

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED BALANCE SHEET AS OF 31 March 2017
(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			
		31 March 2017	31 March 2017	Total	31 December 2016	31 December 2016	Total	
ASSETS		TRY	FC	TRY	FC	TRY	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	2,323.160	31.060.195	33.383.355	3.534.389	26.677.577	30.211.966	
II. FINANCIAL ASSETS AT FV THROUGH PROFIT AND LOSS (Net)	(2)	41.853	389.498	431.351	88.251	360.675	448.926	
2.1 Trading financial assets		41.853	389.498	431.351	88.251	360.675	448.926	
2.1.1 Public sector debt securities		9.339	-	9.339	65.538	-	65.538	
2.1.2 Share certificates		3.212	753	3.965	2.413	682	3.095	
2.1.3 Financial assets held for trading		27	388.552	388.579	4	359.807	359.811	
2.1.4 Other marketable securities		29.275	193	29.468	20.296	186	20.482	
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)	359.459	1.703.136	2.062.595	362.526	1.602.324	1.964.850	
IV. MONEY MARKET PLACEMENTS		1.148.575	-	1.148.575	1.072.397	-	1.072.397	
4.1 Interbank money market placements		-	-	-	-	-	-	
4.2 Istanbul Stock Exchange Money Market placements		1.147.200	-	1.147.200	1.067.712	-	1.067.712	
4.3 Receivables from reverse repurchase agreements		1.375	-	1.375	4.685	-	4.685	
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	11.946.921	4.950.089	16.897.010	10.915.994	4.565.225	15.481.219	
5.1 Share certificates		25.845	41.823	67.668	23.682	36.149	59.831	
5.2 Public sector debt securities		11.920.569	4.908.266	16.828.835	10.890.372	4.529.076	15.419.448	
5.3 Other marketable securities		507	-	507	1.940	-	1.940	
VI. LOANS AND RECEIVABLES	(5)	110.360.939	59.099.702	169.460.641	103.252.263	56.070.896	159.323.159	
6.1 Loans and receivables		109.044.342	59.009.665	168.054.007	102.076.226	55.981.809	158.058.035	
6.1.1 Loans extended to risk group of the Bank		-	-	-	-	-	-	
6.1.2 Public sector debt securities		-	-	-	-	-	-	
6.1.3 Other		109.044.342	59.009.665	168.054.007	102.076.226	55.981.809	158.058.035	
6.2 Loans under follow-up		5.570.837	188.431	5.759.268	5.140.082	180.430	5.320.512	
6.3 Specific provisions (-)		4.254.240	98.394	4.352.634	3.964.045	91.343	4.055.388	
VII. FACTORING RECEIVABLES		924.055	151.729	1.075.784	849.637	284.891	1.134.528	
VIII. HELD TO MATURITY INVESTMENTS (Net)	(6)	16.831.178	2.553.795	19.384.973	15.875.022	2.469.604	18.344.626	
8.1 Public sector debt securities		16.779.961	2.553.795	19.333.756	15.841.619	2.469.604	18.311.223	
8.2 Other marketable securities		51.217	-	51.217	33.403	-	33.403	
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	22.230	283.909	306.139	22.393	270.028	292.421	
9.1 Accounted under equity method		15.910	283.909	299.819	16.073	270.028	286.101	
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)	41.243	-	41.243	41.243	-	41.243	
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-	
10.2 Unconsolidated non-financial subsidiaries		41.243	-	41.243	41.243	-	41.243	
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)	456.965	1.999.861	2.456.826	365.336	1.945.994	2.311.330	
12.1 Finance lease receivables		578.976	2.344.231	2.923.207	459.604	2.258.623	2.718.227	
12.2 Operating lease receivables		-	-	-	-	-	-	
12.3 Other		-	-	-	-	-	-	
12.4 Unearned income (-)		122.011	344.370	466.381	94.268	312.629	406.897	
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)	3,243.194	78.953	3,322.147	3,192.451	74.533	3,266.984	
XV. INTANGIBLE ASSETS (Net)	(13)	91.952	20.033	111.985	95.056	20.173	115.229	
15.1 Goodwill		-	-	-	-	-	-	
15.2 Other		91.952	20.033	111.985	95.056	20.173	115.229	
XVI. INVESTMENT PROPERTIES (Net)	(14)	860.770	3.730	864.500	860.521	3.595	864.116	
XVII. TAX ASSET	(15)	90.327	1.856	92.183	97.750	1.775	99.525	
17.1 Current tax asset		-	-	-	-	-	-	
17.2 Deferred tax asset		90.327	1.856	92.183	97.750	1.775	99.525	
XVIII. ASSETS HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)	(16)	1.537	-	1.537	1.537	-	1.537	
18.1 Held for sale purpose		1.537	-	1.537	1.537	-	1.537	
18.2 Held from discontinued operations		-	-	-	-	-	-	
XIX. OTHER ASSETS	(17)	3,064.929	390.096	3,455.025	2,203.011	549.200	2,752.211	
TOTAL ASSETS		151.809.287	102.686.582	254.495.869	142.829.777	94.896.490	237.726.267	

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED BALANCE SHEET AS OF 31 March 2017
(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		
		31 March 2017			31 December 2016		
		TRY	FC	Total	TRY	FC	Total
I. DEPOSITS	(1)	86.859.528	71.387.951	158.247.479	86.549.173	63.849.704	150.398.877
1.1 Deposits Held by the Risk Group of the Bank		9.735	-	9.735	8.771	-	8.771
1.2 Other		86.849.793	71.387.951	158.237.744	86.540.402	63.849.704	150.390.106
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	32	177.663	177.695	59	224.534	224.593
III. FUNDS BORROWED	(3)	1.152.445	20.178.078	21.330.523	1.171.764	20.417.347	21.589.111
IV. MONEY MARKET BALANCES		22.830.234	1.956.853	24.787.087	17.648.265	1.373.871	19.022.136
4.1 Interbank money market borrowings		21.306.890	-	21.306.890	7.003.306	-	7.003.306
4.2 Istanbul Stock Exchange Takasbank borrowings		1.134.477	-	1.134.477	1.174.218	-	1.174.218
4.3 Funds from repurchase agreements		388.867	1.956.853	2.345.720	9.470.741	1.373.871	10.844.612
V. MARKETABLE SECURITIES ISSUED (Net)	(4)	2.391.143	10.969.843	13.360.986	2.067.703	10.684.708	12.752.411
5.1 Treasury bills		2.391.143	-	2.391.143	2.067.703	-	2.067.703
5.2 Asset-backed securities		-	-	-	-	-	-
5.3 Bonds		-	10.969.843	10.969.843	-	10.684.708	10.684.708
VI. FUNDS	(5)	2.287.662	-	2.287.662	2.339.808	-	2.339.808
6.1 Borrower Funds		21.578	-	21.578	36.600	-	36.600
6.2 Other		2.266.084	-	2.266.084	2.303.208	-	2.303.208
VII. SUNDRY CREDITORS		2.762.784	127.877	2.890.661	2.743.078	123.544	2.866.622
VIII. OTHER LIABILITIES	(6)	2.034.219	476.296	2.510.515	1.503.590	439.963	1.943.553
IX. FACTORING PAYABLES		488	534	1.022	383	205	588
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 hedging		-	-	-	-	-	-
11.2 Cash flow risk hedging		-	-	-	-	-	-
11.3 Net foreign investment risk hedging		-	-	-	-	-	-
XII. PROVISIONS	(9)	4.711.729	87.569	4.799.298	4.485.747	87.352	4.573.099
12.1 General loan provisions		2.113.982	21.583	2.135.565	2.027.964	21.172	2.049.136
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Employee benefits provisions		808.955	2.998	811.953	728.172	3.287	731.459
12.4 Insurance technical reserves (Net)		1.491.240	-	1.491.240	1.400.148	-	1.400.148
12.5 Other provisions		297.552	62.988	360.540	329.463	62.893	392.356
XIII. TAX LIABILITY	(10)	1.091.115	3.599	1.094.714	639.422	6.527	645.949
13.1 Current tax liability		746.815	1.447	748.262	352.600	4.375	356.975
13.2 Deferred tax liability		344.300	2.152	346.452	286.822	2.152	288.974
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)	23.026.421	(18.194)	23.008.227	21.541.471	(171.951)	21.369.520
16.1 Paid-in capital		1.250.000	-	1.250.000	1.250.000	-	1.250.000
16.2 Capital reserves		3.073.852	(286.869)	2.786.983	2.959.599	(427.355)	2.532.244
16.2.1 Share Premium		39.737	-	39.737	39.737	-	39.737
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities revaluation fund		(250.375)	(287.291)	(537.666)	(291.223)	(427.705)	(718.928)
16.2.4 Tangible assets revaluation reserves		2.127.780	371	2.128.151	2.106.979	299	2.107.278
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		4.723	-	4.723	4.723	-	4.723
16.2.8 Hedging Funds (effective portion)		-	-	-	-	-	-
16.2.9 Value Increase on Assets Held for Sale		-	-	-	-	-	-
16.2.10 Other capital reserves		1.151.987	51	1.152.038	1.099.383	51	1.099.434
16.3 Profit reserves		14.563.461	111.407	14.674.868	14.562.537	111.025	14.673.562
16.3.1 Legal reserves		1.559.780	3.313	1.563.093	1.558.859	3.313	1.562.172
16.3.2 Statutory reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		12.956.539	-	12.956.539	12.956.536	-	12.956.536
16.3.4 Other profit reserves		47.142	108.094	155.236	47.142	107.712	154.854
16.4 Profit/Loss		3.951.578	125.996	4.077.574	2.585.417	115.139	2.700.556
16.4.1 Prior years income/loss		2.609.760	115.139	2.724.899	84.650	82.299	166.949
16.4.2 Period profit/loss		1.341.818	10.857	1.352.675	2.500.767	32.840	2.533.607
16.5 Minority shares		187.530	31.272	218.802	183.918	29.240	213.158
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		149.147.800	105.348.069	254.495.869	140.690.463	97.035.804	237.726.267

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 31 March 2017

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

II. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS

		Reviewed			Audited		
		Current period			Prior period		
		31 March 2017			31 December 2016		
OFF-BALANCE SHEET ITEMS	Note	TRY	FC	Total	TRY	FC	Total
A. COMMITMENTS AND CONTINGENCIES (I+II+III)		50.565.763	59.111.897	109.677.660	46.265.354	51.600.941	97.866.295
I. GUARANTEES AND SURETYSHIPS	(1)	21.680.690	28.187.783	49.868.473	20.999.538	26.878.181	47.877.719
1.1 Letters of guarantee		20.787.885	21.443.960	42.231.845	20.194.359	19.924.546	40.118.905
1.1.1 Guarantees subject to public procurement law		1.051.852	11.748.118	12.799.970	1.049.993	11.366.716	12.416.709
1.1.2 Guarantees given for foreign trade operations		-	16.530	16.530	-	16.644	16.644
1.1.3 Other letters of guarantee		19.736.033	9.679.312	29.415.345	19.144.366	8.541.186	27.685.552
1.2 Bank loans		72.326	2.313.607	2.385.933	12.876	2.812.590	2.825.466
1.2.1 Import acceptances		-	286.485	286.485	-	320.953	320.953
1.2.2 Other bank acceptances		72.326	2.027.122	2.099.448	12.876	2.491.637	2.504.513
1.3 Letters of credit		10.969	4.288.414	4.299.383	18.091	4.001.009	4.019.100
1.3.1 Documentary letters of credit		10.969	4.255.232	4.266.201	18.091	3.972.450	3.990.541
1.3.2 Other letters of credit		-	33.182	33.182	-	28.559	28.559
1.4 Guaranteed prefinancings		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Purchase guarantees on marketable security issuance		-	-	-	-	-	-
1.7 Factoring guarantees		-	-	-	-	-	-
1.8 Other guarantees		809.510	141.802	951.312	774.212	140.036	914.248
1.9 Other suretyships		-	-	-	-	-	-
II. COMMITMENTS	(1)	24.182.346	1.837.743	26.020.089	23.261.724	1.492.636	24.754.360
2.1 Irrevocable commitments		24.182.346	1.224.920	25.407.266	23.261.724	901.095	24.162.819
2.1.1 Forward asset purchase commitments		273.890	654.037	927.927	112.735	304.715	417.450
2.1.2 Forward deposit purchase and sale commitments		-	-	-	-	-	-
2.1.3 Capital commitments to subsidiaries and associates		-	-	-	-	-	-
2.1.4 Loan granting commitments		3.331.674	420.123	3.751.797	3.182.164	398.636	3.580.800
2.1.5 Securities underwriting commitments		-	-	-	-	-	-
2.1.6 Payment commitments for reserve deposits		-	-	-	-	-	-
2.1.7 Payment commitments for cheques		6.191.181	-	6.191.181	5.805.008	-	5.805.008
2.1.8 Tax and fund liabilities from export commitments		29.087	-	29.087	28.864	-	28.864
2.1.9 Commitments for credit card expenditure limits		11.053.849	30.635	11.084.484	10.794.813	29.260	10.824.073
2.1.10 Commitments for credit cards and banking services promotions		41.895	-	41.895	44.328	-	44.328
2.1.11 Receivables from short sale commitments		-	-	-	-	-	-
2.1.12 Payables for short sale commitments		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		3.260.770	120.125	3.380.895	3.293.812	168.484	3.462.296
2.2 Revocable commitments		-	612.823	612.823	-	591.541	591.541
2.2.1 Revocable loan granting commitments		-	49.404	49.404	-	52.315	52.315
2.2.2 Other revocable commitments		-	563.419	563.419	-	539.226	539.226
III. DERIVATIVE FINANCIAL INSTRUMENTS	(1)	4.702.727	29.086.371	33.789.098	2.004.092	23.230.124	25.234.216
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		4.702.727	29.086.371	33.789.098	2.004.092	23.230.124	25.234.216
3.2.1 Forward foreign currency buy/sell transactions		2.681.651	7.064.517	9.746.168	1.162.609	5.842.701	7.005.310
3.2.1.1 Forward foreign currency transactions-buy		1.360.968	4.687.052	6.048.020	564.492	3.958.285	4.522.777
3.2.1.2 Forward foreign currency transactions-sell		1.320.683	2.377.465	3.698.148	598.117	1.884.416	2.482.533
3.2.2 Currency and interest rate swaps		588.150	17.683.503	18.271.653	581.914	14.785.050	15.366.964
3.2.2.1 Currency swap-buy		148.821	3.960.192	4.109.013	148.821	2.707.908	2.856.729
3.2.2.2 Currency swap-sell		439.329	3.546.632	3.985.961	433.093	2.332.612	2.765.705
3.2.2.3 Interest rate swap-buy		-	5.088.340	5.088.340	-	4.872.265	4.872.265
3.2.2.4 Interest rate swap-sell		-	5.088.339	5.088.339	-	4.872.265	4.872.265
3.2.3 Currency, interest rate and marketable securities options		1.432.926	1.537.733	2.970.659	259.569	420.684	680.253
3.2.3.1 Currency call options		716.468	768.851	1.485.319	129.783	210.341	340.124
3.2.3.2 Currency put options		716.458	768.882	1.485.340	129.786	210.343	340.129
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		-	2.800.618	2.800.618	-	2.181.689	2.181.689
B. CUSTODY AND PLEDGED ASSETS (IV+V+VI)		687.759.711	166.930.372	854.690.083	661.477.039	156.010.441	817.487.480
IV. CUSTODIES		337.564.928	25.149.609	362.714.537	344.066.173	23.722.398	367.788.571
4.1 Assets under management		-	-	-	-	-	-
4.2 Custody marketable securities		165.038.870	702.899	165.741.769	167.030.333	728.810	167.759.143
4.3 Cheques in collection process		12.546.533	18.498.193	31.044.726	12.751.492	17.280.141	30.031.633
4.4 Commercial notes in collection process		146.618.882	555.216	147.174.098	137.519.788	518.733	138.038.521
4.5 Other assets in collection process		1	-	1	-	-	-
4.6 Underwritten securities		-	-	-	-	-	-
4.7 Other custodies		3.770.130	103.492	3.873.622	3.486.346	98.721	3.585.067
4.8 Custodians		9.590.512	5.289.809	14.880.321	23.278.214	5.095.993	28.374.207
V. PLEDGED ASSETS		350.194.783	140.617.261	490.812.044	317.410.866	131.158.600	448.569.466
5.1 Marketable securities		4.140.731	492.352	4.633.083	4.077.924	476.540	4.554.464
5.2 Collateral notes		7.159.512	892.360	8.051.872	7.297.816	820.012	8.117.828
5.3 Commodity		25.813	-	25.813	-	-	25.813
5.4 Warranty		-	-	-	-	-	-
5.5 Land and buildings		275.553.486	122.628.750	398.182.236	259.332.850	116.459.706	375.792.556
5.6 Other pledged assets		43.881.819	15.235.253	59.117.072	42.616.278	12.035.647	54.651.925
5.7 Pledges		19.433.422	1.368.546	20.801.968	4.060.185	1.366.695	5.426.880
VI. ACCEPTED BILL GUARANTEES AND SURETIES		-	1.163.502	1.163.502	-	1.129.443	1.129.443
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		738.325.474	226.042.269	964.367.743	707.742.393	207.611.382	915.353.775

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF INCOME
AS OF 31 March 2017

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

III. CONSOLIDATED STATEMENT OF INCOME

			Reviewed	Reviewed
			Current period	Prior period
INCOME AND EXPENSES		Note	1 January-31 March 2017	1 January-31 March 2016
I.	INTEREST INCOME	(1)	5.306.440	4.041.460
1.1	Interest on loans		4.090.831	3.234.443
1.2	Interest received from reserve deposits		22.036	15.055
1.3	Interest received from banks		46.225	29.861
1.4	Interest received from money market placements		12.362	78
1.5	Interest income on marketable securities		1.040.717	700.295
1.5.1	Financial assets held for trading		481	1.504
1.5.2	Financial assets at fair value through profit and loss		-	-
1.5.3	Financial assets available-for-sale		413.769	259.842
1.5.4	Investments held-to-maturity		626.467	438.949
1.6	Finance lease income		44.177	35.863
1.7	Other interest income		50.092	25.865
II.	INTEREST EXPENSE	(2)	2.904.784	2.433.177
2.1	Interest on deposits		2.097.023	1.981.162
2.2	Interest on borrowings		138.664	120.323
2.3	Interest on money market borrowings		434.593	179.677
2.4	Interest on bonds issued		196.162	121.777
2.5	Other interest expense		38.342	30.238
III.	NET INTEREST INCOME (I – II)		2.401.656	1.608.283
IV.	NET FEES AND COMMISSIONS INCOME		505.156	247.861
4.1	Fees and commissions income		636.900	374.105
4.1.1	Non-cash loans		91.352	63.080
4.1.2	Other		545.548	311.025
4.2	Fees and commissions expenses		131.744	126.244
4.2.1	Non-cash loans		675	1.086
4.2.2	Other		131.069	125.158
V.	DIVIDEND INCOME	(3)	204	-
VI.	NET TRADING PROFIT (NET)	(4)	75.423	27.886
6.1	Profit/loss from capital market operations		9.248	3.897
6.2	Profit/loss from financial derivative transactions		(143.551)	(211.460)
6.3	Foreign exchange gains/losses		209.726	235.449
VII.	OTHER OPERATING INCOME	(5)	475.531	414.519
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		3.457.970	2.298.549
IX.	LOANS AND OTHER RECEIVABLES IMPAIRMENT LOSS PROVISIONS (-)	(6)	479.129	276.106
X.	OTHER OPERATING EXPENSES(-)	(7)	1.270.539	1.384.609
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		1.708.302	637.834
XII.	AMOUNT RECORDED IN EXCESS AS GAIN AFTER MERGER		-	-
XIII.	PROFIT/LOSSES FROM EQUITY METHOD APPLIED SUBSIDIARIES		5.048	3.706
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV.	INCOME/(LOSS) BEFORE TAXES (XI+XII+XIII+XIV)	(8)	1.713.350	641.540
XVI.	TAX INCOME PROVISION (±)	(9)	(356.705)	(112.404)
16.1	Current tax provision		(305.359)	(193.439)
16.2	Deferred tax provision		(51.346)	81.035
XVII.	NET OPERATING INCOME AFTER TAX (XV±XVI)	(10)	1.356.645	529.136
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)	1.356.645	529.136
23.1	Group's profit/loss		1.352.675	540.589
23.2	Minority shares profit/loss		3.970	(11.453)
	Earnings/losses per share (Full TRY)		1,08214	0,43247

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 31 March 2017

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

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

	Reviewed Current period	Reviewed Prior period
	1 January-31 March 2017	1 January-31 March 2016
STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY		
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	193.625	277.286
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	21.972	(319)
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	20.562	25.219
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	81.781	(757)
IX. DEFERRED TAX OF VALUATION DIFFERENCES	(13.474)	(20.822)
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	304.466	280.607
XI. PROFIT/LOSS	1.356.645	529.136
11.1 Change in fair value of marketable securities (Transfer to profit/loss)	8.737	2.859
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	1.347.908	526.277
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X±XI)	1.661.111	809.743

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 31 March 2017

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed	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
1 January 2016 – 31 March 2016																			
I.	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/decrease generated by merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Valuation changes in marketable securities	-	-	-	-	-	-	-	-	-	-	256.353	-	-	-	-	256.353	47	256.400
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	-	-	-	-	-	-	-	-	-	-	-	(255)	-	-	-	(255)	-	(255)
VI.	Revaluation changes of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bonus shares from investment and associates, subsidiaries and joint ventures (business partners)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Foreign exchange differences	-	-	-	-	-	-	-	25.204	-	-	-	-	-	-	-	25.204	15	25.219
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	-	-	23	-	26	-	91	-	-	-	-	-	-	-	-	-	140	(897)
XVII.	Net profit or losses	-	-	-	-	-	-	-	-	540.589	-	-	-	-	-	-	-	540.589	(11.453)
XVIII.	Profit distribution	-	-	-	-	-	-	-	-	(2.317.984)	2.317.984	-	-	-	-	-	-	-	529.136
18.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	Transfers to legal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	(2.317.984)	2.317.984	-	-	-	-	-	-	-	-
	Closing balance	1.250.000	1.220.451	39.511	-	1.393.953	-	11.046.006	166.108	540.589	2.482.790	(28.778)	1.672.676	3.973	-	-	19.787.279	189.138	19.976.417
1 January 2017 – 31 March 2017																			
I.	Balance at end of prior period	1.250.000	1.220.451	39.737	-	1.562.172	-	12.956.536	33.837	2.533.607	166.949	(718.928)	2.107.278	4.723	-	-	21.156.362	213.158	21.369.520
	Changes within the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.	Increase or decrease generated by merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Valuation changes in marketable securities	-	-	-	-	-	-	-	-	-	-	181.262	-	-	-	-	181.262	(12)	181.250
IV.	Hedging Funds (effective portion)	-	-	-	-	-	-	-	(22.404)	-	-	-	-	-	-	-	(22.404)	-	(22.404)
4.1	Cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Hedges for investments made in foreign countries	-	-	-	-	-	-	-	(22.404)	-	-	-	-	-	-	-	(22.404)	-	(22.404)
V.	Revaluation changes of property and equipment	-	-	-	-	-	-	-	-	-	-	-	20.873	-	-	-	20.873	-	20.873
VI.	Revaluation changes of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bonus shares from investment and associates, subsidiaries and joint ventures (business partners)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Foreign exchange differences	-	-	-	-	-	-	-	20.437	-	-	-	-	-	-	-	20.437	125	20.562
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⁾	-	-	-	-	921	-	3	54.953	-	24.343	-	-	-	-	-	80.220	1.561	81.781
XVII.	Net profit or losses	-	-	-	-	-	-	-	-	1.352.675	-	-	-	-	-	-	-	1.352.675	3.970
XVIII.	Profit distribution	-	-	-	-	-	-	-	-	(2.533.607)	2.533.607	-	-	-	-	-	-	-	1.356.645
18.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	Transfers to legal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	(2.533.607)	2.533.607	-	-	-	-	-	-	-	-
	Closing balance	1.250.000	1.220.451	39.737	-	1.563.093	-	12.956.539	86.823	1.352.675	2.724.899	(537.666)	2.128.151	4.723	-	-	22.789.425	218.802	23.008.227

(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 CHANGES IN SHAREHOLDERS' EQUITY
AS OF 31 March 2017

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

VI. CONSOLIDATED STATEMENT OF CASH FLOWS

	Reviewed	Reviewed
	Current period	Prior period
Note	31 March 2017	31 March 2016
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities	1.707.571	1.107.835
1.1.1 Interest received	4.947.987	4.026.545
1.1.2 Interest paid	(2.965.340)	(2.263.784)
1.1.3 Dividend received	204	-
1.1.4 Fees and commissions received	636.900	374.105
1.1.5 Other income	395.115	346.803
1.1.6 Collections from previously written off loans	120.121	187.208
1.1.7 Cash payments to personnel and service suppliers	(519.999)	(487.108)
1.1.8 Taxes paid	(259.205)	(162.261)
1.1.9 Other	(648.212)	(913.673)
1.2 Assets and Liabilities Subject to Banking Operations	329.534	(103.663)
1.2.1 Net decrease in financial assets held for sale	46.276	(29.819)
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	15.712	-
1.2.4 Net (increase) decrease in loans	(10.103.845)	(5.897.937)
1.2.5 Net (increase) decrease in other assets	(3.314.441)	(1.760.796)
1.2.6 Net increase (decrease) in bank deposits	(2.243.310)	5.011.649
1.2.7 Net increase (decrease) in other deposits	9.993.910	(1.424.723)
1.2.8 Net increase (decrease) in loans borrowed	(270.994)	(926.919)
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	6.206.226	4.924.882
I. Net cash provided from banking operations	2.037.105	1.004.172
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		
II. Net cash provided from/ (used in) investing activities	(2.674.978)	(616.550)
2.1 Cash paid for purchase of joint ventures, associates and subsidiaries	-	-
2.2 Cash obtained from sale of entities joint ventures, associates and subsidiaries	-	-
2.3 Fixed assets purchases	(75.492)	(106.747)
2.4 Fixed assets sales	35.952	61.827
2.5 Cash paid for purchase of financial assets available for sale	(2.632.789)	(1.389.239)
2.6 Cash obtained from sale of financial assets available for sale	1.268.256	892.236
2.7 Cash paid for purchase of investment securities	(1.948.832)	(871.715)
2.8 Cash obtained from sale of investment securities	680.429	804.024
2.9 Other	(2.502)	(6.936)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash used in financing activities	803.170	(462.816)
3.1 Cash obtained from loans borrowed and securities issued	1.264.761	685.058
3.2 Cash used for repayment of loans borrowed and securities issued	(461.591)	(1.147.874)
3.3 Bonds issued	-	-
3.4 Dividends paid	-	-
3.5 Payments for finance leases	-	-
3.6 Other	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	392.217	(77.329)
V. Net increase / (decrease) in cash and cash equivalents	557.514	(152.523)
VI. Cash and cash equivalents at beginning of the period	15.530.596	8.855.902
VII. Cash and cash equivalents at end of the period	16.088.110	8.703.379