

FİNANSBANK ANONİM ŞİRKETİ

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

(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 report originally issued in Turkish, See Note I. of Section three)

Independent auditor report

To the Board of Directors of Finansbank A.Ş.

Report on the Unconsolidated Financial Statements

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

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

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

Independent Auditor’s responsibility

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

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

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

Basis of Qualified Opinion

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

Qualified Opinion

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

Reports on arising from other regulatory requirements:

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

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

Additional paragraph for convenience translation to English:

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

Damla Harman, SMMM
Partner

February 19, 2016
İstanbul, Türkiye

(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, 2015**

The Bank's;
Address of the head office : Esentepe Mahallesi Büyükdere Cad. Kristal Kule Binası 215 Şişli – İSTANBUL

Phone number : (0 212) 318 50 00
Facsimile number : (0 212) 318 58 50
Web page : www.finansbank.com.tr
E-mail address : investor.relations@finansbank.com.tr

The unconsolidated financial report for the year-end period ended December 31, 2015, designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections 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 AND RISK MANAGEMENT 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, 2015, are prepared in accordance with the Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying 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

Paul Mylonas
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 Güzeloğlu
General Manager and
Member of the
Board of Directors

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

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

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

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

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

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2015

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

SECTION ONE

GENERAL INFORMATION

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

Finansbank Anonim Şirketi (“the Bank”) was incorporated in Istanbul on September 23, 1987. The Bank’s shares have been listed on the 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, 2015, 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.

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

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

Name	Title	Date of Appointment	Education
Dr. Ömer A. Aras	Chairman and Executive Member	April 16, 2010	Phd
Sinan Şahinbaş	Deputy Chairman and Executive Member	April 16, 2010	Masters
Prof. Dr. Mustafa Aydın Aysan	Board Member	March 9, 1993	Phd
Stefanos Pantzopoulos	Board Member	October 16, 2012	Graduate
Dr. Paul Mylonas	Board Member and Audit Committee Member	February 18, 2010	Phd
Ioannis Vagionitis	Board Member and Audit Committee Member	January 6, 2014	Masters
Christos Alexis Komminos	Board Member	February 16, 2011	Masters
Temel Güzeloğlu	Board Member and Managing Director	April 16, 2010	Masters
Mustafa Hamdi Gürtin	Board Member	April 16, 2010	Masters
Ali Teoman Kerman	Board Member and Head of Audit Committee	April 16, 2013	Masters
Georgios Koutsoudakis	Board Member	July 23, 2014	Graduate
Adnan Menderes Yayla	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
Halim Ersun Bilgici	Assistant Managing Director	March 15, 2013	Masters
Enis Kurtuğlu (*)	Assistant Managing Director	May 14, 2015	Masters
Murat Koraş (*)	Assistant Managing Director	May 14, 2015	Masters
Onur Özkan (*)	Assistant Managing Director	May 14, 2015	Masters
Elsa Pekmez Atan (*)	Assistant Managing Director	May 14, 2015	Masters

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

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

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

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2015**

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

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

Name Surname/Trade Name	Amount of Shares	Percentage of Shares	Paid-up Shares	Unpaid Shares
National Bank of Greece S.A.	2.466.847	%82,23	2.466.847	-
NBG Finance (Dollar) PLC	290.382	%9,68	290.382	-
NBGI Holdings B.V.	237.000	%7,90	237.000	-

According to the Board of Directors decision dated September 16, 2014, it has been decided that 100 founder shares issued to National Bank of Greece in accordance with the 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.

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, 2015, the Bank operates through 640 domestic (December 31, 2014 - 656), 1 abroad (December 31, 2014 - 1) and 1 Atatürk Airport Free Trade Zone (December 31, 2014 - 1) branches. As of 31 December 2015, the Bank has 12.950 employees (31 December 2014 - 12.830 employees).

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

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- III. Income Statement (Statement of Income / Loss)
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- V. Statement of Changes in Shareholders' Equity
- VI. Statement of Cash Flow
- VII. Statement of Profit Appropriation

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

FINANSBANK ANONİM ŞİRKETİ
BALANCE SHEET AS OF DECEMBER 31, 2015 (STATEMENT OF FINANCIAL POSITION)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

I. BALANCE SHEET – ASSETS

		Audited 31.12.2015			Audited 31.12.2014			
		Section 5, Part 1.	TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	2.088.091	7.908.950	9.997.041	1.503.207	7.160.628	8.663.835
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	2.059.461	253.202	2.312.663	1.203.668	152.639	1.356.307
2.1	Financial assets held for trading		2.012.107	253.202	2.265.309	1.105.525	152.639	1.258.164
2.1.1	Public sector debt securities		23.207	4.853	28.060	2.520	2.299	4.819
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Assets on trading derivatives		1.988.900	248.349	2.237.249	1.103.005	150.340	1.253.345
2.1.4	Other securities		-	-	-	-	-	-
2.2	Financial assets at fair value through profit and loss		47.354	-	47.354	98.143	-	98.143
2.2.1	Public sector debt securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans		47.354	-	47.354	98.143	-	98.143
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	(3)	9.536	306.366	315.902	19.390	224.302	243.692
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)	3.382.972	1.912.514	5.295.486	3.956.061	1.477.171	5.433.232
5.1	Equity securities		4.231	-	4.231	4.229	-	4.229
5.2	Public sector debt securities		3.378.323	1.880.669	5.258.992	3.924.071	1.444.438	5.368.509
5.3	Other securities		418	31.845	32.263	27.761	32.733	60.494
VI.	LOANS AND RECEIVABLES	(6)	47.256.465	9.969.165	57.225.630	42.874.766	7.371.360	50.246.126
6.1	Loans and receivables		46.512.772	9.969.165	56.481.937	42.306.593	7.371.360	49.677.953
6.1.1	Loans to risk group of the Bank		96.840	59.113	155.953	119.800	39.473	159.273
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		46.415.932	9.910.052	56.325.984	42.186.793	7.331.887	49.518.680
6.2	Non-performing loans		3.797.990	-	3.797.990	2.731.499	-	2.731.499
6.3	Specific provisions (-)		3.054.297	-	3.054.297	2.163.326	-	2.163.326
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	INVESTMENT SECURITIES HELD TO MATURITY (Net)	(7)	3.009.964	863.950	3.873.914	3.052.566	674.657	3.727.223
8.1	Public sector debt securities		3.009.964	110.652	3.120.616	3.052.566	90.418	3.142.984
8.2	Other securities		-	753.298	753.298	-	584.239	584.239
IX.	INVESTMENT IN ASSOCIATES (Net)	(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)	343.000	-	343.000	444.859	-	444.859
10.1	Unconsolidated financial investments		324.954	-	324.954	426.813	-	426.813
10.2	Unconsolidated non-financial investments		18.046	-	18.046	18.046	-	18.046
XI.	ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(10)	95.233	-	95.233	186.217	-	186.217
11.1	Equity method entities under common control		-	-	-	-	-	-
11.2	Unconsolidated		95.233	-	95.233	186.217	-	186.217
11.2.1	Financial investments		92.433	-	92.433	183.417	-	183.417
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)	3.219.905	19.104	3.239.009	1.965.902	22.844	1.988.746
13.1	Fair value hedge		2.292.114	18.069	2.310.183	1.459.151	22.844	1.481.995
13.2	Cash flow hedge		927.791	1.035	928.826	506.751	-	506.751
13.3	Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)	(13)	1.576.634	8	1.576.642	1.470.096	10	1.470.106
XV.	INTANGIBLE ASSETS (Net)	(14)	263.957	-	263.957	223.847	-	223.847
15.1	Goodwill		-	-	-	-	-	-
15.2	Others		263.957	-	263.957	223.847	-	223.847
XVI.	INVESTMENT PROPERTIES (Net)	(15)	-	-	-	-	-	-
XVII.	TAX ASSETS	(16)	78.968	-	78.968	50.050	-	50.050
17.1	Current tax assets		-	-	-	-	-	-
17.2	Deferred tax assets		78.968	-	78.968	50.050	-	50.050
XVIII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(17)	-	-	-	51.265	-	51.265
18.1	Held for sale		-	-	-	51.265	-	51.265
18.2	Discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(18)	976.301	129.885	1.106.186	817.623	99.398	917.021
TOTAL ASSETS			64.364.253	21.363.144	85.727.397	58.023.345	17.183.009	75.206.354

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

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

**FİNANSBANK ANONİM ŞİRKETİ
BALANCE SHEET AS OF DECEMBER 31, 2015 (STATEMENT OF FINANCIAL POSITION)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)**

II. BALANCE SHEET – LIABILITIES AND EQUITY

	Section 5, Part 2.	Audited 31.12.2015			Audited 31.12.2014		
		TP	FC	Total	TP	FC	Total
I. DEPOSITS	(1)	28.874.448	19.691.389	48.565.837	27.240.961	14.833.593	42.074.554
1.1 Deposits from risk group of the Bank		304.656	220.154	524.810	284.836	132.296	417.132
1.2 Other		28.569.792	19.471.235	48.041.027	26.956.125	14.701.297	41.657.422
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	1.882.909	273.555	2.156.464	1.092.806	160.505	1.253.311
III. FUNDS BORROWED	(3)	107.591	5.532.825	5.640.416	115.661	4.782.482	4.898.143
IV. MONEY MARKET BORROWINGS		2.781.534	1.857.920	4.639.454	2.716.251	1.431.183	4.147.434
4.1 Interbank money markets takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money markets takings		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements	(4)	2.781.534	1.857.920	4.639.454	2.716.251	1.431.183	4.147.434
V. SECURITIES ISSUED (Net)	(5)	535.327	3.800.454	4.335.781	2.218.569	3.154.880	5.373.449
5.1 Bills		535.327	-	535.327	1.971.791	262.040	2.233.831
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	3.800.454	3.800.454	246.778	2.892.840	3.139.618
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. SUNDRY CREDITORS		2.042.291	3.417.799	5.460.090	1.629.052	2.133.518	3.762.570
VIII. OTHER LIABILITIES	(6)	987.164	154.881	1.142.045	916.276	120.953	1.037.229
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(7)	838	1.066	1.904	1.311	1.235	2.546
10.1 Financial lease payables		981	1.159	2.140	1.563	1.368	2.931
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred financial lease expenses (-)		143	93	236	252	133	385
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(8)	60.229	223.215	283.444	202.104	149.976	352.080
11.1 Fair value hedge		-	178.808	178.808	70.738	149.976	220.714
11.2 Cash flow hedge		60.229	44.407	104.636	131.366	-	131.366
11.3 Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII. PROVISIONS	(9)	1.759.828	-	1.759.828	1.438.400	-	1.438.400
12.1 General provisions		1.190.403	-	1.190.403	942.661	-	942.661
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee benefits		236.751	-	236.751	200.134	-	200.134
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-
12.5 Other provisions		332.674	-	332.674	295.605	-	295.605
XIII. TAX LIABILITY	(10)	56.239	-	56.239	170.778	-	170.778
13.1 Current tax liability		56.239	-	56.239	170.778	-	170.778
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)	-	2.662.119	2.662.119	-	2.121.712	2.121.712
XVI. SHAREHOLDERS' EQUITY		9.202.073	(178.297)	9.023.776	8.630.767	(56.619)	8.574.148
16.1 Paid-in capital	(13)	3.000.000	-	3.000.000	2.835.000	-	2.835.000
16.2 Capital reserves		182.006	(178.297)	3.709	316.472	(56.619)	259.853
16.2.1 Share Premium	(14)	714	-	714	714	-	714
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Securities value increase fund	(15)	141.358	(178.297)	(36.939)	401.689	(56.619)	345.070
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)		81.175	-	81.175	(40.479)	-	(40.479)
16.2.9 Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		(43.930)	-	(43.930)	(48.141)	-	(48.141)
16.3 Profit reserves		5.314.295	-	5.314.295	4.601.867	-	4.601.867
16.3.1 Legal reserves		409.238	-	409.238	365.367	-	365.367
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		4.905.057	-	4.905.057	4.236.500	-	4.236.500
16.3.4 Other profit reserves		-	-	-	-	-	-
16.4 Profit or loss		705.772	-	705.772	877.428	-	877.428
16.4.1 Prior years' income/ (losses)		-	-	-	-	-	-
16.4.2 Current period income/ (loss)		705.772	-	705.772	877.428	-	877.428
TOTAL LIABILITIES AND EQUITY		48.290.471	37.436.926	85.727.397	46.372.936	28.833.418	75.206.354

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, 2015**

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

II. STATEMENT OF OFF-BALANCE COMMITMENTS AND CONTINGENCIES

		Audited 31.12.2015			Audited 31.12.2014		
Section 5. Part III		TL	FC	TOTAL	TL	FC	TOTAL
A.	OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)	101.035.556	99.438.836	200.474.392	88.912.523	81.029.264	169.941.787
I.	GUARANTEES (1),(2), (3),(4),(6)	6.009.442	4.466.384	10.475.826	5.214.732	3.945.677	9.160.409
1.1.	Letters of guarantee	5.981.355	3.047.590	9.028.945	5.205.798	2.208.929	7.414.727
1.1.1.	Guarantees subject to State Tender Law	294.530	30.894	325.424	238.293	28.417	266.710
1.1.2.	Guarantees given for foreign trade operations	3.171.512	3.016.696	6.188.208	2.895.013	2.180.512	5.075.525
1.1.3.	Other letters of guarantee	2.515.313	-	2.515.313	2.072.492	-	2.072.492
1.2.	Bank loans	23.085	772.477	795.562	8.934	903.353	912.287
1.2.1.	Import letter of acceptance	23.085	772.477	795.562	8.934	903.353	912.287
1.2.2.	Other bank acceptances	-	-	-	-	-	-
1.3.	Letters of credit	5.002	646.317	651.319	-	812.318	812.318
1.3.1.	Documentary letters of credit	5.002	628.377	633.379	-	614.869	614.869
1.3.2.	Other letters of credit	-	17.940	17.940	-	197.449	197.449
1.4.	Prefinancing given as guarantee	-	-	-	-	-	-
1.5.	Endorsements	-	-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of Turkey	-	-	-	-	-	-
1.5.2.	Other endorsements	-	-	-	-	-	-
1.6.	Securities issue purchase guarantees	-	-	-	-	-	-
1.7.	Factoring guarantees	-	-	-	-	-	-
1.8.	Other guarantees	-	-	-	-	21.077	21.077
1.9.	Other collaterals	-	-	-	-	-	-
II.	COMMITMENTS (1)	35.030.262	727.276	35.757.538	29.112.513	2.365.704	31.478.217
2.1.	Irrevocable commitments	33.929.719	663.627	34.593.346	29.008.708	1.907.143	30.915.851
2.1.1.	Forward asset purchase commitments	190.701	612.957	803.658	688.063	1.862.257	2.550.320
2.1.2.	Forward deposit purchase and sales commitments	-	-	-	-	-	-
2.1.3.	Share capital commitment to associates and subsidiaries	-	-	-	-	-	-
2.1.4.	Loan granting commitments	14.364.712	291	14.365.003	8.536.833	232	8.537.065
2.1.5.	Securities underwriting commitments	-	-	-	-	-	-
2.1.6.	Commitments for reserve deposit requirements	-	-	-	-	-	-
2.1.7.	Payment commitment for checks	2.558.758	-	2.558.758	2.420.299	-	2.420.299
2.1.8.	Tax and fund liabilities from export commitments	8.479	-	8.479	7.626	-	7.626
2.1.9.	Commitments for credit card expenditure limits	16.255.578	-	16.255.578	16.812.040	-	16.812.040
2.1.10.	Commitments for promotions related with credit cards and banking activities	34.278	-	34.278	22.604	-	22.604
2.1.11.	Receivables from short sale commitments	-	-	-	-	-	-
2.1.12.	Payables for short sale commitments	-	-	-	-	-	-
2.1.13.	Other irrevocable commitments	517.213	50.379	567.592	521.243	44.654	565.897
2.2.	Revocable commitments	1.100.543	63.649	1.164.192	103.805	458.561	562.366
2.2.1.	Revocable loan granting commitments	1.100.543	63.649	1.164.192	103.805	458.561	562.366
2.2.2.	Other revocable commitments	-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS (5,6)	59.995.852	94.245.176	154.241.028	54.585.278	74.717.883	129.303.161
3.1	Derivative financial instruments for hedging purposes	14.891.873	21.742.737	36.634.610	13.357.379	16.633.829	29.991.208
3.1.1	Fair value hedge	4.300.297	13.464.154	17.764.451	6.870.913	12.335.168	19.206.081
3.1.2	Cash flow hedge	10.591.576	8.278.583	18.870.159	6.486.466	4.298.661	10.785.127
3.1.3	Hedge of net investment in foreign operations	-	-	-	-	-	-
3.2	Held for trading transactions	45.103.979	72.502.439	117.606.418	41.227.899	58.084.054	99.311.953
3.2.1	Forward foreign currency buy/sell transactions	3.972.761	4.554.462	8.527.223	2.329.798	2.771.354	5.101.152
3.2.1.1	Forward foreign currency transactions-buy	2.602.412	1.664.211	4.266.623	1.305.411	1.244.832	2.550.243
3.2.1.2	Forward foreign currency transactions-sell	1.370.349	2.890.251	4.260.600	1.024.387	1.526.522	2.550.909
3.2.2	Swap transactions related to foreign currency and interest rates	35.943.194	58.224.153	94.167.347	35.786.236	47.901.622	83.687.858
3.2.2.1	Foreign currency swap-buy	15.836.451	25.523.539	41.359.990	19.144.314	17.935.272	37.079.586
3.2.2.2	Foreign currency swap-sell	19.805.147	21.547.586	41.352.733	15.712.662	21.352.922	37.065.614
3.2.2.3	Interest rate swaps-buy	150.798	5.576.514	5.727.312	464.630	4.306.699	4.771.329
3.2.2.4	Interest rate swaps-sell	150.798	5.576.514	5.727.312	464.630	4.306.699	4.771.329
3.2.3	Foreign currency, interest rate and securities options	5.187.330	8.443.962	13.631.292	3.110.969	6.955.232	10.066.201
3.2.3.1	Foreign currency options-buy	2.727.400	4.088.589	6.815.989	1.502.096	3.520.388	5.022.484
3.2.3.2	Foreign currency options-sell	2.459.930	4.355.373	6.815.303	1.608.873	3.434.844	5.043.717
3.2.3.3	Interest rate options-buy	-	-	-	-	-	-
3.2.3.4	Interest rate options-sell	-	-	-	-	-	-
3.2.3.5	Securities options-buy	-	-	-	-	-	-
3.2.3.6	Securities options-sell	-	-	-	-	-	-
3.2.4	Foreign currency futures	694	32.026	32.720	896	38.444	39.340
3.2.4.1	Foreign currency futures-buy	347	16.013	16.360	448	19.222	19.670
3.2.4.2	Foreign currency futures-sell	347	16.013	16.360	448	19.222	19.670
3.2.5	Interest rate futures	-	535.474	535.474	-	-	-
3.2.5.1	Interest rate futures-buy	-	267.737	267.737	-	-	-
3.2.5.2	Interest rate futures-sell	-	267.737	267.737	-	-	-
3.2.6	Other	-	712.362	712.362	-	417.402	417.402
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)	456.270.909	82.337.037	538.607.946	398.851.830	69.067.178	467.919.008
IV.	ITEMS HELD IN CUSTODY	7.770.373	1.752.505	9.522.878	7.076.630	1.530.536	8.607.166
4.1.	Assets under management	4.494.763	-	4.494.763	3.128.580	-	3.128.580
4.2.	Investment securities held in custody	196.455	815.520	1.011.975	1.232.314	757.722	1.990.036
4.3.	Checks received for collection	2.309.274	323.362	2.632.636	2.054.477	258.410	2.312.887
4.4.	Commercial notes received for collection	769.881	155.165	925.046	661.253	138.426	799.679
4.5.	Other assets received for collection	-	-	-	-	-	-
4.6.	Assets received for public offering	-	-	-	-	-	-
4.7.	Other items under custody	-	458.458	458.458	6	375.978	375.984
4.8.	Custodians	-	-	-	-	-	-
V.	PLEDGED ITEMS	274.029.387	44.825.851	318.855.238	234.715.130	31.709.225	266.424.355
5.1.	Marketable securities	889.715	3.510.280	4.399.995	620.378	2.260.821	2.881.199
5.2.	Guarantee notes	202.830	56.171	259.001	181.761	52.651	234.412
5.3.	Commodity	62.871	-	62.871	41.344	-	41.344
5.4.	Warranty	-	-	-	-	-	-
5.5.	Properties	68.856.288	23.649.829	92.506.117	57.209.764	11.327.616	68.537.380
5.6.	Other pledged items	204.017.683	17.609.571	221.627.254	176.661.883	18.068.137	194.730.020
5.7.	Pledged items-depository	-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES	174.471.149	35.758.681	210.229.830	157.060.070	35.827.417	192.887.487
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		557.306.465	181.775.873	739.082.338	487.764.353	150.096.442	637.860.795

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
INCOME STATEMENT FOR THE PERIOD ENDED DECEMBER 31, 2015
(STATEMENT OF INCOME/LOSS)

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

III. INCOME STATEMENT

		Audited		
		Section 5	Audited	
		Part IV. 01.01 - 31.12.2015	01.01 - 31.12.2014	
I.	INTEREST INCOME	(1)	7.597.377	6.495.966
1.1	Interest on loans		6.690.203	5.599.532
1.2	Interest received from reserve deposits		22.770	538
1.3	Interest received from banks		3.109	1.874
1.4	Interest received from money market placements		128.545	42.861
1.5	Interest received from marketable securities portfolio		748.539	848.606
1.5.1	Held-for-trading financial assets		1.805	5.902
1.5.2	Financial assets at fair value through profit and loss		9.170	17.380
1.5.3	Available-for-sale financial assets		421.037	474.174
1.5.4	Investments held-to-maturity		316.527	351.150
1.6	Finance lease income		-	-
1.7	Other interest income		4.211	2.555
II.	INTEREST EXPENSE	(2)	3.650.142	3.407.655
2.1	Interest on deposits		2.830.372	2.663.559
2.2	Interest on funds borrowed		255.729	201.815
2.3	Interest on money market borrowings		205.865	220.027
2.4	Interest on securities issued		350.268	317.396
2.5	Other interest expense		7.908	4.858
III.	NET INTEREST INCOME (I - II)		3.947.235	3.088.311
IV.	NET FEES AND COMMISSIONS INCOME		1.313.835	1.333.530
4.1	Fees and commissions received		1.579.877	1.556.480
4.1.1	Non-cash loans		58.996	50.706
4.1.2	Other		1.520.881	1.505.774
4.2	Fees and commissions paid		266.042	222.950
4.2.1	Non-cash loans		1.041	1.106
4.2.2	Other		265.001	221.844
V.	DIVIDEND INCOME	(3)	62.872	9.042
VI.	NET TRADING INCOME	(4)	(739.776)	(262.777)
6.1	Securities trading gains/ (losses)		25.151	18.555
6.2	Gains / (losses) from financial derivatives transactions		(663.330)	(319.470)
6.3	Foreign exchange gains/ (losses)		(101.597)	38.138
VII.	OTHER OPERATING INCOME	(5)	225.997	383.383
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)		4.810.163	4.551.489
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	1.170.112	1.075.543
X.	OTHER OPERATING EXPENSES (-)	(7)	2.737.202	2.333.737
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		902.849	1.142.209
XII.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XIII.	GAIN / (LOSS) ON EQUITY METHOD		-	-
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV.	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	902.849	1.142.209
XVI.	TAX CHARGE FOR CONTINUED OPERATIONS (±)	(9)	(197.077)	(264.781)
16.1	Current income tax charge		(209.735)	(221.066)
16.2	Deferred tax charge / benefit		12.658	(43.715)
XVII.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	705.772	877.428
XVIII.	INCOME ON DISCONTINUED OPERATIONS		-	-
18.1	Income on assets held for sale		-	-
18.2	Income on sale of associates, subsidiaries and entities under common control		-	-
18.3	Income on other discontinued operations		-	-
XIX.	LOSS FROM DISCONTINUED OPERATIONS (-)		-	-
19.1	Loss from assets held for sale		-	-
19.2	Loss on sale of associates, subsidiaries and entities under common control		-	-
19.3	Loss from other discontinued operations		-	-
XX.	PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)	(8)	-	-
XXI.	TAX CHARGE FOR DISCONTINUED OPERATIONS (±)	(9)	-	-
21.1	Current income tax charge		-	-
21.2	Deferred tax charge / benefit		-	-
XXII.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	-
XXIII.	NET PROFIT/LOSS (XVII+XXII)	(11)	705.772	877.428
	Earnings per share		0,02353	0,02925

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, 2015
(STATEMENT OF OTHER COMPREHENSIVE INCOME / LOSS)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

IV. STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

	Audited 01.01 - 31.12.2015	Audited 01.01 – 31.12.2014
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	(429.736)	223.074
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR CASH FLOW HEDGE PURPOSES (Effective Portion of Fair Value Differences)	152.068	(170.582)
VI. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS (Effective Portion of Fair Value Differences)	-	-
VII. THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES	-	-
VIII. OTHER PROFIT LOSS ITEMS ACCOUNTED FOR UNDER EQUITY AS PER TURKISH ACCOUNTING STANDARDS	5.264	(19.345)
IX. DEFERRED TAX OF VALUATION DIFFERENCES	16.260	15.095
X. TOTAL NET PROFIT/LOSS ACCOUNTED FOR UNDER EQUITY (I+II+...+IX)	(256.144)	48.242
XI. PROFIT/LOSS	705.772	877.428
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	28.910	(5.462)
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	(34.661)	2.399
11.3 Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4 Other	711.523	880.491
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR IN THE PERIOD (X±XI)	449.628	925.670

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, 2015

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Section 5 Part V	Paid-in Capital	Effect of inflation Accounting on Capital and Other Reserves	Share Premium	Share Certificate 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 – 31.12.2014																	
I.		2.700.000	-	714	-	328.655	-	3.673.973	(32.665)	-	734.239	144.886	-	2.689	95.987	-	7.648.478
II.																	
2.1																	
2.2																	
III.		2.700.000		714		328.655		3.673.973	(32.665)		734.239	144.886		2.689	95.987		7.648.478
IV.																	
V.	(1)											200.184					200.184
VI.															(136.466)		(136.466)
6.1															(136.466)		(136.466)
6.2																	
VII.																	
VIII.																	
IX.																	
X.	(2)																
XI.																	
XII.																	
XIII.																	
XIV.	(5)	135.000						(135.000)									
14.1																	
14.2		135.000						(135.000)									
XV.																	
XVI.																	
XVII.																	
XVIII.									(15.476)								(15.476)
XIX.										877.428							877.428
XX.	(3)					36.712		697.527			(734.239)						
20.1																	
20.2						36.712		697.527			(734.239)						
20.3																	
Closing Balance (I+II+III+...+XVI+XVII+XVIII)		2.835.000	-	714	-	365.367	-	4.236.500	(48.141)	877.428	-	345.070	-	2.689	(40.479)	-	8.574.148

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

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FOR THE PERIOD ENDED DECEMBER 31, 2015

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Section 5 Part V	Paid-in Capital	Effect of inflation Accounting on Capital and Other 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
I. Current period – 01.01 – 31.12.2015																	
Beginning Balance		2.835.000	-	714	-	365.367	-	4.236.500	(48.141)	-	877.428	345.070	-	2.689	(40.479)	-	8.574.148
Changes in period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Increase/decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable securities valuation differences	(1)	-	-	-	-	-	-	-	-	-	-	(382.009)	-	-	-	-	(382.009)
IV. Hedging funds (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	121.654	121.654
4.2 Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	121.654	121.654
V. Tangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares obtained from associates, subsidiaries and entities under common control		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign exchange differences	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. The disposal of asset		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. The reclassification of asset		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. The effect of change in associates' equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase	(5)	165.000	-	-	-	-	-	(165.000)	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal sources		165.000	-	-	-	-	-	(165.000)	-	-	-	-	-	-	-	-	-
XIII. Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Inflation adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-	-	4.211	-	-	-	-	-	-	-	4.211
XVII. Period net income/(loss)		-	-	-	-	-	-	-	-	705.772	-	-	-	-	-	-	705.772
XVIII. Profit distribution	(3)	-	-	-	-	43.871	-	833.557	-	-	(877.428)	-	-	-	-	-	-
18.1 Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to reserves		-	-	-	-	43.871	-	833.557	-	-	(877.428)	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance																	
(I+II+III+.....+XVI+XVII+XVIII)		3.000.000	-	714	-	409.238	-	4.905.057	(43.930)	705.772	-	(36.939)	-	2.689	81.175	-	9.023.776

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

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AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FINANSBANK ANONİM ŞİRKETİ
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2015

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

VI. STATEMENT OF CASH FLOWS

	Section 5 Part VI	Audited 01.01 - 31.12.2015	Audited 01.01 - 31.12.2014
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		1.069.496	1.900.490
1.1.1 Interest received (+)		7.171.190	6.003.909
1.1.2 Interest paid (-)		(3.597.827)	(3.520.654)
1.1.3 Dividend received (+)		62.872	9.042
1.1.4 Fees and commissions received (+)		1.565.207	1.557.034
1.1.5 Other income (+)		21.825	333.095
1.1.6 Collections from previously written off loans (+)		682.679	638.806
1.1.7 Payments to personnel and service suppliers (-)		(1.868.054)	(1.789.390)
1.1.8 Taxes paid (-)		(501.668)	(200.251)
1.1.9 Others (+/-)	(1)	(2.466.728)	(1.131.101)
1.2 Changes in operating assets and liabilities		1.723.276	(1.986.014)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(23.225)	158.193
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		1.624	211.138
1.2.3 Net (increase) decrease in due from banks (+/-)		(439.264)	177.321
1.2.4 Net (increase) decrease in loans (+/-)		(7.297.363)	(8.521.945)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	(206.279)	29.943
1.2.6 Net increase (decrease) in bank deposits (+/-)		201.296	72.015
1.2.7 Net increase (decrease) in other deposits (+/-)		7.333.568	3.622.557
1.2.8 Net increase (decrease) in funds borrowed (+/-)		(160.968)	1.413.947
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	2.313.887	850.817
I. Net cash provided from / (used in) banking operations (+/-)		2.792.772	(85.524)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		253.265	(1.235.372)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(18.395)	-
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		15.762	-
2.3 Fixed assets purchases (-)		(225.816)	(762.433)
2.4 Fixed assets sales (+)		245.040	35.033
2.5 Cash paid for purchase of financial assets available for sale (-)		(2.163.338)	(3.873.595)
2.6 Cash obtained from sale of financial assets available for sale (+)		2.310.575	4.101.719
2.7 Cash paid for purchase of investment securities (-)		(290.680)	(631.486)
2.8 Cash obtained from sale of investment securities (+)		512.035	-
2.9 Others (+/-)	(1)	(131.918)	(104.610)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities (+/-)		(2.297.200)	1.867.047
3.1 Cash obtained from funds borrowed and securities issued (+)		2.669.419	6.881.054
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(4.965.707)	(5.013.019)
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for finance leases (-)		(912)	(988)
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)		24.759	223.291
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		773.596	769.442
VI. Cash and cash equivalents at beginning of the period (+)	(2)	2.867.988	2.098.546
VII. Cash and cash equivalents at end of the period (V+VI)	(3)	3.641.584	2.867.988

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 UNCONSOLIDATED PROFIT APPROPRIATION STATEMENT
FOR THE PERIOD ENDED DECEMBER 31, 2015

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

VII. UNCONSOLIDATED PROFIT APPROPRIATION STATEMENT

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

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

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

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

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

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**FINANSBANK ANONİM ŞİRKETİ
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2015**

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

1. Preparation of the 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, 2015 and the related disclosures and footnotes, in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by BRSA, accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No: 26333, which refers to "Turkish Accounting Standards" ("TAS"), put into effect by Public Oversight Accounting and Auditing Standards Authority ("KGK"), and "Turkish Financial Reporting Standards" ("TFRS") issued by the "Turkish Accounting Standards Board" ("TASB") and additional explanations and notes related to them and other decrees, notes and explanations related to accounting and financial reporting principles (all "Turkish Accounting Standards" or "TAS") published by the Banking Regulation and Supervision Agency ("BRSA"). The format and detail of the publicly announced 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. Amounts disclosed in foreign currency represent full amounts.

Explanation for Convenience Translation to English

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

2. Classifications

None.

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

Accounting policies and valuation principles used in the preparation of the financial statements are determined and applied, in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by BRSA, the requirements of TAS and are consistent with the accounting policies applied in the annual financial statements of the year ended December 31, 2014. The amendments of TAS and TFRS, effective as of January 1, 2015, have no material impact on the 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.

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**FINANSBANK ANONİM ŞİRKETİ
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2015**

(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 (2011 version) and TAS 27 Separate Financial Statements, 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. TFRS 9 Financial Instruments 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. Changes made in TAS 27 and effective as of 1 January 2016, makes equity pick up, defined in TAS 28, an available option for accounting for investments in subsidiaries and associates in unconsolidated financial statements.

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

1. Strategy for the use of financial instruments

The major funding sources of the Bank are customer deposits, bond issues and funds borrowed from international markets. The customer deposits bear fixed interest rate and have an average maturity of 1-3 months in 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.

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**FINANSBANK ANONİM ŞİRKETİ
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2015**

(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, 2015 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:

	December 31, 2015	December 31, 2014
US Dollar	TL 2,9076	TL 2,3189
Euro	TL 3,1776	TL 2,8207

2.2. Net profit or loss is included in the total foreign exchange differences for the period

As of December 31, 2015, the net loss on exchange included in net profit is TL 101.597 (December 31, 2014 – TL 38.138 gain on exchange).

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

Associates and Entities Under Common Control are recognized in the framework of TAS39 “Financial Instruments: Turkish Accounting Standards related to Recognition and Measurement” in accordance with TAS27 “Individual Financial Statements” and TAS28 “Investments in Subsidiaries and Associates” standards while subsidiaries are recognized based on cost principle.

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. Unrealized gains and losses are reflected in the income statement in the current period.

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**FINANSBANK ANONİM ŞİRKETİ
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2015**

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

IV. Explanations on forwards, option contracts and derivative instruments (continued)

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 of related stock market as of the balance sheet date and related unrealized gains and losses are presented in the current period income statement.

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

Upon valuation of derivative instruments that are not subject to hedge accounting, differences in fair value, except for currency 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.

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.

Information on Eurobond, TL government bonds 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 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.

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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.

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).

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2. Investment securities available for sale

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

Premiums and discounts on investments securities available-for-sale are considered during the computation of the internal rate of return and are included in interest income in the income statement. Accrued interest income on investment securities available for sale is recognized in the income statement whereas gains and losses arising from the change in the fair values of such securities are reflected in equity under "Securities value increase fund" (Unrealized Gains/Losses on Securities). When investment securities available for sale are sold, collected or otherwise disposed of, the cumulative fair value adjustments under equity are transferred to the income statement. The Bank has inflation indexed (CPI) government bonds in its available for sale and held-to-maturity portfolios. CPI government bonds that are constant throughout their lives and their real principal amounts are preserved from inflation. These marketable securities are valued and accounted by using effective interest rate method by considering the real coupon rates and reference inflation index at the issue date together with the index calculated by considering the estimated inflation rate as disclosed by the Turkish Treasury. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the real payments is determined based on the inflation rates of two months before. The estimated inflation rate used is updated during the year when necessary.

Some portion of the Eurobond portfolio which has been recognized as available for sale securities are designated as fair value hedged items, hedged against interest rate fluctuations, starting from March and April 2009, and some portion of TL government bonds are designated as fair value hedged items, hedged against interest rate fluctuations, starting from July 2011. Those securities are disclosed under Investment Securities Available for Sale in order to be in line with balance sheet presentation. The fair value differences of Eurobond and TL government bond 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

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

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

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4. Loans and specific provisions

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

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.

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.

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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 5.089.003 (December 31, 2014– TL 4.409.923).

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

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

XI. Explanations on Assets Held for Sale and Discontinued Operations

In accordance with IFRS 5 (“Assets Held for Sale and Discontinued Operations”), assets classified as held for sale are measured at lower of carrying value or fair value less costs to sell. Amortization 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

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 has no discontinuing operations.

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.

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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 3-5 years.

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

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.

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XIV. Explanations on Leasing Transactions

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

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

The 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.

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.

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.

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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, 15th and 30th Articles, profit distribution for the period is subject to withholding tax by 15%, for full-fledged real person taxpayers, for those who are not responsible for corporate tax and income tax, for those exempt from corporate and income tax (except for those taxed through their businesses or permanent representatives in Turkey) and for foreign based real person taxpayers.

2. Deferred Taxes

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

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3. Transfer Pricing

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

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

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

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 current period, the Bank’s paid in capital has been increased by TL 165.000, TL 141.750 paid from first dividend with bonus shares and TL 23.250 paid from subsidiary and real estate sales fund. (January 1 – December 31, 2014 – capital of the Parent Bank has been increased by TL 135.000, paid from first dividend with bonus shares).

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, 2015, the Bank does not have any government incentives or grants.

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

The Consumer Banking meets the needs and expectations of the retail banking customers. The Private Banking Unit has formed and started to operate to serve customers with high level income, in a more effective way. The installments, discounts and bonus advantages are provided to the users of Card Finans in the plastic cards line. The main function of Treasury Segment is managing the liquidity of the 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.

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Current Period (January 1 – December 31, 2015)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Net Interest Income	1.560.783	1.265.629	1.120.823	3.947.235
Net Fees and Commissions Income	967.940	368.676	(22.781)	1.313.835
Other Operating Income and Net Trading Income	37.479	33.918	(585.176)	(513.779)
Dividend Income	-	-	62.872	62.872
Operating Income	2.566.202	1.668.223	575.738	4.810.163
Other Operating Expenses	1.662.259	834.585	240.358	2.737.202
Provision for Loan Losses and Other Receivables	726.711	414.122	29.279	1.170.112
Profit Before Taxes	177.232	419.516	306.101	902.849
Provision for Tax	-	-	-	(197.077)
Net Profit/Loss	-	-	-	705.772
Total Assets	41.669.742	15.603.242	24.030.762	85.727.397
Segment Assets	41.669.742	15.603.242	24.030.762	81.303.746
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	441.999
Undistributed Assets	-	-	-	3.981.652
Total Liabilities	35.560.072	11.448.435	21.275.008	85.727.397
Segment Liabilities	35.560.072	11.448.435	21.275.008	68.283.515
Undistributed Liabilities	-	-	-	8.420.106
Equity	-	-	-	9.023.776
Other Segment Accounts	258.579	129.827	117.856	506.262
Capital Expenditures	129.591	65.065	98.242	292.898
Depreciation and Amortization	128.988	64.762	19.614	213.364
Value Decrease/ (Increase)	-	-	-	-

Prior Period (January 1 – December 31, 2014)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
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
Operating Income	2.630.058	1.390.525	530.906	4.551.489
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
Profit Before Taxes	548.928	267.463	325.818	1.142.209
Provision for Tax	-	-	-	(264.781)
Net Profit/Loss	-	-	-	877.428
Total Assets	37.643.856	12.700.414	20.675.450	75.206.354
Segment Assets	37.643.856	12.700.414	20.675.450	71.019.720
Associates and Subsidiaries and Entities	-	-	-	634.842
Undistributed Assets	-	-	-	3.551.792
Total Liabilities	29.485.415	11.084.903	19.650.365	75.206.354
Segment Liabilities	29.485.415	11.084.903	19.650.365	60.220.683
Undistributed Liabilities	-	-	-	6.411.523
Equity	-	-	-	8.574.148
Other Segment Accounts	256.310	132.220	1.018.955	1.407.568
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

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XXIII. Explanations on Profit Reserves and Profit Distribution

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

Statement of Profit Distribution, 2014

Profit for the Period	877.428
A – I. Legal Reserve (Turkish Commercial Code 519/A) at 5%	(43.871)
B – Extraordinary Reserves	(833.557)

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.

	Current Period	Prior Period
Net Profit for the Period	705.772	877.428
Weighted Average Amount of Shares Issued (Thousands)	30.000.000	30.000.000
Profit Per Share	0,02353	0,02925

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 2015 is 1.650.000 (December 31, 2014: 1.350.000).

XXV. Explanations on Other Matters

None.

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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations Related to Capital Adequacy Ratio

As of December 31, 2015, the Bank's unconsolidated capital adequacy ratio is 15,40%. (December 31, 2014–16,98%).

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: 28756 dated September 5, 2013.

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.

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Unconsolidated capital adequacy ratio

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

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

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Summary information related to unconsolidated capital adequacy ratio

	Current Period(*)	Prior Period
Capital Requirement for Credit Risk (Value at Credit Risk * 0,08) (CRCR)	5.156.328	4.554.516
Capital Requirement for Market Risk (MRCR)	85.370	98.679
Capital Requirement for Operational Risk (ORCR)	572.223	503.912
Shareholders' Equity	11.193.253	10.946.807
Shareholders' Equity/(CRCR+MRCR+ORCR) * 12,5 * 100	% 15,40	% 16,98
Additional Tier I Capital/((CRCR+CRMR+CROR)*12,5*100)	% 12,00	% 12,97
Common Equity/((CRCR+CRMR+CROR)*12,5*100)	% 12,19	% 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 Gazette no 28756 and calculated Capital Adequacy Standard Ratio accordingly.

Information on Equity Accounts	Current Period December 31, 2015	Prior Period December 31, 2014
COMMON EQUITY		
Paid-in Capital following all debts in terms of claim in liquidation of the Bank's	3.000.000	2.835.000
Share premium	714	714
Share cancellation profits	-	-
Reserves	5.314.295	4.601.867
Gains recognized in equity as per TAS	207.320	397.191
Profit	705.772	877.428
Current Period Profit	705.772	877.428
Prior Period Profit	-	-
Provisions for Possible Risks	100.000	82.000
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	2.689	2.689
Common Equity Before Deductions	9.330.790	8.796.889
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 (-)	288.189	100.262
Leasehold improvements (-)	88.288	114.052
Goodwill or other intangible assets and deferred tax liability related to these items (-)	94.243	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	470.720	259.120
Total Common Equity	8.860.070	8.537.769

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	31 December 2015	31 December 2014
ADDITIONAL TIER I CAPITAL		
Capital amount and related premiums corresponding to preference shares that are not included in common equity	-	-
Debt instruments and premiums deemed suitable by BRSA (issued/obtained after 1.1.2014)	-	-
Debt instruments and premiums deemed suitable by BRSA (issued before 1.1.2014)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital (-)	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank(-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-
DEDUCTIONS FROM TIER I CAPITAL	141.365	179.223
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	141.365	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 (-)	-	-
Total Tier I Capital	8.718.705	8.358.546
TIER II CAPITAL		
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained before 1.1.2014)	1.736.305	1.940.559
Sources pledged to the Bank by shareholders to be used in capital increases of the Bank	-	-
General Loan Loss Provisions	805.676	711.643
Tier II Capital Before Deductions	2.541.981	2.652.202
Direct and indirect investments of the Bank in its own Tier II Capital (-)	-	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	2.541.981	2.652.202
CAPITAL BEFORE DEDUCTIONS	11.260.686	11.010.748
Loans granted contrary to the 50th and 51th Article of the Law (-)	15.456	1.856
Net book value of amounts exceeding the limit mentioned in the 1 st Paragraph of Article 57 of the Law and assets acquired against overdue receivables which could not be disposed of even though five years have passed since their acquisition date (-)	13.246	11.289
Loans granted to banks and financial institutions, including those established abroad, and to eligible shareholders of the Bank and investments made in the borrowing instruments issued by them (-)	-	-
Amounts to be deducted from equity as per the 2nd Clause of Article 20 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-)	-	-
Other items to be defined by the BRSA (-)	38.731	50.796
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1 st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1 st and 2 nd Paragraph of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-
TOTAL CAPITAL	11.193.253	10.946.807
Amounts below the Excess Limits as per the Deduction Principles	171.401	233.467
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	92.433	183.417
Amounts arising from mortgage servicing rights	-	-
Deferred tax assets arising due to temporary differences	78.968	50.050

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

	Bank	
	Amount Included in Equity Calculation	Total Amount
Minority Interest in Tier I Capital	-	-
Shares of Third Parties in Additional Core Capital	-	-
Shares of Third Parties in Tier II Capital	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued before 1.1.2014)	1.736.305	1.736.305

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Information on debt instruments included in the calculation of equity:

	1	2	3	4
Issuer	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	-	-	-	-
Governing law(s) of the instrument	BRSA	BRSA	BRSA	BRSA
Regulatory treatment	Supplementary Capital	Supplementary Capital	Supplementary Capital	Supplementary Capital
Transitional Basel III rules	Yes	Yes	Yes	Yes
Eligible at stand-alone / consolidated	Stand alone -Consolidated	Stand alone -Consolidated	Stand alone -Consolidated	Stand alone -Consolidated
Instrument type (types to be specified by each jurisdiction)	Loan	Loan	Loan	Loan
Amount recognized in regulatory capital (Currency in million, as of most recent reporting date)	511	419	262	544
Par value of instrument (Currency in million)	953	588	364	757
Accounting classification	Liability – Subordinated Loans- amortized cost	Liability – Subordinated Loans- amortized cost	Liability – Subordinated Loans- amortized cost	Liability – Subordinated Loans- amortized 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	-	-	-	-

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

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II. Explanations Related to Credit Risk

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Provision for probable risks in the Bank’s loan portfolio amounted to TL 106.241 (December 31, 2014 – TL 106.334).

	Current Period Risk Amount(*)	Average Risk Amount(**)	Prior Period Risk Amount(*)	Average Risk Amount (**)
Conditional and unconditional receivables from central governments and Central Banks	19.981.535	19.767.564	18.832.057	16.508.359
Conditional and unconditional receivables from regional or local governments	2.277	3.051	4.069	5.549
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	14.698	1.409	316	890
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	8.713.423	9.028.812	6.687.803	4.165.627
Conditional and unconditional receivables from corporates	19.155.954	18.065.890	15.874.036	15.788.277
Conditional and unconditional receivables from retail portfolios	24.349.305	23.576.436	22.637.293	20.607.213
Conditional and unconditional receivables secured by mortgages	17.376.335	16.400.776	15.051.645	13.435.895
Past due receivables	706.120	654.144	541.973	514.427
Receivables defined under high risk category by BRSA	7.028.162	6.816.918	6.018.347	6.094.494
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	492	15.882	26.414	29.133
Other receivables	3.862.817	3.862.886	3.715.347	3.762.626

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

(**)The average risk amount was calculated by taking the arithmetic average of the values in the monthly reports prepared in balance sheet period in regards to “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (the “Regulation”).

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Credit rating system

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

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

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

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Risk profile by sectors or counterparties:

Current Period	Exposure Categories(*)																TL	FC	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16			
Agriculture	-	-	-	-	-	-	727.315	168.812	596.888	5.518	34	-	-	-	-	-	1.419.843	78.724	1.498.567
Farming and Livestock	-	-	-	-	-	-	696.973	161.216	584.054	5.065	33	-	-	-	-	-	1.400.939	46.402	1.447.341
Forestation	-	-	-	-	-	-	633	1.100	1.614	21	-	-	-	-	-	-	3.368	-	3.368
Fishing Industry	-	-	-	-	-	-	29.709	6.496	11.220	432	1	-	-	-	-	-	15.536	32.322	47.858
Industrial	-	2.230	-	-	-	-	6.861.779	1.941.232	2.367.173	59.513	214	-	-	-	-	-	5.058.657	6.173.484	11.232.141
Mning and Quarrying	-	-	-	-	-	-	157.128	34.383	62.429	390	2	-	-	-	-	-	135.790	118.542	254.332
Manufacturing Industry	-	-	-	-	-	-	4.955.352	1.896.433	2.119.965	58.367	212	-	-	-	-	-	4.751.182	4.279.147	9.030.329
Electricity, Gas, Water	-	2.230	-	-	-	-	1.749.299	10.416	184.779	756	-	-	-	-	-	-	171.685	1.775.795	1.947.480
Construction	-	-	-	-	-	-	2.408.299	857.578	2.373.882	36.407	35	-	-	-	-	-	3.795.384	1.880.817	5.676.201
Services	11.397.360	28	14.666	-	-	8.216.003	7.944.690	4.842.464	6.509.530	170.785	636	-	-	-	-	-	17.499.008	21.597.154	39.096.162
Wholesale and Retail Trade	-	-	-	-	-	1	4.613.507	3.979.242	3.264.267	148.695	531	-	-	-	-	-	9.565.339	2.440.904	12.006.243
Hotels and Restaurants	-	-	-	-	-	-	397.891	52.204	675.856	762	2	-	-	-	-	-	283.463	843.252	1.126.715
Transportation and	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Communications	-	-	-	-	-	-	1.228.912	376.586	303.752	10.997	58	-	-	-	-	-	956.638	963.667	1.920.305
Financial Institutions	11.397.360	22	-	-	-	8.216.002	120.261	27.688	26.704	554	2	-	-	-	-	-	5.077.582	14.711.011	19.788.593
Real Estate and Rent Services	-	-	-	-	-	-	702.259	69.432	1.522.256	2.105	7	-	-	-	-	-	239.583	2.056.476	2.296.059
Independent Business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Services	-	-	7	-	-	-	207.287	168.661	253.281	4.518	22	-	-	-	-	-	481.098	152.678	633.776
Education Services	-	-	14.656	-	-	-	88.698	47.177	131.034	626	3	-	-	-	-	-	252.490	29.704	282.194
Health and Social Services	-	6	3	-	-	-	585.875	121.474	332.380	2.528	11	-	-	-	-	-	642.815	399.462	1.042.277
Other	8.584.175	19	32	-	-	497.420	1.213.871	16.539.219	5.528.862	433.897	7.027.243	-	-	-	492	3.862.817	40.362.019	3.326.028	43.688.047
Total	19.981.535	2.277	14.698	-	-	8.713.423	19.155.954	24.349.305	17.376.335	706.120	7.028.162	-	-	-	492	3.862.817	68.134.911	33.056.207	101.191.118

(*)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
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Prior Period	Exposure Categories ^(*)																TL	FC	Total	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16				
Agriculture	-	-	-	-	-	-	570.204	129.182	412.726	6.765	30	-	-	-	-	-	1.054.213	64.694	1.118.907	
Farming and 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	
Industrial	-	4.025	-	-	-	-	5.451.314	1.966.997	1.609.454	43.129	244	-	-	-	-	-	4.312.363	4.762.800	9.075.163	
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	
Construction	-	-	-	-	-	-	1.780.099	820.127	1.715.896	22.731	37	-	-	-	-	-	3.012.947	1.325.943	4.338.890	
Services	10.157.483	27	286	-	-	-	6.243.787	6.758.895	4.724.976	4.997.238	133.289	803	-	-	-	-	24.051.108	8.965.676	33.016.784	
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	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	
Other	8.674.574	17	30	-	-	-	444.016	1.313.524	14.996.011	6.316.331	336.059	6.017.233	-	-	-	26.414	3.715.347	39.332.669	2.506.887	41.839.556
Total	18.832.057	4.069	316	-	-	-	6.687.803	15.874.036	22.637.293	15.051.645	541.973	6.018.347	-	-	-	26.414	3.715.347	71.763.300	17.626.000	89.389.300

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

Current Period Exposure Categories	Term to Maturity				
	Up to 1 month	1-3 months	3-6 months	6-12 months	Over 1 year
Conditional and unconditional receivables from central governments and Central Banks	2.371.669	13.060	7.102	31.632	8.525.431
Conditional and unconditional receivables from regional or local governments	-	296	-	-	1.934
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	1	-	2	14.506	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	1.747.121	1.203.221	186.307	263.216	1.197.118
Conditional and unconditional receivables from corporates	1.616.828	1.573.739	2.513.790	3.524.037	7.617.483
Conditional and unconditional receivables from retail portfolios	1.319.822	1.185.860	3.544.203	2.324.885	2.906.744
Conditional and unconditional receivables secured by mortgages	205.075	470.699	1.103.957	1.587.839	13.672.101
Past due receivables	-	-	-	-	-
Receivables defined under high risk category by BRSA	215	-	-	295.981	6.584.990
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Other receivables	4.225	-	-	-	109
Total	7.264.956	4.446.875	7.355.361	8.042.096	40.505.910

(*)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	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
Total	9.028.962	4.370.701	7.081.082	6.849.796	35.159.665

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

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Explanations on exposure categories

Within the scope of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", public ratings appointed to exposures to central governments of banks and exposures to foreign banks and 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 to Banks and Brokerage Houses	
				Exposures with Remaining Maturities Less than 3 Months	Exposures with Remaining Maturities More Than 3 Months	
1	AAA	0%	20%	20%	20%	20%
	AA+					
	AA					
	AA-					
2	A+	20%	50%	20%	50%	50%
	A					
	A-					
3	BBB+	50%	100%	20%	50%	100%
	BBB					
	BBB-					
4	BB+	100%	100%	50%	100%	100%
	BB					
	BB-					
5	B+	100%	100%	50%	100%	150%
	B					
	B-					
6	CCC+	150%	150%	150%	150%	150%
	CCC					
	CCC-					
	CC					
	C					
D						

Exposures by risk weights:

Current Period Risk Weight	%0	%10	%20	%50	%75	%100	150%	%200	%250	Deductions from Equity
1. Exposures Before Credit Risk Mitigation	18.739.682	-	3.028.811	7.872.398	32.123.380	32.398.685	2.849.084	3.949.310	229.768	67.433
2. Exposures After Credit Risk Mitigation	16.436.016	-	1.068.608	22.262.057	22.006.177	23.985.241	2.817.076	3.909.720	229.768	67.433
Prior Period Risk Weight	%0	%10	%20	%50	%75	%100	150%	%200	%250	Deductions from Equity
1. Exposures Before Credit Risk Mitigation	17.973.329	-	2.145.856	6.214.724	30.466.072	26.570.972	1.704.518	4.043.174	270.655	63.941
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	63.941

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Information by major sectors and type of counterparties:

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

Current Period

Major Sectors / Counterparties	Credit Risks ^(*)			
	Impaired Loans	Past Due Loans	Value Adjustments	Provisions
1. Agriculture	13.705	34.324	2.502	13.705
1.1. Farming and Livestock	12.783	33.515	2.425	12.783
1.2. Forestation	216	81	9	216
1.3. Fishing	706	728	68	706
2. Industrial	194.089	139.052	18.172	194.052
2.1. Mining and Quarrying	5.055	1.569	122	5.055
2.2. Manufacturing Industry	188.823	137.288	18.032	188.786
2.3. Electricity, Gas, Water	211	195	18	211
3. Construction	102.238	60.915	4.426	102.234
4. Services	482.208	423.921	34.592	482.035
4.1. Wholesale and Retail Commerce	338.665	272.293	23.894	338.530
4.2. Hotel and Restaurant Services	81.708	63.201	4.416	81.684
4.3. Transportation and Communication	29.517	45.456	3.038	29.507
4.4. Financial Corporations	9.745	7.879	514	9.745
4.5. Real Estate and Loan Services	3.719	2.239	187	3.719
4.6. Independent Business Services	6.903	11.033	1.041	6.902
4.7. Education Services	1.450	6.938	438	1.448
4.8. Health and Social Services	10.501	14.882	1.064	10.500
5. Other	3.005.750	1.142.612	86.144	2.262.271
6. Total	3.797.990	1.800.824	145.836	3.054.297

^(*) Represents the distribution of cash loans.

Prior Period

Major Sectors / Counterparties	Credit Risks ^(*)			
	Impaired Loans	Past Due Loans	Value Adjustments	Provisions
1. Agriculture	20.693	12.879	852	13.772
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
2. Industrial	222.204	96.111	9.330	174.997
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
3. Construction	105.615	55.545	6.232	81.838
4. Services	605.842	259.272	23.721	442.625
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
5. Other	1.777.145	1.188.886	86.468	1.450.094
6. Total	2.731.499	1.612.693	126.603	2.163.326

^(*) Represents the distribution of cash loans.

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Movements in value adjustments and provisions

Current Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments^(*)	Closing Balance
1. Specific Provisions	2.163.326	1.299.648	(406.557)	(2.120)	3.054.297
2. General Provisions	942.661	247.742	-	-	1.190.403

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

Prior Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments^(*)	Closing Balance
1. Specific Provisions	2.457.128	1.412.063	(543.715)	(1.162.150)	2.163.326
2. General Provisions	816.291	126.370	-	-	942.661

^(*) 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 sensitivity analysis and duration 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

	Current Period Amount	Prior Period Amount
(I) Capital Requirement against General Market Risk - Standard Method	37.791	25.987
(II) Capital Requirement against Specific Risks – Standard Method	10.102	6.749
Capital Requirement against Specific Risks of Securitization Positions– Standard Method	-	-
(III) Capital Requirement against Currency Risk – Standard Method	10.245	45.766
(IV) Capital Requirement against Commodity Risks - Standard Method	88	320
(V) Capital Requirement against Settlement Risks - Standard Method	-	-
(VI) Capital Requirement against Market Risks of Options - Standard Method	2.438	2.692
(VII) Capital Requirement against Counterparty Credit Risk - Standard Method	24.706	17.165
(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)	85.370	98.679
(X) Value-At-Market Risk (12,5 x VIII) or (12,5 x IX)	1.067.125	1.233.488

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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	46.058	51.852	39.403	35.279	42.916	31.278
Stock Risk	63	74	54	62	72	22
Exchange Rate Risk	28.342	103.316	10.245	26.979	45.972	7.333
Commodity Risk	277	486	88	506	1.375	46
Swap Risk	-	-	-	-	-	-
Options Risk	3.272	4.758	2161	1.627	2.975	426
Counter Party Loan Risk	29.126	41.705	17.124	23.171	30.732	17.041
Total Value at Risk^(*)	107.138	202.191	69.075	87.624	124.042	56.146

^(*) 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 2015 are 165.543 and 85.370 . The highest and lowest Value at Risk in 2014 are 102.092 and 64.456.

3. Quantitative information on counterparty risk^(*)

	Current Period	Prior Period
	Amount	Amount
Interest Rate Contracts	9.631.713	8.381.763
Foreign-Exchange-Rate Contracts	139.952.477	121.193.637
Commodity Contracts	1.726.289	1.604.506
Equity-Shares Related Contracts	695	895
Other	712.362	417.402
Gross Positive Fair Values	2.034.189	1.305.369
Netting Benefits	1.379.162	782.379
Net Current Exposure Amount	655.027	522.990
Collaterals Received	197.050	177.661
Net Derivative Position	457.977	345.329

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

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

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IV. Explanations Related to the Operational Risk

Value at operational risk is calculated with basic indicator method by using the gross profits for the last three years' (2014, 2013 and 2012) as per the "Calculation of Value at Operational Risk" of the article (3) of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" which was published in the Official Gazette No: 28337 dated June 28, 2012. As of December 31, 2015, the value at operational risk is amounting to TL 7.152.788 (December 31, 2014 - TL 6.298.900).

Basic Indicator Method	2 PP Amount	1 PP Amount	CP Amount	Total / No. of Years of Positive Gross	Rate (%)	Total
Gross Income	3.487.483	3.826.094	4.130.877	3.814.818	15	572.223
Value at operational risk (Total*12,5)						7.152.788
Prior Year Basic Indicator Method	2 PP Amount	1 PP Amount	CP Amount	Total / No. of Years of Positive Gross	Rate (%)	Total
Gross Income	2.764.673	3.487.483	3.826.093	3.359.416	15	503.912
Value at operational risk (Total*12,5)						6.298.900

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, 2015, the net foreign currency exposure of the Bank is TL 233.015 short position (December 31, 2014–TL 1.267.808 short) resulting from on balance sheet short position amounting to TL 12.791.416 (December 31, 2014 –TL 8.838.502 short) and off balance sheet long position amounting to TL 12.558.401 (December 31, 2014 – TL 7.570.694 long). The long off balance sheet position amounting to TL 14.072.076 (December 31, 2014 – TL 8.119.363) 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.

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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	2,9076TL
Euro purchase rate at the date of the balance sheet	3,1776 TL

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

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

The arithmetical average of the Bank's US Dollar and Euro purchase rates for December 2015 are TL 2,9172 and TL 3,1697 respectively.

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

Current Period	EUR	USD	Other FC	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank ⁽¹⁾	1.728.806	4.476.370	1.703.774	7.908.950
Due From Banks	46.688	251.310	8.368	306.366
Financial Assets at Fair Value through Profit/Loss ⁽²⁾	126.175	117.503	23	243.701
Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	325.313	1.587.201	-	1.912.514
Loans and Receivables ⁽³⁾	5.881.163	7.502.286	21.121	13.404.570
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	-	-	-	-
Investment Securities Held-to-Maturity	14.045	849.905	-	863.950
Derivative Financial Assets Hedging Purposes	11	19.093	-	19.104
Tangible Assets	-	-	8	8
Intangible Assets	-	-	-	-
Other Assets ⁽⁴⁾	50.768	74.986	17	125.771
Total Assets	8.172.969	14.878.654	1.733.311	24.784.934
Liabilities				
Bank Deposits	394.370	816.356	44.835	1.255.561
Foreign Currency Deposits ⁽⁵⁾	5.887.343	11.896.716	651.769	18.435.828
Money Market Borrowings	181.648	1.676.272	-	1.857.920
Funds Provided from Other Financial Institutions	2.123.483	5.641.993	429.468	8.194.944
Securities Issued	-	3.800.454	-	3.800.454
Sundry Creditors	2.301.415	1.115.133	1.251	3.417.799
Derivative Fin. Liabilities for Hedging Purposes	53.248	169.967	-	223.215
Other Liabilities ⁽⁶⁾	146.764	243.801	64	390.629
Total Liabilities	11.088.271	25.360.692	1.127.387	37.576.350
Net Balance Sheet Position	(2.915.302)	(10.482.038)	605.924	(12.791.416)
Net Off-Balance Sheet Position	2.672.374	10.488.686	(602.659)	12.558.401
Financial Derivative Assets	7.810.606	45.187.218	354.262	53.352.086
Financial Derivative Liabilities	5.138.232	34.698.532	956.921	40.793.685
Non-Cash Loans ⁽⁷⁾	1.304.766	2.171.515	990.103	4.466.384
Prior Period				
Total Assets	5.516.764	12.703.403	1.816.148	20.036.315
Total Liabilities	7.729.338	20.025.742	1.119.737	28.874.817
Net Balance Sheet Position	(2.212.574)	(7.322.339)	696.411	(8.838.502)
Net Off-Balance Sheet Position	1.510.261	6.691.465	(631.032)	7.570.694
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 ⁽⁷⁾	1.093.104	2.718.582	133.991	3.945.677

(1) Cash and Balances with TR Central; Other FC include TL 1.694.042 (December 31, 2014 – TL 1.747.613) precious metal deposit account.

(2) Does not include TL 9.501 (December 31, 2014 – 18.446TL) of currency income accruals arising from derivative transactions.

(3) Includes TL 3.435.405TL (December 31, 2014 – TL 2.876.246 TL) FC indexed loans.

(4) Does not include FC prepaid expenses amounting to TL 4.114 (December 31, 2014 – TL 4.474) as per BRSA's Communique published in Official Gazette no 26085 on 19 February 2006.

(5) Other foreign currency includes TL 430.694 (December 31, 2014 – TL 634.530) of precious metal deposit account.

(6) Does not include currency expense accruals of derivative financial instruments kept in FC accounts amounting to TL 38.873 (December 31, 2014 – TL 15.220)

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

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6. Sensitivity to Foreign Exchange Risk

The Bank is 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 Doları	% 10 increase	4.537	(9.477)	(58.152)	(62.728)
	% 10 decrease	(4.537)	9.477	58.152	62.728
EURO	% 10 increase	(10.178)	(10.428)	(43.436)	(43.390)
	% 10 decrease	10.178	10.428	43.436	43.390

(*) 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.

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

(Based on repricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing^(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	5.726.664	-	-	-	-	4.270.377	9.997.041
Due from Banks	98.933	5.000	-	-	-	211.969	315.902
Financial Assets at Fair Value Through Profit/Loss ^(**)	131	9.378	12.408	10.641	42.785	5.476.329	5.551.672
Money Market Placements	-	-	-	-	-	-	-
Inv. Securities Available for Sale	1.392.244	310.046	1.427.730	334.391	1.832.927	(1.852)	5.295.486
Loans and Receivables	11.585.411	7.892.411	19.432.083	14.351.621	1.154.277	1.809.797	57.225.630
Inv. Securities Held to Maturity	166.413	1.026.712	1.468.368	951.410	176.449	84.562	3.873.914
Other Assets	-	-	-	-	-	3.467.752	3.467.752
Total Assets	19.969.796	9.243.577	22.340.589	15.648.063	3.206.438	15.318.934	85.727.397
Liabilities							
Bank Deposits	1.247.544	268.133	12.689	-	-	28.404	1.556.770
Other Deposits	27.377.446	10.147.458	1.694.628	38.035	-	7.751.500	47.009.067
Money Market Borrowings	3.486.174	796.433	349.686	-	-	7.161	4.639.454
Sundry Creditors	3.417.799	-	-	-	-	2.042.291	5.460.090
Securities Issued	286.396	292.546	1.261.806	2.450.170	-	44.863	4.335.781
Funds Borrowed	875.417	1.861.337	5.493.556	31.758	-	40.467	8.302.535
Other Liabilities ^(***)	100	198	819	787	-	14.421.796	14.423.700
Total Liabilities	36.690.876	13.366.105	8.813.184	2.520.750	-	24.336.482	85.727.397
On Balance Sheet Long Position	-	-	13.527.405	13.127.313	3.206.438	-	29.861.156
On Balance Sheet Short Position	(16.721.080)	(4.122.528)	-	-	-	(9.017.548)	(29.861.156)
Off-Balance Sheet Long Position	5.075.073	8.149.847	1.652.123	-	-	-	14.877.043
Off-Balance Sheet Short Position	-	-	-	(9.587.001)	(1.796.952)	-	(11.383.953)
Total Position	(11.646.007)	4.027.319	915.179.528	3.540.312	1.409.486	(9.017.548)	3.493.090

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

(**) Financial Assets at Fair Value Through Profit/Loss include TL 3.329.009 derivative financial assets used for hedging purposes.

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

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Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing ^(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	912.650	-	-	-	-	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 ^(**)	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
Total Assets	13.441.257	6.561.198	18.106.415	14.214.588	6.509.213	16.373.683	75.206.354
Liabilities							
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 ^(***)	76	154	765	1.551	-	12.825.946	12.828.492
Total Liabilities	31.691.797	11.127.347	8.763.166	3.017.532	-	20.606.512	75.206.354
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)
Total Position	(13.605.638)	1.680.086	8.952.959	2.911.618	4.650.724	(4.232.829)	356.920

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

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

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

Average interest rates applied to monetary financial instruments

Current Period	EURO %	USD %	JPY %	TL %
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	0,49	-	3,81
Due from Banks	0,10	0,92	-	10,86
Financial Assets at Fair Value Through Profit/Loss	1,94	4,57	-	10,94
Money Market Placements	-	-	-	-
Investment Securities Available for Sale	3,68	4,96	-	9,93
Loans and Receivables	4,23	4,57	3,65	14,46
Investment Securities Held to Maturity	2,96	5,22	-	10,01
Liabilities				
Bank Deposits	0,87	0,97	-	11,33
Other Deposits	1,62	2,13	0,25	11,78
Money Market Borrowings	0,45	0,92	-	8,03
Sundry Creditors	0,20	0,17	-	-
Securities Issued	-	5,89	-	11,90
Funds Borrowed	1,38	3,43	-	7,57

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Prior Period	EURO%	USD%	JPY%	TL%
	%	%	%	%
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	1,51
Due from Banks	0,10	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
Liabilities				
Bank Deposits	0,51	0,90	-	10,60
Other Deposits	2,00	2,30	0,25	9,89
Money Market Borrowings	0,67	0,66	-	8,86
Sundry Creditors	0,03	0,11	-	-
Securities Issued	-	5,40	-	8,79
Funds Borrowed	1,42	2,91	-	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 "Banking Books Interest Rate Risk Management" 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.

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The interest rate risk on banking book is measured legally as per the “Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method” published in the Official Gazette No: 28034 dated August 23, 2011, and the legal limit as per this measurement is monitored and reported monthly to the 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	(875.946)	%(7,83)
	(-) 400	835.275	%7,46
2. EUR	(+) 200	(24.554)	%(0,22)
	(-) 200	39.267	%0,35
3. USD	(+) 200	(130.769)	%(1,17)
	(-) 200	139.809	%1,25
Total (of negative shocks)		1.014.351	%9,06
Total (of positive shocks)		(1.031.269)	%(9,22)

VII. Position Risk of Equity Securities in Banking Book

Equity Securities (shares)	Comparison		
	Carrying Value	Fair Value	Market Value
1. Investment in Shares- grade A	-	-	-
Quoted Securities	-	-	-
2. Investment in Shares- grade B	206.697	-	206.697
Quoted Securities	206.697	-	206.697
3. Investment in Shares- grade C	-	-	-
Quoted Securities	-	-	-
4. Investment in Shares- grade Other (*)	235.309(*)	210.696	-

(*)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 Supple- mentary Capital	Total	Amount under Core Capital	Amount under Supplementary Capital
1. Private Equity Investments	-	207.320	207.320	-	-	-
2. Quoted Shares	(172)	-	-	4	-	2
3. Other Shares	-	-	-	-	-	-
4. Total	(172)	207.320	207.320	4	-	2

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VIII. Remarks regarding Liquidity Risk Management and Liquidity Coverage Rate

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

Treasury Department is responsible to carry out liquidity strategy determined and approved by Board of Directors. Risk Management Department is responsible to define, measure, monitor and control liquidity risk besides developing internal and external methods and procedures which are in line with context and structure of applicable activities in Finansbank in order to monitor related limits. Senior management of Finansbank is informed periodically regarding current liquidity risk amount exposed in order to ensure being under the approved limits of Bank's liquidity risk profile. Assets and Liabilities Committee (ALC) meetings, which ensure the necessary monitoring for liquidity risk, are held monthly. Risk Committee reviews the liquidity risk of the Bank monthly in addition to aforementioned meetings and informs Board of Directors.

The Bank reviews its liquidity position daily. Internal and legal reports related to liquidity positions are examined in ALC meetings monthly with the participation of senior management. Several decisions are taken related to management of short and long term liquidity in this scope. Internal metrics such as reserve liquidity and deposit concentration are monitored daily besides liquidity coverage rate related to measurement of liquidity coverage. Internal limit and warning level are periodically monitored and reported to related parties by the Board of Directors.

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

It is essential for the Bank to monitor its liquidity position and funding strategy consistently. Funding management of the Bank is carried out in line with limits and internal warning systems within the framework of ALC decisions. Funding and placement strategies are developed through evaluating the liquidity of the Bank. Liquidity position is evaluated and funding strategy is developed taking into consideration customer based concentration and maturity levels. While developing this strategy, it is aimed to fully utilize funding from long term and consistent resources.

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

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

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

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

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Liquidity Coverage Ratio

CURRENT PERIOD - December 31, 2015	Unweighted Amounts(1)		Weighted Amounts(1)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS			13.585.278	7.377.354
1. High Quality Liquid Assets	15.280.757	9.072.833	13.585.278	7.377.354
CASH OUTFLOWS				
2. Retail and Small Business Customers Deposits	32.924.299	12.722.640	2.796.206	1.147.503
3. Stable deposits	9.924.481	2.495.227	496.224	124.761
4. Less stable deposits	22.999.818	10.227.413	2.299.982	1.022.742
5. Unsecured Funding other than Retail and Small Business Customers Deposits	13.211.900	7.314.134	6.634.558	3.633.912
6. Operational deposits	543.372	23.829	135.843	5.957
7. Non-Operational Deposits	12.668.528	7.290.305	6.498.715	3.627.955
8. Other Unsecured Funding	4.221.523	2.636.626	3.860.182	2.636.626
9. Secured funding			253.941	253.941
10. Other Cash Outflows	14.969.899	9.119.362	14.969.899	9.119.362
11. Liquidity needs related to derivatives and market valuation changes on derivatives transactions	14.969.899	9.119.362	14.969.899	9.119.362
12. Debts related to the structured financial products	-	-	-	-
13. Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
14. Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	1.089.536	6.715	54.477	336
15. Other irrevocable or conditionally revocable commitments	43.150.504	4.505.502	2.915.750	398.929
16. TOTAL CASH OUTFLOWS			31.485.013	17.190.609
CASH INFLOWS				
17. Secured Lending Transactions	1.531.481	-	-	-
18. Unsecured Lending Transactions	4.916.599	463.145	2.587.613	338.834
19. Other contractual cash inflows	13.552.810	9.413.555	13.552.809	9.413.555
20. TOTAL CASH INFLOWS	20.000.890	9.876.700	16.140.422	9.752.389
			Capped Amounts	
21. TOTAL HIGH QUALITY LIQUID ASSETS			13.585.278	7.377.354
22. TOTAL NET CASH OUTFLOWS			15.344.591	7.438.220
23. Liquidity Coverage Ratio (%)			88,53%	99,18%

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

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PREVIOUS PERIOD December 31, 2014	Unweighted Amounts(1)		Weighted Amounts(1)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS			13.176.481	6.759.139
High Quality Liquid Assets	14.071.779	7.660.395	13.176.481	6.759.139
CASH OUTFLOWS				
Retail and Small Business Customers Deposits	26.426.765	7.634.684	2.187.118	668.926
Stable deposits	9.111.159	1.890.847	455.558	94.542
Less stable deposits	17.315.606	5.743.837	1.731.560	574.384
Unsecured Funding other than Retail and Small Business Customers Deposits	13.257.769	6.082.890	6.531.597	3.130.994
Operational deposits	529.099	10.143	132.275	2.536
Non-Operational Deposits	12.728.670	6.072.747	6.399.322	3.128.458
Other Unsecured Funding	2.555.456	1.382.367	2.180.235	1.382.367
Secured funding			73.271	73.271
Other Cash Outflows	11.317.220	9.031.629	11.317.220	9.031.629
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	11.317.220	9.031.629	11.317.220	9.031.629
Debts related to the structured financial products	-	-	-	-
Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	1.678.520	1.666.058	83.926	83.303
Other irrevocable or conditionally revocable commitments	36.676.035	2.252.643	2.629.662	304.970
TOTAL CASH OUTFLOWS			25.003.029	14.675.460
CASH INFLOWS				
Secured Lending Transactions	612.357	-	-	-
Unsecured Lending Transactions	3.997.472	306.769	2.088.793	160.317
Other contractual cash inflows	10.304.431	5.203.204	10.304.431	5.203.204
TOTAL CASH INFLOWS	14.914.260	5.509.973	12.393.224	5.363.521
			Capped Amounts	
TOTAL HIGH QUALITY LIQUID ASSETS			13.176.481	6.759.139
TOTAL NET CASH OUTFLOWS			12.609.805	9.311.939
Liquidity Coverage Ratio (%)			104,49%	72,59%

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

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

	Maximum		Maximum		Average
	TP+FC	Week	FC	Week	
TP+FC	94.9	21/12/2015	79.6	02/11/2015	88.7
FC	139.5	21/12/2015	74.4	16/11/2015	104.8

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

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

Funding sources of the Bank mainly consist of deposits which constitute 57% of total liabilities of the bank (31 December 2014 – 56%) and also include repo, syndication, securitization, bond/security issuance and other instruments including subordinated debts.

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

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

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

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

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Presentation of assets and liabilities according to their remaining maturities

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and More	Unallocated (*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R Central Bank	3.365.522	6.631.519	-	-	-	-	-	9.997.041
Due from Banks	211.932	98.946	5.024	-	-	-	-	315.902
Financial Assets at Fair Value Through Profit/Loss (**)	-	464.842	593.856	1.580.144	2.721.271	191.559	-	5.551.672
Money Markets Placements	-	-	-	-	-	-	-	-
Investment Securities Available for Sale	4.649	6.950	13.060	38.734	2.040.053	3.192.040	-	5.295.486
Loans and Receivables	-	12.133.175	6.284.708	17.428.209	15.749.655	4.886.190	743.693	57.225.630
Investment Securities Held to Maturity	-	-	-	-	1.723.706	2.150.208	-	3.873.914
Other Assets	-	885.936	-	-	220.249	-	2.361.567	3.467.752
Total Assets	3.582.103	20.221.368	6.896.648	19.047.087	22.454.934	10.419.997	3.105.260	85.727.397
Bank Deposits	26.037	1.249.338	268.669	12.726	-	-	-	1.556.770
Other Deposits	7.524.708	27.500.367	10.198.864	1.745.706	39.422	-	-	47.009.067
Funds Borrowed	-	738.063	504.759	2.606.470	2.508.068	1.945.175	-	8.302.535
Money Market Borrowings	-	3.489.495	799.575	39.497	-	310.887	-	4.639.454
Securities Issued	-	287.258	292.546	1.277.137	2.478.840	-	-	4.335.781
Sundry Creditors	-	2.446.205	63.340	279.191	1.732.946	938.408	-	5.460.090
Other Liabilities (***)	-	1.464.628	464.823	730.259	699.936	280.450	10.783.604	14.423.700
Total Liabilities	7.550.745	37.175.354	12.592.576	6.690.986	7.459.212	3.474.920	10.783.604	85.727.397
Liquidity Gap	(3.968.642)	(16.953.986)	(5.695.928)	12.356.101	14.995.722	6.945.077	(7.678.344)	-
Prior Period								
Total Assets	2.697.823	19.165.736	5.613.381	16.535.762	17.585.293	10.610.042	2.998.317	75.206.354
Total Liabilities	5.865.674	34.385.995	10.510.161	8.261.313	3.703.109	2.467.554	10.012.548	75.206.354
Net Liquidity Gap	(3.167.851)	(15.220.259)	(4.896.780)	8.274.449	13.882.184	8.142.488	(7.014.231)	-

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

Unallocated other liabilities include shareholders' equity amounting to TL 9.023.776, unallocated provisions amounting to TL 1.759.828.

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

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

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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	26.037	1.250.819	269.432	12.797	-	-	1.559.085	1.556.770
Other Deposits	7.524.708	27.585.353	10.292.580	1.825.715	44.145	-	47.272.501	47.009.067
Payables to Money Market	-	3.493.834	804.042	39.965	-	326.706	4.664.547	4.639.454
Funds from other Financial Institutions	-	928.298	515.566	2.800.960	3.146.799	2.035.193	9.426.816	8.302.535
Securities Issued	-	288.735	296.440	1.439.915	2.738.698	-	4.763.788	4.335.781
Noncash Loans ^(*)	3.653.534	465.866	851.703	3.541.095	1.908.960	54.668	10.475.826	10.475.826
Prior Period	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 ^{(**)(***)}	3.281.374	636.342	900.716	2.893.493	1.398.108	29.299	9.139.332	9.139.332

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

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

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 ^(***)	2.789.765	900.955	950.963	26.906	-	4.668.589
Forward Contracts Sell ^(***)	(2.762.992)	(911.233)	(960.933)	(27.134)	-	(4.662.292)
Swap Contracts Buy ^(*)	13.596.807	6.106.849	20.904.399	22.047.408	4.386.399	67.041.862
Swap Contracts Sell ^(*)	(13.433.997)	(5.907.471)	(20.146.303)	(19.949.348)	(4.322.976)	(63.760.095)
Futures Buy	45.984	45.918	192.195	-	-	284.097
Futures Sell	(45.984)	(45.918)	(192.195)	-	-	(284.097)
Options Buy	2.606.668	2.616.412	1.592.909	-	-	6.815.989
Options Sel	(2.623.534)	(2.620.599)	(1.571.170)	-	-	(6.815.303)
Other	-	-	-	712.362	-	712.362
Total	172.717	184.913	769.865	2.810.194	63.423	4.001.112

(*) 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 ^(***)	1.850.523	974.118	900.707	98.925	-	3.824.273
Forward Contracts Sell ^(***)	(1.856.558)	(976.448)	(896.663)	(97.530)	-	(3.827.199)
Swap Contracts Buy ^(*)	11.506.843	9.743.059	13.100.349	19.539.488	3.104.000	56.993.739
Swap Contracts Sell ^(*)	(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
Total	57.451	98.730	487.579	144.477	(86.582)	701.655

(*) This line also includes hedging purpose derivatives.

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

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IX. Explanations Related to Securitization Positions

As of December 31, 2015, the Bank has no securitization positions. (December 31, 2014- 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.

Exposure Categories (**)	Amount(*)	Financial Collaterals	Other/Physical Collaterals	Guarantees and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	19.981.535	2.303.666	-	-
Conditional and unconditional receivables from regional or local governments	2.398	43	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	15.337	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	9.124.490	4.948.592	-	-
Conditional and unconditional receivables from corporates	25.019.485	896.529	-	-
Conditional and unconditional retail receivables	48.941.391	398.826	-	-
Conditional and unconditional receivables secured by mortgages	18.124.511	-	-	-
Past due receivables	706.120	415	-	-
Receivables defined in high risk category by BRSA	7.054.657	71.598	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and	-	-	-	-
Investments similar to collective investment funds	492	-	-	-
Other receivables	3.862.817	-	-	-
Total	132.833.233	8.619.669	-	-

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

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

XI. Explanations Related to Risk Management Objectives and Policies

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

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

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

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The general objectives of the Bank's Risk Management:

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

XII. Information regarding Leverage Ratio

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

The Bank's leverage ratio, calculated in accordance with the "Regulation on Measurement and Evaluation of Bank's Leverage Levels" is 6,51% (December 31, 2014: 7,14%). Subject level is above the minimum requirement which is determined as 3% by the regulation. Difference between current period and prior period leverage ratios is mostly due to increase in risk amounts of balance sheet asset items.

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

	Book Value	
	Current Period (*)	Prior Period (*)
Assets on Balance sheet		
Assets on Balance sheet (except for derivative financial instruments and credit derivatives, including guarantees)	81.424.211	71.009.542
(Assets deducted from capital stock)	335.554	339.293
Total risk amount related to Assets on Balance sheet	81.088.657	70.670.249
Derivative financial instruments and credit derivatives		
Replacement cost of derivative financial instruments and credit derivatives	5.796.483	2.992.675
Potential credit risk amount of derivative financial instruments and credit derivatives	1.350.098	1.224.854
Total risk amount related to derivative financial instruments and credit derivatives	7.146.581	4.217.529
Financial transactions having security or commodity collateral		
Risk amount of financial transactions having security or commodity collateral	-	-
Risk amount sourcing from transactions mediated	-	-
Total risk amount related to financial transactions having security or commodity collateral	-	-
Off-Balance sheet Transaction		
Gross nominal amount of off-balance sheet transactions	46.196.301	40.743.309
(Adjustment amount sourcing from multiplying to credit conversion rates)	(553.365)	(528.975)
Total risk amount related to off-balance sheet transactions	45.642.936	40.214.334
Capital and Total Risk		
Core Capital	8.712.330	8.223.057
Amount of total risk	133.878.174	115.102.112
Financial leverage ratio	6,51%	7,14%
Financial leverage ratio	6,51%	7,14%

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

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

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

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

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

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

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

	Carrying Value		Fair Value	
	Current	Prior Period	Current Period	Prior Period
Financial Assets	66.710.932	59.850.335	66.150.187	59.780.610
Money Market Placements	-	200.062	-	200.062
Due from Banks	315.902	243.692	315.902	243.692
Loans and Receivables	57.225.630	50.246.126	56.699.270	50.023.248
Available for Sale Financial Assets	5.295.486	5.433.232	5.295.486	5.433.232
Securities Held to Maturity	3.873.914	3.727.223	3.839.529	3.880.376
Financial Liabilities	71.303.697	62.377.862	71.341.435	62.235.063
Bank Deposits	1.556.770	1.423.002	1.557.289	1.423.558
Other Deposits	47.009.067	40.651.552	47.019.074	40.635.934
Funds from Other Financial Institutions	8.302.535	7.019.855	8.211.520	6.830.279
Payables to Money Market	4.639.454	4.147.434	4.639.454	4.147.434
Securities Issued	4.335.781	5.373.449	4.454.008	5.435.289
Other Debts	5.460.090	3.762.570	5.460.090	3.762.569

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

The classification of fair value calculation is as follows:

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

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

Current Period	Level 1	Level 2	Level 3	Total
Financial Assets	5.530.550	5.475.945	258.050	11.264.545
Financial Assets whose Fair Value is reflected on				
Gain/Loss	28.060	-	-	28.060
Derivative Financial Assets for Purchasing and Selling	313	2.236.936	-	2.237.249
Available for Sale Financial Assets	5.295.486	-	-	5.295.486
Loans and Receivables ^(*)	-	-	47.354	47.354
Subsidiaries, Affiliates and Entities Under Common Control	206.691	-	210.696	417.387
Derivative Financial Assets Held for Cash Flow Hedges	-	3.239.009	-	3.239.009
Financial Liabilities	273	2.439.635	-	2.439.908
Derivative Financial Assets for Purchasing and Selling	273	2.156.191	-	2.156.464
Derivative Financial Liabilities Held for Cash Flow Hedges	-	283.444	-	283.444

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

Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets	5.706.197	3.248.582	433.736	9.388.515
Financial Assets whose Fair Value through Profit/Loss	4.819	-	-	4.819
Assets on Trading Derivatives	126	1.253.219	-	1.253.345
Investment Securities Available for Sale	5.426.615	6.617	-	5.433.232
Loans and Receivables ^(*)	-	-	98.143	98.143
Subsidiaries	274.637	-	335.593	610.230
Derivative Financial Assets Hedging Purposes	-	1.988.746	-	1.988.746
Financial Liabilities	47	1.605.344	-	1.605.391
Liabilities on Trading Derivatives	47	1.253.264	-	1.253.311
Derivative Financial Liabilities for Hedging Purposes	-	352.080	-	352.080

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

	Current Period	Prior Period
Opening Balance	433.736	482.711
Change in total gain/loss	(166.022)	38.820
<i>Accounted in income statement</i>	(22.730)	864
<i>Accounted in other comprehensive income</i>	(143.292)	37.956
Purchases	18.395	-
Disposals	-	-
Matured Loans ^(*)	(28.059)	(87.795)
Sales from Level 3	-	-
Closing Balance	258.050	433.736

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

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

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

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS

1.a) Cash and balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	678.545	274.820	590.424	248.652
T.R. Central Bank	1.409.024	7.632.114	912.650	6.911.681
Other	522	2.016	133	295
Total	2.088.091	7.908.950	1.503.207	7.160.628

b) Balances with the Central Bank of Turkey

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

As of December 31, 2015, the compulsory rates for the reserve deposits at the Central Bank of Turkey for Turkish Lira are implemented within an interval from 5% to 11.5% depending on the maturity of deposits (December 31, 2014 – 5% to 11.5%) and the compulsory rates for the foreign currency liabilities are within an interval from 5% to 25% depending on the maturity of deposits (December 31, 2014 – 6% to 13%).

In accordance with the “Communiqué Regarding the Reserve Requirements”, the reserve requirements can be maintained as TL, USD, EUR and standard gold.

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

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

a) Trading securities given as collateral or blocked

None (December 31, 2014 – None).

b) Assets on trading derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	52.806	-	43.664	-
Swap Transactions	1.936.094	123.192	1.059.341	84.274
Futures Transactions	-	313	-	126
Options	-	124.844	-	65.940
Other	-	-	-	-
Total	1.988.900	248.349	1.103.005	150.340

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3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	9.402	51	19.266	68
Foreign	134	306.315	124	224.234
Foreign Head Offices and Branches	-	-	-	-
Total	9.536	306.366	19.390	224.302

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount ^(**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	49.059	53.136	10.112	1.550
USA and Canada	215.324	158.377	29.691	3.923
OECD Countries ^(*)	1.759	2.935	-	-
Off-shore Banking Regions	-	-	-	-
Other	504	4.437	-	-
Total	266.646	218.885	39.803	5.473

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

^(**) Includes blocked placements at foreign banks amounting to TL 39.803 (December 31, 2014 - TL 5.473) for the syndication and securitization loans received.

4. Information on receivables from reverse repurchase agreements

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

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

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

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

b) Investment securities available for sale

	Current Period	Prior Period
Debt securities	5.392.394	5.416.289
Quoted on a stock exchange (*)	5.392.394	5.409.632
Unquoted on a stock exchange	-	6.657
Share certificates	4.824	32.137
Quoted on a stock exchange (**)	599	27.912
Unquoted on a stock exchange	4.225	4.225
Impairment provision(-)	(101.732)	(15.194)
Total	5.295.486	5.433.232

(*) The Eurobond Portfolio amounting to TL 1.520.298 (December 31, 2014 – TL 1.199.653) which is accounted for as investment securities available for sale was hedged under fair value hedge accounting starting from March and April 2009. In the current period, there is no government bonds portfolio hedged under fair value hedge accounting. (December 31, 2014 – 106.392) The mentioned financial assets are accounted for as Investment Securities Available for Sale in order to be in line with balance sheet presentation.

(**) Share certificates that are quoted on a stock exchange include “exchange traded mutual funds” amounting to TL 487 (December 31, 2014 – TL 27.757).

6. Information related to loans

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	21.651	1.716	34.288
Corporate Shareholders	-	21.651	1.716	34.288
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees ^(*)	74.844	-	66.957	-
Total	74.844	21.651	68.673	34.288

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

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

Cash Loans ^(*)	Performing Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	Other	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	Other
		Extension of Repayment Plan	Other		Extension of Repayment Plan	Other
Non-specialized Loans	53.348.600	777.020	-	3.180.691	1.333.756	-
Discount Notes	1.013.753	-	-	14.195	-	-
Export Loans	1.105.642	-	-	165.437	-	-
Import Loans	9.528	-	-	-	-	-
Loans Given to Financial Sector	1.188.846	-	-	-	-	-
Retail Loans	13.002.943	114.378	-	909.913	234.158	-
Credit Cards	8.613.041	254.502	-	574.198	318.805	-
Other	28.414.847	408.140	-	1.516.948	780.793	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	53.348.600	777.020	-	3.180.691	1.333.756	-

(*) The loans amounting to TL 47.354 (December 31, 2014 – TL 98.143) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

Times Payment Plan has been restructured	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
1 or 2 times	774.818	1.326.795
3, 4 or 5 times	2.192	6.939
Over 5 times	10	22
Total	777.020	1.333.756
Extension Periods		
0 - 6 months	70.838	109.377
6 -12 months	25.132	96.190
1 - 2 years	108.440	193.431
2 - 5 years	400.937	573.844
5 years and over	171.673	360.914
Total	777.020	1.333.756

c) Loans according to their maturity structure

Cash Loans (*)	Performing Loans and Other		Loans and Other Receivables	
	Loans and Other	Loans and	Loans and	Loans and
Short-term Loans	23.263.130	254.502	574.198	318.805
Non-specialized Loans	23.263.130	254.502	574.198	318.805
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term	30.085.470	522.518	2.606.493	1.014.951
Non-specialized Loans	30.085.470	522.518	2.606.493	1.014.951
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	53.348.600	777.020	3.180.691	1.333.756

(*) The loans amounting to TL 47.354 (December 31, 2014 – TL 98.143) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

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

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Consumer Loans-TL	149.790	11.189.466	11.339.256	112.457
Housing Loans	621	4.879.376	4.879.997	52.329
Automobile Loans	228	31.519	31.747	283
Personal Need Loans	148.941	6.278.571	6.427.512	59.845
Other	-	-	-	-
Consumer Loans-FC Indexed	-	14.291	14.291	15.325
Housing Loans	-	13.737	13.737	14.618
Automobile Loans	-	-	-	-
Personal Need Loans	-	554	554	707
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-TL	7.322.863	275.943	7.598.806	86.570
Installment	2.733.350	275.943	3.009.293	34.284
Non- Installment	4.589.513	-	4.589.513	52.286
Individual Credit Cards-FC	2.951	-	2.951	23
Installment	-	-	-	-
Non- Installment	2.951	-	2.951	23
Personnel Loans-TL	4.303	39.038	43.341	256
Housing Loans	-	408	408	2
Automobile Loans	-	31	31	-
Personal Need Loans	4.303	38.599	42.902	254
Other	-	-	-	-
Personnel Loans-FC Indexed	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Credit Cards-TL	28.463	-	28.463	-
Installment	11.295	-	11.295	-
Non-Installment	17.168	-	17.168	-
Personnel Credit Cards-FC	35	-	35	-
Installment	-	-	-	-
Non-Installment	35	-	35	-
Overdraft Accounts-TL (Real Persons)	2.275.162	-	2.275.162	112.768
Overdraft Accounts-FC (Real Persons)	-	-	-	-
Total	9.783.567	11.518.738	21.302.305	327.399

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

	Short	Medium	Total	Interest
Commercial Loans with Installment Facility – TL	202.329	10.211.449	10.413.778	184.549
Real Estate Loans	-	266.860	266.860	2.922
Automobile Loans	730	316.860	317.590	4.780
Personal Need Loans	201.599	9.627.729	9.829.328	176.847
Other	-	-	-	-
Commercial Loans with Installment Facility - FC	15.323	1.332.079	1.347.402	221.724
Real Estate Loans	-	28.671	28.671	8.592
Automobile Loans	61	83.950	84.011	10.058
Personal Need Loans	15.262	1.219.458	1.234.720	203.074
Other	-	-	-	-
Commercial Loans with Installment Facility – FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards –TL	1.450.313	3.071	1.453.384	16.496
Installment	500.112	3.071	503.183	5.711
Non-Installment	950.201	-	950.201	10.785
Corporate Credit Cards –FC	507	-	507	4
Installment	-	-	-	-
Non-Installment	507	-	507	4
Overdraft Accounts-TL (Legal Entities)	973.513	-	973.513	3.899
Overdraft Accounts-FC (Legal Entities)	-	-	-	-
Total	2.641.985	11.546.599	14.188.584	426.672

f) Loans according to borrowers (*)

	Current Period	Prior Period
Public	204.567	163.249
Private	56.324.724	49.612.847
Total	56.529.291	49.776.096

(*) The loans amounting to TL 47.354 (December 31, 2014 – TL 98.143) are classified under “Loans at Fair Value Through Profit/Loss” in the financial statements.

g) Domestic and foreign loans (*)

	Current Period	Prior Period
Domestic Loans	56.241.729	49.569.219
Foreign Loans	287.562	206.877
Total	56.529.291	49.776.096

(*) The loans amounting to TL 47.354 (December 31, 2014 – TL 98.143) are classified under “Loans at Fair Value Through Profit/Loss in the financial statements.

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h) Loans granted to subsidiaries and associates

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and	155.953	157.557
Indirect Loans Granted to Subsidiaries and	-	-
Total	155.953	157.557

i) Specific provisions for loans

	Current Period	Prior Period
Specific Provisions		
Loans and Receivables with Limited	92.057	84.959
Doubtful Loans and Other Receivables	375.466	439.784
Uncollectible Loans and Receivables	2.586.774	1.638.583
Total	3.054.297	2.163.326

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

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period			
(Gross Amounts Before the Specific Provisions)	2.471	7.336	96.276
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	2.471	7.336	96.276
Prior Period			
(Gross Amounts Before the Specific Provisions)	133	4.457	78.247
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	133	4.457	78.247

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

	III. Group	IV. Group	V.
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Prior Period End Balance	420.940	671.976	1.638.583
Additions (+)	1.610.635	86.724	54.170
Transfers from Other Categories of Non-	-	1.442.713	1.264.507
Transfers to Other Categories of Non-Performing	1.442.713	1.264.507	-
Collections (-)	128.436	185.417	368.826
Write-offs (-)^(**)	137	562	1.660
Corporate and Commercial Loans	-	-	-
Consumer Loans	91	253	634
Credit Cards	46	309	1.026
Others	-	-	-
Current Period End Balance	460.289	750.927	2.586.774
Specific Provision (-)	92.057	375.466	2.586.774
Net Balances on Balance Sheet	368.232	375.461	-

^(*)Based on the "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside", the Bank provided specific provisions for its 4th group commercial loans with 100% provision rate in the prior period, whereas in the current period the Bank provided provision by using minimum provision ratios. After the stated change, the Bank has provided TL 106.803 less provision to the provisioning method used in the prior period.

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

None (December 31, 2014 - None).

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

	III. Group	IV. Group	V.Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	368.232	375.461	-
Loans to Real Persons and Legal Entities (Gross)	460.289	750.927	2.561.505
Specific provision (-)	(92.057)	(375.466)	(2.561.505)
Loans to Real Persons and Legal Entities (Net)	368.232	375.461	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	25.269
Specific provision (-)	-	-	(25.269)
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	335.981	232.192	-
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)	-	-	-

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, in compliance with the "Provisioning Decree" and with no collateral that are deemed as uncollectible are written off by the Board of Directors' decision.

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7. Information on investment securities held-to-maturity

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

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

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

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

c) Information on investment securities held-to-maturity

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

d) Movement of held-to-maturity investments

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

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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) ^(*)	Istanbul/Turkey	9,23%	9,23%

Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
68.358	29.660	43.170	985	-	3.869	3.490	-

^(*) Current period information is obtained from financial statements as of December 31, 2015 while prior period profit and loss information is obtained from financial statements as of December 31, 2014.

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

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

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8.4. Quoted Associates

None (December 31, 2014 - 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	-	-
Total	3.766	3.766

8.6. Investments in associates sold during the current period

None. (December 31, 2014 - None).

8.7. Investments in associates acquired during the current period

None. (December 31, 2014 - 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.	45.879	22.515	17.411	-	-	1.538	6.989	-
2. (*)	11.814	5.115	4.563	109	-	(1.248)	397	-

(*)Current period information is obtained from financial statements as of December 31, 2015, prior period profit and loss information is obtained from financial statements as of December 31, 2014.

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b) Information on the consolidated subsidiaries:

b.1) Information on the consolidated subsidiaries (*)

Subsidiary	Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1. Finans Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	99,60	99,74
2. Finans Finansal Kiralama A.Ş.	Istanbul/Turkey	51,06	69,00
3. PSA Finansman A.Ş. (**)	Istanbul/Turkey	100,00	100,00
4. Finans Portföy Yönetimi A.Ş.	Istanbul/Turkey	0,01	99,72
5. Finans Faktoring Hizmetleri A.Ş.	Istanbul/Turkey	99,99	100,00

(*) 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. The company's liquidation was completed as of December 7, 2015.

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

Information on subsidiaries in the order presented in the table above

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value (**)
1.	314.116	117.653	3.816	10.709	2.064	27.867	1.841	69.226
2.	2.219.610	609.099	3.315	178.831	-	51.562	48.029	404.800 (*)
3.	8.657	8.386	74	479	-	(1.486)	(6.045)	-
4.	13.431	11.980	191	1.245	9	1.733	540	-
5.	586.778	38.640	1.154	65.625	-	3.090	4.192	40.918

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

b.2) Movement of investments in subsidiaries

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

(*) Finans Faktoring A.Ş has increased its capital at an amount of TL10.000 through rights offering in current period. PSA Finansman A.Ş., whose share transfer transactions are completed, has been acquired with a price of TL 8.395 as of December 14, 2015.

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

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b.3) Sectoral distribution of subsidiaries

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

b.4) Quoted subsidiaries within the context of consolidation

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

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

The Bank does not have any significant subsidiaries.

10. Investments in entities under common control:

	Title	Address (City/Country)	Bank's Share-If different, Voting Rights (%)	Bank' Risk Group Share (%)
1.	Cigna Finans Emeklilik ve Hayat A.Ş (*)	İstanbul/Turkey	49,00%	49,00%
2.	Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.	İstanbul/Turkey	33,33%	33,33%

	Total Assets	Shareholders' Equity	Total Fixed Asset	Interest Income	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1. (**)	858.426	70.633	588.511	-	-	15.066	6.989	188.639
2.	32.890	22.560	14.180	-	-	7.495	2.004	-

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

(**) Cigna Finans Emeklilik ve Hayat A.Ş, one of the entities under common control, is recognized with fair value method in accordance with "Communique on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards".

11. Information on leasing receivables (Net)

None (December 31, 2014 - None).

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12. Information on hedging purpose derivatives

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

(*) Fair value hedging derivative financial instruments consist of swaps. TL 3.991, TL 14.078 and TL 2.292.114 of aforementioned amount states fair value of fair value hedging derivative financial instruments of securities (31 December 2014:TL 36.343), securities issued (31 December 2014:TL 20.170) and credits (31 December 2014: TL 1.425.482) respectively.

13. Explanations on tangible assets

	Land and Buildings	Fixed Assets Under Finance Lease	Vehicles	Other Tangible Fixed Assets	Total
Prior Period End					
Cost	1.106.237	260.607	1.813	1.009.008	2.377.665
Accumulated Depreciation(-)	24.256	233.278	1.519	648.506	907.559
Net Book Value	1.081.981	27.329	294	360.502	1.470.106
Current Period End					
Cost at the Beginning of the Period	1.106.237	260.607	1.813	1.009.008	2.377.665
Additions	80.135	270	86	145.595	226.086
Disposals (-)(*)	1.752	594	644	377	3.367
Impairment (-) / (increase)	(58)	-	-	-	(58)
Current Period Cost	1.184.678	260.283	1.255	1.154.226	2.600.442
Accumulated Depreciation at the Beginning of the Period	24.256	233.278	1.519	648.506	907.559
Disposals (-)	4	373	589	297	1.263
Depreciation Amount	2.330	3.020	222	111.932	117.504
Current Period Accumulated Depreciation (-)	26.582	235.925	1.152	760.141	1.023.800
Net Book Value-end of the Period	1.158.096	24.358	103	394.085	1.576.642

(*) As stated in footnote in 5th Section III.5.1.d, fair value exchange difference income amortized at an amount of TL 1.223 belonging to immovable property subjected to fair value hedge accounting by the Bank is shown on "Disposals" line in Property, Plant and Equipment movement statement.

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 reverse of TL 58 has been booked (December 31, 2014 - TL 453 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, 2014- None)

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

None (December 31, 2014- None)

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14. Explanations on intangible assets

	Rights	Goodwill	Total
Prior Period End			
Cost	570.095	-	570.095
Accumulated Amortization (-)	346.248	-	346.248
Net Book Value	223.847	-	223.847
Current Period End			
Cost at the Beginning of the Period	570.095	-	570.095
Additions	131.010	-	131.010
Disposals(-)	3	-	3
Impairment (-) / (increase)	(910)	-	(910)
Current Period Cost	702.012	-	702.012
Accumulated Amortization at the Beginning of the Period	346.248	-	346.248
Disposals(-)	3	-	3
Amortization Charge (-)	91.810	-	91.810
Current Period Accumulated Amortization (-)	438.055	-	438.055
Net Book Value-End of the Period	263.957	-	263.957

- a) **Disclosures for book value, description and remaining life to be amortized for a specific intangible fixed asset that is material to the financial statements:** None (December 31, 2014 - None).
- b) **Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition:** None (December 31, 2014 –None)
- c) **The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition:** None (December 31, 2014-None).
- d) **The book value of intangible fixed assets that are pledged or restricted for use:** None (December 31, 2014 - None).
- e) **Amount of purchase commitments for intangible fixed assets:** None (December 31, 2014 - None)
- f) **Information on revalued intangible assets according to their types:** None (December 31, 2014 – None)
- g) **Amount of total research and development expenses recorded in income statement within the period if any:**
Amount of total research expenses recorded in income statement within the period is TL 5.740 (December 31, 2014 – TL 3.087).
- h) **Positive or negative consolidation goodwill on entity basis:**
None (December 31, 2014-None).
- i) **Information on goodwill:** None (December 31, 2014-None).
Movements on goodwill in the current period: None (December 31, 2014- None)

15. Explanations regarding the investment properties:

None (December 31, 2014- None).

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16. Information on tax asset

As of December 31, 2015, the Bank has calculated deferred tax asset amounting to TL 78.968 (December 31, 2014 - TL 50.050 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, 2015 the Bank has presented the net amount of deferred tax asset of TL 175.147 (December 31, 2014–TL 198.406) and deferred tax liability of TL 96.179 (December 31, 2014 –TL 148.356) 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 51.754 (December 31, 2014 –TL 35.494 deferred tax liability) is netted in the equity.

	Accumulated Temporary Differences		Deferred Tax Assets/(Liabilities)	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Provision for Employee Rights	236.751	200.134	47.350	40.027
Difference Between the Book Value of Financial Assets and Tax Base	391.743	641.365	78.349	128.273
Other	247.239	150.530	49.448	30.106
Deferred Tax Assets			175.147	198.406
Difference Between the Book Value Financial Fixed Assets and Tax Base	(193.598)	(257.159)	(38.720)	(51.432)
Difference Between the Book Value of Financial Assets and Tax Base	(84.538)	(300.415)	(16.908)	(60.083)
Other	(202.757)	(184.205)	(40.551)	(36.841)
Deferred Tax Liabilities			(96.179)	(148.356)
Deferred Tax Assets/(Liabilities), Net			78.968	50.050
			Current Period	Prior Period
Deferred Tax as of January 1 Active/ (Passive) - Net			50.050	78.670
Deferred Tax (Loss) / Gain			12.658	(43.715)
Deferred Tax that is Realized Under Shareholder's Equity			16.260	15.095
December 31 Deferred Tax Active/ (Passive) - Net			78.968	50.050

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17. Information on assets held for sale and discontinued operations

As of December 31, 2015 there is no tangible asset held for sale (31 Aralık 2014: 51.265 TL).

Deed transfers of Gayrettepe head office building, registered at İstanbul province, Şişli District, Mecidiyeköy quarter, 307 Map section, 1956 city block, 41 parcel and Polat building registered at İstanbul province, Şişli District, Mecidiyeköy quarter, 303 Map section, 1997 city block, which are owned by the Bank, have been completed on March 25, 2015 and April 27, 2015 respectively within terms mentioned in agreements concluded between parties and the sales of the aforementioned buildings, which are recognized as fixed assets held to be sold, have been made with prices of USD 65.250.000 and USD 28.000.000 respectively.

18. Information on other assets

18.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Other Prepaid Expenses	319.655	305.057
Cheques Receivables from Other Banks	271.452	254.690
Assets Held for Sale (Net)	220.249	138.126
Collateral Given for Derivative Transactions	108.495	73.722
Miscellaneous Receivables	74.308	64.730
Prepaid Rent Expenses	38.905	31.657
Prepaid Agency Commissions	14.330	6.564
Advances Given	4.338	9.640
Other	54.454	32.835
Toplam	1.106.186	917.021

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	3.219.905	19.104	1.965.902	22.844
Assets on Trading Derivatives	1.988.900	248.349	1.103.005	150.340
Loans and Receivables	935.008	131.096	670.666	119.800
Investments Securities Available for Sale	43.025	52.031	132.088	100.324
Investments Held-to-Maturity	73.776	10.784	48.794	6.928
Central Bank of Turkey	8.497	-	-	-
Banks	37	-	997	31
Trading Securities	165	18	50	117
Other Accruals	15.244	1.237	125	-
Total	6.284.557	462.619	3.921.627	400.384

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SECTION FIVE

II. EXPLANATIONS AND DISCLOSURES RELATED TO LIABILITIES

1. Information on maturity structure of deposits

Current Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	1.836.314	-	2.453.079	13.626.243	628.259	260.686	880.499	3.002	19.688.082
Foreign Currency Deposits	3.309.786	-	2.090.008	11.129.390	866.874	169.550	436.221	3.306	18.005.135
Residents in Turkey	3.251.799	-	2.067.469	10.796.958	839.704	159.101	395.311	3.306	17.513.648
Residents Abroad	57.987	-	22.539	332.432	27.170	10.449	40.910	-	491.487
Public Sector Deposits	236.348	-	509	137.003	408	387	76	-	374.731
Commercial Deposits	1.730.003	-	1.710.341	3.542.286	345.933	115.456	178.330	-	7.622.349
Other Ins. Deposits	35.463	-	104.997	662.999	10.997	5.763	67.858	-	888.077
Precious Metal Bank Deposits	376.794	-	-	4.325	101	-	49.473	-	430.693
T.R Central Bank	26.037	-	133.860	1.194.672	189.475	12.244	482	-	1.556.770
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	7.652	-	110.195	105.521	-	-	-	-	223.368
Participation Banks	18.385	-	23.665	1.089.151	189.475	12.244	482	-	1.333.402
Other	-	-	-	-	-	-	-	-	-
Total	7.550.745	-	6.492.794	30.296.918	2.042.047	564.086	1.612.939	6.308	48.565.837

Prior Period

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

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

	Covered by Deposit Insurance Fund		Exceeding the Deposit Insurance Limit	
	Current	Prior	Current	Prior
Saving Deposits	10.434.904	9.502.043	9.249.580	8.529.289
Foreign Currency Savings Deposits	2.473.087	1.833.144	9.041.063	5.793.036
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign	-	-	-	-
Off-Shore Deposits Under Foreign Insurance	-	-	-	-
Toplam	12.907.991	11.335.187	18.290.643	14.322.325

1.2. Savings deposits in Turkey are not covered under insurance in another country since the headquarter of the 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	61.131	38.539
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237	-	-
Saving deposits in banks established in Turkey exclusively for off-shore	5.707	2.632
Total	66.838	41.171

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	53.207	-	51.369	-
Swaps	1.829.702	153.242	1.041.437	110.167
Futures	-	273	-	47
Options	-	120.040	-	50.291
Other	-	-	-	-
Total	1.882.909	273.555	1.092.806	160.505

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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	107.591	119.321	115.661	107.020
Foreign Bank, Institutions and Funds	-	5.413.504	-	4.675.462
Total	107.591	5.532.825	115.661	4.782.482

b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	107.591	3.266.070	115.661	3.875.625
Medium and Long-Term	-	2.266.755	-	906.857
Total	107.591	5.532.825	115.661	4.782.482

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

The Bank has obtained 5 year maturity securitization loans amounting to USD 280 million on 18 September 2015 within the context of money transfer based securitization program.

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

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

As of December 31, 2015, the Bank's liabilities comprise; 57% deposits (December 31, 2014 – 56%), 7% funds borrowed (December 31, 2014 – 7%), 5% issued bonds (December 31, 2014 – 7%) and 5% funds provided under repurchase agreements (December 31, 2014 – 6%).

4. Information on funds provided under repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	2.779.124	-	2.706.350	-
Financial institutions and organizations	2.754.209	-	2.674.209	-
Other institutions and organizations	10.130	-	12.101	-
Real persons	14.785	-	20.040	-
From foreign transactions	2.410	1.857.920	9.901	1.431.183
Financial institutions and organizations	-	1.857.920	-	1.431.183
Other institutions and organizations	2.241	-	9.901	-
Real persons	169	-	-	-
Total	2.781.534	1.857.920	2.716.251	1.431.183

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5. Information on securities issued (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	535.327	-	1.971.791	262.040
Bills	-	3.800.454	246.778	2.892.840
Total	535.327	3.800.454	2.218.569	3.154.880

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

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, 2014 - 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, 2014- None).

7.2. Financial Lease Payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	1.255	1.116	1.146	996
Between 1 - 4 years	885	788	1.785	1.550
More than 4 years	-	-	-	-
Total	2.140	1.904	2.931	2.546

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, 2014- None).

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8. Information on liabilities arising from hedging purpose derivatives

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

(*) Fair value hedging derivative financial instruments consist of swaps. TL 25.804, TL 152.099 and TL 905 of aforementioned amount states fair value of fair value hedging derivative financial instruments of credits (31 December 2014:TL 98.050), available for sale financial assets (31 December 2014:TL 122.664) and credits obtained (31 December 2014: None) respectively.

(**) It states the of cash flow hedge accounting fair value of derivative financial instruments of deposit.

9. Information on provisions

9.1. Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	905.191	680.928
-Additional Provision for Loans and Receivables with Extended Maturities	52.253	55.947
Provisions for Loans and Receivables in Group II	167.383	125.096
-Additional Provision for Loans and Receivables with Extended Maturities	38.079	36.679
Provisions for Non - Cash Loans	85.275	75.473
Other	32.554	61.164
Total	1.190.403	942.661

9.2. Provision for currency exchange gain/loss on foreign currency indexed loans

	Current Period	Prior Period
Foreign Exchange Provision for Foreign Currency Indexed Loans (*)	20.065	21.043

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

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

The specific provision for non-cash loans which are related with the non-performing cash loans in arrears or the loans which were written off from balance sheet is TL 36.737 (December 31, 2014 - TL 47.736).

9.4. Information on employee termination benefits and unused vacation accrual

The 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, 2015, TL 125.433 (December 31, 2014 - TL 116.324) reserve for employee termination benefits was provided in the accompanying financial statements.

As of December 31, 2015, the Bank accrued TL 33.200 (December 31, 2014 - TL 30.279) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of December 31, 2015, TL 78.118 (December 31, 2014- TL 53.531) bonus and premium provisions have been provided under reserve for employee benefits account in the accompanying financial statements.

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9.4.1. Movement of employee termination benefits

	Current Period 01.01-31.12.2015	Prior Period 01.01-31.12.2014
As of January 1	116.324	86.693
Service Cost	18.174	14.092
Interest Cost	9.426	8.288
Settlement / curtailment / termination loss	8.624	10.344
Actuarial Difference	(5.264)	19.345
Paid during the period	(21.851)	(22.438)
Total	125.433	116.324

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	106.241	106.334
General reserves for possible risks	100.000	82.000
Provision for Promotion Expenses of Credit Cards	6.458	12.495
Other Provisions	83.238	47.040
Total	295.937	247.869

As of December 31, 2015, The Bank has made a provision of 106.241 TL (December 31, 2014- 106.334 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, 2015, the Bank have TL 210.338 current tax liability (December 31, 2014 - TL 228.268) and TL 154.099 advance taxes (December 31, 2014 - TL 57.490). 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	56.239	170.778
Banking and Insurance Transaction Tax (BITT)	48.440	40.495
Taxation on Securities Income	2.008	1.893
Taxation on Real Estates Income	49.062	38.497
Other	19.756	17.664
Total	175.505	269.327

The "Corporate Taxes Payable" balance is presented in the "Current Tax Liability" account and other taxes are presented in the "Other Liabilities" account in the accompanying unconsolidated financial statements.

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10.1.3. Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	7.392	6.693
Social Security Premiums - Employer Share	8.019	7.268
Unemployment Insurance - Employee Share	520	470
Unemployment Insurance - Employer Share	1.041	942
Total	16.972	15.373

11. Information on payables related to assets held for sale

None (December 31, 2014 – None).

12. Information on subordinated loans

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

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

13. Information on shareholder's equity

13.1. Paid-in capital

	Current Period	Prior Period
Common Stock	3.000.000	2.835.000
Preferred Stock	-	-

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

Capital System	Paid-in Capital	Ceiling(*)
Registered Capital System	3.000.000	12.000.000

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

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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	subject to the Increase
31 Ağustos 2015	165.000	-	165.000	-	-

13.4. Information on share capital increases from revaluation funds

None (December 31, 2014 – None).

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

The 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, 2014 – None).

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

According to the Board of Directors decision dated September 16, 2014, it has been 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 Extraordinary General Assembly 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)	30.000.000		28.350.000	
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	207.320	-	396.926	-
Valuation Difference	207.320	-	396.926	-
Foreign Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	(65.962)	(178.297)	4.763	(56.619)
Valuation Difference	(65.962)	(178.297)	4.763	(56.619)
Foreign Exchange Rate Difference	-	-	-	-
Total	141.358	(178.297)	401.689	(56.619)

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16. Accrued interest and expenses

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	207.107	22.050	169.770	19.211
Derivative Financial Liabilities Held for Trading	1.882.909	273.555	1.092.806	160.505
Funds Borrowed	1.667	38.800	2.038	28.886
Money Market Borrowings	2.349	4.811	2.227	1.382
Derivative Financial Liabilities Held for Hedging Purposes	60.229	223.215	202.104	149.976
Securities Issued	-	44.863	10.545	44.198
Other Accruals	44.824	78	30.795	39
Total	2.199.085	607.372	1.510.285	404.197

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SECTION FIVE

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

1. Information related to off-balance sheet contingencies

1.1. Type and amount of irrevocable commitments

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

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

Specific provision is provided for the non-cash loans amounting to TL 36.736 (December 31, 2014 - TL 47.736) followed in the off-balance sheet accounts that are not indemnified and liquidated yet.

1.3 Final guarantees, provisional guarantees, sureties and similar transactions

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

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

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

2. Total amount of non-cash loans

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

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

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

(*)Does not include foreign currency balance of "Other Guarantees" amounting to TL 21.077 as of 31.12.2014.

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

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

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

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Prior Period (*)	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	-	-
Non-cash Loans	5.068.081	3.870.569	119.260	54.763

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

5. Information on derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	105.707.616	91.902.213
Forward transactions(*)	9.330.881	7.651.472
Swap transactions	82.712.723	74.145.200
Futures transactions	32.720	39.340
Option transactions	13.631.292	10.066.201
Interest Related Derivative Transactions (II)	11.990.098	9.542.658
Forward rate transactions	-	-
Interest rate swap transactions	11.454.624	9.542.658
Interest option transactions	-	-
Futures interest transactions	535.474	-
Security option transactions	-	-
Other trading derivative transactions (III)	712.362	417.402
A.Total Trading Derivative Transactions (I+II+III)	118.410.076	101.862.273
Types of hedging transactions		
Fair value hedges	17.764.451	19.206.081
Cash flow hedges	18.870.159	10.785.127
Net investment hedges	-	-
B.Total Hedging Related Derivatives	36.634.610	29.991.208
Total Derivative Transactions (A+B)	155.044.686	131.853.481

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

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As of December 31, 2015, breakdown of the Bank's foreign currency forward and swap and interest rate swap transactions based on currencies are disclosed below in their TL equivalents:

	Forward Buy^(**)	Forward Sell^(**)	Swap Buy^(*)	Swap Sell^(*)	Option Buy	Option Sell	Future Buy	Futures Sell	Other
Current Period									
TL	2.708.325	1.455.137	20.022.379	30.812.688	2.727.400	2.459.930	347	347	-
USD	1.098.411	2.750.074	41.217.474	28.811.962	2.587.585	2.852.748	283.750	283.750	712.362
EURO	797.778	386.959	5.512.115	3.249.638	1.500.712	1.501.634	-	-	-
Other	64.075	70.122	289.894	885.807	292	991	-	-	-
Total	4.668.589	4.662.292	67.041.862	63.760.095	6.815.989	6.815.303	284.097	284.097	712.362
	Forward Buy^(**)	Forward Sell^(**)	Swap Buy^(*)	Swap Sell^(*)	Option Buy	Option Sell	Future Buy	Futures Sell	Other
Prior Period									
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	-	-	-
Total	3.824.271	3.827.201	56.993.739	56.685.327	5.022.484	5.043.717	19.670	19.670	417.402

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

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

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5.1 Fair value hedge accounting

a) Loans

The Bank enters into swap transactions in order to hedge itself from the changes in the fair value due to the changes in market interest rates of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. As of balance sheet date; the mortgage loans amounting to TL 4.352.016 (December 31, 2014 – TL 5.529.871) were subject to hedge accounting by swaps with a nominal of TL 4.378.077 (December 31, 2014 – TL 5.683.996). On December 31, 2015 the net market valuation difference expense amounting to TL 5.264 due to the losses amounting to TL 155.209 (December 31, 2014 – TL 199.124 gain) and gains from swaps amounting to TL 149.945 (December 31, 2014 – TL 165.139 loss) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

As of balance sheet date project finance loans amounting to TL 156.493 (December 31, 2014 – TL 148.712) have been subject to hedge accounting with swaps with a nominal amount of TL 150.774 (December 31, 2014 – TL 144.000). In 2015 TL 517 net fair valuation difference income, net of TL 1.537 (December 31, 2014 – TL 8.087 gain) income from loans and TL 2.055 (December 31, 2014 – TL 6.583 loss) loss from swaps has been recorded under “Gains / (losses) from financial derivatives transactions” on accompanying financial statements.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through income statement until the maturity of the hedged loans. The Bank has booked the valuation effect amounting to TL 9.873 (December 31, 2014 – TL 31.322) related to the loans that are ineffective for hedge accounting under “gains / (losses) from financial derivatives transactions” as loss during the current period.

b) Investment securities available for sale

The 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 of the balance sheet date; Eurobonds with a nominal of USD 365.7 million and EUR 75.8 million (December 31, 2014 – USD 301 million and EUR 70.8 million) were subject to hedge accounting by interest rate swaps with the same nominal value. On December 31, 2015, the net market valuation difference loss amounting to TL 220 due to gain from Eurobonds amounting to TL 22.427 (December 31, 2014 – TL 97.880 gain) and expense from swaps amounting to TL 22.647 (December 31, 2014 – TL 97.948 loss) is accounted for under “gains / (losses) from financial derivatives transactions” line in the accompanying financial statements.

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

c) Bonds issued

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

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d) Tangible assets

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

e) Borrowings

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

5.2 Cash flow hedge accounting

a) Deposit

The 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 1 month, the Bank implements cash flow hedge accounting with interest rate swaps. The Bank implements efficiency tests at the balance sheet dates for hedging purposes; the effective portions are accounted for under equity "Hedging Funds", whereas the ineffective portions are accounted for at income statement as defined in TAS 39. As at the balance sheet date, swaps amounting to TL 4.035.130 are subject to hedge accounting as hedging instruments (December 31, 2014 – TL 1.057.388). As a result of the mentioned hedge accounting, fair value gains before taxes amounting to TL 68.398 are accounted for under equity during the current period (December 31, 2014 – TL 20.178 gain). The ineffective portion of gain amounting to TL 6.970 (December 31, 2014 – TL 127 loss) is accounted for at the income statement.

As of the balance sheet date, swaps with a nominal amount of USD 1.877 million (December 31, 2014 – USD 1.854 Million) have been subject to hedge accounting with USD deposits and swaps with a nominal amount of EUR 139 million (December 31, 2014 – None) have been subject to hedge accounting with Euro deposits. As a result of above mentioned hedge accounting, fair value gain before taxes amounting to TL 73.534 are accounted for under equity during the current period (December 31, 2014 – TL 140.268 loss). The loss amounting to TL 589 (December 31, 2014 – TL 245 loss) relating to the ineffective portion is accounted for at the income statement.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. Effective parts classified under equity due to hedge accounting are amortized through income statement until the maturity of swaps in case of ineffectiveness. In the current period there is profit of TL 5.195 transferred amount from equity to income statement due to ineffectiveness or matured swaps. (December 31, 2014 – TL 2.399).

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

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a) Tangible Assets

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

6. Credit derivatives and risk exposures on credit derivatives

As of December 31, 2015, the Bank has no commitments “credit linked notes”.(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).

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

7. Information on contingent liabilities and assets

The Bank has recorded a provision of TL 37.664 (December 31, 2014 - TL 20.677) for litigation and has accounted for it in the accompanying financial statements under the “Other Provisions” account(Section Five, part II.9.5). Except for the claims where provisions are recorded, management considers as remote the probability of a negative result in ongoing litigations and therefore does not foresee cash outflow for such claims.

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

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

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SECTION FIVE

IV. EXPLANATIONS AND DISCLOSURES RELATED TO THE INCOME STATEMENT

1. a) Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term Loans	3.107.011	48.183	2.550.276	56.914
Medium and Long-Term Loans	3.025.029	386.720	2.640.404	238.177
Non-Performing Loans	123.260	-	113.761	-
Resource Utilization Support Fund	-	-	-	-
Total	6.255.300	434.903	5.304.441	295.091

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	1	-	-
Domestic Banks	1.095	7	1.549	7
Foreign Banks	156	1.850	232	86
Foreign Headquarters and Branches	-	-	-	-
Total	1.251	1.858	1.781	93

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

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	1.587	218	5.669	233
Financial Assets at FVTPL	8.595	575	16.499	881
Investment Securities Available for Sale	315.146	105.891	405.407	68.767
Investment Securities Held to Maturity	273.657	42.870	325.193	25.957
Total	598.985	149.554	752.768	95.838

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

d) Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	6.377	2.626

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	19.472	236.257	6.709	187.681
T.R. Central Bank	-	-	-	-
Domestic Banks	7.050	2.070	6.652	3.393
Foreign Banks	12.422	234.187	57	184.288
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	7.425	-
Total	19.472	236.257	14.134	187.681

b) Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	23.750	27.937

c) Information on interest expense paid to securities issued

As of December 31, 2015 interest paid to securities issued is TL 350.268 (December 31, 2014 – TL 317.396).

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d) Information on maturity structure of interest expenses on deposits

Time Deposits								
Current Period								
Account	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit Account	Total
Turkish Lira								
Bank Deposits	-	12.979	2.050	-	-	-	-	15.029
Saving Deposits	-	199.374	1.321.852	44.370	22.409	109.226	-	1.697.231
Public Sector Deposits	-	1.830	9.105	111	37	1	-	11.084
Commercial Deposits	-	177.411	400.396	33.269	11.597	15.229	-	637.902
Other Deposits	-	6.286	125.806	2.950	32.170	20.652	-	187.864
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	-	397.880	1.859.209	80.700	66.213	145.108	-	2.549.110
Foreign Currency								
Deposits	-	29.694	211.119	8.305	3.316	10.559	-	262.993
Bank Deposits	25	14.170	3.249	180	-	-	-	17.624
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	645	-	-	-	-	-	645
Total	25	44.509	214.368	8.485	3.316	10.559	-	281.262
Grand Total	25	442.389	2.073.577	89.185	69.529	155.667	-	2.830.372

Information on maturity structure of interest expense on deposits

Time Deposits								
Prior Period								
Account	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit Account	Total
Turkish Lira								
Bank Deposits	-	12.951	6.318	1.623	288	-	-	21.180
Saving Deposits	3	154.378	1.120.822	91.882	38.827	112.144	-	1.518.056
Public Sector Deposits	-	639	3.408	51	102.588	-	-	106.686
Commercial Deposits	-	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 Accounts	-	-	-	-	-	-	-	-
Total	3	327.045	1.626.038	139.380	213.181	122.382	-	2.428.029
Foreign Currency								
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 Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	484	-	-	-	-	-	484
Total	29	43.592	161.983	10.731	6.526	12.669	-	235.530
Grand Total	32	370.637	1.788.021	150.111	219.707	135.051	-	2.663.559

e) Information on interest expense on repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expense on Repurchase Agreements (*)	190.027	15.266	211.828	7.448

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

f) Information on finance lease expenses

	Current Period	Prior Period
Finance Lease Expenses	212	330

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g) Information on interest expense on factoring payables

None (December 31, 2014 – 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	-	-
Other	62.872	8.959
Total	62.872	9.042

4. Information on trading income/loss

	Current Period	Prior Period
Trading Income	19.653.911	10.933.857
Gains on Capital Market Operations	48.881	81.784
Derivative Financial Instruments	4.523.626	3.496.133
Foreign Exchange Gains	15.081.404	7.355.940
Trading Loss (-)	20.393.687	11.196.634
Losses on Capital Market Operations	23.730	63.229
Derivative Financial Instruments	5.186.956	3.815.603
Foreign Exchange Losses	15.183.001	7.317.802
Net Trading Income/Loss	(739.776)	(262.777)

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 expense accrual cancelations in “Other Operating Income” account. As stated in Section Five disclosure I.14, in the current period, Gayrettepe Head Office’s and Polat Residence’s property titles are transferred to the new owners respectively as of March 25, 2015 and April 27, 2015. The Bank has recorded the profit from the sale of these buildings under “Other Operating Income” amounting to TL 159.182.

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6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	893.091	868.348
Loans and Receivables in Group III	211.957	164.709
Loans and Receivables in Group IV	196.853	322.682
Loans and Receivables in Group V	484.281	380.957
Provision for Loans Under Close Monitoring	-93	4.310
General Provisions	247.742	126.370
General Reserves for Possible Risks	18.000	82.000
Provision Expenses for Possible Losses	-	-
Impairment Losses on Securities	-	-
Financial assets at fair value through profit or loss	-	-
Investment securities available for sale	-	-
Impairment Losses on Associates, Subsidiaries and Investment Securities Held-to-Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
Other	11.372	-5.485
Total	1.170.112	1.075.543

7. Information on other operating expenses

	Current	Prior Period
Personnel costs	1.041.885	941.283
Reserve for employee termination benefits	14.372	10.286
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	-
Depreciation charge of tangible assets	117.504	133.290
Impairment losses on intangible assets	-	-
Impairment losses on goodwill	-	-
Amortization charge of intangible assets	91.810	78.967
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed of	-	83
Depreciation on assets to be disposed	4.050	3.906
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	870.426	809.706
Operational lease related expenses	224.167	206.867
Repair and maintenance expenses	92.983	77.327
Advertisement expenses	66.425	69.291
Other expenses	486.851	456.221
Losses on sales of assets	6.499	640
Other (*)	590.656	355.576
Total	2.737.202	2.333.737

(*) Comprising repayments amounting to TL 166.703 (December 31, 2014: TL 95.355) in respect of Consumer Arbitration Committee and courts' decision, which was fees and commissions recognized in previous year as income. Additionally, in accordance with the report prepared by the investigators of the Ministry of Customs and Trade, the Bank has been notified of a TL 43.569 administrative fine. With the reservation of the right to legal application, subject fine has been paid by the Bank on August 28, 2015 benefiting from early payment discount in compliance with Law of Misdemeanour no 5326 Clause 15 at the amount of TL 32.676.

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

For the period ended December 31, 2015, net interest income in regards to continued operations of TL 3.947.235 (December 31, 2014 – 3.088.311), net fees and commission income of TL 1.313.835 (December 31, 2014 – TL 1.333.530) and other operating income of TL 225.997 (December 31, 2014 – TL 383.383) constitute an important part of the income.

9. Explanations on tax provision for continued and discontinued operations

9.1. Current period taxation benefit or charge and deferred tax benefit or charge

As of December 31, 2015, the Bank has recorded tax charge TL 209.735 (December 31, 2014 – TL 221.066 tax charge) and a deferred tax charge of TL 12.658 (December 31, 2014 – TL 43.715 deferred tax charge) from its continuing operations.

9.2. Explanations on operating profit/loss after taxes

None (December 31, 2014 – None).

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

Net profit of the Bank from continued operations is TL 705.772 (December 31, 2014 – TL 877.428).

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, 2014 – None).

11.2. Effect of changes in accounting estimates on income statement for the current and for subsequent periods.

None (December 31, 2014 – None).

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.

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SECTION FIVE

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

1. Changes resulting from valuation of available for sale securities

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

2. Explanations on foreign exchange differences

None.

3. Explanations on dividend

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

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

2014 profit distribution table:

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

3.2. Dividends per share proposed subsequent to the balance sheet date

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

3.3. Transfers to legal reserves

	Current Period	Prior Period
Amount Transferred to Reserved from Retained Earnings	43.871	36.712

4. Information on issuance of share certificates

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

None (December 31, 2014- None).

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

The Bank has increased its paid-in capital through internal reserves amounting to TL 165.000 and TL 135.000, respectively in 2015 and 2014.

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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 2.466.728 (December 31, 2014 – TL 1.131.101) in “Operating profit before changes in operating assets and liabilities” consist of commissions paid amounting to TL 262.296 (December 31, 2014 – TL 222.950), net trading income/loss by TL 1.788.074 (December 31, 2014 – TL 657.404 net trading income/loss) and other operating expenses amounting to TL 416.358 (December 31, 2014 – TL 250.747).

“Other items” in changes in operating assets amounting to TL 206.279 (December 31, 2014- TL 29.943) consist of the decrease in collaterals given by TL 26.958 (December 31, 2014- TL 88.110 decrease) and the increase in other assets by TL 233.237 (December 31, 2014 - TL 58.167 decrease).

“Other items” in changes in operating liabilities amounting to TL 2.313.887 (December 31, 2014- TL 850.817) consist of the increase in money market borrowings by TL 492.020 (December 31, 2014- TL 444.711 increase) and the increase in sundry debtors and other liabilities by TL 1.821.867 (December 31, 2014- TL 406.106 increase).

“Other items” in changes in net cash provided from banking operations amounting to TL 131.918 (December 31, 2014 – TL 104.610) does not include the increase in intangible assets by TL 40.110 (December 31, 2014 – TL 25.643).

Effect of change in foreign currency on cash and cash equivalents is calculated as the difference between monthly average balances converted to TL using the currency rate at the beginning and at the end of the period and is TL 24.759 (December 31, 2014 – TL 223.291) as of December 31, 2015.

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

	Current Period January 1, 2015	Prior Period January 1, 2014
Cash	839.439	1.047.161
Cash in TL	590.424	633.496
Cash in Foreign Currencies	248.652	413.140
Other	363	525
Cash Equivalents	2.028.549	1.051.385
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)
Cash and Cash Equivalents	2.867.988	2.098.546

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

	Current Period December 31, 2015	Prior Period December 31, 2014
Cash	955.903	839.439
Cash in TL	678.545	590.424
Cash in Foreign Currencies	274.820	248.652
Other	2.538	363
Cash Equivalents	2.685.681	2.028.549
Balances with the T.R. Central Bank	2.418.116	1.601.665
Banks	276.099	238.219
Money Market Placements	-	200.062
Less: Placements with Banks with Maturities Longer than 3 Months	-	(10.369)
Less: Accruals	(8.534)	(1.028)
Cash and Cash Equivalents	3.641.584	2.867.988

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

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

5. Additional information

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

None.

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VII. EXPLANATIONS AND DISCLOSURES RELATED TO THE 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, 2015, the Bank's risk group has deposits, cash and non-cash loans at the Bank amounting to TL 524.810 (December 31, 2014 - TL 417.132) deposit, TL 155.953 (December 31, 2014 - TL 159.273) cash loan and TL 33.930 (December 31, 2014 - TL 54.733) 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
Loans and Other Receivables						
Balance at the Beginning of the Period	157.557	19.742	1.716	34.288	-	702
Balance at the End of the Period	155.953	11.315	-	21.651	-	964
Interest and Commission Income	6.377	158	-	21	5	13

Prior Period

Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group(**)	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	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

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

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

1.2. Information on deposits held by the Bank's risk group

Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group(**)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the	380.996	359.891	17.036	18.776	57.639	16.594
Balance at the End of the Period	265.905	380.996	-	17.036	258.905	57.639
Interest on deposits	23.750	27.937	-	-	11.238	2.997

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

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

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1.3. Information on forward and option agreements and similar agreements made with the Bank's risk group

Bank's Risk Group ^(*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group ^(**)	
	Current	Prior	Current	Prior Period	Current	Prior Period
Transactions for Trading Purposes						
Beginning of the Period	140.998	-	134.496	130.397	102.824	177.748
End of the Period	-	140.998	168.641	134.496	74.646	102.824
Total Income/Loss ^(***)	(1.063)	(1.357)	(4.077)	(5.336)	1.693	1.070
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss ^(***)	-	-	-	-	-	-

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

(**) Includes the derivative transactions between the Bank's indirect subsidiaries.

(***) Represents December 31, 2014 balance.

1.4. As of December 31, 2014, the total amount of remuneration and bonuses paid to top management of the Bank is TL 52.553 (December 31, 2014- TL 41.320).

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, 2015, cash loans of the risk group represented 0,3% of the Bank's total cash loans (December 31, 2014 – 0,3%), the deposits represented 1,1% of the Bank's total deposits (December 31, 2014- 0,9 %) and derivative transactions represented 0,2% of the Bank's total derivative transactions (December 31, 2014 – 0,2%).

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

The Bank enters into finance lease agreements with Finans Finansal Kiralama A.Ş. As of December 31, 2015, the Bank has net finance lease payables to Finans Finansal Kiralama A.Ş. amounting to TL 1.904 (December 31, 2014 - TL 2.546) relating with finance lease agreements.

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

Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., in which the 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.

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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	641	12.943			
				<u>Country</u>	
Foreign Representation	-	-		-	
					<u>Total Assets</u> <u>Capital</u>
Foreign Branch	1	7	1- Bahrain	12.264.621	-
Off-shore Banking and Region Branches	-	-			

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SECTION SIX

OTHER EXPLANATIONS AND DISCLOSURES

I. Other explanations related to the Bank's operations

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

The bank made a bond issuances at a nominal amount of TL 52.300 having 11,50% interest rate with 91 days maturity on January 15, 2016 and at a nominal amount of TL 165.550 having 11,40% interest rate with 91 days maturity on January 22, 2016 and at a nominal amount of TL 186.160 having 11,20% interest rate with 91 days maturity on February 4, 2016.

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

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

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

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

3. Other matters

None (December 31, 2014 – None).

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SECTION SEVEN

INDEPENDENT AUDIT REPORT

I. Explanations on the Independent Audit Report

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

II. Explanations on the notes prepared by Independent Auditors

None (December 31, 2014 – None).