

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2016
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

I. CONSOLIDATED BALANCE SHEET (CONSOLIDATED STATEMENT OF FINANCIAL POSITION)

	Note	Reviewed			Audited		
		Current period			Prior period		
		30 June 2016			31 December 2015		
ASSETS		TRY	FC	Total	TRY	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	2,944.005	21.469.562	24.413.567	4.339.419	19.161.120	23.500.539
II. FINANCIAL ASSETS AT FV THROUGH PROFIT AND LOSS (Net)	(2)	112.221	315.470	427.691	52.405	287.102	339.507
2.1 Trading financial assets		112.221	315.470	427.691	52.405	287.102	339.507
2.1.1 Public sector debt securities		95.053	19.061	114.114	28.526	33.146	61.672
2.1.2 Share certificates		4.290	660	4.950	3.318	-	3.318
2.1.3 Financial assets held for trading		31	295.590	295.621	7	253.097	253.104
2.1.4 Other marketable securities		12.847	159	13.006	20.554	859	21.413
2.2 Financial assets at fair value through profit and loss		-	-	-	-	-	-
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Share certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other marketable securities		-	-	-	-	-	-
III. BANKS	(3)	97.635	848.904	946.539	77.100	2.540.551	2.617.651
IV. MONEY MARKET PLACEMENTS		497.742	-	497.742	20.773	33.101	53.874
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market placements		496.861	-	496.861	19.940	-	19.940
4.3 Receivables from reverse repurchase agreements		881	-	881	833	33.101	33.934
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	8.652.144	4.255.757	12.907.901	7.478.138	4.057.005	11.535.143
5.1 Share certificates		22.640	29.786	52.426	22.042	94.891	116.933
5.2 Public sector debt securities		8.622.490	4.225.971	12.848.461	7.442.852	3.947.367	11.390.219
5.3 Other marketable securities		7.014	-	7.014	13.244	14.747	27.991
VI. LOANS AND RECEIVABLES	(5)	95.278.703	44.236.704	139.515.407	86.889.420	40.330.131	127.219.551
6.1 Loans and receivables		94.241.183	44.170.400	138.411.583	85.943.567	40.259.165	126.202.732
6.1.1 Loans extended to risk group of the Bank		-	-	-	-	-	-
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		94.241.183	44.170.400	138.411.583	85.943.567	40.259.165	126.202.732
6.2 Loans under follow-up		4.330.101	180.291	4.510.392	3.973.738	215.798	4.189.536
6.3 Specific provisions (-)		3.292.581	113.987	3.406.568	3.027.885	144.832	3.172.717
VII. FACTORING RECEIVABLES		838.126	173.783	1.011.909	417.013	69.872	486.885
VIII. HELD TO MATURITY INVESTMENTS (Net)	(6)	13.932.887	2.063.681	15.996.568	14.791.048	2.113.829	16.904.877
8.1 Public sector debt securities		13.902.081	2.063.681	15.965.762	14.773.619	2.113.829	16.887.448
8.2 Other marketable securities		30.806	-	30.806	17.429	-	17.429
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	22.083	254.072	276.155	21.994	242.037	264.031
9.1 Accounted under equity method		15.763	254.072	269.835	15.674	242.037	257.711
9.2 Unconsolidated associates		6.320	-	6.320	6.320	-	6.320
9.2.1 Financial investments		-	-	-	-	-	-
9.2.2 Non-financial investments		6.320	-	6.320	6.320	-	6.320
X. INVESTMENTS IN SUBSIDIARIES (Net)	(8)	38.029	-	38.029	38.029	-	38.029
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated non-financial subsidiaries		38.029	-	38.029	38.029	-	38.029
XI. JOINT VENTURES (Net)	(9)	-	-	-	-	-	-
11.1 Accounted under equity method		-	-	-	-	-	-
11.2 Unconsolidated joint ventures		-	-	-	-	-	-
11.2.1 Financial joint ventures		-	-	-	-	-	-
11.2.2 Non-financial joint ventures		-	-	-	-	-	-
XII. FINANCE LEASE RECEIVABLES (Net)	(10)	385.258	1.777.240	2.162.498	386.640	1.818.112	2.204.752
12.1 Finance lease receivables		499.486	1.995.873	2.495.359	497.208	2.054.352	2.551.560
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		114.228	218.633	332.861	110.568	236.240	346.808
XIII. DERIVATIVE FIN. ASSETS HELD FOR RISK MANAGEMENT	(11)	-	-	-	-	-	-
13.1 Fair value risk hedging		-	-	-	-	-	-
13.2 Cash flow risk hedging		-	-	-	-	-	-
13.3 Net foreign investment risk hedging		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(12)	3.097.991	57.707	3.155.698	3.086.621	57.746	3.144.367
XV. INTANGIBLE ASSETS (Net)	(13)	90.273	19.396	109.669	84.548	17.766	102.314
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		90.273	19.396	109.669	84.548	17.766	102.314
XVI. INVESTMENT PROPERTIES (Net)	(14)	501.789	3.151	504.940	482.284	3.310	485.594
XVII. TAX ASSET	(15)	83.040	1.534	84.574	48.174	2.746	50.920
17.1 Current tax asset		-	-	-	-	1.217	1.217
17.2 Deferred tax asset		83.040	1.534	84.574	48.174	1.529	49.703
XVIII. ASSETS HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)	(16)	1.703	-	1.703	2.694	-	2.694
18.1 Held for sale purpose		1.703	-	1.703	2.694	-	2.694
18.2 Held from discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(17)	2.409.830	353.201	2.763.031	1.816.201	234.561	2.050.762
TOTAL ASSETS		128.983.459	75.830.162	204.813.621	120.032.501	70.968.989	191.001.490

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2016
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

I. CONSOLIDATED BALANCE SHEET (CONSOLIDATED STATEMENT OF FINANCIAL POSITION)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	Reviewed			Audited		
		Current period			Prior period		
		30 June 2016			31 December 2015		
		TRY	FC	Total	TRY	FC	Total
I. DEPOSITS	(1)	83.170.223	47.387.143	130.557.366	78.808.341	43.696.043	122.504.384
1.1 Deposits Held by the Risk Group of the Bank		594	-	594	5.823	-	5.823
1.2 Other		83.169.629	47.387.143	130.556.772	78.802.518	43.696.043	122.498.561
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	49	338.593	338.642	1.434	174.239	175.673
III. FUNDS BORROWED	(3)	1.414.540	19.565.613	20.980.153	1.314.519	20.829.218	22.143.737
IV. MONEY MARKET BALANCES		10.639.829	1.314.877	11.954.706	7.727.458	728.499	8.455.957
4.1 Interbank money market borrowings		-	-	-	100.030	-	100.030
4.2 Istanbul Stock Exchange Takasbank borrowings		548.341	-	548.341	19.965	-	19.965
4.3 Funds from repurchase agreements		10.091.488	1.314.877	11.406.365	7.607.463	728.499	8.335.962
V. MARKETABLE SECURITIES ISSUED (Net)	(4)	1.608.870	7.280.045	8.888.915	1.500.713	7.339.847	8.840.560
5.1 Treasury bills		1.608.870	-	1.608.870	1.500.713	-	1.500.713
5.2 Asset-backed securities		-	-	-	-	-	-
5.3 Bonds		-	7.280.045	7.280.045	-	7.339.847	7.339.847
VI. FUNDS	(5)	2.049.708	-	2.049.708	1.963.699	-	1.963.699
6.1 Borrower Funds		11.659	-	11.659	27.850	-	27.850
6.2 Other		2.038.049	-	2.038.049	1.935.849	-	1.935.849
VII. SUNDRY CREDITORS		2.397.001	129.940	2.526.941	2.196.538	202.206	2.398.744
VIII. OTHER LIABILITIES	(6)	2.158.499	419.392	2.577.891	1.332.951	361.001	1.693.952
IX. FACTORING PAYABLES		2.073	110	2.183	11	213	224
X. FINANCE LEASE PAYABLES	(7)	-	-	-	-	-	-
10.1 Finance lease payables		-	-	-	-	-	-
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance lease expenses (-)		-	-	-	-	-	-
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT	(8)	-	-	-	-	-	-
11.1 Fair value risk hedgin		-	-	-	-	-	-
11.2 Cash flow risk hedging		-	-	-	-	-	-
11.3 Net foreign investment risk hedging		-	-	-	-	-	-
XII. PROVISIONS	(9)	3.455.327	84.565	3.539.892	3.079.547	81.930	3.161.477
12.1 General loan provisions		1.226.907	19.555	1.246.462	1.123.838	15.452	1.139.290
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Employee benefits provisions		672.534	3.326	675.860	682.369	4.785	687.154
12.4 Insurance technical reserves (Net)		1.278.165	-	1.278.165	932.665	-	932.665
12.5 Other provisions		277.721	61.684	339.405	340.675	61.693	402.368
XIII. TAX LIABILITY	(10)	565.594	2.618	568.212	447.106	2.159	449.265
13.1 Current tax liability		503.535	466	504.001	376.691	7	376.698
13.2 Deferred tax liability		62.059	2.152	64.211	70.415	2.152	72.567
XIV. LIABILITIES FOR ASSET HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)	(11)	-	-	-	-	-	-
14.1 Held for sale purpose		-	-	-	-	-	-
14.2 Held from discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED CAPITAL	(12)	-	-	-	-	47.144	47.144
XVI. SHAREHOLDERS' EQUITY	(13)	20.514.253	314.759	20.829.012	19.092.405	74.269	19.166.674
16.1 Paid-in capital		1.250.000	-	1.250.000	1.250.000	-	1.250.000
16.2 Capital reserves		3.019.351	38.733	3.058.084	2.816.256	(181.021)	2.635.235
16.2.1 Share Premium		39.511	-	39.511	39.488	-	39.488
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities revaluation fund		51.956	38.779	90.735	(104.104)	(181.027)	(285.131)
16.2.4 Tangible assets revaluation reserves		1.672.630	-	1.672.630	1.672.931	-	1.672.931
16.2.5 Intangible assets revaluation reserves		-	-	-	-	-	-
16.2.6 Revaluation reserves of real estate for investment purpose		-	-	-	-	-	-
16.2.7 Bonus shares of subsidiaries, associates and joint ventures		3.973	-	3.973	3.973	-	3.973
16.2.8 Hedging Funds (effective portion)		-	-	-	-	-	-
16.2.9 Value Increase on Assets Held for Sale		-	-	-	-	-	-
16.2.10 Other capital reserves		1.251.281	(46)	1.251.235	1.203.968	6	1.203.974
16.3 Profit reserves		14.594.912	106.371	14.701.283	12.483.964	113.259	12.597.223
16.3.1 Legal reserves		1.558.405	166	1.558.571	1.390.907	3.020	1.393.927
16.3.2 Statutory reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		12.989.365	-	12.989.365	11.045.915	-	11.045.915
16.3.4 Other profit reserves		47.142	106.205	153.347	47.142	110.239	157.381
16.4 Profit/Loss		1.469.462	143.139	1.612.601	2.366.453	116.337	2.482.790
16.4.1 Prior years income/loss		13.661	118.706	132.367	70.822	93.984	164.806
16.4.2 Period profit/loss		1.455.801	24.433	1.480.234	2.295.631	22.353	2.317.984
16.5 Minority shares		180.528	26.516	207.044	175.732	25.694	201.426
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		127.975.966	76.837.655	204.813.621	117.464.722	73.536.768	191.001.490

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS
AS OF 30 JUNE 2016

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

II. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS

		Reviewed			Audited		
		Current period			Prior period		
		30 June 2016			31 December 2015		
OFF BALANCE SHEET	Note	TRY	FC	Total	TRY	FC	Total
A.	COMMITMENTS AND CONTINGENCIES (I-II-III)						
I.	GUARANTEES AND SURETYSHIPS	(1)					
1.1	Letters of guarantee	18.248.367	16.836.656	35.085.023	15.670.049	15.196.628	30.866.677
1.1.1	Guarantees subject to public procurement law	1.055.039	10.535.201	11.590.240	1.039.153	10.454.344	11.493.497
1.1.2	Guarantees given for foreign trade operations	-	8.717	8.717	-	11.057	11.057
1.1.3	Other letters of guarantee	17.193.328	6.292.738	23.486.066	14.630.896	4.731.227	19.362.123
1.2	Bank loans	936.692	3.234.915	4.171.607	359.503	2.914.278	3.273.781
1.2.1	Import acceptances	-	172.330	172.330	-	154.337	154.337
1.2.2	Other bank acceptances	936.692	3.062.585	3.999.277	359.503	2.759.941	3.119.444
1.3	Letters of credit	5.901	4.688.797	4.694.698	-	5.016.951	5.016.951
1.3.1	Documentary letters of credit	5.901	4.647.144	4.653.045	-	5.002.398	5.002.398
1.3.2	Other letters of credit	-	41.653	41.653	-	14.553	14.553
1.4	Guaranteed prefinancings	-	-	-	-	-	-
1.5	Endorsements	-	-	-	-	-	-
1.5.1	Endorsements to Central Bank of Turkish Republic	-	-	-	-	-	-
1.5.2	Other Endorsements	-	-	-	-	-	-
1.6	Purchase guarantees on marketable security issuance	-	-	-	-	-	-
1.7	Factoring guarantees	-	-	-	-	-	-
1.8	Other guarantees	685.452	169.514	854.966	625.127	254.690	879.817
1.9	Other suretyships	-	-	-	-	-	-
II.	COMMITMENTS	(1)					
2.1	Irrevocable commitments	23.549.223	1.349.501	24.898.724	20.845.109	1.196.417	21.637.526
2.1.1	Forward asset purchase commitments	347.277	903.800	1.251.077	99.229	382.449	481.678
2.1.2	Forward deposit purchase and sale commitments	-	-	-	-	-	-
2.1.3	Capital commitments to subsidiaries and associates	-	-	-	-	-	-
2.1.4	Loan granting commitments	2.733.500	337.952	3.071.452	2.227.928	332.624	2.560.552
2.1.5	Securities underwriting commitments	-	-	-	-	-	-
2.1.6	Payment commitments for reserve deposits	-	-	-	-	-	-
2.1.7	Payment commitments for cheques	5.791.714	-	5.791.714	5.442.458	-	5.442.458
2.1.8	Tax and fund liabilities from export commitments	23.948	-	23.948	20.764	-	20.764
2.1.9	Commitments for credit card expenditure limits	11.908.658	24.198	11.932.856	11.157.873	23.128	11.181.001
2.1.10	Commitments for credit cards and banking services promotions	49.390	-	49.390	46.532	-	46.532
2.1.11	Receivables from short sale commitments	-	-	-	-	-	-
2.1.12	Payables for short sale commitments	-	-	-	-	-	-
2.1.13	Other irrevocable commitments	2.694.736	83.551	2.778.287	1.850.325	54.216	1.904.541
2.2	Revocable commitments	-	456.245	456.245	-	403.777	403.777
2.2.1	Revocable loan granting commitments	-	39.370	39.370	-	366.688	366.688
2.2.2	Other revocable commitments	-	416.875	416.875	-	37.089	37.089
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(1)					
3.1	Derivative financial instruments held for risk management	-	-	-	-	-	-
3.1.1	Fair value risk hedging transactions	-	-	-	-	-	-
3.1.2	Cash flow risk hedging transactions	-	-	-	-	-	-
3.1.3	Net foreign investment risk hedging transactions	-	-	-	-	-	-
3.2	Transactions for trading	3.893.784	24.109.822	28.003.606	3.671.219	21.350.388	25.021.607
3.2.1	Forward foreign currency buy/sell transactions	1.693.231	5.619.526	7.312.757	1.671.380	4.857.438	6.528.818
3.2.1.1	Forward foreign currency transactions-buy	865.373	3.990.818	4.856.191	801.439	3.344.181	4.145.620
3.2.1.2	Forward foreign currency transactions-sell	827.858	1.628.708	2.456.566	869.941	1.513.257	2.383.198
3.2.2	Currency and interest rate swaps	1.316.437	15.037.185	16.353.622	1.893.556	14.489.699	16.383.355
3.2.2.1	Currency swap-buy	887.137	3.494.242	4.381.379	278.222	4.124.940	4.403.162
3.2.2.2	Currency swap-sell	429.300	3.996.291	4.425.591	1.615.434	2.784.399	4.399.833
3.2.2.3	Interest rate swap-buy	-	3.773.326	3.773.326	-	3.790.180	3.790.180
3.2.2.4	Interest Rate swap-sell	-	3.773.326	3.773.326	-	3.790.180	3.790.180
3.2.3	Currency, interest rate and marketable securities options	884.116	950.166	1.834.282	106.183	253.075	359.258
3.2.3.1	Currency call options	442.075	475.068	917.143	53.198	126.436	179.634
3.2.3.2	Currency put options	442.041	475.098	917.139	52.985	126.639	179.624
3.2.3.3	Interest rate call options	-	-	-	-	-	-
3.2.3.4	Interest rate put options	-	-	-	-	-	-
3.2.3.5	Marketable securities call options	-	-	-	-	-	-
3.2.3.6	Marketable securities put options	-	-	-	-	-	-
3.2.4	Currency futures	-	-	-	-	-	-
3.2.4.1	Currency futures-buy	-	-	-	-	-	-
3.2.4.2	Currency futures-sell	-	-	-	-	-	-
3.2.5	Interest rate buy/sell futures	-	-	-	-	-	-
3.2.5.1	Interest rate futures-buy	-	-	-	-	-	-
3.2.5.2	Interest rate futures-sell	-	-	-	-	-	-
3.2.6	Other	-	2.502.945	2.502.945	-	1.750.176	1.750.176
B.	CUSTODY AND PLEDGED ASSETS (IV+V+VI)						
IV.	CUSTODIES						
4.1	Assets under management	248.339.450	18.318.719	266.658.169	228.121.330	17.376.606	245.497.936
4.2	Custody marketable securities	94.289.590	588.866	94.878.456	90.596.004	466.338	91.062.342
4.3	Cheques in collection process	12.539.244	12.931.749	25.470.993	11.132.981	12.393.872	23.526.853
4.4	Commercial notes in collection process	118.773.238	514.814	119.288.052	104.256.213	470.162	104.726.375
4.5	Other assets in collection process	-	-	-	-	-	-
4.6	Underwritten securities	-	-	-	-	-	-
4.7	Other custodies	3.144.376	66.273	3.210.649	2.772.653	15.875	2.788.528
4.8	Custodians	19.593.002	4.217.017	23.810.019	19.363.479	4.030.359	23.393.838
V.	PLEDGED ASSETS						
5.1	Marketable securities	286.444.326	114.227.428	400.671.754	253.188.470	102.394.145	355.582.615
5.2	Collateral notes	3.847.460	398.280	4.245.740	3.350.711	247.451	3.598.162
5.3	Commodity	7.518.812	713.725	8.232.537	6.669.787	623.239	7.293.026
5.4	Warranty	25.812	-	25.812	25.813	-	25.813
5.5	Land and buildings	226.674.975	89.367.321	316.042.296	199.984.465	76.697.617	276.682.082
5.6	Other pledged assets	44.999.807	22.550.864	67.550.671	39.846.268	23.476.950	63.323.218
5.7	Pledges	3.377.460	1.197.238	4.574.698	3.311.426	1.348.888	4.660.314
VI.	ACCEPTED BILL GUARANTEES AND SURETIES						
		-	939.737	939.737	-	980.049	980.049
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		582.103.195	184.331.334	766.434.529	522.480.807	166.679.929	689.160.736

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF INCOME
AS OF 30 JUNE 2016

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

III. CONSOLIDATED STATEMENT OF INCOME

			Reviewed	Reviewed	Reviewed	Reviewed
			Current period	Prior period	Current period	Prior period
			1 January-30 June 2016	1 January-30 June 2015	1 April-1 June 2016	1 April-1 June 2015
INCOME AND EXPENSES		Note				
I.	INTEREST INCOME	(1)	8.155.418	6.548.559	4.113.958	3.486.726
1.1	Interest on loans		6.704.945	5.214.787	3.470.502	2.701.077
1.2	Interest received from reserve deposits		30.193	3.031	15.138	2.904
1.3	Interest received from banks		55.486	19.964	25.625	9.528
1.4	Interest received from money market placements		190	565	112	547
1.5	Interest income on marketable securities		1.229.352	1.208.827	529.057	720.488
1.5.1	Financial assets held for trading		3.659	3.554	2.155	1.779
1.5.2	Financial assets at fair value through profit and loss		-	-	-	-
1.5.3	Financial assets available-for-sale		493.398	384.558	233.556	220.531
1.5.4	Investments held-to-maturity		732.295	820.715	293.346	498.178
1.6	Finance lease income		70.556	67.993	34.693	36.149
1.7	Other interest income		64.696	33.392	38.831	16.033
II.	INTEREST EXPENSE	(2)	4.885.406	3.615.083	2.452.229	1.891.199
2.1	Interest on deposits		3.953.388	2.870.721	1.972.226	1.489.608
2.2	Interest on borrowings		236.363	176.698	116.040	95.177
2.3	Interest on money market borrowings		399.335	316.757	219.658	174.836
2.4	Interest on bonds issued		248.322	211.077	126.545	110.133
2.5	Other interest expense		47.998	39.830	17.760	21.445
III.	NET INTEREST INCOME (I – II)		3.270.012	2.933.476	1.661.729	1.595.527
IV.	NET FEES AND COMMISSIONS INCOME		549.122	562.231	301.261	262.405
4.1	Fees and commissions income		788.958	808.136	414.853	403.410
4.1.1	Non-cash loans		137.171	99.942	74.091	51.624
4.1.2	Other		651.787	708.194	340.762	351.786
4.2	Fees and commissions expenses		239.836	245.905	113.592	141.005
4.2.1	Non-cash loans		1.799	1.590	713	944
4.2.2	Other		238.037	244.315	112.879	140.061
V.	DIVIDEND INCOME	(3)	39.832	6.169	39.832	6.169
VI.	NET TRADING PROFIT (NET)	(4)	51.684	(109.249)	23.798	(132.935)
6.1	Profit/loss from capital market operations		7.928	27.630	4.031	3.560
6.2	Profit/loss from financial derivative transactions		(402.934)	(612.847)	(191.474)	129.149
6.3	Foreign exchange gains/losses		446.690	475.968	211.241	(265.644)
VII.	OTHER OPERATING INCOME	(5)	1.011.570	1.092.947	597.051	758.065
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		4.922.220	4.485.574	2.623.671	2.489.231
IX.	LOANS AND OTHER RECEIVABLES IMPAIRMENT LOSS PROVISIONS (-)	(6)	555.451	1.119.003	279.345	858.357
X.	OTHER OPERATING EXPENSES(-)	(7)	2.556.946	1.956.673	1.172.337	1.039.835
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		1.809.823	1.409.898	1.171.989	591.039
XII.	AMOUNT RECORDED IN EXCESS AS GAIN AFTER MERGER		-	-	-	-
XIII.	PROFIT/LOSSES FROM EQUITY METHOD APPLIED SUBSIDIARIES		8.095	6.651	4.389	2.855
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-	-	-
XV.	INCOME/(LOSS) BEFORE TAXES (XI+XII+XIII+XIV)	(8)	1.817.918	1.416.549	1.176.378	593.894
XVI.	TAX INCOME PROVISION (±)	(9)	(336.627)	(292.436)	(224.223)	(116.012)
16.1	Current tax provision		(434.320)	(58.775)	(240.881)	13.060
16.2	Deferred tax provision		97.693	(233.661)	16.658	(129.072)
XVII.	NET OPERATING INCOME AFTER TAX (XV±XVI)	(10)	1.481.291	1.124.113	952.155	477.882
XVIII.	INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
18.1	Property and equipment income held for sale		-	-	-	-
18.2	Sale profits from associates, subsidiaries and joint ventures (business partners)		-	-	-	-
18.3	Other income from terminated operations		-	-	-	-
XIX.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1	Property and equipment expense held for sale		-	-	-	-
19.2	Sale losses from associates, subsidiaries and joint ventures (business partners)		-	-	-	-
19.3	Other expenses from discontinued operations		-	-	-	-
XX.	INCOME/EXPENSE BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-	-	-
XXI.	PROVISION FOR TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)		-	-	-	-
21.1	Current tax provision		-	-	-	-
21.2	Deferred tax provision		-	-	-	-
XXII.	NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-	-	-
XXIII.	NET PROFIT/(LOSS) (XVII+XXII)	(11)	1.481.291	1.124.113	952.155	477.882
23.1	Group's profit/loss		1.480.234	1.119.681	939.645	476.132
23.2	Minority shares profit/loss		1.057	4.432	12.510	1.750
	Earnings/losses per share (Full TRY)		1,18419	0,89574	0,75172	0,38091

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY
AS OF 30 JUNE 2016

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

IV. CONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY

	Reviewed	Reviewed
	Current period	Prior period
	1 January-30	1 January-30
	June 2016	June 2015
STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY		
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	430.495	(422.744)
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	(376)	1.503.559
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	40.642	28.104
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 INVESTMENTS IN FOREIGN OPERATIONS (Effective portion of fair value differences)	-	-
VII. THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES	-	-
VIII. OTHER PROFIT LOSS ITEMS ACCOUNTED UNDER EQUITY DUE TO TAS	6.511	25.191
IX. DEFERRED TAX OF VALUATION DIFFERENCES	(54.466)	(247.444)
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	422.806	886.666
XI. PROFIT/LOSS	1.481.291	1.124.113
11.1 Change in fair value of marketable securities (Transfer to profit/loss)	3.640	32.786
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes to income statement	-	-
11.3 Transfer of hedge of net investments in foreign operations to income statement	-	-
11.4 Other	1.477.651	1.091.327
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X+XI)	1.904.097	2.010.779

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF 30 JUNE 2016

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Note	Paid in capital	Effect of inflation adjustments on paid in capital	Share premium	Share certificate cancellations on profit	Legal reserves	Statutory reserves	Extra-ordinary reserves	Other reserves	Current period net income/(loss)	Prior period net income/(loss)	Valuation changes in marketable sec.	Revaluation changes in prop. and equip. and int. assets	Bonus shares from shareholders	Hedging funds	Value change in pro. and equip. held for sale purp./term. op.	Total equity excluding minority shares	Minority shares	Total equity
I. 1 January 2015 – 30 June 2015																		
Balance at end of prior period	1.250.000	1.220.451	39.009	-	1.253.073	-	9.163.290	103.843	2.270.398	139.768	194.785	-	4.031	-	-	15.638.648	178.760	15.817.408
Changes within the period																		
II. Increase/decrease generated by merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Valuation changes in marketable securities	-	-	-	-	-	-	-	-	-	-	(371.096)	-	-	-	-	(371.096)	1.689	(369.407)
IV. Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedges for investment made in foreign countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation changes of property and equipment	-	-	-	-	-	-	-	-	-	-	-	1.202.847	-	-	-	1.202.847	-	1.202.847
VI. Revaluation changes of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus shares from investment and associates, subsidiaries and joint ventures (business partners)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign exchange differences	-	-	-	-	-	-	-	27.969	-	-	-	-	-	-	-	27.969	135	28.104
IX. Changes after disposal of securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes after reclassification of securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effect of changes in shareholders equity of investments and associates to bank's shareholders equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Increase in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 From internal resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Issuance of share certificates at end of period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other	-	-	-	-	69	-	-	22.714	-	-	(20.708)	-	(58)	-	-	2.017	23.174	25.191
XVII. Net profit or losses	-	-	-	-	-	-	-	-	1.119.681	-	-	-	-	-	-	1.119.681	4.432	1.124.113
XVIII. Profit distribution	-	-	-	-	140.680	-	1.881.127	-	(2.270.398)	25.039	-	-	-	-	-	(223.552)	-	(223.552)
18.1 Dividends distributed	-	-	-	-	-	-	-	-	-	(223.552)	-	-	-	-	-	(223.552)	-	(223.552)
18.2 Transfers to legal reserves	-	-	-	-	140.680	-	1.881.127	-	-	(2.021.807)	-	-	-	-	-	-	-	-
18.3 Other	-	-	-	-	-	-	-	-	(2.270.398)	2.270.398	-	-	-	-	-	-	-	-
Closing balance	1.250.000	1.220.451	39.009	-	1.393.822	-	11.044.417	154.526	1.119.681	164.807	(197.019)	1.202.847	3.973	-	-	17.396.514	208.190	17.604.704
I. 1 January 2016 – 30 June 2016																		
Balance at end of prior period	1.250.000	1.220.451	39.488	-	1.393.927	-	11.045.915	140.904	2.317.984	164.806	(285.131)	1.672.931	3.973	-	-	18.965.248	201.426	19.166.674
Changes within the period																		
II. Increase or decrease generated by merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Valuation changes in marketable securities	-	-	-	-	-	-	-	-	-	-	375.866	-	-	-	-	375.866	88	375.954
IV. Hedging Funds (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedges for investments made in foreign countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation changes of property and equipment	-	-	-	-	-	-	-	-	-	-	-	(301)	-	-	-	(301)	-	(301)
VI. Revaluation changes of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus shares from investment and associates, subsidiaries and joint ventures (business partners)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign exchange differences	-	-	-	-	-	-	-	40.617	-	-	-	-	-	-	-	40.617	25	40.642
IX. Changes after disposal of securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes after reclassification of securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effect of changes in shareholders equity of investments and associates to bank's shareholders equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Increase in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 From internal resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Issuance of share certificates at end of period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other ⁽¹⁾	-	-	23	-	(187)	-	(383)	2.610	-	-	-	-	-	-	-	2.063	4.448	6.511
XVII. Net profit or losses	-	-	-	-	-	-	-	-	1.480.234	-	-	-	-	-	-	1.480.234	1.057	1.481.291
XVIII. Profit distribution	-	-	-	-	164.831	-	1.943.833	-	(2.317.984)	(32.439)	-	-	-	-	-	(241.759)	-	(241.759)
18.1 Dividends distributed	-	-	-	-	-	-	-	-	-	(241.759)	-	-	-	-	-	(241.759)	-	(241.759)
18.2 Transfers to legal reserves	-	-	-	-	164.831	-	1.943.833	-	-	(2.108.664)	-	-	-	-	-	-	-	-
18.3 Other	-	-	-	-	-	-	-	-	(2.317.984)	2.317.984	-	-	-	-	-	-	-	-
Closing balance	1.250.000	1.220.451	39.511	-	1.558.571	-	12.989.365	184.131	1.480.234	132.367	90.735	1.672.630	3.973	-	-	20.621.968	207.044	20.829.012

⁽¹⁾ Result of the change on the Group shares.

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF CASH FLOWS
AS OF 30 JUNE 2016

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

VI. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Reviewed	Reviewed
		Current period	Prior period
		1 January-30 June	1 January -30 June
		2016	2015
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		1.238.858	(2.321)
1.1.1 Interest received		7.682.477	5.814.645
1.1.2 Interest paid		(4.868.311)	(3.327.245)
1.1.3 Dividend received		39.832	6.169
1.1.4 Fees and commissions received		788.958	808.136
1.1.5 Other income		891.666	947.322
1.1.6 Collections from previously written off loans		336.009	271.168
1.1.7 Cash payments to personnel and service suppliers		(937.066)	(830.845)
1.1.8 Taxes paid		(351.876)	(496.862)
1.1.9 Other		(2.342.831)	(3.194.809)
1.2 Assets and Liabilities Subject to Banking Operations		(3.235.756)	(1.856.806)
1.2.1 Net decrease in financial assets held for sale		(45.710)	9.685
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions		-	14.000
1.2.4 Net (increase) decrease in loans		(12.441.072)	(16.486.659)
1.2.5 Net (increase) decrease in other assets		(2.886.853)	(3.113.701)
1.2.6 Net increase (decrease) in bank deposits		2.934.116	(1.127.886)
1.2.7 Net increase (decrease) in other deposits		5.018.199	12.557.055
1.2.8 Net increase (decrease) in loans borrowed		(1.152.363)	4.714.411
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		5.337.927	1.576.289
I. Net cash provided from banking operations		(1.996.898)	(1.859.127)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
II. Net cash provided from/ (used in) investing activities		(121.898)	(13.218)
2.1 Cash paid for purchase of joint ventures, associates and subsidiaries		-	(28.907)
2.2 Cash obtained from sale of entities joint ventures, associates and subsidiaries		-	-
2.3 Fixed assets purchases		(139.957)	(197.289)
2.4 Fixed assets sales		66.077	104.199
2.5 Cash paid for purchase of financial assets available for sale		(1.138.756)	(1.531.145)
2.6 Cash obtained from sale of financial assets available for sale		446.256	424.915
2.7 Cash paid for purchase of investment securities		(1.142.029)	(1.213.130)
2.8 Cash obtained from sale of investment securities		1.794.990	2.437.441
2.9 Other		(8.479)	(9.302)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash used in financing activities		(149.139)	1.898.138
3.1 Cash obtained from loans borrowed and securities issued		1.889.764	3.871.690
3.2 Cash used for repayment of loans borrowed and securities issued		(1.797.144)	(1.750.000)
3.3 Bonds issued		-	-
3.4 Dividends paid		(241.759)	(223.552)
3.5 Payments for finance leases		-	-
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		(5.452)	509.433
V. Net increase / (decrease) in cash and cash equivalents		(2.273.387)	535.226
VI. Cash and cash equivalents at beginning of the period		8.855.902	7.290.931
VII. Cash and cash equivalents at end of the period		6.582.515	7.826.157

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