

**TÜRKİYE HALK BANKASI AŞ**  
**CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2017**  
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

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

	ASSETS	Note	Reviewed			Audited		
			Current period			Prior period		
			30 June 2017			31 December 2016		
		TRY	FC	Total	TRY	FC	Total	
<b>I.</b>	<b>CASH AND BALANCES WITH THE CENTRAL BANK</b>	(1)	<b>4.218.625</b>	<b>31.290.792</b>	<b>35.509.417</b>	<b>3.534.389</b>	<b>26.677.577</b>	<b>30.211.966</b>
<b>II.</b>	<b>FINANCIAL ASSETS AT FV THROUGH PROFIT AND LOSS (Net)</b>	(2)	<b>71.649</b>	<b>372.490</b>	<b>444.139</b>	<b>88.251</b>	<b>360.675</b>	<b>448.926</b>
2.1	Trading financial assets		71.649	372.490	444.139	88.251	360.675	448.926
2.1.1	Public sector debt securities		48.439	-	48.439	65.538	-	65.538
2.1.2	Share certificates		2.457	767	3.224	2.413	682	3.095
2.1.3	Financial assets held for trading		-	371.530	371.530	4	359.807	359.811
2.1.4	Other marketable securities		20.753	193	20.946	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		-	-	-	-	-	-
<b>III.</b>	<b>BANKS</b>	(3)	<b>123.159</b>	<b>2.701.041</b>	<b>2.824.200</b>	<b>362.526</b>	<b>1.602.324</b>	<b>1.964.850</b>
<b>IV.</b>	<b>MONEY MARKET PLACEMENTS</b>		<b>1.108.694</b>	<b>-</b>	<b>1.108.694</b>	<b>1.072.397</b>	<b>-</b>	<b>1.072.397</b>
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange Money Market placements		1.106.068	-	1.106.068	1.067.712	-	1.067.712
4.3	Receivables from reverse repurchase agreements		2.626	-	2.626	4.685	-	4.685
<b>V.</b>	<b>FINANCIAL ASSETS AVAILABLE FOR SALE (Net)</b>	(4)	<b>12.035.294</b>	<b>5.338.570</b>	<b>17.373.864</b>	<b>10.915.994</b>	<b>4.565.225</b>	<b>15.481.219</b>
5.1	Share certificates		26.751	42.972	69.723	23.682	36.149	59.831
5.2	Public sector debt securities		12.008.543	5.295.598	17.304.141	10.890.372	4.529.076	15.419.448
5.3	Other marketable securities		-	-	-	1.940	-	1.940
<b>VI.</b>	<b>LOANS AND RECEIVABLES</b>	(5)	<b>122.309.104</b>	<b>59.436.654</b>	<b>181.745.758</b>	<b>103.252.263</b>	<b>56.070.896</b>	<b>159.323.159</b>
6.1	Loans and receivables		120.953.462	59.348.714	180.302.176	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		120.953.462	59.348.714	180.302.176	102.076.226	55.981.809	158.058.035
6.2	Loans under follow-up		5.736.359	178.059	5.914.418	5.140.082	180.430	5.320.512
6.3	Specific provisions (-)		4.380.717	90.119	4.470.836	3.964.045	91.343	4.055.388
<b>VII.</b>	<b>FACTORING RECEIVABLES</b>		<b>984.232</b>	<b>133.428</b>	<b>1.117.660</b>	<b>849.637</b>	<b>284.891</b>	<b>1.134.528</b>
<b>VIII.</b>	<b>HELD TO MATURITY INVESTMENTS (Net)</b>	(6)	<b>17.856.336</b>	<b>2.509.349</b>	<b>20.365.685</b>	<b>15.875.022</b>	<b>2.469.604</b>	<b>18.344.626</b>
8.1	Public sector debt securities		17.809.730	2.509.349	20.319.079	15.841.619	2.469.604	18.311.223
8.2	Other marketable securities		46.606	-	46.606	33.403	-	33.403
<b>IX.</b>	<b>INVESTMENTS IN ASSOCIATES (Net)</b>	(7)	<b>22.165</b>	<b>281.683</b>	<b>303.848</b>	<b>22.393</b>	<b>270.028</b>	<b>292.421</b>
9.1	Accounted under equity method		15.845	281.683	297.528	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
<b>X.</b>	<b>INVESTMENTS IN SUBSIDIARIES (Net)</b>	(8)	<b>41.243</b>	<b>-</b>	<b>41.243</b>	<b>41.243</b>	<b>-</b>	<b>41.243</b>
10.1	Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2	Unconsolidated non-financial subsidiaries		41.243	-	41.243	41.243	-	41.243
<b>XI.</b>	<b>JOINT VENTURES (Net)</b>	(9)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11.1	Accounted under equity method		-	-	-	-	-	-
11.2	Unconsolidated joint ventures		-	-	-	-	-	-
11.2.1	Financial joint ventures		-	-	-	-	-	-
11.2.2	Non-financial joint ventures		-	-	-	-	-	-
<b>XII.</b>	<b>FINANCE LEASE RECEIVABLES (Net)</b>	(10)	<b>524.856</b>	<b>1.953.182</b>	<b>2.478.038</b>	<b>365.336</b>	<b>1.945.994</b>	<b>2.311.330</b>
12.1	Finance lease receivables		669.090	2.293.486	2.962.576	459.604	2.258.623	2.718.227
12.2	Operating lease receivables		-	-	-	-	-	-
12.3	Other		-	-	-	-	-	-
12.4	Unearned income (-)		144.234	340.304	484.538	94.268	312.629	406.897
<b>XIII.</b>	<b>DERIVATIVE FIN. ASSETS HELD FOR RISK MANAGEMENT</b>	(11)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13.1	Fair value risk hedging		-	-	-	-	-	-
13.2	Cash flow risk hedging		-	-	-	-	-	-
13.3	Net foreign investment risk hedging		-	-	-	-	-	-
<b>XIV.</b>	<b>TANGIBLE ASSETS (Net)</b>	(12)	<b>3.277.120</b>	<b>81.710</b>	<b>3.358.830</b>	<b>3.192.451</b>	<b>74.533</b>	<b>3.266.984</b>
<b>XV.</b>	<b>INTANGIBLE ASSETS (Net)</b>	(13)	<b>88.036</b>	<b>19.814</b>	<b>107.850</b>	<b>95.056</b>	<b>20.173</b>	<b>115.229</b>
15.1	Goodwill		-	-	-	-	-	-
15.2	Other		88.036	19.814	107.850	95.056	20.173	115.229
<b>XVI.</b>	<b>INVESTMENT PROPERTIES (Net)</b>	(14)	<b>872.127</b>	<b>4.103</b>	<b>876.230</b>	<b>860.521</b>	<b>3.595</b>	<b>864.116</b>
<b>XVII.</b>	<b>TAX ASSET</b>	(15)	<b>95.016</b>	<b>1.975</b>	<b>96.991</b>	<b>97.750</b>	<b>1.775</b>	<b>99.525</b>
17.1	Current tax asset		-	-	-	-	-	-
17.2	Deferred tax asset		95.016	1.975	96.991	97.750	1.775	99.525
<b>XVIII.</b>	<b>ASSETS HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)</b>	(16)	<b>1.537</b>	<b>-</b>	<b>1.537</b>	<b>1.537</b>	<b>-</b>	<b>1.537</b>
18.1	Held for sale purpose		1.537	-	1.537	1.537	-	1.537
18.2	Held from discontinued operations		-	-	-	-	-	-
<b>XIX.</b>	<b>OTHER ASSETS</b>	(17)	<b>3.545.353</b>	<b>379.172</b>	<b>3.924.525</b>	<b>2.203.011</b>	<b>549.200</b>	<b>2.752.211</b>
<b>TOTAL ASSETS</b>			<b>167.174.546</b>	<b>104.503.963</b>	<b>271.678.509</b>	<b>142.829.777</b>	<b>94.896.490</b>	<b>237.726.267</b>

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

**TÜRKİYE HALK BANKASI AŞ**  
**CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 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		
		30 June 2017			31 December 2016		
LIABILITIES AND SHAREHOLDERS' EQUITY		TRY	FC	Total	TRY	FC	Total
<b>I. DEPOSITS</b>	(1)	<b>97.655.268</b>	<b>74.383.381</b>	<b>172.038.649</b>	<b>86.549.173</b>	<b>63.849.704</b>	<b>150.398.877</b>
1.1 Deposits Held by the Risk Group of the Bank		9.980	-	9.980	8.771	-	8.771
1.2 Other		97.645.288	74.383.381	172.028.669	86.540.402	63.849.704	150.390.106
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	(2)	<b>14</b>	<b>171.851</b>	<b>171.865</b>	<b>59</b>	<b>224.534</b>	<b>224.593</b>
<b>III. FUNDS BORROWED</b>	(3)	<b>1.321.975</b>	<b>18.821.404</b>	<b>20.143.379</b>	<b>1.171.764</b>	<b>20.417.347</b>	<b>21.589.111</b>
<b>IV. MONEY MARKET BALANCES</b>		<b>24.475.254</b>	<b>1.906.251</b>	<b>26.381.505</b>	<b>17.648.265</b>	<b>1.373.871</b>	<b>19.022.136</b>
4.1 Interbank money market borrowings		22.907.717	-	22.907.717	7.003.306	-	7.003.306
4.2 Istanbul Stock Exchange Takasbank borrowings		1.447.845	-	1.447.845	1.174.218	-	1.174.218
4.3 Funds from repurchase agreements		119.692	1.906.251	2.025.943	9.470.741	1.373.871	10.844.612
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>	(4)	<b>3.046.995</b>	<b>10.719.789</b>	<b>13.766.784</b>	<b>2.067.703</b>	<b>10.684.708</b>	<b>12.752.411</b>
5.1 Treasury bills		3.046.995	-	3.046.995	2.067.703	-	2.067.703
5.2 Asset-backed securities		-	-	-	-	-	-
5.3 Bonds		-	10.719.789	10.719.789	-	10.684.708	10.684.708
<b>VI. FUNDS</b>	(5)	<b>2.365.406</b>	<b>-</b>	<b>2.365.406</b>	<b>2.339.808</b>	<b>-</b>	<b>2.339.808</b>
6.1 Borrower Funds		5.764	-	5.764	36.600	-	36.600
6.2 Other		2.359.642	-	2.359.642	2.303.208	-	2.303.208
<b>VII. SUNDRY CREDITORS</b>		<b>3.012.404</b>	<b>159.807</b>	<b>3.172.211</b>	<b>2.743.078</b>	<b>123.544</b>	<b>2.866.622</b>
<b>VIII. OTHER LIABILITIES</b>	(6)	<b>2.841.891</b>	<b>559.507</b>	<b>3.401.398</b>	<b>1.503.590</b>	<b>439.963</b>	<b>1.943.553</b>
<b>IX. FACTORING PAYABLES</b>		<b>996</b>	<b>255</b>	<b>1.251</b>	<b>383</b>	<b>205</b>	<b>588</b>
<b>X. FINANCE LEASE PAYABLES</b>	(7)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
10.1 Finance lease payables		-	-	-	-	-	-
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance lease expenses (-)		-	-	-	-	-	-
<b>XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT</b>	(8)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11.1 Fair value risk hedging		-	-	-	-	-	-
11.2 Cash flow risk hedging		-	-	-	-	-	-
11.3 Net foreign investment risk hedging		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	(9)	<b>4.920.917</b>	<b>91.297</b>	<b>5.012.214</b>	<b>4.485.747</b>	<b>87.352</b>	<b>4.573.099</b>
12.1 General loan provisions		2.154.859	24.866	2.179.725	2.027.964	21.172	2.049.136
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Employee benefits provisions		711.924	3.769	715.693	728.172	3.287	731.459
12.4 Insurance technical reserves (Net)		1.754.461	-	1.754.461	1.400.148	-	1.400.148
12.5 Other provisions		299.673	62.662	362.335	329.463	62.893	392.356
<b>XIII. TAX LIABILITY</b>	(10)	<b>1.139.528</b>	<b>2.752</b>	<b>1.142.280</b>	<b>639.422</b>	<b>6.527</b>	<b>645.949</b>
13.1 Current tax liability		801.103	600	801.703	352.600	4.375	356.975
13.2 Deferred tax liability		338.425	2.152	340.577	286.822	2.152	288.974
<b>XIV. LIABILITIES FOR ASSET HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)</b>	(11)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
14.1 Held for sale purpose		-	-	-	-	-	-
14.2 Held from discontinued operations		-	-	-	-	-	-
<b>XV. SUBORDINATED CAPITAL</b>	(12)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	(13)	<b>23.977.192</b>	<b>104.375</b>	<b>24.081.567</b>	<b>21.541.471</b>	<b>(171.951)</b>	<b>21.369.520</b>
16.1 Paid-in capital		1.250.000	-	1.250.000	1.250.000	-	1.250.000
16.2 Capital reserves		3.176.148	(180.746)	2.995.402	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		(197.557)	(181.168)	(378.725)	(291.223)	(427.705)	(718.928)
16.2.4 Tangible assets revaluation reserves		2.127.595	371	2.127.966	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		1.201.650	51	1.201.701	1.099.383	51	1,099,434
16.3 Profit reserves		16.865.900	148.131	17.014.031	14.562.537	111.025	14,673,562
16.3.1 Legal reserves		1.722.584	8.560	1.731.144	1.558.859	3.313	1,562,172
16.3.2 Statutory reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		15.096.174	27.317	15,123,491	12,956,536	-	12,956,536
16.3.4 Other profit reserves		47.142	112.254	159.396	47.142	107.712	154,854
16.4 Profit/Loss		2.497.225	103.199	2,600,424	2,585,417	115,139	2,700,556
16.4.1 Prior years income/loss		52.688	87.837	140.525	84.650	82.299	166,949
16.4.2 Period profit/loss		2.444.537	15.362	2,459,899	2,500,767	32,840	2,533,607
16.5 Minority shares		187.919	33.791	221.710	183.918	29.240	213,158
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>164.757.840</b>	<b>106.920.669</b>	<b>271.678.509</b>	<b>140.690.463</b>	<b>97.035.804</b>	<b>237.726.267</b>

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

**TÜRKİYE HALK BANKASI AŞ**  
**CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS**  
**AS OF 30 JUNE 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		
		30 June 2017			31 December 2016		
OFF-BALANCE SHEET ITEMS	Note	TRY	FC	Total	TRY	FC	Total
<b>A. COMMITMENTS AND CONTINGENCIES (I+II+III)</b>		<b>51.711.221</b>	<b>52.357.525</b>	<b>104.068.746</b>	<b>46.265.354</b>	<b>51.600.941</b>	<b>97.866.295</b>
<b>I. GUARANTEES AND SURETYSHIPS</b>	(1)	<b>23.380.397</b>	<b>27.609.979</b>	<b>50.990.376</b>	<b>20.999.538</b>	<b>26.878.181</b>	<b>47.877.719</b>
1.1 Letters of guarantee		22.455.541	21.308.257	43.763.798	20.194.359	19.924.546	40.118.905
1.1.1 Guarantees subject to public procurement law		1.096.487	10.819.773	11.916.260	1.049.993	11.366.716	12.416.709
1.1.2 Guarantees given for foreign trade operations		-	17.663	17.663	-	16.644	16.644
1.1.3 Other letters of guarantee		21.359.054	10.470.821	31.829.875	19.144.366	8.541.186	27.685.552
1.2 Bank loans		25.876	2.141.116	2.166.992	12.876	2.812.590	2.825.466
1.2.1 Import acceptances		168	228.667	228.835	-	320.953	320.953
1.2.2 Other bank acceptances		25.708	1.912.449	1.938.157	12.876	2.491.637	2.504.513
1.3 Letters of credit		8.318	4.014.576	4.022.894	18.091	4.001.009	4.019.100
1.3.1 Documentary letters of credit		8.318	4.014.576	4.022.894	18.091	3.972.450	3.990.541
1.3.2 Other letters of credit		-	-	-	-	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		890.662	146.030	1.036.692	774.212	140.036	914.248
1.9 Other suretyships		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	(1)	<b>25.080.702</b>	<b>1.940.897</b>	<b>27.021.599</b>	<b>23.261.724</b>	<b>1.492.636</b>	<b>24.754.360</b>
2.1 Irrevocable commitments		25.080.702	1.246.717	26.327.419	23.261.724	901.095	24.162.819
2.1.1 Forward asset purchase commitments		275.779	626.602	902.381	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		3.649.997	440.999	4.090.996	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		6.119.896	-	6.119.896	5.805.008	-	5.805.008
2.1.8 Tax and fund liabilities from export commitments		32.895	-	32.895	28.864	-	28.864
2.1.9 Commitments for credit card expenditure limits		11.248.687	32.728	11.281.415	10.794.813	29.260	10.824.073
2.1.10 Commitments for credit cards and banking services promotions		39.708	-	39.708	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		3.713.740	146.388	3.860.128	3.293.812	168.484	3.462.296
2.2 Revocable commitments		-	694.180	694.180	-	591.541	591.541
2.2.1 Revocable loan granting commitments		-	52.284	52.284	-	52.315	52.315
2.2.2 Other revocable commitments		-	641.896	641.896	-	539.226	539.226
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	(1)	<b>3.250.122</b>	<b>22.806.649</b>	<b>26.056.771</b>	<b>2.004.092</b>	<b>23.230.124</b>	<b>25.234.216</b>
3.1 Derivative financial instruments held for risk management		-	-	-	-	-	-
3.1.1 Fair value risk hedging transactions		-	-	-	-	-	-
3.1.2 Cash flow risk hedging transactions		-	-	-	-	-	-
3.1.3 Net foreign investment risk hedging transactions		-	-	-	-	-	-
3.2 Transactions for trading		3.250.122	22.806.649	26.056.771	2.004.092	23.230.124	25.234.216
3.2.1 Forward foreign currency buy/sell transactions		1.762.331	5.927.368	7.689.699	1.162.609	5.842.701	7.005.310
3.2.1.1 Forward foreign currency transactions-buy		895.512	3.794.269	4.689.781	564.492	3.958.285	4.522.777
3.2.1.2 Forward foreign currency transactions-sell		866.819	2.133.099	2.999.918	598.117	1.884.416	2.482.533
3.2.2 Currency and interest rate swaps		739.426	14.444.826	15.184.252	581.914	14.785.050	15.366.964
3.2.2.1 Currency swap-buy		133.189	2.497.848	2.631.037	148.821	2.707.908	2.856.729
3.2.2.2 Currency swap-sell		606.237	1.944.149	2.550.386	433.093	2.332.612	2.765.705
3.2.2.3 Interest rate swap-buy		-	5.001.414	5.001.414	-	4.872.265	4.872.265
3.2.2.4 Interest Rate swap-sell		-	5.001.415	5.001.415	-	4.872.265	4.872.265
3.2.3 Currency, interest rate and marketable securities options		748.365	778.635	1.527.000	259.569	420.684	680.253
3.2.3.1 Currency call options		374.156	389.343	763.499	129.783	210.341	340.124
3.2.3.2 Currency put options		374.209	389.292	763.501	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		-	1.655.820	1.655.820	-	2.181.689	2.181.689
<b>B. CUSTODY AND PLEDGED ASSETS (IV+V+VI)</b>		<b>730.773.766</b>	<b>179.288.292</b>	<b>910.062.058</b>	<b>661.477.039</b>	<b>156.010.441</b>	<b>817.487.480</b>
<b>IV. CUSTODIES</b>		<b>355.992.950</b>	<b>26.153.921</b>	<b>382.146.871</b>	<b>344.066.173</b>	<b>23.722.398</b>	<b>367.788.571</b>
4.1 Assets under management		-	-	-	-	-	-
4.2 Custody marketable securities		167.109.015	682.926	167.791.941	167.030.333	728.810	167.759.143
4.3 Cheques in collection process		13.445.827	19.363.427	32.809.254	12.751.492	17.280.141	30.031.633
4.4 Commercial notes in collection process		164.522.193	494.289	165.016.482	137.519.788	518.733	138.038.521
4.5 Other assets in collection process		-	-	-	-	-	-
4.6 Underwritten securities		-	-	-	-	-	-
4.7 Other custodies		3.895.532	106.981	4.002.513	3.486.346	98.721	3.585.067
4.8 Custodians		7.020.383	5.506.298	12.526.681	23.278.214	5.095.993	28.374.207
<b>V. PLEDGED ASSETS</b>		<b>374.780.816</b>	<b>153.134.371</b>	<b>527.915.187</b>	<b>317.410.866</b>	<b>131.158.600</b>	<b>448.569.466</b>
5.1 Marketable securities		4.225.046	536.446	4.761.492	4.077.924	476.540	4.554.464
5.2 Collateral notes		6.543.972	870.320	7.414.292	7.297.816	820.012	8.117.828
5.3 Commodity		25.813	1.974.000	1.999.813	25.813	-	25.813
5.4 Warranty		-	-	-	-	-	-
5.5 Land and buildings		287.418.028	129.654.934	417.072.962	259.332.850	116.459.706	375.792.556
5.6 Other pledged assets		53.876.560	17.995.792	71.872.352	42.616.278	12.035.647	54.651.925
5.7 Pledges		22.691.397	2.102.879	24.794.276	4.060.185	1.366.695	5.426.880
<b>VI. ACCEPTED BILL GUARANTEES AND SURETIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.129.443</b>	<b>1.129.443</b>
<b>TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)</b>		<b>782.484.987</b>	<b>231.645.817</b>	<b>1.014.130.804</b>	<b>707.742.393</b>	<b>207.611.382</b>	<b>915.353.775</b>

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

**TÜRKİYE HALK BANKASI AŞ**  
**CONSOLIDATED STATEMENT OF INCOME AS OF 30 JUNE 2017**  
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

**III. CONSOLIDATED STATEMENT OF INCOME**

			Reviewed	Reviewed	Reviewed	Reviewed
			Current period	Prior period	Current period	Prior period
			1 January- 30 June 2017	1 January- 30 June 2016	1 April- 30 June 2017	1 April- 30 June 2016
INCOME AND EXPENSES		Note				
<b>I.</b>	<b>INTEREST INCOME</b>	(1)	<b>10.847.572</b>	<b>8.155.418</b>	<b>5.541.132</b>	<b>4.113.958</b>
1.1	Interest on loans		8.481.881	6.704.945	4.391.050	3.470.502
1.2	Interest received from reserve deposits		52.130	30.193	30.094	15.138
1.3	Interest received from banks		115.111	55.486	68.886	25.625
1.4	Interest received from money market placements		23.549	190	11.187	112
1.5	Interest income on marketable securities		1.988.376	1.229.352	947.659	529.057
1.5.1	Financial assets held for trading		1.483	3.659	1.002	2.155
1.5.2	Financial assets at fair value through profit and loss		-	-	-	-
1.5.3	Financial assets available-for-sale		807.883	493.398	394.114	233.556
1.5.4	Investments held-to-maturity		1.179.010	732.295	552.543	293.346
1.6	Finance lease income		90.730	70.556	46.553	34.693
1.7	Other interest income		95.795	64.696	45.703	38.831
<b>II.</b>	<b>INTEREST EXPENSE</b>	(2)	<b>6.385.857</b>	<b>4.885.406</b>	<b>3.481.073</b>	<b>2.452.229</b>
2.1	Interest on deposits		4.611.837	3.953.388	2.514.814	1.972.226
2.2	Interest on borrowings		260.868	236.363	122.204	116.040
2.3	Interest on money market borrowings		1.056.489	399.335	621.896	219.658
2.4	Interest on bonds issued		391.703	248.322	195.541	126.545
2.5	Other interest expense		64.960	47.998	26.618	17.760
<b>III.</b>	<b>NET INTEREST INCOME (I – II)</b>		<b>4.461.715</b>	<b>3.270.012</b>	<b>2.060.059</b>	<b>1.661.729</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>965.679</b>	<b>549.122</b>	<b>460.523</b>	<b>301.261</b>
4.1	Fees and commissions income		1.246.407	788.958	609.507	414.853
4.1.1	Non-cash loans		187.471	137.171	96.119	74.091
4.1.2	Other		1.058.936	651.787	513.388	340.762
4.2	Fees and commissions expenses		280.728	239.836	148.984	113.592
4.2.1	Non-cash loans		1.973	1.799	1.298	713
4.2.2	Other		278.755	238.037	147.686	112.879
<b>V.</b>	<b>DIVIDEND INCOME</b>	(3)	<b>3.467</b>	<b>39.832</b>	<b>3.263</b>	<b>39.832</b>
<b>VI.</b>	<b>NET TRADING PROFIT (NET)</b>	(4)	<b>122.262</b>	<b>51.684</b>	<b>46.839</b>	<b>23.798</b>
6.1	Profit/loss from capital market operations		19.503	7.928	10.255	4.031
6.2	Profit/loss from financial derivative transactions		(189.887)	(402.934)	(46.336)	(191.474)
6.3	Foreign exchange gains/losses		292.646	446.690	82.920	211.241
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	(5)	<b>996.165</b>	<b>1.011.570</b>	<b>520.634</b>	<b>597.051</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>6.549.288</b>	<b>4.922.220</b>	<b>3.091.318</b>	<b>2.623.671</b>
<b>IX.</b>	<b>LOANS AND OTHER RECEIVABLES IMPAIRMENT LOSS PROVISIONS (-)</b>	(6)	<b>741.492</b>	<b>555.451</b>	<b>262.363</b>	<b>279.345</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES(-)</b>	(7)	<b>2.718.469</b>	<b>2.556.946</b>	<b>1.447.930</b>	<b>1.172.337</b>
<b>XI.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>3.089.327</b>	<b>1.809.823</b>	<b>1.381.025</b>	<b>1.171.989</b>
<b>XII.</b>	<b>AMOUNT RECORDED IN EXCESS AS GAIN AFTER MERGER</b>		-	-	-	-
<b>XIII.</b>	<b>PROFIT/LOSSES FROM EQUITY METHOD APPLIED SUBSIDIARIES</b>		<b>9.934</b>	<b>8.095</b>	<b>4.886</b>	<b>4.389</b>
<b>XIV.</b>	<b>GAIN / (LOSS) ON NET MONETARY POSITION</b>		-	-	-	-
<b>XV.</b>	<b>INCOME/(LOSS) BEFORE TAXES (XI+XII+XIII+XIV)</b>	(8)	<b>3.099.261</b>	<b>1.817.918</b>	<b>1.385.911</b>	<b>1.176.378</b>
<b>XVI.</b>	<b>TAX INCOME PROVISION (±)</b>	(9)	<b>(632.651)</b>	<b>(336.627)</b>	<b>(275.946)</b>	<b>(224.223)</b>
16.1	Current tax provision		(601.981)	(434.320)	(296.622)	(240.881)
16.2	Deferred tax provision		(30.670)	97.693	20.676	16.658
<b>XVII.</b>	<b>NET OPERATING INCOME AFTER TAX (XV±XVI)</b>	(10)	<b>2.466.610</b>	<b>1.481.291</b>	<b>1.109.965</b>	<b>952.155</b>
<b>XVIII.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		-	-	-	-
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		-	-	-	-
<b>XIX.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		-	-	-	-
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		-	-	-	-
<b>XX.</b>	<b>INCOME/EXPENSE BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)</b>		-	-	-	-
<b>XXI.</b>	<b>PROVISION FOR TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)</b>		-	-	-	-
21.1	Current tax provision		-	-	-	-
21.2	Deferred tax provision		-	-	-	-
<b>XXII.</b>	<b>NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)</b>		-	-	-	-
<b>XXIII.</b>	<b>NET PROFIT/(LOSS) (XVII+XXII)</b>	(11)	<b>2.466.610</b>	<b>1.481.291</b>	<b>1.109.965</b>	<b>952.155</b>
23.1	Group's profit/loss		2.459.899	1.480.234	1.107.224	939.645
23.2	Minority shares profit/loss		6.711	1.057	2.741	12.510
	Earnings/losses per share (Full TRY)		1,96792	1,18419	0,88578	0,75172

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

**TÜRKİYE HALK BANKASI AŞ**  
**CONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY**  
**AS OF 30 JUNE 2017**

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

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

	Reviewed	Reviewed
	Current period	Prior period
	1 January-30	1 January-30 June
	June 2017	2016
<b>STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY</b>		
<b>I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS</b>	<b>362.590</b>	<b>430.495</b>
<b>II. TANGIBLE ASSETS REVALUATION DIFFERENCES</b>	<b>21.777</b>	<b>(376)</b>
<b>III. INTANGIBLE ASSETS REVALUATION DIFFERENCES</b>	<b>-</b>	<b>-</b>
<b>IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS</b>	<b>140.328</b>	<b>40.642</b>
<b>V. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR CASH FLOW HEDGE PURPOSES (Effective portion of fair value differences)</b>	<b>-</b>	<b>-</b>
<b>VI. PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENTS IN FOREIGN OPERATIONS (Effective portion of fair value differences)</b>	<b>-</b>	<b>-</b>
<b>VII. THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES</b>	<b>-</b>	<b>-</b>
<b>VIII. OTHER PROFIT LOSS ITEMS ACCOUNTED UNDER EQUITY DUE TO TAS</b>	<b>2.951</b>	<b>6.511</b>
<b>IX. DEFERRED TAX OF VALUATION DIFFERENCES</b>	<b>(23.467)</b>	<b>(54.466)</b>
<b>X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)</b>	<b>504.179</b>	<b>422.806</b>
<b>XI. PROFIT/LOSS</b>	<b>2.466.610</b>	<b>1.481.291</b>
11.1 Change in fair value of marketable securities (Transfer to profit/loss)	18.258	3.640
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	2.448.352	1.477.651
<b>XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X±XI)</b>	<b>2.970.789</b>	<b>1.904.097</b>

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

**TÜRKİYE HALK BANKASI AŞ**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**AS OF 30 JUNE 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
<b>I. January 2016 – 30 June 2016</b>																			
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	-	-	-	-	-	-	-	-	-	-	375.866	-	-	-	-	375.866	88	375.954
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	-	-	-	-	-	-	-	-	-	-	-	(301)	-	-	-	(301)	-	(301)
VI.	Revaluation changes of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bonus shares from investment and associates, subsidiaries and joint ventures (business partners).	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Foreign exchange differences	-	-	-	-	-	-	-	40.617	-	-	-	-	-	-	-	40.617	25	40.642
IX.	Changes after disposal of securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Changes after reclassification of securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Effect of changes in shareholders equity of investments and associates to bank's shareholders equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Increase in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	From internal resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Issuance of share certificates at end of period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other	-	-	23	-	(187)	-	(383)	2.610	-	-	-	-	-	-	-	2.063	4.448	6.511
XVII.	Net profit or losses	-	-	-	-	-	-	-	1.480.234	-	-	-	-	-	-	-	1.480.234	1.057	1.481.291
XVIII.	Profit distribution	-	-	-	-	164.831	-	1.943.833	(2.317.984)	(32.439)	-	-	-	-	-	-	(241.759)	-	(241.759)
18.1	Dividends distributed	-	-	-	-	-	-	-	-	(241.759)	-	-	-	-	-	-	(241.759)	-	(241.759)
18.2	Transfers to legal reserves	-	-	-	-	164.831	-	1.943.833	-	(2.108.664)	-	-	-	-	-	-	-	-	(241.759)
18.3	Other	-	-	-	-	-	-	-	(2.317.984)	2.317.984	-	-	-	-	-	-	-	-	-
	<b>Closing balance</b>	<b>1.250.000</b>	<b>1.220.451</b>	<b>39.511</b>	<b>-</b>	<b>1.558.571</b>	<b>-</b>	<b>12.989.365</b>	<b>184.131</b>	<b>1.480.234</b>	<b>132.367</b>	<b>90.735</b>	<b>1.672.630</b>	<b>3.973</b>	<b>-</b>	<b>-</b>	<b>20.621.968</b>	<b>207.044</b>	<b>20.829.012</b>
<b>I. January 2017 – 30 June 2017</b>																			
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	-	-	-	-	-	-	-	-	-	-	340.203	-	-	-	-	340.203	9	340.212
IV.	Hedging Funds (effective portion)	-	-	-	-	-	-	-	(42.781)	-	-	-	-	-	-	-	(42.781)	-	(42.781)
4.1	Cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Hedges for investments made in foreign countries	-	-	-	-	-	-	-	(42.781)	-	-	-	-	-	-	-	(42.781)	-	(42.781)
V.	Revaluation changes of property and equipment	-	-	-	-	-	-	-	-	-	-	-	20.688	-	-	-	20.688	-	20.688
VI.	Revaluation changes of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bonus shares from investment and associates, subsidiaries and joint ventures (business partners).	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Foreign exchange differences	-	-	-	-	-	-	-	140.144	-	-	-	-	-	-	-	140.144	184	140.328
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	-	-	-	-	(257)	-	491	9.446	-	34.404	-	-	-	-	-	44.084	1.648	45.732
XVII.	Net profit or losses	-	-	-	-	-	-	-	2.459.899	-	-	-	-	-	-	-	2.459.899	6.711	2.466.610
XVIII.	Profit distribution	-	-	-	-	169.229	-	2.166.464	(2.533.607)	(60.828)	-	-	-	-	-	-	(258.742)	-	(258.742)
18.1	Dividends distributed	-	-	-	-	-	-	-	-	(258.742)	-	-	-	-	-	-	(258.742)	-	(258.742)
18.2	Transfers to legal reserves	-	-	-	-	169.229	-	2.166.464	-	(2.335.693)	-	-	-	-	-	-	-	-	(258.742)
18.3	Other	-	-	-	-	-	-	-	(2.533.607)	2.533.607	-	-	-	-	-	-	-	-	-
	<b>Closing balance</b>	<b>1.250.000</b>	<b>1.220.451</b>	<b>39.737</b>	<b>-</b>	<b>1.731.144</b>	<b>-</b>	<b>15.123.491</b>	<b>140.646</b>	<b>2.459.899</b>	<b>140.525</b>	<b>(378.725)</b>	<b>2.127.966</b>	<b>4.723</b>	<b>-</b>	<b>-</b>	<b>23.859.857</b>	<b>221.710</b>	<b>24.081.567</b>

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

**TÜRKİYE HALK BANKASI AŞ**  
**EXPLANATION AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

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

**VI. CONSOLIDATED STATEMENT OF CASH FLOWS**

	Reviewed	Reviewed
	Current period	Prior period
Note	1 January- 30 June 2017	1 January- 30 June 2016
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1 Operating profit before changes in operating assets and liabilities</b>	<b>3.924.428</b>	<b>1.238.858</b>
1.1.1 Interest received	10.460.340	7.682.477
1.1.2 Interest paid	(5.716.311)	(4.868.311)
1.1.3 Dividend received	3.467	39.832
1.1.4 Fees and commissions received	1.246.407	788.958
1.1.5 Other income	826.416	891.666
1.1.6 Collections from previously written off loans	302.430	336.009
1.1.7 Cash payments to personnel and service suppliers	(1.036.596)	(937.066)
1.1.8 Taxes paid	(520.041)	(351.876)
1.1.9 Other	(1.641.684)	(2.342.831)
<b>1.2 Assets and Liabilities Subject to Banking Operations</b>	<b>2.431.938</b>	<b>(3.235.756)</b>
1.2.1 Net decrease in financial assets held for sale	16.143	(45.710)
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	15.497	-
1.2.4 Net (increase) decrease in loans	(22.588.509)	(12.441.072)
1.2.5 Net (increase) decrease in other assets	(4.341.004)	(2.886.853)
1.2.6 Net increase (decrease) in bank deposits	(5.935.607)	2.934.116
1.2.7 Net increase (decrease) in other deposits	26.952.159	5.018.199
1.2.8 Net increase (decrease) in loans borrowed	(1.444.895)	(1.152.363)
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	9.758.154	5.337.927
<b>I. Net cash provided from banking operations</b>	<b>6.356.366</b>	<b>(1.996.898)</b>
<b>B. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
<b>II. Net cash provided from / (used in) investing activities</b>	<b>(4.659.768)</b>	<b>(121.898)</b>
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	(182.921)	(139.957)
2.4 Fixed assets sales	68.337	66.077
2.5 Cash paid for purchase of financial assets available for sale	(4.724.069)	(1.138.756)
2.6 Cash obtained from sale of financial assets available for sale	2.811.559	446.256
2.7 Cash paid for purchase of investment securities	(3.810.874)	(1.142.029)
2.8 Cash obtained from sale of investment securities	1.176.467	1.794.990
2.9 Other	1.733	(8.479)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III. Net cash used in financing activities</b>	<b>750.580</b>	<b>(149.139)</b>
3.1 Cash obtained from loans borrowed and securities issued	3.095.680	1.889.764
3.2 Cash used for repayment of loans borrowed and securities issued	(2.086.358)	(1.797.144)
3.3 Bonds issued	-	-
3.4 Dividends paid	(258.742)	(241.759)
3.5 Payments for finance leases	-	-
3.6 Other	-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>	<b>33.734</b>	<b>(5.452)</b>
<b>V. Net increase / (decrease) in cash and cash equivalents</b>	<b>2.480.912</b>	<b>(2.273.387)</b>
<b>VI. Cash and cash equivalents at beginning of the period</b>	<b>15.530.596</b>	<b>8.855.902</b>
<b>VII. Cash and cash equivalents at end of the period</b>	<b>18.011.508</b>	<b>6.582.515</b>

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