



Believe in possibility

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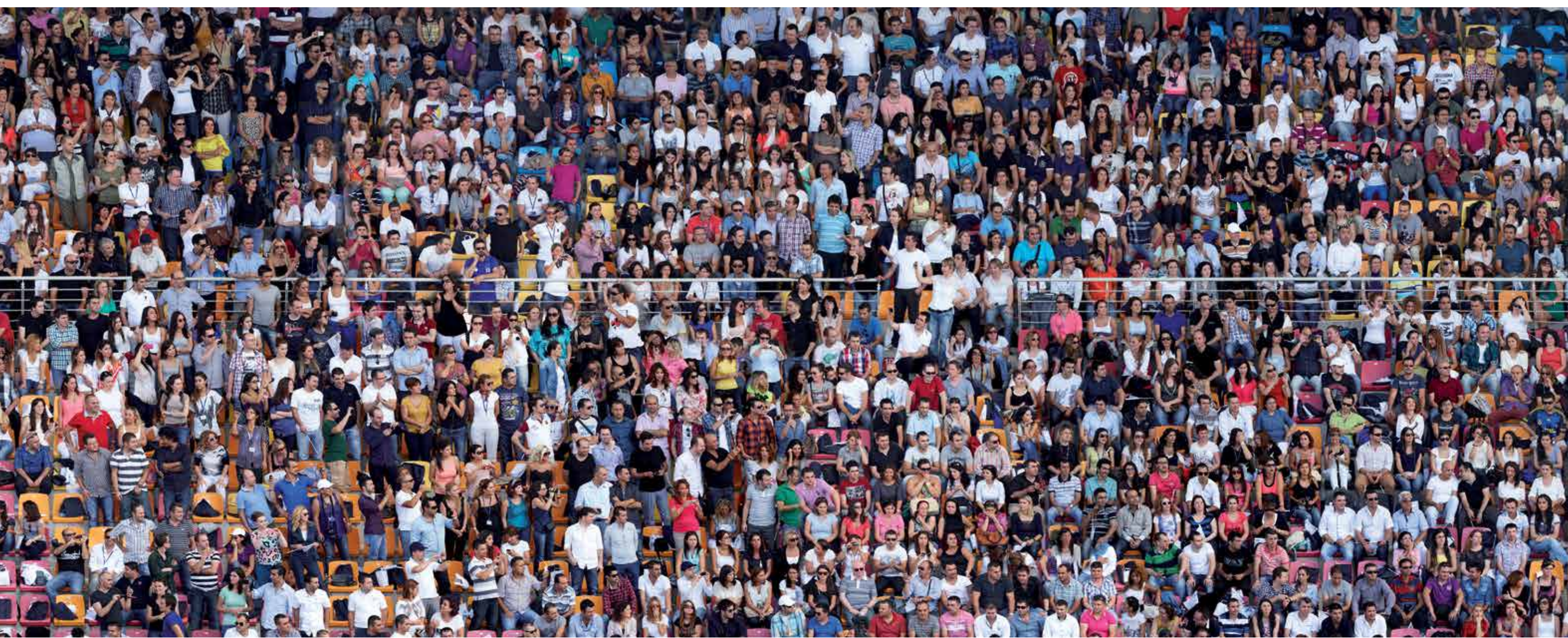
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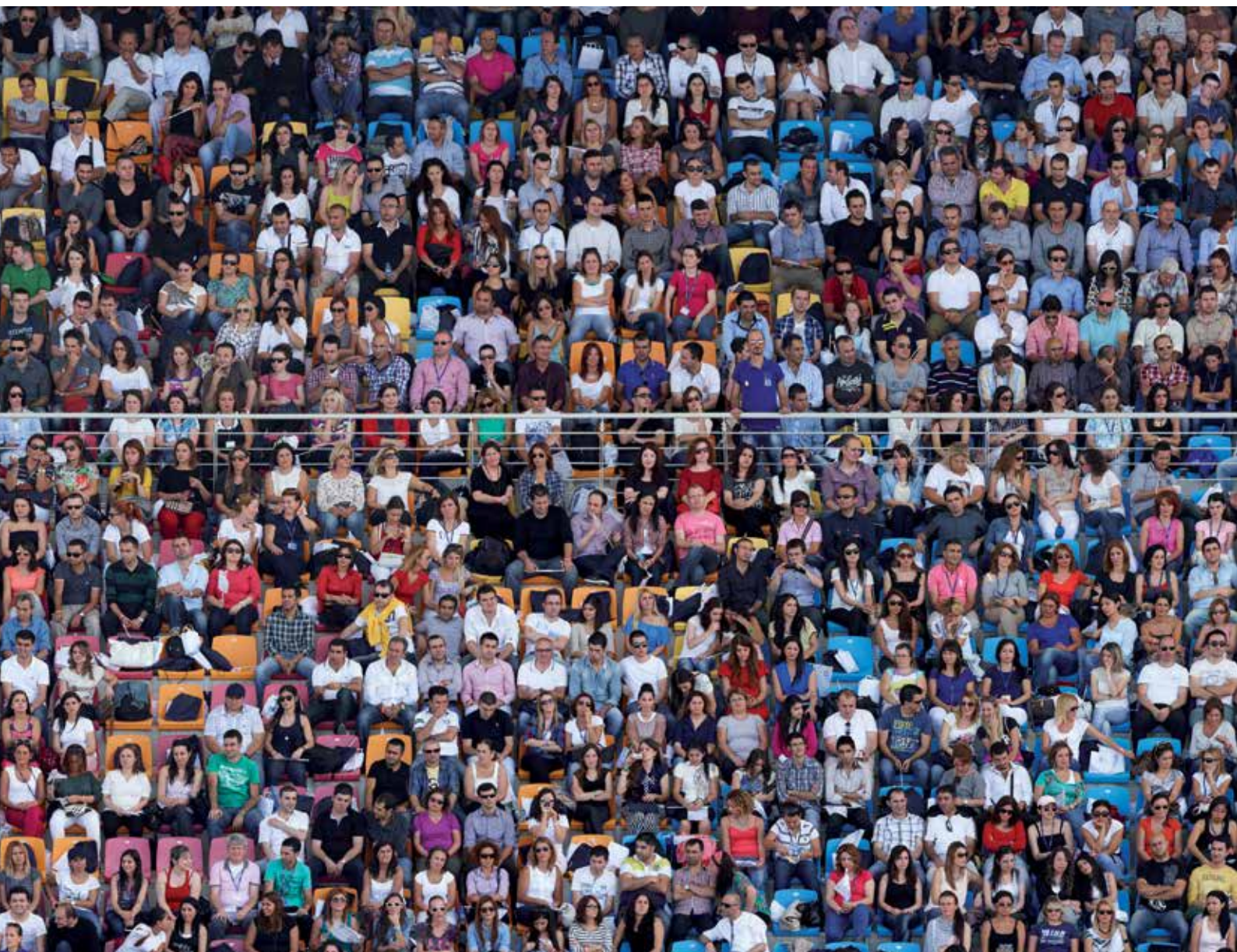
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Bringing together 12,000 employees in our 25th year...

Believe in possibility



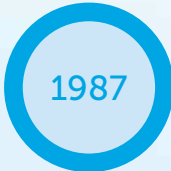
This photograph is taken on the celebration of Finansbank's 25th Anniversary in Istanbul Park.



We are proudly leaving behind a quarter century

As an accomplished bank with remarkable performance both in Turkey and abroad, we continue to expand our services throughout the country with great joy. Our steady growth goes apace with constantly increasing customer base, branch network and service innovations.

By "Believing in Possibility," we succeed at every initiative that adds value to our country, our economy and our people. We carry the excitement we felt on our first day in business to the present and future.



1987

0.025

USD billion



1994

0.285

USD billion



2001

2.376

USD billion

Finansbank's **Asset Growth** in 25 Years

2012

30.518

USD billion

By achieving steady growth for 25 years, Finansbank ranks 5th in terms of assets among Turkey's private banks.*

2006

12.664

USD billion

Steady growth
for 25 years...

Believe in possibility

*According to unconsolidated BRSA financials.



Finansbank's **Loan Growth** over 25 Years

2012

20.640

USD billion

Finansbank offers superior retail banking services and also provides support to the real economy with corporate loans.

2006

7.814

USD billion

Supporting the economy
for 25 years under all
circumstances...

Believe in possibility



1987

0.007

USD billion

1994

0.036

USD billion

2001

1.344

USD billion

Finansbank's **Customer Deposit Growth** over 25 Years

2012

17.881

USD billion

As a young and dynamic domestic bank, Finansbank increased its deposit base rapidly thanks to its innovative products and customers' trust.

2006

6.614

USD billion

A reliable destination for
savings for 25 years...

Believe in possibility



1987

1
Branch



1994

4
Branches



2001

108
Branches

Finansbank's **Branch Network Growth** over 25 Years

2012

582

Branches

Finansbank's rapidly growing branch network captures 96% of the Gross Domestic Product of Turkey.

2006

309

Branches

Every single day,
Finansbank is getting a little
closer to its customers...

Believe in possibility

Introduction

Finansbank is 25 years old

Finansbank, during its 25-year history, has implemented innovative and industry-leading practices, reinforced its identity as a leading and well-respected service provider and has created lasting and stable value for its stakeholders.

The 25-years “young” Finansbank will continue to rise on its core values and to stride confidently into the future.

Our Vision

To help build individual and commercial financial plans that will catalyze Turkey's success.

Our Mission

To forge a lifelong partnership with all our stakeholders by understanding their needs, finding the right solutions and aiming for maximum customer satisfaction.

Our Values

Respect and Commitment

Being "Us"

Innovation

Leadership

Introduction

Message from the Chairman

Steady growth fueled by Turkey...

In 2012, Finansbank's success was enhanced by strategic international partnerships.

Dear Shareholders,

Finansbank is leaving behind a busy year. 2012 started out dominated by pessimistic expectations about the world economy. Instability in Europe and economic concerns in the United States caused turmoil and slowdown in the global economy. Growth in advanced economies continued to decline in 2012, with their average growth rate falling to 1.3%, down from 1.6% a year earlier. While demonstrating stronger growth, emerging market countries could not completely escape the negative effects of the slowdown in developed economies; during the year, their average growth rate decreased from 6.2% to 5.3%.

The weak pace of recovery in developed countries resulted in their central banks' further loosening their monetary policies. While the Fed and the Bank of Japan continued to pursue quantitative easing, the European Central Bank implemented long-term liquidity injections and reduced its policy rate. As a result, loose liquidity conditions, the most characteristic feature of the world economy in the wake of the global financial crisis, prevailed in 2012.

In this environment, the controlled deceleration needed by the Turkish economy was successfully achieved with effective and consistent policy implementations. Turkey, benefiting from more positive dynamics in terms of the banking system and public finances than the most developed countries, outperformed the global economy during the year.

2012 was of a year of particular importance for Finansbank. Established in 1987, Finansbank completed its 25th year of uninterrupted growth within the Turkish banking sector. During this period, Finansbank had become the fifth largest private bank in Turkey, with total assets of USD 31 billion, total capital of USD 4 billion, 582 branches and 12,000 employees.

The Bank's achievements were boosted by strategic partnerships established with international companies in 2012. Cigna, one of the largest health and life insurance providers in the US, combined its activities in Turkey with Finans Pension. In addition, Finansbank entered into a collaboration agreement with Sompo Japan, one of the world's leading insurance firms in non-life insurance products. In order to better serve our customers and to add more value to our Bank, we plan to pursue new partnerships in the future in different products and services.



Despite the ongoing difficulties in global capital markets, Finansbank raised a five-year USD 350 million Eurobond in the last quarter of 2012, at the lowest cost so far. In December 2012, the Bank obtained the longest-term debt in its history with a 12-year securitization. In addition, by securing a USD 465 million syndicated loan, the Bank increased its level of funding from international markets to almost USD 1 billion.

The Bank also had a very successful year in the investment banking arena. Finansbank was the consortium leader in the Halkbank IPO, the largest IPO in the history of the Istanbul Stock Exchange and Europe's third-largest public offering in 2012. The IPO raised about TL 4.5 billion, with 299 million shares successfully distributed to 30,272 investors.

In 2012, Finansbank continued to break new ground in retail banking. The Bank launched a web-based deposit product, "Enpara.com," in October. As our customers benefited from this innovative product, we grew our deposit base faster than the banking sector as a whole.

Our success is built first and foremost on the expertise and energy of the Finansbank family, and guided by our strategic road map and core focus areas. Underlying our success is the Bank's "Believe in Possibility" philosophy, which has become the touchstone of our business.

In 2013, we will continue to establish lifelong partnerships with everyone who has dealings with Finansbank; to understand their needs and develop innovative solutions.

On behalf of the Board and the Bank's shareholders, I thank all our employees, business partners and customers for their trust in us.

Ömer A. Aras
Chairman and Group CEO

Introduction

Message from the General Manager

Goal-oriented sustainable performance...

Finansbank recorded a net profit of TL 902 million in 2012. In addition, we closed the year with high liquidity, low debt and a capital adequacy ratio of 18.92%, which is the highest among Turkey's private banks.

Dear Shareholders and Board of Directors,

I want to begin my message by expressing my gratitude to our employees. Throughout the year, we have demonstrated a strong performance in line with our goals and strategies, starting our 25th year confidently and closing it with pride.

Within just a quarter century, we have earned a permanent position among the five largest private banks in Turkey. We continue to take confident steps towards our goal of ranking among the three largest banks in our focus areas by 2020.

In keeping with our vision to be the architect of each individual and commercial financial plan that will lead Turkey to success, we sustain our performance without compromising our responsibilities to the Bank's customers and shareholders, and by maintaining a strong capital structure. Our motto of "Believe in Possibility" expresses our promise to society as a whole. The values of respect, commitment, innovation, leadership and being "Us" support our core philosophy and comprise the essence of our understanding of banking.

With this approach, we have generated a net profit of TL 902 million in 2012. In addition, we closed the year with high liquidity, low debt and a capital adequacy ratio of 18.92%, the highest among Turkey's private banks.

We left behind a challenging year in terms of both the global economic climate and the Turkish economy. Turkey closed 2011 with very rapid growth and consequently, a high current account deficit coupled with a rising inflation rate. During the course of 2012 however, economic activity slowed

significantly, as a result of the tight monetary policy adopted by the Central Bank of Turkey, especially in the first half of the year. Hence, the soft landing of the Turkish economy in 2012.

Thanks to decelerating GDP growth, from 8.5% in 2011 to around 3% during the reporting year, the current account deficit to GDP ratio fell to about 7% while inflation dropped from double-digits to 6%. As a result, Turkey was able to curb inflation and the current account deficit without causing economic stagnation. This soft landing also resulted in Turkey's credit rating being raised to "Investment Grade", the first in 18 years.

As the Turkish economy managed to achieve balanced growth with low inflation, the tight monetary policy of the Central Bank in the first half of the year gave way to a loosening of the monetary supply. Falling short-term interest rates and a decreasing risk premium after the credit rating upgrade resulted in long-term interest rates dropping to historic lows. Thanks to this confluence of events, the Turkish economy ended 2012 with a much more positive outlook compared to that at the beginning of the year.

With the opening of 60 new branches in 2012, Finansbank's branch network expanded to 582 outlets, enabling the Bank to reach more customers. We completely renewed our Internet Branch to reflect changing customer needs. We introduced the bank of the future to our customers with new functionality presented in an interface that recognizes and guides the user according to usage patterns.



We did not stop there. In October 2012, we launched Enpara.com, which quickly became Turkey's most popular online banking solution. With Enpara.com, we reached more than 30,000 customers and achieved a significant rise in deposits by the end of year.

Today, Finansbank has the highest loans to assets ratio of any bank in the country. In 2012, Finansbank contributed to Turkey's economic development by offering loans equal to 68% of its total assets and became the only bank generating almost all of its revenue from customers.

More than 60% of Finansbank loans were extended to retail banking customers. In line with our growth objective in this segment, we reached 4.5 million retail banking and more than 5 million credit card customers in 2012. We also introduced Fix Card, an important product that strengthened our innovative market position in this key segment. We underpinned our industry leadership with Fix Card, which offers both debit card and credit card features, without any transactional or annual fees.

At the same time, we continued to provide support to the real sector. Without compromising our service quality, we responded to the expectations and needs of large corporates and commercial enterprises. In keeping with our target of achieving rapid growth in the SME segment over the next three-year period, we increased our loans extended to SMEs by 30%, to TL 7 billion by end-2012.

With the new additions to our team, our workforce grew even more and the Finansbank family exceeded 12,000 members.

We also managed to have our name engraved on prestigious national and international awards. Having started up in 2011, the Bank's "Believe in Possibility Development Program" was honored with the "Citation of Excellence" award by the American Society of Training and Development, the most recognized organization in the international training industry. Our innovative program was also presented with the "Bronze Stevie" in the International Banking category at the International Business Awards 2012. In addition, the Public Relations Society of Turkey awarded Finansbank's "Believe in Possibility 2011" image campaign with the "Golden Compass" in the Corporate Communications category.

Our achievements to date, while a source of great pride for us, also constitute a springboard for future accomplishments and advancements. As our bank grows, our contribution to the Turkish economy and society will grow with us.

I give my thanks to all our employees, shareholders and business partners that have participated in our achievements.

Temel Güzeloğlu
General Manager

Introduction

Financial Highlights

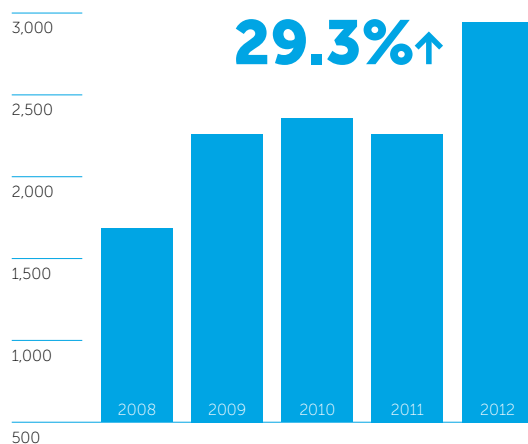
A banking approach focused on sustainable profit growth

Commission income increased 28.4% thanks to a constantly growing active customer base.

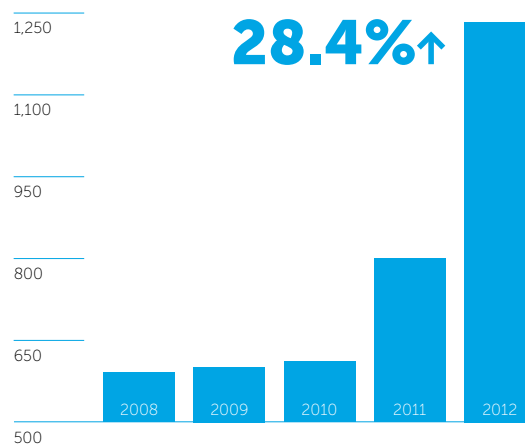
Profitability (TL million)

	2008	2009	2010	2011	2012	Change
Net interest income	1,707	2,261	2,254	2,225	2,877	29.3%
Net fee and commission income	575	553	594	801	1,029	28.4%
Other operating expenses	1,106	1,162	1,376	1,574	1,798	14.2%
Operating profit before tax	502	591	1,134	1,120	1,168	4.3%
Income tax provision (-)	139	128	219	272	265	- 2.6%
Net profit	363	650	915	848	902	6.4%

Net Interest Income (TL million)



Net Fee and Commission Income (TL million)



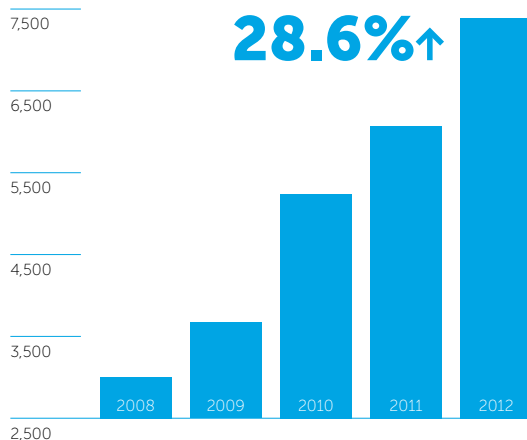
Strong financial position evidenced by robust growth numbers

A capital adequacy ratio of 18.92% and an increase of 28.6% in shareholders' equity are solid indicators of Finansbank's strong financial position.

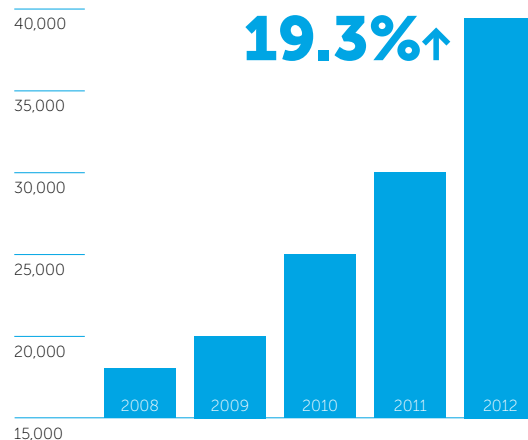
Growth (TL million)

	2008	2009	2010	2011	2012	Change
Total loans	17,878	19,119	25,836	30,838	36,793	19.3%
Marketable securities	1,962	5,635	7,504	6,949	7,310	5.2%
Total assets	26,573	29,318	38,087	46,199	54,402	17.8%
Customer deposits	14,972	18,768	23,552	28,989	31,874	10.0%
Shareholders' equity	2,840	3,627	5,208	5,696	7,325	28.6%

Shareholders' equity (TL million)



Total Loans (TL million)



Introduction

Ownership Structure

	Paid in Capital (TL thousand)	Share (%)
National Bank of Greece S.A.	1,980,904	77.23
NBG Finance (Dollar) PLC	248,276	9.68
NBGI Holdings B.V.	202,635	7.90
International Finance Corporation	128,250	5.00
Publicly Traded	4,935	0.19
Total	2,565,000	100.00

Annual Report Compliance Opinion

Deloitte.

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CONVENIENCE TRANSLATION OF THE REPORT ON COMPLIANCE OF ANNUAL REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH

Compliance Opinion

To the General Assembly of Finansbank A.Ş.:

We have audited the accuracy and compliance of the financial information in the accompanying annual report of Finansbank A.Ş. with the audit report issued as of December 31, 2012. The annual report is the responsibility of the Bank's management. Our responsibility, as independent auditors, is to express an opinion on the audited annual report based on the compliance of financial information provided in the annual report with the audited financial statements and explanatory notes.

Our audit was performed in accordance with the accounting standards and principles and procedures of preparing and issuing annual reports as set out by the Banking Act No: 5411. Those standards require that we plan and perform our audit to obtain reasonable assurance whether the annual report is free from material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial information provided in the accompanying annual report presents fairly, in all material respects, the financial position of Finansbank A.Ş. as of December 31, 2012 in accordance with the prevailing accounting principles and standards set out as per the Article 40 of the Banking Act No: 5411. The financial information provided in the annual report is in compliance with the audited financial statements and explanatory notes, and also includes the summary Management report and our audit opinion on these financial statements.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of DELOITTE TOUCHE TOHMATSU LIMITED



Müjde Şehsuvaroğlu
Partner

İstanbul, March 4, 2013

2012 Activities

Retail Banking

Finansbank's market share in consumer loans increased from 6.18% to 7.12% in 2012.

Finansbank, which has become the bank of choice of three out of every four medical doctors in Turkey, plans to continue offering specialized services to different professional groups and add new categories to its retail sector banking solutions.

With the addition of 60 new branches in 2012, Finansbank's branch network climbed to 582, enabling the Bank to reach more customers. Furthermore, 53 existing branches were moved to better locations.

Finansbank's new branch model that was introduced in 2011 became active in 217 branches by the end of 2012. The Bank's ATM network totaled 2,187 units, 1,125 of which are at non-branch locations and 1,062 are located at branches.

Retail Loans

2012 was a fast-paced and innovative year for Finansbank's consumer loans with special campaigns targeting different segments and occupational groups, radical modifications in the loan system and the launch of new application channels. Finansbank's market share in consumer loans increased from 6.18% to 7.12% by 2012 year-end.

Finansbank's main system related improvements in 2012 include: establishment of the the Facial Recognition System enabling security checks by photographing customers in the loan application process, authorization of branch operations teams to process loans, implementation of the changes required by the new Turkish Commercial Code; and

completion of the integration of the bancassurance system with the Bank's CORE system used by customer service representatives.

In 2012, Finansbank developed the following new products and services:

- Retirees, civil servants, nurses and teachers were presented with special credit offers.
- Special discounted loan offers were made on customer birthdays.
- The "USD 1,000 Free Loan" product was launched to attract new customers.
- With the "No Documentation Fee" loan campaign started in the last quarter of the year, the Bank gained many new cost sensitive customers.
- The ASKMobil system used by the ASKDirect Sales team, a very important sales force in the field, was added to the loan application channels.

With its pricing strategy, Finansbank maintained its competitive position in housing loans and captured a market share of 7.9%. Proven as an important channel for new customer acquisition, the "Real Estate Agency Loyalty Program" that was launched in 2008 continued throughout 2012.

7.9%

Housing Loans Market Share

582

Number of Branches

2,187

Number of ATMs

7.1%

Consumer Loans Market Share

Investment Products

In line with its commitment of meeting the needs of clients of different risk profiles with a wide range of investment products, Finansbank grew its retail deposits and investment products portfolio quickly in 2012, as the Bank achieved 66% growth in retail demand deposits.

2012 was also an active year in terms of gold-based instruments and Finansbank Bonds. With "Gold Collection Days" and the "Gold Account" product, which allows buying and selling gold by book entry, Finansbank increased its gold investor base more than 300% and its gold accounts volume rose by almost 30% during the year. The Bank also launched the "Gold Accumulating Account," which offers the ease of accumulating gold with a single order charged to a deposit account or credit card. For customers who want to invest in gold products, the Bank offered two different gold price indexed deposits.

Aimed at providing high yield investment alternatives to customers during the falling interest rate environment of 2012, Finansbank offered seven bonds to the public with a total value of TL 4 billion.

Launched during the year by Finansinvest, Silver and Dollar Exchange Traded Funds were also added to the portfolio of innovative investment product offerings for customers.

Finansbank's "Double Yolk Account" combining the advantages and flexibility of demand deposits with the yield of time deposits, attracted strong customer attention and reached almost 150,000 accounts.

High-Income Segment

In 2012, Finansbank placed great emphasis on activities and products to strengthen the Bank's relationship with its High-Income Segment customers. The Bank expanded the specialized branch staff serving these customers.

Finansbank is the only bank to have established a Retail Sector Banking Unit to develop relationship banking especially for medical doctors. Within this initiative, the Bank developed the "Doctor Fund" targeting only doctors and dentists. Finansbank, preferred by three out of every four doctors in Turkey, plans to continue offering specialized services to professional groups and add new categories to its retail sector banking solutions.

Finansbank also offers non-banking benefits and services to its high-income segment customers through ClubFinans Services Management.

2012 Activities

Private Banking

In 2012, private banking customers have preferred to invest in indexed deposit products.

The Private Banking Department provides a wide range of products to all Finansbank retail customers whose cash assets are in excess of TL 500,000. The Department serves customers with a 73 member sales team via seven Private Banking Centers, four Private Banking Satellite offices and nine Service Corners. With the Antalya and İstanbul Nişantaşı Private Banking Centers scheduled to be opened in 2013, the Bank's private banking services will continue to expand further.

The Bank provides private asset management services through Finans Asset Management, for customers who want to leave their investment decisions to Finansbank's expertise. Investment advisory services are provided through Finansinvest, for customers who require reliable investment advice and support. Customers who manage their own investments and who want fast and reliable access to international products use the Bank's brokerage service platforms, Finansonline FX and Finansonline International. Finansonline FX facilitates highly leveraged transactions in forex markets while investment in global shares can be conducted on Finansonline International.

In 2012, private banking customers have preferred to invest in indexed deposit products. The most popular investments in this category included USD-TL exchange rate differential indexed, gold price indexed, ISE 100 Index based and ISE 30 Index based deposits. In particular, customers doing derivative transactions have opted for the Bank's Convertible Deposit, which enables investors to convert in

to infinite number of foreign currencies without jeopardizing daily interest and providing returns close to deposit rates. In addition, Finansbank's six-month term Capital Guaranteed Fund, designed for investors who want to take advantage of rising gold prices in the medium term, became one of the most preferred products by the private banking customers.

2012 saw many new product launches managed with Finans Asset Management's expertise including Free Fund, Private Banking Private Pension Plan, Finansbank Private Banking World Signia Credit Card and "Double Yolk Account."

Renewed in 2012, the www.finansbankprivate.com.tr website keeps Finansbank's Private Banking customers informed and updated about the latest products and services, campaigns and events, while also providing art related news and travel suggestions.

While boosting its brand awareness by sponsoring many cultural, artistic and sporting events and activities that enhance the lives of its customers, Finansbank Private Banking also enables its customers to attend many of these events free of charge. In 2012, as the main sponsor of Cirque du Soleil's "Alegria" show, Finansbank matched its Private Banking customers with this world renowned performance group. Again, as the main sponsor of the İstanbul Modern Art Museum - Workshop Modern, Finansbank continued to host its Private Banking customers at art workshops and seminars held twice a year.

SME Banking

Finansbank achieved significant growth in SME Banking in 2012 with cash loans totaling TL 3.3 billion, up 34% from the prior year.

Finansbank achieved significant growth in SME Banking in 2012 with cash loans totaling TL 3.3 billion, up 34% from the prior year. Total demand deposits from SMEs grew 18% year-on-year, from TL 536 million to TL 635 million, and continued to bolster the Bank's deposit base.

Launched in 2012, the "SME Money in the Pocket" service enables every small business owner, even if not a current Finansbank customer, to apply for a loan by sending a text message from a mobile phone and to learn the outcome of the application process promptly. With this service, small business owners can borrow and use up to TL 50,000 on the same day.

Developed in 2012, the "SME Arena" Internet platform serves as a business and social network for SMEs. Member SMEs can create their own business networks and prepare their own video advertising clips.

As the first Turkish bank authorized to use the European Investment Fund (EIF) guarantee and offer collateral security to SMEs, Finansbank provides long-term financing to all types of small enterprises, including start-ups as well as expanding existing businesses. Without the burden of putting up additional collateral, SMEs can finance their investments with convenient repayment options and attractive interest rates.

With the "Mortgage backed Commercial Installment Loan", SMEs do not only meet their long-term financing needs up to 120 months, but also benefit from reduced interest rates.

"Dynamic Loan" is an SME Banking product that allows customers to set their own loan limits and to increase their limits with collateralized checks in less than an hour. Customers with adequate credit limits can obtain loans through ATMs or via Internet Banking, without visiting a branch.

The "SME Cash Account" not only allows customers to withdraw cash from all Finansbank branches, Finansbank and Single Point ATMs, but also enables the payment of bills, checks, taxes, social security, loan and credit cards, even in the absence of sufficient funds in the customer's account.

The Bank's "POS Opportunity Package" offers desktop and mobile POS solutions backed with supporting banking operations, cash flow and commercial services. With this package, member SMEs enjoy some fee exemptions alongside attractive commission rates.

As the first program in Turkey that rewards SMEs for their banking transactions, the "Winner SME" program allows participating members to collect Money Points as they perform banking transactions.

Finansbank will continue to develop products tailored to the ever-changing needs of SMEs and increase its support to small businesses in 2013.

2012 Activities

Commercial Banking

The “Network Project” helped Finansbank Commercial Banking expand its existing trade network and significantly increase its customer base in 2012.

By the end of 2012, Finansbank Commercial Banking served its customers through 12 regional offices, 273 branches and with 535 portfolio managers.

The “Network Project” helped Finansbank Commercial Banking expand its existing trade network and significantly increase its customer base in 2012.

Within its initiative to target specific sectors, Finansbank started to offer customized portfolio management services to the healthcare sector at five of the Bank’s branches in 2012. In addition, Finansbank continued to provide support to the tourism sector with its Tourism Package.

Working in coordination with other departments, Commercial Banking successfully implemented projects that included POS, Cash Management, Foreign Trade and Special Priced Banking / Product packages in order to increase risk-free commission income and deepen the relationship with the customer.

Established in 2011, the Commercial Marketing, Insurance Products and Sales Management Unit continued to perform comprehensive analyses of the insurance needs of corporate and commercial customers. The Unit worked to meet customer needs with the most favorable terms while also increasing commission income more than 100% in 2012.

Corporate Banking

Finansbank, with four corporate branches in Istanbul and Ankara, and sub-branches in Bursa, Izmir, Antalya and Adana, serves Turkey’s major local groups and multinational companies.

The Finansbank Corporate Banking Department has created a solid customer base by developing customer specific solutions. Corporate Banking works in collaboration with the Bank’s other business units to provide the best services not only for corporate clients, but also for their partners, employees, dealers and suppliers, aiming to deliver a high level of customer satisfaction throughout the value chain.

Maintaining an active role in foreign trade finance in 2012, Finansbank plans to capture a larger share of Turkey’s growing foreign trade volume by diversifying its product offering and expanding its geographical coverage.

In 2013, Finansbank Corporate Banking also plans to implement a comprehensive financial advisory approach to address customer needs. To this end, it will not simply meet the standard financing needs of customers but also offer deposit, cash management, derivatives, insurance and investment banking services.

Project Finance

Finansbank’s Structured Finance and Syndication Unit has taken an active role mainly as lead arranger in financing many important projects, including privatizations, acquisitions and infrastructure projects, which have contributed to the growth of the Turkish economy.

In 2013, Finansbank plans to closely follow the private and public-private partnership projects in the pipeline in the infrastructure, construction, real estate and energy sectors and to develop multi-faceted, fast and efficient solutions that meet the needs of its customers.

Investment Banking and Cash Management

Finansbank was the Domestic Consortium Leader and International Co-Leader in the public offering of the Privatization Administration's 23.92% stake in Türkiye Halk Bankası A.Ş. The offering was a great success and attracted more than TL 11 billion in demand in record time.

In 2012, Finansbank Investment Banking successfully completed a range of projects, related to capital market activities, public offerings, bill/bond issues and mergers and acquisitions transactions.

Finansbank was the Domestic Consortium Leader and International Co-Leader in the public offering of the Privatization Administration's 23.92% stake in Türkiye Halk Bankası A.Ş. The offering was a great success and attracted more than TL 11 billion in demand in record time. About TL 4.5 billion was raised from the share sale, the largest ever IPO in the history of Turkish capital markets.

The Investment Banking Department also strengthened its market position with a TL 4.4 billion private sector bond issue in 2012. Finansbank became one of the top two brokerage firms in non-group bond issuances with a 24% market share.

In the mergers & acquisitions advisory area, the Bank served as the exclusive financial advisor for Turkey's Doğuş Group, in the partnership deal between D-Marin Marinas Group of Doğuş with MedMarinas SA, the largest marina chain in Greece. Within the exclusive advisory mandate for the sale of 100% shares of Onur Air Taşımacılık A.Ş., Investment Banking Department facilitated the share transfer agreement that was signed in 2012; the transfer is expected to be completed in the first quarter of 2013.

Additionally, Finansbank provided privatization advisory in the asset sale of 19 real estate properties of Türkiye Şeker Fabrikaları A.Ş. and the share sale of the Privatization Administration's 10% stake in Kayseri Şeker Fabrikası A.Ş.

Cash Management

The Cash Management Unit's basic strategy is to develop effective and value added solutions and to provide customers with fast, high quality and efficient services.

In line with Finansbank's strategy to acquire new customers, deepen existing customer relationships, develop synergies between the Bank's business units and keep customer cash flows within the Bank, the Cash Management Unit expanded its Direct Debit System (DDS) dealer network by 50% and tripled the transaction volume in 2012. To better achieve the goal of serving customers with dynamic and creative solutions, the Bank reorganized its Marketing, Sales and Product Development units under the Investment Banking Department in July 2012.

In 2013, Finansbank plans to capture more market share by highlighting its cash management products through promoting new products and emphasizing the competitive power of the Bank's advanced technological infrastructure.

2012 Activities

Direct Banking/ Internet Banking

In the first 3 months following its launch in October 2012, Enpara.com reached over 30,000 customers.

In 2012, Finansbank continued to focus on direct banking to improve customer satisfaction and reduce the operating costs and workload at the branches. To this end, the Bank established the Marketing and Customer Acquisition Management Unit within the Direct Banking Department during the year. The new unit is responsible for promoting and directing Finansbank customers to the ATM, Internet Banking, Mobile Banking and Credit Card Internet Branch channels.

In 2012, Finansbank's Internet Branch was completely renewed to meet ever-changing customer needs and expectations in an easier to use and faster platform. With an interface that recognizes the user, new functions to fulfill evolving customer needs, simplified menus and a technological infrastructure that allows personalization, the revamped Site provides customers with ease of use through a timesaving "one click transaction" feature and an upcoming transactions reminder.

During the year, the Bank redesigned the Mobile Banking channel to enable customers to instantly receive a password and begin using Direct Banking services.

In August 2012, Finansbank's Digital Marketing and Business Development, Social Media and Mobile Marketing units were merged into the Digital and Mobile Marketing and Social Media Management Unit. The newly organized unit has performed many research studies to improve the marketing of products and services on the Bank's digital channels.

Finansbank's behavioral targeting application known as Behaviormap, which was introduced in 2012, enables easy and quick access to relevant subjects and content displays targeted to a specific audience on the Bank's corporate website at www.finansbank.com.tr.

Thanks to the new forms made available on the Bank's existing websites, the number of product and the campaign applications made via web-based channels has increased. Ongoing Google marketing and optimization activities were made permanent in order to draw more attention to campaigns and product advertisements over digital channels.

In 2012, Finansbank used its experience and influence on social media to advertise and sell banking products through these channels. In addition to the Finansbank web page on Facebook, CardFinans, Fix Card, SME Arena and Finansbank Career web pages went live during the year. The Bank has also made active use of mobile marketing channels, especially for collecting loan applications.

Enpara.com

On October 1, 2012, Finansbank launched Enpara.com, a digital banking application that includes basic banking products and services aimed at young and busy professionals. These key customers are served by the Enpara.com Internet Banking web platform and by a dedicated and separate Solutions Center. Due to absence of involvement by the physical branches and hence no associated branch costs to be recouped, customers are offered better interest rates on deposit products and commission-free transaction privileges in basic banking transactions such as EFT, money orders and bill payments.

Enpara.com application reached over 30,000 customers within three months of its launch.

Payment Systems

CARDFINANS

CardFinans ranked among the top four brands in the Turkish credit card market in 2012, with a 9.5% market share, more than 5 million cards issued and TL 35 billion in credit card turnover. The total credit card receivables balance increased 34% and amounted to TL 10.8 billion by the year end.

In 2012, the Bank offered CardFinans holders many opportunities and benefits such as discounts, MoneyPoints, installment payments, installment delays and commission free credits.

The number of customers using the Credit Card Internet Branch totaled 380,000 as of December 2012. Customers using this application can easily access their credit card information and can place payment orders.

BKM Express launched in November 2012, provides customers with the ease of online shopping without submitting their credit card details.

FIX CARD

In August 2012, Finansbank launched the innovative Fix Card, the first in the sector to combine credit card, debit card and contactless payment capabilities in a single card.

CLUBFINANS

As of July 2012, Istanbul Sabiha Gökçen Airport Valet Service was added to ClubFinans's portfolio of services.

With the ClubFinans restaurant discounts campaign, participating cardholders receive the benefit of discounts at restaurants all over the world.

Introduced in 2012, the "Global Store" service provides Finansbank cardholders with a mailbox in the USA. Products purchased from e-commerce sites in the United States are forwarded to customers in Turkey via their mailbox address.

CARDFINANS GO

In 2012, the Bank renewed the web page of the youth-segment oriented CardFinans GO.

CARDFINANS CASH

Finansbank started a pilot program in 2012 to promote CardFinans Cash, the first debit card in the world that enables installments, at "Instant Card" branches. The Bank plans to expand this program to all Finansbank branches in the future.

Aimed for use at ATMs as well as for shopping, CardFinans Cash maintained its position among the top five debit cards in Turkey with a 9% market share in total shopping turnover in 2012.

Call Center and Telemarketing

In 2012, Finansbank Call Center responded to 41.5 million calls; of which, 67% ended up at the IVR (Interactive Voice Response) system or were terminated. The Bank replaced its static menus with an intelligent voice response system, which can estimate the purpose of the call and then offer dynamic menus accordingly. Thanks to this upgrade, Finansbank was able to resolve more calls and the Bank's IVR utilization rate increased 9.8% compared to the previous year.

In line with the increasing importance placed on operational efficiency, Call Center related general expenses were reduced by 18% and commission income was increased by 35% in 2012.

Expansion of Finansbank Call Center in Erzurum accelerated in 2012 with the number of customer service representatives rising to 400. The Bank's Call Center also continued to provide the Bank with well-qualified human resources during the year. 169 customer service representatives transferred from the Call Center to the branches and other Bank departments.

Finansbank's telesales team completed 340,000 CardFinans and 37,000 automatic payment order sales from both internal and external sources in 2012. In addition, the team generated a loan volume of over TL 1 billion for the year. The telesales team answered 900,000 incoming calls and the Call Center made 110,000 outgoing calls during the year.

In November 2012, with the start of outsourcing of the POS technical call services, the service level improved and first call resolution rate increased from 16% to 40%.

2012 Activities

Treasury

With its innovative approach, the Treasury Products Sales Desk played a significant role in the steady increase of the Bank's customer base and trade volumes, helping Finansbank to rank among the sector's leaders.

While the Liquidity Desk performs the Bank's liquidity management, the Trading Desk carries out fixed income securities and foreign exchange trading related transactions. Desks and dealers closely monitor trading limits and profitability. The Trading Desk successfully managed the turmoil in the FX and bond markets in 2012 and turned the market volatility to the Bank's advantage.

The Balance Sheet Management Desk manages the Bank's balance sheet and performs funds transfer pricing. This Desk monitors Finansbank's balance sheet items that have the potential to be exposed to risks, evaluates various developments in terms of risks, and executes the Bank's risk management strategy as determined by the Asset and Liability Committee (ALCO). The Desk uses hedging instruments such as interest rate swaps (IRS) and cross-currency swaps. In addition, in order to ensure realistic pricing of products, the Desk also determines the loan and deposit pool rates (FTP, Funds Transfer Pricing) in the main currencies for all tenors.

The Derivatives Desk provides competitive pricing to corporate and private clients who are interested in derivative products. The Desk performs pricing of all kinds of derivative products and trading of forwards, futures, options and other derivatives. The Derivatives Desk prices in both currency and stock based derivatives in domestic markets within the closely monitored limits according to the pre-defined risk parameters.

The Treasury Products Sales Desk, in addition to traditional treasury products, provides Bank customers and branches with a wide range of derivative alternatives for investment and risk management purposes as well as capital-protected savings products. With its innovative approach, the Treasury Products Sales Desk played a significant role in the steady increase of the Bank's customer base and trade volumes, helping Finansbank to rank among the sector's leaders.

The Research Desk, in addition to publishing daily and weekly reports, supports the Bank's marketing activities by attending client conferences and provides support for the market positioning of the Treasury.

The Treasury Department plays an active role in providing liquidity for the Bank's exchange traded funds (ETFs) listed on the Istanbul Stock Exchange (ISE), creation-redemption processes and underlying asset pricing. Finansbank Treasury also provides liquidity for the IST30 Exchange Traded Fund, the first ETF based on an ISE index, and creates arbitrage opportunities for cash and futures markets. The Department prices derivatives for capital protected funds issued by Finansbank Group.

International Banking

The amount of funding sourced from international capital markets totaled USD 2 billion in 2012.

Correspondent Banking and Structured Finance

By maintaining a wide network of correspondent banks, the Finansbank Correspondent Banking and Structured Finance Unit continued to improve the Bank's position in relation to foreign trade operations, funding, international payments and treasury operations. The amount of funding sourced from international markets totaled almost USD 2 billion in 2012.

In November 2012, the first tranche of loans, signed in 2011 with the European Investment Bank for SME and energy financing, and each totaling EUR 75 million for 7- and 12-year terms, was released for Finansbank's use.

The Bank focused on medium and long-term international borrowings in the second half of 2012. In November 2012, Finansbank raised USD 350 million from a 5-year term Eurobond issue with the participation of 73 global investors. Rated as Ba1 and BBB- from Moody's and Fitch, respectively, the Eurobond was issued with a coupon rate 35 basis points lower than that of the Bank's first issuance in 2011.

In 2012, Finansbank obtained a one-year term syndicated loan from international financial markets amounting to USD 188 million and EUR 212 million, with the participation of 21 correspondent banks. The all-in cost of funding of the loan facility, to be used for financing foreign trade, was Libor/Euribor plus 1.35%.

Finansbank raised a total of USD 150 million from IFC, EBRD and Anadolubank Nederland NV for 5-12 years in December 2012, under the current Diversified Payment Rights (DPR) securitization program. The facility will be used to support small-to-medium-sized enterprises in Turkey and to finance renewable energy, industrial energy efficiency and waste-to-energy projects in the private sector.

Financial Institutions Credit Management

The Financial Institutions Credit Management Unit continued to assess the risks of all domestic and international banks and allocate limits in line with the Bank's credit and risk policies in 2012. The Unit allocated the limits according to Finansbank's rating system, and verified them to be in proper ratio with registered capital ceilings.

International Business Development

In 2012, the International Business Development Unit contributed to the Bank's strong performance by supporting relationships with existing customers and exploring business opportunities with Turkish subsidiaries of companies operating in NBG Group countries.

Investor Relations

The Investor Relations Unit represented the Bank in an international roadshow and at 25 meetings with research analysts, investors and rating agencies in 2012. In addition, the Unit responded to nearly 70 inquiries from shareholders in an accurate and timely manner.

2012 Activities

Human Resources

In 2012, Finansbank was once again named the third most popular company, with an increased preference percentage in the banks category, rising to 15.7%, up from last year's 9.8%.

Employing 12,061 staff members at end-2012, Finansbank's human resources policy is developed to support the Bank's strategic objectives and business plans and to provide guidance to its workforce.

Finansbank's human resources policy aims to contribute to the Bank's sustainable development by recruiting, developing and retaining new talent.

As the Turkish bank that hires the most new graduates, Finansbank organizes presentations, programs and seminars at target universities to meet high-potential students. The Bank has corporate pages on Facebook and LinkedIn for use as alternative recruiting portals to reach candidates. The "Finans Up" career club (www.finansup.com) initiative is aimed to help students shape their lives and careers. In addition, Finansbank conducts surveys to receive feedback on candidate opinions of its recruitment processes and practices; as a result, the Bank continuously strives to improve its recruiting process.

Finansbank has organized its training programs like prep schools, to prepare employees for their next position while business line-specific schools help increase employee performance in their current work. In 2012, the average training time per Bank employee was 53 hours and 95% of all personnel participated in trainings. Finansbank's success in training and development has been recognized by the most prominent training and development institution in the US; the American Society for Training and Development (ASTD), which has given the Bank an honorable mention for its initiatives in this area.

To measure the level of employee loyalty and satisfaction at Finansbank, the Bank conducted the

"Employee Engagement Inventory" for the sixth time in 2012. In addition, the Bank performed the "Internal Customer Satisfaction Survey" for the second time during the year, in order to measure internal employee satisfaction levels with the services from other departments.

During 2012, the Bank organized 262 in-house activities in different cities with the participation of 29,527 Finansbank employees. The activities contributed to employee engagement, motivation and satisfaction; increased internal communications; and helped staff members to feel the privilege of being a Finansbank employee.

Finansbank gives priority to internal applicants while planning its staffing needs. The Bank issues internal career announcements at "Career Bulletin" to inform employees about career opportunities, address their position transfer requests, and therefore meet the experienced personnel need in-house.

Finansbank's remuneration and rewarding strategy is based on gaining new talent as well as increasing employee retention and performance. By participating in sector-wide compensation and benefits research as an important tool in monitoring sector trends, the Bank regularly reviews and modifies its remuneration strategy to construct a fairer and more balanced structure.

The results of Realta's "Most Popular Companies" survey serve as proof of the benefits gained from the Bank's various human resources related activities and innovative practices. In 2012, Finansbank was once again named the third most popular company, with an increased preference percentage in the banks category of 15.7%, up from the prior year's 9.8%.

Information Technology

Finansbank's core banking system, "CORE Finans", received a user-friendlier branch frontface thanks to the application of new technologies in 2012.

In 2012 Finansbank's Information Technology completed 220 IT related projects as requested by Finansbank and its subsidiaries, with 15 projects aimed at fulfilling the Bank's technical infrastructure and software requirements. IT spent a total of 68,000 man-days on these projects with an average effort per project exceeding 300 man-days.

In 2012, the Information Technology responded to 2,096 small scale inquiries and software changes, with an effort of 40 man-days or less per project. Of these inquiries, 836 originated from CORE Finans and 1,260 came from Card Payment Systems and Alternative Distribution Channels.

Finansbank's core banking system, CORE Finans,

received a user-friendlier branch frontface thanks to the application of new technologies in 2012. All applications used throughout the day became accessible from a single screen and were integrated with Microsoft Outlook.

During a cash desk session, the user can now perform money transfer and "end of day balance" at once for more than one transaction. With the scanner infrastructure established in the branches, a big step was taken towards paperless branches. Users can access all of customer's scanned documents through the client section. IT also provided support to Next Generation Internet Banking and Enpara.com branchless banking application in 2012. With the improvements made in the SMS infrastructure, text messaging traffic can now be controlled within the Bank.

Legal Counseling

Within the framework of compliance with the Turkish Code of Obligations and the Turkish Commercial Code which entered into force on July 1, 2012, Finansbank organized an integration plan and a training program with the participation of all related business units; revised all relevant procedures and instructions; and completed integration of the provisions in a timely and

smooth manner. While integration work for the draft Law on E-commerce is ongoing, the Bank completed all relevant law related modifications promptly. As of July 20, 2011, the Bank provided a Legal Counseling System for the use of all branches and business units. Legal Counseling responded to more than 30,000 law related inquiries by examining the relevant legislation and precedent decisions received via the system.

2012 Activities

Subsidiaries

In 2012, FinansInvest ranked fourth in the ISE trading volume with a 4.48% market share.

FINANSINVEST

Established in 1996, FinansInvest has a paid in capital of TL 50,000,000. The main shareholder of the company is Finansbank that owns 99.60% of the shares. FinansInvest, through its 7 branches and the branches of Finansbank, offers services in brokerage, corporate finance, investment advisory and international investments. In addition, FinansInvest customers can perform all investment transactions on the internet quickly and safely by using Finansonline.com.

In 2012, FinansInvest ranked fourth in the ISE trading volume with a 4.48% market share.

FINANS ASSET MANAGEMENT

Founded on September 8, 2000, the 99.96% shareholder of Finans Asset Management is FinansInvest. Finans Asset Management plays a leading role by managing 8 Exchange Traded Funds (ETF), 13 Mutual Funds, 7 Pension Funds, 1 Fund Basket (Fund of Funds), 1 Hedge Fund, 1 Investment Trust and private portfolios for high-income individuals and companies. In addition, the Company manages the highest number of ETFs among the asset management companies in the sector.

With a paid-in capital of TL 5 million, Finans Asset Management had a market share of 2.4% and assets under its management amounted to TL 1.1 billion by the end of 2012.

FINANS FACTORING

Having headquarters located in Istanbul and representative offices in Ankara, Antalya and Izmir, Finans Factoring started its operations in October 2009. Finans Factoring performs its marketing activities in coordination with Finansbank that owns 99% of its shares.

In 2012, the total trading volume of Finans Factoring reached TL 1.385 billion with a 46% increase, and factoring receivables grew 44% and reached TL 368 million. By the end of 2012, Finans Factoring had a market share of 1.79% in trading volume and a market share of a 2.25% in factoring receivables.

In 2013, Finans Factoring is planning to rapidly reconfigure its existing representative offices into branches and open new branches especially in Anatolia. The Company targets 50% growth in both transaction and factoring receivables volumes. The Company plans to grow together with its clients and become one of the sector's 5 leading companies in the 5th year of its operations.

FINANS PENSION

Finans Pension generated TL 161,040,971 premiums in life insurance segment, had a 5.94% market share and became 7th largest company in terms of life insurance premium volume in 2012. Finans Pension ranked number 10 in the pension segment, according to the official data released by EGM on December 28, 2012, with a total fund size of TL 208,021,394 in 2012.

In 2012, one of the America's largest health and life insurance companies, Cigna signed a partnership agreement with Finansbank and acquired a 51% stake in Finans Pension. Following the official approval of the Undersecretariat of Treasury on November 9, 2012, Finans Pension - Cigna merger was formalized.

Finans Pension, with the growing synergy coming from Finansbank and the new partner Cigna, will continue to meet the needs of customers by developing competitive pension and insurance plans.

FINANS LEASING

As a result of the global economic recession in 2012, the growth rate of Turkish leasing sector declined to 10% in 2012 from 54% in 2011. The total transaction volume of the sector amounted to USD 5.4 billion in 2012. On the other hand, Finans Leasing managed to increase its transaction volume by 32% and achieved a higher growth rate than the rest of the sector. Finans Leasing generated new transactions amounting to USD 319 million and increased its market share from 4.9% to 6.0% in 2012.

In line with its strategy in 2012, Finans Leasing focused on small and medium-sized enterprises. As a result, while the number of contracts increased by 49% from 1,086 in 2011 to 1,613 in 2012, the average contract size decreased by 11%.

With the enactment of "Financial Leasing, Factoring and Financing Companies Act" on November 21, 2012, which enables financial leasing customers to receive a wider range of services, a significant increase in transaction volumes is expected in 2013.

Management and
Corporate Governance

Board of Directors



Dr. Ömer A. Aras (1)**Chairman of the Board of Directors and Group CEO**

Dr. Ömer A. Aras earned a bachelor's degree in economics from the Economic and Commercial Sciences Academy in 1975; he then received an MBA in 1978 and a PhD in 1981 from Syracuse University. Subsequently and until 1984, Dr. Aras served as a faculty member in the Business Administration Department at Ohio State University. Between 1984 and 1987, he worked as Credit Marketing Manager and Credit Committee Member at Citibank. Dr. Aras participated in the establishment of Finansbank in 1987, and served as Assistant General Manager for two years and as General Manager for six years. From 1989 to 2006, he served as Vice Chairman of Fiba Holding. Between 2003 and 2007, he was a Board Member of the Turkish Industrialists' and Businessmen's Association (TUSIAD). From November 2006 until April 2010, Dr. Aras served as the Vice-Chairman of the Board of Directors of Finansbank and Group CEO of Finansbank, Finans Leasing, Finans Portfolio and Finansinvest. Since April 2010, Dr. Aras is serving as the Chairman and Group CEO.

Sinan Şahinbaş (2)**Vice Chairman of the Board of Directors**

Mr. Sinan Şahinbaş earned a bachelor's degree in civil engineering from Istanbul Technical University, Faculty of Engineering in 1988. Mr. Şahinbaş then received master's degrees in International Relations from Istanbul University and in Finance from Yeditepe University. He started his professional career at Finansbank in 1990 and served in different positions in various departments of the Bank. He worked in the establishment of representative offices of Finansbank (Suisse) SA and Finansbank (Holland) NV in Turkey. In 1997, he was appointed Executive Vice President of Garanti Bank (Holland) NV. A year later, Mr. Şahinbaş moved back to Finansbank (Holland) NV and served as the General Manager between 1999 and 2001. He became Senior Executive Vice President at Finansbank in 2001 and served as General Manager from 2003 to 2010. Mr. Şahinbaş was appointed Vice Chairman in April 2010.

Prof. Dr. Mustafa Aysan (3)**Member of the Board of Directors and Head of the Audit Committee**

After receiving his bachelor's degree from Istanbul University, Faculty of Economics, Prof. Mustafa Aysan earned a master's degree from Harvard University in 1959 and a PhD degree in 1974. Between 1968 and 2000, he taught at various universities in Turkey and abroad. Prof. Aysan served as the Head of the Committee for the Restructuring of State Economic Enterprises from 1964 to 1968, as the Head of the Budget Committee of Turkish Republic Advisory Council in 1981 and as the Minister of Transportation from 1982 until 1983. Prof. Aysan is currently a Member of the Board of Directors and Head of the Audit Committee at Finansbank.

Michail Oratis (4)**Member of the Board of Directors and Audit Committee**

After earning a bachelor's degree in Chemical Engineering from National Technical University in 1980, Mr. Michail Oratis received a master's degree from Columbia University's Department of Industrial Engineering. Mr. Oratis also received an MBA from New York University in 1985. He worked as Money Market Head at Citibank between 1985 and 1991. From 1991 to 1999, he served respectively as Interest Rate Trading Head at Midland Bank PLC; Country Treasurer at Bank of America NT & CF; Short-Term Interest Trading Head, Country Treasurer, Capital Markets and Derivatives Head at Citibank NA; Group Treasurer at Mytilineos S.A. Group Companies; and Country Treasurer at ABN-AMRO Bank NV. Mr. Oratis has been serving as Deputy General Manager in charge of Group Risk Management at National Bank of Greece since 1999. In March 2011, Mr. Oratis was appointed Member of the Board of Directors of Finansbank.

Antonios Grammatikopoulos (5)**Member of the Board of Directors and Head of the Risk Committee**

Mr. Antonios Grammatikopoulos earned his bachelor's degree in Economics at Pace University in New York in 1980 and his master's degree in Banking from Adelphi University in 1982. Starting his banking career at Continental Illinois of Chicago in 1983, Mr. Grammatikopoulos worked at various foreign banks including National Westminster from 1986 to 1987, Investment Bank (Emporiki Group) from 1987 to 1988, ABN AMRO from 1988 to 1989 and Societe Generale from 1989 to 2012 as CIB officer and holding other executive positions. Mr. Grammatikopoulos joined NBG Group in January 2012 and was appointed Member of the Board of Directors and Head of Risk Committee of Finansbank.

Dimitrios Frangetis (6)**Member of the Board of Directors**

Mr. Dimitrios Frangetis completed degrees in Economics at the University of Athens and Essex University of the United Kingdom. After assuming responsibilities for European Community related issues at Halivourgiki SA between the years 1979 and 1980, Mr. Frangetis joined Anz Grindlays Bank in Greece, where he held various positions for 15 years. He then worked as General Manager and Vice Chairman of the Board of Directors of Ionian Bank from 1996 to 1999; Ionian Hotel Management General Manager at Alpha Bank between 1999 and 2000; General Manager and Member of the Board of Directors at Emporiki Bank and its subsidiaries from 2000 until 2004. During the following four years, he served as Managing Director of Piraeus Bank in Albania. Mr. Frangetis was the General Manager and Member of the

Board of Directors of Piraeus Bank Serbia between 2008 and 2010. Mr. Frangetis currently works as the Head of Credit in NBG Group and as of November 14, 2012, he was appointed Member of Finansbank's Board of Directors.

Christos Alexis Komninos (7)**Member of the Board of Directors**

After graduating from the Chemical Engineering Department from Istanbul Technical University in 1971, Mr. Christos Alexis Komninos worked for Coca-Cola Greece as General Manager between 1972 and 1987. He moved to Coca-Cola Ireland as CEO in 1987. He returned to Greece in 1990, and served as CEO of Coca-Cola Greece until 2000. Mr. Komninos served as CEO and Chairman of Papastratos Cigarette Manufacturer between 2000 and 2004 and CEO of Shelman SA between 2005 and 2010. Mr. Komninos is a Member of the Board of Directors at various companies and joined Finansbank in the same capacity on February 16, 2011.

Paul Mylonas (8)**Member of the Board of Directors and Audit Committee**

Mr. Paul Mylonas holds a BSc degree in Applied Mathematics from Brown University, and MA and PhD degrees in Economics from Princeton University. Mr. Mylonas served as Assistant Professor in the Department of Economics at Boston University between the years of 1985 and 1987. From 1987 to 1995, he worked for IMF's Europe Desk as a Senior Economist in charge of Poland. Having also worked in the IMF Policy Development and Review Department from 1995 to 2000, he held the position of Senior Economist in charge of Greece and Spain in the Budget and Finance Division of Economics Department of the OECD. He also served as the OECD representative on the G-10 Secretariat during 1999 and 2000. Currently, Mr. Mylonas holds NBG's Chief Economist and Chief of Strategy positions; he also serves as the Secretary of the NBG Executive Committee and Member of the ALCO Committee. Mr. Mylonas was appointed Member of the Board of Directors of Finansbank in April 2010.

Stefanos Pantzopoulos (9)**Member of the Board of Directors**

Mr. Stefanos Pantzopoulos graduated from Istanbul University with a bachelor's degree in Economics and Commercial Sciences. After working for a company as a Chartered Accountant for five years, Mr. Pantzopoulos worked with Arthur Andersen and partner Chartered Accountants in Athens for 33 years; he served as the Company's Chairman and Managing Partner in Greece until 1998. Subsequently, Mr. Pantzopoulos served as a top-level partner at auditing firm KPMG between 1999 and 2004, Member of the Board of Directors of Don & Low firm in Scotland for two years, and Member of the Board of Directors and Head of the Audit Committee for the two largest subsidiaries of Alpha Bank, namely Hilton Hotel and Real Estate Co. Mr. Pantzopoulos joined NBG in 2004 as Member of the Board of Directors. Until the end of 2009, he served as Assistant Head of the Audit Committee and SEC Financial Expert responsible for the implementation of Sarbanes-Oxley (SOX) regulations. Mr. Pantzopoulos, as Advisor to the Chairman of the Board of Directors, resumed overseeing the activities of the Audit Committee during 2010 and 2011. He was appointed Member of the Board of Directors of Finansbank in October 2012.

Mustafa Hamdi Gürtin (10)**Member of the Board of Directors**

After receiving bachelor's degrees in Statistics and Economics at Middle East Technical University, Mr. Hamdi Gürtin earned a master's degree in Economics from Vanderbilt University in the United States. Between 1975 and 1994, Mr. Gürtin worked for the Central Bank of the Republic of Turkey. Later he participated in the establishment of Garanti Securities and assumed the General Manager position. Subsequently, he served as the General Manager of Türk Ticaret Bankası, Member of the Board of Directors of Dışbank in charge of Risk and the General Manager and Chairman of the Black Sea Trade and Development Bank in Greece. He has been a Member of the Board of Directors at Finansbank since April 2010.

Edward Nassim (11)**Member of the Board of Directors**

After graduating from London University Imperial College in 1968, Mr. Edward Nassim received an MBA degree from Harvard University in 1976. After graduation, Mr. Nassim started to work for the IFC and worked as Vice President there until December 2007. Mr. Nassim was appointed as a member of Finansbank's Board of Directors and Audit Committee in April 2007. Mr. Nassim has been serving as a Member of the Board of Directors of Finansbank since April 2010.

Temel Güzeloğlu (12)**Member of the Board of Directors and General Manager**

Mr. Temel Güzeloğlu has bachelor's degrees in Electrical and Electronic Engineering and in Physics from Bosphorus University, a master's degree in Electrical and Computer Engineering from Northeastern University (Boston, Massachusetts), and an MBA from Bilgi University. Mr. Güzeloğlu worked as the Executive Vice President of Finansbank in charge of Retail Banking until August 2008 and afterwards served as Executive Vice President in charge of Retail Banking and member of the Management Committee. He was appointed General Manager in April 2010.

Management and
Corporate Governance

Senior Management





Senior Management

Management and Corporate Governance

Adnan Menderes Yayla (1)

Executive Vice President

Mr. Adnan Menderes Yayla earned a bachelor's degree in Economics from Ankara University, Faculty of Political Sciences in 1985 and an MBA degree from the University of Illinois at Urbana-Champaign in 1994. He worked as an Assistant Auditor and Auditor for the Ministry of Finance from 1985 to 1995; Project Valuation Division Head for Privatization Administration from 1995 to 1996; Managing Director, Senior Managing Director and Partner of Pricewaterhouse Coopers offices in Istanbul and London from 1996 to 2000; and Executive Vice President in charge of Financial Control and Risk Management for Türk Dış Ticaret Bankası (Fortis) from 2000 to 2008. Having joined Finansbank in May 2008, Mr. Yayla has been serving as Group Chief Financial Officer since that time.

Ahmet Erzengin (2)

Head of Internal Control and Compliance

After graduating from Middle East Technical University, Department of Public Administration, Mr. Ahmet Erzengin worked at Pamukbank from 1988 to 1993. He joined Finansbank in 1993 as Banking Regulations Manager. In 1996, Mr. Erzengin was appointed Head of Operations overseeing the operations of the branches and headquarters. With the establishment of the Head of Operations Center in 2001, he served as Operations Center until 2005. At the beginning of 2006, Mr. Erzengin assisted in the establishment of the Compliance Department and was appointed Head of Compliance. In September 2012, Mr. Erzengin was appointed Head of Internal Control and Compliance.

Bülent Yurdalan (3)

Executive Vice President

Having graduated from the Faculty of Management Sciences of Eskişehir Economic and Commercial Sciences Academy in 1980, Mr. Bülent Yurdalan started his banking career at Pamukbank in 1982 and subsequently moved to Citibank. He joined Finansbank in early 1988, and assumed positions in the Branch Operations, Internal Audit, Treasury Operations and Accounting departments of Finansbank and senior positions in some Fiba Group banks. In 2003, Mr. Yurdalan was appointed Head of Internal Audit. He has been serving as Executive Vice President in charge of Retail Credit Monitoring since March 2011.

Erkin Aydın (4)

Executive Vice President

Mr. Erkin Aydın earned a bachelor's degree in Civil Engineering at Bosphorus University, Faculty of Engineering in 1997 and an MBA at the University of Michigan, School of Business in 2003. Mr. Aydın started his career as a Business Development and Project Engineer at Guy F. Atkinson Construction in the USA in 1998. Later, he worked as a Project Manager for Clark Construction Group. In 2002, Mr. Aydın joined McKinsey & Company in Istanbul and worked respectively as Consultant, Project Manager and Associate Partner. He started to work for Finansbank in 2008 as Head of Housing and Consumer Loans. As of February 2010, Mr. Aydın was appointed Retail Marketing Coordinator and in May 2011 he was appointed Executive Vice President in charge of Retail Banking.

Ersin Emir (5)

Head of Internal Audit

Mr. Ersin Emir graduated from Middle East Technical University in 1994 with a bachelor's degree in Business; he earned a master's degree in Organizational Psychology from the University of London in 2010. He started his banking career in 1995 as Assistant Auditor in İşbank. Mr. Emir then started working at the Internal Audit Department of Finansbank as Auditor in 1998. He was appointed Vice President of Internal Audit in 2004 and assumed responsibilities of the Head Office and Subsidiary Audits in the last two years in this capacity. Mr. Emir was appointed Head of Internal Audit in March 2011.

Filiz Sonat (6)

Executive Vice President

Ms. Filiz Sonat received bachelor's degrees in Mechanical Engineering from Istanbul Technical University and in Business Administration from Anadolu University. After working as a Mechanical Engineer at a private construction company between 1982 and 1986, she started her banking career at İktisat Bank in 1987 and served as Executive Vice President at Sümerbank in 1998. Ms. Sonat joined Finansbank in 1999 and served as Coordinator in charge of Credits until 2007. She has been working as Executive Vice President in charge of Corporate and Commercial Credits since 2007.

Hakan Alp (7)

Executive Vice President

Mr. Hakan Alp graduated from Ankara University, Faculty of Political Sciences, with a bachelor's degree in International Relations in 1989. He worked for the Internal Audit Department between 1991 and 1997 at Garanti Bank where he also served as Senior Vice President in charge of Training from 1997 until 1999. He then started working for Humanitas Doğu Human Resources Management and served as Executive Vice President in charge of Training, Executive Development, Finance and Administration and Operations from 2000 to 2003. He held the position of Executive Vice President in charge of Human Resources from 2003 until 2005 at Tansaş and from 2005 to 2006 at Sütaş. In 2007, he became Senior Vice President in charge of Human Resources at Finansbank. Mr. Alp was appointed Executive Vice President in charge of Human Resources as of June 2010.

Köksal Çoban (8)

Executive Vice President

Mr. Köksal Çoban graduated from Middle East Technical University with a degree in Business Administration and earned a master's degree in Finance from City University. He worked for the Turkish Eximbank and Demirbank between 1995 and 1997. Mr. Çoban joined Finansbank Treasury in 1997 as International Markets Manager and served as Director of International Markets from 1998 to 2000. Beginning in 2000, he assumed various managerial positions within the Treasury Department. Mr. Çoban was appointed Executive Vice President in charge of Treasury in August 2008.

Kunter Kutluay (9)

Executive Vice President

Mr. Kunter Kutluay holds a bachelor's degree in Electronics Engineering and an MBA from Bilkent University. He served as Sales Manager at Toshiba, General Electric and Microsoft, respectively, and as Consultant at McKinsey & Company. As the founding partner, he worked on analysis and data mining technologies at Kratis. Following his Portfolio Analysis Director position at Fortis Bank, Mr. Kutluay joined Finansbank in 2006 as Marketing and Credit Analysis Group Manager. He served as Finansbank's Retail Credit Coordinator between 2008 and 2011. After his brief appointment as Card Payment Systems Coordinator, he was assigned as the Executive Vice President in charge of Payment Systems in May 2011. Mr. Kutluay currently serves as Executive Vice President in charge of Payment Systems and Alternative Channel Management.

Levent Yörük (10)

Executive Vice President

Mr. Levent Yörük, following his graduation from the Business Administration Department of the Military Academy in 1982, studied Business at Bosphorus University in 1995, Sales and Marketing at the University of Toronto in 1992 and Finance at Johns Hopkins University from 2001 until 2002. He served as a Military Officer in the Turkish Ground Forces Command between 1982 and 1991. Mr. Yörük then worked at American Life Insurance as the Sales Unit Manager from 1992 to 1996, and at various managerial positions in Citibank Turkey between 1996 and 2001. He worked in the United States at Citi Group - Citi Financial as Operations Director from 2001 to 2007. Mr. Yörük joined Finansbank in August 2007 as Group Manager at Retail Banking Alternative Sales Channels. He was appointed Executive Vice President in 2010, and currently serves as Executive Vice President in charge of Alternative Sales Channels and the Call Center.

Mehmet Kürşad Demirkol (11)

Executive Vice President

Mr. Mehmet Kürşad Demirkol graduated from the Faculty of Electrical and Electronics Engineering at Bilkent University in 1995 as student marshal and subsequently earned MSc and PhD degrees from Stanford University. He worked as an Application Engineer at Oracle-Redwood between 1996 and 1997 and as a Research Assistant at Stanford University from 1997 to 1999. He served as Senior Associate at the Atlanta and Istanbul offices of McKinsey & Company from 1999 until 2003. Mr. Demirkol worked as the Group Head of Business Development and Strategy Department at Finansbank between 2004 and 2005. He served as Vice President of Information Technology and Card Operations at Finansbank Russia in 2005. He then served as Business Development and Marketing Director at Memorial Healthcare Group from 2005 to 2007. In 2007, he started working as Head of Information Technologies at Vakıfbank and was appointed Chief Information Officer of the bank in the same year. Additionally, he undertook the post of Chief Operating Officer in charge of Operations and Alternative Distribution Channels in 2008. Mr. Demirkol has worked at Finansbank as Executive Vice President in charge of Information Technologies and Process Management since October 2010. After November 2011, he became the EVP in charge of IT and Operations, and has been serving as such since.

Metin Karabiber (12)**Executive Vice President**

Mr. Metin Karabiber graduated from Çukurova University, Industrial Engineering Department. He began his banking career as a Marketing Specialist at Interbank in 1985. He then worked as a Branch Manager at İktisat Bankası from 1990 to 1995, at Demirbank between 1995 and 1997 and at Finansbank from 1997 until 1998. Mr. Karabiber served as Executive Vice President at Sümerbank during 1998 and 1999. Subsequently, he worked as Regional Manager at Fortis Bank between 1999 and 2003, and as Executive Vice President responsible for Retail Banking and Sales from 2003 to 2010. As of October 2010, Mr. Karabiber joined Finansbank as Executive Vice President in charge of Commercial Banking.

Murat Şakar (13)**Executive Vice President**

Mr. Murat Şakar holds a bachelor's degree in Industrial Engineering from İstanbul Technical University. He worked as Business Unit Manager at Rehau Polimeri Kimya Sanayi from 2002 to 2005 and as Purchasing Manager at Arçelik between 1992 and 2002. Mr. Şakar served as the Coordinator of Purchasing and Technical Services at Finansbank from March 2005 until August 2008. He was appointed Executive Vice President in charge of Purchasing and Technical Services at Finansbank in August 2008.

Oya Güvercinci (14)**Head of the Audit Committee Office**

Mrs. Oya Güvercinci graduated from the Chemical Engineering Department of Marmara University. She assumed responsibilities at the branch level at Ziraat Bank and İmpexbank between the years 1984 and 1987. She joined Finansbank in 1987 as Credit Marketing Manager of the Main Branch, served as Branch Manager from 1995 to 1997 and as Executive Vice President in charge of Quality and Change Management from 1997 until 2001. In 2001, Mrs. Güvercinci was assigned as Head of Risk Management and worked in the establishment of the Risk Management Department. Mrs. Güvercinci was appointed Head of the Audit Committee Office in September 2011.

Ömür Tan (15)**Executive Vice President**

Mr. Ömür Tan earned a bachelor's degree in Statistics from Hacettepe University. He began working at Yapı Kredi Bankası as a Management Trainee in 1995 and joined Finansbank in 1998. At Finansbank, he has served respectively as Corporate Branch Customer Relationship Manager, Corporate Branch Manager, Group Manager in charge of Head Office Key Accounts and Group Manager in charge of Corporate Banking. Mr. Tan was appointed Executive Vice President in charge of Corporate Banking, Structured Finance and Trade Finance in October 2011.

Özlem Cinemre (16)**Executive Vice President**

Mrs. Özlem Cinemre graduated from Bosphorus University, Department of Business Administration in 1988. She started her career in the same year within the International Banking Division of Finansbank. Between 1988 and 1997, Mrs. Cinemre assumed various responsibilities at Finansbank. In 1997, she was appointed Executive Vice President responsible for Financial Institutions. Currently, Mrs. Cinemre serves as Executive Vice President in charge of International Relations including Correspondent Banking, Structured Funding, International Business Development, Investor Relations, Financial Institutions and Credit Management.

Saruhan Doğan (17)**Executive Vice President**

Mr. Saruhan Doğan received a bachelor's degree in Economics from İstanbul University in 1990 and a master's degree in Economics from London School of Economics and Political Science in 1992. Mr. Doğan worked as Economist and Treasury Marketing Department Head at Citibank between 1992 and 1997. He served as the Head of the Treasury Sales Department at TEB from May 1997 to July 1998; Head of Treasury Research and the Sales Group at Alternatifbank between 1998 and 2004; Group Manager of the Treasury Department at Finansbank from 2004 until 2007; and Executive Vice President in charge of Treasury at Deutsche Bank - Turkey from 2007 to 2008. Mr. Doğan rejoined Finansbank in October 2009 as Executive Vice President in charge of Investment Banking. He was appointed as EVP in charge of Investment Banking and Cash Management in June 2012.

Şebnem Karaduman (18)**Executive Vice President**

Mrs. Şebnem Karaduman received a bachelor's degree in Law from İstanbul University. She started her career as a Lawyer in the Legal Department at Finansbank in 1998. Mrs. Karaduman was appointed as Legal Advisor to Fiba Bank in 2002 and worked in various positions within Finansbank's Legal Department between 2003 and 2010. Mrs. Karaduman was assigned as the Legal Advisor of Finansbank in 2010 and appointed Executive Vice President in charge of Legal Department in 2012.

Tunç Erdal (19)**Executive Vice President**

Mr. Tunç Erdal earned a bachelor's degree in Industrial Engineering from Middle East Technical University in 1992. He started his professional career in 1993 within the Marketing Department of Ege Leasing A.Ş. Mr. Erdal then worked respectively as Dealer and Fixed Income Securities and Liquidity Desk Head at Alternatifbank from 1996 to 2003. Subsequently, he served as Investment Manager of the Department of Private Banking at Banque de Commerce et de Placement between 2003 and 2005. Mr. Erdal joined Finansbank in 2005 as Group Manager of Treasury Research and Sales. He has been serving as Executive Vice President in charge of Private Banking at Finansbank since August 2010.

Zeynep Aydın Demirkıran (20)**Head of Risk Management**

Mrs. Zeynep Aydın Demirkıran has a bachelor's degree in Economics from Bilkent University and master's degree in Economics from Georgetown University in Washington DC. She taught at Georgetown University until December 1998. Mrs. Demirkıran then worked as a Specialist within the Risk Management Department of Türkiye İş Bankası between 1999 and 2002. She joined Finansbank in 2002 and assumed the responsibilities of Senior Risk Manager and Basel II Program Coordinator. In September 2011, Mrs. Demirkıran was appointed Head of Risk Management.

Aytaç Aydın (21)**Coordinator, Operations and Alternative Distribution Channels**

Mr. Aytaç Aydın received a bachelor's degree in Electrical and Electronics Engineering at Bosphorus University in 2000 and a master's degree in Electrical Engineering from Penn State University in 2001. He assumed managerial positions at Triquint Semiconductor between 2001 and 2005, and at McKinsey & Company from 2006 until 2008. After serving as Head of Banking Operations at Vakıfbank, he joined Finansbank in 2010 as Group Manager in charge of Information Technology Process Management. In November 2011, Mr. Aydın was appointed Coordinator of Operations and Alternative Distribution Channels.

Halim Ersun Bilgici (22)**Coordinator, Retail Credits**

After receiving a bachelor's degree in Law from Ankara University in 1991, Mr. Halim Ersun Bilgici received a master's degree in Economics from Yeditepe University in 2008. He started his banking career at İktisat Bank in 1992. In 2002, he started working as the Coordinator of Retail Marketing at Şekerbank. Mr. Bilgici began working at Finansbank's Credits Department in 2003. He was appointed Coordinator of Retail Credits in 2012.

Executive Committees

Audit Committee

Under the authority of the Board of Directors, the Audit Committee is responsible for:

- Monitoring the effectiveness, efficiency and adequacy of the internal systems of the Bank, the functioning of these systems together with accounting and reporting systems in accordance with relevant laws and applicable regulations and the integrity and reliability of information generated by these systems;
- Making necessary preliminary evaluations required for the selection of the independent external audit firms and rating, assessing and outsourcing institutions for the Board of Directors;
- Regularly monitoring the activities of the selected and contracted institutions;
- Ensuring that the internal audit activities of subsidiaries subject to consolidation are carried out on a consolidated basis and in coordination with internal audit activities of the Bank.

The members of the Audit Committee are as follows:

- Prof. Dr. Mustafa A. Aysan: Board Member and Chairman of Audit Committee,
- Paul Mylonas: Board Member and Audit Committee Member,
- Michail Oratis: Board Member and Audit Committee Member.

Risk Committee

The Risk Committee is responsible for defining the Bank's risk management policies and strategies, reviewing all types of risks that the Bank is exposed to, monitoring the implementation of risk management strategies and bringing the important risk related issues to the attention of the Board.

The members of the Risk Committee are as follows:

- Dr. Ömer A. Aras: Chairman of the Board of Directors,
- Sinan Şahinbaş: Vice Chairman of the Board of Directors,
- Antonios Grammatikopoulos: Member of the Board of Directors,
- Michail Oratis: Member of the Board of Directors.

Asset/Liability Committee

The Asset/Liability Committee was established to propose asset and liability management procedures and policies to the Board of Directors which are compatible with prevailing laws and regulations.

The Asset/Liability Committee is responsible for executing the policies and managing structural interest rate risk within the limits defined by Board of Directors. The Committee meets monthly, reviews the critical risk issues and determines the strategies for asset and liability management.

The members of the Asset/Liability Committee are as follows:

- Dr. Ömer A. Aras: Chairman of the Board of Directors,
- Sinan Şahinbaş: Vice Chairman of the Board of Directors,
- Temel Güzeloğlu: General Manager,
- Adnan Yayla: Executive Vice President, Financial Control and Planning,
- Köksal Çoban: Executive Vice President, Treasury,
- Zeynep Aydın Demirkıran: Head of Risk Management,
- İlker Kayseri: Head of Asset/Liability Management Desk.

Corporate Credit Policies Committee

The Corporate Credit Policies Committee is responsible for defining corporate credit policies, strategies and procedures; determining risk limits in line with the Bank's risk appetite and approving changes in these limits; monitoring the performance of the Bank's corporate and commercial risks; and ensuring that the Bank's corporate and commercial loan practices comply with legal regulations and the principles of the NBG Group.

The members of the Corporate Credit Policies Committee are as follows:

- Sinan Şahinbaş: Vice Chairman of the Board of Directors,
- Antonios Grammatikopoulos: Member of the Board of the Directors and Group Chief Risk Officer,

- Temel Güzeloğlu: General Manager,
- Zeynep Aydın Demirkıran: Head of Risk Management,
- Filiz Sonat: Executive Vice President, Credits,
- Metin Karabiber: Executive Vice President, Commercial Banking,
- Ömür Tan: Executive Vice President, Corporate Banking,
- Belma Erkan: Senior Manager, Credit Risk and Fund Management.

Retail Credit Policy Committee

The Retail Credit Policy Committee is responsible for defining policies and strategies regarding the Bank's retail loan portfolio and approving amendments to these strategies; measuring, evaluating and monitoring the performance of all retail credit risks; and ensuring that the Bank's retail loan practices are in compliance with legal regulations and the principles of the NBG Group.

The members of the Retail Credit Policy Committee are as follows:

- Antonios Grammatikopoulos: Member of the Board of the Directors and Group Chief Risk Officer,
- Temel Güzeloğlu: General Manager,
- Zeynep Aydın Demirkıran: Head of Risk Management,
- Kunter Kutluay: Executive Vice President, Payment Systems,
- Erkin Aydın: Executive Vice President, Retail Banking,
- Halim Bilgici: Coordinator, Retail Credits,
- Belma Erkan: Senior Manager, Credit Risk and Fund Management.

Operational Risk Management Committee

The Operational Risk Management Committee is responsible for determining operational risk policies; reviewing and discussing operational risk issues of the Bank; and taking the necessary actions to minimize them.

The members of the Operational Risk Management Committee are as follows:

- Antonios Grammatikopoulos: Member of the Board of the Directors and Group Chief Risk Officer,
- Zeynep Aydın Demirkıran: Head of Risk Management,
- Ahmet Erzenin: Head of Compliance and Internal Control,
- Aytaç Aydın: Coordinator, Operations and Alternative Distribution Channels,
- Erkin Aydın: Executive Vice President, Retail Banking,
- Kunter Kutluay: Executive Vice President, Payment Systems
- Metin Karabiber: Executive Vice President, Commercial Banking,
- İsmail Akin: Senior Operational Risk Manager,
- Argun Derviş: IBTECH Management Committee, Security, Audit and Risk.

Corporate Governance Committee

The Corporate Governance Committee is responsible for monitoring the Bank's compliance with corporate governance principles, providing recommendations to the Board of Directors and ensuring improvement activities to be taken in this respect.

The members of the Corporate Governance Committee are as follows:

- Prof. Dr. Mustafa A. Aysan: Member of the Board of Directors and Chairman of the Audit Committee,
- Paul Mylonas: Member of the Board of Directors and of the Audit Committee,
- Mustafa Hamdi Gürtin: Board Member.

**Management and
Corporate Governance**

Information on Attendance of Meetings of the Board of Directors and Committee Members

24 Board of Directors Meetings were held in 2012 and with the attendance of all Board members excluding exceptional cases.

4 Corporate Governance Committee Meetings were held in 2012 with the attendance of all Committee members excluding exceptional cases.

8 Audit Committee meetings were held in 2012 with the attendance of all Committee members excluding exceptional cases.

Summary Board Report Presented to the General Assembly

Dear Shareholders,

Welcome to the 2012 Ordinary General Assembly Meeting of Finansbank.

While presenting the Board Report, Auditors Report and Profit and Loss Statement for fiscal year 2012 for your examination and approval, we respectfully welcome our shareholders, their representatives and our guests who have honored this meeting with their presence.

2012 started out as a year dominated by pessimistic expectations about the world economy. Instability in Europe and economic concerns in the United States caused turmoil and slowdown in the global economy. The average growth rates of both developed countries and emerging economies decreased to 1.3% and 5.3%, respectively.

The weak pace of economic recovery caused further loosening of the monetary policies of central banks. While the Federal Reserve Bank in the US and the Bank of Japan continued quantitative easing policies, the European Central Bank went through long-term liquidity injections as well as the reduction of the policy rate. As a result, loose liquidity conditions, that became the most characteristic feature of the world economy after the global financial crisis, persisted in 2012.

With this challenging backdrop, the controlled deceleration needed by our economy was successfully achieved with robust and consistent policies and implementations. The Turkish economy, benefitting from more positive fundamentals in terms of the banking system and public finances than those of advanced economies, demonstrated a better performance than the global economy.

In this comparatively upbeat scenario, total assets of the Turkish banking sector increased 12.6% in 2012 compared to the previous year, and reached TL 1,370.6 billion as of December 2012. Total loans rose 16.1% and amounted to TL 812.6 billion, up TL 112.4 billion for the year. As of December 2012, the sector's capital adequacy ratio stood at 17.9%. Shareholders' equity increased 25.7% and totaled TL 181.8 billion. Profitability of the sector in 2012 amounted to TL 23.6 billion.

In light of all these developments, Finansbank's total loans portfolio increased 19.3% to TL 36.8 billion, total assets rose 17.8% and amounted to TL 54.4 billion. Customer deposits totaled TL 31.9 billion, up 10% from a year earlier, and shareholders' equity amounted to TL 7.3 billion, showing a rise of 28.6%. The Bank's capital adequacy ratio stood at 18.92% and net operating income totaled TL 902 million in 2012. Finansbank has continued to serve its customers with 582 branches and more than 12,000 employees as of year-end.

Dear Shareholders,

In (the content of) our Annual Report showcasing our focused efforts during 2012, we have presented the Balance Sheet and Profit and Loss Statement for your examination and approval.

We express our gratitude to our customers who have not wavered in their confidence and the authorities of our State for their continuous support; we thank our employees whose superior and selfless contributions we hold above all considerations; we salute with respect once again our esteemed shareholders and their representatives who have honored our General Assembly.

FINANSBANK A.Ş. BOARD OF DIRECTORS

Related Party Risks

Regardless of the nature of transactions, relations with companies in the risk group of/and controlled by the Bank. Transactions with the risk group are conducted in the scope of an ordinary bank-client relationship and in compliance with the Banking Law and prevailing market conditions.

Concentration of transaction volumes and balances with risk group and pricing policy. The pricing and other terms in the transactions with the risk group companies are set on an arms-length basis and based on prevailing market conditions. As of December 31, 2012, cash loans granted to risk group composed 0.2% of the Bank's total loans, deposits obtained from risk group composed 1.3% of the Bank's total deposits, and derivatives transactions performed with the risk group composed 1.2% of the Bank's total derivatives transactions volume.

Transactions involving the purchase and sale of real-estate and other assets and services; agency contracts, leasing contracts; transfer of data obtained from research and development activities; license contracts, financing (including loans and cash or in-kind capital contributions), guarantees and collaterals; management contracts, and the like: The Bank signs leasing contracts with Finans Leasing (Finans Finansal Kiralama A.Ş.). Net leasing payables incurred from these contracts amounted to TL 1.9 million as of December 31, 2012.

The Bank directs a certain amount of funds to Finans Asset Management (Finans Portföy Yönetimi A.Ş.) from time to time.

The Bank entered into a contract with IBTech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek Sanayi ve Ticaret A.Ş. for research, development, and consultancy services.

The Bank receives cash transfer services from its 33.33% subsidiary Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.

The Bank provides agency services to Finans Pension (Finans Emeklilik ve Hayat A.Ş.), which is co-controlled by the Bank with a 49.00% stake.

Information on Outsourced Services and the Individuals/ Organizations Supplying Outsourced Services

The following services are outsourced pursuant to the provisions in the sixth paragraph of Article 5; in Articles 10 and 11; and in the first paragraph of Article 12 of the "Regulation on the Services Banks May Outsource and the Authorization of the Suppliers."

Supplier	Service Outsourced
3-D Biliřim Teknolojileri Danıřmanlık ve Teknik Servis Ltd. řti.	Voice recording equipment operating system
Adecco Hizmet ve Danıřmanlık A.ř.	HR outsource staff payrolling
Akbařım Matbaacılık ve Tic. Ltd. řti.	Cheque printing
Aktif İleti ve Kurye Hiz. A.ř.	Courier
Asseco See Teknoloji A.ř.	Virtual POS implementation, maintenance and technical support
Atos Origin Biliřim Danıřmanlık ve Műřteri Hizmetleri San. Tic. A.ř.	Outsource call center
Banksoft Biliřim Bilgisayar Hizmetleri Ltd. řti.	Software for credit card systems
Bantař Nakit ve Kıymetli Mal Tařıma ve Gűvenlik Hizmetleri Ltd. řti.	Transportation and safekeeping of cash and valuable goods
BGA Bilgi Gűvenlięi Eęitim ve Danıřmanlık Ltd. řti.	IT security testing service
CMC İletiřim Bilgisayar Reklam ve Danıřmanlık Hizmetleri San. Tic. A.ř.	Outsource call center
Collection Platform Yazılım ve Danıřmanlık A.ř.	Credit card and retail loan collection
E-Kart Elektronik Kart Sistemleri San. ve Tic. A.ř.	Card supplier and card customization
Etcbase Yazılım ve Bil. Teknolojileri A.ř.	Legal follow-up system and expertise application
Fonoklık (Phonoclick) İletiřim Hizmetleri ve Ticaret A.ř.	Credit card application software and software maintenance
Ggsoft Yazılım Hizmetleri Tic. Ltd. řti	Data entry and form scanning
Giriřim Alacak Yűnetim Hizmetleri ve Yazılım Servisleri A.ř.	Credit card and retail loan collection
Ibtech Uluslararası Biliřim ve İletiřim Tekn. Ar-Ge Danıřmanlık Destek San. ve Tic. A.ř.	Information technology
Ingenico Odeme Sistem Cűűmleri A.ř.	POS application development, update and technical support services
İnfina Yazılım A.ř.	Asset finance fund management implementation, development and technical support
Kartek Kart ve Biliřim Teknolojileri Ltd. řti.	Instant card and card printing center for software development, integration and maintenance services
Kurye Net Motorlu Kuryecilik ve Daęıtım Hiz. A.ř.	Courier
Matriks Bilgi Daęıtım Hizmetleri A.ř.	FX Blotter application support and maintenance
Mgs Merkezi Gűvenlik Sistemleri San. Tic. A.ř.	Alarm system and alarm follow-up service
Plastkart Plastik Kart Akıllı Kart İletiřim Sistemleri San. ve Tic. A.ř.	Card supplier and card customization
Pozitron Yazılım A.ř.	Mobile banking software, maintenance and technical support services
Reklam Pazarlama Telekoműnikasyon ve İletiřim Hiz. Ltd. řti.	MoneyPoints prepaid minutes recharging and SMS query extracting
Rgn Caađrı Merkezi Műřteri ve İletiřim Hizmetleri Ltd. řti.	Credit card and retail loan collection
Rm Arřiv Yűnetim Hizmetleri Ticaret A.ř.	Archive services
SecurVerdi Gűvenlik Hizmetleri A.ř.	Security services
Uzman Biliřim Danıřmanlık A.ř. (Experteam)	Oracle e-work applications
Vega Bilgisayar Hizmetleri Ltd. řti.	Customer credit information, legal reporting software, and software maintenance
Verifone Elektronik ve Danıřmanlık Ltd. řti.	POS application development, update and technical support services
Youth Republic Pazarlama ve Arařtırma Hizmetleri A.ř.	CardFinans GO marketing and promotion

Corporate Governance Principles Compliance Report

1- Statement of Compliance with Corporate Governance Principles

As detailed here below, Finansbank has complied throughout the financial reporting year 01.01.2012-31.12.2012 with the principles set out in the Corporate Governance Principles published by the Capital Markets Board ("CMB").

Finansbank has set up a Corporate Governance Committee responsible for monitoring whether the Corporate Governance Principles are complied with, describing the problems that may arise due to noncompliance and offering corrective actions to the Board of Directors. The Committee consists of Mustafa Aydın Aysan, Mustafa Hamdi Gürtin and Paul Mylonas. Additionally, the Committee coordinates the operations of the Investor Relations Department.

PART I - SHAREHOLDERS

2- Investor Relations Department

Finansbank established an Investor Relations Department, for the purposes of protecting the rights of shareholders and ensuring effective communication between the Board of Directors and shareholders, in line with Article 1.1.2 of Part I of the Corporate Governance Principles published by the Capital Markets Board in July 2003. The Investor Relations Department, reporting to the Corporate Governance Committee, is managed by Mr. Şehsuvar Aladağ. The contact details for the Investor Relations Department are as follows:

Email: investor.relations@finansbank.com.tr

Telephone: +90 212 318 52 07

A total of 68 inquiries were received by the Investor Relations Department during the financial reporting year concerned.

3- Shareholders' Right to Access Information

All information and changes that occur in relation to shareholders' rights, such as capital increases, are published on the Public Disclosure Platform (www.kap.gov.tr) in Material Event Disclosure format. Shareholders are kept informed through emails, face-to-face interviews and telephone calls, and through the Bank's web site, of material financial and/or operational information that may affect the exercise of the rights of shareholders.

Appointment of a special auditor is not regulated by the Articles of Association of the Bank. The Bank is audited both by the auditors appointed by the Bank's General Assembly and by the Banking Regulation and Supervision Agency ("BRSA") in accordance with the Banking Act.

4- Information on Annual General Assembly

The Annual General Assembly Meeting was held on 29.03.2012 with a meeting quorum of 95%. Shareholders were duly provided with the agenda of the Meeting through the Public Disclosure Platform in Material Event Disclosure format, as well as via publication in the Turkish Trade Registry Gazette and two national newspapers (Güneş and Hürses). Additionally, a letter of invitation was sent to each registered shareholder.

The Board of Directors invitation for the Assembly, the agenda and a sample power of attorney letter were published in the Turkish Trade Registry Gazette and two daily newspapers, as well as the Bank's website.

No other General Assembly was held during the financial year.

Shareholders were requested to receive their admission cards, which were issued according to the amount of registered shares in the share registry, from the Bank's Head Office at least one week before the date of the Meeting.

Shareholders are entitled to ask questions and receive answers during the General Assembly. No shareholders made any motions during the General Assembly Meeting in 2012. The minutes of the General Assembly Meetings are available to shareholders on the Bank's website.

The invitation and relevant information of the Annual General Assembly that will be held in 2013 will be published in the Turkish Trade Registry Gazette, two high circulation daily newspapers and on the Bank's website. The minutes of the General Assembly Meeting, list of attendees, agenda and related announcements will be made available to shareholders on the Bank's corporate website following the Assembly.

5- Voting Rights and Minority Rights

No voting privilege is granted and no cumulative voting procedure is adopted by the Bank's Articles of Association.

6- Dividend Distribution Policy and Dividend Distribution Period

Dividend distribution is calculated under the provisions of the applicable regulations and the Bank's Articles of Association. Accordingly, after deducting the legal and financial liabilities of the Bank, 5% of remaining profit is allocated to the statutory reserve fund and an amount corresponding to 5% of capital is allocated as first dividend to shareholders. After allocation of these amounts, 10% of the remaining profit may be allocated to founding shareholders.

After deducting statutory reserves, first dividend to shareholders and profits on the sale of property and subsidiaries that are mandatorily kept in the Bank accounts, all of the remaining distributable profit can be kept as reserves by the General Assembly at the recommendation of the Board of Directors.

Following the General Assembly, the shareholders are informed that the Board of Directors is about to make a decision to increase capital, in line with the growth targets of the Bank, by issuing bonus shares within the limits of registered capital and taking into account the mandatory distribution of 5% profits as a first dividend to the shareholders by the Articles of Association.

7- Transfer of Shares

Finansbank's Articles of Association do not restrict shareholders from transferring their shares. However, share transfer is subject to BRSA approval pursuant to the Banking Law.

PART II - DISCLOSURE AND TRANSPARENCY

8- Corporate Disclosure Policy

In accordance with CMB's Communiqué (Serial VIII, No. 54) Regarding the Procedures for the Disclosure of Material Events, and within the framework of its Disclosure Policy, Finansbank discloses publicly all material events regarding Finansbank through the Capital Markets Board, Istanbul Stock Exchange and Public Disclosure Platform (PDP); corporate news releases are also sent to media outlets.

In addition to the means of disclosure explained above, the Bank's Investor Relations Department holds informational meetings with domestic and foreign investors in their visits to the Bank or through phone or email, following each disclosure of quarterly profit and balance sheet.

General-purpose disclosures, other than those legally required, related to Finansbank products, services and strategies are made by the Communications Department in coordination with the Bank's other related departments. All media inquiries communicated to Finansbank are classified and coordinated by the Communications Department and responded to by the related departments or the Communications Department.

9- Disclosure of Material Events

Finansbank is listed on both the Istanbul Stock Exchange and the London Stock Exchange ("LSE"). In 2012, the Bank made 179 disclosures to the ISE and PDP while it made 19 disclosures to the LSE.

The Bank has not been imposed with any penalty for failing to disclose any material event in a timely manner.

10- Corporate Web Site and Its Content

Finansbank's corporate web page, www.finansbank.com.tr, contains information, both in Turkish and English, on the Bank's current shareholder and corporate management structure; Articles of Association; annual reports; periodical financial statements and reports; material events regarding the Bank; agendas, minutes and list of attendees of General Assembly Meetings; a sample power of attorney letter; and inquiries and answers provided under the FAQ section.

11- Annual Report

The Bank's Annual Report, which is prepared in accordance with the relevant regulations, includes the issues on corporate governance principles. The details are given in the "Corporate Governance Principles Compliance Report" section of the Annual Report.

12- Disclosures of Real Person(s) Holding Ultimate Controlling Shares

There is no ultimate controlling real person shareholder of the Bank.

Corporate Governance Principles Compliance Report

Management and Corporate Governance

13- Disclosure of Insiders

Pursuant to Article 73 of the Banking Law, the Bank's shareholders, directors, executives, employees and their representatives may not disclose to any party, other than those legally authorized, any confidential information they may, while performing their duties, have obtained with regard to the Bank or the Bank's clients. This rule also applies to the suppliers of the Bank and their employees and survives the term of office of any person mentioned above.

Based on the above-mentioned comprehensive rule stipulated under the Banking Law, the Bank does not feel the need to disclose the names of the persons who have access to insider information.

Further, the Bank has a Finansbank Employee Code of Conduct approved by the Board of Directors and communicated to employees; this Code, which defines insider information, prohibits:

- Employees of the Bank having access to insider information from using such insider information in their own or others' interest in or off the stock exchange before it is disclosed publicly; and
- Bank employees who, as a result of their position in the Bank, have access to undisclosed information concerning the Bank and the Bank's corporate clients, which, when disclosed, may affect the market value of the shares/securities of the Bank or the Bank's corporate clients, from trading in or entering into any business transaction with regard to said shares/securities and also trading in same via their family members or any third party by using such undisclosed information.

Additionally, within the framework of CMB's Communiqué dated 06.02.2009 (Serial VIII, No. 54) Regarding the Procedures for the Disclosure of Material Events, a list of persons who have access to insider information has been prepared and these persons have been informed upon signing a document regarding their responsibilities in this regard. This list is regularly updated and maintained. In line with the same Communiqué, the "Disclosure of Material Events Procedure" has been prepared and issued on 08.07.2009.

PART III - STAKEHOLDERS

14- Informing Stakeholders

Bank employees are informed about the Bank's operations when deemed necessary via internal communications tools. In addition, managers at the Bank Headquarters and branches are informed about developments via regularly held meetings.

15- Participation of Stakeholders in Management

The Bank does not have a model to ensure stakeholders' involvement in management.

16- Human Resources Policy

The Bank's Human Resources Policy has been developed and approved in line with the strategic goals and business plans of the Bank. The policy is based on increasing the Bank's performance; attracting, developing and retaining new talent; and hence realizing sustainable development of the Bank's human resources.

The Bank's Human Resources Policy has four components:

- Human Resources Planning and Recruitment: Attracting talented employees to the Bank and placing them in the most suitable positions in line with Bank's staffing requirements.
- Performance Management: Managing staff performance by harmonizing goals of employees with the goals of the Bank.
- Talent and Development Management: Developing the technical and managerial skills of employees, retaining promising employees in the Bank and focusing on their development.
- Loyalty and Awards: Developing policies for increasing employee loyalty to the Bank and increasing their involvement in Bank's growth.

The performance management process is a management tool that helps employees devise long-term talent development strategies to achieve their goals, identify their potentials, support their development with continuous feedback, and therefore increase their contribution to the Bank's performance. Administered twice each year, performance management results are shared with employees in a transparent manner.

No discrimination complaint has been received from the Bank's employees.

17- Relations with Clients and Suppliers

With a view to serve its clients in the best manner possible, Finansbank divided its client-focused operations into three main groups: Corporate and Commercial Banking, SME Banking and Retail Banking.

The Corporate and Commercial Banking Departments offer financial solutions tailored to the cash and working capital needs of clients under any economic conditions by taking into account the past business performance and future projections of each client.

Finansbank's SME Banking Department offers tailor-made solutions, with a wide range of products and services, addressing all types of financial needs of clients. The Department also develops support programs and solutions to meeting clients' information needs.

The Retail Banking Department has helped Finansbank rank among those top banks offering the best quality product and service in the retail-banking segment with its "customer oriented" approach.

The Bank has established a "Customer Solutions Center," reachable by telephone at 0850 222 2900, to deal with all kinds of client problems, questions and suggestions. Additionally, the Customer Experience and Corporate Brand Management Group is responsible for monitoring the quality of services provided to clients and conducting mystery shopper activities and satisfaction surveys. The "Contact Us" page on the Bank's corporate web site, which is open to everyone, also enables a centralized management of all complaints. This practice is closely associated with the close attention the Bank pays to products, services and compliance issues. This reporting line also reflects Finansbank's trust in its employees and corporate identity.

18- Social Responsibility and Code of Ethics

Finansbank believes in the importance of securing the future of a healthy and sound environment. The concept of sustainable banking is applied in every environmental, economic and social policy/process of the Bank. The Bank's business strategy and decision-making mechanism supports its goal to leave a livable world for future generations. With every transaction and funding decision, the Bank strives to promote a sustainable development mindset.

To this end, the Bank has set up a Social Responsibility Committee. In parallel with the research and studies of this Committee, the Compliance Department carries out activities in terms of compliance with national and international legislation. The Bank has also established a Social and Environmental Management System (SEMS) policy. The Bank conducts investment projects and funding operations in line with Environment, Occupational Health and Safety Guidelines of the Bank's shareholder, the International Finance Corporation (IFC), and in keeping with local environmental laws and regulations. Lenders are required to submit an Environmental Impact Evaluation (EIE) Report along with other required permissions and documents. The Bank has issued an EIE Report for one investment project in 2012 within this context. The Bank gave comments and assessments for 11 projects without the need for an EIE Report.

Social responsibility is and always will be of particular concern to Finansbank. This is reflected in the Bank's sponsorship of several foundations and organizations, especially in the field of education and health care. In 2012, the Bank donated a total amount of TL 543,343.73 to various foundations, associations and educational institutions.

Finansbank has adopted a code of ethics as specified under the Banking Law. The Finansbank Employee Code of Conduct and Finansbank Code of Ethics for Financial Professionals have been approved by Board of Directors and communicated to Bank staff as a leaflet and online via the Intranet.

Corporate Governance Principles Compliance Report

Management and Corporate Governance

PART IV- BOARD OF DIRECTORS

19- Structure and Formation of the Board of Directors and Independent Members

Members of Finansbank's Board of Directors are as follows:

- Dr. Ömer A. Aras, Chairman and Group CEO,
- Sinan Şahinbaş, Vice Chairman of the Board of Directors and Executive Board Member,
- Prof. Dr. Mustafa Aydın Aysan, Board Member and Head of the Audit Committee,
- Temel Güzeloğlu, Board Member and General Manager,
- Michail Oratis, Board Member and Audit Committee Member,
- Antonios Grammatikopoulos, Board Member,
- Edward Nassim, Board Member,
- Stefanos Pantzopoulos, Board Member,
- Dr. Paul Mylonas, Board Member and Audit Committee Member,
- Christos Alexis Komninos, Board Member,
- Mustafa Hamdi Gürtin, Board Member,
- Dimitrios Frangetis, Board Member.

The backgrounds and bios of Board members are provided in the Annual Report.

No independent member was appointed in 2012.

It is acknowledged that, within the restrictions stated in the Banking Law, the members of the Board may also hold professional positions outside the Bank provided that no such position prevents them from fulfilling their respective responsibilities in the Bank and does not cause any conflict of interest.

20- Qualifications of Board Members

The qualifications of Board members meet the requirements set out in the relevant provisions of the Banking Law and comply with the Board membership criteria required under Articles 3.1.1, 3.1.2 and 3.1.5 of Section IV of CMB's Corporate Governance Principles.

21- Mission, Vision and Strategic Goals

Our Vision:

To be the architect of the each individual and commercial financial plan, that will lead Turkey to success.

Our Mission:

To forge a lifelong partnership with all our stakeholders, by understanding their needs, finding the right solutions and aiming for maximum customer satisfaction.

Finansbank's vision and mission are declared publicly on the Bank's corporate website.

The Board of Directors approves the strategic goals set by management and monitors the Bank's progress, operations and performance toward these goals.

22- Risk Management and Internal Control

In accordance with the Regulation on Internal Control Systems in Banks, the Bank's Board of Directors set up an Audit Committee, the current members of which are Prof. Dr. Mustafa Aydın Aysan, Dr. Paul Mylonas and Michail Oratis. The Internal Control Office, Internal Audit Department and Compliance Department report to the Audit Committee. At Finansbank, the Risk Management Department was set up at the end of 2001 as an entity independent from all other executive departments. The Risk Management Department is responsible for measuring possible banking risks, formulating risk management policies, and ensuring that the Bank is run in a manner so that the risks taken remain within the limits of the risks the Bank may wish to take in line with its strategic goals. The Bank aims to conform its Risk Management operations to Basel II standards and applicable legal requirements in force in Turkey. The Risk Management Department reports to the Risk Management Committee, which was established in 2007. Dr. Ömer A. Aras, Sinan Şahinbaş, Antonios Grammatikopoulos and Michael Oratis were appointed as the Committee's members.

23 - Strategic Plans

The Bank prepares five-year business plans that are to be discussed with the Board of Directors. In addition to the business plans, the Bank's detailed annual budget is decided in consort with the Board of Directors. After the approval of the business plan and budget, the Board of Directors monitors and discusses the Bank's rate of attainment of the objectives, activities and performance at its monthly meetings.

24- Powers and Responsibilities of Board Members and Executives

The powers and responsibilities of Board members and executives are regulated under the Banking Law and other applicable banking regulations; and utmost care is taken to comply with the all relevant regulations while performing said powers and responsibilities.

The amounts paid to executives are determined in line with prevailing market conditions on the basis of their qualifications and the extent of their contributions to the success of the Bank.

Executives perform their duties in compliance with all applicable laws, Articles of Association and the Bank's internal regulations and policies. Necessary control mechanisms are run in order to ensure compliance.

Executives perform their duties in a fair, transparent, accountable and responsible manner, and ensure that the Bank's business is being performed within the framework of our mission, vision, goals, strategies and policies.

25- Principles Related to the Activities of the Board of Directors

24 Board of Directors meetings were held in 2012.

Finansbank's Board of Directors meets regularly, on a monthly basis, 12 times a year in any event. The Board also holds special meetings if needed. Each Board Member is provided with documents that include the agenda for each meeting, prior to the meeting.

No dissenting opinion has been voiced during the Board meetings held previously.

The agenda of each Board meeting is determined on the basis of input and recommendations from Board Members and the General Directorate. Discussions on risk and monthly reports, assessment and approval/rejection of applications for loans, and loan amounts that exceed the authority limits of the Credit Committee and therefore require the approval of the Board are also included in the agenda of each Board meeting.

The Board of Directors has a secretariat who is charged with informing and communicating with Board members; the secretariat also ensures compliance of meetings and resolutions with applicable laws and regulations.

No Board member has preferential voting rights.

26- Non-compete and Non-transaction Rules

Finansbank adopts principles in compliance with Articles 334 and 335 of the Turkish Commercial Code to make decisions regarding the non-compete and non-transaction issues between the Bank and its Board members.

27- Number, Structure and Independence of Committees under the Board of Directors

There are five committees under the authority of the Board of Directors: Corporate Governance Committee, Audit Committee, Risk Management Committee, Credit Committee and Remuneration Committee.

As of 31.12.2012:

The members of the Corporate Governance Committee are: Prof. Dr. Mustafa Aydın Aysan, Mustafa Hamdi Gürtin and Dr. Paul Mylonas. (Agis Leopoulos resigned in 2012.)

The members of the Audit Committee are: Prof. Dr. Mustafa Aydın Aysan, Dr. Paul Mylonas and Michail Oratis.

The members of the Risk Management Committee are: Dr. Ömer A. Aras, Sinan Şahinbaş, Michail Oratis and Antonios Grammatikopoulos.

The members of the Credit Committee are: Dr. Ömer A. Aras, Sinan Şahinbaş, Antonios Grammatikopoulos and Temel Güzeloğlu.

The members of the Remuneration Committee are: Sinan Şahinbaş and Agis Leopoulos. (Agis Leopoulos resigned from membership in 2012.)

The Credit Committee meets weekly; the Risk Management Committee meets monthly; the Audit Committee and Corporate Governance Committee meet on a quarterly basis. The Remuneration Committee meets at least three times a year.

28- Remuneration of the Board of Directors

During the General Assembly Meeting held on 29.03.2012, it was decided that each member of the Board of Directors shall be paid a net honorarium amount of TL 2,100 per month. In 2012, a total of TL 14,846,861.70 was paid to the Board members based on their performance.

Loans extended to Board members and managers are limited in Article 50 of the Banking Law. No loans are granted to Board members and managers above these limits.

The honorariums that are to be paid to the Board members are determined at the General Assembly Meeting of Shareholders.

Summary of 2012 Auditor's Report

TO THE GENERAL ASSEMBLY OF FINANSBANK

COMPANY NAME	: FINANSBANK A.Ş.
HEAD-OFFICE	: ISTANBUL
REGISTERED CAPITAL	: TL 6,000,000,000.-
PAID-IN CAPITAL	: TL 2,565,000,000.-
FIELD OF BUSINESS	: BANKING
AUDITORS	: H. Sedat ERATALAR – Ahmet Cihat KUMUŞOĞLU
Number of Board of Directors Meetings attended and number of Audit Committee meetings held	: 24 Board of Directors meetings; 8 Audit Committee meetings.
Scope, date and results of audits performed on the Bank's accounts, books and documents	: Based on the audit we performed on the Bank's accounts, books and documents, we are of the opinion that the records of the Bank comply with the provisions of Turkish Commercial Code (TCC) No. 6762 and other relevant laws and regulations.
Number and results of counts performed at the cash register of the Bank as per Sub-paragraph 3, Paragraph 1 of Article 353 of TCC No. 6762	: All the procedures as required under Sub-paragraph 3, Paragraph 1 of Article 353 of the TCC were fulfilled.
Dates and results of audits performed as per Sub-paragraph 4, Paragraph 1 of Article 353 of TCC No. 6762	: Based on the audit we performed as per Sub-paragraph 4, Paragraph 1 of Article 353 of the TCC, the statutory papers presented to us are safekept at the Bank in compliance with the Bank's relevant records.
Complaints and frauds reported and actions taken to address them	: No complaint or fraud was reported.

We have audited the accounts and transactions of FINANSBANK A.Ş. for the period of 01.01.2012 - 31.12.2012 in accordance with the Turkish Commercial Code, the Bank's Articles of Association, other applicable laws and regulations and generally accepted accounting principles and standards.

In our opinion, the balance sheet prepared as of 31.12.2012 enclosed herewith and the contents of which are acceptable to us, reflects fairly and accurately the financial position of the Bank, as of the stated date, of its income statement for the period 01.01.2012 - 31.12.2012 and of the results of its operations for the year then ended and are in compliance with the relevant laws and the Bank's Articles of Association.

We hereby submit the balance sheet and income statement, and the release of the Board of Directors for your approval.


H.Sedat ERATALAR
Auditor


Ahmet Cihat KUMUŞOĞLU
Auditor

Distribution of Profit

Dear Shareholders:

Seeking your approval, we kindly request:

- That, as mentioned in the agenda of our General Assembly Meeting of Shareholders, the net profit of TL 902,345,864.- which was calculated on the basis of our Bank's 2012 balance sheet by deducting the taxes payable, be distributed as follows in accordance with Article 33 of our Bank's Articles of Association:

TL 45,117,293	as first statutory reserve,
TL 128,250,000	as first dividend to shareholders,
TL 130,187,103	as subsidiary sales income fund,
TL 598,791,468	as general reserve,
Total	TL 902,345,864

- That the amount of TL 128,250,000.-, which was set aside as first dividend to be distributed to shareholders in the form of no par shares of 5% for each share with a value of 10.- Kurus until 28 June 2013 and the registered shares to be distributed to shareholders in accordance with the Capital Market Law on the central registry.

For and on Behalf of the Board of Directors



Mehmet Ömer Arif Aras
Chairman of the Board

**Financial Highlights
and Risk Management**

Amendments to the Articles of Association, Share Capital and Shareholders

No amendments were made on the provisions of Finansbank's Articles of Association in 2012.

Risk Management

Risk Management is responsible for monitoring and managing all potential risks for the Bank in a centralized and efficiently coordinated manner. The primary goal of Risk Management is to provide business lines appropriate capital allocation (economic capital) for risks they are exposed to and increase value-added by maximizing risk adjusted return on capital

Organizational Structure

Risk management governance at the Bank starts with the Board of Directors. The Board's Risk Committee, Asset/Liability Committee (ALCO), Corporate and Retail Credit Policy Committees (CPC), Operational Risk Management Committee (ORMC) and the Risk Management Department are the important bodies of the risk management structure at Finansbank.

The Board of Directors determines the general risk policy and the risk appetite of the Bank. The Risk Committee defines risk policies and strategies, reviews all types of risks the Bank is exposed to in its monthly meetings, monitors the implementation of risk management strategies and brings the important risk issues to the attention of the Board. The ALCO, meeting monthly, monitors and manages the structural asset liability mismatch of the Bank; it also monitors and controls liquidity risk and foreign currency exchange risk. The CPC meets monthly and is responsible for monitoring and evaluating the Bank's lending portfolio and determining principles and policies related to credit risk management processes, such as loan approval, limit setting, rating, monitoring and problem management. The ORMC, also meeting quarterly, reviews the operational risk issues of the Bank and defines the necessary actions to be taken to minimize these risks.

The Risk Management Department, working independently from the Bank's administrative operations and reporting directly to the Board of Directors, is comprised of four groups. The Market Risk Group, Credit Risk and Capital Management Group and Operational Risk Group are responsible for identifying, measuring, monitoring, controlling and managing the relevant risks; meanwhile, the Model Validation and Risk Analytics Units is responsible for assessing the predictive ability of risk estimates and the use of ratings in credit processes.

Market Risk Management

Market risk is the risk of potential loss arising from the adverse effects of interest rates, exchange rates and equity price volatility inherent in the Bank's trading portfolio.

Finansbank calculates the regulatory capital requirement for market risk using the standardized method within the framework of BRSA guidelines. In addition, parallel to best global practices, Value at Risk (VaR) is measured daily. VaR, which is a measure of the maximum potential loss on the trading portfolio, is calculated using the historical simulation method with a 99%-confidence level and one-day holding period.

In order to manage the market risk efficiently and remain consistent with the risk appetite, position limits for asset classes, an overall "Bank Risk Tolerance" and VaR limits for each risk factor are determined. Limit monitoring is performed daily by the Market Risk Management Group. VaR results are supported by regular stress testing and scenario analyses.

Risk Management

Financial Highlights and Risk Management

While the value-at-risk approach provides a forecast for possible losses under "normal" market conditions, it cannot predict contingent losses under extreme conditions. Hence, the VaR approach is complemented by stress testing in order to incorporate possible extreme market movements. Stress tests are intended to simulate the impacts of crises, extreme market conditions and major changes in correlations and volatilities.

The Bank uses back testing to verify the predictive power of the value-at-risk calculations. In back testing, theoretical gains/losses calculated by VAR on positions at the close of each business day is compared with the actual gains/losses arising on these positions on the next business day. The assumption of the VaR model is reviewed and revised if such a need occurs as a result of the back testing procedure.

Interest Rate Risk in the Banking Book

Even though the Bank is exposed to structural interest rate risk on its balance sheet due to the nature of its existing activities, it is ensured that this risk stays within the pre-defined limits. The ALCO aims to protect the economic value of equity, while sustaining a stable earnings profile. Duration/GAP analyses, which rely on calculations of net discounted future cash flows of interest rate sensitive balance sheet items, are conducted to manage this risk.

The Bank runs net economic value sensitivity scenarios with changes in interest rates and interest rate margins, so as to calculate their impact on net economic value. In addition to the Basel standard interest rate shock scenario, the 2001 crisis, May 2004 and June 2006 scenarios are also simulated.

Liquidity Risk

Liquidity risk is defined as the current or prospective risk to earnings and capital arising from the Bank's inability to meet its liabilities -because of its balance sheet structure or market movements- when they are due. Finansbank aims to control its 'cash and available funding sources/deposits' ratio within limits. In addition to early warning indicators, stress levels and actions planned under different stress levels are defined in the Bank's "Contingency Plan".

Within the scope of the Basel III accord, the "short-term liquidity coverage ratio" and the "net stable funding ratio," to measure long-term liquidity, are calculated and monitored on a monthly basis.

Credit Risk and Capital Management

Credit risk, under the most general definition, is a type of risk occurring on or expected to occur on the Bank's earnings or capital if the debtor fails to fulfill the terms of the contract or agreement as provided.

The Credit Risk and Capital Management Group is responsible for developing effective policies, processes, methods and tools that are used for identification, quantification and measurement of credit risk. This responsibility includes an independent and objective assessment of credit risk; monitoring the level of portfolio credit risk on the metrics set out in the Risk Management Strategy; and ensuring that the risks are consistent with the risk appetite as defined by the Board of Directors.

The Credit Risk and Capital Management Group also performs the reporting of credit risk in line with the Bank's requirements and expectations. The risk levels of credit portfolios and risk-based performance measures are monitored on a monthly basis by the Bank's Risk Committee. In

case of any mismatch between the level of credit risk assumed and the Bank's credit risk policies approved by the Board of Directors and the risk-taking capacity of the Bank, the necessary measures are taken immediately to make sure that the portfolio credit quality of the Bank complies with the defined risk appetite.

Credit allocation units, while responsible for the management of credit risk at the first level, also have full control over the entire loan process through the Credit Policy Committees of the Board of Directors, by approving credit risk policies, determining lending criteria and delegating loan granting authorities within the determined limits.

The Group is also responsible for the capital management process, which includes compliance with the regulatory capital requirements and the establishment of the Bank's policies, processes, methods and systems relating to the Internal Capital Adequacy Assessment Process (ICAAP). The capital management process also contains the assessment, forecasting and analysis of the legal and economic capital requirements as needed by the Bank's annual and long-term business plans.

Operational Risk and Business Sustainability Management

Operational risk is defined as the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Operational Risk and Business Continuity Management Unit is responsible for identifying, measuring, monitoring and managing all risks under the scope of operational risk as well as Business Continuity Management.

Activity-based operational risks are identified through Risk Control Self Assessment and classified by cause, event and effect categories as proposed by Basel II and actions are taken for severe risks.

Operational loss data collection, which began at the Bank in January 2005, continues to enable Finansbank to be compliant with Basel II Advanced Approaches.

While loss data is accumulated to provide meaningful statistical data, business processes, where improvements are required, are defined based on the results. The Operational Risk Management Committee defines necessary improvement actions. Also, scenario analyses are conducted every year for all business activities. A robust software platform is used for all operational risk management processes. The Bank has also prepared and implemented a Business Continuity Management Plan, in order to minimize losses due to business disruption. In addition, the Bank performs a comprehensive annual test of the Disaster Recovery Center with the participation of business units and the IT Department.

Model Validation and Risk Analytics Management

Finansbank's Model Validation and Risk Analytics Unit ("MVRAU") validates the business unit scorecards and monitors their performance. Another main responsibility of MVRAU is developing and calibrating models for the calculation of key risk parameters such as "PD", "LGD" and "EAD" within the BASEL II "A-IRB" framework. MVRAU sets up its own database infrastructure for the mentioned studies.

Evaluations of the Audit Committee on the Activities of Internal Control, Internal Audit and Risk Management Systems and Information about Their Activities in the Accounting Period

The Audit Committee is established pursuant to the provisions of Banking Law No. 5411 (the "Banking Law") and Regulation on Internal Systems of Banks (the "Regulation"). Internal Audit, Internal Control and Compliance functions and the Audit Committee Office report to the Audit Committee. The Risk Management Department reports to the Risk Management Committee established within the Board of Directors.

On behalf of the Board of Directors, the Audit Committee has the authority and responsibility to:

- Supervise the effectiveness, efficiency and adequacy of the Bank's internal systems and their compliance with the Banking Law, applicable regulations and the Bank's internal policies;
- Determine if the methods, instruments and procedures required for identifying, measuring, monitoring and controlling the risks of the Bank are adequate and operative;
- Supervise the operation of accounting and reporting systems and the integrity of the information generated by these systems;
- Carry out the necessary preliminary assessment for the selection of independent audit institutions and rating, valuation and support service institutions by the Board of Directors;
- Monitor regularly the activities of the selected and contracted institutions;
- Ensure that the internal audit activities of subsidiaries subject to consolidation are carried out on a consolidated basis and in coordination with the internal audit activities of the Bank.

The Audit Committee met 8 times in 2012. Based on its observations and evaluations, the Committee concluded that the internal systems of the Bank were operating efficiently and functioning as planned and the internal controls on financial reporting system were effective.

Moreover, the Audit Committee reviewed all support services procured by the Bank, ensured that necessary actions were taken to effectively manage the risks exposed by these services and confirmed that the Bank complied with the Regulation on Banks' Procurement of Support Services.

A summary of the activities performed by the units reporting to the Audit Committee is given below.

Audit Committee Office

Established in 2011, the Audit Committee Office is staffed by four employees and provides the services required for the effective working of the Committee. The Office plans the activities of the Audit Committee; reviews and presents reports concerning the Committee to the members; organizes Committee meetings; archives all documents regarding the work carried out; prepares evaluation reports for the support services; follows up on the implementation of the Committee's decisions; reports on the Committee's activities to the Board of Directors; and performing other duties as assigned by the Committee.

Internal Audit Department

The Internal Audit Department fulfilled its responsibilities objectively and independently with 89 personnel and reported its activities to the Audit Committee and the Board of Directors in 2012.

The Department strongly encouraged its auditors to acquire professional certifications including Certified Internal Auditor (CIA), Certified Fraud Examiner (CFE) and Certified Information Systems Auditor (CISA). As of end-2012, 35 personnel within the Internal Audit Department had obtained professional certifications, 39% of the total staff. All relevant employees in the Department are encouraged to work toward professional certifications.

In 2012, in line with the risk assessment results, all the risks that the Bank is exposed to were taken into consideration by the Internal Audit Department. Regulatory compliance risks were taken into consideration and covered in all audit engagements. All activities included in the Annual Audit Plan of 2012 were finalized according to the plan. Apart from the planned audit engagements, such activities as incident-based investigations and examinations, participation in various projects and consultancy services initiated by the executive departments were also performed in 2012.

During the year, Finansbank's Internal Audit Department duly fulfilled its responsibilities by providing independent and objective assurance and consultancy services in order to improve and add value to the Bank's activities.

Internal Control and Compliance Department

The Internal Control Center and the Compliance Department merged into the Internal Control and Compliance Department in the last quarter of 2012. Directly reporting to the Audit Committee, the Internal Control and Compliance Department performed control activities for minimizing the Bank's exposure to operational, regulatory and financial risks. The Department employs 80 personnel, including the Head of Internal Control and Compliance.

Internal Control

The number of personnel in Internal Control Department totaled 64 by the end of 2012. The four units stated below perform control activities:

- Branches and Subsidiaries Control Unit,
- Head Office Control Unit,
- Control Designs Unit,
- IT and SOX Controls Unit.

The Internal Control Department structured its activities to cover the Head Office departments, branches and subsidiaries subject to consolidation. The Department performed controls either on-site or centralized according to the related control subject and reported findings to the business units and executive management. The results of the corrective actions were followed up, and the Department's findings were communicated to the executive management. The Internal Control Department also kept the Audit Committee informed by periodic activity reports. In addition, the Department went through an organizational change in the last quarter of 2012; titles, training programs, recruitment, promotions and employee benefits were improved accordingly.

Compliance

The Compliance Department determines and manages the risks related to financial losses as a result of the Bank's loss of reputation caused by non-compliance with the laws, regulations, Bank's procedures and instructions. The Compliance Department employed a total of 15 personnel by the year's end.

The Compliance Department closely follows regulatory changes and ensures that the Bank's practices are updated accordingly. The Department responds to the questions posed by the branches and Head Office units related to regulatory issues, and plays an active role by providing opinions and recommendations in the process of developing banking products to be offered to the customers. The Compliance Department also coordinates the regulatory compliance engagements of the financial subsidiaries of the Bank. Additionally, the Department monitors and notifies the Financial Crimes Investigation Board on suspicious transactions by establishing necessary systems pursuant to regulations related to anti-money laundering and counter-terrorism financing. Furthermore, the Department consults with the regulatory and supervisory bodies, and works to establish social and environmental standards in the loan granting processes. Within the resolution process of the Board of Directors to launch new products/services, the opinions and evaluations of the Compliance Department are required concerning the issue in terms of compliance to applicable regulations. The activities of the Compliance Department in 2012 were performed within this broad area of responsibility.

Assessment of the Bank's Financial Position, Profitability and Solvency

Finansbank's strong growth in recent years continued to accelerate in 2012. In line with the Bank's strategic plans, the total credit portfolio increased to TL 36.8 billion with a steady growth of its customer base. The number of branches rose to 582.

Assets:

With the help of its customer-oriented approach, Finansbank maintained its growth in in SME and consumer loans. Total loans amounted to TL 36,793 million, a 19% increase. The Banks total assets were TL 54,402 million by the end of 2012, up 18% from the previous year. At year's end, the Bank's market shares in housing, credit cards and consumer loans were 7.86%, 14.47% and 7.12%, respectively.

Liabilities:

In parallel with the growth in assets, Finansbank's total deposits continued to increase in a balanced manner. On back of a 10% rise, the total customer deposits amounted to TL 31,874 million. The Bank issued local and foreign currency bonds in Turkey and abroad, therefore increasing its funding diversification.

Profitability:

The Bank's net interest income rose to TL 2,877 million in 2012, while net fee and commission income increased 28% and totaled TL 1,029 million. Profit before tax and provisions was TL 2,133 million and net profit was TL 902 million in 2012.

Finansbank's total shareholders' equity amounted to TL 7,325 million, up 29% during the year; meanwhile, the Bank's capital adequacy ratio at the end of 2012 stood at 18.92%.

Solvency:

Finansbank has a solid financial structure backed by a strong capital structure and a high return on equity.

Finansbank uses its equity capital in banking activities effectively while also sustaining profitability. Thanks to its robust funding structure and wide deposits base, Finansbank funds its loans with long-term borrowings. By using a variety of funding sources, the Bank decreases the cost of funding and at the same time minimizes the risks that arise due to differences in maturity. With a solid position in Turkey's financial markets, Finansbank's strong financial structure has also been recognized by independent rating agencies.

Additional Information on the Activities of the Bank

The Bank does not have any treasury shares bought from the market.

The Bank receives a partial audit quarterly and a full audit at year's end from an independent audit firm. In addition, the Bank is subject to constant surveillance under the scope of banking regulation and is subject to supervision of the Banking Regulation and Supervision Agency.

There is no lawsuit against the Bank and its activities that is likely to affect the financial position of the Bank. The Competition Board investigation carried out on seven banks, including Finansbank, was completed on March 7, 2011 and various sanctions for these seven banks were decided. According to the decision of the Competition Board; Finansbank paid TL 5,897,940.75.- . The aforementioned decision was appealed by Finansbank and the appeal process is still ongoing. In addition, the Competition Board initiated an investigation into some banks, including Finansbank, on November 2, 2011. That investigation is still ongoing.

As per all transactions with the National Bank of Greece SA, the major controlling shareholder of the Bank, and with its affiliated companies, there is no precaution taken in favor of the Bank or in avoidance of favor of the Bank. In all legal transactions, agreements are subject to the same principles, procedures and conditions as if with a person/organization outside of the Group companies. No measure was taken to the detriment of the Bank for the interest of or as a favor to the controlling company or its subsidiaries.

As per the legal transactions with the controlling company and other related companies, the details are given in the Loyalty Reports, to the best of our knowledge at the time of the transactions. Each legal transaction is provided with appropriate performance. There is not a measure that is to be taken or avoided to be taken; and within this framework, there is no loss that the Bank incurred. As a result of examination of financial transactions carried out by the Bank with the controlling company and/or affiliates of the controlling company according to TCC Article 199, it is understood that all transactions carried by the Bank were entirely in line with current market conditions prevailing at the time of the transactions and on an the arm's length basis as conducted with 3rd parties.

Financial Highlights
and Risk Management

International Credit Ratings

MOODY'S INVESTOR SERVICE

Long-term Foreign Currency Deposit	Ba2
Long-term Local Currency Deposit	Ba2
Short-term Foreign Currency Deposit	NP
Bank Financial Strength Rating	E+

FITCH RATINGS

Long-term Foreign Currency IDR	BBB-
Long-term Local Currency IDR	BBB-
Short-term Foreign Currency IDR	F3
Short-term Local Currency IDR	F3
Long-term National	AAA (tur)
Viability Rating	bbb-
Support	3

CAPITAL INTELLIGENCE

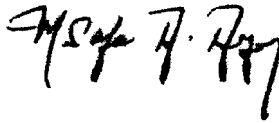
Long-term Foreign Currency	BB+
Short-term Foreign Currency	B
Financial Strength	BBB+
Support	3

Finansbank A.Ş. 2012 Annual Report Statement of Responsibility

Finansbank's annual report is prepared in accordance with the principles and regulations stated in the "Regulation on the Preparation and Publication of Annual Report for Banks", which appeared in the Official Gazette on November 1, 2006, with number 226333.



Ömer A. Aras
Chairman of the Board



Mustafa A. Aysan
Board Member and Head of
Audit Committee



Paul Mylonas
Board Member and Audit
Committee Member



Michail Oratis
Board Member and Audit
Committee Member



Temel Güzeloğlu
Board Member and
General Manager



Adnan Menderes Yayla
Executive Vice President,
Financial Control

FİNANSBANK ANONİM ŞİRKETİ

INDEPENDENT AUDITOR'S REPORT, UNCONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE YEAR ENDED DECEMBER 31, 2012

Translated into English from the Original Turkish Report



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

DRT Bağımsız Denetim ve
Serbest Muhasebeci
Mali Müşavirlik A.Ş.
Sun Plaza
Bilim Sok. No:5
Maslak, Şişli 34398
İstanbul, Türkiye

Tel : (212) 366 6000
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FINANSBANK ANONİM ŞİRKETİ

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR JANUARY 1 – DECEMBER 31, 2012

We have audited the accompanying balance sheet of Finansbank A.Ş. ("the Bank") as of December 31, 2012 and the related statements of income, cash flows and changes in shareholders' equity for the year then ended and a summary of significant accounting policies and other explanatory notes.

Board of Director's Responsibility for the Financial Statements

The Board of Directors of the Bank is responsible for the preparation and fair presentation of the financial statements in accordance with the regulation on "Procedures And Principles Regarding Banks" Accounting Practices And Maintaining Documents" published in the Official Gazette dated November 1, 2006 and numbered 26333 and Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by Banking Regulation and Supervision Agency. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the regulation on "Licensing and Operations of Audit Firms in Banking" published in the Official Gazette No: 26333 on November 1, 2006 and the International Standards on Auditing. We planned and performed our audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Finansbank A.Ş. as at December 31, 2012 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 per the Article 37 of the Banking Act No: 5411, and other regulations, communiqués, and circulars in respect of accounting and financial reporting made by the Banking Regulation and Supervision Board and pronouncements made by Banking Regulation and Supervision Agency.

Additional paragraph for English translation:

The effect of the differences between the accounting principles summarized in Section 3 and the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified and reflected in the accompanying financial statements. The accounting principles used in the preparation of the accompanying financial statements differ materially from IFRS. Accordingly, the accompanying financial statements are not intended to present the Bank's financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

İstanbul, March 4, 2013

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of DELOITTE TOUCHE TOHMATSU LIMITED

Müjde Şehsuvaroğlu
Partner

THE UNCONSOLIDATED FINANCIAL REPORT OF FİNANSBANK A.Ş. FOR THE YEAR ENDED DECEMBER 31, 2012

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

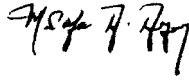
The year end unconsolidated financial report designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections below:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR'S REPORT

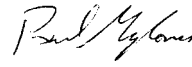
The unconsolidated financial statements and related disclosures and footnotes that were subject to independent audit, are prepared in accordance with the Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying unconsolidated financial statements are presented in **thousands of Turkish Lira (TL)**.



Ömer A. Aras
Chairman of the
Board of Directors



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



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



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



Temel Güzeloğlu
General Manager and
Member of the Board of
Directors



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



Berk Uras
Division Manager
of Financial Reporting and Treasury
Control

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

Name-Surname/Title : Berk Uras
Division Manager of Financial Reporting and Treasury Control

Phone Number : (0 212) 318 52 97
Facsimile Number : (0 212) 318 55 78

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

FİNANSBANK ANONİM ŞİRKETİ

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

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

SECTION ONE GENERAL INFORMATION

I. History of the Bank, including its establishment date, initial legal status and amendments to legal status, if any

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

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

As of December 31, 2012, 77.23% of the Bank's shares are owned by National Bank of Greece S.A. (NBG), 9.68% by NBG Finance (Dollar) PLC., 7.90% by NBGI Holdings B.V. and 5.00% by International Finance Corporation ("IFC").

The 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 banking, assets management, intermediary services and investment banking.

III. Explanations about the chairman and members of board of directors, members of audit committee, managing directors and executive vice presidents; any changes, and the information about the Bank shares they hold and their responsibilities

Name	Title	Date of Appointment	Education
Dr. Ömer A. Aras	Chairman and Executive Member	April 16, 2010	PhD
Sinan Şahinbaş	Deputy Chairman and Executive Member	April 16, 2010	Masters
Prof. Dr. Mustafa Aydın Aysan	Board Member and Head of Audit Committee	November 9, 2006	PhD
Michail Oratis	Board Member and Audit Committee Member	March 2, 2011	Masters
Antonios Grammatikopoulos	Board Member	June 7, 2012	Masters
Edward Nassim	Board Member	April 17, 2007	Masters
Stefanos Pantzopoulos	Board Member	October 16, 2012	Graduate
Dr. Paul Mylonas	Board Member and Audit Committee Member	March 11, 2010	PhD
Christos Alexis Komninos	Board Member	February 16, 2011	Graduate
Temel Güzeloğlu	Board Member and Managing Director	April 16, 2010	Masters
Mustafa Hamdi Gurtin	Board Member	April 16, 2010	Masters
Dimitrios Frangetis	Board Member	September 20, 2012	Masters
Adnan Menderes Yayla	Assistant Managing Director	May 20, 2008	Masters
Metin Karabiber	Assistant Managing Director	October 8, 2010	Graduate
Hakan Şenünel(*)	Assistant Managing Director	August 18, 2008	Graduate
Murat Şakar	Assistant Managing Director	August 18, 2008	Graduate
Köksal Çoban	Assistant Managing Director	August 18, 2008	Masters
Saruhan Doğan	Assistant Managing Director	October 9, 2009	Masters
Dr. Mehmet Kürşad Demirkol	Assistant Managing Director	October 8, 2010	PhD
Özlem Cınemre	Assistant Managing Director	July 9, 1997	Graduate
Hakan Alp	Assistant Managing Director	July 7, 2010	Graduate
Tunç Erdal	Assistant Managing Director	October 8, 2010	Graduate
Filiz Şafak	Assistant Managing Director	September 19, 2007	Graduate
Levent Yörük	Assistant Managing Director	February 1, 2010	Graduate
Bülent Yurdalan	Assistant Managing Director	March 7, 2011	Graduate
Erkin Aydın	Assistant Managing Director	May 16, 2011	Masters
Kunter Kutluay	Assistant Managing Director	May 16, 2011	Masters
Ömür Tan	Assistant Managing Director	October 28, 2011	Graduate
Şebnem Seniye Karaduman	Assistant Managing Director	January 9, 2012	Graduate
Ahmet Cihat Kuruşoğlu	Statutory Auditor	March 27, 2008	Graduate
Sedat Eratahar	Statutory Auditor	April 1, 2000	Graduate

(*) Due to resignation of Hakan Şenünel, Assistant Managing Director responsible of Subsidiary Coordination of the Bank, it was decided to withdraw his first level signature authorization as of January 24, 2013.

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

Financial Highlights and Risk Management

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

FİNANSBANK ANONİM ŞİRKETİ

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

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

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

Name Surname/Trade Name	Amount of Shares	Percentage of Shares	Paid-up Shares	Unpaid Shares
National Bank of Greece S.A.	1,980,904	77.23%	1,980,904	-
NBG Finance (Dollar) PLC	248,276	9.68%	248,276	-
NBGI Holdings B.V.	192,760	7.90%	192,760	-

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

V. Summary on the Bank's services and activities

The Bank's activities include trade finance and corporate banking, treasury, retail banking and credit card operations. In addition, the Bank carries out insurance agency activities on behalf of insurance companies through its branches. As of December 31, 2012, the Bank operates through 580 domestic (December 31, 2011 - 520), 1 off-shore banking (December 31, 2011 - 1) and 1 Atatürk Airport Free Trade Zone (December 31, 2011 - 1) branches.

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

None.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

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

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

FİNANSBANK ANONİM ŞİRKETİ

BALANCE SHEET AS OF DECEMBER 31, 2012

(STATEMENT OF FINANCIAL POSITION)

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

I. BALANCE SHEET – ASSETS

	Section 5 Part I	Audited 31.12.2012			Audited 31.12.2011		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	1,024,990	4,302,891	5,327,881	474,296	2,490,490	2,964,786
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	781,042	135,876	916,918	1,365,366	236,618	1,601,984
2.1 Financial assets held for trading		428,746	135,876	564,622	797,754	236,618	1,034,372
2.1.1 Public sector debt securities		69,614	2,869	72,483	22,476	2,138	24,614
2.1.2 Equity securities		-	-	-	-	-	-
2.1.3 Assets on trading derivatives		359,132	133,007	492,139	775,278	234,480	1,009,758
2.1.4 Other securities		-	-	-	-	-	-
2.2 Financial assets at fair value through profit and loss		352,296	-	352,296	567,612	-	567,612
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Equity securities		-	-	-	-	-	-
2.2.3 Loans		352,296	-	352,296	567,612	-	567,612
2.2.4 Other securities		-	-	-	-	-	-
III. BANKS	(3)	3,024	107,792	110,816	290,066	539,396	829,462
IV. MONEY MARKET PLACEMENTS	(4)	1,785,748	-	1,785,748	700,396	390,926	1,091,322
4.1 Interbank money market placements		-	-	-	-	390,926	390,926
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		1,785,748	-	1,785,748	700,396	-	700,396
V. INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(5)	5,931,038	1,306,184	7,237,222	5,995,065	929,227	6,924,292
5.1 Equity securities		-	-	-	-	-	-
5.2 Public sector debt securities		5,730,803	1,208,574	6,939,377	5,869,410	770,224	6,639,634
5.3 Other securities		200,235	97,610	297,845	125,655	159,003	284,658
VI. LOANS AND RECEIVABLES	(6)	33,013,733	3,426,511	36,440,244	26,844,417	3,426,138	30,270,555
6.1 Loans and receivables		32,636,211	3,426,511	36,062,722	26,441,058	3,426,138	29,867,196
6.1.1 Loans to risk group of the Bank		65,220	-	65,220	55,015	34,873	89,888
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		32,570,991	3,426,511	35,997,502	26,386,043	3,391,265	29,777,308
6.2 Non-performing loans		2,512,716	-	2,512,716	1,849,496	-	1,849,496
6.3 Specific provisions (-)		2,135,194	-	2,135,194	1,446,137	-	1,446,137
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. INVESTMENT SECURITIES HELD TO MATURITY (Net)	(7)	-	-	-	-	-	-
8.1 Public sector debt securities		-	-	-	-	-	-
8.2 Other securities		-	-	-	-	-	-
IX. INVESTMENT IN ASSOCIATES (Net)	(8)	7,977	-	7,977	6,769	-	6,769
9.1 Equity method associates		-	-	-	-	-	-
9.2 Unconsolidated		7,977	-	7,977	6,769	-	6,769
9.2.1 Financial Investments		-	-	-	-	-	-
9.2.2 Non-financial Investments		7,977	-	7,977	6,769	-	6,769
X. INVESTMENT IN SUBSIDIARIES (Net)	(9)	491,603	-	491,603	412,395	-	412,395
10.1 Unconsolidated financial investments		476,617	-	476,617	397,409	-	397,409
10.2 Unconsolidated non-financial investments		14,986	-	14,986	14,986	-	14,986
XI. ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(10)	197,716	-	197,716	2,800	-	2,800
11.1 Equity method entities under common control		-	-	-	-	-	-
11.2 Unconsolidated		197,716	-	197,716	2,800	-	2,800
11.2.1 Financial investments		194,916	-	194,916	-	-	-
11.2.2 Non-financial Investments		2,800	-	2,800	2,800	-	2,800
XII. LEASE RECEIVABLES (Net)	(11)	-	-	-	-	-	-
12.1 Financial lease receivables		-	-	-	-	-	-
12.2 Operational lease receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(12)	202,567	37,919	240,486	960,793	40,954	1,001,747
13.1 Fair value hedge		202,567	37,919	240,486	960,793	40,954	1,001,747
13.2 Cash flow hedge		-	-	-	-	-	-
13.3 Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(13)	421,743	69	421,812	384,421	76	384,497
XV. INTANGIBLE ASSETS (Net)	(14)	169,320	-	169,320	134,472	-	134,472
15.1 Goodwill		-	-	-	-	-	-
15.2 Others		169,320	-	169,320	134,472	-	134,472
XVI. INVESTMENT PROPERTIES (Net)	(15)	-	-	-	-	-	-
XVII. TAX ASSETS	(16)	-	-	-	-	-	-
17.1 Current tax assets		-	-	-	-	-	-
17.2 Deferred tax assets		-	-	-	-	-	-
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(17)	-	-	-	-	-	-
18.1 Held for sale		-	-	-	-	-	-
18.2 Discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(18)	769,542	284,323	1,053,865	480,552	93,240	573,792
TOTAL ASSETS		44,800,043	9,601,565	54,401,608	38,051,808	8,147,065	46,198,873

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

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

FİNANSBANK ANONİM ŞİRKETİ

BALANCE SHEET AS OF DECEMBER 31, 2012

(STATEMENT OF FINANCIAL POSITION)

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

I. BALANCE SHEET – LIABILITIES AND EQUITY

		Audited 31.12.2012			Audited 31.12.2011		
	Section 5 Part II	TL	FC	Total	TL	FC	Total
I. DEPOSITS	(1)	22,718,197	10,203,309	32,921,506	21,283,271	7,992,299	29,275,570
1.1 Deposits from risk group of the Bank		260,465	169,440	429,905	236,924	136,824	373,748
1.2 Other		22,457,732	10,033,869	32,491,601	21,046,347	7,855,475	28,901,822
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	367,620	106,299	473,919	832,672	215,343	1,048,015
III. FUNDS BORROWED	(3)	74,487	2,464,280	2,538,767	75,321	2,545,782	2,621,103
IV. MONEY MARKET BORROWINGS		849,126	878,081	1,727,207	814,668	699,830	1,514,498
4.1 Interbank money markets takings		-	-	-	-	147,695	147,695
4.2 Istanbul Stock Exchange money markets takings		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements	(4)	849,126	878,081	1,727,207	814,668	552,135	1,366,803
V. SECURITIES ISSUED (Net)	(5)	2,789,390	1,288,923	4,078,313	268,023	989,875	1,257,898
5.1 Bills		2,789,390	-	2,789,390	268,023	-	268,023
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	1,288,923	1,288,923	-	989,875	989,875
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. SUNDRY CREDITORS		1,140,403	113,572	1,253,975	947,020	596,930	1,543,950
VIII. OTHER LIABILITIES	(6)	898,116	51,708	949,824	492,362	49,102	541,464
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(7)	1,920	1	1,921	9,294	-	9,294
10.1 Financial lease payables		2,244	3	2,247	10,052	55	10,107
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred financial lease expenses (-)		324	2	326	758	55	813
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(8)	291,541	121,330	412,871	64,659	124,258	188,917
11.1 Fair value hedge		257,139	121,330	378,469	30,334	124,258	154,592
11.2 Cash flow hedge		34,402	-	34,402	34,325	-	34,325
11.3 Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII. PROVISIONS	(9)	913,261	51,993	965,254	612,146	43,702	655,848
12.1 General provisions		565,691	51,993	617,684	356,739	43,702	400,441
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee benefits		148,640	-	148,640	92,866	-	92,866
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-
12.5 Other provisions		198,930	-	198,930	162,541	-	162,541
XIII. TAX LIABILITY	(10)	123,022	-	123,022	103,719	-	103,719
13.1 Current tax liability		85,818	-	85,818	74,850	-	74,850
13.2 Deferred tax liability		37,204	-	37,204	28,869	-	28,869
XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)	(11)	-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Discontinued operations		-	-	-	-	-	-
XV. SERMAYE BENZERİ KREDİLER	(12)	-	1,629,590	1,629,590	-	1,742,641	1,742,641
XVI. SHAREHOLDERS' EQUITY		7,296,743	28,696	7,325,439	5,849,062	(153,106)	5,695,956
16.1 Paid-in capital	(13)	2,565,000	-	2,565,000	2,440,000	-	2,440,000
16.2 Capital reserves		595,691	28,696	624,387	50,356	(153,106)	(102,750)
16.2.1 Share Premium	(14)	714	-	714	714	-	714
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Securities value increase fund	(15)	602,314	28,696	631,010	53,314	(153,106)	(99,792)
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)		2,689	-	2,689	2,689	-	2,689
16.2.8 Hedging funds (effective portion)		(10,026)	-	(10,026)	(6,361)	-	(6,361)
16.2.9 Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		-	-	-	-	-	-
16.3 Profit reserves		3,233,706	-	3,233,706	2,510,594	-	2,510,594
16.3.1 Legal reserves		283,538	-	283,538	241,133	-	241,133
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		2,950,168	-	2,950,168	2,269,461	-	2,269,461
16.3.4 Other profit reserves		-	-	-	-	-	-
16.4 Profit or loss		902,346	-	902,346	848,112	-	848,112
16.4.1 Prior years' income/ (losses)		-	-	-	-	-	-
16.4.2 Current year income/ (loss)		902,346	-	902,346	848,112	-	848,112
16.5 Minority shares		-	-	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		37,463,826	16,937,782	54,401,608	31,352,217	14,846,656	46,198,873

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

Financial Highlights and Risk Management

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

FINANSBANK ANONİM ŞİRKETİ

STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES AS OF DECEMBER 31, 2012

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

II STATEMENT OF OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES

		Audited 31.12.2012			Audited 31.12.2011			
		Section 5 Part III	TL	FC	Total	TL	FC	Total
A.	OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		59,452,638	41,323,539	100,776,177	54,502,347	48,070,517	102,572,864
I.	GUARANTEES	(1), (2), (3), (4)	3,680,031	2,679,646	6,359,677	3,457,506	3,528,152	6,985,658
1.1	Letters of guarantee		3,677,256	1,533,101	5,210,357	3,423,939	1,791,107	5,215,046
1.1.1	Guarantees subject to State Tender Law		172,175	14,329	186,504	187,409	15,510	202,919
1.1.2	Guarantees given for foreign trade operations		2,535,231	1,518,772	4,054,003	2,699,043	1,775,597	4,474,640
1.1.3	Other letters of guarantee		969,850	-	969,850	537,487	-	537,487
1.2	Bank loans		2,771	543,143	545,914	33,348	1,014,981	1,048,329
1.2.1	Import letter of acceptance		2,771	543,143	545,914	33,348	1,014,981	1,048,329
1.2.2	Other bank acceptances		-	-	-	-	-	-
1.3	Letters of credit		4	579,347	579,351	219	688,392	688,611
1.3.1	Documentary letters of credit		4	539,429	539,433	219	636,142	636,361
1.3.2	Other letters of credit		-	39,918	39,918	-	52,250	52,250
1.4	Prefinancing given as guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2	Other endorsements		-	-	-	-	-	-
1.6	Securities issue purchase guarantees		-	-	-	-	-	-
1.7	Factoring guarantees		-	-	-	-	-	-
1.8	Other guarantees		-	24,055	24,055	-	33,672	33,672
1.9	Other collaterals		-	-	-	-	-	-
II.	COMMITMENTS	(6)	25,025,838	1,309,173	26,335,011	21,972,487	3,450,324	25,422,811
2.1	Irrevocable commitments		25,025,838	1,309,173	26,335,011	21,972,487	3,450,324	25,422,811
2.1.1	Forward asset purchase commitments		233,925	1,302,960	1,536,885	1,524,715	3,136,224	4,660,939
2.1.2	Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3	Share capital commitment to associates and subsidiaries		-	-	-	1,000	-	1,000
2.1.4	Loan granting commitments		4,512,056	-	4,512,056	3,229,674	-	3,229,674
2.1.5	Securities underwriting commitments		-	-	-	-	-	-
2.1.6	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7	Payment commitment for checks		1,685,568	-	1,685,568	1,100,363	-	1,100,363
2.1.8	Tax and fund liabilities from export commitments		6,031	-	6,031	5,665	-	5,665
2.1.9	Commitments for credit card expenditure limits		18,492,777	-	18,492,777	15,984,413	-	15,984,413
2.1.10	Commitments for promotions related with credit cards and banking activities		43,189	-	43,189	35,807	-	35,807
2.1.11	Receivables from short sale commitments		-	-	-	-	-	-
2.1.12	Payables for short sale commitments		-	-	-	-	-	-
2.1.13	Other irrevocable commitments		52,292	6,213	58,505	90,850	314,100	404,950
2.2	Revocable commitments		-	-	-	-	-	-
2.2.1	Revocable loan granting commitments		-	-	-	-	-	-
2.2.2	Other revocable commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(5)	30,746,769	37,334,720	68,081,489	29,072,354	41,092,041	70,164,395
3.1	Derivative financial instruments for hedging purposes		8,484,346	9,596,825	18,081,171	7,725,392	10,589,390	18,314,782
3.1.1	Fair value hedge		7,943,461	9,596,825	17,540,286	6,662,917	10,589,390	17,252,307
3.1.2	Cash flow hedge		540,885	-	540,885	1,062,475	-	1,062,475
3.1.3	Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2	Held for trading transactions		22,262,423	27,737,895	50,000,318	21,346,962	30,502,651	51,849,613
3.2.1	Forward foreign currency buy/sell transactions		1,901,475	2,211,750	4,113,225	1,771,407	4,364,871	6,136,278
3.2.1.1	Forward foreign currency transactions-buy		1,110,652	953,734	2,064,386	1,127,282	1,940,618	3,067,900
3.2.1.2	Forward foreign currency transactions-sell		790,823	1,258,016	2,048,839	644,125	2,424,253	3,068,378
3.2.2	Swap transactions related to foreign currency and interest rates		15,500,561	19,049,216	34,549,777	15,053,938	19,455,566	34,509,504
3.2.2.1	Foreign currency swap-buy		7,541,602	6,851,667	14,393,269	6,342,113	7,883,964	14,226,077
3.2.2.2	Foreign currency swap-sell		6,344,659	8,018,111	14,362,770	7,510,965	7,890,121	15,401,086
3.2.2.3	Interest rate swaps-buy		807,150	2,018,415	2,825,565	600,430	1,774,011	2,374,443
3.2.2.4	Interest rate swaps-sell		807,150	2,161,023	2,968,173	600,430	1,907,468	2,507,898
3.2.3	Foreign currency, interest rate and securities options		4,852,119	6,243,347	11,095,466	4,514,905	6,321,019	10,835,924
3.2.3.1	Foreign currency options-buy		2,465,716	3,108,568	5,574,284	2,187,494	3,246,717	5,434,211
3.2.3.2	Foreign currency options-sell		2,384,387	3,134,779	5,519,166	2,287,411	3,074,302	5,361,713
3.2.3.3	Interest rate options-buy		-	-	-	20,000	-	20,000
3.2.3.4	Interest rate options-sell		-	-	-	20,000	-	20,000
3.2.3.5	Securities options-buy		1,008	-	1,008	-	-	-
3.2.3.6	Securities options-sell		1,008	-	1,008	-	-	-
3.2.4	Foreign currency futures		8,268	216,992	225,260	6,712	209,429	216,141
3.2.4.1	Foreign currency futures-buy		4,134	108,496	112,630	2,667	105,391	108,058
3.2.4.2	Foreign currency futures-sell		4,134	108,496	112,630	4,045	104,038	108,083
3.2.5	Interest rate futures		-	16,590	16,590	-	151,766	151,766
3.2.5.1	Interest rate futures-buy		-	8,295	8,295	-	75,883	75,883
3.2.5.2	Interest rate futures-sell		-	8,295	8,295	-	75,883	75,883
3.2.6	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)		138,172,771	21,682,878	159,855,649	92,024,392	21,927,529	113,951,921
IV.	ITEMS HELD IN CUSTODY		6,241,900	1,476,304	7,718,204	3,080,227	883,284	3,963,511
4.1	Assets under management		2,342,908	103,383	2,446,291	1,014,534	130,064	1,144,598
4.2	Investment securities held in custody		2,374,441	546,702	2,921,143	722,384	471,581	1,193,965
4.3	Checks received for collection		1,081,538	163,715	1,245,253	999,537	172,447	1,171,984
4.4	Commercial notes received for collection		442,977	86,981	529,958	343,769	100,390	444,159
4.5	Other assets received for collection		-	-	-	-	-	-
4.6	Assets received for public offering		-	-	-	-	-	-
4.7	Other items under custody		33	575,523	575,556	-	8,802	8,802
4.8	Custodians		3	-	3	3	-	3
V.	PLEDGED ITEMS		131,930,871	20,206,574	152,137,445	88,944,165	21,044,245	109,988,410
5.1	Marketable securities		524,393	458,219	982,612	340,489	380,744	721,233
5.2	Guarantee notes		119,772	50,678	170,450	99,211	59,196	158,407
5.3	Commodity		21,788	-	21,788	28,968	-	28,968
5.4	Warranty		-	-	-	-	-	-
5.5	Properties		38,013,600	6,867,934	44,881,534	34,833,664	7,669,994	42,503,658
5.6	Other pledged items		93,251,318	12,829,743	106,081,061	53,641,833	12,934,311	66,576,144
5.7	Pledged items-depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)			197,625,409	63,006,417	260,631,826	146,526,739	69,998,046	216,524,785

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

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

FİNANSBANK ANONİM ŞİRKETİ

STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY FOR THE YEAR ENDED DECEMBER 31, 2012 (STATEMENT OF OTHER COMPREHENSIVE INCOME / LOSS)

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

III. INCOME STATEMENT

		Audited 01.01-31.12.2012	Audited 01.01-31.12.2011
	Section 5 Part IV		
I. INTEREST INCOME	(1)	5,576,401	4,534,312
1.1 Interest on loans		4,978,096	4,072,479
1.2 Interest received from reserve deposits		-	-
1.3 Interest received from banks		1,952	8,307
1.4 Interest received from money market placements		25,146	10,229
1.5 Interest received from marketable securities portfolio		569,781	442,432
1.5.1 Held-for-trading financial assets		12,750	4,386
1.5.2 Financial assets at fair value through profit and loss		-	608
1.5.3 Available-for-sale financial assets		557,031	437,438
1.5.4 Investments held-to-maturity		-	-
1.6 Finance lease income		-	-
1.7 Other interest income		1,426	865
II. INTEREST EXPENSE	(2)	2,699,247	2,309,462
2.1 Interest on deposits		2,311,556	2,012,757
2.2 Interest on funds borrowed		137,479	141,188
2.3 Interest on money market borrowings		104,430	113,459
2.4 Interest on securities issued		140,315	36,338
2.5 Other interest expense		5,467	5,720
III. NET INTEREST INCOME (I - II)		2,877,154	2,224,850
IV. NET FEES AND COMMISSIONS INCOME		1,028,813	801,279
4.1 Fees and commissions received		1,160,263	893,958
4.1.1 Non-cash loans		42,248	43,455
4.1.2 Other		1,118,015	850,503
4.2 Fees and commissions paid		131,450	92,679
4.2.1 Non-cash loans		796	494
4.2.2 Other		130,654	92,185
V. DIVIDEND INCOME	(3)	8,787	8,315
VI. NET TRADING INCOME	(4)	(348,319)	(212,201)
6.1 Securities trading gains/ (losses)		81,512	89,527
6.2 Gains / (losses) from financial derivative transactions		(428,362)	(259,786)
6.2 Foreign exchange gains/ (losses)		(1,469)	(41,942)
VII. OTHER OPERATING INCOME	(5)	364,667	177,757
VIII. NET OPERATING INCOME (III+IV+V+VI+VII)		3,931,102	3,000,000
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	965,431	305,996
X. OTHER OPERATING EXPENSES (-)	(7)	1,798,063	1,573,904
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		1,167,608	1,120,100
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XIII. GAIN / (LOSS) ON EQUITY METHOD		-	-
XIV. GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	1,167,608	1,120,100
XVI. TAX CHARGE FOR CONTINUED OPERATIONS (+)	(9)	(265,262)	(271,988)
16.1 Current income tax charge		(383,179)	(228,060)
16.2 Deferred tax charge / benefit		117,917	(43,928)
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV+XVI)	(10)	902,346	848,112
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)	902,346	848,112
23.1 Group's profit/loss		902,346	848,112
23.2 Minority shares		-	-
Earnings per share		0.03518	0.03464

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

Financial Highlights and Risk Management

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

FİNANSBANK ANONİM ŞİRKETİ

STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY FOR THE YEAR ENDED DECEMBER 31, 2012 (STATEMENT OF OTHER COMPREHENSIVE INCOME / LOSS)

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

IV. STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

	Audited 01.01-31.12.2012	Audited 01.01-31.12.2011
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	786,521	(223,344)
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)	(8,273)	13,797
VI. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)	-	-
VII. THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES	-	-
VIII. OTHER PROFIT LOSS ITEMS ACCOUNTED FOR UNDER EQUITY AS PER TURKISH ACCOUNTING STANDARDS	-	-
IX. DEFERRED TAX OF VALUATION DIFFERENCES	(126,252)	90,732
X. TOTAL NET PROFIT/LOSS ACCOUNTED FOR UNDER EQUITY (I+II+...+IX)	651,996	(118,815)
XI. PROFIT/LOSS	75,141	(228,462)
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	71,449	(233,184)
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	3,692	4,722
11.3 Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4 Other	-	-
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR IN THE PERIOD (X±XI)	727,137	(347,277)

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

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

FİNANSBANK ANONİM ŞİRKETİ **STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY** **FOR THE YEAR ENDED DECEMBER 31, 2012** (Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Section 5 Part V	Paid-in Capital	Effect of Inflation Accounting on Capital and Other	Share Premium	Share Certificate Cancellation Profits	Legal Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Year Net Income/ (Loss)	Prior Year Net Income/ (Loss)	Marketable Securities Value Increase/ Fund	Tangible Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and from Disc. Op.	Total Equity
Prior Period – 01.01.-31.12.2011																
I	Beginning Balance	2,205,000	-	665	-	182,424	-	1,661,915	-	914,674	262,300	-	2,689	(21,176)	-	5,208,491
II.	Corrections according to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	The effect of corrections of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	The effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New Balance (I+II)	2,205,000	-	665	-	182,424	-	1,661,915	-	914,674	262,300	-	2,689	(21,176)	-	5,208,491
Changes in period																
IV.	Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable securities valuation differences (1)	-	-	-	-	-	-	-	-	-	(362,092)	-	-	-	-	(362,092)
VI.	Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	14,815	-	14,815
6.1	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	14,815	-	14,815
6.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effect of change in associate's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital increase	235,000	-	-	-	-	-	(118,667)	-	-	-	-	-	-	-	116,333
14.1	Cash	116,333	-	-	-	-	-	-	-	-	-	-	-	-	-	116,333
14.2	Internal sources	118,667	-	-	-	-	-	(118,667)	-	-	-	-	-	-	-	-
XV.	Share issue	-	-	49	-	-	-	-	-	-	-	-	-	-	-	49
XVI.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Period net income/(loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XX.	Profit distribution	-	-	-	-	58,709	-	726,213	-	(914,674)	-	-	-	-	-	848,112
20.1	Dividends distributed	-	-	-	-	-	-	(129,752)	-	-	-	-	-	-	-	(129,752)
20.2	Transfers to reserves	-	-	-	-	58,709	-	855,965	-	-	-	-	-	-	-	(129,752)
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance (III+IV+V+.....+ XVIII+XIX+XX)																
		2,440,000	-	714	-	241,133	-	2,269,461	-	848,112	(99,792)	-	2,689	(6,361)	-	5,695,956

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

Financial Highlights and Risk Management

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

FINANSBANK ANONİM ŞİRKETİ

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2012

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Section 5 Part V	Paid-in Capital	Effect of Inflation Accounting on Capital and Other Reserves	Share Premium	Share Certificate Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Year Net Income/ (Loss)	Prior Year Net Income/ (Loss)	Marketable Securities Value Increase	Tangible and Intangible Assets Revaluation Fund Differences	Bonus Shares Obtained from Associates	Hedging Funds	Assets from the Parent Disc Op. Shareholders	Total Equity Attributable to the Parent	Minority Shares	Total Equity
Current Period – 01.01.-31.12.2012																			
I.	Beginning Balance	2,440,000	-	714	-	241,133	-	2,269,461	-	-	848,112	(99,792)	-	2,689	(6,361)	-	5,695,956	-	5,695,956
	Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.	Increase/Decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable securities valuation differences (1)	-	-	-	-	-	-	-	-	-	-	730,802	-	-	-	730,802	-	730,802	-
IV.	Hedging funds (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,665)	-	(3,665)	-	(3,665)
4.1	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,665)	-	(3,665)	-	(3,665)
4.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign exchange differences (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	The disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	The reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	The effect of change in associate's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital increase (5)	125,000	-	-	-	-	-	(125,000)	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal sources	125,000	-	-	-	-	-	(125,000)	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Period net income/(loss)	-	-	-	-	-	-	-	-	902,346	-	-	-	-	-	-	902,346	-	902,346
XVIII.	Profit distribution (3)	-	-	-	-	-	42,405	805,707	-	-	(848,112)	-	-	-	-	-	-	-	-
18.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	Transfers to reserves	-	-	-	-	-	42,405	805,707	-	-	(848,112)	-	-	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance (I+II+III+...+XVI+XVII+XVIII)		2,565,000	-	714	-	283,538	-	2,950,168	-	902,346	-	631,010	-	2,689	(10,026)	-	7,325,439	-	7,325,439

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

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

FİNANSBANK ANONİM ŞİRKETİ

CASH FLOWS STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2012

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

VI. CASH FLOWS STATEMENT

	Section 5 Part VI	Audited 01.01- 31.12.2012	Audited 01.01- 31.12.2011
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities(+)		2,730,474	703,322
1.1.1 Interest received (+)		5,692,384	4,444,393
1.1.2 Interest paid (-)		(2,695,105)	(2,250,932)
1.1.3 Dividend received (+)		8,787	8,315
1.1.4 Fees and commissions received (+)		1,160,842	893,958
1.1.5 Other income (+)		166,294	142,265
1.1.6 Collections from previously written off loans (+)		347,097	353,594
1.1.7 Payments to personnel and service suppliers (-)		(1,342,609)	(1,196,448)
1.1.8 Taxes paid (-)		(471,266)	(300,192)
1.1.9 Others (+/-)	(1)	(135,950)	(1,391,631)
1.2 Changes in operating assets and liabilities		(5,149,455)	(1,946,680)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(47,204)	(10,791)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		221,070	430,523
1.2.3 Net (increase) decrease in due from banks (+/-)		(1,733,531)	(1,971,907)
1.2.4 Net (increase) decrease in loans (+/-)		(7,172,049)	(5,432,420)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	(548,686)	376,461
1.2.6 Net increase (decrease) in bank deposits (+/-)		752,998	(592,559)
1.2.7 Net increase (decrease) in other deposits (+/-)		2,844,132	5,289,202
1.2.8 Net increase (decrease) in funds borrowed (+/-)		69,837	(1,143,424)
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	463,978	1,108,235
I. Net cash provided from / (used in) banking operations (+/-)		(2,418,981)	(1,243,358)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		4,005	8,605
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(7,113)	(19,187)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		196,637	5,027
2.3 Fixed assets purchases (-)		(131,003)	(96,927)
2.4 Fixed assets sales (+)		905	5,988
2.5 Cash paid for purchase of financial assets available for sale (-)		(10,295,758)	(13,063,752)
2.6 Cash obtained from disposal of financial assets available for sale (+)		10,330,036	13,254,662
2.7 Cash paid for purchase of investment securities (-)		-	-
2.8 Cash obtained from disposal of investment securities (+)		-	-
2.9 Others (+/-)	(1)	(89,699)	(77,206)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities (+/-)		2,990,430	1,515,746
3.1 Cash obtained from funds borrowed and securities issued (+)		4,448,586	1,513,545
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(1,450,000)	-
3.3 Capital increase (+)		-	116,333
3.4 Dividends paid (-)		-	(110,292)
3.5 Payments for finance leases (-)		(8,156)	(3,840)
3.6 Other (+/-)	(1)	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)		30,460	48,014
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		605,914	329,007
VI. Cash and cash equivalents at beginning of the period (+)	(2)	2,908,743	2,579,736
VII. Cash and cash equivalents at end of the period (V+VI)	(3)	3,514,657	2,908,743

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

Financial Highlights and Risk Management

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

FİNANSBANK ANONİM ŞİRKETİ

STATEMENT OF PROFIT DISTRIBUTION

FOR THE YEAR ENDED DECEMBER 31, 2012

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

VII. STATEMENT OF PROFIT DISTRIBUTION

	Audited 31.12.2012 ^(*)	Audited 31.12.2011
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	1,167,608	1,120,100
1.2 TAXES AND DUTIES PAYABLE (-)	265,262	271,988
1.2.1 Corporate tax (Income tax)	383,179	228,060
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	(117,917)	43,928
A. NET INCOME FOR THE YEAR (1.1-1.2)	902,346	848,112
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	42,405
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	902,346	805,707
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	122,000
1.6.1 To owners of ordinary shares	-	122,000 ^(**)
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
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 preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
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	-	683,707
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1 DISTRIBUTED 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 preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
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	0.03518	0.03464
3.2 TO OWNERS OF ORDINARY SHARES (%)	3.52%	3.46%
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE	-	-
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES (%)	-	-

^(*) Decision regarding the profit distribution for the 2012 will be taken at the General Meeting.

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

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

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

FİNANSBANK ANONİM ŞİRKETİ

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of Presentation

1. Preparation of the 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 Bank prepared the accompanying financial statements as of December 31, 2012 and the related disclosures and footnotes in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No: 26333, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated June 28, 2012 which is published in the Official Gazette No: 28337, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and other circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency (BRSA).

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

2. Classifications

None.

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

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

Explanation for Convenience Translation to English

The accounting principles used in the preparation of the accompanying financial statements differ from International Financial Reporting Standards (IFRS). The effects of the differences between these accounting principles and the accounting principles generally accepted in the countries in which the accompanying financial statements to be used and IFRS have not been quantified in the financial statements.

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 Bank are customer deposits, bond issues and funds borrowed from international markets. The customer deposits bear fixed interest rate and have an average maturity of 1-3 months in accordance with sector. Domestic bond issues are realized within the maturity of 6 months and foreign bond issues are based on long maturities with fixed interests. Funds borrowed from abroad generally bear floating rates and are reprised at an average period of 3-6 months. The Bank diverts its placements to assets with high return and sufficient collaterals. The Bank manages the liquidity structure to meet its liabilities when due by diversifying the funding sources and keeping sufficient cash and cash equivalents. The maturity of fund sources and maturity and yield of placements are considered to the extent possible within the current market conditions and higher return on long-term placements is aimed. Among the operations of the Bank, the main activities generating yields higher than the calculated average yields are credit card transactions.

Financial Highlights and Risk Management

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

FİNANSBANK ANONİM ŞİRKETİ

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

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

Besides customer deposits, the 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 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 Bank generates TL denominated resources for funding long term loans with fixed interest rates.

The 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 Bank's foreign currency available-for-sale investment securities are explained in foreign currency risk section and the applications regarding the hedging of interest rate risk resulting from deposits with fixed or floating interest rates are explained in the interest rate risk section in detail.

Hedging strategies for foreign exchange risk resulting from other foreign currency transactions are explained in the foreign currency risk section.

2. Foreign currency transactions

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

The Bank 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, 2012 are translated to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities except for non-monetary items are converted into TL by using foreign currency exchange rates of the Bank for the year end and the resulting exchange differences are recorded as foreign exchange gains and losses. The Bank's foreign currency exchange rates are as follows:

	December 31, 2012	December 31, 2011
US Dollar	TL 1.7826	TL 1.9065
Euro	TL 2.3517	TL 2.4592

2.2 Foreign exchange gains and losses included in the income statement

The net foreign exchange loss included in the income statement as of December 31, 2012 is TL 1,469 (December 31, 2011 – TL 41,942 net foreign exchange loss).

III. Information on Associates, Subsidiaries and Entities under Common Control

Associates, subsidiaries and entities under common control are accounted for in accordance with the principles in TAS 39 "Financial Instruments: Recognition and Measurement" in the unconsolidated accompanying financial statements. Associates and subsidiaries that do not have a quoted market price in an active market or whose fair value cannot be reliably measured are recorded at cost after deducting related impairment provision.

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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

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

IV. Explanations on Forwards, Option Contracts and Derivative Instruments

The Bank 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 Bank also carries out currency and interest options, swaption, and credit default swap and futures agreements.

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

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

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

The Bank implements cash flow hedge accounting by means of interest rate swaps in order to hedge itself for the changes in interest rates of deposits that have an average maturity of 1 month. The Bank implements effectiveness tests at the balance sheet dates for hedging purposes; 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.

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

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

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 obtained from counterparties as of the balance sheet date and related unrealized gains and losses are reflected in the current period income statement.

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

V. 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 receivables and accruals of non-performing loans are cancelled and not recorded as interest income until collected.

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VI. Fees and Commission Income and Expenses

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

Dividend income is accrued when the subsidiaries', associates' and entities under common control's profit distribution decisions are approved.

VII. Explanations on Financial Assets

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

1. Financial assets at fair value through profit or loss

1.1. Trading securities

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

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

Fair value of loans that are classified as financial assets at fair value through profit or loss has been determined by using effective interest rates used for similar financial assets within the market. The fair values of public sector debt securities that are classified in the mentioned group have been determined by using the market prices as at the balance sheet date.

2. Investment securities available for sale

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

Premiums and discounts on investments securities available-for-sale are taken into account in computing of the internal rate of return and are included in interest income in the income statement. Accrued interest income on investment securities available for sale is recognized in the income statement whereas gains and losses arising from the change in the fair values of such securities are reflected in equity under "Securities Value Increase Fund" (Unrealized Gains/Losses on Securities). When investment securities available for sale are sold, collected or otherwise disposed of, the cumulative fair value adjustments under equity are transferred to the income statement.

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

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

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

3. Investment securities held to maturity

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

4. Loans and specific provisions

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

The Bank as explained in part IV, "explanations on forwards, option contracts and derivative instruments", enters into swap transactions against TL in order to hedge the possible losses which might arise due to the changes in the fair value of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. The 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 maybe doubtful and amount is charged in the current period income statement.

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

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

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

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

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

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VIII. Explanations on Impairment of Financial Assets

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

IX. Explanations on Netting of Financial Instruments

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

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

Financial assets and liabilities other than those explained above are offset when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities, simultaneously. Otherwise, no offsetting is made.

X. Explanations on Sales and Repurchase Agreements and Lending of Securities

Securities sold under repurchase agreements are recorded on the balance 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 Bank management's future intentions, either at market prices or using discounting method with internal rate of return. Funds received through repurchase agreements are classified separately under liability accounts and the related interest expenses are accounted for on an accrual basis.

Securities that are subject to repurchase agreements as at the balance sheet date amounted to TL 1,984,750 (December 31, 2011 - TL 1,514,723).

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

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

XI. Explanations on Assets Held for Sale and Discontinued Operations

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

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

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

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XII. Explanations on Goodwill and Other Intangible Assets

The Bank's intangible assets consist of software and intangible rights.

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.

Software has been classified as other intangible fixed assets. The useful life of software is determined as 3 years.

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the Turkish Accounting Standard on Impairment of Assets (TAS 36) and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made. There is no goodwill regarding the associates and subsidiaries in the accompanying unconsolidated financial statements.

XIII. Explanations on Tangible Assets

The tangible assets are recorded at their historical cost less accumulated depreciation and provision for impairment, if any.

Depreciation is calculated on a straight-line basis over the estimated useful life of tangible assets. The annual rates used are as follows:

Property	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 leasehold improvements acquired after this date is calculated over the lease period not exceeding 5 years where the lease period is certain; or 5 years where the lease period is not certain in accordance with "Communiqué on the Amendment of Communiqué on Uniform Chart of Accounts and Explanatory Notes" dated January 10, 2011.

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

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

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

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

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

There is no purchase commitments related to the fixed assets.

XIV. Explanations on Leasing Transactions

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

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

The Bank has no leasing transactions as lessor.

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XV. Explanations on Provisions and Contingent Liabilities

Provisions, other than specific and general provisions for loans and other receivables, and contingent liabilities are provided for in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Provisions are accounted for immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by the Bank. Whenever the amount of such obligations cannot be measured, they are regarded as "contingent". If the possibility of an outflow of resources embodying economic benefits becomes probable and the amount of the obligation can reliably be measured, a provision is provided.

Provisions provided during the period are accounted for under "Other Operating Expenses"; provisions provided in the prior periods and reversed in the current year are accounted for under "Other Operating Income".

According to the decision of the Competition Board numbered 11-55/1438-M dated November 2, 2011, investigation on some banks and firms including the Bank allegedly violating the "Law on Preserving the Competition" continues. Considering the stage and uncertainty of the inquiry, no provision is needed as of December 31, 2012.

XVI. Explanations on Obligations of the Bank Concerning Employee Benefits

Provision for employee severance benefits has been accounted for in accordance with TAS 19 "Employee Benefits".

In accordance with the existing social legislation in Turkey, the Bank 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 Bank 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 Bank.

The Bank has reflected the retirement pay liability amount, which was calculated by an independent actuary, in the accompanying financial statements.

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

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

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

XVII. Explanations on Taxation

1. Corporate tax

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

75% of gains on disposal of subsidiary shares and real estates held in Bank assets for more than two years are exempt from tax, according to Corporate Tax Law under the condition of 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.

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

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

2. Deferred taxes

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

XVIII. Additional Explanations on Borrowings

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

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

XIX. Explanations on Share Issues

During the current period, the share capital of the Bank has been increased by TL 125,000 from bonus shares, TL 122,000, from first dividends, TL 3,000 from extraordinary reserves. (January 1 – December 31, 2011: TL 110,250, from first dividends of year 2010, TL 8,417 from extraordinary reserves, and by TL 116,333 in cash).

XX. 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.

XXI. Explanation on Government Incentives

As of December 31, 2012, the Bank does not have any government incentives or grants.

XXII. Explanations on Reporting According to Segmentation

In addition to corporate banking, retail banking and commercial banking services, the Bank also provides private banking, treasury operations and credit card services through branches and alternative channels. The Bank serves its retail banking clients with time and demand deposits, also overdraft services, automatic account services, consumer loans, vehicle loans, housing loans and investment fund services. The Bank provides services including deposit and loans, foreign trade financing, forward and option agreements to its corporate clients. The Bank also serves in trading financial instruments and treasury operations.

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

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

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

Current Period (December 31, 2012)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Net Interest Income	1,555,277	481,612	840,265	2,877,154
Net Fees and Commissions Income	1,560,232	105,619	(637,038)	1,028,813
Other Operating Income and Net Trading Income	113,076	108,779	(205,507)	16,348
Dividend Income	-	-	8,787	8,787
Operating Income	3,228,585	696,010	6,507	3,931,102
Other Operating Expenses	1,208,070	280,407	309,586	1,798,063
Provision for Loan Losses and Other Receivables(-)	471,705	145,909	347,817	965,431
Profit Before Taxes	1,548,810	269,694	(650,896)	1,167,608
Tax Charge	-	-	-	(265,262)
Net Profit/Loss	-	-	-	902,346
Total Assets	29,154,171	6,531,574	14,653,095	54,401,608
Segment Assets	29,154,171	6,531,574	14,653,095	50,338,840
Associates, Subsidiaries and Entities Under Common Control	-	-	-	697,296
Undistributed Assets	-	-	-	3,365,472
Total Liabilities	19,964,569	11,682,875	12,007,423	54,401,608
Segment Liabilities	19,964,569	11,682,875	12,007,423	43,654,867
Undistributed Liabilities	-	-	-	3,421,302
Equity	-	-	-	7,325,439
Other Segment Accounts	-	-	-	433,565
Capital Expenditures	-	-	-	281,983
Depreciation and Amortization	-	-	-	147,931
Value Decrease/(Increase)	-	-	-	3,651

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		Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Prior Period (December 31, 2011)	Retail Banking			
Net Interest Income	1,292,265	442,273	490,312	2,224,850
Net Fees and Commissions Income	1,271,223	108,318	(578,262)	801,279
Other Operating Income and Net Trading Income	55,661	112,070	(202,175)	(34,444)
Dividend Income	-	-	8,315	8,315
Operating Income	2,619,149	662,661	(281,810)	3,000,000
Other Operating Expenses	1,050,275	268,316	255,313	1,573,904
Provision for Loan Losses and Other Receivables(-)	269,229	34,981	1,786	305,996
Profit Before Taxes	1,299,645	359,364	(538,909)	1,120,100
Tax Charge	-	-	-	(271,988)
Net Profit/Loss	-	-	-	848,112
Total Assets	23,301,608	6,549,673	13,411,511	46,198,873
Segment Assets	23,301,608	6,549,673	13,411,511	43,262,792
Associates, Subsidiaries and Entities Under Common Control	-	-	-	421,964
Undistributed Assets	-	-	-	2,514,117
Total Liabilities	20,240,321	8,515,329	8,731,090	46,198,873
Segment Liabilities	20,240,321	8,515,329	8,731,090	37,486,740
Undistributed Liabilities	-	-	-	3,016,177
Equity	-	-	-	5,695,956
Other Segment Accounts	-	-	-	381,039
Capital Expenditures	-	-	-	254,891
Depreciation and Amortization	-	-	-	124,465
Value Decrease/(Increase)	-	-	-	1,683

XXIII. Explanations on Other Matters

None.

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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations Related to Capital Adequacy Standard Ratio

As of December 31, 2012, the Bank's unconsolidated capital adequacy ratio is 18.92%.

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

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

The risk weighted assets are calculated as the figures deducted from the capital base net off depreciations and provisions.

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 calculated using the rates stated in the Appendix-2 of the Regulation.

The balance sheet items and off balance sheet items for which credit equivalent risk is calculated within the scope of the rates stated in the Article 5 of the Regulation, 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 on credit risk mitigation techniques used under "Regulation on Credit Risk Mitigation Techniques" are presented in Section 4, Footnote X under "Explanations related to Credit Risk Mitigation Techniques".

Capital requirement for the market risk is calculated using the standard method. Market risk for the options is calculated in line with 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 in line with the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette No: 28337 dated June 28, 2012 by using Basic Indicator Approach.

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Unconsolidated capital adequacy ratio

	Risk Weightings								
	0%	10%	20%	50%	75%	100%	150%	200%	1250%
Value at Credit Risk	10,744,997	-	805,871	12,038,534	18,548,325	11,448,093	2,770,858	2,901,299	-
Exposure Categories:									
Conditional and unconditional receivables from central governments or central banks	10,091,979	-	-	1,177,704	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	4,200	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	90	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	801,669	286,125	-	20,312	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	13,196	-	9,151,879	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	18,548,325	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	10,537,266	-	-	-	-	-
Past due receivables	-	-	-	24,243	-	309,988	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	2,770,858	2,901,299	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	182,692	-	-	-
Other receivables	653,018	-	2	-	-	1,783,132	-	-	-

Summary information related to unconsolidated capital adequacy ratio

	Current Period
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	3,319,893
Capital Requirement for Market Risk (MRCR)	64,494
Capital Requirement for Operational Risk (ORCR)	359,393
Shareholders' Equity	8,856,199
Shareholders' Equity/(CRCR+MRCR+ORCR) * 12.5 * 100	18.92%

CRCR : Capital Requirement for Credit Risk

MRCR : Capital Requirement for Market Risk

ORCR : Capital Requirement for Operational Risk

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Components of shareholders' equity items:

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	2,565,000	2,440,000
Nominal Capital	2,565,000	2,440,000
Capital Commitments (-)	-	-
Inflation Adjustments to Paid-in Capital	-	-
Share Premium	714	714
Share Cancellation Profits	-	-
Reserves	2,714,592	1,991,984
Inflation Adjustments to Reserves	-	-
Profit	902,346	848,112
Current Period's Profit	902,346	848,112
Prior Periods' Profit	-	-
Provision for Possible Losses (up to 25% of Core Capital)	99,747	63,702
Income on Sale of Equity Shares and Real Estates	519,114	518,610
Primary Subordinated Debts	-	-
Loss (in excess of Reserves) (-)	-	-
Current Period's Losses	-	-
Prior Periods' Losses	-	-
Leasehold Improvements on Operational Leases (-)	115,296	100,670
Intangible Assets (-)	169,320	134,472
Deferred Tax Asset in Excess of 10% of Core Capital (-)	-	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Total Core Capital	6,516,897	5,627,980
SUPPLEMENTARY CAPITAL		
General Provisions	584,966	400,441
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Immovable	-	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	2,689	2,689
Primary Subordinated Debts excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debts	1,479,952	1,599,814
45% of Securities Value Increase Fund	283,954	(183,711)
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss	-	-
Total Supplementary Capital	2,351,561	1,819,233
CAPITAL	8,868,458	7,447,213
DEDUCTIONS FROM CAPITAL	12,259	47,835
Unconsolidated Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at 10% or more	-	-
Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at Less than 10% Exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	-	34,429
Loan Granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Properties exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained more than Five Years	12,216	13,366
Securitization Positions to be Deducted from Equity	-	-
Other	43	40
TOTAL SHAREHOLDERS' EQUITY	8,856,199	7,399,378

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Approaches for assessment of adequacy of internal capital requirements for current and future activities

The Bank documented its strategy on the process of assessing the internal capital requirements in "Finansbank Risk Management Strategy" approved by its Board of Directors. The target capital adequacy ratio set within the scope of this process is a significant determining factor of the Bank's risk appetite.

The Bank's strategy on the process of assessing the internal capital requirements results in planning the future needs of additional capital under the effects of the stress tests of long term business plans, reflecting adverse economic conditions in addition to determination of the additional need for capital for the types of risk that are not covered or partially covered by "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

II. Explanations Related to 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.

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 step of the 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 Bank's loan limit revision procedures.

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

The 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 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 Bank in line with 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 Bank's current internal rating system besides the follow up method determined in the related regulation.

The risk of banking operations abroad and credit transactions is acceptable and there is no significant credit risk density in the 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 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 Bank believes that the borrower lost their creditworthiness are considered as impaired loans.

The 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 Bank from its top 100 cash loan customers are 14% in the total cash loans (December 31, 2011 – 15%).

The receivables of the Bank from its top 200 cash loan customers are 17% in the total cash loans.

The receivables of the Bank from its top 100 non-cash loan customers are 44% in the total non-cash loans (December 31, 2011 – 45%).

The receivables of the Bank from its top 200 non-cash loan customers are 54% in the total non-cash loans.

The share of cash and non-cash receivables of the Bank from its top 100 loan customers in total cash and non -cash loans is 11% (December 31, 2011 – 18%).

The share of cash and non-cash receivables of the Bank from its top 200 loan customers in total cash and non -cash loans is 13%.

The general loan loss provision related with the credit risk taken by the Bank is TL 617,684 (December 31, 2011 – TL 400,441).

Provision for probable risks in the Bank's loan portfolio amounted to TL 99,747 (December 31, 2011 – TL 63,702).

Exposure Categories:	Current Period Risk Amount ^(*)	Average Risk Amount ^(*)
Conditional and unconditional exposures to central governments or central banks	11,269,683	10,912,264
Conditional and unconditional exposures to regional governments or local authorities	4,200	4,881
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	90	1,068
Conditional and unconditional exposures to multilateral development banks	-	-
Conditional and unconditional exposures to international organizations	-	-
Conditional and unconditional exposures to banks and brokerage houses	1,159,290	1,369,920
Conditional and unconditional exposures to corporates	9,541,293	11,295,616
Conditional and unconditional retail exposures	18,743,812	19,211,179
Conditional and unconditional exposures secured by real estate property	10,537,266	8,437,958
Past due items	334,234	397,844
Items in regulatory high-risk categories	5,715,070	5,267,311
Exposures in the form of bonds secured by mortgages	-	-
Securitization positions	-	-
Short term exposures to banks, brokerage houses and corporates	-	-
Exposures in the form of collective investment undertakings	182,692	182,692
Other items	2,436,152	2,132,257

^(*)Average risk amount is determined by calculating the arithmetical average of the amounts after credit conversion for the period July-December 2012.

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

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Credit rating system

The 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 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	6	6
Debtor has a good financial structure	59	58
Debtor has a medium financial structure	22	23
Debtor has a financial structure which needs attention in medium term	10	9
Not graded	3	4
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	11,269,683	4,200	90	-	-	439,666	9,233,304	18,737,141	10,536,383	334,234	5,693,589	-	-	-	182,692	1,738,856	58,169,838
2. European Union Countries	-	-	-	-	-	535,213	235,103	2,539	645	-	98	-	-	-	-	-	773,598
3. OECD Countries (**)	-	-	-	-	-	17,453	-	2	-	-	21,366	-	-	-	-	-	38,821
4. Off-Shore Banking Regions	-	-	-	-	-	11,867	31,709	-	-	-	-	-	-	-	-	-	43,576
5. USA, Canada	-	-	-	-	-	96,495	28,716	10	9	-	17	-	-	-	-	-	125,247
6. Other Countries	-	-	-	-	-	58,596	12,461	4,120	229	-	-	-	-	-	-	-	75,406
7. Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	697,296	697,296
8. Unallocated Assets/Liabilities ^(***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	11,269,683	4,200	90	-	-	1,159,290	9,541,293	18,743,812	10,537,266	334,234	5,715,070	-	-	-	182,692	2,436,152	59,923,782

^(*) 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 can not be allocated on a consistent basis.

- 1- Conditional and unconditional exposures to central governments or central banks
- 2- Conditional and unconditional exposures to regional governments or local authorities
- 3- Conditional and unconditional exposures to administrative bodies and non-commercial undertakings
- 4- Conditional and unconditional exposures to multilateral development banks
- 5- Conditional and unconditional exposures to international organizations
- 6- Conditional and unconditional exposures to banks and brokerage houses
- 7- Conditional and unconditional exposures to corporates
- 8- Conditional and unconditional retail exposures
- 9- Conditional and unconditional exposures secured by real estate property
- 10- Past due items
- 11- Items in regulatory high-risk categories
- 12- Exposures in the form of bonds secured by mortgages
- 13- Securitization positions
- 14- Short-term exposures to banks, brokerage houses and corporates
- 15- Exposures in the form of collective investment undertakings
- 16- Other items

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Risk profile by sectors or counterparties:

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	TP	YP	Total
Agricultural	-	-	-	-	-	-	150,629	80,262	93,527	3,978	2,658	-	-	-	-	-	309,244	21,810	331,054
Farming and Raising Livestock	-	-	-	-	-	-	143,013	73,432	86,961	3,640	2,617	-	-	-	-	-	294,743	14,920	309,663
Forestry	-	-	-	-	-	-	51	3,246	1,696	194	19	-	-	-	-	-	5,206	0	5,206
Fishing	-	-	-	-	-	-	7,565	3,584	4,870	144	22	-	-	-	-	-	9,295	6,890	16,185
Manufacturing	-	-	-	-	-	-	3,137,729	1,049,676	907,289	23,175	34,474	-	-	-	-	-	2,473,888	2,678,455	5,152,343
Mining and Quarrying	-	-	-	-	-	-	40,334	23,253	15,656	273	292	-	-	-	-	-	52,002	27,806	79,808
Production	-	-	-	-	-	-	2,539,004	1,022,766	886,580	22,847	34,058	-	-	-	-	-	2,329,699	2,175,556	4,505,255
Electricity, gas and water	-	-	-	-	-	-	558,391	3,657	5,053	55	124	-	-	-	-	-	92,187	475,093	567,280
Construction	-	-	-	-	-	-	1,001,558	441,554	676,697	13,878	9,471	-	-	-	-	-	1,491,053	652,105	2,143,158
Services	4,674,860	-	90	-	-	1,159,290	3,763,270	2,720,655	1,995,693	55,933	25,692	-	-	-	-	-	10,954,227	3,441,256	14,395,483
Wholesale and Retail Trade	-	-	-	-	-	-	1,995,332	2,088,962	1,292,331	39,266	20,734	-	-	-	-	-	4,291,621	1,145,004	5,436,625
Hotel, Food and Beverage Services	-	-	-	-	-	-	112,078	34,284	275,867	349	96	-	-	-	-	-	104,440	318,234	422,674
Transportation & Communication	-	-	-	-	-	-	552,174	334,023	139,835	13,963	2,675	-	-	-	-	-	593,989	448,681	1,042,670
Financial Institutions	4,674,860	-	-	-	-	-	1,159,290	407,099	19,692	16,343	75	202	-	-	-	-	5,223,875	1,053,686	6,277,561
Real Estate and Renting Services	-	-	-	-	-	-	292,963	26,265	40,056	166	210	-	-	-	-	-	64,728	294,932	359,660
Self-Employment Services	-	-	-	-	-	-	148,099	116,568	85,467	752	661	-	-	-	-	-	254,112	97,435	351,547
Educational Services	-	-	90	-	-	-	13,907	20,756	19,741	130	158	-	-	-	-	-	46,228	8,554	54,782
Health and Social Services	-	-	-	-	-	-	241,618	80,105	126,053	1,232	956	-	-	-	-	-	375,234	74,730	449,964
Other	6,594,823	4,200	-	-	-	-	1,488,107	14,451,665	6,864,060	237,270	5,642,775	-	-	-	-	-	182,692	2,436,152	36,469,598
Total	11,269,683	4,200	90	-	-	-	1,159,290	9,541,293	18,743,812	10,537,266	334,234	5,715,070	-	-	-	-	182,692	2,436,152	51,698,010
																		8,225,772	59,923,782

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

- 1- Conditional and unconditional exposures to central governments or central banks
- 2- Conditional and unconditional exposures to regional governments or local authorities
- 3- Conditional and unconditional exposures to administrative bodies and non-commercial undertakings
- 4- Conditional and unconditional exposures to multilateral development banks
- 5- Conditional and unconditional exposures to international organizations
- 6- Conditional and unconditional exposures to banks and brokerage houses
- 7- Conditional and unconditional exposures to corporates
- 8- Conditional and unconditional retail exposures
- 9- Conditional and unconditional exposures secured by real estate property
- 10- Past due items
- 11- Items in regulatory high-risk categories
- 12- Exposures in the form of bonds secured by mortgages
- 13- Securitization positions
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Analysis of maturity-bearing exposures according to remaining maturities ^(*):

Exposure Categories	Term To Maturity				
	Up to 1 month	1-3 Months	3-6 Months	6-12 Months	Over 1 year
Conditional and unconditional exposures to central governments or central banks	40,488	-	29,954	778,187	5,746,195
Conditional and unconditional exposures to regional governments or local authorities	-	-	-	-	4,200
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	-	-	-	-	46
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organizations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	344,726	80,065	102,983	18,265	258,803
Conditional and unconditional exposures to corporates	1,796,730	1,302,181	1,440,775	1,021,182	3,344,223
Conditional and unconditional retail exposures	1,138,928	2,065,374	2,647,735	1,060,680	2,419,119
Conditional and unconditional receivables secured by real estate property	147,199	284,421	544,926	546,111	8,900,376
Past due items	-	-	-	-	-
Items in regulatory high-risk categories	-	-	-	1,538,325	4,097,580
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Other items	-	-	-	-	-
Total	3,468,071	3,732,041	4,766,373	4,962,750	24,770,542

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

Explanations on exposure categories

Within the scope of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", public ratings appointed to exposures to central governments of banks and exposures to foreign banks and corporations by Fitch Ratings International Rating Institution are used. Exposures and asset groups to counterparties without public ratings appointed by the mentioned institution or other rating institutions are also weighted as per Appendix-1 of the Regulation.

The below mapping between the ratings appointed by Fitch Ratings International Rating Institution and credit quality levels as per Appendix-1 of the Regulation is used.

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Exposure Categories						
Credit Quality Grade	Fitch Risk Rating	Exposures to Banks and Brokerage Houses				
		Exposures to Central Governments or Central Banks	Exposures to Administrative Bodies and Non-Commercial Undertakings	Exposures with Remaining Maturities Less Than 3 Months	Exposures with Remaining Maturities More Than 3 Months	Exposures to Corporates
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:

Risk Weights	0%	10%	20%	50%	75%	100%	150%	200%	1250%	Deductions from Equity
1. Exposures Before Credit Risk Mitigation	10,744,997	-	811,951	12,059,394	18,743,812	11,848,558	2,789,552	2,925,518	-	296,875
2. Exposures After Credit Risk Mitigation	10,744,997	-	805,871	12,038,534	18,548,325	11,448,093	2,770,858	2,901,299	-	296,875

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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.

Major Sectors / Counterparties	Credit Risks ^(*)			
	Impaired Loans	Past Due Loans	Value Adjustments	Provisions
1. Agriculture	20,156	4,768	133	14,723
1.1. Farming and Raising Livestock	19,214	4,582	128	14,186
1.2. Forestry	312	4	-	84
1.3. Fishing	630	182	5	453
2. Manufacturing	165,054	42,465	1,054	120,284
2.1. Mining and Quarrying	4,199	652	25	3,598
2.2. Production	160,543	41,713	1,027	116,511
2.3. Electricity, gas and water	312	100	2	175
3. Construction	113,974	36,442	932	94,182
4. Services	337,399	171,357	4,303	258,345
4.1. Wholesale and Retail Trade	229,235	102,611	2,683	170,641
4.2. Hotel, Food and Beverage Services	39,427	16,447	446	35,571
4.3. Transportation & Communication	48,108	24,628	539	35,768
4.4. Financial Institutions	6,596	2,191	61	5,982
4.5. Real Estate and Renting Services	400	11,345	230	267
4.6. Self-Employment Services	5,391	7,288	184	3,839
4.7. Educational Services	700	2,147	51	358
4.8. Health and Social Services	7,542	4,700	109	5,919
5. Other	1,876,133	1,003,999	34,163	1,647,660
6. Total	2,512,716	1,259,031	40,585	2,135,194

^(*)Represents the distribution of cash loans.

Movements in value adjustments and provisions

	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments ^(*)	Closing Balance
1. Specific Provisions	1,446,137	951,457	(257,325)	(5,075)	2,135,194
2. General Provisions	400,441	217,243	-	-	617,684

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

III. Explanations related to market risk

The Bank 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 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 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 Bank requires risk management group and the top management of the Bank to take necessary actions in order to identify, measure, control and manage the risks that the Bank is exposed to.

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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 tolerable 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 market risk

	Amount
(I) Capital Requirement against General Market Risk - Standard Method	19,502
(II) Capital Requirement against Specific Risks - Standard Method	15,619
Capital Requirement against Specific Risks of Securitization Positions - Standard Method	
(III) Capital Requirement against Currency Risk - Standard Method	12,675
(IV) Capital Requirement against Commodity Risks - Standard Method	3,415
(V) Capital Requirement against Settlement Risks - Standard Method	-
(VI) Capital Requirement against Market Risks of Options - Standard Method	696
(VII) Capital Requirement against Counterparty Credit Risk - Standard Method	12,587
(VIII) Capital Requirement against Market Risks of Banks applying Risk Measurement Models	-
(XI) Total Capital Requirement against Market Risk (I+II+III+IV+V+VI+VII)	64,494
(X) Value-At-Market Risk (12.5 x VIII) or (12.5 x VII)	806,175

2. Average market risk table calculated at the end of the months during the period

	Current Period		
	Average	Maximum	Minimum
Interest Rate Risk	49,128	62,943	34,318
Common Share Risk	283	803	1
Currency Risk	14,952	23,614	6,729
Commodity Risk	9,761	21,891	3,299
Settlement Risk	-	-	-
Option Risk	4,754	11,111	230
Counterparty Credit Risk	7,809	12,587	6,407
Total Value at Risk^(*)	86,687	132,949	50,984

^(*)Total VaR is the sum of risk values. For the second half of 2012, maximum and minimum values of VaR are TL 121,457 and TL 59,025, respectively.

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3. Quantitative information on counterparty risk ^(*)

	Amount
Interest-Rate Contracts	2,002,705
Foreign-Exchange-Rate Contracts	64,363,580
Commodity Contracts	901,889
Equity-Shares Related Contracts	12,197
Other	206,009
Gross Positive Fair Values	409,748
Netting Benefits	244,412
Net Current Exposure Amount	165,336
Collaterals Received	35,374
Net Derivative Position	129,962

^(*)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.

IV. Explanations related to operational risk

Value at operational risk is calculated by the basic indicator approach using the gross profits for the last three years (2011, 2010 and 2009) in line with 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, 2012, the value at operational risk amounts to TL 4,492,416.

Basic Indicator Approach	2 PY Amount	1 PY Amount	CY Amount	Total/ No. of Years of Positive Gross	Rate (%)	Total
Gross Income	2,173,542	2,249,651	2,764,673	2,395,955	15	359,393
Value at Operational Risk (Total*12,5)						4,492,416

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

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V. Explanations related to foreign currency exchange rate risk

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

As of December 31, 2012, the net foreign currency exposure of the Bank is TL 437,231 foreign currency short position (December 31, 2011 – TL 380,187 net foreign currency short) resulting from on balance sheet short position amounting to TL 5,920,432 TL (December 31, 2011 – TL 5,304,487 short) and off balance sheet long position amounting to TL 5,483,201 TL (December 31, 2011 – TL 4,924,300 long). The long off balance sheet position amounting to TL 5,852,561 (December 31, 2011 – TL 6,219,112) is related with the FC/TL swap transactions entered into with banks and customers. The Bank makes these transactions to manage foreign currency liquidity risk and to hedge itself from interest rate risk.

The Bank enters into foreign currency forward transactions to decrease foreign currency position risk. The Bank also engages in foreign currency and Eurobond buy-sell option transactions.

Position limit related with currency risk is determined according to Foreign Currency Net Position Standard Ratio. Measurable and manageable risks are taken within legal limits.

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

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

The Bank does not hedge foreign currency borrowings and net foreign currency investments by derivative instruments.

3. The Bank's spot foreign exchange bid rates as of the balance sheet date and for each of the five days prior to that date

US Dollar purchase rate at the date of the balance sheet	TL 1.7826
Euro purchase rate at the date of the balance sheet	TL 2.3517

Date	US Dollar	Euro
December 31, 2012	TL 1.7826	TL 2.3517
December 29, 2012	TL 1.7829	TL 2.3657
December 28, 2012	TL 1.7848	TL 2.3566
December 27, 2012	TL 1.7877	TL 2.3586
December 26, 2012	TL 1.7893	TL 2.3651
December 23, 2012	TL 1.7869	TL 2.3605

4. The basic arithmetical average of the 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 2012 are TL 1.7791 and TL 2.3332, respectively.

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5. Information on the foreign currency exchange rate risk

Current Period	EUR	USD	Other	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	1,322,554	1,779,086	1,201,251	4,302,891
Due From Banks	26,746	67,980	13,066	107,792
Financial Assets at Fair Value through Profit/Loss ⁽⁴⁾	15,503	110,175	466	126,144
Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	105,245	1,200,939	-	1,306,184
Loans and Receivables ⁽²⁾	2,202,324	2,460,541	109,491	4,772,356
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-
Derivative Financial Assets Hedging Purposes	-	37,919	-	37,919
Tangible Assets	-	-	69	69
Intangible Assets	-	-	-	-
Other Assets ⁽³⁾	88,896	193,485	6	282,387
Total Assets	3,761,268	5,850,125	1,324,349	10,935,742
Liabilities				
Bank Deposits	186,597	433,381	14,120	634,098
Foreign Currency Deposits	2,726,184	6,268,543	574,484	9,569,211
Money Market Borrowings	81,168	796,913	-	878,081
Funds Borrowed	1,037,976	3,054,449	1,445	4,093,870
Securities Issued	-	1,288,923	-	1,288,923
Sundry Creditors	60,564	52,351	657	113,572
Derivative Fin. Liabilities for Hedging Purposes	10,575	110,755	-	121,330
Other Liabilities ⁽⁵⁾	29,880	126,973	236	157,089
Total Liabilities	4,132,944	12,132,288	590,942	16,856,174
Net Balance Sheet Position	(371,676)	(6,282,163)	733,407	(5,920,432)
Net Off-Balance Sheet Position	208,991	6,006,712	(732,502)	5,483,201
Financial Derivative Assets	1,962,825	19,706,843	166,420	21,836,088
Financial Derivative Liabilities	1,753,834	13,700,131	898,922	16,352,887
Non-Cash Loans ⁽¹⁾	752,944	1,769,661	157,041	2,679,646
Prior Period				
Total Assets	4,221,957	4,974,493	441,875	9,638,325
Total Liabilities	3,926,444	10,554,240	462,128	14,942,812
Net Balance Sheet Position	295,513	(5,579,747)	(20,253)	(5,304,487)
Net Off-Balance Sheet Position	(273,554)	5,178,787	19,067	4,924,300
Financial Derivative Assets	3,314,319	20,411,234	784,002	24,509,555
Financial Derivative Liabilities	3,587,873	15,232,447	764,935	19,585,255
Non-Cash Loans ⁽¹⁾	969,080	2,342,380	216,692	3,528,152

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

⁽²⁾ Includes foreign currency-indexed loans amounting to TL 1,345,845 (December 31, 2011 – TL 1,510,535) that are classified as TL on the balance sheet.

⁽³⁾ Does not include the prepaid expenses amounting to TL 1,936 (December 31, 2011 – TL 2,095) that are classified as FC on the balance sheet in accordance with the legislation issued by BRSA and published in the Official Gazette No: 26085 dated February 19, 2006.

⁽⁴⁾ Does not include foreign exchange income accruals amounting to TL 9,732 (December 31, 2011 – TL 17,180).

⁽⁵⁾ Foreign exchange expense accruals amounting to TL 919 (December 31, 2011 – TL 13,248) on derivative transactions and the general loan loss provisions amounting to TL 51,993 (December 31, 2011 – TL 43,702) computed for foreign currency loans and accounted as foreign currency amount in order to be in compliance with the Uniform Charts of Accounts are excluded.

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6. Foreign currency sensitivity

The Bank is mainly exposed to EUR and USD currencies.

The following table details the Bank's sensitivity to a 10% increase and decrease in USD and EUR. Other variables are assumed to be unchanged.

	Change in Currency Rate in %	Net Effect on Profit or Loss (After Tax)	Net Effect on Equity ^(*)	Net Effect on Profit or Loss (After Tax)	Net Effect on Equity ^(*)
		Current Period	Current Period	Prior Period	Prior Period
USD	10% increase	(4,758)	(6,897)	(19,529)	(7,995)
	10% decrease	4,758	6,897	19,529	7,995
EUR	10% increase	(3,534)	(3,690)	1,320	2,034
	10% decrease	3,534	3,690	(1,320)	(2,034)

^(*) Effect on equity also includes the effect of the change in foreign currency rates in the income statement.

VI. Explanations related to interest rate risk

Interest rate risk that would arise from the changes in interest rates depending on the Bank's position is managed by the Asset/Liability Committee of the 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 Bank follows the interest rates in the market on a daily basis and revises interest rates of the Bank when necessary. The assets and liabilities of the Bank carry positive interest yield and assets and liabilities are repriced within an average of 6 months. Consequently the Bank carries limited interest rate risk.

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

(Based on reprising dates)

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing ^(*)	Total
Current Period							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-	-	5,327,881	5,327,881
Due from Banks	-	2,027	-	-	-	108,789	110,816
Financial Assets at Fair Value Through Profit/Loss ^(**)	118,010	314,428	216,383	146,925	283,119	78,539	1,157,404
Money Market Placements	1,785,748	-	-	-	-	-	1,785,748
Investment Securities Available for Sale	1,183,866	2,533,350	1,642,514	436,654	1,250,593	190,245	7,237,222
Loans and Receivables	9,832,536	4,358,662	10,588,758	9,247,299	2,035,467	377,522	36,440,244
Investment Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets ^(*)	234,043	-	-	-	-	2,108,250	2,342,293
Total Assets	13,154,203	7,208,467	12,447,655	9,830,878	3,569,179	8,191,226	54,401,608
Liabilities							
Bank Deposits	841,828	126,173	58,044	-	-	21,529	1,047,574
Other Deposits	21,554,601	6,290,529	615,290	20,598	-	3,392,914	31,873,932
Funds Borrowed	175,557	914,253	3,031,277	38,021	9,249	-	4,168,357
Money Market Borrowings	1,727,134	73	-	-	-	-	1,727,207
Securities Issued	-	865,427	3,212,886	-	-	-	4,078,313
Sundry Creditors	-	-	-	-	-	1,253,975	1,253,975
Other Liabilities ^(*)	150,709	93,607	239,667	320,247	46,993	9,401,027	10,252,250
Total Liabilities	24,449,829	8,290,062	7,157,164	378,866	56,242	14,069,445	54,401,608
On Balance Sheet Long Position	-	-	5,290,491	9,452,012	3,512,937	-	18,255,440
On Balance Sheet Short Position	(11,295,626)	(1,081,595)	-	-	-	(5,878,219)	(18,255,440)
Off-Balance Sheet Long Position	-	205,958	-	-	-	-	205,958
Off-Balance Sheet Short Position	(50,217)	-	(97,551)	(213,374)	(40,032)	-	(401,174)
Total Position	(11,345,843)	(875,637)	5,192,940	9,238,638	3,472,905	(5,878,219)	(195,216)

^(*) "Other Assets" in "Non-Interest Bearing" column include other assets amounting to TL 819,822, tangible assets amounting to TL 421,812, intangible assets amounting to TL 169,320, associates, subsidiaries and entities under common control amounting to TL 697,296 TL. "Other Liabilities" in the "Non-Interest Bearing" column include shareholders' equity amounting to TL 7,325,439, other liabilities amounting to TL 949,824, provisions amounting to TL 965,254, tax liability amounting to TL 123,022, and trading derivative financial liabilities amounting to TL 37,488.

^(**) This line also includes hedging purpose derivatives amounting to TL 240,486.

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Average interest rates applied to monetary financial instruments

	EUR%	USD%	JPY%	TL%
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R Central Bank	-	-	-	-
Due from Banks	-	-	-	5.77
Financial Assets at Fair Value Through Profit/Loss	3.89	3.06	-	5.97
Money Market Placements	-	-	-	6.45
Investment Securities Available for Sale	4.81	5.37	-	8.24
Loans and Other Receivables	6.12	5.22	5.31	19.70 ^(*)
Investment Securities Held to Maturity	-	-	-	-
Liabilities				
Bank Deposits	2.44	2.28	-	7.67
Other Deposits	3.10	3.30	0.38	8.30
Money Market Borrowings	-	0.97	-	5.49
Sundry Creditors	-	-	-	-
Securities Issued	-	5.36	-	8.61
Funds Borrowed	1.65	3.65	-	8.40

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

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

(Based on repricing dates)

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing ^(*)	Total
Prior Period							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-	-	2,964,786	2,964,786
Due from Banks	618,197	-	10,427	-	-	200,838	829,462
Financial Assets at Fair Value Through Profit/Loss ^(**)	60,491	160,836	650,309	976,542	490,399	265,154	2,603,731
Money Market Placements	1,091,322	-	-	-	-	-	1,091,322
Inv. Securities Available for Sale	1,221,851	1,404,493	1,275,305	2,005,883	897,305	119,455	6,924,292
Loans and Receivables	8,795,575	3,572,699	8,181,619	7,677,266	1,640,037	403,359	30,270,555
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets(*)	59,398	-	-	-	-	1,455,327	1,514,725
Total Assets	11,846,834	5,138,028	10,117,660	10,659,691	3,027,741	5,408,919	46,198,873
Liabilities							
Bank Deposits	167,388	55,465	26,613	-	-	36,748	286,214
Other Deposits	15,095,423	10,208,860	974,628	28,397	-	2,682,048	28,989,356
Money Market Borrowings	218,936	425,118	3,430,371	289,319	-	-	4,363,744
Sundry Creditors	1,514,430	68	-	-	-	-	1,514,498
Securities Issued	-	-	268,023	989,875	-	-	1,257,898
Funds Borrowed	-	-	-	-	-	1,543,950	1,543,950
Other Liabilities(*)	358,473	475,096	155,208	4,154	-	7,250,282	8,243,213
Total Liabilities	17,354,650	11,164,607	4,854,843	1,311,745	-	11,513,028	46,198,873
On Balance Sheet Long Position	-	-	5,262,817	9,347,946	3,027,741	-	17,638,504
On Balance Sheet Short Position	(5,507,816)	(6,026,579)	-	-	-	(6,104,109)	(17,638,504)
Off-Balance Sheet Long Position	-	-	447,161	860,705	84,105	-	1,391,971
Off-Balance Sheet Short Position	(298,321)	(330,936)	-	-	-	-	(629,257)
Total Position	(5,806,137)	(6,357,515)	5,709,978	10,208,651	3,111,846	(6,104,109)	762,714

(*) "Other Assets" in "Non-Interest Bearing" column include other assets amounting to TL 514,394, tangible assets amounting to TL 384,497, intangible assets amounting to TL 134,472, associates, subsidiaries and entities under common control amounting to TL 421,964 and "Other Liabilities" in the "Non-Interest Bearing" column include shareholders' equity amounting to TL 5,695,956, other liabilities amounting to TL 541,464, provisions amounting to TL 655,848, tax liability amounting to TL 103,719 and part of trading derivative financial liabilities amounting to TL 253,295.

(**) This line also includes derivative financial assets for hedging purposes amounting to TL 1,001,747.

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Average interest rates applied to monetary financial instrument

	EUR	USD	JPY	TL
Prior Period	%	%	%	%
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	-	2.42	-	10.69
Financial Assets at Fair Value Through Profit/Loss	4.21	3.23	-	10.00
Money Market Placements	-	4.28	-	9.84
Investment Securities Available for Sale	4.85	5.73	-	7.57
Loans and Receivables	6.29	5.44	5.31	18.51 ^(*)
Investment Securities Held to Maturity	-	-	-	-
Liabilities				
Bank Deposits	4.59	4.19	-	10.68
Other Deposits	4.72	5.05	0.44	11.59
Money Market Borrowings	3.90	-	-	5.84
Sundry Creditors	-	-	-	-
Securities Issued	-	5.50	-	10.84
Funds Borrowed	2.37	3.55	-	8.40

(*) The yield of loans and receivables is 15.38% excluding credit cards.

Interest rate risk on banking book

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

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

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

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

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

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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 Asset and Liability Committee, the Risk Committee and the Board of Directors.

Type of Currency	Shocks Applied (+/- x basis points)	Gains/Losses	Gains/Equity- Losses/Equity
1. TL	(+) 500	(796,161)	(8.99)%
	(-) 400	780,527	8.82%
2. EUR	(+) 200	(36,170)	(0.41)%
	(-) 200	38,936	0.44%
3. USD	(+) 200	(58,809)	(0.66)%
	(-) 200	83,065	0.94%
Total (of negative shocks)		902,528	10.19%
Total (of positive shocks)		(891,140)	(10.06)%

VII. Explanations related to position risk of equity securities in banking book

Equity Securities (shares)	Carrying Value	Comparison Fair Value	Market Value
1. Investment in Shares- grade A	20,630	-	20,630
Quoted Securities	20,630	-	20,630
2. Investment in Shares- grade B	357,014	-	357,014
Quoted Securities	357,014	-	357,014
3. Investment in Shares- grade C	-	-	-
Quoted Securities	-	-	-
4. Investment in Shares- grade Other ^(*)	323,400	194,916^(**)	-
Quoted Securities	-	-	-

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

^(**)After the disposal of 51% of Finans Emeklilik ve Hayat A.Ş., the remaining 49% of the shares are accounted for at fair value, as explained in detail in Part 5, Footnote II-15.

Portfolio	Gains/Losses in Current Period	Revaluation Surplus		Unrealized Gains and Losses		
		Total	Amount under Supplementary Capital	Total	Amount under Core Capital	Amount under Supplementary Capital
1. Private Equity Investments	-	-	-	-	-	-
2. Quoted Shares	(186)	-	-	2,444	-	1,100
3. Other Shares	-	-	-	-	-	-
4. Total	-	-	-	-	-	-

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VIII. Explanations related to liquidity risk

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

Liquidity risk represents risk of not having sufficient cash or cash inflows to meet the cash outflows completely and on time, as a result of instable cash flows. Liquidity risk may also result from inability to penetrate to market and to close open positions quickly at suitable prices and with sufficient amounts due to market disruptions or barriers. To mitigate liquidity risk, the Bank diversifies funding sources as customer deposits and funds borrowed from abroad and keep certain level of assets as cash and cash equivalents.

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

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

List of available limits, instruments and securities which can be used as collateral to create liquidity in the event of a possible liquidity crisis is updated weekly. Alternative funding strategies to be followed in case of a liquidity problem are evaluated within the current limits and positions to be taken are determined.

Moreover, in terms of "Liquidity Emergency Action Plan" early warning signals, stress levels correlated with the level of liquidity risk and actions to be taken at each stress level are defined.

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

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

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

In order to meet urgent liquidity needs 10% (December 31, 2011 – 6%) of the balance sheet is allocated as cash balances.

4. Evaluation of the Bank's cash flows and their resources

Cash flows of the Bank are mainly denominated in Turkish Lira, US Dollar and Euro.

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

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unallocated ^(*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	1,618,121	3,709,760	-	-	-	-	-	5,327,881
Due from Banks	108,789	-	2,027	-	-	-	-	110,816
Financial Assets at Fair Value Through Profit/Loss ^(**)	-	69,391	163,480	265,897	374,357	284,279	-	1,157,404
Money Market Placements	-	1,785,748	-	-	-	-	-	1,785,748
Investment Securities Available for Sale	190,245	41,506	75,974	829,750	2,763,443	3,336,304	-	7,237,222
Loans and Receivables	-	9,503,338	4,153,828	10,502,088	9,715,370	2,188,098	377,522	36,440,244
Investment Securities Held to Maturity	-	-	-	-	-	-	-	-
Other Assets	-	895,024	-	-	158,841	-	1,288,428	2,342,293
Total Assets	1,917,155	16,004,767	4,395,309	11,597,735	13,012,011	5,808,681	1,665,950	54,401,608
Liabilities								
Bank Deposits	21,529	841,828	126,173	58,044	-	-	-	1,047,574
Other Deposits	3,392,914	21,554,601	6,290,529	615,290	20,598	-	-	31,873,932
Funds Borrowed	-	175,557	535,058	1,349,552	377,750	1,730,440	-	4,168,357
Money Market Borrowings	-	1,727,134	73	-	-	-	-	1,727,207
Securities Issued	-	-	865,427	1,923,963	1,288,923	-	-	4,078,313
Sundry Creditors	-	1,253,975	-	-	-	-	-	1,253,975
Other Liabilities ^(*)	-	997,721	37,139	271,005	625,276	79,684	8,241,425	10,252,250
Total Liability	3,414,443	26,550,816	7,854,399	4,217,854	2,312,547	1,810,124	8,241,425	54,401,608
Liquidity Gap	(1,497,288)	(10,546,049)	(3,459,090)	7,379,881	10,699,464	3,998,557	(6,575,475)	-
Prior Period								
Total Assets	1,319,278	12,626,347	3,511,674	8,776,464	12,835,348	5,589,444	1,540,318	46,198,873
Total Liabilities	2,718,796	19,111,351	10,684,797	3,477,622	2,009,486	1,859,877	6,336,944	46,198,873
Net Liquidity Gap	(1,399,518)	(6,485,004)	(7,173,123)	5,298,842	10,825,862	3,729,567	(4,796,626)	-

^(*)The assets which are necessary to provide banking services and could not be liquidated in the short-term, such as fixed assets, investments in subsidiaries and associates, common shares unquoted on stock exchange, office stationery, and prepaid expenses are classified under this column. Unallocated other liabilities column includes shareholders' equity amounting to TL 7,325,439, unallocated provisions amounting to TL 878,782 and deferred tax liability amounting to TL 37,204.

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

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6. Analysis of financial liabilities by remaining contractual maturities

The table below shows the Bank's maturity distribution of certain financial liabilities other than derivatives. The tables below are prepared by considering the future cash flows expected on the earliest cash flow dates. The total interest that will be paid for these liabilities is included in the table below.

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Carrying Amount
Bank deposits	21,529	842,770	127,381	59,541	-	-	1,051,221	1,047,574
Other deposits	3,392,914	21,602,608	6,349,522	632,293	20,611	-	31,997,948	31,873,932
Money market borrowings	-	1,727,799	73	-	-	-	1,727,872	1,727,207
Funds provided from other financial institutions	-	175,822	527,627	1,463,119	493,504	1,735,544	4,395,616	4,168,357
Securities issued	-	-	882,312	2,045,791	1,466,363	-	4,394,466	4,078,313

Prior Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Carrying Amount
Bank deposits	36,748	167,564	56,291	27,714	-	-	288,317	286,214
Other deposits	2,682,048	15,144,412	10,346,801	1,015,805	28,575	-	29,217,641	28,989,356
Money market borrowings	-	1,515,580	69	-	-	-	1,515,649	1,514,498
Funds provided from other financial institutions	-	207,873	354,016	1,750,973	581,027	1,772,650	4,666,539	4,363,744
Securities issued	-	-	-	344,744	1,129,859	-	1,474,603	1,257,898

The table below shows the remaining maturities of derivative financial assets and liabilities.

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Forward Contracts Buy ^(*)	1,467,029	425,031	577,990	227,514	135,223	2,832,787
Forward Contracts Sell ^(*)	1,461,966	420,506	574,792	224,836	135,223	2,817,323
Swap Contracts Buy ^(*)	3,524,964	2,270,339	6,729,253	11,478,686	1,793,950	25,797,192
Swap Contracts Sell ^(*)	3,501,679	2,198,850	6,642,302	12,441,683	2,049,242	26,833,756
Futures Buy	-	117,353	3,572	-	-	120,925
Futures Sell	-	117,353	3,572	-	-	120,925
Options Buy	2,841,611	1,302,027	1,431,654	-	-	5,575,292
Options Sell	2,831,112	1,292,041	1,397,021	-	-	5,520,174
Total	15,628,361	8,143,500	17,360,156	24,372,719	4,113,638	69,618,374

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

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Forward Contracts Buy ^(*)	3,324,994	573,538	1,350,565	-	141,404	5,390,501
Forward Contracts Sell ^(*)	3,344,712	568,864	1,351,736	-	141,404	5,406,716
Swap Contracts Buy ^(*)	3,451,474	1,810,960	7,759,964	11,242,923	2,055,864	26,321,185
Swap Contracts Sell ^(*)	3,406,925	1,766,094	7,559,957	11,494,903	2,275,222	26,503,101
Futures Buy	-	65,994	117,947	-	-	183,941
Futures Sell	-	66,020	117,946	-	-	183,966
Options Buy	1,612,092	966,374	2,875,745	-	-	5,454,211
Options Sell	1,604,783	962,331	2,814,599	-	-	5,381,713
Total	16,744,980	6,780,175	23,948,459	22,737,826	4,613,894	74,825,334

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

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

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IX. Explanations related to securitization positions

As of December 31, 2012, the Bank has no securitization positions.

X. Explanations related to credit risk mitigation techniques

The Bank applies simple financial collateral method that includes the effects of risk mitigation calculations at fair value in compliance with the Article 33 of the "Regulation on Credit Risk Mitigation Techniques".

Besides, the Bank applies Comprehensive Financial Collateral Method for the calculation of the counterparty credit risk in compliance with the Article 33 of the "Regulation on Credit Risk Mitigation Techniques" for transactions included in trading book. In this method, risk and collateral amounts are subjected to standard volatility adjustments.

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

Exposure Categories (**)	Amount(*)	Financial Collaterals	Other/ Physical Collaterals	Guaranties and Credit Derivatives
Conditional and unconditional exposures to central governments or central banks	11,269,683	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	4,200	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	431	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-
Conditional and unconditional exposures to international organizations	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	1,256,310	51,522	-	-
Conditional and unconditional exposures to corporates	14,685,233	439,379	-	-
Conditional and unconditional retail exposures	35,869,033	248,497	-	-
Conditional and unconditional exposures secured by real estate property	10,866,233	-	-	-
Past due items	334,234	3	-	-
Items in regulatory high-risk categories	5,715,070	42,913	-	-
Exposures in the form of bonds secured by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-
Exposures in the form of collective investment undertakings	182,692	-	-	-
Other items	2,436,152	-	-	-
Total	82,619,271	782,314	-	-

(*) Includes total risk amounts before credit risk mitigation.

(**) 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.

XI. Explanations related to risk management objectives and policies

The Bank'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 Bank's risk principles and targets, the aim of the risk strategy is to describe the Bank's current and targeted risk profile and appetite, risk management and organization and the Bank's general approach as defined by principal risk management capacities. The scope of the risk strategy includes the 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 Bank's business strategy, consistent with both the best practices and the Bank's risk strategy in accordance with legal obligations.

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The general objectives of the Bank's Risk Management:

- In accordance with the Bank'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 the yields 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 the 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 Bank, which is one of the leading and reputable financial institutions in Turkey,
- To promote risk awareness and risk management culture throughout the Bank.

XII. 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.

The estimated fair value of the demand deposits is the amount payable on demand. The fair values of the floating rate placements and overnight deposits are considered to approximate the carrying values due to short maturities. 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.

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	38,336,808	32,191,339	38,452,104	32,035,180
Money Market Placements	1,785,748	1,091,322	1,785,748	1,091,322
Due From Banks	110,816	829,462	110,816	829,462
Loans and Receivables	36,440,244	30,270,555	36,555,540	30,114,396
Financial Liabilities	44,149,358	37,955,660	44,077,992	37,707,359
Bank Deposits	1,047,573	286,214	1,047,669	286,151
Other Deposits	31,873,933	28,989,356	31,880,619	28,995,423
Funds Borrowed from Other Financial Institutions	4,168,357	4,363,744	4,112,154	4,262,669
Money Market Borrowings	1,727,207	1,514,498	1,727,207	1,514,498
Securities Issued	4,078,313	1,257,898	4,056,368	1,104,668
Sundry Creditors	1,253,975	1,543,950	1,253,975	1,543,950

TFRS 7 sets classification of valuation techniques according to the inputs used in valuation techniques based on fair value calculations which are whether observable or not.

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The classification of fair value calculation is as follows:

- a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities (market value);
- b) 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);
- c) Level 3: Inputs that are not observable for the asset and liability (Fair value calculations which are not observable).

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	7,592,100	1,176,422	194,916	8,963,438
Financial Assets at Fair Value through Profit/Loss	72,483	-	-	72,483
Assets on Trading Derivatives	6,109	486,030	-	492,139
Investment Securities Available for Sale	7,139,612	97,610	-	7,237,222
Loans and Receivables ^(*)	-	352,296	-	352,296
Subsidiaries, Associates and Entities Under Common Control ^(**)	373,896	-	194,916	568,812
Derivative Financial Assets Hedging Purposes	-	240,486	-	240,486
Financial Liabilities	100	886,690	-	886,790
Liabilities on Trading Derivatives	100	473,819	-	473,919
Derivative Financial Liabilities for Hedging Purposes	-	412,871	-	412,871

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

^(**) Does not include subsidiaries, associates and entities under common control amounting to TL 128,484, which has been accounted for at cost value in the financial statements.

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

	Entities Under Common Control
December 31, 2012	
Opening Balance ^(*)	45,000
Change in total gain/loss	172,866
Accounted in income statement	-
Accounted in other comprehensive income	172,866
Purchases	-
Disposals ^(*)	(22,950)
Sales from Level 3	-
Closing Balance	194,016

^(*)After the disposal of 51% of Finans Emeklilik ve Hayat A.Ş., the remaining 49% of the shares are accounted for at fair value, as explained in detail in Part 5, Footnote II-15.

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Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets	7,066,931	2,705,780	-	9,772,711
Financial Assets at Fair Value through Profit/Loss	24,614	-	-	24,614
Assets on Trading Derivatives	6,742	1,003,016	-	1,009,758
Investment Securities Available for Sale	6,790,887	133,405	-	6,924,292
Loans and Receivables ^(*)	-	567,612	-	567,612
Subsidiaries ^(**)	244,688	-	-	244,688
Derivative Financial Assets Hedging Purposes	-	1,001,747	-	1,001,747
Financial Liabilities	2,138	1,234,794	-	1,236,932
Liabilities on Trading Derivatives	2,138	1,045,877	-	1,048,015
Derivative Financial Liabilities for Hedging Purposes	-	188,917	-	188,917

^(*) Loans and Receivables are presented in "Financial Assets at Fair Value through Profit/Loss".^(**) Does not include subsidiaries amounting to TL 177,276, which has been accounted for at cost value in the financial statements.

XIII. Explanations related to transactions carried on behalf of others and fiduciary transactions

The Bank provides buying, selling and custody services and management and financial advisory services in the name of the third parties. The Bank does not involve in fiduciary activities.

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND DISCLOSURES RELATED TO 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	439,754	212,803	320,851	184,673
T.R. Central Bank	584,776	4,090,086	140,547	2,305,467
Others	460	2	12,898	350
Total	1,024,990	4,302,891	474,296	2,490,490

b) Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	584,776	380,326	140,547	339,666
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	3,709,760	-	1,965,801
Total	584,776	4,090,086	140,547	2,305,467

As of December 31, 2012, the reserve rates for the reserve deposits at the Central Bank of Turkey for Turkish Lira are implemented within an interval from 5% to 11% depending on the maturity of deposits (December 31, 2011 – 5% to 11%) and the reserve rates for the foreign currency liabilities are within an interval from 9.5% to 11.5% depending on the maturity of deposits (December 31, 2011 – 9% to 11%).

2. Further information on financial assets at fair value through profit/loss

a) Trading securities given as collateral or blocked

None (December 31, 2011 – None).

b) Trading securities subject to repurchase agreements

None (December 31, 2011 – None).

c) Positive differences on trading derivative instruments

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	20,007	-	76,791	-
Swap Transactions	338,376	96,083	698,073	86,361
Futures Transactions	-	6,109	-	6,742
Options	749	30,815	414	140,680
Other	-	-	-	697
Total	359,132	133,007	775,278	234,480

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3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	3,024	59	290,047	342,054
Foreign	-	107,733	19	197,342
Foreign Head Offices and Branches	-	-	-	-
Total	3,024	107,792	290,066	539,396

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount (**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	41,532	72,946	-	-
USA and Canada	60,881	58,505	778	59,921
OECD Countries (*)	2,864	4,962	-	-
Off-shore Banking Regions	-	-	-	-
Other	1,678	1,027	-	-
Total	106,955	137,440	778	59,921

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

(**)Includes blocked placements at foreign banks amounting to TL 778 (December 31, 2011 - TL 59,921) for the syndication and securitization loans received.

4. Information on receivables from reverse repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	1,785,748	-	700,396	-
T.R. Central Bank	-	-	-	-
Banks	1,785,748	-	700,396	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	-	-
Real Persons	-	-	-	-
Foreign Transactions	-	-	-	-
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	-	-
Real Persons	-	-	-	-
Total	1,785,748	-	700,396	-

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5. Information on investment securities available for sale

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bond, Treasury Bill and Similar Marketable Securities	421,314	-	1,175,542	-
Other	-	-	-	-
Total	421,314	-	1,175,542	-

b) Investment securities available for sale subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	859,279	1,125,471	811,442	703,281
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	859,279	1,125,471	811,442	703,281

c) Investment securities available for sale

	Current Period	Prior Period
Debt securities	7,050,106	6,933,793
Quoted on a stock exchange ^(*)	6,952,496	6,798,130
Unquoted on a stock exchange	97,610	135,663
Share certificates	190,353	126,129
Quoted on a stock exchange ^(**)	190,353	126,129
Unquoted on a stock exchange	-	-
Impairment provision(-)	(3,237)	(135,630)
Total	7,237,222	6,924,292

^(*)The Eurobond Portfolio amounting to TL 878,943 (December 31, 2011 – TL 537,063) which is accounted for as investment securities available for sale was hedged under fair value hedge accounting starting from March and April 2009 and the government bonds portfolio amounting to TL 198,512 which is accounted for as investment securities available for sale was hedged under fair value hedge accounting starting from August 2011. The mentioned financial assets are accounted for as Investment Securities Available for Sale in order to be in line with balance sheet presentation.

^(**) Share certificates that are quoted on a stock exchange include "exchange traded mutual funds" amounting to TL 181,995 (December 31, 2011 – TL 107,682).

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6. Information related to loans

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	29,498	-	3,072
Corporate Shareholders	-	29,498	-	3,072
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees ^(*)	58,761	-	47,740	-
Total	58,761	29,498	47,740	3,072

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

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

	Standard Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
		Loans and Receivables with Revised Contract Terms			Loans and Receivables with Revised Contract Terms	
Cash Loans ^(*)	Loans and Other Receivables	Extension of Repayment Plan	Other	Loans and Other Receivables	Extension of Repayment Plan	Other
Non-specialized Loans	33,355,121	944,449	-	1,703,474	411,974	-
Discount Notes	288,499	-	-	3,882	-	-
Export Loans	619,434	-	-	88,127	45,359	-
Import Loans	-	-	-	-	-	-
Loans Given to Financial Sector	440,940	-	-	-	-	-
Retail Loans	11,328,801	297,457	-	652,770	91,468	-
Credit Cards	10,027,929	482,671	-	255,672	98,822	-
Other	10,649,518	164,321	-	703,023	176,325	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	33,355,121	944,449	-	1,703,474	411,974	-

^(*)The loans and other receivables amounting to TL 352,296 (December 31, 2011 – TL 567,612) are disclosed as "Loans at Fair Value Through Profit / Loss" in the

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financial statements.

No. of Extensions	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
1 or 2 times	936,657	323,017
3, 4 or 5 times	7,792	20,399
Over 5 times	-	68,558

Extension Periods	Performing Loans and Other Receivables(*)	Loans and Other Receivables under Follow-up(*)
0 - 6 months	202,829	121,342
6 -12 months	77,307	26,159
1 - 2 years	318,578	93,172
2 - 5 years	305,406	159,344
5 years and over	40,329	11,957

(*) Credit balances based on fourth article, a and b clauses, fourth paragraph of the "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside" dated May 28, 2011 published in the Official Gazette No: 27947

c) Loans according to their maturity structure

Cash Loans (*)	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-term Loans	18,328,096	-	255,672	98,822
Non-specialized Loans	18,328,096	-	255,672	98,822
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	15,027,025	944,449	1,447,802	313,152
Non-specialized Loans	15,027,025	944,449	1,447,802	313,152
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	33,355,121	944,449	1,703,474	411,974

(*) The loans and other receivables amounting to TL 352,296 (December 31, 2011 – TL 567,612) are disclosed as "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	166,971	10,733,405	10,900,376	562,166
Housing Loans	1,850	6,084,904	6,086,754	505,168
Automobile Loans	988	101,135	102,123	871
Personal Need Loans	158,651	4,547,366	4,706,017	56,127
Other	5,482	-	5,482	-
Consumer Loans-FC Indexed	-	98,068	98,068	57,175
Housing Loans	-	90,842	90,842	54,261
Automobile Loans	-	56	56	21
Personal Need Loans	-	7,170	7,170	2,893
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-TL	9,463,053	713,676	10,176,729	108,209
Installment	5,170,659	713,676	5,884,335	62,570
Non- Installment	4,292,394	-	4,292,394	45,639
Individual Credit Cards-FC	3,075	-	3,075	23
Installment	-	-	-	-
Non- Installment	3,075	-	3,075	23
Personnel Loans-TL	2,976	22,717	25,693	159
Housing Loans	-	416	416	1
Automobile Loans	-	224	224	1
Personal Need Loans	2,976	22,077	25,053	157
Other	-	-	-	-
Personnel Loans-FC Indexed	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Credit Cards-TL	29,611	-	29,611	-
Installment	17,307	-	17,307	-
Non-Installment	12,304	-	12,304	-
Personnel Credit Cards-FC	49	-	49	-
Installment	-	-	-	-
Non-Installment	49	-	49	-
Overdraft Accounts-TL (Real Persons)	648,094	-	648,094	78,765
Overdraft Accounts-FC (Real Persons)	-	-	-	-
Total	10,313,829	11,567,866	21,881,695	806,497

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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	385,291	3,549,816	3,935,107	48,587
Real Estate Loans	22	111,210	111,232	6,018
Automobile Loans	6,421	296,679	303,100	3,744
Personal Need Loans	378,848	3,141,927	3,520,775	38,825
Other	-	-	-	-
Commercial Loans with Installment Facility - FC Indexed	30,657	534,498	565,155	39,834
Real Estate Loans	-	12,413	12,413	1,463
Automobile Loans	695	62,615	63,310	3,382
Personal Need Loans	29,962	459,470	489,432	34,989
Other	-	-	-	-
Commercial Loans with Installment Facility - FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards –TL	540,118	1,192	541,310	5,739
Installment	244,187	1,192	245,379	2,602
Non-Installment	295,931	-	295,931	3,137
Corporate Credit Cards –FC	347	-	347	2
With Installment	-	-	-	-
Without Installment	347	-	347	2
Overdraft Accounts-TL (Legal Entities)	403,574	-	403,574	603
Overdraft Accounts-FC (Legal Entities)	-	-	-	-
Total	1,359,987	4,085,506	5,445,493	94,765

f) Loans according to borrowers ^(*)

	Current Period	Prior Period
Public	125,458	134,129
Private	36,289,560	30,300,679
Total	36,415,018	30,434,808

(*) The loans and other receivables amounting to TL 352,296 (December 31, 2011 – TL 567,612) are presented in "Loans at Fair Value Through Profit/Loss" in the financial statements.

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g) Domestic and foreign loans ^(*)

	Current Period	Prior Period
Domestic Loans	36,246,287	30,216,161
Foreign Loans	168,731	218,647
Total	36,415,018	30,434,808

(*) The loans and other receivables amounting to TL 352,296 (December 31, 2011 – TL 567,612) are presented in "Loans at Fair Value Through Profit / Loss" in the financial statements.

h) Loans granted to subsidiaries and associates

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and Associates	65,220	55,015
Indirect Loans Granted to Subsidiaries and Associates	-	-
Total	65,220	55,015

i) Specific provisions for loans

	Current Period	Prior Period
Specific Provisions		
Loans and Receivables with Limited Collectability	217,150	66,145
Loans and Receivables with Doubtful Collectability	340,379	147,153
Uncollectible Loans and Receivables	1,577,665	1,232,839
Total	2,135,194	1,446,137

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)	8,516	3,171	58,461
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	8,516	3,171	58,461
Prior Period			
(Gross Amounts Before the Specific Provisions)	616	9,171	65,676
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	616	9,171	65,676

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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	326,776	289,881	1,232,839
Additions (+)	1,131,186	28,382	21,894
Transfers from Other Categories of Non-Performing Loans (+)	-	917,448	568,932
Transfers to Other Categories of Non-Performing Loans (-)	917,448	568,932	-
Collections (-)	99,831	172,411	240,925
Write-offs (-)	-	-	5,075
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	2,121
Credit Cards	-	-	2,954
Others	-	-	-
Current Period End Balance	440,683	494,368	1,577,665
Specific Provision (-) ⁽ⁱ⁾	217,150	340,379	1,577,665
Net Balances on Balance Sheet	223,533	153,989	-

⁽ⁱ⁾ 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 in the prior period using the minimum provision ratios specified in the regulation for its non-performing consumer and commercial loans, whereas again in accordance with the regulation in the current period the Bank provided specific provision for its 3rd and 4th group consumer loans with 100% provision rate and for its 3rd group commercial loans with 50% provision rate. After the stated change, the provision amount increased by TL 218,639 in the current period as compared to the provisioning method used in the prior period.

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

None. (December 31, 2011 - None)

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	223,533	153,989	-
Loans to Real Persons and Legal Entities (Gross)	440,683	494,368	1,568,817
Specific provision (-)	(217,150)	(340,379)	(1,568,817)
Loans to Real Persons and Legal Entities (Net)	223,533	153,989	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	8,848
Specific provision (-)	-	-	(8,848)
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	260,631	142,728	-
Loans to Real Persons and Legal Entities (Gross)	326,776	289,089	1,222,590
Specific provision (-)	(66,145)	(146,361)	(1,222,590)
Loans to Real Persons and Legal Entities (Net)	260,631	142,728	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	792	10,249
Specific provision (-)	-	(792)	(10,249)
Other Loans and Receivables (Net)	-	-	-

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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 bank prefers to liquidate the risk through negotiations with the debtors. If this cannot be possible, than the 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 under legal follow-up, for which 100% provision is provided in compliance with the "Provisioning Decree" and with no collateral that are deemed as uncollectible are written off by the Board of Directors' decision, in accordance with the laws and regulations.

7.Information on investment securities held-to-maturity

The Bank does not have any investment securities held to maturity as of December 31, 2012 (December 31, 2011 – None)

8. Information on investments in associates (Net)

8.1. Information on investments in associates

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

Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
32,354	19,628	15,445	718	-	1,144	2,619	-
247,800	242,307	2,168	8,322	1	6,695	997	-

(*) Current period information is obtained from financial statements as of September 30, 2012; prior period profit and loss information is obtained from financial statements as of December 31, 2011.

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

8.2. Movements of investments in associates

	Current Period	Prior Period
Balance at the Beginning of Period	6,769	5,769
Movements During the Period	1,208	1,000
Acquisitions	1,211(**)	1,000(*)
Bonus Shares Received	-	-
Dividends From Current Year Profit	-	-
Sales	(3) (***)	-
Reclassifications	-	-
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at the End of the Period	7,977	6,769
Capital Commitments	-	1,000
Share Percentage at the End of the Period (%)	-	-

(*) The amount represents the share capital increase amounting to TL 1,000 in Kredi Garanti Fonu A.Ş.

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

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

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8.3. Sectoral distribution and related carrying amounts on associates

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	7,977	6,769
Total	7,977	6,769

8.4. Quoted Associates

None (December 31, 2011 - None).

8.5. Valuation of investments in associates

	Current Period	Prior Period
Valued at Cost	7,977	6,769
Valued at Fair Value	-	-
Valued at Equity Method	-	-
Total	7,977	6,769

8.6. Investments in associates sold during the current period

None (December 31, 2011 - None).

8.7. Investments in associates acquired during the current period

None.

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9. Investments in subsidiaries (Net)

a) Information on the unconsolidated subsidiaries

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

(*)	Total Assets	Shareholders' Equity	Total Fixed Asset	Interest Income	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
	23,859	19,928	19,020	-	-	3,782	(2,253)	-

(*) Current period information is obtained from financial statements as of December 31, 2012.

b) Information on the consolidated subsidiaries

b.1) Information on the consolidated subsidiaries

Subsidiary	Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1. Finans Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	99.60	100.00
2. Finans Finansal Kiralama A.Ş.	Istanbul/Turkey	51.06	68.94
3. Finans Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	83.75 (*)	83.78 (*)
4. Finans Portföy Yönetimi A.Ş.	Istanbul/Turkey	0.01	99.58
5. Finans Faktoring Hizmetleri A.Ş.	Istanbul/Turkey	99.99	100.00

(*) The share of the Bank is 10.01% whereas the remaining 73.74% (December 31, 2011 - %39.35) shareholding represents the purchases of publicly traded shares on the Istanbul Stock Exchange.

Information on subsidiaries in the order presented in the table above:

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value(**)
1. (*)	272,002	178,407	13,008	10,272	567	10,231	15,430	-
2. (*)	1,315,753	468,528	348	-	-	46,984	36,352	699,200
3. (***)	21,698	21,437	38	-	-	3,352	(2,136)	21,240
4. (*)	13,027	11,796	948	1,471	11	1,050	7,403	-
5. (*)	375,417	26,901	812	39,986	-	3,521	3,252	-

(*) Current period information represents December 31, 2012 figures, and prior period profit/loss amounts represent December 31, 2011 figures as per the financial statements prepared in accordance with BRSA regulations.

(**) Fair values of publicly traded subsidiaries reflect their stock exchange values as of balance sheet date.

(***) Current period information represents September 30, 2012 figures, and prior period profit/loss amounts represent December 31, 2011 figures as per the financial statements prepared in accordance with BRSA regulations.

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b.2) Movement of investments in consolidated subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	397,409	362,058
Movements during the period	79,208	35,351
Purchases	5,902 ⁽¹⁾	18,187 ⁽⁴⁾
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Disposals	(27,950) ⁽²⁾	(3,706) ⁽⁵⁾
Changes due to Reclassification	(22,050) ⁽³⁾	-
Revaluation Increase	123,306	20,870
Impairment Provision	-	-
Balance at the End of the Period	476,617	397,409
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	-	-

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

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

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

⁽⁴⁾ Purchases in the prior period include bonus shares received from the Bank's subsidiaries Finans Emeklilik ve Hayat A.Ş. amounting to TL 8,187 and Finans Faktoring Hiz. A.Ş. amounting to TL 10,000.

⁽⁵⁾ Disposal in the prior period amount represents disposal of the shares of the Bank's subsidiary Finans Yatırım Ortaklığı A.Ş. received from ISE amounting to TL 5,027. The Bank recognized profit on sale amounting to TL 1,321.

b.3) Sectoral distribution of consolidated subsidiaries

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	45,000
Factoring Companies	20,000	20,000
Leasing Companies	357,012	237,225
Finance Companies	-	5,000
Other Subsidiaries	99,605	90,184
Total	476,617	397,409

b.4) Quoted subsidiaries within the context of consolidation

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	373,896	244,688
Quoted on International Stock Exchanges	-	-
Total	373,896	244,688

b.5) Explanation to capital adequacy of major subsidiaries

The Bank does not have any major subsidiaries.

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10. Investments in entities under common control

	The Parent Bank's Share	The Group's Share	Current Assets	Fixed Assets	Long Term Debt	Current Period Profit/Loss	Prior Period Profit/Loss
Finans Emeklilik ve Hayat A.Ş. ^(*)	%49.00	%49.00	413,859	4,010	48,776	29,031	9,493
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.	33.33%	33.33%	11,082	7,625	787	2,145	1,972

^(*) Current period information represents December 31, 2011 figures.

Information about Finans Emeklilik ve Hayat A.Ş., one of the entities under common control of the Bank, is explained in Part 5 Footnote IV-5.

11. Information on financial lease receivables (Net)

None (December 31, 2011 - None).

12. Information on hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge ^(*)	202,567	37,919	960,793	40,954
Cash Flow Hedge	-	-	-	-
Hedge of Net Investment in Foreign Operations	-	-	-	-
Total	202,567	37,919	960,793	40,954

^(*) Derivative financial instruments designated for the fair value hedge purposes comprise of swaps. TL 37,919 (December 31, 2011 - TL 48,183) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in securities and TL 202,567 (December 31, 2011 - TL 953,564) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in loans as of December 31, 2012.

13. Explanations on tangible assets

	Land and Buildings	Fixed Assets Under Finance Lease	Vehicles	Other Tangible Fixed Assets	Total
Prior Period End					
Cost	64,625	315,941	1,756	615,712	998,034
Accumulated Depreciation (-)	5,797	224,508	984	382,248	613,537
Net Book Value	58,828	91,433	772	233,464	384,497
Current Period End					
Cost at the Beginning of the Period	64,625	315,941	1,756	615,712	998,034
Additions	2,072	783	380	128,551	131,786
Disposals (-)	584	5,180	97	14,831	20,692
Impairment (-)/(increase)	1,651	-	-	-	1,651
Current Period Cost	64,462	311,544	2,039	729,432	1,107,477
Accumulated Depreciation at the Beginning of the Period	5,797	224,508	984	382,248	613,537
Disposals (-)	-	4,968	50	13,526	18,544
Depreciation Amount	1,362	14,568	207	74,535	90,672
Current Period Accumulated depreciation (-)	7,159	234,108	1,141	443,257	685,665
Net Book Value-End of the Period	57,303	77,436	898	286,175	421,812

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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 1,651 has been booked (December 31, 2011 - TL 1,594 impairment loss has been reversed).

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, 2011- 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, 2011- None)

13.1. Explanations on intangible assets

	Rights	Goodwill	Total
Prior Period End			
Cost	285,037	-	285,037
Accumulated Amortization (-)	150,565	-	150,565
Net Book Value	134,472	-	134,472
Current Period End			
Cost at the Beginning of the Period	285,037	-	285,037
Additions	89,699	-	89,699
Disposals (-)	-	-	-
Current Period Cost	374,736	-	374,736
Acc. Amort. at the Beginning of the Period	150,565	-	150,565
Disposals (-)	-	-	-
Amortization charge (-)	54,851	-	54,851
Current Period Accumulated Amortization (-)	205,416	-	205,416
Net Book Value-End of the Period	169,320	-	169,320

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, 2011 - None).

b) Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition: None (December 31, 2011)

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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, 2011 - None).

d) The book value of intangible fixed assets that are pledged or restricted for use: None (December 31, 2011 - None).

e) Amount of purchase commitments for intangible fixed assets: None (December 31, 2011 - None)

f) Information on revalued intangible assets according to their types: None (December 31, 2011 - 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 4,981 (December 31, 2011 - TL 5,415).

h) Positive or negative consolidation goodwill on entity basis:

None (December 31, 2011-None).

i) Information on goodwill: None (December 31, 2011-None).

Movements on goodwill in the current period: None (December 31, 2011- None).

14. Explanations on investment property

None (December 31, 2011- None).

15. Explanations on tax asset

There is no deferred tax asset calculated based on the related regulations. The information about deferred tax is presented in the disclosures and explanations about liability accounts in footnote numbered 10.1.4.

As of December 31, 2012, the Bank has TL 368,855 current tax liabilities (December 31, 2011- TL 210,153) and TL 283,037 prepaid taxes (December 31, 2011- TL 135,303) which are netted-off in the accompanying financial statements.

16. Explanations on assets held for sale and discontinued operations

None (December 31, 2011- None).

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18. Information on other assets

18.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Cheques Receivables from Other Banks	254,500	91,960
Collateral Given for Derivative Transactions	248,533	69,042
Other Prepaid Expenses	213,159	170,878
Assets Held for Resale (Net)	158,841	125,432
Sundry Debtors	77,060	44,598
Prepaid Rent Expenses	25,307	20,155
Prepaid Agency Commissions	6,654	4,993
Advances Given	4,956	2,246
Other	64,855	44,488
Total	1,053,865	573,792

18.2. If other assets exceed 10% of total assets excluding the off-balance sheet items, the names and the amount of the subaccounts which create at least 20% of them are

Details of the other assets are described in the 18.1 section of disclosure.

19. Information on accrued interest and income

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans and Receivables	447,807	49,012	558,565	31,273
Assets on Trading Derivatives	359,132	133,007	775,278	234,480
Investments Securities Available for Sale	328,828	163,622	54,821	8,959
Derivative Financial Instruments Held for Hedging Purposes	202,567	37,919	960,793	40,954
Trading Securities	658	90	31	53
Banks	3	25	592	6
Money Market Receivables	-	-	-	-
Financial Assets at Fair Value through Profit or Loss	-	-	-	-
Other Accruals	16,210	-	1,054	93
Total	1,355,205	383,675	2,351,134	315,818

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SECTION FIVE

II. EXPLANATIONS AND DISCLOSURES RELATED TO 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	867,610	-	1,665,278	9,925,707	609,492	273,809	15,616	15,286	13,372,798
Foreign Currency Deposits	892,652	-	1,503,637	5,839,836	593,895	210,169	2,620	5,130	9,047,939
Residents in Turkey	854,653	-	1,482,461	5,739,827	560,225	120,732	2,620	5,130	8,765,648
Residents Abroad	37,999	-	21,176	100,009	33,670	89,437	-	-	282,291
Public Sector Deposits	162,871	-	2,687	837,007	1,464	61	-	-	1,004,090
Commercial Deposits	989,156	-	1,747,748	3,921,557	527,438	63,520	98	-	7,249,517
Other Ins. Deposits	18,476	-	32,675	572,391	54,064	710	-	-	678,316
Precious Metal Deposits	462,149	-	-	-	-	58,985	138	-	521,272
Bank Deposits	21,529	-	841,828	126,173	49,607	8,437	-	-	1,047,574
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	1,492	-	216,197	2,020	4,202	4,114	-	-	228,025
Foreign Banks	18,858	-	625,631	124,153	45,405	4,323	-	-	818,370
Participation Banks	1,179	-	-	-	-	-	-	-	1,179
Other	-	-	-	-	-	-	-	-	-
Total	3,414,443	-	5,793,853	21,222,671	1,835,960	615,691	18,472	20,416	32,921,506

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	541,194	-	692,737	12,136,105	1,731,329	244,484	16,529	15,900	15,378,278
Foreign Currency Deposits	834,314	-	965,156	4,623,383	594,057	399,517	53,149	5,533	7,475,109
Residents in Turkey	809,495	-	951,908	4,521,205	564,043	257,225	53,149	5,533	7,162,558
Residents Abroad	24,819	-	13,248	102,178	30,014	142,292	-	-	312,551
Public Sector Deposits	42,342	-	14,276	17,755	400	-	-	-	74,773
Commercial Deposits	990,611	-	789,512	2,111,369	708,499	181,485	63,272	-	4,844,748
Other Ins. Deposits	15,380	-	77,931	677,110	77,923	2,594	10,663	-	861,601
Precious Metal Deposits	258,207	-	96,640	-	-	-	-	-	354,847
Bank Deposits	36,748	-	167,388	55,465	7,190	19,423	-	-	286,214
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2,306	-	11,174	1,718	4,176	4,139	-	-	23,513
Foreign Banks	30,950	-	156,214	53,747	3,014	15,284	-	-	259,209
Participation Banks	3,492	-	-	-	-	-	-	-	3,492
Other	-	-	-	-	-	-	-	-	-
Total	2,718,796	-	2,803,640	19,621,187	3,119,398	847,503	143,613	21,433	29,275,570

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

	Covered by Deposit Insurance Fund		Exceeding the Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	4,488,992	4,398,629	8,882,423	10,973,995
Foreign Currency Savings Deposits	909,501	779,577	4,809,767	3,612,679
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	5,398,493	5,178,206	13,692,190	14,586,674

1.2. Savings deposits in Turkey are not covered under insurance in another country since the headquarters of the Bank is not located abroad.

1.3. Savings deposits that are not covered under the guarantee of deposit insurance fund

	Current Period	Prior Period
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close family members	-	-
Deposits of chairman and members of the Board of Directors and their close family members	-	-
Deposits obtained through illegal acts defined in the 282nd 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	2,027	18,979
Total	2,027	18,979

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	13,473	-	95,651	-
Swaps	354,146	84,122	736,943	103,602
Futures	-	100	-	2,138
Options	1	22,077	78	108,978
Other	-	-	-	625
Total	367,620	106,299	832,672	215,343

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3. a) Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans	-	-	-	-
Domestic Bank and Institutions	74,487	85,717	75,321	121,886
Foreign Bank, Institutions and Funds	-	2,378,563	-	2,423,896
Total	74,487	2,464,280	75,321	2,545,782

b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	74,487	1,722,249	75,321	1,947,823
Medium and Long-Term	-	742,031	-	597,959
Total	74,487	2,464,280	75,321	2,545,782

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

The Bank extended the maturity of the syndicated loan amounting to USD 188 million and EUR 211.9 million for one year in line with the Board of Directors' decision no: 61 dated October 18, 2012, as of November 29, 2012.

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

As of December 31, 2012, the Bank's liabilities comprise; 61% deposits (December 31, 2011 – 63%), 8% funds borrowed (December 31, 2011 – 9%) and 3% funds provided under repurchase agreements (December 31, 2011 – 3%).

4. Information on funds provided under repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	844,583	-	814,133	-
Financial institutions and organizations	834,084	-	789,989	-
Other institutions and organizations	3,820	-	9,098	-
Real persons	6,679	-	15,046	-
From foreign transactions	4,543	878,081	535	552,135
Financial institutions and organizations	-	878,081	-	552,135
Other institutions and organizations	4,543	-	333	-
Real persons	-	-	202	-
Total	849,126	878,081	814,668	552,135

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5. Information on securities issued (net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	2,789,390	-	268,023	-
Bills	-	1,288,923	-	989,875
Total	2,789,390	1,288,923	268,023	989,875

The Bank issued bonds with TL 400,000 nominal value, 6 months maturity and 10.00% interest rate on September 14, 2012, and issued bonds with TL 500,000 nominal value, 6 months maturity and 9.60% interest rate on September 21, 2012 and issued bonds with TL 750,000, 6 months maturity and 8.30% interest rate on November 15, 2012 and issued bonds with TL 650,000, 6 months maturity and 7.95% interest rate on December 15, 2012 and issued bonds with TL 600,000, 105 days maturity and 7.95% interest rate on December 28, 2012. Additionally, the Bank issued bonds with USD 500 million nominal value on May 11, 2011 and USD 350 million nominal value on November 1, 2012.

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 exceeds 20% of the individual liability item in the unconsolidated balance sheet

Other liabilities account does not exceed 10% of total liabilities excluding the off-balance sheet items. (December 31, 2011 - does not exceed).

7. Criteria used in the determination of lease installments in the financial lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts

Interest rate and cash flow of the Bank are the main criteria which are taken into consideration for the determination of payment plans in the leasing contracts.

7.1. Explanations on changes in agreements and further commitments arising

No changes have been made to the leasing agreements in the current period. (December 31, 2011- None)

7.2. Explanations on financial lease payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	1,771	1,513	8,482	7,799
Between 1-4 years	476	408	1,625	1,495
More than 4 years	-	-	-	-
Total	2,247	1,921	10,107	9,294

7.3. Explanation and footnotes on operational lease

The Bank recognized operational lease payment as an expense in the income statement on a straight-line basis over the lease terms.

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7.4. Explanations on "Sale -and- lease back" agreements

The Bank does not have any sale and lease back transactions in the current period (December 31, 2011-None).

8. Information on liabilities arising from hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge ^(*)	257,139	121,330	30,334	124,258
Cash Flow Hedge ^(**)	34,402	-	34,325	-
Net Investment Hedge	-	-	-	-
Total	291,541	121,330	64,659	124,258

^(*)Derivative financial instruments for hedging purposes include swaps. As of December 31, 2012, TL 247,656 (December 31, 2011 – TL 30,334) represents the fair value of derivatives which are the hedging instruments of hedged loan portfolio. TL 130,813 (December 31, 2011 – TL 124,258) represents the fair value of derivatives which are the hedging instruments of hedged investment securities available for sale portfolio.

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

9. Explanations on provisions

9.1. Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	441,173	286,073
-Additional Provision for Loans and Receivables with Extended Maturities	29,599	9,762
Provisions for Loans and Receivables in Group II	79,834	34,212
-Additional Provision for Loans and Receivables with Extended Maturities	34,740	5,849
Provisions for Non - Cash Loans	60,135	50,771
Other	36,542	29,385
Total	617,684	400,441

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 ^(*)	6,906	1,647

^(*) 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 47,989 (December 31, 2011 - TL 59,210).

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9.4 Information on employee termination benefits and unused vacation accrual

The Bank 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, 2012, TL 37,511 (December 31, 2011 - TL 30,943) reserve for employee termination benefits was provided in the accompanying financial statements.

As of December 31, 2012, the Bank accrued TL 18,973 (December 31, 2011 - TL 16,603) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of December 31, 2012, TL 92,156 (December 31, 2011 - TL 45,320) bonus and premium provisions has been provided under reserve for employee benefits account in the accompanying financial statements.

9.4.1. Movement of employee termination benefits

	Current Period 01.01-31.12.2012	Previous Period 01.01-31.12.2011
As of January 1	30,943	25,086
Service cost	8,279	6,892
Interest cost	4,657	3,792
Settlement/ curtailment/ termination loss	10,425	7,792
Paid during the period	(16,793)	(12,619)
Total	37,511	30,943

9.5. Information on other provisions

9.5.1. Information on free reserves for possible loan losses

	Current Period	Prior Period
Free Reserves for Possible Loan Losses	99,747	63,702

As of December 31, 2012 the Bank has provided TL 99,747 provision (December 31, 2011 - TL 63,702) for possible losses that could arise for loans in the watch list, considering their recovery rates.

9.5.2 Information on other provisions

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

	Current Period	Prior Period
Provision for Promotion Expenses of Credit Cards	16,187	13,832
Other Provisions	35,007	25,797
Total	51,194	39,629

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10. Information on tax liability

10.1. Information on current tax liability

10.1.1. Information on tax provision

As of December 31, 2012, the Bank has current tax liability of TL 368,855 (December 31, 2011 - TL 210,153) and advance taxes of TL 283,037 (December 31, 2011 - TL 135,303). The current tax liability and advance taxes are presented at net value in the accompanying financial statements.

10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	85,818	74,850
Banking and Insurance Transaction Tax (BITT)	32,499	29,863
Taxation on Securities Income	35,919	31,977
Taxation on Real Estates Income	1,522	1,210
Other	14,203	18,645
Total	169,961	156,545

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

10.1.3. Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	5,323	9,036
Social Security Premiums - Employer Share	5,454	9,549
Unemployment Insurance - Employee Share	374	635
Unemployment Insurance - Employer Share	748	1,269
Total	11,899	20,489

10.1.4. Information on deferred tax liabilities

Deferred tax liability amounting to TL 37,204 has been disclosed in the accompanying financial statements (December 31, 2011 - TL 28,869 deferred tax liability).

According to the TAS 12, the deferred tax assets and liabilities are netted off in the accompanying financial statements after netting off. As of December 31, 2012 the Bank has presented the net amount of deferred tax asset TL 127,660 (December 31, 2011 - TL 82,824) and deferred tax liability of TL 164,864 (December 31, 2011 - TL 111,693) in the accompanying financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

In cases whereby such differences are related with certain items under the shareholders' equity accounts, the deferred tax benefits/charges are netted under these accounts. The deferred tax asset amounting to TL 69,599 (December 31, 2011 - TL 56,653 deferred tax liability) is netted under "Securities Value Increase Fund" account in the equity.

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	Temporary Differences		Deferred Tax Asset / (Liability)	
	Dec. 31, 2012	Dec. 31, 2011	Dec.31, 2012	Dec.31, 2011
Reserve for Employee Benefits	148,640	92,866	29,728	18,573
The differences between carrying and taxable amounts of financial assets	153,559	307,421	30,712	61,484
Other	336,105	13,832	67,220	2,767
Deferred Tax Asset			127,660	82,824
The differences between carrying and taxable amounts of tangible assets	(119,956)	(105,296)	(23,991)	(21,059)
The differences between carrying and taxable amounts of financial assets	(550,674)	(372,845)	(110,135)	(74,569)
Other	(153,691)	(80,325)	(30,738)	(16,065)
Deferred Tax Liability			(164,864)	(111,693)
Deferred Tax Asset / (Liability), Net			(37,204)	(28,869)
	Current Period		Prior Period	
	01.01-31.12.2012		01.01-31.12.2011	
Deferred Tax Asset/ (Liability) as of January 1 (Net)	(28,869)		(75,673)	
Deferred Tax (Charge) / Benefit	117,917		(43,928)	
Deferred Tax accounted for under the equity	(126,252)		90,732	
Deferred Tax Asset/ (Liability) as of December 31 (Net)	(37,204)		(28,869)	

11. Information on payables related to assets held for sale

None. (December 31, 2011 – None)

12. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	1,629,590	-	1,742,641
From Other Foreign Institutions	-	-	-	-
Total	-	1,629,590	-	1,742,641

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

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13. Information on shareholder's equity**13.1. Paid-in capital**

	Current Period	Prior Period
Common Stock	2,565,000	2,440,000
Preferred Stock	-	-

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

Capital System	Paid-in Capital	Ceiling
Registered Capital System	2,565,000	6,000,000

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

Date of Increase	Amount of Increase	Cash	Profit Reserves Subject to Increase	Capital Reserves Subject to Increase
June 13, 2012	125,000	-	125,000	-

13.4. Information on share capital increases from revaluation funds

None (December 31, 2011 – None).

13.5. Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments

The Bank does not have any capital commitment; all of the capital is fully paid-in.

13.6. Prior periods' indicators related with the Bank's income, profit and liquidity and the possible effects of the uncertainties in these indicators on the Bank's equity

None (December 31, 2011- None).

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

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

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14. Common stock issue premiums, shares and equity instruments

	Current Period	Prior Period
Number of Stocks (Thousands)	25,650,000	24,400,000
Preferred Capital Stock	-	-
Common Stock Issue Premiums ^(*)	714	714
Common Stock Withdrawal Profits	-	-
Other Capital Instruments	-	-

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

15. Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control	433,945	-	152,581	-
Valuation Difference	433,945	-	152,581	-
Foreign Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	168,369	28,696	(99,267)	(153,106)
Valuation Difference	168,369	28,696	(99,267)	(153,106)
Foreign Exchange Rate Difference	-	-	-	-
Total	602,314	28,696	53,314	(153,106)

The Bank may account for the remaining shares of 49% of Finans Emeklilik ve Hayat A.Ş. (FEHAŞ) at cost per TAS 27 "Consolidated and Separate Financial Statements" or at fair value per TAS 39 "Financial Instruments: Recognition and Measurement" in its unconsolidated financial statements. In this respect, as of December 31, 2012 fair value of FEHAŞ has been calculated and the difference between the fair value and the book value amounting to TL 164,223 (net of tax) has been booked under the shareholder's equity, "Securities Valuation Difference".

16. Information on accrued interest and expenses

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	115,101	18,024	136,692	26,820
Derivative Financial Liabilities Held for Trading	367,620	106,299	832,672	215,343
Funds Borrowed	1,454	19,639	1,424	25,317
Money Market Borrowings	1,197	1,276	642	587
Derivative Financial Liabilities Held for Hedging Purposes	291,541	121,330	64,659	124,258
Other Accruals	25,293	44,536	23,960	47,546
Total	802,206	311,104	1,060,049	439,871

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SECTION FIVE**III. EXPLANATIONS AND DISCLOSURES RELATED TO OFF-BALANCE SHEET ITEMS****1. Information related to off-balance sheet contingencies****1.1. Type and amount of irrevocable commitments**

	Current Period	Prior Period
Letters of Guarantee in FC	1,533,101	1,791,107
Letters of Guarantee in TL	3,677,256	3,423,939
Letters of Credit	579,351	688,611
Bank Loans	545,914	1,048,329
Other Guarantees	24,055	33,672
Total	6,359,677	6,985,658

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

Specific provision is provided for the non-cash loans amounting to TL 47,989 (December 31, 2011 - TL 59,210) followed in the off-balance sheet accounts that are not indemnified and liquidated yet.

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

	Current Period	Prior Period
Provisional Letters of Guarantee	401,258	395,780
Final Letters of Guarantee	3,396,832	3,826,420
Advance Letters of Guarantee	179,659	172,828
Letters of Guarantee Given to Customs Offices	186,504	202,919
Other Letters of Guarantee	1,046,104	617,099
Total	5,210,357	5,215,046

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	306,450	383,661
Less Than or Equal to One Year with Original Maturity	23,503	23,877
More Than One Year with Original Maturity	282,947	359,784
Other Non-Cash Loans	6,053,227	6,601,997
Total	6,359,677	6,985,658

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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	16,824	0.46	2,708	0.10	11,480	0.33	4,632	0.13
Farming and Raising Livestock	14,758	0.40	668	0.03	10,074	0.29	1,454	0.04
Forestry	740	0.02	-	0.00	624	0.02	-	-
Fishing	1,326	0.04	2,040	0.08	782	0.02	3,178	0.09
Manufacturing	644,791	17.52	1,289,546	48.56	628,915	18.19	1,624,198	46.47
Mining and Quarrying	21,904	0.60	1,736	0.07	20,112	0.58	492	0.01
Production	551,677	14.99	1,157,579	43.59	531,089	15.36	1,509,406	43.19
Electricity, gas and water	71,210	1.94	130,231	4.90	77,714	2.25	114,300	3.27
Construction	925,880	25.16	407,535	15.35	848,019	24.53	572,361	16.38
Services	2,037,904	55.38	934,644	35.20	1,918,313	55.48	1,276,181	36.53
Wholesale and Retail Trade	1,118,337	30.39	522,299	19.67	1,185,470	34.29	721,489	20.65
Hotel, Food and Beverage Services	45,221	1.23	15,262	0.57	24,926	0.72	4,368	0.12
Transportation & Communication	98,881	2.69	110,684	4.17	68,698	1.99	150,092	4.30
Financial Institutions	468,212	12.72	259,148	9.76	373,121	10.79	312,094	8.93
Real Estate and Renting Services	6,363	0.17	1,552	0.06	5,719	0.17	2,138	0.06
Self-Employment Services	119,674	3.25	17,883	0.67	80,738	2.34	11,707	0.34
Educational Services	1,467	0.04	7	0.00	1,606	0.05	-	-
Health and Social Services	179,749	4.88	7,809	0.29	178,035	5.15	74,293	2.13
Other (*)	54,632	1.48	21,158	0.80	50,779	1.47	17,108	0.49
Total	3,680,031	100.00	2,655,591	100.00	3,457,506	100.00	3,494,480	100.00

(*) Does not include "Other Guarantees" amounting to TL 24,055 (December 31, 2011- TL 33,672).

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

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	3,452,527	1,431,423	197,671	80,747
Bills of Exchange and Acceptances	2,771	538,546	-	4,597
Letters of Credit	4	575,265	-	4,082
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	24,055	-	-
Non-cash Loans	3,455,302	2,569,289	197,671	89,426

(*) Does not include non-cash loans amounting to TL 47,989 for which provision is provided, but that 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)	45,724,859	51,436,445
Forward transactions ^(*)	5,650,110	10,797,217
Swap transactions	28,756,039	29,627,163
Futures transactions	225,260	216,141
Option transactions	11,093,450	10,795,924
Interest Related Derivative Transactions (II)	5,812,344	5,074,107
Forward rate transactions	-	-
Interest rate swap transactions	5,793,738	4,882,341
Interest option transactions	-	40,000
Futures interest transactions	16,590	151,766
Securities sales/purchases option transactions	2,016	-
Other trading derivative transactions (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	51,537,203	56,510,552
Types of hedging transactions		
Fair value hedges	17,540,286	17,252,307
Cash flow hedges	540,885	1,062,475
Net investment hedges	-	-
B. Total Hedging Related Derivatives	18,081,171	18,314,782
Total Derivative Transactions (A+B)	69,618,374	74,825,334

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

5.1 Fair value hedge accounting

a) Loans

The Bank enters into swap transactions in order to hedge itself from the changes in the fair value due to the changes in market interest rates of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. As of December 31, 2012; the mortgage loans amounting to TL 5,777,912 (December 31, 2011 – TL 4,357,337) were subject to hedge accounting by swaps with the nominal values of TL 7,711,610 (December 31, 2011 – TL 6,528,617). The net market valuation difference gain amounting to TL 3,787 gain (December 31, 2011 – TL 8,680 gain) due to the gains from loans amounting to TL 218,951 (December 31, 2011 – TL 86,122) and losses from swaps amounting to TL 215,164 (December 31, 2011 – TL 77,442) is accounted for under "securities trading gains/losses" line in the accompanying financial statements.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through income statement until the maturity of the hedged loans. The Bank has booked the valuation effect amounting to TL 61,360 (December 31, 2011 – 87,592) related to the loans that are ineffective for hedge accounting under "securities trading gains/losses" as loss during the current period.

b) Investment securities available for sale

The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term foreign currency Eurobonds with fixed coupon held by the Bank using swaps as hedging instruments. As at the balance sheet date; Eurobonds with the nominal values of USD 322 million and EUR 26 million (December 31, 2011 – USD 214 million and EUR 26 million) were subject to hedge accounting by interest rate swaps with the same nominal value. The net market valuation difference gain amounting to TL 142 (December 31, 2011 – TL 115 gain) due to losses from Eurobonds amounting to TL 5,789 (December 31, 2011 – TL 111,316 gain) and gains from swaps amounting to TL 5,931 (December 31, 2011 – TL 111,201 loss) is accounted for under "securities trading gains/losses" line in the accompanying financial statements.

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The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term TL government bonds with fixed coupon held by the Bank using swaps as hedging instruments. As at the balance sheet date; government bonds with the nominal values of TL 198,305 (December 31, 2011 – TL 102,030) were subject to hedge accounting by swaps with the same nominal value. The net market valuation difference losses amounting to TL 907 (December 31, 2011 – TL 237 loss) due to gain from government bonds amounting to TL 10,688 (December 31, 2011 – TL 994) and loss from swaps amounting to TL 11,595 (December 31, 2011- TL 1,231) is accounted for under "securities trading gains/losses" line in the accompanying financial statements.

c) Bonds issued

The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to foreign currency bonds issued by the Bank using interest rate swaps as hedging instruments. As at the balance sheet date; bonds with the nominal values of USD 367 million (December 31, 2011 – USD 497 million) were subject to hedge accounting by swaps with the same nominal value. Net market valuation difference loss amounting to TL 1 (December 31, 2011 – TL 235 gain) due to gains from government bonds amounting to TL 6,004 (December 31, 2011 – TL 40,131 loss) and losses from swaps amounting to TL 6,005 (December 31, 2011 – TL 40,366 gain) is accounted for under "securities trading gains/losses" line in the accompanying financial statements.

5.2 Cash flow hedge accounting

a) Deposit

The 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 Bank implements efficiency tests at the balance sheet dates for hedging purposes; the effective portions are accounting for under equity "Hedging Funds", whereas the amount concerning ineffective portions are accounted for at income statement as defined in TAS 39. Swaps amounting to TL 270,442 (December 31, 2011 – TL 531,238) are subject to hedge accounting as hedging instruments. As a result of the mentioned hedge accounting, fair value loss before taxes amounting to TL 8,273 are accounted for under equity during the current period (December 31, 2011 – TL 13,797 gain). The losses amounting to TL 97 (December 31, 2011 – TL 18 loss) concerning for the ineffective portions are accounted for at the income statement.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. Effective parts classified under equity due to hedge accounting are amortized through income statement until the maturity of swaps in case of ineffectiveness. The Bank transferred loss amounting to TL 3,692 from equity to income statement due to swaps that are matured or whose effectiveness is deteriorated during the current period (December 31, 2011 – TL 4,722 loss).

As of December 31 2012, 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	Future Buy	Future Sell
Current Period								
TL	1,247,007	888,393	8,619,195	15,365,712	2,466,724	2,385,395	4,134	4,134
USD	711,151	1,276,449	16,549,012	10,068,256	2,348,440	2,399,794	116,067	116,067
EURO	773,666	586,699	583,508	566,649	740,150	734,985	724	724
Other	100,963	65,782	45,477	833,139	19,978	-	-	-
Total	2,832,787	2,817,323	25,797,192	26,833,756	5,575,292	5,520,174	120,925	120,925

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

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

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	Forward Buy ^(*)	Forward Sell ^(*)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Future Buy	Future Sell
Prior Period								
TL	2,374,243	921,879	8,255,880	14,523,450	2,207,494	2,307,411	2,667	4,045
USD	1,595,058	2,783,388	16,864,863	10,533,469	1,771,968	1,869,700	179,345	179,344
EURO	1,189,871	1,471,895	1,018,986	1,265,307	1,103,534	850,095	1,929	577
Other	231,329	229,554	181,456	180,875	371,215	354,507	-	-
Total	5,390,501	5,406,716	26,321,185	26,503,101	5,454,211	5,381,713	183,941	183,966

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

As of December 31, 2012, the Bank has no derivative transactions for hedge of net investment.

6. Credit derivatives and risk exposures on credit derivatives

As of 31 December 2012, other irrevocable commitments include commitments for "credit linked notes" with a nominal of USD 13,494,490 (31 December 2011: USD 17,826,248).

As of 31 December 2012, other derivative financial instruments include "total return swaps" with a nominal of USD 100,000,000 (31 December 2011: USD 70,000,000). The Bank is the protection buyer in these transactions.

7. Information on contingent liabilities and assets

None. (December 31, 2011 – None)

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

The 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 Bank's rating by international rating institutions

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

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SECTION FIVE

IV. EXPLANATIONS AND DISCLOSURES RELATED TO THE INCOME STATEMENT

1. a) Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans				
Short Term Loans	2,836,920	58,388	2,212,558	52,173
Medium and Long-Term Loans	1,855,576	129,677	1,604,602	106,305
Non-Performing Loans	97,535	-	96,841	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	4,790,031	188,065	3,914,001	158,478

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	229	-	-
Domestic Banks	854	6	4,789	83
Foreign Banks	608	255	1,076	2,359
Foreign Headquarters and Branches	-	-	-	-
Total	1,462	490	5,865	2,442

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	12,284	466	4,142	244
Financial Assets at FVTPL	-	-	608	-
Investment Securities Available for Sale	503,054	53,977	385,609	51,829
Investment Securities Held to Maturity	-	-	-	-
Total	515,338	54,443	390,359	52,073

d) Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	1,545	3,071

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
T.R. Central Bank	-	-	-	-
Domestic Banks	5,669	2,700	6,183	2,439
Foreign Banks	4	129,106	10,132	122,434
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	5,673	131,806	16,315	124,873

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b) Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	30,386	32,425

c) Information on interest expense paid to securities issued

The Bank's TL bonds amounting to TL 150,000 issued on November 2, 2011, TL 200,000 issued on November 30 2011, TL 400,000 issued on May 11 2012 with 10.47% interest rate, and TL 700,000 issued on June 11, 2012 with 10.72% interest rate are amortized during the current period. In addition, the Bank has issued bonds with TL 400,000 nominal value, 6 months maturity and 10.00% interest rate on September 14, 2012, and issued bonds with TL 500,000 nominal value, 6 months maturity and 9.60% interest rate on September 21, 2012 and issued bonds with TL 750,000, 6 months maturity and 8.30% interest rate on November 15, 2012 and issued bonds with TL 650,000, 6 months maturity and 7.95% interest rate on December 14, 2012 and issued bonds with TL 600,000, 105 days maturity and 7.95% interest rate on December 28, 2012. As of December 31, 2012, interest expense amounting to TL 140,315 is accounted for the bonds issued. (December 31, 2011 – TL 36,338).

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

	Time Deposits							
Account	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit Account	Total
Turkish Lira								
Bank Deposits	-	2,274	6,438	14,477	292	748	-	24,229
Saving Deposits	2	149,645	1,046,214	196,943	25,772	1,790	1,752	1,422,118
Public Sector Deposits	-	1,003	4,167	331	9	-	-	5,510
Commercial Deposits	1	125,325	263,300	72,404	12,937	4,168	-	478,135
Other Deposits	-	2,096	71,149	21,497	157	434	-	95,333
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	3	280,343	1,391,268	305,652	39,167	7,140	1,752	2,025,325
Foreign Currency								
Foreign Currency								
Deposits	-	40,529	192,347	29,467	10,486	282	552	273,663
Bank Deposits	124	1,983	8,149	1,131	401	-	-	11,788
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	778	2	-	780
Total	124	42,512	200,496	30,598	11,665	284	552	286,231
Grand Total	127	322,855	1,591,764	336,250	50,832	7,424	2,304	2,311,556

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

	Time Deposits							
Account	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit Account	Total
Turkish Lira								
Bank Deposits	-	440	11,581	2,217	306	1,225	-	15,769
Saving Deposits	4	81,897	928,790	139,553	17,000	739	711	1,168,694
Public Sector Deposits	-	496	9,042	449	2	-	-	9,989
Commercial Deposits	3	97,498	301,521	52,829	26,934	3,242	-	482,027
Other Deposits	-	1,810	70,103	8,148	765	663	-	81,489
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	7	182,141	1,321,037	203,196	45,007	5,869	711	1,757,968
Foreign Currency								
Foreign Currency								
Deposits	-	37,919	175,714	19,231	11,250	2,007	209	246,330
Bank Deposits	115	8	5,626	1,280	-	813	-	7,842
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	617	-	-	-	-	-	617
Total	115	38,544	181,340	20,511	11,250	2,820	209	254,789
Grand Total	122	220,685	1,502,377	223,707	56,257	9,400	209	2,012,757

e) Information on interest expense on repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expense on Repurchase Agreements ⁽¹⁾	97,061	7,206	107,425	5,892

⁽¹⁾ Disclosed in "Interest on Money Market Transactions"

f) Information on finance lease expenses

	Current Period	Prior Period
Finance Lease Expenses	804	758

g) Information on interest expense on factoring payables

None. (December 31, 2011 – None)

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3. Information on dividend income

	Current Period	Prior Period
Financial Assets Held for Trading		
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets Available for Sale	186	107
Other	8,601	8,208
Total	8,787	8,315

4. Information on trading income/loss

	Current Period	Prior Period
Trading Income	4,916,956	7,367,133
Gains on Capital Market Operations	129,072	148,761
Derivative Financial Instruments	1,952,427	2,362,157
Foreign Exchange Gains	2,835,457	4,856,215
Trading Loss (-)	5,265,275	7,579,334
Losses on Capital Market Operations	47,560	59,234
Derivative Financial Instruments	2,380,789	2,621,943
Foreign Exchange Losses	2,836,926	4,898,157
Net Trading Income/Loss	(348,319)	(212,201)

5. Information on other operating income

The Bank recorded the current year collections from loans written off in the previous period, portfolio management fees and commissions and expense accruals in "Other Operating Income" account.

The Bank disposed 51% of shares of Finans Emeklilik ve Hayat A.Ş.'s ("FEHAŞ") to Cigna Nederland Gamma B.V. ("Cigna") on October 31, 2012 by obtaining the required legal approvals as of November 9, 2012. After the share transfer, remaining 49% shares of FEHAŞ is accounted for as "a jointly controlled entity" instead of a "subsidiary" as a result of the shareholding structure after the share transfer agreement signed between the Bank and Cigna. Gain on sale amounting to TL 179,922 from the transfer of 51% of shares of FEHAŞ has been accounted for under "Other Operating Income" in the accompanying financial statements.

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6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	694,132	164,232
Loans and Receivables in Group III	151,005	(55,510)
Loans and Receivables in Group IV	193,226	(87,206)
Loans and Receivables in Group V	349,901	306,948
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	217,243	134,633
Provision Expenses for Possible Losses	36,045	-
Impairment Losses on Securities	-	164
Financial assets at fair value through profit or loss	-	164
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	18,011	6,967
Total	965,431	305,996

7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	752,134	683,596
Reserve for employee termination benefits	6,568	5,857
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	1,651	1,594
Depreciation charge of tangible assets	90,833	81,743
Impairment losses of intangible assets	-	-
Impairment losses of goodwill	-	-
Amortization charge of intangible assets	54,851	41,152
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed	2,000	89
Depreciation on assets to be disposed	2,247	1,708
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	637,322	533,493
Operational lease related expenses	139,517	118,915
Repair and maintenance expenses	53,106	46,657
Advertisement expenses	84,312	50,535
Other expenses	360,387	317,386
Losses on sales of assets	2,185	699
Other	248,272	223,973
Total	1,798,063	1,573,904

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

For the period ended at December 31, 2012, net interest income of TL 2,877,154 (December 31, 2011 – TL 2,224,850), net fees and commission income of TL 1,028,813 (December 31, 2011 – TL 801,279) and other operating income of TL 364,667 (December 31, 2011 – TL 177,757) constitute an important part of the 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

	Current Period	Prior Period
Current Tax Provision	(383,179)	(228,060)
Deferred Tax Income/(Expense)	117,917	(43,928)
Total	(265,262)	(271,988)

As of December 31, 2012, the Bank recorded tax charge of TL 383,179 (December 31, 2011 – TL 228,060) and a deferred tax income of TL 117,917 (December 31, 2011 – TL 43,928).

9.2. Explanations on operating profit/loss after taxes

None (December 31, 2011 – None).

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

In the current period, the net profit of the Bank from continued operations is TL 902,346 (December 31, 2011 – TL 848,112).

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 Bank's performance for the period

None (December 31, 2011 – None).

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

11.3. There is no profit or loss attributable to minority shares.

11.4. There are no changes 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 to the "Others" line under "Fees and Commissions Received" account and fees and commissions given to credit cards are recorded to the "Others" line under "Fees and Commissions Paid" account by the 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 increase of TL 730,802 (December 31, 2011 – TL 362,092 net decrease) 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 dividend

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. At the General Assembly dated March 29, 2012, it was decided to distribute the 2011 profit as follow:

2011 profit distribution table:

Current year profit	848,112
A - I. Legal Reserve (Turkish Commercial Code 466/1) at 5%	(42,405)
B - The First Dividend for Shareholders ⁽¹⁾	(122,000)
C - Profit from Disposal of Associates	-
D- II. Legal Reserves	-
E- Gains on Real estate Sales Fund	(504)
F- Extraordinary Reserves	(683,203)

⁽¹⁾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, 2011 - Profit distribution for 2011 is detailed in footnote 3.1).

3.3. Transfers to legal reserves

	Current Period	Prior Period
Amount Transferred to Reserves from Retained Earnings	42,405	58,709

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, 2011- None).

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

Capital increase amounting to TL 125,000 presented in the Statement of Changes in Shareholder's Equity in 2012 is entirely provided from extraordinary reserves. TL 116,333 of the total capital increase amounting to TL 235,000 presented in the Statement of Changes in Shareholder's Equity in 2011 has been provided in cash and the remaining TL 118,667 has been provided from extraordinary reserves.

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SECTION FIVE

VI. EXPLANATIONS AND DISCLOSURES RELATED TO 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 135,950 (December 31, 2011 – TL 1,391,631) in "Operating profit before changes in operating assets and liabilities" consist of commissions paid amounting to TL 131,450 (December 31, 2011 – TL 92,679), net trading income/loss by TL 157,290 (December 31, 2011 – TL 1,155,268 net trading income/loss) and other operating expenses amounting to TL 161,790 (December 31, 2011 – TL 143,684).

"Other items" in changes in operating assets amounting to TL 548,686 (December 31, 2011- TL 376,461) consist of the increase in collaterals given by TL 179,491 (December 31, 2011- TL 392,809 increase) and the decrease in other assets by TL 728,177 (December 31, 2011- TL 16,348 increase).

"Other items" in changes in operating liabilities amounting to TL 463,978 (December 31, 2011- TL 1,108,235) consist of the increase in money market borrowings by TL 211,464 (December 31, 2011- TL 390,498 increase) and the increase in sundry debtors and other liabilities by TL 252,514 (December 31, 2011- TL 717,737 increase).

"Other items" in net cash provided from / (used in) investing activities amounting to TL 89,699 (December 31, 2011- TL 77,206) includes increase in intangible assets.

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

	Current Period January 1, 2012	Prior Period January 1, 2011
Cash	518,772	425,536
Cash	320,851	222,979
Cash in Foreign Currencies	184,673	177,028
Other	13,248	25,529
Cash Equivalents	2,389,971	2,154,200
Balances with the T.R. Central Bank	480,213	1,968,847
Banks and Other Financial Institutions	829,462	191,503
Money Market Placements	1,091,322	-
Less: Placements with Banks with Maturities Longer than 3 Months	(10,428)	(4,322)
Less: Accruals	(598)	(1,828)
Cash and Cash Equivalents	2,908,743	2,579,736

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

	Current Period January 1, 2012	Prior Period January 1, 2011
Cash	653,019	518,772
Cash	439,754	320,851
Cash in Foreign Currencies	212,803	184,673
Other	462	13,248
Cash Equivalents	2,861,638	2,389,971
Balances with the T.R. Central Bank	965,102	480,213
Banks and Other Financial Institutions	110,816	829,462
Money Market Placements	1,785,748	1,091,322
Less: Placements with Banks with Maturities Longer than 3 Months	(28)	(10,428)
Less: Accruals	-	(598)
Cash and Cash Equivalents	3,514,657	2,908,743

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

Foreign bank balances include TL 778 (December 31, 2011- TL 59,921) of cash blocked at foreign banks held for transactions made for foreign money markets and capital markets and borrowings from foreign markets.

5. Additional information

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

None.

SECTION FIVE

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

1. Information on the volume of transactions with the 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, 2012, the Bank's risk group has deposits, cash and non-cash loans at the Bank amounting to TL 429,905 (December 31, 2011- TL 373,748), TL 65,220 (December 31, 2011- TL 89,888) and TL 42,521 (December 31, 2011- TL 10,584), respectively.

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	55,015	7,510	-	3,072	34,873	2
Balance at the End of the Period	65,220	13,023	-	29,498	-	-
Interest and Commission Income	1,545	33	5	20	2,195	1

Önceki Dönem

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	44,247	45,916	-	48,794	29,061	2
Balance at the End of the Period	55,015	7,510	-	3,072	34,873	2
Interest and Commission Income	3,071	37	-	9	2,360	-

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

^(**) Includes the loans given to the Bank's indirect subsidiaries.

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

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	340,624	447,922	31,009	1,707	2,115	98,388
Balance at the End of the Period	403,106	340,624	18,692	31,009	8,107	2,115
Interest on deposits	30,386	32,425	-	102	-	679

^(*) As described in the Article 49 of Banking Law No 5411.^(**) Includes the deposits taken from the Bank's indirect subsidiaries.

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

Bank's Risk Group ^(*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group ^(**)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading Purposes						
Beginning of the Period	15,581	-	34,165	817,073	28,702	246,559
End of the Period	25,869	15,581	393,221	34,165	4,711	28,702
Total Income/Loss ^(***)	-	-	-	-	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss ^(***)	-	-	-	-	-	-

^(*) As described in the Article 49 of Banking Law No 5411.^(**) Includes the derivative transactions between the Bank's indirect subsidiaries.^(***) Profit and loss amounts of transactions for trading purposes made with risk group cannot be differentiated in total profit and loss accounts.

1.4. As of December 31 2012, the total amount of remuneration and bonuses paid to top management of the Bank is TL 31,926 (December 31, 2011- TL 24,680).

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

2.1. Relations with entities in the risk group of / or controlled by the 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

As of December 31, 2012, cash loans of the risk group represented 0.2% of the Bank's total cash loans (December 31, 2011- 0.3%), the deposits represented 1.3% of the Bank's total deposits (December 31, 2011- 1.3%) and derivative transactions represented 1.2% of the Bank's total derivative transactions (December 31, 2011- 0.3%).

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 Bank enters into finance lease agreements with Finans Finansal Kiralama A.Ş. As of December 31, 2012, the Bank has net finance lease payables to Finans Finansal Kiralama A.Ş. amounting to TL 1,921 (December 31, 2011 - TL 9,294) relating with finance lease agreements.

The Bank places certain amount of its funds from time to time to Finans Portföy Yönetimi A.Ş.

The Bank has signed an agreement with Ibtech 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 Bank participated 33.33% shareholding, provides cash transfer services to the Bank.

Information about the Bank's subordinated loans obtained from NBG S.A. is explained under Section 5, Part II., Footnote 12.

The Bank provides agency services to Finans Emeklilik ve Hayat A.Ş., which is a jointly controlled entity with 49% shares held by the Bank.

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

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

	Number	Employees			
Domestic Branch	581	12,053			
			Country		
Foreign Representation	-	-	1-		
			2-		
			3-		
			Total Assets	Capital	
Foreign Branch	-	-	1-	-	-
			2-		
			3-		
Off-shore Banking and Region Branches	1	8	1- Bahrain	5,671,012	-

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

FİNANSBANK ANONİM ŞİRKETİ

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

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

SECTION SIX

OTHER EXPLANATIONS AND DISCLOSURES

I. OTHER EXPLANATIONS RELATED TO THE BANK'S OPERATIONS

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

In the meeting of the Board of Directors dated February 21, 2013, the Bank decided to hold the ordinary general assembly meeting on March 27, 2013.

As per the Article 4, first clause of "Regulation On Deposits And Participation Funds Subject to Insurance And Premiums Collected by Saving Deposits Insurance Fund" published on the Official Gazette No: 26339 dated November 7, 2006, the phrase of "TL 50,000" was changed as "TL 100,000" with the regulation published in the Official Gazette No: 28560 dated February 15, 2013. After this regulation, private current accounts for each individual are included in the scope of insurance up to TL 100,000.

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.

**Financial Highlights
and Risk Management**

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

FİNANSBANK ANONİM ŞİRKETİ

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

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

SECTION SEVEN

INDEPENDENT AUDITOR'S REPORT

I. EXPLANATIONS ON THE INDEPENDENT AUDITOR'S REPORT

The unconsolidated financial statements of the Bank have been audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and the independent auditor's report dated March 4, 2013 is presented preceding the financial statements.

II. EXPLANATIONS ON THE NOTES PREPARED BY INDEPENDENT AUDITOR

None (December 31, 2011 – None).

**FİNANSBANK ANONİM ŞİRKETİ
AND IT'S FINANCIAL SUBSIDIARIES**

**INDEPENDENT AUDITOR'S REPORT,
CONSOLIDATED FINANCIAL
STATEMENTS AND NOTES
FOR THE YEAR ENDED
DECEMBER 31, 2012**

*Translated into English from the
Original Turkish Report*



DRT Bağımsız Denetim v
Serbest Muhasebeci
Mali Müşavirlik A.Ş.
Sun Plaza
Bilim Sok. No:5
Maslak, Şişli 34398
İstanbul, Türkiye

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

Tel : (212) 366 6000
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**FINANSBANK ANONİM ŞİRKETİ AND ITS
FINANCIAL SUBSIDIARIES**

**INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR JANUARY 1 – DECEMBER 31, 2012**

We have audited the accompanying consolidated balance sheet of Finansbank A.Ş. ("the Bank") and its financial subsidiaries ("the Group") as of December 31, 2012, and the related consolidated statements of income, cash flows and changes in shareholders' equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Director's Responsibility for the Financial Statements

The Board of Directors of the Bank is responsible for the preparation and fair presentation of the financial statements in accordance with the regulation on "Procedures And Principles Regarding Banks" Accounting Practices And Maintaining Documents" published in the Official Gazette dated November 1, 2006 and numbered 26333 and Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by Banking Regulation and Supervision Agency. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the regulation on "Licensing and Operations of Audit Firms in Banking" published in the Official Gazette no: 26333 on November 1, 2006 and the International Standards on Auditing. We planned and performed our audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2012 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 per the Articles 37 and 38 of the Banking Act No: 5411, and other regulations, communiqués, and circulars in respect of accounting and financial reporting made by the Banking Regulation and Supervision Board and pronouncements made by Banking Regulation and Supervision Agency.

Additional paragraph for English translation:

The effect of the differences between the accounting principles summarized in Section 3 and the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified and reflected in the accompanying financial statements. The accounting principles used in the preparation of the accompanying financial statements differ materially from IFRS. Accordingly, the accompanying financial statements are not intended to present the Group's financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

İstanbul, March 4, 2013

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Müjde Şehsuvaroğlu,
Partner

THE CONSOLIDATED FINANCIAL REPORT OF FİNANSBANK A.Ş.
FOR THE YEAR ENDED DECEMBER 31, 2012

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

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

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE OF THE GROUP
- FOOTNOTES AND EXPLANATIONS ON CONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR'S REPORT

Within the context of this financial report, the consolidated subsidiaries are as follows. There are no associates or entities under common control of the Parent Bank included in the consolidation.

Subsidiaries

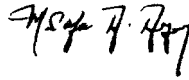
1. Finans Finansal Kiralama Anonim Şirketi
2. Finans Yatırım Menkul Değerler Anonim Şirketi
3. Finans Yatırım Ortaklığı Anonim Şirketi
4. Finans Portföy Yönetimi Anonim Şirketi
5. Finans Faktoring Hizmetleri Anonim Şirketi

The consolidated financial statements and related disclosures and footnotes for the year ended that were subject to independent audit, are prepared in accordance with the Regulation on Principles Related to Banks' Accounting Applications and Maintaining 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)**.



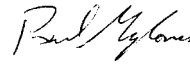
Ömer Aras

Chairman of the Board of Directors



Mustafa A. Aysan

Member of Board of Directors and Chairman of the Audit Committee



Paul Mylonas

Member of the Board of Directors and of the Audit Committee



Michail Oratis

Member of the Board of Directors and of the Audit Committee



Temel Güzeloğlu

Managing Director and Member of the Board of Directors



Adnan Menderes Yayla

Executive Vice President Responsible of Financial Control and Planning



Berk Uras

Division Manager of Financial Reporting and Treasury Control

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

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

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FİNANSBANK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

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

SECTION ONE

GENERAL INFORMATION ABOUT THE PARENT BANK

I. History of the Parent Bank, including its establishment date, initial legal status and amendments to legal status, if any

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

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

As of December 31, 2012, 77.23% of the Parent Bank's shares are owned by National Bank of Greece S.A. (NBG), 9.68% by NBG Finance (Dollar) PLC., 7.90% by NBGI Holdings B.V. and 5.00% by International Finance Corporation ("IFC").

The Parent Bank is a National Bank of Greece S.A. ("NBG") Group entity. NBG was founded in 1841 and its shares have been traded on Athens Stock Exchange since 1880 and traded on the New York Stock Exchange since 1999. NBG offers financial services to its customers such as retail banking, assets management, intermediary services and investment banking.

III. Explanations about the chairman and members of board of directors, members of audit committee, managing directors and executive vice presidents; any changes, and the information about the Parent Bank shares they hold and their responsibilities

Name	Title	Date of Appointment	Education
Dr. Ömer A. Aras	Chairman and Executive Member	April 16, 2010	PhD
Sinan Şahinbaş	Deputy Chairman and Executive Member	April 16, 2010	Masters
Prof. Dr. Mustafa Aydın Aysan	Board Member and Head of Audit Committee	November 9, 2006	PhD
Michail Oratis	Board Member and Audit Committee Member	March 2, 2011	Masters
Antonios Grammatikopoulos	Board Member	June 7, 2012	Masters
Edward Nassim	Board Member	April 17, 2007	Masters
Stefanos Pantzopoulos	Board Member	October 16, 2012	Graduate
Dr. Paul Mylonas	Board Member and Audit Committee Member	March 11, 2010	PhD
Christos Alexis Komninos	Board Member	February 16, 2011	Graduate
Temel Güzeloğlu	Board Member and Managing Director	April 16, 2010	Masters
Mustafa Hamdi Görtin	Board Member	April 16, 2010	Masters
Dimitrios Frangetis	Board Member	September 20, 2012	Masters
Adnan Menderes Yayla	Assistant Managing Director	May 20, 2008	Masters
Metin Karabiber	Assistant Managing Director	October 8, 2010	Graduate
Hakan Şenünel ^(*)	Assistant Managing Director	August 18, 2008	Graduate
Murat Şakar	Assistant Managing Director	August 18, 2008	Graduate
Köksal Çoban	Assistant Managing Director	August 18, 2008	Masters
Saruhan Doğan	Assistant Managing Director	October 9, 2009	Masters
Dr. Mehmet Kürşad Demirkol	Assistant Managing Director	October 8, 2010	PhD
Özlem Cinemre	Assistant Managing Director	July 9, 1997	Graduate
Hakan Alp	Assistant Managing Director	July 7, 2010	Graduate
Tunç Erdal	Assistant Managing Director	October 8, 2010	Graduate
Filiz Şafak	Assistant Managing Director	September 19, 2007	Graduate
Levent Yörük	Assistant Managing Director	February 1, 2010	Graduate
Bülent Yurdalan	Assistant Managing Director	March 7, 2011	Graduate
Erkin Aydın	Assistant Managing Director	May 16, 2011	Masters
Kunter Kutluay	Assistant Managing Director	May 16, 2011	Masters
Ömür Tan	Assistant Managing Director	October 28, 2011	Graduate
Şebnem Seniye Karaduman	Assistant Managing Director	January 9, 2012	Graduate
Ahmet Cihat Kumuşoğlu	Statutory Auditor	March 27, 2008	Graduate
Sedat Eratalar	Statutory Auditor	April 1, 2000	Graduate

^(*) Due to resignation of Hakan Şenünel, Assistant Managing Director responsible of Subsidiary Coordination of the Bank, it was decided to withdraw his first level signature authorization as of January 24, 2013.

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

Financial Highlights and Risk Management

(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 YEAR ENDED DECEMBER 31, 2012

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

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

Name Surname/Trade Name	Amount of Shares	Shareholding	Paid-up Shares	Unpaid Shares
National Bank of Greece S.A.	1,980,904	77.23%	1,980,904	-
NBG Finance (Dollar) PLC	248,276	9.68%	248,276	-
NBGI Holdings B.V.	202,635	7.90%	202,635	-

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

V. Summary on the Parent Bank's services and activity

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, 2012, the Parent Bank operates through 580 domestic (December 31, 2011 - 520), 1 off shore banking (December 31, 2011 - 1) and 1 Atatürk Airport Free Trade Zone (December 31, 2011 - 1) branches.

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

None.

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

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Financial Highlights and Risk Management

(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, 2012

(STATEMENT OF FINANCIAL POSITION)

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

I. CONSOLIDATED BALANCE SHEET – ASSETS

		Audited 31.12.2012			Audited 31.12.2011		
	Section 5 Part I	TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	1,025,036	4,302,907	5,327,943	479,788	2,490,490	2,970,278
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	839,686	135,876	975,562	1,429,378	236,681	1,666,059
2.1 Financial assets held for trading		487,390	135,876	623,266	861,766	236,681	1,098,447
2.1.1 Public sector debt securities		105,400	2,869	108,269	71,004	2,138	73,142
2.1.2 Equity securities		-	-	-	-	-	-
2.1.3 Assets on trading derivatives		357,732	133,007	490,739	775,278	234,520	1,009,798
2.1.4 Other securities		24,258	-	24,258	15,484	23	15,507
2.2 Financial assets at fair value through profit and loss		352,296	-	352,296	567,612	-	567,612
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Equity securities		-	-	-	-	-	-
2.2.3 Loans		352,296	-	352,296	567,612	-	567,612
2.2.4 Other securities		-	-	-	-	-	-
III. BANKS	(3)	95,410	109,827	205,237	388,499	543,727	932,226
IV. MONEY MARKET PLACEMENTS	(4)	1,786,785	-	1,786,785	702,580	390,926	1,093,506
4.1 Interbank money market placements		-	-	-	-	390,926	390,926
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		1,786,785	-	1,786,785	702,580	-	702,580
V. INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(5)	5,931,174	1,234,774	7,165,948	5,995,564	845,401	6,840,965
5.1 Equity Securities		-	-	-	-	-	-
5.2 Public sector debt securities		5,730,803	1,208,574	6,939,377	5,869,410	770,224	6,639,634
5.3 Other securities		200,371	26,200	226,571	126,154	75,177	201,331
VI. LOANS AND RECEIVABLES	(6)	33,011,328	3,426,511	36,437,839	26,840,612	3,426,138	30,266,750
6.1 Loans and receivables		32,633,806	3,426,511	36,060,317	26,437,253	3,426,138	29,863,391
6.1.1 Loans to risk group of the Bank		-	-	-	-	34,873	34,873
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		32,633,806	3,426,511	36,060,317	26,437,253	3,391,265	29,828,518
6.2 Non-performing loans		2,512,716	-	2,512,716	1,849,496	-	1,849,496
6.3 Specific provisions (-)		2,135,194	-	2,135,194	1,446,137	-	1,446,137
VII. FACTORING RECEIVABLES	(7)	364,145	2,622	366,767	251,562	4,269	255,831
VIII. INVESTMENT SECURITIES HELD TO MATURITY (Net)	(8)	-	-	-	-	-	-
8.1 Public sector debt securities		-	-	-	-	-	-
8.2 Other securities		-	-	-	-	-	-
IX. INVESTMENT IN ASSOCIATES (Net)	(9)	7,977	-	7,977	6,769	-	6,769
9.1 Equity method associates		-	-	-	-	-	-
9.2 Unconsolidated		7,977	-	7,977	6,769	-	6,769
9.2.1 Financial Investments		-	-	-	-	-	-
9.2.2 Non-financial Investments		7,977	-	7,977	6,769	-	6,769
X. INVESTMENT IN SUBSIDIARIES (Net)	(10)	14,986	-	14,986	14,986	-	14,986
10.1 Unconsolidated financial investments		-	-	-	-	-	-
10.2 Unconsolidated non-financial investments		14,986	-	14,986	14,986	-	14,986
XI. ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(11)	201,092	-	201,092	2,800	-	2,800
11.1 Equity method entities under common control		198,292	-	198,292	-	-	-
11.2 Unconsolidated		2,800	-	2,800	2,800	-	2,800
11.2.1 Financial investments		-	-	-	-	-	-
11.2.2 Non-financial Investments		2,800	-	2,800	2,800	-	2,800
XII. LEASE RECEIVABLES (Net)	(12)	308,429	667,925	976,354	213,329	769,214	982,543
12.1 Financial lease receivables		376,532	738,253	1,114,785	254,491	837,542	1,092,033
12.2 Operational lease receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned income (-)		68,103	70,328	138,431	41,162	68,328	109,490
XIII. DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(13)	202,567	37,919	240,486	960,793	40,954	1,001,747
13.1 Fair value hedge		202,567	37,919	240,486	960,793	40,954	1,001,747
13.2 Cash flow hedge		-	-	-	-	-	-
13.3 Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(14)	436,425	69	436,494	400,297	76	400,373
XV. INTANGIBLE ASSETS (Net)	(15)	180,557	-	180,557	146,439	-	146,439
15.1 Goodwill		8,969	-	8,969	8,969	-	8,969
15.2 Others		171,588	-	171,588	137,470	-	137,470
XVI. INVESTMENT PROPERTIES (Net)	(16)	-	-	-	-	-	-
XVII. TAX ASSETS	(17)	10,215	-	10,215	16,489	-	16,489
17.1 Current tax assets		-	-	-	533	-	533
17.2 Deferred tax assets		10,215	-	10,215	15,956	-	15,956
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(18)	-	-	-	-	-	-
18.1 Held for sale		-	-	-	-	-	-
18.2 Discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(19)	788,855	312,473	1,101,328	529,486	103,586	633,072
TOTAL ASSETS		45,204,667	10,230,903	55,435,570	38,379,371	8,851,462	47,230,833

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

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

FİNANSBANK ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2012

(STATEMENT OF FINANCIAL POSITION)

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

I. CONSOLIDATED BALANCE SHEET – LIABILITIES AND EQUITY

		Audited 31.12.2012			Audited 31.12.2011			
		Section 5						
		Part II	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(1)	22,643,757	10,061,260	32,705,017	21,107,102	7,886,185	28,993,287
1.1	Deposits from risk group of the Bank		186,025	27,391	213,416	60,755	30,710	91,465
1.2	Other		22,457,732	10,033,869	32,491,601	21,046,347	7,855,475	28,901,822
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	368,589	106,642	475,231	831,948	215,832	1,047,780
III.	FUNDS BORROWED	(3)	301,184	3,238,624	3,539,808	192,492	3,389,690	3,582,182
IV.	MONEY MARKET BORROWINGS		910,793	878,081	1,788,874	834,491	699,830	1,534,321
4.1	Interbank money markets takings		-	-	-	-	147,695	147,695
4.2	Istanbul Stock Exchange money markets takings		60,000	-	60,000	17,648	-	17,648
4.3	Funds provided under repurchase agreements	(4)	850,793	878,081	1,728,874	816,843	552,135	1,368,978
V.	SECURITIES ISSUED (Net)	(5)	2,789,390	1,288,923	4,078,313	268,023	989,875	1,257,898
5.1	Bills		2,789,390	-	2,789,390	268,023	-	268,023
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	1,288,923	1,288,923	-	989,875	989,875
VI.	FUNDS		-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	SUNDRY CREDITORS		1,154,828	138,539	1,293,367	968,933	610,204	1,579,137
VIII.	OTHER LIABILITIES	(6)	909,037	55,769	964,806	496,448	52,365	548,813
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	LEASE PAYABLES (Net)	(7)	-	-	-	-	-	-
10.1	Financial lease payables		-	-	-	-	-	-
10.2	Operational lease payables		-	-	-	-	-	-
10.3	Others		-	-	-	-	-	-
10.4	Deferred financial lease expenses (-)		-	-	-	-	-	-
XI.	DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(8)	291,541	121,330	412,871	64,659	124,258	188,917
11.1	Fair value hedge		257,139	121,330	378,469	30,334	124,258	154,592
11.2	Cash flow hedge		34,402	-	34,402	34,325	-	34,325
11.3	Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII.	PROVISIONS	(9)	923,896	51,993	975,889	701,985	43,702	745,687
12.1	General provisions		565,691	51,993	617,684	356,739	43,702	400,441
12.2	Restructuring provisions		-	-	-	-	-	-
12.3	Reserve for employee benefits		158,486	-	158,486	103,242	-	103,242
12.4	Insurance technical provisions (Net)		-	-	-	78,324	-	78,324
12.5	Other provisions		199,719	-	199,719	163,680	-	163,680
XIII.	TAX LIABILITY	(10)	123,220	-	123,220	98,847	-	98,847
13.1	Current tax liability		99,035	-	99,035	77,957	-	77,957
13.2	Deferred tax liability		24,185	-	24,185	20,890	-	20,890
XIV.	PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)	(11)	-	-	-	-	-	-
14.1	Held for sale		-	-	-	-	-	-
14.2	Discontinued operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS	(12)	-	1,629,590	1,629,590	-	1,742,641	1,742,641
XVI.	SHAREHOLDERS' EQUITY	(13)	7,420,525	28,059	7,448,584	6,066,107	(154,784)	5,911,323
16.1	Paid-in capital	(13)	2,565,000	-	2,565,000	2,440,000	-	2,440,000
16.2	Capital reserves		159,184	28,059	187,243	(104,579)	(154,784)	(259,363)
16.2.1	Share premium	(14)	714	-	714	714	-	714
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Securities value increase fund	(15)	168,496	28,059	196,555	(98,932)	(154,784)	(253,716)
16.2.4	Revaluation funds on tangible assets		-	-	-	-	-	-
16.2.5	Revaluation funds 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)		(10,026)	-	(10,026)	(6,361)	-	(6,361)
16.2.9	Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		-	-	-	-	-	-
16.3	Profit reserves		3,394,920	-	3,394,920	2,672,370	-	2,672,370
16.3.1	Legal reserves		314,251	-	314,251	269,937	-	269,937
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		3,080,669	-	3,080,669	2,402,433	-	2,402,433
16.3.4	Other profit reserves		-	-	-	-	-	-
16.4	Profit or loss		1,151,659	-	1,151,659	898,412	-	898,412
16.4.1	Prior years' income/ (losses)		49,827	-	49,827	14,681	-	14,681
16.4.2	Current year income/ (loss)		1,101,832	-	1,101,832	883,731	-	883,731
16.5	Minority shares		149,762	-	149,762	159,904	-	159,904
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			37,836,760	17,598,810	55,435,570	31,631,035	15,599,798	47,230,833

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

Financial Highlights and Risk Management

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

FİNANSBANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES AS OF DECEMBER 31, 2012

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

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

				Audited 31.12.2012		Audited 31.12.2011	
Section 5 Part III				TL	FC	TL	FC
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)				59,434,933	41,370,102	100,805,035	54,546,443
I. GUARANTEES				3,680,031	2,679,646	6,359,677	3,457,506
(1), (2), (3), (4)							
1.1	Letters of guarantee			3,677,256	1,533,101	5,210,357	3,423,939
1.1.1	Guarantees subject to State Tender Law			172,175	14,329	186,504	187,409
1.1.2	Guarantees given for foreign trade operations			2,535,231	1,518,772	4,054,003	2,699,043
1.1.3	Other letters of guarantee			969,850	-	969,850	537,487
1.2	Bank loans			2,771	543,143	545,914	33,348
1.2.1	Import letter of acceptance			2,771	543,143	545,914	33,348
1.2.2	Other bank acceptances			-	-	-	-
1.3	Letters of credit			4	579,347	579,351	219
1.3.1	Documentary letters of credit			4	539,429	539,433	219
1.3.2	Other letters of credit			-	39,918	39,918	-
1.4	Prefinancing given as guarantee			-	-	-	-
1.5	Endorsements			-	-	-	-
1.5.1	Endorsements to the Central Bank of Turkey			-	-	-	-
1.5.2	Other endorsements			-	-	-	-
1.6	Securities issue purchase guarantees			-	-	-	-
1.7	Factoring guarantees			-	-	-	-
1.8	Other guarantees			-	24,055	24,055	-
1.9	Other collaterals			-	-	-	33,672
II. COMMITMENTS	(6)			25,025,838	1,309,173	26,335,011	21,972,487
2.1	Irrevocable commitments			25,025,838	1,309,173	26,335,011	21,972,487
2.1.1	Forward asset purchase commitments			233,925	1,302,960	1,536,885	1,524,715
2.1.2	Forward deposit purchase and sales commitments			-	-	-	-
2.1.3	Share capital commitment to associates and subsidiaries			-	-	-	1,000
2.1.4	Loan granting commitments			4,512,056	-	4,512,056	3,229,674
2.1.5	Securities underwriting commitments			-	-	-	-
2.1.6	Commitments for reserve deposit requirements			-	-	-	-
2.1.7	Payment commitment for checks			1,685,568	-	1,685,568	1,100,363
2.1.8	Tax and fund liabilities from export commitments			6,031	-	6,031	5,665
2.1.9	Commitments for credit card expenditure limits			18,492,777	-	18,492,777	15,984,413
2.1.10	Commitments for promotions related with credit cards and banking activities			43,189	-	43,189	35,807
2.1.11	Receivables from short sale commitments			-	-	-	-
2.1.12	Payables for short sale commitments			-	-	-	-
2.1.13	Other irrevocable commitments			52,292	6,213	58,505	90,850
2.2	Revocable commitments			-	-	-	314,100
2.2.1	Revocable loan granting commitments			-	-	-	-
2.2.2	Other revocable commitments			-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5)			30,729,064	37,381,283	68,110,347	29,116,450
3.1	Derivative financial instruments for hedging purposes			8,484,346	9,596,825	18,081,171	7,725,392
3.1.1	Fair value hedge			7,943,461	9,596,825	17,540,286	6,662,917
3.1.2	Cash flow hedge			540,885	-	540,885	1,062,475
3.1.3	Hedge of net investment in foreign operations			-	-	-	-
3.2	Held for trading transactions			22,244,718	27,784,458	50,029,176	21,391,058
3.2.1	Forward foreign currency buy/sell transactions			1,873,860	2,185,881	4,059,741	1,755,826
3.2.1.1	Forward foreign currency transactions-buy			1,083,037	953,734	2,036,771	1,127,282
3.2.1.2	Forward foreign currency transactions-sell			790,823	1,232,147	2,022,970	628,544
3.2.2	Swap transactions related to foreign currency and interest rates			15,510,471	19,121,648	34,632,119	15,113,615
3.2.2.1	Foreign currency swap-buy			7,541,602	6,860,603	14,402,205	6,371,959
3.2.2.2	Foreign currency swap-sell			6,354,569	8,018,111	14,372,680	7,540,796
3.2.2.3	Interest rate swaps-buy			807,150	2,050,163	2,857,315	1,815,046
3.2.2.4	Interest rate swaps-sell			807,150	2,192,771	2,999,921	600,430
3.2.3	Foreign currency, interest rate and securities options			4,852,119	6,243,347	11,095,466	4,514,905
3.2.3.1	Foreign currency options-buy			2,465,716	3,108,568	5,574,284	2,187,494
3.2.3.2	Foreign currency options-sell			2,384,387	3,134,779	5,519,166	2,287,411
3.2.3.3	Interest rate options-buy			-	-	20,000	-
3.2.3.4	Interest rate options-sell			-	-	20,000	-
3.2.3.5	Securities options-buy			1,008	-	1,008	-
3.2.3.6	Securities options-sell			1,008	-	1,008	-
3.2.4	Foreign currency futures			8,268	216,992	225,260	6,712
3.2.4.1	Foreign currency futures-buy			4,134	108,496	112,630	2,667
3.2.4.2	Foreign currency futures-sell			4,134	108,496	112,630	4,045
3.2.5	Interest rate futures			-	16,590	16,590	-
3.2.5.1	Interest rate futures-buy			-	8,295	8,295	-
3.2.5.2	Interest rate futures-sell			-	8,295	8,295	-
3.2.6	Other			-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)				140,969,221	21,868,767	162,837,988	93,856,211
IV. ITEMS HELD IN CUSTODY				9,038,359	1,662,193	10,700,543	4,912,046
4.1	Assets under management			2,606,526	112,331	2,718,857	1,147,341
4.2	Investment securities held in custody			2,379,933	546,715	2,926,648	729,374
4.3	Checks received for collection			1,246,196	214,083	1,460,279	115,039
4.4	Commercial notes received for collection			453,802	88,021	541,823	356,609
4.5	Other assets received for collection			-	-	-	111,143
4.6	Assets received for public offering			-	-	-	-
4.7	Other items under custody			2,351,890	701,043	3,052,933	1,528,180
4.8	Custodians			3	-	3	-
V. PLEDGED ITEMS				131,930,871	20,206,574	152,137,445	88,944,165
5.1	Marketable securities			524,393	458,219	982,612	340,489
5.2	Guarantee notes			119,772	50,678	170,450	99,211
5.3	Commodity			21,788	-	21,788	28,968
5.4	Warranty			-	-	-	-
5.5	Properties			38,013,600	6,867,934	44,881,534	34,833,664
5.6	Other pledged items			93,251,318	12,829,743	106,081,061	53,641,833
5.7	Pledged items-depository			-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES				-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)				200,404,154	63,238,869	263,643,023	148,402,654
						70,302,609	218,705,263

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

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

FİNANSBANK ANONİM ŞİRKETİ

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2012 (STATEMENT OF INCOME/LOSS)

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

III. CONSOLIDATED INCOME STATEMENT

		Audited 01.01-31.12.2012	Audited 01.01-31.12.2011
	Section 5 Part IV		
I. INTEREST INCOME	(1)	5,719,226	4,648,373
1.1 Interest on loans		4,984,499	4,076,915
1.2 Interest received from reserve deposits		-	-
1.3 Interest received from banks		13,441	17,979
1.4 Interest received from money market placements		25,665	10,767
1.5 Interest received from marketable securities portfolio		572,105	439,944
1.5.1 Held-for-trading financial assets		18,278	5,995
1.5.2 Financial assets at fair value through profit and loss		11	618
1.5.3 Available-for-sale financial assets		553,816	433,331
1.5.4 Investments held-to-maturity		-	-
1.6 Finance lease income		81,617	73,108
1.7 Other interest income		41,899	29,660
II. INTEREST EXPENSE	(2)	2,720,107	2,324,308
2.1 Interest on deposits		2,288,984	1,983,843
2.2 Interest on funds borrowed		178,097	181,762
2.3 Interest on money market borrowings		107,666	116,610
2.4 Interest on securities issued		140,315	36,338
2.5 Other interest expense		5,045	5,755
III. NET INTEREST INCOME (I - II)		2,999,119	2,324,065
IV. NET FEES AND COMMISSIONS INCOME		1,114,569	885,022
4.1 Fees and commissions received		1,298,988	1,040,510
4.1.1 Non-cash loans		42,248	43,455
4.1.2 Other		1,256,740	997,055
4.2 Fees and commissions paid		184,419	155,488
4.2.1 Non-cash loans		1,173	853
4.2.2 Other		183,246	154,635
V. DIVIDEND INCOME	(3)	248	254
VI. NET TRADING INCOME	(4)	(348,650)	(211,218)
6.1 Securities trading gains/ (losses)		87,391	86,972
6.2 Gains / (losses) from financial derivative transactions		(432,009)	(260,289)
6.3 Foreign exchange gains/ (losses)		(4,032)	(37,901)
VII. OTHER OPERATING INCOME	(5)	531,571	194,219
VIII. NET OPERATING INCOME (III+IV+V+VI+VII)		4,296,857	3,192,342
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	978,154	325,538
X. OTHER OPERATING EXPENSES (-)	(7)	1,913,916	1,684,849
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		1,404,787	1,181,955
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XIII. GAIN / (LOSS) ON EQUITY METHOD		3,375	-
XIV. GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	1,408,162	1,181,955
XVI. TAX CHARGE FOR CONTINUED OPERATIONS (+)	(9)	(289,997)	(285,613)
16.1 Current income tax charge		(395,527)	(230,729)
16.2 Deferred tax charge / benefit		105,530	(54,884)
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV+XVI)	(10)	1,118,165	896,342
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)	1,118,165	896,342
23.1 Group's profit/loss		1,101,832	883,731
23.2 Minority shares		16,333	12,611
Earnings per share		0.04296	0.03609

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

Financial Highlights and Risk Management

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

FINANSBANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY FOR THE YEAR ENDED DECEMBER 31, 2012

(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 - 31.12.2012	Audited 01.01 - 31.12.2011
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	494,303	(240,883)
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)	(8,273)	13,797
VI. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)	-	-
VII. THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES	-	-
VIII. OTHER PROFIT LOSS ITEMS ACCOUNTED FOR UNDER EQUITY AS PER TURKISH ACCOUNTING STANDARDS	-	-
IX. DEFERRED TAX OF VALUATION DIFFERENCES	(114,566)	92,401
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	371,464	(134,685)
XI. PROFIT/LOSS	75,142	(228,462)
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	71,450	(233,184)
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	3,692	4,722
11.3 Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4 Other	-	-
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR IN THE PERIOD (X±XI)	446,606	(363,147)

(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 YEAR ENDED DECEMBER 31, 2012**

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Section 5 Part V	Paid-in Capital	Other Reserves	Capital Reserves	Share Premium	Share Cancellation	Share Certificate	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Year Net Income/ (Loss)	Prior Year Net Income/ (Loss)	Marketable Securities Value	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and from Disc. Op.	Total Equity Attributable to the Parent Share holders	Minority Shares	Total Equity
Prior period – 01.01.-31.12.2011																					
I.	Beginning balance	2,205,000	-	-	665	-	204,185	-	1,792,239	-	-	937,603	124,246	-	-	-	(21,176)	-	5,242,762	143,705	5,386,467
II.	Corrections according to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	The effect of corrections of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	The effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New balance (I+II)	2,205,000	-	-	665	-	204,185	-	1,792,239	-	-	937,603	124,246	-	-	-	(21,176)	-	5,242,762	143,705	5,386,467
Changes in period																					
IV.	Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable securities valuation differences (1)	-	-	-	-	-	-	-	-	-	-	-	-	(377,962)	-	-	-	-	(377,962)	-	(377,962)
VI.	Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	14,815	-	-	14,815	-	14,815	-	14,815
6.1	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Foreign exchange differences (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital increase (5)	235,000	-	-	-	-	-	-	-	(118,667)	-	-	-	-	-	-	-	-	116,333	-	116,333
14.1	Cash	116,333	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	116,333	-	116,333
14.2	Internal sources	118,667	-	-	-	-	-	-	-	(118,667)	-	-	-	-	-	-	-	-	-	-	-
XV.	Share issue	-	-	-	49	-	-	-	-	-	-	-	-	-	-	-	-	-	49	-	49
XVI.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other(*)	-	-	-	-	-	-	-	-	1,443	-	-	-	-	-	-	-	-	1,443	3,588	5,031
XIX.	Period net income/(loss) (3)	-	-	-	-	-	-	-	-	-	-	883,731	-	-	-	-	-	-	883,731	12,611	896,342
XX.	Profit distribution	-	-	-	-	-	65,752	-	727,418	-	-	(922,922)	-	-	-	-	-	-	(129,752)	-	(129,752)
20.1	Dividends distributed	-	-	-	-	-	-	-	(129,752)	-	-	-	-	-	-	-	-	-	(129,752)	-	(129,752)
20.2	Transfers to reserves	-	-	-	-	-	65,752	-	857,170	-	-	(922,922)	-	-	-	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance (III+IV+V+.....+XVIII+XIX+XX)																					
		2,440,000	-	-	714	-	269,937	-	2,402,433	-	-	883,731	14,681	(253,716)	-	-	(6,361)	-	5,751,419	159,904	5,911,323

(*) Includes the effect of change in ownership of Finans Yatırım Ortaklığı A.Ş. from 70.28% to 49.36% in the prior year

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

Financial Highlights and Risk Management

(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 YEAR ENDED DECEMBER 31, 2012

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Effect of Inflation Accounting on Capital and Other Reserves										Share Certificate Cancellation Profits Premium			Legal Reserves		Statutory Reserves		Extraordinary Reserves		Other Reserves		Current Year Net Income/ (Loss)		Prior Marketable Year Securities Net Income/ (Loss)		Tangible and Intangible Assets Revaluation Differences		Bonus Shares Obtained from Associates		Hedging Funds		Acc. Val. Diff. from Assets Held for Sale and from Disc. to the Parent Op. Shareholders		Total Equity Attributable to Minority Shares		Total Equity	
Audited	Section 5 Part V	Paid-in Capital	Other Capital	Share Capital	Share Premium	Share Cancellation	Share Certificate	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Year Net Income/ (Loss)	Prior Marketable Year Securities Net Income/ (Loss)	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and from Disc. to the Parent Op. Shareholders	Total Equity Attributable to Minority Shares	Total Equity																	
Current period – 01.01–31.12.2012		2,440,000	-	714	-	269,937	-	2,402,433	-	-	-	-	898,412	(253,716)	-	-	(6,361)	-	5,751,419	159,904	5,911,323															
I.																																				
	Beginning Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
	Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
II.	Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
III.	Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
IV.	Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
4.1	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
4.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
V.	Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
VI.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
VII.	Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
VIII.	Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
IX.	Disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
X.	Reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
XI.	Effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
XII.	Capital increase	125,000	-	-	-	-	-	-	-	(125,000)	-	-	-	-	-	-	-	-	-	-	-															
12.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
12.2	Internal sources	125,000	-	-	-	-	-	-	-	(125,000)	-	-	-	-	-	-	-	-	-	-	-															
XIII.	Share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
XIV.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
XV.	Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
XVI.	Other ^(*)	-	-	-	-	-	-	-	-	(1,035)	-	-	-	-	-	-	-	-	-	-	-															
XVII.	Period net income/(loss)	-	-	-	-	-	-	-	-	-	-	1,101,832	-	-	-	-	-	-	-	-	-															
XVIII.	Profit distribution	-	-	-	-	-	-	-	-	804,271	-	-	-	-	-	-	-	-	-	-	-															
18.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
18.2	Transfers to reserves	-	-	-	-	-	-	-	-	804,271	-	-	-	-	-	-	-	-	-	-	-															
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
Closing balance (I+II+III+.....+XVI+XVII+XVIII)		2,565,000	-	714	-	314,251	-	3,080,669	-	-	-	1,101,832	49,827	196,555	-	-	-	-	-	-	-															

(*) Includes the effect of change in ownership of Finans Yatırım Ortaklığı A.Ş. from 49.36% to 83.78% and Finans Finansal Kiralama A.Ş. from 64.32% to 68.94% in the current year.

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

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

FİNANSBANK ANONİM ŞİRKETİ

CONSOLIDATED CASH FLOWS STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2012

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

VI. CONSOLIDATED CASH FLOWS STATEMENT

	Section 5 Part VI	Audited 01.01-31.12.2012	Audited 01.01 – 31.12.2011
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		2,756,529	828,610
1.1.1 Interest received (+)		5,833,877	4,561,145
1.1.2 Interest paid (-)		(2,711,387)	(2,265,200)
1.1.3 Dividend received (+)		248	254
1.1.4 Fees and commissions received (+)		1,299,567	1,040,510
1.1.5 Other income (+)		171,228	160,048
1.1.6 Collections from previously written off loans (+)		363,792	356,838
1.1.7 Payments to personnel and service suppliers (-)		(1,446,787)	(1,299,716)
1.1.8 Taxes paid (-)		(472,055)	(318,001)
1.1.9 Other (+/-)	(1)	(281,954)	(1,407,268)
1.2 Changes in operating assets and liabilities		(5,110,335)	(2,343,138)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(43,012)	22,396
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		221,070	430,523
1.2.3 Net (increase) decrease in due from banks (+/-)		(1,733,531)	(1,971,907)
1.2.4 Net (increase) decrease in loans (+/-)		(7,176,655)	(5,425,537)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	(702,562)	291,380
1.2.6 Net increase (decrease) in bank deposits (+/-)		752,999	(592,560)
1.2.7 Net increase (decrease) in other deposits (+/-)		2,912,019	5,424,596
1.2.8 Net increase (decrease) in funds borrowed (+/-)		147,524	(1,538,267)
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	511,813	1,016,238
I. Net cash provided from / (used in) banking operations (+/-)		(2,353,806)	(1,514,528)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		(84,658)	9,456
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(28,721)	(1,000)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		143,661	5,027
2.3 Fixed assets purchases (-)		(133,376)	(112,823)
2.4 Fixed assets sales (+)		2,272	6,181
2.5 Cash paid for purchase of financial assets available for sale (-)		(10,307,811)	(13,063,753)
2.6 Cash obtained from disposal of financial assets available for sale (+)		10,330,036	13,254,662
2.7 Cash paid for purchase of investment securities (-)		-	-
2.8 Cash obtained from disposal of investment securities (+)		-	-
2.9 Other (+/-)	(1)	(90,719)	(78,838)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities (+/-)		2,998,586	1,519,586
3.1 Cash obtained from funds borrowed and securities issued (+)		4,448,586	1,513,545
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(1,450,000)	-
3.3 Capital increase (+)		-	116,333
3.4 Dividends paid (-)		-	(110,292)
3.5 Payments for finance leases (-)		-	-
3.6 Other (+/-)	(1)	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)		30,467	48,018
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		590,589	62,532
VI. Cash and cash equivalents at the beginning of the period (+)	(2)	3,018,229	2,955,697
VII. Cash and cash equivalents at end of the period (V+VI)	(3)	3,608,818	3,018,229

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

Financial Highlights and Risk Management

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

FINANSBANK ANONİM ŞİRKETİ

CONSOLIDATED CASH FLOWS STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2012

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

VII. CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION (*)

	Audited 31.12.2012 ^(*)	Audited 31.12.2011
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	1,167,608	1,120,100
1.2 TAXES AND DUTIES PAYABLE (-)	265,262	271,988
1.2.1 Corporate tax (Income tax)	383,179	228,060
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	(117,917)	43,928
A. NET INCOME FOR THE YEAR (1.1-1.2)	902,346	848,112
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	42,405
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	902,346	805,707
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	122,000
1.6.1 To owners of ordinary shares	-	122,000 ^(***)
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
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 preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
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	-	683,707
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1 DISTRIBUTED 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 preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
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	0.03518	0.03464
3.2 TO OWNERS OF ORDINARY SHARES (%)	3.52%	3.46%
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE	-	-
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES (%)	-	-

(*) Consolidated profit is not distributed by the companies according to the legislations in Turkey. Within this framework, the above table represents the stand-alone profit distribution of the Parent Bank.

(**) Decision regarding the profit distribution for the 2012 will be taken at the General Meeting.

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

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

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

FİNANSBANK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of Presentation

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

The Turkish Banking Law No 5411 is published in the Official Gazette No 25983 dated November 1, 2005. The Parent Bank and its financial subsidiaries ("The Group") prepared the accompanying financial statements as of December 31, 2012 and the related disclosures and footnotes in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No 26333, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated June 28, 2012 which is published in the Official Gazette No 28337, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and other circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency (BRSA).

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

2. Classifications

None.

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

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

Explanation for Convenience Translation to English

The accounting principles used in the preparation of the accompanying financial statements differ from International Financial Reporting Standards (IFRS). The effects of the differences between these accounting principles and the accounting principles generally accepted in the countries in which the accompanying financial statements to be used and IFRS have not been quantified in the financial statements.

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. Domestic bonds 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 generally bear floating rates and are repriced at an average period of 3-6 months. The Parent Bank diverts its placements to assets with high return and sufficient collaterals. The Parent Bank manages the liquidity structure to meet its liabilities when due by diversifying the funding sources and keeping sufficient cash and cash equivalents. The maturity of fund sources and maturity and yield of placements are considered to the extent possible within the current market conditions and higher return on long-term placements is aimed. Among the operations of the Parent Bank, the main activities generating yields higher than the calculated average yield are credit card transactions.

Besides customer deposits, the Parent Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Parent Bank converts the foreign currency liquidity obtained from the international markets to TL liquidity using long term swap transactions (pay fixed TL interest rate and receive floating FC interest rate). Thus, the Parent Bank generates TL denominated resources for funding long term loans with fixed interest rates.

Financial Highlights and Risk Management

(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 YEAR ENDED DECEMBER 31, 2012

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

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 position based on the product. Risk limits are expressed in terms of "Value at Risk (VAR)" by taking the risk tolerance as a cap. The maximum VAR amounts are determined for the three main risk factors, which affect the securities portfolio that is subject to market risk, as well as determining the risk tolerance based on the total value at risk. The above mentioned limits are revised annually.

The strategies for hedging exchange rate risk resulting from the Group's foreign currency available-for-sale investment securities are explained in foreign currency risk section and the applications regarding the hedging of interest rate risk resulting from deposits with fixed or floating interest rates are explained in the interest rate risk section in detail.

Hedging strategies for foreign exchange rate risk resulting from other foreign currency transactions are explained in the foreign currency risk section.

2. Foreign currency transactions

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

The Group accounts for the transactions denominated in foreign currencies in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign exchange gains and losses arising from transactions that are completed as of December 31, 2011 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 year end and the resulting exchange differences are recorded as foreign exchange gains and losses. The Bank's foreign currency exchange rates for the related period ends are as follows:

	December 31, 2012	December 31, 2011
US Dollar	TL 1.7826	TL 1.9065
Euro	TL 2.3517	TL 2.4592

2.2. Foreign exchange gains and losses included in the income statement

The net foreign exchange loss included in the consolidated income statement as of December 31, 2012 is TL 4,032 (December 31, 2011 - TL 37,901 net foreign exchange loss).

2.3. Foreign subsidiaries

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

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III. Information on Associates, Subsidiaries and Entities under Common Control

The accompanying consolidated financial statements are prepared in accordance with TAS 27 "Consolidated and Separate Financial Statements" and BRSA communiqué published on the Official Gazette numbered 26340 and dated November 8, 2006.

The subsidiaries included in consolidation and their places of incorporation, nature of activities and shareholding percentages are as follows:

		Place of Incorporation	Principal Activity	Effective Shareholding and Voting Rights (%)	
				December 31, 2012	December 31, 2011
1.	Finans Yatırım Menkul Değerler A.Ş. (Finans Invest)	Turkey	Securities Brokerage Intermediary	99.70	100.00
2.	Finans Portföy Yönetimi A.Ş. (Finans Portfolio)	Turkey	Portfolio Management	99.58	100.00
3.	Finans Yatırım Ortaklığı A.Ş. (Finans Investment Trust)	Turkey	Investment Trust	83.78	49.36
4.	Finans Finansal Kiralama A.Ş. (Finans Leasing)	Turkey	Financial Leasing	68.94	64.32
5.	Finans Emeklilik ve Hayat A.Ş. (Finans Pension Fund)	Turkey	Private Pension and Insurance	49.00	99.99
6.	Finans Faktoring Hizmetleri A.Ş.	Turkey	Factoring	100.00	99.99

Subsidiaries maintain their books of accounts and prepare their financial statements in accordance with the regulations on accounting and reporting framework and accounting standards which are determined by the accounting standards promulgated by the Turkish Commercial Code, Financial Leasing Law and Turkish Capital Markets Board regulations. Certain adjustments and reclassifications were made on the financial statements of the subsidiaries for the purpose of fair presentation in accordance with the prevailing regulations and accounting standards according to the Articles 37 and 38 of the Turkish Banking Law No 5411 and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting issued by the BRSA.

Differences between the accounting policies of the subsidiaries and the Parent Bank are adjusted, if material. The financial statements of the subsidiaries are prepared as of December 31, 2012.

1. Subsidiaries

As of December 31, 2012, the financial subsidiaries are fully consolidated and intercompany balances and income and expenses resulting from intercompany transactions are eliminated.

2. Associates and entities under common control

The Parent Bank does not have any associates that are consolidated in the accompanying financial statements. As of the balance sheet date, entities under common control are consolidated using equity pickup method.

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 (pay fixed TL interest rate and receive floating FC interest rate). Therefore, the Group not only funds its long term fixed interest rate loans with TL but also hedges itself against interest rate risk.

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

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

The Parent Bank implements cash flow hedge accounting by means of interest rate swaps in order to hedge itself for the changes in interest rates of deposits that have an average maturity of 1 month. The Bank implements effectiveness tests at the balance sheet dates for hedging purposes; 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.

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

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

Fair values of forward foreign currency purchase and sales contracts, currency and interest 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 obtained from counterparties as of the balance sheet date and related unrealized gains and losses are reflected in the current period income statement.

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

V. 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 receivables and accruals of non-performing loans are cancelled and not recorded as interest income until collected.

VI. Fees and Commission Income and Expenses

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

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

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VII. Explanations on Financial Assets

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

1. Financial assets at fair value through profit or loss

1.1. Trading securities

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

1.2. Financial assets at fair value through profit or loss

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

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

Fair value of loans that are classified as financial assets at fair value through profit or loss has been determined by using effective interest rates used for similar financial assets within the market. The fair values of public sector debt securities that are classified in the mentioned group have been determined by using the market prices as at the balance sheet date.

2. Investment securities available for sale

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

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

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

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

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

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3. Investment securities held to maturity

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

4. Loans and specific provisions

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

As mentioned in note "IV. Explanations on forward, option contracts and derivative instruments", the Group enters into swap transactions against TL in order to hedge the possible losses which might arise due to the changes in the fair value of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. The Parent Bank accounted for the hedged part of the loan portfolio at fair value, together with the swap transactions used as the hedging instrument and the related net gain or loss was included in the income statement.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through income statement until the maturity of the hedged loans.

Provision is set for the loans that might be doubtful and amount is charged in the current period income statement.

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

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

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

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

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

VIII. Explanations on Impairment of Financial Assets

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

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IX. Explanations on Netting of Financial Instruments

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

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

The unearned interest income related to leasing agreements is netted off from the "Lease Receivables". Additionally, the specific provision is provided for non-performing lease receivables and netted off from lease receivables.

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

Financial assets and liabilities other than those explained above are offset when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities, simultaneously. Otherwise, no offsetting is made.

X. Explanations on Sales and Repurchase Agreements and Lending of Securities

Securities sold under repurchase agreements are recorded on the balance sheet in accordance with Uniform Chart of Accounts. Accordingly, government bonds and treasury bills sold to customers under repurchase agreements are classified as "Investments Subject to Repurchase Agreements" and valued based on the Group Management's future intentions, either at market prices or using discounting method with internal rate of return. Funds received through repurchase agreements are classified separately under liability accounts and the related interest expenses are accounted for on an accrual basis.

Securities that are subject to repurchase agreements as at the balance sheet date amounted to TL 1,986,434 (December 31, 2011 - TL 1,516,898).

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

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

XI. Explanations on Assets Held for Sale and Discontinued Operations

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

As at the balance sheet date, the Group does not have assets held for sale.

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

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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.

Software has been classified as other intangible fixed assets. The useful life of software is determined as 3 years.

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with 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

The tangible assets are recorded at their historical cost less accumulated depreciation and provision for impairment, if any. Depreciation is calculated on a straight-line basis over the estimated useful life of tangible assets. The annual rates used are as follows:

Property	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 leasehold improvements acquired after this date is calculated over the lease period not exceeding 5 years where the lease duration is certain; or 5 years where the lease period is not certain in accordance with "Communiqué on the Amendment of Communiqué on Uniform Chart of Accounts and Explanatory Notes" dated January 10, 2011.

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

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

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

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

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

There is no purchase commitments related to the fixed assets.

XIV. Explanations on Leasing Transactions

Fixed assets acquired under finance lease contracts are recorded 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%.

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

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

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

XV. Explanations on Factoring Receivables

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

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

XVI. Explanations on Provisions and Contingent Liabilities

Provisions, other than specific and general provisions for loans and other receivables, and contingent liabilities are provided for in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Provisions are accounted immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by the Group. Whenever the amount of such obligations cannot be measured, they are regarded as "contingent". If the possibility of an outflow of resources embodying economic benefits becomes probable and the amount of the obligation can be reliably measured, a provision is provided.

Provisions provided during the period are accounted for under "Other Operating Expenses"; provisions provided in the prior periods and reversed in the current year are accounted for under "Other Operating Income".

According to the decision of the Competition Board numbered 11-55/1438-M dated November 2, 2011, investigation on some banks and firms including the Bank allegedly violating the "Law on Preserving the Competition" continues. Considering the stage and uncertainty of the inquiry, no provision is needed as of December 31, 2012.

XVII. Explanations on Obligations of the Group Concerning Employee Benefits

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

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

The Group has reflected the retirement pay liability amount, which was calculated by an independent actuary, in the accompanying financial statements.

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

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

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

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XVIII. Explanations on Taxation

1. Corporate tax

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

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

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

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

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

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

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

2. Deferred taxes

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

XIX. Additional Explanations on Borrowings

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

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

XX. Explanations on Share Issues

During the current period, the share capital of the Parent Bank has been increased by TL 125,000 from bonus shares, TL 122,000 from first dividends, TL 3,000 from extraordinary reserves. (January 1 – December 31, 2011: increased by TL 118,667 from bonus shares, TL 110,250 from first dividends of year 2010, TL 8,417 from extraordinary reserves, and by TL 116,333 in cash.).

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XXI. Explanations on Confirmed Bills of Exchange and Acceptances

Confirmed bills of exchange and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts as possible debt and commitment, if any.

There are no acceptances and confirmed bills of exchange presented as liabilities against any assets.

XXII. Explanations on Government Incentives

The Group has various numerous investment incentive certificates in relation to its investment expenditures from its leasing company. The related certificates allow the Group to use 100% and 40% of investment incentives over its investment expenditures. Tax deduction by 19.8% should be made on the amount of investment incentive deduction pursuant to investment incentive certificates obtained prior to April 24, 2003. No deduction is made on investment expenses after this date without incentive certificates.

Upon the Constitutional Court's resolution no: 2009/144 published in the Official Gazette on January 8, 2010, the expression of "solely for the periods related to 2006, 2007 and 2008" in the Provisional Article No: 69 of Income Tax Law No: 193, and 5th Article of the Law No: 6009 that came into effect by being published in the Official Gazette No.27659 dated August 1, 2010 have been annulled. The new resolution enables to continue to benefit from investment incentive deduction that is not deducted due to insufficient earnings and that passes on next periods without period limitation, however proposes that the deduction amount will not exceed 25% of the taxable income of the period. Moreover, the effective corporate tax rate for investment incentive deduction beneficiaries will be adopted as 20%, rather than 30%.

The Constitutional Court has decided that the sentence "the amount subject to deduction as exemption of investment allowance in tax basis determination cannot exceed 25% of relevant earnings" which was added to the first clause of 69th temporary article of Income Tax Law, and 5th article of Law No: 6009 is contrary to the Constitutional Law and has decided to repeal the mentioned sentence at the meeting dated February 9, 2012. In addition, it is decided to stay of execution until the publication of the decision in the Official Gazette, to avoid the circumstances and losses that are difficult or impossible to compensate subsequently and for that the annulment decision does not remain inconclusive, due to the fact that aforementioned sentence is repealed by the decision no: E. 2010/93 K. 2012/20 as of February 9, 2012 at the same meeting.

Finans Finansal Kiralama AŞ did not reflect the effects resulting from the implementation of the decision of the Constitutional Court in the financial statements as of December 31, 2011, due to the fact that the annulment decision of the Constitutional Court has not been published in the Official Gazette yet, and it is uncertain if the mentioned stay of execution decision will be taken into consideration in preparing the corporate tax declaration for the year 2011. There will be no change in the net profit for the year and but a reclassification between deferred tax and current tax in case the effects of the mentioned decision are reflected in the financial statements as of December 31, 2011, due to the fact that the Company accounts for the deferred tax asset related to the unused investment allowance.

The decision of the Constitutional Court was taken into consideration by the Revenue Administration during the preparation of corporate tax declarations for year 2011, after the publication of financial statements as of December 31, 2011 and it is permitted to benefit from the exemption of investment allowance at the rate of 100%.

Within the scope of this application, Finans Finansal Kiralama A.Ş., booked the tax effect of the exemption of investment allowance that Finans Finansal Kiralama A.Ş. had benefited from at the rate of 100%, accrued investment allowance withholding tax amounting to TL 10,839, and made subject to allowance during the preparation of corporate tax declaration for year 2011, however; could not reflect in the financial statements as of December 31, 2011 due to the uncertainty at the publication date of the financial statements, amounting to TL 7,735 as income under "current tax provision" in the financial statements as of December 31, 2012. Finans Finansal Kiralama A.Ş. decreased unused investment allowance amounting to the benefited exemption of investment allowance during the preparation of corporate tax declaration and booked deferred tax expense at the same amount, due to the fact that Finans Finansal Kiralama A.Ş. accounted for the deferred tax asset related to the unused investment allowance, thus, the application did not have any effect on the net profit for the year.

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XXIII. Explanations on Reporting According to Segmentation

In addition to corporate banking, retail banking and commercial banking services, the Group also provides private banking, treasury operations and credit card services through branches and alternative channels. The Group serves its retail banking clients with time and 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 financial lease operations.

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

The Corporate Marketing Unit provides services to firms that are institutional, big size, that have annual revenues of TL 100,000 and higher and multi-national firms operating in Turkey. The firms that have revenue between TL 2,000 and TL 100,000 are considered as "Commercial Enterprise". The Bank gives importance to the commercial segmentation in order to hedge risk and decrease the concentration of income. Moreover; the Parent Bank also offers sectoral solution packages to 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, 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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	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Current Period (December 31, 2012)				
Net Interest Income	1,555,277	581,660	862,182	2,999,119
Net Fees and Commissions Income	1,513,891	113,548	(512,870)	1,114,569
Other Operating Income and Net Trading Income	113,076	107,665	(37,820)	182,921
Dividend Income	-	-	248	248
Operating Income	3,182,244	802,873	311,740	4,296,857
Other Operating Expenses	1,208,070	313,631	392,215	1,913,916
Provision for Loan Losses and Other Receivables(-)	471,705	158,632	347,817	978,154
Profit Before Taxes	1,502,469	330,610	(428,292)	1,404,787
Gain /Loss on Equity Method	-	-	3,375	3,375
Tax Charge	-	-	-	(289,997)
Net Profit/Loss	-	-	-	1,118,165
Total Assets	29,154,171	7,872,140	14,696,588	55,435,570
Segment Assets	29,154,171	7,872,140	14,696,588	51,722,899
Associates, Subsidiaries and Entities Under Common Control	-	-	-	224,055
Undistributed Assets	-	-	-	3,488,616
Total Liabilities	19,964,569	11,466,991	13,071,447	55,435,570
Segment Liabilities	19,964,569	11,466,991	13,071,447	44,503,007
Undistributed Liabilities	-	-	-	3,483,979
Equity	-	-	-	7,448,584
Other Segment Accounts	-	-	-	440,887
Capital Expenditures	-	-	-	285,399
Depreciation and Amortization	-	-	-	151,837
Value Decrease/ (Increase)	-	-	-	3,651
Prior Period (December 31, 2011)				
Net Interest Income	1,292,265	527,032	504,768	2,324,065
Net Fees and Commissions Income	1,271,223	115,724	(501,925)	885,022
Other Operating Income and Net Trading Income	55,661	120,077	(192,737)	(16,999)
Dividend Income	-	-	254	254
Operating Income	2,619,149	762,833	(189,640)	3,192,342
Other Operating Expenses	1,050,276	302,053	332,520	1,684,849
Provision for Loan Losses and Other Receivables(-)	269,229	50,618	5,691	325,538
Profit Before Taxes	1,299,644	410,162	(527,851)	1,181,955
Tax Charge	-	-	-	(285,613)
Net Profit/Loss	-	-	-	896,342
Total Assets	23,301,608	7,784,933	13,412,986	47,230,833
Segment Assets	23,301,608	7,784,933	13,412,986	44,499,527
Associates, Subsidiaries and Entities Under Common Control	-	-	-	24,555
Undistributed Assets	-	-	-	2,706,751
Total Liabilities	20,240,321	8,234,010	9,711,761	47,230,833
Segment Liabilities	20,240,321	8,234,010	9,711,761	38,186,092
Undistributed Liabilities	-	-	-	3,133,418
Equity	-	-	-	5,911,323
Other Segment Accounts	-	-	-	389,196
Capital Expenditures	-	-	-	259,146
Depreciation and Amortization	-	-	-	128,367
Value Decrease/ (Increase)	-	-	-	1,683

XXIV. Explanations on Other Matters

None.

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SECTION FOUR INFORMATION ON GROUP'S FINANCIAL STRUCTURE

I. Explanations Related to Consolidated Capital Adequacy Standard Ratio

As of December 31, 2012, the Group's consolidated capital adequacy ratio is 19.22%.

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

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

The risk weighted assets are calculated as the figures deducted from the capital base net off depreciations and provisions.

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 calculated using the rates stated in the Appendix-2 of the Regulation.

The balance sheet items and off balance sheet items for which credit equivalent risk is calculated within the scope of the rates stated in the Article 5 of the Regulation, 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 on credit risk mitigation techniques used under "Regulation on Credit Risk Mitigation Techniques" are presented in Section 4, Footnote X under "Explanations related to Credit Risk Mitigation Techniques".

Capital requirement for the market risk is calculated using the standard method. Market risk for the options is calculated in line with 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 in line with the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" 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:

	The Parent Bank								
	Risk Weightings								
	0%	10%	20%	50%	75%	100%	150%	200%	1250%
Value at Credit Risk	10,744,997	-	805,871	12,038,534	18,548,325	11,448,093	2,770,858	2,901,299	-
Exposure Categories:									
Conditional and unconditional exposures from central governments or central banks	10,091,979	-	-	1,177,704	-	-	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	-	-	4,200	-	-	-	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	-	-	-	-	-	90	-	-	-
Conditional and unconditional exposures from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	-	-	801,669	286,125	-	20,312	-	-	-
Conditional and unconditional exposures to corporates	-	-	-	13,196	-	9,151,879	-	-	-
Conditional and unconditional retail exposures	-	-	-	-	18,548,325	-	-	-	-
Conditional and unconditional exposures secured by real estate property	-	-	-	10,537,266	-	-	-	-	-
Past due items	-	-	-	24,243	-	309,988	-	-	-
Items defined in high risk categories	-	-	-	-	-	-	2,770,858	2,901,299	-
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term exposure to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-	182,692	-	-	-
Other items	653,018	-	2	-	-	1,783,132	-	-	-

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	Consolidated								
	Risk Weightings								
	0%	10%	20%	50%	75%	100%	150%	200%	1250%
Value at Credit Risk	10,745,058	-	967,959	12,075,112	19,537,563	12,106,776	2,790,355	2,901,299	-
Exposure Categories:									
Conditional and unconditional exposures from central governments or central banks	10,091,979	-	-	1,177,704	-	-	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	-	-	4,200	-	-	-	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	-	-	-	-	-	90	-	-	-
Conditional and unconditional exposures from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	-	-	963,757	282,531	-	20,312	-	-	-
Conditional and unconditional exposures to corporates	-	-	-	13,196	-	9,586,459	-	-	-
Conditional and unconditional retail exposures	-	-	-	-	19,537,563	-	-	-	-
Conditional and unconditional exposures secured by real estate property	-	-	-	10,576,698	-	-	-	-	-
Past due items	-	-	-	24,983	-	329,800	-	-	-
Items defined in high risk categories	-	-	-	-	-	-	2,790,355	2,901,299	-
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term exposure to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-	182,692	-	-	-
Other items	653,079	-	2	-	-	1,987,423	-	-	-

Summary information related to consolidated and unconsolidated capital adequacy ratio:

	The Parent Bank	Consolidated
	Current Period	Current Period
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	3,319,893	3,438,338
Capital Requirement for Market Risk (MRCR)	64,494	68,687
Capital Requirement for Operational Risk (ORCR)	359,393	390,558
Shareholders' Equity	8,856,189	9,364,285
Shareholders' Equity/(CRCR+MRCR+ORCR) * 12.5 * 100	18.92%	19.22%

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

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Components of consolidated shareholders' equity items:

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	2,565,000	2,440,000
Nominal Capital	2,565,000	2,440,000
Capital Commitments (-)	-	-
Inflation Adjustments to Paid-in Capital	-	-
Share Premium	714	714
Share Cancellation Profits	-	-
Reserves	2,875,806	2,153,760
Inflation Adjustments to Reserves	-	-
Profit	1,151,659	898,412
Current Period's Profit	1,101,832	883,731
Prior Periods' Profit	49,827	14,681
Provision for Possible Losses (up to 25% of Core Capital)	99,747	63,702
Income on Sale of Equity Shares and Real Estates	519,114	518,610
Primary Subordinated Debts	-	-
Minority Interest	149,762	159,904
Loss (in excess of Reserves) (-)	-	-
Current Period's Losses	-	-
Prior Periods' Losses	-	-
Leasehold Improvements on Operational Leases (-)	116,864	101,979
Intangible Assets (-)	171,588	137,470
Deferred Tax Asset in Excess of 10% of Core Capital (-)	-	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Goodwill (Net) (-)	8,969	8,969
Total Core Capital	7,064,381	5,986,684
SUPPLEMENTARY CAPITAL		
General Provisions	608,997	400,441
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Immovables	-	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current	-	-
Period's Profit	-	-
Primary Subordinated Debts excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debts	1,614,716	1,734,435
45% of Securities Value Increase Fund	88,450	(253,716)
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss	-	-
Minority Interest	-	-
Total Supplementary Capital	2,312,163	1,881,160
CAPITAL	9,376,544	7,867,844
DEDUCTIONS FROM CAPITAL	12,259	47,835
Unconsolidated Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at 10% or more	-	-
Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at Less than 10% Exceeding 10% or more of the Total Core and Supplementary Capitals	-	34,429
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties	-	-
Qualified as Primary or Secondary Subordinated Debts	-	-
Loan Granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Properties exceeding 50% of the Capital and of Assets	-	-
Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained more than Five Years	12,216	13,366
Securitization Positions to be Deducted from Equity	-	-
Other	43	40
TOTAL SHAREHOLDERS' EQUITY	9,364,285	7,820,009

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Approaches for assessment of adequacy of internal capital requirements for current and future activities

The Parent Bank documented its strategy on the process of assessing the internal capital requirements in "Finansbank Risk Management Strategy" approved by its Board of Directors. The target capital adequacy ratio set within the scope of this process is a significant determining factor of the Bank's risk appetite.

The Parent Bank's strategy on the process of assessing the internal capital requirements results in planning of future needs of additional capital under the effects of long term business plans' stress tests reflecting adverse economic conditions in addition to determination of the additional need for capital for the types of risk that are not covered or partially covered by "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

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.

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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".

The receivables of the Group from its top 100 cash loan customers are 14% in the total cash loans (December 31, 2011 – 15%).

The receivables of the Group from its top 200 cash loan customers are 17% in the total cash loans.

The receivables of the Group from its top 100 non-cash loan customers are %44 in the total non-cash loans (December 31, 2011 – %45).

The receivables of the Group from its top 200 non-cash loan customers are 54% in the total non-cash loans

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 11% (December 31, 2011 – 18%).

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 13%.

The general loan loss provision related with the credit risk taken by the Group is TL 617,684 (December 31, 2011 – TL 400,441).

Provision for probable risks in the Group's loan portfolio amounted to TL 99,747 (December 31, 2011 – TL 63,702).

Exposure Categories	Current Period Risk Amount ^(*)	Average Risk Amount ^(*)
Conditional and unconditional exposures to central governments or central banks	11,269,683	10,909,145
Conditional and unconditional exposures to regional governments or local authorities	4,200	4,643
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	90	769
Conditional and unconditional exposures from multilateral development banks	-	-
Conditional and unconditional exposures from international organizations	-	-
Conditional and unconditional exposures to banks and brokerage houses	1,317,785	1,110,212
Conditional and unconditional exposures to corporates	9,985,106	11,458,728
Conditional and unconditional retail exposures	19,734,200	19,745,023
Conditional and unconditional exposures secured by real estate property	10,576,698	9,224,410
Past due items	354,791	386,313
Items defined in high risk categories	5,734,568	5,491,950
Exposures in the form of bonds secured by mortgages	-	-
Securitization positions	-	-
Short-term exposure to banks, brokerage houses and corporates	-	-
Exposures in the form of collective investment undertakings	182,692	182,692
Other items	2,640,504	2,386,522

^(*)Average risk amount is determined by calculating the arithmetical average of the amounts after credit conversion for the period July-December 2012.

^(**)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	6	6
Debtor has a good financial structure	59	58
Debtor has a medium financial structure	22	23
Debtor has a financial structure which needs attention in medium term	10	9
Not graded	3	4
Total	100	100

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Profile of significant exposures in major regions:

Current Period	Exposure Categories ^(*)															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Toplam																
1. Domestic	11,269,683	4,200	90	-	-	379,860	9,671,357	19,725,799	10,575,815	354,696	5,713,087	-	-	-	182,692	2,416,447
2. European Union Countries	-	-	-	-	-	535,213	235,103	2,622	645	-	98	-	-	-	-	-
3. OECD Countries (**)	-	-	-	-	-	17,453	-	2	-	-	21,366	-	-	-	-	-
4. Off-Shore Banking Regions	-	-	-	-	-	230,167	31,709	-	-	-	-	-	-	-	-	-
5. USA, Canada	-	-	-	-	-	96,495	28,716	10	9	-	17	-	-	-	-	-
6. Other Countries	-	-	-	-	-	58,597	18,221	5,767	229	95	-	-	-	-	-	-
7. Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8. Unallocated Assets/Liabilities (***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	11,269,683	4,200	90	-	-	1,317,785	9,985,106	19,734,200	10,576,698	354,791	5,734,568	-	-	-	182,692	2,640,504
																61,800,317

^(*) 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 exposures from central governments or central banks
- 2- Conditional and unconditional exposures to regional governments or local authorities
- 3- Conditional and unconditional exposures to administrative bodies and non-commercial undertakings
- 4- Conditional and unconditional exposures to multilateral development banks
- 5- Conditional and unconditional exposures to international organisations
- 6- Conditional and unconditional exposures to banks and brokerage houses
- 7- Conditional and unconditional exposures to corporates
- 8- Conditional and unconditional retail exposures
- 9- Conditional and unconditional exposures secured by real estate property
- 10- Past due items
- 11- Items in regulatory high-risk categories
- 12- Exposures in the form of bonds secured by mortgages
- 13- Short term exposures to banks, brokerage houses and corporates
- 14- Exposures in the form of collective investment undertakings
- 15- Other items

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Risk profile by sectors or counterparties:

	Exposure Categories ^(*)																Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Agricultural	-	-	-	-	-	-	150,629	80,262	93,527	3,978	2,658	-	-	-	-	-	331,054
Farming and Raising	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Livestock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	3,137,729	1,049,676	907,289	23,175	34,473	-	-	-	-	-	5,152,342
Mining and Quarrying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Production	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity, gas and water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	1,001,558	441,554	676,697	13,878	9,472	-	-	-	-	-	2,143,159
Services	4,674,860	90	-	-	-	1,317,785	3,756,205	2,720,655	1,995,693	55,933	25,694	-	-	-	-	-	14,546,915
Wholesale and Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hotel, Food and Beverage Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation & Communication	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real Estate and Renting Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Self-Employment Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Educational Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	6,594,823	4,200	-	-	-	-	1,938,985	15,442,053	6,903,492	257,827	5,662,271	-	-	-	-	-	39,626,847
Total	11,269,683	4,200	90	-	-	1,317,785	9,985,106	19,734,200	10,576,698	354,791	5,734,568	-	-	-	-	-	61,800,317

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

- 1- Conditional and unconditional exposures from central governments or central banks
- 2- Conditional and unconditional exposures to regional governments or local authorities
- 3- Conditional and unconditional exposures to administrative bodies and non-commercial undertakings
- 4- Conditional and unconditional exposures to multilateral development banks
- 5- Conditional and unconditional exposures to international organisations
- 6- Conditional and unconditional exposures to banks and brokerage houses
- 7- Conditional and unconditional exposures to corporates
- 8- Conditional and unconditional retail exposures
- 9- Conditional and unconditional exposures secured by real estate property
- 10- Past due items
- 11- Items in regulatory high-risk categories
- 12- Exposures in the form of bonds secured by mortgages
- 13- Short term exposures to banks, brokerage houses and corporates
- 14- Exposures in the form of collective investment undertakings
- 15- Other items

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Analysis of maturity-bearing exposures according to remaining maturities ^(*):

Exposure Categories	Term To Maturity				
	Up to 1 month	1-3 Months	3-6 Months	6-12 Months	Over 1 year
Conditional and unconditional exposures from central governments or central banks	40,488	-	29,954	778,187	5,746,195
Conditional and unconditional exposures to regional governments or local authorities	-	-	-	-	4,200
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	-	-	-	-	46
Conditional and unconditional exposures from multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures from international organizations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	306,468	280,635	102,983	11,992	261,256
Conditional and unconditional exposures to corporates	1,783,511	1,312,941	1,443,921	1,057,315	3,740,043
Conditional and unconditional retail exposures	1,332,874	2,304,826	2,714,462	1,113,669	2,856,392
Conditional and unconditional exposures secured by real estate property	140,887	291,813	545,084	553,115	8,931,565
Past due items	-	-	-	-	-
Items defined in high risk categories	-	-	-	1,538,325	4,097,580
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term exposure to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Other items	-	-	-	-	-
Total	3,604,228	4,190,215	4,836,404	5,052,603	25,637,277

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

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Explanations on exposure categories

Within the scope of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", public ratings appointed to exposures to central governments of banks and exposures to foreign banks and corporates by Fitch Ratings International Rating Institution are used. Exposures and asset groups to counterparties without public ratings appointed by the mentioned institution or other rating institutions are also weighted as per Appendix-1 of the Regulation.

The below mapping between the ratings appointed by Fitch Ratings International Rating Institution and credit quality levels as per Appendix-1 of the Regulation is used.

Credit Quality Grade	Fitch Risk Rating	Exposure Categories				
		Exposures to Central Governments or Central Banks	Exposures to Administrative Bodies and Non-Commercial Undertakings	Exposures to Banks 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:

Risk Weights	0%	10%	20%	50%	75%	100%	150%	200%	1250%	Deductions from Equity
1. Exposures Before Credit Risk Mitigation	10,745,058	-	974,039	12,095,232	19,734,200	12,517,221	2,809,049	2,925,518	-	309,680
2. Exposures After Credit Risk Mitigation	10,745,058	-	967,959	12,075,112	19,537,563	12,106,776	2,790,355	2,901,299	-	309,680

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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.

Major Sectors / Counterparties	Credit Risks ^(*) (**)			
	Impaired Loans	Past Due Loans	Value Adjustments	Provisions
1. Agriculture	20,156	4,768	133	14,723
1.1. Farming and Raising Livestock	19,214	4,582	128	14,186
1.2. Forestry	312	4	-	84
1.3. Fishing	630	182	5	453
2. Manufacturing	165,054	42,465	1,054	120,284
2.1. Mining and Quarrying	4,199	652	25	3,598
2.2. Production	160,543	41,713	1,027	116,511
2.3. Electricity, gas and water	312	100	2	175
3. Construction	113,974	36,442	932	94,182
4. Services	337,399	171,357	4,303	258,345
4.1. Wholesale and Retail Trade	229,235	102,611	2,683	170,641
4.2. Hotel, Food and Beverage Services	39,427	16,447	446	35,571
4.3. Transportation & Communication	48,108	24,628	539	35,768
4.4. Financial Institutions	6,596	2,191	61	5,982
4.5. Real Estate and Renting Services	400	11,345	230	267
4.6. Self-Employment Services	5,391	7,288	184	3,839
4.7. Educational Services	700	2,147	51	358
4.8. Health and Social Services	7,542	4,700	109	5,919
5. Other	1,876,133	1,003,999	34,163	1,647,660
6. Total	2,512,716	1,259,031	40,585	2,135,194

^(*) Represents the distribution of cash loans.^(**) Information about impaired credits and past due excluded

Movements in value adjustments and provisions

	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments ^(*)	Closing Balance
1. Specific Provisions	1,446,137	951,457	(257,325)	(5,075)	2,135,194
2. General Provisions	400,441	217,243	-	-	617,684

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

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III . Explanations Related to 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 tolerable limits. Risk Management Group monitors the VaR balances daily for compliance with the Bank Risk Tolerance.

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

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

1. Information on consolidated market risk

	Amount
(I) Capital Requirement against General Market Risk - Standard Method	20,900
(II) Capital Requirement against Specific Risks – Standard Method Capital Requirement against Specific Risks of Securitization Positions – Standard Method	20,539
(III) Capital Requirement against Currency Risk – Standard Method	
(IV) Capital Requirement against Commodity Risks - Standard Method	10,522
(V) Capital Requirement against Settlement Risks - Standard Method	3,415
(VI) Capital Requirement against Market Risks of Options - Standard Method	-
(VII) Capital Requirement against Counterparty Credit Risk - Standard Method	696
(VIII) Capital Requirement against Market Risks of Banks applying Risk Measurement Models	12,615
(VIII) Risk Ölçüm Modeli Kullanan Bankalarda Piyasa Riski İçin Hesaplanan Sermaye Yükümlülüğü	-
(XI) Total Capital Requirement against Market Risk (I+II+III+IV+V+VI+VII)	68,687
(X) Value-At-Market Risk (12,5 x VIII) or (12,5 x IX)	858,588

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2. Average market risk table calculated at the end of the months during the period

	Average	Current Period	
		Maximum	Minimum
Interest Rate Risk	41,681	47,609	35,753
Common Share Risk	3,659	5,686	1,632
Currency Risk	9,666	10,522	8,809
Commodity Risk	5,477	7,538	3,415
Settlement Risk	-	-	-
Option Risk	5,904	11,111	696
Counterparty Credit Risk	9,685	12,615	6,755
Total Value at Risk^(*)	76,072	95,081	57,060

^(*)Total VaR is the sum of risk values. For the second half of 2012, maximum and minimum values of VaR are TL 83,454 and TL 68,687, respectively.

3.Quantitative information on counterparty risk ^(*)

	Amount
Interest-Rate Contracts	2,002,705
Foreign-Exchange-Rate Contracts	64,398,386
Commodity Contracts	901,889
Equity-Shares Related Contracts	12,197
Other	206,009
Gross Positive Fair Values	409,748
Netting Benefits	244,412
Net Current Exposure Amount	165,336
Collaterals Received	35,374
Net Derivative Position	129,962

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

For derivative transactions, repurchase agreements' security and commodity lendings, 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.

IV. Explanations Related to Operational Risk

Value at operational risk is calculated by the basic indicator approach by using the gross profits for the last three years (2011, 2010 and 2009) in line with 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, 2012, the value at operational risk amounts to TL 4,881,972.

Basic Indicator Approach	2 PY Amount	1 PY Amount	CY Amount	Total/ No. of Years of Positive Gross	Rate (%)	Total
Gross Income	2,406,565	2,441,278	2,963,312	2,603,718	15	390,558
Value at Operational Risk (Total*12,5)						4,881,972

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

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V. Explanations Related to Consolidated Foreign Currency Exchange Rate 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, 2012, the net foreign currency exposure of the Group is TL 409,610 foreign currency short (December 31, 2011 – TL 455,490 net foreign currency short) resulting from on balance sheet short position amounting to TL 5,927,616 (December 31, 2011 – TL 5,364,101) and long off balance sheet position amounting to TL 5,518,006 (December 31, 2011 – TL 4,908,611). The long off balance sheet position amounting to TL 5,852,561 (December 31, 2011 – TL 6,219,112) is related with the FC/TL swap transactions performed with banks and customers. The Group used these transactions to manage the foreign currency liquidity risk and to hedge itself from interest rate risk.

The Group enters into foreign currency forward transactions to decrease foreign currency position risk. The Group also engages in foreign currency and Eurobond buy-sell option transactions.

Position limit related with currency risk is determined according to Foreign Currency Net Position Standard Ratio. Measurable and manageable risks are taken within legal limits.

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

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

The Group does not hedge foreign currency borrowings and net foreign currency investments by derivative instruments.

3. The Parent Bank's spot foreign exchange bid rates as of the balance sheet date and for each of the five days prior to that date

US Dollar purchase rate in the balance sheet date	TL 1.7826
Euro purchase rate in the balance sheet date	TL 2.3517

Date	US Dollar	Euro
December 31, 2012	1.7826	2.3517
December 28, 2012	1.7829	2.3657
December 27, 2012	1.7848	2.3566
December 26, 2012	1.7877	2.3586
December 25, 2012	1.7893	2.3651
December 24, 2012	1.7869	2.3605

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

The arithmetical average of the Parent Bank's US Dollar and Euro purchase rates for December 2012 are TL 1.7791 and TL 2.3332, respectively.

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5. Information on the consolidated foreign currency exchange rate risk

Current Period	EUR	USD	Other FC	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	1,322,564	1,779,092	1,201,251	4,302,907
Due From Banks	27,512	68,717	13,598	109,827
Financial Assets at Fair Value through Profit/Loss ⁽⁴⁾	15,503	110,175	466	126,144
Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	105,245	1,129,529	-	1,234,774
Loans and Receivables ⁽²⁾	2,202,324	2,454,266	109,491	4,766,081
Investments in Assoc., Subsidiaries and Entities under Common Control	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-
Derivative Financial Assets Hedging Purposes	-	37,919	-	37,919
Tangible Assets	-	-	69	69
Other Assets ⁽³⁾	592,369	419,540	593	1,012,502
Total Assets	4,265,517	5,999,238	1,325,468	11,590,223
Liabilities				
Bank Deposits	186,597	433,381	14,120	634,098
Foreign Currency Deposits	2,633,350	6,219,376	574,436	9,427,162
Money Market Borrowings	81,168	796,913	-	878,081
Funds Provided from Other Financial Institutions	1,653,893	3,212,876	1,445	4,868,214
Securities Issued	-	1,288,923	-	1,288,923
Sundry Creditors	80,203	57,679	657	138,539
Derivative Fin. Liabilities for Hedging Purposes	10,575	110,755	-	121,330
Other Liabilities ⁽⁵⁾	33,146	128,110	236	161,492
Total Liabilities	4,678,932	12,248,013	590,894	17,517,839
Net Balance Sheet Position	(413,415)	(6,248,775)	734,574	(5,927,616)
Net Off-Balance Sheet Position	243,796	6,006,712	(732,502)	5,518,006
Financial Derivative Assets	2,003,509	19,706,843	166,420	21,876,772
Financial Derivative Liabilities	1,759,713	13,700,131	898,922	16,358,766
Non-Cash Loans ⁽¹⁾	752,944	1,769,661	157,041	2,679,646
Prior Period				
Total Assets	4,794,688	5,094,909	443,934	10,333,531
Total Liabilities	4,570,571	10,664,931	462,130	15,697,632
Net Balance Sheet Position	224,117	(5,570,022)	(18,196)	(5,364,101)
Net Off-Balance Sheet Position	(289,244)	5,178,787	19,068	4,908,611
Financial Derivative Assets	3,373,856	20,411,234	784,002	24,569,092
Financial Derivative Liabilities	3,663,100	15,232,447	764,934	19,660,481
Non-Cash Loans ⁽¹⁾	969,080	2,342,380	216,692	3,528,152

⁽¹⁾ Does not affect net off balance sheet position.⁽²⁾ Includes foreign currency indexed loans amounting to TL 1,339,570 (December 31, 2011 – TL 1,501,344) that are classified as TL on the balance sheet.⁽³⁾ Does not include the prepaid expenses amounting to TL 1,936 (December 31, 2011 – TL 2,095) that are classified as FC on the balance sheet in accordance with the communiqué issued by BRSA and published in the Official Gazette No 26085 dated February 19, 2006, yet includes FC indexed factoring receivables amounting to TL 983 (December 31, 2011 – TL 769) Includes foreign currency indexed factoring receivables amounting to TL 32,401 (December 31, 2011 – TL 4,078) that are classified as TL on the balance sheet.⁽⁴⁾ Does not include foreign exchange income accruals amounting to TL 9,732 (December 31, 2011 – TL 17,180) on derivative transactions.⁽⁵⁾ Foreign exchange expense accruals amounting to TL 919 (December 31, 2011 – TL 13,248) on derivative transactions and the general loan loss provisions amounting to TL 51,993 (December 31, 2011 – TL 43,702) computed for foreign currency loans and accounted as foreign currency amount in order to be in compliance with the Uniform Charts of Accounts are excluded.

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6. Foreign currency sensitivity

The Group is mainly exposed to EUR and USD currencies.

The following table details the Group's sensitivity to a 10% increase and decrease in USD and EUR. Other variables are assumed to be unchanged.

	Change in Currency Rate in %	Net Effect on Profit or Loss (After Tax)		Net Effect on Profit or Loss (After Tax)		Net Effect on Equity ^(*)	
		Current	Period	Current	Period	Prior	Period
USD	10% increase	(2,087)		(4,226)		(18,770)	(7,236)
	10% decrease	2,087		4,226		18,770	7,236
EUR	10% increase	(4,088)		(4,245)		(5,689)	(4,974)
	10% decrease	4,088		4,245		5,689	4,974

^(*) Effect on equity also includes the effect of the change in foreign currency rates in the income statement.

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.

Besides customer deposits, the Parent Bank funds its long term fixed interest rate TL loan portfolio with long term 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.

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

(Based on repricing dates)

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

^(*) "Other Assets" in "Non-Interest Bearing" column include, other assets amounting to TL 867,283, tangible assets amounting to TL 436,494, intangible assets amounting to TL 180,557, associates, subsidiaries and entities under common control amounting to TL 224,055, tax assets amounting to TL 10,215; and "Other Liabilities" in the "Non-Interest Bearing" column includes shareholders' equity amounting to TL 7,448,584, other liabilities amounting to TL 964,806, provisions amounting to TL 975,889, tax liability amounting to TL 123,220 and part of trading derivative financial liabilities amounting to TL 37,488.

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

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Average interest rates applied to monetary financial instruments

Current Period	EUR %	USD %	JPY %	TL %
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	0.51	-	-	5.88
Financial Assets at Fair Value Through Profit/Loss	3.89	3.06	-	5.54
Money Market Placements	-	-	-	6.66
Investment Securities Available for Sale	4.81	5.37	-	8.24
Loans and Receivables	6.12	5.22	5.31	19.70 ^(*)
Investment Securities Held for Trading	-	-	-	-
Liabilities				
Bank Deposits	2.44	2.28	-	7.67
Other Deposits	3.10	3.30	0.38	8.30
Money Market Borrowings	-	0.97	-	5.54
Sundry Creditors	-	-	-	-
Securities Issued	-	5.36	-	8.61
Funds Provided from Other Financial Institutions	2.06	3.61	-	8.40

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

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

(Based on repricing dates)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing ^(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	-	-	-	-	-	2,970,278	2,970,278
Due from Banks	640,419	75,300	10,427	-	-	206,080	932,226
Financial Assets at Fair Value Through Profit/Loss ^(**)	81,588	160,836	650,309	997,470	497,187	280,416	2,667,806
Money Market Placements	1,093,506	-	-	-	-	-	1,093,506
Investment Securities Available for Sale	1,222,212	1,398,075	1,275,305	1,928,613	897,305	119,455	6,840,965
Loans and Other Receivables	8,811,958	3,569,915	8,164,208	7,677,273	1,640,037	403,359	30,266,750
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets ^(*)	199,832	132,463	450,657	506,826	8,000	1,161,524	2,459,302
Total Assets	12,049,515	5,336,589	10,550,906	11,110,182	3,042,529	5,141,112	47,230,833
Liabilities							
Bank Deposits	167,388	55,465	26,613	-	-	36,748	286,214
Other Deposits	15,020,524	10,023,293	974,628	28,297	-	2,660,331	28,707,073
Money Market Borrowings	1,534,253	68	-	-	-	-	1,534,321
Sundry Creditors	815	-	-	-	-	1,578,322	1,579,137
Securities Issued	-	-	268,023	989,875	-	-	1,257,898
Funds Provided from Other Financial Institutions	953,347	436,084	3,588,654	335,114	11,624	-	5,324,823
Other Liabilities ^(*)	280,765	476,219	188,458	30,929	7,032	7,557,964	8,541,367
Total Liabilities	17,957,092	10,991,129	5,046,376	1,384,215	18,656	11,833,365	47,230,833
On Balance Sheet Long Position	-	-	5,504,530	9,725,967	3,023,873	-	18,254,370
On Balance Sheet Short Position	(5,907,577)	(5,654,540)	-	-	-	(6,692,253)	(18,254,370)
Off-Balance Sheet Long Position	-	-	447,161	860,705	84,105	-	1,391,971
Off-Balance Sheet Short Position	(298,321)	(330,936)	-	-	-	-	(629,257)
Total Position	(6,205,898)	(5,985,476)	5,951,691	10,586,672	3,107,978	(6,692,253)	762,714

^(*) "Other Assets" in "Non-Interest Bearing" column include, other assets amounting to TL 573,668, tangible assets amounting to TL 400,373, intangible assets amounting to TL 146,439, associates, subsidiaries and entities under common control amounting to TL 24,555, tax assets amounting to TL 16,489; and "Other Liabilities" in the "Non-Interest Bearing" column includes shareholders' equity amounting to TL 5,911,323, other liabilities amounting to TL 548,813, provisions amounting to TL 745,687, tax liability amounting to TL 98,847 and part of trading derivative financial liabilities amounting to TL 253,294.

^(**) This line also includes derivative financial assets hedging purposes amounting to TL 1,001,747.

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Average interest rates applied to monetary financial instruments

Prior Period	EUR %	USD %	JPY %	TL %
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	-	2.42	-	10.54
Financial Assets at Fair Value Through Profit/Loss	4.21	3.23	-	9.61
Money Markets Placements	-	4.28	-	9.84
Investment Securities Available for Sale	4.85	5.73	-	7.57
Loans and Receivables	6.29	5.44	5.31	18.51 ^(*)
Investment Securities Held to Maturity	-	-	-	-
Liabilities				
Bank Deposits	4.59	4.19	-	10.68
Other Deposits	4.72	5.05	0.44	11.59
Money Market Borrowings	3.90	-	-	5.84
Sundry Creditors	-	-	-	-
Securities Issued	-	5.50	-	10.84
Funds Provided from Other Financial Institutions	2.65	3.48	-	11.06

^(*) The yield of loans and receivables is 15.38% excluding credit cards

Interest rate risk on banking book

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

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

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

All these analyses are reported to Asset and Liability Committee and Risk Committee and by considering market conditions and the Parent 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 Asset 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	(796,161)	(8.99)%
	(-) 400	780,527	8.82%
2. EUR	(+) 200	(36,170)	(0.41)%
	(-) 200	38,936	0.44%
3. USD	(+) 200	(58,809)	(0.66)%
	(-) 200	83,065	0.94%
Total (of negative shocks)		902,528	10.19%
Total (of positive shocks)		(891,140)	(10.06)%

VII. Explanations Related to Position Risk of Equity Securities

Equity Securities (shares)	Comparison		
	Carrying Value	Fair Value (**)	Market Value
1. Investment in Shares- grade A	13,804	-	13,804
Quoted Securities	13,804	-	13,804
2. Investment in Shares- grade B	3	-	3
Quoted Securities	3	-	3
3. Investment in Shares- grade C	-	-	-
Quoted Securities	-	-	-
4. Investment in Shares- grade Other^(*)	224,055	194,916	-

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

(**) Refers to associates, subsidiaries and entities under common control accounted at fair value but not traded at the quoted markets.

Portfolio	Gains/Losses in Current Period	Revaluation Surpluses		Unrealized Gains and Losses		
		Total	Amount under Supplementary Capital	Total	Amount under Core Capital	Amount under Supplementary Capital
1. Private Equity Investments	-	-	-	-	-	-
2. Quoted Shares	4,353	-	-	4,019	4,019	-
3. Other Shares	-	-	-	-	-	-
4. Total	4,353	-	-	4,019	4,019	-

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VIII. Explanations Related to Consolidated Liquidity Risk

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

Liquidity risk represents risk of not having sufficient cash or cash inflows to meet the cash outflows completely and on time, as a result of instable cash flows. Liquidity risk may also result from inability to penetrate to market and to close open positions quickly at suitable prices and with sufficient amounts due to market disruptions or barriers. To mitigate liquidity risk, the Group diversifies funding sources as customer deposits and funds borrowed from abroad and keep certain level of assets as cash and cash equivalents.

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

The Parent Bank evaluates liquidity position on a daily basis. Cash flow projections and scenarios are analyzed every two weeks by the top management at Asset/Liability Committee meetings. Liquidity ratio, calculated monthly by the Market Risk Committee is used as preliminary indicator of the general liquidity position of the Group. List of available limits, instruments and securities which can be used as collateral to create liquidity in the event of a possible liquidity crisis is updated weekly. Alternative funding strategies to be followed in case of a liquidity problem are evaluated within the current limits and positions to be taken are determined. Moreover, in terms of "Liquidity Emergency Action Plan" early warning signals, stress levels correlated with the level of liquidity risk and actions to be taken at each stress level are defined.

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

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

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

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

In order to meet urgent liquidity needs 10% (December 31, 2011 – 6%) of the balance sheet is allocated as cash balances.

4. Evaluation of the Group's cash flows and their resources

Cash flows of the Group are mainly denominated in Turkish Lira, US Dollar and Euro.

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

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unallocated ^(*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	1,618,183	3,709,760	-	-	-	-	-	5,327,943
Due from Banks	110,912	92,298	2,027	-	-	-	-	205,237
Financial Assets at Fair Value Through Profit/Loss ^(**)	-	93,649	178,192	280,159	379,769	284,279	-	1,216,048
Money Market Placements	-	1,786,785	-	-	-	-	-	1,786,785
Investment Securities Available for Sale	190,245	41,506	4,563	829,750	2,763,580	3,336,304	-	7,165,948
Loans and Receivables	-	9,500,933	4,153,828	10,502,088	9,715,370	2,188,098	377,522	36,437,839
Investment Securities Held to Maturity	-	-	-	-	-	-	-	-
Other Assets	4,761	962,129	197,191	329,816	698,905	5,648	1,097,320	3,295,770
Total Assets	1,924,101	16,187,060	4,535,801	11,941,813	13,557,624	5,814,329	1,474,842	55,435,570
Liabilities								
Bank Deposits	21,529	841,828	126,173	58,044	-	-	-	1,047,574
Other Deposits	3,385,162	21,345,864	6,290,529	615,290	20,598	-	-	31,657,443
Funds Provided from Other Financial Institutions	-	339,607	501,472	1,832,119	757,533	1,738,667	-	5,169,398
Money Market Borrowings	-	1,788,801	73	-	-	-	-	1,788,874
Securities Issued	-	-	865,427	1,923,963	1,288,923	-	-	4,078,313
Sundry Creditors	7,944	1,264,167	2,062	-	-	19,194	-	1,293,367
Other Liabilities ^(*)	2,195	914,158	37,762	288,140	625,744	81,214	8,451,388	10,400,601
Total Liabilities	3,416,830	26,494,425	7,823,498	4,717,556	2,692,798	1,839,075	8,451,388	55,435,570
Liquidity Gap	(1,492,729)	(10,307,365)	(3,287,697)	7,224,257	10,864,826	3,975,254	(6,976,546)	-
Prior Period								
Total Assets	1,337,664	12,896,673	3,754,784	9,153,384	13,302,708	5,609,182	1,176,438	47,230,833
Total Liabilities	2,705,322	18,993,093	10,592,112	3,711,774	2,635,672	1,887,002	6,705,858	47,230,833
Net Liquidity Gap	(1,367,658)	(6,096,420)	(6,837,328)	5,441,610	10,667,036	3,722,180	(5,529,420)	-

^(*) The assets which are necessary to provide banking services and could not be liquidated in the short-term, such as fixed assets, investments in subsidiaries and associates, common shares unquoted on stock exchange, office stationery, and prepaid expenses are classified under this column. Unallocated other liabilities column includes shareholders' equity amounting to TL 7,448,584 unallocated provisions amounting to TL 879,594 and tax liability of TL 123,220.

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

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6. Analysis of financial liabilities by remaining contractual maturities

The table below shows the Group's maturity distribution of certain financial liabilities other than derivatives. The tables below are prepared by considering the future cash flows expected on the earliest cash flow dates. The total interest that will be paid for these liabilities is included in the table below.

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Carrying Amount
Bank deposits	21,529	842,770	127,381	59,541	-	-	1,051,221	1,047,574
Other deposits	3,385,162	21,604,280	6,349,522	631,693	21,211	-	31,991,868	31,657,443
Money market borrowings	-	1,789,537	73	-	-	-	1,789,610	1,788,874
Funds provided from other financial institutions	-	396,734	497,176	1,907,458	952,457	1,743,953	5,497,778	5,169,398
Securities issued	-	-	882,312	2,045,791	1,466,363	-	4,394,466	4,078,313

Prior Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Carrying Amount
Bank deposits	36,748	167,563	56,291	27,714	-	-	288,316	286,214
Other deposits	2,660,331	15,144,413	10,147,918	1,214,087	29,175	-	29,195,924	28,707,073
Money market borrowings	-	1,535,415	69	-	-	-	1,535,484	1,534,321
Funds provided from other financial institutions	-	325,271	454,394	1,968,303	1,214,351	1,784,605	5,746,924	5,324,823
Securities issued	-	-	-	344,744	1,129,859	-	1,474,603	1,257,898

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The table below shows the remaining maturities of derivative financial assets and liabilities.

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Forward Contracts Buy ^(*)	1,452,326	425,031	565,077	227,514	135,223	2,805,171
Forward Contracts Sell ^(**)	1,447,856	420,506	563,033	224,836	135,223	2,791,454
Swap Contracts Buy ^(*)	3,533,900	2,289,320	6,742,020	11,478,686	1,793,950	25,837,876
Swap Contracts Sell ^(*)	3,511,589	2,217,831	6,655,070	12,441,683	2,049,242	26,875,415
Futures Buy	-	117,353	3,572	-	-	120,925
Futures Sell	-	117,353	3,572	-	-	120,925
Options Buy	2,841,611	1,302,027	1,431,654	-	-	5,575,292
Options Sell	2,831,112	1,292,041	1,397,021	-	-	5,520,174
Total	15,618,394	8,181,462	17,361,019	24,372,719	4,113,638	69,647,232

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

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Forward Contracts Buy ^(**)	3,324,821	571,057	1,337,528	-	141,404	5,374,810
Forward Contracts Sell ^(**)	3,344,551	566,338	1,338,842	-	141,404	5,391,135
Swap Contracts Buy ^(*)	3,451,474	1,810,960	7,759,964	11,347,996	2,055,864	26,426,258
Swap Contracts Sell ^(*)	3,406,925	1,766,094	7,559,957	11,599,961	2,275,222	26,608,159
Futures Buy	-	65,994	117,947	-	-	183,941
Futures Sell	-	66,020	117,946	-	-	183,966
Options Buy	1,612,092	966,374	2,875,745	-	-	5,454,211
Options Sell	1,604,783	962,331	2,814,599	-	-	5,381,713
Total	16,744,646	6,775,168	23,922,528	22,947,957	4,613,894	75,004,193

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

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

IX. Explanations Related to Securitization Positions

As of December 31, 2012, the Bank has no securitization positions.

X. Explanations Related to Credit Risk Mitigation Techniques

The Group applies simple financial collateral method that includes the effects of risk mitigation calculations at fair value in compliance with the Article 33 of the "Regulation on Credit Risk Mitigation Techniques".

Besides, the Group applies Comprehensive Financial Collateral Method for calculation of the counterparty credit risk in compliance with the Article 33 of the "Regulation on Credit Risk Mitigation Techniques" for transactions included in trading book. In this method, risk and collateral amounts are subjected to standard volatility adjustments.

In order to manage the credit risk, cash and cash equivalents and high-credit-quality debt instruments are used.

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Exposure Categories ^(*)	Amount ^(*)	Financial Collaterals	Other/Physical Collaterals	Guaranties and Credit Derivatives
Conditional and unconditional exposures to central governments or central banks	11,269,683	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	4,200	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	431	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	1,414,697	51,522	-	-
Conditional and unconditional exposures to corporates	15,119,979	448,615	-	-
Conditional and unconditional retail exposures	36,859,421	249,646	-	-
Conditional and unconditional exposures secured by real estate property	10,905,665	-	-	-
Past due items	354,791	8	-	-
Items in regulatory high-risk categories	5,734,567	42,913	-	-
Exposures in the form of bonds secured by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-
Exposures in the form of collective investment undertakings	182,692	-	-	-
Other items	2,640,504	-	-	-
Total	84,486,630	792,704	-	-

^(*) Includes total risk amounts before credit risk mitigation.

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

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 Parent Bank's Risk Committee and senior management.

Besides the Group's 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 the yields against unpredictable losses, to support Group's business strategy in the manner that control the risk by carrying out the business objectives,

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- To improve the use and distribution of the capital and to increase the risk adjusted returns by adding risk to the measurement of the 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 risk management culture throughout the Group.

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

The fair value of the loans and lease receivables is determined based on discounted cash flows using the current market interest rates.

The estimated fair value of the demand deposits is the amount payable on demand. The fair values of the floating rate placements and overnight deposits are considered to approximate the carrying values due to short maturities. 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 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.

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	39,772,982	33,530,856	39,920,299	33,333,211
Money Market Placements	1,786,785	1,093,506	1,786,785	1,093,506
Loans and Receivables	36,437,839	30,266,750	36,553,135	30,110,591
Factoring Receivables	366,767	255,831	366,767	255,831
Lease Receivables	976,354	982,543	1,008,375	941,057
Financial Liabilities	45,034,968	38,689,466	44,963,351	38,409,044
Bank Deposits	1,047,574	286,214	1,047,669	286,151
Other Deposits	31,677,443	28,707,073	31,664,129	28,713,140
Funds Provided from Other Financial Institutions	5,169,398	5,324,823	5,112,944	5,191,627
Money Market Borrowings	1,788,874	1,534,321	1,788,874	1,534,321
Securities Issued	4,078,313	1,257,898	4,056,368	1,104,668
Sundry Creditors	1,293,367	1,579,137	1,293,367	1,579,137

TFRS 7 sets classification of valuation techniques according to the inputs used in valuation techniques based on fair value calculations which are whether observable or not.

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	7,278,386	1,103,610	-	8,381,996
Financial Assets at Fair Value through Profit/Loss	132,527	-	-	132,527
Assets on Trading Derivatives	6,112	484,627	-	490,739
Investment Securities Available for Sale	7,139,747	26,201	-	7,165,948
Loans and Receivables ^(*)	-	352,296	-	352,296
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-
Derivative Financial Assets Hedging Purposes	-	240,486	-	240,486
Financial Liabilities	103	887,999	-	888,102
Liabilities on Trading Derivatives	103	475,128	-	475,231
Derivative Financial Liabilities for Hedging Purposes	-	412,871	-	412,871

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

Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets	6,886,786	2,621,995	-	9,508,771
Financial Assets at Fair Value through Profit/Loss	88,649	-	-	88,649
Assets on Trading Derivatives	6,742	1,003,056	-	1,009,798
Investment Securities Available for Sale	6,791,385	49,580	-	6,840,965
Loans and Receivables ^(*)	-	567,612	-	567,612
Derivative Financial Assets Hedging Purposes	-	1,001,747	-	1,001,747
Financial Liabilities	2,138	1,234,559	-	1,236,697
Liabilities on Trading Derivatives	2,138	1,045,642	-	1,047,780
Derivative Financial Liabilities for Hedging Purposes	-	188,917	-	188,917

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

XIII. Explanations Related to Transactions Carried on Behalf of Others and Fiduciary Transactions

The Parent Bank provides buying, selling and custody services and management and financial advisory services in the name of the third parties. The Parent Bank does not involve in fiduciary activities.

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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	439,800	212,819	320,914	184,673
T.R. Central Bank	584,776	4,090,086	140,547	2,305,467
Others	460	2	18,327	350
Total	1,025,036	4,302,907	479,788	2,490,490

b) Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	584,776	380,326	140,547	339,666
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposit	-	3,709,760	-	1,965,801
Total	584,776	4,090,086	140,547	2,305,467

As of December 31, 2012, the reserve rates for the reserve deposits at the Central Bank of Turkey for Turkish Lira are implemented within an interval from 5% to 11% depending on the maturity of the deposits (December 31, 2011 – 5% to 11%) and the reserve rates for the foreign currency liabilities are within an interval from 9.5% to 11.5% depending on the maturity of the deposits (December 31, 2011 – 9% to 11%).

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

a) Trading securities given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bonds, Treasury Bills and Similar Marketable Securities ^(*)	9,105	-	11,520	-
Other	-	-	-	-
Total	9,105	-	11,520	-

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

b) Trading securities subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds ^(*)	-	-	-	-
Treasury Bills ^(*)	1,684	-	2,175	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	1,684	-	2,175	-

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

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c) Positive differences on trading derivative instruments

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	18,607	-	76,791	-
Swap Transactions	338,376	96,083	698,073	86,401
Futures Transactions	-	6,109	-	6,742
Options	749	30,815	414	140,680
Other	-	-	-	697
Total	357,732	133,007	775,278	234,520

3. a) Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	4,168	809	388,479	343,154
Foreign	91,242	109,018	20	200,573
Foreign Head Offices and Branches	-	-	-	-
Total	95,410	109,827	388,499	543,727

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount ^(**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	42,809	76,168	-	-
USA and Canada	60,881	58,505	778	59,921
OECD Countries ^(*)	2,873	4,971	-	-
Off-shore Banking Regions	91,241	-	-	-
Other	1,678	1,028	-	-
Total	199,482	140,672	778	59,921

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

^(**)Includes blocked placements at foreign banks amounting to TL 778 (December 31, 2011 - TL 59,921) for the syndication and securitization loans received.

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4. Information on receivables from reverse repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	1,786,785	-	702,580	-
T.R Central Bank	-	-	-	-
Banks	1,785,748	-	700,409	-
Intermediary Institutions	97	-	2,171	-
Other Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	940	-	-	-
Real Persons	-	-	-	-
Foreign Transactions	-	-	-	-
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
Total	1,786,785	-	702,580	-

5. Information on investment securities available for sale

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bond, Treasury Bill and Similar Marketable Securities	430,419	-	1,175,542	-
Other	-	-	-	-
Total	430,419	-	1,175,542	-

b) Investment securities available for sale subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	859,279	1,125,471	811,442	703,281
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	859,279	1,125,471	811,442	703,281

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c) Investment securities available for sale

	Current Period	Prior Period
Debt securities	6,978,832	6,850,104
Quoted on a stock exchange ^(*)	6,952,631	6,802,782
Unquoted on a stock exchange	26,201	47,322
Share certificates	190,353	126,491
Quoted on a stock exchange ^(**)	190,353	126,129
Unquoted on a stock exchange	-	362
Impairment provision(-)	(3,237)	(135,630)
Total	7,165,948	6,840,965

^(*)The Eurobond Portfolio amounting to TL 878,943 (December 31, 2011 – TL 537,063) which is accounted for as investment securities available for sale was hedged under fair value hedge accounting starting from March and April 2009 and the government bonds portfolio amounting to TL 198,512 which is accounted for as investment securities available for sale was hedged under fair value hedge accounting starting from August 2011. The mentioned financial assets are accounted for as Investment Securities Available for Sale in order to be in line with balance sheet presentation.

^(**) Share certificates that are quoted on a stock exchange include "exchange traded mutual funds" amounting to TL 181,995 (December 31, 2011 – TL 107,682).

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	
	Nakdi	Gayrinakdi	Nakdi	Gayrinakdi
Direct Loans Granted to Shareholders	-	29,498	-	3,072
Corporate Shareholders	-	29,498	-	3,072
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees ^(*)	58,761	-	47,740	-
Total	58,761	29,498	47,740	3,072

^(*)Included advances also given to the personnel.

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

	Standard Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	
Cash Loans ^(*)		Extension of Repayment Plan	Other		Extension of Repayment Plan	Other
Non-specialized Loans	33,352,716	944,449	-	1,703,474	411,974	-
Discount Notes	288,499	-	-	3,882	-	-
Export Loans	619,434	-	-	88,127	45,359	-
Import Loans	-	-	-	-	-	-
Loans Given to Financial Sector	440,940	-	-	-	-	-
Retail Loans	11,328,801	297,457	-	652,770	91,468	-
Credit Cards	10,027,929	482,671	-	255,672	98,822	-
Other	10,647,113	164,321	-	703,023	176,325	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	33,352,716	944,449	-	1,703,474	411,974	-

^(*)The loans and other receivables amounting to TL 352,296 (December 31, 2011 – TL 567,612) are disclosed as "Loans at Fair Value through Profit/Loss" in the financial statements.

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No. of Extensions	Performing Loans and Other Receivables ^(*)	Loans and Other Receivables under Follow-up ^(*)
1 or 2 times	936,657	323,017
3, 4 or 5 times	7,792	20,399
Over 5 times	-	68,558

No. of Extensions	Performing Loans and Other Receivables ^(*)	Loans and Other Receivables under Follow-up ^(*)
0 - 6 months	202,829	121,342
6 -12 months	77,307	26,159
1 - 2 years	318,578	93,172
2 - 5 years	305,406	159,344
5 years and over	40,329	11,957

^(*) The credit balances are based on fourth article, a and b clauses, fourth paragraph of the "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside" dated May 28, 2011 published in the Official Gazette No: 2794

c) Loans according to their maturity structure

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
Cash Loans ^(*)	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Non-specialized Loans	18,325,691	-	255,672	98,822
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	15,027,025	944,449	1,447,802	313,152
Non-specialized Loans	15,027,025	944,449	1,447,802	313,152
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	33,352,716	944,449	1,703,474	411,974

^(*)The loans and other receivables amounting to TL 352,296 (December 31, 2011 - TL 567,612) are disclosed as "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	166,971	10,733,405	10,900,376	562,166
Housing Loans	1,850	6,084,904	6,086,754	505,168
Automobile Loans	988	101,135	102,123	871
Personal Need Loans	158,651	4,547,366	4,706,017	56,127
Other	5,482	-	5,482	-
Consumer Loans-FC Indexed	-	98,068	98,068	57,175
Housing Loans	-	90,842	90,842	54,261
Automobile Loans	-	56	56	21
Personal Need Loans	-	7,170	7,170	2,893
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-TL	9,463,053	713,676	10,176,729	108,209
Installment	5,170,659	713,676	5,884,335	62,570
Non- Installment	4,292,394	-	4,292,394	45,639
Individual Credit Cards-FC	3,075	-	3,075	23
Installment	-	-	-	-
Non- Installment	3,075	-	3,075	23
Personnel Loans-TL	2,976	22,717	25,693	159
Housing Loans	-	416	416	1
Automobile Loans	-	224	224	1
Personal Need Loans	2,976	22,077	25,053	157
Other	-	-	-	-
Personnel Loans-FC Indexed	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Credit Cards-TL	29,611	-	29,611	-
Installment	17,307	-	17,307	-
Non-Installment	12,304	-	12,304	-
Personnel Credit Cards-FC	49	-	49	-
Installment	-	-	-	-
Non-Installment	49	-	49	-
Overdraft Accounts-TL (Real Persons)	648,094	-	648,094	78,765
Overdraft Accounts-FC (Real Persons)	-	-	-	-
Total	10,313,829	11,567,866	21,881,695	806,497

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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	385,291	3,549,816	3,935,107	48,587
Real Estate Loans	22	111,210	111,232	6,018
Automobile Loans	6,421	296,679	303,100	3,744
Personal Need Loans	378,848	3,141,927	3,520,775	38,825
Other	-	-	-	-
Commercial Loans with Installment Facility - FC Indexed	30,657	534,498	565,155	39,834
Real Estate Loans	-	12,413	12,413	1,463
Automobile Loans	695	62,615	63,310	3,382
Personal Need Loans	29,962	459,470	489,432	34,989
Other	-	-	-	-
Commercial Loans with Installment Facility - FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards –TL	540,118	1,192	541,310	5,739
Installment	244,187	1,192	245,379	2,602
Non-Installment	295,931	-	295,931	3,137
Corporate Credit Cards –FC	347	-	347	2
Installment	-	-	-	-
Non-Installment	347	-	347	2
Overdraft Accounts-TL (Legal Entities)	403,574	-	403,574	603
Overdraft Accounts-FC (Legal Entities)	-	-	-	-
Total	1,359,987	4,085,506	5,445,493	94,765

f) Loans according to borrowers ^(*)

	Current Period	Prior Period
Public	125,458	134,129
Private	36,287,155	30,296,874
Total	36,412,613	30,431,003

^(*) The loans and other receivables amounting to TL 352,296 (December 31, 2011 – TL 567,612) are presented in "Loans at Fair Value through Profit/Loss" in the financial statements.

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g) Domestic and foreign loans ^(*)

	Current Period	Prior Period
Domestic Loans	36,243,882	30,212,356
Foreign Loans	168,731	218,647
Total	36,412,613	30,431,003

^(*) The loans and other receivables amounting to TL 352,296 (December 31, 2011 – TL 567,612) are presented in "Loans at Fair Value through Profit/Loss" in the financial statements.

h) Loans granted to subsidiaries and associates

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

i) Specific provisions for loans

	Current Period	Prior Period
Specific Provisions		
Loans and Receivables with Limited Collectability	217,150	66,145
Loans and Receivables with Doubtful Collectability	340,379	147,153
Uncollectible Loans and Receivables	1,577,665	1,232,839
Total	2,135,194	1,446,137

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

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

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Current Period			
(Gross Amounts Before the Specific Provisions)	8,516	3,171	58,461
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	8,516	3,171	58,461
Prior Period			
(Gross Amounts Before the Specific Provisions)	616	9,171	65,676
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	616	9,171	65,676

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j.2) Movement of non-performing loans

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Prior Period End Balance	326,776	289,881	1,232,839
Additions (+)	1,131,186	28,382	21,894
Transfers from Other Categories of Non-Performing Loans (+)	-	917,448	568,932
Transfers to Other Categories of Non-Performing Loans (-)	917,448	568,932	-
Collections (-)	99,831	172,411	240,925
Write-offs (-)	-	-	5,075
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	2,121
Credit Cards	-	-	2,954
Others	-	-	-
Current Period End Balance	440,683	494,368	1,577,665
Specific Provision (-) ^(*)	217,150	340,379	1,577,665
Net Balances on Balance Sheet	223,533	153,989	-

^(*) Based on the "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside", the Parent Bank provided specific provisions in the prior period using the minimum provision ratios specified in the regulation for its non-performing consumer and commercial loans, whereas again in accordance with the regulation in the current period the Parent Bank provided specific provision for its 3rd and 4th group consumer loans with 100% provision rate and for its 3rd group commercial loans with 50% provision rate. After the stated change, the provision amount increased by TL 218,639 in the current period as compared to the provisioning method used in the prior period.

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

None (December 31, 2011 – None).

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	223,533	153,989	-
Loans to Real Persons and Legal Entities (Gross)	440,683	494,368	1,568,817
Specific provision (-)	(217,150)	(340,379)	(1,568,817)
Loans to Real Persons and Legal Entities (Net)	223,533	153,989	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	8,848
Specific provision (-)	-	-	(8,848)
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	260,631	142,728	-
Loans to Real Persons and Legal Entities (Gross)	326,776	289,089	1,222,590
Specific provision (-)	(66,145)	(146,361)	(1,222,590)
Loans to Real Persons and Legal Entities (Net)	260,631	142,728	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	792	10,249
Specific provision (-)	-	(792)	(10,249)
Other Loans and Receivables (Net)	-	-	-

k) Liquidation policies for uncollectible loans and other receivables

For the unrecoverable non-performing loans under legal follow up, the loan quality, collateral quality, bona fide of the debtor and assessment of the emergency of legal follow up are considered, before applying the best practice for unrecoverable non-performing loans under legal follow up. The Parent Bank prefers to liquidate the risk through negotiations with the debtors. If this cannot be possible, then the Parent Bank starts the legal procedures for the liquidation of the risk. Ongoing legal follow up procedures do not prevent negotiations with the debtors. An agreement is made with the debtor at all stage of the negotiations for the liquidation of the risk.

l) Explanations on write-off policy

Unrecoverable non-performing loans under legal follow-up, for which 100% provision is provided in compliance with the "Provisioning Decree" and with no collateral that are deemed as uncollectible are written off by the Board of Directors' decision, in accordance with the laws and regulations.

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7. Information on factoring receivables

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	364,145	2,622	251,562	4,269
Medium and Long-Term	-	-	-	-
Total	364,145	2,622	251,562	4,269

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

	Current Period	Prior Period
End of Prior Period	4,060	-
Provided Provision / (reversal), Net	5,052	4,060
Collections	(106)	-
Written off	(6,070)	-
Provision at the end of the period	2,936	4,060

8. Information on investment securities held-to-maturity

The Group does not have any investment securities held to maturity as of December 31, 2012 (December 31, 2011 – None)

9. Information on investments in associates (Net)

9.1. Information on investments in associates

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

Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
32,354	19,628	15,445	718	-	1,144	2,619	-
247,800	242,307	2,168	8,322	1	6,695	997	-

(*) Current period information is obtained from financial statements as of September 30, 2012; prior period profit and loss information is obtained from financial statements as of December 31, 2011.

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

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9.2. Movements of investments in associates

	Current Period	Prior Period
Balance at the Beginning of Period	6,769	5,769
Movements During the Period	1,208	1,000
Acquisitions	1,211 ^(*)	1,000 ^(*)
Bonus Shares Received	-	-
Dividends From Current Year Profit	-	-
Sales	(3) ^(***)	-
Reclassifications	-	-
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at the End of the Period	7,977	6,769
Capital Commitments	-	1,000
Share Percentage at the End of the Period (%) (%)	-	-

^(*) The amount represents the capital increase amounting to TL 1,000 in Kredi Garanti Fonu A.Ş.

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

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

9.3. Sectoral distribution and the related carrying amounts on associates

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	7,977	6,769
Total	7,977	6,769

9.4. Quoted associates

None (December 31, 2011 – None).

9.5. Valuation of investments in associates

	Current Period	Prior Period
Valued at Cost	7,977	6,769
Valued at Fair Value	-	-
Valued at Equity Method	-	-
Total	7,977	6,769

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9.6. Investments in associates sold during the current period

None (December 31, 2011-None).

9.7. Investments in associates acquired during the current period

None (December 31, 2011 - None).

10. Investments in subsidiaries (Net)

a) Information on the Parent Bank's unconsolidated subsidiaries

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

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

(*) Current period information is obtained from financial statements as of December 31, 2012.

b) Information on the consolidated subsidiaries

b.1) Information on the consolidated subsidiaries

Subsidiary	Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1. Finans Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	99.60	100.00
2. Finans Finansal Kiralama A.Ş.	Istanbul/Turkey	51.06	64.32
3. Finans Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	83.75(*)	83.78(*)
4. Finans Portföy Yönetimi A.Ş.	Istanbul/Turkey	0.01	100.00
5. Finans Faktoring Hizmetleri A.Ş.	Istanbul/Turkey	99.99	99.99

(*)The share of the Parent Bank is 10.01% whereas the remaining 73.74% shareholding represents the purchases of publicly traded shares on the Istanbul Stock Exchange.

Information on subsidiaries in the order 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. (*)	272,002	178,407	13,008	10,272	567	10,231	15,430	-
2. (*)	1,315,753	468,528	348	-	-	46,984	36,352	699,200
3. (***)	21,698	21,437	38	-	-	3,352	(2,136)	21,240
4. (*)	13,027	11,796	948	1,471	11	1,050	7,403	-
5. (*)	375,417	26,901	812	39,986	-	3,521	3,252	-

(*)Current period information represents December 31, 2012 figures, and prior period profit/loss amounts represent December 31, 2011 figures as per the financial statements prepared in accordance with BRSA regulations.

(**)Fair values of publicly traded subsidiaries reflect their stock exchange values as of balance sheet date.

(***)Current period information represents September 30, 2012 figures, and prior period profit/loss amounts represent December 31, 2011 figures as per the financial statements prepared in accordance with BRSA regulations.

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b.2) Movement of investments in consolidated subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	397,409	362,058
Movements during the period	79,208	35,351
Purchases	5,902 ⁽¹⁾	18,187 ⁽⁴⁾
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Disposals	(27,950) ⁽²⁾	(3,706) ⁽⁵⁾
Changes due to Reclassification	(22,050) ⁽³⁾	-
Revaluation Increase	123,306	20,870
Impairment Provision	-	-
Balance at the End of the Period	476,617	397,409
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	-	-

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

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

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

⁽⁴⁾ Purchases in the prior period include bonus shares received from the Parent Bank's subsidiaries Finans Emeklilik ve Hayat A.Ş. amounting to TL 8,187 and Finans Faktoring Hiz. A.Ş. amounting to TL 10,000.

⁽⁵⁾ Disposal in the prior period amount represents disposal of the shares of the Parent Bank's subsidiary Finans Yatırım Ortaklığı A.Ş. received from ISE amounting to TL 5,027. The Parent Bank recognized profit on sale amounting to TL 1,321.

b.3) Sectoral distribution of the consolidated subsidiaries

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	45,000
Factoring Companies	20,000	20,000
Leasing Companies	357,012	237,225
Finance Companies	-	5,000
Other Subsidiaries	99,605	90,184
Total	476,617	397,409

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	373,896	244,688
Quoted on International Stock Exchanges	-	-
Total	373,896	244,688

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b.5) Explanation to capital adequacy of major subsidiaries

The Parent Bank does not have any major subsidiaries.

11. Investments in entities under common control

	The Parent Bank's Share	The Group's Share	Current Assets	Fixed Assets	Long Term Debt	Current Period Profit/Loss	Prior Period Profit/Loss
Finans Emeklilik ve Hayat A.Ş. ^(*)	%49.00	%49.00	413,859	4,010	48,776	29,031	9,493
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. ^(*)	33.33%	33.33%	11,183	5,932	535	2,034	1,770

^(*) Current period information represents December 31, 2012 figures.

Information about Finans Emeklilik ve Hayat A.Ş., one of the entities under common control of the Group, is presented in Part 5 Footnote IV-5.

12. Information on financial lease receivables (Net)

12.1. Maturity analysis of financial lease receivables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	503,606	436,353	501,635	446,763
Between 1-4 years	579,471	512,100	547,285	494,995
Over 4 years	31,708	27,901	43,113	40,785
Total	1,114,785	976,354	1,092,033	982,543

Financial lease receivables include non performing financial lease receivables amounting to TL 110,833 (December 31, 2011 – TL 123,172) and specific provisions amounting to TL 64,549 (December 31, 2011 – TL 69,348).

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

	Current Period	Prior Period
End of prior period	69,348	65,665
Provided provision / (Cancellation), Net	11,896	18,881
Collections	(4,119)	(3,244)
Written off ^(*)	(12,576)	(11,954)
Provision at the end of the period	64,549	69,348

^(*)On November 30, 2012, Finans Finansal Kiralama A.Ş., transferred financial lease receivables amounting to TL 17,630 as of sales date total of TL 550 in cash. TL 4,678 of mentioned receivables comprises of receivables previously written-off. The remaining amount of TL 12,952 which is non-performing lease receivables and TL 12,576 which is provision for non-performing lease receivables are written-off.

Finans Finansal Kiralama A.Ş. disposed finance lease receivables of TL 22,630 as of the transaction date. TL 15,478 receivables are disposed for TL 525 in cash under the circumstances of 5% sales revenue will be paid and the remaining part amounting to TL 7,152 is disposed for TL 235 in cash, as of November 30, 2011, totaling TL 760. TL 10,325 portion of the mentioned receivables comprised of receivables written-off previously. The remaining finance lease receivables amounting to TL 12,305 and provisions for non-performing finance lease receivables amounting to TL 11,954 are written-off.

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12.2. Information on net investments in financial leases

	Current Period	Prior Period
Gross Financial Lease Investments	1,114,785	1,092,033
Unearned Finance Income (-)	(138,431)	(109,490)
Cancelled Leasing Agreements (-)	-	-
Net Investment on Leases	976,354	982,543

12.3. Information of financial 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 (*)	202,567	37,919	960,793	40,954
Cash Flow Hedge	-	-	-	-
Hedge of Net Investment in Foreign Operations	-	-	-	-
Total	202,567	37,919	960,793	40,954

(*) Derivative financial instruments for hedging purposes include swaps. TL 37,919 (December 31,2011-TL 48,183) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in securities and TL202,567 represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in loans as of December 31, 2012; whereas TL 953,564 represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in loans as of December 31, 2011.

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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	61,519	337,515	2,196	640,045	1,041,275
Accumulated Depreciation (-)	5,797	233,593	1,133	400,379	640,902
Net Book Value	55,722	103,922	1,063	239,666	400,373
Current Period End					
Cost at the Beginning of the Period	61,519	337,515	2,196	640,045	1,041,275
Additions	2,072	804	420	130,884	134,180
Disposals (-)	584	5,588	149	18,125	24,446
Impairment (-) / (increase)	1,651	-	-	-	1,651
Current Period Cost	61,356	332,731	2,467	752,804	1,149,358
Accumulated Depreciation at the Beginning of the Period	5,797	233,622	1,131	400,352	640,902
Disposals (-)	-	5,377	79	15,540	20,996
Depreciation amount	1,362	15,119	283	76,194	92,958
Accumulated Depreciation at the End of the Period (-)	7,159	243,364	1,335	461,006	712,864
Net Book Value at the End of the Period	54,197	89,367	1,132	291,798	436,494

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 1,651 has been booked. (December 31, 2011 - TL 1,594 impairment loss has been reversed).

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, 2011 - 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, 2011 - None)

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15. Explanations on intangible assets

	Rights	Goodwill	Total
Prior Period End			
Cost	295,081	19,209	314,290
Accumulated Amortization (-)	157,611	10,240	167,851
Net Book Value	137,470	8,969	146,439
Current Period End			
Cost at the Beginning of the Period	295,081	19,209	314,290
Additions	90,719	-	90,719
Disposals (-)	4,238	-	4,238
Current Period Cost	381,562	19,209	400,771
Acc. Amort. at the Beginning of the Period	157,611	10,240	167,851
Disposals (-)	3,236	-	3,236
Amortization charge	55,599	-	55,599
Current Period Accumulated Amortization (-)	209,974	10,240	220,214
Net Book Value-End of the Period	171,588	8,969	180,557

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, 2011 - None).

b) Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition: None (December 31, 2011 - 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, 2011 - None).

d) The book value of intangible fixed assets that are pledged or restricted for use: None (December 31, 2011 - None).

e) Amount of purchase commitments for intangible fixed assets: None (December 31, 2011 - None).

f) Information on revalued intangible assets according to their types: None (December 31, 2011 - 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 4,981 (December 31, 2011 – TL 5,415).

h) Positive or negative consolidation goodwill on entity basis:

The goodwill amounting to TL 8,969 recorded to the accompanying consolidated financial statements for the Parent Bank purchasing its subsidiary Finans Finansal Kiralama A.Ş. (December 31, 2011 – 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, 2011 - None).

17. Explanations on tax asset

The Group does not have any current tax asset (December 31, 2011 – TL 533). The Group has deferred tax asset of TL 10,215 (December 31, 2011 – TL 15,956) calculated in line with related regulations. The information about current and deferred tax is presented in the disclosures and explanations about liability accounts in footnote number 10.1 and 10.2.

18. Explanations on assets held for sale and discontinued operations

None (December 31, 2011 – None).

19. Information on other assets

19.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Cheques Receivables from Other Banks	254,500	91,960
Collateral Given for Derivative Transactions	249,618	69,070
Other Prepaid Expenses	224,223	178,389
Assets Held for Resale (Net)	158,966	125,432
Sundry Debtors	79,171	69,073
Prepaid Rent Expenses	28,210	10,689
Prepaid Agency Commissions	25,318	20,188
Advances Given	6,671	4,993
Other	4,972	2,298
Cheques Receivables from Other Banks	69,679	60,980
Total	1,101,328	633,072

19.2. If other assets exceed 10% of total assets excluding the off-balance sheet items, the names 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. Information on accrued interest and income

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Assets on Trading Derivatives	357,732	133,007	775,278	234,520
Derivative Financial Instruments Held for Hedging Purposes	202,567	37,919	960,793	40,954
Loans and Receivables	447,956	49,012	557,874	31,273
Investment Securities Available for Sale	328,828	161,758	54,821	5,959
Lease Receivables	2,853	4,353	1,933	5,344
Investment Securities Held for Trading	2,178	90	1,349	53
Banks	614	25	1,152	6
Factoring Receivables	542	62	324	59
Money Market Receivables	748	-	-	-
Other Accruals	16,008	-	965	93
Total	1,360,026	386,226	2,354,489	318,261

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

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	541,194	-	692,737	12,136,105	1,731,329	244,484	16,529	15,900	15,378,278
Foreign Currency Deposits	816,888	-	925,350	4,574,504	594,057	399,517	53,146	5,533	7,368,995
Residents in Turkey	792,069	-	912,102	4,472,326	564,043	257,225	53,146	5,533	7,056,444
Residents Abroad	24,819	-	13,248	102,178	30,014	142,292	-	-	312,551
Public Sector Deposits	42,342	-	14,276	17,755	400	-	-	-	74,773
Commercial Deposits	986,320	-	754,436	1,974,661	708,499	181,485	63,178	-	4,668,579
Other Ins. Deposits	15,380	-	77,931	677,110	77,923	2,594	10,663	-	861,601
Precious Metal Deposits	258,207	-	96,640	-	-	-	-	-	354,847
Bank Deposits	36,748	-	167,388	55,465	7,190	19,423	-	-	286,214
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2,306	-	11,174	1,718	4,176	4,139	-	-	23,513
Foreign Banks	30,950	-	156,214	53,747	3,014	15,284	-	-	259,209
Participation Banks	3,492	-	-	-	-	-	-	-	3,492
Other	-	-	-	-	-	-	-	-	-
Total	2,697,079	-	2,728,758	19,435,600	3,119,398	847,503	143,516	21,433	28,993,287

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

	Covered by Deposit Insurance Fund		Exceeding the Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	4,488,992	4,398,629	8,882,423	10,973,995
Foreign Currency Savings Deposits	909,501	779,577	4,809,767	3,612,679
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	5,398,493	5,178,206	13,692,190	14,586,674

1.2. Savings deposits in Turkey are not covered under insurance in another country since the headquarters of the Group is not located abroad.

1.3. Savings deposits that are not covered under the guarantee of deposit insurance fund

	Current Period	Prior Period
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close family members	-	-
Deposits of chairman and members of the Board of Directors and their close family members	-	-
Deposits obtained through illegal acts defined in the 282nd 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	2,027	18,979
Total	2,027	18,979

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2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	13,473	-	95,651	-
Swaps	355,115	84,465	736,219	104,091
Futures	-	100	-	2,138
Options	1	22,077	78	108,978
Other	-	-	-	625
Total	368,589	106,642	831,948	215,832

3. a) Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans	-	-	-	-
Domestic Bank and Institutions	227,540	145,058	128,851	121,886
Foreign Bank, Institutions and Funds	73,644	3,093,566	63,641	3,267,804
Total	301,184	3,238,624	192,492	3,389,690

b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	301,184	1,722,249	192,492	2,029,154
Medium and Long-Term	-	1,516,375	-	1,360,536
Total	301,184	3,238,624	192,492	3,389,690

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

The Parent Bank extended the maturity of the syndicated loan amounting to USD 188 million and EUR 211.9 million for one year in line with the Board of Directors' decision No: 61 dated October 18, 2012, as of November 29, 2012.

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

As of December 31, 2012, the Group's liabilities comprise; 59% deposits (December 31, 2011 – 61%), 9% funds borrowed (December 31, 2011 – 11%) and 3% funds provided under repurchase agreements (December 31, 2011 – 3%).

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4. Information on funds provided under repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	846,251	-	816,309	-
Financial institutions and organizations	834,084	-	789,989	-
Other institutions and organizations	4,239	-	9,099	-
Real persons	7,928	-	17,221	-
From foreign transactions	4,542	878,081	534	552,135
Financial institutions and organizations	-	878,081	-	552,135
Other institutions and organizations	4,542	-	333	-
Real persons	-	-	201	-
Total	850,793	878,081	816,843	552,135

5. Information on securities issued (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	2,789,390	-	268,023	-
Bills	-	1,288,923	-	989,875
Total	2,789,390	1,288,923	268,023	989,875

The Group issued bonds with TL 400,000 nominal value, 6 months maturity and 10.00% interest rate on September 14, 2012, and issued bonds with TL 500,000 nominal value, 6 months maturity and 9.60% interest rate on September 21, 2012 and issued bonds with TL 750,000, 6 months maturity and 8.30% interest rate on November 15, 2012 and issued bonds with TL 650,000, 6 months maturity and 7.95% interest rate on December 14, 2012 and issued bonds with TL 600,000, 105 days maturity and 7.95% interest rate on December 28, 2012. Additionally, the Group issued bonds with USD 500 million nominal value on May 11, 2011 and USD 350 million nominal value on November 1, 2012.

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

Other liabilities account does not exceed 10% of total liabilities excluding the off-balance sheet items (December 31, 2011 – does not exceed).

7. Criteria used in the determination of lease installments in the financial lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts

Interest rate and cash flows of the Group are the main criteria which are taken into consideration for the determination of payment plans in the leasing contracts.

7.1. Explanations on changes in agreements and further commitments arising

No changes have been made to the leasing agreements in the current period (December 31, 2011 – None).

7.2. Explanations on financial lease payables

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

7.3. Explanations and footnotes on operational lease

Operational lease payments are recognized as an expense in the income statement on a straight-line basis over the lease terms.

7.4. Explanations on "Sale -and- lease back" agreements

The Group does not have any sale and lease back transactions in the current period (December 31, 2011 – None).

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8. Information on liabilities arising from hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge ^(*)	257,139	121,330	30,334	124,258
Cash Flow Hedge ^(**)	34,402	-	34,325	-
Net Investment Hedge	-	-	-	-
Total	291,541	121,330	64,659	124,258

^(*) Derivative financial instruments for hedging purposes include swaps. As of December 31, 2012, TL 247,656 (December 31, 2011 – TL 30,334) represents the fair value of derivatives which are the hedging instruments of hedged loan portfolio. TL 130,813 (December 31, 2011 – TL 124,258) represents the fair value of loans which are the hedging instruments of hedged investment securities available for sale portfolio.

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

9. Explanations on provisions

9.1. Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	441,173	286,073
-Additional Provision for Loans and Receivables with Extended Maturities	29,599	9,762
Provisions for Loans and Receivables in Group II	79,834	34,212
-Additional Provision for Loans and Receivables with Extended Maturities	34,740	5,849
Provisions for Non - Cash Loans	60,135	50,771
Other	36,542	29,385
Total	617,684	400,441

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 ^(*)	6,906	1,647

^(*) 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 47,989 (December 31, 2011 - TL 59,210).

9.4 Information on employee termination benefits and unused vacation accrual

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

As of December 31, 2012, TL 39,647 (December 31, 2011 - TL 32,870) reserve for employee termination benefits was provided in the accompanying financial statements.

As of December 31, 2012, the Group accrued TL 21,351 (December 31, 2011 - TL 18,779) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of December 31, 2012, TL 97,488 (December 31, 2011 - TL 51,593) bonus and premium provisions have been provided under reserve for employee benefits account in the accompanying financial statements.

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9.4.1 Movement of employee termination benefits

	Current Period 01.01–31.12.2012	Prior Period 01.01–31.12.2011
As of January 1	32,870	26,826
Service cost	9,026	7,234
Interest cost	4,880	4,039
Settlement/ curtailment/ termination loss	10,581	8,474
Paid during the period	(17,710)	(13,703)
Total	39,647	32,870

9.5. Information on other provisions

9.5.1. Information on free reserves for possible loan losses

	Current Period	Prior Period
Free Reserves for Possible Loan Losses	99,747	63,702

As of December 31, 2012 the Group has provided TL 99,747 provision (December 31, 2011 – TL 63,702) for possible losses that could arise for loans in the watch list, considering their recovery rates.

9.5.2 Information on other provisions

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

	Current Period	Prior Period
Provision for Promotion Expenses of Credit Cards	16,187	13,832
Other Provisions	35,796	26,936
Total	51,983	40,768

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10. Information on tax liability

10.1. Information on current tax liability

10.1.1. Information on tax provision

As of December 31, 2012, the Group has current tax liability of TL 382,188 (December 31, 2011 - TL 226,159) and advance taxes of TL 283,153 (December 31, 2011 - TL 148,735).

The current tax liability and the advance taxes of the consolidated subsidiaries have been offset separately in their financial statements. As of December 31, 2012, after the offsetting, the current tax liability amounting TL 99,035 (December 31, 2011 - TL 77,957) is disclosed. The Group does not have current tax asset (December 31, 2011 - TL 533).

10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	99,035	77,957
Banking and Insurance Transaction Tax (BITT)	33,110	30,496
Taxation on Securities Income	36,055	32,463
Taxation on Real Estates Income	1,522	1,210
Other	18,856	19,997
Total	188,578	162,123

10.1.3. Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	5,590	9,387
Social Security Premiums - Employer Share	5,762	9,922
Unemployment Insurance - Employee Share	394	659
Unemployment Insurance - Employer Share	786	1,325
Total	12,532	21,293

10.2. Information on deferred tax liabilities

According to TAS 12, the deferred tax assets and liabilities are netted off separately in the accompanying financial statements.

Deferred tax asset is TL 10,215 (December 31, 2011 - TL 15,956) and deferred tax liability is TL 24,185 (December 31, 2011- TL 20,890) after deferred tax asset and liability balances in the financial statements of the consolidated subsidiaries are netted off separately.

In cases whereby such differences are related with certain items under the shareholders' equity accounts, the deferred tax benefits/charges are netted under these accounts. The deferred tax assets amounting to TL 48,460 are netted under equity. (December 31, 2011 - TL 66,106 deferred tax liability).

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	Temporary Differences		Deferred Tax Asset/(Liability)	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Reserve for employee benefits	158,486	103,242	31,697	20,648
The differences between carrying and taxable amounts of financial assets	191,770	347,075	38,354	69,415
Unused investment incentive certificates	2,968	38,671	6	7,734
Other	353,813	27,091	70,763	5,419
Deferred Tax Assets			140,820	103,216
The differences between carrying and taxable amounts of tangible assets	(120,173)	(105,565)	(24,035)	(21,113)
The differences between carrying and taxable amounts of financial assets	(557,890)	(380,220)	(111,578)	(76,044)
Other	(95,887)	(54,962)	(19,177)	(10,993)
Deferred Tax Liability			154,790	(108,150)
Deferred Tax Asset/(Liability), Net			(13,970)	(4,934)
			Current Period	Prior Period
Deferred Tax Asset/(Liability) as of January 1 (Net)			(4,934)	(42,451)
Deferred Tax (Charge)/Benefit			105,530	(54,884)
Deferred Tax Accounted for under the Equity			(114,566)	92,401
Deferred Tax Asset/(Liability) as of December 31 (Net)			(13,970)	(4,934)

11. Information on payables related to assets held for sale

None (December 31, 2011 – None).

12. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	1,629,590	-	1,742,641
From Other Foreign Institutions	-	-	-	-
Total	-	1,629,590	-	1,742,641

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

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13. Information on shareholder's equity

13.1. Paid-in capital

	Current Period	Prior Period
Common Stock	2,565,000	2,440,000
Preferred Stock	-	-

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

Capital System	Paid-in Capital	Ceiling
Registered Capital System	2,565,000	6,000,000

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

Date of Increase	Amount of Increase	Cash	Profit Reserves Subject to Increase	Capital Reserves Subject to Increase
June 13, 2012	125,000	-	125,000	-

13.4. Information on share capital increases from revaluation funds

None (December 31, 2011 - None).

13.5. Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments

The Group does not have any capital commitment; the capital is fully paid-in.

13.6. Prior periods' indicators related with the Parent Bank's income, profit and liquidity and the possible effects of the uncertainties in these indicators on the Parent Bank's equity

None (December 31, 2011 - None).

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

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

14. Common stock issue premiums, shares and equity instruments

	Current Period	Prior Period
Number of Stocks (Thousands)	25,650,000	24,440,000
Preferred Capital Stock	-	-
Common Stock Issue Premiums ^(*)	714	714
Common Stock Withdrawal Profits	-	-

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

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15. Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control	-	-	-	-
Valuation Difference	-	-	-	-
Foreign Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	168,496	28,059	(98,932)	(154,784)
Valuation Difference	168,496	28,059	(98,932)	(154,784)
Foreign Exchange Rate Difference	-	-	-	-
Total	168,496	28,059	(98,932)	(154,784)

16. Information on 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	114,732	17,784	135,902	26,499
Derivative Financial Liabilities Held for Trading	368,589	106,642	831,948	215,832
Funds Borrowed	3,432	21,181	1,424	27,212
Money Market Borrowings	1,197	1,276	642	587
Derivative Financial Liabilities for Hedging Purposes	291,541	121,330	64,659	124,258
Other Accruals	25,325	44,535	23,971	47,546
Total	804,816	312,748	1,058,546	441,934

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SECTION FIVE

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

1. Information related to consolidated off-balance sheet contingencies

1.1. Type and amount of irrevocable commitments

	Current Period	Prior Period
Letters of Guarantee in FC	1,533,101	1,791,107
Letters of Guarantee in TL	3,677,256	3,423,939
Letters of Credit	579,351	688,611
Bank Loans	545,914	1,048,329
Other Guarantees	24,055	33,672
Total	6,359,677	6,985,658

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

Specific provision is provided for the non-cash loans amounting to TL 47,989 (December 31, 2011 – TL 59,210) followed in the off-balance sheet accounts that are not indemnified and not liquidated yet.

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

	Current Period	Prior Period
Provisional Letters of Guarantee	401,258	395,780
Final Letters of Guarantee	3,396,832	3,826,420
Advance Letters of Guarantee	179,659	172,828
Letters of Guarantee Given to Customs Offices	186,504	202,919
Other Letters of Guarantee	1,046,104	617,099
Total	5,210,357	5,215,046

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	306,450	383,661
Less Than or Equal to One Year with Original Maturity	23,503	23,877
More Than One Year with Original Maturity	282,947	359,784
Other Non-Cash Loans	6,053,227	6,601,997
Total	6,359,677	6,985,658

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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	16,824	0.46	2,708	0.10	11,480	0.33	4,632	0.13
Farming and Raising Livestock	14,758	0.40	668	0.03	10,074	0.29	1,454	0.04
Forestry	740	0.02	-	0.00	624	0.02	-	0.00
Fishing	1,326	0.04	2,040	0.08	782	0.02	3,178	0.09
Manufacturing	644,791	17.52	1,289,546	48.56	628,915	18.19	1,624,198	46.47
Mining and Quarrying	21,904	0.60	1,736	0.07	20,112	0.58	492	0.01
Production	551,677	14.99	1,157,579	43.59	531,089	15.36	1,509,406	43.19
Electricity, gas and water	71,210	1.94	130,231	4.90	77,714	2.25	114,300	3.27
Construction	925,880	25.16	407,535	15.35	848,019	24.53	572,361	16.38
Services	2,037,904	55.38	934,644	35.20	1,918,313	55.48	1,276,181	36.53
Wholesale and Retail Trade	1,118,337	30.39	522,299	19.67	1,185,470	34.29	721,489	20.65
Hotel, Food and Beverage Services	45,221	1.23	15,262	0.57	24,926	0.72	4,368	0.12
Transportation & Communication	98,881	2.69	110,684	4.17	68,698	1.99	150,092	4.30
Financial Institutions	468,212	12.72	259,148	9.76	373,121	10.79	312,094	8.93
Real Estate and Renting Services	6,363	0.17	1,552	0.06	5,719	0.17	2,138	0.06
Self-Employment Services	119,674	3.25	17,883	0.67	80,738	2.34	11,707	0.34
Educational Services	1,467	0.04	7	0.00	1,606	0.05	-	0.00
Health and Social Services	179,749	4.88	7,809	0.29	178,035	5.15	74,293	2.13
Other ^(*)	54,632	1.48	21,158	0.80	50,779	1.47	17,108	0.49
Total	3,680,031	100.00	2,655,591	100.00	3,457,506	100.00	3,494,480	100.00

^(*) Does not include "Other Guarantees" amounting to TL 24,055 (December 31, 2011 - TL 33,672)..

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

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	3,452,527	1,431,423	197,671	80,747
Bills of Exchange and Acceptances	2,771	538,546	-	4,597
Letters of Credit	4	575,265	-	4,082
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	24,055	-	-
Non-cash Loans	3,455,302	2,569,289	197,671	89,426

^(*) Does not include non-cash loans amounting to TL 47,989 for which provision is provided, but that 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)	45,690,221	51,533,238
Forward transactions ^(*)	5,596,626	10,765,945
Swap transactions	28,774,885	29,755,228
Futures transactions	225,260	216,141
Option transactions	11,093,450	10,795,924
Interest Related Derivative Transactions (II)	5,875,840	5,156,173
Forward rate transactions	-	-
Interest rate swap transactions	5,857,234	4,964,407
Interest option transactions	-	40,000
Futures interest transactions	16,590	151,766
Securities sales/purchases option transactions	2,016	-
Other trading derivative transactions (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	51,566,061	56,689,411
Types of hedging transactions	18,081,171	18,314,782
Fair value hedges	17,540,286	17,252,307
Cash flow hedges	540,885	1,062,475
Net investment hedges	-	-
B. Total Hedging Related Derivatives	18,081,171	18,314,782
Total Derivative Transactions (A+B)	69,647,232	75,004,193

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

5.1 Fair value hedge accounting

a) Loans

The Parent Bank enters into swap transactions in order to hedge itself from the changes in the fair value due to the changes in market interest rates of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. As of December 31, 2012; the mortgage loans amounting to TL 5,777,912 (December 31, 2011 – TL 4,357,337) were subject to hedge accounting by swaps with the nominal values of TL 7,711,610 (December 31, 2011 – TL 6,528,617). The net market valuation difference gain amounting to TL 3,787 (December 31, 2011 -TL 8,680 gain) due to the gains from loans amounting to TL 218,951 (December 31, 2011 – TL 86,122) and losses from swaps amounting to TL 215,164 (December 31, 2011 – TL 77,442) is accounted for under "securities trading gains/losses" line in the accompanying financial statements.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through income statement until the maturity of the hedged loans. The Parent Bank has booked the valuation effect amounting to TL 61,360 (December 31, 2011 –TL 87,592) related to the loans that are ineffective for hedge accounting under "securities trading gains/losses" as loss during the current period.

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b) Investment securities available for sale

The 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 the nominal values of USD 322,000 and EUR 26,000 (December 31, 2011 – USD 214,000 and EUR 26,000) were subject to hedge accounting by interest rate swaps with the same nominal values. The net market valuation difference gain amounting to TL 142 due to loss (December 31, 2011-TL 115 gain) from Eurobonds amounting to TL 5,789 (December 31, 2011 – TL 111,316 gain) and gains from swaps amounting to TL 5,931 (December 31, 2011 – TL 111,2011 loss) is accounted for under "securities trading gains/losses" line in the accompanying financial statements.

The Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term TL government bonds with fixed coupon held by the Bank using swaps as hedging instruments. As at the balance sheet date; the government bonds with the nominal values of TL 198,305 (December 31, 2011 – TL 102,030) were subject to hedge accounting by swaps with the same nominal value. The net market valuation difference loss amounting to TL 907(December 31, 2011- TL 237 loss) due to gains from government bonds amounting to TL 10,688 (December 31, 2011 – TL 994) and losses from swaps amounting to TL 11,595 (December 31, 2011 - 1,231) is accounted for under "securities trading gains/losses" line in the accompanying financial statements.

c) Bonds issued

The Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to foreign currency bonds issued by the Bank using interest rate swaps as hedging instruments. As at the balance sheet date; bonds with USD 367,000 nominal value (December 31, 2011 – USD 497,000) were subject to hedge accounting by swaps with the same nominal value. Net market valuation difference loss amounting to TL 1 (December 31, 2011- TL 235 gain) due to gain from government bonds amounting to TL 6,004 (December 31, 2011 – TL 40,131 loss) and loss from swaps amounting to TL 6,005 (December 31, 2011 - 40,366 gain) is accounted for under "securities trading gains/losses" line in the accompanying financial statements.

5.2 Cash flow hedge accounting

a) Deposit

The Parent Bank applies cash flow hedge accounting using interest rate swaps in order to hedge itself from the interest rate changes of deposits that have an average maturity of 1 month, the Parent Bank implements cash flow hedge accounting with interest rate swaps. The Parent Bank implements efficiency tests at the balance sheet dates for hedging purposes; the effective portions are accounted for under equity "Hedging Funds", whereas the ineffective portions are accounted for at income statement as defined in TAS 39. The swaps amounting to TL 270,442 (December 31, 2011-TL 531,238) are subject to hedge accounting as hedging instruments. As a result of the mentioned hedge accounting, the fair value loss before taxes amounting to TL 8,273 are accounted for under equity during the current period (December 31, 2011 – TL 13,797 gain). The losses amounting to TL 97 (December 31, 2011-TL 18 loss) for the ineffective portions are accounted for at the income statement.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. Effective parts classified under equity due to hedge accounting are amortized through income statement until the maturity of swaps in case of ineffectiveness. The Parent Bank transferred losses amounting to TL 3,692 from the equity to the income statement due to the swaps that are matured or whose effectiveness deteriorated during the current period (December 31, 2011 – TL 4,722 loss).

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As of December 31, 2012 breakdown of the Group's foreign currency forward and interest rate swap transactions based on currencies are disclosed below in their TL equivalents:

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

(*) This column also includes hedging purpose derivatives.

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

	Forward Buy ^(*)	Forward Sell ^(*)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Future Buy	Future Sell
Prior Period								
TL	2,374,243	906,298	8,285,726	14,553,282	2,207,494	2,307,411	2,667	4,045
USD	1,595,058	2,783,388	16,864,863	10,533,469	1,771,968	1,869,700	179,345	179,344
EURO	1,174,180	1,471,895	1,094,213	1,340,533	1,103,534	850,095	1,929	577
Other	231,329	229,554	181,456	180,875	371,215	354,507	-	-
Total	5,374,810	5,391,135	26,426,258	26,608,159	5,454,211	5,381,713	183,941	183,966

(*) This column also includes hedging purpose derivatives.

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

As of December 31, 2012, the Group has no derivatives transactions for hedge of net investment.

6. Credit derivatives and risk exposures on credit derivatives

As of 31 December 2012, other irrevocable commitments include commitments for "credit linked notes" with a nominal of USD 13,494,490 (31 December 2011: USD 17,826,248).

As of 31 December 2012, other derivative financial instruments include "total return swaps" with a nominal of USD 100,000,000 (31 December 2011: USD 70,000,000). The Parent Bank is the protection buyer in these transactions.

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7. Information on contingent liabilities and assets

None (December 31, 2011 – None).

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

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

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

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

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SECTION FIVE

IV. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED INCOME STATEMENT

1. a) Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans				
Short-Term Loans	2,844,868	58,388	2,220,107	52,173
Medium and Long-Term Loans	1,855,576	128,132	1,604,607	103,187
Non-Performing Loans	97,535	-	96,841	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	4,797,979	186,520	3,921,555	155,360

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	229	-	-
Domestic Banks	9,435	10	11,889	265
Foreign Banks	3,512	255	1,940	3,885
Foreign Headquarters and Branches	-	-	-	-
Total	12,947	494	13,829	4,150

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	17,812	466	5,751	244
Financial Assets at FVTPL	11	-	618	-
Investment Securities Available for Sale	503,054	50,762	385,609	47,722
Investment Securities Held to Maturity	-	-	-	-
Total	520,877	51,228	391,978	47,966

d) Information on interest income received from associates and subsidiaries

None (December 31, 2011 – None).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
T.R. Central Bank	-	-	-	-
Domestic Banks	14,847	3,041	14,462	3,276
Foreign Banks	9,889	150,320	16,313	147,711
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	24,736	153,361	30,775	150,987

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b) Information on interest expense paid to associates and subsidiaries

None (December 31, 2011 – None).

c) Information on interest expense paid to securities issued

The Group's TL bonds amounting to TL 150,000 issued on November 2, 2011, TL 200,000 issued on November 30 2011, TL 400,000 issued on May 11 2012 with 10.47% interest rate, and TL 700,000 issued on June 11, 2012 with 10.72% interest rate are amortized during the current period. In addition, the Group has issued bonds with TL 400,000 nominal value, 6 months maturity and 10.00% interest rate on September 14, 2012, and issued bonds with TL 500,000 nominal value, 6 months maturity and 9.60% interest rate on September 21, 2012 and issued bonds with TL 750,000, 6 months maturity and 8.30% interest rate on November 15, 2012 and issued bonds with TL 650,000, 6 months maturity and 7.95% interest rate on December 14, 2012 and issued bonds with TL 600,000, 105 days maturity and 7.95% interest rate on December 28, 2012. As of December 31, 2012, interest expense amounting to TL 140,315 is accounted for the bonds issued. (December 31, 2011 – TL 36,338)

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

Time Deposits								
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit Account	Total
Turkish Lira								
Bank Deposits	-	2,274	6,438	14,477	292	748	-	24,229
Saving Deposits	2	149,645	1,046,214	196,943	25,772	1,790	1,752	1,422,118
Public Sector Deposits	-	1,003	4,167	331	9	-	-	5,510
Commercial Deposits	1	109,240	263,300	72,404	12,937	4,168	-	462,050
Other Deposits	-	2,096	71,149	21,497	157	434	-	95,333
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	3	264,258	1,391,268	305,652	39,167	7,140	1,752	2,009,240
Foreign Currency								
Deposits	-	34,042	192,347	29,467	10,486	282	552	267,176
Bank Deposits	124	1,983	8,149	1,131	401	-	-	11,788
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	778	2	-	780
Total	124	36,025	200,496	30,598	11,665	284	552	279,744
Grand Total	127	300,283	1,591,764	336,250	50,832	7,424	2,304	2,288,984

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

Time Deposits								
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit Account	Total
Turkish Lira								
Bank Deposits	-	440	11,581	2,217	306	1,225	-	15,769
Saving Deposits	4	81,897	928,790	139,553	17,000	739	711	1,168,694
Public Sector Deposits	-	496	9,042	449	2	-	-	9,989
Commercial Deposits	3	80,476	301,521	52,829	26,934	3,242	-	465,005
Other Deposits	-	1,809	70,103	8,148	765	663	-	81,488
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	7	165,118	1,321,037	203,196	45,007	5,869	711	1,740,945
Foreign Currency								
Deposits	-	26,028	175,714	19,231	11,250	2,007	209	234,439
Bank Deposits	115	8	5,626	1,280	-	813	-	7,842
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	617	-	-	-	-	-	617
Total	115	26,653	181,340	20,511	11,250	2,820	209	242,898
Grand Total	122	191,771	1,502,377	223,707	56,257	8,689	920	1,983,843

e) Information on interest expenses on repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expenses on Repurchase Agreements ^(*)	97,477	7,206	107,824	5,892

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

f) Information on finance lease expenses

None (December 31, 2011 – None).

g) Information on interest expenses on factoring payables

None (December 31, 2011 – None).

3. Information on dividend income

	Current Period	Prior Period
Financial Assets Held for Trading	62	141
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets Available for Sale	186	113
Other	-	-
Total	248	254

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4. Information on trading income/loss

	Current Period	Prior Period
Trading Income	5,122,117	7,747,109
Gains on Capital Market Operations	144,820	172,727
Derivative Financial Instruments	1,952,427	2,362,183
Foreign Exchange Gains	3,024,870	5,212,199
Trading Loss (-)	(5,470,767)	7,958,327
Losses on Capital Market Operations	(57,429)	85,755
Derivative Financial Instruments	(2,384,436)	2,622,472
Foreign Exchange Losses	(3,028,902)	5,250,100
Net Trading Income/Loss	(348,650)	(211,218)

5. Information on other operating income

The Group recorded the current year collections from loans written off in the previous periods, portfolio management fees and commissions and expense accruals in "Other Operating Income" account.

The Group disposed 51% of shares of Finans Emeklilik ve Hayat A.Ş.'s ("FEHAŞ") to Cigna Nederland Gamma B.V. ("Cigna") on October 31, 2012 after getting the legal approvals as of November 9, 2012. After the transfer of the shares, remaining 49% of the shares of FEHAŞ is accounted for as entity under common control instead of a "subsidiary" as a result of the new shareholding structure as a result of share transfer agreement signed between the Parent Bank and Cigna. Accordingly, FEHAŞ is reported by equity method of accounting instead of line by line consolidation. Gain on sale of 51% of the shares of FEHAŞ, amounting to TL 179,922 and fair value gain amounting to TL 171,534 of the remaining 49% shares were accounted for under "Other Operating Income" in the accompanying financial statements.

6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	694,132	164,232
Loans and Receivables in Group III	151,005	(55,510)
Loans and Receivables in Group IV	193,226	(87,206)
Loans and Receivables in Group V	349,901	306,948
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	217,243	134,633
Provision Expenses for Possible Losses	36,045	-
Impairment Losses on Securities	-	164
Financial assets at fair value through profit or loss	-	164
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	30,734	26,509
Total	978,154	325,538

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7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	818,567	752,015
Reserve for employee termination benefits	7,062	6,044
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	1,651	1,594
Depreciation charge of tangible assets	93,175	84,236
Impairment losses of intangible assets	-	-
Impairment losses of goodwill	-	-
Amortization charge of intangible assets	56,415	42,423
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed	2,000	89
Depreciation on assets to be disposed	2,247	1,708
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	676,688	567,825
Operational lease related expenses	142,009	121,592
Repair and maintenance expenses	53,705	47,318
Advertisement expenses	87,378	52,791
Other expenses	393,595	346,124
Losses on sales of assets	1,497	699
Other	254,614	228,216
Total	1,913,916	1,684,849

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

For the period ended December 31, 2012, net interest income of TL 2,999,119 (December 31, 2011 – TL 2,324,065), net fees and commission income of TL 1,114,569 (December 31, 2011 – TL 885,022) and other operating income of TL 531,571 (December 31, 2011 – TL 194,219) constitute an important part of the 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, 2012, the Group recorded tax charge of TL 395,527 (December 31, 2011 – TL 230,729) and a deferred tax income of TL 105,530 (December 31, 2011 – TL 54,884 benefit).

	Current Period	Prior Period
Current Tax Provision	(395,527)	(226,159)
Adjustment concerning the prior period's corporate tax ^(*)	-	(4,570)
Deferred Tax Income Income/(Expense)	105,530	(54,884)
Total	(289,997)	(285,613)

^(*) The Parent Bank has increased the corporate tax base concerning prior periods within the scope of "Law on the Restructuring of Some of the Receivables, and on the amendment of Social Insurances and General Health Insurance Law, and that of Other Several Laws and Legislative Decrees", No: 6111 and accrued a liability amounting to TL 4,570.

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9.2. Explanations on operating profit/loss after taxes

None (December 31, 2011 – None).

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

In the current period, there is no profit of the Group from discontinued operations (December 31, 2011 – TL - None), whereas the net profit of the Group from continued operations is TL 1,118,165 (December 31, 2011 – TL 896,342).

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, 2011 – None).

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

11.3. Profit or loss attributable to minority shares

	Current Period	Prior Period
Profit / Loss Attributable to Minority Shares	16,333	12,611

11.4. There are no changes 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 and fees and commissions given to credit cards are recorded to 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 450,271 (December 31, 2011 – TL 377,962 net decrease) 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 dividend

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. At the General Assembly dated March 29, 2012, it was decided to distribute the 2011 profit as follow:

2011 profit distribution table:

Current year profit	848,112
A - I. Legal Reserve (Turkish Commercial Code 466/1) at 5%	(42,405)
B - The First Dividend for Shareholders ^(*)	(122,000)
C - Profit from Disposal of Associates	-
D - II. Legal Reserves	-
E- Gains on Real Estate Sales Fund	(504)
F- Extraordinary Reserves	(683,203)

^(*) 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, 2011 - Profit distribution for 2011 is detailed in footnote 3.1).

3.3. Transfers to legal reserves

	Current Period	Prior Period
Amount Transferred to Reserves from Retained Earnings	44,314	65,752

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, 2011 - None).

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

Capital increase amounting to TL 125,000 presented in the Statement of Changes in Shareholder's Equity in 2012 is entirely provided from extraordinary reserves. TL 116,333 of the total capital increase amounting to TL 235,000 presented in the Statement of Changes in Shareholder's Equity in 2011 has been provided in cash and the remaining TL 118,667 has been provided from extraordinary reserves.

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SECTION FIVE

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 281,954 (December 31, 2011 – TL 1,407,268) in "Operating profit before changes in operating assets and liabilities" consist of commissions paid amounting to TL 185,584 (December 31, 2011 – TL 159,722), net trading income/loss amounting to TL 161,010 (December 31, 2011 – TL 1,188,883 net trading income/loss) and other operating expenses amounting to TL 257,379 (December 31, 2011 – TL 58,663).

"Other items" in changes in operating assets amounting to TL 702,562 (December 31, 2011 - TL 291,380) consist of the increase in collaterals given amounting to TL 180,548 (December 31, 2011 - TL 392,781 increase), the decrease in lease receivables amounting to TL 22,402 (December 31, 2011 – TL 186,367 decrease), the decrease in factoring receivables amounting to TL 110,936 (December 31, 2011 – TL 33,806 increase) and the decrease in other assets amounting to TL 749,772 (December 31, 2011 - TL 904,334 increase).

"Other items" in changes in operating liabilities amounting to TL 511,813 (December 31, 2011 - TL 1,016,238) consist of the increase in money market borrowings by TL 253,309 (December 31, 2011 - TL 350,272 increase) and the increase in sundry debtors and other liabilities by TL 258,504 (December 31, 2011 - TL 665,966 increase).

"Other items" in net cash provided from / (used in) investing activities amounting to TL 90,719 (December 31, 2011 – TL 78,886) includes increase in intangible assets.

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

	Current Period	Prior Period
	January 1, 2012	January 1, 2011
Cash	524,265	429,473
Cash	320,914	223,045
Cash in Foreign Currencies	184,674	177,056
Other	18,677	29,372
Cash Equivalents	2,493,964	2,526,224
Balances with the T.R. Central Bank	480,213	1,968,847
Banks and Other Financial Institutions	932,227	559,178
Money Market Placements	1,093,505	4,977
Less: Placements with Banks with Maturities Longer than 3 Months	(10,428)	(4,322)
Less: Accruals	(1,553)	(2,456)
Cash and Cash Equivalents	3,018,229	2,955,697

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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, 2012	December 31, 2011
Cash	653,081	524,265
Cash	439,800	320,914
Cash in Foreign Currencies	212,819	184,674
Other	462	18,677
Cash Equivalents	2,955,737	2,493,964
Balances with the T.R. Central Bank	965,102	480,213
Banks and Other Financial Institutions	205,237	932,227
Money Market Placements	1,786,785	1,093,505
Less: Placements with Banks with Maturities Longer than 3 Months	-	(10,428)
Less: Accruals	(1,387)	(1,553)
Cash and Cash Equivalents	3,608,818	3,018,229

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

Foreign bank balances include TL 778 (December 31, 2011 - TL 59,921) of cash blocked at foreign banks held for transactions made for foreign money markets and capital markets and borrowings from foreign markets.

5. Additional information

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

None (December 31, 2011 – None).

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SECTION FIVE**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, 2012, the Parent Bank's risk group has deposits and non-cash loans at the Bank amounting to TL 213,416 (December 31, 2011 - TL 91,465), TL 29,498 (December 31, 2011 - TL 3,074) respectively. The Parent Bank's risk group does not have cash loan at the bank as of balance sheet date (December 31, 2011- TL 34,873)

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	-	-	-	3,072	34,873	2
Balance at the End of the Period	-	-	-	29,498	-	-
Interest and Commission Income	-	-	5	20	2,195	1

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

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	-	270	-	48,794	29,061	2
Balance at the End of the Period	-	-	-	3,072	34,873	2
Interest and Commission Income	-	1	-	9	2,360	-

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

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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	58,340	27,579	31,009	1,707	2,116	98,385
Balance at the End of the Period	186,538	58,340	18,692	31,009	8,186	2,116
Interest on deposits	906	32,425	-	102	-	679

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

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

Parent Bank's Risk Group ^(*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading Purposes						
Beginning of the Period	15,581	-	34,165	817,073	28,702	246,559
End of the Period	-	15,581	393,221	34,165	4,711	28,702
Total Income/Loss ^(**)	-	-	-	-	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss ^(**)	-	-	-	-	-	-

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

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

1.4. As of December 31, 2012 the total amount of remuneration and bonuses paid to the top management of the Group is TL 43,129 (December 31, 2011 – TL 33,879).

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.

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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

The pricing of transactions with the risk group companies is set in compliance with the market prices. As of December 31, 2012, the risk group does not have cash loans at the Bank (December 31, 2011 - 0.1%), the deposits represented 0.7% of the Parent Bank's total deposits (December 31, 2011 - 0.3%) and derivative transactions with the risk group represented 1.6% of the Parent Bank's total derivative transactions (December 31, 2011 - 0.2%).

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. As of December 31, 2012 the Bank has net finance lease payables to Finans Finansal Kiralama A.Ş. amounting to TL 1,921 (December 31, 2011 - TL 9,294) related to these finance lease agreements, which are eliminated in the financial statements within the context of consolidation.

The Parent Bank places certain amount of its funds from time through time to Finans Portföy Yönetimi A.Ş.

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

Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., in which the Parent Bank participated with 33.33% shareholding, provides cash transfer services to the Parent Bank.

Information about the Parent Bank's subordinated loans obtained from NBG S.A. is explained under Section 5, Part II, Footnote 12.

The Bank provides agency services to Finans Emeklilik ve Hayat A.Ş., which is a jointly controlled entity with 49.00% shares held by the Bank.

SECTION FIVE

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	581	12,053			
			Country		
Foreign Representation	-	-	1-		
			2-		
			3-		
				Total Assets	Capital
Foreign Branch	-	-	1-	-	-
			2-		
			3-		
Off-shore Banking and Region Branches	1	8	1- Bahrain	5,671,012	-

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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

In the meeting of the Board of Directors dated February 21, 2013, the Parent Bank decided to hold the ordinary general assembly meeting on March 27, 2013.

As per the Article 4, first clause of "Regulation On Deposits And Participation Funds Subject to Insurance And Premiums Collected by Saving Deposits Insurance Fund" published on the Official Gazette No.26339 dated November 7, 2006 the phrase of "TL 50,000" was changed as "TL 100,000" with the regulation published in the Official Gazette No.28560 dated February 15, 2013. After this regulation, private current accounts for each individual are included in the scope of insurance up to TL 100,000.

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 Group

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

3. Other matters

None.

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SECTION SEVEN

INDEPENDENT AUDITOR'S REPORT

I. EXPLANATIONS ON THE INDEPENDENT AUDITOR'S REPORT

The consolidated financial statements of the Group have been audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and the independent auditor's report dated March 4, 2013 is presented preceding the financial statements.

II. EXPLANATIONS ON THE NOTES PREPARED BY INDEPENDENT AUDITOR

None. (December 31, 2011 – None)

