

# **FİNANSBANK ANONİM ŞİRKETİ**

## **INDEPENDENT AUDITOR’S AUDIT REPORT, UNCONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE YEAR ENDED DECEMBER 31, 2014**

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

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

## **INDEPENDENT AUDITOR’S REPORT**

To the Board of Directors of Finansbank Anonim Şirketi

We have audited the unconsolidated balance sheet of Finansbank Anonim Şirketi (“the Bank”) at December 31, 2014 and the related unconsolidated income statement, unconsolidated statement of income and expense items under shareholders’ equity, unconsolidated statement of cash flows and unconsolidated statement of changes in shareholders’ equity for the year then ended and the summary of significant accounting policies and other explanatory notes.

### **Disclosure for the responsibility of the Bank’s Board of Directors**

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

### **Disclosure for the Responsibility of the Authorized Audit Firm**

Our responsibility, as independent auditors, is to express an opinion on these financial statements based on our audit. Our audit has been performed in accordance with “Regulation on Authorisation and Activities of Institutions to Conduct Independent Audit in Banks” published on the Official Gazette No.26333 dated November 1, 2006 and with the Independent Auditing Standards which is a part of Turkish Auditing Standards promulgated by the Public Oversight Accounting and Auditing Standards Authority (“POA”). We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion stated below.

### **Basis for Qualified Opinion**

As of December 31, 2014, the accompanying unconsolidated financial statements include a general reserve for possible risks amounting to TL 82.000 thousands which is provided by the Bank management for the possible results of the circumstances which may arise from any changes in the economy and market conditions.

### **Independent Auditors' Opinion**

In our opinion, except for the effect of the matter referred in the preceding paragraph on the unconsolidated financial statements, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of Finansbank Anonim Şirketi at December 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per Article 37 of the Banking Act No: 5411, and other regulations, communiqués, circulars and pronouncements made by the Banking Regulation and Supervision Agency in respect of accounting and financial reporting.

### **Report on other responsibilities arising from regulatory requirements**

- 1) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") no 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period January 1 – December 31, 2014 are not in compliance with the code and provisions of the Bank's articles of association in relation to financial reporting.
- 2) In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

### **Other matters**

The unconsolidated financial statements of the Bank as of and for the year ended December 31, 2013 prepared in accordance with the accounting principles and standards set out by regulations in conformity with Article No:37 of the Banking Act No. 5411 were audited by another independent audit firm, who in their report dated February 27, 2014 expressed an unqualified opinion on the unconsolidated financial statements as of and for the year ended December 31, 2013, results of operations and cash flows in accordance with accounting principles and standards set out by regulations in conformity with Article No:37 of the Banking Act No: 5411 and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

### **Additional paragraph for English translation**

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

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

Hatice Dilek Çilingir Köstem  
Partner in Charge, SMMM

Istanbul, February 5, 2015

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

**THE UNCONSOLIDATED FINANCIAL REPORT OF FINANSBANK A.Ş.  
FOR THE YEAR-END PERIOD ENDED DECEMBER 31, 2014**

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

The unconsolidated financial report for the year-end period ended December 31, 2014, 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
- INDEPENDENT AUDITOR'S REPORT

The unconsolidated financial statements and related disclosures and footnotes for the year-end period ended December 31, 2014, 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

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

**Ioannis Vagionitis**  
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

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

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

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

## INDEX

### SECTION ONE GENERAL INFORMATION

I.	Explanatory note on the establishment date, nature of activities and history of the Bank	1
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	1
III.	Information about the chairman and members of board of directors, members of audit committee, managing directors and executive vice presidents; any changes, and the information about the Bank shares they hold and their responsibilities	1
IV.	Information about the persons and institutions that have qualified shares	2
V.	Explanations on the Bank's services and activities	2
VI.	A short explanation on the differences between the Regulation on Preparation of Consolidated Financial Statements of Banks and the consolidation procedures required by Turkish Accounting Standards and about institutions that are subject to full consolidation, proportional consolidation, by way of deduction from capital or those that are subject to none	2
VII.	The existing or potential, actual or legal obstacles to immediate transfer of shareholders' equity between the Parent Bank and its subsidiaries and repayment of debts	2

### SECTION TWO UNCONSOLIDATED FINANCIAL STATEMENTS

I.	Balance sheet (statement of financial position)	4-5
II.	Statements of off-balance sheet commitments and contingencies	6
III.	Income statement (statement of income / loss)	7
IV.	Statement of profit and loss accounted for under equity (statement of other comprehensive income / loss)	8
V.	Statement of changes in shareholders' equity	9-10
VI.	Statement of cash flows	11
VI.	Unconsolidated Profit Appropriation Statement	12

### SECTION THREE ACCOUNTING POLICIES

I.	Basis of presentation	13
II.	Strategy for the use of financial instruments and foreign currency transactions	14
III.	Information on associates and subsidiaries	15
IV.	Explanations on forwards, option contracts and derivative instruments	15
V.	Explanations on Interest income and expenses	16
VI.	Explanations on Fees and commission income and expenses	16
VII.	Explanation on financial assets	17
VIII.	Explanations on Impairment of financial assets	19
IX.	Explanations on Netting of financial instruments and derecognition of financial assets	19
X.	Explanations on Sales and repurchase agreements and lending of securities	19
XI.	Explanations on Assets held for sale and discontinued operations	20
XII.	Explanations on Goodwill and other intangible assets	20
XIII.	Explanations on Tangible assets	20
XIV.	Explanations on Leasing transactions	21
XV.	Explanations on Provisions and contingent liabilities	21
XVI.	Explanations on Obligations of the Bank concerning employee benefits	21
XVII.	Explanations on Taxation	22
XVIII.	Explanations on Additional explanations on borrowings	23
XIX.	Explanations on Share issues	23
XX.	Explanations on Confirmed bills of exchange and acceptances	23
XXI.	Explanations on Government incentives	23
XXII.	Explanations on Segment reporting	23-24
XXIII.	Explanations on Profit reserves and profit distribution	25
XXIV.	Profit per share	25
XXV.	Explanations on other matters	25

### SECTION FOUR INFORMATION ON FINANCIAL STRUCTURE

I.	Explanations related to capital adequacy ratio	26
II.	Explanations related to credit risk	33
III.	Information on market risk	42
IV.	Explanations related to operational risk	44
V.	Explanations related to foreign currency exchange rate risk	44
VI.	Explanations related to interest rate risk	47
VII.	Position Risk of Equity Securities in Banking Book	51
VIII.	Explanations related to liquidity risk	52
IX.	Explanations related to securitization positions	55
X.	Explanations related to credit risk mitigation techniques	55
XI.	Explanations related to risk management objectives and policies	55
XII.	Explanations related to presentation of financial assets and liabilities at their fair value	56
XIII.	Explanations related to transactions carried out on behalf of customers, items held in trust	57

### SECTION FIVE EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I.	Explanations and disclosures related to assets	58
II.	Explanations and disclosures related to liabilities	76
III.	Explanations and disclosures related to off-balance sheet items	85
IV.	Explanations and disclosures related to the income statement	91
V.	Explanations and disclosures related to statement of changes in shareholder's equity	97
VI.	Explanations and disclosures related to cash flows statement	98
VII.	Explanations and disclosures related to the Bank's risk group	100
VIII.	Explanations on the Bank's domestic, foreign and off- shore banking branches and foreign representatives	102

### SECTION SIX OTHER EXPLANATIONS AND DISCLOSURES

I.	Other explanations related to the Bank's operations	103
----	---	-----

### SECTION SEVEN INDEPENDENT AUDIT REPORT

I.	Explanations on the independent audit report	104
II.	Explanations on the notes prepared by independent auditors	104

## 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 Borsa Istanbul (“BIST”) (formerly known as Istanbul Stock Exchange (“ISE”)) since 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 December 31, 2014, 82.23% 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.

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 audit committee, managing directors and executive vice presidents; any changes, and the information about the Bank shares they hold and their responsibilities

Name	Title	Date of Appointment	Education
Dr. Ömer A. Aras	Chairman and Executive Member	April 16, 2010	Phd
Sinan Şahinbaş	Deputy Chairman and Executive Member	April 16, 2010	Masters
Prof. Dr. Mustafa Aydın Aysan <sup>(*)</sup>	Board Member	March 9, 1993	Phd
Stefanos Pantzopoulos	Board Member	October 16, 2012	Graduate
Dr. Paul Mylonas <sup>(**)</sup>	Board Member and Audit Committee Member	February 23, 2010	Phd
Ioannis Vagionitis <sup>(***)</sup>	Board Member and Audit Committee Member	January 6, 2014	Masters
Christos Alexis Komninos	Board Member	February 16, 2011	Graduate
Temel Güzelöğlu	Board Member and Managing Director	April 16, 2010	Masters
Mustafa Hamdi Görtin	Board Member	April 16, 2010	Masters
Ali Teoman Kerman <sup>(****)</sup>	Board Member and Head of Audit Committee	April 16, 2013	Masters
Paula Hadjisotiriou	Board Member	December 16, 2013	Masters
Georgios Koutsoudakis <sup>(*****)</sup>	Board Member	July 23, 2014	Graduate
Adnan Menderes Yayla	Assistant Managing Director	May 20, 2008	Masters
Metin Karabiber	Assistant Managing Director	October 8, 2010	Graduate
Murat Şakar	Assistant Managing Director	August 1, 2008	Graduate
Köksal Çoban	Assistant Managing Director	August 19, 2008	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
Filiz Sonat	Assistant Managing Director	September 19, 2007	Graduate
Erkin Aydın	Assistant Managing Director	May 16, 2011	Masters
Ömür Tan	Assistant Managing Director	October 28, 2011	Graduate
Şebnem Seniye Karaduman	Assistant Managing Director	January 9, 2012	Graduate
Halim Ersun Bilgici	Assistant Managing Director	March 15, 2013	Masters

<sup>(\*)</sup> Prof. Dr. Mustafa Aydın Aysan resigned from Audit Committee as of April 24, 2014.

<sup>(\*\*)</sup> Dr. Paul Mylonas has been appointed as a member to the Audit Committee as of January 17, 2014.

<sup>(\*\*\*)</sup> Ioannis Vagionitis has been appointed to the Audit Committee as of January 17, 2014.

<sup>(\*\*\*\*)</sup> Ali Teoman Kerman has been appointed as the Head of Audit Committee as of April 24, 2014.

<sup>(\*\*\*\*\*)</sup> Georgios Koutsoudakis has been appointed as the Board Member as of July 23, 2014.

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

**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.	2.331.170	82,23%	2.331.170	-
NBG Finance (Dollar) PLC	274.411	9,68%	274.411	-
NBGI Holdings B.V.	223.965	7,90%	223.965	-

According to the Board of Directors decision dated September 16, 2014, it has been decided that 100 founder shares issued to National Bank of Greece in accordance with the 10th close of the Bank's Articles of Associates will be canceled at no cost. Subject decision has been approved during the General Council Meeting dated December 4, 2014. The profit distribution is performed according to the prevailing regulations and the Articles of Association. Accordingly, 5% of the distributable profit is appropriated as legal reserves, 5% of the paid up capital is paid out as first dividend.

(\*)According to a put option agreement between NBG and International Finance Corporation ("IFC") dated March 29, 2007, 5% of the Bank's shares have been bought from IFC by the Bank, NBG, on 26 September 2014 and following the subject purchase NBG's share in the Bank's capital has reached to 99.81% as of December 31, 2014.

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

The Bank's activities include trade finance and corporate banking, fund management, retail banking and credit card operations. In addition, the Bank carries out insurance agency activities on behalf of insurance companies through its branches. As of December 31, 2014, the Bank operates through 656 domestic (December 31, 2013 - 672), 1 off-shore banking (December 31, 2013 - 1) and 1 Atatürk Airport Free Trade Zone (December 31, 2013 - 1) branches.

**VI. A short explanation on the differences between the Regulation on Preparation of Consolidated Financial Statements of Banks and the consolidation procedures required by Turkish Accounting Standards and about institutions that are subject to full consolidation, proportional consolidation, by way of deduction from capital or those that are subject to none:**

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

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

All other subsidiaries are fully consolidated.

**VII. The existing or potential, actual or legal obstacles to immediate transfer of shareholders' equity between the Parent Bank and its subsidiaries and repayment of debts:**

None.

## **SECTION TWO**

### **UNCONSOLIDATED FINANCIAL STATEMENTS**

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



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

**FİNANSBANK ANONİM ŞİRKETİ**

**BALANCE SHEET AS OF DECEMBER 31, 2014 (STATEMENT OF FINANCIAL POSITION)**

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

**I. BALANCE SHEET – ASSETS**

			Audited 31.12.2014			Audited 31.12.2013		
Section 5								
Part I			TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	1.503.207	7.160.628	8.663.835	887.711	7.320.682	8.208.393
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT							
II.	AND LOSS (Net)	(2)	1.203.668	152.639	1.356.307	1.376.071	253.498	1.629.569
2.1	Financial assets held for trading		1.105.525	152.639	1.258.164	1.190.997	253.498	1.444.495
2.1.1	Public sector debt securities		2.520	2.299	4.819	161.041	1.973	163.014
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Assets on trading derivatives		1.103.005	150.340	1.253.345	1.029.956	251.525	1.281.481
2.1.4	Other securities		-	-	-	-	-	-
2.2	Financial assets at fair value through profit and loss		98.143	-	98.143	185.074	-	185.074
2.2.1	Public sector debt securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans		98.143	-	98.143	185.074	-	185.074
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	(3)	19.390	224.302	243.692	5.037	301.088	306.125
IV.	MONEY MARKET PLACEMENTS		200.062	-	200.062	-	-	-
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements	(4)	200.062	-	200.062	-	-	-
V.	INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(5)	3.956.061	1.477.171	5.433.232	4.668.879	1.073.809	5.742.688
5.1	Equity securities		-	-	-	-	-	-
5.2	Public sector debt securities		3.924.071	1.444.438	5.368.509	4.633.866	1.059.507	5.693.373
5.3	Other securities		31.990	32.733	64.723	35.013	14.302	49.315
VI.	LOANS AND RECEIVABLES	(6)	42.874.766	7.371.360	50.246.126	38.105.480	4.618.996	42.724.476
6.1	Loans and receivables		42.306.593	7.371.360	49.677.953	37.596.755	4.618.996	42.215.751
6.1.1	Loans to risk group of the Bank		119.800	39.473	159.273	110.670	-	110.670
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		42.186.793	7.331.887	49.518.680	37.486.085	4.618.996	42.105.081
6.2	Non-performing loans		2.731.499	-	2.731.499	2.965.853	-	2.965.853
6.3	Specific provisions (-)		2.163.326	-	2.163.326	2.457.128	-	2.457.128
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	INVESTMENT SECURITIES HELD TO MATURITY (Net)	(7)	3.052.566	674.657	3.727.223	2.446.859	378.920	2.825.779
8.1	Public sector debt securities		3.052.566	90.418	3.142.984	2.446.859	20.820	2.467.679
8.2	Other securities		-	584.239	584.239	-	358.100	358.100
IX.	INVESTMENT IN ASSOCIATES (Net)	(8)	3.766	-	3.766	3.766	-	3.766
9.1	Equity method associates		-	-	-	-	-	-
9.2	Unconsolidated		3.766	-	3.766	3.766	-	3.766
9.2.1	Financial Investments		-	-	-	-	-	-
9.2.2	Non-financial Investments		3.766	-	3.766	3.766	-	3.766
X.	INVESTMENT IN SUBSIDIARIES (Net)	(9)	444.859	-	444.859	423.216	-	423.216
10.1	Unconsolidated financial investments		426.813	-	426.813	405.170	-	405.170
10.2	Unconsolidated non-financial investments		18.046	-	18.046	18.046	-	18.046
	ENTITIES UNDER COMMON CONTROL (JOINT							
XI.	VENTURES) (Net)	(10)	186.217	-	186.217	197.716	-	197.716
11.1	Equity method entities under common control		-	-	-	-	-	-
11.2	Unconsolidated		186.217	-	186.217	197.716	-	197.716
11.2.1	Financial investments		183.417	-	183.417	194.916	-	194.916
11.2.2	Non-financial Investments		2.800	-	2.800	2.800	-	2.800
XII.	LEASE RECEIVABLES (Net)	(11)	-	-	-	-	-	-
12.1	Financial lease receivables		-	-	-	-	-	-
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
XIII.	DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(12)	1.965.902	22.844	1.988.746	1.866.369	61.426	1.927.795
13.1	Fair value hedge		1.459.151	22.844	1.481.995	1.487.743	61.426	1.549.169
13.2	Cash flow hedge		506.751	-	506.751	378.626	-	378.626
13.3	Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)		1.470.096	10	1.470.106	520.776	63	520.839
XV.	INTANGIBLE ASSETS (Net)		223.847	-	223.847	198.204	-	198.204
15.1	Goodwill		-	-	-	-	-	-
15.2	Others		223.847	-	223.847	198.204	-	198.204
XVI.	INVESTMENT PROPERTIES (Net)		-	-	-	-	-	-
XVII.	TAX ASSETS	(13)	50.050	-	50.050	78.670	-	78.670
17.1	Current tax assets		-	-	-	-	-	-
17.2	Deferred tax assets		50.050	-	50.050	78.670	-	78.670
XVIII.	ASSETS HELD FOR SALE AND DISCONTINUED							
.	OPERATIONS (Net)	(14)	51.265	-	51.265	-	-	-
18.1	Held for sale		51.265	-	51.265	-	-	-
18.2	Discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(15)	817.623	99.398	917.021	770.972	451.559	1.222.531
TOTAL ASSETS			58.023.345	17.183.009	75.206.354	51.549.726	14.460.041	66.009.767

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 DECEMBER 31, 2014 (STATEMENT OF FINANCIAL POSITION)**

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

**I. BALANCE SHEET – LIABILITIES AND EQUITY**

		Audited 31.12.2014			Audited 31.12.2013			
		Section 5						
		Part II	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(1)	27.240.961	14.833.593	42.074.554	26.382.066	11.939.592	38.321.658
1.1	Deposits from risk group of the Bank		284.836	132.296	417.132	230.450	164.811	395.261
1.2	Other		26.956.125	14.701.297	41.657.422	26.151.616	11.774.781	37.926.397
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	1.092.806	160.505	1.253.311	1.112.851	189.708	1.302.559
III.	FUNDS BORROWED	(3)	115.661	4.782.482	4.898.143	111.366	3.239.684	3.351.050
IV.	MONEY MARKET BORROWINGS		2.716.251	1.431.183	4.147.434	2.561.162	1.141.561	3.702.723
4.1	Interbank money markets takings		-	-	-	50.000	-	50.000
4.2	Istanbul Stock Exchange money markets takings		-	-	-	-	-	-
4.3	Funds provided under repurchase agreements	(4)	2.716.251	1.431.183	4.147.434	2.511.162	1.141.561	3.652.723
V.	SECURITIES ISSUED (Net)	(5)	2.218.569	3.154.880	5.373.449	2.161.609	1.793.767	3.955.376
5.1	Bills		1.971.791	262.040	2.233.831	2.057.875	-	2.057.875
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		246.778	2.892.840	3.139.618	103.734	1.793.767	1.897.501
VI.	FUNDS		-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	SUNDRY CREDITORS		1.629.052	2.133.518	3.762.570	1.401.157	1.984.147	3.385.304
VIII.	OTHER LIABILITIES	(6)	916.276	120.953	1.037.229	857.438	68.974	926.412
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	LEASE PAYABLES (Net)	(7)	1.311	1.235	2.546	1.542	1.373	2.915
10.1	Financial lease payables		1.563	1.368	2.931	2.002	1.534	3.536
10.2	Operational lease payables		-	-	-	-	-	-
10.3	Others		-	-	-	-	-	-
10.4	Deferred financial lease expenses ( - )		252	133	385	460	161	621
XI.	DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(8)	202.104	149.976	352.080	7.648	75.101	82.749
11.1	Fair value hedge		70.738	149.976	220.714	-	75.101	75.101
11.2	Cash flow hedge		131.366	-	131.366	7.648	-	7.648
11.3	Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII.	PROVISIONS	(9)	1.438.400	-	1.438.400	1.193.795	84.572	1.278.367
12.1	General provisions		942.661	-	942.661	731.719	84.572	816.291
12.2	Restructuring provisions		-	-	-	-	-	-
12.3	Reserve for employee benefits		200.134	-	200.134	208.904	-	208.904
12.4	Insurance technical provisions (Net)		-	-	-	-	-	-
12.5	Other provisions		295.605	-	295.605	253.172	-	253.172
XIII.	TAX LIABILITY	(10)	170.778	-	170.778	101.457	-	101.457
13.1	Current tax liability		170.778	-	170.778	101.457	-	101.457
13.2	Deferred tax liability		-	-	-	-	-	-
XIV.	PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)	(11)	-	-	-	-	-	-
14.1	Held for sale		-	-	-	-	-	-
14.2	Discontinued operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS	(12)	-	2.121.712	2.121.712	-	1.950.719	1.950.719
XVI.	SHAREHOLDERS' EQUITY		8.630.767	(56.619)	8.574.148	7.785.046	(136.568)	7.648.478
16.1	Paid-in capital	(13)	2.835.000	-	2.835.000	2.700.000	-	2.700.000
16.2	Capital reserves		316.472	(56.619)	259.853	348.179	(136.568)	211.611
16.2.1	Share Premium	(14)	714	-	714	714	-	714
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Securities value increase fund	(15)	401.689	(56.619)	345.070	281.454	(136.568)	144.886
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)		(40.479)	-	(40.479)	95.987	-	95.987
16.2.9	Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		(48.141)	-	(48.141)	(32.665)	-	(32.665)
16.3	Profit reserves		4.601.867	-	4.601.867	4.002.628	-	4.002.628
16.3.1	Legal reserves		365.367	-	365.367	328.655	-	328.655
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		4.236.500	-	4.236.500	3.673.973	-	3.673.973
16.3.4	Other profit reserves		-	-	-	-	-	-
16.4	Profit or loss		877.428	-	877.428	734.239	-	734.239
16.4.1	Prior years' income/ (losses)		-	-	-	-	-	-
16.4.2	Current period income/ (loss)		877.428	-	877.428	734.239	-	734.239
16.5	Minority shares		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY			46.372.936	28.833.418	75.206.354	43.677.137	22.332.630	66.009.767

**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 DECEMBER 31, 2014**

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

**II. STATEMENT OF OFF-BALANCE COMMITMENTS AND CONTINGENCIES**

		Audited 31.12.2014			Audited 31.12.2013		
Section 5 Part III		TL	FC	TOTAL	TL	FC	TOTAL
A.	OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)	88.912.523	81.029.264	169.941.787	70.402.203	62.614.020	133.016.223
I.	GUARANTEES (1), (2), (3),(4)	5.214.732	3.945.677	9.160.409	4.169.967	2.947.967	7.117.934
1.1.	Letters of guarantee	5.205.798	2.208.929	7.414.727	4.162.296	1.777.802	5.940.098
1.1.1.	Guarantees subject to State Tender Law	238.293	28.417	266.710	173.860	24.805	198.665
1.1.2.	Guarantees given for foreign trade operations	2.895.013	2.180.512	5.075.525	2.619.423	1.752.997	4.372.420
1.1.3.	Other letters of guarantee	2.072.492	-	2.072.492	1.369.013	-	1.369.013
1.2.	Bank loans	8.934	903.353	912.287	7.668	602.163	609.831
1.2.1.	Import letter of acceptance	8.934	903.353	912.287	7.668	602.163	609.831
1.2.2.	Other bank acceptances	-	-	-	-	-	-
1.3.	Letters of credit	-	812.318	812.318	3	548.603	548.606
1.3.1.	Documentary letters of credit	-	614.869	614.869	3	531.441	531.444
1.3.2.	Other letters of credit	-	197.449	197.449	-	17.162	17.162
1.4.	Prefinancing given as guarantee	-	-	-	-	-	-
1.5.	Endorsements	-	-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of Turkey	-	-	-	-	-	-
1.5.2.	Other endorsements	-	-	-	-	-	-
1.6.	Securities issue purchase guarantees	-	-	-	-	-	-
1.7.	Factoring guarantees	-	-	-	-	-	-
1.8.	Other guarantees	-	21.077	21.077	-	19.399	19.399
1.9.	Other collaterals	-	-	-	-	-	-
II.	COMMITMENTS	29.112.513	2.365.704	31.478.217	25.084.936	1.696.831	26.781.767
2.1.	Irrevocable commitments	29.008.708	1.907.143	30.915.851	24.976.518	751.500	25.728.018
2.1.1.	Forward asset purchase commitments	688.063	1.862.257	2.550.320	327.259	749.594	1.076.853
2.1.2.	Forward deposit purchase and sales commitments	-	-	-	-	-	-
2.1.3.	Share capital commitment to associates and subsidiaries	-	-	-	-	-	-
2.1.4.	Loan granting commitments	8.536.833	232	8.537.065	5.424.542	213	5.424.755
2.1.5.	Securities underwriting commitments	-	-	-	-	-	-
2.1.6.	Commitments for reserve deposit requirements	-	-	-	-	-	-
2.1.7.	Payment commitment for checks	2.420.299	-	2.420.299	2.060.004	-	2.060.004
2.1.8.	Tax and fund liabilities from export commitments	7.626	-	7.626	6.988	-	6.988
2.1.9.	Commitments for credit card expenditure limits	16.812.040	-	16.812.040	17.067.174	-	17.067.174
2.1.10.	Commitments for promotions related with credit cards and banking activities	22.604	-	22.604	38.002	-	38.002
2.1.11.	Receivables from short sale commitments	-	-	-	-	-	-
2.1.12.	Payables for short sale commitments	-	-	-	-	-	-
2.1.13.	Other irrevocable commitments	521.243	44.654	565.897	52.549	1.693	54.242
2.2.	Revocable commitments	103.805	458.561	562.366	108.418	945.331	1.053.749
2.2.1.	Revocable loan granting commitments	103.805	458.561	562.366	108.418	351.395	459.813
2.2.2.	Other revocable commitments	-	-	-	-	593.936	593.936
III.	DERIVATIVE FINANCIAL INSTRUMENTS (5)	54.585.278	74.717.883	129.303.161	41.147.300	57.969.222	99.116.522
3.1	Derivative financial instruments for hedging purposes	13.357.379	16.633.829	29.991.208	10.309.736	13.695.907	24.005.643
3.1.1	Fair value hedge	6.870.913	12.335.168	19.206.081	6.675.930	10.559.020	17.234.950
3.1.2	Cash flow hedge	6.486.466	4.298.661	10.785.127	3.633.806	3.136.887	6.770.693
3.1.3	Hedge of net investment in foreign operations	-	-	-	-	-	-
3.2	Held for trading transactions	41.227.899	58.084.054	99.311.953	30.837.564	44.273.315	75.110.879
3.2.1	Forward foreign currency buy/sell transactions	2.329.798	2.771.354	5.101.152	3.023.815	3.576.802	6.600.617
3.2.1.1	Forward foreign currency transactions-buy	1.305.411	1.244.832	2.550.243	1.406.707	1.895.433	3.302.140
3.2.1.2	Forward foreign currency transactions-sell	1.024.387	1.526.522	2.550.909	1.617.108	1.681.369	3.298.477
3.2.2	Swap transactions related to foreign currency and interest rates	35.786.236	47.901.622	83.687.858	21.556.188	30.695.134	52.251.322
3.2.2.1	Foreign currency swap-buy	19.144.314	17.935.272	37.079.586	12.502.291	9.313.810	21.816.101
3.2.2.2	Foreign currency swap-sell	15.712.662	21.352.952	37.065.614	7.761.087	14.308.290	22.069.377
3.2.2.3	Interest rate swaps-buy	464.630	4.306.699	4.771.329	646.405	3.536.517	4.182.922
3.2.2.4	Interest rate swaps-sell	464.630	4.306.699	4.771.329	646.405	3.536.517	4.182.922
3.2.3	Foreign currency, interest rate and securities options	3.110.969	6.955.232	10.066.201	6.257.051	9.617.419	15.874.470
3.2.3.1	Foreign currency options-buy	1.502.096	3.520.388	5.022.484	3.031.745	4.927.476	7.959.221
3.2.3.2	Foreign currency options-sell	1.608.873	3.434.844	5.043.717	3.225.306	4.689.943	7.915.249
3.2.3.3	Interest rate options-buy	-	-	-	-	-	-
3.2.3.4	Interest rate options-sell	-	-	-	-	-	-
3.2.3.5	Securities options-buy	-	-	-	-	-	-
3.2.3.6	Securities options-sell	-	-	-	-	-	-
3.2.4	Foreign currency futures	896	38.444	39.340	510	42.472	42.982
3.2.4.1	Foreign currency futures-buy	448	19.222	19.670	255	21.236	21.491
3.2.4.2	Foreign currency futures-sell	448	19.222	19.670	255	21.236	21.491
3.2.5	Interest rate futures	-	-	-	-	-	-
3.2.5.1	Interest rate futures-buy	-	-	-	-	-	-
3.2.5.2	Interest rate futures-sell	-	-	-	-	-	-
3.2.6	Other	-	417.402	417.402	-	341.488	341.488
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)	398.851.830	69.067.178	467.919.008	312.753.176	66.309.725	379.062.901
IV.	ITEMS HELD IN CUSTODY	7.076.630	1.530.536	8.607.166	7.254.675	1.085.363	8.340.038
4.1.	Assets under management	3.128.580	-	3.128.580	3.209.849	-	3.209.849
4.2.	Investment securities held in custody	1.232.314	757.722	1.990.036	2.005.410	337.766	2.343.176
4.3.	Checks received for collection	2.054.477	258.410	2.312.887	1.527.663	203.698	1.731.361
4.4.	Commercial notes received for collection	661.253	138.426	799.679	511.706	91.359	603.065
4.5.	Other assets received for collection	-	-	-	-	-	-
4.6.	Assets received for public offering	-	-	-	-	-	-
4.7.	Other items under custody	6	375.978	375.984	44	452.540	452.584
4.8.	Custodians	-	-	-	3	-	3
V.	PLEDGED ITEMS	234.715.130	31.709.225	266.424.355	176.310.170	24.357.446	200.667.616
5.1.	Marketable securities	620.378	2.260.821	2.881.199	502.407	643.935	1.146.342
5.2.	Guarantee notes	181.761	52.651	234.412	142.011	38.261	180.272
5.3.	Commodity	41.344	-	41.344	27.266	-	27.266
5.4.	Warranty	-	-	-	-	-	-
5.5.	Properties	57.209.764	11.327.616	68.537.380	46.396.463	7.993.070	54.389.533
5.6.	Other pledged items	176.661.883	18.068.137	194.730.020	129.242.023	15.682.180	144.924.203
5.7.	Pledged items-depository	-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES	157.060.070	35.827.417	192.887.487	129.188.331	40.866.916	170.055.247
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		487.764.353	150.096.442	637.860.795	383.155.379	128.923.745	512.079.124

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 DECEMBER 31, 2014**  
**(STATEMENT OF INCOME/LOSS)**

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

**III. INCOME STATEMENT**

	Section 5 Part IV	Audited 01.01 - 31.12.2014	Audited 01.01 - 31.12.2013
<b>I. INTEREST INCOME</b>	<b>(1)</b>	<b>6.495.966</b>	<b>5.669.783</b>
1.1 Interest on loans		5.599.532	5.125.414
1.2 Interest received from reserve deposits		538	-
1.3 Interest received from banks		1.874	949
1.4 Interest received from money market placements		42.861	8.183
1.5 Interest received from marketable securities portfolio		848.606	533.457
1.5.1 Held-for-trading financial assets		5.902	11.392
1.5.2 Financial assets at fair value through profit and loss		17.380	31.370
1.5.3 Available-for-sale financial assets		474.174	407.110
1.5.4 Investments held-to-maturity		351.150	83.585
1.6 Finance lease income		-	-
1.7 Other interest income		2.555	1.780
<b>II. INTEREST EXPENSE</b>	<b>(2)</b>	<b>3.407.655</b>	<b>2.506.637</b>
2.1 Interest on deposits		2.663.559	1.985.976
2.2 Interest on funds borrowed		201.815	152.878
2.3 Interest on money market borrowings		220.027	99.973
2.4 Interest on securities issued		317.396	252.784
2.5 Other interest expense		4.858	15.026
<b>III. NET INTEREST INCOME (I - II)</b>		<b>3.088.311</b>	<b>3.163.146</b>
<b>IV. NET FEES AND COMMISSIONS INCOME</b>		<b>1.333.530</b>	<b>1.031.522</b>
4.1 Fees and commissions received		1.556.480	1.171.653
4.1.1 Non-cash loans		50.706	42.684
4.1.2 Other		1.505.774	1.128.969
4.2 Fees and commissions paid		222.950	140.131
4.2.1 Non-cash loans		1.106	671
4.2.2 Other		221.844	139.460
<b>V. DIVIDEND INCOME</b>	<b>(3)</b>	<b>9.042</b>	<b>12.152</b>
<b>VI. NET TRADING INCOME</b>	<b>(4)</b>	<b>(262.777)</b>	<b>(215.005)</b>
6.1 Securities trading gains/ (losses)		18.555	162.526
6.2 Gains / (losses) from financial derivatives transactions		(319.470)	(274.909)
6.3 Foreign exchange gains/ (losses)		38.138	(102.622)
<b>VII. OTHER OPERATING INCOME</b>	<b>(5)</b>	<b>383.383</b>	<b>320.749</b>
<b>VIII. NET OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>4.551.489</b>	<b>4.312.564</b>
<b>IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	<b>(6)</b>	<b>1.075.543</b>	<b>1.080.751</b>
<b>X. OTHER OPERATING EXPENSES (-)</b>	<b>(7)</b>	<b>2.333.737</b>	<b>2.294.219</b>
<b>XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>1.142.209</b>	<b>937.594</b>
<b>XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		-	-
<b>XIII. GAIN / (LOSS) ON EQUITY METHOD</b>		-	-
<b>XIV. GAIN / (LOSS) ON NET MONETARY POSITION</b>		-	-
<b>XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)</b>	<b>(8)</b>	<b>1.142.209</b>	<b>937.594</b>
<b>XVI. TAX CHARGE FOR CONTINUED OPERATIONS (±)</b>	<b>(9)</b>	<b>(264.781)</b>	<b>(203.355)</b>
16.1 Current income tax charge		(221.066)	(229.625)
16.2 Deferred tax charge / benefit		(43.715)	26.270
<b>XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)</b>	<b>(10)</b>	<b>877.428</b>	<b>734.239</b>
<b>XVIII. INCOME ON DISCONTINUED OPERATIONS</b>		-	-
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		-	-
<b>XIX. LOSS FROM DISCONTINUED OPERATIONS (-)</b>		-	-
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		-	-
<b>XX. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)</b>	<b>(8)</b>	-	-
<b>XXI. TAX CHARGE FOR DISCONTINUED OPERATIONS (±)</b>	<b>(9)</b>	-	-
21.1 Current income tax charge		-	-
21.2 Deferred tax charge / benefit		-	-
<b>XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)</b>	<b>(10)</b>	-	-
<b>XXIII. NET PROFIT/LOSS (XVII+XXII)</b>	<b>(11)</b>	<b>877.428</b>	<b>734.239</b>
23.1 Group's profit/loss		877.428	734.239
23.2 Minority shares (-)		-	-
Earnings per share		0,03095	0,0259

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 DECEMBER 31, 2014**

**(STATEMENT OF OTHER COMPREHENSIVE INCOME / LOSS)**

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

**IV. STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY**

	Audited	Audited
	01.01 - 31.12.2014	01.01 – 31.12.2013
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	256.594	(514.066)
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)	(172.981)	127.832
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	(19.345)	5.313
IX. DEFERRED TAX OF VALUATION DIFFERENCES	15.095	80.769
X. TOTAL NET PROFIT/LOSS ACCOUNTED FOR UNDER EQUITY (I+II+...+IX)	79.363	(300.152)
XI. PROFIT/LOSS	(31.121)	(75.709)
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(33.520)	(80.393)
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	2.399	4.684
11.3 Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4 Other	-	-
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR IN THE PERIOD (X±XI)	48.242	(375.861)

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

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

**FİNANSBANK ANONİM ŞİRKETİ**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

Audited	Section 5 Note II.13	Paid-in Capital	Effect of inflation Accounting on Capital and Other Capital Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and Assets from Disc.Op.	Total Equity
Prior period – 01.01 – 31.12.2013		2.565.000	-	714	-	283.538	-	2.950.168	(36.915)	-	903.922	631.010	-	2.689	(10.026)	-	7.290.100
Beginning balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketable securities valuation differences	(1)	-	-	-	-	-	-	-	-	-	-	(486.124)	-	-	-	-	(486.124)
Hedging funds (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	106.013	-	106.013
Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	106.013	-	106.013
Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus shares obtained from associates, subsidiaries and entities under common control		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange differences	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
The disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
The reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
The effect of change in associates' equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital increase	(5)	135.000	-	-	-	-	-	(135.000)	-	-	-	-	-	-	-	-	-
Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal sources		135.000	-	-	-	-	-	(135.000)	-	-	-	-	-	-	-	-	-
Share issue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inflation adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	4.250	-	-	-	-	-	-	-	4.250
Period net income/(loss)		-	-	-	-	-	-	-	-	734.239	-	-	-	-	-	-	734.239
Profit distribution	(3)	-	-	-	-	45.117	-	858.805	-	-	(903.922)	-	-	-	-	-	-
Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to reserves		-	-	-	-	45.117	-	858.805	-	-	(903.922)	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance (III+IV+V+.....+ XVIII+XIX+XX)		2.700.000	-	714	-	328.655	-	3.673.973	(32.665)	734.239	-	144.886	-	2.689	95.987	-	7.648.478

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 DECEMBER 31, 2014**

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

**V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

Audited	Section 5 Note II.13	Paid-in Capital	Effect of inflation Accounting on Capital and Other Capital Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity
<b>I. Current period – 01.01 – 31.12.2014</b>		<b>2.700.000</b>	-	<b>714</b>	-	<b>328.655</b>	-	<b>3.673.973</b>	<b>(32.665)</b>	-	<b>734.239</b>	<b>144.886</b>	-	<b>2.689</b>	<b>95.987</b>	-	<b>7.648.478</b>
Beginning Balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>II. Increase/decrease related to merger</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Marketable securities valuation differences</b>	(1)	-	-	-	-	-	-	-	-	-	-	<b>200.184</b>	-	-	-	-	<b>200.184</b>
<b>IV. Hedging funds (effective portion)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	<b>(136.466)</b>	-	<b>(136.466)</b>
4.1 Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	<b>(136.466)</b>	-	<b>(136.466)</b>
4.2 Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V. Tangible assets revaluation differences</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Intangible assets revaluation differences</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Bonus shares obtained from associates,</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. subsidiaries and entities under common control</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Foreign exchange differences</b>	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. The disposal of asset</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. The reclassification of asset</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. The effect of change in associates' equity</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XII. Capital increase</b>	(5)	<b>135.000</b>	-	-	-	-	-	<b>(135.000)</b>	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal sources		<b>135.000</b>	-	-	-	-	-	<b>(135.000)</b>	-	-	-	-	-	-	-	-	-
<b>XIII. Share Premium</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIV. Share cancellation profits</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XV. Inflation adjustment to paid-in capital</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI. Other</b>		-	-	-	-	-	-	-	<b>(15.476)</b>	-	-	-	-	-	-	-	<b>(15.476)</b>
<b>XVII. Period net income/(loss)</b>		-	-	-	-	-	-	-	-	<b>877.428</b>	-	-	-	-	-	-	<b>877.428</b>
<b>XVIII. Profit distribution</b>	(3)	-	-	-	-	<b>36.712</b>	-	<b>697.527</b>	-	-	<b>(734.239)</b>	-	-	-	-	-	-
18.1 Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to reserves		-	-	-	-	<b>36.712</b>	-	<b>697.527</b>	-	-	<b>(734.239)</b>	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>		<b>2.835.000</b>	-	<b>714</b>	-	<b>365.367</b>	-	<b>4.236.500</b>	<b>(48.141)</b>	<b>877.428</b>	-	<b>345.070</b>	-	<b>2.689</b>	<b>(40.479)</b>	-	<b>8.574.148</b>
<b>(I+II+III+..... +XVI+XVII+XVIII)</b>																	

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 CASH FLOWS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**VI. STATEMENT OF CASH FLOWS**

	<b>Section 5 Part V.</b>	<b>Audited 01.01 - 31.12.2014</b>	<b>Audited 01.01 - 31.12.2013</b>
<b>A. CASH FLOWS FROM / (TO) BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities (+)</b>		<b>1.900.490</b>	<b>1.953.981</b>
1.1.1 Interest received (+)		6.003.909	5.620.645
1.1.2 Interest paid (-)		(3.520.654)	(2.280.854)
1.1.3 Dividend received (+)		9.042	12.152
1.1.4 Fees and commissions received (+)		1.557.034	1.172.668
1.1.5 Other income (+)		333.095	306.429
1.1.6 Collections from previously written off loans (+)		638.806	398.991
1.1.7 Payments to personnel and service suppliers (-)		(1.789.390)	(1.700.991)
1.1.8 Taxes paid (-)		(200.251)	(360.943)
1.1.9 Others (+/-)	(1)	(1.131.101)	(1.214.116)
<b>1.2 Changes in operating assets and liabilities</b>		<b>(1.986.014)</b>	<b>(691.698)</b>
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		158.193	(91.110)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		211.138	(75.218)
1.2.3 Net (increase) decrease in due from banks (+/-)		177.321	(2.705.483)
1.2.4 Net (increase) decrease in loans (+/-)		(8.521.945)	(6.945.910)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	29.943	(49.928)
1.2.6 Net increase (decrease) in bank deposits (+/-)		72.015	248.657
1.2.7 Net increase (decrease) in other deposits (+/-)		3.622.557	4.502.493
1.2.8 Net increase (decrease) in funds borrowed (+/-)		1.413.947	247.372
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	850.817	4.177.429
<b>I. Net cash provided from / (used in) banking operations (+/-)</b>		<b>(85.524)</b>	<b>1.262.283</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from / (used in) investing activities (+/-)</b>		<b>(1.235.372)</b>	<b>(2.257.806)</b>
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		-	(3.060)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		-	1.476
2.3 Fixed assets purchases (-)		(762.433)	(198.914)
2.4 Fixed assets sales (+)		35.033	394
2.5 Cash paid for purchase of financial assets available for sale (-)		(3.873.595)	(12.392.552)
2.6 Cash obtained from sale of financial assets available for sale (+)		4.101.719	11.945.092
2.7 Cash paid for purchase of investment securities (-)		(631.486)	(1.222.906)
2.8 Cash obtained from sale of investment securities (+)		-	-
2.9 Others (+/-)		(104.610)	(387.336)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash provided from / (used in) financing activities (+/-)</b>		<b>1.867.047</b>	<b>(763.239)</b>
3.1 Cash obtained from funds borrowed and securities issued (+)		6.881.054	4.614.780
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(5.013.019)	(5.375.227)
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for finance leases (-)		(988)	(2.792)
3.6 Other (+/-)		-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)</b>		<b>223.291</b>	<b>342.651</b>
<b>V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)</b>		<b>769.442</b>	<b>(1.416.111)</b>
<b>VI. Cash and cash equivalents at beginning of the period (+)</b>	(2)	<b>2.098.546</b>	<b>3.514.657</b>
<b>VII. Cash and cash equivalents at end of the period (V+VI)</b>	(3)	<b>2.867.988</b>	<b>2.098.546</b>

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 CASH FLOWS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

VI. UNCONSOLIDATED PROFIT APPROPRIATION STATEMENT

	AUDITED CURRENT YEAR 31.12.2014 <sup>(*)</sup>	AUDITED PRIOR YEAR 31.12.2013
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1.1 CURRENT YEAR INCOME	1.142.209	937.594
1.2 TAXES AND DUTIES PAYABLE (-)	264.781	203.355
1.2.1 CORPORATE TAX (INCOME TAX)	221.066	229.625
1.2.2 INCOME WITHHOLDING TAX	-	-
1.2.3 OTHER TAXES AND DUTIES	43.715	(26.270)
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>877.428</b>	<b>734.239</b>
1.3 PRIOR YEAR LOSSES(-)	-	-
1.4 FIRST LEGAL RESERVES(-)	-	36.712
1.5 OTHER STATUTORY RESERVES (-)	-	-
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]</b>	<b>877.428</b>	<b>697.527</b>
1.6 FIRST DIVIDEND TO SHAREHOLDERS(-)	-	135.000
1.6.1 TO OWNERS OF ORDINARY SHARES	-	135.000 <sup>(**)</sup>
1.6.2 TO OWNERS OF PRIVILEGED SHARES	-	-
1.6.3 TO OWNERS OF PREFERRED SHARES	-	-
1.6.4 TO PROFIT SHARING BONDS	-	-
1.6.5 TO HOLDERS OF PROFIT AND (LOSS) SHARING CERTIFICATES	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS(-)	-	-
1.9.1 TO OWNERS OF ORDINARY SHARES	-	-
1.9.2 TO OWNERS OF PRIVILEGED SHARES	-	-
1.9.3 TO OWNERS OF PREFERRED SHARES	-	-
1.9.4 TO PROFIT SHARING BONDS	-	-
1.9.5 TO HOLDERS OF PROFIT AND (LOSS) SHARING CERTIFICATES	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES(-)	-	-
1.12 EXTRAORDINARY RESERVES	-	562.527
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION OF RESERVES</b>		
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS(-)	-	-
2.3.1 TO OWNERS OF ORDINARY SHARES	-	-
2.3.2 TO OWNERS OF PRIVILEGED SHARES	-	-
2.3.3 TO OWNERS OF PREFERRED SHARES	-	-
2.3.4 TO PROFIT SHARING BONDS	-	-
2.3.5 TO HOLDERS OF PROFIT AND (LOSS) SHARING CERTIFICATES	-	-
2.4 DIVIDENDS TO PERSONNEL(-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS(-)	-	-
<b>III. EARNINGS PER SHARE</b>		
3.1 TO OWNERS OF ORDINARY SHARES	0,03095	0,02719
3.2 TO OWNERS OF ORDINARY SHARES( % )	%3,09	%2,72
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES ( % )	-	-
<b>IV. DIVIDEND PER SHARE</b>		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES( % )	-	-
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES ( % )	-	-

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

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

**FİNANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**SECTION THREE**

**ACCOUNTING POLICIES**

**I. Basis of Presentation**

**1. Preparation of the 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 unconsolidated financial statements as of December 31, 2014 and the related disclosures and footnotes in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No: 26333, which refers to "Turkish Accounting Standards" ("TAS"), put into effect by Public Oversight Accounting and Auditing Standards Authority ("KGK"), and "Turkish Financial Reporting Standards" ("TFRS") issued by the "Turkish Accounting Standards Board" ("TASB") and additional explanations and notes related to them and other decrees, notes and explanations related to accounting and financial reporting principles (all "Turkish Accounting Standards" or "TAS") published by the Banking Regulation and Supervision Agency ("BRSA"). The format and detail of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements", published in Official Gazette no. 28337, dated 28 June 2012, and amendments to this Communiqué.

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

**Explanation for Convenience Translation to English**

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

**2. Reclassifications**

None.

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

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

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

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

**FINANSBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**I. Basis of Presentation (continued)**

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

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

**II. Strategy for the Use of Financial Instruments and the Foreign Currency Transactions**

**1. Strategy for the use of financial instruments**

The major funding sources of the Bank are customer deposits, bond issues and funds borrowed from international markets. The customer deposits bear fixed interest rate and have an average maturity of 1-3 months in line with the sector. Domestic bond issues are realized within the maturity of 6 months and foreign bond issues are based on long maturities with fixed interests. Funds borrowed from abroad mostly bear floating rates and are 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.

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 debt securities are explained in foreign currency risk section and the applications regarding the cash flow hedging of interest rate cash flow risk generated from deposits are explained in the Interest Rate Risk section in detail.

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

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

**FİNANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**2. Foreign currency transactions**

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

The Bank accounts for the transactions denominated in foreign currencies in accordance with TAS 21 “The Effects of Changes in Foreign Exchange Rates”. Foreign exchange gains and losses arising from transactions that are completed as of December 31, 2014 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. Foreign currency nonmonetary items measured at fair value are converted with currency exchange rates at the time of fair value measurement. The Bank’s foreign currency exchange rates for the related period ends are as follows:

	<u><b>December 31, 2014</b></u>	<u><b>December 31, 2013</b></u>
US Dollar	2,3189 TL	2,1343 TL
Euro	2,8207 TL	2,9365 TL

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

As of December 31, 2014, net foreign exchange gain included in net profit for the period is TL 38.138 (31 December 2013 – TL 102.622 net foreign exchange loss).

**III. Information on Associates and Subsidiaries and Entities Under Common Control**

Subsidiaries and entities under common control are accounted for in accordance with the principles in TAS 39 “Financial Instruments: Recognition and Measurement”, whereas subsidiaries are accounted under cost principle in the unconsolidated accompanying financial statements.

**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, station, 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 fair value and subsequently measured at fair value. Also, the liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual values. The derivative transactions are accounted for at fair value subsequent to initial recognition and are presented in the “Assets on Trading Derivatives” 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.

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.

Fair values of option contracts are calculated with option pricing models and the resulting unrealized gains and losses are reflected in the current period income statement.

Futures transactions are accounted for at settlement prices obtained as of the balance sheet date.

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

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

Fair value of credit default swaps is calculated using internal pricing models based on market data.

Upon valuation of derivative instruments that are not subject to hedge accounting, differences in fair value, except for currency revaluation differences, are recorded in the income statement on Gains/Losses from Derivative transactions. These foreign currency valuation differences are accounted for under “Foreign Exchange Gains/Losses” account.

In cash flow hedge accounting:

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

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

In fair value hedge accounting:

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

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

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

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.

At each balance sheet date the Parent Bank applies effectiveness tests for fair value hedge accounting.

When the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked, adjustments made to the carrying amount of the hedged item are transferred to profit and loss with straight line method for portfolio hedges or with effective interest rate method for micro hedges. In case the hedged item is derecognized, hedge accounting is discontinued and within context of fair value hedge accounting, adjustments made to the value of the hedged item are accounted in income statement.

**V. Explanations on Interest Income and Expenses**

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

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**VI. Explanations on Fees and Commission Income and Expenses**

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

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

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

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

**2. Investment securities available for sale**

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

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

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

**FINANSBANK ANONİM ŞİRKETİ  
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

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

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 reflected to income statement prior to discontinuation of hedge accounting 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.

The Bank has reclassified debt securities with fair value amounting to TL 1.601.660 from available-for-sale portfolio to held-to-maturity portfolio due to change in the intention of holding such securities as of June 21, 2013. Fair value differences accounted under the equity until the transfer date, is amortised from equity using the effective interest rate method until the maturity of the securities. Detailed information regarding the classification is provided in section five I/7.e.

**4. Loans and specific provisions**

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

The Bank as explained in part IV, "Explanations on Forwards, Option Contracts and Derivative Instruments", enters into fx swap transactions against TL in order to hedge the possible losses which might arise due to the changes in the fair value of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. The Bank accounts for the hedged loan portfolio at fair value related to hedged risk, the swap transactions used as the hedging instrument at fair value and reflects the related net gain or loss to respective period's income statement.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through income statement until the maturity of the hedged loans.

Provision is set for the loans that maybe doubtful and amount is charged in the current period income statement.

In the case where there is an evidence for the possibility of uncollectibility of loans, the Bank classifies related loans and receivables in non-performing loans and provides specific provision in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No: 26333 "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables". The Bank provides specific provision for the loans under follow-up regarding credit risk and other factors, in accordance with the aforementioned regulation. Additionally, the Bank provides general provisions in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No: 28789 "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" and accounts such provision at the liability side of the balance sheet under general loan loss provision.

The Bank also provides provision for the closely monitored loans as a result of risk assessment. These provisions are accounted for at the liability side of the balance sheet under general provisions.

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

The general, specific and other provisions reserved for closely monitored loans are accounted for under “Provision for Loan Losses and Other Receivables” in the income statement.

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

**VIII. Explanations on Impairment of Financial Assets**

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

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

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

An explanation about the impairment of loans and receivables is given in Note VII-4 of Section Four.

**IX. Explanations on Netting of Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported on the balance sheet when the Bank has a legally enforceable right to offset the recognized amounts, and the intention of collecting or paying the net amount of related assets and liabilities or to realize the asset and settle the liability simultaneously.

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

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

Securities that are subject to repurchase agreements as at the balance sheet date amounted to TL 4.409.923 (December 31, 2013 – TL 3.815.605).

Securities that are subject to lending transactions as at the balance sheet date amounted to TL 1.345 (December 31, 2013 – TL 6.791).

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.



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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**XI. Explanations on Assets Held for Sale and Discontinued Operations**

In accordance with IFRS 5 (“Assets Held for Sale and Discontinued Operations”), assets classified as held for sale are measured at lower of carrying value or fair value less costs to sell. Amortisation on subject asset is ended and these assets are presented separately on financial statements. An asset (or a disposal group) is regarded as “asset held for sale” only when the sale is highly probable and the asset (disposal group) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset (or a disposal group) should be actively marketed at a price consistent with its fair value. Various events and conditions may prolong the sale procedures for more than one year. In case subject delay is caused by the events and conditions beyond the entity’s control and there is enough evidence that plans to sell subject asset (or a disposal group) continue subject assets continue to be classified as assets held for sale. The Bank has re-classified its real estate property with a net book value of TL 51.265 from Tangible Assets to Assets held for Sale as of December 31, 2014.

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

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

**XII. Explanations on Goodwill and Other Intangible Assets**

The 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. Explanations on Tangible Assets**

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

Depreciation is calculated on a straight-line basis over the estimated useful life of tangible assets. The annual amortization 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.

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

**FINANSBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

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

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

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

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

The Bank has purchased a building amounting to TL 931.008 on March 11, 2014 to be used as its Headquarters.

**XIV. Explanations on Leasing Transactions**

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

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

The Bank has no leasing transactions as lessor.

**XV. Explanations on Provisions and Contingent Liabilities**

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

Provisions provided during the period other than specific and general provisions for loans and other receivables are recorded under “Other Operating Expenses”; provisions provided in the prior periods but reversed in the current year are accounted for under “Other Operating Income”.

**XVI. Explanations on Obligations of the Bank Concerning Employee Benefits**

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

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

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

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

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 in accordance with IAS 19 and reflected to the financial statements.

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

**XVII. Explanations on Taxation**

**1. Corporate Tax**

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

75% of gains on subsidiary shares and profits from real estate sales held in Bank assets for more than two years are exempt from tax according to Corporate Tax Law in condition with adding them into equity or allocating into a specific fund account in Bank's liabilities for five years.

Companies file their tax returns between the 1st and the 25th day of the fourth month following the closing of the fiscal year to which they relate and the payments are made until the end of that month.

Losses occurred due to prior year's financial statements can be deducted from corporate income under condition that each year amounts are shown separately on Corporate Tax declaration and are not carried more than five years.

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

The provision for corporate and income taxes for the period is recognized as "Current Tax Charge" in the income statement and current tax effect related to transactions directly recognized in equity are reflected to equity.

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

**2. Deferred Taxes**

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

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

Deferred tax effect in regards to transactions directly accounted for in equity, is also reflected to equity.

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**XVIII. Explanations on Additional Explanations on Borrowings**

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

**XIX. Explanations on Share Issues**

During the current period the Bank's paid in capital has been increased by TL 135.000, paid from first dividend with bonus shares (January 1 – December 31, 2013 - The Bank issued TL 135.000 of bonus shares; where TL 128.250 was from first dividends, TL 6.750 were from share holding disposal funds).

**XX. Explanations on Confirmed Bills of Exchange and Acceptances**

Confirmed bills of exchange and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts as possible debt and commitment, if any.

There are no acceptances and confirmed bills of exchange presented as liabilities against any assets.

**XXI. Explanations on Government Incentives**

As of December 31, 2014, the Bank does not have any government incentives or grants.

**XXII. Explanations on 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 for retail banking (consumer banking and plastic cards), corporate and commercial banking 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.

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.

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

**FİNANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

<b>Current Period (January 1 – December 31, 2014)</b>	<b>Retail Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury and Head Office</b>	<b>Total Operations of the Bank</b>
Net Interest Income	1.232.083	1.044.033	812.195	3.088.311
Net Fees and Commissions Income	1.067.346	285.566	(19.382)	1.333.530
Other Operating Income and Net Trading Income	330.629	60.926	(270.949)	120.606
Dividend Income	-	-	9.042	9.042
<b>Operating Income</b>	<b>2.630.058</b>	<b>1.390.525</b>	<b>530.906</b>	<b>4.551.489</b>
Other Operating Expenses	1.457.569	751.905	124.263	2.333.737
Provision for Loan Losses and Other Receivables	623.561	371.157	80.825	1.075.543
<b>Profit Before Taxes</b>	<b>548.928</b>	<b>267.463</b>	<b>325.818</b>	<b>1.142.209</b>
<b>Provision for Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(264.781)</b>
<b>Net Profit/Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>877.428</b>
<b>Total Assets</b>	<b>37.337.428</b>	<b>12.627.104</b>	<b>20.675.451</b>	<b>75.206.354</b>
Segment Assets	37.337.428	12.627.104	20.675.451	70.639.983
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	634.842
Undistributed Assets	-	-	-	3.931.529
<b>Total Liabilities</b>	<b>29.485.415</b>	<b>11.084.903</b>	<b>19.650.365</b>	<b>75.206.354</b>
Segment Liabilities	29.485.415	11.084.903	19.650.365	60.220.683
Undistributed Liabilities	-	-	-	6.411.523
Equity	-	-	-	8.574.148
<b>Other Segment Accounts</b>	<b>256.310</b>	<b>132.220</b>	<b>1.018.955</b>	<b>1.407.568</b>
Capital Expenditures	130.476	67.307	993.539	1.191.322
Depreciation and Amortization	125.834	64.913	25.416	216.163
Value Decrease/ (Increase)	-	-	-	83

<b>Prior Period (January 1 – December 31, 2013)</b>	<b>Retail Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury and Head Office</b>	<b>Total Operations of the Bank</b>
Net Interest Income	1.584.181	884.561	694.404	3.163.146
Net Fees and Commissions Income	899.937	142.817	(11.232)	1.031.522
Other Operating Income and Net Trading Income	280.217	62.186	(236.659)	105.744
Dividend Income	-	-	12.152	12.152
<b>Operating Income</b>	<b>2.764.335</b>	<b>1.089.564</b>	<b>458.665</b>	<b>4.312.564</b>
Other Operating Expenses	1.431.893	691.365	170.961	2.294.219
Provision for Loan Losses and Other Receivables(-)	823.328	495.006	(237.583)	1.080.751
<b>Profit Before Taxes</b>	<b>509.114</b>	<b>(96.807)</b>	<b>525.287</b>	<b>937.594</b>
<b>Provision for Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(203.355)</b>
<b>Net Profit/Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>734.239</b>
<b>Total Assets</b>	<b>34.123.577</b>	<b>8.142.183</b>	<b>19.407.527</b>	<b>66.009.767</b>
Segment Assets	34.123.577	8.142.183	19.407.527	61.673.287
Associates and Subsidiaries and Entities	-	-	-	624.698
Undistributed Assets	-	-	-	3.711.782
<b>Total Liabilities</b>	<b>25.886.321</b>	<b>10.839.785</b>	<b>15.761.644</b>	<b>66.009.767</b>
Segment Liabilities	25.886.321	10.839.785	15.761.644	52.487.750
Undistributed Liabilities	-	-	-	5.873.539
Equity	-	-	-	7.648.478
<b>Other Segment Accounts</b>	<b>292.823</b>	<b>151.056</b>	<b>25.736</b>	<b>471.368</b>
Capital Expenditures	186.517	96.217	16.888	299.622
Depreciation and Amortization	106.306	54.839	8.848	169.993
Value Decrease/ (Increase)	-	-	-	1.753

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**XXIII. Explanations on Profit Reserves and Profit Distribution**

At the General Assembly dated March 27, 2014 it has been decided to distribute the 2013 profit as follows:

<b>2013 profit distribution table:</b>	
<b>Current Profit for the period</b>	<b>734.239</b>
A – I. Legal Reserve (Turkish Commercial Code 519/A) at 5%	(36.712)
B – The First Dividend for Shareholders (*)	(135.000)
D – Extraordinary Reserves	(562.527)

(\*) It was decided to distribute the shares issued by adding first dividend to shareholders amounting to TL 135.000 to the capital.

**XXIV. Profit Per Share**

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

	<b>Current Period</b>	<b>Prior Period</b>
Net Profit for the Period	877.428	734.239
Weighted Average Amount of Shares Issued (Thousands)	28.350.000	28.350.000
<b>Profit Per Share</b>	<b>0,03095</b>	<b>0,02590</b>

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

Amount of issued bonus shared in 2014 is 1.350.000 (December 31, 2013: 1.350.000).

**XXV. Explanations on Other Matters**

None.

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**SECTION FOUR**

**INFORMATION ON FINANCIAL STRUCTURE**

**I. Explanations Related to Capital Adequacy Ratio**

As of December 31, 2014, the Bank's unconsolidated capital adequacy ratio is 16,98%. (December 31, 2013 – 16,95%).

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

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

Calculation of the risk weighted assets is made on related assets by net basis after items deducted from capital base and depreciation and provisions are reduced.

The items classified as trading book are not included in the calculation of the credit risk. However, counterparty credit risk for all transactions stated in the Article 21 of the Regulation, are made as per the rates stated in the Appendix-2 of the Regulation.

Balance sheet items and the rates stated in the Article 5 of the Regulation, and non-balance sheet items whose credit equivalent risk amount are calculated, are included in the relevant exposure category defined in the Article 6 of the Regulation and weighted as per Appendix-1 of the Regulation.

The disclosures of credit risk mitigation techniques used under “Regulation on Credit Risk Mitigation Techniques” are presented in Section 4, Note X. under “Explanations related to Credit Risk Mitigation Techniques”.

Capital requirement for the market risk is calculated by using the standard method. Market risk for the options is calculated within the scope of the regulation “Capital Requirement for Market Risk of Options - Standard Method” published in the Official Gazette No: 28337 dated June 28, 2012 by using Delta Factor Weighted Method.

Capital requirement for the operational risk is calculated within the scope of the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (the Regulation)” published in the Official Gazette No: 28337 dated June 28, 2012 by using Basic Indicator Approach.

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**Unconsolidated capital adequacy ratio**

	Risk Weightings								
<b>Current Period</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>	<b>250%</b>
<b>Value at Credit Risk</b>	-	-	<b>245.829</b>	<b>9.465.302</b>	<b>15.417.255</b>	<b>20.617.801</b>	<b>2.513.757</b>	<b>7.994.862</b>	<b>676.638</b>
<b>Exposure Categories:</b>	<b>15.690.061</b>	-	<b>1.229.146</b>	<b>18.930.604</b>	<b>20.556.340</b>	<b>20.617.801</b>	<b>1.675.838</b>	<b>3.997.431</b>	<b>270.655</b>
Conditional and unconditional receivables									
from central governments or central banks	14.850.852	-	-	1.697.937	-	-	-	-	-
Conditional and unconditional receivables									
from regional or local governments	-	-	4.048	-	-	-	-	-	-
Conditional and unconditional receivables									
from administrative units and non-commercial enterprises	-	-	-	-	-	316	-	-	-
Conditional and unconditional receivables									
from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables									
from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables									
from banks and brokerage houses	-	-	1.224.868	2.181.022	-	29.459	-	-	-
Conditional and unconditional receivables									
from corporates	-	-	-	-	-	15.318.399	-	-	-
Conditional and unconditional retail									
receivables	-	-	-	-	20.556.340	1.825.386	-	-	-
Conditional and unconditional receivables									
secured by mortgages	-	-	-	15.051.645	-	-	-	-	-
Past due receivables	-	-	-	-	-	541.919	-	-	-
Receivables defined in high risk category by									
BRSA	-	-	-	-	-	-	1.675.838	3.997.431	270.655
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage									
houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment									
funds	-	-	-	-	-	26.414	-	-	-
Other receivables	839.209	-	230	-	-	2.875.908	-	-	-
<b>Prior Period</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>	<b>250%</b>
<b>Value at Credit Risk</b>	-	-	<b>179.588</b>	<b>7.476.755</b>	<b>11.903.243</b>	<b>18.675.739</b>	<b>1.992.405</b>	<b>8.987.942</b>	<b>1.356.358</b>
<b>Exposure Categories:</b>	<b>15.315.268</b>	-	<b>897.940</b>	<b>14.953.510</b>	<b>15.870.990</b>	<b>18.675.739</b>	<b>1.328.270</b>	<b>4.493.971</b>	<b>542.543</b>
Conditional and unconditional receivables									
from central governments or central banks	14.268.181	-	-	1.333.821	-	-	-	-	-
Conditional and unconditional receivables									
from regional or local governments	-	-	2.452	-	-	-	-	-	-
Conditional and unconditional receivables									
from administrative units and non-commercial enterprises	-	-	-	-	-	1.023	-	-	-
Conditional and unconditional receivables									
from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables									
from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables									
from banks and brokerage houses	-	-	895.415	1.608.741	-	27.180	-	-	-
Conditional and unconditional receivables									
from corporates	-	-	-	16.039	-	12.719.917	-	-	-
Conditional and unconditional retail									
receivables	-	-	-	-	15.870.990	3.261.960	-	-	-
Conditional and unconditional receivables									
secured by mortgages	-	-	-	11.952.456	-	-	-	-	-
Past due receivables	-	-	-	42.453	-	454.259	-	-	-
Receivables defined in high risk category by									
BRSA	-	-	-	-	-	-	1.328.270	4.493.971	542.543
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage									
houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment									
funds	-	-	-	-	-	23.640	-	-	-
Other receivables	1.047.087	-	73	-	-	2.187.760	-	-	-



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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**Summary information related to unconsolidated capital adequacy ratio**

	<b>Current Period(*)</b>	<b>Prior Period</b>
Capital Requirement for Credit Risk (Value at Credit Risk * 0,08) (CRCR)	4.554.516	4.045.762
Capital Requirement for Market Risk (MRCR)	98.679	80.017
Capital Requirement for Operational Risk (ORCR)	503.912	425.090
Shareholders' Equity	10.946.807	9.642.750
Shareholders' Equity/(CRCR+MRCR+ORCR) * 12,5 * 100	16,98%	16,95%
Additional Tier I Capital/((CRCR+CRMR+CROR)*12,5*100)	12,97%	-
Common Equity/((CRCR+CRMR+CROR)*12,5*100)	13,24%	-

CRCR : Capital Requirement for Credit Risk

MRCR : Capital Requirement for Market Risk

ORCR : Capital Requirement for Operational Risk

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

**Information on Equity Accounts**

**Current Period  
December 31, 2014**

**COMMON EQUITY**

Paid-in Capital following all debts in terms of claim in liquidation of the Bank's	2.835.000
Share premium	714
Share cancellation profits	-
Reserves	4.553.726
Gains recognized in equity as per TAS	397.191
Profit	877.428
Current Period Profit	877.428
Prior Period Profit	-
Provisions for Possible Risks	82.000
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	2.689

**Common Equity Before Deductions**

**8.748.748**

**Deductions from Common Equity**

Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-).	52.121
Leasehold improvements (-)	114.052
Goodwill or other intangible assets and deferred tax liability related to these items (-)	44.806
Net deferred tax asset/liability (-)	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law (-)	-
Direct and indirect investments of the Bank in its own common equity (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-
Portion of mortgage servicing rights exceeding 10% of the common equity (-).	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the common equity (-).	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital (-)	-
Excess amount arising from mortgage servicing rights (-).	-
Excess amount arising from deferred tax assets based on temporary differences (-).	-
Other items to be defined by the BRSA (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-

**Total Deductions From Common Equity**

**210.979**

**Total Common Equity**

**8.537.769**

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

	<b>December 31, 2014</b>
<b>ADDITIONAL TIER I CAPITAL</b>	
Capital amount and related premiums corresponding to preference shares that are not included in common equity	-
Debt instruments and premiums deemed suitable by BRSA (issued/obtained after 1.1.2014)	-
Debt instruments and premiums deemed suitable by BRSA (issued before 1.1.2014)	-
<b>Additional Tier I Capital before Deductions</b>	-
<b>Deductions from Additional Tier I Capital</b>	
Direct and indirect investments of the Bank in its own Additional Tier I Capital (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I Capital and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Other items to be defined by the BRSA (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
<b>Total Deductions From Additional Tier I Capital</b>	-
<b>Total Additional Tier I Capital</b>	-
<b>DEDUCTIONS FROM TIER I CAPITAL</b>	<b>179.223</b>
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1 <sup>st</sup> clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	179.223
Portion of net deferred tax assets/liabilities which is not deducted from the common equity pursuant to Paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
<b>Total Tier I Capital</b>	<b>8.358.546</b>
<b>TIER II CAPITAL</b>	
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained before 1.1.2014)	1.940.559
Sources pledged to the Bank by shareholders to be used in capital increases of the Bank	-
General Loan Loss Provisions	711.643
<b>Tier II Capital Before Deductions</b>	<b>2.652.202</b>
Direct and indirect investments of the Bank in its own Tier II Capital (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Other items to be defined by the BRSA (-)	-
<b>Total Deductions from Tier II Capital</b>	-
<b>Total Tier II Capital</b>	<b>2.652.202</b>
<b>CAPITAL BEFORE DEDUCTIONS</b>	<b>11.010.748</b>
Loans granted contrary to the 50th and 51th Article of the Law (-)	1.856
Net book value of amounts exceeding the limit mentioned in the 1 <sup>st</sup> Paragraph of Article 57 of the Law and assets acquired against overdue receivables which could not be disposed of even though five years have passed since their acquisition date (-)	11.289
Loans granted to banks and financial institutions, including those established abroad, and to eligible shareholders of the Bank and investments made in the borrowing instruments issued by them (-)	-
Amounts to be deducted from equity as per the 2nd Clause of Article 20 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-)	-
Other items to be defined by the BRSA (-)	50.796
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1 <sup>st</sup> clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1 <sup>st</sup> and 2 <sup>nd</sup> Paragraph of the 2 <sup>nd</sup> clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
<b>TOTAL CAPITAL</b>	<b>10.946.807</b>
<b>Amounts below the Excess Limits as per the Deduction Principles</b>	-
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	-
Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	-
Amounts arising from mortgage servicing rights	-
Amounts arising from deferred tax assets based on temporary differences	-

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**Components of shareholders' equity items**

	<b>December 31, 2013</b>
<b>CORE CAPITAL</b>	
Paid-in Capital	2.700.000
Nominal Capital	2.700.000
Capital Commitments (-)	-
Inflation Adjustments to Paid-in Capital	-
Share Premium	714
Share Cancellation Profits	
Reserves	3.327.412
Inflation Adjustments to Reserves	
Profit	734.239
Current Period's Profit	734.239
Prior Periods' Profit	-
Provision for Possible Losses (up to 25% of Core Capital)	102.025
Income on Sale of Equity Shares and Real Estates	642.551
Primary Subordinated Debts	-
Loss (in excess of Reserves) (-)	-
Current Period's Losses	-
Prior Periods' Losses	-
Leasehold Improvements on Operational Leases (-)	138.965
Intangible Assets (-)	198.204
Deferred Tax Asset in Excess of 10% of Core Capital (-)	
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	
<b>Total Core Capital</b>	<b>7.169.772</b>
<b>SUPPLEMENTARY CAPITAL</b>	
General Provisions	711.073
45% of Revaluation Surplus on Movables	-
45% of Revaluation Surplus on Immovable	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	2.689
Primary Subordinated Debts excluding the Portion included in Core Capital	-
Secondary Subordinated Debts	1.831.098
45% of Securities Value Increase Fund	(57.011)
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss	-
<b>Total Supplementary Capital</b>	<b>2.487.849</b>
<b>CAPITAL</b>	<b>9.657.621</b>
<b>DEDUCTIONS FROM CAPITAL</b>	<b>14.871</b>
Unconsolidated Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at 10% or more	-
Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at Less than 10% Exceeding 10% or more of the Total Core and Supplementary Capitals	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	-
Loan Granted to Customer against the Articles 50 and 51 of the Banking Law	2.015
Net Book Values of Properties exceeding 50% of the Capital and of Assets	
Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained more than Five Years	12.855
Securitization Positions to be Deducted from Equity	-
Other	1
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>9.642.750</b>

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

	<b>Bank</b>	
	<b>Amount Included in Equity Calculation</b>	<b>Total Amount</b>
Minority Interest in Tier I Capital	-	-
Shares of Third Parties in Additional Core Capital	-	-
Shares of Third Parties in Tier II Capital	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued before 1.1.2014)	1.940.559	1.940.559

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

**FİNANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**Information on debt instruments included in the calculation of equity:**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Issuer	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	-	-	-	-
Governing law(s) of the instrument	BRSA	BRSA	BRSA	BRSA
Regulatory treatment	Supplementary Capital	Supplementary Capital	Supplementary Capital	Supplementary Capital
Transitional Basel III rules	Yes	Yes	Yes	Yes
Eligible at stand-alone / consolidated	Stand alone -Consolidated	Stand alone -Consolidated	Stand alone -Consolidated	Stand alone -Consolidated
Instrument type (types to be specified by each jurisdiction)	Loan	Loan	Loan	Loan
Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	584	464	290	603
Par value of instrument (Currency in million)	754	464	290	603
Accounting classification	Liability – Subordinated Loans- amortised cost	Liability – Subordinated Loans- amortised cost	Liability – Subordinated Loans- amortised cost	Liability – Subordinated Loans- amortised cost
Original date of issuance	Apr-24-08	Oct-6-09	Dec-28-09	Dec-20-11
Perpetual or dated	Dated	Dated	Dated	Dated
Original maturity date	12 years	12 years	12 years	10 years
Issuer call subject to prior BRSA approval	Yes	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	-	-	-	-
Subsequent call dates, if applicable	-	-	-	-
Coupons / dividends	6 months	6 months	6 months	6 months
Fixed or floating dividend/coupon	Floating	Floating	Floating	Floating
Coupon rate and any related index	LIBOR + %4,50	LIBOR + %4,34	LIBOR + %4,34	LIBOR + %4,50
Existence of a dividend stopper	-	-	-	-
Fully discretionary, partially discretionary or mandatory	-	-	-	-

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

**FİNANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

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

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

**FİNANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**II. Explanations Related to Credit Risk**

Credit risk represents the risk arising due to the counter party's not fulfilling its responsibilities stated in the agreement either partially or totally.

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

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

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

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

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

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

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

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

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

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

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

Based on "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside", the Bank considers second group loans whose principal or interest payments are not collected at the determined dates as overdue loans. Loans whose principal or interest payments are delayed for more than 90 days and loans of borrowers which the Bank believes that the borrower lost their creditworthiness are considered as impaired loans.

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

The receivables of the Bank from its top 100 cash loan customers are 12% in the total cash loans (December 31, 2013 – 10%).

The receivables of the Bank from its top 200 cash loan customers are 15% in the total cash loans. (December 31, 2013 - 12%)

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

**FİNANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

The receivables of the Bank from its top 100 non-cash loan customers are 43% in the total non-cash loans (December 31, 2013 – 45%).

The receivables of the Bank from its top 200 non-cash loan customers are 52% in the total non-cash loans. (December 31, 2013 – 54%)

The share of cash and non-cash receivables of the Bank from its top 100 loan customers in total cash and non -cash loans is 14% (December 31, 2013 – 13%).

The share of cash and non-cash receivables of the Bank from its top 200 loan customers in total cash and non -cash loans is 18%. (December 31, 2013 – 16%)

The general loan loss provision related with the credit risk taken by the Bank is TL 942.661 (December 31, 2013 – TL 816.291).

Provision for probable risks in the Bank’s loan portfolio amounted to TL 106.334 (December 31, 2013 – TL 102.025).

	<b>Current Period Risk Amount(**)</b>	<b>Average Risk Amount</b>	<b>Prior Period Risk Amount(**)</b>	<b>Average Risk Amount<sup>(*)</sup></b>
Conditional and unconditional receivables from central governments and Central Banks	18.832.057	16.508.359	15.602.002	13.919.385
Conditional and unconditional receivables from regional or local governments	4.069	5.549	2.475	3.309
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	316	890	1.040	57.757
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	6.687.803	4.165.627	4.042.213	2.258.271
Conditional and unconditional receivables from corporates	15.874.036	15.788.277	13.177.326	11.512.492
Conditional and unconditional receivables from retail portfolios	22.637.293	20.607.213	19.333.625	18.854.642
Conditional and unconditional receivables secured by mortgages	15.051.645	13.435.895	11.952.456	11.395.086
Past due receivables	541.973	514.427	496.776	460.705
Receivables defined under high risk category by BRSA	6.018.347	6.094.494	6.421.821	6.115.978
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	26.414	29.133	23.640	73.594
Other receivables	3.715.347	3.762.626	3.234.920	2.641.786

<sup>(\*)</sup>The average risk amount was calculated by taking the arithmetic average of the risk amount after the conversion for the December 2013, December 2014 periods.

<sup>(\*\*)</sup>The risk amounts are given after the loan conversion rate, and before Loan Risk Reduction.

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

**FİNANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**Credit rating system**

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

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

	<b>Current Period (%)</b>	<b>Prior Period (%)</b>
Debtor has a very strong financial structure	11	10
Debtor has a good financial structure	42	60
Debtor has a medium financial structure	28	19
Debtor has a financial structure which needs attention in medium term	17	8
Not graded	2	3
<b>Total</b>	<b>100</b>	<b>100</b>



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

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**Profile of significant exposures in major regions:**

	Exposure Categories <sup>(*)</sup>																Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
<b>Current Period</b>																	
1. Domestic	18.832.057	4.069	316	-	-	2.168.735	15.652.731	22.633.723	15.048.975	541.973	6.018.071	-	-	-	26.414	3.080.504	84.007.568
2. European Union Countries	-	-	-	-	-	4.180.758	187.341	286	2.508	-	107	-	-	-	-	-	4.371.000
3. OECD Countries <sup>(**)</sup>	-	-	-	-	-	18.445	-	4	-	-	-	-	-	-	-	-	18.449
4. Offshore Banking Regions	-	-	-	-	-	28.138	4.578	11	2	-	155	-	-	-	-	-	32.884
5. USA, Canada	-	-	-	-	-	260.240	18.396	4	-	-	-	-	-	-	-	-	278.640
6. Other Countries	-	-	-	-	-	31.487	10.990	3.265	160	-	14	-	-	-	-	-	45.916
7. Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	634.843	634.843
8. Unallocated Assets/Liabilities <sup>(***)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>18.832.057</b>	<b>4.069</b>	<b>316</b>	<b>-</b>	<b>-</b>	<b>6.687.803</b>	<b>15.874.036</b>	<b>22.637.293</b>	<b>15.051.645</b>	<b>541.973</b>	<b>6.018.347</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26.414</b>	<b>3.715.347</b>	<b>89.389.300</b>
	Exposure Categories <sup>(*)</sup>																Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
<b>Prior Period</b>																	
1. Domestic	15.602.002	2.475	1.040	-	-	893.567	12.909.896	19.333.154	11.949.007	496.776	6.421.480	-	-	-	23.640	2.610.222	70.243.259
2. European Union Countries	-	-	-	-	-	2.775.100	211.294	152	3.155	-	145	-	-	-	-	-	2.989.846
3. OECD Countries <sup>(**)</sup>	-	-	-	-	-	47.892	-	207	-	-	-	-	-	-	-	-	48.099
4. Offshore Banking Regions	-	-	-	-	-	812	38.075	-	-	-	-	-	-	-	-	-	38.887
5. USA, Canada	-	-	-	-	-	293.097	16.773	9	-	-	-	-	-	-	-	-	309.879
6. Other Countries	-	-	-	-	-	31.745	1.288	103	294	-	196	-	-	-	-	-	33.626
7. Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	624.698	624.698
8. Unallocated Assets/Liabilities <sup>(***)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>15.602.002</b>	<b>2.475</b>	<b>1.040</b>	<b>-</b>	<b>-</b>	<b>4.042.213</b>	<b>13.177.326</b>	<b>19.333.625</b>	<b>11.952.456</b>	<b>496.776</b>	<b>6.421.821</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23.640</b>	<b>3.234.920</b>	<b>74.288.294</b>

<sup>(\*)</sup> Exposure categories based on "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks"

<sup>(\*\*)</sup> Includes OECD countries other than EU countries, USA and Canada

<sup>(\*\*\*)</sup> Includes assets and liability items that can not be allocated on a consistent basis.

**1- Conditional and unconditional exposures to central governments or central banks**

**2- Conditional and unconditional exposures to regional governments or local authorities**

**3- Conditional and unconditional exposures to administrative bodies and non-commercial undertakings**

**4- Conditional and unconditional exposures to multilateral development banks**

**5- Conditional and unconditional exposures to international organizations**

**6- Conditional and unconditional exposures to banks and brokerage houses**

**7- Conditional and unconditional exposures to corporates**

**8- Conditional and unconditional retail exposures**

**9- Conditional and unconditional exposures secured by real estate property**

**10- Past due items**

**11- Items in regulatory high-risk categories**

**12- Exposures in the form of bonds secured by mortgages**

**13- Securitization positions**

**14- Short-term exposures to banks, brokerage houses and corporates**

**15- Exposures in the form of collective investment undertakings**

**16- Other items**

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

**FİNANSBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**Risk profile by sectors or counterparties:**

Current Period	Exposure Categories(*)																TP	YP	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16			
<b>Agriculture</b>	-	-	-	-	-	-	<b>570.204</b>	<b>129.182</b>	<b>412.726</b>	<b>6.765</b>	<b>30</b>	-	-	-	-	-	<b>1.054.213</b>	<b>64.694</b>	<b>1.118.907</b>
Farming and Livestock	-	-	-	-	-	-	559.202	116.520	400.103	6.567	29	-	-	-	-	-	1.031.091	51.330	1.082.421
Forestation	-	-	-	-	-	-	398	3.150	3.039	69	-	-	-	-	-	-	6.656	-	6.656
Fishing Industry	-	-	-	-	-	-	10.604	9.512	9.584	129	1	-	-	-	-	-	16.466	13.364	29.830
<b>Industrial</b>	-	<b>4.025</b>	-	-	-	-	<b>5.451.314</b>	<b>1.966.997</b>	<b>1.609.454</b>	<b>43.129</b>	<b>244</b>	-	-	-	-	-	<b>4.312.363</b>	<b>4.762.800</b>	<b>9.075.163</b>
Mning and Quarrying	-	-	-	-	-	-	99.693	31.083	46.323	971	1	-	-	-	-	-	103.572	74.499	178.071
Manufacturing Industry	-	-	-	-	-	-	4.238.985	1.924.480	1.543.738	42.129	243	-	-	-	-	-	4.011.276	3.738.299	7.749.575
Electricity, Gas, Water	-	4.025	-	-	-	-	1.112.636	11.434	19.393	29	-	-	-	-	-	-	197.515	950.002	1.147.517
<b>Construction</b>	-	-	-	-	-	-	<b>1.780.099</b>	<b>820.127</b>	<b>1.715.896</b>	<b>22.731</b>	<b>37</b>	-	-	-	-	-	<b>3.012.947</b>	<b>1.325.943</b>	<b>4.338.890</b>
<b>Services</b>	<b>10.157.483</b>	<b>27</b>	<b>286</b>	-	-	<b>6.243.787</b>	<b>6.758.895</b>	<b>4.724.976</b>	<b>4.997.238</b>	<b>133.289</b>	<b>803</b>	-	-	-	-	-	<b>24.051.108</b>	<b>8.965.676</b>	<b>33.016.784</b>
Wholesale and Retail Trade	-	-	-	-	-	-	3.999.573	3.865.466	2.493.479	115.780	681	-	-	-	-	-	8.254.348	2.220.631	10.474.979
Hotels and Restaurants	-	-	-	-	-	-	362.750	61.390	639.106	1.495	4	-	-	-	-	-	243.130	821.615	1.064.745
Transportation and	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Communications	-	-	-	-	-	-	903.513	400.155	213.830	8.145	58	-	-	-	-	-	885.858	639.843	1.525.701
Financial Institutions	10.157.483	22	-	-	-	6.243.787	448.944	27.535	19.196	451	4	-	-	-	-	-	13.482.699	3.414.723	16.897.422
Real Estate and Rent Services	-	-	-	-	-	-	496.927	61.919	1.233.083	2.942	10	-	-	-	-	-	191.435	1.603.446	1.794.881
Independent Business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Services	-	-	7	-	-	-	214.312	152.627	169.379	2.138	19	-	-	-	-	-	365.996	172.486	538.482
Education Services	-	-	276	-	-	-	45.728	36.733	66.254	477	12	-	-	-	-	-	149.475	5	149.480
Health and Social Services	-	5	3	-	-	-	287.148	119.151	162.911	1.861	15	-	-	-	-	-	478.167	92.927	571.094
<b>Other</b>	<b>8.674.574</b>	<b>17</b>	<b>30</b>	-	-	<b>444.016</b>	<b>1.313.524</b>	<b>14.996.011</b>	<b>6.316.331</b>	<b>336.059</b>	<b>6.017.233</b>	-	-	-	<b>26.414</b>	<b>3.715.347</b>	<b>39.332.669</b>	<b>2.506.887</b>	<b>41.839.556</b>
<b>Total</b>	<b>18.832.057</b>	<b>4.069</b>	<b>316</b>	-	-	<b>6.687.803</b>	<b>15.874.036</b>	<b>22.637.293</b>	<b>15.051.645</b>	<b>541.973</b>	<b>6.018.347</b>	-	-	-	<b>26.414</b>	<b>3.715.347</b>	<b>71.763.300</b>	<b>17.626.000</b>	<b>89.389.300</b>

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

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

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

**FİNANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

Prior Period	Exposure Categories <sup>(*)</sup>																TP	YP	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16			
<b>Agriculture</b>	-	-	-	-	-	-	<b>324.150</b>	<b>92.757</b>	<b>214.096</b>	<b>3.070</b>	<b>12</b>	-	-	-	-	-	<b>595.295</b>	<b>38.790</b>	<b>634.085</b>
Farming and Livestock	-	-	-	-	-	-	313.815	83.909	204.219	2.984	11	-	-	-	-	-	574.076	30.862	604.938
Forestation	-	-	-	-	-	-	254	3.627	3.270	31	1	-	-	-	-	-	7.183	0	7.183
Fishing Industry	-	-	-	-	-	-	10.081	5.221	6.607	55	-	-	-	-	-	-	14.036	7.928	21.964
<b>Industrial</b>	-	-	-	-	-	-	<b>4.050.589</b>	<b>1.319.408</b>	<b>1.051.402</b>	<b>46.930</b>	<b>257</b>	-	-	-	-	-	<b>3.037.303</b>	<b>3.431.283</b>	<b>6.468.586</b>
Mning and Quarrying	-	-	-	-	-	-	68.899	24.400	23.576	924	2	-	-	-	-	-	71.378	46.423	117.801
Manufacturing Industry	-	-	-	-	-	-	3.158.952	1.288.093	1.019.375	45.943	255	-	-	-	-	-	2.787.448	2.725.170	5.512.618
Electricity, Gas, Water	-	-	-	-	-	-	822.738	6.915	8.451	63	-	-	-	-	-	-	178.477	659.690	838.167
<b>Construction</b>	-	-	-	-	-	-	<b>1.405.989</b>	<b>523.786</b>	<b>1.074.050</b>	<b>26.128</b>	<b>50</b>	-	-	-	-	-	<b>1.935.038</b>	<b>1.094.965</b>	<b>3.030.003</b>
<b>Services</b>	<b>7.160.645</b>	-	<b>1.040</b>	-	-	<b>3.883.795</b>	<b>5.176.057</b>	<b>3.378.223</b>	<b>2.693.971</b>	<b>107.565</b>	<b>854</b>	-	-	-	-	-	<b>17.600.574</b>	<b>4.801.576</b>	<b>22.402.150</b>
Wholesale and Retail Trade	-	-	-	-	-	-	2.837.800	2.632.911	1.725.391	80.604	701	-	-	-	-	-	5.810.470	1.466.937	7.277.407
Hotels and Restaurants	-	-	-	-	-	-	161.373	32.757	360.298	566	7	-	-	-	-	-	118.143	436.858	555.001
Transportation and	-	-	-	-	-	-	807.259	367.745	197.493	21.342	81	-	-	-	-	-	789.524	604.396	1.393.920
Communications	-	-	-	-	-	-	325.994	24.171	15.630	217	7	-	-	-	-	-	9.873.995	1.536.464	11.410.459
Financial Institutions	7.160.645	-	-	-	-	3.883.795	404.825	41.505	50.062	1.542	15	-	-	-	-	-	109.516	388.433	497.949
Real Estate and Rent Services	-	-	-	-	-	-	338.612	158.447	175.527	1.930	19	-	-	-	-	-	391.046	283.489	674.535
Independent Business	-	-	-	-	-	-	29.255	28.774	32.112	552	9	-	-	-	-	-	83.056	8.686	91.742
Services	-	-	-	-	-	-	270.939	91.913	137.458	812	15	-	-	-	-	-	424.824	76.313	501.137
Education Services	-	-	1.040	-	-	-	270.939	91.913	137.458	812	15	-	-	-	-	-	424.824	76.313	501.137
Health and Social Services	-	-	-	-	-	-	270.939	91.913	137.458	812	15	-	-	-	-	-	424.824	76.313	501.137
<b>Other</b>	<b>8.441.357</b>	<b>2.475</b>	-	-	-	<b>158.418</b>	<b>2.220.541</b>	<b>14.019.451</b>	<b>6.918.937</b>	<b>313.083</b>	<b>6.420.648</b>	-	-	-	<b>23.640</b>	<b>3.234.920</b>	<b>40.135.021</b>	<b>1.618.449</b>	<b>41.753.470</b>
<b>Total</b>	<b>15.602.002</b>	<b>2.475</b>	<b>1.040</b>	-	-	<b>4.042.213</b>	<b>13.177.326</b>	<b>19.333.625</b>	<b>11.952.456</b>	<b>496.776</b>	<b>6.421.821</b>	-	-	-	<b>23.640</b>	<b>3.234.920</b>	<b>63.303.231</b>	<b>10.985.063</b>	<b>74.288.294</b>

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

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

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

**FINANSBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**Analysis of maturity-bearing exposures according to remaining maturities (\*):**

Current Period Exposure Categories	Term to Maturity				
	Up to 1 month	1-3 months	3-6 months	6-12 months	Over 1 year
Conditional and unconditional receivables from central governments and Central Banks	2.333.512	211.601	591.042	122.460	7.749.110
Conditional and unconditional receivables from regional or local governments	-	-	537	-	3.510
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	172	-	5	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	1.944.361	1.074.681	302.957	147.509	673.517
Conditional and unconditional receivables from corporates	1.834.152	1.579.089	1.990.886	3.001.722	6.201.454
Conditional and unconditional receivables from retail portfolios	2.755.615	1.162.531	3.345.410	2.096.633	2.515.798
Conditional and unconditional receivables secured by mortgages	161.150	342.799	850.245	1.126.930	12.362.311
Past due receivables	-	-	-	-	-
Receivables defined under high risk category by BRSA	-	-	-	354.542	5.653.834
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Other receivables	-	-	-	-	131
<b>Total</b>	<b>9.028.962</b>	<b>4.370.701</b>	<b>7.081.082</b>	<b>6.849.796</b>	<b>35.159.665</b>

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

Prior Period Exposure Categories	Term to Maturity				
	Up to 1 month	1-3 months	3-6 months	6-12 months	Over 1 year
Conditional and unconditional receivables from central governments and Central Banks	-	173.747	482.125	121.119	7.664.366
Conditional and unconditional receivables from regional or local governments	-	-	-	1.177	1.296
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	84	-	850	-	61
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	311.079	104.980	215.972	30.891	2.962.415
Conditional and unconditional receivables from corporates	1.853.913	1.074.351	1.649.851	1.505.469	5.615.111
Conditional and unconditional receivables from retail portfolios	300.820	661.277	1.135.426	1.467.888	2.612.683
Conditional and unconditional receivables secured by mortgages	118.742	251.074	559.418	690.428	10.199.626
Past due receivables	-	-	-	-	-
Receivables defined under high risk category by BRSA	-	-	-	-	4.582.316
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Other receivables	587	-	-	-	214
<b>Total</b>	<b>2.585.225</b>	<b>2.265.429</b>	<b>4.043.642</b>	<b>3.816.972</b>	<b>33.638.088</b>

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

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**Explanations on exposure categories**

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

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

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

**Exposures by risk weights:**

Current Period Risk Weight	%0	%10	%20	%50	%75	%100	150%	%200	%250	Deductions from Equity
1. Exposures Before Credit Risk Mitigation	17.973.329	-	2.145.856	6.214.724	30.466.072	26.570.972	1.704.518	4.043.174	270.655	-
2. Exposures After Credit Risk Mitigation	15.690.061	-	1.229.146	18.930.604	20.556.340	20.617.801	1.675.838	3.997.431	270.655	-
Prior Period Risk Weight	%0	%10	%20	%50	%75	%100	150%	%200	%250	Deductions from Equity
1. Exposures Before Credit Risk Mitigation	15.315.268	-	901.460	4.465.981	25.207.895	21.975.869	1.350.578	4.528.700	542.543	352.039
2. Exposures After Credit Risk Mitigation	15.315.268	-	897.940	14.953.510	15.870.990	18.675.739	1.328.270	4.493.971	542.543	352.039

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**Information by major sectors and type of counterparties:**

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

**Current Period**

Major Sectors / Counterparties	Credit Risks <sup>(*)</sup>			
	Impaired Loans	Past Due Loans	Value Adjustments	Provisions
<b>1. Agriculture</b>	<b>20.693</b>	<b>12.879</b>	<b>852</b>	<b>13.772</b>
1.1. Farming and Livestock	19.570	12.632	794	12.881
1.2. Forestation	323	18	1	242
1.3. Fishing	800	229	57	649
<b>2. Industrial</b>	<b>222.204</b>	<b>96.111</b>	<b>9.330</b>	<b>174.997</b>
2.1. Mining and Quarrying	5.964	2.222	126	4.961
2.2. Manufacturing Industry	215.975	93.730	9.192	169.866
2.3. Electricity, Gas, Water	265	159	12	170
<b>3. Construction</b>	<b>105.615</b>	<b>55.545</b>	<b>6.232</b>	<b>81.838</b>
<b>4. Services</b>	<b>605.842</b>	<b>259.272</b>	<b>23.721</b>	<b>442.625</b>
4.1. Wholesale and Retail Commerce	425.370	172.726	16.752	295.210
4.2. Hotel and Restaurant Services	102.738	31.620	2.588	88.170
4.3. Transportation and Communication	39.007	26.727	2.047	29.566
4.4. Financial Corporations	11.139	4.179	354	9.357
4.5. Real Estate and Loan Services	4.962	1.986	189	2.882
4.6. Independent Business Services	8.924	8.663	806	6.422
4.7. Education Services	1.874	2.879	267	1.308
4.8. Health and Social Services	11.828	10.492	718	9.710
<b>5. Other</b>	<b>1.777.145</b>	<b>1.188.886</b>	<b>86.468</b>	<b>1.450.094</b>
<b>6. Total</b>	<b>2.731.499</b>	<b>1.612.693</b>	<b>126.603</b>	<b>2.163.326</b>

<sup>(\*)</sup> Represents the distribution of cash loans.

**Prior Period**

Major Sectors / Counterparties	Credit Risks <sup>(*)</sup>			
	Impaired Loans	Past Due Loans	Value Adjustments	Provisions
<b>1. Agriculture</b>	<b>23.371</b>	<b>8.128</b>	<b>768</b>	<b>20.162</b>
1.1. Farming and Livestock	22.371	7.854	743	19.279
1.2. Forestation	375	59	7	320
1.3. Fishing	625	215	18	563
<b>2. Industrial</b>	<b>232.446</b>	<b>68.863</b>	<b>5.452</b>	<b>173.964</b>
2.1. Mining and Quarrying	5.440	840	63	4.502
2.2. Manufacturing Industry	226.829	67.774	5.365	169.364
2.3. Electricity, Gas, Water	177	249	24	98
<b>3. Construction</b>	<b>141.532</b>	<b>38.739</b>	<b>2.982</b>	<b>114.446</b>
<b>4. Services</b>	<b>564.974</b>	<b>224.326</b>	<b>20.220</b>	<b>438.101</b>
4.1. Wholesale and Retail Commerce	357.294	141.546	13.977	266.826
4.2. Hotel and Restaurant Services	100.426	24.740	1.986	92.109
4.3. Transportation and Communication	79.581	26.388	2.150	57.285
4.4. Financial Corporations	9.103	2.868	315	7.548
4.5. Real Estate and Loan Services	1.577	9.427	323	1.156
4.6. Independent Business Services	8.230	7.308	721	6.071
4.7. Education Services	1.516	2.164	264	877
4.8. Health and Social Services	7.247	9.885	484	6.229
<b>5. Other</b>	<b>2.003.530</b>	<b>1.122.964</b>	<b>74.855</b>	<b>1.710.455</b>
<b>6. Total</b>	<b>2.965.853</b>	<b>1.463.020</b>	<b>104.277</b>	<b>2.457.128</b>

<sup>(\*)</sup> Represents the distribution of cash loans.

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**Movements in value adjustments and provisions**

<b>Current Period</b>	<b>Opening Balance</b>	<b>Provision for Period</b>	<b>Provision Reversals</b>	<b>Other Adjustments<sup>(*)</sup></b>	<b>Closing Balance</b>
1. Specific Provisions	2.457.128	1.657.744	(789.396)	(1.162.150)	2.163.326
2. General Provisions	816.291	126.370	-	-	942.661
<sup>(*)</sup> Represents the provision of loans written-off.					
<b>Prior Period</b>	<b>Opening Balance</b>	<b>Provision for Period</b>	<b>Provision Reversals</b>	<b>Other Adjustments<sup>(*)</sup></b>	<b>Closing Balance</b>
1. Specific Provisions	2.135.194	1.259.820	(386.043)	(551.843)	2.457.128
2. General Provisions	617.684	198.607	-	-	816.291
<sup>(*)</sup> Represents the provision of loans written-off.					

**III. 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 daily with historical simulation and parametric methods, whereas historical simulation is used for internal risk tracking and limit identification. Parametric VaR calculations are performed for comparison and tracking. ‘Bank Risk Tolerance’ is determined in order to manage the market risk efficiently and keep the market risk within the desirable limits. Risk Management Group monitors the VaR balances daily for compliance with the Bank Risk Tolerance.

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

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

**1. Information on market risk**

	<b>Current Period Amount</b>	<b>Prior Period Amount</b>
(I) Capital Requirement against General Market Risk - Standard Method	25.987	24.255
(II) Capital Requirement against Specific Risks – Standard Method	6.749	5.510
Capital Requirement against Specific Risks of Securitization Positions– Standard Method	-	-
(III) Capital Requirement against Currency Risk – Standard Method	45.766	24.440
(IV) Capital Requirement against Commodity Risks - Standard Method	320	908
(V) Capital Requirement against Settlement Risks - Standard Method	-	-
(VI) Capital Requirement against Market Risks of Options - Standard Method	2.692	1.762
(VII) Capital Requirement against Counterparty Credit Risk - Standard Method	17.165	23.142
(VIII) Capital Requirement against Market Risks of Banks applying Risk Measurement Models	-	-
(IX) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI+VII)	98.679	80.017
<b>(X) Value-At-Market Risk (12,5 x VIII) or (12,5 x IX)</b>	<b>1.233.488</b>	<b>1.000.213</b>

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

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

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	35.279	42.916	31.278	34.450	48.925	27.362
Stock Risk	62	72	22	305	838	40
Exchange Rate Risk	26.979	45.972	7.333	18.632	24.982	9.472
Commodity Risk	506	1.375	46	1.811	4.012	94
Swap Risk	-	-	-	-	-	-
Options Risk	1.627	2.975	426	771	1.762	249
Counter Party Loan Risk	23.171	30.732	17.041	18.176	24.402	12.177
<b>Total Value at Risk<sup>(*)</sup></b>	<b>87.624</b>	<b>124.042</b>	<b>56.146</b>	<b>74.145</b>	<b>104.921</b>	<b>49.394</b>

<sup>(\*)</sup>Since Total Value at Risk is the total of the risk values, it isn't equal to the highest and lowest values in the related period. The highest and lowest values in year 2014 are 102.092 and 64.456. The highest and lowest Value at Risk in 2013 are 100.539 and 62.408.

**3. Quantitative information on counterparty risk<sup>(\*)</sup>**

	Current Period	Prior Period
	Amount	Amount
Interest Rate Contracts	8.381.763	3.536.949
Foreign-Exchange-Rate Contracts	121.193.637	99.979.562
Commodity Contracts	1.604.506	948.684
Equity-Shares Related Contracts	895	510
Other	417.402	385.188
Gross Positive Fair Values	1.305.369	1.187.949
Netting Benefits	782.379	762.885
Net Current Exposure Amount	522.990	425.064
Collaterals Received	177.661	153.107
Net Derivative Position	345.329	271.957

<sup>(\*)</sup> Includes only the counterparty risks arising from trading book and derivative instruments.

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



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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**IV. Explanations Related to the Operational Risk**

Value at operational risk is calculated with basic indicator method by using the gross profits for the last three years' (2013, 2012 and 2011) as per the "Calculation of Value at Operational Risk" of the article (3) of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" which was published in the Official Gazette No: 28337 dated June 28, 2012. As of December 31, 2014, the value at operational risk is amounting to TL 6.298.900 (December 31, 2013 - TL 5.313.625).

<b>Basic Indicator Method</b>	<b>2 PP Amount</b>	<b>1 PP Amount</b>	<b>CP Amount</b>	<b>Total / No. of Years of Positive Gross</b>	<b>Rate (%)</b>	<b>Total</b>
Gross Income	2.764.673	3.487.483	3.826.093	3.359.416	15	503.912
<b>Value at operational risk (Total*12,5)</b>						<b>6.298.900</b>
<b>Prior Year Basic Indicator Method</b>	<b>2 PP Amount</b>	<b>1 PP Amount</b>	<b>CP Amount</b>	<b>Total / No. of Years of Positive Gross</b>	<b>Rate (%)</b>	<b>Total</b>
Gross Income	2.249.651	2.764.673	3.487.483	2.833.936	15	425.090
<b>Value at operational risk (Total*12,5)</b>						<b>5.313.625</b>

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

**V. Explanations Related to Foreign Currency Exchange Rate Risk**

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

As of December 31, 2014, the net foreign currency exposure of the Bank is TL 1.267.808 short position (December 31, 2013-TL 125.851 short) resulting from on balance sheet short position amounting to TL 8.838.502 (December 31, 2013-TL 5.830.998 short) and off balance sheet long position amounting to TL 7.570.694 (December 31, 2013-TL 5.705.147 long). The long off balance sheet position amounting to TL 8.119.363 (December 31, 2013- TL 5.242.313) 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.

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

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

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

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

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

**FİNANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**3. Bank's spot foreign exchange bid rates of the Bank 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	2,3189 TL
Euro purchase rate at the date of the balance sheet	2,207 TL

<b><u>Date</u></b>	<b><u>US Dollar</u></b>	<b><u>Euro</u></b>
December 31, 2014	2,3189	2,8207
December 30, 2014	2,3235	2,8339
December 29, 2014	2,3182	2,8255
December 26, 2014	2,3177	2,8368
December 25, 2014	2,3209	2,8312
December 24, 2014	2,3165	2,8317

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

The arithmetical average of the Bank's US Dollar and Euro purchase rates for December 2014 are TL 2,877 and TL 2,217; respectively.

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

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

<b>Current Period</b>	<b>EUR</b>	<b>USD</b>	<b>Other FC</b>	<b>Total</b>
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank <sup>(1)</sup>	1.088.220	4.312.401	1.760.007	7.160.628
Due From Banks	46.840	161.198	16.264	224.302
Financial Assets at Fair Value through Profit/Loss <sup>(2)</sup>	32.787	86.194	15.192	134.173
Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	276.578	1.200.593	-	1.477.171
Loans and Receivables <sup>(3)</sup>	4.046.158	6.176.789	24.659	10.247.606
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	-	-	-	-
Investment Securities Held-to-Maturity	12.571	662.086	-	674.657
Derivative Financial Assets Hedging Purposes	-	22.844	-	22.844
Tangible Assets	-	-	10	10
Intangible Assets	-	-	-	-
Other Assets <sup>(4)</sup>	13.610	81.298	16	94.924
<b>Total Assets</b>	<b>5.516.764</b>	<b>12.703.403</b>	<b>1.816.148</b>	<b>20.036.315</b>
<b>Liabilities</b>				
Bank Deposits	250.292	815.596	53.447	1.119.335
Foreign Currency Deposits <sup>(5)</sup>	4.071.776	8.835.612	806.870	13.714.258
Money Market Borrowings	227.390	1.203.793	-	1.431.183
Funds Provided from Other Financial Institutions	1.628.201	5.047.300	228.693	6.904.194
Securities Issued	-	3.136.821	18.059	3.154.880
Sundry Creditors	1.459.279	672.771	1.468	2.133.518
Derivative Fin. Liabilities for Hedging Purposes	41.898	108.078	-	149.976
Other Liabilities <sup>(6)</sup>	50.502	205.771	11.200	267.473
<b>Total Liabilities</b>	<b>7.729.338</b>	<b>20.025.742</b>	<b>1.119.737</b>	<b>28.874.817</b>
<b>Net Balance Sheet Position</b>	<b>(2.212.574)</b>	<b>(7.322.339)</b>	<b>696.411</b>	<b>(8.838.502)</b>
<b>Net Off-Balance Sheet Position</b>	<b>1.510.261</b>	<b>6.691.465</b>	<b>(631.032)</b>	<b>7.570.694</b>
Financial Derivative Assets	3.787.761	36.916.265	1.162.690	41.866.716
Financial Derivative Liabilities	2.277.500	30.224.800	1.793.722	34.296.022
Non-Cash Loans <sup>(7)</sup>	<b>1.093.104</b>	<b>2.718.582</b>	<b>133.991</b>	<b>3.945.677</b>
<b>Prior Period</b>				
Total Assets	6.068.468	8.637.550	1.846.365	16.552.383
Total Liabilities	6.500.839	14.956.957	925.585	22.383.381
<b>Net Balance Sheet Position</b>	<b>(432.371)</b>	<b>(6.319.407)</b>	<b>920.780</b>	<b>(5.830.998)</b>
<b>Net Off-Balance Sheet Position</b>	<b>691.367</b>	<b>5.894.711</b>	<b>(880.931)</b>	<b>5.705.147</b>
Financial Derivative Assets	4.514.153	27.344.817	182.269	32.041.239
Financial Derivative Liabilities	3.822.786	21.450.106	1.063.200	26.336.092
Non-Cash Loans <sup>(7)</sup>	839.099	1.940.762	168.106	2.947.967

(1) Cash and Balances with TR Central; Other FC include TL 1.747.613 (December 31, 2013 – TL 1.691.019) precious metal deposit account.

(2) Does not include TL 18.466 (December 31, 2013 – 4.133 TL) of currency income accruals arising from derivative transactions.

(3) Includes TL 2.876.246 TL (December 31, 2013 – TL 2.098.813 TL) FC indexed loans.

(4) Does not include FC prepaid expenses amounting to TL 4.474 (December 31, 2013 – TL 2.338) as per BRSA's Communiqué published in Official Gazette no 26085 on 19 February 2006.

(5) Other foreign currency includes TL 634.454 (December 31, 2013 – TL 777.077) of precious metal deposit account.

(6) Does not include currency expense accruals of derivative financial instruments kept in FC accounts amounting to TL 15.220 (December 31, 2013 – TL 1.245)

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

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

**FİNANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**6. Foreign currency sensitivity**

The Bank is mainly exposed to EUR and USD currencies.

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

Change in Currency rate in %		Net Effect on Profit or Loss (After Tax) Current Period	Net Effect on Equity (*) Current Period	Net Effect on Profit or Loss (After Tax) Prior Period	Net Effect on Equity (*) Prior Period
USD	%10 increase				
Doları		(58.152)	(4.576)	(10.039)	(20.676)
	%10 decrease	58.152	4.576	10.039	20.676
EURO	%10 increase	(43.436)	46	(6.911)	(7.198)
	%10 decrease	43.436	(46)	6.911	7.198

<sup>(\*)</sup> Effect on Shareholders Equity include the effect of the change of exchange rates on the income statement.

**VI. Explanations Related to Interest Rate Risk**

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

Interest rate sensitivity of assets, liabilities and off balance sheet items is analyzed by top management in the Asset/Liability Committee meetings held every month 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.

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.

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

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

*(Based on repricing dates)*

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing <sup>(*)</sup>	Total
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	912.650	-	-	-	-	7.751.185	8.663.835
Due from Banks	2.000	6.000	10.000	-	-	225.692	243.692
Financial Assets at Fair Value Through Profit/Loss <sup>(**)</sup>	122	2.377	7.568	9.942	82.786	3.242.258	3.345.053
Money Market Placements	200.062	-	-	-	-	-	200.062
Inv. Securities Available for Sale	1.347.692	677.591	1.454.350	195.492	1.508.473	249.634	5.433.232
Loans and Receivables	10.819.801	5.063.645	14.874.731	13.324.249	4.661.639	1.502.061	50.246.126
Inv. Securities Held to Maturity	158.930	811.585	1.759.766	684.905	256.315	55.722	3.727.223
Other Assets	-	-	-	-	-	3.347.131	3.347.131
<b>Total Assets</b>	<b>13.441.257</b>	<b>6.561.198</b>	<b>18.106.415</b>	<b>14.214.588</b>	<b>6.509.213</b>	<b>16.373.683</b>	<b>75.206.354</b>
<b>Liabilities</b>							
Bank Deposits	1.103.611	258.593	40.184	-	-	20.614	1.423.002
Other Deposits	24.547.984	7.767.393	2.199.172	102.961	-	6.034.042	40.651.552
Money Market Borrowings	3.412.859	730.965	-	-	-	3.610	4.147.434
Sundry Creditors	2.133.518	-	-	-	-	1.629.052	3.762.570
Securities Issued	241.279	1.167.753	1.061.031	2.848.641	-	54.745	5.373.449
Funds Borrowed	252.470	1.202.489	5.462.014	64.379	-	38.503	7.019.855
Other Liabilities <sup>(***)</sup>	76	154	765	1.551	-	12.825.946	12.828.492
<b>Total Liabilities</b>	<b>31.691.797</b>	<b>11.127.347</b>	<b>8.763.166</b>	<b>3.017.532</b>	<b>-</b>	<b>20.606.512</b>	<b>75.206.354</b>
On Balance Sheet Long Position	-	-	9.343.249	11.197.056	6.509.213	-	27.049.518
On Balance Sheet Short Position	(18.250.540)	(4.566.149)	-	-	-	(4.232.829)	(27.049.518)
Off-Balance Sheet Long Position	4.644.902	6.246.235	-	-	-	-	10.891.137
Off-Balance Sheet Short Position	-	-	(390.290)	(8.285.438)	(1.858.489)	-	(10.534.217)
<b>Total Position</b>	<b>(13.605.638)</b>	<b>1.680.086</b>	<b>8.952.959</b>	<b>2.911.618</b>	<b>4.650.724</b>	<b>(4.232.829)</b>	<b>356.920</b>

<sup>(\*)</sup> Non Interest Bearing column includes accruals and derivative financial instruments' fair value valuation difference.

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

<sup>(\*\*\*)</sup> Other Liabilities include derivative financial liabilities used for hedging purposes amounting to TL 352.080.

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

**FİNANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing <sup>(*)</sup>	Total
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	-	-	-	-	-	8.208.393	8.208.393
Due from Banks	-	-	4.144	-	-	301.981	306.125
Financial Assets at Fair Value Through Profit/Loss <sup>(**)</sup>	430	143.371	35.457	20.092	148.678	3.209.336	3.557.364
Money Market Placements	-	-	-	-	-	-	-
Inv. Securities Available for Sale	1.100.345	1.990.745	752.897	616.251	1.343.457	(61.007)	5.742.688
Loans and Receivables	9.527.458	4.610.988	12.621.186	11.295.599	3.353.664	1.315.581	42.724.476
Inv. Securities Held to Maturity	-	726.128	1.461.877	426.414	183.148	28.212	2.825.779
Other Assets	-	-	-	-	-	2.644.942	2.644.942
<b>Total Assets</b>	<b>10.628.233</b>	<b>7.471.232</b>	<b>14.875.561</b>	<b>12.358.356</b>	<b>5.028.947</b>	<b>15.647.438</b>	<b>66.009.767</b>
<b>Liabilities</b>							
Bank Deposits	891.681	407.569	16.286	-	-	25.957	1.341.493
Other Deposits	18.716.336	10.291.432	2.083.492	12.200	373	5.876.332	36.980.165
Money Market Borrowings	94.004	963.089	4.082.219	127.570	11.466	23.421	5.301.769
Sundry Creditors	3.314.571	385.695	---	-	-	2.457	3.702.723
Securities Issued	711.087	370.997	1.054.971	1.752.159	-	66.162	3.955.376
Funds Borrowed	1.984.147	-	-	-	-	1.401.157	3.385.304
Other Liabilities <sup>(***)</sup>	-	-	652	2.263	-	11.340.022	11.342.937
<b>Total Liabilities</b>	<b>25.711.826</b>	<b>12.418.782</b>	<b>7.237.620</b>	<b>1.894.192</b>	<b>11.839</b>	<b>18.735.508</b>	<b>66.009.767</b>
On Balance Sheet Long Position	-	-	7.637.941	10.464.164	5.017.108	-	23.119.213
On Balance Sheet Short Position	(15.083.593)	(4.947.550)	-	-	-	(3.088.070)	(23.119.213)
Off-Balance Sheet Long Position	3.427.681	9.295.931	-	-	-	-	12.723.612
Off-Balance Sheet Short Position	-	-	(2.125.543)	(8.548.548)	(1.831.338)	-	(12.505.429)
<b>Total Position</b>	<b>(11.655.912)</b>	<b>4.348.381</b>	<b>5.512.398</b>	<b>1.915.616</b>	<b>3.185.770</b>	<b>(3.088.070)</b>	<b>218.183</b>

<sup>(\*)</sup> Non Interest Bearing column includes accruals and derivative financial instruments' fair value valuation difference.

<sup>(\*\*)</sup> Financial Assets at Fair Value Through Profit/Loss include TL 1.927.795 derivative financial assets used for hedging purposes.

<sup>(\*\*\*)</sup> Other Liabilities include derivative financial liabilities used for hedging purposes amounting to TL 82.749.

**Average interest rates applied to monetary financial instruments**

Current Period	EURO %	USD %	JPY %	TL %
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	0,10	0,63	-	11,19
Financial Assets at Fair Value Through Profit/Loss	3,50	4,65	-	8,81
Money Market Placements	-	-	-	11,24
Investment Securities Available for Sale	3,79	5,40	-	9,78
Loans and Receivables	4,88	4,47	4,37	13,65
Investment Securities Held to Maturity	2,96	5,27	-	11,38
<b>Liabilities</b>				
Bank Deposits	0,51	0,90	-	10,60
Other Deposits	2,00	2,30	0,25	9,89
Money Market Borrowings	0,67	0,66	-	8,86
Sundry Creditors	0,03	0,11	-	-
Securities Issued	-	5,40	-	8,79
Funds Borrowed	1,42	2,91	-	8,40

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

<b>Prior Period</b>	<b>EURO%</b> <b>%</b>	<b>USD%</b> <b>%</b>	<b>JPY%</b> <b>%</b>	<b>TL%</b> <b>%</b>
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	-	-	-	8,13
Financial Assets at Fair Value Through Profit/Loss	3,34	4,49	-	9,08
Money Market Placements	-	-	-	-
Investment Securities Available for Sale	4,81	5,20	-	7,93
Loans and Receivables	5,59	4,64	5,18	14,33
Investment Securities Held to Maturity	-	5,61	-	7,71
<b>Liabilities</b>				
Bank Deposits	2,14	2,29	-	8,37
Other Deposits	2,96	3,05	2,09	8,91
Money Market Borrowings	0,85	0,77	-	7,23
Sundry Creditors	0,12	0,08	-	-
Securities Issued	-	5,36	-	9,00
Funds Borrowed	1,55	3,1	-	8,40

**Interest rate risk on banking book**

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

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

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

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

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

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

**FİNANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

The interest rate risk on banking book is measured legally as per the “Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method” published in the Official Gazette No: 28034 dated August 23, 2011, and the legal limit as per this measurement is monitored and reported monthly to the Assets and Liability Committee, the Risk Committee and the Board of Directors.

Type of Currency	Shocks Applied (+/- x basis points)	Gains/Losses	Gains/Equity- Losses/Equity
1. TL	(+) 500	(890.295)	% (8,13)
	(-) 400	859.299	% 7,85
2. EUR	(+) 200	(23.023)	% (0,21)
	(-) 200	37.940	% 0,35
3. USD	(+) 200	(91.694)	% (0,84)
	(-) 200	100.196	% 0,92
Total (of negative shocks)		<b>997.435</b>	<b>% 9,12</b>
Total (of positive shocks)		<b>(1.005.012)</b>	<b>% (9,18)</b>

**VII. Position Risk of Equity Securities in Banking Book**

Equity Securities (shares)	Comparison		
	Carrying Value	Fair Value	Market Value
<b>1. Investment in Shares- grade A</b>	<b>14.512</b>	-	<b>14.512</b>
Quoted Securities	14.512	-	14.512
<b>2. Investment in Shares- grade B</b>	<b>260.128</b>	-	<b>260.128</b>
Quoted Securities	260.128	-	260.128
<b>3. Investment in Shares- grade C</b>	-	-	-
Quoted Securities	-	-	-
<b>4. Investment in Shares- grade Other <sup>(*)</sup></b>	<b>360.205 <sup>(*)</sup></b>	<b>335.592</b>	-

(\*) Includes associates, subsidiaries and entities under common control not quoted to ISE and not classified as investment in shares by CMB.

Portfolio	Gains/Losses in Current Period	Revaluation Surpluses		Unrealized Gains and Losses		
		Total	Amount under Supplementary Capital	Total	Amount under Core Capital	Amount under Supplementary Capital
1. Private Equity Investments	-	396.926	396.926	-	-	-
2. Quoted Shares	1.306	-	-	796	-	358
3. Other Shares	-	-	-	-	-	-
<b>4. Total</b>	<b>1.306</b>	<b>396.926</b>	<b>396.926</b>	<b>796</b>	<b>-</b>	<b>358</b>



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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**VIII. Explanations Related to Liquidity Risk**

- 1. The sources of the current liquidity risk of the Bank; whether the necessary precautions have been taken, whether the Board of Directors 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.

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

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

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

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

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 12% (December 31, 2013 – 12%) 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.

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

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

<b>Current Period</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and More</b>	<b>Unallocated (*)</b>	<b>Total</b>
<b>Assets</b>								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R Central Bank	2.441.169	6.222.666	-	-	-	-	-	8.663.835
Due from Banks	224.664	2.047	6.612	10.369	-	-	-	243.692
Financial Assets at Fair Value Through Profit/Loss (**)	-	204.824	329.622	934.957	1.671.315	204.335	-	3.345.053
Money Markets Placements	-	200.062	-	-	-	-	-	200.062
Investment Securities Available for Sale	31.990	360	137.423	288.236	1.574.007	3.401.216	-	5.433.232
Loans and Receivables	-	11.756.915	5.065.546	14.874.339	13.319.950	4.661.202	568.174	50.246.126
Investment Securities Held to Maturity	-	-	74.178	427.861	881.895	2.343.289	-	3.727.223
Other Assets	-	778.862	-	-	138.126	-	2.430.143	3.347.131
<b>Total Assets</b>	<b>2.697.823</b>	<b>19.165.736</b>	<b>5.613.381</b>	<b>16.535.762</b>	<b>17.585.293</b>	<b>10.610.042</b>	<b>2.998.317</b>	<b>75.206.354</b>
Bank Deposits	17.791	1.105.752	259.084	40.375	-	-	-	1.423.002
Other Deposits	5.847.883	24.654.628	7.791.767	2.251.330	105.944	-	-	40.651.552
Funds Borrowed	-	165.901	528.218	3.459.251	612.517	2.253.968	-	7.019.855
Money Market Borrowings	-	3.415.814	731.620	-	-	-	-	4.147.434
Securities Issued	-	7.011	725.866	1.748.860	2.891.712	-	-	5.373.449
Sundry Creditors	-	3.762.570	-	-	-	-	-	3.762.570
Other Liabilities (***)	-	1.274.319	473.606	761.497	92.936	213.586	10.012.548	12.828.492
<b>Total Liabilities</b>	<b>5.865.674</b>	<b>34.385.995</b>	<b>10.510.161</b>	<b>8.261.313</b>	<b>3.703.109</b>	<b>2.467.554</b>	<b>10.012.548</b>	<b>75.206.354</b>
<b>Liquidity Gap</b>	<b>(3.167.851)</b>	<b>(15.220.259)</b>	<b>(4.896.780)</b>	<b>8.274.449</b>	<b>13.882.184</b>	<b>8.142.488</b>	<b>(7.014.231)</b>	<b>-</b>
<b>Prior Period</b>								
Total Assets	2.137.549	17.281.265	4.825.032	13.758.627	17.727.073	8.349.037	1.931.184	66.009.767
Total Liabilities	5.718.769	28.400.501	12.261.606	5.730.524	3.483.345	1.570.799	8.844.223	66.009.767
<b>Net Liquidity Gap</b>	<b>(3.581.220)</b>	<b>(11.119.236)</b>	<b>(7.436.574)</b>	<b>8.028.103</b>	<b>14.243.728</b>	<b>6.778.238</b>	<b>(6.913.039)</b>	<b>-</b>

(\*) The assets which are necessary to provide banking services and could not be liquidated in the short-term, such as fixed assets, investments in subsidiaries and associates, common shares unquoted on stock exchange, office stationery, and prepaid expenses are classified under this column.

Unallocated other liabilities include shareholders' equity amounting to TL 8.574.148 , unallocated provisions amounting to TL 1.430.400.

(\*\*) Financial Assets at Fair Value Through Profit/Loss include derivative financial assets held for hedging purposes amounting to TL 1.988.746

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

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**6. Analysis of financial liabilities by remaining contractual maturities**

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

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Carrying Amount
Bank Deposits	19.173	1.106.943	279.100	41.426	-	-	1.446.642	1.423.002
Other Deposits	5.847.883	24.724.422	7.966.411	2.286.766	111.046	-	40.936.528	40.651.552
Payables to Money Market	-	3.417.466	732.214	-	-	-	4.149.680	4.147.434
Funds from other Financial Institutions	-	175.678	535.637	3.590.088	1.022.653	2.404.062	7.728.118	7.019.855
Securities Issued	-	7.014	731.953	1.796.341	3.357.024	-	5.892.332	5.373.449
Noncash Loans <sup>(*)</sup>	3.281.374	636.342	900.716	2.893.493	1.398.108	29.299	9.139.332	9.139.332

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

Prior Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Carrying Amount
Bank Deposits	21.521	893.593	413.105	16.891	-	-	1.345.110	1.341.493
Other Deposits	5.697.248	18.867.905	10.483.143	2.126.588	2.900	-	37.177.784	36.980.165
Payables to Money Market	-	3.317.341	386.550	-	-	-	3.703.891	3.702.723
Funds from other Financial Institutions	-	95.141	595.586	2.231.072	1.439.872	1.532.773	5.894.444	5.301.769
Securities Issued	-	728.985	381.751	1.221.119	1.959.070	-	4.290.925	3.955.376
Noncash Loans <sup>(*)</sup>	3.064.305	328.402	587.544	2.166.381	776.362	175.541	7.098.535	7.098.535

(\*) "Other Guarantees" with the amount 19.399 TL does not include the foreign currency account.

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

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Longer	Total
Forward Contracts Buy <sup>(**)</sup>	1.850.523	974.118	900.707	98.925	-	3.824.273
Forward Contracts Sell <sup>(**)</sup>	1.856.558	976.448	896.663	97.530	-	3.827.199
Swap Contracts Buy <sup>(*)</sup>	11.506.843	9.743.059	13.100.349	19.539.488	3.104.000	56.993.739
Swap Contracts Sell <sup>(*)</sup>	11.438.303	9.647.248	12.606.681	19.802.513	3.190.582	56.685.327
Futures Buy	14.514	2.933	2.223	-	-	19.670
Futures Sell	14.514	2.933	2.223	-	-	19.670
Options Buy	780.633	2.555.631	1.485.964	200.256	-	5.022.484
Options Sel	785.687	2.550.382	1.496.097	211.551	-	5.043.717
Other	-	-	-	417.402	-	417.402
<b>Total</b>	<b>28.247.575</b>	<b>26.452.752</b>	<b>30.490.907</b>	<b>40.367.665</b>	<b>6.294.582</b>	<b>131.853.481</b>

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

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 years and Longer	Total
Forward Contracts Buy <sup>(**)</sup>	1.620.526	745.984	1.373.474	100.451	-	3.840.435
Forward Contracts Sell <sup>(**)</sup>	1.622.199	749.966	1.367.453	97.417	-	3.837.035
Swap Contracts Buy <sup>(*)</sup>	7.269.352	2.932.703	9.059.645	16.088.058	2.785.258	38.135.016
Swap Contracts Sell <sup>(*)</sup>	7.430.478	2.938.724	8.742.226	16.133.460	2.877.061	38.121.949
Futures Buy	255	17.832	3.404	-	-	21.491
Futures Sell	255	17.832	3.404	-	-	21.491
Options Buy	2.266.981	1.282.435	4.409.805	-	-	7.959.221
Options Sel	2.266.008	1.292.245	4.356.996	-	-	7.915.249
Other	-	-	-	341.488	-	341.488
<b>Total</b>	<b>22.476.054</b>	<b>9.977.721</b>	<b>29.316.407</b>	<b>32.760.874</b>	<b>5.662.319</b>	<b>100.193.375</b>

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

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

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

**FİNANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**IX. Explanations Related to Securitization Positions**

As of December 31, 2014, the Bank has no securitization positions. (December 31, 2013- None).

**X. Explanations Related to Credit Risk Mitigation Techniques**

The Bank applies Comprehensive Financial Collateral Method with Standard Volatility Adjustment Approach in compliance with the Article 34 and 37 of the “Regulation on Credit Risk Mitigation Techniques”. In this method, the volatility adjustments regarding the exposures and collaterals are made as per the standard deduction ratio that attached to the Regulation.

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

<b>Exposure Categories (**)</b>	<b>Amount(*)</b>	<b>Financial Collaterals</b>	<b>Other/Physical Collaterals</b>	<b>Guarantees and Credit Derivatives</b>
Conditional and unconditional receivables from central governments or central banks	18.832.057	2.283.268	-	-
Conditional and unconditional receivables from regional or local governments	4.185	43	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	868	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	6.935.152	3.253.423	-	-
Conditional and unconditional receivables from corporates	21.452.943	611.326	-	-
Conditional and unconditional retail receivables	43.162.626	324.244	-	-
Conditional and unconditional receivables secured by mortgages	15.640.025	-	-	-
Past due receivables	541.973	54	-	-
Receivables defined in high risk category by BRSA	6.018.659	74.423	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and	-	-	-	-
Investments similar to collective investment funds	26.414	-	-	-
Other receivables	3.715.347	-	-	-
<b>Total</b>	<b>116.330.24</b>	<b>6.546.781</b>	<b>-</b>	<b>-</b>

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

(\*\*) The mortgages used for the determination of the risk categories as per the article 6 of the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” are excluded.

**XI. Explanations Related to Risk Management Objectives and Policies**

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

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

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

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

The general objectives of the Bank's Risk Management:

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

**XII. Explanations related to presentation of financial assets and liabilities at their fair value**

The fair value of the loans is determined based on discounted cash flows using the current market interest rates.

The estimated fair value of the demand deposits is the amount payable on demand. The fair values of the floating rate placements and overnight deposits are considered to approximate the carrying values due to short maturities. The estimated fair value of the deposits with fixed rates is determined by calculating discounted cash flows by using the market interest rates used for other liabilities with similar quality and maturities.

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

In the table below; the fair values and the carrying values of some of the financial assets and liabilities are presented.

	Carrying Value		Fair Value	
	Current	Prior Period	Current Period	Prior Period
<b>Financial Assets</b>	<b>59.850.335</b>	<b>51.599.068</b>	<b>59.780.610</b>	<b>50.856.544</b>
Money Market Placements	200.062	-	200.062	-
Due from Banks	243.692	306.125	243.692	306.125
Loans and Receivables	50.246.126	42.724.476	50.023.248	42.043.256
Available for Sale Financial Assets	5.433.232	5.742.688	5.433.232	5.742.688
Securities Held to Maturity	3.727.223	2.825.779	3.880.376	2.764.475
<b>Financial Liabilities</b>	<b>62.377.862</b>	<b>54.666.830</b>	<b>62.235.063</b>	<b>54.171.273</b>
Bank Deposits	1.423.002	1.341.493	1.423.558	1.341.742
Other Deposits	40.651.552	36.980.165	40.635.934	36.999.147
Funds from Other Financial Institutions	7.019.855	5.301.769	6.830.279	4.822.893
Payables to Money Market	4.147.434	3.702.723	4.147.434	3.702.723
Securities Issued	5.373.449	3.955.376	5.435.289	3.919.464
Other Debts	3.762.570	3.385.304	3.762.569	3.385.304

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

The classification of fair value calculation is as follows:

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

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

**FINANSBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

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

<b>Current Period</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets</b>	<b>5.706.197</b>	<b>3.248.582</b>	<b>433.736</b>	<b>9.388.515</b>
Financial Assets whose Fair Value is reflected on Gain/Loss	4.819	-	-	4.819
Derivative Financial Assets for Purchasing and Selling	126	1.253.219	-	1.253.345
Available for Sale Financial Assets	5.426.615	6.617	-	5.433.232
Loans and Receivables <sup>(*)</sup>	-	-	98.143	98.143
Subsidiaries, Affiliates and Entities Under Common Control	274.637	-	335.593	610.230
Derivative Financial Assets Held for Cash Flow Hedges	-	1.988.746	-	1.988.746
<b>Financial Liabilities</b>	<b>47</b>	<b>1.605.344</b>	<b>-</b>	<b>1.605.391</b>
Derivative Financial Assets for Purchasing and Selling	47	1.253.264	-	1.253.311
Derivative Financial Liabilities Held for Cash Flow Hedges	-	352.080	-	352.080

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

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

	<b>Current Period</b>	<b>Prior Period</b>
Opening Balance <sup>(*)</sup>	482.711	649.933
Change in total gain/loss	38.820	(19.163)
<i>Accounted in income statement</i>	864	(19.163)
<i>Accounted in other comprehensive income</i>	37.956	-
Purchases	-	-
Disposals	-	-
Matured Loans <sup>(*)</sup>	(87.795)	(148.059)
Sales from Level 3	-	-
<b>Closing Balance</b>	<b>433.736</b>	<b>482.711</b>

(\*) Includes loans that are closed before maturity.

<b>Prior Period</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets</b>	<b>6.194.334</b>	<b>3.223.092</b>	<b>482.711</b>	<b>9.900.137</b>
Financial Assets whose Fair Value through Profit/Loss	163.014	-	-	163.014
Assets on Trading Derivatives	486	1.280.995	-	1.281.481
Investment Securities Available for Sale	5.728.386	14.302	-	5.742.688
Loans and Receivables <sup>(*)</sup>	-	-	185.074	185.074
Subsidiaries	302.448	-	297.637	600.085
Derivative Financial Assets Hedging Purposes	-	1.927.795	-	1.927.795
<b>Financial Liabilities</b>	<b>168</b>	<b>1.385.140</b>	<b>-</b>	<b>1.385.308</b>
Liabilities on Trading Derivatives	168	1.302.391	-	1.302.559
Derivative Financial Liabilities for Hedging Purposes	-	82.749	-	82.749

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

**XIII. Explanations Related to Transactions Carried on Behalf of Others and Fiduciary Transactions**

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

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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

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	590.424	248.652	633.496	413.140
T.R. Central Bank	912.650	6.911.681	253.764	6.906.881
Other	133	295	451	661
<b>Total</b>	<b>1.503.207</b>	<b>7.160.628</b>	<b>887.711</b>	<b>7.320.682</b>

b) Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	912.650	689.015	253.764	499.042
Restricted Time Deposits	-	6.222.666	-	6.407.839
<b>Total</b>	<b>912.650</b>	<b>6.911.681</b>	<b>253.764</b>	<b>6.906.881</b>

As of December 31, 2014, the compulsory rates for the reserve deposits at the Central Bank of Turkey for Turkish Lira are implemented within an interval from 5% to 11.5% depending on the maturity of deposits (December 31, 2013 – 5% to 11.5%) and the compulsory rates for the foreign currency liabilities are within an interval from 6% to 13% depending on the maturity of deposits (December 31, 2013 – 6% to 13%).

According to T. C. Central Bank press release No. 2014-72 dated October 21, 2014, interest payments on TL portion of Reserve Requirements have been started to be paid as of November 2014.. In accordance with the declaration by the T.C. Central Bank on January 2015 with the number 2015-1, beginning from the liability table of February 13, 2015 the Banks will begin to maintain reserve for their fc denominated deposits varying between at 6% and 18% as to the maturities of such deposits.

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

a) Trading securities given as collateral or blocked

None (December 31, 2013 – None).

b) Trading securities subject to repurchase agreements

None (December 31, 2013 – TL 126.355).

c) Assets on trading derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	43.664	-	107.327	-
Swap Transactions	1.059.341	84.274	922.629	61.661
Futures Transactions	-	126	-	486
Options	-	65.940	-	189.378
Other	-	-	-	-
<b>Total</b>	<b>1.103.005</b>	<b>150.340</b>	<b>1.029.956</b>	<b>251.525</b>

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

**FİNANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**3. a) Information on banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	19.266	68	5.036	70
Foreign	124	224.234	1	301.018
Foreign Head Offices and Branches	-	-	-	-
<b>Total</b>	<b>19.390</b>	<b>224.302</b>	<b>5.037</b>	<b>301.088</b>

**b) Information on foreign bank accounts**

	Unrestricted Amount		Restricted Amount <sup>(*)</sup>	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	53.136	44.855	1.550	1.730
USA and Canada	158.377	233.566	3.923	1.528
OECD Countries <sup>(*)</sup>	2.935	17.136	-	-
Off-shore Banking Regions	-	-	-	-
Other	4.437	2.204	-	-
<b>Total</b>	<b>218.885</b>	<b>297.761</b>	<b>5.473</b>	<b>3.258</b>

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

(\*\*) Includes blocked placements at foreign banks amounting to TL 5.473 (December 31, 2013 - TL 3.258) for the syndication and securitization loans received.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Domestic Transactions</b>	<b>200.062</b>	-	-	-
T.R Central Bank	-	-	-	-
Banks	200.062	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organization	-	-	-	-
Real Persons	-	-	-	-
<b>Foreign Transactions</b>	-	-	-	-
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	-	-
Real Persons	-	-	-	-
<b>Total</b>	<b>200.062</b>	-	-	-



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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

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	413.810	284.954	393.114	-
Other	-	-	-	-
<b>Total</b>	<b>413.810</b>	<b>284.954</b>	<b>393.114</b>	<b>-</b>

b) Investment securities available for sale subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	1.744.037	1.111.796	1.290.612	973.547
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>1.744.037</b>	<b>1.111.796</b>	<b>1.290.612</b>	<b>973.547</b>

c) Investment securities available for sale

	Current Period	Prior Period
<b>Debt securities</b>	<b>5.416.289</b>	<b>5.444.796</b>
Quoted on a stock exchange (*)	5.409.632	5.429.359
Unquoted on a stock exchange	6.657	15.437
<b>Share certificates</b>	<b>32.137</b>	<b>512.433</b>
Quoted on a stock exchange (**)	27.912	512.433
Unquoted on a stock exchange	4.225	-
<b>Impairment provision(-)</b>	<b>(15.194)</b>	<b>(214.541)</b>
<b>Total</b>	<b>5.433.232</b>	<b>5.742.688</b>

(\*) The Eurobond Portfolio amounting to TL 1.199.653 (December 31, 2013 – TL 851.341) which is accounted for as investment securities available for sale was hedged under fair value hedge accounting starting from March and April 2009 and the government bonds portfolio amounting to TL 106.392 (December 31, 2013 – TL 102.502) 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 27.757 (December 31, 2013 – TL 30.913).

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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

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
<b>Direct Loans Granted to Shareholders</b>	<b>1.715</b>	<b>34.288</b>	<b>-</b>	<b>32.895</b>
Corporate Shareholders	1.715	34.288	-	32.895
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees <sup>(*)</sup>	66.957	-	71.031	-
<b>Total</b>	<b>68.672</b>	<b>34.288</b>	<b>71.031</b>	<b>32.895</b>

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

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

	Performing Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	Loans and Other Receivables (Total)	Loans and Other Receivables (Total)
		Extension of Repayment Plan	Other	Extension of Repayment Plan	Other	Other
<b>Cash Loans<sup>(*)</sup></b>	<b>47.033.475</b>	<b>558.858</b>	<b>-</b>	<b>2.742.621</b>	<b>704.540</b>	<b>-</b>
<b>Non-specialized Loans</b>	<b>47.033.475</b>	<b>558.858</b>	<b>-</b>	<b>2.742.621</b>	<b>704.540</b>	<b>-</b>
Discount Notes	712.283	-	-	7.812	-	-
Export Loans	1.332.172	-	-	165.147	-	-
Import Loans	6.660	-	-	-	-	-
Loans Given to Financial Sector	1.051.386	-	-	-	-	-
Retail Loans	12.882.158	7.312	-	975.437	19.661	-
Credit Cards	8.004.085	428.900	-	591.545	337.312	-
Other	23.044.731	122.646	-	1.002.680	347.567	-
<b>Specialized Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>47.033.475</b>	<b>558.858</b>	<b>-</b>	<b>2.742.621</b>	<b>704.540</b>	<b>-</b>

(\*) The loans amounting to TL 98.143 (December 31, 2013 – TL 185.074) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

Times Payment Plan has been restructured	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
1 or 2 times	521.096	704.492
3, 4 or 5 times	37.762	48
Over 5 times	-	-
<b>Extension Periods</b>		
0 - 6 months	57.112	78.254
6 -12 months	39.914	43.675
1 - 2 years	211.054	182.621
2 - 5 years	236.032	330.100
5 years and over	14.746	69.890
<b>Total</b>	<b>558.858</b>	<b>704.540</b>

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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

c) Loans according to their maturity structure

	Performing Loans and Other		Loans and Other Receivables	
Cash Loans (*)	Loans and Other	Loans and	Loans and	Loans and
<b>Short-term Loans</b>	<b>22.314.585</b>	<b>428.900</b>	<b>591.545</b>	<b>337.312</b>
Non-specialized Loans	22.314.585	428.900	591.545	337.312
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Medium and Long-term Loans</b>	<b>24.718.890</b>	<b>129.958</b>	<b>2.151.076</b>	<b>367.228</b>
Non-specialized Loans	24.718.890	129.958	2.151.076	367.228
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>47.033.475</b>	<b>558.858</b>	<b>2.742.621</b>	<b>704.540</b>

(\*) The loans amounting to TL 98.143 (December 31, 2013 – TL 185.074) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

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

	Short Term	Medium and Long	Total	Interest and Income
<b>Consumer Loans-TL</b>	<b>210.055</b>	<b>11.621.817</b>	<b>11.831.872</b>	<b>234.135</b>
Housing Loans	1.164	5.697.708	5.698.872	172.759
Automobile Loans	434	49.453	49.887	447
Personal Need Loans	208.457	5.874.656	6.083.113	60.929
Other	-	-	-	-
<b>Consumer Loans-FC Indexed</b>	<b>-</b>	<b>22.050</b>	<b>22.050</b>	<b>15.481</b>
Housing Loans	-	21.172	21.172	14.751
Automobile Loans	-	-	-	-
Personal Need Loans	-	878	878	730
Other	-	-	-	-
<b>Consumer Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
<b>Individual Credit Cards-TL</b>	<b>7.127.401</b>	<b>325.411</b>	<b>7.452.812</b>	<b>83.790</b>
Installment	2.648.565	325.411	2.973.976	33.433
Non- Installment	4.478.836	-	4.478.836	50.357
<b>Individual Credit Cards-FC</b>	<b>3.047</b>	<b>-</b>	<b>3.047</b>	<b>22</b>
Installment	-	-	-	-
Non- Installment	3.047	-	3.047	22
<b>Personnel Loans-TL</b>	<b>5.030</b>	<b>35.000</b>	<b>40.030</b>	<b>218</b>
Housing Loans	-	155	155	1
Automobile Loans	-	58	58	-
Personal Need Loans	5.030	34.787	39.817	217
Other	-	-	-	-
<b>Personnel Loans-FC Indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>24.493</b>	<b>-</b>	<b>24.493</b>	<b>-</b>
Installment	9.542	-	9.542	-
Non-Installment	14.951	-	14.951	-
<b>Personnel Credit Cards-FC</b>	<b>74</b>	<b>-</b>	<b>74</b>	<b>-</b>
Installment	-	-	-	-
Non-Installment	74	-	74	-
<b>Overdraft Accounts-TL (Real Persons)</b>	<b>1.609.143</b>	<b>-</b>	<b>1.609.143</b>	<b>104.666</b>
<b>Overdraft Accounts-FC (Real Persons)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>8.979.243</b>	<b>12.004.278</b>	<b>20.983.521</b>	<b>438.312</b>

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

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

	<b>Short</b>	<b>Medium and</b>	<b>Total</b>	<b>Interest and</b>
<b>Commercial Loans with Installment Facility – TL</b>	<b>756.180</b>	<b>7.963.839</b>	<b>8.720.019</b>	<b>126.174</b>
Real Estate Loans	1.130	196.154	197.284	3.718
Automobile Loans	6.224	329.069	335.293	4.549
Personal Need Loans	748.826	7.438.616	8.187.442	117.907
Other	-	-	-	-
<b>Commercial Loans with Installment Facility - FC Indexed</b>	<b>60.102</b>	<b>1.175.299</b>	<b>1.235.401</b>	<b>111.002</b>
Real Estate Loans	-	30.265	30.265	5.422
Automobile Loans	255	71.570	71.825	5.725
Personal Need Loans	59.847	1.073.464	1.133.311	99.855
Other	-	-	-	-
<b>Commercial Loans with Installment Facility – FC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
<b>Corporate Credit Cards –TL</b>	<b>1.018.246</b>	<b>1.431</b>	<b>1.019.677</b>	<b>11.426</b>
Installment	271.301	1.431	272.732	3.056
Non-Installment	746.945	-	746.945	8.370
<b>Corporate Credit Cards –FC</b>	<b>287</b>	<b>-</b>	<b>287</b>	<b>2</b>
Installment	-	-	-	-
Non-Installment	287	-	287	2
<b>Overdraft Accounts-TL (Legal Entities)</b>	<b>803.803</b>	<b>-</b>	<b>803.803</b>	<b>1.444</b>
<b>Overdraft Accounts-FC (Legal Entities)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2.638.618</b>	<b>9.140.569</b>	<b>11.779.187</b>	<b>250.048</b>

**f) Loans according to borrowers <sup>(\*)</sup>**

	<b>Current Period</b>	<b>Prior Period</b>
Public	163.249	150.108
Private	49.612.847	42.250.717
<b>Total</b>	<b>49.776.096</b>	<b>42.400.825</b>

<sup>(\*)</sup> The loans amounting to TL 98.143 (December 31, 2013 – TL 185.074) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

**g) Domestic and foreign loans <sup>(\*)</sup>**

	<b>Current Period</b>	<b>Prior Period</b>
Domestic Loans	49.569.219	42.209.080
Foreign Loans	206.877	191.745
<b>Total</b>	<b>49.776.096</b>	<b>42.400.825</b>

<sup>(\*)</sup> The loans amounting to TL 98.143 (December 31, 2013 – TL 185.074) are classified under “Loans at Fair Value Through Profit/Loss in the financial statements.

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**h) Loans granted to subsidiaries and associates**

	<b>Current Period</b>	<b>Prior Period</b>
Direct Loans Granted to Subsidiaries and Associates	157.557	110.670
Indirect Loans Granted to Subsidiaries and Associates	-	-
<b>Total</b>	<b>157.557</b>	<b>110.670</b>

**i) Specific provisions for loans**

	<b>Current Period</b>	<b>Prior Period</b>
Specific Provisions		
Loans and Receivables with Limited Collectability	84.959	167.353
Doubtful Loans and Other Receivables	439.784	483.952
Uncollectible Loans and Receivables	1.638.583	1.805.823
<b>Total</b>	<b>2.163.326</b>	<b>2.457.128</b>

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

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

	<b>III. Group Loans and receivables with</b>	<b>IV. Group Loans and receivables with</b>	<b>V. Group Uncollectible loans and</b>
<b>Current Period</b>			
(Gross Amounts Before the Specific Provisions)	133	4.457	78.247
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	133	4.457	78.247
<b>Prior Period</b>			
(Gross Amounts Before the Specific Provisions)	221	1.700	159.808
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	221	1.700	159.808

**j.2) Movement of non-performing loans<sup>(\*)</sup>**

	<b>III. Group Loans and</b>	<b>IV. Group Loans and</b>	<b>V. Group Uncollectible</b>
<b>Prior Period End Balance</b>	<b>419.095</b>	<b>740.935</b>	<b>1.805.823</b>
Additions (+)	1.342.701	100.285	121.880
Transfers from Other Categories of Non-Performing	-	1.217.475	1.208.850
Transfers to Other Categories of Non-Performing	1.217.475	1.208.850	-
Collections (-)	123.310	170.148	345.348
<b>Write-offs (-)<sup>(**)</sup></b>	<b>71</b>	<b>7.721</b>	<b>1.152.622</b>
Corporate and Commercial Loans	64	7.456	286.160
Consumer Loans	7	265	338.639
Credit Cards	-	-	527.823
Others	-	-	-
<b>Current Period End Balance</b>	<b>420.940</b>	<b>671.976</b>	<b>1.638.583</b>
Specific Provision (-)	84.959	439.784	1.638.583
<b>Net Balances on Balance Sheet</b>	<b>335.981</b>	<b>232.192</b>	<b>-</b>

<sup>(\*)</sup> Based on the "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside", the Bank provided specific provisions for its 3rd group commercial loans with 100% provision rate in the prior period, whereas in the current period the Bank provided provision by using minimum provision ratios. After the stated change, the Bank has provided TL 79.169 less provision in the current period as compared to the provisioning method used in the prior period.

<sup>(\*\*)</sup> In current period, legally nonperforming loan receivables amounting to TL 571.958 have been sold for TL 127.600 whereas loan receivables amounting to TL 254.341 have been sold for TL 8.550 cash and share from future collections. Loan receivables that amount to 326.412 TL, have been sold for 64.000 TL.

**j.3) Information on foreign currency non-performing loans and other receivables**

None (December 31, 2013 - None).

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups**

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>Current Period (Net)</b>	<b>335.981</b>	<b>232.192</b>	<b>-</b>
Loans to Real Persons and Legal Entities (Gross)	420.940	671.976	1.627.696
Specific provision (-)	(84.959)	(439.784)	(1.627.696)
Loans to Real Persons and Legal Entities (Net)	335.981	232.192	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	10.887
Specific provision (-)	-	-	(10.887)
Other Loans and Receivables (Net)	-	-	-
<b>Prior Period (Net)</b>	<b>251.742</b>	<b>256.983</b>	<b>-</b>
Loans to Real Persons and Legal Entities (Gross)	419.095	740.935	1.804.591
Specific provision (-)	(167.353)	(483.952)	(1.804.591)
Loans to Real Persons and Legal Entities (Net)	251.742	256.983	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	1.232
Specific provision (-)	-	-	(1.232)
Other Loans and Receivables (Net)	-	-	-

**k) Liquidation policies for uncollectible loans and other receivables:**

For the unrecoverable non-performing loans under legal follow-up, the loan quality, collateral quality, bona fide of the debtor and assessment of the emergency of legal follow-up are considered, before applying the best practice for unrecoverable non-performing loans under legal follow up. The 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<sup>7</sup>.

**7. Information on investment securities held-to-maturity**

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

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Share Certificates	-	-	-	-
Bond, Treasury Bill and Similar Marketable Securities	398.384	-	126.049	-
Other	-	-	-	-
<b>Toplam</b>	<b>398.384</b>	<b>-</b>	<b>126.049</b>	<b>-</b>

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

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

Held-to-maturity financial assets subject to repurchase agreements amount to TL 1.554.090 (December 31, 2013- TL 1.425.091) as of balance sheet date.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	3.003.772	90.418	2.446.859	20.820
Treasury Bill	48.794	-	-	-
Other Debt Securities	-	-	-	-
<b>Total</b>	<b>3.052.566</b>	<b>90.418</b>	<b>2.446.859</b>	<b>20.820</b>

**d) Information on investment securities held-to-maturity**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Debt Securities</b>	<b>3.052.566</b>	<b>674.657</b>	<b>2.446.859</b>	<b>378.920</b>
Publicly-traded	3.052.566	674.657	2.446.859	378.920
Non-publicly traded	-	-	-	-
<b>Provision for losses (-)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>3.052.566</b>	<b>674.657</b>	<b>2.446.859</b>	<b>378.920</b>

**e) Movement of held-to-maturity investments**

	Current Period	Prior Period
Value at the beginning of the period	<b>2.825.779</b>	-
Exchange differences on monetary assets	32.352	29.197
Acquisitions during the year <sup>(*)</sup>	631.486	2.768.370 <sup>(*)</sup>
Disposals through sales and redemptions	-	-
Provision for losses (-)	-	-
Valuation effect	237.606	28.212
<b>The sum of end of the period</b>	<b>3.727.223</b>	<b>2.825.779</b>

<sup>(\*)</sup> Debt securities with the nominal value of TL 1.601.660 reclassified to held-to-maturity investments from available for sale financial assets on June 21, 2013 are classified under acquisitions during the year.



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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

8. Investments in associates (Net):

8.1. Investments in associates:

a) Information on the unconsolidated subsidiaries

Title		Address (City/		Bank's Share-If		Bank's Risk	
Bankalararası Kart Merkezi (BKM) <sup>(*)</sup>		Istanbul/Turkey		9,23%		9,23%	
Total Assets	Shareholder's	Total Fixed	Interest	Income on	Current	Prior	Company's
58.827	25.294	34.275	962	-	2.912	2.644	-

<sup>(\*)</sup> Current period information is obtained from financial statements as of December 31, 2014 while prior period profit and loss information is obtained from financial statements as of December 31, 2013.

b) Information on the consolidated subsidiaries: None.

8.2. Movements of investments in associates

	Current Period	Prior Period
Balance at the Beginning of Period	3.766	7.977
Movements During the Period	-	(4.211)
Purchases	-	-
Bonus Shares Received	-	-
Dividends From Current Year Profit	-	-
Sales	-	-
Reclassifications	-	(4.211) <sup>(*)</sup>
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at the End of the Period	3.766	3.766
Capital Commitments		
Share Percentage at the End of the Period (%)		

<sup>(\*)</sup> Represents classification of TL 4.211 share of Kredi Garanti Fonu A.Ş. to available for sale assets.

8.3. Sectoral distribution of associates

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

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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

8.4. Quoted Associates

None (December 31, 2013 - None).

8.5. Valuation methods of investments in associates

	Current Period	Prior Period
Valued at Cost	3.766	3.766
Valued at Fair Value	-	-
Valued at Equity Method	-	-
<b>Total</b>	<b>3.766</b>	<b>3.766</b>

8.6. Investments in associates sold during the current period

None. (December 31, 2013 - None).

8.7. Investments in associates acquired during the current period

None. (December 31, 2013 - None).

9. Investments in subsidiaries (Net)

a) Information on the unconsolidated subsidiaries

	Title	Address (City/Country)	Bank's Share-If different, Voting Rights (%)	Bank' Risk Group Share (%)
1.	Ibtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş.	İstanbul/Turkey	%99,91	%99,99
2. (*)	EFINANS Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.	İstanbul/Turkey	%51,00	%51,00

  

(**)	Total Assets	Shareholders' Equity	Total Fixed Asset	Interest Income	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1.	46.521	22.106	17.153	-	-	6.989	3.782	-
2. (*)	8.173	6.397	4.927	209	-	397	-	-

(\*) Represents the investment for the foundation of EFINANS Elektronik Ticaret ve Bilişim Hizmetleri A.Ş. amounting to TL 3.060. In the Board of Directors meeting on August 22, 2013, it has been decided that the Bank shall participate with 51% share and TL 3.060 capital in the foundation of EFINANS Elektronik Ticaret ve Bilişim Hizmetleri Anonim Şirketi which is located in İstanbul and is founded with a total of TL 6.000 capital. The foundation of the Company has been announced in Commercial Registry Gazette, dated September 16, 2013 and numbered 8405.

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

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

**FINANSBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**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	99,74
2. Finans Finansal Kiralama A.Ş.	Istanbul/Turkey	51,06	69,00
3. Finans Yatırım Ortaklığı A.Ş. Under Liquidation (**)	Istanbul/Turkey	76,06 <sup>(*)</sup>	76,13
4. Finans Portföy Yönetimi A.Ş.	Istanbul/Turkey	0,01	99,72
5. Finans Faktoring Hizmetleri A.Ş.	Istanbul/Turkey	99,99	100,00

<sup>(\*)</sup> The share of the Bank is 10,01%, the remaining 66,05% shareholding represents the purchases of publicly traded shares on the Istanbul Stock Exchange.

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

Information on subsidiaries in the order presented in the table above

	Total Assets	Shareholders'	Total Fixed	Interest	Income on	Current	Prior Period	Company's Fair
1. (*)	270.385	152.640	3.119	16.130	3.727	1.841	1.570	112.610
2. (*)	1.765.458	557.552	2.853	146.746	-	48.029	41.496	260.125 <sup>(**)</sup>
3. (*)	21.267	21.141	1	1.241	715	1.498	(2.101)	14.513 <sup>(**)</sup> <sup>(***)</sup>
4. (*)	11.240	10.261	544	1.144	4	540	991	-
5. (*)	458.119	32.577	1.056	53.522	-	4.192	1.612	39.565

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

<sup>(\*\*)</sup> Fair values of publicly traded subsidiaries reflect their Istanbul Stock Exchange (ISE) values as of balance sheet date.

<sup>(\*\*\*)</sup> Represents the stock market value of Finans Yatırım Ortaklığı A.Ş. as of November 7, 2014

**b.2) Movement of investments in subsidiaries**

	Current Period	Prior Period
<b>Balance at the Beginning of the Period</b>	<b>405.170</b>	<b>476.617</b>
<b>Movements during the period</b>	<b>21.643</b>	<b>(71.447)</b>
Purchases	-	-
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Disposals	-	(1.069)
Changes Due to Reclassification	-	-
Revaluation Increase	21.643	(70.378)
Impairment Provision	-	-
<b>Balance at the End of the Period</b>	<b>426.813</b>	<b>405.170</b>
<b>Capital Commitments</b>	-	-
<b>Share Percentage at the end of the Period (%)</b>	-	-

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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

b.3) Sectoral distribution of subsidiaries

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	39.565	20.000
Leasing Companies	260.125	284.787
Finance Companies	-	-
Other Subsidiaries	127.123	100.383
<b>Total</b>	<b>426.813</b>	<b>405.170</b>

b.4) Quoted subsidiaries within the context of consolidation

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	274.637	302.448
Quoted on International Stock Exchanges	-	-
<b>Total</b>	<b>274.637</b>	<b>302.448</b>

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

The Bank does not have any significant subsidiaries.

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
Cigna Finans Emeklilik ve Hayat A.Ş <sup>(*)</sup>	49,00%	49,00%	237.682	444.852	506.277	20.855	8.403
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik <sup>(**)</sup>	33,33%	33,33%	12.990	9.233	-	2.767	2.145

(\*) Current period information represents September 30, 2014 figures, prior period profit and loss figures are obtained from the financial statements from September 30, 2013.

(\*\*) Current period information represents December 31, 2014 figures, prior period profit and loss figures are obtained from the financial statements from December 31, 2013.

11. Information on leasing receivables (Net)

None (December 31, 2013 - None).

12. Information on hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge <sup>(*)</sup>	1.459.151	22.844	1.487.743	61.426
Cash Flow Hedge	506.751	-	378.626	-
Hedge of Net Investment in Foreign Operations	-	-	-	-
<b>Total</b>	<b>1.965.902</b>	<b>22.844</b>	<b>1.866.369</b>	<b>61.426</b>

(\*) Derivative financial instruments designated for the fair value hedge purposes comprise of swaps. As of December 31, 2014, TL 36.343 (December 31, 2013 - TL 84.918) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in securities and TL 1.425.482 (December 31, 2013 - TL 1.464.251) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in loans and TL 20.170 (December 31, 2013 - TL 56.290) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in debt securities issued.

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

**FINANSBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**13. Explanations on tangible assets**

	Land and Buildings	Fixed Assets Under Finance Lease	Vehicles	Other Tangible Fixed Assets	Total
<b>Prior Period End</b>					
Cost	67.779	315.330	1.813	923.926	1.308.848
Accumulated Depreciation(-)	8.584	241.119	1.316	536.990	788.009
<b>Net Book Value</b>	<b>59.195</b>	<b>74.211</b>	<b>497</b>	<b>386.936</b>	<b>520.839</b>
<b>Current Period End</b>					
<b>Cost at the Beginning of the Period</b>	<b>67.779</b>	<b>315.330</b>	<b>1.813</b>	<b>923.926</b>	<b>1.308.848</b>
Additions (*)	1.044.799	619	-	87.973	1.133.391
Disposals (-)	6.794	55.342	-	2.814	64.950
Diposals (-)	-	-	-	77	77
Impairment (-) / (increase)	(453)	-	-	-	(453)
<b>Current Period Cost</b>	<b>1.106.237</b>	<b>260.607</b>	<b>1.813</b>	<b>1.009.008</b>	<b>2.377.665</b>
<b>Accumulated Depreciation at the Beginning of the Period</b>	<b>8.584</b>	<b>241.119</b>	<b>1.316</b>	<b>536.990</b>	<b>788.009</b>
Disposals (-)	-	-	-	55	55
Transfer (-)	427	11.697	-	1.561	13.685
Depreciation Amount	16.099	3.856	203	113.132	133.290
<b>Current Period Accumulated Depreciation (-)</b>	<b>24.256</b>	<b>233.278</b>	<b>1.519</b>	<b>648.506</b>	<b>907.559</b>
<b>Net Book Value-end of the Period</b>	<b>1.081.981</b>	<b>27.329</b>	<b>294</b>	<b>360.502</b>	<b>1.470.106</b>

(\*)As mentioned in Section 3 footnote 5.1.d, the fair value currency difference income of 60.269 TL that belongs to the real estate, subject to the accounting of protection from the fair value risk by the Bank, is shown in the "Entries" line of the Financial Fixed Assets movement table.

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

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

The fair values of the buildings are determined by the licensed expertise companies and as a result of the changes in the fair value of these buildings, the impairment loss of TL 453 has been booked (December 31, 2013 - TL 706 impairment loss).

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

None (December 31, 2013- None)

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

None (December 31, 2013- None)

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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

14. Explanations on intangible assets

	Rights	Goodwill	Total
<b>Prior Period End</b>			
Cost	465.485	-	465.485
Accumulated Amortization (-)	267.281	-	267.281
<b>Net Book Value</b>	<b>198.204</b>	-	<b>198.204</b>
<b>Current Period End</b>			
<b>Cost at the Beginning of the Period</b>	<b>465.485</b>	-	<b>465.485</b>
Additions	104.610	-	104.610
Disposals(-)	-	-	-
<b>Current Period Cost</b>	<b>570.095</b>	-	<b>570.095</b>
<b>Accumulated Amortization at the Beginning of the Period</b>	<b>267.281</b>	-	<b>267.281</b>
Disposals(-)	-	-	-
Amortization Charge (-)	78.967	-	78.967
<b>Current Period Accumulated Amortization (-)</b>	<b>346.248</b>	-	<b>346.248</b>
<b>Net Book Value-End of the Period</b>	<b>223.847</b>	-	<b>223.847</b>

- a) **Disclosures for book value, description and remaining life to be amortized for a specific intangible fixed asset that is material to the financial statements:** None (December 31, 2013 - None).
- b) **Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition:** None (December 31, 2013)
- c) **The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition:** None (December 31, 2013 - None).
- d) **The book value of intangible fixed assets that are pledged or restricted for use:** None (December 31, 2013 - None).
- e) **Amount of purchase commitments for intangible fixed assets:** None (December 31, 2013 - None)
- f) **Information on revalued intangible assets according to their types:** None (December 31, 2013 – None)
- g) **Amount of total research and development expenses recorded in income statement within the period if any:**  
Amount of total research expenses recorded in income statement within the period is TL 3.087 (December 31, 2013 – TL 4.525).
- h) **Positive or negative consolidation goodwill on entity basis:**  
None (December 31, 2013-None).
- i) **Information on goodwill:** None (December 31, 2013-None).
- Movements on goodwill in the current period:** None (December 31, 2013- None)

15. Explanations regarding the investment properties:

None (December 31, 2013- None).

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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

16. Information on tax asset

As of December 31, 2014, the Bank has calculated deferred tax asset amounting to TL 50.050. (December 31, 2013 - TL 78.670 deferred tax liability).

According to the TAS 12, the deferred tax assets and liabilities are netted off in the accompanying financial statements. As of December 31, 2014 the Bank has presented the net amount of deferred tax asset of TL 198.406 (December 31, 2013 –TL 184.270) and deferred tax liability of TL 148.356 (December 31, 2013 –TL 105.600) 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 deferred tax differences arising from the differences between the carrying amounts and the taxable amounts of the assets subjected to deferred tax that are related with certain items under the shareholders' equity accounts, the deferred tax benefits/charges are netted under these accounts. The deferred tax asset amounting to TL 35.494 (December 31, 2013 –TL 20.399 deferred tax liability) is netted in the equity.

	Accumulated Temporary Differences		Deferred Tax Assets/(Liabilities)	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Provision for Employee Rights	200.134	208.904	40.027	41.781
Difference Between the Book Value of Financial Assets and Tax Base	641.365	346.088	128.273	69.218
Other	150.530	366.360	30.106	73.271
<b>Deferred Tax Assets</b>			<b>198.406</b>	<b>184.270</b>
Difference Between the Book Value Financial Fixed Assets and Tax Base	(257.159)	(144.634)	(51.432)	(28.927)
Difference Between the Book Value of Financial Assets and Tax Base	(300.415)	(167.560)	(60.083)	(33.512)
Other	(184.205)	(215.808)	(36.841)	(43.161)
<b>Deferred Tax Liabilities</b>			<b>(148.356)</b>	<b>(105.600)</b>
<b>Deferred Tax Assets/(Liabilities), Net</b>			<b>50.050</b>	<b>78.670</b>
			<b>Current Period</b>	<b>Prior Period</b>
Deferred Tax as of January 1 Active/ (Passive) - Net			78.670	(28.369)
Deferred Tax (Loss) / Gain			(43.715)	26.270
Deferred Tax that is Realized Under Shareholder's Equity			15.095	80.769
<b>December 31 Deferred Tax Active/ (Passive) - Net</b>			<b>50.050</b>	<b>78.670</b>

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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

**17. Information on assets held for sale and discontinued operations**

As of December 31, 2014, The Bank has re-classified its real estate property with a net book value of TL 51.265 from Tangible Assets to Assets held for Sale.

The auction regarding the sale of the Bank's Gayrettepe Headquarter Building on Istanbul, Şişli, Mecidiyeköy, map section 307, Isle 1997, Parcel 41 has been approved by the Board of Directors and a "Real Estate Sale Contract" has been signed by both parties. The deed transfer will take place no later than March 25, 2015 after the conditions on the contract are fulfilled.

The auction regarding the sale of the Bank's Gayrettepe Headquarter Building on Istanbul, Şişli, Mecidiyeköy, map section 307, Isle 1997, Parcel 29 has been approved by the Board of Directors. It is decided to be sold for USD 28.000.000.

**18. Information on other assets**

**18.1. Information on prepaid expense, tax and similar items**

	Current Period	Prior Period
Cheques Receivables from Other Banks	254.690	307.868
Other Prepaid Expenses	305.057	284.026
Assets Held for Sale (Net)	138.126	188.161
Collateral Given for Derivative Transactions	73.722	161.832
Miscellaneous Receivables	64.730	109.161
Prepaid Rent Expenses	31.657	82.739
Advances Given	9.640	30.339
Prepaid Agency Commissions	6.564	3.643
Other	32.835	54.762
<b>Total</b>	<b>917.021</b>	<b>1.222.531</b>

**18.2. 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 18.1 section of explanations and disclosures related to assets.

**19. 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	1.965.902	22.844	1.866.369	61.426
Assets on Trading Derivatives	1.103.005	150.340	1.029.956	251.525
Loans and Receivables	670.666	119.800	632.960	73.137
Investments Securities Available for Sale	132.088	100.324	95.011	11.539
Investments Held-to-Maturity	48.794	6.928	23.336	4.876
Banks	997	31	143	-
Trading Securities	50	117	133	37
Other Accruals	125	-	206	-
<b>Total</b>	<b>3.921.627</b>	<b>400.384</b>	<b>3.648.114</b>	<b>402.540</b>



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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

SECTION FIVE

II. EXPLANATIONS AND DISCLOSURES RELATED TO LIABILITIES

1. Information on maturity structure of deposits

Current Period

	Demand	7 Days	Up to	1-3	3-6	6-12	1 Year	Accumulated	Total
<b>Saving Deposits</b>	<b>1.478.602</b>	-	<b>2.302.799</b>	<b>11.989.509</b>	<b>479.169</b>	<b>287.251</b>	<b>1.491.669</b>	<b>3.859</b>	<b>18.032.858</b>
Foreign	1.842.949	-	1.523.086	8.626.554	441.796	159.241	482.581	3.521	13.079.728
<b>Currency Deposits</b>									
Residents in Turkey	1.783.331	-	1.504.174	8.445.573	417.655	141.878	456.424	3.521	12.752.556
Residents Abroad	59.618	-	18.912	180.981	24.141	17.363	26.157	-	327.172
<b>Public Sector Deposits</b>	<b>329.657</b>	-	<b>7.469</b>	<b>44.378</b>	<b>506</b>	<b>281</b>	-	-	<b>382.291</b>
<b>Commercial Deposits</b>	<b>1.587.845</b>	-	<b>1.436.648</b>	<b>4.160.402</b>	<b>139.228</b>	<b>121.681</b>	<b>89.369</b>	-	<b>7.535.173</b>
<b>Other Ins. Deposits</b>	<b>26.723</b>	-	<b>67.314</b>	<b>556.455</b>	<b>42.042</b>	<b>117.491</b>	<b>176.947</b>	-	<b>986.972</b>
<b>Precious Metal</b>	<b>582.107</b>	-	-	<b>3.920</b>	<b>42.910</b>	<b>5.586</b>	<b>7</b>	-	<b>634.530</b>
<b>Bank Deposits</b>	<b>17.791</b>	-	<b>1.105.752</b>	<b>259.084</b>	<b>34.475</b>	<b>5.900</b>	-	-	<b>1.423.002</b>
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2.259	-	-	14.220	-	4.081	-	-	20.560
Foreign Banks	15.299	-	1.105.752	244.864	34.475	1.819	-	-	1.402.209
Participation Banks	233	-	-	-	-	-	-	-	233
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5.865.674</b>	-	<b>6.443.068</b>	<b>25.640.302</b>	<b>1.180.126</b>	<b>697.431</b>	<b>2.240.573</b>	<b>7.380</b>	<b>42.074.554</b>

Prior Period

	Demand	7 Days	Up to 1	1-3 Months	3-6	6-12	1 Year	Accumulated	Total
<b>Saving Deposits</b>	<b>1.633.745</b>	-	<b>1.986.642</b>	<b>10.796.200</b>	<b>979.428</b>	<b>436.045</b>	<b>312.848</b>	<b>5.859</b>	<b>16.150.767</b>
Foreign									
<b>Currency Deposits</b>	<b>1.538.744</b>	-	<b>853.894</b>	<b>6.321.244</b>	<b>644.676</b>	<b>461.652</b>	<b>351.038</b>	<b>5.695</b>	<b>10.176.943</b>
Residents in Turkey	1.490.688	-	841.434	6.220.353	597.287	441.805	283.983	5.695	9.881.245
Residents Abroad	48.056	-	12.460	100.891	47.389	19.847	67.055	-	295.698
<b>Public Sector Deposits</b>	<b>304.915</b>	-	<b>607</b>	<b>49.520</b>	<b>254</b>	<b>1.352.508</b>	-	-	<b>1.707.804</b>
<b>Commercial Deposits</b>	<b>1.462.761</b>	-	<b>1.760.050</b>	<b>3.724.540</b>	<b>209.984</b>	<b>123.627</b>	<b>52.502</b>	-	<b>7.333.464</b>
<b>Other Ins. Deposits</b>	<b>22.666</b>	-	<b>149.047</b>	<b>511.418</b>	<b>104.932</b>	<b>45.464</b>	<b>613</b>	-	<b>834.140</b>
<b>Precious Metal</b>	<b>734.417</b>	-	<b>24.330</b>	<b>11.191</b>	<b>6.948</b>	<b>161</b>	-	-	<b>777.047</b>
<b>Bank Deposits</b>	<b>21.521</b>	-	<b>893.646</b>	<b>409.845</b>	<b>11.499</b>	<b>4.982</b>	-	-	<b>1.341.493</b>
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2.101	-	-	48.672	4.103	2.045	-	-	56.921
Foreign Banks	19.419	-	893.646	361.173	7.396	2.937	-	-	1.284.571
Participation Banks	1	-	-	-	-	-	-	-	1
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5.718.769</b>	-	<b>5.668.216</b>	<b>21.823.958</b>	<b>1.957.721</b>	<b>2.424.439</b>	<b>717.001</b>	<b>11.554</b>	<b>38.321.658</b>

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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

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

	Covered by Deposit Insurance Fund		Exceeding the Deposit Insurance Limit	
	Current	Prior	Current	Prior
Saving Deposits	9.502.043	7.860.834	8.529.289	8.280.585
Foreign Currency Savings Deposits	1.833.144	1.653.084	5.793.036	5.382.496
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign	-	-	-	-
Off-Shore Deposits Under Foreign Insurance	-	-	-	-
<b>Toplam</b>	<b>11.335.187</b>	<b>9.513.918</b>	<b>14.322.325</b>	<b>13.663.081</b>

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	38.539	32.736
Deposits obtained through illegal acts defined in the 282 <sup>nd</sup> Article of the 5237	-	-
Saving deposits in banks established in Turkey exclusively for off-shore	2.632	32.652
<b>Total</b>	<b>41.171</b>	<b>65.388</b>

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	51.369	-	1.004.649	54.068
Swaps	1.041.437	110.167	108.202	-
Futures	-	47	-	168
Options	-	50.291	-	135.472
Other	-	-	-	-
<b>Total</b>	<b>1.092.806</b>	<b>160.505</b>	<b>1.112.851</b>	<b>189.708</b>

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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

3. Information on funds borrowed

a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans			-	-
Domestic Bank and Institutions	115.661	107.020	111.366	119.170
Foreign Bank, Institutions and Funds	-	4.675.462	-	3.120.514
<b>Total</b>	<b>115.661</b>	<b>4.782.482</b>	<b>111.366</b>	<b>3.239.684</b>

b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	115.661	3.875.625	111.366	2.510.248
Medium and Long-Term	-	906.857	-	729.436
<b>Total</b>	<b>115.661</b>	<b>4.782.482</b>	<b>111.366</b>	<b>3.239.684</b>

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

According to the Board of Directors' decision No: 221 dated October 23, 2014, as of November 26, 2014, the Bank obtained securitization loan amounting to USD 397 million and as of November 27, 2014, EUR 365 million with one year maturity.

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

As of December 31, 2014, the Bank's liabilities comprise; 56% deposits (December 31, 2013 – 58%), 7% funds borrowed (December 31, 2013 – 5%), 7% issued bonds (December 31, 2013 – 6%) and 6% funds provided under repurchase agreements (December 31, 2013 – 6%).

4. Information on funds provided under repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>From domestic transactions</b>	<b>2.706.350</b>	-	<b>2.502.997</b>	-
Financial institutions and organizations	2.674.209	-	2.460.644	-
Other institutions and organizations	12.101	-	32.319	-
Real persons	20.040	-	10.034	-
<b>From foreign transactions</b>	<b>9.901</b>	<b>1.431.183</b>	<b>8.165</b>	<b>1.141.561</b>
Financial institutions and organizations	-	1.431.183	-	1.141.561
Other institutions and organizations	9.901	-	8.165	-
Real persons	-	-	-	-
<b>Total</b>	<b>2.716.251</b>	<b>1.431.183</b>	<b>2.511.162</b>	<b>1.141.561</b>

5. Information on securities issued (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	1.971.791	262.040	2.057.875	-
Bills	246.778	2.892.840	103.734	1.793.767
<b>Total</b>	<b>2.218.569</b>	<b>3.154.880</b>	<b>2.161.609</b>	<b>1.793.767</b>

The Bank has government bond issue program (Global Medium Term Note Programme) amounting to USD 1,5 Billion.

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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

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 do not exceed 10% of total liabilities excluding the off-balance sheet items. (December 31, 2013 - None).

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, 2013- None).

7.2. Financial Lease Payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	1.146	996	791	652
Between 1 - 4 years	1.785	1.550	2.738	2.257
More than 4 years	-	-	7	6
<b>Total</b>	<b>2.931</b>	<b>2.546</b>	<b>3.536</b>	<b>2.915</b>

7.3. Information on operational lease

Operational lease payments are recognized as an expense in the income statement on a straight-line basis over the lease terms. The Bank arranges operating lease arrangements for some of its ATM and branches. The lease contract is done on a yearly basis and the payment is made upfront each year and realized as an expense under the "Other Assets" account.

7.4. Information on "Sale -and- lease back" agreements

The Bank does not have any sale-and-lease back transactions in the current period (December 31, 2013- None).

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge <sup>(*)</sup>	70.738	149.976	-	75.101
Cash Flow Hedge <sup>(**)</sup>	131.366	-	7.648	-
Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>202.104</b>	<b>149.976</b>	<b>7.648</b>	<b>75.101</b>

<sup>(\*)</sup> Derivative financial instruments for hedging purposes include swaps. As of December 31, 2014, TL 98.050 (December 31, 2013 – TL 20.901) represents the fair value of derivatives which are the hedging instruments of hedged loan portfolio. TL 122.664 (December 31, 2014 – 54.200) represents the fair value of derivatives which are the hedging instruments of hedged investment securities available for sale portfolio.

<sup>(\*\*)</sup> 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	680.928	608.997
-Additional Provision for Loans and Receivables with Extended Maturities	55.947	56.116
Provisions for Loans and Receivables in Group II	125.096	88.573
-Additional Provision for Loans and Receivables with Extended Maturities	36.679	30.920
Provisions for Non - Cash Loans	75.473	63.599
Other	61.164	55.122
<b>Total</b>	<b>942.661</b>	<b>816.291</b>

**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 <sup>(*)</sup>	21.043	146

<sup>(\*)</sup> The foreign exchange provision for foreign currency indexed loans netted against "Loans and Receivables" in asset.

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

The specific provision for non-cash loans which are related with the non-performing cash loans in arrears or the loans which were written off from balance sheet is TL 47.736 (December 31, 2013 - TL 53.760).

**9.4. Information on employee termination benefits and unused vacation accrual**

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

As of December 31, 2014, TL 116.324 (December 31, 2013 - TL 86.693) reserve for employee termination benefits was provided in the accompanying financial statements.

As of December 31, 2014, the Bank accrued TL 30.279 (December 31, 2013 – TL 27.628) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of December 31, 2014, TL 53.531 (December 31, 2013- TL 94.583) bonus and premium provisions have been provided under reserve for employee benefits account in the accompanying financial statements.

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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

9.4.1. Movement of employee termination benefits

	Current Period 01.01-31.12.2014	Prior Period 01.01-31.12.2013
As of January 1	86.693	81.685
Service Cost	14.092	13.322
Interest Cost	8.288	6.032
Settlement / curtailment / termination loss	10.344	5.479
Actuarial Difference	19.345	(5.313)
Paid during the period	(22.438)	(14.512)
<b>Total</b>	<b>116.324</b>	<b>86.693</b>

9.5. Information on other provisions

9.5.1. Information on special provisions for possible risks:

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

	Current Period	Prior Period
Other provisions made for close monitoring loans portfolio	106.334	102.025
General reserves for possible risks	82.000	-
Provision for Promotion Expenses of Credit Cards	12.495	20.138
Other Provisions	47.040	77.249
<b>Total</b>	<b>247.869</b>	<b>199.412</b>

As of December 31, 2014, The Bank has made a provision of 106.334 TL (December 31, 2013- 102.025 TL) for the possible risks in its loan portfolio by taking the collection rate of its watchlist into account.

10. Taxation

10.1. Current taxes

10.1.1. Current tax liability

As of December 31, 2014, the Bank have TL 228.268 current tax liability (December 31, 2013 - TL 298.168) and TL 57.490 advance taxes (December 31, 2013 - TL 196.711). The Bank presents net of current tax liability and prepaid tax amount in unconsolidated financial statements.

10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	170.778	101.457
Banking and Insurance Transaction Tax (BITT)	40.495	33.619
Taxation on Securities Income	1.893	1.803
Taxation on Real Estates Income	38.497	31.734
Other	17.664	17.159
<b>Total</b>	<b>269.327</b>	<b>185.772</b>

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.

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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

10.1.3. Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	6.693	7.015
Social Security Premiums - Employer Share	7.268	7.511
Unemployment Insurance - Employee Share	470	494
Unemployment Insurance - Employer Share	942	987
<b>Total</b>	<b>15.373</b>	<b>16.007</b>

11. Information on payables related to assets held for sale

None (December 31, 2013 – None).

12. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	2.121.712	-	1.950.719
From Other Foreign Institutions	-	-	-	-
	-	<b>2.121.712</b>	-	<b>1.950.719</b>

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 loan amounting to USD 325 million which was received in 2008 is closed in 2010 to be used in capital increase. In addition, the Bank received USD 260 million subordinated loan in 2011 from National Bank of Greece S.A. Aforementioned loans are subject to interest payment every 6 months and principal payment at maturity. USD 585 million of existing subordinate loans will mature in 2021, USD 325 million will mature in 2020.

13. Information on shareholder's equity

13.1. Paid-in capital

	Current Period	Prior Period
Common Stock	2.835.000	2.700.000
Preferred Stock	-	-

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

Capital System	Paid-in Capital	Ceiling(*)
Registered Capital System	2.835.000	12.000.000

(\*) According to the Board of Directors decision dated September 16, 2014, the Bank has decided to increase the registered capital ceiling from TL 6.000.000 to TL 12.000.000 and subject decision has been approved by the General Assembly of December 4, 2014.

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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

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

Increase Date	Increase Amount	Profit Reserves held		Capital Reserves held	
		Cash	subject to the Increase	subject to the Increase	
24 June 2014	135.000	-	135.000		-

**13.4. Information on share capital increases from revaluation funds**

None (December 31, 2013 – None).

**13.5. Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments**

The 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, 2013 – None).

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

According to the Board of Directors decision dated September 16, 2014, it has been decided that 100 founder shares issued to National Bank of Greece in accordance with the Bank's Articles of Association will be canceled at no cost. Subject decision has been approved in the General Council meeting on December 4, 2014. The profit distribution is performed according to the prevailing regulations and the Articles of Association. Accordingly, 5% of the distributable profit is appropriated as legal reserves, 5% of the paid up capital is paid out as first dividend.

**14. Common stock issue premiums, shares and equity instruments**

	Current Period		Prior Period	
Number of Stocks (Thousands)	28.350.000		27.000.000	
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	396.926	-	367.086	-
Valuation Difference	396.926	-	367.086	-
Foreign Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	4.763	(56.619)	(85.632)	(136.568)
Valuation Difference	4.763	(56.619)	(85.632)	(136.568)
Foreign Exchange Rate Difference	-	-	-	-
Total	401.689	(56.619)	281.454	(136.568)



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

**FINANSBANK ANONİM ŞİRKETİ  
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**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:

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Deposits	169.770	19.211	157.980	25.541
Derivative Financial Liabilities Held for Trading	1.092.806	160.505	1.112.851	189.708
Funds Borrowed	2.038	28.886	1.700	21.721
Money Market Borrowings	2.227	1.382	821	1.660
Derivative Financial Liabilities Held for Hedging Purposes	202.104	149.976	7.648	75.101
Other Accruals	41.340	44.237	27.734	41.583
<b>Total</b>	<b>1.510.285</b>	<b>404.197</b>	<b>1.308.734</b>	<b>355.314</b>

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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

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
Credit Cards Limit Commitments	16.812.040	17.067.174
Commitment For Use Guaranteed Credit Allocation	8.537.065	5.424.755
Forward Asset Purchase Commitments	2.550.320	1.076.853
Payment Commitments for Cheques	2.420.299	2.060.004
Other Irrevocable Commitments	565.897	54.242
Credit Cards and Promotions in regards to Banking Services		
Uyg. Taah.İliş Prom. Uyg. Taah	22.604	38.002
Tax and Fund Liabilities due to Export Commitments	7.626	6.988
<b>Total</b>	<b>30.915.851</b>	<b>25.728.018</b>

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 47.736 (December 31, 2013 - TL 53.760) 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
Bank Loans	912.287	609.831
Letters of Credit	812.318	548.606
Other Guarantees	21.077	19.399
<b>Total</b>	<b>1.745.682</b>	<b>1.177.836</b>

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

	Current Period	Prior Period
Provisional Letters of Guarantee	412.514	290.037
Final Letters of Guarantee	4.054.914	3.640.553
Advance Letters of Guarantee	201.394	191.920
Letters of Guarantee Given to Customs Offices	266.710	198.665
Other Letters of Guarantee	2.479.195	1.618.923
<b>Total</b>	<b>7.414.727</b>	<b>5.940.098</b>

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	477.125	317.326
Less Than or Equal to One Year with Original Maturity	63.872	14.451
More Than One Year with Original Maturity	413.253	302.875
<b>Other Non-Cash Loans</b>	<b>8.683.284</b>	<b>6.800.608</b>
<b>Total</b>	<b>9.160.409</b>	<b>7.117.934</b>

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

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

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
<b>Agricultural</b>	<b>38.340</b>	<b>0,73</b>	<b>10.157</b>	<b>0,26</b>	<b>16.207</b>	<b>0,39</b>	<b>2.362</b>	<b>0,08</b>
Farming and Raising Livestock	35.181	0,67	8.106	0,21	13.627	0,33	2.033	0,07
Forestry	746	0,01	-	-	1.440	0,03	-	-
Fishing	2.413	0,05	2.051	0,05	1.140	0,03	329	0,01
<b>Manufacturing</b>	<b>977.016</b>	<b>18,74</b>	<b>1.987.079</b>	<b>50,63</b>	<b>882.213</b>	<b>21,15</b>	<b>1.523.356</b>	<b>52,02</b>
Mining and Quarrying	27.120	0,52	-	-	25.599	0,61	771	0,03
Production	692.665	13,28	1.557.967	39,70	554.277	13,29	1.213.207	41,43
Electricity, gas and water	257.231	4,93	429.112	10,93	302.337	7,25	309.378	10,56
<b>Construction</b>	<b>1.274.329</b>	<b>24,44</b>	<b>550.172</b>	<b>14,02</b>	<b>932.925</b>	<b>22,37</b>	<b>369.150</b>	<b>12,61</b>
<b>Services</b>	<b>2.838.584</b>	<b>54,43</b>	<b>1.364.461</b>	<b>34,77</b>	<b>2.256.615</b>	<b>54,1</b>	<b>1.016.629</b>	<b>34,72</b>
Wholesale and Retail Trade	1.663.568	31,90	699.396	17,82	1.289.108	30,91	504.487	17,23
Hotel, Food and Beverage Services	54.015	1,04	60.312	1,54	36.356	0,87	13.353	0,46
Transportation&Communication	109.173	2,09	47.105	1,20	94.292	2,26	97.140	3,32
Financial Institutions	602.922	11,56	402.638	10,26	491.441	11,78	301.735	10,3
Real Estate and Renting Services	2.517	0,05	2.158	0,05	2.684	0,06	1.868	0,06
Self Employment Services	173.592	3,33	30.618	0,78	155.682	3,73	84.051	2,87
Educational Services	5.087	0,10	10	0,00	4.044	0,10	9	-
Health and Social Services	227.710	4,37	122.224	3,11	183.008	4,39	13.986	0,48
<b>Other (*)</b>	<b>86.463</b>	<b>1,66</b>	<b>12.731</b>	<b>0,32</b>	<b>82.007</b>	<b>1,99</b>	<b>17.071</b>	<b>0,57</b>
<b>Total</b>	<b>5.214.732</b>	<b>100,00</b>	<b>3.924.600</b>	<b>100,00</b>	<b>4.169.967</b>	<b>100,00</b>	<b>2.928.568</b>	<b>100,00</b>

(\*) Does not include foreign currency balance of "Other Guarantees" amounting to TL 21.077 (December 31, 2013 - TL 19.399).

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

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

(\*) Does not include non-cash loans amounting to TL 47.736 , for which provision is provided, but which are not indemnified and not liquidated yet.

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**5. Information on derivative financial instruments**

	<b>Current</b>	<b>Prior</b>
<b>Types of trading transactions</b>		
<b>Foreign Currency Related Derivative Transactions (I)</b>	<b>91.902.213</b>	<b>67.480.400</b>
Forward transactions(*)	7.651.472	7.677.470
Swap transactions	74.145.200	43.885.478
Futures transactions	39.340	42.982
Option transactions	10.066.201	15.874.470
<b>Interest Related Derivative Transactions (II)</b>	<b>9.542.658</b>	<b>8.365.844</b>
Forward rate transactions	-	-
Interest rate swap transactions	9.542.658	8.365.844
Interest option transactions	-	-
Futures interest transactions	-	-
Security option transactions	-	-
<b>Other trading derivative transactions (III)</b>	<b>417.402</b>	<b>341.488</b>
<b>A.Total Trading Derivative Transactions (I+II+III)</b>	<b>101.862.273</b>	<b>76.187.732</b>
<b>Types of hedging transactions</b>		
Fair value hedges	19.206.081	17.234.950
Cash flow hedges	10.785.127	6.770.693
Net investment hedges	-	-
<b>B.Total Hedging Related Derivatives</b>	<b>29.991.208</b>	<b>24.005.643</b>
<b>Total Derivative Transactions (A+B)</b>	<b>131.853.481</b>	<b>100.193.375</b>

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

As of December 31, 2014, 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:

	<b>Forward Buy<sup>(**)</sup></b>	<b>Forward Sell<sup>(**)</sup></b>	<b>Swap Buy<sup>(*)</sup></b>	<b>Swap Sell<sup>(*)</sup></b>	<b>Option Buy</b>	<b>Option Sell</b>	<b>Future Buy</b>	<b>Futures Sell</b>	<b>Other</b>
<b>Current Period</b>									
TL	1.824.574	1.193.287	20.666.332	28.477.283	1.502.096	1.608.873	448	448	-
USD	1.158.737	2.152.924	33.503.776	25.832.069	2.234.524	2.220.577	19.222	19.222	417.402
EURO	505.723	379.428	2.682.753	1.241.365	599.284	656.707	-	-	-
Other	335.237	101.562	140.878	1.134.610	686.580	557.560	-	-	-
<b>Total</b>	<b>3.824.271</b>	<b>3.827.201</b>	<b>56.993.739</b>	<b>56.685.327</b>	<b>5.022.484</b>	<b>5.043.717</b>	<b>19.670</b>	<b>19.670</b>	<b>417.402</b>
	<b>Forward Buy<sup>(**)</sup></b>	<b>Forward Sell<sup>(**)</sup></b>	<b>Swap Buy<sup>(*)</sup></b>	<b>Swap Sell<sup>(*)</sup></b>	<b>Option Buy</b>	<b>Option Sell</b>	<b>Future Buy</b>	<b>Futures Sell</b>	<b>Other</b>
<b>Prior Period</b>									
TL	1.564.585	1.786.489	13.318.339	18.547.585	3.031.745	3.225.306	255	255	-
USD	1.379.951	1.493.252	23.467.275	16.973.894	2.476.355	2.961.723	21.236	21.236	341.488
EURO	852.426	533.866	1.326.918	1.594.862	2.334.809	1.694.057	-	-	-
Other	43.473	23.428	22.484	1.005.608	116.312	34.163	-	-	-
<b>Total</b>	<b>3.840.435</b>	<b>3.837.035</b>	<b>38.135.016</b>	<b>38.121.949</b>	<b>7.959.221</b>	<b>7.915.249</b>	<b>21.491</b>	<b>21.491</b>	<b>341.488</b>

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

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

As of December 31, 2014, the Bank has no derivative transactions for hedge of net investment.

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

**FINANSBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**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 balance sheet date; the mortgage loans amounting to TL 5.529.871 (December 31, 2013 – TL 5.098.190) were subject to hedge accounting by swaps with a nominal of TL 5.683.996 (December 31, 2013 – TL 6.557.217). On December 31, 2014 the net market valuation difference gain amounting to TL 33.986 due to the gains amounting to TL 199.124 (December 31, 2013 – TL 523.221 loss) and losses from swaps amounting to TL 165.139 (December 31, 2013 – TL 536.942 gain) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements. The net gain from market valuation difference of 33.986 TL, has been realized in the financial statements attached under the account “Gain/Loss from Derivative Financial Transactions”.

As at balance sheet date, project finance loans amounting to TL 148.712 (December 31, 2013 – TL 164.290) were subject to hedge accounting by swaps with a nominal of TL 144.000 (December 31, 2013 – TL 159.732). In 2014 the net market valuation difference gain amounting to TL 1.504 due to the losses amounting to TL 6.583 (December 31, 2013 – TL 16.536 loss) from swaps and gains from loans amounting to TL 8.087 (December 31, 2013 – TL 17.493 gain), is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through income statement until the maturity of the hedged loans. The Bank has booked the valuation effect amounting to TL 31.322 (December 31, 2013 – TL 52.638) related to the loans that are ineffective for hedge accounting under “gains / (losses) from financial derivatives transactions” as loss during the current period.

**b) Investment securities available for sale**

The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term foreign currency Eurobonds with fixed coupon held by the Bank using swaps as hedging instruments. As at the balance sheet date; Eurobonds with a nominal of USD 301 million and EUR 70.8 million (December 31, 2013 – USD 333 million and EUR 26 million) were subject to hedge accounting by interest rate swaps with the same nominal value. On December 31, 2014, the net market valuation difference loss amounting to TL 68 due to income from Eurobonds amounting to TL 97.880 (December 31, 2013 – TL 100.381 loss) and loss from swaps amounting to TL 97.948 (December 31, 2013 – TL 100.155 gain) is accounted for under “gains / (losses) from financial derivatives transactions” 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 a nominal of TL 102.030 (December 31, 2013 – TL 198.305) were subject to hedge accounting by swaps with the same nominal value. On December 31, 2014, the net market valuation difference gain amounting to TL 84 due to losses from government bonds amounting to TL 934 (December 31, 2013 – TL 12.760 loss) and gains from swaps amounting to TL 1.019 (December 31, 2013 – TL 14.013 gain) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

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

**FINANSBANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**c) Bonds issued**

The Bank applies fair value hedge accounting to hedge against the changes in the interest rates related to the foreign currency bonds issued using interest rate swaps as hedging instruments. As of the balance sheet date, bonds with nominal amount of USD 650 million (December 31, 2013 – USD 367 Million) have been subject to hedge accounting with the same nominal amount of swaps. As of December 31, 2014, TL 61 net fair valuation difference loss, net of TL 10.377 (December 31, 2013 – TL 7.034 gain) income from issued bonds and TL 10.438 (December 31, 2013 – TL 7.044 losses) expense from swaps, has been recorded under “Gains / (losses) from financial derivatives transactions” on accompanying financial statements.

**d) Tangible Assets**

Until December 31, 2014, the Parent Bank has designated fair value hedge accounting through foreign currency fundings to be hedged from fair value changes resulting from currency changes in real estate property which has been bought in foreign currency and has a market value denominated in foreign currency. As of December 31, 2014, aforementioned hedge has been ceased and TL 60.269 fair value foreign currency gain will be amortised through the economic life of the real estate.

As of December 31, 2014, the effectiveness tests of abovementioned hedge relationships have been found to be effective.

**5.2 Cash flow hedge accounting**

**a) Deposit**

The Bank applies cash flow hedge accounting using interest rate swaps in order to hedge itself from the interest rate changes of deposits that have an average maturity until 3 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 accounted for under equity “Hedging Funds”, whereas the ineffective portions are accounted for at income statement as defined in TAS 39. As at the balance sheet date, swaps amounting to TL 1.057.388 are subject to hedge accounting as hedging instruments (December 31, 2013 – TL 169.643). As a result of the mentioned hedge accounting, fair value gains before taxes amounting to TL 20.178 are accounted for under equity during the current period (December 31, 2013 – 15.383 TL gain)The ineffective portion of loss amounting to TL 127 (December 31, 2013 – TL 5 gain) is accounted for at the income statement.

As at the balance sheet date, swaps amounting to USD 1.854 million are subject to hedge accounting as hedging instruments (December 31, 2013 – USD 1.470 million). As a result of the mentioned hedge accounting, fair value losses before taxes amounting to TL 140.268 are accounted for under equity during the current period (December 31, 2013 – TL 112.448 gain). The losses amounting to TL 245 (December 31, 2013 – TL 164 gain) concerning for the ineffective portions are accounted for at the income statement.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. Effective parts classified under equity due to hedge accounting are amortized through income statement until the maturity of swaps in case of ineffectiveness. In the current period TL 2.399 loss (December 31, 2013 – TL 4.684 loss) has been transferred from equity to income statement due to ineffectiveness or matured swaps.

As of December 31, 2014, the effectiveness tests of abovementioned hedge relationships have been found to be effective.

**b) Tangible Assets**

The Bank applies cash flow hedge accounting to hedge its foreign currency assets held for sale from foreign currency risk through foreign currency liabilities. As at balance sheet date foreign exchange losses amounting to TL 10.136 (December 31, 2013 – None) have been accounted under other comprehensive income.

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**6. Credit derivatives and risk exposures on credit derivatives**

As of December 31, 2014, in the Bank's "other irrevocable commitments", there are commitments for "credit linked notes" with a nominal of USD 9.089.264 (December 31, 2013: USD 9.089.264).

As of December 31, 2014, "Credit Default Swaps" with nominal amount of USD 180.000.000 (December 31, 2013: USD 160.000.000) are included in Bank's "Swap Interest Sell Transactions." In aforementioned transaction, the Bank is the seller of the protection.

**7. Information on contingent liabilities and assets**

None. (December 31, 2013 – None)

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

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

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

MOODY'S December 2013		FITCH April 2014		CI February 2013	
Long-Term Deposit Rating (FC)	Ba2	Long -Term Foreign Curr.	BBB-	Long-Term Foreign Curr.	BB+
Long-Term Deposit Rating (TL)	Ba2	Short-Term Foreign Curr.	F3	Short-Term Foreign Curr.	B
Short-Term Deposit Rating (YP)	NP	Long-Term TL	BBB-	Foreign Currency Rating	Stable
Short-Term Deposit Rating (TL)	NP	Short-Term TL	F3	TL Rating	Stable
Financial Strength	E+ (b1)	Long-Term National	AA+(tur)	Long Term (TL)	BB+
Appearance	Stable	Appearance	Stable	Short Term (TL)	B
		Support	3	Financial Strength Rating	BBB+
		Individual	bbb-	Financial Strength Apperance	Stable
				Support	3

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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

SECTION FIVE

IV. EXPLANATIONS AND DISCLOSURES RELATED TO THE INCOME STATEMENT

1. a) Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans				
Short-Term Loans	2.550.276	56.914	2.487.150	38.922
Medium and Long-Term Loans	2.640.404	238.177	2.325.773	164.626
Non-Performing Loans	113.761	-	108.943	-
Resource Utilization Support Fund Premiums	-	-	-	-
<b>Total</b>	<b>5.304.441</b>	<b>295.091</b>	<b>4.921.866</b>	<b>203.548</b>

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	-	-	-
Domestic Banks	1.549	7	464	3
Foreign Banks	232	86	304	178
Foreign Headquarters and Branches	-	-	-	-
<b>Total</b>	<b>1.781</b>	<b>93</b>	<b>768</b>	<b>181</b>

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	5.669	233	11.217	175
Financial Assets at FVTPL	16.499	881	30.174	1.196
Investment Securities Available for Sale	405.407	68.767	343.729	63.381
Investment Securities Held to Maturity	325.193	25.957	76.789	6.796
<b>Total</b>	<b>752.768</b>	<b>95.838</b>	<b>461.909</b>	<b>71.548</b>

As stated in Section Three disclosure VII, the Bank has inflation indexed (CPI) government bonds in its available for sale and held-to-maturity portfolios. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the actual payments is determined based on inflation rates of two months before. The Bank determines the estimated inflation rates in line with this. Estimated inflation rate used is updated throughout the year as found necessary. In this context, as of December 31, 2014, estimated inflation rate used in valuation of such assets has been updated according to actual annual inflation rate of 8,96%. Had the above mentioned change in estimate related to those CPI linked securities had not been made, interest income would decrease by TL 68.778 and security value increase fund under equity would increase by TL 14.855 after tax effect.

d) Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	2.626	3.511



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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

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

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
<b>Banks</b>				
T.R. Central Bank	-	-	-	-
Domestic Banks	6.652	3.393	5.934	3.161
Foreign Banks	57	184.288	25	143.758
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	7.425	-	-	-
<b>Total</b>	<b>14.134</b>	<b>187.681</b>	<b>5.959</b>	<b>146.919</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
Interest Paid to Associates and Subsidiaries	27.937	24.950

**c) Information on interest expense paid to securities issued**

As of December 31, 2014 interest paid to securities issued is TL 317.396 (December 31, 2013 – TL 252.784).

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**d) Information on maturity structure of interest expenses on deposits**

Time Deposits								
Account	Deman	Up to	Up to	Up to	Up to	Over	Accumulated	Total
<b>Turkish Lira</b>								
Bank Deposits	-	12.951	6.318	1.623	288	-	-	21.180
Saving	3	154.378	1.120.822	91.882	38.827	112.144	-	1.518.056
Public Sector	-	639	3.408	51	102.588	-	-	106.686
Commercial	-	155.720	422.401	31.933	17.600	6.518	-	634.172
Other Deposits	-	3.357	73.089	13.891	53.878	3.720	-	147.935
7 Days Call	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3</b>	<b>327.045</b>	<b>1.626.038</b>	<b>139.380</b>	<b>213.181</b>	<b>122.382</b>	<b>-</b>	<b>2.428.029</b>
<b>Foreign</b>								
Deposits	-	23.841	158.417	10.483	6.488	12.669	-	211.898
Bank Deposits	29	19.267	3.566	248	38	-	-	23.148
7 Days Call	-	-	-	-	-	-	-	-
Precious Metal	-	484	-	-	-	-	-	484
<b>Total</b>	<b>29</b>	<b>43.592</b>	<b>161.983</b>	<b>10.731</b>	<b>6.526</b>	<b>12.669</b>	<b>-</b>	<b>235.530</b>
<b>Grand Total</b>	<b>32</b>	<b>370.637</b>	<b>1.788.021</b>	<b>150.111</b>	<b>219.707</b>	<b>135.051</b>	<b>-</b>	<b>2.663.559</b>

**Information on maturity structure of interest expense on deposits**

Prior Period		Time Deposits						
Account	Deman	Up to 1	Up to 3	Up to 6	Up to 1	Over 1	Accumulated	Total
Turkish Lira								
Bank Deposits	-	2.057	13.445	7.028	269	269	-	23.068
Saving Deposits	9	142.805	692.559	133.170	94.624	7.930	149	1.071.246
Public Sector	-	128	2.598	93	45.904	3	-	48.726
Commercial	-	131.471	259.797	48.066	11.808	2.215	-	453.357
Other Deposits	-	3.458	36.581	21.315	52.512	41	-	113.907
7 Days Call	-	-	-	-	-	-	-	-
Total	9	279.919	1.004.980	209.672	205.117	10.458	149	1.710.304
Foreign								
Deposits	-	31.222	171.242	31.844	15.605	7.193	117	257.223
Bank Deposits	27	904	16.076	919	92	44	-	18.062
7 Days Call	-	-	-	-	-	-	-	-
Precious Metal	-	212	153	18	4	-	-	387
Total	27	32.338	187.471	32.781	15.701	7.237	117	275.672
Grand Total	36	312.257	1.192.451	242.453	220.818	17.695	266	1.985.976

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expense on Repurchase Agreements (*)	211.828	7.448	93.100	6.498

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

**f) Information on finance lease expenses**

	Current Period	Prior Period
Finance Lease Expenses	330	314

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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

g) Information on interest expense on factoring payables

None (December 31, 2013 – None)

3. Information on dividend income

	Current Period	Prior Period
From Trading Securities	83	-
From Financial assets at fair value through profit and loss	-	-
From Available for Sale Financial Assets	-	7
Other	8.959	12.145
<b>Total</b>	<b>9.042</b>	<b>12.152</b>

4. Information on trading income/loss

	Current Period	Prior Period
<b>Trading Income</b>	<b>10.933.857</b>	<b>8.573.835</b>
Gains on Capital Market Operations	81.784	223.815
Derivative Financial Instruments	3.496.133	2.577.006
Foreign Exchange Gains	7.355.940	5.773.014
<b>Trading Loss (-)</b>	<b>11.196.634</b>	<b>8.788.840</b>
Losses on Capital Market Operations	63.229	61.289
Derivative Financial Instruments	3.815.603	2.851.915
Foreign Exchange Losses	7.317.802	5.875.636
<b>Net Trading Income/Loss</b>	<b>(262.777)</b>	<b>(215.005)</b>

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. In current period, the Parent Bank has recorded a sales profit of TL 196.377 from the sale of its legally nonperforming loan receivables and the amount was recorded under “Other Operating Income.”

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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

6. Provision for losses on loans and other receivables

	Current Period	Prior Period
<b>Specific Provisions For Loans and Other Receivables</b>	<b>868.348</b>	<b>873.777</b>
Loans and Receivables in Group III	164.709	(49.797)
Loans and Receivables in Group IV	322.682	143.573
Loans and Receivables in Group V	380.957	780.001
<b>Doubtful Fee, Commission and Other Receivables</b>	<b>-</b>	<b>-</b>
<b>General Provisions</b>	<b>126.370</b>	<b>198.607</b>
<b>General Reserves for Possible Risks</b>	<b>82.000</b>	<b>-</b>
<b>Provision Expenses for Possible Losses</b>	<b>4.310</b>	<b>2.277</b>
<b>Impairment Losses on Securities</b>	<b>-</b>	<b>103</b>
Financial assets at fair value through profit or loss	-	-
Investment securities available for sale	-	103
<b>Impairment Losses on Associates, Subsidiaries and</b>	<b>-</b>	<b>-</b>
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
<b>Other</b>	<b>(5.485)</b>	<b>5.987</b>
<b>Total</b>	<b>1.075.543</b>	<b>1.080.751</b>

7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	941.283	904.751
Reserve for employee termination benefits	10.286	10.321
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	705
Depreciation charge of tangible assets	133.290	102.658
Impairment losses on intangible assets	-	-
Impairment losses on goodwill	-	-
Amortization charge of intangible assets	78.967	61.865
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed of	83	1.048
Depreciation on assets to be disposed	3.906	5.470
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	809.706	807.323
Operational lease related expenses	206.867	174.458
Repair and maintenance expenses	77.327	62.480
Advertisement expenses	69.291	103.776
Other expenses	456.221	466.609
Losses on sales of assets	640	334
Other	355.576	399.744
<b>Total</b>	<b>2.333.737</b>	<b>2.294.219</b>

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

For the period ended December 31, 2014, net interest income in regards to continued operations of TL 3.088.311 (December 31, 2013 – 3.163.146), net fees and commission income of TL 1.333.530 (December 31, 2013 – TL 1.031.522) and other operating income of TL 383.383 (December 31, 2013 – TL 320.749) constitute an important part of the income.

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

**FINANSBANK ANONİM ŞİRKETİ  
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**9. Explanations on tax provision for continued and discontinued operations**

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

As of December 31, 2014, the Bank has recorded tax charge TL 221.066 (December 31, 2013 – TL 229.625) and a deferred tax charge of TL 43.715 (December 31, 2013 – TL 26.270 deferred tax gain) from its continuing operations.

**9.2. Explanations on operating profit/loss after taxes**

None (December 31, 2013 – None).

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

Net profit of the Bank from continued operations is TL 877.428 (December 31, 2013 – TL 734.239).

**11. Explanations on net income/loss for the period**

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

None (December 31, 2013 – None).

**11.2. Effect of changes in accounting estimates on income statement for the current and for subsequent periods.**

Please refer to Section V. No I.6.j.2

**11.3. There is 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.

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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

SECTION FIVE

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

1. Changes resulting from valuation of available for sale securities

Net increase of TL 170.344 (December 31, 2013 – TL 486.124 net decrease) after tax effect resulting from valuation of available for sale securities at fair values is included in “Securities Value Increase Fund” account under shareholders' equity.

2. Explanations on foreign exchange differences

None.

3. Explanations on dividend

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

There is no announcement of dividend distribution before the release of the accompanying financial statements. At the General Assembly dated March 27, 2014, it was decided to distribute the 2013 profit as follow:

2013 profit distribution table:

Current Year Profit	734.239
A - I. Legal Reserve (Turkish Commercial Code 466/1) at 5%	(36.712)
B - The First Dividend for Shareholders(*)	(135.000)
C – Profit from Disposal of Associates	-
D- II. Legal Reserves	-
E- Gains on Real estate Sales Fund	-
F - Extraordinary Reserves (	(562.527)
(*) Bedelsiz hisse senedi olarak dağıtılmıştır.	

3.2. Dividends per share proposed subsequent to the balance sheet date

No decision is taken concerning the profit distribution by the General Assembly as of the balance sheet date (December 31, 2012- Profit distribution for 2012 is detailed in footnote 3.1).

3.3. Transfers to legal reserves

	Current Period	Prior Period
Amount Transferred to Reserved from Retained Earnings	36.712	45.117

4. Information on issuance of share certificates

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

None (December 31, 2013- None).

6. Information on the other capital increase items in the statement of changes in shareholders' equity

Capital increase amounting to TL 135.000 presented in the Statement of Changes in Shareholder's Equity in 2013 is entirely provided from extraordinary reserves.

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**SECTION FIVE**

**VI. EXPLANATIONS AND DISCLOSURES RELATED TO CASH FLOWS STATEMENT**

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

“Other items” amounting to TL 1.131.101 (December 31, 2013 – TL 1.214.116) in “Operating profit before changes in operating assets and liabilities” consist of commissions paid amounting to TL 222.950 (December 31, 2013 – TL 140.131), net trading income/loss by TL 657.404 (December 31, 2013 – TL 1.043.417 net trading income/loss) and other operating expenses amounting to TL 250.747 (December 31, 2013 – TL 30.568).

“Other items” in changes in operating assets amounting to TL 29.943 (December 31, 2013- TL 49.928) consist of the decrease in collaterals given by TL 88.110 (December 31, 2013- TL 109.161 decrease) and the increase in other assets by TL 58.167 (December 31, 2013 - TL 59.233 decrease).

“Other items” in changes in operating liabilities amounting to TL 850.817 (December 31, 2013- TL 4.117.429) consist of the increase in money market borrowings by TL 444.711 (December 31, 2013- TL 1.975.516 increase) and the increase in sundry debtors and other liabilities by TL 406.106 (December 31, 2013- TL 2.201.913 increase).

“Other items” in changes in net cash provided from banking operations amounting to TL 104.610 (December 31, 2013 – TL 387.336) does not include the increase in intangible assets by TL 25.643 (December 31, 2013 – TL 90.749) and TL advances given (December 31, 2013 - TL 296.587).

**Information regarding the balances of cash and cash equivalents at the beginning of the period**

	<b>Current Period January 1, 2014</b>	<b>Prior Period January 1, 2013</b>
<b>Cash</b>	<b>1.047.161</b>	<b>653.019</b>
Cash in TL	633.496	439.754
Cash in Foreign Currencies	413.140	212.803
Other	525	462
<b>Cash Equivalents</b>	<b>1.051.385</b>	<b>2.861.638</b>
Balances with the T.R. Central Bank	752.806	965.102
Banks	302.866	110.816
Money Market Placements	-	1.785.748
Less: Placements with Banks with Maturities Longer than 3 Months	(4.144)	(28)
Less: Accruals	(143)	-
<b>Cash and Cash Equivalents</b>	<b>2.098.546</b>	<b>3.514.657</b>

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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

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

	Current Period December 31, 2014	Prior Period December 31, 2013
<b>Cash</b>	<b>839.439</b>	<b>1.047.161</b>
Cash in TL	590.424	633.496
Cash in Foreign Currencies	248.652	413.140
Other	363	525
<b>Cash Equivalents</b>	<b>2.028.549</b>	<b>1.051.385</b>
Balances with the T.R. Central Bank	1.601.665	752.806
Banks	238.219	302.866
Money Market Placements	200.062	-
Less: Placements with Banks with Maturities Longer than 3 Months	(10.369)	(4.144)
Less: Accruals	(1.028)	(143)
<b>Cash and Cash Equivalents</b>	<b>2.867.988</b>	<b>2.098.546</b>

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

A portion of foreign bank accounts amounting to TL 5.473 (December 31, 2013- TL 3.258) includes blocked cash for foreign money and capital market transactions and for borrowings from foreign markets.

5. Additional information

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

None.



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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

SECTION FIVE

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

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

- 1.1. As of December 31, 2014, the Bank's risk group has deposits, cash and non-cash loans at the Bank amounting to TL 417.132 (December 31, 2013 - TL 395.261) deposit, TL 159.272 (December 31, 2013 - TL 110.670) cash loan and TL 54.733 (December 31, 2013 - TL 58.604) non-cash loans 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
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the	110.670	25.402	-	32.895	-	307
Balance at the End of the Period	157.557	19.742	1.716	34.288	-	702
Interest and Commission Income	2.626	84	6	75	-	5

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
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the	65.220	13.023	-	29.498	-	-
Balance at the End of the Period	110.670	25.402	-	32.895	-	307
Interest and Commission Income (***)	3.511	47	1	-	-	-

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

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

(\*\*\*) Represents December 31, 2013 balance.

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	Prior	Current	Prior	Current	Prior
<b>Deposits</b>						
Balance at the Beginning of the	359.891	403.106	18.776	18.692	16.594	8.107
Balance at the End of the Period	380.996	359.891	17.036	18.776	19.100	16.594
Interest on deposits (***)	27.937	24.950	-	-	841	395

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

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

(\*\*\*) Prior Period represents December 31, 2013 balance.

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

FINANSBANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

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

Bank's Risk Group <sup>(*)</sup>	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group <sup>(**)</sup>	
	Current	Prior	Current	Prior Period	Current	Prior Period
<b>Transactions for Trading Purposes</b>						
Beginning of the Period	-	25.869	130.397	393.221	177.748	4.711
End of the Period	140.998	-	134.496	130.397	102.824	177.748
Total Income/Loss <sup>(***)</sup>	(1.357)	544	(5.336)	22.706	1.070	1.367
<b>Transactions for Hedging Purposes</b>						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss <sup>(***)</sup>	-	-	-	-	-	-

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

(\*\*) Includes the derivative transactions between the Bank's indirect subsidiaries.

(\*\*\*) Represents December 31, 2013 balance.

**1.4. As of December 31, 2014, the total amount of remuneration and bonuses paid to top management of the Bank is TL 41.320 (December 31, 2013- TL 40.522).**

**2. Disclosures of transactions with the Bank's risk group**

**2.1. Relations with entities in the risk group of / or controlled by the Bank regardless of the nature of relationship among the parties**

Transactions with the risk group are made on an arms-length basis; terms are set according to the market conditions and in compliance with the Banking Law.

**2.2 In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other**

As of December 31, 2014, cash loans of the risk group represented 0,3% of the Bank's total cash loans (December 31, 2013 – 0,3%), the deposits represented 0,9% of the Bank's total deposits (December 31, 2013 – 1,0%) and derivative transactions represented 0,2% of the Bank's total derivative transactions (December 31, 2013 – 0,3%).

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

The Bank enters into finance lease agreements with Finans Finansal Kiralama A.Ş. As of December 31, 2014, the Bank has net finance lease payables to Finans Finansal Kiralama A.Ş. amounting to TL 2.546 (December 31, 2013 - TL 2.915) relating with finance lease agreements.

Total of investment 20 funds established by the Bank are all managed by Finans Portföy Yönetimi A.Ş.

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

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

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

The Bank provides agency services to Cigna Finans Emeklilik ve Hayat A.Ş., which is a jointly controlled entity with 49% shares held by the Bank.

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

**FİNANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**VIII. EXPLANATIONS ON THE BANK’S DOMESTIC, FOREIGN AND OFF-SHORE BANKING  
BRANCHES AND FOREIGN REPRESENTATIVES**

**1. Information relating to the bank’s domestic and foreign branch and representatives**

	Number	Employees			
Domestic Branch	657	12.823			
			Country		
Foreign Representation	-	-			
				Total Assets	Capital
Foreign Branch	-	-		-	-
Off-shore Banking and Region Branches	1	7	1- Bahrain	8.956.315	-

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

**FİNANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**SECTION SIX**

**OTHER EXPLANATIONS AND DISCLOSURES**

**I. Other explanations related to the Bank's operations**

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

The Parent Bank has issued, on January 14, 2015, bonds with a nominal amount of TL 5.200 with 9,00% interest rate and 177 days maturity.

In addition, the Parent Bank has issued, on January 22, 2015, bonds with a nominal amount of USD 15 million with 2,05% interest rate and 366 days maturity.

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

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

**3. Other matters**

The Bank's Board of Directors has decided to apply to Capital Markets Board ("CMB") along with the first draft of prospectus prepared for secondary public offering and within this framework has decided to increase the Bank's capital by TL 715.000 to TL 3.550.000 from TL 2.835.000 through right issues and for the increased amount to be received in cash, to restrict stock carrying rights of all existing shareholders of the secondary public offering in accordance with Turkish Commercial Code ("TCC") and CMB regulations and for the issued capital to be issued through public offering in accordance with CMB regulations; for the issued rights to be distributed to right owners as reserved rights in accordance with CMB's and Central Registry Agency ("MKG") regulations for reserved rights. Finans Yatırım Menkul Değerler A.Ş. has been appointed to carry out the public offering process. It has been decided to make necessary applications to BRSA and CMB and for the pricing to be determined by the Board of Directors separately. In accordance with subject Board of Directors decision application has been made to CMB on October 23, 2014.

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

**FINANSBANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED DECEMBER 31, 2014**

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

**SECTION SEVEN**

**INDEPENDENT AUDIT REPORT**

**I. Explanations on the Independent Audit Report**

The unconsolidated financial statements for the period ended December 31, 2014 have been audited by GüneyBağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited). The auditor's report dated February 5, 2015 is presented preceding the unconsolidated financial statements.

**II. Explanations on the notes prepared by Independent Auditors**

None (December 31, 2013 – None).