

FİNANSBANK ANONİM ŞİRKETİ

INDEPENDENT AUDITOR'S AUDIT REPORT, CONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE PERIOD ENDED DECEMBER 31, 2014

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

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

FİNANSBANK ANONİM ŞİRKETİ
INDEPENDENT AUDITOR’S AUDIT REPORT
FOR THE PERIOD JANUARY 1 –DECEMBER 31, 2014

To the Board of Directors of
Finansbank Anonim Şirketi

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

Disclosure for the responsibility of the Bank’s board of directors:

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

Disclosure for the Responsibility of the Authorized Audit Firm:

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

Basis for Qualified Opinion:

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

Independent Auditors' Opinion:

In our opinion, except for the effect of the matter referred in the preceding paragraph on the consolidated financial statements, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Finansbank Anonim Şirketi at December 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per Article 37 and 38 of the Banking Act No: 5411, and other regulations, communiqués, circulars and pronouncements made by the Banking Regulation and Supervision Agency in respect of accounting and financial reporting.

Report on other responsibilities arising from regulatory requirements

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

Other matters:

The consolidated financial statements of the Bank as of and for the year ended December 31, 2013 prepared in accordance with the accounting principles and standards set out by regulations in conformity with Article No:37 and 38 of the Banking Act No. 5411 were audited by another independent audit firm, who in their report dated February 27, 2014 expressed an unqualified opinion on the consolidated financial statements as of and for the year ended December 31, 2013, results of operations and cash flows in accordance with accounting principles and standards set out by regulations in conformity with Article No:37 and 38 of the Banking Act No: 5411 and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

Additional paragraph for English translation:

As explained in detail in Note I. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with Articles 37 and 38 of the Banking Act No. 5411, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

Hatice Dilek Çilingir Köstem
Partner in Charge, SMMM

Istanbul, February 5, 2015

**THE CONSOLIDATED FINANCIAL REPORT OF FINANSBANK A.Ş.
FOR THE YEAR ENDED DECEMBER 31, 2014**

The Parent Bank's;
Address of the Head Office : Büyükdere Caddesi No:129, 34394 Mecidiyeköy/İSTANBUL
Phone number : (0212) 318 50 00
Facsimile number : (0212) 318 58 50
Web page : www.finansbank.com.tr
E-mail address : name.surname@finansbank.com.tr

The consolidated financial report for the year ended December 31, 2014, designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections listed below:

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

Within the context of this financial report for the year ended, the consolidated subsidiaries, entities under common control and structured entities are as follows. There are no associates included in the consolidation.

Subsidiaries

1. Finans Finansal Kiralama Anonim Şirketi
2. Finans Yatırım Menkul Değerler Anonim Şirketi
3. Finans Yatırım Ortaklığı Anonim Şirketi
4. Finans Portföy Yönetimi Anonim Şirketi
5. Finans Faktoring Hizmetleri Anonim Şirketi

Entities Under Common Control (Joint Ventures)

1. Cigna Finans Emeklilik ve Hayat Anonim Şirketi

Structured Entity

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

The consolidated financial statements and related disclosures and footnotes for the year ended December 31, 2014, are prepared in accordance with the Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying consolidated financial statements are presented in **thousands of Turkish Lira (TL)**.

Ömer A. Aras
Chairman of
the Board of Directors

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

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

Temel Güzeloğlu
General Manager and
Member of the
Board of Directors

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

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

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

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

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SECTION ONE

GENERAL INFORMATION ABOUT THE GROUP

I. Explanatory Note on the Establishment Date, Nature of Activities and History of the Parent Bank

Finansbank Anonim Şirketi (the Bank and/or the Parent Bank) was incorporated in Istanbul on September 23, 1987. The Parent Bank's shares have been listed on the Borsa Istanbul ("BIST") (formerly known as Istanbul Stock Exchange ("ISE")) since the first public offering on February 3, 1990.

II. Information About the Parent Bank's Shareholding Structure, Shareholders Who Individually or Jointly Have the Power to Control the Management and Audit Directly or Indirectly, Changes Regarding These Subjects During the Year, If Any, and Information About the Controlling Group of the Parent Bank

As of December 31, 2014, 82,23% of the Parent Bank's shares are owned by National Bank of Greece S.A. ("NBG"), 9,68% by NBG Finance (Dollar) PLC., 7,90% by NBGI Holdings B.V.

The Parent Bank is a National Bank of Greece S.A. ("NBG") Group entity. NBG was founded in 1841 and its shares have been traded on Athens Stock Exchange since 1880 and traded on the New York Stock Exchange since 1999. NBG offers financial services to its customers such as retail and commercial banking, assets management, intermediary services and investment banking.

III. Information About the Chairman and Members of Board of Directors, Members of Audit Committee, Managing Director and Executive Vice Presidents; Any Changes, and the Information About the Parent Bank Shares They Hold and Their Responsibilities

Name	Title	Date of Appointment	Education
Dr. Ömer A. Aras	Chairman	April 16, 2010	Phd
Sinan Şahinbaş	Deputy Chairman	April 16, 2010	Masters
Prof. Dr. Mustafa Aydın Aysan ^(*)	Board Member	March 9, 1993	Phd
Stefanos Pantzopoulos	Board Member	October 16, 2012	Graduate
Dr. Paul Mylonas ^(**)	Board Member and Audit Committee Member	February 23, 2010	Phd
Ioannis Vagionitis ^(***)	Board Member and Audit Committee Member	January 6, 2014	Masters
Christos Alexis Komninos	Board Member	February 16, 2011	Graduate
Temel Güzeloğlu	Board Member and Managing Director	April 16, 2010	Masters
Mustafa Hamdi Görtin	Board Member	April 16, 2010	Masters
Ali Teoman Kerman ^(****)	Board Member and Head of Audit Committee	April 16, 2013	Masters
Paula Hadjisotiriou	Board Member	December 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 18, 2008	Graduate
Köksal Çoban	Assistant Managing Director	August 19, 2008	Masters
Dr. Mehmet Kürşad Demirkol	Assistant Managing Director	October 8, 2010	Phd
Özlem Cinemre	Assistant Managing Director	July 9, 1997	Graduate
Hakan Alp	Assistant Managing Director	July 7, 2010	Graduate
Filiz Sonat	Assistant Managing Director	September 19, 2007	Graduate
Erkin Aydın	Assistant Managing Director	May 16, 2011	Masters
Ömür Tan	Assistant Managing Director	October 28, 2011	Graduate
Şebnem Seniye Karaduman	Assistant Managing Director	January 9, 2012	Graduate
Halim Ersun Bilgici	Assistant Managing Director	March 15, 2013	Masters

^(*) Prof. Dr. Mustafa Aydın Aysan resigned from Audit Committee as of April 24, 2014.

^(**) Dr. Paul Mylonas has been appointed as member to the Audit Committee as of January 17, 2014.

^(***) Ioannis Vagionitis has been appointed to the Audit Committee as of January 17, 2014.

^(****) Ali Teoman Kerman has been appointed as the Head of Audit Committee as of April 24, 2014.

^(*****) Georgios Koutsoudakis has been appointed as the Board Member as of July 23, 2014.

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

IV. Information About the Persons and Institutions That Have Qualified Shares on the Parent Bank

Name Surname/Trade Name	Amount of Shares	Percentage of Shares	Paid-up Shares	Unpaid Shares
National Bank of Greece S.A.	2.331.170	%82,23	2.331.170	-
NBG Finance (Dollar) PLC	274.411	%9,68	274.411	-
NBGI Holdings B.V.	223.965	%7,90	223.965	-

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

(*)According to a put option agreement between NBG and International Finance Corporation ("IFC") dated March 29, 2007, 5% of the Parent Bank's shares have been bought from IFC by the main shareholder of the Parent Bank, NBG, on September 26, 2014 and following the subject purchase as of December 31, 2014, NBG's share in the Parent Bank's capital has reached to 99,81%.

V. Explanations on the Parent Bank's Services and Activities

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

VI. Information on Application Differences Between Consolidation Practices as per the Regulation on Preparation of Consolidated Financial Statements of Banks and the Turkish Accounting Standards, and Entities Subject to Full or Proportional Consolidation or Deducted from Equity or not Subject to any of These Three Methods

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

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

All other subsidiaries are fully consolidated.

VII. Current or Likely Actual or Legal Barriers to Immediate Transfer of Shareholders' Equity or Repayment of Debts Between Parent the Parent Bank and Its Subsidiaries

None.

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

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

**FİNANSBANK ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2014
(STATEMENT OF FINANCIAL POSITION)**

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

I. CONSOLIDATED BALANCE SHEET – ASSETS

	Section 5 Part I	Audited 31.12.2014			Audited 31.12.2013		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	1.503.288	7.160.632	8.663.920	887.790	7.320.692	8.208.482
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	1.247.255	151.764	1.399.019	1.423.069	253.498	1.676.567
2.1 Financial assets held for trading		1.149.112	151.764	1.300.876	1.237.995	253.498	1.491.493
2.1.1 Public sector debt securities		38.671	2.299	40.970	198.580	1.973	200.553
2.1.2 Equity securities		-	-	-	-	-	-
2.1.3 Assets on trading derivatives		1.103.005	149.465	1.252.470	1.029.956	251.525	1.281.481
2.1.4 Other securities		7.436	-	7.436	9.459	-	9.459
2.2 Financial assets at fair value through profit and loss		98.143	-	98.143	185.074	-	185.074
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Equity securities		-	-	-	-	-	-
2.2.3 Loans		98.143	-	98.143	185.074	-	185.074
2.2.4 Other securities		-	-	-	-	-	-
III. BANKS	(3)	39.783	260.651	300.434	5.987	470.167	476.154
IV. MONEY MARKET PLACEMENTS		244.425	-	244.425	3.433	-	3.433
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		44.363	-	44.363	-	-	-
4.3 Receivables from reverse repurchase agreements	(4)	200.062	-	200.062	3.433	-	3.433
V. INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(5)	3.956.342	1.477.171	5.433.513	4.669.176	1.073.809	5.742.985
5.1 Equity securities		-	-	-	-	-	-
5.2 Public sector debt securities		3.924.071	1.444.438	5.368.509	4.633.866	1.059.507	5.693.373
5.3 Other securities		32.271	32.733	65.004	35.310	14.302	49.612
VI. LOANS AND RECEIVABLES	(6)	42.749.678	7.333.602	50.083.280	38.052.309	4.618.996	42.671.305
6.1 Loans and receivables		42.178.321	7.333.602	49.511.923	37.543.584	4.618.996	42.162.580
6.1.1 Loans to risk group of the Bank		-	1.715	1.715	-	-	-
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		42.178.321	7.331.887	49.510.208	37.543.584	4.618.996	42.162.580
6.2 Non-performing loans		2.739.971	-	2.739.971	2.965.853	-	2.965.853
6.3 Specific provisions (-)		2.168.614	-	2.168.614	2.457.128	-	2.457.128
VII. FACTORING RECEIVABLES	(7)	433.642	9.570	443.212	512.851	7.806	520.657
VIII. INVESTMENT SECURITIES HELD TO MATURITY (Net)	(8)	3.052.566	674.657	3.727.223	2.446.859	378.920	2.825.779
8.1 Public sector debt securities		3.052.566	90.418	3.142.984	2.446.859	20.820	2.467.679
8.2 Other securities		-	584.239	584.239	-	358.100	358.100
IX. INVESTMENT IN ASSOCIATES (Net)	(9)	3.766	-	3.766	3.766	-	3.766
9.1 Equity method associates		-	-	-	-	-	-
9.2 Unconsolidated		3.766	-	3.766	3.766	-	3.766
9.2.1 Financial Investments		-	-	-	-	-	-
9.2.2 Non-financial Investments		3.766	-	3.766	3.766	-	3.766
X. INVESTMENT IN SUBSIDIARIES (Net)	(10)	18.054	-	18.054	18.048	-	18.048
10.1 Unconsolidated financial investments		-	-	-	-	-	-
10.2 Unconsolidated non-financial investments		18.054	-	18.054	18.048	-	18.048
XI. ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(11)	168.047	-	168.047	177.608	-	177.608
11.1 Equity method entities under common control		165.247	-	165.247	174.808	-	174.808
11.2 Unconsolidated		2.800	-	2.800	2.800	-	2.800
11.2.1 Financial investments		-	-	-	-	-	-
11.2.2 Non-financial Investments		2.800	-	2.800	2.800	-	2.800
XII. LEASE RECEIVABLES (Net)	(12)	617.794	912.498	1.530.292	468.975	833.813	1.302.788
12.1 Financial lease receivables		752.996	1.013.007	1.766.003	561.460	921.274	1.482.734
12.2 Operational lease receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned income (-)		135.202	100.509	235.711	92.485	87.461	179.946
XIII. DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(13)	1.965.902	22.844	1.988.746	1.866.369	61.426	1,927.795
13.1 Fair value hedge		1.459.151	22.844	1.481.995	1.487.743	61.426	1,549.169
13.2 Cash flow hedge		506.751	-	506.751	378.626	-	378.626
13.3 Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(14)	1,472.085	10	1,472.095	533.983	63	534.046
XV. INTANGIBLE ASSETS (Net)	(15)	235.294	-	235.294	209.767	-	209.767
15.1 Goodwill		8.969	-	8.969	8.969	-	8.969
15.2 Others		226.325	-	226.325	200.798	-	200.798
XVI. INVESTMENT PROPERTIES (Net)	(16)	-	-	-	-	-	-
XVII. TAX ASSETS	(17)	62.448	-	62.448	107.583	-	107,583
17.1 Current tax assets		269	-	269	-	-	-
17.2 Deferred tax assets		62.179	-	62.179	107.583	-	107,583
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(18)	63.090	-	63.090	-	-	-
18.1 Held for sale		63.090	-	63.090	-	-	-
18.2 Discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(19)	893.032	105.235	998.267	800.887	458.068	1,258.955
TOTAL ASSETS		58.726.491	18.108.634	76.835.125	52.188.460	15.477.258	67.665.718

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

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

FİNANSBANK ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2014
(STATEMENT OF FINANCIAL POSITION)

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

I. CONSOLIDATED BALANCE SHEET – LIABILITIES AND EQUITY

	Section 5 Part II	Audited 31.12.2014			Audited 31.12.2013		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(1)	27.172.782	14.722.952	41.895.734	26.304.628	11.802.374	38.107.002
1.1 Deposits from risk group of the Bank		216.657	21.655	238.312	153.012	27.593	180.605
1.2 Other		26.956.125	14.701.297	41.657.422	26.151.616	11.774.781	37.926.397
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	1.092.817	159.483	1.252.300	1.112.851	198.046	1.310.897
III. FUNDS BORROWED	(3)	498.271	5.354.813	5.853.084	542.041	4.278.910	4.820.951
IV. MONEY MARKET BORROWINGS		2.784.569	1.431.183	4.215.752	2.638.931	1.141.561	3.780.492
4.1 Interbank money markets takings		-	-	-	50.000	-	50.000
4.2 Istanbul Stock Exchange money markets takings		59.332	-	59.332	62.210	-	62.210
4.3 Funds provided under repurchase agreements		2.725.237	1.431.183	4.156.420	2.526.721	1.141.561	3.668.282
V. SECURITIES ISSUED (Net)	(5)	2.325.486	3.500.012	5.825.498	2.160.812	1.793.767	3.954.579
5.1 Bills		2.000.828	262.040	2.262.868	2.057.078	-	2.057.078
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		324.658	3.237.972	3.562.630	103.734	1.793.767	1.897.501
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. SUNDRY CREDITORS		1.647.221	2.178.437	3.825.658	1.417.764	2.031.963	3.449.727
VIII. OTHER LIABILITIES	(6)	935.304	131.185	1.066.489	867.142	76.561	943.703
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(7)	-	-	-	-	-	-
10.1 Financial lease payables		-	-	-	-	-	-
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred financial lease expenses (-)		-	-	-	-	-	-
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(8)	202.104	149.976	352.080	7.648	75.101	82.749
11.1 Fair value hedge		70.738	149.976	220.714	-	75.101	75.101
11.2 Cash flow hedge		131.366	-	131.366	7.648	-	7.648
11.3 Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII. PROVISIONS	(9)	1.451.752	-	1.451.752	1.207.228	84.572	1.291.800
12.1 General provisions		942.661	-	942.661	731.719	84.572	816.291
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee benefits		211.867	-	211.867	220.328	-	220.328
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-
12.5 Other provisions		297.224	-	297.224	255.181	-	255.181
XIII. TAX LIABILITY	(10)	177.452	-	177.452	109.638	-	109.638
13.1 Current tax liability		175.964	-	175.964	108.308	-	108.308
13.2 Deferred tax liability		1.488	-	1.488	1.330	-	1.330
XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)	(11)	-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	(12)	-	2.121.712	2.121.712	-	1.950.719	1.950.719
XVI. SHAREHOLDERS' EQUITY		8.854.233	(56.619)	8.797.614	8.000.029	(136.568)	7.863.461
16.1 Paid-in capital	(13)	2.835.000	-	2.835.000	2.700.000	-	2.700.000
16.2 Capital reserves		(84.398)	(56.619)	(141.017)	(22.675)	(136.568)	(159.243)
16.2.1 Share premium	(14)	714	-	714	714	-	714
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Securities value increase fund	(15)	4.763	(56.619)	(51.856)	(85.632)	(136.568)	(222.200)
16.2.4 Revaluation fund on tangible assets		-	-	-	-	-	-
16.2.5 Revaluation fund on intangible assets		-	-	-	-	-	-
16.2.6 Investment property revaluation differences		-	-	-	-	-	-
16.2.7 Bonus shares obtained from associates, subsidiaries and entities under common control (joint ventures)		-	-	-	-	-	-
16.2.8 Hedging funds (effective portion)		(40.479)	-	(40.479)	95.987	-	95.987
16.2.9 Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		(49.396)	-	(49.396)	(33.744)	-	(33.744)
16.3 Profit reserves		4.853.036	-	4.853.036	4.210.843	-	4.210.843
16.3.1 Legal reserves		402.779	-	402.779	363.631	-	363.631
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		4.450.257	-	4.450.257	3.847.212	-	3.847.212
16.3.4 Other profit reserves		-	-	-	-	-	-
16.4 Profit or loss		1.072.420	-	1.072.420	948.925	-	948.925
16.4.1 Prior years' income/ (losses)		171.732	-	171.732	202.774	-	202.774
16.4.2 Current period income/ (loss)		900.688	-	900.688	746.151	-	746.151
16.5 Minority shares		178.175	-	178.175	162.936	-	162.936
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		47.141.991	29.693.134	76.835.125	44.368.712	23.297.006	67.665.718

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

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

FİNANSBANK ANONİM ŞİRKETİ

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED DECEMBER 31, 2014 (STATEMENT OF INCOME/LOSS)

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

II. CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES

		Audited 31.12.2014			Audited 31.12.2013			
		Section 5 Part III	TL	FC	TOTAL	TL	FC	TOTAL
A.	OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		88.950.232	81.070.293	170.020.525	70.483.727	62.693.666	133.177.393
I.	GUARANTEES	(1), (2), (3),(4)	5.214.732	3.945.677	9.160.409	4.170.445	2.947.967	7.118.412
1.1.	Letters of guarantee		5.205.798	2.208.929	7.414.727	4.162.774	1.777.802	5.940.576
1.1.1.	Guarantees subject to State Tender Law		238.293	28.417	266.710	173.860	24.805	198.665
1.1.2.	Guarantees given for foreign trade operations		2.895.013	2.180.512	5.075.525	2.619.423	1.752.997	4.372.420
1.1.3.	Other letters of guarantee		2.072.492	-	2.072.492	1.369.491	-	1.369.491
1.2.	Bank loans		8.934	903.353	912.287	7.668	602.163	609.831
1.2.1.	Import letter of acceptance		8.934	903.353	912.287	7.668	602.163	609.831
1.2.2.	Other bank acceptances		-	-	-	-	-	-
1.3.	Letters of credit		-	812.318	812.318	3	548.603	548.606
1.3.1.	Documentary letters of credit		-	614.869	614.869	3	531.441	531.444
1.3.2.	Other letters of credit		-	197.449	197.449	-	17.162	17.162
1.4.	Pre-financing given as guarantee		-	-	-	-	-	-
1.5.	Endorsements		-	-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2.	Other endorsements		-	-	-	-	-	-
1.6.	Securities issue purchase guarantees		-	-	-	-	-	-
1.7.	Factoring guarantees		-	-	-	-	-	-
1.8.	Other guarantees		-	21.077	21.077	-	19.399	19.399
1.9.	Other collaterals		-	-	-	-	-	-
II.	COMMITMENTS		29.112.513	2.365.704	31.478.217	25.084.936	1.696.831	26.781.767
2.1.	Irrevocable commitments		29.008.708	1.907.143	30.915.851	24.976.518	751.500	25.728.018
2.1.1.	Forward asset purchase commitments		688.063	1.862.257	2.550.320	327.259	749.594	1.076.853
2.1.2.	Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3.	Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4.	Loan granting commitments		8.536.833	232	8.537.065	5.424.542	213	5.424.755
2.1.5.	Securities underwriting commitments		-	-	-	-	-	-
2.1.6.	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7.	Payment commitment for checks		2.420.299	-	2.420.299	2.060.004	-	2.060.004
2.1.8.	Tax and fund liabilities from export commitments		7.626	-	7.626	6.988	-	6.988
2.1.9.	Commitments for credit card expenditure limits		16.812.040	-	16.812.040	17.067.174	-	17.067.174
2.1.10.	Commitments for promotions related with credit cards and banking activities		22.604	-	22.604	38.002	-	38.002
2.1.11.	Receivables from short sale commitments		-	-	-	-	-	-
2.1.12.	Payables for short sale commitments		-	-	-	-	-	-
2.1.13.	Other irrevocable commitments		521.243	44.654	565.897	52.549	1.693	54.242
2.2.	Revocable commitments		103.805	458.561	562.366	108.418	945.331	1.053.749
2.2.1.	Revocable loan granting commitments		103.805	458.561	562.366	108.418	351.395	459.813
2.2.2.	Other revocable commitments		-	-	-	-	593.936	593.936
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(5)	54.622.987	74.758.912	129.381.899	41.228.346	58.048.868	99.277.214
3.1	Derivative financial instruments for hedging purposes		13.357.379	16.633.829	29.991.208	10.309.736	13.695.907	24.005.643
3.1.1	Fair value hedge		6.870.913	12.335.168	19.206.081	6.675.930	10.559.020	17.234.950
3.1.2	Cash flow hedge		6.486.466	4.298.661	10.785.127	3.633.806	3.136.887	6.770.693
3.1.3	Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2	Held for trading transactions		41.265.608	58.125.083	99.390.691	30.918.610	44.352.961	75.271.571
3.2.1	Forward foreign currency buy/sell transactions		2.329.798	2.771.354	5.101.152	3.023.815	3.576.802	6.600.617
3.2.1.1	Forward foreign currency transactions-buy		1.305.411	1.244.832	2.550.243	1.406.707	1.895.433	3.302.140
3.2.1.2	Forward foreign currency transactions-sell		1.024.387	1.526.522	2.550.909	1.617.108	1.681.369	3.298.477
3.2.2	Swap transactions related to foreign currency and interest rates		35.823.945	47.942.651	83.766.596	21.637.234	30.774.780	52.412.014
3.2.2.1	Foreign currency swap-buy		19.228.003	17.891.715	37.119.718	12.583.337	9.313.810	21.897.147
3.2.2.2	Foreign currency swap-sell		15.666.682	21.437.538	37.104.220	7.761.087	14.046.448	21.807.535
3.2.2.3	Interest rate swaps-buy		464.630	4.306.699	4.771.329	646.405	3.536.517	4.182.922
3.2.2.4	Interest rate swaps-sell		464.630	4.306.699	4.771.329	646.405	3.878.005	4.524.410
3.2.3	Foreign currency, interest rate and securities options		3.110.969	6.955.232	10.066.201	6.257.051	9.617.419	15.874.470
3.2.3.1	Foreign currency options-buy		15.022.096	3.520.388	5.022.484	3.031.745	4.927.476	7.959.221
3.2.3.2	Foreign currency options-sell		1.608.873	3.434.844	5.043.717	3.225.306	4.689.943	7.915.249
3.2.3.3	Interest rate options-buy		-	-	-	-	-	-
3.2.3.4	Interest rate options-sell		-	-	-	-	-	-
3.2.3.5	Securities options-buy		-	-	-	-	-	-
3.2.3.6	Securities options-sell		-	-	-	-	-	-
3.2.4	Foreign currency futures		896	38.444	39.340	510	42.472	42.982
3.2.4.1	Foreign currency futures-buy		448	19.222	19.670	255	21.236	21.491
3.2.4.2	Foreign currency futures-sell		448	19.222	19.670	255	21.236	21.491
3.2.5	Interest rate futures		-	-	-	-	-	-
3.2.5.1	Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2	Interest rate futures-sell		-	-	-	-	-	-
3.2.6	Other		-	417.402	417.402	-	341.488	341.488
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)		407.530.063	69.547.687	477.077.750	315.542.822	66.407.768	381.950.590
IV.	ITEMS HELD IN CUSTODY		15.754.863	2.011.045	17.765.908	10.043.403	1.183.406	11.226.809
4.1.	Assets under management		4.064.430	1.590	4.066.020	3.513.680	6.252	3.519.932
4.2.	Investment securities held in custody		1.232.314	757.722	1.990.036	2.005.410	337.766	2.343.176
4.3.	Checks received for collection		2.310.295	309.252	2.619.547	1.756.326	231.738	1.988.064
4.4.	Commercial notes received for collection		663.699	142.261	805.960	521.071	93.224	614.295
4.5.	Other assets received for collection		-	-	-	-	-	-
4.6.	Assets received for public offering		-	-	-	-	-	-
4.7.	Other items under custody		7.484.125	800.220	8.284.345	2.246.913	514.426	2.761.339
4.8.	Custodians		-	-	-	3	-	3
V.	PLEDGED ITEMS		234.715.130	31.709.225	266.424.355	176.311.088	24.357.446	200.668.534
5.1.	Marketable securities		620.378	2.260.821	2.881.199	503.325	643.935	1.147.260
5.2.	Guarantee notes		181.761	52.651	234.412	142.011	38.261	180.272
5.3.	Commodity		41.344	-	41.344	27.266	-	27.266
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		57.209.764	11.327.616	68.537.380	46.396.463	7.993.070	54.389.533
5.6.	Other pledged items		176.661.883	18.068.137	194.730.020	129.242.023	15.682.180	144.924.203
5.7.	Pledged items-depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		157.060.070	35.827.417	192.887.487	129.188.331	40.866.916	170.055.247
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)			496.480.295	150.617.980	647.098.275	386.026.549	129.101.434	515.127.983

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FİNANSBANK ANONİM ŞİRKETİ

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED DECEMBER 31, 2014 (STATEMENT OF INCOME/LOSS)

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

III. CONSOLIDATED INCOME STATEMENT

		Section 5 Part IV.	Audited 01.01 - 31.12.2014	Audited 01.01 - 31.12.2013
I.	INTEREST INCOME	(1)	6.700.863	5.818.835
1.1	Interest on loans		5.596.739	5.128.313
1.2	Interest received from reserve deposits		538	-
1.3	Interest received from banks		6.507	4.474
1.4	Interest received from money market placements		45.136	8.291
1.5	Interest received from marketable securities portfolio		853.052	534.363
1.5.1	Held-for-trading financial assets		10.344	13.341
1.5.2	Financial assets at fair value through profit and loss		17.384	31.379
1.5.3	Available-for-sale financial assets		474.174	406.058
1.5.4	Investments held-to-maturity		351.150	83.585
1.6	Finance lease income		132.799	102.774
1.7	Other interest income		66.092	40.620
II.	INTEREST EXPENSE	(2)	3.496.338	2.549.868
2.1	Interest on deposits		2.652.784	1.972.161
2.2	Interest on funds borrowed		282.935	206.385
2.3	Interest on money market borrowings		226.551	103.651
2.4	Interest on securities issued		328.255	252.784
2.5	Other interest expense		5.813	14.887
III.	NET INTEREST INCOME (I - II)		3.204.525	3.268.967
IV.	NET FEES AND COMMISSIONS INCOME		1.396.983	1.086.758
4.1	Fees and commissions received		1.616.280	1.231.675
4.1.1	Non-cash loans		50.706	42.670
4.1.2	Other		1.565.574	1.189.005
4.2	Fees and commissions paid		219.297	144.917
4.2.1	Non-cash loans		1.576	1.088
4.2.2	Other		217.721	143.829
V.	DIVIDEND INCOME	(3)	263	147
VI.	NET TRADING INCOME	(4)	(251.727)	(205.454)
6.1	Securities trading gains/ (losses)		20.270	162.360
6.2	Gains / (losses)Financial derivative transactions		(307.721)	(270.990)
6.3	Foreign exchange gains/ (losses)		35.724	(96.824)
VII.	OTHER OPERATING INCOME	(5)	385.552	321.674
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)		4.735.596	4.472.092
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	1.100.491	1.103.391
X.	OTHER OPERATING EXPENSES (-)	(7)	2.443.011	2.382.845
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		1.192.094	985.856
XII.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XIII.	GAIN / (LOSS) ON EQUITY METHOD		(601)	(11.338)
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV.	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	1.191.493	974.518
XVI.	TAX CHARGE FOR CONTINUED OPERATIONS (±)	(9)	(275.554)	(216.428)
16.1	Current income tax charge		(235.839)	(250.376)
16.2	Deferred tax charge / benefit		(39.715)	33.948
XVII.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	915.939	758.090
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)	915.939	758.090
23.1	Group's profit/loss		900.688	746.151
23.2	Minority shares		15.251	11.939
	Earnings per share		0,03177	0,02632

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

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

FİNANSBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED DECEMBER 31, 2014
(STATEMENT OF OTHER COMPREHENSIVE INCOME/LOSS)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

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

	Audited 01.01 – 31.12.2014	Audited 01.01 – 31.12.2013
I.		
ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS		
II.	247.740	(443.111)
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)		
VI.	-	-
PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)		
VII.	(172.981)	127.832
THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES		
VIII.	-	-
OTHER PROFIT LOSS ITEMS ACCOUNTED FOR UNDER EQUITY AS PER TURKISH ACCOUNTING STANDARDS		
IX.	(19.565)	5.443
DEFERRED TAX OF VALUATION DIFFERENCES		
X.	(5.847)	77.157
TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)		
XI.	49.347	(232.679)
PROFIT/LOSS		
11.1	(31.121)	(75.709)
Change in fair value of marketable securities (Transfer to Profit/Loss)		
11.2		
Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement		
11.3	(33.520)	(80.393)
Transfer of hedge of net investments in foreign operations recycled to Income Statement		
11.4	2.399	4.684
Other		
	-	-
	-	-
XII.	18.226	(308.388)
TOTAL PROFIT/LOSS ACCOUNTED FOR IN THE PERIOD (X±XI)		

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

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

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

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Section 2 Part V	Paid-in Capital	Effect of inflation Accounting on Capital and Other Capital Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Shareholders' Equity
Prior period – 01.01.-31.12.2013																			
I.		2.565.000	-	714	-	314.251	-	3.080.669	(38.098)	-	1.153.457	196.555	-	-	(10.026)	-	7.262.522	149.762	7.412.284
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	(1)	-	-	-	-	-	-	-	-	-	-	(418.755)	-	-	-	-	(418.755)	-	(418.755)
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	106.013	-	106.013	-	106.013
4.1		-	-	-	-	-	-	-	-	-	-	-	-	-	106.013	-	106.013	-	106.013
4.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	(5)	135.000	-	-	-	-	-	(135.000)	-	-	-	-	-	-	-	-	-	-	-
12.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2		135.000	-	-	-	-	-	(135.000)	-	-	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	240(*)	4.354	-	-	-	-	-	-	-	4.594	1.235 (*)	5.829
XVII.		-	-	-	-	-	-	-	-	746.151	-	-	-	-	-	-	746.151	11.939	758.090
XVIII.	(3)	-	-	-	-	49.380	-	901.303	-	-	(950.683)	-	-	-	-	-	-	-	-
18.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2		-	-	-	-	49.380	-	901.303	-	-	(950.683)	-	-	-	-	-	-	-	-
18.3		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance		2.700.000	-	714	-	363.631	-	3.847.212	(33.744)	746.151	202.774	(222.200)	-	-	95.987	-	7.700.525	162.936	7.863.461
(I+II+III+....+XVI+XVII+XVIII)		2.700.000	-	714	-	363.631	-	3.847.212	(33.744)	746.151	202.774	(222.200)	-	-	95.987	-	7.700.525	162.936	7.863.461

(*) Includes the effect of change in ownership of Finans Yatırım Ortaklığı A.Ş Under Liquidation. from 82,2 % to 85,07 % in the prior year.

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

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

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

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Section 5 Part II.13	Paid-in Capital	Effect of inflation Accounting on Capital and Other Capital Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and Assets from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Non- controlling interest	Total Shareholders' Equity
I. Current period – 01.01.-31.12.2014																			
Beginning Balance		2.700.000	-	714	-	363.631	-	3.847.212	(33.744)	-	948.925	(222.200)	-	-	95.987	-	7.700.525	162.936	7.863.461
Changes in period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Increase/decrease related to merger																			
III. Marketable securities valuation differences																			
IV. Hedging funds (effective portion)																			
4.1 Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(136.466)	-	(136.466)	-	(136.466)
4.2 Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	(136.466)	-	(136.466)	-	(136.466)
V. Tangible assets revaluation differences																			
VI. Intangible assets revaluation differences																			
VII. Bonus shares obtained from associates, subsidiaries and entities under common control																			
VIII. Foreign exchange differences																			
IX. Disposal of assets																			
X. Reclassification of assets																			
XI. Effect of change in associates' equity																			
XII. Capital increase																			
12.1 Cash	(5)	135.000	-	-	-	-	-	(135.000)	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal sources		135.000	-	-	-	-	-	(135.000)	-	-	-	-	-	-	-	-	-	-	-
XIII. Share premium																			
XIV. Share cancellation profits																			
XV. Inflation adjustment to paid-in capital																			
XVI. Other																			
XVII. Period net income/(loss)		-	-	-	-	-	-	-	(15.652)	900.688	-	-	-	-	-	-	900.688	15.251	915.939
XVIII. Profit distribution																			
18.1 Dividends distributed		-	-	-	-	39.148	-	738.045	-	-	(777.193)	-	-	-	-	-	-	-	-
18.2 Transfers to reserves		-	-	-	-	39.148	-	738.045	-	-	(777.193)	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance																			
(I+II+III+.....+XVI+XVII+XVIII)		2.835.000	-	714	-	402.779	-	4.450.257	(49.396)	900.688	171.732	(51.856)	-	-	(40.479)	-	8.619.439	178.175	8.797.614

⁽¹⁾ Includes the effect of change in ownership of Finans Yatırım Ortaklığı A.Ş. Under Liquidation from 76.10 % to 76.13 % in the current year.

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

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

FİNANSBANK ANONİM ŞİRKETİ
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED DECEMBER 31, 2014

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

VI. CONSOLIDATED CASH FLOW STATEMENT

	Section 5 Part VI	Audited	Audited
		01.01-31.12.2014	01.01 – 31.12.2013
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		2.387.723	1.902.909
1.1.1 Interest received (+)		6.392.148	5.765.623
1.1.2 Interest paid (-)		(3.662.657)	(2.314.638)
1.1.3 Dividend received (+)		263	147
1.1.4 Fees and commissions received (+)		1.616.834	1.232.690
1.1.5 Other income (+)		335.263	307.354
1.1.6 Collections from previously written off loans (+)		645.732	410.479
1.1.7 Payments to personnel and service suppliers (-)		(1.891.296)	(1.787.004)
1.1.8 Taxes paid (-)		(203.668)	(386.800)
1.1.9 Other (+/-)	(1)	(844.896)	(1.324.942)
1.2 Changes in operating assets and liabilities		(3.043.443)	(492.204)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		163.516	(80.881)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		211.138	(75.218)
1.2.3 Net (increase) decrease in due from banks (+/-)		177.320	(2.705.482)
1.2.4 Net (increase) decrease in loans (+/-)		(8.660.029)	(6.924.139)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	(224.162)	(323.001)
1.2.6 Net increase (decrease) in bank deposits (+/-)		72.016	248.659
1.2.7 Net increase (decrease) in other deposits (+/-)		3.655.617	4.507.911
1.2.8 Net increase (decrease) in funds borrowed (+/-)		862.121	607.526
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	699.020	4.252.421
I. Net cash provided from / (used in) banking operations (+/-)		(655.720)	1.410.705
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		(1.192.174)	(2.334.555)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(4.523)	(3.060)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		-	1.476
2.3 Fixed assets purchases (-)		(716.545)	(203.041)
2.4 Fixed assets sales (+)		49.087	439
2.5 Cash paid for purchase of financial assets available for sale (-)		(3.885.078)	(12.464.123)
2.6 Cash obtained from sale of financial assets available for sale (+)		4.101.719	11.945.092
2.7 Cash paid for purchase of investment securities (-)		(631.485)	(1.222.906)
2.8 Cash obtained from sale of investment securities (+)		-	-
2.9 Other (+/-)		(105.349)	(388.432)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities (+/-)		2.320.881	(761.244)
3.1 Cash obtained from funds borrowed and securities issued (+)		7.333.900	4.613.983
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(5.013.019)	(5.375.227)
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for finance leases (-)		-	-
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)		224.093	348.374
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		697.080	(1.336.720)
VI. Cash and cash equivalents at the beginning of the period (+)	(2)	2.272.098	3.608.818
VII. Cash and cash equivalents at end of the period (V+VI)	(3)	2.969.178	2.272.098

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

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

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

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

VII. CONSOLIDATED DISTRIBUTION OF INCOME (*)

	Audited	Audited
	Current Year 31.12.2014 ^(**)	Prior Period 31.12.2013
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	1.142.209	937.594
1.2 TAXES AND DUTIES PAYABLE	264.781	203.355
1.2.1 CORPORATE TAX (INCOME TAX)	221.066	229.625
1.2.2 INCOME WITHHOLDING TAX	-	-
1.2.3 OTHER TAXES AND DUTIES	43.715	(26.270)
A. NET INCOME FOR THE YEAR (1.1-1.2)	877.428	734.239
1.3 PRIOR YEAR LOSSES(-)	-	-
1.4 FIRST LEGAL RESERVES(-)	-	36.712
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]	877.428	697.527
1.6 FIRST DIVIDEND TO SHAREHOLDERS(-)	-	135.000
1.6.1 TO OWNERS OF ORDINARY SHARES	-	135.000 ^(***)
1.6.2 TO OWNERS OF PRIVILEGED SHARES	-	-
1.6.3 TO OWENERS 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 OWENERS OF PREFERRED SHARES	-	-
1.9.4 TO PROFIT SHARING BONDS	-	-
1.9.5 TO HOLDERS OF PROFIT AND (LOSS) SHARING CERTIFICATES	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES(-)	-	-
1.12 EXTRAORDINARY RESERVES	-	562.527
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
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 OWENERS 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	0,03095	0,02719
3.2 TO OWNERS OF ORDINARY SHARES(%)	%3,09	%2,72
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
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 (%)	-	-

(*) According to the legislation, companies do not distribute consolidated income. In accordance with this, the distribution of income shown above belongs to the Parent Bank.

(**) The decision regarding the distribution of income for 2014 will be made in the General Committee.

(***) Bonus share distribution to Shareholders.

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

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

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of Presentation

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

The Turkish Banking Law No: 5411 is published in the Official Gazette No: 25983 dated November 1, 2005. The Parent Bank and its financial subsidiaries ("The Group") prepared the accompanying financial statements as of December 31, 2014 and the related disclosures and footnotes in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No: 26333, which refers to "Turkish Accounting Standards" ("TAS"), put into effect by Public Oversight Accounting and Auditing Standards Authority ("KGK"), and "Turkish Financial Reporting Standards" ("TFRS") issued by the "Turkish Accounting Standards Board" ("TASB") and additional explanations and notes related to them and other decrees, notes and explanations related to accounting and financial reporting principles (all "Turkish Accounting Standards" or "TAS") published by the Banking Regulation and Supervision Agency ("BRSA"). The format and detail of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements", published in Official Gazette no. 28337, dated June 28, 2012, and amendments to this Communiqué.

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

Explanation for Convenience Translation to English

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

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

Accounting policies and valuation principles used in the preparation of the financial statements are determined and applied in accordance with the 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, 2014, have no material impact on the the Group's accounting policies, financial position and performance. The aforementioned accounting policies and valuation principles are explained in Notes II to XXVI below.

The consolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value, which are financial assets designated at fair value through profit or loss, available for sale financial assets, 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.

The preparation of consolidated 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.

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

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

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

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

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

1. Strategy for the use of financial instruments

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

Besides customer deposits, the Parent Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Parent Bank converts the foreign currency liquidity obtained from the international markets to TL liquidity using long term swap transactions (fixed TL interest rate and floating FC interest rate). Thus, the Parent Bank generates TL denominated resources for funding long term loans with fixed interest rates.

The Parent Bank has determined securities portfolio limits based on the market risk limitations for money, capital and commodity markets. Products included in the securities portfolio are subject to position and risk limits. Position limits restrict the maximum nominal position based on the product. Risk limits are expressed in terms of "Value at Risk (VAR)" by taking the risk tolerance as a cap. The maximum VAR amounts are determined for the three main risk factors, which affect the securities portfolio that is subject to market risk, as well as determining the risk tolerance based on the total value at risk. The above mentioned limits are revised annually.

The strategies for hedging exchange rate risk resulting from the Group's foreign currency available-for-sale debt securities are explained in foreign currency risk section and the applications regarding the hedging of interest rate cash flow risk resulting from deposits are explained in the Interest Rate Risk section in detail.

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

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

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

2. Foreign currency transactions

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

The Group accounts for the transactions denominated in foreign currencies in accordance with TAS 21 “The Effects of Changes in Foreign Exchange Rates”. Foreign exchange gains and losses arising from transactions that are completed as of December 31, 2014 are translated to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities except for non-monetary items are converted into TL by using foreign currency exchange rates of the Parent Bank for the period end and the resulting exchange differences are recorded as foreign exchange gains and losses. Foreign currency nonmonetary items measured at fair value are converted with currency exchange rates at the time of fair value measurement. The Bank’s foreign currency exchange rates for the related period ends are as follows:

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

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

The net exchange gain for the period that ended at December 31, 2014 is TL 35.724 TL (December 31, 2013-96.824 TL net exchange loss).

2.3. Foreign Associates

The parent Bank does not have any foreign associates as of December 31, 2014 and December 31, 2013.

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

The accompanying consolidated financial statements are prepared in accordance with TFRS 10 “Turkish Financial Reporting Standard in regards to Consolidated Financial Statements” and BRSA’s “Regulation on Preparation of Consolidated Financial Statements of Banks” published on the Official Gazette numbered 26340 and dated November 8, 2006.

The corporations included in consolidation and their places of incorporation, nature of activities and shareholding percentages are as follows:

	Consolidation Method	Place of Establishment	Subject of Operations	Effective Share of the Group (%)		
				December 31, 2014	December 31, 2013	
1.	Finans Yatırım Menkul Değerler A.Ş. (Finans Yatırım)	Full consolidation	Turkey	Securities Intermediary Services	99,74	99,74
2.	Finans Portföy Yönetimi A.Ş. (Finans Portföy)	Full consolidation	Turkey	Portfolio Management	99,72	99,71
3.	Finans Yatırım Ortaklığı A.Ş. (Finans Yatırım Ortaklığı)	Full consolidation	Turkey	Mutual Fund	76,13	76,10
4.	Finans Finansal Kiralama A.Ş. (Finans Leasing)	Full consolidation	Turkey	Financial Leasing	69,00	69,01
5.	Finans Faktoring Hizmetleri A.Ş. (Finans Faktoring)	Full consolidation	Turkey	Factoring Services	100,00	100,00
6.	Cigna Finans Emeklilik ve Hayat A.Ş. (Cigna Finans Emeklilik)	Equity Method	Turkey	Private Pension and Insurance	49,00	49,00

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Subsidiaries maintain their books of accounts and prepare their financial statements in accordance with the regulations on accounting and reporting framework and accounting standards which are determined by the accounting standards promulgated by the Turkish Commercial Code, Financial Leasing Law and Turkish Capital Markets Board (“CMB”) regulations. Certain adjustments and reclassifications were made on the financial statements of the subsidiaries for the purpose of fair presentation in accordance with the prevailing regulations and accounting standards according to the Articles 37 and 38 of the Turkish Banking Law No: 5411 and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting issued by the BRSA.

Differences between the accounting policies of subsidiaries and entities under common control and those of the Parent Bank are adjusted, if material. The financial statements of the subsidiaries and entities under common control are prepared as of December 31, 2014.

1. Subsidiaries

Subsidiaries are the entities controlled directly or indirectly by the Parent Bank.

Control is defined as the power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Bank’s returns.

Subsidiaries are consolidated using the full consolidation method based on the size of their asset equity, and result of operations. Financial statements of related subsidiaries are consolidated from the date when the control is transferred to the Bank and are put out of consolidation’s scope as soon as control is removed. Accounting policies applied by subsidiaries that are included in consolidated financial statements are not different from Parent Bank’s accounting policies.

According to full consolidation method, 100% of subsidiaries’ asset, liability, income, expense and off balance sheet items are consolidated with the Parent Bank’s asset, liability, income, expense and off balance sheet items. Book value of the Group’s investment in each subsidiary is netted off with Group’s equity shares. Unrealized gains and losses and balances that arise due to transactions between subsidiaries within consolidation scope, have been net off. Non-controlling interests are shown separately from earnings per share on consolidated balance sheet and income statement.

2. Associates and entities under common control

The Parent Bank does not have any financial associates that are consolidated in the accompanying financial statements.

The joint venture is established locally, has its primary operations in private pension and insurance, is controlled jointly with another group with a partnership agreement, and is included in Parent Bank’s capital. Subject joint venture is included in consolidated financial statements by using equity method.

Equity method is a method of accounting whereby the book value of the investor’s share capital in the subsidiary or the joint venture is either added to or subtracted in proportion with investor’s share from the change in the subsidiary’s or joint venture’s equity within the period. The method also foresees that profit will be deducted from the subsidiary’s or joint venture’s accordingly recalculated value.

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IV. Explanations on Forwards, Option Contracts and Derivative Instruments

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

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

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

Fair values of forward foreign currency purchase and sales contracts, currency and interest rate swap transactions are calculated by using internal pricing models based on market data. Unrealized gains and losses are reflected in the income statement in the current period.

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

Futures transactions are accounted for at settlement prices as of the balance sheet date and related unrealized gains and losses are presented in the current period income statement.

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

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

In cash flow hedge accounting:

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

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

In fair value hedge accounting:

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

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

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

The Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term TL government bonds with fixed coupon payment using swaps as hedging instruments. The Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to the foreign currency bonds issued using interest rate swaps as hedging instruments. At each balance sheet date the Parent Bank applies effectiveness tests for fair value hedge accounting.

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

V. Explanations on Interest Income and Expenses

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

VI. Explanations on Fees and Commission Income and Expenses

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

VII. Explanations and Disclosures on Financial Assets

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

1. Financial assets at fair value through profit or loss

1.1. Trading securities

The Group accounts for its trading securities at fair value. The interest income that is from trading securities is presented as interest income in the income statement, while the difference between the cost and the fair value of trading securities and the gain or loss resulting from the sale of these financial assets before their maturity are realized under securities trading gains / losses.

1.2. Financial assets at fair value through profit or loss

The Parent Bank has classified its mortgage loans that were initiated between January 1, 2006 – December 31, 2007, as financial assets at fair value through profit or loss in compliance with TAS 39. These loans are presented under “Financial Assets at Fair Value through Profit or Loss” as loan, and fair value differences are presented as “Securities Trading Gains (Losses) in order to be in compliance with the balance sheet presentation.

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

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

2. Investment securities available for sale

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

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

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

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

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

3. Investments securities held to maturity

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

The Bank classified debt securities nominal amounted to TL 1.601.660 as investment securities held-to-maturity which is previously accounted under investment securities available-for-sale in the financial statements as due to the change in the intention of holding as of June 21, 2013. Fair value differences accounted under the equity until the transfer date, will be amortised through the equity until the maturity of the securities. Detailed information regarding the classification given in Section Five I/8.e

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4. Loans and specific provisions

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

As mentioned in note “IV. Explanations on Forward, Option Contracts and Derivative Instruments”, the Group enters into fx swap transactions against TL in order to hedge the possible losses which might arise due to the changes in the fair value of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. The Parent Bank accounted for the hedged part of the loan portfolio at fair value, together with the swap transactions used as the hedging instrument and the related net gain or loss was included in the income statement.

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

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

In the case where there is an evidence for the possibility of uncollectibility of loans, the Parent Bank classifies related loans and receivables in non-performing loans and provides specific provision in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No 26333 “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”. The Bank provides specific provision for the loans under follow-up regarding credit risk and other factors, in accordance with the aforementioned regulation. Additionally, the Parent Bank provides general provisions in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No: 28789 “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” and accounts such provision at the liability side of the balance sheet under general loan loss provision.

The Parent Bank also provides specific provisions for the closely monitored loans as a result of risk assessment. These provisions accounted for in liabilities under other provisions.

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

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

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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 of Section Four.

IX. Explanations on Netting of Financial Instruments and Derecognition of Financial Assets

Financial assets and liabilities are offset and the net amount is reported on the balance sheet when the Group has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

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

Securities sold under repurchase agreements are recorded on the balance sheet in accordance with Uniform Chart of Accounts. Accordingly, government bonds and treasury bills sold to customers under repurchase agreements are classified as “Investments Subject to Repurchase Agreements” and valued based on the Group Management’s future intentions, either at market prices or using discounting method with internal rate of return.

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

Securities that are subject to repurchase agreements as at the balance sheet date amounted to TL 4.420.738 (December 31, 2013 - TL 3.834.984).

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

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

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XI. Explanations on Assets Held for Sale and Discontinued Operations

In accordance with IFRS 5 (“Assets Held for Sale and Discontinued Operations”), assets classified as held for sale are measured at lower of carrying value or fair value less costs to sell. Amortisation on subject asset is ended and these assets are presented separately on financial statements. An asset (or a disposal group) is regarded as “asset held for sale” only when the sale is highly probable and the asset (disposal group) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset (or a disposal group) should be actively marketed at a price consistent with its fair value. Various events and conditions may prolong the sale procedures for more than one year. In case subject delay is caused by the events and conditions beyond the entity’s control and there is enough evidence that plans to sell subject asset (or a disposal group) continue subject assets continue to be classified as assets held for sale. The Bank has re-classified its real estate property with a net book value of TL 63.090 from “Tangible Assets” to “Assets held for Sale” as of December 31, 2014.

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

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

XII. Explanations on Goodwill and Other Intangible Assets

The Group’s intangible assets consist of software, intangible rights and goodwill.

The intangible assets are recorded at their historical cost less accumulated amortization and provision for impairment, if any. Amortization is calculated on a straight-line basis. Softwares have been classified as other intangible fixed assets. The useful life of softwares is determined as 3 years.

If there is objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the Turkish Accounting Standard on Impairment of Assets (TAS 36) and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

XIII. Explanations on Tangible Assets

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

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

Properties	%2
Movables purchased and acquired under finance lease contracts	%7 - %25

The depreciation of leasehold improvements acquired before December 2009, under operating lease agreements, is calculated according to their useful lives. Depreciation of the leasehold improvements acquired after this date is calculated over the lease period not exceeding 5 years where the lease duration is certain; or 5 years where the lease period is not certain in accordance with “Communiqué on the Amendment of Communiqué on Uniform Chart of Accounts and Explanatory Notes” dated January 10, 2011.

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

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XIII. Explanations on Tangible Assets

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

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

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

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

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

XIV. Explanations on Leasing Transactions

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

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

The gross lease receivables including interest and principal amounts regarding the Group’s financial leasing activities as “Lessor” are stated under the “Finance Lease Receivables”. The difference between the total of rental payments and the cost of the related fixed assets is reflected to the “unearned income” account. The interest income is recognized based on a pattern reflecting a constant periodic rate of return on the net investment outstanding.

The provisions for lease receivables are set as per BRSA communiqué numbered 28861 and dated December 24, 2013 “Communique on Accounting Principles and Financial Statements of Leasing, Factoring and Financing Companies”. Those provisions are accounted under “Lease Receivables” at the accompanying financial statements.

XV. Explanations on Factoring Receivables

Factoring receivables are carried at amortized cost by using the effective interest rate method after unearned interest income is deducted and specific provisions for impairments are provided, if any. These provisions are accounted for under “Factoring Receivables” at the accompanying financial statements. The provisions for lease receivables are set as per BRSA communiqué numbered 28861 and dated December 24, 2013 “Communique on Accounting Principles and Financial Statements of Leasing, Factoring and Financing Companies”. Those provisions are accounted for under “Factoring Receivables” at the accompanying financial statements.

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XVI. Explanations on Provisions and Contingent Liabilities

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

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

XVII. Explanations on Obligations of the Group for Employees Benefits

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

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

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

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

Provision for the employees’ unused vacations has been booked in accordance with IAS 19 and reflected to the financial statements.

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

XVIII. Explanations on Taxation

1. Corporate Tax

Turkish Tax Legislation does not allow the Parent Company to prepare tax declaration from the financial statements which subsidiaries and investment associates are consolidated into. Therefore, tax provision in accompanying consolidated financial statements is determined by calculating tax provision for each corporation in consolidation scope separately.

In accordance with the Corporate Tax Law No: 5520 published in the Official Gazette No: 26205 dated June 21, 2006, statutory income is subject to corporate tax at 20%. Advance corporate taxes paid are deducted from the corporate taxes of the current year and shown in current tax asset and current tax liabilities.

75% of gains on disposal of subsidiary shares and real estates held in Parent Bank assets for more than two years are excepted from tax, according to Corporate Tax Law under the condition with adding these gains into equity or allocating into a specific fund account as liability for five years.

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

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

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

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

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

2. Deferred Taxes

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

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

According to TAS 12, deferred taxes and liabilities resulting from different subsidiaries subject to consolidation are not presented as net; rather they are presented separately as assets and liabilities in the financial statements.

XIX. Additional Explanations on Borrowings

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

XX. Explanation on Share Issues

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

XXI. Explanations on Confirmed Bills of Exchange and Acceptances

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

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

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XXII. Explanations on Government Incentives

As of December 31, 2014, the Group does not have any unused investment incentives.

XXIII. Explanation on Reporting According to Segmentation

In addition to corporate banking, retail banking and commercial banking services, the Group also provides private banking, SME banking, treasury operations and credit card services through branches and alternative channels. The Group serves its retail banking clients with time, demand deposits, also overdraft services, automatic account services, consumer loans, vehicle loans, housing loans and investment fund services. The Group provides services including deposit and loans, foreign trade financing, forward and option agreements to its corporate clients. Other than those mentioned above, the Group also serves in trading financial instruments, treasury operations, and performs insurance, factoring, and domestic and abroad finance lease operations.

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

The Corporate Marketing Unit provides services to firms that are institutional, big size, that have annual revenues of TL 100.000 and higher and multi-national firms operating in Turkey. The firms that have annual revenues between TL 2.000 and TL 100.000 are considered as "Commercial Enterprise". The Bank gives importance to the commercial segmentation in order to hedge risk and decrease the concentration of income. Moreover; The Bank also offers sectoral solution packages to these small and medium-size firms.

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

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Current Period (January 1 – December 31, 2014)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Net Interest Income	1.232.083	1.151.654	820.788	3.204.525
Net Fees and Commissions Income	1.067.346	294.426	35.211	1.396.983
Other Operating Income and Net Trading Income	330.629	74.381	(271.185)	133.825
Dividend Income	-	-	263	263
Operating Income	2.630.058	1.520.461	585.077	4.735.596
Other Operating Expenses	1.457.569	799.335	186.107	2.443.011
Provision for Loan Losses and Other Receivables	623.561	396.105	80.825	1.100.491
Gain / Loss on joint venture accounted for at equity method	-	-	(601)	(601)
Profit Before Taxes	548.928	325.021	317.544	1.191.493
Provision for Tax	-	-	-	(275.554)
Net Profit/Loss	-	-	-	915.939
Total Assets	37.337.427	14.437.762	20.819.549	76.835.125
Segment Assets	37.337.427	14.437.762	20.819.549	72.594.738
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	189.867
Undistributed Assets	-	-	-	4.050.520
Total Liabilities	29.485.416	10.906.083	21.124.661	76.835.125
Segment Liabilities	29.485.416	10.906.083	21.124.661	61.516.160
Undistributed Liabilities	-	-	-	6.521.351
Equity	-	-	-	8.797.614
Other Segment Accounts	254.433	135.384	1.024.332	1.414.149
Capital Expenditures	126.959	69.625	998.625	1.195.209
Depreciation and Amortization	127.474	65.759	25.707	218.940
Value Decrease/ (Increase)	-	-	-	-
Prior Period (January 1 - December 31, 2013)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Net Interest Income	1.584.181	983.372	701.414	3.268.967
Net Fees and Commissions Income	899.240	150.043	37.475	1.086.758
Other Operating Income and Net Trading Income	280.217	75.951	(239.948)	116.220
Dividend Income	-	-	147	147
Operating Income	2.763.638	1.209.366	499.088	4.472.092
Other Operating Expenses	1.431.893	731.191	219.761	2.382.845
Provision for Loan Losses and Other Receivables	823.328	517.646	(237.583)	1.103.391
Profit Before Taxes	508.417	(39.471)	516.910	985.856
Gain / Loss on joint venture accounted for at equity method	-	-	(11.338)	(11.338)
Provision for Tax	-	-	-	(216.428)
Net Profit/Loss	-	-	-	758.090
Total Assets	34.123.577	9.912.457	19.618.825	67.665.718
Segment Assets	34.123.577	9.912.457	19.618.825	63.654.859
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	199.422
Undistributed Assets	-	-	-	3.811.437
Total Liabilities	25.886.321	10.625.129	17.316.855	67.665.718
Segment Liabilities	25.886.321	10.625.129	17.316.855	67.665.718
Undistributed Liabilities	-	-	-	5.973.952
Equity	-	-	-	7.863.461
Other Segment Accounts	292.823	151.056	28.676	474.308
Capital Expenditures	186.517	96.217	16.888	299.622
Depreciation and Amortization	106.306	54.839	11.788	172.933
Value Decrease/ (Increase)	-	-	-	1.753

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XXIV. Profit Reserves and profit distribution

At the General Assembly dated March 27, 2014, the profit distribution of the Parent Bank for the year 2013 is decided as follows:

2013 profit distribution table:

Current period income / (loss)	734.239
A – First Legal Reserves (Turkish Commercial Code 519/A) 5%	(36.712)
B – First Dividend to Shareholders ^(*)	(135.000)
D – Extraordinary Reserves	(562.527)

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

XXV. Profit Per Share

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

	Current Period	Prior Period
Group's Net Profit for the Period	900.688	746.151
Weighted Average Amount of Shares Issued (Thousands)	28.350.000	28.350.000
Earnings per Share	0,03177	0,02632

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

XXVI. Explanations on Other Matters

None

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SECTION FOUR

INFORMATION ON GROUP'S FINANCIAL STRUCTURE

I. Explanations Related to Consolidated Capital Adequacy Ratio

As of December 31, 2014, the Parent Bank's consolidated capital adequacy ratio is 16,90%. (December 31, 2013 – 17,16%)

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

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

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

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

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

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

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

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

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Consolidated and unconsolidated capital adequacy ratio:

Current Period	Parent Bank								
	Risk Weightings								
	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	-	-	-

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

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Parent Bank									
Risk Weightings									
Prior Period	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	179.588	7.476.755	11.903.243	18.675.739	1.992.405	8.987.942	1.356.358
Exposure Categories:	15.315.268	-	897.940	14.953.510	15.870.990	18.675.739	1.328.270	4.493.971	542.543
Conditional and unconditional receivables from central governments or central banks	14.268.181	-	-	1.333.821	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	2.452	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	1.023	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	895.415	1.608.741	-	27.180	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	16.039	-	12.719.917	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	15.870.990	3.261.960	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	11.952.456	-	-	-	-	-
Past due receivables	-	-	-	42.453	-	454.259	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	1.328.270	4.493.971	542.543
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	23.640	-	-	-
Other receivables	1.047.087	-	73	-	-	2.187.760	-	-	-

Consolidated									
Risk Weightings									
Prior Period	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	158.471	7.561.842	12.328.796	20.062.864	2.044.314	8.987.942	1.356.358
Exposure Categories:	15.315.351	-	792.355	15.123.683	16.438.394	20.062.864	1.362.876	4.493.971	542.543
Conditional and unconditional receivables from central governments or central banks	14.268.181	-	-	1.333.821	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	2.452	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	1.023	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	789.829	1.717.364	-	27.181	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	16.039	-	13.945.683	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	16.438.394	3.261.959	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	12.012.528	-	-	-	-	-
Past due receivables	-	-	-	43.931	-	486.837	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	1.362.876	4.493.971	542.543
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	23.640	-	-	-
Other receivables	1.047.170	-	74	-	-	2.316.541	-	-	-

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Summary information related to consolidated and unconsolidated capital adequacy ratio:

	Parent Bank	Consolidated	Parent Bank	Consolidated
	Current Period ^(*)	Current Period ^(*)	Prior Period	Prior Period
Capital Requirement for Credit Risk (Value at Credit Risk * 0,08) (CRCR)	4.554.516	4.739.531	4.045.762	4.200.047
Capital Requirement for Market Risk (MRCR)	98.679	98.483	80.017	94.166
Capital Requirement for Operational Risk (ORCR)	503.912	532.294	425.090	454.568
Shareholders' Equity	10.946.807	11.346.649	9.642.750	10.188.321
Shareholders' Equity/(CRCR+MRCR+ORCR) * 12,5 * 100	% 16,98	% 16,90	% 16,95	% 17,16
Additional Tier I Capital/((CRCR+CRMR+CROR)*12,5*100)	% 12,97	% 12,77	-	-
Common Equity/((CRCR+CRMR+CROR)*12,5*100)	% 13,24	% 13,05	-	-

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

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

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Components of consolidated shareholders' equity items:

	Current Period
	December 31, 2014
COMMON EQUITY	
Paid-in capital following all debts in terms of claim in liquidation of the Bank's	2.835.000
Share premium	714
Share cancellation profits	
Reserves	4.803.640
Gains recognized in equity as per TAS	266
Profit	1.072.420
Current Period Profit	900.688
Prior Period Profit	171.732
Provisions for Possible Risks	82.000
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	2.689
Minority shares	178.175
Common Equity Before Deductions	8.974.904
Deductions from Common Equity	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	52.122
Leasehold improvements (-)	114.885
Goodwill or other intangible assets and deferred tax liability related to these items (-)	47.095
Net deferred tax asset/liability (-)	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law (-)	-
Direct and indirect investments of the Bank in its own common equity (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of mortgage servicing rights exceeding 10% of the common equity (-)	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the common equity (-)	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital (-)	-
Excess amount arising from mortgage servicing rights (-)	-
Excess amount arising from deferred tax assets based on temporary differences (-)	-
Other items to be defined by the BRSA (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
Total Deductions From Common Equity	214.102
Total Common Equity	8.760.802

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	December 31, 2014
ADDITIONAL TIER I CAPITAL	
Capital amount and related premiums corresponding to preference shares that are not included in common equity	-
Debt instruments and premiums deemed suitable by BRSA (issued/obtained after 1.1.2014)	-
Debt instruments and premiums deemed suitable by BRSA (issued before 1.1.2014)	-
Additional Tier I Capital before Deductions	-
Deductions from Additional Tier I Capital	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I Capital and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Other items to be defined by the BRSA (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
Total Deductions From Additional Tier I Capital	-
Total Additional Tier I Capital	-
DEDUCTIONS FROM TIER I CAPITAL	188.381
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1 st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	188.381
Portion of net deferred tax assets/liabilities which is not deducted from the common equity pursuant to Paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Total Tier I Capital	8.572.421
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)	2.097.617
Sources pledged to the Bank by shareholders to be used in capital increases of the Bank	-
General Loan Loss Provisions	740.552
Share of 3 rd parties in Tier II Capital	-
Tier II Capital Before Deductions	2.838.169
DEDUCTIONS FROM TIER II CAPITAL	
Direct and indirect investments of the Bank in its own Tier II Capital (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-
Portion of the total of net long positions of investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-
Other items to be defined by the BRSA (-)	-
Total Deductions from Tier II Capital	-
Total Tier II Capital	2.838.169
CAPITAL BEFORE DEDUCTIONS	11.410.590
Loans granted contrary to the 50th and 51th Article of the Law (-)	1.856
Net book value of amounts exceeding the limit mentioned in the 1 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 (-)	11.289
Loans granted to banks and financial institutions, including those established abroad, and to eligible shareholders of the Bank and investments made in the borrowing instruments issued by them (-).	-
Amounts to be deducted from equity as per the 2nd Clause of Article 20 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-).	-
Other items to be defined by the BRSA (-)	50.796
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1 st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1 st and 2 nd Paragraph of the 2 nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
TOTAL CAPITAL	11.346.649
Amounts below the Excess Limits as per the Deduction Principles	
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	-
Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	-
Amounts arising from mortgage servicing rights	-
Amounts arising from deferred tax assets based on temporary differences	-

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CORE CAPITAL	
Paid-in Capital	2.700.000
Nominal Capital	2.700.000
Capital Commitments (-)	-
Inflation Adjustments to Paid-in Capital	-
Share Premium	714
Share Cancellation Profits	-
Reserves	3.534.548
Inflation Adjustments to Reserves	-
Profit	948.925
Current Period's Profit	746.151
Prior Periods' Profit	202.774
Provision for Possible Losses (up to 25% of Core Capital)	102.025
Income on Sale of Equity Shares and Real Estates	642.551
Primary Subordinated Debts	-
Minority Interest	162.936
Loss (in excess of Reserves) (-)	-
Current Period's Losses	-
Prior Periods' Losses	-
Leasehold Improvements on Operational Leases (-)	140.275
Intangible Assets (-)	200.798
Deferred Tax Asset in Excess of 10% of Core Capital (-)	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-
Goodwill (Net) (-)	8.969
Total Core Capital	7.741.657
SUPPLEMENTARY CAPITAL	
General Provisions	741.997
45% of Revaluation Surplus on Movables	-
45% of Revaluation Surplus on Immovables	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	-
Primary Subordinated Debts excluding the Portion included in Core Capital	-
Secondary Subordinated Debts	1.941.738
45% of Securities Value Increase Fund	(222.200)
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss	-
Minority Interest	-
Total Supplementary Capital	2.461.535
CAPITAL	10.203.192
DEDUCTIONS FROM CAPITAL	14.871
Unconsolidated Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at 10% or more	-
Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at Less than 10% Exceeding 10% or more of the Total Core and Supplementary Capitals	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	-
Loan Granted to Customer against the Articles 50 and 51 of the Banking Law	2.015
Net Book Values of Properties exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained more than Five Years	12.855
Securitization Positions to be Deducted from Equity	-
Other	1
TOTAL SHAREHOLDERS' EQUITY	10.188.321

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

	Parent Bank		Consolidated	
	Amount Included in Equity Calculation	Total Amount	Amount Included in Equity Calculation	Total Amount
Minority Interest in Tier I Capital	-	-	-	-
Shares of Third Parties in Additional Core Capital	-	-	-	-
Shares of Third Parties in Tier II Capital	-	-	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued before 1.1.2014)	1.940.559	1.940.559	2.097.617	2.097.617

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Information on debt instruments included in the calculation of equity:

	1	2	3	4
Issuer	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	-	-	-	-
Governing law(s) of the instrument	BRSA	BRSA	BRSA	BRSA
Regulatory treatment	Supplementary Capital	Supplementary Capital	Supplementary Capital	Supplementary Capital
Transitional Basel III rules	Yes	Yes	Yes	Yes
Eligible at stand-alone / consolidated	Stand alone -Consolidated	Stand alone -Consolidated	Stand alone -Consolidated	Stand alone -Consolidated
Instrument type (types to be specified by each jurisdiction)	Loan	Loan	Loan	Loan
Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	741	464	290	603
Par value of instrument (Currency in million)	754	464	290	603
Accounting classification	Liability – Subordinated Loans-amortised cost	Liability – Subordinated Loans-amortised cost	Liability – Subordinated Loans-amortised cost	Liability – Subordinated Loans-amortised cost
Original date of issuance	April 24, 2008	October 06, 2009	December 28, 2009	December 20, 2011
Perpetual or dated	Dated	Dated	Dated	Dated
Original maturity date	12 years	12 years	12 years	10 years
Issuer call subject to prior BRSA approval	Yes	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	-	-	-	-
Subsequent call dates, if applicable	-	-	-	-
Coupons / dividends	6 months	6 months	6 months	6 months
Fixed or floating dividend/coupon	Floating	Floating	Floating	Floating
Coupon rate and any related index	LIBOR + %4,50	LIBOR + %4,34	LIBOR + %4,34	LIBOR + %4,50
Existence of a dividend stopper	-	-	-	-
Fully discretionary, partially discretionary or mandatory	-	-	-	-

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

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II. Explanations Related to Consolidated Credit Risk

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Provision for probable risks in the Group's loan portfolio amounted to TL 106.334 (December 31, 2013- TL 102.025)

Exposure Categories	Current Period Risk Amount(**)	Average Risk Amount	Prior Period Risk Amount(**)	Average Risk Amount(*)
Conditional and unconditional receivables from central governments and Central Banks	18.832.057	16.508.359	15.602.002	12.973.783
Conditional and unconditional receivables from regional or local governments	4.069	5.549	2.473	3.665
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	316	890	1.040	880
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	6.533.104	4.152.477	4.045.252	2.002.151
Conditional and unconditional receivables from corporates	18.021.495	17.665.279	14.406.938	12.107.421
Conditional and unconditional receivables from retail portfolios	22.740.090	20.756.673	19.902.934	19.782.744
Conditional and unconditional receivables secured by mortgages	15.064.488	13.464.104	12.012.527	10.742.185
Past due receivables	575.762	545.972	530.867	475.415
Receivables defined in high risk category by BRSA	6.041.178	6.126.531	6.456.484	5.948.744
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	99.232
Investments similar to collective investment Funds	26.414	29.133	23.640	78.577
Other receivables	3.780.002	3.810.316	3.363.786	2.694.659

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

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

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Credit rating system

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

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

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

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Profile of significant exposures in major regions

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

	Exposure Categories ^(*)																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Total
Prior Period																	
1. Domestic	15.602.002	2.473	1.040	-	-	896.606	14.135.816	19.898.563	12.009.077	530.867	6.456.078	-	-	-	23.640	3.164.205	72.720.367
2. European Union Countries	-	-	-	-	-	2.775.100	211.294	152	3.155	-	146	-	-	-	-	-	2.989.847
3. OECD Countries ^(**)	-	-	-	-	-	47.892	-	207	-	-	-	-	-	-	-	-	48.099
4. Offshore Banking Areas	-	-	-	-	-	813	38.075	-	-	-	-	-	-	-	-	-	38.888
5. USA, Canada	-	-	-	-	-	293.097	16.773	9	-	-	-	-	-	-	-	-	309.879
6. Other Countries	-	-	-	-	-	31.744	4.980	4.003	295	-	260	-	-	-	-	-	41.282
7. Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	199.581	199.581
8. Unallocated Assets/Liabilities ^(***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	15.602.002	2.473	1.040	-	-	4.045.252	14.406.938	19.902.934	12.012.527	530.867	6.456.484	-	-	-	23.640	3.363.786	76.347.943

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

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

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

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

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Risk Profile regarding Sectors or Counter Parties :

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

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

- 1- Conditional and unconditional receivables from central governments and Central Banks
- 2- Conditional and unconditional receivables from regional or local governments
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Prior Period	Exposure Categories ^(*)																TL	FC	Total	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16				
Agriculture	-	-	-	-	-	-	324.150	92.758	214.095	3.070	12	-	-	-	-	-	595.295	38.790	634.085	
Farming and Raising	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Livestock	-	-	-	-	-	-	313.815	83.910	204.219	2.984	11	-	-	-	-	-	574.077	30.862	604.939	
Forestry	-	-	-	-	-	-	254	3.627	3.269	31	1	-	-	-	-	-	7.182	-	7.182	
Fishing	-	-	-	-	-	-	10.081	5.221	6.607	55	-	-	-	-	-	-	14.036	7.928	21.964	
Industrial	-	-	-	-	-	-	4.050.590	1.319.408	1.051.403	46.930	257	-	-	-	-	-	3.037.305	3.431.283	6.468.588	
Mining and Quarrying	-	-	-	-	-	-	68.899	24.400	23.576	924	2	-	-	-	-	-	71.378	46.423	117.801	
Production	-	-	-	-	-	-	3.158.953	1.288.093	1.019.375	45.943	255	-	-	-	-	-	2.787.449	2.725.170	5.512.619	
Electricity, Gas, Water	-	-	-	-	-	-	822.738	6.915	8.452	63	-	-	-	-	-	-	178.478	659.690	838.168	
Construction	-	-	-	-	-	-	1.405.988	523.786	1.074.050	26.128	50	-	-	-	-	-	1.935.037	1.094.965	3.030.002	
Services	7.160.645	-	1.040	-	-	3.764.591	5.174.491	3.378.222	2.693.971	107.565	854	-	-	-	-	-	17.488.438	4.792.941	22.281.379	
Wholesale and Retail Trade	-	-	-	-	-	-	2.837.800	2.632.911	1.725.391	80.604	701	-	-	-	-	-	5.810.470	1.466.937	7.277.407	
Hotel, Food and Beverage	-	-	-	-	-	-	161.373	32.757	360.298	566	7	-	-	-	-	-	118.143	436.858	555.001	
Transportation and Communication	-	-	-	-	-	-	807.259	367.745	197.492	21.342	81	-	-	-	-	-	789.523	604.396	1.393.919	
Financial Institutions	7.160.645	-	-	-	-	3.764.591	324.428	24.171	15.630	217	7	-	-	-	-	-	9.761.860	1.527.829	11.289.689	
Real Estate and Rent Services	-	-	-	-	-	-	404.825	41.504	50.062	1.542	15	-	-	-	-	-	109.515	388.433	497.948	
Self-Employment Services	-	-	-	-	-	-	338.612	158.447	175.527	1.930	19	-	-	-	-	-	391.046	283.489	674.535	
Educational Services	-	-	1.040	-	-	-	29.254	28.774	32.113	552	9	-	-	-	-	-	83.056	8.686	91.742	
Health and Social Services	-	-	-	-	-	-	270.940	91.913	137.458	812	15	-	-	-	-	-	424.825	76.313	501.138	
Other	8.441.357	2.473	-	-	-	280.661	3.451.719	14.588.760	6.979.008	347.174	6.455.311	-	-	-	-	23.640	3.363.786	41.148.414	2.785.475	43.933.889
Total	15.602.002	2.473	1.040	-	-	4.045.252	14.406.938	19.902.934	12.012.527	530.867	6.456.484	-	-	-	-	23.640	3.363.786	64.204.489	12.143.454	76.347.943

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

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

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

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

Prior Period Risk Classification	Term To Maturity				
	Up to 1 month	1-3 month	3-6 months	6-12 months	Over 1 year
Conditional and unconditional receivables from central governments and Central Banks	-	173.747	482.125	121.119	7.664.366
Conditional and unconditional receivables from regional or local governments	-	-	-	1.177	1.296
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	84	-	850	-	61
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	342.190	104.980	503.955	30.891	2.966.041
Conditional and unconditional receivables from corporates	2.224.875	1.249.108	1.818.472	1.533.218	6.225.592
Conditional and unconditional receivables from retail portfolios	340.287	662.363	1.141.575	1.485.038	3.017.380
Conditional and unconditional receivables secured by mortgages	119.130	251.095	560.335	691.675	10.357.885
Past due receivables	-	-	-	-	4.582.316
Receivables defined under high risk category by BRSA	-	-	-	-	-
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Other receivables	109.602	-	-	-	214
General Total	3.136.168	2.441.293	4.507.312	3.863.118	34.815.151

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

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Information Regarding Risk Classifications

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

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

Credit Quality Grade	Fitch Risk Rating	Exposure Categories				Exposures to Corporates
		Exposures to Central Governments or Central Banks	Exposures to Administrative Bodies and Non-Commercial Undertakings	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	17.973.332	-	2.035.559	6.170.322	30.574.817	28.823.767	1.727.349	4.043.174	270.655	
2. Exposures After Credit Risk										
Mitigation	15.690.064	-	1.118.848	18.899.046	20.658.226	22.857.676	1.698.669	3.997.431	270.655	

Prior Period

Risk Weight	%0	%10	%20	%50	%75	%100	150%	%200	%250	Deductions from Equity
1. Exposures Before Credit Risk										
Mitigation	15.315.351	-	795.876	4.574.603	25.803.952	23.401.676	1.385.242	4.528.700	542.543	355.944
2. Exposures After Credit Risk										
Mitigation	15.315.351	-	792.355	15.123.683	16.438.394	20.062.864	1.362.876	4.493.971	542.543	355.944

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Information by major sectors and type of counterparties:

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

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

^(*)Represents the distribution of cash loans.

Important Sectors/Other Parties	Credit Risks^(*)			
	Impaired Loans	Past Due Loans	Value Adjustments	Provisions
Prior Period				
1. Agriculture	43.810	8.128	768	34.714
1.1. Farming and Raising Livestock	42.398	7.854	743	33.419
1.2. Forestry	787	59	7	732
1.3. Fishing	625	215	18	563
2. Industrial	257.131	68.863	5.452	191.733
2.1. Mining and Quarrying	10.812	840	63	7.831
2.2. Production	245.818	67.774	5.365	183.523
2.3. Electricity, Gas, Water	501	249	24	379
3. Construction	179.070	38.739	2.982	131.504
4. Services	599.049	224.326	20.220	465.904
4.1. Wholesale and Retail Trade	359.671	141.546	13.977	268.663
4.2. Hotel, Food and Beverage Services	100.783	24.740	1.986	92.230
4.3. Transportation and Communication	84.699	26.388	2.150	60.132
4.4. Financial Institutions	9.153	2.868	315	7.598
4.5. Real Estate and Renting Services	1.665	9.427	323	1.176
4.6. Self-Employment Services	8.230	7.308	721	6.071
4.7. Educational Services	2.058	2.164	264	1.384
4.8. Health and Social Services	32.790	9.885	484	28.650
5. Other	2.030.962	1.122.964	74.855	1.723.399
6. Total	3.110.022	1.463.020	104.277	2.547.254

^(*)Represents the distribution of cash loans.

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Movements in value adjustments and provisions

Current Period	Opening Balance	Provisions for Period	Provision Reversals	Other Adjustments^(e)	Closing Balance
1. Specific Provisions	2.457.128	1.772.817	(789.396)	(1.162.150)	2.278.399
2. General Provisions	816.291	126.370	-	-	942.661

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

Prior Period	Opening Balance	Provisions for Period	Provision Reversals	Other Adjustments^(e)	Closing Balance
1. Specific Provisions	2.135.194	1.349.946	(386.043)	(551.843)	2.547.254
2. General Provisions	617.684	198.607	-	-	816.291

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

III. Information on Consolidated Market Risk

The Group has established market risk operations and has taken the necessary measures in order to hedge market risk within its financial risk management purposes, in accordance with the regulation on “Banks’ Internal Control and Risk Management Systems” and the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks”.

Based on the proposal of High Level Risk Committee, the Board of Directors of the Parent Bank determines risk management strategies and policies for managing market risk and ensures periodic monitoring of the application of strategies. The Board of Directors of the Parent Bank determines the risk limits by considering the primary risk factors and those limits are revised as seen necessary. Additionally, the Board of Directors of the Parent Bank requires risk management group and the top management of the Group to take necessary actions in order to identify, measure, control and manage the risks that the Group is exposed to.

The market risk is measured by using an internal model developed with Value-at-Risk (VaR) methodology. VaR is calculated daily with historical simulation and parametric methods, whereas historical simulation is used for internal risk tracking and limit identification. Parametric VaR calculations are performed for comparison and tracking. ‘Bank Risk Tolerance’ is determined in order to manage the market risk efficiently and keep the market risk within the desirable limits. Risk Management Group monitors the VaR balances daily for compliance with the Bank Risk Tolerance.

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

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

1. Information on consolidated market risk

	Current Period Amount	Prior Period Amount
(I) Capital Requirement against General Market Risk - Standard Method	25.698	27.165
(II) Capital Requirement against Specific Risks – Standard Method	7.499	6.593
Capital Requirement against Specific Risks of Securitization Positions– Standard Method	-	-
(III) Capital Requirement against Currency Risk – Standard Method	44.929	34.596
(IV) Capital Requirement against Commodity Risks - Standard Method	320	908
(V) Capital Requirement against Settlement Risks - Standard Method	-	-
(VI) Capital Requirement against Market Risks of Options - Standard Method	2.692	1.762
(VII) Capital Requirement against Counterparty Credit Risk - Standard Method	17.345	23.142
(VIII) Capital Requirement against Market Risks of Banks applying Risk Measurement Models	-	-
(IX) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI+VII+VIII)	98.483	94.166
(X) Value-At-Market Risk (12,5 x VIII) or (12,5 x IX)	1.231.038	1.177.075

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

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	36.832	55.724	31.372	38.164	49.714	30.207
Common Share Risk	2.937	6.372	962	2.616	3.290	1.366
Currency Risk	29.148	45.445	7.171	19.888	34.596	11.700
Commodity Risk	506	1.375	46	1.464	3.947	94
Settlement Risk	-	-	-	-	-	-
Option Risk	1.627	2.975	426	1.024	1.762	631
Counterparty Credit Risk	23.202	30.658	17.345	18.454	23.142	12.151
Total Value at Risk^(*)	94.252	142.549	57.322	81.610	116.451	56.149

(*) Total VaR is the sum of risk values, therefore total VaR values are not the maximum or minimum values of the relevant period. The maximum and minimum values of VaR for 2014 are 108.859 and 71.685 respectively. The maximum and minimum values of VaR for 2013 were 94.166 and 66.311.

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

	Current Period	Prior Period
	Amount	Amount
Interest Rate Contracts	8.381.763	3.536.949
Foreign-Exchange-Rate Contracts	121.196.364	99.983.614
Commodity Contracts	1.604.506	948.684
Equity-Shares Related Contracts	895	510
Other	417.402	385.188
Gross Positive Fair Values	1.305.369	1.187.949
Netting Benefits	782.379	762.885
Net Current Exposure Amount	522.990	425.064
Collaterals Received	177.661	153.107
Net Derivative Position	345.329	271.957

(*)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' (2013, 2012 and 2011) as per the "Calculation of Value at Operational Risk" of the article (3) of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" which was published in the Official Gazette No: 28337 dated June 28, 2012. As of December 31, 2014, the value at operational risk is amounting to TL 6.653.675 (December 31, 2013 - TL 5.682.100).

Current Period				Total / No.		
Basic Indicator Method	2 PP Amount	1 PP Amount	CP Amount	of Years of Positive Gross	Rate (%)	Total
Gross Income	2.963.312	3.686.775	3.995.793	3.548.627	15	532.294
Value at operational risk (Total*12,5)						6.653.675

Prior Period				Total / No.		
Basic Indicator Method	2 PP Amount	1 PP Amount	CP Amount	of Years of Positive Gross	Rate (%)	Total
Gross Income	2.441.279	2.963.312	3.686.775	3.030.455	15	454.568
Value at operational risk (Total*12,5)						5.682.100

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

V. Explanations Related to Consolidated Foreign Exchange Risk

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

As of December 31, 2014, the net foreign currency exposure of the Group is TL 1.218.736 short position (December 31, 2013 – TL – 119.111 short) resulting from on balance sheet short position amounting to TL 8.707.667(December 31, 2013 – TL 5.744.613 short) and long off balance sheet position amounting to TL 7.488.931 (December 31, 2013 – TL 5.625.502 long). The long off balance sheet position amounting to TL 7.991.220 (December 31, 2013 – TL 5.074.126) is related with the FC/TL swap transactions performed with banks and customers. The Group used these transactions to manage the foreign currency liquidity risk and to hedge itself from interest rate risk.

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

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

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

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

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

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

US Dollars purchase rate in the balance sheet date	2,3189 TL
Euro purchase rate in the balance sheet date	2,8207 TL

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
December 31, 2014	2,3189	2,8207
December 30, 2014	2,3235	2,8339
December 27, 2014	2,3182	2,8255
December 26, 2014	2,3177	2,8368
December 25, 2014	2,3209	2,8312
December 25, 2014	2,3165	2,8317

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

The arithmetical average of the Bank's US Dollar and Euro purchase rates for December 2014 are TL 2,2877 and TL 2,8217; respectively.

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5. Information on the consolidated foreign exchange risk of the Group (Thousands of TL)

Current Period	EUR	USD	Other FC	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R.Central Bank ⁽¹⁾	1.088.222	4.312.403	1.760.007	7.160.632
Due From Banks	47.549	196.647	16.455	260.651
Financial Assets at Fair Value through Profit/Loss ⁽²⁾	32.888	85.218	15.192	133.298
Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	276.578	1.200.593	-	1.477.171
Loans and Receivables ⁽³⁾	4.008.400	6.176.789	24.659	10.209.848
Investments in Assoc., Subsidiaries and Entities under Common Control	-	-	-	-
Investment Securities Held-to-Maturity	12.571	662.086	-	674.657
Derivative Financial Assets Hedging Purposes	-	22.844	-	22.844
Tangible Assets	-	-	10	10
Intangible Assets	-	-	-	-
Other Assets ⁽⁴⁾	602.105	478.304	7.346	1.087.755
Total Assets	6.068.313	13.134.884	1.823.669	21.026.866
Liabilities				
Bank Deposits	250.292	815.596	53.447	1.119.335
Foreign Currency Deposits ⁽⁵⁾	3.990.907	8.805.842	806.868	13.603.617
Money Market Borrowings	227.390	1.203.793	-	1.431.183
Funds Provided from Other Financial Institutions ⁽⁶⁾	1.991.728	5.256.104	228.693	7.476.525
Securities Issued	170.124	3.311.829	18.059	3.500.012
Sundry Creditors	1.487.904	682.550	7.983	2.178.437
Derivative Fin. Liabilities Hedging Purposes	41.898	108.078	-	149.976
Other Liabilities ⁽⁷⁾	57.081	207.164	11.203	275.448
Total Liabilities	8.217.324	20.390.956	1.126.253	29.734.533
Net Balance Sheet Position	(2.149.011)	(7.256.072)	697.416	(8.707.667)
Net Off-Balance Sheet Position	1.456.668	6.663.293	(631.030)	7.488.931
Financial Derivative Assets	3.790.582	36.916.265	1.162.692	41.869.539
Financial Derivative Liabilities	2.333.914	30.252.972	1.793.722	34.380.608
Non-Cash Loans ⁽⁸⁾	1.093.104	2.718.582	133.991	3.945.677
Prior Period				
Total Assets	6.814.625	8.939.954	1.848.565	17.603.144
Total Liabilities	7.190.776	15.230.825	926.156	23.347.757
Net Balance Sheet Position	(376.151)	(6.290.871)	922.409	(5.744.613)
Net Off-Balance Sheet Position	632.637	5.873.795	(880.930)	5.625.502
Financial Derivative Assets	4.514.153	27.344.817	182.268	32.041.238
Financial Derivative Liabilities	3.881.516	21.471.022	1.063.198	26.415.736
Non-Cash Loans ⁽⁸⁾	839.099	1.940.762	168.107	2.947.968

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

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

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

(4) Does not include FC prepaid expenses amounting to TL 4.474 (December 31, 2013 – TL 2.338) as per BRSA's Communique published in Official Gazette no 26085 on February 19, 2006. Does not include repealed financial leasing receivables amounting to TL 1.187 (December 31, 2013 – TL 1.402) accounted as FC in balance sheet. Includes FC indexed factoring receivables amounting to TL 66.113 (December 31, 2013 – TL 34.945) accounted as TL in balance sheet.

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

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

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

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6. Sensitivity to the Exchange Rate

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

	% change in the Foreign currency	Effect on Gain/Loss (After Tax)	Net Effect on Shareholders Equity (*)	Effect on Gain/Loss (After Tax)	Net Effect on Shareholders Equity (*)
		Current Period	Current Period	Prior Period	Prior Period
USD	% 10 gain	(55.104)	(59.680)	18.804	8.167
	% 10 loss	55.104	59.680	(18.804)	(8.167)
EURO	% 10 gain	(42.638)	(42.592)	20.847	(21.134)
	% 10 loss	42.638	42.592	(20.847)	21.134

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

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VI. Explanations Related to Consolidated Interest Rate Risk

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

Interest rate sensitivity of assets, liabilities and off balance sheet items is analyzed by top management in the Asset/Liability Committee meetings held every two weeks by taking the market developments into consideration.

The management of the Parent Bank follows the interest rates in the market on a daily basis and revises interest rates of the Parent Bank when necessary.

Parent Bank's asset and liabilities carry positive interest rate income and are repriced every nine months. Therefore the Bank holds limited amount of interest rate risk.

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

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

(Based on repricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing^(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	912.654	-	-	-	-	7.751.266	8.663.920
Due from Banks	57.989	6.000	10.000	-	-	226.445	300.434
Financial Assets at Fair Value Through Profit/Loss ^(**)	7.630	6.560	35.955	12.576	82.786	3.242.258	3.387.765
Money Market Placements	244.425	-	-	-	-	-	244.425
Inv. Securities Available for Sale	1.347.973	677.591	1.454.350	195.492	1.508.473	249.634	5.433.513
Loans and Receivables	10.696.734	5.063.645	14.834.952	13.324.249	4.661.639	1.502.061	50.083.280
Inv. Securities Held to Maturity	158.930	811.585	1.759.766	684.905	256.315	55.722	3.727.223
Other Assets	388.039	202.054	464.215	830.031	26.133	3.084.093	4.994.565
Total Assets	13.814.374	6.767.435	18.559.238	15.047.253	6.535.346	16.111.479	76.835.125
Liabilities							
Bank Deposits	1.103.611	258.593	40.184	-	-	20.614	1.423.002
Other Deposits	24.402.663	7.764.205	2.199.172	102.961	-	6.003.731	40.472.732
Money Market Borrowings	3.481.177	730.965	-	-	-	3.610	4.215.752
Sundry Creditors	2.133.518	-	-	-	-	1.692.140	3.825.658
Securities Issued	241.279	1.588.783	1.090.068	2.848.641	-	56.727	5.825.498
Funds Borrowed	576.218	1.018.251	6.069.164	271.075	3.567	36.521	7.974.796
Other Liabilities ^(***)	87	154	3.345	1.551	-	13.092.550	13.097.687
Total Liabilities	31.938.553	11.360.951	9.401.933	3.224.228	3.567	20.905.893	76.835.125
On Balance Sheet Long Position	-	-	9.157.305	11.823.025	6.531.779	-	27.512.109
On Balance Sheet Short Position	(18.124.179)	(4.593.516)	-	-	-	(4.794.414)	(27.512.109)
Off-Balance Sheet Long Position	4.644.902	6.246.235	-	-	-	-	10.891.137
Off-Balance Sheet Short Position	-	-	(390.290)	(8.283.929)	(1.858.489)	-	(10.532.708)
Total Position	(13.479.277)	1.652.719	8.767.015	3.539.096	4.673.290	(4.794.414)	358.429

^(*) Non Interest Bearing column includes accruals 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.

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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	13	-	-	-	-	8.208.469	8.208.482
Due from Banks	90.812	77.697	4.144	-	-	303.501	476.154
Financial Assets at Fair Value Through Profit/Loss (**)	2.965	153.499	47.243	29.547	151.514	3.219.594	3.604.362
Money Market Placements	3.433	-	-	-	-	-	3.433
Inv. Securities Available for Sale	1.100.642	1.990.745	752.897	616.251	1.343.457	(61.007)	5.742.985
Loans and Receivables	9.474.287	4.610.988	12.621.186	11.295.599	3.353.664	1.315.581	42.671.305
Inv. Securities Held to Maturity	-	726.128	1.461.877	426.414	183.148	28.212	2.825.779
Other Assets	352.283	255.471	454.554	686.507	12.142	2.372.261	4.133.218
Total Assets	11.024.435	7.814.528	15.341.901	13.054.318	5.043.925	15.386.611	67.665.718
Liabilities							
Bank Deposits	891.681	407.569	16.286	-	-	25.957	1.341.493
Other Deposits	18.515.174	10.291.432	2.083.492	12.200	373	5.862.838	36.765.509
Money Market Borrowings	3.392.340	385.695	-	-	-	2.457	3.780.492
Sundry Creditors	1.984.510	-	-	-	-	1.465.217	3.449.727
Securities Issued	710.291	370.997	1.054.971	1.752.158	-	66.162	3.954.579
Funds Borrowed	723.982	997.749	4.489.359	519.124	18.035	23.421	6.771.670
Other Liabilities (***)	-	-	652	10.601	-	11.590.995	11.602.248
Total Liabilities	26.217.978	12.453.442	7.644.760	2.294.083	18.408	19.037.047	67.665.718
On Balance Sheet Long Position	-	-	7.697.141	10.760.235	5.025.517	-	23.482.893
On Balance Sheet Short Position	(15.193.543)	(4.638.914)	-	-	-	(3.650.436)	(23.482.893)
Off-Balance Sheet Long Position	3.427.681	9.295.931	-	-	-	-	12.723.612
Off-Balance Sheet Short Position	-	-	(2.125.543)	(8.387.856)	(1.831.338)	-	(12.344.737)
Total Position	(11.765.862)	4.657.017	5.571.598	2.372.379	3.194.179	(3.650.436)	378.875

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

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

(***) Other Liabilities include derivative financial liabilities used for hedging purposes amounting to TL 82.749.

Average interest rates applied to monetary financial instruments

Current Period	EUR %	USD %	JPY %	TL %
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	0,10	1,48	-	10,66
Financial Assets at Fair Value Through Profit/Loss	3,50	4,65	-	7,33
Money Market Placements	-	-	-	11,04
Investment Securities Available for Sale	3,79	5,40	-	9,78
Loans and Receivables	4,88	4,47	4,37	13,65
Investment Securities Held for Trading	2,96	5,27	-	11,38
Liabilities				
Bank Deposits	0,51	0,90	-	10,60
Other Deposits	2,00	2,30	0,25	9,89
Money Market Borrowings	0,67	0,66	-	9,53
Sundry Creditors	2,00	1,97	-	5,67
Securities Issued	-	5,40	-	8,79
Funds Borrowed	3,40	3,68	-	10,10

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Average interest rates applied to monetary financial instruments

Prior Period	EUR	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	1,46	0,21	-	8,73
Financial Assets at Fair Value Through Profit/Loss	3,33	4,15	-	8,35
Money Market Placements	-	-	-	7,07
Investment Securities Available for Sale	4,81	5,19	-	7,02
Loans and Receivables	5,54	4,58	5,26	14,90
Investment Securities Held to Maturity	-	5,79	-	7,24
Liabilities				
Bank Deposits	2,14	2,29	-	8,37
Other Deposits	2,96	3,05	2,09	8,91
Money Market Borrowings	0,85	0,77	-	7,27
Sundry Creditors	0,12	0,08	-	-
Securities Issued	-	5,36	-	8,24
Funds Borrowed	1,16	2,89	-	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 Group analyzes all these risks periodically, and considering market conditions, manages all aspects of interest rate risk on banking book effectively in accordance with the bank strategy. In order to this, within the scope of “Asset Liability Management Policy” risks are measured, monitored and limited on a regular basis.

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

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

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

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

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

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

VII. Position Risk of Equity Securities in Banking Book

Equity Securities (shares)	Comparison		
	Carrying Value	Fair Value	Market Value
1. Equity Investments Group A	5.561	-	5.561
Quoted Securities	5.561	-	5.561
2. Equity Investments Group B	3	-	3
Quoted Securities	3	-	3
3. Equity Investments Group C	-	-	-
Quoted Securities	-	-	-
4. Equity Investments Group Other^(*)	189.708^(*)	183.417^(**)	-

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

(**) Refers to entity under common control accounted at fair value but not traded at the quoted markets.

Portfolio	Revaluation Surpluses			Unrealized Gains and Losses		
	Gains/Losses in Current Period	Total	Amount under Core Capital	Total	Amount under Core Capital	Amount under Suppleme ntary Capital
1. Private Equity Investments	-	-	-	-	-	-
2. Quoted Shares	2.251	-	-	687	-	309
3. Other Shares	-	-	-	-	-	-
4. Total	2.251	-	-	687	-	309

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VIII. Explanations Related to Consolidated Liquidity Risk

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

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

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

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

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

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

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

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

In order to meet urgent liquidity needs 11% (December 31, 2013 – 12%) of the balance sheet is allocated as cash and equivalents.

- 4. Evaluation of the Group's cash flows and their resources**

Cash flows of the Group are mainly denominated in Turkish Lira, US Dollars and Euro.

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

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Un-Allocated ^(*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	2.441.254	6.222.666	-	-	-	-	-	8.663.920
Due from Banks	225.417	58.036	6.612	10.369	-	-	-	300.434
Financial Assets at Fair Value Through Profit/Loss ^(**)	-	212.332	328.815	968.297	1.673.986	204.335	-	3.387.765
Money Market Placements	-	244.425	-	-	-	-	-	244.425
Investment Securities Available for Sale	31.990	641	137.423	288.236	1.574.007	3.401.216	-	5.433.513
Loans and Receivables	-	11.633.848	5.065.546	14.834.560	13.319.950	4.661.202	568.174	50.083.280
Investment Securities Held to Maturity	-	-	74.178	427.861	881.895	2.343.289	-	3.727.223
Other Assets	24.471	1.014.253	248.712	533.220	987.122	26.143	2.160.644	4.994.565
Total Assets	2.723.132	19.386.201	5.861.286	17.062.543	18.436.960	10.636.185	2.728.818	76.835.125
Liabilities								
Bank Deposits	17.791	1.105.752	259.084	40.375	-	-	-	1.423.002
Other Deposits	5.817.572	24.509.307	7.788.579	2.251.330	105.944	-	-	40.472.732
Funds Borrowed	224	352.775	711.738	3.968.904	815.772	2.125.383	-	7.974.796
Money Market Borrowings	-	3.484.132	731.620	-	-	-	-	4.215.752
Securities Issued	-	7.011	803.746	1.777.897	3.095.075	141.769	-	5.825.498
Sundry Creditors	-	3.785.762	1.455	-	-	38.441	-	3.825.658
Other Liabilities ^(***)	6.856	1.292.520	473.662	767.206	93.003	213.586	10.250.854	13.097.687
Total Liabilities	5.842.443	34.537.259	10.769.884	8.805.712	4.109.794	2.519.179	10.250.854	76.835.125
Liquidity Gap	(3.119.311)	(15.151.058)	(4.908.598)	8.256.831	14.327.166	8.117.006	(7.522.036)	-
Prior Period								
Total Assets	2.156.311	17.631.803	5.145.605	14.234.719	18.442.561	8.364.040	1.690.679	67.665.718
Total Liabilities	5.718.911	28.648.859	12.290.769	6.092.770	4.240.779	1.618.909	9.054.721	67.665.718
Net Liquidity Gap	(3.562.600)	(11.017.056)	(7.145.164)	8.141.949	14.201.782	6.745.131	(7.364.042)	-

- (*) The assets which are necessary to provide banking services and could not be liquidated in the short-term, such as fixed assets, investments in subsidiaries and associates, common shares unquoted on stock exchange, office stationery, and prepaid expenses are classified under this column.
 Unallocated other liabilities include shareholders' equity amounting to TL 8.797.614, unallocated provisions amounting to TL 1.451.752 and tax liability amounting to TL 177.452.
- (**) Financial Assets at Fair Value Through Profit/Loss include derivative financial assets held for hedging purposes amounting to TL 1.988.746
- (***) Other Liabilities also include derivative financial liabilities held for hedging purposes amounting to TL 352.080.

5. Financial Liabilities according to the remaining maturities on the contract

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

Current Period	Undated	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and longer	Total	Balance Sheet Value
Bank Deposits	19.173	1.106.943	279.100	41.426	-	-	1.446.642	1.423.002
Other Deposits	5.817.572	24.733.409	7.966.411	2.286.766	111.046	-	40.915.204	40.472.732
Payables to Money Market	-	3.485.794	732.214	-	-	-	4.218.008	4.215.752
Funds from other Financial Institutions	-	459.726	587.017	4.120.340	1.200.593	2.417.527	8.785.203	7.974.796
Securities Issued	-	10.194	735.019	1.837.449	3.401.198	109.483	6.093.343	5.825.498
Noncash Loans ^(*)	3.281.374	636.342	900.716	2.893.493	1.398.108	29.299	9.139.332	9.139.332
Prior Period								
Bank Deposits	21.521	893.593	413.105	16.891	-	-	1.345.110	1.341.493
Other Deposits	5.683.752	18.883.466	10.483.143	2.125.988	3.500	-	37.179.849	36.765.509
Payables to Money Market	-	3.395.138	386.550	-	-	-	3.781.688	3.780.492
Funds from other Financial Institutions	-	435.568	613.100	2.609.713	2.227.996	1.544.425	7.430.802	6.771.670
Securities Issued	-	728.985	381.751	1.221.119	1.959.070	-	4.290.925	3.954.579
Noncash Loans ^(*)	3.064.783	328.402	587.544	2.166.381	776.362	175.541	7.099.013	7.099.013

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

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

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Longer	Total
Forward contracts buying ^(**)	1.850.523	974.118	900.707	98.925	-	3.824.273
Forward contracts selling ^(**)	1.856.558	976.448	896.663	97.530	-	3.827.199
Swap contracts buying ^(*)	11.512.307	9.777.727	13.100.349	19.539.488	3.104.000	57.033.871
Swap contracts selling ^(*)	11.443.750	9.680.407	12.606.681	19.802.513	3.190.582	56.723.933
Futures buying	14.514	2.933	2.223	-	-	19.670
Futures selling	14.514	2.933	2.223	-	-	19.670
Options buying	780.633	2.555.631	1.485.964	200.256	-	5.022.484
Options selling	785.687	2.550.382	1.496.097	211.551	-	5.043.717
Other	-	-	-	417.402	-	417.402
Total	28.258.486	26.520.579	30.490.907	40.367.665	6.294.582	131.932.219

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

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 years and Longer	Total
Forward contracts buying ^(**)	1.620.526	745.984	1.373.474	100.451	-	3.840.435
Forward contracts selling ^(**)	1.622.199	749.966	1.367.453	97.417	-	3.837.035
Swap contracts buying ^(*)	7.269.352	2.932.703	9.059.645	16.169.103	2.785.259	38.216.062
Swap contracts selling ^(*)	7.430.478	2.938.724	8.742.226	16.213.105	2.877.062	38.201.595
Futures buying	255	17.832	3.404	-	-	21.491
Futures selling	255	17.832	3.404	-	-	21.491
Options buying	2.266.981	1.282.435	4.409.805	-	-	7.959.221
Options selling	2.266.008	1.292.245	4.356.996	-	-	7.915.249
Other	-	-	-	341.488	-	341.488
Total	22.476.054	9.977.721	29.316.407	32.921.564	5.662.321	100.354.067

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

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

IX. Explanations Related to Securitization Positions

As of December 31, 2014 the Group has no securitization positions.

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X. Explanations Related to Credit Risk Mitigation Techniques

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

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

Exposure Categories (**)	Amount(*)	Financial Collaterals	Other/Physical Collaterals	Guarantees and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	18.832.057	2.283.268	-	-
Conditional and unconditional receivables from regional or local governments	4.185	43	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	868	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	6.768.070	3.253.423	-	-
Conditional and unconditional receivables from corporates	23.598.488	617.351	-	-
Conditional and unconditional retail receivables	44.023.027	325.169	-	-
Conditional and unconditional receivables secured by mortgages	15.654.502	-	-	-
Past due receivables	575.768	54	-	-
Receivables defined in high risk category by BRSA	6.041.475	74.423	-	-
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	3.780.002	-	-	-
Total	119.304.856	6.553.731	-	-

(*) Includes total risk amounts before credit risk mitigation and liquidity conversions.

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

XI. Explanations Related to Risk Management Objectives and Policies

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

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

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

The general objectives of the Group's Risk Management:

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

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

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

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

The estimated fair value of the deposits with fixed rates is determined by calculating discounted cash flows by using the market interest rates used for other liabilities with similar quality and maturities.

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

The table below shows the fair value and book value of the Group's financial assets and liabilities.

	Book Value		Fair Value	
	Prior Period	Current Period	Prior Period	Current Period
Financial Assets	61.762.379	44.974.337	61.746.530	44.320.456
Banks	300.434	476.154	300.434	476.154
Receivables from Money Market	244.425	3.433	244.425	3.433
Loans and Receivables	50.083.280	42.671.305	49.860.402	41.990.085
Factoring Receivables	443.212	520.657	443.212	520.657
Leasing Receivables	1.530.292	1.302.788	1.584.168	1.330.127
Available for Sale Financial Assets	5.433.513	5,742,985	5,433,513	5,742,985
Securities Held to Maturity	3.727.223	2,825,779	3,880,376	2,764,475
Financial Liabilities	63.737.438	56.063.470	63.589.146	55.554.406
Bank Deposits	1.423.002	1.341.493	1.423.558	1.341.742
Other Deposits	40.472.732	36.765.509	40.457.114	36.784.491
Funds from Other Financial Institutions	7.974.796	6.771.670	7.779.726	6.279.287
Payables to Money Market	4.215.752	3.780.492	4.215.752	3.780.492
Securities Issued	5.825.498	3.954.579	5.887.338	3.918.667
Other Debts	3.825.658	3.449.727	3.825.658	3.449.727

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

The classification of fair value calculation is as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities (market value);
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);
- Level 3: Inputs that are not observable for the asset and liability (Fair value calculations which are not observable). Aşağıdaki tabloda, finansal tablolarda gerçeğe uygun değerleriyle taşınan finansal araçların gerçeğe uygun değer sınıflaması yer almaktadır:

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

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

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

	Current Period	Prior Period
Opening Balance	185.074	352.296
Change in total gain/loss	864	(19.163)
<i>Accrued in income statement</i>	864	(19.163)
<i>Accrued in other comprehensive income</i>	-	-
Purchases	-	-
Disposals	-	-
Matured Loans ^(*)	(87.795)	(148.059)
Sales from Level 3	-	-
Closing Balance	98.143	185.074

^(*) Includes loans that are repaid before their maturity.

Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets	5.939.184	3.223.089	185.074	9.347.347
Financial Assets at Fair Value through Profit/Loss	210.012	-	-	210.012
Assets on Trading Derivatives	489	1.280.992	-	1.281.481
Investment Securities Available for Sale	5.728.683	14.302	-	5.742.985
Loans and Receivables ^(*)	-	-	185.074	185.074
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-
Derivative Financial Assets hedging Purposes	-	1.927.795	-	1.927.795
Financial Liabilities	168	1.393.478	-	1.393.646
Liabilities on Trading Derivatives	168	1.310.729	-	1.310.897
Derivative Financial Liabilities for Hedging Purposes	-	82.749	-	82.749

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

XIII. Explanations Related to Transactions Carried Out on Behalf of Customers, Items Held in Trust

The Group acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	590.505	248.656	633.575	413.150
T.R. Central Bank	912.650	6.911.681	253.764	6.906.881
Others	133	295	451	661
Total	1.503.288	7.160.632	887.790	7.320.692

b) Balances with the Central Bank of Turkey

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

As of December 31, 2014, the compulsory rates for the reserve deposits at the Central Bank of Turkey for Turkish Lira are implemented within an interval from 5% to 11,5% depending on the maturity of deposits (December 31, 2013 – 5% to 11,5%) and the compulsory rates for the foreign currency liabilities are within an interval from 6% to 13% depending on the maturity of deposits (December 31, 2013 – 6% and 13%).

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

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

a) Trading securities given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bonds, Treasury Bills and Similar	-	-	-	-
Marketable Securities ^(*)	25.285	-	103	-
Other	-	-	-	-
Total	25.285	-	103	-

^(*) Government bonds given as collateral are classified under Held-for-Trading Financial Assets in the financial statements.

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b) Trading securities subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds (*)	4.902	-	140.916	-
Treasury Bills (*)	-	-	-	-
Other Debt Securities	4.952	-	-	-
Bonds Issued and Guaranteed by Banks	961	-	4.818	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	10.815	-	145.734	-

(*) Government bonds, bank bills and bank guaranteed bills subject to repurchase agreements presented above are classified under Held-for-Trading Financial Assets in the financial statements.

c) Positive differences on trading derivative instruments

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	43.664	-	107.327	-
Swap Transactions	1.059.341	83.399	922.629	61.661
Futures	-	126	-	486
Options	-	65.940	-	189.378
Other	-	-	-	-
Total	1.103.005	149.465	1.029.956	251.525

3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	19.605	773	5.985	2.301
Foreign	20.178	259.878	2	302.327
Foreign Head Offices and Branches	-	-	-	165.539
Total	39.783	260.651	5.987	470.167

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount (**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	53.161	44.881	1.550	1.730
USA and Canada	158.377	233.566	3.923	1.528
OECD Countries (*)	2.946	17.147	-	-
Off-shore Banking Regions	54.881	165.538	-	-
Other	5.218	3.478	-	-
Total	274.583	464.610	5.473	3.258

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

(**) Includes blocked placements at foreign banks amounting to TL 5.473 (December 31, 2013 - TL 3.258).

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4. Information on receivables from reverse repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	200.062	-	3.433	-
T.R. Central Bank	-	-	-	-
Banks	200.062	-	-	-
Intermediary Institutions	-	-	3.433	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
Foreign Transactions	-	-	-	-
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
Total	200.062	-	3.433	-

5. Information on investment securities available for sale

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar marketable securities	443.810	284.954	393.114	-
Other	-	-	-	-
Total	443.810	284.954	393.114	-

b) Investment securities available for sale subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	1.744.037	1.111.796	1.290.612	973.547
Treasury bills	-	-	-	-
Other debt securities	-	-	-	-
Bonds issued or bank guaranteed by banks	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	1.744.037	1.111.796	1.290.612	973.547

c) Investment securities available for sale

	Current Period	Prior Period
Debt securities	5.416.289	5.444.796
Quoted on a stock exchange (*)	5.409.632	5.429.359
Unquoted on a stock exchange	6.657	15.437
Share certificates	32.418	512.730
Quoted on a stock exchange (**)	27.912	512.570
Unquoted on a stock exchange	4.506	160
Impairment provision (-)	(15.194)	(214.541)
Total	5.433.513	5.742.985

(*) The Eurobond Portfolio amounting to TL 1.199.653 (December 31, 2013 - TL 851.341) which is accounted for as investment securities available for sale was hedged under fair value hedge accounting starting from March and April 2009 and the Government Bonds Portfolio amounting to TL 106.392 (December 31, 2013- TL 102.502) which is accounted for as investment securities available for sale was hedged under fair value hedge accounting starting from August 2011. The mentioned financial assets are accounted for as Investment Securities Available for Sale in order to be in line with balance sheet presentation.

(**) Share certificates that are quoted on a stock exchange include "exchange traded mutual funds" amounting to TL 27.757 (December 31, 2013 – TL 30.913).

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6. Information related to loans

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	1.715	34.288	-	32.895
Corporate Shareholders	1.715	34.288	-	32.895
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees (*)	66.957	-	71.031	-
Total	68.672	34.288	71.031	32.895

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

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

Cash Loans(*)	Loans and Other Receivables	Performing Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
		Loans and Receivables with Revised Contract Terms		Loans and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other	Extension of Repayment Plan	Other
Non-specialized Loans	46.867.445	558.858	-	2.742.621	704.540
Discount Notes	858.128	-	-	7.812	-
Export Loans	1.332.172	-	-	165.147	-
Import Loans	6.660	-	-	-	-
Loans Given to Financial Sector	1.051.386	-	-	-	-
Retail Loans	12.882.158	7.312	-	975.437	19.661
Credit Cards	8.004.085	428.900	-	591.545	337.312
Other	22.732.856	122.646	-	1.002.680	347.567
Specialized Loans	-	-	-	-	-
Other Receivables	-	-	-	-	-
Total	46.867.445	558.858	-	2.742.621	704.540

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

No. of Extensions	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
	1 or 2 times	521.096
3, 4 or 5 times	37.762	48
Over 5 times	-	-
Total	558.858	704.540

Extension Periods	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
	0 - 6 months	57.112
6 -12 months	39.914	43.675
1 - 2 years	211.054	182.621
2 - 5 years	236.032	330.100
5 years and over	14.746	69.890
Total	558.858	704.540

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c) **Loans according to their maturity structure**

Cash Loans ^(*)	Performing Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms
Short-term Loans	22.148.555	428.900	591.545	337.312
Non-specialized Loans	22.148.555	428.900	591.545	337.312
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	24.718.890	129.958	2.151.076	367.228
Non-specialized Loans	24.718.890	129.958	2.151.076	367.228
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	46.867.445	558.858	2.742.621	704.540

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

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

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

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Commercial Loans with Installment Facility – TL	747.708	7.963.839	8.711.547	126.174
Real Estate Loans	1.130	196.154	197.284	3.718
Automobile Loans	6.224	329.069	335.293	4.549
Personal Need Loans	740.354	7.438.616	8.178.970	117.907
Other	-	-	-	-
Commercial Loans with Installment Facility - FC Indexed	60.102	1.175.299	1.235.401	111.002
Real Estate Loans	-	30.265	30.265	5.422
Automobile Loans	255	71.570	71.825	5.725
Personal Need Loans	59.847	1.073.464	1.133.311	99.855
Other	-	-	-	-
Commercial Loans with Installment Facility - FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards –TL	1.018.246	1.431	1.019.677	11.426
Installment	271.301	1.431	272.732	3.056
Non-Installment	746.945	-	746.945	8.370
Corporate Credit Cards –FC	287	-	287	2
Installment	-	-	-	-
Non-Installment	287	-	287	2
Overdraft Accounts-TL (Legal Entities)	803.803	-	803.803	1.444
Overdraft Accounts-FC (Legal Entities)	-	-	-	-
Total	2.630.146	9.140.569	11.770.715	250.048

f) **Loans according to borrowers** (*)

	Current Period	Prior Period
Public	163.249	150.108
Private	49.446.817	42.197.546
Total	49.610.066	42.347.654

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

g) **Domestic and foreign loans** (*)

	Current Period	Prior Period
Domestic Loans	49.403.189	42.155.909
Foreign Loans	206.877	191.745
Total	49.610.066	42.347.654

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

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h) Loans granted to subsidiaries and associates

There are no loans granted to subsidiaries and associates

i) Specific provisions for loans

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectability	85.654	167.353
Loans and Receivables with Doubtful Collectability	440.187	483.952
Uncollectible Loans and Receivables	1.642.773	1.805.823
Total	2.168.614	2.457.128

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)	133	4.457	78.247
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	133	4.457	78.247
Prior Period			
(Gross Amounts Before the Specific Provisions)	221	1.700	159.808
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	221	1.700	159.808

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Prior Period End Balance	419.095	740.935	1.805.823
Additions (+)	1.346.176	101.092	126.070
Transfers from Other Categories of Non-Performing Loans (+)	-	1.217.475	1.208.850
Transfers to Other Categories of Non-Performing Loans (-)	1.217.475	1.208.850	-
Collections (-)	123.310	170.148	345.348
Write-offs (-)^(**)	71	7.721	1.152.622
Corporate and Commercial Loans	64	7.456	286.160
Consumer Loans	7	265	338.639
Credit Cards	-	-	527.823
Others	-	-	-
Current Period End Balance	424.415	672.783	1.642.773
Specific Provision (-)	85.654	440.187	1.642.773
Net Balances on Balance Sheet	338.761	232.596	-

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

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

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

None (December 31, 2013 – 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)	338.761	232.596	-
Loans to Real Persons and Legal Entities (Gross)	424.415	672.783	1.631.886
Specific provision (-)	(85.654)	(440.187)	(1.631.886)
Loans to Real Persons and Legal Entities (Net)	338.761	232.596	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	10.887
Specific provision (-)	-	-	10.887
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	251.742	256.983	-
Loans to Real Persons and Legal Entities (Gross)	419.095	740.935	1.804.591
Specific provision (-)	(167.353)	(483.952)	(1.804.591)
Loans to Real Persons and Legal Entities (Net)	251.742	256.983	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	1.232
Specific provision (-)	-	-	(1.232)
Other Loans and Receivables (Net)	-	-	-

k) Liquidation policies for uncollectible loans and other receivables

For the unrecoverable non-performing loans under legal follow up, the loan quality, collateral quality, bona fide of the debtor and assessment of the emergency of legal follow up are considered, before applying the best practice for unrecoverable non-performing loans under legal follow up. The Parent Bank prefers to liquidate the risk through negotiations with the debtors. If this cannot be possible, then the Parent Bank starts the legal procedures for the liquidation of the risk. Ongoing legal follow up procedures do not prevent negotiations with the debtors. An agreement is made with the debtor at all stage of the negotiations for the liquidation of the risk.

l) Explanations on write-off policy

Unrecoverable non-performing loans in legal follow-up, for which 100% provision is provided in compliance with the “Provisioning Decree” and with no collateral that are deemed as uncollectible are written off by the Board of Directors’ decision, in accordance with the laws and regulations.

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7. Information on factoring receivables

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term	432.339	9.570	512.851	7.806
Medium and Long Term	1.303	-	-	-
Total	433.642	9.570	512.851	7.806

As of December 31, 2014 and December 31, 2013, changes in provision for non-performing factoring receivables are as follows:

	Current Period	Prior Period
Prior Period End Balance	7.120	2.936
Provided Provision / (reversal), Net	6.424	4.924
Collections	(128)	(740)
Written off	-	-
Current Period End Balance	13.416	7.120

8. Information on investment securities held-to-maturity

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

	Current Period		Prior Period	
	TP	YP	TP	YP
Share certificates	-	-	-	-
Bond, Treasury bill and similar marketable securities	398.384	-	126.049	-
Other	-	-	-	-
Toplam	398.384	-	126.049	-

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

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	3.003.772	90.418	2.446.859	20.820
Treasury Bill	48.794	-	-	-
Other Public Sector Debt Securities	-	-	-	-
Total	3.052.566	90.418	2.446.859	20.820

d) Information on investment securities held-to-maturity

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

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

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

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

9. **Investments in associates (Net)**

9.1. **Investments in associates**

Description	Address (City/ Country)	Bank's Share-If Different, Voting Rights (%)	Bank's Risk Group Share (%)
Bankalararası Kart Merkezi (BKM) ^(*)	Istanbul/Turkey	9,23%	9,23%

Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
54.167	31.256	33.312	639	-	8.874	4.171	-

^(*) Current period information is obtained from financial statements as of December 31, 2014, prior period profit and loss information is obtained from financial statements as of December 31, 2013.

9.2. **Movements of investments in associates**

	Current Period	Prior Period
Balance at the Beginning of Period	3.766	7.977
Movements During the Period	-	(4.211)
Acquisitions	-	-
Bonus Shares Received	-	-
Dividends From Current Year Profity	-	-
Sales	-	-
Reclassifications	-	(4.211) ^(*)
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

^(*) Represents classification of TL 4.211 share of Kredi Garanti Fonu A.Ş. to available for sale assets.

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9.3. Sectoral distribution and the related carrying amounts on associates

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

9.4. Quoted Associates

None (December 31, 2013 - None).

9.5. Valuation of investments in associates

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

9.6. Investments in associates sold during the current period

None (December 31, 2013 - None).

9.7. Investments in associates acquired during the current period

None (December 31, 2013 - None).

10. Investments in subsidiaries (Net)

a) Information on the Parent Bank's unconsolidated subsidiaries:

Subsidiaries below have not been consolidated since they are non financial investments, they are instead valued by cost method.

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

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

(*) Current period information is obtained from financial statements as of December 31, 2014, prior period profit and loss information is obtained from financial statements as of December 31, 2013.

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

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b) Information on the consolidated subsidiaries

b.1) Information on the consolidated subsidiaries

Subsidiary	Address (City/Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1. Finans Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	99,60	99,74
2. Finans Finansal Kiralama A.Ş.	İstanbul/Turkey	51,06	69,00
3. Finans Yatırım Ortaklığı A.Ş. (**)	İstanbul/Turkey	76,06 ^(*)	76,13
4. Finans Portföy Yönetimi A.Ş.	İstanbul/Turkey	0,01	99,72
5. Finans Faktoring Hizmetleri A.Ş.	İstanbul/Turkey	99,99	100,00

(*) The share of the Parent Bank is 10.01 %, the remaining 66.05% shareholding represents the purchases of publicly traded shares on the Borsa Istanbul (BIST).

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

Information on subsidiaries in the order as presented in the table above:

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

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

(**) Fair values of publicly traded subsidiaries reflect their Borsa Istanbul (BIST) values as of the balance sheet date.

- (***) Shows the stock market value of Finans Yatırım Ortaklığı A.Ş. as of November 7, 2014

b.2) Movement of investments in subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	405.170	476.617
Movements during the Period	21.148	(71.447)
Purchases	-	-
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales	-	(1.069)
Changes Due to Reclassification	-	-
Revaluation Difference	21.148	(70.378)
Impairment Provision	-	-
Balance at the End of the Period	426.318	405.170
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	-	-

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b.3) Sectoral distribution of the consolidated subsidiaries

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	39.213	20.000
Leasing Companies	260.125	284.787
Finance Companies	-	-
Other Subsidiaries	126.980	100.383
Total	426.318	405.170

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

b.4) Quoted subsidiaries within the context of consolidation

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	274.637	302.448
Quoted on International Stock Exchanges	-	-
Total	274.637	302.448

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

None.

11. Investments in entities under common control

	The Parent Bank's Share	The Group's Share	Current Assets	Fixed Assets	Long Term Debt	Current Period Profit/Loss	Prior Year Profit/Loss
Cigna Finans Emeklilik ve Hayat A.Ş. ^(*)	49,00%	49,00%	237.682	444.852	506.277	20.855	8.403
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. ^(*)	33,33%	33,33%	11.990	10.436	720	3.052	2.712

^(*) Current period information represents December 31, 2014 figures, and prior period profit/loss amounts represent December 31, 2013 figures.

12. Information on finance lease receivables (Net)

12.1. Maturity analysis of financial lease receivables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	726.887	616.586	629.447	543.853
Between 1-4 years	942.507	824.705	797.021	706.442
Over 4 years	96.609	89.001	56.266	52.493
Total	1.766.003	1.530.292	1.482.734	1.302.788

Finance lease receivables include non-performing finance lease receivables amounting to TL 143.995 (December 31, 2013 – TL 133.665) and specific provisions amounting to TL 96.339 (December 31, 2013 – TL 83.006).

Changes in non-performing finance lease receivables provision as of December 31, 2014 and December 31, 2013, are as follows:

	Current Period	Prior Period
End of prior period	83.006	64.549
Provided provision / (reversal), Net	20.131	23.831
Collections	6.798	(5.374)
Provision at the end of the period	96.339	83.006

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12.2. Information on net investment on leases

	Current Period	Prior Period
Gross Finance Lease Investments	1.766.003	1.482.734
Unearned Finance Income (-)	(235.711)	(179.946)
Cancelled Leasing Agreements (-)	-	-
Net Investment on Leases	1.530.292	1.302.788

12.3. Information of finance lease contracts of the Parent Bank

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

13. Information on hedging purpose derivatives:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge ^(*)	1.459.151	22.844	1.487.743	61.426
Cash Flow Hedge	506.751	-	378.626	-
Net Investment Hedge	-	-	-	-
Total	1.965.902	22.844	1.866.369	61.426

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

14. Explanations on tangible assets

	Land and Buildings	Fixed Assets under Finance Lease	Vehicles	Other Fixed Assets	Total
Prior Period End					
Cost	67.779	330.471	2.247	952.617	1.353.114
Accumulated Depreciation(-)	8.584	249.380	1.598	559.506	819.068
Net Book Value	59.195	81.091	649	393.111	534.046
Current Period End					
Cost at the Beginn of the Period	67.779	330.471	2.247	952.617	1.353.114
Additions ^(*)	1.046.654	619	-	89.266	1.136.539
Transfer(-)	6.794	65.626	-	10.746	83.166
Disposals (-)	-	-	185	3.607	3.792
Impairment (-)/ (increase)	(453)	-	-	-	(453)
Current Period Cost	1.108.092	265.464	2.062	1.027.530	2.403.148
Accumulated Depreciation at the Beginning of the Period	8.584	249.380	1.598	559.506	819.068
Disposals (-)	-	-	115	3.036	3.151
Transfer (-)	427	14.969	-	4.680	20.076
Depreciation amount	16.118	3.856	234	115.004	135.212
Accumulated Depreciation at the End of the Period (-)	24.275	238.267	1.717	666.794	931.053
Net Book Value at the End of the Period	1.083.817	27.197	345	360.736	1.472.095

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

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

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

The fair values of the buildings are determined by the licensed expertise companies and as a result of the changes in the fair value of these buildings, the impairment loss of TL 453 has been booked. (December 31, 2013 - TL 705 impairment loss has been reversed).

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

None (December 31, 2013- None)

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

None (December 31, 2013- None).

15. Explanations on Intangible Assets

	Rights	Goodwill	Total
Prior Period End			
Cost	473.341	19.209	492.550
Accumulated Amortization(-)	272.554	10.229	282.783
Net Book Value	200.787	8.980	209.767
Current Period End			
Cost at the Beginning of the Period	473.341	19.209	492.550
Entries	105.349	-	105.349
Disposals (-)	2	-	2
Current Period Cost	578.688	19.209	597.897
Acc. Amort. At the Beginning of the Period	272.554	10.229	282.783
Disposals(-)	2	-	2
Amortization charge	79.822	-	79.822
Current Period Accumulated Amortization(-)	352.374	10.229	362.603
Net Book Value-End of the Period	226.314	8.980	235.294

- a) **Disclosures for book value, description and remaining life to be amortized for a specific intangible fixed asset that is material to the financial statements:**
None (December 31, 2013- None).
- b) **Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition:**
None (December 31, 2013- 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, 2013- None).
- d) **The book value of intangible fixed assets that are pledged or restricted for use:**
None (December 31, 2013- None).

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- e) **Amount of purchase commitments for intangible fixed assets:**
None (December 31, 2013- None).

- f) **Information on revalued intangible assets according to their types:**
None (31 Aralık 2013- None).

- g) **Amount of total research and development expenses recorded in income statement within the period if any:**
Amount of total research expenses recorded in income statement within the period is TL 3.807 (December 31, 2013 – TL 4.525) .

- h) **Positive or negative consolidation goodwill on entity basis:**

The goodwill amounting to TL 8.969 recorded to the accompanying consolidated financial statements for the Parent Bank purchasing its subsidiary Finans Finansal Kiralama A.Ş. (December 31, 2013 – TL 8.969).

- i) **Information on book value of goodwill at the beginning of the period, end of the period and movement for the period:**

The details have been disclosed at explanations and disclosures related to asset section, at disclosure 15.

16. Explanations on investment property

None (December 31, 2013- None).

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17. Information on tax asset

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

Deferred tax asset is TL 62.179 (December 31, 2013 – TL 107.583) and deferred tax liability is TL 1.488 (December 31, 2013- TL 1.330) after deferred tax asset and liability balances in the financial statements of the consolidated subsidiaries are netted off separately.

In cases whereby such differences are related with certain items under the shareholders' equity accounts, the deferred tax benefits/charges are netted under these accounts. The deferred tax assets amounting to TL 34.544 are netted under equity. (December 31, 2012 – TL 28.697 deferred tax liability).

	Accumulated Temporary Differences		Deferred Tax Assets/(Liabilities)	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Provision for Employee Rights	211.867	220.328	42.373	44.066
Difference Between the Book Value of Financial Assets and Tax Base	698.434	457.250	139.687	91.450
Other	191.234	392.946	38.247	78.590
Deferred Tax Assets			220.307	214.106
Difference Between the Book Value Financial Fixed Assets and Tax Base	(257.159)	(144.882)	(51.432)	(28.976)
Difference Between the Book Value of Financial Assets and Tax Base	(289.395)	(145.362)	(57.879)	(29.072)
Other	(251.523)	(249.018)	(50.305)	(49.805)
Deferred Tax Liabilities			(159.616)	(107.853)
Deferred Tax Assets/(Liabilities), Net			60.691	106.253
		Current Period	Prior Period	
Deffered Tax as of January 1 Active/ (Passive) - Net		106.253	(4.852)	
Deferred Tax (Loss) / Gain		(39.715)	33.948	
Deferred Tax that is Realized Under Shareholder's Equity		5.847	77.157	
December 31 Deferred Tax Active/ (Passive) - Net		60.691	106.253	

18. Information on assets held for sale and discontinued operations

As of December 31, 2014, The Bank has re-classified its real estate property with a net book value of TL 63.090 from Tangible Assets to Assets held for Sale.

The auction regarding the sale of the Bank's Gayrettepe Headquarter Building on Istanbul, Şişli, Mecidiyeköy, map section 307, Isle 1997, Parcel 41 has been approved by the Board of Directors and a "Real Estate Sale Contract" has been signed by both parties. The building in question will be sold for USD 65.250.000. The deed transfer will take place no later than March 25, 2015 after the conditions on the contract are fulfilled. Also, as a result of the auction regarding the sale of the floors in Akmerkez, the Group will receive an amount of USD 19.670.000.

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

In addition it has been decided that floors owned by the Group in Akmerkez will be sold for USD 19.670.000.

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19. Information on other assets:

19.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Other Prepaid Expenses	325.068	299.361
Cheques Receivables from Other Banks	254.690	188.161
Miscellaneous Receivables	138.126	159.080
Assets Held for Resale (net)	73.789	109.767
Prepaid rent expenses	66.453	83.362
Collateral Given for Derivative Transactions	31.765	30.352
Advances Given	9.670	307.905
Prepaid Agency Commissions	6.564	3.643
	92.142	
Other		77.324
Total	998.267	1.258.955

19.2 If other assets exceed 10% of total assets, excluding off balance sheet commitments, the names and the balances of these accounts, the name and the amount of the subaccounts which create at least 20% of them are:

Details of the other assets are described in note 16.1 section of disclosure.

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20. Accrued interest and income

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Assets on Trading Derivatives	1.965.902	22.844	1.866.369	61.426
Derivative Financial Instruments Held for Hedging	1.103.007	149.465	1.029.956	251.525
Loans	670.666	119.800	632.960	73.137
Investment Securities Available for Sale	132.088	100.324	95.011	11.539
Investment securities held to maturity	48.794	6.927	23.336	4.876
Lease Receivables	5.461	7.455	4.135	6.869
Banks and Other Financial Institutions	997	31	143	-
Trading Securities	664	116	(1.164)	37
Other Accruals	4.954	173	1.418	105
Total	3.932.533	407.135	3.652.164	409.514

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SECTION FIVE

II. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES

1. Information on maturity structure of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	1.478.602	-	2.302.799	11.989.509	479.169	287.251	1.491.669	3.859	18.032.858
Foreign Currency Deposits	1.839.631	-	1.415.763	8.626.554	441.796	159.241	482.581	3.521	12.969.087
Residents in Turkey	1.780.013	-	1.396.851	8.445.573	417.655	141.878	456.424	3.521	12.641.915
Residents Abroad	59.618	-	18.912	180.981	24.141	17.363	26.157	-	327.172
Public Sector Deposits	329.657	-	7.469	44.378	506	281	-	-	382.291
Commercial Deposits	1.560.852	-	1.398.650	4.157.214	139.228	121.681	89.369	-	7.466.994
Other Ins. Deposits	26.723	-	67.314	556.455	42.042	117.491	176.947	-	986.972
Precious Metal Deposits	582.107	-	-	3.920	42.910	5.586	7	-	634.530
Bank Deposits	17.791	-	1.105.752	259.084	34.475	5.900	-	-	1.423.002
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2.259	-	-	14.220	-	4.081	-	-	20.560
Foreign Banks	15.299	-	1.105.752	244.864	34.475	1.819	-	-	1.402.209
Participation Banks	233	-	-	-	-	-	-	-	233
Other	-	-	-	-	-	-	-	-	-
Total	5.835.363	-	6.297.747	25.637.114	1.180.126	697.431	2.240.573	7.380	41.895.734

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	1.633.745	-	1.986.642	10.796.200	979.428	436.045	312.848	5.859	16.150.767
Foreign Currency Deposits	1.531.397	-	781.342	6.221.329	644.676	461.652	351.038	5.695	9.997.129
Residents in Turkey	1.483.341	-	768.882	6.120.438	597.287	441.805	283.983	5.695	9.701.431
Residents Abroad	48.056	-	12.460	100.891	47.389	19.847	67.055	-	295.698
Public Sector Deposits	304.915	-	607	49.520	254	1.352.508	-	-	1.707.804
Commercial Deposits	1.457.168	-	1.748.841	3.706.500	209.984	123.627	52.502	-	7.298.622
Other Ins. Deposits	22.666	-	149.047	511.418	104.932	45.464	613	-	834.140
Precious Metal Deposits	734.417	-	24.330	11.191	6.948	161	-	-	777.047
Bank Deposits	21.521	-	893.646	409.845	11.499	4.982	-	-	1.341.493
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2.101	-	-	48.672	4.103	2.045	-	-	56.921
Foreign Banks	19.419	-	893.646	361.173	7.396	2.937	-	-	1.284.571
Participation Banks	1	-	-	-	-	-	-	-	1
Other	-	-	-	-	-	-	-	-	-
Total	5.705.829	-	5.584.455	21.706.003	1.957.721	2.424.439	717.001	11.554	38.107.002

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

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

1.2. Savings deposits in Turkey are not covered under insurance in another country since the headquarter of the Group is not located abroad.

1.3. Savings deposits that are not covered under the guarantee of deposit insurance fund

	Current Period	Prior Period
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close family members	-	-
Deposits of chairman and members of the Board of Directors and their close family members	38.539	32.736
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off-shore banking activities	2.632	32.652
Total	41.171	65.388

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	51.369	-	108.202	-
Swaps	1.041.448	109.145	1.004.649	62.406
Futures	-	47	-	168
Options	-	50.291	-	135.472
Other	-	-	-	-
Total	1.092.817	159.483	1.112.851	198.046

3. a) Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans	-	-	-	-
Domestic Banks and Institutions	437.490	384.554	391.541	313.408
Foreign Banks, Institutions and Funds	60.781	4.970.259	150.500	3.965.502
Total	498.271	5.354.813	542.041	4.278.910

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b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	329.764	3.914.272	461.350	2.553.062
Medium and Long-Term	168.507	1.440.541	80.691	1.725.848
Total	498.271	5.354.813	542.041	4.278.910

The Bank obtained securitization loan amounting to USD 397 in November 26, 2014 and EUR 356 million in November 27, 2013 with one year maturity according to the Board of Directors' decision No: 221 October 23, 2014.

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

As of December 31, 2014, the Group's liabilities comprise; 55% deposits (December 31, 2013 – 56%), 8% funds borrowed (December 31, 2013 – 7%), 8% issued bonds (December 31, 2013 – 6%) and 5% funds provided under repurchase agreements (December 31, 2013 – 5%).

4. Information on funds provided under repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	2.715.336	-	2.518.556	-
Financial institutions and organizations	2.679.239	-	2.470.009	-
Other institutions and organizations	12.101	-	32.319	-
Real persons	23.996	-	16.228	-
From foreign transactions	9.901	1.431.183	8.165	1.141.561
Financial institutions and organizations	-	1.431.183	-	1.141.561
Other institutions and organizations	9.901	-	8.165	-
Real persons	-	-	-	-
Total	2.725.237	1.431.183	2.526.721	1.141.561

5. Information on securities issued (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	2.000.828	262.040	2.057.078	-
Bills	324.658	3.237.972	103.734	1.793.767
Total	2.325.486	3.500.012	2.160.812	1.793.767

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

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

Other liabilities does not exceed 10% of total liabilities excluding the off-balance sheet items (December 31, 2013 – Does not exceed 10%).

7. Criteria used in the determination of lease installments in the financial lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts

Interest rate and cash flows of the Group are the main criteria which are taken into consideration for the determination of payment plans in the leasing contracts.

7.1. Changes in agreements and further commitments arising

No changes have been made to the leasing agreements in the current period (December 31, 2013 – None).

7.2. Financial lease payables

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

7.3. Information on operational lease

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

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

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

8. Information on liabilities arising from hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge ^(*)	70.738	149.976	-	75.101
Cash Flow Hedge ^(**)	131.366	-	7.648	-
Net Investment Hedge	-	-	-	-
Total	202.104	149.976	7.648	75.101

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

^(**) Represents the fair values of derivatives which are the hedging instruments of deposits’ cash flow risk.

9. Information on provisions

9.1. Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	680.928	608.997
-Additional Provision for Loans and Receivables with Extended Maturities	55.947	56.116
Provisions for Loans and Receivables in Group II	125.096	88.573
-Additional Provision for Loans and Receivables with Extended Maturities	36.679	30.920
Provisions for Non - Cash Loans	75.473	63.599
Other	61.164	55.122
Total	942.661	816.291

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

	Current Period	Prior Period
Foreign Exchange Provision for Foreign Currency Indexed Loans ^(*)	21.043	146

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

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

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

9.4 Information on employee termination benefits and unused vacation accrual

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

As of December 31, 2014, TL 120.546 (December 31, 2013 - TL 90.390) reserve for employee termination benefits was provided in the accompanying financial statements.

As of December 31, 2014, the Group accrued TL 33.190 (December 31, 2013 - TL 30.354) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of December 31, 2014, TL 58.131 (December 31, 2013 – TL 99.584) bonus and premium provisions have been provided under reserve for employee benefits account in the accompanying financial statements.

9.4.1 Movement of employee termination benefits

	Current Period	Prior Period
	01.01-31.12.2014	01.01-31.12.2013
As of January 1	90.395	85.243
Service cost	14.640	13.845
Interest Cost	8.635	6.298
Settlement / curtailment / termination loss	10.474	5.558
Actuarial Difference	19.565	(5.443)
Paid during the period	(23.163)	(15.111)
Total	120.546	90.390

9.5. Information on other provisions

9.5.1. Information on provisions for possible risks

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

	Current Period	Prior Period
Provision for Closely Monitored Loans	106.334	102.025
General Reserves for Possible Risks	82.000	-
Provision for Promotion Expenses of Credit Cards	12.495	20.138
Other Provisions	48.659	79.258
Total	249.488	201.421

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10. Taxation

10.1. Current taxes

10.1.1. Current tax liability

As of December 31, 2014, the Group has current tax liability of TL 240.905(December 31, 2013 - TL 319.023) and advance taxes of TL 64.941 (December 31, 2013 - TL 210.715).

The current tax liability and the advance taxes of the consolidated subsidiaries have been offset separately in their financial statements. As of December 31, 2014, after the offsetting, the current tax liability amounting TL 175.964 (December 31, 2013 – TL 108.308) is disclosed.

10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	175.964	108.308
Banking and Insurance Transaction Tax (BITT)	39.417	32.349
Taxation on Securities Income	41.034	33.750
Taxation on Real Estates Income	1.893	1.803
VAT Payable	1.879	2.080
Other	19.157	18.403
Total	279.344	196.693

The Group presents The “Corporate Taxes Payable” balance in the “Current Tax Liability” account and other taxes are presented in the “Other Liabilities” account in the accompanying consolidated financial statements.

10.1.3 Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	7.054	7.336
Social Security Premiums - Employer Share	7.687	7.881
Pension Fund Fee and Provisions – Employee Share	4	-
Pension Fund Fee and Provisions – Employer Share	12	-
Unemployment Insurance - Employee Share	495	517
Unemployment Insurance - Employer Share	992	1.032
Other	12	11
Total	16.256	16.777

10.2. Information on deferred tax liabilities

According to TAS 12, the deferred tax assets and liabilities are netted off in the accompanying financial statements.

Deferred tax asset is TL 62.179(December 31, 2013 – TL 107.583) and deferred tax liability is TL 1.488 (December 31, 2013 – 1.330) after deferred tax asset and liability balances in the financial statements of consolidated subsidiaries are netted off separately.

In cases whereby such differences are related with certain items under the shareholders’ equity accounts, the deferred tax benefits/charges are netted under these accounts. The deferred tax liability amounting to TL 34.544 is netted under equity (December 31, 2013 –TL 28.697 deferred tax liability).

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	Temporary Differences		Deferred Tax Asset / (Liability)	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Reserve for employee benefits	211.867	220.328	42.373	44.066
The differences between carrying and taxable amounts of financial assets	698.434	457.250	139.687	91.450
Unused investment incentive certificates	-	-	-	-
Other	191.234	392.946	38.247	78.590
Deferred Tax Asset			220.307	214.106
The differences between carrying and taxable amounts of tangible assets	(257.159)	(144.882)	(51.432)	(28.976)
The differences between carrying and taxable amounts of financial assets	(289.395)	(145.362)	(57.879)	(29.072)
Other	(251.523)	(249.018)	(50.305)	(49.805)
Deferred Tax Liability			(159.616)	(107.853)
Deferred Tax Asset / (Liability), Net			60.691	106.253
			Current Period	Prior Period
			01.01-31.12.2014	01.01-31.12.2013
Deferred Tax Asset / (Liability) as of January 1 (Net)			106.253	(4.852)
Deferred Tax (Charge) / Benefit			(39.715)	33.948
Deferred Tax Items Accounted for under the Equity			(5.847)	77.157
Deferred Tax Asset/ (Liability) as of December 31 (Net)			60.691	106.253

11. Information on payables related to assets held for sale

None. (December 31, 2013- None)

12. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	2.121.712	-	1.950.719
From Other Foreign Institutions	-	-	-	-
Total	-	2.121.712	-	1.950.719

The Parent Bank received USD 650 million of subordinated loans during 2008 and USD 325 million of subordinated loans during 2009 from its main shareholder, National Bank of Greece S.A. The loan amounting to USD 325 million which was received in 2008 was paid back in 2010 to be used in capital increase. In addition, the Parent Bank received USD 260 million of subordinated loans in 2011 from National Bank of Greece S.A. Aforementioned loans are subject to interest payment every 6 months and principal payment at maturity. USD 585 million of existing subordinate loans will mature in 2021, USD 325 million will mature in 2020.

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13. Information on shareholder's equity

13.1. Paid-in capital

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

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

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

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

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

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

13.4. Information on share capital increases from revaluation funds

None (December 31, 2013 - None).

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

The Group does not have any capital commitments, all of the capital is fully paid-in.

13.6. Prior periods' indicators related with the Parent Bank's income, profit and liquidity and the possible effects of the uncertainties in these indicators on the Parent Bank's equity

None (December 31, 2013 - None).

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

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

14. Common stock issue premiums, shares and equity instruments

	Current Period	Prior Period
Number of Stocks (Thousands)	28.350.000	27.000.000
Preferred Capital Stock	-	-
Common Stock Issue Premiums (*)	714	714
Common Stock Withdrawal Profits	-	-

(*) Due to the Parent Bank's capital increase at the prior periods, common stock issue premiums accounted amounting to TL 714.

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15. Marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control	-	-	-	-
Valuation Differences	-	-	-	-
Foreign Exchange Rate Differences	-	-	-	-
Securities Available-for-Sale	4.763	(56.619)	(85.632)	(136.568)
Valuation Differences	4.763	(56.619)	(85.632)	(136.568)
Foreign Exchange Rate Differences	-	-	-	-
Total	4.763	(56.619)	(85.632)	(136.568)

16. Accrued interest and expenses

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	169.606	19.121	157.980	25.541
Derivative Financial Liabilities Held for Trading	1.092.817	159.483	1.112.851	198.046
Funds Borrowed	25.513	38.708	6.281	31.700
Money Market Borrowings	2.227	1.382	821	1.660
Derivative Financial Liabilities Held for Hedging	202.104	149.976	7.648	75.101
Other Accruals	44.220	44.237	27.734	41.583
Total	1.536.487	412.907	1.313.315	373.631

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SECTION FIVE

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

1. Information related to consolidated off-balance sheet contingencies

1.1. Type and amount of irrevocable commitments

	Current Period	Prior Period
Credit Cards Limit Commitments	16.812.040	17.067.174
Commitment For Use Guaranteed Credit Allocation	8.537.065	5.424.755
Forward Asset Purchase Commitments	2.550.320	1.076.853
Payment Commitments for Cheques	2.420.299	2.060.004
Other Irrevocable Commitments	565.897	54.242
Credit Cards and Promosions in regards to Banking Services	22.604	38.002
Tax and Fund Liabilities due to Export Commitments	7.626	6.988
Total	30.915.851	25.728.018

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

Specific provision is provided for the non-cash loans amounting to TL 47.736 (December 31, 2013 – TL 53.760) followed in the off-balance sheet accounts that are not indemnified and not liquidated yet. Tax and Fund Liabilities due to Export Commitments

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

	Current Period	Prior Period
Bank Loans	912.287	609.831
Letters of Credit	812.318	548.606
Other Guarantees	21.077	19.399
Total	1.745.682	1.177.836

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

	Current Period	Prior Period
Provisional Letters of Guarantee	412.514	290.037
Final Letters of Guarantee	4.054.914	3.640.553
Advance Letters of Guarantee	201.394	191.920
Letters of Guarantee Given to Customs Offices	266.710	198.665
Other Letters of Guarantee	2.479.195	1.619.401
Total	7.414.727	5.940.576

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	477.125	317.804
Less Than or Equal to One Year with Original Maturity	63.872	14.451
More Than One Year with Original Maturity	413.253	303.353
Other Non-Cash Loans	8.683.284	6.800.608
Total	9.160.409	7.118.412

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

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

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

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

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

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5. Information related to derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	91.980.951	67.299.604
Forward transactions (*)	7.651.472	7.677.470
Swap transactions	74.223.938	43.704.682
Futures transactions	39.340	42.982
Option transactions	10.066.201	15.874.470
Interest Related Derivative Transactions (II)	9.542.658	8.707.332
Forward rate transactions	-	-
Interest rate swap transactions	9.542.658	8.707.332
Interest option transactions	-	-
Futures interest transactions	-	-
Security option transactions	-	-
Other trading derivative transactions (III)	417.402	341.488
A. Total Trading Derivative Transactions (I+II+III)	101.941.011	76.348.424
Types of hedging transactions		
Fair value hedges	29.991.208	24.005.643
Cash flow hedges	19.206.081	17.234.950
Net investment hedges	10.785.127	6.770.693
	-	-
B. Total Hedging Related Derivatives	29.991.208	24.005.643
Total Derivative Transactions (A+B)	131.932.219	100.354.067

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

As of December 31, 2014, breakdown of the Bank's foreign currency forward and swap and interest rate swap transactions based on currencies are disclosed below in their TL equivalents:

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

(*) This column also includes hedging purpose derivatives.

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

	Forward Buy(**)	Forward Sell(**)	Swap Buy(*)	Swap Sell(*)	Option Buy	Option Sell	Futures Buy	Futures Sell	Other
Prior Period									
TL	1.564.585	1.786.489	13.399.385	18.547.585	3.031.745	3.225.306	255	255	-
USD	1.379.951	1.493.252	23.467.275	16.994.810	2.476.355	2.961.723	21.236	21.236	341.488
Euro	852.426	533.866	1.326.918	1.653.592	2.334.809	1.694.057	-	-	-
Other	43.473	23.428	22.484	1.005.608	116.312	34.163	-	-	-
Total	3.840.435	3.837.035	38.216.062	38.201.595	7.959.221	7.915.249	21.491	21.491	341.488

(*) This column also includes hedging purpose derivatives.

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

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

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5.1 Fair value hedge accounting

a) Loans

The Parent Bank enters into swap transactions in order to hedge itself from the changes in the fair value due to the changes in market interest rates of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. As of balance sheet date; the mortgage loans amounting to TL 5.529.871 (December 31, 2013 – TL 5.098.190) were subject to hedge accounting by swaps with a nominal of TL 5.683.996 (December 31, 2013 – TL 6.557.217). On December 31, 2014 the net market valuation difference loss amounting to TL 33.986 due to the gains from the loans amounting to TL 199.124 (December 31, 2013 – TL 523.221 loss) and loss from swaps amounting to TL 165.139 (December 31, 2013 – TL 536.942 income) 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 148.712 (December 31, 2013 – TL 164.290) have been subject to hedge accounting with swaps with a nominal amount of TL 144.000 (December 31, 2013 – TL 159.732). In 2014 TL 1.504 net fair valuation difference income, net of TL 8.087 (December 31, 2013 – TL 17.493 income) income from loans and TL 6.583 (December 31, 2013 – TL 16.536 loss) expense from swaps has been recorded under “Gains / (losses) from financial derivatives transactions” on accompanying financial statements.

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

b) Investment securities available for sale

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

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

c) Bonds issued

The Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to the foreign currency bonds issued using interest rate swaps as hedging instruments. As of the balance sheet date, bonds with nominal amount of USD 650 million (December 31, 2013 – USD 367 Million) have been subject to hedge accounting with the same nominal amount of swaps. As of December 31, 2014, TL 61 net fair valuation difference loss, net of TL 10.377 (December 31, 2013 – TL 7.034 gain) income from issued bonds and TL 10.438 (December 31, 2013 – TL 7.044 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

Until December 31, 2014, the Parent Bank has designated fair value hedge accounting through foreign currency fundings to be hedged from fair value changes resulting from currency changes in real estate property which has been bought in foreign currency and has a market value denominated in foreign currency. As of December 31, 2014, aforementioned hedge has been ceased and TL 60.269 fair value foreign currency gain will be amortised through the economic life of the real estate.

As of December 31, 2014, the effectiveness tests of abovementioned hedge relationships have been found to be effective.

5.2 Cash flow hedge accounting

a) Deposit

The Parent Bank applies cash flow hedge accounting using interest rate swaps in order to hedge itself from the interest rate changes of deposits that have an average maturity of 3 months, the Bank implements cash flow hedge accounting with interest rate swaps. The Parent Bank implements efficiency tests at the balance sheet dates for hedging purposes; the effective portions are accounted for under equity "Hedging Funds", whereas the ineffective portions are accounted for at income statement as defined in TAS 39. As at the balance sheet date, swaps amounting to TL 1.057.388 are subject to hedge accounting as hedging instruments (December 31, 2013 – TL 169.643). As a result of the mentioned hedge accounting, fair value loss before taxes amounting to TL 20.178 are accounted for under equity during the current period (December 31, 2013 – TL 15.383 gain). The ineffective portion of gain amounting to TL 127 (December 31, 2013 – TL 5 gain) is accounted for at the income statement.

As at the balance sheet date, swaps amounting to USD 1.854 million are subject to hedge accounting as hedging instruments (December 31, 2013 – USD 1.470 million). As a result of the mentioned hedge accounting, fair value loss before taxes amounting to TL 140.268 are accounted for under equity during the current period (December 31, 2013 – TL 112.448 gain). The loss amounting to TL 245 (December 31, 2013 – TL 164 gain) concerning for the ineffective portions are accounted for at the income statement.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. Effective parts classified under equity due to hedge accounting are amortized through income statement until the maturity of swaps in case of ineffectiveness at periods when the expected cash flows subject to hedge accounting affect profit or loss (as in periods when interest income or expense is recognized). In the current period the transferred amount from equity to income statement is a TL 2.399 loss. (December 31, 2013 – TL 4.684 loss).

The measurements as of December 31, 2014, hedge of cash flow transactions stated above are determined as effective.

b) Tangible Assets

The Parent Bank applies cash flow hedge accounting to hedge its foreign currency assets held for sale from foreign currency risk through foreign currency liabilities. As at balance sheet date foreign exchange losses amounting to TL 10.136 (December 31, 2013 – None) have been accounted under other comprehensive income.

6. Credit derivatives and risk exposures on credit derivatives

As of December 31, 2014, in the Bank's "other irrevocable commitments", there are commitments for "credit linked notes" with a nominal of USD 9.089.264 (December 31, 2013- USD 9.089.264).

As of December 31, 2014, "Derivative Financial Instruments" with nominal amount of USD 180.000.000 (December 31, 2013- USD 160.000.000) are included in Parent Bank's "Swap Interest Sell Transactions." In aforementioned transaction, Bank is the seller of the protection.

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7. Information on contingent liabilities and assets

None (December 31, 2013 – None).

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

The Parent Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

9. Information on the Parent Bank's rating by international rating institutions

MOODY'S December 2013		FITCH April 2014		CI February 2013	
Long-Term Deposit Rating (FC)	Ba2	Long -Term Foreign Curr.	BBB-	Long-Term Foreign Curr.	BB+
Long-Term Deposit Rating (TL)	Ba2	Short-Term Foreign Curr.	F3	Short-Term Foreign Curr.	B
Short-Term Deposit Rating (YP)	NP	Long-Term TL	BBB-	Foreign Currency Rating	Stable
Short-Term Deposit Rating (TL)	NP	Short-Term TL	F3	TL Rating	Stable
Financial Strength	E+ (b1)	Long-Term National	AA+(tur)	Long Term (TL)	BB+
Appearance	Stable	Appearance	Stable	Short Term (TL)	B
		Support	3	Financial Strength Rating	BBB+
		Individual	bbb-	Financial Strength Apperance	Stable
				Support	3

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IV. EXPLANATIONS ON DISCLOSURES RELATED TO CONSOLIDATED INCOME STATEMENT

1. a) Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans				
Short-Term Loans	2.550.276	56.914	2.493.761	38.922
Medium and Long-Term Loans	2.640.378	235.410	2.325.747	160.940
Non-Performing Loans	113.761	-	108.943	-
Resource Utilization Support Fund Premiums	-	-	-	-
Total	5.304.415	292.324	4.928.451	199.862

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	-	-	-
Domestic Banks	1.972	9	525	8
Foreign Banks	435	4.091	2.144	1.797
Foreign Headquarters and Branches	-	-	-	-
Total	2.407	4.100	2.669	1.805

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	10.111	233	13.166	175
Financial Assets at FVTPL	17.384	-	30.183	1.196
Investment Securities Available for Sale	405.407	68.767	343.729	62.329
Investment Securities Held to Maturity	325.193	25.957	76.789	6.796
Total	758.095	94.957	463.867	70.496

- c) As stated in Section Three disclosure VII, the Parent Bank has inflation indexed (CPI) government bonds in its available for sale and held-to-maturity portfolios. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the actual payments is determined based on inflation rates of two months before. The Parent Bank determines the estimated inflation rates in line with this. Estimated inflation rate used is updated throughout the year as found necessary. In this context, as of December 31, 2014, estimated inflation rate used in valuation of such assets has been updated according to actual annual inflation rate of 8,96%. Had the above mentioned change in estimate related to those CPI linked securities had not been made, interest income would decrease by TL 68.778 and security value increase fund under equity would increase by TL 14.855 after tax effect.

d) Information on interest income received from associates and subsidiaries

None (December 31, 2013 – None)

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
T.R. Central Bank	-	-	-	-
Domestic Banks	35.737	10.968	19.073	8.509
Foreign Banks	12.746	216.059	9.989	168.814
Foreign Headquarters and Branches	-	-	-	-
Other Institutions	7.425	-	-	-
Total	55.908	227.027	29.062	177.323

b) Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	-	229

c) Information on interest expense paid to securities issued

As of December 31, 2014 the interest amount paid to securities issued is TL 328.255 (December 31, 2013 – TL 252.784)

d) Information on maturity structure of interest expenses on deposits

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

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Account Name	Time Deposits						Accumulated Deposit Account	Total
	Prior Period	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year		
Turkish Lira								
Bank Deposits	-	2.057	13.445	7.028	269	269	-	23.068
Saving Deposits	9	142.805	692.559	133.170	94.624	7.930	149	1.071.246
Public Sector Deposits	-	129	2.598	93	45.904	3	-	48.727
Commercial Deposits	-	125.494	259.797	48.066	11.808	2.215	-	447.380
Other Deposits	-	3.457	36.581	21.315	52.512	41	-	113.906
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	9	273.942	1.004.980	209.672	205.117	10.458	149	1.704.327
Foreign Currency								
Deposits	-	23.384	171.242	31.844	15.605	7.193	117	249.385
Bank Deposits	27	904	16.076	919	92	44	-	18.062
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	212	153	18	4	-	-	387
Total	27	24.500	187.471	32.781	15.701	7.237	117	267.834
Grand Total	36	298.442	1.192.451	242.453	220.818	17.695	266	1.972.161

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expenses on Repurchase Agreements ^(e)	213.296	7.448	93.486	6.498

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

f) **Information on finance lease expenses**

None (December 31, 2013 – None).

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

None (December 31, 2013 – None).

3. **Information on dividend income**

	Current Period	Prior Period
Financial Assets Held for Trading	263	140
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets Available for Sale	-	7
Other	-	-
Total	263	147

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

	Current Period	Prior Period
Trading Gain	11.409.533	8.941.514
Gains on Capital Market Operations	125.539	275.775
Derivative Financial Instruments	3.508.198	2.582.412
Foreign Exchange Gains	7.775.796	6.083.327
Trading Loss (-)	11.661.260	(9.146.968)
Losses on Capital Market Operations	105.269	113.415
Derivative Financial Instruments	3.815.919	2.853.402
Foreign Exchange Losses	7.740.072	6.180.151
Net Trading Income/Loss	(251.727)	(205.454)

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5. Information on other operating income

The Group recorded the current year collections from loans written off in the previous periods, portfolio management fees and commissions and expense accruals in “Other Operating Income” account. In current period, the Parent Bank has recorded a sales profit of TL 196.377 from the sale of its legally nonperforming loan receivables and the amount was recorded under “Other Operating Income.”

6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	875.804	873.777
Loans and Receivables in Group III	166.066	(49.797)
Loans and Receivables in Group IV	323.677	143.573
Loans and Receivables in Group V	386.061	780.001
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	126.370	198.607
General reserves for possible risks	82.000	-
Provision for Free Reserves on Possible Losses	4.310	2.278
Impairment Losses on Securities	-	103
Financial assets at fair value through profit or loss	-	-
Investment Securities available for sale	-	103
Impairment Losses on Associates, Subsidiaries and Investment Securities Held-to-Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
Other	12.007	28.626
Total	1.100.491	1.103.391

7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	1.004.628	959.234
Reserve for employee termination benefits	10.586	10.590
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	705
Depreciation charge of tangible assets	135.212	104.429
Impairment losses on intangible assets	-	-
Impairment losses on goodwill	-	-
Amortization charge of intangible assets	79.822	63.034
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed of	83	1.048
Depreciation on assets to be disposed	3.906	5.470
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	848.051	838.870
Operational lease related expenses	209.921	175.785
Repair and maintenance expenses	78.772	63.714
Advertisement expenses	70.761	105.271
Other expenses	488.597	494.100
Losses on sales of assets	640	334
Other	360.083	399.131
Total	2.443.011	2.382.845

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

For the period ended December 31, 2014, net interest income of TL 3.204.525 (December 31, 2013 - TL 3.268.967), net fees and commission income of TL 1.396.983 (December 31, 2013 – TL 1.086.758) and other operating income of TL 385.552 (December 31, 2013 – TL 321.674) constitute an important part of the period income.

9. Explanations on tax provision for continued and discontinued operations

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

As of December 31, 2014, the Group recorded current tax charge of TL 235.839 (December 31, 2013 - TL 250.376) and a deferred tax charge of TL 39.715 (December 31, 2013 – TL 33.948 deferred tax loss).

	Current Period	Prior Period
Current Tax Provision	(235.839)	(250.376)
Correction in regards to Corporate Tax from Prior Period	-	-
Deferred Tax Income/Expense	(39.715)	33.948
Total	(275.554)	(216.428)

9.2. Explanations on operating profit/loss after taxes

None (December 31, 2013 – None).

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

Net profit of the Group from continued operations is TL 915.939 (December 31, 2013 – TL 758.090).

11. Explanations on net income/loss for the period

11.1. The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for a complete understanding of the Group's performance for the period

None (December 31, 2013 – None).

11.2. There is no material effect of changes in accounting estimates by the Group on income statement for the current and, for subsequent periods.

Please refer to Section IV. Footnote 1.c.

11.3. Profit or loss attributable to minority shares

	Current Period	Prior Period
Profit / Loss Attributable to Minority Shares	15.251	11.939

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

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

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

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

1. Changes resulting from valuation of available for sale securities

Net increase of TL 170.344 (December 31, 2013 – TL 418.755 net decrease) after tax effect resulting from valuation of available for sale securities at fair values is included in “Securities Value Increase Fund” account under shareholders’ equity.

2. Explanations on foreign exchange differences

None

3. Explanations on dividends

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

There is no announcement of dividend distribution before the release of the accompanying financial statements. At the General Assembly dated March 27, 2014, it was decided to distribute the 2013 profit as follow:

2013 profit distribution table:

Current Year Profit	734.239
A - I. Legal Reserve (Turkish Commercial Code 466/1) at 5%	(36.712)
B - The First Dividend for Shareholders(*)	(135.000)
C – Profit from Disposal of Associates	-
D- II. Legal Reserves	-
E- Gains on Real estate Sales Fund	-
F - Extraordinary Reserves ((562.527)
(*) Has been distributed as Bonus Shares	

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

No decision is taken concerning the profit distribution by the General Assembly as of the balance sheet date (December 31, 2013- Profit distribution for 2013 is detailed in footnote 3.1).

3.3 Transfers to legal reserves

	Current Period	Prior Period
Amount Transferred to Reserved from	39.148	49.380

5. 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, 2013- None).

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

Capital increase amounting to TL 135.000 presented in the Statement of Changes in Shareholder’s Equity in 2013 is entirely provided from extraordinary reserves.

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VI. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED CASH FLOWS STATEMENT

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

“Other items” amounting to TL 844.896 (December 31, 2013 – TL 1.324.942) in “Operating profit before changes in operating assets and liabilities” consist of commissions paid amounting to TL 210.918 (December 31, 2013 – TL 140.131), net trading income/loss amounting to TL 385.954 (December 31, 2013 – TL 1.043.417 net trading income/loss) and other operating expenses amounting to TL 248.024 (December 31, 2012 – TL 141.394).

“Other items” in changes in operating assets amounting to TL 224.162 (December 31, 2013 – TL 323.001) consist of the decrease in collaterals given amounting to TL 35.978 (December 31, 2013 - TL 139.851 decrease), the decrease in lease receivables amounting to TL 251.335 (December 31, 2013 – TL 3.798 increase), the increase in factoring receivables amounting to TL 77.445 (December 31, 2013 – TL 2.614 increase) and the decrease in other assets amounting to TL 14.294 (December 31, 2013 - TL 189.562 decrease).

“Other items” in changes in operating liabilities amounting to TL 699.020 (December 31, 2013 - TL 4.252.421) consist of the increase in money market borrowings by TL 434.132 (December 31, 2013 - TL 1.991.618 increase) and the increase in sundry debtors and other liabilities by TL 264.888 (December 31, 2013 - TL 2.260.803 increase).

“Other items” in changes in net cash provided from banking operations amounting to TL 105.349 (December 31, 2013 – TL 388.432) consists of the decrease in intangible assets by TL 105.349 (December 31, 2013- TL 91.780) and no advances given (December 31, 2013 – TL 296.652).

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

	Current Period	Prior Period
	January 1, 2014	January 1, 2013
Cash	1.047.250	653.081
Cash in TL	633.575	439.800
Cash in Foreign Currencies	413.150	212.819
Other	525	462
Cash Equivalents	1.224.848	2.955.737
Balances with the T.R. Central Bank	752.806	965.102
Banks and Other Financial Institutions	472.895	205.237
Money Market Placements	3.433	1.786.785
Less: Placements with Banks with Maturities Longer than 3 Months	(4.143)	-
Less: Accruals	(143)	(1.387)
Cash and Cash Equivalents	2.272.098	3.608.818

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

	Current Period	Prior Period
	December 31, 2014	December 31, 2013
Cash	839.524	1.047.250
Cash in TL	590.505	633.575
Cash in Foreign Currencies	248.656	413.150
Other	363	525
Cash Equivalents	2.129.654	1.224.848
Balances with the T.R. Central Bank	1.601.665	752.806
Banks and Other Financial Institutions	294.961	472.895
Money Market Placements	244.425	3.433
Less: Placements with Banks with Maturities Longer than 3 Months	(10.369)	(4.143)
Less: Accruals	(1.028)	(143)
Cash and Cash Equivalents	2.969.178	2.272.098

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

A portion of foreign bank accounts amounting to TL 5.473 (December 31, 2013- TL 3.258) includes blocked cash for foreign money and capital market transactions and for borrowings from foreign markets.

5. Additional information

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

None.

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VII. EXPLANATIONS AND DISCLOSURES RELATED TO THE PARENT BANK'S RISK GROUP

1. Information on the volume of transactions with the Parent Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period

- 1.1.** As of December 31, 2014, the Parent Bank's risk group has deposits amounting to TL 238.312 (December 31, 2013 – TL 180.605), non cash loans amounting to TL 34.991 (December 31, 2013 – TL 32.895). There cash loans granted to the risk group amount to 1.715 (31 Aralık 2013- None).

Current Period

Parent Bank's Risk Group ^(*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	-	32.895	-	-
Balance at the End of the Period	-	-	-	34.288	1.715	702
Interest and Commission Income	-	-	6	75	-	5

Prior Period

Parent Bank's Risk Group ^(*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	-	29.498	-	-
Balance at the End of the Period	-	-	-	32.895	-	-
Interest and Commission Income ^(**)	-	-	1	-	-	-

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

^(**) Represents December 31, 2013 balance.

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

Parent Bank's Risk Group ^(*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	145.235	186.538	18.776	18.692	16.594	8.186
Balance at the End of the Period	202.176	145.235	17.036	18.776	19.100	16.594
Interest on deposits ^(**)	-	229	3	-	838	395

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

^(**) Prior Period represents December 31, 2013 balance.

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

Parent Bank's Risk Group ^(*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading Purposes						
Beginning of the Period	-	-	130.397	393.221	177.748	4.711
End of the Period	-	-	132.176	130.397	103.093	177.748
Total Income/Loss ^(**)	-	-	-	22.706	-	1.367
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss ^(**)	-	-	-	-	-	-

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

^(**) Prior Period represents December 31, 2013 balance.

1.4. As of December 31, 2014, the total amount of remuneration and bonuses paid to top management of the Group is TL 50.484 (December 31, 2013- TL 47.104).

2. Disclosures of transactions with the Parent Bank's risk group

2.1. Relations with entities in the risk group of / or controlled by the Parent Bank regardless of the nature of relationship among the parties

Transactions with the risk group are made on an arms-length basis; terms are set according to the market conditions and in compliance with the Banking Law.

2.2. In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other matters

As of December 31, 2014, the rate of cash loans of the risk group divided by to total loans is 0,003%.(December 31, 2013 – None) the deposits represented 0,5% (December 31, 2013 – 0,5%) of the Parent Bank's total deposits and the derivative transactions represented 0,2% (December 31, 2013 – 0,3%) of the total derivative transactions.

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

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

Total of investment 20 funds established by The Parent Bank are all managed by Finans Portföy Yönetimi A.Ş.

The Parent 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 Parent Bank participated with 33,33% shareholding, provides cash transfer services to the Parent Bank.

Information in regards to subordinate loans the Bank received from National Bank of Greece S.A. is explained in Section 5 Note II. 12.

The Parent Bank offers agency services to Cigna Finans Emeklilik and Hayat A.Ş. that is 49,00% jointly controlled for its insurance services.

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

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

	Number	Employees			
Domestic Branch	657	12.823			
				Country	
Foreign Representation	-	-		-	
					Total Assets
					Capital
Foreign Branch	-	-		-	-
Off-shore Banking and Region Branches	1	7	1- Bahrain	8.956.315	-

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SECTION SIX

OTHER EXPLANATIONS AND DISCLOSURES

I. Other explanations related to the Group's operations

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

The Parent Bank has issued, on January 14, 2015, bonds with a nominal amount of TL 5.200 with 9,00% interest rate and 177 days maturity.

In addition, the Parent Bank has issued, on January 22, 2015, bonds with a nominal amount of USD 15 million with 2,05% interest rate and 366 days maturity.

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

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

3. Other matters

The Bank's Board of Directors has decided to apply to Capital Markets Board ("CMB") along with the first draft of prospectus prepared for secondary public offering and within this framework has decided to increase the Bank's capital by TL 715.000 to TL 3.550.000 from TL 2.835.000 through right issues and for the increased amount to be received in cash, to restrict stock carrying rights of all existing shareholders of the secondary public offering in accordance with Turkish Commercial Code ("TCC") and CMB regulations and for the issued capital to be issued through public offering in accordance with CMB regulations; for the issued rights to be distributed to right owners as reserved rights in accordance with CMB's and Central Registry Agency ("MKK") regulations for reserved rights. Finans Yatırım Menkul Değerler A.Ş. has been appointed to carry out the public offering process. It has been decided to make necessary applications to BRSA and CMB and for the pricing to be determined by the Board of Directors separately. In accordance with subject Board of Directors decision application has been made to CMB on October 23, 2014.

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SECTION SEVEN

INDEPENDENT AUDIT REPORT

I. Explanations on Independent Limited Audit Report

The consolidated financial statements for the period ended December 31, 2014 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 5, 2015 is presented preceding the consolidated financial statements.

II. Explanations on the notes prepared by Independent Auditors

None (December 31, 2013 – None).