balance sheet date, bonds with nominal amount of USD 367 million (December 31, 2013 – USD 367 Million) have been subject to hedge accounting with the same nominal amount of swaps. As of March 31, 2014, TL 23 net fair valuation difference income, net of TL 2,333 (March 31, 2013 – TL 2,390) income from issued bonds and TL 2,310 (March 31, 2013 – TL 2,354) expense from swaps, has been recorded under “Gains / (losses) from financial derivatives transactions” on 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 169,643 are subject to hedge accounting as hedging instruments (December 31, 2013 – TL 169,643). As a result of the mentioned hedge accounting, fair value gains before taxes amounting to TL 4,795 are accounted for under equity during the current period (March 31, 2013 – TL 4,407 loss). The ineffective portion of loss amounting to TL 5 (March 31, 2013 – TL 14 gain) is accounted for at the income statement.

As at the balance sheet date, swaps amounting to USD 1,847 million are subject to hedge accounting as hedging instruments (December 31, 2013 – USD 1,470 million). As a result of the mentioned hedge accounting, fair value gain before taxes amounting to TL 62,625 are accounted for under equity during the current period (March 31, 2013 – None). The gains amounting to TL 82 (March 31, 2013 – None) concerning for the ineffective portions are accounted for at the income statement.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. Effective parts classified under equity due to hedge accounting are amortized through income statement until the maturity of swaps in case of ineffectiveness. In the current period there is no transferred amount from equity to income statement due to ineffectiveness or matured swaps. (March 31, 2013 – TL 4,684 loss).

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As of March 31, 2014, 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	1,798,634	2,423,331	16,146,501	22,759,579	3,603,450	3,444,553	308	308
USD	2,170,357	1,965,494	26,159,949	19,511,656	2,200,641	2,933,130	27,076	27,076
EURO	1,037,487	647,309	2,096,729	1,397,539	1,847,951	1,305,235	-	-
Other	293,582	234,566	47,511	880,799	145,638	86,324	-	-
Total	5,300,060	5,270,700	44,450,690	44,549,573	7,797,680	7,769,242	27,384	27,384

(*) 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	1,564,585	1,786,489	13,399,384	18,547,585	3,031,745	3,225,306	255	255
USD	1,379,951	1,493,252	23,467,275	17,336,298	2,476,355	2,961,723	21,236	21,236
EURO	852,426	533,866	1,326,918	1,653,592	2,334,809	1,694,057	-	-
Other	43,473	23,428	22,485	1,005,608	116,312	34,163	-	-
Total	3,840,435	3,837,035	38,216,062	38,543,083	7,959,221	7,915,249	21,491	21,491

(*) This column also includes hedging purpose derivatives.

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

As of March 31, 2014, the Group has no derivative transactions for hedge of net investment.

6. Credit derivatives and risk exposures on credit derivatives

As of March 31, 2014, in the Bank's "other irrevocable commitments", there are commitments for "credit linked notes" with a nominal of USD 15,345,550 (December 31, 2013: USD 15,345,550).

As of March 31, 2014, "Credit Default Swaps" with nominal amount of USD 180,000,000 (December 31, 2013: USD 160,000,000) are included in Parent Bank's "Swap Interest Sell Transactions." In aforementioned transaction, Bank is the buyer of the protection.

7. Information on contingent liabilities and assets

None (December 31, 2013 – None).

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

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

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

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

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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	574,859	14,368	706,424	10,166
Medium and Long-Term Loans	621,735	49,745	511,036	33,004
Non-Performing Loans	24,955	-	24,037	-
Resource Utilization Support Fund Premiums	-	-	-	-
Total	1,221,549	64,113	1,241,497	43,170

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	-	-	-
Domestic Banks	145	4	43	70
Foreign Banks	195	1,262	1,516	-
Foreign Headquarters and Branches	-	-	-	-
Total	340	1,266	1,559	70

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	2,758	14	2,535	48
Financial Assets at FVTPL	4	-	5	-
Investment Securities Available for Sale	100,700	16,417	86,791	15,533
Investment Securities Held to Maturity	70,071	5,538	-	-
Total	173,533	21,969	89,331	15,581

d) Information on interest income received from associates and subsidiaries

None (March 31, 2013 – 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	6,008	3,156	3,509	1,333
Foreign Banks	3,877	51,084	1,583	38,289
Foreign Headquarters and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	9,885	54,240	5,092	39,622

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b) Information on interest expense paid to associates and subsidiaries

None (March 31, 2013 – None).

c) Information on interest expense paid to securities issued

Parent Bank's TL bonds amounting to TL 750,000, TL 150,000 and TL 244,585 respectively issued on 11 October 2013, 31 October 2013 and 26 November 2013 have matured during the current period. In addition, on February 11, 2014 the Bank issued bonds with nominal amount of TL 243,776 and 10.97% interest, on February 28, 2014 bonds with nominal amount of 170,500 and 11.25% interest, on March 14, 2014 bonds with nominal amount of TL 60,196 and 13.5% interest and on March 26, 2014 bonds with nominal amount of TL 63,400 and 12.24% interest. As of March 31, 2014, interest paid for bonds issued is TL 59,307 (March 31, 2013-TL 73,866).

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

Account Name	Time Deposits						Accumulated Deposit Account	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Lira								
Bank Deposits	-	-	3,180	2,594	168	84	-	6,026
Saving Deposits	3	33,454	293,681	23,956	9,192	10,400	63	370,749
Public Sector Deposits	-	66	1,114	2	38,022	-	-	39,204
Commercial Deposits	-	38,980	113,062	3,476	3,254	966	-	159,738
Other Deposits	-	937	15,307	4,613	7,266	10	-	28,133
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	3	73,437	426,344	34,641	57,902	11,460	63	603,850
Foreign Currency								
Deposits	-	4,943	47,091	3,738	3,122	3,390	45	62,329
Bank Deposits	4	1,023	5,656	525	26	12	-	7,246
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	136	54	16	1	-	-	207
Total	4	6,102	52,801	4,279	3,149	3,402	45	69,782
Grand Total	7	79,539	479,145	38,920	61,051	14,862	108	673,632

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

Account Name	Time Deposits						Accumulated Deposit Account	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Lira								
Bank Deposits	-	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

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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 ^(*)	50,260	2,090	14,584	1,496

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

f) Information on finance lease expenses

None (March 31, 2013 – None).

g) Information on interest expenses on factoring payables

None (March 31, 2013 – None).

3. Information on dividend income

	Current Period	Prior Period
Financial Assets Held for Trading	25	45
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets Available for Sale	-	-
Other	-	-
Total	25	45

4. Information on trading income/loss

	Current Period	Prior Period
Trading Gain	3,730,677	1,358,116
Gains on Capital Market Operations	31,074	118,920
Derivative Financial Instruments	1,071,346	461,866
Foreign Exchange Gains	2,628,257	777,330
Trading Loss (-)	3,772,489	1,414,493
Losses on Capital Market Operations	27,461	12,915
Derivative Financial Instruments	1,060,929	631,091
Foreign Exchange Losses	2,684,099	770,487
Net Trading Income/Loss	(41,812)	(56,377)

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	124,537	130,901
Loans and Receivables in Group III	(90,788)	(36,840)
Loans and Receivables in Group IV	(30,073)	40,841
Loans and Receivables in Group V	245,398	126,900
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	102,235	43,050
Provision for Free Reserves on Possible Losses	-	16,697
Impairment Losses on Securities	-	36
Financial assets at fair value through profit or loss	-	-
Investment Securities available for sale	-	36
Impairment Losses on Associates, Subsidiaries and Investment Securities Held-to-Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
Other	2,770	6,706
Total	229,542	197,390

7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	253,000	207,612
Reserve for employee termination benefits	3,825	1,325
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation charge of tangible assets	29,814	24,177
Impairment losses on intangible assets	-	-
Impairment losses on goodwill	-	-
Amortization charge of intangible assets	18,404	15,993
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed of	-	-
Depreciation on assets to be disposed	861	766
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	237,756	194,842
Operational lease related expenses	50,828	39,458
Repair and maintenance expenses	15,567	13,298
Advertisement expenses	24,062	31,137
Other expenses	147,299	110,949
Losses on sales of assets	28	-
Other	120,044	102,149
Total	663,732	546,864

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

For the period ended March 31, 2014, net interest income of TL 687,689 (March 31, 2013 - TL 850,898), net fees and commission income of TL 392,058 (March 31, 2013 – TL 272,795) and other operating income of TL 59,882 (March 31, 2013 – TL 52,699) 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, 2014, the Group recorded current tax charge of TL 4,551 (March 31, 2013 - TL 94,075) and a deferred tax charge of TL 60,372 (March 31, 2013 – TL 4,247 deferred tax gain).

	Current Period	Prior Period
Current Tax Provision	(4,551)	(94,075)
Correction in regards to Corporate Tax from Prior Period	-	-
Deferred Tax Income/Expense	(60,372)	(4,247)
Total	(64,923)	(98,322)

9.2. Explanations on operating profit/loss after taxes

None (March 31 2013 – None).

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

Net profit of the Group from continued operations is TL 140,292 (March 31, 2013 – TL 279,823).

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, 2013 – 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	3,686	4,057

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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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, 2014	January 1, 2013
Cash	1,047,250	653,081
Cash in TL	633,575	439,800
Cash in Foreign Currencies	413,150	212,819
Other	525	462
Cash Equivalents	1,224,848	2,955,737
Balances with the T.R. Central Bank	752,806	965,102
Banks and Other Financial Institutions	472,895	205,237
Money Market Placements	3,433	1,786,785
Less: Placements with Banks with Maturities Longer than 3 Months	-	-
Less: Accruals	(4,286)	(1,387)
Cash and Cash Equivalents	2,272,098	3,608,818

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

	Current Period	Prior Period
	March 31, 2014	March 31, 2013
Cash	918,988	613,505
Cash in TL	590,263	414,719
Cash in Foreign Currencies	307,267	175,366
Other	21,458	23,420
Cash Equivalents	1,755,569	1,214,962
Balances with the T.R. Central Bank	1,062,214	814,686
Banks and Other Financial Institutions	581,417	135,872
Money Market Placements	122,480	264,565
Less: Placements with Banks with Maturities Longer than 3 Months	(10,271)	-
Less: Accruals	(271)	(161)
Cash and Cash Equivalents	2,674,557	1,828,467

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

A portion of foreign bank accounts amounting to TL 3,084 (December 31, 2013- TL 3,259) includes blocked cash for foreign money and capital market transactions and for borrowings from foreign markets.

4. Additional information

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

None.

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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, 2014, the Parent Bank's risk group has deposits amounting to TL 232,471 (December 31, 2013 – TL 180,605), non cash loans amounting to TL 33,619 (December 31, 2013 – TL 32,895). There are no cash loans granted to the risk group (31 Aralık 2013- 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	-	-	-	32,895	-	-
Balance at the End of the Period	-	-	-	33,619	-	-
Interest and Commission Income	-	-	3	16	-	-

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	-	-	-	29,498	-	-
Balance at the End of the Period	-	-	-	32,895	-	-
Interest and Commission Income ^(**)	-	-	1	-	-	-

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

^(**) Represents March 31, 2013 balance.

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	145,235	186,538	18,776	18,692	16,594	8,186
Balance at the End of the Period	200,004	145,235	16,706	18,776	15,762	16,594
Interest on deposits ^(**)	6,395	17	-	-	144	123

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

^(**) Prior Period represents March 31, 2013 balance.

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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	-	-	130,397	393,221	177,748	4,711
End of the Period	-	-	133,775	130,397	143,939	177,748
Total Income/Loss ^(**)	-	-	(1,281)	2,987	575	1,476
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.

^(**) Prior Period represents March 31, 2013 balance.

1.4. As of March 31, 2014, the total amount of remuneration and bonuses paid to top management of the Group is TL 16,468 (March 31, 2013- TL 13,739).

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, 2014, there are no cash loans of the risk group.(December 31, 2013 – None) the deposits represented 0.6% (December 31, 2013 – 0.5%) of the Parent Bank's total deposits and the derivative transactions represented 0.2% (December 31, 2013 – 0.3%) 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.

Total of investment 20 funds established by The Parent Bank are all managed by 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.

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 in regards to subordinate loans the Bank received from National Bank of Greece S.A. is explained in Section 5 Note II. 12.

The Parent Bank offers agency services to Cigna Finans Emeklilik and Hayat A.Ş. that is 49.00% jointly controlled for its insurance services.

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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

As per the Parent Bank's Board of Directors' decision dated April 24, 2014, the Parent Bank has decided to raise its paid-in-capital by TL 135,000 to TL 2,835,000, to compensate for the amount of free capital increase with 1st profit share of 2013, to orderly distribute the shares that will be issued due to free capital increase in accordance with the legislation of Capital Markets Board in regards to dematerialized system, to apply to Banking Regulation and Supervision Agency ("BRSA"), Capital Markets Boards ("CMB") and other institutions in order to obtain necessary permits and authorize General Management to complete necessary procedures.

On April 30, 2014, the Parent Bank has issued Eurobonds in foreign markets amounting to USD 500 million with a maturity of 5 years.

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

INDEPENDENT LIMITED REVIEW REPORT

I. Explanations on Independent Limited Review Report

The consolidated financial statements for the period ended March 31, 2014 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited). The auditor's review report dated May 9, 2014 is presented preceding the consolidated financial statements.

II. Explanations on the notes prepared by Independent Auditors

None (December 31, 2013 – None).