

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED BALANCE SHEET AS OF 30 SEPTEMBER 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 September 2016			31 December 2015		
ASSETS		TRY	FC	Total	TRY	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK		5.135.185	22.085.790	27.220.975	4.339.419	19.161.120	23.500.539
II. FINANCIAL ASSETS AT FV THROUGH PROFIT AND LOSS (Net)		86.877	337.800	424.677	52.405	287.102	339.507
2.1 Trading financial assets		86.877	337.800	424.677	52.405	287.102	339.507
2.1.1 Public sector debt securities		65.778	4.205	69.983	28.526	33.146	61.672
2.1.2 Share certificates		4.209	549	4.758	3.318	-	3.318
2.1.3 Financial assets held for trading		-	332.883	332.883	7	253.097	253.104
2.1.4 Other marketable securities		16.890	163	17.053	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		123.186	822.913	946.099	77.100	2.540.551	2.617.651
IV. MONEY MARKET PLACEMENTS		887.704	-	887.704	20.773	33.101	53.874
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market placements		884.870	-	884.870	19.940	-	19.940
4.3 Receivables from reverse repurchase agreements		2.834	-	2.834	833	33.101	33.934
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)		10.207.436	4.262.506	14.469.942	7.478.138	4.057.005	11.535.143
5.1 Share certificates		23.508	32.394	55.902	22.042	94.891	116.933
5.2 Public sector debt securities		10.178.626	4.230.112	14.408.738	7.442.852	3.947.367	11.390.219
5.3 Other marketable securities		5.302	-	5.302	13.244	14.747	27.991
VI. LOANS AND RECEIVABLES		97.418.546	48.011.215	145.429.761	86.889.420	40.330.131	127.219.551
6.1 Loans and receivables		96.267.773	47.931.896	144.199.669	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		96.267.773	47.931.896	144.199.669	85.943.567	40.259.165	126.202.732
6.2 Loans under follow-up		4.624.884	167.928	4.792.812	3.973.738	215.798	4.189.536
6.3 Specific provisions (-)		3.474.111	88.609	3.562.720	3.027.885	144.832	3.172.717
VII. FACTORING RECEIVABLES		805.993	118.706	924.699	417.013	69.872	486.885
VIII. HELD TO MATURITY INVESTMENTS (Net)		14.837.104	2.105.553	16.942.657	14.791.048	2.113.829	16.904.877
8.1 Public sector debt securities		14.805.512	2.105.553	16.911.065	14.773.619	2.113.829	16.887.448
8.2 Other marketable securities		31.592	-	31.592	17.429	-	17.429
IX. INVESTMENTS IN ASSOCIATES (Net)		22.125	260.029	282.154	21.994	242.037	264.031
9.1 Accounted under equity method		15.805	260.029	275.834	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)		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)		-	-	-	-	-	-
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)		360.696	1.817.394	2.178.090	386.640	1.818.112	2.204.752
12.1 Finance lease receivables		465.650	2.106.069	2.571.719	497.208	2.054.352	2.551.560
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		104.954	288.675	393.629	110.568	236.240	346.808
XIII. DERIVATIVE FIN. ASSETS HELD FOR RISK MANAGEMENT		-	-	-	-	-	-
13.1 Fair value risk hedging		-	-	-	-	-	-
13.2 Cash flow risk hedging		-	-	-	-	-	-
13.3 Net foreign investment risk hedging		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)		3.079.078	60.805	3.139.883	3.086.621	57.746	3.144.367
XV. INTANGIBLE ASSETS (Net)		91.066	19.361	110.427	84.548	17.766	102.314
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		91.066	19.361	110.427	84.548	17.766	102.314
XVI. INVESTMENT PROPERTIES (Net)		501.256	3.281	504.537	482.284	3.310	485.594
XVII. TAX ASSET		77.956	1.608	79.564	48.174	2.746	50.920
17.1 Current tax asset		-	-	-	-	1.217	1.217
17.2 Deferred tax asset		77.956	1.608	79.564	48.174	1.529	49.703
XVIII. ASSETS HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)		1.341	-	1.341	2.694	-	2.694
18.1 Held for sale purpose		1.341	-	1.341	2.694	-	2.694
18.2 Held from discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS		2.538.867	253.180	2.792.047	1.816.201	234.561	2.050.762
TOTAL ASSETS		136.212.445	80.160.141	216.372.586	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 SEPTEMBER 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 September 2016		Total	31 December 2015		Total
LIABILITIES AND SHAREHOLDERS' EQUITY		TRY	FC		TRY	FC	Total
I. DEPOSITS		88.911.243	48.688.302	137.599.545	78.808.341	43.696.043	122.504.384
1.1 Deposits Held by the Risk Group of the Bank		3.218	-	3.218	5.823	-	5.823
1.2 Other		88.908.025	48.688.302	137.596.327	78.802.518	43.696.043	122.498.561
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING		15	237.271	237.286	1.434	174.239	175.673
III. FUNDS BORROWED		1.257.414	17.998.668	19.256.082	1.314.519	20.829.218	22.143.737
IV. MONEY MARKET BALANCES		13.416.766	1.353.038	14.769.804	7.727.458	728.499	8.455.957
4.1 Interbank money market borrowings		1.750.401	-	1.750.401	100.030	-	100.030
4.2 Istanbul Stock Exchange Takasbank borrowings		925.429	-	925.429	19.965	-	19.965
4.3 Funds from repurchase agreements		10.740.936	1.353.038	12.093.974	7.607.463	728.499	8.335.962
V. MARKETABLE SECURITIES ISSUED (Net)		2.121.694	9.001.576	11.123.270	1.500.713	7.339.847	8.840.560
5.1 Treasury bills		2.121.694	-	2.121.694	1.500.713	-	1.500.713
5.2 Asset-backed securities		-	-	-	-	-	-
5.3 Bonds		-	9.001.576	9.001.576	-	7.339.847	7.339.847
VI. FUNDS		2.125.336	-	2.125.336	1.963.699	-	1.963.699
6.1 Borrower Funds		48.982	-	48.982	27.850	-	27.850
6.2 Other		2.076.354	-	2.076.354	1.935.849	-	1.935.849
VII. SUNDRY CREDITORS		2.505.084	52.645	2.557.729	2.196.538	202.206	2.398.744
VIII. OTHER LIABILITIES		2.278.223	428.841	2.707.064	1.332.951	361.001	1.693.952
IX. FACTORING PAYABLES		4.579	438	5.017	11	213	224
X. FINANCE LEASE PAYABLES		-	-	-	-	-	-
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		-	-	-	-	-	-
11.1 Fair value risk hedgin		-	-	-	-	-	-
11.2 Cash flow risk hedging		-	-	-	-	-	-
11.3 Net foreign investment risk hedging		-	-	-	-	-	-
XII. PROVISIONS		3.916.693	85.929	4.002.622	3.079.547	81.930	3.161.477
12.1 General loan provisions		1.652.636	19.518	1.672.154	1.123.838	15.452	1.139.290
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Employee benefits provisions		724.630	4.293	728.923	682.369	4.785	687.154
12.4 Insurance technical reserves (Net)		1.264.075	-	1.264.075	932.665	-	932.665
12.5 Other provisions		275.352	62.118	337.470	340.675	61.693	402.368
XIII. TAX LIABILITY		658.081	2.709	660.790	447.106	2.159	449.265
13.1 Current tax liability		515.218	557	515.775	376.691	7	376.698
13.2 Deferred tax liability		142.863	2.152	145.015	70.415	2.152	72.567
XIV. LIABILITIES FOR ASSET HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
14.1 Held for sale purpose		-	-	-	-	-	-
14.2 Held from discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED CAPITAL		-	-	-	-	47.144	47.144
XVI. SHAREHOLDERS' EQUITY		21.166.585	161.456	21.328.041	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		2.946.012	(83.027)	2.862.985	2.816.256	(181.021)	2.635.235
16.2.1 Share Premium		39.512	-	39.512	39.488	-	39.488
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities revaluation fund		4.289	(82.981)	(78.692)	(104.104)	(181.027)	(285.131)
16.2.4 Tangible assets revaluation reserves		1.672.570	-	1.672.570	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		1.225.668	(46)	1.225.622	1.203.968	6	1.203.974
16.3 Profit reserves		14.561.975	108.962	14.670.937	12.483.964	113.259	12.597.223
16.3.1 Legal reserves		1.558.408	3.723	1.562.131	1.390.907	3.020	1.393.927
16.3.2 Statutory reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		12.956.425	-	12.956.425	11.045.915	-	11.045.915
16.3.4 Other profit reserves		47.142	105.239	152.381	47.142	110.239	157.381
16.4 Profit/Loss		2.223.622	108.286	2.331.908	2.366.453	116.337	2.482.790
16.4.1 Prior years income/loss		84.650	82.299	166.949	70.822	93.984	164.806
16.4.2 Period profit/loss		2.138.972	25.987	2.164.959	2.295.631	22.353	2.317.984
16.5 Minority shares		184.976	27.235	212.211	175.732	25.694	201.426
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		138.361.713	78.010.873	216.372.586	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 SEPTEMBER 2016

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

II. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS

	Note	Reviewed			Audited		
		Current period			Prior period		
		30 September 2016			31 December 2015		
		TRY	FC	Total	TRY	FC	Total
A. COMMITMENTS AND CONTINGENCIES (I-II+III)		50.902.422	53.336.013	104.238.435	41.171.007	45.929.129	87.100.136
I. GUARANTEES AND SURETYSHIPS		20.279.952	25.367.690	45.647.642	16.654.679	23.382.547	40.037.226
1.1 Letters of guarantee		19.001.106	17.769.761	36.770.867	15.670.049	15.196.628	30.866.677
1.1.1 Guarantees subject to public procurement law		1.059.437	10.419.829	11.479.266	1.039.153	10.454.344	11.493.497
1.1.2 Guarantees given for foreign trade operations		-	12.700	12.700	-	11.057	11.057
1.1.3 Other letters of guarantee		17.941.669	7.337.232	25.278.901	14.630.896	4.731.227	19.362.123
1.2 Bank loans		655.782	3.006.604	3.662.386	359.503	2.914.278	3.273.781
1.2.1 Import acceptances		-	199.406	199.406	-	154.337	154.337
1.2.2 Other bank acceptances		655.782	2.807.198	3.462.980	359.503	2.759.941	3.119.444
1.3 Letters of credit		974	4.425.978	4.426.952	-	5.016.951	5.016.951
1.3.1 Documentary letters of credit		974	4.379.302	4.380.276	-	5.002.398	5.002.398
1.3.2 Other letters of credit		-	46.676	46.676	-	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		622.090	165.347	787.437	625.127	254.690	879.817
1.9 Other suretyships		-	-	-	-	-	-
II. COMMITMENTS		23.611.544	1.268.772	24.880.316	20.845.109	1.196.194	22.041.303
2.1 Irrevocable commitments		23.611.544	784.853	24.396.397	20.845.109	792.417	21.637.526
2.1.1 Forward asset purchase commitments		81.058	332.478	413.536	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		2.803.511	357.017	3.160.528	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		5.730.999	-	5.730.999	5.442.458	-	5.442.458
2.1.8 Tax and fund liabilities from export commitments		26.268	-	26.268	20.764	-	20.764
2.1.9 Commitments for credit card expenditure limits		12.115.804	25.280	12.141.084	11.157.873	23.128	11.181.001
2.1.10 Commitments for credit cards and banking services promotions		50.425	-	50.425	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		2.803.479	70.078	2.873.557	1.850.325	54.216	1.904.541
2.2 Revocable commitments		-	483.919	483.919	-	403.777	403.777
2.2.1 Revocable loan granting commitments		-	39.803	39.803	-	366.688	366.688
2.2.2 Other revocable commitments		-	444.116	444.116	-	37.089	37.089
III. DERIVATIVE FINANCIAL INSTRUMENTS		7.010.926	26.699.551	33.710.477	3.671.219	21.350.388	25.021.607
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		7.010.926	26.699.551	33.710.477	3.671.219	21.350.388	25.021.607
3.2.1 Forward foreign currency buy/sell transactions		1.401.466	5.484.816	6.886.282	1.671.380	4.857.438	6.528.818
3.2.1.1 Forward foreign currency transactions-buy		707.189	3.996.566	4.703.755	801.439	3.344.181	4.145.620
3.2.1.2 Forward foreign currency transactions-sell		694.277	1.488.250	2.182.527	869.941	1.513.257	2.383.198
3.2.2 Currency and interest rate swaps		4.462.175	17.392.867	21.855.042	1.893.656	14.489.699	16.383.355
3.2.2.1 Currency swap-buy		4.032.875	2.715.998	6.748.873	278.222	4.124.940	4.403.162
3.2.2.2 Currency swap-sell		429.300	6.294.963	6.724.263	1.615.434	2.784.399	4.399.833
3.2.2.3 Interest rate swap-buy		-	4.190.953	4.190.953	-	3.790.180	3.790.180
3.2.2.4 Interest Rate swap-sell		-	4.190.953	4.190.953	-	3.790.180	3.790.180
3.2.3 Currency, interest rate and marketable securities options		1.147.285	1.198.420	2.345.705	106.183	253.075	359.258
3.2.3.1 Currency call options		572.309	600.579	1.172.888	53.198	126.436	179.634
3.2.3.2 Currency put options		574.976	597.841	1.172.817	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		-	2.623.448	2.623.448	-	1.750.176	1.750.176
B. CUSTODY AND PLEDGED ASSETS (IV+V+VI)		555.765.286	131.300.797	687.066.083	481.309.800	120.750.800	602.060.600
IV. CUSTODIES		261.849.740	20.205.776	282.055.516	228.121.330	17.376.606	245.497.936
4.1 Assets under management		-	-	-	-	-	-
4.2 Custody marketable securities		99.188.488	622.026	99.810.514	90.596.004	466.338	91.062.342
4.3 Cheques in collection process		11.773.087	14.519.276	26.292.363	11.132.981	12.393.872	23.526.853
4.4 Commercial notes in collection process		125.147.379	490.003	125.637.382	104.256.213	470.162	104.726.375
4.5 Other assets in collection process		-	-	-	-	-	-
4.6 Underwritten securities		-	-	-	-	-	-
4.7 Other custodies		3.235.591	69.023	3.304.614	2.772.653	15.875	2.788.528
4.8 Custodians		22.505.195	4.505.448	27.010.643	19.363.479	4.030.359	23.393.838
V. PLEDGED ASSETS		293.915.546	110.109.698	404.025.244	253.188.470	102.394.145	355.582.615
5.1 Marketable securities		3.938.623	415.799	4.354.422	3.350.711	247.451	3.598.162
5.2 Collateral notes		6.942.347	694.134	7.636.481	6.669.787	623.239	7.293.026
5.3 Commodity		25.813	-	25.813	25.813	-	25.813
5.4 Warranty		-	-	-	-	-	-
5.5 Land and buildings		238.942.302	97.346.745	336.289.047	199.984.465	76.697.617	276.682.082
5.6 Other pledged assets		41.315.627	10.618.300	51.933.927	39.846.268	23.476.950	63.323.218
5.7 Pledges		2.750.834	1.034.720	3.785.554	3.311.426	1.348.888	4.660.314
VI. ACCEPTED BILL GUARANTEES AND SURETIES		-	985.323	985.323	-	980.049	980.049
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		606.667.708	184.636.810	791.304.518	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 SEPTEMBER 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	1 January-30	1 July-30	1 July-30
		September 2016	September 2015	September 2016	September 2015
INCOME AND EXPENSES	Note				
I.	INTEREST INCOME	12.604.200	10.101.765	4.448.782	3.553.206
1.1	Interest on loans	10.352.069	8.208.875	3.647.124	2.994.088
1.2	Interest received from reserve deposits	45.253	9.887	15.060	6.856
1.3	Interest received from banks	79.275	38.860	23.789	18.896
1.4	Interest received from money market placements	251	1.712	61	1.147
1.5	Interest income on marketable securities	1.903.092	1.688.419	673.740	479.592
1.5.1	Financial assets held for trading	5.755	4.740	2.096	1.186
1.5.2	Financial assets at fair value through profit and loss	-	-	-	-
1.5.3	Financial assets available-for-sale	773.215	583.016	279.817	198.458
1.5.4	Investments held-to-maturity	1.124.122	1.100.663	391.827	279.948
1.6	Finance lease income	116.821	104.694	46.265	36.701
1.7	Other interest income	107.439	49.318	42.743	15.926
II.	INTEREST EXPENSE	7.344.417	5.727.763	2.459.011	2.112.680
2.1	Interest on deposits	5.940.455	4.520.608	1.987.067	1.649.887
2.2	Interest on borrowings	356.239	303.049	119.876	126.351
2.3	Interest on money market borrowings	577.896	513.365	178.561	196.608
2.4	Interest on bonds issued	402.180	337.065	153.858	125.988
2.5	Other interest expense	67.647	53.676	19.649	13.846
III.	NET INTEREST INCOME (I – II)	5.259.783	4.374.002	1.989.771	1.440.526
IV.	NET FEES AND COMMISSIONS INCOME	865.722	811.245	316.600	249.014
4.1	Fees and commissions income	1.227.862	1.183.756	438.904	375.620
4.1.1	Non-cash loans	211.605	157.706	74.434	57.764
4.1.2	Other	1.016.257	1.026.050	364.470	317.856
4.2	Fees and commissions expenses	362.140	372.511	122.304	126.606
4.2.1	Non-cash loans	2.897	2.521	1.098	931
4.2.2	Other	359.243	369.990	121.206	125.675
V.	DIVIDEND INCOME	39.850	6.224	18	55
VI.	NET TRADING PROFIT (NET)	115.969	(242.580)	64.285	(133.331)
6.1	Profit/loss from capital market operations	16.891	29.104	8.963	1.474
6.2	Profit/loss from financial derivative transactions	(361.082)	138.039	41.852	750.886
6.3	Foreign exchange gains/losses	460.160	(409.723)	13.470	(885.691)
VII.	OTHER OPERATING INCOME	1.377.894	1.292.789	366.324	199.842
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)	7.659.218	6.241.680	2.736.998	1.756.106
IX.	LOANS AND OTHER RECEIVABLES IMPAIRMENT LOSS PROVISIONS (-)	1.193.360	1.253.138	637.909	134.135
X.	OTHER OPERATING EXPENSES(-)	3.686.995	2.999.375	1.130.049	1.042.702
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)	2.778.863	1.989.167	969.040	579.269
XII.	AMOUNT RECORDED IN EXCESS AS GAIN AFTER MERGER	-	-	-	-
XIII.	PROFIT/LOSSES FROM EQUITY METHOD APPLIED SUBSIDIARIES	13.812	8.371	5.717	1.720
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION	-	-	-	-
XV.	INCOME/(LOSS) BEFORE TAXES (XI+XII+XIII+XIV)	2.792.675	1.997.538	974.757	580.989
XVI.	TAX INCOME PROVISION (±)	(622.210)	(422.140)	(285.583)	(129.704)
16.1	Current tax provision	(622.797)	(60.417)	(188.477)	(1.642)
16.2	Deferred tax provision	587	(361.723)	(97.106)	(128.062)
XVII.	NET OPERATING INCOME AFTER TAX (XV±XVI)	2.170.465	1.575.398	689.174	451.285
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)	2.170.465	1.575.398	689.174	451.285
23.1	Group's profit/loss	2.164.959	1.566.797	684.725	447.116
23.2	Minority shares profit/loss	5.506	8.601	4.449	4.169
	Earnings/losses per share (Full TRY)	1,73637	1,26032	0,55134	0,36103

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 SEPTEMBER 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
	September 2016	September 2015
STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY		
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	249.796	(1.165.542)
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	(451)	1.815.178
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	37.962	48.917
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	8.830	(27.470)
IX. DEFERRED TAX OF VALUATION DIFFERENCES	(43.174)	67.776
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	252.963	738.859
XI. PROFIT/LOSS	2.170.465	1.575.398
11.1 Change in fair value of marketable securities (Transfer to profit/loss)	4.745	32.882
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	2.165.720	1.542.516
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X+XI)	2.423.428	2.314.257

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 SEPTEMBER 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 cancellation 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 September 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	-	-	-	-	-	-	-	-	-	-	(736.302)	-	-	-	-	(736.302)	1.690	(734.612)
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	-	-	-	-	-	-	-	-	-	-	-	1.452.142	-	-	-	1.452.142	-	1.452.142
VI. Revaluation changes of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus shares from investment and associates, subsidiaries and joint ventures (business partners)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Foreign exchange differences	-	-	-	-	-	-	-	2.904	45.586	-	-	-	-	-	-	48.490	427	48.917
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	-	-	241	-	118	-	1.232	(25.296)	-	-	(24.681)	-	(58)	-	-	(48.444)	20.974	(27.470)
XVII. Net profit or losses	-	-	-	-	-	-	-	45.586	1.521.211	-	-	-	-	-	-	1.566.797	8.601	1.575.398
XVIII. Profit distribution	-	-	-	-	140.680	-	1.881.127	-	(2.270.398)	-	25.038	-	-	-	-	(223.553)	-	(223.553)
18.1 Dividends distributed	-	-	-	-	-	-	-	-	-	-	(223.553)	-	-	-	-	(223.553)	-	(223.553)
18.2 Transfers to legal reserves	-	-	-	-	140.680	-	1.881.127	-	-	-	(2.021.807)	-	-	-	-	-	-	-
18.3 Other	-	-	-	-	-	-	-	-	(2.270.398)	-	-	-	-	-	-	-	-	-
Closing balance	1.250.000	1.220.451	39.250	-	1.393.871	-	11.045.649	127.037	1.566.797	164.806	(566.198)	1.452.142	3.973	-	-	17.697.778	210.452	17.908.230
I. 1 January 2016 – 30 September 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	-	-	-	-	-	-	-	-	-	-	206.439	-	-	-	-	206.439	93	206.532
IV. Hedging Funds (effective portion)	-	-	-	-	-	-	-	(23.458)	-	-	-	-	-	-	-	(23.458)	-	(23.458)
4.1 Cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedges for investments made in foreign countries	-	-	-	-	-	-	-	(23.458)	-	-	-	-	-	-	-	(23.458)	-	(23.458)
V. Revaluation changes of property and equipment	-	-	-	-	-	-	-	-	-	-	-	(361)	-	-	-	(361)	-	(361)
VI. Revaluation changes of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus shares from investment and associates, subsidiaries and joint ventures (business partners)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Foreign exchange differences	-	-	-	-	-	-	-	38.058	-	-	-	-	-	-	-	38.058	(96)	37.962
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⁾	-	-	24	-	(201)	-	1.677	2.048	-	-	-	-	-	-	-	3.548	5.282	8.830
XVII. Net profit or losses	-	-	-	-	-	-	-	-	2.164.959	-	-	-	-	-	-	2.164.959	5.506	2.170.465
XVIII. Profit distribution	-	-	-	-	168.405	-	1.908.833	-	(2.317.984)	-	2.143	-	-	-	-	(238.603)	-	(238.603)
18.1 Dividends distributed	-	-	-	-	-	-	-	-	-	-	(238.603)	-	-	-	-	(238.603)	-	(238.603)
18.2 Transfers to legal reserves	-	-	-	-	168.405	-	1.908.833	-	-	-	(2.077.238)	-	-	-	-	-	-	-
18.3 Other	-	-	-	-	-	-	-	-	(2.317.984)	-	2.317.984	-	-	-	-	-	-	-
Closing balance	1.250.000	1.220.451	39.512	-	1.562.131	-	12.956.425	157.552	2.164.959	166.949	(78.692)	1.672.570	3.973	-	-	21.115.830	212.211	21.328.041

⁽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 SEPTEMBER 2016

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

VI. CONSOLIDATED STATEMENT OF CASH FLOWS

	Reviewed Current period 1 January-30 September 2016	Reviewed Prior period 1 January -30 September 2015
Note		
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities	2.099.338	(1.368.041)
1.1.1 Interest received	11.975.443	9.270.145
1.1.2 Interest paid	(7.580.502)	(5.422.472)
1.1.3 Dividend received	39.850	6.224
1.1.4 Fees and commissions received	1.227.862	1.183.756
1.1.5 Other income	1.226.583	1.107.729
1.1.6 Collections from previously written off loans	411.154	368.843
1.1.7 Cash payments to personnel and service suppliers	(1.372.911)	(1.232.039)
1.1.8 Taxes paid	(693.576)	(566.308)
1.1.9 Other	(3.134.565)	(6.083.919)
1.2 Assets and Liabilities Subject to Banking Operations	467.873	634.690
1.2.1 Net decrease in financial assets held for sale	(5.774)	16.486
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	(18.269.136)	(25.322.798)
1.2.5 Net (increase) decrease in other assets	(1.473.170)	(4.626.437)
1.2.6 Net increase (decrease) in bank deposits	8.760.684	(259.239)
1.2.7 Net increase (decrease) in other deposits	6.223.786	19.863.218
1.2.8 Net increase (decrease) in loans borrowed	(2.874.834)	8.723.842
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	8.106.317	2.225.618
I. Net cash provided from banking operations	2.567.211	(733.351)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		
II. Net cash provided from/ (used in) investing activities	(2.553.999)	(22.585)
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	(155.076)	(282.749)
2.4 Fixed assets sales	70.036	205.327
2.5 Cash paid for purchase of financial assets available for sale	(3.706.039)	(1.916.580)
2.6 Cash obtained from sale of financial assets available for sale	1.401.580	943.242
2.7 Cash paid for purchase of investment securities	(2.453.205)	(1.631.055)
2.8 Cash obtained from sale of investment securities	2.299.339	2.706.767
2.9 Other	(10.634)	(18.630)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash used in financing activities	2.344.495	2.540.226
3.1 Cash obtained from loans borrowed and securities issued	6.630.242	4.625.803
3.2 Cash used for repayment of loans borrowed and securities issued	(4.047.144)	(1.750.000)
3.3 Bonds issued	-	-
3.4 Dividends paid	(238.603)	(335.577)
3.5 Payments for finance leases	-	-
3.6 Other	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	114.632	1.254.302
V. Net increase / (decrease) in cash and cash equivalents	2.472.339	3.038.592
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	11.328.241	10.329.523

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