

FİNANSBANK ANONİM ŞİRKETİ

INDEPENDENT AUDITOR'S AUDIT REPORT, CONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE PERIOD ENDED DECEMBER 31, 2015

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

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

Independent auditor report

To the Board of Directors of Finansbank A.Ş.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheet of Finansbank A.Ş. (“the Bank”) as at December 31, 2015, and the related consolidated income statement, consolidated statement of income and expense items accounted under shareholders’ equity, consolidated statement of cash flows and consolidated statement of changes in shareholders’ equity for the year then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

Responsibility of the Bank’s Board of Directors for the financial statements

Bank management is responsible for the preparation and fair presentation of the consolidated financial statement in accordance with “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated November 1, 2006 and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency (BRSA), circulars, interpretations published by BRSA and BRSA Accounting and Reporting Legislation which includes the provisions of Turkish Accounting Standards for the matters which are not regulated by these regulation and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Independent Auditor’s responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with communique “Independent Audit of Banks” published by BRSA on the Official Gazette No.29314 dated April 2, 2015 and with the Independent Auditing Standards which is a part of Turkish Auditing Standards promulgated by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An independent audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the independent auditor’s professional judgment, including the assessment of risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the independent auditor considers the internal control relevant to bank’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank’s internal control. An independent audit also includes evaluating the appropriateness of accounting policies used by the reasonableness of accounting estimates made by the management as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Qualified Opinion

As of December 31, 2015 accompanying consolidated financial statements include a general reserve amounting to thousands TL 100.000 of which thousands TL 82.000 and thousands TL 18.000 have been provided by the Bank Management in 2014 and 2015 respectively for the possible results of the circumstances which may arise from any changes in the economy and market conditions.

Qualified Opinion

In our opinion, except for the effect of the matter referred in the preceding paragraph on the consolidated financial statements, the accompanying consolidated financial statements the financial statement presents fairly, in all material respects, the financial position of Finansbank A.Ş. as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as in accordance with BRSA Accounting and Reporting Legislation.

Reports on arising from other regulatory requirements:

In accordance with Article 402 paragraph 4 of the Turkish Commercial Code (“TCC”) no 6102; no significant matter has come to our attention that causes us to believe that the Bank’s bookkeeping activities for the period January 1 – December 31, 2015 are not in compliance with the code and provisions of the Bank’s articles of association in relation to financial reporting.

In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

Additional paragraph for convenience translation to English:

As explained in detail in Note I.1. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with BRSA Accounting and Reporting Legislation, 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

Damla Harman, SMMM
Partner

February 19, 2016
İstanbul, Türkiye

**THE CONSOLIDATED FINANCIAL REPORT OF FINANSBANK A.Ş.
FOR THE YEAR ENDED DECEMBER 31, 2015**

The Parent Bank's;
Address of the Head Office : Esentepe Mahallesi Büyükdere Caddesi Kristal Kule binası No:215, Şişli/İSTANBUL
Phone number : (0212) 318 50 00
Facsimile number : (0212) 318 58 50
Web page : www.finansbank.com.tr
E-mail address : investor.relations@finansbank.com.tr

The consolidated financial report for the year ended December 31, 2015, designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections listed below:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP
- FOOTNOTES AND EXPLANATIONS ON CONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR'S AUDIT REPORT

Within the context of this financial report for the year ended, the consolidated subsidiaries, entities under common control and structured 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 Porföy Yönetimi Anonim Şirketi
4. Finans Faktoring Anonim Şirketi
5. PSA Finansman Anonim Şirketi

Entities Under Common Control (Joint Ventures)

1. Cigna Finans Emeklilik ve Hayat Anonim Şirketi

Structured Entity

1. Bosphorus Financial Services Limited
2. Istanbul Bond Company S.A.

The consolidated financial statements and related disclosures and footnotes for the year ended December 31, 2015, are prepared in accordance with the Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying consolidated financial statements are presented in **thousands of Turkish Lira (TL)**.

Ömer A. Aras
Chairman of
the Board of Directors

Ali Teoman Kerman
Member of the Board of
Directors and Chairman of the
Audit Committee

Paul Mylonas
Member of the Board of
Directors and of the
Audit Committee

Ioannis Vagionitis
Member of the Board of
Directors and of the
Audit Committee

Temel Güzeloğlu
General Manager and
Member of the
Board of Directors

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

Ercan Sakarya
Division Manager of Financial,
Statutory Reporting and Treasury
Control

Information related to the responsible personnel to whom the questions about the financial statements 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 DECEMBER 31, 2015

(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 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 December 31, 2015, 82,23% 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.

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.

As of December 21, 2015, a share sales agreement has been signed between NBG, principal shareholder of the Parent Bank, and Qatar National Bank ("QNB") regarding direct sale of 99,81% of the Parent Bank's shares NBG owns at the Bank and indirect sale of the Bank's shares in subsidiaries and existing partners to QNB at a price of EUR 2 billion 750 million. Share transfer shall be carried out following the release of necessary permit from related countries. Principal shareholder of the Bank is NGB until the completion of necessary legal permits.

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	March 9, 1993	Phd
Stefanos Pantzopoulos	Board Member	October 16, 2012	Graduate
Dr. Paul Mylonas	Board Member and Audit Committee Member	February 18, 2010	Phd
Ioannis Vagionitis	Board Member and Audit Committee Member	January 6, 2014	Masters
Christos Alexis Komninos	Board Member	February 16, 2011	Masters
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 and Head of Audit Committee	April 16, 2013	Masters
Georgios Koutsoudakis	Board Member	July 23, 2014	Graduate
Adnan Menderes Yayla	Executive Vice President	May 20, 2008	Masters
Metin Karabiber	Executive Vice President	October 8, 2010	Graduate
Murat Şakar	Executive Vice President	August 1, 2008	Graduate
Köksal Çoban	Executive Vice President	August 19, 2008	Masters
Dr. Mehmet Kürşad Demirkol	Executive Vice President	October 8, 2010	Phd
Özlem Cinemre	Executive Vice President	July 9, 1997	Graduate
Hakan Alp	Executive Vice President	July 7, 2010	Graduate
Filiz Sonat	Executive Vice President	September 19, 2007	Graduate
Erkin Aydın	Executive Vice President	May 16, 2011	Masters
Ömür Tan	Executive Vice President	October 28, 2011	Graduate
Halim Ersun Bilgici	Executive Vice President	March 15, 2013	Masters
Enis Kurtoğlu (*)	Executive Vice President	May 14, 2015	Masters
Murat Koraş (*)	Executive Vice President	May 14, 2015	Masters
Onur Özkan (*)	Executive Vice President	May 14, 2015	Masters
Elsa Pekmez Atan (*)	Executive Vice President	May 14, 2015	Masters

(*) As of May 14, 2015 Enis Kurtoğlu has been assigned as the Executive Vice President responsible for Mass Banking, Murat Koraş has been assigned as the Executive Vice President responsible for Retail Payment Systems, Onur Özkan has been assigned the Executive Vice President responsible for Private and Exclusive Banking and Elsa Pekmez Atan has been assigned as the Executive Vice President responsible for Enpara.com and Customer Experience.

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

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FİNANSBANK ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2015

(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.	2.466.847	%82,23	2.466.847	-
NBG Finance (Dollar) PLC	290.382	%9,68	290.382	-
NBGI Holdings B.V.	237.000	%7,90	237.000	-

According to the Board of Directors decision dated September 16, 2014, it has been decided that 100 founder shares issued to National Bank of Greece in accordance with the Bank's Article of associates will be cancelled at no cost. Subject decision has been approved in the General Council meeting dated December 4, 2014. 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.

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 December 31, 2015, the Parent Bank operates through 640 domestic (December 31, 2014 - 656), 1 foreign (December 31, 2014 - 1) and 1 Atatürk Airport Free Trade Zone (December 31, 2014 - 1) branches. As of 31 December 2015, the Group has 13.432 employees (31 December 2014 - 13.270 employees)

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.

Bosphorus Financial Services Limited and İstanbul Bond Company S.A., which are not subsidiaries of the Bank, but over which the Bank has 100% controlling power due to the reason that these companies are "Structured Entities", have been included in the scope of consolidation.

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

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

**FİNANSBANK ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2015
(STATEMENT OF FINANCIAL POSITION)**

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

I. CONSOLIDATED BALANCE SHEET – ASSETS

	Section 5 Part I	Audited 31.12.2015			Audited 31.12.2014		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	2.088.093	7.908.952	9.997.045	1.503.288	7.160.632	8.663.920
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	2.115.453	253.235	2.368.688	1.247.255	151.764	1.399.019
2.1 Financial assets held for trading		2.068.099	253.235	2.321.334	1.149.112	151.764	1.300.876
2.1.1 Public sector debt securities		67.569	4.853	72.422	38.671	2.299	40.970
2.1.2 Equity securities		-	-	-	-	-	-
2.1.3 Assets on trading derivatives		1.988.998	248.382	2.237.380	1.103.005	149.465	1.252.470
2.1.4 Other securities		11.532	-	11.532	7.436	-	7.436
2.2 Financial assets at fair value through profit and loss		47.354	-	47.354	98.143	-	98.143
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Equity securities		-	-	-	-	-	-
2.2.3 Loans		47.354	-	47.354	98.143	-	98.143
2.2.4 Other securities		-	-	-	-	-	-
III. BANKS	(3)	10.345	307.794	318.139	39.783	260.651	300.434
IV. MONEY MARKET PLACEMENTS		87.711	-	87.711	244.425	-	244.425
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		87.711	-	87.711	44.363	-	44.363
4.3 Receivables from reverse repurchase agreements	(4)	-	-	-	200.062	-	200.062
V. INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(5)	3.383.136	1.912.514	5.295.650	3.956.342	1.477.171	5.433.513
5.1 Equity securities		4.098	-	4.098	4.229	-	4.229
5.2 Public sector debt securities		3.378.323	1.880.669	5.258.992	3.924.071	1.444.438	5.368.509
5.3 Other securities		715	31.845	32.560	28.042	32.733	60.775
VI. LOANS AND RECEIVABLES	(6)	47.152.143	9.910.052	57.062.195	42.749.678	7.333.602	50.083.280
6.1 Loans and receivables		46.399.263	9.910.052	56.309.315	42.178.321	7.333.602	49.511.923
6.1.1 Loans to risk group of the Bank		-	-	-	-	1.715	1.715
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		46.399.263	9.910.052	56.309.315	42.178.321	7.331.887	49.510.208
6.2 Non-performing loans		3.814.659	-	3.814.659	2.739.971	-	2.739.971
6.3 Specific provisions (-)		3.061.779	-	3.061.779	2.168.614	-	2.168.614
VII. FACTORING RECEIVABLES	(7)	544.992	26.734	571.726	433.642	9.570	443.212
VIII. INVESTMENT SECURITIES HELD TO MATURITY (Net)	(8)	3.009.964	863.950	3.873.914	3.052.566	674.657	3.727.223
8.1 Public sector debt securities		3.009.964	110.652	3.120.616	3.052.566	90.418	3.142.984
8.2 Other securities		-	753.298	753.298	-	584.239	584.239
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)	18.054	-	18.054	18.054	-	18.054
10.1 Unconsolidated financial investments		-	-	-	-	-	-
10.2 Unconsolidated non-financial investments		18.054	-	18.054	18.054	-	18.054
XI. ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(11)	106.027	-	106.027	168.047	-	168.047
11.1 Equity method entities under common control		103.227	-	103.227	165.247	-	165.247
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)	823.804	1.113.148	1.936.952	617.794	912.498	1.530.292
12.1 Financial lease receivables		1.016.018	1.234.822	2.250.840	752.996	1.013.007	1.766.003
12.2 Operational lease receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned income (-)		192.214	121.674	313.888	135.202	100.509	235.711
XIII. DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(13)	3.219.905	19.104	3.239.009	1.965.902	22.844	1.988.746
13.1 Fair value hedge		2.292.114	18.069	2.310.183	1.459.151	22.844	1.481.995
13.2 Cash flow hedge		927.791	1.035	928.826	506.751	-	506.751
13.3 Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(14)	1.581.501	8	1.581.509	1.472.085	10	1.472.095
XV. INTANGIBLE ASSETS (Net)	(15)	270.040	-	270.040	235.294	-	235.294
15.1 Goodwill		-	-	-	8.969	-	8.969
15.2 Others		270.040	-	270.040	226.325	-	226.325
XVI. INVESTMENT PROPERTIES (Net)	(16)	-	-	-	-	-	-
XVII. TAX ASSETS	(17)	107.789	-	107.789	62.448	-	62.448
17.1 Current tax assets		6.846	-	6.846	269	-	269
17.2 Deferred tax assets		100.943	-	100.943	62.179	-	62.179
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(18)	-	-	-	63.090	-	63.090
18.1 Held for sale		-	-	-	63.090	-	63.090
18.2 Discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(19)	1.081.061	129.791	1.210.852	893.032	105.235	998.267
TOTAL ASSETS		65.603.784	22.445.282	88.049.066	58.726.491	18.108.634	76.835.125

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 DECEMBER 31, 2015
(STATEMENT OF FINANCIAL POSITION)**

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

I. CONSOLIDATED BALANCE SHEET – LIABILITIES AND EQUITY

	Section 5 Part II	Audited 31.12.2015			Audited 31.12.2014		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(1)	28.787.585	19.523.692	48.311.277	27.172.782	14.722.952	41.895.734
1.1 Deposits from risk group of the Bank		217.793	52.457	270.250	216.657	21.655	238.312
1.2 Other		28.569.792	19.471.235	48.041.027	26.956.125	14.701.297	41.657.422
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	1.882.909	273.555	2.156.464	1.092.817	159.483	1.252.300
III. FUNDS BORROWED	(3)	501.930	5.564.127	6.066.057	498.271	5.354.813	5.853.084
IV. MONEY MARKET BORROWINGS		2.951.341	1.857.920	4.809.261	2.784.569	1.431.183	4.215.752
4.1 Interbank money markets takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money markets takings		147.173	-	147.173	59.332	-	59.332
4.3 Funds provided under repurchase agreements	(4)	2.804.168	1.857.920	4.662.088	2.725.237	1.431.183	4.156.420
V. SECURITIES ISSUED (Net)	(5)	841.151	4.985.836	5.826.987	2.325.486	3.500.012	5.825.498
5.1 Bills		770.076	-	770.076	2.000.828	262.040	2.262.868
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		71.075	4.985.836	5.056.911	324.658	3.237.972	3.562.630
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. SUNDRY CREDITORS		2.061.023	3.462.407	5.523.430	1.647.221	2.178.437	3.825.658
VIII. OTHER LIABILITIES	(6)	1.003.771	165.549	1.169.320	935.304	131.185	1.066.489
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)	60.229	223.215	283.444	202.104	149.976	352.080
11.1 Fair value hedge		-	178.808	178.808	70.738	149.976	220.714
11.2 Cash flow hedge		60.229	44.407	104.636	131.366	-	131.366
11.3 Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII. PROVISIONS	(9)	1.777.641	-	1.777.641	1.451.752	-	1.451.752
12.1 General provisions		1.190.403	-	1.190.403	942.661	-	942.661
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee benefits		250.505	-	250.505	211.867	-	211.867
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-
12.5 Other provisions		336.733	-	336.733	297.224	-	297.224
XIII. TAX LIABILITY	(10)	57.581	-	57.581	177.452	-	177.452
13.1 Current tax liability		57.581	-	57.581	175.964	-	175.964
13.2 Deferred tax liability		-	-	-	1.488	-	1.488
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)	-	2.662.119	2.662.119	-	2.121.712	2.121.712
XVI. SHAREHOLDERS' EQUITY		9.583.782	(178.297)	9.405.485	8.854.233	(56.619)	8.797.614
16.1 Paid-in capital	(13)	3.000.000	-	3.000.000	2.835.000	-	2.835.000
16.2 Capital reserves		(29.747)	(178.297)	(208.044)	(84.398)	(56.619)	(141.017)
16.2.1 Share premium	(14)	714	-	714	714	-	714
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Securities value increase fund	(15)	(65.962)	(178.297)	(244.259)	4.763	(56.619)	(51.856)
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)		81.175	-	81.175	(40.479)	-	(40.479)
16.2.9 Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		(45.674)	-	(45.674)	(49.396)	-	(49.396)
16.3 Profit reserves		5.621.561	-	5.621.561	4.853.036	-	4.853.036
16.3.1 Legal reserves		451.979	-	451.979	402.779	-	402.779
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		5.169.582	-	5.169.582	4.450.257	-	4.450.257
16.3.4 Other profit reserves		-	-	-	-	-	-
16.4 Profit or loss		802.739	-	802.739	1.072.420	-	1.072.420
16.4.1 Prior years' income/ (losses)		138.389	-	138.389	171.732	-	171.732
16.4.2 Current period income/ (loss)		664.350	-	664.350	900.688	-	900.688
16.5 Minority shares		189.229	-	189.229	178.175	-	178.175
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		49.508.943	38.540.123	88.049.066	47.141.991	29.693.134	76.835.125

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 DECEMBER 31, 2015
(STATEMENT OF INCOME/LOSS)**

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

II. CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES

	Section 5 Part			Audited			
	III	TL	FC	31.12.2015	TL	FC	TOTAL
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		101.092.734	99.496.711	200.589.445	88.950.232	81.070.293	170.020.525
I. GUARANTEES	(1), (2), (3),(4), (6)	6.009.442	4.466.384	10.475.826	5.214.732	3.945.677	9.160.409
1.1. Letters of guarantee		5.981.355	3.047.590	9.028.945	5.205.798	2.208.929	7.414.727
1.1.1. Guarantees subject to State Tender Law		294.530	30.894	325.424	238.293	28.417	266.710
1.1.2. Guarantees given for foreign trade operations		3.171.512	3.016.696	6.188.208	2.895.013	2.180.512	5.075.525
1.1.3. Other letters of guarantee		2.515.313	-	2.515.313	2.072.492	-	2.072.492
1.2. Bank loans		23.085	772.477	795.562	8.934	903.353	912.287
1.2.1. Import letter of acceptance		23.085	772.477	795.562	8.934	903.353	912.287
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		5.002	646.317	651.319	-	812.318	812.318
1.3.1. Documentary letters of credit		5.002	628.377	633.379	-	614.869	614.869
1.3.2. Other letters of credit		-	17.940	17.940	-	197.449	197.449
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		-	-	-	-	21.077	21.077
1.9. Other collaterals		-	-	-	-	-	-
II. COMMITMENTS	(1)	35.030.262	727.276	35.757.538	29.112.513	2.365.704	31.478.217
2.1. Irrevocable commitments		33.929.719	663.627	34.593.346	29.008.708	1.907.143	30.915.851
2.1.1. Forward asset purchase commitments		190.701	612.957	803.658	688.063	1.862.257	2.550.320
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		14.364.712	291	14.365.003	8.536.833	232	8.537.065
2.1.5. Securities underwriting commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Payment commitment for checks		2.558.758	-	2.558.758	2.420.299	-	2.420.299
2.1.8. Tax and fund liabilities from export commitments		8.479	-	8.479	7.626	-	7.626
2.1.9. Commitments for credit card expenditure limits		16.255.578	-	16.255.578	16.812.040	-	16.812.040
2.1.10. Commitments for promotions related with credit cards and banking activities		34.278	-	34.278	22.604	-	22.604
2.1.11. Receivables from short sale commitments		-	-	-	-	-	-
2.1.12. Payables for short sale commitments		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		517.213	50.379	567.592	521.243	44.654	565.897
2.2. Revocable commitments		1.100.543	63.649	1.164.192	103.805	458.561	562.366
2.2.1. Revocable loan granting commitments		1.100.543	63.649	1.164.192	103.805	458.561	562.366
2.2.2. Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5), (6)	60.053.030	94.303.051	154.356.081	54.622.987	74.758.912	129.381.899
3.1. Derivative financial instruments for hedging purposes		14.891.873	21.742.737	36.634.610	13.357.379	16.633.829	29.991.208
3.1.1. Fair value hedge		4.300.297	13.464.154	17.764.451	6.870.913	12.335.168	19.206.081
3.1.2. Cash flow hedge		10.591.576	8.278.583	18.870.159	6.486.466	4.298.661	10.785.127
3.1.3. Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2. Held for trading transactions		45.161.157	72.560.314	117.721.471	41.265.608	58.125.083	99.390.691
3.2.1. Forward foreign currency buy/sell transactions		3.972.761	4.554.462	8.527.223	2.329.798	2.771.354	5.101.152
3.2.1.1. Forward foreign currency transactions-buy		2.602.412	1.664.211	4.266.623	1.305.411	1.244.832	2.550.243
3.2.1.2. Forward foreign currency transactions-sell		1.370.349	2.890.251	4.260.600	1.024.387	1.526.522	2.550.909
3.2.2. Swap transactions related to foreign currency and interest rates		36.000.372	58.282.028	94.282.400	35.823.945	47.942.651	83.766.596
3.2.2.1. Foreign currency swap-buy		15.893.629	25.523.970	41.417.599	19.228.003	17.891.715	37.119.718
3.2.2.2. Foreign currency swap-sell		19.805.147	21.605.030	41.410.177	15.666.682	21.437.538	37.104.220
3.2.2.3. Interest rate swaps-buy		150.798	5.576.514	5.727.312	464.630	4.306.699	4.771.329
3.2.2.4. Interest rate swaps-sell		150.798	5.576.514	5.727.312	464.630	4.306.699	4.771.329
3.2.3. Foreign currency, interest rate and securities options		5.187.330	8.443.962	13.631.292	3.110.969	6.955.232	10.066.201
3.2.3.1. Foreign currency options-buy		2.727.400	4.088.589	6.815.989	1.502.096	3.520.388	5.022.484
3.2.3.2. Foreign currency options-sell		2.459.930	4.355.373	6.815.303	1.608.873	3.434.844	5.043.717
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		694	32.026	32.720	896	38.444	39.340
3.2.4.1. Foreign currency futures-buy		347	16.013	16.360	448	19.222	19.670
3.2.4.2. Foreign currency futures-sell		347	16.013	16.360	448	19.222	19.670
3.2.5. Interest rate futures		-	535.474	535.474	-	-	-
3.2.5.1. Interest rate futures-buy		-	267.737	267.737	-	-	-
3.2.5.2. Interest rate futures-sell		-	267.737	267.737	-	-	-
3.2.6. Other		-	712.362	712.362	-	417.402	417.402
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		470.326.939	83.259.316	553.586.255	407.530.063	69.547.687	477.077.750
IV. ITEMS HELD IN CUSTODY		21.826.403	2.674.784	24.501.187	15.754.863	2.011.045	17.765.908
4.1. Assets under management		5.435.302	195	5.435.497	4.064.430	1.590	4.066.020
4.2. Investment securities held in custody		196.455	815.520	1.011.975	1.232.314	757.722	1.990.036
4.3. Checks received for collection		2.640.870	375.448	3.016.318	2.310.295	309.252	2.619.547
4.4. Commercial notes received for collection		781.303	158.196	939.499	663.699	142.261	805.960
4.5. Other assets received for collection		-	-	-	-	-	-
4.6. Assets received for public offering		-	-	-	-	-	-
4.7. Other items under custody		12.772.473	1.325.425	14.097.898	7.484.125	800.220	8.284.345
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		274.029.387	44.825.851	318.855.238	234.715.130	31.709.225	266.424.355
5.1. Marketable securities		889.715	3.510.280	4.399.995	620.378	2.260.821	2.881.199
5.2. Guarantee notes		202.830	56.171	259.001	181.761	52.651	234.412
5.3. Commodity		62.871	-	62.871	41.344	-	41.344
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		68.856.288	23.649.829	92.506.117	57.209.764	11.327.616	68.537.380
5.6. Other pledged items		204.017.683	17.609.571	221.627.254	176.661.883	18.068.137	194.730.020
5.7. Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		174.471.149	35.758.681	210.229.830	157.060.070	35.827.417	192.887.487
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		571.419.673	182.756.027	754.175.700	496.480.295	150.617.980	647.098.275

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 DECEMBER 31, 2015
(STATEMENT OF INCOME/LOSS)**

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

III. CONSOLIDATED INCOME STATEMENT

	Section 5 Part IV.	Audited 01.01 - 31.12.2015	Audited 01.01 - 31.12.2014
I. INTEREST INCOME	(1)	7.835.586	6.700.863
1.1 Interest on loans		6.683.487	5.596.739
1.2 Interest received from reserve deposits		22.770	538
1.3 Interest received from banks		3.734	6.507
1.4 Interest received from money market placements		129.650	45.136
1.5 Interest received from marketable securities portfolio		750.612	853.052
1.5.1 Held-for-trading financial assets		3.878	10.344
1.5.2 Financial assets at fair value through profit and loss		9.170	17.384
1.5.3 Available-for-sale financial assets		421.037	474.174
1.5.4 Investments held-to-maturity		316.527	351.150
1.6 Finance lease income		168.211	132.799
1.7 Other interest income		77.122	66.092
II. INTEREST EXPENSE	(2)	3.752.831	3.496.338
2.1 Interest on deposits		2.819.109	2.652.784
2.2 Interest on funds borrowed		338.974	282.935
2.3 Interest on money market borrowings		212.407	226.551
2.4 Interest on securities issued		373.804	328.255
2.5 Other interest expense		8.537	5.813
III. NET INTEREST INCOME (I - II)		4.082.755	3.204.525
IV. NET FEES AND COMMISSIONS INCOME		1.387.238	1.396.983
4.1 Fees and commissions received		1.653.836	1.616.280
4.1.1 Non-cash loans		58.996	50.706
4.1.2 Other		1.594.840	1.565.574
4.2 Fees and commissions paid		266.598	219.297
4.2.1 Non-cash loans		1.488	1.576
4.2.2 Other		265.110	217.721
V. DIVIDEND INCOME	(3)	58	263
VI. NET TRADING INCOME	(4)	(727.321)	(251.727)
6.1 Securities trading gains/ (losses)		27.125	20.270
6.2 Gains / (losses)Financial derivative transactions		(677.491)	(307.721)
6.3 Foreign exchange gains/ (losses)		(76.955)	35.724
VII. OTHER OPERATING INCOME	(5)	272.748	385.552
VIII. NET OPERATING INCOME (III+IV+V+VI+VII)		5.015.478	4.735.596
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	1.207.444	1.100.491
X. OTHER OPERATING EXPENSES (-)	(7)	2.874.440	2.443.011
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		933.594	1.192.094
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XIII. GAIN / (LOSS) ON EQUITY METHOD		(49.538)	(601)
XIV. GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	884.056	1.191.493
XVI. TAX CHARGE FOR CONTINUED OPERATIONS (±)	(9)	(203.642)	(275.554)
16.1 Current income tax charge		(225.182)	(235.839)
16.2 Deferred tax charge / benefit		21.540	(39.715)
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	680.414	915.939
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)	680.414	915.939
23.1 Group's profit/loss		664.350	900.688
23.2 Minority shares		16.064	15.251
Earnings per share		0,02215	0,03002

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 DECEMBER 31, 2015
(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

	Audited 01.01 – 31.12.2015	Audited 01.01 – 31.12.2014
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	(242.460)	214.220
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)	152.068	(170.582)
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	4.653	(19.565)
IX. DEFERRED TAX OF VALUATION DIFFERENCES	18.712	(5.847)
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	(67.027)	18.226
XI. PROFIT/LOSS	680.414	915.939
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	28.910	(5.462)
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	(34.661)	2.399
11.3 Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4 Other	686.165	919.002
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR IN THE PERIOD (X+XI)	613.387	934.165

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 DECEMBER 31, 2015

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Section 2 Part V	Paid-in Capital	Effect of inflation Accounting on Capital and Other Capital Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Shareholders' Equity
Prior period – 01.01.-31.12.2014																			
I. Beginning Balance		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
II. Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)		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
Changes in Period																			
IV. Increase/decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketable securities valuation differences	(1)	-	-	-	-	-	-	-	-	-	-	170.344	-	-	-	-	170.344	-	170.344
VI. Hedging funds (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	(136.466)	-	(136.466)	-	(136.466)
6.1 Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(136.466)	-	(136.466)	-	(136.466)
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	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Effect of change in associates' equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital increase	(5)	135.000	-	-	-	-	-	(135.000)	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal sources		135.000	-	-	-	-	-	(135.000)	-	-	-	-	-	-	-	-	-	-	-
XV. Share premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Inflation adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other ^(*)		-	-	-	-	-	-	-	(15.652)	-	-	-	-	-	-	-	(15.652)	(12) ^(*)	(15.664)
XIX. Period net income/(loss)		-	-	-	-	-	-	-	-	900.688	-	-	-	-	-	-	900.688	15.251	915.939
XX. Profit distribution	(3)	-	-	-	-	39.148	-	738.045	-	-	(777.193)	-	-	-	-	-	-	-	-
20.1 Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transfers to reserves		-	-	-	-	39.148	-	738.045	-	-	(777.193)	-	-	-	-	-	-	-	-
20.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance (I+II+III+.....+XVI+XVII+XVIII)		2.835.000	-	714	-	402.779	-	4.450.257	(49.396)	900.688	171.732	(51.856)	-	-	(40.479)	-	8.619.439	178.175	8.797.614

(*) Includes the effect of change in ownership of Finans Yatırım Ortaklığı A.Ş. Under Liquidation from 76,10% to 76,13 % in the prior 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 DECEMBER 31, 2015

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Section 5 Part II.13	Paid-in Capital	Effect of inflation Accounting on Capital and Other Capital Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Non-controlling interest	Total Shareholders' Equity
Current period – 01.01.-31.12.2015																			
I.		2.835.000	-	714	-	402.779	-	4.450.257	(49.396)	-	1.072.420	(51.856)	-	-	(40.479)	-	8.619.439	178.175	8.797.614
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	(1)	-	-	-	-	-	-	-	-	-	-	(192.403)	-	-	-	-	(192.403)	-	(192.403)
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	121.654	-	121.654	-	121.654
4.1		-	-	-	-	-	-	-	-	-	-	-	-	-	121.654	-	121.654	-	121.654
4.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	(5)	165.000	-	-	-	-	-	(165.000)	-	-	-	-	-	-	-	-	-	-	-
12.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2		165.000	-	-	-	-	-	(165.000)	-	-	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	(889)	-	-	3.722	-	889	-	-	-	-	-	3.722	(5.010 ^(*))	(1.288)
XVII.		-	-	-	-	-	-	-	-	664.350	-	-	-	-	-	-	664.350	16.064	680.414
XVIII.	(3)	-	-	-	-	50.089	-	884.325	-	-	(934.920)	-	-	-	-	-	(506)	-	(506)
18.1		-	-	-	-	-	-	-	-	-	(506)	-	-	-	-	-	(506)	-	(506)
18.2		-	-	-	-	50.089	-	884.325	-	-	(934.414)	-	-	-	-	-	-	-	-
18.3		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance (I+II+III+.....+XVI+XVII+XVIII)		3.000.000	-	714	-	451.979	-	5.169.582	(45.674)	664.350	138.389	(244.259)	-	-	81.175	-	9.216.256	189.229	9.405.485

(*) Includes the effect of change in ownership of Finans Yatırım Ortaklığı A.Ş.

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 DECEMBER 31, 2015**

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

VI. CONSOLIDATED CASH FLOW STATEMENT

	Section 5 Part VI	Audited	
		01.01-31.12.2015	01.01 – 31.12.2014
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		1.066.407	2.387.723
1.1.1 Interest received (+)		7.349.408	6.392.148
1.1.2 Interest paid (-)		(3.710.277)	(3.662.657)
1.1.3 Dividend received (+)		58	263
1.1.4 Fees and commissions received (+)		1.639.166	1.616.834
1.1.5 Other income (+)		31.396	335.263
1.1.6 Collections from previously written off loans (+)		690.597	645.732
1.1.7 Payments to personnel and service suppliers (-)		(1.984.975)	(1.891.296)
1.1.8 Taxes paid (-)		(532.145)	(203.668)
1.1.9 Other (+/-)	(1)	(2.416.821)	(844.896)
1.2 Changes in operating assets and liabilities		646.569	(3.043.443)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(35.165)	163.516
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		1.624	211.138
1.2.3 Net (increase) decrease in due from banks (+/-)		(439.265)	177.320
1.2.4 Net (increase) decrease in loans (+/-)		(7.498.554)	(8.660.029)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	(606.699)	(224.162)
1.2.6 Net increase (decrease) in bank deposits (+/-)		201.296	72.016
1.2.7 Net increase (decrease) in other deposits (+/-)		7.246.301	3.655.617
1.2.8 Net increase (decrease) in funds borrowed (+/-)		(705.892)	862.121
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	2.482.923	699.020
I. Net cash provided from / (used in) banking operations (+/-)		1.712.976	(655.720)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		303.867	(1.192.174)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		-	(4.523)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		-	-
2.3 Fixed assets purchases (-)		(239.971)	(716.545)
2.4 Fixed assets sales (+)		303.582	49.087
2.5 Cash paid for purchase of financial assets available for sale (-)		(2.163.221)	(3.885.078)
2.6 Cash obtained from sale of financial assets available for sale (+)		2.310.575	4.101.719
2.7 Cash paid for purchase of investment securities (-)		(290.680)	(631.485)
2.8 Cash obtained from sale of investment securities (+)		512.035	-
2.9 Other (+/-)	(1)	(128.453)	(105.349)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities (+/-)		(1.279.312)	2.320.881
3.1 Cash obtained from funds borrowed and securities issued (+)		3.888.096	7.333.900
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(5.166.902)	(5.013.019)
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		(506)	-
3.5 Payments for finance leases (-)		-	-
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)		24.827	224.093
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		762.358	697.080
VI. Cash and cash equivalents at the beginning of the period (+)	(2)	2.969.178	2.272.098
VII. Cash and cash equivalents at end of the period (V+VI)	(3)	3.731.536	2.969.178

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 DISTRIBUTION STATEMENT
FOR THE PERIOD ENDED DECEMBER 31, 2015

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

VII. DISTRIBUTION OF INCOME (*)

	Audited Current Year 31.12.2015 ^(**)	Audited Prior Period 31.12.2014
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	902.849	1.142.209
1.2 TAXES AND DUTIES PAYABLE	197.077	264.781
1.2.1 CORPORATE TAX (INCOME TAX)	209.735	221.066
1.2.2 INCOME WITHHOLDING TAX	-	-
1.2.3 OTHER TAXES AND DUTIES ^(***)	(12.658)	43.715
A. NET INCOME FOR THE YEAR (1.1-1.2)	705.772	877.428
1.3 PRIOR YEAR LOSSES(-)	-	-
1.4 FIRST LEGAL RESERVES(-)	-	43.871
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	705.772	833.557
1.6 FIRST DIVIDEND TO SHAREHOLDERS(-)	-	141.750
1.6.1 TO OWNERS OF ORDINARY SHARES	-	141.750 ^(****)
1.6.2 TO OWNERS OF PRIVILEGED SHARES	-	-
1.6.3 TO OWNERS OF PREFERRED SHARES	-	-
1.6.4 TO PROFIT SHARING BONDS	-	-
1.6.5 TO HOLDERS OF PROFIT AND (LOSS) SHARING CERTIFICATES	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS(-)	-	-
1.9.1 TO OWNERS OF ORDINARY SHARES	-	-
1.9.2 TO OWNERS OF PRIVILEGED SHARES	-	-
1.9.3 TO OWNERS OF PREFERRED SHARES	-	-
1.9.4 TO PROFIT SHARING BONDS	-	-
1.9.5 TO HOLDERS OF PROFIT AND (LOSS) SHARING CERTIFICATES	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES(-)	-	-
1.12 EXTRAORDINARY RESERVES	-	691.807
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS(-)	-	-
2.3.1 TO OWNERS OF ORDINARY SHARES	-	-
2.3.2 TO OWNERS OF PRIVILEGED SHARES	-	-
2.3.3 TO OWNERS OF PREFERRED SHARES	-	-
2.3.4 TO PROFIT SHARING BONDS	-	-
2.3.5 TO HOLDERS OF PROFIT AND (LOSS) SHARING CERTIFICATES	-	-
2.4 DIVIDENDS TO PERSONNEL(-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS(-)	-	-
III. EARNINGS PER SHARE		
3.1 TO OWNERS OF ORDINARY SHARES	0,02353	0,03095
3.2 TO OWNERS OF ORDINARY SHARES(%)	%2,36	%3,09
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE	-	-
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES(%)	-	-
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) Profit Appropriation Statement has been prepared according to unconsolidated financial statements of the Parent Bank.

(**) Decision regarding the profit distribution for the 2015 will be taken at the General Meeting.

(***) As per the BRSA, income associated with deferred tax assets shall not be considered as cash or internally generated source and accordingly such amounts taking part of net period profit shall not be included in profit distribution and capital increase. As of December 31, 2015 the Bank has deferred tax income amounting to TL 12.658 associated with the deferred tax asset which will not be distributed.

(****) Distributed to the shareholders as bonus shares.

(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 DECEMBER 31, 2015**

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of Presentation

1. Preparation of the consolidated financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents

The Turkish Banking Law No: 5411 is published in the Official Gazette No: 25983 dated November 1, 2005. The Parent Bank and its financial subsidiaries ("The Group") prepared the accompanying financial statements as of September 30, 2015 and the related disclosures and footnotes, in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by BRSA, 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. The amounts expressed in foreign currency, is indicated by the full amount.

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. 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 regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by BRSA, the requirements of TAS and are consistent with the accounting policies applied in the annual financial statements of the year ended December 31, 2014. The amendments of TAS and TFRS, effective as of January 1, 2015, have no material impact on the Group's accounting policies, financial position and performance. The aforementioned accounting policies and valuation principles are explained in Notes II to XXVI 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 DECEMBER 31, 2015**

(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 (2011 version), 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. TFRS 9 Financial Instruments 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 cash flow risk resulting from deposits 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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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 December 31, 2015 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>December 31, 2015</u>	<u>December 31, 2014</u>
US Dollar	2,9076 TL	2,3189 TL
Euro	3,1776 TL	2,8207 TL

2.2. Total exchange rate differences that are included in net profit or loss for the year

The net exchange loss for the period that ended at December 31, 2015 is TL 76.995 TL (December 31, 2014-35.724 TL net exchange gain).

2.3. Foreign Associates

The parent Bank does not have any foreign associates as of December 31, 2015 and December 31, 2014.

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:

	Consolidation Method	Place of Establishment	Subject of Operations	Effective Share of the Group (%)	
				December 31, 2015	December 31, 2014
1. Finans Yatırım Menkul Değerler A.Ş. (Finans Yatırım)	Full consolidation	Turkey	Securities Intermediary Services	99,74	99,74
2. Finans Portföy Yönetimi A.Ş. (Finans Portföy)	Full consolidation	Turkey	Portfolio Management	99,72	99,72
3. PSA Finansman A.Ş. (Tüketici Finansman)	Full consolidation	Turkey	Consumer Financing	100,00	-
4. Finans Finansal Kiralama A.Ş. (Finans Leasing)	Full consolidation	Turkey	Financial Leasing	69,00	69,00
5. Finans Faktoring A.Ş. (Finans Faktoring)	Full consolidation	Turkey	Factoring Services	100,00	100,00
6. Cigna Finans Emeklilik ve Hayat A.Ş. (Cigna Finans Emeklilik)	Equity Method	Turkey	Private Pension and Insurance	49,00	49,00

As per Board of Directors meeting dated May 21, 2014, it has been decided for the liquidation of Finans Investment Trust. The company’s liquidation was completed as of December 7, 2015

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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 (“CMB”) 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 regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency (“BRSA”), and in case where a specific regulation is not made by BRSA, in accordance with Turkish Accounting Standards (“TMS”) and Turkish Reporting Standards (“TFRS”) and related additions and interpretations published by Public Accounting and Auditing Oversight Authority (“KGK”).

Differences between the accounting policies of subsidiaries and entities under common control and those of the Parent Bank are adjusted, if material. The financial statements of the subsidiaries and entities under common control are prepared as of December 31, 2015.

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 financial 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.

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IV. Explanations on Forwards, Option Contracts and Derivative Instruments

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

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

In accordance with TAS 39 “Financial Instruments: Recognition and Measurement”, derivative instruments are categorized as “hedging purpose” or “trading purpose” transactions. Derivatives are initially recognized at 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.

Fair values of forward foreign currency purchase and sales contracts, currency and interest rate 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 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 in the current period income statement.

Upon valuation of derivative instruments that are not subject to hedge accounting, 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.

In cash flow hedge accounting:

The 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 effectiveness tests at the balance sheet dates for hedge accounting; the effective parts are accounted as defined in TAS 39, in financial statements under equity “Hedging Funds”, whereas the amount concerning ineffective parts is associated with income statement.

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.

In fair value hedge accounting:

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 fair value hedge accounting using fx swaps to hedge long term, fixed rate, foreign currency Eurobonds in its portfolio against interest rate fluctuations.

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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.

Information on Eurobond and loan portfolio, recognized as fair value hedged items, is presented in Section 3, Footnote VII, 2 and 4.

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.

At each balance sheet date the Parent Bank applies effectiveness tests for fair value 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, adjustments made to the carrying amount of the hedged item are transferred to profit and loss with straight line method for portfolio hedges or with effective interest rate method for micro hedges. In case the hedged item is derecognized, hedge accounting is discontinued and within context of fair value hedge accounting, adjustments made to the value of the hedged item are accounted in 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.

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, and fair value differences are presented as “Securities Trading Gains (Losses) in order to be in compliance with the balance sheet presentation.

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

The fair value of loans presented under “Financial Assets at Fair Value through Profit or Loss” are determined under current market conditions, taking into consideration the estimated price of a transaction at the measurement date depending on sale of an asset or transfer of a liability between market participants (in other words, exit price at measurement date from the perspective of an owner of an asset or from a debtor’s).

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.

The Bank has inflation indexed (CPI) government bonds in its available for sale and held-to-maturity portfolios. CPI government bonds that are constant throughout their lives and their real principal amounts are preserved from inflation. These marketable securities are valued and accounted by using effective interest rate method by considering the real coupon rates and reference inflation index at the issue date together with the index calculated by considering the estimated inflation rate as disclosed by the Turkish Treasury. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the real payments is determined based on the inflation rates of two months before. The estimated inflation rate used is updated during the year when necessary.

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 and some portion of the TL government bond portfolio hedged against interest rate fluctuations, starting from July 2011. 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 Eurobond and TL government bond hedge items are accounted for under “Securities Trading Gains/ Losses” in the income statement.

In cases where fair value hedge operations cannot be effectively performed as described in TAS 39, fair value hedge accounting is ceased. 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

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to held-to-maturity other than those that the entity upon initial recognition designates as at fair value through profit or loss, those that the entity designates as available-for-sale; and those that meet the definition of loans and receivables. Held-to-maturity financial assets are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective interest rate method. Interest income obtained from held-to-maturity financial assets is accounted in income statement.

There are no financial assets previously classified as held-to-maturity but which cannot be subject to this classification for two years due to the contradiction of classification principles.

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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 “Note IV- Section III on Forward, Option Contracts and Derivative Instruments”, the Group enters into fx 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 uncollectability 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.

The general provisions and special provisions provided for loans and other provisions provided for closely monitored 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 and standard and closely monitored loans are recorded under “Other Operating Income” and interest collections are recorded under the “Interest on Loans” account.

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.

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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.4 of Section III

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 5.113.536 (December 31, 2014 - TL 4.420.738).

As of December 31, 2015 the Parent Bank has no securities that are subject to lending transactions (December 31, 2014 – TL 1.345).

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 IFRS 5 (“Assets Held for Sale and Discontinued Operations”), assets classified as held for sale are measured at lower of carrying value or fair value less costs to sell. Amortisation on subject asset is ended and these assets are presented separately on financial statements. An asset (or a disposal group) is regarded as “asset held for sale” only when the sale is highly probable and the asset (disposal group) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset (or a disposal group) should be actively marketed at a price consistent with its fair value. Various events and conditions may prolong the sale procedures for more than one year. In case subject delay is caused by the events and conditions beyond the entity’s control and there is enough evidence that plans to sell subject asset (or a disposal group) continue subject assets continue to be classified as assets held for sale.

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A discontinued operation is a part of the Parent 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 has no discounting operations.

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 3-5 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.

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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.

XVII. Explanations on Obligations of the Group for Employees Benefits

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

In accordance with the existing social legislation in Turkey, the Group is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated due to resignation or for reasons other than misconduct. The retirement pay is calculated for every working year within the Group over salary for 30 days or the official ceiling amount per year of employment and the notice pay is calculated for the relevant notice period time as determined based on the number of years worked for the Group.

The Group has reflected the retirement pay liability amount, which was calculated by an independent actuary, in the accompanying financial statements. According to IAS 19, the Group recognizes all actuarial gains and losses immediately through other comprehensive income.

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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 in accordance with IAS 19 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 current tax asset and current tax liabilities.

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.

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.

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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 general reserve for possible risks and general loan loss provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated December 8, 2004.

Deferred tax effects of transactions directly accounted in equity are reflected in equity.

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.

3. Transfer Pricing

The article no.13 of the Corporate Tax Law describes the issue of transfer pricing under the title of "disguised profit distribution" by way of transfer pricing. "The General Communique on Disguised Profit Distribution by way of Transfer Pricing" published on November 18, 2007 explains the application related issues in detail. According to this Communique, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm's length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

Disguised profit distribution amount will be recognized as share in net profit and stoppage tax will be calculated depending on whether the profit distributing institution is a real or corporate entity, full fledged or foreign based taxpayer, is subject to or exempt from tax.

As discussed under subject Communique's 7.1 Annual Documentation section, taxpayers are required to fill out the "Transfer Pricing, Controlled Foreign Entities and Thin Capitalization" form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices.

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

Within current period, the Bank has increased its paid-in capital through internal reserves amounting to TL 165.000. TL 141.750 of the bonus shares have been provided from first dividend of the year 2014 and TL 23.250 of the bonus shares have been provided from subsidiary and real estate sales fund. (January 1 – December 31, 2014 – capital of the Parent Bank has been increased by TL 135.000, paid from first dividend with bonus shares).

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 December 31, 2015, the Group does not have any governmental incentives or support. (As of December 31, 2014 - None)

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

The Corporate Marketing Unit provides services to firms that are institutional, big size, that have annual revenues of TL 300.000 and higher and multi-national firms operating in Turkey. The firms that have annual revenues between TL 40.000 and TL 300.000 are considered as "Commercial Enterprise". The Bank gives importance to the commercial segmentation in order to hedge risk and decrease the concentration of income. Moreover; The Bank also offers sectoral solution packages to these small and medium-size firms.

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

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Current Period (January 1 – December 31, 2015)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Net Interest Income	1.560.783	1.396.781	1.125.191	4.082.755
Net Fees and Commissions Income	967.940	382.372	36.926	1.387.238
Other Operating Income and Net Trading Income	37.479	48.338	(540.390)	(454.573)
Dividend Income	-	-	58	58
Operating Income	2.566.202	1.827.491	621.785	5.015.478
Other Operating Expenses	1.662.259	891.746	320.435	2.874.440
Provision for Loan Losses and Other Receivables	726.711	451.454	29.279	1.207.444
Gain / Loss on joint venture accounted for at equity method	-	-	(49.538)	(49.538)
Profit Before Taxes	177.232	484.291	222.533	884.056
Provision for Tax	-	-	-	(203.642)
Net Profit/Loss	-	-	-	680.414
Total Assets	41.669.742	17.948.485	24.176.894	88.049.066
Segment Assets	41.669.742	17.948.485	24.176.894	83.795.121
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	127.847
Undistributed Assets	-	-	-	4.126.098
Total Liabilities	35.560.073	11.193.874	23.361.662	88.049.066
Segment Liabilities	35.560.073	11.193.874	23.361.662	70.115.609
Undistributed Liabilities	-	-	-	8.527.972
Equity	-	-	-	9.405.485
Other Segment Accounts	260.104	130.592	123.991	514.687
Capital Expenditures	129.591	65.065	104.145	298.801
Depreciation and Amortization	130.513	65.527	19.846	215.886
Value Decrease/ (Increase)	-	-	-	-

Prior Period (January 1 - December 31, 2014)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Net Interest Income	1.232.083	1.151.654	820.788	3.204.525
Net Fees and Commissions Income	1.067.346	294.426	35.211	1.396.983
Other Operating Income and Net Trading Income	330.629	74.381	(271.185)	133.825
Dividend Income	-	-	263	263
Operating Income	2.630.058	1.520.461	585.077	4.735.596
Other Operating Expenses	1.457.569	799.335	186.107	2.443.011
Provision for Loan Losses and Other Receivables	623.561	396.105	80.825	1.100.491
Profit Before Taxes	-	-	(601)	(601)
Gain / Loss on joint venture accounted for at equity method	548.928	325.021	317.544	1.191.493
Provision for Tax	-	-	-	(275.554)
Net Profit/Loss	-	-	-	915.939
Total Assets	37.643.855	14.511.072	20.819.549	76.835.125
Segment Assets	37.643.855	14.511.072	20.819.549	72.974.476
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	189.867
Undistributed Assets	-	-	-	3.670.782
Total Liabilities	29.485.416	10.906.083	21.124.661	76.835.125
Segment Liabilities	29.485.416	10.906.083	21.124.661	61.516.160
Undistributed Liabilities	-	-	-	6.521.351
Equity	-	-	-	8.797.614
Other Segment Accounts	254.433	135.384	1.024.332	1.414.149
Capital Expenditures	126.959	69.625	998.625	1.195.209
Depreciation and Amortization	127.474	65.759	25.707	218.940
Value Decrease/ (Increase)	-	-	-	-

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XXIV. Profit Reserves and profit distribution

The Ordinary General Assembly Meeting of the Bank was held on 31 March 2015. In the Ordinary General Assembly, it was decided to distribute a TL 43.871 cash dividend over the TL 877.428 net income from 2014 operations to the Bank's shareholders. In accordance with the 26th clause of the Bank's Articles of Association, it has been decided in the Extraordinary General Assembly Meeting dated May 28, 2015 to distribute the net profit remaining after General Legal Reserve has been appropriated as of 2014 financials, amounting to TL 833.557.

2014 profit distribution table:

Current period income / (loss)	877.428
A – First Legal Reserves (Turkish Commercial Code 519/A) 5%	(43.871)
B – Extraordinary Reserves	(833.557)

XXV. Profit Per Share

Profit per share listed on income statement is calculated by dividing net profit to weighted average amount of shares issued within respective year.

	Current Period	Prior Period
Group's Net Profit for the Period	664.350	900.688
Weighted Average Amount of Shares Issued (Thousands)	30.000.000	30.000.000
Earnings per Share	0,02215	0,03002

In Turkey, companies can increase capital through "bonus share" distributed from previous year earnings to current shareholders. Such "bonus share" distributions are accounted as issued shares while calculating profit per share. Accordingly, weighted average amount of shares issued used in these calculations is found through taking into consideration retroactive effects of subject share distributions. In case amount of shares issued increases after the balance sheet date but before the date of financial statement preparation due to distribution of "bonus share", profit per share is calculated taking into consideration new amount of shares.

As of December 31, 2015 amount of issued bonus shares are 1.650.000 (December 31, 2014: 1.350.000).

XXVI. 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 December 31, 2015, the Parent Bank's consolidated capital adequacy ratio is 15,53%. (December 31, 2014 – 16,90%)

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.28756 dated September 5, 2013.

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 X. 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 Weights								
	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	213.722	11.131.029	16.504.633	23.985.241	4.225.614	7.819.440	574.420
Exposure Categories:	16.436.016	-	1.068.608	22.262.057	22.006.177	23.985.241	2.817.076	3.909.720	229.768
Conditional and unconditional receivables from central governments or central banks	15.481.981	-	-	2.195.888	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	2.255	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	14.698	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	1.065.670	2.689.834	-	11.473	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	-	-	18.310.933	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	22.006.177	2.033.841	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	17.376.335	-	-	-	-	-
Past due receivables	-	-	-	-	-	705.705	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	2.817.076	3.909.720	229.768
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	492	-	-	-
Other receivables	954.035	-	683	-	-	2.908.099	-	-	-

Current Period	Consolidated								
	Risk Weights								
	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	205.313	11.190.769	16.916.600	26.110.073	4.283.844	7.819.440	574.420
Exposure Categories:	16.436.019	-	1.026.567	22.381.538	22.555.467	26.110.073	2.855.896	3.909.720	229.768
Conditional and unconditional receivables from central governments or central banks	15.481.981	-	-	2.195.888	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	2.255	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	14.698	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	1.023.629	2.628.284	-	11.473	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	-	-	20.002.579	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	22.555.467	2.033.841	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	17.557.366	-	-	-	-	-
Past due receivables	-	-	-	-	-	744.843	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	2.855.896	3.909.720	229.768
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	492	-	-	-
Other receivables	954.038	-	683	-	-	3.302.147	-	-	-

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Parent Bank									
Risk Weights									
Prior Period	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	245.829	9.465.302	15.417.255	20.617.801	2.513.757	7.994.862	676.638
Exposure Categories:	15.690.061	-	1.229.146	18.930.604	20.556.340	20.617.801	1.675.838	3.997.431	270.655
Conditional and unconditional receivables from central governments or central banks	14.850.852	-	-	1.697.937	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	4.048	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	316	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	1.224.868	2.181.022	-	29.459	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	-	-	15.318.399	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	20.556.340	1.825.386	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	15.051.645	-	-	-	-	-
Past due receivables	-	-	-	-	-	541.919	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	1.675.838	3.997.431	270.655
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	26.414	-	-	-
Other receivables	839.209	-	230	-	-	2.875.908	-	-	-

Consolidated									
Risk Weights									
Prior Period	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	223.770	9.449.523	15.493.670	22.857.676	2.548.004	7.994.862	676.638
Exposure Categories:	15.690.064	-	1.118.848	18.899.046	20.658.226	22.857.676	1.698.669	3.997.431	270.655
Conditional and unconditional receivables from central governments or central banks	14.850.852	-	-	1.697.937	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	4.048	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	316	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	1.114.570	2.136.621	-	29.459	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	-	-	17.459.834	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	20.658.226	1.825.385	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	15.064.488	-	-	-	-	-
Past due receivables	-	-	-	-	-	575.708	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	1.698.669	3.997.431	270.655
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	26.414	-	-	-
Other receivables	839.212	-	230	-	-	2.940.560	-	-	-

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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)	5.156.328	5.368.037	4.554.516	4.739.531
Capital Requirement for Market Risk (MRCR)	85.370	88.270	98.679	98.483
Capital Requirement for Operational Risk (ORCR)	572.223	600.249	503.912	532.294
Shareholders' Equity	11.193.253	11.759.030	10.946.807	11.346.649
Shareholders' Equity/(CRCR+MRCR+ORCR) * 12,5 * 100	% 15,40	% 15,53	% 16,98	% 16,90
Additional Tier I Capital/((CRCR+CRMR+CROR)*12,5*100)	% 12,00	% 12,01	% 12,97	% 12,77
Common Equity/((CRCR+CRMR+CROR)*12,5*100)	% 12,19	% 12,20	% 13,24	% 13,05

CRCR : Capital Requirement for Credit Risk
MRCR : Capital Requirement for Market Risk
ORCR : Capital Requirement for Operational Risk

(*) As of January 1, 2014 the Bank is calculating its equity according to "Communique on Banks' Equity" published on September 5, 2013 in the Official Gazette no 28756 and calculated Capital Adequacy Standard Ratio accordingly.

Components of consolidated shareholders' equity items:

	Current Period December 31, 2015	Prior Period December 31, 2014
COMMON EQUITY		
Paid-in capital following all debts in terms of claim in liquidation of the Bank's	3.000.000	2.835.000
Share premium	714	714
Share cancellation profits	-	-
Reserves	5.621.561	4.853.036
Gains recognized in equity as per TAS	-	266
Profit	802.739	1.072.420
Current Period Profit	664.350	900.688
Prior Period Profit	138.389	171.732
Provisions for Possible Risks	100.000	82.000
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	-	-
Minority shares	189.229	178.175
Common Equity Before Deductions	9.714.243	9.021.611
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 (-).	289.933	101.518
Leasehold improvements (-)	88.388	114.885
Goodwill or other intangible assets and deferred tax liability related to these items (-)	96.676	47.095
Net deferred tax asset/liability (-)	-	-
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 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 Common Equity	474.997	263.498
Total Common Equity	9.239.246	8.758.113

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	December 31, 2015	December 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	145.015	188.381
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 (-)	145.015	188.381
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 (-)	-	-
Total Tier I Capital	9.094.231	8.569.732
TIER II CAPITAL		
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	1.893.475	2.097.617
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained before 1.1.2014)	-	-
Sources pledged to the Bank by shareholders to be used in capital increases of the Bank	838.756	740.552
General Loan Loss Provisions	-	-
Share of 3 rd parties in Tier II Capital	-	-
Tier II Capital Before Deductions	2.732.231	2.838.169
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	2.732.231	2.838.169
CAPITAL BEFORE DEDUCTIONS	11.826.462	11.407.901
Loans granted contrary to the 50th and 51th Article of the Law (-)	15.456	1.856
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 (-)	13.246	11.289
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 (-)	38.731	50.796
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	11.759.029	11.343.960
Amounts below the Excess Limits as per the Deduction Principles	204.170	227.426
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	103.227	165.247
Amounts arising from mortgage servicing rights	-	-
Amounts arising from deferred tax assets based on temporary differences	100.943	62.179

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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)	1.736.305	1.736.305	1.893.475	1.893.475

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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)	668	419	262	544
Par value of instrument (Currency in million)	953	588	364	757
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	LIBOR + %4,50	LIBOR + %4,34	LIBOR + %4,34	LIBOR + %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. Explanations Related to Consolidated Credit Risk

Credit risk represents the risk arising due to the counter party's not fulfilling its responsibilities stated in the agreement either partially or totally. Credit Risk Management Committee and Credit Department is responsible for managing credit risk.

Loan strategies and policies are determined by the Policy Committees. These policies and strategies are constituted in line with the applications of the Parent, and credit risk is managed according to these policies and strategies. The quality of loan portfolio is monitored regularly with the help of metrics which are in line with the Bank's risk appetite, as specified in Risk Management Strategies.

Credit Risk Management takes place in every steps of the Parent Bank's credit process from the beginning. Loan applications are evaluated by non-profit oriented independent loan granting departments. Loan Limits are determined on a product basis and in the aggregate for every individual, corporate customer and risk group. Furthermore, concentration on product, industry, region, are monitored within the frame of loan limits in line with the regulation.

The credibility of the debtors is monitored periodically in accordance with the related regulation. The statements presenting the financial position of the borrowers are obtained in accordance with the related regulation.

Loan limits of the loan customers are revised periodically in line with the Group's loan limit revision procedures.

The Parent Bank analyses the credibility of the loans within the framework of its loan policies and obtains collaterals for loans.

The Parent Bank has control limits over the positions of forward transactions, options and other similar agreements. The credit risk arising from these instruments are managed together with the risks resulting from market fluctuations.

The Parent Bank monitors risks of forward transactions, options and other similar agreements and reduces the risk if necessary.

Indemnified non-cash loans are weighted in the same risk group with the past due but not impaired loans.

The restructured and rescheduled loans are monitored by the Parent Bank in line with the Parent Bank's credit risk management procedures. The debtor's financial position and commercial activities are continuously analyzed and the principal and interest payments of rescheduled loans are monitored by the related departments.

The restructured and rescheduled loans are evaluated in the Parent Bank's current internal rating system besides the follow up method determined in the related regulation.

The risk of banking operation abroad and credit transactions is acceptable and there is no significant credit risk density in international banking market.

Based on "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 considers Second Group loans whose principal or interest payments are not collected at the determined dates as overdue loans. Loans whose principal or interest payments are delayed for more than 90 days and loans of borrowers which the Parent Bank believes that the borrower lost his creditworthiness are considered as impaired loans.

The Parent Bank calculates general loan provision for overdue loans and specific loan provision for impaired loans based on "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside".

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The receivables of the Group from its top 100 cash loan customers are 14% in the total cash loans (December 31, 2014- 12%).

The receivables of the Group from its top 200 cash loan customers are 17% in the total cash loans (December 31, 2014-15%).

The receivables of the Group from its top 100 non-cash loan customers are 41% in the total non-cash loans (December 31, 2014- 43%).

The receivables of the Group from its top 200 non-cash loan customers are 50% in the total non-cash loans (December 31, 2014- 52%).

The share of cash and non-cash receivables of the Group from its top 100 loan customers in total cash and non-cash loans is 16% (December 31, 2014 14%).

The share of cash and non-cash receivables of the Group from its top 200 loan customers in total cash and non-cash loans is 19% (December 31, 2014 18%).

The general loan loss provision related with the credit risk taken by the Group is TL 1.190.403 (December 31, 2014- TL 942.661).

As of December 31, 2015 Provision for probable risks in the Group's loan portfolio amounted to TL 106.241 (December 31, 2014- TL 106.334).

Exposure Categories	Current Period Risk Amount(**)	Average Risk Amount	Prior Period Risk Amount(**)	Average Risk Amount(*)
Conditional and unconditional receivables from central governments and Central Banks	19.981.535	19.767.564	18.832.057	16.508.359
Conditional and unconditional receivables from regional or local governments	2.277	3.051	4.069	5.549
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	14.698	1.409	316	890
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	8.654.207	8.908.374	6.533.104	4.152.477
Conditional and unconditional receivables from corporates	20.856.150	19.895.837	18.021.495	17.665.279
Conditional and unconditional receivables from retail portfolios	24.901.437	23.921.571	22.740.090	20.756.673
Conditional and unconditional receivables secured by mortgages	17.557.366	16.517.226	15.064.488	13.464.104
Past due receivables	745.564	693.530	575.762	545.972
Receivables defined in high risk category by BRSA	7.067.389	6.852.677	6.041.178	6.126.531
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment Funds	492	15.882	26.414	29.133
Other receivables	4.256.868	4.085.909	3.780.002	3.810.316

(*)The average risk amount was calculated by taking the arithmetic average of the risk amount after the conversion for the December 2014, December 2015 periods.

(**)Includes total risk amounts before the effect of credit risk mitigation but after credit conversions.

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Credit rating system

The Parent Bank uses internal credit rating system effectively in order to track the quality of credit portfolio and determine the actions required, based on customer groups and types of loans. The parent Bank uses the behavioral rating systems in order to measure the probability of default of the current customers in a determined period of time and to perform limit management. These rating systems are monitored regularly in line with generally accepted applications and methods.

The table below indicates the ratings of the corporate / commercial and enterprise banking cash loans:

	Current Period (%)	Prior Period (%)
Debtor has a very strong financial structure	11	11
Debtor has a good financial structure	30	42
Debtor has a moderate financial structure	36	28
Debtor has a financial structure which needs attention in medium term	21	17
Not Rated	2	2
Total	100	100

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Profile of significant exposures in major regions

	Exposure Categories ^(*)																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Total
Current Period																	
1. Domestic	19.981.535	2.277	14.698	-	-	2.185.609	20.625.974	24.897.261	17.556.364	744.893	7.044.190	-	-	-	492	4.129.021	97.182.314
2. European Union Countries	-	-	-	-	-	6.114.804	155.903	510	771	-	23.060	-	-	-	-	-	6.295.048
3. OECD Countries (**)	-	-	-	-	-	55.863	-	177	-	-	-	-	-	-	-	-	56.040
4. Offshore Banking Areas	-	-	-	-	-	31.382	28.419	39	5	-	118	-	-	-	-	-	59.963
5. USA, Canada	-	-	-	-	-	243.121	16.273	168	-	-	9	-	-	-	-	-	259.571
6. Other Countries	-	-	-	-	-	23.428	29.581	3.282	226	671	12	-	-	-	-	-	57.200
7. Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	127.847	127.847
8. Unallocated Assets/Liabilities (***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	19.981.535	2.277	14.698	-	-	8.654.207	20.856.150	24.901.437	17.557.366	745.564	7.067.389	-	-	-	492	4.256.868	104.037.983

	Exposure Categories ^(*)																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Total
Prior Period																	
1. Domestic	18.832.056	4.070	317	-	-	2.014.035	17.799.688	22.736.521	15.061.819	575.762	6.040.902	-	-	-	26.414	3.590.150	86.681.734
2. European Union Countries	-	-	-	-	-	4.180.758	187.341	286	2.508	-	107	-	-	-	-	-	4.371.000
3. OECD Countries (**)	-	-	-	-	-	18.445	-	4	-	-	-	-	-	-	-	-	18.449
4. Offshore Banking Areas	-	-	-	-	-	28.138	4.578	11	2	-	155	-	-	-	-	-	32.884
5. USA, Canada	-	-	-	-	-	260.240	18.396	4	-	-	-	-	-	-	-	-	278.640
6. Other Countries	-	-	-	-	-	31.487	11.491	3.265	160	-	14	-	-	-	-	-	46.417
7. Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	189.851	189.851
8. Unallocated Assets/Liabilities (***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	18.832.056	4.070	317	-	-	6.533.103	18.021.494	22.740.091	15.064.489	575.762	6.041.178	-	-	-	26.414	3.780.001	91.618.975

(*) Exposure categories based on "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

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

(***) Includes assets and liability items that cannot be allocated on a consistent basis

- 1- Conditional and unconditional receivables from central governments and Central Banks
- 2- Conditional and unconditional receivables from regional or local governments
- 3- Conditional and unconditional receivables from administrative bodies and noncommercial enterprises
- 4- Conditional and unconditional receivables from multilateral development banks
- 5- Conditional and unconditional receivables from international organizations
- 6- Conditional and unconditional receivables from banks and brokerage houses
- 7- Conditional and unconditional receivables from corporates
- 8- Conditional and unconditional receivables from retail portfolios
- 9- Conditional and unconditional receivables secured by mortgages
- 10- Past due receivables
- 11- Receivables defined under high risk category by BRSA
- 12- Securities collateralized by mortgages
- 13- Securitization positions
- 14- Short-term receivables from banks, brokerage houses and corporates
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- 16- Other receivables

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Risk Profile regarding Sectors or Counter Parties :

Current Period	Exposure Categories ^(*)																TL	FC	Total	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16				
Agriculture	-	-	-	-	-	-	736.338	174.749	599.304	6.159	773	-	-	-	-	-	1.432.752	84.571	1.517.323	
Farming and Raising	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Livestock	-	-	-	-	-	-	705.868	167.153	586.470	5.471	772	-	-	-	-	-	1.413.487	52.247	1.465.734	
Forestry	-	-	-	-	-	-	759	1.100	1.614	234	-	-	-	-	-	-	3.707	0	3.707	
Fishing	-	-	-	-	-	-	29.711	6.496	11.220	454	1	-	-	-	-	-	15.558	32.324	47.882	
Industrial	-	2.230	-	-	-	-	7.523.482	2.090.145	2.438.935	72.287	10.248	-	-	-	-	-	5.320.574	6.816.753	12.137.327	
Maning and Quarrying	-	-	-	-	-	-	174.635	45.128	65.297	1.188	732	-	-	-	-	-	146.742	140.238	286.980	
Production	-	-	-	-	-	-	5.577.767	2.034.513	2.184.653	70.343	9.516	-	-	-	-	-	5.001.337	4.875.455	9.876.792	
Electricity, Gas, Water	-	2.230	-	-	-	-	1.771.080	10.504	188.985	756	-	-	-	-	-	-	172.495	1.801.060	1.973.555	
Construction	-	-	-	-	-	-	2.497.737	915.151	2.399.426	46.578	10.216	-	-	-	-	-	3.911.842	1.957.266	5.869.108	
Services	11.397.360	28	14.666	-	-	8.057.634	8.273.613	4.970.699	6.571.071	181.805	8.210	-	-	-	-	-	21.174.750	18.300.336	39.475.086	
Wholesale and Retail Trade	-	-	-	-	-	-	4.755.636	4.056.882	3.296.089	155.688	7.085	-	-	-	-	-	9.715.614	2.555.766	12.271.380	
Hotel, Food and Beverage	-	-	-	-	-	-	398.477	54.398	680.174	873	2	-	-	-	-	-	287.077	846.847	1.133.924	
Transportation and Communication	-	-	-	-	-	-	1.290.781	389.005	305.576	14.164	693	-	-	-	-	-	999.314	1.000.905	2.000.219	
Financial Institutions	11.397.360	22	-	-	-	8.057.634	120.658	31.515	26.834	722	2	-	-	-	-	-	8.466.898	11.167.849	19.634.747	
Real Estate and Rent Services	-	-	-	-	-	-	724.224	72.825	1.533.201	2.105	29	-	-	-	-	-	245.697	2.086.687	2.332.384	
Self-Employment Services	-	-	7	-	-	-	209.113	172.650	255.256	5.091	130	-	-	-	-	-	488.432	153.815	642.247	
Educational Services	-	-	14.656	-	-	-	90.806	48.371	131.034	627	3	-	-	-	-	-	255.793	29.704	285.497	
Health and Social Services	-	6	3	-	-	-	683.918	145.053	342.907	2.535	266	-	-	-	-	-	715.925	458.763	1.174.688	
Other	8.584.175	19	32	-	-	596.573	1.824.980	16.750.693	5.548.630	438.735	7.037.942	-	-	-	492	4.256.868	41.532.491	3.506.648	45.039.139	
Total	19.981.535	2.277	14.698	-	-	8.654.207	20.856.150	24.901.437	17.557.366	745.564	7.067.389	-	-	-	492	4.256.868	73.372.409	30.665.574	104.037.983	

(*)Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

- 1- Conditional and unconditional receivables from central governments and Central Banks
- 2- Conditional and unconditional receivables from regional or local governments
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Prior Period	Exposure Categories ^(*)																TL	FC	Total	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16				
Agriculture	-	-	-	-	-	-	570.204	129.182	412.726	6.765	30	-	-	-	-	-	1.054.213	64.694	1.118.907	
Farming and Raising	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Livestock	-	-	-	-	-	-	559.202	116.520	400.103	6.567	29	-	-	-	-	-	1.031.091	51.330	1.082.421	
Forestry	-	-	-	-	-	-	398	3.150	3.039	69	-	-	-	-	-	-	6.656	-	6.656	
Fishing	-	-	-	-	-	-	10.604	9.512	9.584	129	1	-	-	-	-	-	16.466	13.364	29.830	
Industrial	-	4.025	-	-	-	-	5.451.314	1.966.997	1.609.454	43.129	244	-	-	-	-	-	4.312.363	4.762.800	9.075.163	
Maning and Quarrying	-	-	-	-	-	-	99.693	31.083	46.323	971	1	-	-	-	-	-	103.572	74.499	178.071	
Production	-	-	-	-	-	-	4.238.985	1.924.480	1.543.738	42.129	243	-	-	-	-	-	4.011.276	3.738.299	7.749.575	
Electricity, Gas, Water	-	4.025	-	-	-	-	1.112.636	11.434	19.393	29	-	-	-	-	-	-	197.515	950.002	1.147.517	
Construction	-	-	-	-	-	-	1.780.099	820.127	1.715.896	22.731	37	-	-	-	-	-	3.012.947	1.325.943	4.338.890	
Services	10.157.483	27	286	-	-	6.089.088	6.749.616	4.724.976	4.997.238	133.289	803	-	-	-	-	-	23.928.338	8.924.468	32.852.806	
Wholesale and Retail Trade	-	-	-	-	-	-	3.999.573	3.865.466	2.493.479	115.780	681	-	-	-	-	-	8.254.348	2.220.631	10.474.979	
Hotel, Food and Beverage	-	-	-	-	-	-	362.750	61.390	639.106	1.495	4	-	-	-	-	-	243.130	821.615	1.064.745	
Transportation and Communication	-	-	-	-	-	-	903.513	400.155	213.830	8.145	58	-	-	-	-	-	885.858	639.843	1.525.701	
Financial Institutions	10.157.483	22	-	-	-	6.089.088	439.665	27.535	19.196	451	4	-	-	-	-	-	13.359.929	3.373.515	16.733.444	
Real Estate and Rent Services	-	-	-	-	-	-	496.927	61.919	1.233.083	2.942	10	-	-	-	-	-	191.435	1.603.446	1.794.881	
Self-Employment Services	-	-	7	-	-	-	214.312	152.627	169.379	2.138	19	-	-	-	-	-	365.996	172.486	538.482	
Educational Services	-	-	276	-	-	-	45.728	36.733	66.254	477	12	-	-	-	-	-	149.475	5	149.480	
Health and Social Services	-	5	3	-	-	-	287.148	119.151	162.911	1.861	15	-	-	-	-	-	478.167	92.927	571.094	
Other	8.674.573	18	31	-	-	444.015	3.470.261	15.098.809	6.329.175	369.848	6.040.064	-	-	-	-	26.414	3.780.001	40.593.085	3.640.124	44.233.209
Total	18.832.056	4.070	317	-	-	6.533.103	18.021.494	22.740.091	15.064.489	575.762	6.041.178	-	-	-	-	26.414	3.780.001	72.900.946	18.718.029	91.618.975

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

- 1- Conditional and unconditional receivables from central governments and Central Banks
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Analysis of maturity-bearing exposures according to remaining maturities ^(*):

Current Period Exposure Categories	Term To Maturity				
	Up to 1 month	1-3 month	3-6 months	6-12 months	Over 1 year
Conditional and unconditional receivables from central governments and Central Banks	2.371.669	13.060	7.102	31.632	8.525.431
Conditional and unconditional receivables from regional or local governments	-	296	-	-	1.934
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	1	-	2	14.506	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	1.758.776	1.164.679	185.256	233.914	1.197.287
Conditional and unconditional receivables from corporates	1.728.695	1.897.888	2.620.165	3.590.231	8.709.487
Conditional and unconditional receivables from retail portfolios	1.320.738	1.207.997	3.553.607	2.354.386	3.396.920
Conditional and unconditional receivables secured by mortgages	205.322	471.291	1.106.754	1.593.786	13.843.547
Past due receivables	-	-	-	-	-
Receivables defined under high risk category by BRSA	215	-	-	295.981	6.584.990
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Other receivables	84.693	-	-	-	109
General Total	7.470.109	4.755.211	7.472.886	8.114.436	42.259.705

^(*)Risk amounts prior to Loan Reduction, After the Loan conversion rates are given.

Prior Period Risk Classification	Term To Maturity				
	Up to 1 month	1-3 month	3-6 months	6-12 months	Over 1 year
Conditional and unconditional receivables from central governments and Central Banks	2.333.512	211.601	591.042	122.460	7.749.110
Conditional and unconditional receivables from regional or local governments	-	-	537	-	3.510
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	172	-	5	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	1.834.065	1.074.212	288.150	120.002	671.919
Conditional and unconditional receivables from corporates	2.077.192	1.752.803	2.256.118	3.062.911	7.605.678
Conditional and unconditional receivables from retail portfolios	2.013.425	1.212.584	3.375.816	2.102.200	2.517.245
Conditional and unconditional receivables secured by mortgages	160.754	347.576	855.910	1.127.452	12.362.864
Past due receivables	-	-	-	-	-
Receivables defined under high risk category by BRSA	-	-	-	354.542	5.653.834
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Other receivables	-	-	-	-	131
General Total	8.419.120	4.598.776	7.367.578	6.889.567	36.564.291

^(*)Risk amounts prior to Loan Reduction, After the Loan conversion rates are given.

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Information Regarding Risk Classifications

In accordance with the Legislation of the Calculation and Valuation of Banks' Capital Adequacy, rating notes that are open to public by Fitch Ratings International Rating Corporation are used for receivables from regional or local governments and receivables from multilateral development banks. Other receivables or receivables or assets that have no public rating note are subject to risk weight in accordance with the legislations Appendix-1 ordinance.

The correlation between the rating notes that are provided by Fitch Ratings International Rating Corporation and loan quality levels that can be found in the Appendix-1 of the Legislation is shown in the table below.

Credit Quality Grade	Fitch Risk Rating	Exposure Categories				
		Exposures to Central Governments or Central Banks	Exposures to Administrative Bodies and Non-Commercial Undertakings	and Brokerage Houses		Exposures to Corporates
				Exposures with Remaining Maturities Less Than 3 Months	Exposures with Remaining Maturities More Than 3 Months	
1	AAA	%0	%20	%20	%20	%20
	AA+					
	AA					
	AA-					
2	A+	%20	%50	%20	%50	%50
	A					
	A-					
3	BBB+	%50	%100	%20	%50	%100
	BBB					
	BBB-					
4	BB+	%100	%100	%50	%100	%100
	BB					
	BB-					
5	B+	%100	%100	%50	%100	%150
	B					
	B-					
6	CCC+	%150	%150	%150	%150	%150
	CCC					
	CCC-					
	CC					
	C					
D						

Exposures by risk weights:

Current Period

Risk Weight	%0	%10	%20	%50	%75	%100	150%	%200	%250	Deductions from Equity
1. Exposures Before Credit Risk Mitigation	18.739.685	-	3.031.147	7.810.847	32.745.049	34.643.866	2.888.311	3.949.310	229.768	67.433
2. Exposures After Credit Risk Mitigation	16.436.019	-	1.026.567	22.381.538	22.555.467	26.110.073	2.855.896	3.909.720	229.768	67.433

Prior Period

Risk Weight	%0	%10	%20	%50	%75	%100	150%	%200	%250	Deductions from Equity
1. Exposures Before Credit Risk Mitigation	17.973.332	-	2.035.559	6.170.322	30.574.817	28.823.767	1.727.349	4.043.174	270.655	63.941
2. Exposures After Credit Risk Mitigation	15.690.064	-	1.118.848	18.899.046	20.658.226	22.857.676	1.698.669	3.997.431	270.655	63.941

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Information by major sectors and type of counterparties:

Information about impaired credits and past due credits and value adjustments and provisioning methods are described in Part IV Footnote 2.

Current Period	Credit Risks ^(*)			
	Impaired Loans(**)	Past Due Loans	Value Adjustments	Provisions(**)
Important Sectors /Other Parties				
1. Agriculture	26.273	34.324	2.502	20.967
1.1. Farming and Raising Livestock	24.967	33.515	2.425	19.707
1.2. Forestry	600	81	9	554
1.3. Fishing	706	728	68	706
2. Industrial	233.757	139.052	18.172	215.150
2.1. Mining and Quarrying	10.238	1.569	122	7.927
2.2. Production	222.946	137.288	18.032	206.714
2.3. Electricity, Gas, Water	573	195	18	509
3. Construction	162.620	60.915	4.426	133.774
4. Services	519.344	423.921	34.592	513.707
4.1. Wholesale and Retail Trade	347.084	272.293	23.894	345.704
4.2. Hotel, Food and Beverage Services	82.329	63.201	4.416	82.046
4.3. Transportation and Communication	35.051	45.456	3.038	32.478
4.4. Financial Institutions	9.748	7.879	514	9.748
4.5. Real Estate and Renting Services	3.771	2.239	187	3.763
4.6. Self-Employment Services	6.903	11.033	1.041	6.902
4.7. Educational Services	1.486	6.938	438	1.482
4.8. Health and Social Services	32.972	14.882	1.064	31.584
5. Other	3.039.200	1.142.612	86.144	2.278.582
6. Total	3.981.194	1.800.824	145.836	3.162.180

(*) Represents the distribution of cash loans.

(**) Includes financial leasing and factoring balances.

Prior Period	Credit Risks ^(*)			
	Impaired Loans(**)	Past Due Loans	Value Adjustments	Provisions(**)
Important Sectors/Other Parties				
1. Agriculture	40.172	12.879	852	29.417
1.1. Farming and Raising Livestock	37.850	12.632	794	27.918
1.2. Forestry	1.522	18	1	850
1.3. Fishing	800	229	57	649
2. Industrial	251.686	96.111	9.330	196.980
2.1. Mining and Quarrying	12.532	2.222	126	9.013
2.2. Production	238.417	93.730	9.192	187.371
2.3. Electricity, Gas, Water	737	159	12	596
3. Construction	161.621	55.545	6.232	110.282
4. Services	645.433	259.272	23.721	475.747
4.1. Wholesale and Retail Trade	431.842	172.726	16.752	299.825
4.2. Hotel, Food and Beverage Services	103.208	31.620	2.588	88.376
4.3. Transportation and Communication	45.604	26.727	2.047	33.262
4.4. Financial Institutions	11.189	4.179	354	9.407
4.5. Real Estate and Renting Services	5.042	1.986	189	2.942
4.6. Self-Employment Services	8.940	8.663	806	6.425
4.7. Educational Services	2.413	2.879	267	1.824
4.8. Health and Social Services	37.195	10.492	718	33.686
5. Other	1.801.999	1.188.886	86.468	1.465.973
6. Total	2.900.911	1.612.693	126.603	2.278.399

(*) Represents the distribution of cash loans.

(**) Includes financial leasing and factoring balances.

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Movements in value adjustments and provisions

Current Period	Opening Balance	Provisions for Period	Provision Reversals	Other Adjustments ^(e)	Closing Balance
1. Specific Provisions	2.168.614	1.300.063	(404.778)	(2.120)	3.061.779
2. General Provisions	942.661	247.742	-	-	1.190.403

^(e)Represents the provision of loans written-off.

Prior Period	Opening Balance	Provisions for Period	Provision Reversals	Other Adjustments ^(e)	Closing Balance
1. Specific Provisions	2.457.128	1.417.351	(543.715)	(1.162.150)	2.168.614
2. General Provisions	816.291	126.370	-	-	942.661

^(e)Represents the provision of loans written-off.

III. 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	38.793	25.698
(II) Capital Requirement against Specific Risks – Standard Method	11.208	7.499
Capital Requirement against Specific Risks of Securitization Positions– Standard Method	-	-
(III) Capital Requirement against Currency Risk – Standard Method	10.733	44.929
(IV) Capital Requirement against Commodity Risks - Standard Method	392	320
(V) Capital Requirement against Settlement Risks - Standard Method	-	-
(VI) Capital Requirement against Market Risks of Options - Standard Method	2.438	2.692
(VII) Capital Requirement against Counterparty Credit Risk - Standard Method	24.706	17.345
(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)	88.270	98.483
(X) Value-At-Market Risk (12,5 x VIII) or (12,5 x IX)	1.103.375	1.231.038

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1. Average market risk table regarding the market risk calculation at the end of every month

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	46.384	52.367	40.177	36.832	55.724	31.372
Common Share Risk	2.011	4.182	520	2.937	6.372	962
Currency Risk	28.004	99.175	10.733	29.148	45.445	7.171
Commodity Risk	321	486	199	506	1.375	46
Settlement Risk	-	-	-	-	-	-
Option Risk	3.272	4.758	2.161	1.627	2.975	426
Counterparty Credit Risk	29.166	41.706	17.462	23.202	30.658	17.345
Total Value at Risk^(*)	109.158	202.674	71.252	94.252	142.549	57.322

(*) Total VaR is the sum of risk values, therefore total VaR values are not the maximum or minimum values of the relevant period. The maximum and minimum values of VaR for 2015 are 162.589 and 88.270 respectively. The maximum and minimum values of VaR for 2014 were 108.859 and 71.685.

3. Quantitative information on counterparty risk.^(*)

	Current Period	Prior Period
	Amount	Amount
Interest Rate Contracts	9.631.713	8.381.763
Foreign-Exchange-Rate Contracts	139.952.477	121.196.364
Commodity Contracts	1.726.289	1.604.506
Equity-Shares Related Contracts	695	895
Other	712.362	417.402
Gross Positive Fair Values	2.034.189	1.305.369
Netting Benefits	1.379.162	782.379
Net Current Exposure Amount	655.027	522.990
Collaterals Received	197.050	177.661
Net Derivative Position	457.977	345.329

(*)Includes only the counterparty risks arising from trading book and derivative instruments.

For derivative transactions, repurchase agreements' security and commodity lending, counterparty credit risk is calculated using the fair value methodology described in the Appendix-2, Section 3 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks". According to this methodology, counterparty credit risk is calculated by adding potential credit risk amounts calculated by multiplying the contract amounts with the credit conversion factors set in the appendix of the regulation, to replacement costs calculated using the fair value amounts of contracts.

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IV. 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' (2014, 2013 and 2012) 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 December 31, 2015, the value at operational risk is amounting to TL 7.503.113 (December 31, 2014 - TL 6.653.675).

Current Period		1 PP	CP	Total / No. of		
Basic Indicator Method	2 PP Amount	Amount	Amount	Positive Gross	Rate (%)	Total
Gross Income	3.686.775	3.995.793	4.322.420	4.001.663	15	600.249
Value at operational risk (Total*12,5)						7.503.113

Prior Period		1 PP	CP	Total / No. of		
Basic Indicator Method	2 PP Amount	Amount	Amount	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

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.

V. 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 December 31, 2015, the net foreign currency exposure of the Group is TL 247.810 short position (December 31, 2014 – TL – 1.218.736 short) resulting from on balance sheet short position amounting to TL 12.749.198 (December 31, 2014 – TL 8.707.677 short) and long off balance sheet position amounting to TL 12.501.388 (December 31, 2014 – TL 7.488.931 long). The long off balance sheet position amounting to TL 14.015.063 (December 31, 2014 – TL 7.991.220) 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 has 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	2,9076 TL
Euro purchase rate in the balance sheet date	3,1776 TL

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
December 31, 2015	2,9076	3,1776
December 30, 2015	2,9084	3,1921
December 29, 2015	2,9157	3,2006
December 28, 2015	2,9123	3,1904
December 25, 2015	2,9187	3,1968
December 24, 2015	2,9262	3,1969

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 December 2015 are TL 2,9172 and TL 3,1697; 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⁾	1.728.806	4.476.372	1.703.774	7.908.952
Due From Banks	47.263	252.162	8.369	307.794
Financial Assets at Fair Value through Profit/Loss ⁽²⁾	126.175	118.571	23	244.769
Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	325.313	1.587.201	-	1.912.514
Loans and Receivables ⁽³⁾	5.881.163	7.443.173	21.121	13.345.457
Investments in Assoc., Subsidiaries and Entities under Common Control	-	-	-	-
Investment Securities Held-to-Maturity	14.045	849.905	-	863.950
Derivative Financial Assets Hedging Purposes	11	18.058	-	18.069
Tangible Assets	-	-	8	8
Intangible Assets	-	-	-	-
Other Assets ⁽⁴⁾	809.710	516.148	2.977	1.328.835
Total Assets	8.932.486	15.261.590	1.736.272	25.930.348
Liabilities				
Bank Deposits	394.370	816.355	44.835	1.255.560
Foreign Currency Deposits ⁽⁵⁾	5.763.813	11.852.563	651.756	18.268.132
Money Market Borrowings	181.648	1.676.272	-	1.857.920
Funds Provided from Other Financial Institutions ⁽⁶⁾	2.772.454	5.024.324	429.468	8.226.246
Securities Issued	191.517	4.794.319	-	4.985.836
Sundry Creditors	2.328.291	1.131.181	2.935	3.462.407
Derivative Fin. Liabilities Hedging Purposes	53.248	169.967	-	223.215
Other Liabilities ⁽⁷⁾	155.620	244.538	72	400.230
Total Liabilities	11.840.961	25.709.519	1.129.066	38.679.546
Net Balance Sheet Position	(2.908.475)	(10.447.929)	607.206	(12.749.198)
Net Off-Balance Sheet Position	2.658.823	10.445.654	(603.089)	12.501.388
Financial Derivative Assets	7.811.037	45.187.218	354.262	53.352.517
Financial Derivative Liabilities	5.152.214	34.741.564	957.351	40.851.129
Non-Cash Loans ⁽⁸⁾	1.304.766	2.171.515	990.103	4.466.384
Prior Period				
Total Assets	6.068.313	13.134.884	1.823.669	21.026.866
Total Liabilities	8.217.324	20.390.956	1.126.253	29.734.533
Net Balance Sheet Position	(2.149.011)	(7.256.072)	697.416	(8.707.667)
Net Off-Balance Sheet Position	1.456.668	6.663.293	(631.030)	7.488.931
Financial Derivative Assets	3.790.582	36.916.265	1.162.692	41.869.539
Financial Derivative Liabilities	2.333.914	30.252.972	1.793.722	34.380.608
Non-Cash Loans ⁽⁸⁾	1.093.104	2.718.582	133.991	3.945.677

(1) Cash and Balances with TR Central; Other FC include TL 1.693.895 (December 31, 2014 – 1.747.613 TL) precious metal deposit account.

(2) Does not include TL 9.501 (December 31, 2014 – 18.466 TL) of currency income accruals arising from derivative transactions.

(3) Includes TL 3.435.405 TL (December 31, 2013 – TL 2.876.246 TL) FC indexed loans.

(4) Does not include FC prepaid expenses amounting to TL 4.114 (December 31, 2014 – TL 4.474) as per BRSA's Communique published in Official Gazette no 26085 on February 19, 2006. Does not include repealed financial leasing receivables amounting to TL 1.300 (December 31, 2014 – TL 1.187) accounted as FC in balance sheet. Includes FC indexed factoring receivables amounting to TL 64.576 (December 31, 2014 – TL 66.113) accounted as TL in balance sheet.

(5) Other foreign currency includes TL 430.694 (December 31, 2014 – TL 634.454) of precious metal deposit account.

(6) Does not include currency expense accruals of derivative financial instruments kept in FC accounts amounting to TL 38.874 (December 31, 2014 – TL 15.220)

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

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6. Sensitivity to Foreign Exchange Risk

The Bank is subject to exchange rate risk mainly from Euro and USD. The table below shows the Bank's sensitivity to a 10% change in Euro and USD currencies. It is assumed that all other variables are constant.

	% change in the Foreign currency	Effect on Gain/Loss (After Tax)	Net Effect on Shareholders Equity (*)	Effect on Gain/Loss (After Tax)	Net Effect on Shareholders Equity (*)
		Current Period	Current Period	Prior Period	Prior Period
USD	% 10 gain	3.823	(10.191)	(55.104)	(59.680)
	% 10 loss	(3.823)	10.191	55.104	59.680)
EURO	% 10 gain	(10.716)	(10.966)	(42.638)	(42.592)
	% 10 loss	10.716	10.966	42.638	42.592

^(*)Effect on Shareholders Equity include the effect of the change of exchange rates on the income statement.

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VI. 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 nine 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	5.726.666	-	-	-	-	4.270.379	9.997.045
Due from Banks	99.989	5.000	-	-	-	213.150	318.139
Financial Assets at Fair Value Through Profit/Loss ^(**)	183	47.272	12.419	14.758	42.785	5.490.280	5.607.697
Money Market Placements	87.711	-	-	-	-	-	87.711
Inv. Securities Available for Sale	1.392.541	310.046	1.427.730	334.391	1.832.927	(1.985)	5.295.650
Loans and Receivables	12.483.011	7.853.000	19.402.776	14.351.621	1.154.277	1.817.510	57.062.195
Inv. Securities Held to Maturity	166.413	1.026.712	1.468.368	951.410	176.449	84.562	3.873.914
Other Assets	409.570	275.030	626.273	1.062.551	61.842	3.371.449	5.806.715
Total Assets	20.366.084	9.517.060	22.937.566	16.714.731	3.268.280	15.245.345	88.049.066
Liabilities							
Bank Deposits	1.247.544	268.133	12.689	-	-	28.404	1.556.770
Other Deposits	27.163.445	10.109.320	1.694.629	38.035	-	7.749.078	46.754.507
Money Market Borrowings	3.655.981	796.433	349.686	-	-	7.161	4.809.261
Sundry Creditors	3.417.799	-	-	-	-	2.105.631	5.523.430
Securities Issued	327.199	1.499.770	1.498.843	2.450.170	-	51.005	5.826.987
Funds Borrowed	1.122.245	915.524	6.358.514	297.504	-	34.389	8.728.176
Other Liabilities ^(***)	-	-	-	-	-	-	-
Total Liabilities	36.934.338	13.589.211	9.914.500	2.785.709	-	24.825.308	88.049.066
On Balance Sheet Long Position	-	-	13.023.066	13.929.022	3.268.280	-	30.220.368
On Balance Sheet Short Position	(16.568.254)	(4.072.151)	-	-	-	(9.579.963)	(30.220.368)
Off-Balance Sheet Long Position	5.075.073	8.149.847	1.652.123	-	-	-	14.877.043
Off-Balance Sheet Short Position	-	-	-	(9.587.001)	(1.796.952)	-	(11.383.953)
Total Position	(11.493.181)	4.077.696	14.675.189	4.342.021	1.471.328	(9.579.963)	3.493.090

^(*) Non Interest Bearing column includes accruals, provision for losses and derivative financial instruments' fair value valuation difference.

^(**) Financial Assets at Fair Value Through Profit/Loss include TL 3.239.009 derivative financial assets used for hedging purposes.

^(***) Other Liabilities include derivative financial liabilities used for hedging purposes amounting to TL 283.444

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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	912.654	-	-	-	-	7.751.266	8.663.920
Due from Banks	57.989	6.000	10.000	-	-	226.445	300.434
Financial Assets at Fair Value Through Profit/Loss ^(**)	7.630	6.560	35.955	12.576	82.786	3.242.258	3.387.765
Money Market Placements	244.425	-	-	-	-	-	244.425
Inv. Securities Available for Sale	1.347.973	677.591	1.454.350	195.492	1.508.473	249.634	5.433.513
Loans and Receivables	11.696.734	5.063.645	14.834.952	13.324.249	4.661.639	1.502.061	50.083.280
Inv. Securities Held to Maturity	158.930	811.585	1.759.766	684.905	256.315	55.722	3.727.223
Other Assets	388.039	202.054	464.215	830.031	26.133	3.084.093	4.994.565
Total Assets	13.814.374	6.767.435	18.559.238	15.047.253	6.535.346	16.111.479	76.835.125
Liabilities							
Bank Deposits	1.103.611	258.593	40.184	-	-	20.614	1.423.002
Other Deposits	24.402.663	7.764.205	2.199.172	102.961	-	6.003.731	40.472.732
Money Market Borrowings	3.481.177	730.965	-	-	-	3.610	4.215.752
Sundry Creditors	2.133.518	-	-	-	-	1.692.140	3.825.658
Securities Issued	241.279	1.588.783	1.090.068	2.848.641	-	56.727	5.825.498
Funds Borrowed	576.218	1.018.251	6.069.164	271.075	3.567	36.521	7.974.796
Other Liabilities ^(***)	87	154	3.345	1.551	-	13.092.550	13.097.687
Total Liabilities	31.938.553	11.360.951	9.401.933	3.224.228	3.567	20.905.893	76.835.125
On Balance Sheet Long Position	-	-	9.157.305	11.823.025	6.531.779	-	27.512.109
On Balance Sheet Short Position	(18.124.179)	(4.593.516)	-	-	-	(4.794.414)	(27.512.109)
Off-Balance Sheet Long Position	4.644.902	6.246.235	-	-	-	-	10.891.137
Off-Balance Sheet Short Position	-	-	(390.290)	(8.283.929)	(1.858.489)	-	(10.532.708)
Total Position	(13.479.277)	1.652.719	8.767.015	3.539.096	4.673.290	(4.794.414)	358.429

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

(**) Financial Assets at Fair Value Through Profit/Loss include TL 1.988.746 derivative financial assets used for hedging purposes.

(***) Other Liabilities include derivative financial liabilities used for hedging purposes amounting to TL 352.080.

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	-	0,49	-	3,81
Due from Banks	0,10	0,56	-	11,61
Financial Assets at Fair Value Through Profit/Loss	1,94	4,57	-	9,14
Money Market Placements	-	-	-	-
Investment Securities Available for Sale	3,68	4,96	-	9,93
Loans and Receivables	4,23	4,57	3,65	14,42
Investment Securities Held for Trading	2,96	5,22	-	10,01
Liabilities				
Bank Deposits	0,87	0,97	-	11,33
Other Deposits	1,62	2,13	0,25	11,78
Money Market Borrowings	0,45	0,92	-	8,03
Sundry Creditors	1,82	1,76	-	6,12
Securities Issued	-	5,89	-	11,90
Funds Borrowed	1,88	3,28	-	9,83

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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	-	-	-	1,51
Due from Banks	0,10	1,48	-	10,66
Financial Assets at Fair Value Through Profit/Loss	3,50	4,65	-	7,33
Money Market Placements	-	-	-	11,04
Investment Securities Available for Sale	3,79	5,40	-	9,78
Loans and Receivables	4,88	4,47	4,37	13,65
Investment Securities Held to Maturity	2,96	5,27	-	11,38
Liabilities				
Bank Deposits	0,51	0,90	-	10,60
Other Deposits	2,00	2,30	0,25	9,89
Money Market Borrowings	0,67	0,66	-	9,53
Sundry Creditors	2,00	1,97	-	5,67
Securities Issued	-	5,40	-	8,79
Funds Borrowed	3,40	3,68	-	10,10

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 repayment rates of loans are 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	(875.946)	% (7,83)
	(-) 400	835.275	% 7,46
2. EURO	(+) 200	(24.554)	% (0,22)
	(-) 200	39.267	% 0,35
3. USD	(+) 200	(130.769)	% (1,17)
	(-) 200	139.809	% 1,25
Total (of negative shocks)		1.014.351	% 9,06
Total (of positive shocks)		(1.031.269)	% (9,22)

VII. Position Risk of Equity Securities in Banking Book

Equity Securities (shares)	Comparison		
	Carrying Value	Fair Value	Market Value
1. Equity Investments Group A	13.820	-	13.820
Quoted Securities	13.820	-	13.820
2. Equity Investments Group B	6	-	6
Quoted Securities	6	-	6
3. Equity Investments Group C	-	-	-
Quoted Securities	-	-	-
4. Equity Investments Group Other^(*)	127.847^(*)	92.433^(**)	-

^(*) 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	Revaluation Surpluses			Unrealized Gains and Losses		
	Gains/Losses in Current Period	Amount under Core Capital		Amount under Core Capital		Amount under Supplementary Capital
		Total	Total	Total	Total	
1. Private Equity Investments	-	-	-	-	-	-
2. Quoted Shares	(846)	-	-	(268)	-	(121)
3. Other Shares	-	-	-	-	-	-
4. Total	(846)	-	-	(268)	-	(121)

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VIII. Explanations Related to Consolidated Liquidity Risk Management and Consolidated Liquidity Coverage Ratio

Liquidity Risk of Finansbank is monitored and managed in accordance with Liquidity Risk Management Policy. According to this policy, Board of Directors is responsible to review and approve risk profile and appetite of Finansbank periodically. Senior Management takes necessary measures to monitor aforementioned risk and controls liquidity risk in line with accepted strategies and policies.

Treasury Department is responsible to carry out liquidity strategy determined and approved by Board of Directors. Risk Management Department is responsible to define, measure, monitor and control liquidity risk besides developing internal and external methods and procedures which are in line with context and structure of applicable activities in Finansbank in order to monitor related limits. Senior management of Finansbank is informed periodically regarding current liquidity risk amount exposed in order to ensure being under the approved limits of Bank's liquidity risk profile. Assets and Liabilities Committee (ALC) meetings, which ensure the necessary monitoring for liquidity risk, are held monthly. Risk Committee reviews the liquidity risk of the Bank monthly in addition to aforementioned meetings and informs Board of Directors. The Bank reviews its liquidity position daily. Internal and legal reports related to liquidity positions are examined in ALC meetings monthly with the participation of senior management. Several decisions are taken related to management of short and long term liquidity in this scope. Internal metrics such as reserve liquidity and deposit concentration are monitored daily besides liquidity coverage rate related to measurement of liquidity coverage. Internal limit and warning level are periodically monitored and reported to related parties by the Board of Directors.

Finansbank has no liquidity management center and each entity, which is under control of the Bank, performs its liquidity management separately from the Bank by an authority responsible for liquidity management. Fund amounts, which shall be used by associates from the Bank, are determined in the framework of limits.

It is essential for the Bank to monitor its liquidity position and funding strategy consistently. Funding management of the Bank is carried out in line with limits and internal warning systems within the framework of ALC decisions. Funding and placement strategies are developed through evaluating the liquidity of the Bank.

A large part of the Bank's liabilities consist of TL, USD and EUR. Gap reports issued based on the aforementioned three currencies are presented in ALC meetings. Maturity mismatches based on currencies are managed through FX swap and FX forward.

The Bank diversifies its funding sources as customer deposits, foreign loans and bond issuance in order to reduce its liquidity risk. Measures are taken through making investments to assets having higher capacity to generate cash against liquidity crisis. The Bank watches over reducing customer deposit concentration and controls concentration level daily in line with warning level approved by the Board of Directors.

Liquidity life cycle approach is determined as the liquidity risk stress test methodology. This approach is a stress test to measure the period in which Finansbank can meet its cumulative cash outflows without providing a fund from the market. Liquidity life cycle is calculated according to various scenarios and simulated in line with possible scenarios in crisis situation and the results are reported to Risk Committee and Board of Directors.

Emergency Funding Plan (EMP) of the Bank regulates funding activities to be used in liquidity crisis periods specific to the Bank or in liquidity crisis at financial markets. EMP defines components triggering the crisis and early warning indicators which help to evaluate and manage the liquidity crisis and determine primary funding structure. EMP also defines actions of the Bank against cash and guarantee need. In addition to aforementioned issues, EMP determines duties and responsibilities in performing actions in a liquidity crisis included in risk management and emergency funding plan.

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Liquidity Coverage Ratio

CURRENT PERIOD December 31, 2015	Unweighted Amounts(*)		Weighted Amounts(*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS			12.547.720	7.199.398
1. High Quality Liquid Assets	14.258.534	8.910.988	12.547.720	7.199.398
CASH OUTFLOWS				
2. Retail and Small Business Customers Deposits	32.837.720	12.568.703	2.798.784	1.133.632
3. Stable deposits	9.699.766	2.464.775	484.988	123.239
4. Less stable deposits	23.137.954	10.103.928	2.313.796	1.010.393
5. Unsecured Funding other than Retail and Small Business Customers Deposits	13.101.886	6.918.593	6.709.101	3.381.606
6. Operational deposits	649.371	20.912	162.343	5.228
7. Non-Operational Deposits	12.452.515	6.897.681	6.546.758	3.376.378
8. Other Unsecured Funding	4.745.862	2.509.482	4.424.462	2.509.482
9. Secured funding			238.705	238.705
10. Other Cash Outflows	15.159.150	9.596.366	15.159.150	9.596.366
11. Liquidity needs related to derivatives and market valuation changes on derivatives transactions	15.159.150	9.596.366	15.159.150	9.596.366
12. Debts related to the structured financial products	-	-	-	-
13. Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
14. Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	569.850	141.021	28.493	7.051
15. Other irrevocable or conditionally revocable commitments	43.730.869	4.509.859	2.947.252	399.370
16. TOTAL CASH OUTFLOWS			32.305.947	17.266.212
CASH INFLOWS				
17. Secured Lending Transactions	583.691	-	-	-
18. Unsecured Lending Transactions	5.122.022	774.397	2.871.544	617.004
19. Other contractual cash inflows	13.701.483	9.160.297	13.701.484	9.160.297
20. TOTAL CASH INFLOWS	19.407.196	9.934.694	16.573.028	9.777.301
			Capped Amounts	
21. TOTAL HIGH QUALITY LIQUID ASSETS			12.547.720	7.199.398
22. TOTAL NET CASH OUTFLOWS			15.732.919	7.488.911
23. Liquidity Coverage Ratio (%)			79,75%	96,13%

(*) In current period unconsolidated Liquidity Coverage Ratio table, the arithmetic average of the last three months weekly unconsolidated Liquidity Coverage Ratio's are used.

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PRIOR PERIOD December 31, 2014	Unweighted Amounts(*)		Weighted Amounts(*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS			12.127.666	6.581.521
1. High Quality Liquid Assets	13.040.461	7.501.090	12.127.666	6.581.521
CASH OUTFLOWS				
2. Retail and Small Business Customers Deposits	26.436.063	7.684.725	2.185.112	673.115
3. Stable deposits	9.169.890	1.907.146	458.495	95.357
4. Less stable deposits	17.266.173	5.777.579	1.726.617	577.758
5. Unsecured Funding other than Retail and Small Business Customers Deposits	12.763.735	5.838.794	6.417.495	3.028.806
6. Operational deposits	599.560	6.781	149.890	1.695
7. Non-Operational Deposits	12.164.175	5.832.015	6.267.605	3.027.111
8. Other Unsecured Funding	2.711.629	1.310.424	2.337.344	1.310.424
9. Secured funding			75.259	75.259
10. Other Cash Outflows	12.132.566	9.175.999	12.132.566	9.175.999
11. Liquidity needs related to derivatives and market valuation changes on derivatives transactions	12.132.566	9.175.999	12.132.566	9.175.999
12. Debts related to the structured financial products	-	-	-	-
13. Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
14. Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	36.896.545	2.249.546	2.614.728	273.720
15. Other irrevocable or conditionally revocable commitments	1.624.158	1.612.154	81.208	80.608
16. TOTAL CASH OUTFLOWS			25.843.712	14.617.931
CASH INFLOWS				
17. Secured Lending Transactions	66.687	-	-	-
18. Unsecured Lending Transactions	4.642.875	610.097	2.584.419	433.970
19. Other contractual cash inflows	11.141.229	5.612.805	11.141.229	5.612.805
20. TOTAL CASH INFLOWS	15.850.791	6.222.902	13.725.648	6.046.775
			Capped Amounts	
21. TOTAL HIGH QUALITY LIQUID ASSETS			12.127.666	6.581.521
22. TOTAL NET CASH OUTFLOWS			12.118.064	8.571.156
23. Liquidity Coverage Ratio (%)			100,08%	76,79%

(*) In current period unconsolidated Liquidity Coverage Ratio table, the arithmetic average of the last three months weekly unconsolidated Liquidity Coverage Ratio's are used.

The dates and values of minimum and maximum foreign currency and total liquidity coverage ratios calculated weekly related to the last three months are explained in the table below. According to "Regulation on Liquidity Coverage Ratio Calculation" published in the Official Gazette no. 28948, dated 21 March 2014.

	Maximum	Week	Maximum	Week	Average
TP+FC	84.0	30/11/2015	76.4	31/10/2015	79.9
FC	114.3	31/12/2015	81.5	31/10/2015	98.9

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Liquidity coverage ratio is regulated by the BRSA to make sure that the Banks sustain high quality liquid asset stock to cover probable cash outflows in the short term.

All of the Parent Bank's high quality liquid assets are comprised of first quality liquid assets, most of which are CBT accounts and securities that are issued by the Turkish Treasury that have not been collateralized. Optional use of reserve levels and fluctuations in repo amount lead up to periodical variations in liquidity coverage ratio. Additionally syndication loans and large amount funds such as foreign bond issuances that have less than 1 month to maturity, lead up to short term fall in liquidity coverage ratios.

Funding sources of the Parent Bank mainly consist of deposits which constitute 55% of total liabilities of the Group (31 December 2014 – 55%) and also include repo, secured loans, syndication, securitization, bond/security issuance and other instruments including subordinated debts.

The Parent Bank effectively uses derivative transactions to manage interest and liquidity risk. Impact of derivative cash flows in terms of liquidity coverage ratio is limited. However, FX swaps used in short term foreign currency liquidity management cause liquidity coverage ratio to fluctuate due to changes in volume and 1-month maturity. In addition, possible cash outflow caused by margin call requirements of derivative transactions is taken into consideration in accordance with the respective regulations.

Secured funding consists of repo and secured loan transactions. A large part of securities which are subjects of aforementioned guaranteed funding transactions consist of Sovereign Bonds issued by Treasury of the Republic of Turkey and transactions are carried out both in CBRT market and interbank market.

The Parent Bank manages all the transactions made before its foreign branches and partnership in the framework of central bank, markets and related legislation of the country in which the institutions are located. Legal lending limits and high limit transactions are closely monitored in this framework.

All cash inflow and outflow items related to liquidity profile of the Parent Bank are included in liquidity coverage ratio tables above.

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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	3.365.526	6.631.519	-	-	-	-	-	9.997.045
Due from Banks	213.113	100.002	5.024	-	-	-	-	318.139
Financial Assets at Fair Value Through Profit/Loss ^(**)	-	478.846	629.462	1.582.443	2.725.387	191.559	-	5.607.697
Money Market Placements	-	87.711	-	-	-	-	-	87.711
Investment Securities Available for Sale	4.516	7.247	13.060	38.734	2.040.053	3.192.040	-	5.295.650
Loans and Receivables	-	12.029.301	6.245.267	17.398.902	15.749.655	4.886.190	752.880	57.062.195
Investment Securities Held to Maturity	-	-	-	-	1.723.706	2.150.208	-	3.873.914
Other Assets	33.986	1.071.003	266.105	801.621	1.316.950	63.925	2.253.125	5.806.715
Total Assets	3.617.141	20.405.629	7.158.918	19.821.700	23.555.751	10.483.922	3.006.004	88.049.066
Liabilities								
Bank Deposits	26.037	1.249.338	268.669	12.726	-	-	-	1.556.770
Other Deposits	7.522.286	27.286.367	10.160.726	1.745.706	39.422	-	-	46.754.507
Funds Borrowed	-	1.004.720	654.430	3.026.237	2.166.212	1.876.577	-	8.728.176
Money Market Borrowings	-	3.659.302	799.575	39.497	-	310.887	-	4.809.261
Securities Issued	-	285.773	323.010	1.514.174	3.542.109	71.344	-	5.826.987
Sundry Creditors	11.679	2.463.181	63.340	279.191	1.732.946	973.093	-	5.523.430
Other Liabilities ^(***)	-	1.486.172	526.464	674.533	699.187	280.453	11.183.126	14.849.935
Total Liabilities	7.560.002	37.434.853	12.796.214	7.382.641	8.179.876	3.512.354	11.183.126	88.049.066
Liquidity Gap	(3.942.861)	(17.029.224)	(5.637.296)	12.439.059	15.375.875	6.971.568	(8.177.122)	-
Prior Period								
Total Assets	2.723.132	19.386.201	5.861.286	17.062.543	18.436.960	10.636.185	2.728.818	76.835.125
Total Liabilities	5.842.443	34.537.259	10.769.884	8.805.712	4.109.794	2.519.179	10.250.854	76.835.125
Net Liquidity Gap	(3.119.311)	(15.151.058)	(4.908.598)	8.256.831	14.327.166	8.117.006	(7.522.036)	-

(*) 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 9.405.485, unallocated provisions amounting to TL 1.777.641.

(**) Financial Assets at Fair Value Through Profit/Loss include derivative financial assets held for hedging purposes amounting to TL 3.239.009

(***) Other Liabilities also include derivative financial liabilities held for hedging purposes amounting to TL 283.444

Financial Liabilities according to the remaining maturities on the contract

The table below shows the maturity breakdown of the Bank's financial liabilities that are not classified as derivatives. These tables were prepared by taking the closest dates that the Bank will recognize its future cash flows. The interest payable through the said assets and liabilities are included in the tables below.

Current Period	Undated	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and longer	Total	Balance Sheet Value
Bank Deposits	26.037	1.250.819	269.432	12.797	-	-	1.559.085	1.556.770
Other Deposits	7.522.286	27.393.985	10.254.442	1.825.715	44.145	-	47.040.573	46.754.507
Payables to Money Market	-	3.663.531	804.042	39.965	-	326.705	4.834.243	4.809.261
Funds from other Financial Institutions	-	1.127.915	657.442	3.209.402	2.772.782	2.037.972	9.805.513	8.728.176
Securities Issued	-	350.294	335.131	1.809.961	3.873.003	76.084	6.444.473	5.826.987
Noncash Loans ^(*)	3.653.534	465.866	851.703	3.541.095	1.908.960	54.668	10.475.826	10.475.826
Prior Period								
Bank Deposits	19.173	1.106.943	279.100	41.426	-	-	1.446.642	1.423.002
Other Deposits	5.817.572	24.733.409	7.966.411	2.286.766	111.046	-	40.915.204	40.472.732
Payables to Money Market	-	3.485.794	732.214	-	-	-	4.218.008	4.215.752
Funds from other Financial Institutions	-	459.726	587.017	4.120.340	1.200.593	2.417.527	8.785.203	7.974.796
Securities Issued	-	10.194	735.019	1.837.449	3.401.198	109.483	6.093.343	5.825.498
Noncash Loans ^(**)	3.281.374	636.342	900.716	2.893.493	1.398.108	29.299	9.139.332	9.139.332

(*) Amounts related to letters of guarantee represent maturities based on contract and amounts per these maturities and the amounts have the nature to be withdrawn on demand optionally.

(**) "Other Guarantees" with the amount 21.077 TL does not include the foreign currency account.

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The table below shows the remaining maturity breakdown of the Bank's derivative assets and liabilities.

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Longer	Total
Forward contracts buying ^(**)	2.789.765	900.955	950.963	26.906	-	4.668.589
Forward contracts selling ^(**)	(2.762.992)	(911.233)	(960.933)	(27.134)	-	(4.662.292)
Swap contracts buying ^(*)	13.654.416	6.106.849	20.904.399	22.047.408	4.386.399	67.099.471
Swap contracts selling ^(*)	(13.491.441)	(5.907.471)	(20.146.303)	(19.949.348)	(4.322.976)	(63.817.539)
Futures buying	45.984	45.918	192.195	-	-	284.097
Futures selling	(45.984)	(45.918)	(192.195)	-	-	(284.097)
Options buying	2.606.668	2.616.412	1.592.909	-	-	6.815.989
Options selling	(2.623.534)	(2.620.599)	(1.571.170)	-	-	(6.815.303)
Other	-	-	-	712.362	-	712.362
Total	172.882	184.913	769.865	2.810.194	63.423	4.001.277

^(*) Derivative financial assets held for cash flow hedges are included .

^(**) Includes the Dated, Asset Value Buying and Selling obligations that are in Obligations.

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 years and Longer	Total
Forward contracts buying ^(**)	1.850.523	974.118	900.707	98.925	-	3.824.273
Forward contracts selling ^(**)	(1.856.558)	(976.448)	(896.663)	(97.530)	-	(3.827.199)
Swap contracts buying ^(*)	11.512.307	9.777.727	13.100.349	19.539.488	3.104.000	57.033.871
Swap contracts selling ^(*)	(11.443.750)	(9.680.407)	(12.606.681)	(19.802.513)	(3.190.582)	(56.723.933)
Futures buying	14.514	2.933	2.223	-	-	19.670
Futures selling	(14.514)	(2.933)	(2.223)	-	-	(19.670)
Options buying	780.633	2.555.631	1.485.964	200.256	-	5.022.484
Options selling	(785.687)	(2.550.382)	(1.496.097)	(211.551)	-	(5.043.717)
Other	-	-	-	417.402	-	417.402
Total	57.468	100.239	487.579	144.477	(86.582)	703.181

^(*) Derivative financial assets held for cash flow hedges are included.

^(**) Includes the Dated, Asset Value Buying and Selling obligations that are in Obligations.

IX. Explanations Related to Securitization Positions

As of December 31, 2015 the Group has no securitization positions.(December 31, 2014- none)

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X. 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	Guarantees and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	19.981.535	2.303.666	-	-
Conditional and unconditional receivables from regional or local governments	2.398	43	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	15.337	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	9.057.151	4.992.967	-	-
Conditional and unconditional receivables from corporates	26.718.842	905.078	-	-
Conditional and unconditional retail receivables	49.493.523	401.668	-	-
Conditional and unconditional receivables secured by mortgages	18.305.542	-	-	-
Past due receivables	745.564	721	-	-
Receivables defined in high risk category by BRSA	7.093.884	72.005	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	492	-	-	-
Other receivables	4.256.868	-	-	-
Total	135.671.136	8.676.148	-	-

(*) 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.

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XI. Explanations Related to Risk Management Objectives and Policies

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

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

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

The general objectives of the Group's Risk Management:

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

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XII. Information regarding Leverage Ratio

a) Information in regards to the differences between current period and prior period leverage ratio:

The Bank's leverage ratio, calculated in accordance with the "Regulation on Measurement and Evaluation of Bank's Leverage Levels" is 6,65% (December 31, 2014: 7,19%). Subject level is above the minimum requirement which is determined as 3% by the regulation. Difference between current period and prior period leverage ratios is mostly due to increase in risk amounts of balance sheet asset items.

b) Summary comparative table for total asset and total risk amount in consolidated financial statements prepared in accordance with TFRS:

	Current Period^(**)	Prior Period^(**)
1 Total asset amount in consolidated financial statements prepared in accordance with TFRS ^(*)	89.127.102	75.769.411
2 Difference between total asset amount in consolidated financial statements prepared in accordance with TFRS and total asset amount in consolidated financial statements prepared in accordance with the Communique on the Preparation of Consolidated Financial Statements	139.635	(164.696)
3 Difference between risk amounts and amounts in consolidated financial statements prepared in accordance with the Communique on the Preparation of Consolidated Financial Statements of derivative financial instruments and credit derivatives	1.350.098	1.224.854
4 Difference between risk amounts and amounts in consolidated financial statements prepared in accordance with the Communique on the Preparation of Consolidated Financial Statements of investment securities or financial transaction that are commodity collateralized	-	-
5 Difference between risk amounts and amounts in consolidated financial statements prepared in accordance with the Communique on the Preparation of Consolidated Financial Statements of off balance transactions	45.642.936	40.214.334
6 Other differences between risk amounts and amounts in consolidated financial statements prepared in accordance with the Communique on the Preparation of Consolidated Financial Statements	(345.909)	(351.763)
7 Total Risk Amount	135.913.862	116.692.140

(*) Consolidated financial statements prepared in accordance with the 5th clause and 6th subclause of Communique on the Preparation of Consolidated Financial Statements.

(**) Amounts presented above represent the arithmetic average of the last three months

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The table related to leverage ratio calculated in accordance with the “Regulation on Measurement and Evaluation of Bank’s Leverage Levels” published in Official Gazette dated 5 November 2013 and numbered 28812 is below:

	Book Value	
	Current Period (*)	Prior Period (*)
Assets on Balance sheet		
Assets on Balance sheet (except for derivative financial instruments and credit derivatives, including guarantees)	83.470.143	72.612.331
(Assets deducted from capital stock)	345.909	351.763
Total risk amount related to Assets on Balance sheet	83.124.234	72.260.568
Derivative financial instruments and credit derivatives		
Replacement cost of derivative financial instruments and credit derivatives	5.796.594	2.292.384
Potential credit risk amount of derivative financial instruments and credit derivatives	1.350.098	1.224.854
Total risk amount related to derivative financial instruments and credit derivatives	7.416.692	4.217.238
Financial transactions having security or commodity collateral		
Risk amount of financial transactions having security or commodity collateral	-	-
Risk amount sourcing from transactions mediated	-	-
Total risk amount related to financial transactions having security or commodity collateral	-	-
Off-Balance sheet Transaction		
Gross nominal amount of off-balance sheet transactions	46.196.301	40.743.309
(Adjustment amount sourcing from multiplying to credit conversion rates)	(553.365)	(528.975)
Total risk amount related to off-balance sheet transactions	45.642.936	40.214.334
Capital and Total Risk		
Core Capital	9.065.704	8.463.865
Amount of total risk	135.913.862	116.692.140
Financial leverage ratio	6,67%	7,25%
Financial leverage ratio	6,67%	7,25%

(*) Amounts stated in table shows the last quarter averages of related period.

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XIII. Explanations Related to Presentation of Financial Assets and Liabilities at Their Fair Value

The fair value of the loans is determined based on discounted cash flows using the current market interest rates. Book value of floating rate loans represent their fair value.

Fair value of held to maturity investments are determined through market rates. If market rates cannot be spotted, market rates of securities with similar interest, maturity and other characteristics are used instead.

Projected fair value of demand deposit represent the amount to be paid on demand. Fair value of floating rate placements and overnight deposits represents the book value. The estimated fair value of the deposits with fixed rates is determined by calculating discounted cash flows by using the market interest rates used for other liabilities with similar quality and maturities.

The fair value of funds provided from other financial institutions, is determined based on discounted cash flows using the current market interest rates.

In the table below; the fair values and the carrying values of some of the financial assets and liabilities are presented. Book value represents the total of cost of subject asset and liabilities and accrued interest.

	Book Value		Fair Value	
	Prior Period	Current Period	Prior Period	Current Period
Financial Assets	69.146.287	61.762.379	68.594.745	61.746.530
Banks	318.139	300.434	318.139	300.434
Receivables from Money Market	87.711	244.425	87.711	244.425
Loans and Receivables	57.062.195	50.083.280	56.535.835	49.860.402
Factoring Receivables	571.726	443.212	571.726	443.212
Leasing Receivables	1.936.952	1.530.292	1.946.155	1.584.168
Available for Sale Financial Assets	5.295.650	5.433.513	5.295.650	5.433.513
Securities Held to Maturity	3.873.914	3.727.223	3.839.529	3.880.376
Financial Liabilities	73.199.131	63.737.438	73.228.719	63.589.146
Bank Deposits	1.556.770	1.423.002	1.557.289	1.423.558
Other Deposits	46.754.507	40.472.732	46.764.514	40.457.114
Funds from Other Financial Institutions	8.728.176	7.974.796	8.635.554	7.779.726
Payables to Money Market	4.809.261	4.215.752	4.809.261	4.215.752
Securities Issued	5.826.987	5.825.498	5.938.671	5.887.338
Other Debts	5.523.430	3.825.658	5.523.430	3.825.658

In accordance with “TFRS 13, Fair Value Measurement” accounts represented at fair value in the face of financial statements are required to be leveled according to the observability of the data used for the calculation of fair value.

The classification of fair value calculation is as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities (market value);
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);
- Level 3: Inputs that are not observable for the asset and liability (Fair value calculations which are not observable).

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In the table below the fair value classification of the financial instruments that are recorded at fair value at the financial statements is presented:

Current Period	Level 1	Level 2	Level 3	Total
Financial Assets	5.379.917	5.476.076	47.354	10.903.347
Financial Assets at Fair Value through Profit/Loss	83.954	-	-	83.954
Assets on Trading Derivatives	313	2.237.067	-	2.237.380
Investment Securities Available for Sale	5.295.650	-	-	5.295.650
Loans and Receivables ^(*)	-	-	47.354	47.354
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-
Derivative Financial Assets hedging Purposes	-	3.239.009	-	3.239.009
Financial Liabilities	273	2.439.635	-	2.439.908
Liabilities on Trading Derivatives	273	2.156.191	-	2.156.464
Derivative Financial Liabilities for Hedging Purposes	-	283.444	-	283.444

Confirmation for fair value of financial assets under Level 3 is as below:

	Current Period	Prior Period
Opening Balance	98.143	185.074
Change in total gain/loss	(22.730)	864
<i>Accounted in income statement</i>	(22.730)	864
<i>Accounted in other comprehensive income</i>	-	-
Purchases	-	-
Disposals	-	-
Matured Loans ^(*)	(28.059)	(87.795)
Sales from Level 3	-	-
Closing Balance	47.354	98.143

^(*) Includes loans and receivables that are presented in "Financial Assets at Fair Value through Profit/Loss" and are closed before maturity.

Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets	5.475.428	3.247.707	98.143	8.821.278
Financial Assets at Fair Value through Profit/Loss	48.406	-	-	48.406
Assets on Trading Derivatives	126	1.252.344	-	1.252.470
Investment Securities Available for Sale	5.426.896	6.617	-	5.433.513
Loans and Receivables ^(*)	-	-	98.143	98.143
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-
Derivative Financial Assets hedging Purposes	-	1.988.746	-	1.988.746
Financial Liabilities	47	1.604.333	-	1.604.380
Liabilities on Trading Derivatives	47	1.252.253	-	1.252.300
Derivative Financial Liabilities for Hedging Purposes	-	352.080	-	352.080

^(*) Loans and Receivables are presented in "Financial Assets at Fair Value through Profit/Loss".

XIV. 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	678.547	274.822	590.505	248.656
T.R. Central Bank	1.409.024	7.632.114	912.650	6.911.681
Others	522	2.016	133	295
Total	2.088.093	7.908.952	1.503.288	7.160.632

b) Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	1.400.527	1.009.092	912.650	689.015
Restricted Time Deposits	8.497	6.623.022	-	6.222.666
Total	1.409.024	7.632.114	912.650	6.911.681

As of December 31, 2015, 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, 2014 – 5% to 11,5%) and the compulsory rates for the foreign currency liabilities are within an interval from 5% to 25% depending on the maturity of deposits (December 31, 2014 – 6% and 13%). In accordance with the “Communiqué Regarding the Reserve Requirements no. 2013/15”, the reserve requirements can be maintained as TL, USD, EUR and standard gold.

According to T. C. Central Bank press release No. 2014-72 dated October 21, 2014, starting from November 2014, interest is paid on reserve requirements held in TL. Additionally, according to T. C. Central Bank press release No. 2015-35 dated May 2, 2015, starting from May 5, 2015 interest is paid on USD reserve deposits, reserve options and unrestricted deposits.

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

a) Information on Subject to repurchase agreements and given as Collateral /blocked Investment securities

	Current Period		Prior Period	
	TP	FC	TP	FC
Given as Collateral/blocked	19.808	-	25.285	-
Subject to repurchase agreement	24.533	-	10.815	-
Total	44.341	-	36.100	-

b) Positive differences on trading derivative instruments

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	52.806	-	43.664	-
Swap Transactions	1.936.192	123.192	1.059.341	83.399
Futures	-	313	-	126
Options	-	124.844	-	65.940
Other	-	33	-	-
Total	1.988.998	248.382	1.103.005	149.465

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3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	10.209	1.178	19.605	773
Foreign	136	306.616	20.178	259.878
Foreign Head Offices and Branches	-	-	-	-
Total	10.345	307.794	39.783	260.651

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount ^(**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	49.361	53.161	10.112	1.550
USA and Canada	215.324	158.377	29.691	3.923
OECD Countries ^(*)	1.760	2.946	-	-
Off-shore Banking Regions	-	54.881	-	-
Other	504	5.218	-	-
Total	266.949	274.583	39.803	5.473

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

^(**) Includes blocked placements at foreign banks amounting to TL 39.803 (December 31, 2014 - TL 5.473).

4. Information on receivables from reverse repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	-	-	200.062	-
T.R. Central Bank	-	-	-	-
Banks	-	-	200.062	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
Foreign Transactions	-	-	-	-
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
Total	-	-	200.062	-

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5. Information on Investment securities available for sale

a) Information on investment securities available for-sale that are subject to repurchase agreements and given as Collateral /blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Given as Collateral / Blocked	573.686	459.933	413.810	284.954
Subject to repurchase agreements	1.403.911	1.419.256	1.744.037	1.111.796
Total	1.977.597	1.879.189	2.157.847	1.396.750

b) Investment securities available for sale

	Current Period	Prior Period
Debt securities	5.392.394	5.416.289
Quoted on a stock exchange (*)	5.392.394	5.409.632
Unquoted on a stock exchange	-	6.657
Share certificates	4.988	32.418
Quoted on a stock exchange (**)	626	27.912
Unquoted on a stock exchange	4.362	4.506
Impairment provision (-)	(101.732)	(15.194)
Total	5.295.650	5.433.513

(*) The Eurobond Portfolio amounting to TL 1.520.298 (December 31, 2014 - TL 1.199.653) which is accounted for as investment securities available for sale was hedged under fair value hedge accounting starting from March and April 2009. In the current period, government bonds portfolio hedged under fair value hedge accounting is nil (December 31, 2014 - TL 106.392). 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 487 (December 31, 2014 - TL 27.757).

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	-	21.651	1.716	34.288
Corporate Shareholders	-	21.651	1.716	34.288
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees (*)	74.844	-	66.957	-
Total	74.844	21.651	68.672	34.288

(*) Includes 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	53.175.978	777.020	-	3.180.691	1.333.756	-
Discount Notes	997.084	-	-	14.195	-	-
Export Loans	1.105.642	-	-	165.437	-	-
Import Loans	9.528	-	-	-	-	-
Loans Given to Financial Sector	1.032.893	-	-	-	-	-
Retail Loans	13.002.943	114.378	-	909.913	234.158	-
Credit Cards	8.613.041	254.502	-	574.198	318.805	-
Other	28.414.847	408.140	-	1.516.948	780.793	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	53.175.978	777.020	-	3.180.691	1.333.756	-

(*) The loans and other receivables amounting to 47.354 (December 31, 2014 – TL 98.143) 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	774.818	1.326.795
3, 4 or 5 times	2.192	6.939
Over 5 times	10	22
Total	777.020	1.333.756

Extension Periods	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
0 - 6 months	70.838	109.377
6 -12 months	25.132	96.190
1 - 2 years	108.440	193.431
2 - 5 years	400.937	573.844
5 years and over	171.673	360.914
Total	777.020	1.333.756

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
		Terms		Terms
Short-term Loans	23.090.508	254.502	574.198	318.805
Non-specialized Loans	23.090.508	254.502	574.198	318.805
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	30.085.470	522.518	2.606.493	1.014.951
Non-specialized Loans	30.085.470	522.518	2.606.493	1.014.951
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	53.175.978	777.020	3.180.691	1.333.756

(*) The loans and other receivables amounting to TL 47.354 (December 31, 2014 – TL 98.143) 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	149.790	11.189.466	11.339.256	112.457
Housing Loans	621	4.879.376	4.879.997	52.329
Automobile Loans	228	31.519	31.747	283
Personal Need Loans	148.941	6.278.571	6.427.512	59.845
Other	-	-	-	-
Consumer Loans-FC Indexed	-	14.291	14.291	15.325
Housing Loans	-	13.737	13.737	14.618
Automobile Loans	-	-	-	-
Personal Need Loans	-	554	554	707
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-TL	7.322.863	275.943	7.598.806	86.570
Installment	2.733.350	275.943	3.009.293	34.284
Non- Installment	4.589.513	-	4.589.513	52.286
Individual Credit Cards-FC	2.951	-	2.951	23
Installment	-	-	-	-
Non- Installment	2.951	-	2.951	23
Personnel Loans-TL	4.303	39.038	43.341	256
Housing Loans	-	408	408	2
Automobile Loans	-	31	31	-
Personal Need Loans	4.303	38.599	42.902	254
Other	-	-	-	-
Personnel Loans-FC Indexed	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Credit Cards-TL	28.463	-	28.463	-
Installment	11.295	-	11.295	-
Non-Installment	17.168	-	17.168	-
Personnel Credit Cards-FC	35	-	35	-
Installment	-	-	-	-
Non-Installment	35	-	35	-
Overdraft Accounts-TL (Real Persons)	2.275.162	-	2.275.162	112.768
Overdraft Accounts-FC (Real Persons)	-	-	-	-
Total	9.783.567	11.518.738	21.302.305	327.399

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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	185.660	10.211.449	10.397.109	184.549
Real Estate Loans	-	266.860	266.860	2.922
Automobile Loans	730	316.860	317.590	4.780
Personal Need Loans	184.930	9.627.729	9.812.659	176.847
Other	-	-	-	-
Commercial Loans with Installment Facility - FC Indexed	15.323	1.332.079	1.347.402	221.724
Real Estate Loans	-	28.671	28.671	8.592
Automobile Loans	61	83.950	84.011	10.058
Personal Need Loans	15.262	1.219.458	1.234.720	203.074
Other	-	-	-	-
Commercial Loans with Installment Facility - FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards –TL	1.450.312	3.071	1.453.383	16.496
Installment	500.111	3.071	503.182	5.711
Non-Installment	950.201	-	950.201	10.785
Corporate Credit Cards –FC	508	-	508	4
Installment	-	-	-	-
Non-Installment	508	-	508	4
Overdraft Accounts-TL (Legal Entities)	973.513	-	973.513	3.899
Overdraft Accounts-FC (Legal Entities)	-	-	-	-
Total	2.625.316	11.546.599	14.171.915	426.672

f) Loans according to borrowers ^(*)

	Current Period	Prior Period
Public	204.567	163.249
Private	56.152.102	49.446.817
Total	56.356.669	49.610.066

^(*) The loans and other receivables amounting to TL 47.354 (December 31, 2014 – TL 98.143) 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	56.069.107	49.403.189
Foreign Loans	287.562	206.877
Total	56.356.669	49.610.066

^(*) The loans and other receivables amounting to TL 47.354 (December 31, 2014 – TL 98.143) 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	94.174	85.654
Loans and Receivables with Doubtful Collectability	376.185	440.187
Uncollectible Loans and Receivables	2.591.420	1.642.773
Total	3.061.779	2.168.614

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)	2.471	7.336	96.276
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	2.471	7.336	96.276
Prior Period			
(Gross Amounts Before the Specific Provisions)	133	4.457	78.247
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	133	4.457	78.247

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	424.415	672.783	1.642.773
Additions (+)	1.621.220	88.162	56.034
Transfers from Other Categories of Non-Performing Loans (+)	-	1.442.953	1.264.879
Transfers to Other Categories of Non-Performing Loans (-)	1.442.953	1.264.879	-
Collections (-)	131.671	186.092	370.606
Write-offs (-)	137	562	1.660
Corporate and Commercial Loans	-	-	-
Consumer Loans	91	253	634
Credit Cards	46	309	1.026
Others	-	-	-
Current Period End Balance	470.874	752.365	2.591.420
Specific Provision (-)	94.174	376.185	2.591.420
Net Balances on Balance Sheet	376.700	376.180	-

^(*) 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 Bank provided specific provisions for its 4th group commercial loans with 100% provision rate in the prior period, whereas in the current period the Bank provided provision by using minimum provision ratios. After the stated change, the Bank has provided TL 106.803 less provision 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, 2014 – 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 receivable
Current Period (Net)	376.700	376.180	-
Loans to Real Persons and Legal Entities (Gross)	470.874	752.365	2.566.151
Specific provision (-)	-94.174	-376.185	-2.566.151
Loans to Real Persons and Legal Entities (Net)	376.700	376.180	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	25.269
Specific provision (-)	-	-	-25.269
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	338.761	232.596	-
Loans to Real Persons and Legal Entities (Gross)	424.415	672.783	1.631.886
Specific provision (-)	-85.654	-440.187	-1.631.886
Loans to Real Persons and Legal Entities (Net)	338.761	232.596	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	10.887
Specific provision (-)	-	-	-10.887
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, 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	540.996	26.734	432.339	9.570
Medium and Long Term	3.996	-	1.303	-
Total	544.992	26.734	433.642	9.570

As of December 31, 2015 and December 31, 2014, changes in provision for non-performing factoring receivables are as follows:

	Current Period	Prior Period
Prior Period End Balance	13.446	7.120
Provided Provision / (reversal), Net	13.403	6.454
Collections	(765)	(128)
Written off	-	-
Current Period End Balance	26.084	13.446

8. Information on investment securities held-to-maturity

a) Information on Subject to repurchase agreements and given as Collateral/blocked Investment securities available for sale

	Current Period		Prior Period	
	TL	FC	TL	FC
Given as Collateral / Blocked	96.191	-	398.384	-
Subject to repurchase agreements	1.417.955	847.881	928.180	625.910
Total	1.514.146	847.881	1.326.564	625.910

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	3.009.964	110.652	3.003.772	90.418
Treasury Bill	-	-	48.794	-
Other Public Sector Debt Securities	-	-	-	-
Total	3.009.964	110.652	3.052.566	90.418

c) Information on investment securities held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Securities	3.009.964	863.950	3.052.566	674.657
Publicly-traded	3.009.964	863.950	3.052.566	674.657
Non-publicly traded	-	-	-	-
Provision for losses (-)	-	-	-	-
Total	3.009.964	863.950	3.052.566	674.657

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d) Movement of held-to-maturity investments

	Current Period	Prior Period
Value at the beginning of the period	3.727.223	2.825.779
Exchange differences on monetary assets	171.250	32.352
Acquisitions during the year (*)	290.680	631.486
Disposals through sales and redemptions	(512.035)	-
Provision for losses (-)	-	-
Valuation Effect	196.796	237.606
The sum of end of the period	3.873.914	3.727.223

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
68.358	29.660	43.170	985	-	3.869	3.490	-

9.2. Movements of investments in associates

	Current Period	Prior Period
Balance at the Beginning of Period	3.766	3.766
Movements During the Period	-	-
Acquisitions	-	-
Bonus Shares Received	-	-
Dividends From Current Year Profiy	-	-
Sales	-	-
Reclassifications	-	-
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at the End of the Period	3.766	3.766
Capital Commitments	-	-
Share Percentage at the end of the Period	-	-

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9.3. Sectoral distribution and the related carrying amounts on associates

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	3.766	3.766
Total	3.766	3.766

9.4. Quoted Associates

None (December 31, 2014 - None).

9.5. Valuation of investments in associates

	Current Period	Prior Period
Valued at Cost	3.766	3.766
Valued at Fair Value	-	-
Valued at Equity Method	-	-
Total	3.766	3.766

9.6. Investments in associates sold during the current period

None (December 31, 2014 - None).

9.7. Investments in associates acquired during the current period

None (December 31, 2014 - None).

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.	Ibtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. Ve Tic. A.Ş.	Istanbul/Turkey	%99,91	%99,99
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.	45.879	22.515	17.411	-	-	1.538	6.989	-
2.	11.814	5.115	4.563	109	-	(1.248)	397	-

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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	69,00
3. PSA Finansman A.Ş. (**)	İstanbul/Turkey	100,00	100,00
4. Finans Portföy Yönetimi A.Ş.	İstanbul/Turkey	0,01	99,72
5. Finans Faktoring A.Ş.	İstanbul/Turkey	99,99	100,00

(*) As per Board of Directors meeting dated 21 May 2014, it has been decided for the liquidation of Finans Investment Trust. Liquidation decision will be presented for the approval of the shareholders at the General Board Meeting and those who vote and oppose will be granted the right to resign from the Company. The Extraordinary General Meeting is done in October 20, 2014. The decisions of The Extraordinary General Meeting have been registered as of November 7, 2014. The shares of Finans Yatırım Ortaklığı A.Ş. have been unquoted from the exchange list and markets of Istanbul Stock exchange and banned for trade as of November 10, 2014. Finans Yatırım Ortaklığı A.Ş. Under Liquidation is referred to as “Finans Yatırım Ortaklığı A.Ş. Under Liquidation” since November 7, 2014. The company's liquidation was completed as of December 7, 2015

(**) As of November 9, 2015 acquisition transaction of PSA Finansman Anonim Şirketi by the Bank is approved by Banking Regulation and Supervision Agency and share transfer transactions regarding the aforementioned entity have been completed as of December 14, 2015.

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.	314.116	117.653	3.816	10.709	2.064	27.867	1.841	69.226
2.	2.219.610	609.099	3.315	178.831	-	51.562	48.029	404.800
3.	8.657	8.386	74	479	-	(1.486)	(6.045)	-
4.	13.431	11.980	191	1.245	9	1.733	540	-
5.	586.778	38.640	1.154	65.625	-	3.090	4.192	40.918

(*) 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	426.813	405.170
Movements during the Period	(101.859)	21.643
Purchases	18.395	-
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales	(14.512)	-
Changes Due to Reclassification	-	-
Revaluation Difference	(105.742)	21.643
Impairment Provision	-	-
Balance at the End of the Period	324.954	426.813
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	-	-

(*) Finans Faktoring A.Ş. has increased its capital at an amount of TL 10.000 through rights offering in current period. PSA Finansman A.Ş., whose share transfer transactions are completed, has been acquired with a price of TL 8.395 as of December 14, 2015.

(**) It states the cash outflow occurred as a result of liquidation of Finans Yatırım Ortaklığı A.Ş. realized as of December 7, 2015.

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b.3) Sectoral distribution of the consolidated subsidiaries

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	40.918	39.565
Leasing Companies	206.691	260.125
Finance Companies	8.395	-
Other Subsidiaries	68.950	127.123
Total	324.954	426.813

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

b.4) Quoted subsidiaries within the context of consolidation

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	206.691	274.637
Quoted on International Stock Exchanges	-	-
Total	206.691	274.637

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

None.

11. Investments in entities under common control

	Title	Address (City/Country)	Bank's Share-If different, Voting Rights (%)	Bank' Risk Group Share (%)				
1.	Cigna Finans Emeklilik ve Hayat A.Ş. (*)	İstanbul/Türkiye	49,00%	49,00%				
2.	Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. (*)	İstanbul/Türkiye	33,33%	33,33%				
	Total Assets	Shareholders' Equity	Total Fixed Asset	Interest Income	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1.	858.426	70.633	588.511	-	-	15.066	6.989	188.639
2.	32.890	22.560	14.180	-	-	7.495	2.004	-

(*) In accordance with partnership agreement signed between the Parent Bank and Cigna Nederland Gamma BV, the parent of Cigna Finans Emeklilik and Hayat A.Ş., on July 12, 2012 in case the ownership structure of the Bank changes Cigna Nederland Gamma BV has the right to purchase the shares owned by the Parent Bank. If subject transfer is actualized share transfer will be based on fair value of the shares. As of report date, there is no official request received from Cigna Nederland Gamma BV in regards to purchase of the shares.

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	882.384	743.014	726.887	616.586
Between 1-4 years	1.217.954	1.056.664	942.507	824.705
Over 4 years	150.502	137.274	96.609	89.001
Total	2.250.840	1.936.952	1.766.003	1.530.292

Finance lease receivables include non-performing finance lease receivables amounting to TL 130.767 (December 31, 2014 – TL 143.995) and specific provisions amounting to TL 74.316 (December 31, 2014 – TL 96.339).

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Changes in non-performing finance lease receivables provision as of December 31, 2015 and December 31, 2014, are as follows:

	Current Period	Prior Period
End of prior period	96.339	83.006
Provided provision / (reversal), Net	23.963	20.131
Collections	1.463	6.798
Written off	44.523	-
Provision at the end of the period	74.316	96.339

12.2. Information on net investment on leases

	Current Period	Prior Period
Gross Finance Lease Investments	2.250.840	1.766.003
Unearned Finance Income (-)	(313.888)	(235.711)
Cancelled Leasing Agreements (-)	-	-
Net Investment on Leases	1.936.952	1.530.292

12.3. Information of finance lease contracts of the Parent Bank

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

13. Information on hedging purpose derivatives:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge ^(*)	2.292.114	18.069	1.459.151	22.844
Cash Flow Hedge	927.791	1.035	506.751	-
Net Investment Hedge	-	-	-	-
Total	3.219.905	19.104	1.965.902	22.844

^(*) Derivative financial instruments designated for the fair value hedge purposes comprise of swaps. As of December 31, 2015, TL 3.991 (December 31, 2014 - TL 36.343) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in debt securities issued, TL 14.078 (December 31, 2014 - TL 20.170) worth of securities issued, and TL 2.292.114 (December 31, 2014 - TL 1.425.482) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in loans.

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14. Explanations on tangible assets

	Land and Buildings	Fixed Assets under Finance Lease	Vehicles	Other Fixed Assets	Total
Prior Period End					
Cost	1.108.092	265.464	2.062	1.027.530	2.403.148
Accumulated Depreciation(-)	24.275	238.267	1.717	666.794	931.053
Net Book Value	1.083.817	27.197	345	360.736	1.472.095
Current Period End					
Cost at the Beginning of the Period	1.108.092	265.464	2.062	1.027.530	2.403.148
Additions (*)	-	-	-	247	247
Transfer(-)	84.869	270	86	147.475	232.700
Disposals (-)	3.552	1.609	730	5.750	11.641
Impairment (-)/ (increase)	29	-	-	-	29
Current Period Cost	1.189.380	264.125	1.418	1.169.502	2.624.425
Accumulated Depreciation at the Beginning of the Period	24.275	238.267	1.717	666.794	931.053
Disposals (-)	-	-	-	169	169
Transfer (-)	25	1.233	669	5.266	7.193
Depreciation amount	2.349	3.020	254	113.264	118.887
Accumulated Depreciation at the End of the Period (-)	26.599	240.054	1.302	774.961	1.042.916
Net Book Value at the End of the Period	1.162.781	24.071	116	394.541	1.581.509

(*)As mentioned in Section 5 footnote 3.1.d, the fair value currency difference income of 1.223 TL (the amortized) that belongs to the real estate, subject to the accounting of protection from the fair value risk by the Bank, is shown in the "Entries" line of the Financial Fixed Assets movement table.

- a) **If impairment on individual asset recorded or reversed in the current period is material for the overall financial statements:**

Events and conditions for recording or reversing impairment and amount of recorded or reversed impairment in the financial statements:

The fair values of the buildings are determined by the licensed expertise companies and as a result of the changes in the fair value of these buildings, the impairment loss of TL 29 has been booked. (December 31, 2014 - TL 453 impairment loss has been booked).

- b) **The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this:**

None (December 31, 2014- None)

- c) **Pledges, mortgages and other restrictions (if any) on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets:**

None (December 31, 2014- None).

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15. Explanations on Intangible Assets

	Rights	Goodwill	Total
Prior Period End			
Cost	578.688	19.209	597.897
Accumulated Amortization(-)	352.363	10.240	362.603
Net Book Value	226.325	8.969	235.294
Current Period End			
Cost at the Beginning of the Period	578.688	19.209	597.897
Costs related to acquisition of subsidiary	2.691	-	2.691
Additions	134.146	-	134.146
Disposals (-)	85	-	85
Value Decrease (-)/ (increase)	(910)	19.209	18.299
Current Period Cost	716.350	-	716.350
Acc. Amort. At the Beginning of the Period	352.363	10.240	362.603
Accrued amortization related to acquisition of subsidiary	251	-	251
Disposals(-)	9	10.240	10.249
Amortization charge	93.705	-	93.705
Current Period Accumulated Amortization(-)	446.310	-	446.310
Net Book Value-End of the Period	270.040	-	270.040

- a) **Disclosures for book value, description and remaining life to be amortized for a specific intangible fixed asset that is material to the financial statements:**
None (December 31, 2014- None).
- b) **Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition:**
None (December 31, 2014- None).
- c) **The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition:**
None (December 31, 2014- None).
- d) **The book value of intangible fixed assets that are pledged or restricted for use:**
None (December 31, 2014- None).
- e) **Amount of purchase commitments for intangible fixed assets:**
None (December 31, 2014- None).
- f) **Information on revalued intangible assets according to their types:**
None (31 December 2014- None).
- g) **Amount of total research and development expenses recorded in income statement within the period if any:**
Amount of total research expenses recorded in income statement within the period is TL 5.740 (December 31, 2014 – TL 3.807) .
- h) **Positive or negative consolidation goodwill on entity basis:**
None (December 31, 2014 – TL 8.969).
- i) **Information on book value of goodwill at the beginning of the period, end of the period and movement for the period:**
The details have been disclosed at explanations and disclosures related to asset section, at disclosure 15.

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16. Explanations on investment property

None (December 31, 2014- None).

17. Information on tax asset

According to TAS 12, the deferred tax assets and liabilities of the consolidated subsidiaries are netted off separately in their financial statements.

Deferred tax asset is TL 100.943 (December 31, 2014 – TL 62.179) and there is no deferred tax liability (December 31, 2014- TL 1.488) after deferred tax asset and liability balances in the financial statements of the consolidated subsidiaries are netted off separately.

In cases whereby deferred tax differences arising from the differences between the carrying amounts and the taxable amounts of the assets subjected to deferred tax that are related with certain items under the shareholders' equity accounts, the deferred tax benefits/charges are netted under these accounts. The deferred tax assets amounting to TL 53.256 are netted under equity. (December 31, 2014 – TL 34.544 deferred tax liability).

	Accumulated Temporary Differences		Deferred Tax Assets/(Liabilities)	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Provision for Employee Rights	250.505	211.867	50.101	42.373
Difference Between the Book Value of Financial Assets and Tax Base	433.187	698.434	86.637	139.687
Other	356.428	191.234	71.286	38.247
Deferred Tax Assets			208.024	220.307
Difference Between the Book Value Financial Fixed Assets and Tax Base	(194.138)	(257.159)	(38.828)	(51.432)
Difference Between the Book Value of Financial Assets and Tax Base	(85.255)	(289.395)	(17.051)	(57.879)
Other	(256.008)	(251.523)	(51.202)	(50.305)
Deferred Tax Liabilities			(107.081)	(159.616)
Deferred Tax Assets/(Liabilities), Net			100.943	60.691

	Current Period	Prior Period
Deferred Tax as of January 1 Active/ (Passive) - Net	60.691	106.253
Deferred Tax (Loss) / Gain	21.540	(39.715)
Deferred Tax that is Realized Under Shareholder's Equity	18.712	(5.847)
December 31 Deferred Tax Active/ (Passive) - Net	100.943	60.691

18. Information on assets held for sale and discontinued operations

As of December 31, 2015, the Bank's assets held for sale is nil (December 31, 2014: TL 63.090). Transfer of titles for the Bank's Gayrettepe Headquarter Building on Istanbul, Şişli, Mecidiyeköy, map section 307, Isle 1956, Parcel 41 and Polat Residence on Istanbul, Şişli, Mecidiyeköy, map section 303, Isle 1997 has been completed in March 25, 2015 and April 27, 2015, respectively. Subject buildings, which were accounted as assets held for sale, have been sold for USD 65.250.000 and USD 28.000.000, respectively. Additionally, it has been decided for the Akmerkez floors to be sold for USD 19.670.000 and the sale has occurred as of March 24, 2015.

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19. Information on other assets:

19.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Cheques Receivables from Other Banks	271.452	254.690
Other Prepaid Expenses	355.425	325.068
Assets Held for Resale (net)	220.249	138.126
Collateral Given for Derivative Transactions	120.904	73.789
Miscellaneous Receivables	76.491	66.453
Prepaid rent expenses	38.970	31.765
Advances Given	4.380	9.670
Prepaid Agency Commissions	14.330	6.564
Other	108.651	92.142
Total	1.210.852	998.267

19.2 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 19.1 section of disclosure.

20. Accrued interest and income

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Derivative Financial Instruments Held for Hedging	3.219.905	19.104	1.965.902	22.844
Assets on Trading Derivatives	1.988.998	248.382	1.103.005	149.465
Loans	933.534	131.096	670.666	119.800
Investment securities held to maturity	73.776	10.784	48.794	6.927
Investment Securities Available for Sale	43.025	52.031	132.088	100.324
Central Bank	8.497	-	-	-
Lease Receivables	7.115	8.652	5.461	7.455
Trading Securities	1.147	18	664	116
Banks	37	-	997	31
Other Accruals	17.759	1.521	4.956	173
Total	6.293.793	471.588	3.932.533	407.135

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SECTION FIVE

II. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES

1. Information on maturity structure of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	1.836.314	-	2.453.079	13.626.243	628.259	260.686	880.499	3.002	19.688.082
Foreign Currency Deposits	3.308.178	-	1.962.058	11.091.252	866.874	169.550	436.221	3.306	17.837.439
Residents in Turkey	3.250.191	-	1.939.519	10.758.820	839.704	159.101	395.311	3.306	17.345.952
Residents Abroad	57.987	-	22.539	332.432	27.170	10.449	40.910	-	491.487
Public Sector Deposits	236.348	-	509	137.003	408	387	76	-	374.731
Commercial Deposits	1.729.189	-	1.624.291	3.542.286	345.933	115.456	178.330	-	7.535.485
Other Ins. Deposits	35.463	-	104.997	662.999	10.997	5.763	67.858	-	888.077
Precious Metal Deposits	376.794	-	-	4.325	101	-	49.473	-	430.693
Bank Deposits	26.037	-	133.860	1.194.672	189.475	12.244	482	-	1.556.770
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	7.652	-	110.195	105.521	-	-	-	-	223.368
Foreign Banks	18.385	-	23.665	1.089.151	189.475	12.244	482	-	1.333.402
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	7.548.323	-	6.278.794	30.258.780	2.042.047	564.086	1.612.939	6.308	48.311.277

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	1.478.602	-	2.302.799	11.989.509	479.169	287.251	1.491.669	3.859	18.032.858
Foreign Currency Deposits	1.839.631	-	1.415.763	8.626.554	441.796	159.241	482.581	3.521	12.969.087
Residents in Turkey	1.780.013	-	1.396.851	8.445.573	417.655	141.878	456.424	3.521	12.641.915
Residents Abroad	59.618	-	18.912	180.981	24.141	17.363	26.157	-	327.172
Public Sector Deposits	329.657	-	7.469	44.378	506	281	-	-	382.291
Commercial Deposits	1.560.852	-	1.398.650	4.157.214	139.228	121.681	89.369	-	7.466.994
Other Ins. Deposits	26.723	-	67.314	556.455	42.042	117.491	176.947	-	986.972
Precious Metal Deposits	582.107	-	-	3.920	42.910	5.586	7	-	634.530
Bank Deposits	17.791	-	1.105.752	259.084	34.475	5.900	-	-	1.423.002
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2.259	-	-	14.220	-	4.081	-	-	20.560
Foreign Banks	15.299	-	1.105.752	244.864	34.475	1.819	-	-	1.402.209
Participation Banks	233	-	-	-	-	-	-	-	233
Other	-	-	-	-	-	-	-	-	-
Total	5.835.363	-	6.297.747	25.637.114	1.180.126	697.431	2.240.573	7.380	41.895.734

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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	10.434.904	9.502.043	9.249.580	8.529.289
Foreign Currency Savings Deposits	2.473.087	1.833.144	9.041.063	5.793.036
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	12.907.991	11.335.187	18.290.643	14.322.325

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	61.131	38.539
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off-shore banking activities	5.707	2.632
Total	66.838	41.171

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	53.207	-	51.369	-
Swaps	1.829.702	153.242	1.041.448	109.145
Futures	-	273	-	47
Options	-	120.040	-	50.291
Other	-	-	-	-
Total	1.882.909	273.555	1.092.817	159.483

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	377.357	591.563	437.490	384.554
Foreign Banks, Institutions and Funds	124.573	4.972.564	60.781	4.970.259
Total	501.930	5.564.127	498.271	5.354.813

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b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	406.735	3.301.344	329.764	3.914.272
Medium and Long-Term	95.195	2.262.783	168.507	1.440.541
Total	501.930	5.564.127	498.271	5.354.813

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

In accordance with the diversified payment rights programme, the Parent Bank obtained securitization loans amounting to USD 280 million with five years maturity on September 18, 2015.

The Bank has obtained syndication loans with 1 year maturity, amounting to USD 99.5 million and EUR 376 million on 25 November 2015 and 26 November 2015, respectively.

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

As of December 31, 2015, the Group's liabilities comprise; 55% deposits (December 31, 2014 – 55%), 7% funds borrowed (December 31, 2014 – 8%), 7% issued bonds (December 31, 2014 – 8%) and 5% funds provided under repurchase agreements (December 31, 2014 – 5%).

4. Information on funds provided under repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	2.801.758	-	2.715.336	-
Financial institutions and organizations	2.760.367	-	2.679.239	-
Other institutions and organizations	10.130	-	12.101	-
Real persons	31.261	-	23.996	-
From foreign transactions	2.410	1.857.920	9.901	1.431.183
Financial institutions and organizations	-	1.857.920	-	1.431.183
Other institutions and organizations	2.241	-	9.901	-
Real persons	169	-	-	-
Total	2.804.168	1.857.920	2.725.237	1.431.183

5. Information on securities issued (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	770.076	-	2.000.828	262.040
Bills	71.075	4.985.836	324.658	3.237.972
Total	841.151	4.985.836	2.325.486	3.500.012

The Parent Bank has government bond issue program (Global Medium Term Note Programme) amounting to USD 2 Billion.

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

Other liabilities does not exceed 10% of total liabilities excluding the off-balance sheet items (December 31, 2014 – Does not exceed 10%).

- 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, 2014 – 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. The Bank arranges operating lease arrangements for some of its ATM and branches. The lease contract is done on a yearly basis and the payment is made upfront each year and realized as an expense under the “Other Assets” account.

- 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, 2014 – None).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge ^(*)	-	178.808	70.738	149.976
Cash Flow Hedge ^(**)	60.229	44.407	131.366	-
Net Investment Hedge	-	-	-	-
Total	60.229	223.215	202.104	149.976

^(*) Derivative financial instruments for hedging purposes include swaps. As of December 31, 2015, TL 25.804 (December 31, 2014 – TL 98.050) represents the fair value of derivatives which are the hedging instruments of hedged loan portfolio, TL 152.099 (December 31, 2014 – TL 122.664) TL 905 borrowings (December 31, 2014 –none) 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	905.191	680.928
-Additional Provision for Loans and Receivables with Extended Maturities	52.253	55.947
Provisions for Loans and Receivables in Group II	167.383	125.096
-Additional Provision for Loans and Receivables with Extended Maturities	38.079	36.679
Provisions for Non - Cash Loans	85.275	75.473
Other	32.554	61.164
Total	1.190.403	942.661

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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 ^(*)	20.065	21.043

^(*) 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 36.737 (December 31,2014 - TL 47.736).

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 December 31, 2015, TL 130.051 (December 31, 2014 - TL 120.546) reserve for employee termination benefits was provided in the accompanying financial statements.

As of December 31, 2015, the Group accrued TL 36.821 (December 31, 2014 - TL 33.190) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of December 31, 2015, TL 83.633 (December 31, 2014 – TL 58.131) 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
	01.01-31.12.2015	01.01-31.12.2014
As of January 1	120.546	90.395
Service cost	18.854	14.640
Interest Cost	9.765	8.635
Settlement / curtailment / termination loss	8.756	10.474
Actuarial Difference	(5.110)	19.565
Paid during the period	(22.760)	(23.163)
Total	130.051	120.546

9.5. Information on other provisions

9.5.1. Information on provisions for possible risks

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	106.241	106.334
General Reserves for Possible Risks	100.000	82.000
Provision for Promotion Expenses of Credit Cards	6.458	12.495
Other Provisions	87.297	48.659
Total	299.996	249.488

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10. Taxation

10.1. Current taxes

10.1.1. Current tax liability

As of December 31, 2015, the Group has current tax liability of TL 223.245 (December 31, 2014 - TL 240.905) and advance taxes of TL 165.664 (December 31, 2014 - TL 64.941).

The current tax liability and the advance taxes of the consolidated subsidiaries have been offset separately in their financial statements. As of December 31, 2015, after the offsetting, the current tax liability amounting to TL 57.581 (December 31, 2014 – TL 175.964) is disclosed with current tax receivable TL 6.846 (December 31– 269 TL)

10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	57.581	175.964
Banking and Insurance Transaction Tax (BITT)	50.131	39.417
Taxation on Securities Income	48.440	41.034
Taxation on Real Estates Income	2.008	1.893
VAT Payable	334	1.879
Other	23.552	19.157
Total	182.046	279.344

The Group 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 consolidated financial statements.

10.1.3 Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	7.806	7.054
Social Security Premiums - Employer Share	8.525	7.687
Pension Fund Fee and Provisions – Employee Share	5	4
Pension Fund Fee and Provisions – Employer Share	15	12
Unemployment Insurance - Employee Share	551	495
Unemployment Insurance - Employer Share	1.100	992
Other	13	12
Total	18.015	16.256

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11. Information on payables related to assets held for sale

None. (December 31, 2014- None)

12. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	2.662.119	-	2.121.712
From Other Foreign Institutions	-	-	-	-
Total	-	2.662.119	-	2.121.712

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 subordinated loans are subject to interest payment every 6 months and principal payment at maturity. USD 585 million of existing subordinated loans will mature in 2021, USD 325 million will mature in 2020. As explained in Section I, Note III, in accordance with the share purchase agreement signed on 21 December 2015, with the completion of legal permissions in regards to transfer of shares, subject subordinated loans will be transferred to QNB.

13. Information on shareholder's equity

13.1. Paid-in capital

	Current Period	Prior Period
Common Stock	3.000.000	2.835.000
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	3.000.000	12.000.000

(*) According to the Board of Directors decision dated September 16, 2014, the Bank has decided to increase the registered capital ceiling from TL 6.000.000 to TL 12.000.000 and subject decision has been approved in the Extraordinary General Assembly for approval.

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

Increase Date	Increase Amount	Profit Reserves held		Capital Reserves held	
		Cash	subject to the Increase	subject to the Increase	
August 31, 2015	165.000	-	165.000	-	-

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13.4. Information on share capital increases from revaluation funds

None (December 31, 2014 - 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, 2014 - None).

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

According to the Board of Directors decision dated September 16, 2014, it has been founder that 100 dividend shares issued to National Bank of Greece in accordance with the Bank's Articles of Association will be cancelled at no cost. Subject decision has been approved in the General Assembly meeting in December 4, 2014. 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.

14. Common stock issue premiums, shares and equity instruments

	Current Period	Prior Period
Number of Stocks (Thousands)	30.000.000	28.350.000
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	(65.962)	(178.297)	4.763	(56.619)
Valuation Differences	(65.962)	(178.297)	4.763	(56.619)
Foreign Exchange Rate Differences	-	-	-	-
Total	(65.962)	(178.297)	4.763	(56.619)

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	206.708	21.995	169.606	19.121
Derivative Financial Liabilities Held for Trading	1.882.909	273.555	1.092.817	159.483
Funds Borrowed	16.943	49.026	25.513	38.708
Money Market Borrowings	2.349	4.811	2.227	1.382
Derivative Financial Liabilities Held for Hedging	60.229	223.215	202.104	149.976
Issued Securities	1.075	44.863	10.545	44.198
Other Accruals	44.824	78	33.675	39
Total	2.215.037	617.543	1.536.487	412.907

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SECTION FIVE

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

1. Information related to consolidated off-balance sheet contingencies

1.1. Type and amount of irrevocable commitments

	Current Period	Prior Period
Credit Cards Limit Commitments	16.255.578	16.812.040
Commitment For Use Guaranteed Credit Allocation	14.365.003	8.537.065
Payment Commitments for Cheques	2.558.758	2.420.299
Forward Asset Purchase Commitments	803.658	2.550.320
Other Irrevocable Commitments	567.592	565.897
Credit Cards and Promosions in regards to Banking Services	34.278	22.604
Tax and Fund Liabilities due to Export Commitments	8.479	7.626
Total	34.593.346	30.915.851

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 36.736 (December 31, 2014 – TL 47.736) followed in the off-balance sheet accounts that are not indemnified and not liquidated yet. Tax and Fund Liabilities due to Export Commitments

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

	Current Period	Prior Period
Bank Loans	795.562	912.287
Letters of Credit	651.319	812.318
Other Guarantees	-	21.077
Total	1.446.881	1.745.682

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

	Current Period	Prior Period
Provisional Letters of Guarantee	373.483	412.514
Final Letters of Guarantee	4.716.970	4.054.914
Advance Letters of Guarantee	457.160	201.394
Letters of Guarantee Given to Customs Offices	325.424	266.710
Other Letters of Guarantee	3.155.908	2.479.195
Total	9.028.945	7.414.727

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	771.408	477.125
Less Than or Equal to One Year with Original Maturity	95.968	63.872
More Than One Year with Original Maturity	675.440	413.253
Other Non-Cash Loans	9.704.418	8.683.284
Total	10.475.826	9.160.409

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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	28.986	0,48	6.200	0,14	38.340	0,73	10.157	0,26
Farming and Raising Livestock	26.741	0,44	6.149	0,14	35.181	0,67	8.106	0,21
Forestry	963	0,02	-	-	746	0,01	-	-
Fishing	1.282	0,02	51	-	2.413	0,05	2.051	0,05
Manufacturing	1.083.869	18,04	2.298.573	51,46	977.016	18,74	1.987.079	50,63
Mining and Quarrying	52.298	0,87	19.420	0,43	27.120	0,52	-	-
Production	813.184	13,53	1.676.460	37,54	692.665	13,28	1.557.967	39,70
Electricity, gas and water	218.387	3,63	602.693	13,49	257.231	4,93	429.112	10,93
Construction	1.536.308	25,56	767.217	17,18	1.274.329	24,44	550.172	14,02
Services	3.268.772	54,39	1.371.772	30,71	2.838.584	54,43	1.364.461	34,77
Wholesale and Retail Trade	1.938.370	32,26	580.540	13,00	1.663.568	31,90	699.396	17,82
Hotel, Food and Beverage Services	76.266	1,27	72.025	1,61	54.015	1,04	60.312	1,54
Transportation&Communication	129.391	2,15	61.789	1,38	109.173	2,09	47.105	1,20
Financial Institutions	665.350	11,07	487.465	10,91	602.922	11,56	402.638	10,26
Real Estate and Renting Services	4.145	0,07	2.574	0,06	2.517	0,05	2.158	0,05
Self Employment Services	211.077	3,51	36.507	0,82	173.592	3,33	30.618	0,78
Educational Services	6.667	0,11	-	-	5.087	0,10	10	-
Health and Social Services	237.506	3,95	130.872	2,93	227.710	4,37	122.224	3,11
Other^(*)	91.507	1,52	22.622	0,51	86.463	1,66	12.731	0,32
Total	6.009.442	100,00	4.466.384	100,00	5.214.732	100,00	3.924.600	100,00

(*) Does not include foreign currency balance of "Other Guarantees" amounting to from prior period TL 21.077

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

	I. Group		II. Group	
	TL	FC	TL	FC
Current Period				
Letters of Guarantee	5.950.440	3.038.895	2.874	-
Bill of Exchange and Acceptances	23.085	772.186	-	291
Letters of Credit	5.002	646.317	-	-
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	-	-	-
Non-cash Loans	5.978.527	4.457.398	2.874	291

(*) Does not include non-cash loans amounting to TL 36.736, for which provision is provided, but which are not indemnified and not liquidated yet.

	I. Group		II. Group	
	TL	FC	TL	FC
Prior Period				
Letters of Guarantee	5.059.147	2.145.703	119.260	42.881
Bill of Exchange and Acceptances	8.934	891.831	-	11.522
Letters of Credit	-	811.958	-	360
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	21.077	-	-
Non-cash Loans	5.068.081	3.870.569	119.260	54.763

(*) Does not include non-cash loans amounting to TL 47.736, 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)	105.822.669	91.980.951
Forward transactions ^(*)	9.330.881	7.651.472
Swap transactions	82.827.776	74.223.938
Futures transactions	32.720	39.340
Option transactions	13.631.292	10.066.201
Interest Related Derivative Transactions (II)	11.990.098	9.542.658
Forward rate transactions	-	-
Interest rate swap transactions	11.454.624	9.542.658
Interest option transactions	-	-
Futures interest transactions	535.474	-
Security option transactions	-	-
Other trading derivative transactions (III)	712.362	417.402
A. Total Trading Derivative Transactions (I+II+III)	118.525.129	101.941.011
Types of hedging transactions		
Fair value hedges	17.764.451	19.206.081
Cash flow hedges	18.870.159	10.785.127
Net investment hedges	-	-
B. Total Hedging Related Derivatives	36.634.610	29.991.208
Total Derivative Transactions (A+B)	155.159.739	131.932.219

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

Breakdown of the Bank's foreign currency forward and swap 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	Futures Buy	Futures Sell	Other
Current Period									
TL	2.708.325	1.455.137	20.079.557	30.812.688	2.727.400	2.459.930	347	347	-
USD	1.098.411	2.750.074	41.217.474	28.854.994	2.587.585	2.852.748	283.750	283.750	712.362
Euro	797.778	386.959	5.512.546	3.263.619	1.500.712	1.501.634	-	-	-
Other	64.075	70.122	289.895	886.237	292	991	-	-	-
Total	4.668.589	4.662.292	67.099.472	63.817.538	6.815.989	6.815.303	284.097	284.097	712.362

^(*) 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	Futures Buy	Futures Sell	Other
Prior Period									
TL	1.824.574	1.193.287	20.750.021	28.431.303	1.502.096	1.608.873	448	448	-
USD	1.158.737	2.152.924	33.457.398	25.860.241	2.234.524	2.220.577	19.222	19.222	417.402
Euro	505.723	379.428	2.685.574	1.297.779	599.284	656.707	-	-	-
Other	335.237	101.562	140.878	1.134.610	686.580	557.560	-	-	-
Total	3.824.271	3.827.201	57.033.871	56.723.933	5.022.484	5.043.717	19.670	19.670	417.402

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

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

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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 4.352.016 (December 31, 2014 – TL 5.529.871) were subject to hedge accounting by swaps with a nominal of TL 4.378.077 (December 31, 2014 – TL 5.683.996). On December 31, 2015 the net market valuation difference loss amounting to TL 5.264 due to the losses from the loans amounting to TL 155.209 (December 31, 2014 – TL 199.124 gain) and gain from swaps amounting to TL 149.945 (December 31, 2014 – TL 165.139 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 156.493 (December 31, 2014 – TL 148.712) have been subject to hedge accounting with swaps with a nominal amount of TL 150.774 (December 31, 2014 – TL 144.000). In 2015 TL 517 net fair valuation difference income, net of TL 1.537 (December 31, 2014 – TL 8.087 income) loss from loans and TL 2.055 (December 31, 2014 – TL 6.583 loss) income 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 9.873 (December 31 , 2014 – TL 31.322) related to the loans that are ineffective for hedge accounting under “gains / (losses) from financial derivatives transactions” as loss during the current period.

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 365,7 million and EUR 75,8 million (December 31, 2014 – USD 301 million and EUR 70,8 million) were subject to hedge accounting by interest rate swaps with the same nominal value. On December 31 , 2015, the net market valuation difference loss amounting to TL 220 due to gain from Eurobonds amounting to TL 22.427 (December 31 , 2014 – TL 97.880 gain) and expense from swaps amounting to TL 22.647 (December 31, 2014 – TL 97.948 loss) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

The Parent Bank does not apply fair value hedge on TL government bonds in the current period. (As of December 31, 2014, government bonds with a nominal of TL 102.030 were subject to hedge accounting by swaps with the same nominal value.)

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 650 million (December 31, 2014 – USD 650 Million) have been subject to hedge accounting with the same nominal amount of swaps. As of December 31, 2015, TL 239 net fair valuation difference income, net of TL 7.225 (December 31, 2014 – TL 10.377 gain) income from issued bonds and TL 6.986 (December 31, 2014 – TL 10.438 loss) loss from swaps, has been recorded under “Gains / (losses) from financial derivatives transactions” on accompanying financial statements.

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d) Tangible Assets

The Bank implemented fair value hedge accounting through foreign exchange borrowings until December 31, 2014 in order to provide fair value hedge sourcing from changes in foreign exchange rates related to immovable, whose fair value consists of foreign currency in market and acquired as foreign currency. The Bank ended the related hedging transaction as of December 31, 2014 and fair value exchange rate income at an amount of TL 60.269 is amortized through the economic life of immovable property subjected to hedging transaction. Fair value exchange difference income at an amount of TL 1.233 sourcing from currency exchanges related to immovable property which is subject to hedging transaction is amortized as of December 31, 2015.

e) Borrowings

The Bank implements fair value hedge accounting through interest swaps aiming to provide hedging from changes in interest rates related to fixed rate foreign exchange credits used. Credit at an amount of EUR 30 million (31 December 2014:None) is subjected to hedge accounting with a swap having the same amount. A net mark to market difference expense at an amount of TL 33 sourcing from income at an amount of TL 900 (31 December 2014:None) from aforementioned credit and expense at an amount of TL 933 (31 December 2014:None) from swaps is recognized under "Gain/loss from Derivative Financial Transactions."

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 4.035.130 are subject to hedge accounting as hedging instruments (December 31, 2014 – TL 1.057.388). As a result of the mentioned hedge accounting, fair value gain before taxes amounting to TL 68.398 are accounted for under equity during the current period (December 31, 2014 – TL 20.178 gain). The ineffective portion of gain amounting to TL 6.970 (December 31, 2014 – TL 127 loss) is accounted for at the income statement.

As of the balance sheet date, swaps with a nominal amount of USD 1.877 million (December 31, 2014 – USD 1.854 Million) have been subject to hedge accounting with USD deposits and swaps with a nominal amount of EUR 139 million (December 31, 2014 – None) have been subject to hedge accounting with Euro deposits. As a result of above mentioned hedge accounting, fair value gain before taxes amounting to TL 73.534 are accounted under equity during the current period (December 31, 2014 – TL 140.268 loss). The loss amounting to TL 589 (December 31, 2014 – TL 245 loss) relating to the ineffective portion is accounted under 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 at periods when the expected cash flows subject to hedge accounting affect profit or loss (as in periods when interest income or expense is recognized). In the current period there is income of TL 5.195 transferred amount from equity to income statement due to ineffectiveness or matured swaps. (December 31, 2014 – TL 2.399 loss).

The measurements as of December 31, 2015, hedge of cash flow transactions stated above are determined as effective.

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b) Tangible Assets

The Parent Bank applied cash flow hedge accounting as of December 31, 2014 to hedge sale value of Gayrettepe Head Quarter building and Polat building classified as assets held for sale from foreign currency risk through foreign currency liabilities. Subject cash flow hedge has been discontinued as a result of completion of sale transactions with the transfer of deeds on March 25, 2015 and April 27, 2015 respectively. Foreign exchange losses amounting to TL 10.136 that has been accounted under other comprehensive income as at December 31, 2014 has been transferred to income statement in the current period.

6. Credit derivatives and risk exposures on credit derivatives

As of December 31, 2015, the Parent Bank has no commitments “credit linked notes”.(As of December 31, 2014, in the Parent Bank’s “other irrevocable commitments”, there are commitments for “credit linked notes” with a nominal of USD 9.089.264.)

As of December 31, 2015, “Other Derivative Financial Instruments” with nominal amount of USD 225.000.000 (December 31, 2014: USD 180.000.000) are included in Parent Bank’s “Swap Interest Sell Transactions.” In aforementioned transaction, Bank is the seller of the protection.

7. Information on contingent liabilities and assets

The Bank has recorded a provision of TL 37.644 (December 31, 2014 - TL 20.677) for litigation and has accounted for it in the accompanying financial statements under the “Other Provisions” account(Section Five, part II.9.5). Except for the claims where provisions are recorded, management considers as remote the probability of a negative result in ongoing litigations and therefore does not foresee cash outflow for such claims.

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 May 2015	FITCH March 2015		CI July 2015		
Long-Term Deposit Rating (FC)	Ba2	Long -Term Foreign Curr.	BBB-	Long-Term Foreign Curr.	BB+
Long-Term Deposit Rating (TL)	Ba2	Short-Term Foreign Curr.	F3	Short-Term Foreign Curr.	B
Short-Term Deposit Rating (FC)	NP	Long-Term TL	BBB-	Foreign Currency Rating	Stable
Short-Term Deposit Rating (TL)	NP	Short-Term TL	F3	TL Rating	Stable
Main Credit Evaluation	(b1)	Long-Term National	AA+(tur)	Long Term (TL)	BB+
Appearance	Negative	Appearance	Stable	Short Term (TL)	B
		Support	3	Financial Strength Rating	BBB
		Individual	bbb-	Financial Strength Appearance	Stable
				Support	4

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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
Short-Term Loans	3.107.011	48.183	2.550.276	56.914
Medium and Long-Term Loans	3.023.888	381.145	2.640.378	235.410
Non-Performing Loans	123.260	-	113.761	-
Resource Utilization Support Fund Premiums	-	-	-	-
Total	6.254.159	429.328	5.304.415	292.324

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	1	-	-
Domestic Banks	1.161	11	1.972	9
Foreign Banks	362	2.199	435	4.091
Foreign Headquarters and Branches	-	-	-	-
Total	1.523	2.211	2.407	4.100

(*) The interest income on Required Reserve amounting TL 22.770 is not included in interest income on Banks. (December 31, 2014 : 538).

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	3.660	218	10.111	233
Financial Assets at FVTPL	8.595	575	17.384	-
Investment Securities Available for Sale	315.146	105.891	405.407	68.767
Investment Securities Held to Maturity	273.657	42.870	325.193	25.957
Total	601.058	149.554	758.095	94.957

As stated in Section Three disclosure VII, the Bank has inflation indexed (CPI) government bonds in its available for sale and held-to-maturity portfolios. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the actual payments is determined based on the inflation rates of two months before. The Bank determines the estimated inflation rates used for valuation of securities in line with this. In this context, as of December 31 2015, valuation of such assets is made according to estimated annual inflation rate of 7,59 %.

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

None (December 31, 2014 – None)

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	71.425	267.549	48.483	227.027
T.R. Central Bank	-	-	-	-
Domestic Banks	39.014	17.135	35.737	10.968
Foreign Banks	32.411	250.414	12.746	216.059
Foreign Headquarters and Branches	-	-	-	-
Other Institutions	-	-	7.425	-
Total	71.425	267.549	55.908	227.027

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

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	12.487	-

c) Information on interest expense paid to securities issued

As of December 31, 2015 the interest amount paid to securities issued is TL 373.804 (December 31, 2014 – TL 328.255)

d) Information on maturity structure of interest expenses on deposits

Account Name	Current Period		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	-	12.979	2.050	-	-	-	-	15.029
Saving Deposits	-	199.374	1.321.852	44.370	22.409	109.226	-	1.697.231
Public Sector Deposits	-	1.830	9.105	111	37	1	-	11.084
Commercial Deposits	-	166.148	400.396	33.269	11.597	15.229	-	626.639
Other Deposits	-	6.286	125.806	2.950	32.170	20.652	-	187.864
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	-	386.617	1.859.209	80.700	66.213	145.108	-	2.537.847
Foreign Currency								
Deposits	-	29.694	211.119	8.305	3.316	10.559	-	262.993
Bank Deposits	25	14.170	3.249	180	-	-	-	17.624
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	645	-	-	-	-	-	645
Total	25	44.509	214.368	8.485	3.316	10.559	-	281.262
Grand Total	25	431.126	2.073.577	89.185	69.529	155.667	-	2.819.109

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Account Name	Time Deposits						Accumulated Deposit Account	Total
	Prior Period	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year		
Turkish Lira								
Bank Deposits	-	12.951	6.318	1.623	288	-	-	21.180
Saving Deposits	3	154.378	1.120.822	91.882	38.827	112.144	-	1.518.056
Public Sector Deposits	-	639	3.408	51	102.588	-	-	106.686
Commercial Deposits	-	149.225	422.401	31.933	17.600	6.518	-	627.677
Other Deposits	-	3.357	73.089	13.891	53.878	3.720	-	147.935
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	3	320.550	1.626.038	139.380	213.181	122.382	-	2.421.534
Foreign Currency								
Deposits	-	19.561	158.417	10.483	6.488	12.669	-	207.618
Bank Deposits	29	19.267	3.566	248	38	-	-	23.148
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	484	-	-	-	-	-	484
Total	29	39.312	161.983	10.731	6.526	12.669	-	231.250
Grand Total	32	359.862	1.788.021	150.111	219.707	135.051	-	2.652.784

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expenses on Repurchase Agreements ^(*)	192.482	15.266	213.296	7.448

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

f) **Information on finance lease expenses**

None (December 31, 2014 – None).

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

None (December 31, 2014 – None).

3. **Information on dividend income**

	Current Period	Prior Period
Financial Assets Held for Trading	58	263
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets Available for Sale	-	-
Other	-	-
Total	58	263

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

	Current Period	Prior Period
Trading Gain	20.210.828	11.409.533
Gains on Capital Market Operations	84.336	125.539
Derivative Financial Instruments	4.531.803	3.508.198
Foreign Exchange Gains	15.594.689	7.775.796
Trading Loss (-)	20.938.149	11.661.260
Losses on Capital Market Operations	57.211	105.269
Derivative Financial Instruments	5.209.294	3.815.919
Foreign Exchange Losses	15.671.644	7.740.072
Net Trading Income/Loss	(727.321)	(251.727)

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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 expense accruals cancelations in “Other Operating Income” account. As stated in Section Five disclosure I.15, in the current period, Gayrettepe Head Office’s, Polat Residence’s and Akmerkez floors’ property titles are transferred to the new owner as of March 25, 2015, April 27, 2015 and March 24, 2015, respectively. The Parent Bank has recorded the profit from the sale of these buildings under “Other Operating Income” amounting to TL 196.362.

6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	909.013	875.804
Loans and Receivables in Group III	224.974	166.066
Loans and Receivables in Group IV	198.757	323.677
Loans and Receivables in Group V	485.282	386.061
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	247.742	126.370
General reserves for possible risks	18.000	82.000
Provision for Free Reserves on Possible Losses	(93)	4.310
Impairment Losses on Securities	-	-
Financial assets at fair value through profit or loss	-	-
Investment Securities available for sale	-	-
Impairment Losses on Associates, Subsidiaries and Investment Securities Held-to-Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
Other	32.782	12.007
Total	1.207.444	1.100.491

7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	1.116.533	1.004.628
Reserve for employee termination benefits	14.615	10.586
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation charge of tangible assets	118.887	135.212
Impairment losses on intangible assets	-	-
Impairment losses on goodwill	-	-
Amortization charge of intangible assets	93.705	79.822
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed of	-	83
Depreciation on assets to be disposed	4.050	3.906
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	914.325	848.051
Operational lease related expenses	228.034	209.921
Repair and maintenance expenses	95.692	78.772
Advertisement expenses	67.954	70.761
Other expenses	522.645	488.597
Losses on sales of assets	6.499	640
Other	605.826	360.083
Total	2.874.440	2.443.011

(*) Comprising repayments amounting to TL 166.703 (December 31, 2014: TL 95.335) in respect of Consumer Arbitration Committee and courts’ decision, which was fees and commissions recognized in previous year as income. Additionally, in accordance with the report prepared by the investigators of the Ministry of Customs and Trade, the Bank has been notified of a TL 43.569 administrative fine. With the reservation of the right to legal application, subject fine has been paid by the Bank on August 28, 2015 benefiting from early payment discount in compliance with Law of Misdemeanour no 5326 Clause 15 at the amount of TL 32.676.

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

For the period ended December 31, 2015, net interest income of TL 4.082.755 (December 31, 2014 – TL 3.204.525), net fees and commission income of TL 1.387.238 (December 31, 2014 – TL 1.396.983) and other operating income of TL 272.748 (December 31, 2014 – TL 385.552) 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 December 31, 2015, the Group recorded current tax charge of TL 225.182 (December 31, 2014 - TL 235.839) and a deferred tax charge of TL 21.539 (December 31, 2014 – TL 39.715 deferred tax loss).

	Current Period	Prior Period
Current Tax Provision	(225.182)	(235.839)
Correction in regards to Corporate Tax from Prior Period	-	-
Deferred Tax Income/Expense	21.540	(39.715)
Total	(203.642)	(275.554)

9.2. Explanations on operating profit/loss after taxes

None (December 31, 2014 – None).

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

Net profit of the Group from continued operations is TL 680.414 (December 31, 2014 – TL 915.939).

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 (December 31, 2014 – 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.

None

11.3. Profit or loss attributable to minority shares

	Current Period	Prior Period
Profit / Loss Attributable to Minority Shares	16.064	15.251

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

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

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

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SECTION FIVE

V. EXPLANATIONS AND DISCLOSURES RELATED TO STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

1. Changes resulting from valuation of available for sale securities

Net decrease of TL 192.403 (December 31, 2014 – TL 170.344 net increase) after tax effect resulting from valuation of available for sale securities at fair values is included in “Securities Value Increase Fund” account under shareholders’ equity.

2. Explanations on foreign exchange differences

None

3. Explanations on dividends

3.1 Dividends declared subsequent to the balance sheet date, but before the announcement of the financial statements

There is no announcement of dividend distribution before the release of the accompanying financial statements. It is decided to allocate a General Legal Reserve at an amount of TL 43.871 of net profit after tax at an amount of TL 877.428 in accordance to financial statements of 2014 at Ordinary General Assembly Meeting of Finansbank A.Ş held on March 31, 2015. Additionally, it is decided to distribute net profit at an amount of TL 833.557 remained following allocation of General Legal Reserves according to the financial statements of 2014 as follows in accordance with article 26 of Articles of Incorporation of the Bank at the General Assembly meeting of Finansbank held on May 28, 2015.

2014 profit distribution table:

Current Year Profit	877.428
A - I. Legal Reserve (Turkish Commercial Code 466/1) at 5%	(43.871)
B - The First Dividend for Shareholders(*)	(141.750)
C – Profit from Disposal of Associates	-
D- II. Legal Reserves	-
E- Gains on Real estate Sales Fund	-
F - Extraordinary Reserves ((691.807)
(*) Has been distributed as Bonus Shares	

3.2 Dividends per share proposed subsequent to the balance sheet date

No decision is taken concerning the profit distribution by the General Assembly as of the balance sheet date (December 31, 2014- Profit distribution for 2014 is detailed in footnote 3.1).

3.3 Transfers to legal reserves

	Current Period	Prior Period
Amount Transferred to Reserved from Retained	50.089	39.148

4. Information on issuance of share certificates

4.1 The rights, priorities and restrictions regarding the share capital including distribution of income and repayment of the capital

None (December 31, 2014- None).

5. Information on the other capital increase items in the statement of changes in shareholders’ equity

Capital increase amounting to in order of TL 165.000 and TL 135.000 presented in the Statement of Changes in Shareholder’s Equity in 2015 and 2014 is entirely provided from extraordinary reserves.

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VI. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED CASH FLOWS STATEMENT

1. The effects of the other items stated in the cash flow statement and the changes in foreign currency exchange rates on cash and cash equivalents

“Other items” amounting to TL 2.416.821 (December 31, 2014 – TL 844.896) in “Operating profit before changes in operating assets and liabilities” consist of commissions paid amounting to TL 255.744 (December 31, 2014 – TL 210.918), net trading income/loss amounting to TL 1.769.130 (December 31, 2014 – TL 385.954 net trading income/loss) and other operating expenses amounting to TL 391.947 (December 31, 2014 – TL 248.024).

“Other items” in changes in operating assets amounting to TL 606.699 (December 31, 2014 – TL 224.162) consist of the decrease in collaterals given amounting to TL 26.958 (December 31, 2014 - TL 35.978 decrease), the increase in lease receivables amounting to TL 430.298 (December 31, 2014 – TL 251.335 increase), the increase in factoring receivables amounting to TL 128.514 (December 31, 2014 – TL 77.445 increase) and the increase in other assets amounting to TL 74.845 (December 31, 2014 - TL 68.640 decrease).

“Other items” in changes in operating liabilities amounting to TL 2.482.923 (December 31, 2014 - TL 699.020) consist of the increase in money market borrowings by TL 589.958 (December 31, 2013 - TL 434.132 increase) and the increase in sundry debtors and other liabilities by TL 1.892.965 (December 31, 2014 - TL 264.888 increase).

“Other items” in changes in net cash provided from banking operations amounting to TL 127.697 (December 31, 2014 – TL 105.349) includes the increase in intangible assets by TL 34.746 (December 31, 2014 – TL 25.527).

Effect of change in foreign currency on cash and cash equivalents is calculated as the difference between monthly average balances converted to TL using the currency rate at the beginning and at the end of the period and is TL 24.827 (December 31, 2014 – TL 224.093) as of December 31, 2015.

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

	Current Period	Prior Period
	January 1, 2015	January 1, 2014
Cash	839.524	1.047.250
Cash in TL	590.505	633.575
Cash in Foreign Currencies	248.656	413.150
Other	363	525
Cash Equivalents	2.129.654	1.224.848
Balances with the T.R. Central Bank	1.601.665	752.806
Banks and Other Financial Institutions	294.961	472.895
Money Market Placements	244.425	3.433
Less: Placements with Banks with Maturities Longer than 3 Months	(10.369)	(4.143)
Less: Accruals	(1.028)	(143)
Cash and Cash Equivalents	2.969.178	2.272.098

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

	Current Period	Prior Period
	December 31, 2015	December 31, 2014
Cash	955.907	839.524
Cash in TL	678.547	590.505
Cash in Foreign Currencies	274.822	248.656
Other	2.538	363
Cash Equivalents	2.775.629	2.129.654
Balances with the T.R. Central Bank	2.418.116	1.601.665
Banks and Other Financial Institutions	278.336	294.961
Money Market Placements	87.711	244.425
Less: Placements with Banks with Maturities Longer than 3 Months	-	(10.369)
Less: Accruals	(8.534)	(1.028)
Cash and Cash Equivalents	3.731.536	2.969.178

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

A portion of foreign bank accounts amounting to TL 39.803 (December 31, 2014- TL 5.473) includes blocked cash for foreign money and capital market transactions and for borrowings from foreign markets.

5. Additional information

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

None.

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VII. 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 December 31, 2015, the Parent Bank's risk group has deposits amounting to TL 270.250 (December 31, 2014 – TL 238.312), non cash loans amounting to TL 33.930 (December 31, 2014 – TL 34.991) and doesn't have cash loans. (31 Aralık 2014- 1.715).

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	-	-	1.715	34.288	-	702
Balance at the End of the Period	-	11.315	-	21.651	-	964
Interest and Commission Income	-	158	-	21	5	13

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	-	-	-	32.895	1.715	-
Balance at the End of the Period	-	-	-	34.288	-	702
Interest and Commission Income ^(**)	-	-	6	75	-	5

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

^(**) Represents December 31, 2014 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	202.176	145.235	17.036	18.776	19.100	16.594
Balance at the End of the Period	11.344	202.176	-	17.036	258.905	57.639
Interest on deposits ^(**)	12.487	-	-	3	11.238	2.994

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

^(**) Prior Period represents December 31, 2014 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	-	-	134.496	130.397	102.824	177.748
End of the Period	-	-	168.641	134.496	74.646	102.824
Total Income/Loss ^(**)	-	-	(4.077)	(3.374)	1.693	952
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 December 31, 2014 balance.

1.4. As of December 31, 2015, the total amount of remuneration and bonuses paid to top management of the Group is TL 62.491 (December 31, 2014- TL 50.484).

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 December 31, 2015, the rate of cash loans of the risk group divided by to total loans is not calculated due to fact that there are no loans provided to the risk group; (December 31, 2014 – 0,3%); the deposits represented 0,6% (December 31, 2014 – 0,5%) of the Parent Bank's total deposits and the derivative transactions represented 0,2% (December 31, 2014 – 0,2%) of the total derivative transactions.

2.3. Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agent contracts, financial lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts

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

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

Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., in which the Parent Bank participated with 33,33% shareholding, provides cash transfer services to the Parent Bank.

Information 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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VIII. EXPLANATIONS ON THE PARENT BANK'S DOMESTIC, FOREIGN AND OFF-SHORE BANKING BRANCHES AND FOREIGN REPRESENTATIVES OF THE GROUP

1. Information relating to the Parent Bank's domestic and foreign branch and representatives

	Number	Employees				
Domestic Branch	641	12.943				
				Country		
Foreign Representation	-	-				
					Total Assets	Capital
Foreign Branch			1- Bahrain	12.264.621		-
	1	7				
Off-shore Banking and Region Branches	-	-				

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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

The Parent Bank made a bond issuances at a nominal amount of TL 52.300 having 11.50% interest rate with 91 days maturity on January 15, 2016 and at a nominal amount of TL 165.550 having 11.40% interest rate with 91 days maturity on January 22, 2016 and at a nominal amount of TL 186.160 having 11.20% interest rate with 91 days maturity on February 4, 2016.

The Parent Bank made a Eurobond issuance at a nominal amount of EUR 10.000.000 having 0,42% interest rate with 138 days maturity on January 20, 2016 and at a nominal amount of EUR 15.000.000 having 0,53% interest rate with 129 days maturity on January 29, 2016 and at a nominal amount of USD 15.000.000 having 2,10% interest rate with 366 days maturity on February 1, 2016.

It has been decided with the resolution of Board of Directors dated February 3, 2016 to acquire 3.434.632 shares owned by NBG with a total nominal value of TL 34.346, cost of TL 128.112 and equivalent to 29,87% of paid capital of Finans Finansal Kiralama A.Ş., which is an associate of the Parent Bank, from NBG. The aforementioned share transfer transaction has been realized on February 8, 2016. The share of the Parent Bank in Finans Finansal Kiralama A.Ş has reached to 80,92% with this transaction.

2. Information about effects of significant changes in foreign exchange rates after balance sheet date that would affect 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 (December 31, 2014 – None).

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SECTION SEVEN

INDEPENDENT AUDIT REPORT

I. Explanations on Independent Limited Audit Report

The consolidated financial statements for the period ended December 31, 2015 have been audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited). The auditor's report dated February 19, 2016 is presented preceding the consolidated financial statements.

II. Explanations on the notes prepared by Independent Auditors

None (December 31, 2014 – None).