

TÜRKİYE HALK BANKASI AŞ
UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2016
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

	ASSETS	Note	Audited			Audited		
			Current period			Prior period		
			TRY	FC	Total	TRY	FC	Total
			31 December 2016			31 December 2015		
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	3.534.232	26.464.928	29.999.160	4.339.259	18.985.712	23.324.971
II.	FINANCIAL ASSETS AT FV THROUGH PROFIT AND LOSS (Net)	(2)	70.105	359.993	430.098	6.831	262.510	269.341
2.1	Trading financial assets		70.105	359.993	430.098	6.831	262.510	269.341
2.1.1	Public sector debt securities		62.177	-	62.177	780	15.294	16.074
2.1.2	Share certificates		-	-	-	-	-	-
2.1.3	Financial assets held for trading		4	359.807	359.811	7	247.048	247.055
2.1.4	Other marketable securities		7.924	186	8.110	6.044	168	6.212
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)	196.308	1.464.722	1.661.030	65.338	2.447.947	2.513.285
IV.	MONEY MARKET PLACEMENTS		-	-	-	-	-	-
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange Money Market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements		-	-	-	-	-	-
V.	FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	10.770.662	4.219.265	14.989.927	7.308.585	3.900.408	11.208.993
5.1	Share certificates		66.434	34.160	100.594	67.558	93.190	160.748
5.2	Public sector debt securities		10.704.228	4.185.105	14.889.333	7.241.027	3.807.218	11.048.245
5.3	Other marketable securities		-	-	-	-	-	-
VI.	LOANS AND RECEIVABLES	(5)	103.502.394	54.851.939	158.354.333	87.246.312	39.498.665	126.744.977
6.1	Loans and receivables		102.326.357	54.851.939	157.178.296	86.300.459	39.498.665	125.799.124
6.1.1	Loans extended to risk group of the Bank		250.131	828.283	1.078.414	356.892	683.526	1.040.418
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		102.076.226	54.023.656	156.099.882	85.943.567	38.815.139	124.758.706
6.2	Loans under follow-up		5.140.082	-	5.140.082	3.973.738	-	3.973.738
6.3	Specific provisions (-)		3.964.045	-	3.964.045	3.027.885	-	3.027.885
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	HELD TO MATURITY INVESTMENTS (Net)	(6)	15.823.514	2.332.668	18.156.182	14.745.329	1.931.468	16.676.797
8.1	Public sector debt securities		15.823.514	2.332.668	18.156.182	14.745.329	1.931.468	16.676.797
8.2	Other marketable securities		-	-	-	-	-	-
IX.	INVESTMENTS IN ASSOCIATES (Net)	(7)	19.083	249.574	268.657	19.083	208.237	227.320
9.1	Accounted under equity method		-	-	-	-	-	-
9.2	Unconsolidated associates		19.083	249.574	268.657	19.083	208.237	227.320
9.2.1	Financial investments		12.763	249.574	262.337	12.763	208.237	221.000
9.2.2	Non-financial investments		6.320	-	6.320	6.320	-	6.320
X.	INVESTMENTS IN SUBSIDIARIES (Net)	(8)	2.514.639	363.185	2.877.824	2,410.288	275.646	2,685.934
10.1	Unconsolidated financial subsidiaries		2,473.396	363.185	2,836.581	2,372.259	275.646	2,647.905
10.2	Unconsolidated non-financial subsidiaries		41.243	-	41.243	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)	-	-	-	-	-	-
12.1	Finance lease receivables		-	-	-	-	-	-
12.2	Operating lease receivables		-	-	-	-	-	-
12.3	Other		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
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)	2,313.905	102	2,314.007	2,099.353	94	2,099.447
XV.	INTANGIBLE ASSETS (Net)	(13)	88.593	-	88.593	76.951	-	76.951
15.1	Goodwill		-	-	-	-	-	-
15.2	Other		88.593	-	88.593	76.951	-	76.951
XVI.	INVESTMENT PROPERTIES (Net)	(14)	363.321	-	363.321	365.000	-	365.000
XVII.	TAX ASSET	(15)	-	-	-	-	-	-
17.1	Current tax asset		-	-	-	-	-	-
17.2	Deferred tax asset		-	-	-	-	-	-
XVIII.	ASSETS HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)	(16)	740	-	740	1.091	-	1.091
18.1	Held for sale purpose		740	-	740	1.091	-	1.091
18.2	Held from discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(17)	1.517.081	419.865	1.936.946	1.373.154	162.089	1.535.243
TOTAL ASSETS			140.714.577	90.726.241	231.440.818	120.056.574	67.672.776	187.729.350

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

TÜRKİYE HALK BANKASI AŞ
UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2016
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

	Note	Audited			Audited		
		Current period			Prior period		
		31 December 2016	31 December 2015		31 December 2016	31 December 2015	
LIABILITIES AND SHAREHOLDERS' EQUITY		TRY	FC	Total	TRY	FC	Total
I. DEPOSITS	(1)	88.217.130	62.045.709	150.262.839	79.722.638	42.423.327	122.145.965
1.1 Deposits Held by the Risk Group of the Bank		1.676.769	56.764	1.733.533	920.174	98.940	1.019.114
1.2 Other		86.540.361	61.988.945	148.529.306	78.802.464	42.324.387	121.126.851
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	59	211.789	211.848	18	150.688	150.706
III. FUNDS BORROWED	(3)	440.955	18.527.149	18.968.104	824.208	19.437.408	20.261.616
IV. MONEY MARKET BALANCES		16.473.192	1.373.871	17.847.063	7.681.767	728.499	8.410.266
4.1 Interbank money market borrowings		7.003.306	-	7.003.306	100.030	-	100.030
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3 Funds from repurchase agreements		9.469.886	1.373.871	10.843.757	7.581.737	728.499	8.310.236
V. MARKETABLE SECURITIES ISSUED (Net)	(4)	1.749.034	10.684.708	12.433.742	1.565.442	7.339.847	8.905.289
5.1 Treasury bills		1.749.034	-	1.749.034	1.565.442	-	1.565.442
5.2 Asset-backed securities		-	-	-	-	-	-
5.3 Bonds		-	10.684.708	10.684.708	-	7.339.847	7.339.847
VI. FUNDS	(5)	2.339.808	-	2.339.808	1.963.699	-	1.963.699
6.1 Borrower Funds		36.600	-	36.600	27.850	-	27.850
6.2 Other		2.303.208	-	2.303.208	1.935.849	-	1.935.849
VII. SUNDRY CREDITORS		2.621.256	79.420	2.700.676	2.125.454	192.134	2.317.588
VIII. OTHER LIABILITIES	(6)	1.289.999	401.861	1.691.860	1.256.321	336.082	1.592.403
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. FINANCE LEASE PAYABLES	(7)	99	-	99	1.090	-	1.090
10.1 Finance lease payables		123	-	123	1.243	-	1.243
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance lease expenses (-)		24	-	24	153	-	153
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT	(8)	-	-	-	-	-	-
11.1 Fair value risk hedging		-	-	-	-	-	-
11.2 Cash flow risk hedging		-	-	-	-	-	-
11.3 Net foreign investment risk hedging		-	-	-	-	-	-
XII. PROVISIONS	(9)	3.046.236	5.286	3.051.522	2.124.774	4.369	2.129.143
12.1 General loan provisions		2.027.964	-	2.027.964	1.123.838	-	1.123.838
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Employee benefits provisions		713.732	-	713.732	670.863	-	670.863
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions		304.540	5.286	309.826	330.073	4.369	334.442
XIII. TAX LIABILITY	(10)	616.298	13	616.311	427.235	7	427.242
13.1 Current tax liability		329.626	13	329.639	357.971	7	357.978
13.2 Deferred tax liability		286.672	-	286.672	69.264	-	69.264
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)	-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY	(13)	21.541.122	(224.176)	21.316.946	19.426.817	(2.474)	19.424.343
16.1 Paid-in capital		1.250.000	-	1.250.000	1.250.000	-	1.250.000
16.2 Capital reserves		3.099.188	(224.176)	2.875.012	3.311.617	(2.474)	3.309.143
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities revaluation fund		706.929	(224.176)	482.753	969.309	(2.474)	966.835
16.2.4 Tangible assets revaluation reserves		1.284.522	-	1.284.522	1.128.435	-	1.128.435
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		8.711	-	8.711	8.711	-	8.711
16.2.8 Hedging Funds (effective portion)		-	-	-	-	-	-
16.2.9 Value Increase on Assets Held for Sale		-	-	-	-	-	-
16.2.10 Other capital reserves		1.099.026	-	1.099.026	1.205.162	-	1.205.162
16.3 Profit reserves		14.633.669	-	14.633.669	12.549.887	-	12.549.887
16.3.1 Legal reserves		1.482.358	-	1.482.358	1.335.865	-	1.335.865
16.3.2 Statutory reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		13.104.130	-	13.104.130	11.166.841	-	11.166.841
16.3.4 Other profit reserves		47.181	-	47.181	47.181	-	47.181
16.4 Profit/Loss		2.558.265	-	2.558.265	2.315.313	-	2.315.313
16.4.1 Prior years income/loss		-	-	-	-	-	-
16.4.2 Period profit/loss		2.558.265	-	2.558.265	2.315.313	-	2.315.313
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		138.335.188	93.105.630	231.440.818	117.119.463	70.609.887	187.729.350

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

TÜRKİYE HALK BANKASI AŞ
UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS
AS OF 31 DECEMBER 2016

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

II. STATEMENT OF OFF-BALANCE SHEET ITEMS

		Audited			Audited		
		Current period			Prior period		
		31 December 2016			31 December 2015		
OFF BALANCE SHEET	Note	TRY	FC	Total	TRY	FC	Total
A.	COMMITMENTS AND CONTINGENCIES (I-II-III)	45.771.117	50.441.206	96.212.323	40.688.452	44.850.486	85.538.938
I.	GUARANTEES AND SURETYSHIPS	(1) 21.073.620	26.687.208	47.760.828	16.654.679	23.126.571	39.781.250
1.1	Letters of guarantee	20.268.441	19.699.090	39.967.531	15.670.049	14.955.563	30.625.612
1.1.1	Guarantees subject to public procurement law	1.049.993	11.366.716	12.416.709	1.039.153	10.454.344	11.493.497
1.1.2	Guarantees given for foreign trade operations	-	-	-	-	-	-
1.1.3	Other letters of guarantee	19.218.448	8.332.374	27.550.822	14.630.896	4.501.219	19.132.115
1.2	Bank loans	12.876	2.812.590	2.825.466	359.503	2.914.278	3.273.781
1.2.1	Import acceptances	-	320.953	320.953	-	154.337	154.337
1.2.2	Other bank acceptances	12.876	2.491.637	2.504.513	359.503	2.759.941	3.119.444
1.3	Letters of credit	18.091	3.993.217	4.011.308	-	5.002.040	5.002.040
1.3.1	Documentary letters of credit	18.091	3.993.217	4.011.308	-	5.002.040	5.002.040
1.3.2	Other letters of credit	-	-	-	-	-	-
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	774.212	182.311	956.523	625.127	254.690	879.817
1.9	Other surety ships	-	-	-	-	-	-
II.	COMMITMENTS	(1) 22.842.226	674.455	23.516.681	20.685.806	697.959	21.383.765
2.1	Irrevocable commitments	22.842.226	674.455	23.516.681	20.685.806	697.959	21.383.765
2.1.1	Forward asset purchase commitments	112.735	304.715	417.450	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	3.182.164	369.740	3.551.904	2.227.928	315.510	2.543.438
2.1.5	Securities underwriting commitments	-	-	-	-	-	-
2.1.6	Payment commitments for reserve deposits	-	-	-	-	-	-
2.1.7	Payment commitments for cheques	5.805.008	-	5.805.008	5.442.458	-	5.442.458
2.1.8	Tax and fund liabilities from export commitments	28.864	-	28.864	20.764	-	20.764
2.1.9	Commitments for credit card expenditure limits	10.794.813	-	10.794.813	11.157.873	-	11.157.873
2.1.10	Commitments for credit cards and banking services promotions	44.328	-	44.328	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	2.874.314	-	2.874.314	1.691.022	-	1.691.022
2.2	Revocable commitments	-	-	-	-	-	-
2.2.1	Revocable loan granting commitments	-	-	-	-	-	-
2.2.2	Other revocable commitments	-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	1.855.271	23.079.543	24.934.814	3.347.967	21.025.956	24.373.923
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	1.855.271	23.079.543	24.934.814	3.347.967	21.025.956	24.373.923
3.2.1	Forward foreign currency buy/sell transactions	1.162.609	5.842.371	7.004.980	1.626.350	4.808.139	6.434.489
3.2.1.1	Forward foreign currency transactions-buy	564.492	3.958.120	4.522.612	801.439	3.297.724	4.099.163
3.2.1.2	Forward foreign currency transactions-sell	598.117	1.884.251	2.482.368	824.911	1.510.415	2.335.326
3.2.2	Currency and interest rate swaps	433.093	14.634.799	15.067.892	1.615.434	14.214.566	15.830.000
3.2.2.1	Currency swap-buy	-	2.707.908	2.707.908	-	4.120.520	4.120.520
3.2.2.2	Currency swap-sell	433.093	2.182.361	2.615.454	1.615.434	2.513.686	4.129.120
3.2.2.3	Interest rate swap-buy	-	4.872.265	4.872.265	-	3.790.180	3.790.180
3.2.2.4	Interest Rate swap-sell	-	4.872.265	4.872.265	-	3.790.180	3.790.180
3.2.3	Currency, interest rate and marketable securities options	259.569	420.684	680.253	106.183	253.075	359.258
3.2.3.1	Currency call options	129.783	210.341	340.124	53.198	126.436	179.634
3.2.3.2	Currency put options	129.786	210.343	340.129	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	-	2.181.689	2.181.689	-	1.750.176	1.750.176
B.	CUSTODY AND PLEDGED ASSETS (IV+V+VI)	660.197.757	154.850.365	815.048.122	480.296.733	119.742.716	600.039.449
IV.	CUSTODIES	342.844.925	23.694.435	366.539.360	227.145.078	17.363.468	244.508.546
4.1	Assets under management	-	-	-	-	-	-
4.2	Custody marketable securities	166.136.992	728.810	166.865.802	89.815.704	466.338	90.282.042
4.3	Cheques in collection process	12.428.736	17.253.652	29.682.388	10.945.509	12.380.792	23.326.301
4.4	Commercial notes in collection process	137.515.100	517.259	138.032.359	104.247.786	470.104	104.717.890
4.5	Other assets in collection process	-	-	-	-	-	-
4.6	Underwritten securities	-	-	-	-	-	-
4.7	Other custodies	3.485.883	98.721	3.584.604	2.772.600	15.875	2.788.475
4.8	Custodians	23.278.214	5.095.993	28.374.207	19.363.479	4.030.359	23.393.838
V.	PLEDGED ASSETS	317.352.832	131.155.930	448.508.762	253.151.655	102.379.248	355.530.903
5.1	Marketable securities	4.037.694	473.880	4.511.574	3.330.457	232.562	3.563.019
5.2	Collateral notes	7.292.482	820.012	8.112.494	6.665.323	623.239	7.288.562
5.3	Commodity	25.813	-	25.813	-	-	25.813
5.4	Warranty	-	-	-	-	-	-
5.5	Land and buildings	259.321.832	116.459.706	375.781.538	199.973.383	76.697.617	276.671.000
5.6	Other pledged assets	42.614.826	12.035.647	54.650.473	39.845.263	23.476.950	63.322.213
5.7	Pledges	4.060.185	1.366.685	5.426.870	3.311.416	1.348.880	4.660.296
VI.	ACCEPTED BILL GUARANTEES AND SURETIES	-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		705.968.874	205.291.571	911.260.445	520.985.185	164.593.202	685.578.387

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

TÜRKİYE HALK BANKASI AŞ
UNCONSOLIDATED STATEMENT OF INCOME AS OF 31 DECEMBER 2016
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

III. STATEMENT OF INCOME

			Current period	Prior period
			1 January-31	1 January-31
			December 2016	December 2015
INCOME AND EXPENSES		Note		
I.	INTEREST INCOME	(1)	16.953.999	13.656.908
1.1	Interest on loans		14.256.133	11.257.727
1.2	Interest received from reserve deposits		56.437	17.047
1.3	Interest received from banks		92.630	36.033
1.4	Interest received from money market placements		404	-
1.5	Interest income on marketable securities		2.538.510	2.341.046
1.5.1	Financial assets held for trading		5.230	3.347
1.5.2	Financial assets at fair value through profit and loss		-	-
1.5.3	Financial assets available-for-sale		1.055.987	801.516
1.5.4	Investments held-to-maturity		1.477.293	1.536.183
1.6	Finance lease income		-	-
1.7	Other interest income		9.885	5.055
II.	INTEREST EXPENSE	(2)	9.997.281	7.994.102
2.1	Interest on deposits		8.180.926	6.386.395
2.2	Interest on borrowings		369.852	315.847
2.3	Interest on money market borrowings		776.209	726.537
2.4	Interest on bonds issued		582.467	462.180
2.5	Other interest expense		87.827	103.143
III.	NET INTEREST INCOME [I – II]		6.956.718	5.662.806
IV.	NET FEES AND COMMISSIONS INCOME		1.375.348	1.194.015
4.1	Fees and commissions income		1.762.862	1.535.899
4.1.1	Non-cash loans		295.898	222.019
4.1.2	Other		1.466.964	1.313.880
4.2	Fees and commissions expenses		387.514	341.884
4.2.1	Non-cash loans		40	27
4.2.2	Other		387.474	341.857
V.	DIVIDEND INCOME	(3)	267.273	188.677
VI.	NET TRADING PROFIT (NET)	(4)	149.746	(261.630)
6.1	Profit/loss from capital market operations		19.237	31.322
6.2	Profit/loss from financial derivative transactions		16.624	150.160
6.3	Foreign exchange gains/losses		113.885	(443.112)
VII.	OTHER OPERATING INCOME	(5)	573.117	862.280
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		9.322.202	7.646.148
IX.	LOANS AND OTHER RECEIVABLES IMPAIRMENT LOSS PROVISIONS (-)	(6)	2.106.323	1.301.878
X.	OTHER OPERATING EXPENSES(-)	(7)	3.864.329	3.488.627
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		3.351.550	2.855.643
XII.	AMOUNT RECORDED IN EXCESS AS GAIN AFTER MERGER		-	-
XIII.	PROFIT/LOSSES FROM EQUITY METHOD APPLIED SUBSIDIARIES		-	-
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV.	INCOME/(LOSS) BEFORE TAXES (XI+XII+XIII+XIV)	(8)	3.351.550	2.855.643
XVI.	TAX INCOME PROVISION (±)	(9)	(793.285)	(540.330)
16.1	Current tax provision		(553.481)	(133.834)
16.2	Deferred tax provision		(239.804)	(406.496)
XVII.	NET OPERATING INCOME AFTER TAX (XV±XVI)	(10)	2.558.265	2.315.313
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)	2.558.265	2.315.313
	Earnings/losses per share (Full TRY)		2,04661	1,85225

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

TÜRKİYE HALK BANKASI AŞ
UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS
ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS OF 31 DECEMBER 2016
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

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

	Audited	
	Current period	Prior period
STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY	1 January-31 December 2016	1 January-31 December 2015
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	(64.497)	(486.692)
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	164.303	1.187.826
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	(123.432)	-
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	21.620	(6.482)
IX. DEFERRED TAX OF VALUATION DIFFERENCES	22.396	98.964
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	20.390	793.616
XI. PROFIT/LOSS	2.558.265	2.315.313
11.1 Change in fair value of marketable securities (Transfer to profit/loss)	21.097	30.418
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	2.537.168	2.284.895
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X+XI)	2.578.655	3.108.929

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

TÜRKİYE HALK BANKASI AŞ

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 31 DECEMBER 2016

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Paid in capital	Effect of inflation adjustments on paid in capital	Share premium	Share certificate cancellation 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 shareholders' equity	
1 January 2015 – 31 December 2015																		
I.		1.250.000	1.220.451	-	-	1.217.403	-	9.300.043	34.104	2.205.768	-	1.299.384	-	8.769	-	-	-	16.535.922
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.		-	-	-	-	-	-	-	-	-	-	(306.859)	-	-	-	-	-	(306.859)
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-	-	-	-	-	-	1.128.435	-	-	-	-	1.128.435
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	69	-	-	(2.212)	-	-	(25.690)	-	(58)	-	-	-	(27.891)
XVII.		-	-	-	-	-	-	-	-	2.315.313	-	-	-	-	-	-	-	2.315.313
XVIII.		-	-	-	-	118.393	-	1.866.798	-	(2.205.768)	-	-	-	-	-	-	-	(220.577)
18.1		-	-	-	-	-	-	-	-	-	(220.577)	-	-	-	-	-	-	(220.577)
18.2		-	-	-	-	118.393	-	1.866.798	-	-	(1.985.191)	-	-	-	-	-	-	-
18.3		-	-	-	-	-	-	-	-	(2.205.768)	2.205.768	-	-	-	-	-	-	-
		1.250.000	1.220.451	-	-	1.335.865	-	11.166.841	31.892	2.315.313	-	966.835	1.128.435	8.711	-	-	-	19.424.343
1 January 2016 – 31 December 2016																		
I.		1.250.000	1.220.451	-	-	1.335.865	-	11.166.841	31.892	2.315.313	-	966.835	1.128.435	8.711	-	-	-	19.424.343
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.		-	-	-	-	-	-	-	-	-	-	(484.082)	-	-	-	-	-	(484.082)
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.		-	-	-	-	-	-	-	-	-	-	-	156.087	-	-	-	-	156.087
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.		-	-	-	-	-	-	-	(123.432)	-	-	-	-	-	-	-	-	(123.432)
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	17.296	-	-	-	-	-	-	-	-	17.296
XVII.		-	-	-	-	-	-	-	-	2.558.265	-	-	-	-	-	-	-	2.558.265
XVIII.		-	-	-	-	146.493	-	1.937.289	-	(2.315.313)	-	-	-	-	-	-	-	(231.531)
18.1		-	-	-	-	-	-	-	-	-	(231.531)	-	-	-	-	-	-	(231.531)
18.2		-	-	-	-	146.493	-	1.937.289	-	-	(2.083.782)	-	-	-	-	-	-	-
18.3		-	-	-	-	-	-	-	-	(2.315.313)	2.315.313	-	-	-	-	-	-	-
		1.250.000	1.220.451	-	-	1.482.358	-	13.104.130	(74.244)	2.558.265	-	482.753	1.284.522	8.711	-	-	-	21.316.946

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

TÜRKİYE HALK BANKASI AŞ
UNCONSOLIDATED FINANCIAL STATEMENTS OF CASH FLOW FOR THE YEAR
ENDED 31 DECEMBER 2016

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

VI. STATEMENT OF CASH FLOWS

	Audited	Audited
	Current period	Prior period
	31 December 2016	31 December 2015
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities	1.481.155	112.007
1.1.1 Interest received	15.744.507	13.224.297
1.1.2 Interest paid	(9.478.192)	(7.640.815)
1.1.3 Dividend received	95.713	124.358
1.1.4 Fees and commissions received	1.762.862	1.535.899
1.1.5 Other income	377.033	631.692
1.1.6 Collections from previously written off loans	459.106	491.029
1.1.7 Cash payments to personnel and service suppliers	(1.812.412)	(1.670.430)
1.1.8 Taxes paid	(411.428)	(157.423)
1.1.9 Other	(5.256.034)	(6.426.600)
1.2 Assets and Liabilities Subject to Banking Operations	5.523.547	(1.405.061)
1.2.1 Net decrease in financial assets held for sale	(48.369)	29.886
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	(16.332)	18.011
1.2.4 Net (increase) decrease in loans	(31.101.645)	(24.640.655)
1.2.5 Net (increase) decrease in other assets	(530.016)	(3.283.041)
1.2.6 Net increase (decrease) in bank deposits	8.161.539	(2.492.000)
1.2.7 Net increase (decrease) in other deposits	19.788.248	20.760.718
1.2.8 Net increase (decrease) in loans borrowed	(1.293.247)	7.575.453
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	10.563.369	626.567
I. Net cash provided from banking operations	7.004.702	(1.293.054)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		
II. Net cash provided from/ (used in) investing activities	(5.893.147)	17.649
2.1 Cash paid for purchase of joint ventures, associates and subsidiaries	-	(30.153)
2.2 Cash obtained from sale of entities joint ventures, associates and subsidiaries	-	-
2.3 Fixed assets purchases	(229.977)	(2.194.446)
2.4 Fixed assets sales	51.362	2.679.801
2.5 Cash paid for purchase of financial assets available for sale	(6.168.135)	(2.562.990)
2.6 Cash obtained from sale of financial assets available for sale	1.775.796	819.341
2.7 Cash paid for purchase of investment securities	(2.617.381)	(1.145.275)
2.8 Cash obtained from sale of investment securities	1.309.290	2.479.972
2.9 Other	(14.102)	(28.601)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash used in financing activities	2.998.996	2.399.616
3.1 Cash obtained from loans borrowed and securities issued	10.281.519	4.369.828
3.2 Cash used for repayment of loans borrowed and securities issued	(7.050.000)	(1.750.000)
3.3 Bonds issued	-	-
3.4 Dividends paid	(231.531)	(220.577)
3.5 Payments for finance leases	(87)	(401)
3.6 Other	(905)	766
IV. Effect of change in foreign exchange rate on cash and cash equivalents	1.403.627	761.160
V. Net increase / (decrease) in cash and cash equivalents	5.514.178	1.885.371
VI. Cash and cash equivalents at beginning of the period	8.874.615	6.989.244
VII. Cash and cash equivalents at end of the period	14.388.793	8.874.615

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

TÜRKİYE HALK BANKASI AŞ
UNCONSOLIDATED FINANCIAL STATEMENTS OF PROFIT DISTRIBUTION FOR THE
YEAR ENDED 31 DECEMBER 2016

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

VII. STATEMENT OF PROFIT DISTRIBUTION TABLE

	Audited	Audited
	Current period	Prior period
	31 December 2016 ⁽¹⁾	31 December 2015
I. DISTRIBUTION OF CURRENT YEAR PROFIT		
1.1. Current Period Profit	3.351.550	2.855.643
1.2. Taxes and Legal Duties Payables (-)	793.285	540.330
1.2.1. Corporate Tax (Income Tax)	553.481	133.834
1.2.2. Withholding Tax	-	-
1.2.3. Other Taxes and Duties	239.804	406.496
A. Net Profit For The Period (1.1-1.2)	2.558.265	2.315.313
1.3. Accumulated Losses (-)	-	-
1.4. First Legal Reserves (-)	-	115.766
1.5. Other Statutory Reserves (-) ⁽²⁾	-	-
B. Net Profit Available for Distribution [(A-(1.3+1.4+1.5)]	-	2.199.547
1.6. First Dividend to shareholders (-)	-	62.500
1.6.1. To Owners of Ordinary Shares	-	62.500
1.6.2. To Owners of Privileged Shares	-	-
1.6.3. To Owners of Redeemed Shares	-	-
1.6.4. To Profit Sharing Bonds	-	-
1.6.5. To Holders of Profit and Loss Sharing Certificates	-	-
1.7. Dividends to personnel (-)	-	_ ⁽³⁾
1.8. Dividends to Board of Directors (-)	-	-
1.9. Second Dividend to Shareholders (-)	-	169.031
1.9.1. To Owners of Ordinary Shares	-	169.031
1.9.2. To Owners of Privileged Shares	-	-
1.9.3. To Owners of Redeemed Shares	-	-
1.9.4. To Profit Sharing Bonds	-	-
1.9.5. To Holders Of Profit And Loss Sharing Certificates	-	-
1.10. Second Legal Reserves (-)	-	30.728
1.11. Status Reserves (-)	-	-
1.12. Extraordinary Reserves	-	1.937.288
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 (-)	-	231.531
2.3.1. To Owners of Ordinary Shares	-	231.531
2.3.2. To Owners of Privileged Shares	-	-
2.3.3. To Owners of Redeemed 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	2,0466	1,8523
3.2. To Owners of Ordinary Shares (%)	204,7%	185,2%
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	-	0.185
4.2. To Owners of Ordinary Shares (%)	-	18.52%
4.3. To Owners of Privileged Shares	-	-
4.4. To Owners of Privileged Shares (%)	-	-

⁽¹⁾ Board of Directors meeting was not held as of 31 December 2016 financial reporting date.

⁽²⁾ As of 31 December 2015 the amount of deferred tax income is disclosed at that line.

⁽³⁾ Dividends to personnel which is added to 2015 net profit as a provision not sentenced in profit distribution, only shown in the table for information.

The accompanying notes are an integral part of these unconsolidated financial statement