

FİNANSBANK ANONİM ŞİRKETİ

**INDEPENDENT ACCOUNTANT'S
LIMITED REVIEW REPORT,
UNCONSOLIDATED FINANCIAL
STATEMENTS AND NOTES
FOR THE PERIOD ENDED
MARCH 31, 2012**

*Translated into English from the
Original Turkish Report*

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

FİNANSBANK ANONİM ŞİRKETİ

INDEPENDENT ACCOUNTANT’S LIMITED REVIEW REPORT FOR THE INTERIM PERIOD JANUARY 1 – MARCH 31, 2012

We have reviewed the accompanying balance sheet of Finansbank A.Ş. (“The Bank”) as of March 31, 2012 and the related statements of income, cash flows and changes in shareholders’ equity for the period then ended. These financial statements are the responsibility of the Bank’s management. As independent accountants our responsibility is to issue a report based on the review performed on these financial statements.

We conducted our review in accordance with the accounting rules and policies, and the accounting and auditing standards, set out as per the Banking Act No: 5411. Those standards require that we plan and perform the review to obtain limited assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to reviewing financial statements by applying analytical procedures, inquiring as to the integrity of the financial statements and making inquiries of management to obtain information, it is substantially less in scope than an audit and therefore provides a lesser assurance. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements are not presented fairly, in all material respects, the financial position, the results of its operations and its cash flows, of Finansbank A.Ş. for the period ended March 31, 2012 in accordance with the prevailing accounting principles and standards set out as per the Article No: 37 of the Banking Act No: 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by the 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.

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

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Müjde Şehsuvaroğlu
Partner
Istanbul, May 14, 2012

**THE UNCONSOLIDATED FINANCIAL REPORT OF FİNANSBANK A.Ş.
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2012**

The Bank's;

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

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

The unconsolidated financial statements and related disclosures and footnotes for the three months, are prepared in accordance with the Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying 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 Güzelöğlu
General Manager and
Member of the Board of
Directors

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

Gökhan Yücel
Senior Vice President Responsible of
Financial –Legal Reporting and
Treasury Control

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

Name-Surname/Title : Gökhan Yücel
Senior Vice President Responsible of Financial -Legal Reporting and Treasury Control

Phone Number : (0 212) 318 55 65
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(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FINANSBANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2012

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

SECTION ONE

GENERAL INFORMATION

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

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. Information 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 March 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. Information about the chairman and members of board of directors, members of auditor 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
Dimitrios Anagnostopoulos(*)	Board Member	September 24, 2009	Graduate
Edward Nassim	Board Member	April 17, 2007	Masters
Anthimos Thomopoulos	Board Member	November 9, 2006	Masters
Dr. Paul Mylonas	Board Member and Audit Committee Member	March 11, 2010	Phd
Christos Alexis Komminos	Board Member	February 16, 2011	Graduate
Temel Güzeloğlu	Board Member and Managing Director	April 16, 2010	Masters
Mustafa Hamdi Gürtin	Board Member	April 16, 2010	Masters
Agis Leopoulous	Board Member	April 16, 2010	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
Kubilay Güler	Assistant Managing Director	January 16, 2004	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

(*) As of April 26, 2012 Dimitrios Anagnostopoulos was resigned from his board member duty and Antonios Grammatikopoulos was elected instead. Appointment process continues as of the reporting date.

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

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FINANSBANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 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.	1,884,369	77.23%	1,884,369	-
NBG Finance (Dollar) PLC	236,177	9.68%	236,177	-
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. Explanations 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 March 31, 2012, the Bank operates through 520 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.

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

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

FINANSBANK ANONİM ŞİRKETİ

BALANCE SHEET AS OF MARCH 31, 2012 (STATEMENT OF FINANCIAL POSITION)

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

I. BALANCE SHEET – ASSETS

			Reviewed 31.03.2012			Audited 31.12.2011		
		Section 5 Part I	TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	1,924,310	2,352,195	4,276,505	474,296	2,490,490	2,964,786
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	991,431	164,717	1,156,148	1,365,366	236,618	1,601,984
2.1	Financial assets held for trading		484,603	164,717	649,320	797,754	236,618	1,034,372
2.1.1	Public sector debt securities		99,275	27,086	126,361	22,476	2,138	24,614
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Assets on trading derivatives		385,328	137,631	522,959	775,278	234,480	1,009,758
2.1.4	Other securities		-	-	-	-	-	-
2.2	Financial assets at fair value through profit and loss		506,828	-	506,828	567,612	-	567,612
2.2.1	Public sector debt securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans		506,828	-	506,828	567,612	-	567,612
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	(3)	19,754	154,137	173,891	290,066	539,396	829,462
IV.	MONEY MARKET PLACEMENTS		90,054	-	90,054	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	(4)	90,054	-	90,054	700,396	-	700,396
V.	INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(5)	5,902,204	874,408	6,776,612	5,995,065	929,227	6,924,292
5.1	Equity securities		-	-	-	-	-	-
5.2	Public sector debt securities		5,755,113	728,400	6,483,513	5,869,410	770,224	6,639,634
5.3	Other securities		147,091	146,008	293,099	125,655	159,003	284,658
VI.	LOANS AND RECEIVABLES	(6)	27,361,935	3,336,798	30,698,733	26,844,417	3,426,138	30,270,555
6.1	Loans and receivables		26,937,698	3,336,798	30,274,496	26,441,058	3,426,138	29,867,196
6.1.1	Loans to risk group of the Bank		39,937	33,406	73,343	55,015	34,873	89,888
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		26,897,761	3,303,392	30,201,153	26,386,043	3,391,265	29,777,308
6.2	Non-performing loans		1,965,675	-	1,965,675	1,849,496	-	1,849,496
6.3	Specific provisions (-)		1,541,438	-	1,541,438	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)	6,769	-	6,769	6,769	-	6,769
9.1	Equity method associates		-	-	-	-	-	-
9.2	Unconsolidated		6,769	-	6,769	6,769	-	6,769
9.2.1	Financial Investments		-	-	-	-	-	-
9.2.2	Non-financial Investments		6,769	-	6,769	6,769	-	6,769
X.	INVESTMENT IN SUBSIDIARIES (Net)	(9)	416,036	-	416,036	412,395	-	412,395
10.1	Unconsolidated financial investments		401,050	-	401,050	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)	2,800	-	2,800	2,800	-	2,800
11.1	Equity method entities under common control		-	-	-	-	-	-
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)	(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)	501,113	51,397	552,510	960,793	40,954	1,001,747
13.1	Fair value hedge		501,113	51,397	552,510	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)		383,397	82	383,479	384,421	76	384,497
XV.	INTANGIBLE ASSETS (Net)		140,987	-	140,987	134,472	-	134,472
15.1	Goodwill		-	-	-	-	-	-
15.2	Others		140,987	-	140,987	134,472	-	134,472
XVI.	INVESTMENT PROPERTIES (Net)		-	-	-	-	-	-
XVII.	TAX ASSETS	(13)	-	-	-	-	-	-
17.1	Current tax assets		-	-	-	-	-	-
17.2	Deferred tax assets		-	-	-	-	-	-
XVIII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(14)	-	-	-	-	-	-
18.1	Held for sale		-	-	-	-	-	-
18.2	Discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(15)	539,811	103,649	643,460	480,552	93,240	573,792
TOTAL ASSETS			38,280,601	7,037,383	45,317,984	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)

FINANSBANK ANONİM ŞİRKETİ

BALANCE SHEET AS OF MARCH 31, 2012 (STATEMENT OF FINANCIAL POSITION)

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

I. BALANCE SHEET – LIABILITIES AND EQUITY

		Reviewed 31.03.2012			Audited 31.12.2011			
		Section 5 Part II	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(1)	21,171,797	7,833,346	29,005,143	21,283,271	7,992,299	29,275,570
1.1	Deposits from risk group of the Bank		262,815	223,832	486,647	236,924	136,824	373,748
1.2	Other		20,908,982	7,609,514	28,518,496	21,046,347	7,855,475	28,901,822
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	435,633	152,945	588,578	832,672	215,343	1,048,015
III.	FUNDS BORROWED	(3)	60,292	2,037,315	2,097,607	75,321	2,545,782	2,621,103
IV.	MONEY MARKET BORROWINGS		1,443,690	539,719	1,983,409	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)	1,443,690	539,719	1,983,409	814,668	552,135	1,366,803
V.	SECURITIES ISSUED (Net)	(5)	236,809	932,987	1,169,796	268,023	989,875	1,257,898
5.1	Bills		236,809	-	236,809	268,023	-	268,023
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	932,987	932,987	-	989,875	989,875
VI.	FUNDS		-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	SUNDRY CREDITORS		969,103	271,800	1,240,903	947,020	596,930	1,543,950
VIII.	OTHER LIABILITIES	(6)	511,593	46,659	558,252	492,362	49,102	541,464
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	LEASE PAYABLES (Net)	(7)	7,174	-	7,174	9,294	-	9,294
10.1	Financial lease payables		7,646	24	7,670	10,052	55	10,107
10.2	Operational lease payables		-	-	-	-	-	-
10.3	Others		-	-	-	-	-	-
10.4	Deferred financial lease expenses (-)		472	24	496	758	55	813
XI.	DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(8)	111,220	93,334	204,554	64,659	124,258	188,917
11.1	Fair value hedge		65,720	93,334	159,054	30,334	124,258	154,592
11.2	Cash flow hedge		45,500	-	45,500	34,325	-	34,325
11.3	Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII.	PROVISIONS	(9)	655,645	46,670	702,315	612,146	43,702	655,848
12.1	General provisions		393,500	46,670	440,170	356,739	43,702	400,441
12.2	Restructuring provisions		-	-	-	-	-	-
12.3	Reserve for employee benefits		99,514	-	99,514	92,866	-	92,866
12.4	Insurance technical provisions (Net)		-	-	-	-	-	-
12.5	Other provisions		162,631	-	162,631	162,541	-	162,541
XIII.	TAX LIABILITY	(10)	110,775	-	110,775	103,719	-	103,719
13.1	Current tax liability		86,013	-	86,013	74,850	-	74,850
13.2	Deferred tax liability		24,762	-	24,762	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.	SUBORDINATED LOANS	(12)	-	1,637,303	1,637,303	-	1,742,641	1,742,641
XVI.	SHAREHOLDERS' EQUITY		6,106,201	(94,026)	6,012,175	5,849,062	(153,106)	5,695,956
16.1	Paid-in capital	(13)	2,440,000	-	2,440,000	2,440,000	-	2,440,000
16.2	Capital reserves		101,222	(94,026)	7,196	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)	105,537	(94,026)	11,511	53,314	(153,106)	(99,792)
16.2.4	Revaluation fund on tangible asset		-	-	-	-	-	-
16.2.5	Revaluation fund on intangible asset		-	-	-	-	-	-
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)		(7,718)	-	(7,718)	(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		3,358,706	-	3,358,706	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		3,075,168	-	3,075,168	2,269,461	-	2,269,461
16.3.4	Other profit reserves		-	-	-	-	-	-
16.4	Profit or loss		206,273	-	206,273	848,112	-	848,112
16.4.1	Prior years' income/ (losses)		-	-	-	-	-	-
16.4.2	Current period income/ (loss)		206,273	-	206,273	848,112	-	848,112
16.5	Minority shares		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY			31,819,932	13,498,052	45,317,984	31,352,217	14,846,656	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)

FINANSBANK ANONİM ŞİRKETİ
STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES
AS OF MARCH 31, 2012

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

II. STATEMENT OF OFF-BALANCE COMMITMENTS AND CONTINGENCIES

		Reviewed 31.03.2012			Audited 31.12.2011			
		Section 5 Part III	TL	FC	TOTAL	TL	FC	TOTAL
A.	OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I-II+III)		57,435,393	45,840,072	103,275,465	54,502,347	48,070,517	102,572,864
I.	GUARANTEES	(1), (2), (3),(4)	3,700,161	3,066,384	6,766,545	3,457,506	3,528,152	6,985,658
1.1.	Letters of guarantee		3,638,859	1,575,713	5,214,572	3,423,939	1,791,107	5,215,046
1.1.1.	Guarantees subject to State Tender Law		186,762	16,050	202,812	187,409	15,510	202,919
1.1.2.	Guarantees given for foreign trade operations		2,738,558	1,559,663	4,298,221	2,699,043	1,775,597	4,474,640
1.1.3.	Other letters of guarantee		713,539	-	713,539	537,487	-	537,487
1.2.	Bank loans		61,137	829,746	890,883	33,348	1,014,981	1,048,329
1.2.1.	Import letter of acceptance		61,137	829,746	890,883	33,348	1,014,981	1,048,329
1.2.2.	Other bank acceptances		-	-	-	-	-	-
1.3.	Letters of credit		165	629,634	629,799	219	688,392	688,611
1.3.1.	Documentary letters of credit		165	586,451	586,616	219	636,142	636,361
1.3.2.	Other letters of credit		-	43,183	43,183	-	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		-	31,291	31,291	-	33,672	33,672
1.9.	Other collaterals		-	-	-	-	-	-
II.	COMMITMENTS		22,208,067	2,304,010	24,512,077	21,972,487	3,450,324	25,422,811
2.1.	Irrevocable commitments		22,208,067	2,304,010	24,512,077	21,972,487	3,450,324	25,422,811
2.1.1.	Forward asset purchase commitments		458,235	2,011,254	2,469,489	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	1,000	-	1,000
2.1.4.	Loan granting commitments		3,342,867	-	3,342,867	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		1,484,770	-	1,484,770	1,100,363	-	1,100,363
2.1.8.	Tax and fund liabilities from export commitments		5,892	-	5,892	5,665	-	5,665
2.1.9.	Commitments for credit card expenditure limits		16,800,809	-	16,800,809	15,984,413	-	15,984,413
2.1.10.	Commitments for promotions related with credit cards and banking activities		37,148	-	37,148	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		77,346	292,756	370,102	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)	31,527,165	40,469,678	71,996,843	29,072,354	41,092,041	70,164,395
3.1	Derivative financial instruments for hedging purposes		8,071,212	10,064,966	18,136,178	7,725,392	10,589,390	18,314,782
3.1.1	Fair value hedge		7,008,737	10,064,966	17,073,703	6,662,917	10,589,390	17,252,307
3.1.2	Cash flow hedge		1,062,475	-	1,062,475	1,062,475	-	1,062,475
3.1.3	Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2	Held for trading transactions		23,455,953	30,404,712	53,860,665	21,346,962	30,502,651	51,849,613
3.2.1	Forward foreign currency buy/sell transactions		2,288,236	3,752,648	6,040,884	1,771,407	4,364,871	6,136,278
3.2.1.1	Forward foreign currency transactions-buy		1,223,389	1,803,799	3,027,188	1,127,282	1,940,618	3,067,900
3.2.1.2	Forward foreign currency transactions-sell		1,064,847	1,948,849	3,013,696	644,125	2,424,253	3,068,378
3.2.2	Swap transactions related to foreign currency and interest rates		13,971,132	17,063,439	31,034,571	15,053,938	19,455,566	34,509,504
3.2.2.1	Foreign currency swap-buy		6,520,253	6,355,161	12,875,414	6,342,113	7,883,964	14,226,077
3.2.2.2	Foreign currency swap-sell		6,571,419	7,414,877	13,986,296	7,510,965	7,890,121	15,401,086
3.2.2.3	Interest rate swaps-buy		439,730	1,584,691	2,024,421	600,430	1,774,013	2,374,443
3.2.2.4	Interest rate swaps-sell		439,730	1,708,710	2,148,440	600,430	1,907,468	2,507,898
3.2.3	Foreign currency, interest rate and securities options		7,183,660	9,183,814	16,367,474	4,514,905	6,321,019	10,835,924
3.2.3.1	Foreign currency options-buy		3,728,508	4,481,464	8,209,972	2,187,494	3,246,717	5,434,211
3.2.3.2	Foreign currency options-sell		3,379,952	4,702,350	8,082,302	2,287,411	3,074,302	5,361,713
3.2.3.3	Interest rate options-buy		20,000	-	20,000	20,000	-	20,000
3.2.3.4	Interest rate options-sell		20,000	-	20,000	20,000	-	20,000
3.2.3.5	Securities options-buy		17,600	-	17,600	-	-	-
3.2.3.6	Securities options-sell		17,600	-	17,600	-	-	-
3.2.4	Foreign currency futures		12,925	193,217	206,142	6,712	209,429	216,141
3.2.4.1	Foreign currency futures-buy		9,153	93,951	103,104	2,667	105,391	108,058
3.2.4.2	Foreign currency futures-sell		3,772	99,266	103,038	4,045	104,038	108,083
3.2.5	Interest rate futures		-	211,594	211,594	-	151,766	151,766
3.2.5.1	Interest rate futures-buy		-	105,797	105,797	-	75,883	75,883
3.2.5.2	Interest rate futures-sell		-	105,797	105,797	-	75,883	75,883
3.2.6	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)		94,539,303	20,810,674	115,349,977	92,024,392	21,927,529	113,951,921
IV.	ITEMS HELD IN CUSTODY		2,661,406	1,381,030	4,042,436	3,080,227	883,284	3,963,511
4.1.	Assets under management		695,408	108,196	803,604	1,014,534	130,064	1,144,598
4.2.	Investment securities held in custody		611,645	337,562	949,207	722,384	471,581	1,193,965
4.3.	Checks received for collection		994,988	156,528	1,151,516	999,537	172,447	1,171,984
4.4.	Commercial notes received for collection		359,362	90,146	449,508	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		-	688,598	688,598	-	8,802	8,802
4.8.	Custodians		3	-	3	3	-	3
V.	PLEDGED ITEMS		91,877,897	19,429,644	111,307,541	88,944,165	21,044,245	109,988,410
5.1.	Marketable securities		408,576	356,937	765,513	340,489	380,744	721,233
5.2.	Guarantee notes		104,366	54,116	158,482	99,211	59,196	158,407
5.3.	Commodity		29,107	-	29,107	28,968	-	28,968
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		33,773,799	6,974,871	40,748,670	34,833,664	7,669,994	42,503,658
5.6.	Other pledged items		57,562,049	12,043,720	69,605,769	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)			151,974,696	66,650,746	218,625,442	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)

FINANSBANK ANONİM ŞİRKETİ
INCOME STATEMENT FOR THE PERIOD ENDED MARCH 31, 2012
(STATEMENT OF INCOME/LOSS)

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

III. INCOME STATEMENT

	Section 5 Part IV	Reviewed 01.01 - 31.03.2012	Reviewed 01.01 - 31.03.2011
I. INTEREST INCOME	(1)	1,350,555	1,005,860
1.1 Interest on loans		1,175,940	905,290
1.2 Interest received from reserve deposits		-	-
1.3 Interest received from banks		1,045	536
1.4 Interest received from money market placements		21,046	-
1.5 Interest received from marketable securities portfolio		152,244	99,840
1.5.1 Held-for-trading financial assets		2,539	855
1.5.2 Financial assets at fair value through profit and loss		-	608
1.5.3 Available-for-sale financial assets		149,705	98,377
1.5.4 Investments held-to-maturity		-	-
1.6 Finance lease income		-	-
1.7 Other interest income		280	194
II. INTEREST EXPENSE	(2)	723,493	442,150
2.1 Interest on deposits		645,534	377,012
2.2 Interest on funds borrowed		32,944	41,377
2.3 Interest on money market borrowings		22,372	23,590
2.4 Interest on securities issued		17,993	-
2.5 Other interest expense		4,650	171
III. NET INTEREST INCOME (I - II)		627,062	563,710
IV. NET FEES AND COMMISSIONS INCOME		241,159	162,325
4.1 Fees and commissions received		270,360	181,212
4.1.1 Non-cash loans		9,170	9,903
4.1.2 Other		261,190	171,309
4.2 Fees and commissions paid		29,201	18,887
4.2.1 Non-cash loans		123	119
4.2.2 Other		29,078	18,768
V. DIVIDEND INCOME	(3)	8,600	43
VI. NET TRADING INCOME	(4)	(115,902)	76,888
6.1 Securities trading gains/ (losses)		(817)	54,108
6.2 Gains / (losses) from financial derivatives transactions		(98,657)	43,231
6.3 Foreign exchange gains/ (losses)		(16,428)	(20,451)
VII. OTHER OPERATING INCOME	(5)	53,660	29,499
VIII. NET OPERATING INCOME (III+IV+V+VI+VII)		814,579	832,465
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	142,616	69,472
X. OTHER OPERATING EXPENSES (-)	(7)	408,267	388,195
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		263,696	374,798
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)	263,696	374,798
XVI. TAX CHARGE FOR CONTINUED OPERATIONS (±)	(9)	(57,423)	(78,429)
16.1 Current income tax charge		(89,234)	(48,465)
16.2 Deferred tax charge / benefit		31,811	(29,964)
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	206,273	296,369
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)	206,273	296,369
23.1 Group's profit/loss		206,273	296,369
23.2 Minority shares		-	-
Earnings per share		0.00845	0.01275

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)

FINANSBANK ANONİM ŞİRKETİ
STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY
FOR THE PERIOD ENDED MARCH 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

	Reviewed 01.01 - 31.03.2012	Reviewed 01.01 - 31.03.2011
I.		
Additions to marketable securities revaluation differences for available for sale financial assets	131,806	(255,198)
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)	(3,123)	16,501
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	(27,704)	45,548
X.		
Total Net Profit/Loss accounted for under equity (I+II+...+IX)	100,979	(193,149)
XI.		
Profit/Loss	8,967	(8,411)
11.1		
Change in fair value of marketable securities (Transfer to Profit/Loss)	7,540	(8,411)
11.2		
Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	1,427	-
11.3		
Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4		
Other	-	-
XII.		
Total Profit/Loss accounted for in the period (X±XI)	109,946	(201,560)

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)

FINANSBANK ANONİM ŞİRKETİ
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED MARCH 31, 2012

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed	Paid-in Capital	Effect of inflation Accounting on Capital and Other Capital Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Equity
I. Prior period – 01.01.-31.03.2011																		
Beginning balance	2,205,000	-	665	-	182,424	-	1,661,915	-	-	914,674	262,300	-	2,689	(21,176)	-	5,208,491	-	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	-	5,208,491
Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Increase/decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	(214,761)	-	-	-	-	(214,761)	-	(214,761)
VI. Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	13,201	-	13,201	-	13,201
6.1 Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	13,201	-	13,201	-	13,201
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. The disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. The reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. The effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Period net income/(loss)	-	-	-	-	-	-	-	-	296,369	-	-	-	-	-	-	296,369	-	296,369
XX. Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.1 Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance (III+IV+V+.....+ XVIII+XIX+XX)	2,205,000	-	665	-	182,424	-	1,661,915	-	296,369	914,674	47,539	-	2,689	(7,975)	-	5,303,300	-	5,303,300

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)

FINANSBANK ANONİM ŞİRKETİ
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED MARCH 31, 2012

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed	Paid-in Capital	Effect of inflation Accounting on Capital and Other Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Valuation Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Equity
I. Current period – 01.01.-31.03.2012	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	-	-	-	-	-	-	-	-	-	-	111,303	-	-	-	-	111,303	-	111,303
IV. Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,357)	-	(1,357)	-	(1,357)
4.1 Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,357)	-	(1,357)	-	(1,357)
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. The disposal of asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. The reclassification of asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. The effect of change in associates' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Period net income/(loss)	-	-	-	-	-	-	-	-	206,273	-	-	-	-	-	-	206,273	-	206,273
XVIII. Profit distribution	-	-	-	-	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	2,440,000	-	714	-	283,538	-	3,075,168	-	206,273	-	11,511	-	2,689	(7,718)	-	6,012,175	-	6,012,175
(I+II+III+..... +XVI+XVII+XVIII)	2,440,000	-	714	-	283,538	-	3,075,168	-	206,273	-	11,511	-	2,689	(7,718)	-	6,012,175	-	6,012,175

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

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES
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FINANSBANK ANONİM ŞİRKETİ
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FOR THE PERIOD ENDED MARCH 31, 2012

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

VI. CASH FLOWS STATEMENT

	Section 5 Part V.	Reviewed 01.01- 31.03.2012	Reviewed 01.01 – 31.03.2011
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		475,653	377,003
1.1.1 Interest received (+)		1,294,891	905,801
1.1.2 Interest paid (-)		(658,438)	(437,940)
1.1.3 Dividend received (+)		-	43
1.1.4 Fees and commissions received (+)		270,360	181,212
1.1.5 Other income (+)		43,240	25,873
1.1.6 Collections from previously written off loans (+)		127,447	119,403
1.1.7 Payments to personnel and service suppliers (-)		(303,452)	(288,562)
1.1.8 Taxes paid (-)		(105,464)	(18,569)
1.1.9 Others (+/-)	(1)	(192,931)	(110,258)
1.2 Changes in operating assets and liabilities		(906,122)	(559,346)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(101,432)	(13,940)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		62,793	184,901
1.2.3 Net (increase) decrease in due from banks (+/-)		77,314	(776,191)
1.2.4 Net (increase) decrease in loans (+/-)		(802,393)	(1,469,159)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	(53,911)	126,994
1.2.6 Net increase (decrease) in bank deposits (+/-)		165,228	243,362
1.2.7 Net increase (decrease) in other deposits (+/-)		15,815	(256,804)
1.2.8 Net increase (decrease) in funds borrowed (+/-)		(449,803)	(464,741)
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	180,267	1,866,232
I. Net cash provided from / (used in) banking operations (+/-)		(430,469)	(182,343)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		157,694	804,368
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(4,801)	(494)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		-	-
2.3 Fixed assets purchases (-)		(23,167)	(13,370)
2.4 Fixed assets sales (+)		2,544	-
2.5 Cash paid for purchase of financial assets available for sale (-)		(2,997,235)	(4,690,255)
2.6 Cash obtained from sale of financial assets available for sale (+)		3,199,189	5,524,036
2.7 Cash paid for purchase of investment securities (-)		-	-
2.8 Cash obtained from sale of investment securities (+)		-	-
2.9 Others (+/-)		(18,836)	(15,549)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities (+/-)		(2,120)	-
3.1 Cash obtained from funds borrowed and securities issued (+)		-	-
3.2 Cash used for repayment of funds borrowed and securities issued (-)		-	-
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for finance leases (-)		(2,120)	-
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)		6,954	(34,283)
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		(267,941)	587,742
VI. Cash and cash equivalents at beginning of the period (+)	(1)	2,908,743	2,579,736
VII. Cash and cash equivalents at end of the period (V+VI)	(2)	2,640,802	3,167,478

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

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(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 March 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 February 10, 2007 which is published in the Official Gazette No: 26430, 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 February 10, 2007 which is published in the Official Gazette No: 26430 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.

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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 and funds borrowed from international markets. The customer deposits bear fixed interest rate and have an average maturity of 1-3 months. 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.

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 generated 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 generated 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 March 31, 2012 are converted to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities except for non-monetary amounts, are converted into TL by using foreign currency exchange rates of the Bank for the period end and the resulting exchange differences are recorded as foreign exchange gains and losses. The Bank's foreign currency exchange rates for the related period ends, are as follows:

	<u>March 31, 2012</u>	<u>December 31, 2011</u>
US Dollar	TL 1.7717	TL 1.9065
Euro	TL 2.3554	TL 2.4592

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2.2. Foreign exchange gains and losses included in the income statement

The net foreign exchange loss included in the income statement as of March 31, 2012 is TL 16,428 (March 31, 2011 – TL 20,451 net foreign exchange loss).

III. Information on associates and subsidiaries

Associates and subsidiaries 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.

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 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 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 “Securities Trading Gains/Losses”, 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.

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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.

VI. Fees and commission income and expenses

Fees and commission income and expenses are accounted for on an accrual basis, except for 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' and associates' 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 is from trading securities is presented as interest income in the income statement, while the difference between the cost and the fair value of trading securities and the gain or loss resulting from the sale of these financial assets before their maturity are realized under securities trading gains / losses.

1.2. Financial assets at fair value through profit or loss

The 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.

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

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

In cases where fair value hedge operations cannot be effectively performed as described in TAS 39, fair value hedge accounting is ceased. The fair value differences are amortized through equity until the maturity of related hedged securities. The fair value differences of related portfolio securities sold prior to maturity are immediately 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 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 evidence for the possibility of uncollectibility of loans, the Bank classifies related loans and receivables in non-performing loans and provides specific and general provision, in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No: 26333 and revised by the Communiqué dated March 6, 2010, published on the Official Gazette No: 27513 and the Communiqué dated January 23, 2009, published in the Official Gazette No: 27119 "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves". Additionally, during the current period, the Bank revised its calculation for general provisions in line with the context of the regulations published in the Official Gazette No: 27968 dated June 18, 2011, No: 27947 dated May 28, 2011 and No: 28158 dated December 30, 2011. The Bank provides specific provision for the loans under follow-up regarding credit risk and other factors, in accordance with the aforementioned regulation.

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

VIII. Impairment of financial assets

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

IX. 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 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. 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 2,120,546 (December 31, 2011 – TL 1,514,723).

The Bank does not have any securities that are subject to lending transactions as of March 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.

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XI. 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.

The Bank does not have 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.

XII. Goodwill and other intangible assets

The Bank's intangible assets consist of softwares 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.

Softwares have been classified as other intangible fixed assets. The useful life of softwares is determined as 3 years.

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

XIII. 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.

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XIV. 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.

XV. 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 recognized.

Provisions made during the period are recorded under “Other Operating Expenses” ; provisions that were booked in the prior periods and released in the current year are recorded under “Other Operating Income”.

XVI. 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. 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.

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.

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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 Bank 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. Share issues

In the current period there was no change in the paid in capital of the Bank.

XX. 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. Government incentives

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

XXII. Segment reporting

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

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

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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 (January 1 - March 31, 2012)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Net Interest Income	349,141	120,499	157,422	627,062
Net Fees and Commissions Income	363,426	23,459	(145,726)	241,159
Other Operating Income and Net Trading Income	12,055	27,477	(101,774)	(62,242)
Dividend Income	-	-	8,600	8,600
Operating Income	724,622	171,435	(81,478)	814,579
Other Operating Expenses	268,848	63,721	75,698	408,267
Provision for Loan Losses and Other Receivables	99,812	14,790	28,014	142,616
Profit Before Taxes	355,962	92,924	(185,190)	263,696
Tax Charge	-	-	-	(57,423)
Net Profit/Loss	-	-	-	206,273
Total Assets	23,780,017	6,374,655	12,122,235	45,317,984
Segment Assets	23,780,017	6,374,655	12,122,235	42,276,907
Associates, Subsidiaries and Entities Under Common Control	-	-	-	425,605
Undistributed Assets	-	-	-	2,615,472
Total Liabilities	20,061,199	8,248,320	8,197,642	45,317,984
Segment Liabilities	20,061,199	8,248,320	8,197,642	36,507,161
Undistributed Liabilities	-	-	-	2,798,648
Equity	-	-	-	6,012,175
Other Segment Accounts	-	-	-	84,126
Capital Expenditures	-	-	-	48,602
Depreciation and Amortization	-	-	-	35,524
Value Decrease/Increase	-	-	-	-

Prior Period (January 1 - March 31, 2011)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Net Interest Income	306,459	79,338	177,913	563,710
Net Fees and Commissions Income	260,993	27,718	(126,386)	162,325
Other Operating Income and Net Trading Income	15,036	20,891	70,460	106,387
Dividend Income	-	-	43	43
Operating Income	582,488	127,947	122,030	832,465
Other Operating Expenses	258,456	69,629	60,110	388,195
Provision for Loan Losses and Other Receivables	40,402	2,858	26,212	69,472
Profit Before Taxes	283,630	55,460	35,708	374,798
Tax Charge	-	-	-	(78,429)
Net Profit/Loss	-	-	-	296,369
Other Segment Accounts	-	-	-	57,683
Capital Expenditures	-	-	-	29,024
Depreciation and Amortization	-	-	-	28,659
Value Decrease/Increase	-	-	-	-

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	Retail	Corporate and	Treasury and	Total Operations
Prior Period (December 31, 2011)	Banking	Commercial	Head Office	of the Bank
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

XXIII. Profit reserves and profit distribution

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 – Gains on Real estate Sales Fund	(504)
D – Extraordinary Reserves	(683,203)

(*) It was decided to distribute the shares issued by adding first dividend to shareholders amounting to TL 122,000 into the capital.

XXIV. Explanations on other matters

None.

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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations related to capital adequacy ratio

As of March 31, 2012, the Bank's unconsolidated capital adequacy ratio is 17.15% (December 31, 2011 - 17.18%).

Capital adequacy ratio is calculated in accordance with the "The Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette No: 26333, dated November 1, 2006 and "The Regulation on Amendments to the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette No: 26669, 26824, 27320 and 27968 dated October 10, 2007, March 22, 2008 August 15, 2009, and June 18, 2011 respectively. For the calculation of the capital adequacy ratio, the accounting records prepared in compliance with the current legislation are used. Moreover, market risk value is calculated in accordance with the "The Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks " and factored into capital adequacy ratio.

The items deducted from the capital base are not included in the calculation of risk weighted assets, non-cash loans and liabilities. For the calculation of risk weighted assets, impairments, depreciation and amortization, and provisions are considered as deductions from related assets.

In the calculation of their risk-based values, non-cash loans and commitments are weighted after netting with specific provisions that are classified under liabilities and calculated based on the "Regulation on the Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves". The net amounts are then multiplied by the rates stated in the Article 5 of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

In the calculation of the risk based values of the derivative financial instruments, such instruments are weighted again and classified according to the related risk groups after being multiplied by the rates stated in the Article 5 of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

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Unconsolidated capital adequacy ratio

	0%	10%	20%	50%	100%	150%	200%
Value at Credit Risk							
Balance Sheet Items (Net)	4,966,767	-	214,271	9,508,049	19,084,995	1,481,973	1,795,138
Cash on Hand	476,749	-	53	-	-	-	-
Securities in Redemption	-	-	-	-	-	-	-
Balances with the T.R. Central Bank	1,905,023	-	-	-	-	-	-
Domestic and Foreign Banks, Foreign Head Offices and Branches	-	-	173,151	-	7	-	-
Money Market Placements	-	-	-	-	-	-	-
Receivables from Reverse Repurchase Agreements	90,000	-	-	-	-	-	-
Reserve Deposits	1,894,680	-	-	-	-	-	-
Loans and Receivables	599,679	-	40,334	9,084,904	16,885,311	1,481,973	1,795,138
Non-performing Loans (Net)	-	-	-	-	424,237	-	-
Lease Receivables	-	-	-	-	-	-	-
Investment Securities Available-for-Sale	-	-	-	-	-	-	-
Investments Held-to-Maturity	-	-	-	-	-	-	-
Receivables from Forward Sale of Assets	-	-	-	-	27,738	-	-
Sundry Debtors	-	-	-	-	128,524	-	-
Accrued Interest and Income	54	-	733	423,145	446,587	-	-
Investments in Associates, Subsidiaries and Entities Under Common Control (Net)	-	-	-	-	425,605	-	-
Tangible Assets	-	-	-	-	282,549	-	-
Other Assets	582	-	-	-	464,437	-	-
Off-Balance Sheet Items	783,226	-	2,126,041	266,211	8,266,089	-	-
Non-Cash Loans and Commitments	783,226	-	123,492	266,211	8,166,537	-	-
Derivative Financial Instruments	-	-	2,002,549	-	99,552	-	-
Non-Risk-Weighted Accounts	-	-	-	-	-	-	-
Total Value at Risk	5,749,993	-	2,340,312	9,774,260	27,351,084	1,481,973	1,795,138
Total Risk-Weighted Assets	-	-	468,062	4,887,130	27,351,084	2,222,960	3,590,276

Summary information related to unconsolidated capital adequacy ratio

	Current Period	Prior Period
Value at Credit Risk	38,519,512	37,236,020
Value at Market Risk	1,451,088	1,639,763
Value at Operational Risk	4,690,928	4,195,358
Shareholders' Equity	7,659,804	7,399,378
Shareholders' Equity/(VACR+VAMR+VAOR)x100	17.15%	17.18%

VACR : Value at Credit Risk
VAMR : Value at Market Risk
VAOR : Value at Operational Risk

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Components of shareholders' equity items

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	2,440,000	2,440,000
Nominal Capital	2,440,000	2,440,000
Capital Commitments (-)	-	-
Capital Reserves from Inflation Adjustments to Paid-in Capital	-	-
Share Premium	714	714
Share Cancellation Profits	-	-
Legal Reserves	283,538	241,133
I. Legal Reserve (Turkish Commercial Code 466/1)	249,949	207,544
II. Legal Reserve (Turkish Commercial Code 466/2)	33,589	33,589
Reserves allocated as per Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	2,556,054	1,750,851
Reserve Allocated as per the Decision Held by the General Assembly	2,556,054	1,750,851
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Rate Differences on Foreign Currency Capital	-	-
Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves	-	-
Profit	206,273	848,112
Current Period Profit	206,273	848,112
Prior Periods Profit	-	-
Free Reserves for Possible Losses (up to 25% of Core Capital)	68,931	63,702
Income on Sale of Equity Shares and Real Estates to be Used up for Capital Increase	519,114	518,610
Primary Subordinated Debt (up to 15% of Core Capital)	-	-
Losses Excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-)	100,930	100,670
Prepaid Expenses (-) (*)	-	-
Intangible Assets (-)	140,987	134,472
Deferred Tax Asset Excess of 10% of Core Capital (-)	-	-
Limit Excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Total Core Capital	5,832,707	5,627,980
SUPPLEMENTARY CAPITAL		
General Provisions	440,170	400,441
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Real Estate	-	-
Bonus Shares of Associates, Subsidiaries and Entities Under Common Control	2,689	2,689
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	1,502,502	1,599,814
Securities Value Increase Fund	(71,802)	(183,711)
Associates and Subsidiaries	68,166	68,662
Investment Securities Available for Sale	(139,968)	(252,373)
Inflation Component of Capital Reserves, Profit Reserves and Prior Period Profits (Excluding Reserves from Inflation Adjustments to Legal, Status and Extraordinary Reserves)	-	-
Total Supplementary Capital	1,873,559	1,819,233
TIER III CAPITAL	-	-
CAPITAL	7,706,266	7,447,213
DEDUCTIONS FROM CAPITAL	46,462	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	32,976	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 After Foreclosure	13,456	13,366
Others	30	40
TOTAL SHAREHOLDERS' EQUITY	7,659,804	7,399,378

(*) According to the amendment on Communique on Equity of Banks published in the Official Gazette dated March 10, 2011 and numbered 27870, prepaid expenses are not deducted from shareholders' equity but included in the 100% risk group under 'Other Assets' account.

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II. Information on 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.

The market risk is measured by using an internal model developed with Value-at-Risk (VAR) methodology. VAR is calculated with ‘Historical Simulation’ method. ‘Bank Risk Tolerance’ is determined in order to manage the market risk efficiently and to keep the market risk within the desirable limits. Risk Management Group monitors the VAR balances daily for compliance with the Bank Risk Tolerance.

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

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

1. Information on market risk

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	72,916
(II) Capital Obligation against Specific Risks – Standard Method	16,702
(III) Capital Obligation against Currency Risk – Standard Method	10,123
(IV) Capital Obligation against Commodity Risks - Standard Method	10,330
(V) Capital Obligation against Settlement Risks - Standard Method	-
(VI) Capital Obligation against Market Risks of Options - Standard Method	6,016
(VII) Capital Obligation against Market Risks of Banks applying Risk Measurement Models	-
(VIII) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI+VII)	116,087
(IX) Value-At-Market Risk (12,5 x VIII) or (12,5 x VII)	1,451,088

III. Explanations Related to the Operational Risk

Value at operational risk is calculated with basic indicator method by using the gross profits for the last three years’ (2011, 2010 and 2009) as per the “Calculation of Value at Operational Risk” of the article (4) of “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” which was published in the Official Gazette No: 26333 dated November 1, 2006 and became effective as of June 1, 2007. As of March 31, 2012, the value at operational risk is amounting to TL 4,690,928 (December 31, 2011 - TL 4,195,358).

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IV. 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 March 31, 2012, the net foreign currency exposure of the Bank is TL 635,609 short position (December 31, 2011 –TL 380,187 short) resulting from on balance sheet short position amounting to TL 5,213,471 (December 31, 2011 –TL 5,304,487 short) and off balance sheet long position amounting to TL 4,577,862 (December 31, 2011 –TL 4,924,300 long). The long off balance sheet position amounting to TL 4,947,114 (December 31, 2011 – TL 6,219,112) is related with the FC/TL swap transactions entered into with banks and customers. The Bank used 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. 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 1.7717
Euro purchase rate at the date of the balance sheet	TL 2.3554

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
March 31, 2012	TL 1.7717	TL 2.3554
March 30, 2012	TL 1.7717	TL 2.3554
March 29, 2012	TL 1.7738	TL 2.3685
March 28, 2012	TL 1.7762	TL 2.3715
March 27, 2012	TL 1.7859	TL 2.3651
March 26, 2012	TL 1.7918	TL 2.3736

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 March 2012 are TL 1.7790 and TL 2.3507; respectively.

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5. Information on the foreign currency exchange rate risk of the bank

Current Period	EUR	USD	JPY	Other FC	Total
Assets					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	2,045,752	69,018	85	237,340	2,352,195
Due From Banks	48,899	92,162	875	12,201	154,137
Financial Assets at Fair Value through Profit/Loss ⁽⁴⁾	19,220	108,918	-	33,215	161,353
Money Market Placements	-	-	-	-	-
Investment Securities Available-for-Sale	91,366	783,042	-	-	874,408
Loans and Receivables ⁽²⁾	1,861,812	2,634,525	77,519	61,381	4,635,237
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	-	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-	-
Derivative Financial Assets Hedging Purposes	-	51,397	-	-	51,397
Tangible Assets	-	-	-	82	82
Intangible Assets	-	-	-	-	-
Other Assets ⁽³⁾	25,010	76,527	50	12	101,599
Total Assets	4,092,059	3,815,589	78,529	344,231	8,330,408
Liabilities					
Bank Deposits	98,919	134,119	145	2,038	235,221
Foreign Currency Deposits	2,518,063	4,637,937	1,641	440,484	7,598,125
Money Market Borrowings	73,056	466,663	-	-	539,719
Funds Borrowed	790,521	2,884,097	-	-	3,674,618
Securities Issued	-	932,987	-	-	932,987
Sundry Creditors	74,102	195,406	1,034	1,258	271,800
Derivative Fin. Liabilities for Hedging Purposes	6,983	86,351	-	-	93,334
Other Liabilities ⁽⁵⁾	36,317	128,027	-	33,731	198,075
Total Liabilities	3,597,961	9,465,587	2,820	477,511	13,543,879
Net Balance Sheet Position	494,098	(5,649,998)	75,709	(133,280)	(5,213,471)
Net Off-Balance Sheet Position	(959,958)	5,552,878	(78,862)	63,804	4,577,862
Financial Derivative Assets	2,816,751	19,449,321	25,761	604,649	22,896,482
Financial Derivative Liabilities	3,776,709	13,896,443	104,623	540,845	18,318,620
Non-Cash Loans ⁽¹⁾	775,817	2,087,411	5,737	197,419	3,066,384
Prior Period					
Total Assets	4,221,957	4,974,493	95,933	345,942	9,638,325
Total Liabilities	3,926,444	10,554,240	561	461,567	14,942,812
Net Balance Sheet Position	295,513	(5,579,747)	95,372	(115,625)	(5,304,487)
Net Off-Balance Sheet Position	(273,554)	5,178,787	(97,272)	116,339	4,924,300
Financial Derivative Assets	3,314,319	20,411,234	10,977	773,025	24,509,555
Financial Derivative Liabilities	3,587,873	15,232,447	108,249	656,686	19,585,255
Non-Cash Loans ⁽¹⁾	969,080	2,342,380	5,656	211,036	3,528,152

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

⁽²⁾ Includes foreign currency-indexed loans amounting to TL 1,298,439 (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 2,050 (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.

⁽⁴⁾ Does not include foreign exchange income accruals amounting to TL 3,364 (December 31, 2011 – TL 17,180).

⁽⁵⁾ Foreign exchange expense accruals amounting to TL 1,529 (December 31, 2011 – TL 13,248) on derivative transactions and the general loan loss provisions amounting to TL 46,670 (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 Chart of Accounts are excluded.

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V. 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 a positive interest yield, assets and liabilities are repriced within an average of 6 months. Consequently the Bank carries limited interest rate risk.

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 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 Bank not only funds its long term fixed interest rate loans with TL but also hedges itself from interest rate and maturity risk.

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

(Based on reprising dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing^(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	-	-	-	-	-	4,276,505	4,276,505
Due from Banks	2,002	10,496	4,235	-	-	157,158	173,891
Financial Assets at Fair Value Through Profit/Loss ^(**)	288	15,670	49,445	165,241	402,544	1,075,470	1,708,658
Money Market Placements	90,054	-	-	-	-	-	90,054
Inv. Securities Available for Sale	1,984,268	583,742	1,416,655	1,835,725	815,507	140,715	6,776,612
Loans and Receivables	8,782,274	3,716,824	8,413,540	7,719,393	1,642,465	424,237	30,698,733
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets ^(*)	59,249	-	-	-	-	1,534,282	1,593,531
Total Assets	10,918,135	4,326,732	9,883,875	9,720,359	2,860,516	7,608,367	45,317,984
Liabilities							
Bank Deposits	184,193	204,819	26,654	-	-	24,042	439,708
Other Deposits	16,265,548	8,412,199	1,223,494	27,004	-	2,637,190	28,565,435
Money Market Borrowings	1,983,391	18	-	-	-	-	1,983,409
Sundry Creditors	-	-	-	-	-	1,240,903	1,240,903
Securities Issued	111,361	125,448	-	932,987	-	-	1,169,796
Funds Borrowed	689,922	2,311,983	690,488	42,517	-	-	3,734,910
Other Liabilities ^(*)	121,416	215,857	198,472	99,137	2,963	7,545,978	8,183,823
Total Liabilities	19,355,831	11,270,324	2,139,108	1,101,645	2,963	11,448,113	45,317,984
On Balance Sheet Long Position	-	-	7,744,767	8,618,714	2,857,553	-	19,221,034
On Balance Sheet Short Position	(8,437,696)	(6,943,592)	-	-	-	(3,839,746)	(19,221,034)
Off-Balance Sheet Long Position	-	-	189,333	178,943	31,538	-	399,814
Off-Balance Sheet Short Position	(50,842)	(51,556)	-	-	-	-	(102,398)
Total Position	(8,488,538)	(6,995,148)	7,934,100	8,797,657	2,889,091	(3,839,746)	297,416

^(*) "Other Assets" in "Non Interest Bearing" column include other assets amounting to TL 584,211, tangible assets amounting to TL 383,479, intangible assets amounting to TL 140,987, associates, subsidiaries and entities under common control amounting to TL 425,605; and "Other Liabilities" in the "Non Interest Bearing" column include shareholders' equity amounting to TL 6,012,175, other liabilities amounting to TL 558,252, provisions amounting to TL 702,315, tax liability amounting to TL 110,775 and trading derivative financial liabilities amounting to TL 793,132.

^(**) This line also includes derivative financial assets hedging purposes amounting to TL 552,510.

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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	-	-	-	9.48
Financial Assets at Fair Value Through Profit/Loss	-	5.57	-	9.29
Money Market Placements	-	-	-	10.94
Investment Securities Available for Sale	4.84	5.66	-	9.20
Loans and Other Receivables	6.11	5.48	5.30	19.45(*)
Investment Securities Held to Maturity	-	-	-	-
Liabilities				
Bank Deposits	3.59	3.21	-	10.25
Other Deposits	3.95	4.14	0.52	11.09
Money Market Borrowings	-	-	-	9.90
Sundry Creditors	-	-	-	-
Securities Issued	-	5.50	-	10.84
Funds Borrowed	2.35	3.72	-	8.40

(*) The yield of loans is 15.92% excluding credit cards.

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	-	-	-	-	-	2,964,786	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	1,514,430	68	-	-	-	-	1,514,498
Sundry Creditors	-	-	-	-	-	1,543,950	1,543,950
Securities Issued	-	-	268,023	989,875	-	-	1,257,898
Funds Borrowed	218,936	425,118	3,430,371	289,319	-	-	4,363,744
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 and subsidiaries 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 the fair value of the trading derivative financial liabilities amounting to TL 253,295.

^(**) 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	-	10.69
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 is 15.38% excluding credit cards.

VI. 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 sets limits on the funds available to meet the urgent liquidity requirements and to be able to pay borrowings when they become due

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

The 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 Bank. 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

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 9% (December 31, 2011 – 6%) of the balance sheet is allocated as cash and cash equivalents.

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, Precious Metal) and Balances with the T.R Central Bank	2,381,825	1,894,680	-	-	-	-	-	4,276,505
Due from Banks	157,158	2,002	10,496	4,235	-	-	-	173,891
Financial Assets at Fair Value Through Profit/Loss (**)	-	35,971	114,831	561,329	559,242	437,285	-	1,708,658
Money Markets Placements	-	90,054	-	-	-	-	-	90,054
Investment Securities Available for Sale	140,715	633	1,349	156,155	3,698,513	2,779,247	-	6,776,612
Loans and Receivables	-	8,782,932	3,450,258	8,177,161	7,998,399	1,865,746	424,237	30,698,733
Investment Securities Held to Maturity	-	-	-	-	-	-	-	-
Other Assets	-	276,999	-	-	120,698	-	1,195,834	1,593,531
Total Assets	2,679,698	11,083,271	3,576,934	8,898,880	12,376,852	5,082,278	1,620,071	45,317,984
Liabilities								
Bank Deposits	24,042	184,193	204,819	26,654	-	-	-	439,708
Other Deposits	2,637,190	16,265,548	8,412,199	1,223,494	27,004	-	-	28,565,435
Funds Borrowed	-	261,716	272,424	1,373,315	177,891	1,649,564	-	3,734,910
Money Market Borrowings	-	1,983,391	18	-	-	-	-	1,983,409
Securities Issued	-	111,361	125,448	-	932,987	-	-	1,169,796
Sundry Creditors	-	1,240,903	-	-	-	-	-	1,240,903
Other Liabilities (*)	-	616,956	168,668	279,845	414,107	13,354	6,690,893	8,183,823
Total Liabilities	2,661,232	20,664,068	9,183,576	2,903,308	1,551,989	1,662,918	6,690,893	45,317,984
Liquidity Gap	18,466	(9,580,797)	(5,606,642)	5,995,572	10,824,863	3,419,360	(5,070,822)	-
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 include shareholders' equity amounting to TL 6,012,175, unallocated provisions amounting to TL 653,956 and deferred tax liability amounting to TL 24,762.

(**) This line also includes derivative financial assets hedging purposes amounting to TL 552,510.

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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	318,293	144,860	320,851	184,673
T.R. Central Bank	1,593,046	2,206,657	140,547	2,305,467
Others	12,971	678	12,898	350
Total	1,924,310	2,352,195	474,296	2,490,490

b) Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	1,593,046	311,977	140,547	339,666
Restricted Time Deposits	-	1,894,680	-	1,965,801
Total	1,593,046	2,206,657	140,547	2,305,467

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

According to “Communiqué on the Amendment of the Communiqué on Reserve Requirements” dated March 28, 2012 and No: 28247, required reserve ratio on TL liabilities that could be maintained as gold has been increased to 20% from 10%, required reserve ratio on FC liabilities other than precious metal that could be maintained as standard gold has been reduced to 0% from 10%.

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) Assets on trading derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	59,297	-	76,791	-
Swap Transactions	325,164	59,656	698,073	86,361
Futures Transactions	-	1,146	-	6,742
Options	867	76,829	414	140,680
Other	-	-	-	697
Total	385,328	137,631	775,278	234,480

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3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	19,736	28	290,047	342,054
Foreign	18	154,109	19	197,342
Foreign Head Offices and Branches	-	-	-	-
Total	19,754	154,137	290,066	539,396

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount ^(**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	58,435	72,946	-	-
USA and Canada	90,947	58,505	7	59,921
OECD Countries ^(*)	3,634	4,962	-	-
Off-shore Banking Regions	-	-	-	-
Other	1,104	1,027	-	-
Total	154,120	137,440	7	59,921

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

^(**) Includes blocked placements at foreign banks amounting to TL 7 (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	90,054	-	700,396	-
T.R. Central Bank	-	-	-	-
Banks	90,054	-	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	90,054	-	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	565,010	-	1,175,542	-
Other	-	-	-	-
Total	565,010	-	1,175,542	-

b) Investment securities available for sale subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	1,450,131	670,415	811,442	703,281
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	1,450,131	670,415	811,442	703,281

c) Investment securities available for sale

	Current Period	Prior Period
Debt securities	6,676,515	6,933,793
Quoted on a stock exchange(*)	6,555,051	6,798,130
Unquoted on a stock exchange	121,464	135,663
Share certificates	140,857	126,129
Quoted on a stock exchange (**)	140,857	126,129
Unquoted on a stock exchange	-	-
Impairment provision(-)	(40,760)	(135,630)
Total	6,776,612	6,924,292

(*)The Eurobond Portfolio amounting to TL 510,421 (December 31, 2011 – TL537,063) 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 208,068 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 118,838 (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 Bank

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	6,993	-	3,072
Corporate Shareholders	-	6,993	-	3,072
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees (*)	49,285	-	47,740	-
Total	49,285	6,993	47,740	3,072

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

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

Cash Loans^(*)	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Non-specialized Loans	29,097,751	147,241	1,226,376	309,956
Discount Notes	253,427	-	5,004	-
Export Loans	819,545	12,645	73,444	2,038
Import Loans	-	-	-	-
Loans Given to Financial Sector	426,025	-	-	-
International Loans	204,721	-	-	-
Retail Loans	10,196,270	-	488,648	116,741
Credit Cards	8,074,551	-	257,822	62,819
Precious Metals Loans	-	-	-	-
Other	9,123,212	134,596	401,458	128,358
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	29,097,751	147,241	1,226,376	309,956

^(*) The loans amounting to TL 506,828 (December 31, 2011 – TL 567,612) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

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	14,913,180	-	257,822	62,819
Non-specialized Loans	14,913,180	-	257,822	62,819
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	14,184,571	147,241	968,554	247,137
Non-specialized Loans	14,184,571	147,241	968,554	247,137
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	29,097,751	147,241	1,226,376	309,956

^(*) The loans amounting to TL 506,828 (December 31, 2011 – TL 567,612) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

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

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Consumer Loans-TL	83,356	9,452,189	9,535,545	404,763
Housing Loans	388	5,440,445	5,440,833	364,549
Automobile Loans	352	128,407	128,759	1,166
Personal Need Loans	77,895	3,883,337	3,961,232	39,048
Other	4,721	-	4,721	-
Consumer Loans-FC Indexed	-	128,675	128,675	77,368
Housing Loans	-	118,410	118,410	73,152
Automobile Loans	-	258	258	97
Personal Need Loans	-	10,007	10,007	4,119
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-TL	7,673,094	282,417	7,955,511	126,295
Installment	3,233,035	282,417	3,515,452	55,818
Non- Installment	4,440,059	-	4,440,059	70,477
Individual Credit Cards-FC	2,770	-	2,770	25
Installment	-	-	-	-
Non- Installment	2,770	-	2,770	25
Personnel Loans-TL	255	21,086	21,341	127
Housing Loans	-	608	608	2
Automobile Loans	-	85	85	-
Personal Need Loans	255	20,393	20,648	125
Other	-	-	-	-
Personnel Loans-FC Indexed	-	6	6	5
Housing Loans	-	6	6	5
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Credit Cards-TL	24,432	-	24,432	-
Installment	11,384	-	11,384	-
Non-Installment	13,048	-	13,048	-
Personnel Credit Cards-FC	38	-	38	-
Installment	-	-	-	-
Non-Installment	38	-	38	-
Overdraft Accounts-TL (Real Persons)	570,979	-	570,979	62,850
Overdraft Accounts-FC (Real Persons)	-	-	-	-
Total	8,354,924	9,884,373	18,239,297	671,433

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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	139,113	2,951,672	3,090,785	42,346
Real Estate Loans	-	128,532	128,532	4,985
Automobile Loans	1,694	265,074	266,768	2,943
Personal Need Loans	137,419	2,558,066	2,695,485	34,418
Other	-	-	-	-
Commercial Loans with Installment Facility - FC Indexed	21,579	571,066	592,645	68,455
Real Estate Loans	-	13,256	13,256	2,987
Automobile Loans	-	66,868	66,868	5,542
Personal Need Loans	21,579	490,942	512,521	59,926
Other	-	-	-	-
Commercial Loans with Installment Facility - FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards –TL	281,310	-	281,310	4,453
Installment	74,283	-	74,283	1,176
Non-Installment	207,027	-	207,027	3,277
Corporate Credit Cards –FC	355	-	355	3
Installment	-	-	-	-
Non-Installment	355	-	355	3
Overdraft Accounts-TL (Legal Entities)	289,837	-	289,837	860
Overdraft Accounts-FC (Legal Entities)	-	-	-	-
Total	732,194	3,522,738	4,254,932	116,117

f) Loans according to borrowers ^(*)

	Current Period	Prior Period
Public	124,801	134,129
Private	30,656,523	30,300,679
Total	30,781,324	30,434,808

^(*) The loans amounting to TL 506,828 (December 31, 2011 – TL 567,612) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

g) Domestic and foreign loans ^(*)

	Current Period	Prior Period
Domestic Loans	30,576,603	30,216,161
Foreign Loans	204,721	218,647
Total	30,781,324	30,434,808

^(*) The loans amounting to TL 506,828 (December 31, 2011 – TL 567,612) are classified under “Loans at Fair Value Through Profit/Loss in the financial statements.

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h) Loans granted to subsidiaries and associates

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and Associates	39,937	55,015
Indirect Loans Granted to Subsidiaries and Associates	-	-
Total	39,937	55,015

i) Specific provisions for loans

	Current Period	Prior Period
Specific Provisions		
Loans and Receivables with Limited Collectability	58,301	66,145
Loans and Receivables with Doubtful Collectability	198,324	147,153
Uncollectible Loans and Receivables	1,284,813	1,232,839
Total	1,541,438	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)	2,635	7,185	67,320
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	2,635	7,185	67,320
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

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 (+)	237,866	5,491	1,848
Transfers from Other Categories of Non-Performing Loans (+)	-	246,446	106,321
Transfers to Other Categories of Non-Performing Loans (-)	246,446	106,321	-
Collections (-)	29,752	43,079	54,616
Write-offs (-)	-	-	1,579
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	585
Credit Cards	-	-	994
Others	-	-	-
Current Period End Balance	288,444	392,418	1,284,813
Specific Provision (-)	58,301	198,324	1,284,813
Net Balances on Balance Sheet	230,143	194,094	-

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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)	230,143	194,094	-
Loans to Real Persons and Legal Entities (Gross)	288,444	392,418	1,273,772
Specific provision (-)	(58,301)	(198,324)	(1,273,772)
Loans to Real Persons and Legal Entities (Net)	230,143	194,094	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	11,041
Specific provision (-)	-	-	(11,041)
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 bank prefers to liquidate the risk through negotiations with the debtors. If this cannot be possible, then 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) 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

None (December 31, 2011 – None).

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8. Investments in associates (Net) :

8.1. Investments in associates:

Description	Address (City/ Country)	Bank's Share-If Different, Voting Rights (%)	Bank's Risk Group Share (%)
Gelişen Bilgi Teknolojileri A.Ş. (*)	Istanbul/Turkey	5.00%	5.00%
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
427	425	-	32	-	(5)	356	-
25,225	18,484	10,481	1,116	-	2,619	1,465	-
197,890	195,160	3,165	7,637	-	997	4,321	-

(*) Current period information is obtained from financial statements as of December 31, 2011 while prior period profit and loss information is obtained from financial statements as of December 31, 2010.

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	-	1,000
Purchases	-	1,000(*)
Bonus Shares Received	-	-
Dividends From Current Year Profit	-	-
Sales	-	-
Reclassifications	-	-
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at the End of the Period	6,769	6,769
Capital Commitments	1,000	1,000
Share Percentage at the End of the Period (%)	-	-

(*) The amount represents the share capital increase amounting to TL 1,000 to Kredi Garanti Fonu A.Ş.

8.3. Sectoral distribution of associates

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	6,769	6,769
Total	6,769	6,769

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8.4. Quoted Associates

None (December 31, 2011 - None).

8.5. Valuation methods of investments in associates

	Current Period	Prior Period
Valued at Cost	6,769	6,769
Valued at Fair Value	-	-
Valued at Equity Method	-	-
Total	6,769	6,769

8.6. Investments in associates sold during the current period

None.

8.7. Investments in associates acquired during the current period

None.

9. Investments in subsidiaries (Net)

a) Information on the unconsolidated subsidiaries

					Bank's Share – If Different, Voting Rights (%)		Bank's Risk Group Share (%)	
Title		Address (City/Country)						
Ibtech 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	
(*)	22,680	15,803	19,626	-	-	(344)	(2,253)	-

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

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	77.16 (*)	77.16 (*)
4. Finans Portföy Yönetimi A.Ş.	Istanbul/Turkey	0.01	100.00
5. Finans Emeklilik ve Hayat A.Ş.	Istanbul/Turkey	99.99	99.99
6. Finans Tüketici Finansmanı A.Ş.	Istanbul/Turkey	99.99	99.99
7. Finans Faktoring Hizmetleri A.Ş.	Istanbul/Turkey	99.99	99.99

(*) The share of the Bank is 10.01%, the remaining 67.15% shareholding represents the purchases of publicly traded shares on the Istanbul Stock Exchange.

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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. ^(*)	188,890	132,717	12,890	2,842	448	2,211	15,430	-
2. ^(*)	1,338,408	431,106	383	-	-	9,562	36,352	464,600
3. ^(*)	21,269	21,004	48	-	-	2,919	(2,136)	15,120
4. ^(*)	19,037	17,364	674	513	5	686	7,403	-
5. ^(*)	169,952	60,797	1,909	3,820	1,249	4,477	9,493	-
6. ^(*)	1,806	1,804	13	44	-	(15)	(1,302)	-
7. ^(*)	284,004	24,606	862	9,176	-	1,226	3,252	-

^(*)Current period information represents March 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 Istanbul Stock Exchange (ISE) values as of balance sheet date.

b.2) Movement of investments in subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	397,409	362,058
Movements during the period	3,641	35,351
Purchases	4,801 ⁽¹⁾	18,187 ⁽²⁾
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales	-	(3,706) ⁽³⁾
Revaluation Increase	(1,160)	20,870
Impairment Provision	-	-
Balance at the End of the Period	401,050	397,409
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	-	-

⁽¹⁾ Purchases in the current period include the purchase of publicly traded shares of Bank's subsidiary Finans Yatırım Ortaklığı A.Ş. received from ISE amounting to TL 4,801.

⁽²⁾ Purchases in the prior period include the participation to the capital of Bank's subsidiary Finans Emeklilik ve Hayat A.Ş. amounting to TL 8,187 and Finans Faktoring Hiz.A.Ş. amounting to TL 10,000.

⁽³⁾ Disposal in the prior period amount represents disposal of the shares of the Bank's subsidiary Finans Yatırım Ortaklığı A.Ş. amounting to TL 5,027. The Bank had sales profit amounting to TL 1,321.

b.3) Sectoral distribution of subsidiaries

	Current Period	Prior Period
Banks	-	-
Insurance Companies	45,000	45,000
Factoring Companies	20,000	20,000
Leasing Companies	231,940	237,225
Finance Companies	5,000	5,000
Other Subsidiaries	99,110	90,184
Total	401,050	397,409

b.4) Quoted subsidiaries within the context of consolidation

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	248,329	244,688
Quoted on International Stock Exchanges	-	-
Total	248,329	244,688

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10. Investments in entities under common control:

	The Bank's Share	The Group's Share	Current Assets	Fixed Assets	Long Term Debt	Current Period Profit/Loss	Prior Period Profit/Loss
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. ^(*)	33.33%	33.33%	9,661	6,846	-	2,383	1,972

^(*) Current period information represents March 31, 2012 figures, prior period information is obtained from the financial statements from December 31, 2011.

11. Information on leasing receivables (Net)

None (December 31, 2011 - None).

12. Information on hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge ^(*)	501,113	51,397	960,793	40,954
Cash Flow Hedge	-	-	-	-
Hedge of Net Investment in Foreign Operations	-	-	-	-
Total	501,113	51,397	960,793	40,954

^(*) Derivative financial instruments designated for the fair value hedge purposes comprise of swaps. As of March 31, 2012, TL 57,702 (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 494,808 (December 31, 2012 - TL 953,564) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in loans.

13. Information on tax asset

There is no deferred tax asset calculated based on the related regulations. The information about deferred tax calculation is presented in the disclosures and explanations about liability accounts in disclosure number 10.1.4.

As of March 31, 2012, the Bank has TL 299,388 current tax liabilities (December 31, 2011- TL 210,153) and TL 213,375 prepaid taxes (December 31, 2011 - TL 135,303) which are netted-off in the accompanying financial statements.

14. Information on assets held for sale and discontinued operations

None (December 31, 2011- None).

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15. Information on other assets

15.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Other Prepaid Expenses	220,184	170,878
Assets Held for Resale (Net)	120,697	125,432
Cheques Receivables from Other Banks	90,242	91,960
Collateral Given for Derivative Transactions	66,182	69,042
Sundry Debtors	62,342	44,598
Prepaid Rent Expenses	21,944	20,155
Advances Given	4,619	2,246
Prepaid Agency Commissions	3,637	4,993
Other	53,613	44,488
Total	643,460	573,792

15.2. If other assets exceed 10% of total assets excluding the off-balance sheet items, the name and the amount of the subaccounts which create at least 20% of them are:

Details of the other assets are described above in the 15.1 section of explanations and disclosures related to assets.

16. Accrued interest and income

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Derivative Financial Instruments Held for Hedging Purposes	501,113	51,397	960,793	40,954
Assets on Trading Derivatives	385,328	137,631	775,278	234,480
Loans and Receivables	482,507	34,055	558,565	31,273
Investments Securities Available for Sale	52,187	15,965	54,821	8,959
Banks	733	-	592	6
Trading Securities	390	10	31	53
T.R. Central Bank	-	-	-	-
Financial Assets at Fair Value through Profit or Loss	-	-	-	-
Other Accruals	8,777	-	1,054	93
Total	1,431,035	239,058	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	694,520	-	2,135,256	8,928,667	3,186,182	291,620	19,858	15,180	15,271,283
Foreign Currency Deposits	725,451	-	1,245,686	4,263,125	721,615	236,140	14,774	5,150	7,211,941
Residents in Turkey	700,518	-	1,201,591	4,179,637	687,643	125,941	14,774	5,150	6,915,254
Residents Abroad	24,933	-	44,095	83,488	33,972	110,199	-	-	296,687
Public Sector Deposits	67,959	-	11,510	14,786	7,034	-	-	-	101,289
Commercial Deposits	823,382	-	1,275,141	1,993,278	539,239	163,519	64,913	-	4,859,472
Other Ins. Deposits	13,381	-	18,800	486,911	203,771	1,476	10,927	-	735,266
Precious Metal Deposits	312,497	-	73,687	-	-	-	-	-	386,184
Bank Deposits	24,042	-	184,193	204,819	12,289	14,365	-	-	439,708
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	1,962	-	17,041	8,337	4,234	-	-	-	31,574
Foreign Banks	21,249	-	167,152	196,482	8,055	14,365	-	-	407,303
Participation Banks	831	-	-	-	-	-	-	-	831
Other	-	-	-	-	-	-	-	-	-
Total	2,661,232	-	4,944,273	15,891,586	4,670,130	707,120	110,472	20,330	29,005,143

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		Exceeding the	
	Deposit Insurance Fund	Deposit Insurance Fund	Deposit Insurance Limit	Deposit Insurance Limit
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	4,958,601	4,398,629	10,307,013	10,973,995
Foreign Currency Savings Deposits	786,954	779,577	3,598,865	3,612,679
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	5,745,555	5,178,206	13,905,878	14,586,674

1.2. Savings deposits in Turkey are not covered under insurance in another country since the headquarter 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 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004	-	-
Saving deposits in banks established in Turkey exclusively for off-shore banking activities	18,068	18,979
Total	18,068	18,979

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	60,826	-	95,651	-
Swaps	373,940	72,145	736,943	103,602
Futures	-	406	-	2,138
Options	867	80,394	78	108,978
Other	-	-	-	625
Total	435,633	152,945	832,672	215,343

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3. Information on funds borrowed

3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans	-	-	-	-
Domestic Bank and Institutions	60,292	90,605	75,321	121,886
Foreign Bank, Institutions and Funds	-	1,946,710	-	2,423,896
Total	60,292	2,037,315	75,321	2,545,782

b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	60,292	1,556,813	75,321	1,947,823
Medium and Long-Term	-	480,502	-	597,959
Total	60,292	2,037,315	75,321	2,545,782

In accordance with the Board of Directors' decision dated February 23, 2005 numbered 41, the Bank obtained a securitization loan amounting to USD 500 million with seven years maturity, quarterly floating interest payment and no principal payment for three years from abroad on March 15, 2005 via special purpose entities (SPE's). Mentioned amount was paid back on February 15, 2012.

As of March 24, 2006, with the Board of Directors' decision dated March 20, 2006 numbered 59, the Bank obtained a loan amounting to USD 220 million with 5 years and 7 years maturities and semi-annually floating interest rate via SPE's. The loan amounting to USD 110 million with 5 years maturity has been paid back on March 24, 2011.

The Bank extended the maturity of USD 220.5 million and EUR 210.8 million portion of the syndicated loan in line with the Board of Directors' decision No: 240 dated November 25, 2010, for one year as of December 1, 2011.

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

As of March 31, 2012, the Bank's liabilities comprise; 64% deposits (December 31, 2011 – 63%), 8% funds borrowed (December 31, 2011 –9%) and 4% 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	1,440,530	-	814,133	-
Financial institutions and organizations	1,427,677	-	789,989	-
Other institutions and organizations	4,988	-	9,098	-
Real persons	7,865	-	15,046	-
From foreign transactions	3,160	539,719	535	552,135
Financial institutions and organizations	-	539,719	-	552,135
Other institutions and organizations	3,156	-	333	-
Real persons	4	-	202	-
Total	1,443,690	539,719	814,668	552,135

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5. Information on securities issued (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	236,809	-	268,023	-
Bills	-	932,987	-	989,875
Total	236,809	932,987	268,023	989,875

The Bank has issued bonds with USD 500 million nominal value, 5 years maturity and 5.5% fixed interest rate in foreign markets on May 11, 2011. The Bank has issued bonds with TL 150,000 nominal value, 6 months maturity and 10.66% interest rate on November 2, 2011 and issued bonds with TL 200,000 nominal value, 6 months maturity and 10.45% interest rate on November 30, 2011.

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 determination of payment plans in the leasing contracts.

7.1. Changes in agreements and further commitments arising

No changes have been made to the leasing agreements in the current period (December 31, 2011- None).

7.2. Financial Lease Payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	7,257	6,788	8,482	7,799
Between 1 - 4 years	413	386	1,625	1,495
More than 4 years	-	-	-	-
Total	7,670	7,174	10,107	9,294

7.3. Information on operational lease

Operational lease payments are recognized as an expense in the income statement on a straight-line basis over the lease terms.

7.4. Information on “Sale -and- lease back” agreements

The Bank 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 ^(*)	65,720	93,334	30,334	124,258
Cash Flow Hedge ^(**)	45,500	-	34,325	-
Net Investment Hedge	-	-	-	-
Total	111,220	93,334	64,659	124,258

^(*)Derivative financial instruments for hedging purposes include swaps. As of March 31, 2012, TL 61,217 (December 31, 2011 – TL 30,334) represents the fair value of derivatives which are the hedging instruments of hedged loan portfolio. TL 97,837 (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 values of derivatives which are the hedging instruments of deposits' cash flow risk.

9. Information on provisions

9.1. Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	318,362	286,073
Provisions for Loans and Receivables in Group II	40,091	34,212
Provisions for Non - Cash Loans	51,866	50,771
Other	29,851	29,385
Total	440,170	400,441

In accordance with the “Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside” published in the Official Gazette No: 27947 dated May 28, 2011, No: 27968 dated June 18, 2011, and No: 28158 dated December 30, 2011 general provision amounts provided on rescheduled loans without considering the reason are changed. As of March 31, 2012 loans and receivables amounting to TL 352,084 is extended up to 1 year and TL 459,832 is extended for 1 year and longer and rescheduled.

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 ^(*)	11,334	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 52,817 (December 31, 2011 - TL 59,210).

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 March 31, 2012, TL 31,365 (December 31, 2011 - TL 30,943) reserve for employee termination benefits was provided in the accompanying financial statements.

As of March 31, 2012, the Bank accrued TL 18,208 (December 31, 2011 – TL 16,603) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of March 31, 2012, TL 49,941 (December 31, 2011- TL 45,320) 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 01.01-31.03.2012	Prior Period 01.01-31.03.2011
As of January 1	30,943	25,086
Service Cost	2,256	2,103
Interest Cost	1,164	691
Paid during the period	(2,998)	(1,575)
Total	31,365	26,305

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	68,931	63,702

As of March 31, 2012, the Bank has provided provision 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	13,011	13,832
Other Provisions	27,872	25,797
Total	40,883	39,629

10. Taxation

10.1. Current taxes

10.1.1. Current tax liability

As of March 31, 2012, the Bank has current tax liability of TL 299,388 (December 31, 2011 - TL 210,153) and advance taxes of TL 213,375 (December 31, 2011 - TL 135,303). The current tax liability and advance taxes are presented in net in the accompanying financial statements.

10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	86,013	74,850
Banking and Insurance Transaction Tax (BITT)	30,281	29,863
Taxation on Securities Income	35,550	31,977
Taxation on Real Estates Income	1,794	1,210
Other	12,168	18,645
Total	165,806	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.

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10.1.3. Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	9,419	9,036
Social Security Premiums - Employer Share	9,964	9,549
Unemployment Insurance - Employee Share	661	635
Unemployment Insurance - Employer Share	1,323	1,269
Total	21,367	20,489

10.1.4. Information on deferred tax liabilities

As of March 31, 2012, deferred tax liability amounting to TL 24,762 has been disclosed in the accompanying financial statements (December 31, 2011 - TL 28,869).

According to the TAS 12, the deferred tax assets and liabilities are netted off in the accompanying financial statements after netting off with each other. As of March 31, 2012 the Bank has presented the net amount of deferred tax asset TL 84,744 (December 31, 2011 –TL 82,824) and deferred tax liability of TL 109,506 (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 28,949 (December 31, 2011 –TL 56,653 deferred tax asset) is netted under "Securities Value Increase Fund" account in the equity.

	Temporary Differences		Deferred Tax Asset / (Liability)	
	March 31, 2012	Dec. 31, 2011	March 31, 2012	Dec. 31, 2011
Reserve for Employee Benefits	99,514	92,866	19,903	18,573
The differences between carrying and taxable amounts of financial asset	224,950	307,421	44,990	61,484
Other	99,254	13,832	19,851	2,767
Deferred Tax Asset			84,744	82,824
The differences between carrying and taxable amounts of tangible assets	(102,505)	(105,296)	(20,501)	(21,059)
The differences between carrying and taxable amounts of financial assets	(344,447)	(372,845)	(68,889)	(74,569)
Other	(100,579)	(80,325)	(20,116)	(16,065)
Deferred Tax Liability			(109,506)	(111,693)
Deferred Tax Asset / (Liability), Net			(24,762)	(28,869)
	Current Period		Prior Period	
	01.01-31.03.2012		01.01-31.03.2011	
Deferred Tax Asset/ (Liability) as of January 1 (Net)	(28,869)		(75,673)	
Deferred Tax (Charge) / Benefit	31,811		(29,964)	
Deferred Tax Items accounted for under the equity	(27,704)		45,548	
Deferred Tax Asset/ (Liability) as of March 31, 2012 (Net)	(24,762)		(60,089)	

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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	-	1,637,303	-	1,742,641
From Other Foreign Institutions	-	-	-	-
Total	-	1,637,303	-	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 prior period from National Bank of Greece S.A.

13. Information on shareholder's equity

13.1. Paid-in capital

	Current Period	Prior Period
Common Stock	2,440,000	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	2,440,000	6,000,000

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

None (December 31, 2011 – TL 235,000).

13.4. Information on share capital increases from revaluation funds

None (December 31, 2011 – None).

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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 commitments, 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, five percent of the remaining net income is appropriated as legal reserves, five percent of the paid in capital might be distributed to shareholders as first dividend and ten percent of the remaining net profit might be distributed to founder shares. Moreover, additional ten percent 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)	24,400,000	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 at the prior periods, common stock issue premiums accounted amounting to TL 714.

15. Securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control	151,479	-	152,581	-
Valuation Difference	151,479	-	152,581	-
Foreign Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	(45,942)	(94,026)	(99,267)	(153,106)
Valuation Difference	(45,942)	(94,026)	(99,267)	(153,106)
Foreign Exchange Rate Difference	-	-	-	-
Total	105,537	(94,026)	53,314	(153,106)

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16. 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	160,012	21,317	136,692	26,820
Derivative Financial Liabilities Held for Trading	435,633	152,945	832,672	215,343
Funds Borrowed	1,027	41,917	1,424	25,317
Money Market Borrowings	1,902	314	642	587
Derivative Financial Liabilities Held for Hedging				
Purposes	111,220	93,334	64,659	124,258
Other Accruals	42,606	57,804	23,960	47,546
Total	752,400	367,631	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	1,575,713	1,791,107
Letters of Guarantee in TL	3,638,859	3,423,939
Letters of Credit	629,799	688,611
Bank Loans	890,883	1,048,329
Other Guarantees	31,291	33,672
Total	6,766,545	6,985,658

1.2. Type and amount of possible losses from off-balance sheet items

Specific provision is provided for the non-cash loans amounting to TL 52,817 (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	508,047	395,780
Final Letters of Guarantee	3,733,754	3,826,420
Advance Letters of Guarantee	164,190	172,828
Letters of Guarantee Given to Customs Offices	202,812	202,919
Other Letters of Guarantee	605,769	617,099
Total	5,214,572	5,215,046

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash		
Loans	399,209	383,661
Less Than or Equal to One Year with Original Maturity	35,250	23,877
More Than One Year with Original Maturity	363,959	359,784
Other Non-Cash Loans	6,367,336	6,601,997
Total	6,766,545	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	12,948	0.35	12,020	0.40	11,480	0.33	4,632	0.13
Farming and Raising Livestock	11,312	0.30	8,720	0.29	10,074	0.29	1,454	0.04
Forestry	650	0.02	-	0.00	624	0.02	-	0.00
Fishing	986	0.03	3,300	0.11	782	0.02	3,178	0.09
Manufacturing	670,570	18.12	1,483,171	48.87	628,915	18.19	1,624,198	46.47
Mining and Quarrying	19,331	0.52	220	0.01	20,112	0.58	492	0.01
Production	570,902	15.43	1,380,838	45.50	531,089	15.36	1,509,406	43.19
Electricity, gas and water	80,337	2.17	102,113	3.36	77,714	2.25	114,300	3.27
Construction	1,004,506	27.15	440,489	14.51	848,019	24.53	572,361	16.38
Services	1,967,760	53.18	1,080,383	35.59	1,918,313	55.48	1,276,181	36.53
Wholesale and Retail Trade	1,215,503	32.84	618,657	20.38	1,185,470	34.27	721,489	20.65
Hotel, Food and Beverage Services	26,929	0.73	16,491	0.54	24,926	0.72	4,368	0.12
Transportation&Communication	98,414	2.66	139,355	4.59	68,698	1.99	150,092	4.30
Financial Institutions	350,973	9.49	240,419	7.92	373,121	10.79	312,094	8.93
Real Estate and Renting Services	3,720	0.10	8,712	0.29	5,719	0.17	2,138	0.06
Self Employment Services	89,684	2.42	12,476	0.41	80,738	2.34	11,707	0.34
Educational Services	1,326	0.04	266	0.01	1,606	0.05	-	0.00
Health and Social Services	181,211	4.90	44,007	1.45	178,035	5.15	74,293	2.13
Other (*)	44,377	1.20	19,030	0.63	50,779	1.47	17,108	0.49
Total	3,700,161	100.00	3,035,093	100.00	3,457,506	100.00	3,494,480	100.00

(*) Does not include foreign currency balance of "Other Guarantees" amounting to TL 31,291 (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	3,465,841	1,465,761	146,917	83,236
Bills of Exchange and Acceptances	61,137	805,665	-	24,081
Letters of Credit	165	627,152	-	2,482
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	31,291	-	-
Non-cash Loans	3,527,143	2,929,869	146,917	109,799

(*) Does not include non-cash loans amounting to TL 52,817, for which provision is provided, but which are not indemnified and not liquidated yet.

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5. Information on derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	51,870,499	51,436,445
Forward transactions ^(*)	8,510,373	10,797,217
Swap transactions	26,861,710	29,627,163
Futures transactions	206,142	216,141
Option transactions	16,292,274	10,795,924
Interest Related Derivative Transactions (II)	4,459,655	5,074,107
Forward rate transactions	-	-
Interest rate swap transactions	4,172,861	4,882,341
Interest option transactions	40,000	40,000
Futures interest transactions	211,594	151,766
Security option transactions	35,200	-
Other trading derivative transactions (III)	-	-
A.Total Trading Derivative Transactions (I+II+III)	56,330,154	56,510,552
Types of hedging transactions		
Fair value hedges	17,073,703	17,252,307
Cash flow hedges	1,062,475	1,062,475
Net investment hedges	-	-
B.Total Hedging Related Derivatives	18,136,178	18,314,782
Total Derivative Transactions (A+B)	74,466,332	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 the balance sheet date; the mortgage loans amounting to TL 4,900,222 (December 31, 2011 – TL 4,357,337) are subject to hedge accounting by swaps with the nominal values of TL 6,750,109 (December 31, 2011 – TL 6,528,617). In 2012, the net market valuation difference loss amounting to TL 3,213 due to the gains from loans amounting to TL 41,740 (March 31, 2011 – None) and losses from swaps amounting to TL 44,953 (March 31, 2011 - None) 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 17,243 (March 31, 2011 – 26,434) 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 214 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. In 2012, the net market valuation difference gain amounting to TL 260 due to losses from Eurobonds amounting to TL 27,498 (March 31, 2011 – TL 3,742

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gains) and gains from swaps amounting to TL 27,758 (March 31, 2011 – TL 3,729 losses) is accounted for under “securities trading gains/losses” line in the accompanying financial statements.

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. In 2012, the net market valuation difference gains amounting to TL 15 due to gain from government bonds amounting to TL 3,003 (March 31, 2011 – none) and loss from swaps amounting to TL 2,988 (March 31, 2011 - none) 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 497 million (December 31, 2011 – USD 497 million) were subject to hedge accounting by swaps with the same nominal value. As of March 31, 2012 net market valuation difference loss amounting to TL 78 due to gains from government bonds amounting to TL 1,511 (March 31, 2011 – none) and losses from swaps amounting to TL 1,589 (March 31, 2011 - none) is accounted for under “securities trading gains/losses” line in the accompanying financial statements.

5.2 Cash flow hedge accounting

a) Deposit

To avoid from the interest rate changes of deposits that have an average maturity of 1 month, the Bank implements cash flow hedge accounting with interest rate swaps. 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 531,238 are subject to hedge accounting as hedging instruments (December 31, 2011 – TL 531,238). As a result of the mentioned hedge accounting, fair value gain before taxes amounting to TL 3,123 are accounted for under equity during the current period (March 31, 2011 – TL 1,049). The losses amounting to TL 163 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 1,427 from equity to income statement due to swaps that are matured or whose effectiveness is deteriorated during the current period (March 31, 2011 – TL 1,050 gain).

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As of March 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	1,451,635	1,294,836	8,273,164	13,769,180	3,766,108	3,417,552	9,153	3,772
USD	1,645,230	1,858,345	15,206,145	9,617,304	2,763,631	2,705,185	199,123	204,438
EURO	950,582	930,469	602,417	1,360,434	1,469,224	1,691,278	625	625
Other	214,613	164,663	167,187	174,918	248,609	305,887	-	-
Total	4,262,060	4,248,313	24,248,913	24,921,836	8,247,572	8,119,902	208,901	208,835

^(*) 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	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 March 31, 2012, the Bank has no derivative transactions for hedge of net investment.

6. Information on contingent liabilities and assets

None (December 31, 2011 – None).

7. 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.

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

MOODY's March 2012		FITCH April 2012		CI September 2011	
Long-Term Deposit Rating (FC)	Ba3	Long-Term Foreign Curr.	BBB-	Long-Term Foreign Curr.	BB
Long-Term Deposit Rating (TL)	Baa2	Short-Term Foreign Curr.	F3	Short-Term Foreign Curr.	B
Short-Term Deposit Rating (TL)	Prime-2	Long-term TL	BBB-	Financial strength at local market	BBB+
Financial Strength	C-	Short-term TL	F3	Support	3
		Long-term National	AAA (tur)		
		Individual	3		
		Support	BBB-		

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SECTION FIVE

IV. EXPLANATIONS ON 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	678,183	15,258	486,953	10,501
Medium and Long-Term Loans	429,221	28,572	365,153	19,124
Non-Performing Loans	24,706	-	23,559	-
Premiums Received from Resource Utilization				
Support Fund	-	-	-	-
Total	1,132,110	43,830	875,665	29,625

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	229	-	-
Domestic Banks	476	6	33	3
Foreign Banks	264	70	235	265
Foreign Headquarters and Branches	-	-	-	-
Total	740	305	268	268

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	2,406	133	732	123
Financial Assets at FVTPL	-	-	608	-
Investment Securities Available for Sale	138,505	11,200	85,181	13,196
Investment Securities Held to Maturity	-	-	-	-
Total	140,911	11,333	86,521	13,319

d) Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	282	565

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	1,331	31,613	10,356	31,021
T.R. Central Bank	-	-	-	-
Domestic Banks	1,331	603	1,401	413
Foreign Banks	-	31,010	8,955	30,608
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	1,331	31,613	10,356	31,021

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b) Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	9,195	7,139

c) Information on interest expense paid to securities issued

The Bank has issued bonds with USD 500 million nominal value, 5 years maturity and 5.5% fixed interest rate in foreign markets on May 11, 2011. The Bank has issued bonds with TL 150,000 nominal value, 6 months maturity and 10.66% interest rate on November 2, 2011 and issued bonds with TL 200,000 nominal value, 6 months maturity and 10.45% interest rate on November 30, 2011. As of March 31, 2012, interest expense amounting to TL 17,993 is booked for the bond issued (March 31, 2011 - None).

d) Information on maturity structure of interest expenses on deposits

Current Period		Time Deposits					Accumulated Deposit Account	Total
Account	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Lira								
Bank Deposits	-	3,096	307	121	8	16	-	3,548
Saving Deposits	1	27,838	316,564	74,607	7,640	535	409	427,594
Public Sector Deposits	-	188	1,259	115	3	-	-	1,565
Commercial Deposits	1	26,627	62,893	21,681	2,624	1,648	-	115,474
Other Deposits	-	517	18,954	4,147	44	264	-	23,926
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	2	58,266	399,977	100,671	10,319	2,463	409	572,107
Foreign Currency								
Deposits	-	9,187	50,290	8,535	2,946	275	96	71,329
Bank Deposits	61	823	826	37	-	58	-	1,805
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	293	-	-	-	-	-	293
Total	61	10,303	51,116	8,572	2,946	333	96	73,427
Grand Total	63	68,569	451,093	109,243	13,265	2,796	505	645,534

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Information on maturity structure of interest expense on deposits

Prior Period	Time Deposits						Accumulated Deposit Account	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Lira								
Bank Deposits	-	5,473	2,298	-	-	48	-	7,819
Saving Deposits	1	35,395	162,643	7,461	1,985	8	273	207,766
Public Sector Deposits	-	102	2,485	16	-	-	-	2,603
Commercial Deposits	1	23,370	62,809	6,938	4,460	-	-	97,578
Other Deposits	-	690	10,855	906	47	-	-	12,498
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	2	65,030	241,090	15,321	6,492	56	273	328,264
Foreign Currency								
Deposits	1	10,249	30,923	2,881	954	326	48	45,382
Bank Deposits	32	1,684	1,271	311	-	-	-	3,298
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	68	-	-	-	-	-	68
Total	33	12,001	32,194	3,192	954	326	48	48,748
Grand Total	35	77,031	273,284	18,513	7,446	382	321	377,012

e) Information on interest expense on repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expense on Repurchase Agreements ^(*)	20,062	2,148	22,567	1,023

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

f) Information on finance lease expenses

	Current Period	Prior Period
Finance Lease Expenses	314	28

g) Information on interest expense on factoring payables

None (March 31, 2011 – None).

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	-	37
Other	8,600	6
Total	8,600	43

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4. Information on trading income/loss

	Current Period	Prior Period
Trading Income	1,383,709	1,784,991
Gains on Capital Market Operations	17,350	78,343
Derivative Financial Instruments	558,519	583,858
Foreign Exchange Gains	807,840	1,122,790
Trading Loss (-)	1,499,611	1,708,103
Losses on Capital Market Operations	18,167	24,235
Derivative Financial Instruments	657,176	540,627
Foreign Exchange Losses	824,268	1,143,241
Net Trading Income/Loss	(115,902)	76,888

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.

6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	96,880	43,259
Loans and Receivables in Group III	(7,844)	2,449
Loans and Receivables in Group IV	51,171	5,749
Loans and Receivables in Group V	53,553	35,061
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	39,729	21,409
Provision Expenses for Possible Losses	5,229	4,789
Impairment Losses on Securities	315	15
Financial assets at fair value through profit or loss	-	-
Investment securities available for sale	315	15
Impairment Losses on Associates, Subsidiaries and		
Investment Securities Held-to-Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
Other	463	-
Total	142,616	69,472

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7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	167,624	166,773
Reserve for employee termination benefits	422	1,219
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation charge of tangible assets	22,623	19,645
Impairment losses on intangible assets	-	-
Impairment losses on goodwill	-	-
Amortization charge of intangible assets	12,321	8,661
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed of	-	-
Depreciation on assets to be disposed	580	353
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	142,477	128,594
Operational lease related expenses	33,086	27,677
Repair and maintenance expenses	12,339	11,252
Advertisement expenses	17,406	15,232
Other expenses	79,646	74,433
Losses on sales of assets	1,006	184
Other	61,214	62,766
Total	408,267	388,195

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

For the period ended March 31, 2012, net interest income of TL 627,062 (March 31, 2011 – TL 563,710), net fees and commission income of TL 241,159 (March 31, 2011 – TL 162,325) and other operating income of TL 53,660 (March 31, 2011 – TL 29,499) 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 March 31, 2012, the Bank recorded current tax charge of TL 89,234 (March 31, 2011 – TL 48,465) and a deferred tax benefit of TL 31,811 (March 31, 2011 – TL 29,964 deferred tax charge) from its continuing operations.

9.2. Explanations on operating profit/loss after taxes

None (March 31, 2011 – None).

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

Net profit of the Bank from continued operations is TL 206,273 (March 31, 2011 – TL 296,369).

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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 (March 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 are no profit or loss attributable to minority shares.

11.4. There are no changes in the nature and amount of accounting estimates, which have a material effect on current period or expected to have a material effect on subsequent periods.

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

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

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SECTION FIVE

V. EXPLANATIONS AND DISCLOSURES RELATED TO CASH FLOWS STATEMENT

1. 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 in TL	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	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

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

	Current Period March 31, 2012	Prior Period March 31, 2011
Cash	476,802	425,026
Cash in TL	318,293	223,002
Cash in Foreign Currencies	144,860	144,131
Other	13,649	57,893
Cash Equivalents	2,164,000	2,742,452
Balances with the T.R. Central Bank	1,905,023	2,576,948
Banks	173,891	165,879
Money Market Placements	90,054	-
Less: Placements with Banks with Maturities Longer than 3 Months	(4,235)	-
Less: Accruals	(733)	(375)
Cash and Cash Equivalents	2,640,802	3,167,478

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

Foreign bank balances include TL 7 (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.

4. Additional information

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

None.

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SECTION FIVE

VI. EXPLANATIONS AND DISCLOSURES RELATED TO THE 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 March 31, 2012, the Bank's risk group has deposits, cash and non-cash loans at the Bank amounting to TL 486,647 (December 31, 2011 - TL 373,748), TL 73,343 (December 31, 2011 - TL 89,888) and TL 14,926 (December 31, 2011 - TL 10,584) respectively.

Current Period

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	39,937	7,520	-	6,993	33,406	413
Interest and Commission Income	282	7	1	7	571	-

Prior Period

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	565	10	-	4	535	-

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

^(**) Includes the loans given to the Bank's indirect subsidiaries.

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	456,404	340,624	28,463	31,009	1,780	2,115
Interest on deposits	9,195	7,139	-	-	-	645

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

^(**) Includes the deposits taken to the Bank's indirect subsidiaries.

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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	15,851	-	34,165	817,073	28,702	246,559
End of the Period	12,349	15,581	382,626	34,165	14,889	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.

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

The pricing of transactions with the risk group companies is set in compliance with the market prices. As of March 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 1.7% of the Bank's total deposits (December 31, 2011 - 1.3%) and derivative transactions represented 1.1% 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 March 31, 2012, the Bank has net finance lease payables to Finans Finansal Kiralama A.Ş. amounting to TL 7,174 (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 Ibttech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek Sanayi ve Ticaret A.Ş. regarding research, development, advisory and improvement services.

Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., in which the Bank participated 33.33% share holding, provides cash transfer services to the Bank.

Information about the Bank's subordinated loans obtained from National Bank of Greece is explained under Section 5, Part II. footnote 12.

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SECTION SIX

OTHER EXPLANATIONS AND DISCLOSURES

I. Other explanations related to the Bank's operations

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

1.1 According to Board of Directors' decision dated April 26, 2012 numbered 169, Head Office has been authorized to increase issued capital amounting to TL 2,440,000 by TL 125,000 from bonus shares, providing TL 122,000 from first dividends of 2011 and TL 3,000 from extraordinary reserves, to TL 2,565,000 within the limits of registered capital ceiling amounting to TL 6,000,000 which has been specified by Bank's Board of Directors, to distribute representative shares due to increase in capital from bonus shares to shareholders within the framework of registered system regulations of the legislation of Capital Market, to apply to official institutions in order to obtain necessary permissions and to perform necessary operations.

1.2 On April 27, 2012 bank bills with nominal value of TL 150,000 has been matured.

1.3 The Bank obtained approval to issue bank bills with nominal value of TL 400,000 from the Capital Markets Board on May 4, 2012. The demand building procedure for the bank bills was performed on May 7-8-9, 2012. TRQFNBKK1215 ISIN coded bill is started to be traded since May 14, 2012.

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

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

3. Other matters

None.

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SECTION SEVEN

LIMITED REVIEW REPORT

I. Explanations on the Limited Review Report

The unconsolidated financial statements of the Bank have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and the limited review report dated May 14, 2012 is presented preceding the financial statements.

II. Explanations on the notes prepared by Independent Auditor

None (December 31, 2011 – None).