

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED BALANCE SHEET AS OF 30 SEPTEMBER 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 September 2017			31 December 2016		
		TRY	FC	Total	TRY	FC	Total	
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	3.104.998	31.723.453	34.828.451	3.534.389	26.677.577	30.211.966
II.	FINANCIAL ASSETS AT FV THROUGH PROFIT AND LOSS (Net)	(2)	32.050	389.980	422.030	88.251	360.675	448.926
2.1	Trading financial assets		32.050	389.980	422.030	88.251	360.675	448.926
2.1.1	Public sector debt securities		14.792	-	14.792	65.538	-	65.538
2.1.2	Share certificates		885	758	1.643	2.413	682	3.095
2.1.3	Financial assets held for trading		1	389.025	389.026	4	359.807	359.811
2.1.4	Other marketable securities		16.372	197	16.569	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)	101.218	3.964.826	4.066.044	362.526	1.602.324	1.964.850
IV.	MONEY MARKET PLACEMENTS		1.074.734	13.254	1.087.988	1.072.397	-	1.072.397
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange Money Market placements		1.073.061	-	1.073.061	1.067.712	-	1.067.712
4.3	Receivables from reverse repurchase agreements		1.673	13.254	14.927	4.685	-	4.685
V.	FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	11.799.712	5.964.114	17.763.826	10.915.994	4.565.225	15.481.219
5.1	Share certificates		24.161	46.926	71.087	23.682	36.149	59.831
5.2	Public sector debt securities		11.775.551	5.917.188	17.692.739	10.890.372	4.529.076	15.419.448
5.3	Other marketable securities		-	-	-	1.940	-	1.940
VI.	LOANS AND RECEIVABLES	(5)	134.707.909	61.062.513	195.770.422	103.252.263	56.070.896	159.323.159
6.1	Loans and receivables		133.288.556	60.975.971	194.264.527	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		133.288.556	60.975.971	194.264.527	102.076.226	55.981.809	158.058.035
6.2	Loans under follow-up		5.943.543	177.888	6.121.431	5.140.082	180.430	5.320.512
6.3	Specific provisions (-)		4.524.190	91.346	4.615.536	3.964.045	91.343	4.055.388
VII.	FACTORING RECEIVABLES		835.645	168.773	1.004.418	849.637	284.891	1.134.528
VIII.	HELD TO MATURITY INVESTMENTS (Net)	(6)	18.731.900	2.469.032	21.200.932	15.875.022	2.469.604	18.344.626
8.1	Public sector debt securities		18.688.159	2.469.032	21.157.191	15.841.619	2.469.604	18.311.223
8.2	Other marketable securities		43.741	-	43.741	33.403	-	33.403
IX.	INVESTMENTS IN ASSOCIATES (Net)	(7)	22.141	297.568	319.709	22.393	270.028	292.421
9.1	Accounted under equity method		15.821	297.568	313.389	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)	615.082	1.990.355	2.605.437	365.336	1.945.994	2.311.330
12.1	Finance lease receivables		778.368	2.330.282	3.108.650	459.604	2.258.623	2.718.227
12.2	Operating lease receivables		-	-	-	-	-	-
12.3	Other		-	-	-	-	-	-
12.4	Unearned income (-)		163.286	339.927	503.213	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)	3.295.159	85.435	3.380.594	3.192.451	74.533	3.266.984
XV.	INTANGIBLE ASSETS (Net)	(13)	103.702	20.741	124.443	95.056	20.173	115.229
15.1	Goodwill		-	-	-	-	-	-
15.2	Other		103.702	20.741	124.443	95.056	20.173	115.229
XVI.	INVESTMENT PROPERTIES (Net)	(14)	887.028	4.263	891.291	860.521	3.595	864.116
XVII.	TAX ASSET	(15)	100.800	2.067	102.867	97.750	1.775	99.525
17.1	Current tax asset		1.905	-	1.905	-	-	-
17.2	Deferred tax asset		98.895	2.067	100.962	97.750	1.775	99.525
XVIII.	ASSETS HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)	(16)	1.530	-	1.530	1.537	-	1.537
18.1	Held for sale purpose		1.530	-	1.530	1.537	-	1.537
18.2	Held from discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(17)	2.826.627	450.139	3.276.766	2.203.011	549.200	2.752.211
TOTAL ASSETS			178.281.478	108.606.513	286.887.991	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 30 SEPTEMBER 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 September 2017			31 December 2016		
LIABILITIES AND SHAREHOLDERS' EQUITY		TRY	FC	Total	TRY	FC	Total
I. DEPOSITS	(1)	103.463.909	82.163.229	185.627.138	86.549.173	63.849.704	150.398.877
1.1 Deposits Held by the Risk Group of the Bank		5.047	-	5.047	8.771	-	8.771
1.2 Other		103.458.862	82.163.229	185.622.091	86.540.402	63.849.704	150.390.106
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	11	197.765	197.776	59	224.534	224.593
III. FUNDS BORROWED	(3)	1.206.234	16.856.620	18.062.854	1.171.764	20.417.347	21.589.111
IV. MONEY MARKET BALANCES		28.392.113	4.364.573	32.756.686	17.648.265	1.373.871	19.022.136
4.1 Interbank money market borrowings		26.918.157	-	26.918.157	7.003.306	-	7.003.306
4.2 Istanbul Stock Exchange Takasbank borrowings		1.351.724	-	1.351.724	1.174.218	-	1.174.218
4.3 Funds from repurchase agreements		122.232	4.364.573	4.486.805	9.470.741	1.373.871	10.844.612
V. MARKETABLE SECURITIES ISSUED (Net)	(4)	3.467.815	7.975.931	11.443.746	2.067.703	10.684.708	12.752.411
5.1 Treasury bills		3.467.815	-	3.467.815	2.067.703	-	2.067.703
5.2 Asset-backed securities		-	-	-	-	-	-
5.3 Bonds		-	7.975.931	7.975.931	-	10.684.708	10.684.708
VI. FUNDS	(5)	2.464.406	-	2.464.406	2.339.808	-	2.339.808
6.1 Borrower Funds		1.078	-	1.078	36.600	-	36.600
6.2 Other		2.463.328	-	2.463.328	2.303.208	-	2.303.208
VII. SUNDRY CREDITORS		3.328.911	181.184	3.510.095	2.743.078	123.544	2.866.622
VIII. OTHER LIABILITIES	(6)	1.366.965	477.599	1.844.564	1.503.590	439.963	1.943.553
IX. FACTORING PAYABLES		4.258	479	4.737	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)	5.118.833	95.398	5.214.231	4.485.747	87.352	4.573.099
12.1 General loan provisions		2.222.538	27.704	2.250.242	2.027.964	21.172	2.049.136
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Employee benefits provisions		786.297	4.997	791.294	728.172	3.287	731.459
12.4 Insurance technical reserves (Net)		1.781.593	-	1.781.593	1.400.148	-	1.400.148
12.5 Other provisions		328.405	62.697	391.102	329.463	62.893	392.356
XIII. TAX LIABILITY	(10)	1.089.103	3.059	1.092.162	639.422	6.527	645.949
13.1 Current tax liability		736.840	907	737.747	352.600	4.375	356.975
13.2 Deferred tax liability		352.263	2.152	354.415	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)	24.536.870	132.726	24.669.596	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		3.076.147	(173.793)	2.902.354	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		(272.505)	(174.225)	(446.730)	(291.223)	(427.705)	(718.928)
16.2.4 Tangible assets revaluation reserves		2.103.977	371	2.104.348	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		1.200.215	61	1.200.276	1.099.383	51	1.099.434
16.3 Profit reserves		16.907.745	157.079	17.064.824	14.562.537	111.025	14.673.562
16.3.1 Legal reserves		1.750.378	8.559	1.758.937	1.558.859	3.313	1.562.172
16.3.2 Statutory reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		15.110.225	27.317	15.137.542	12.956.536	-	12.956.536
16.3.4 Other profit reserves		47.142	121.203	168.345	47.142	107.712	154.854
16.4 Profit/Loss		3.100.308	127.562	3.227.870	2.585.417	115.139	2.700.556
16.4.1 Prior years income/loss		(4.150)	94.838	90.688	84.650	82.299	166.949
16.4.2 Period profit/loss		3.104.458	32.724	3.137.182	2.500.767	32.840	2.533.607
16.5 Minority shares		202.670	21.878	224.548	183.918	29.240	213.158
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		174.439.428	112.448.563	286.887.991	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 30 SEPTEMBER 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 September 2017			31 December 2016		
OFF-BALANCE SHEET ITEMS	Note	TRY	FC	Total	TRY	FC	Total
A. COMMITMENTS AND CONTINGENCIES (I+II+III)		56.084.837	61.976.813	118.061.650	46.265.354	51.600.941	97.866.295
I. GUARANTEES AND SURETYSHIPS	(1)	25.197.352	29.030.656	54.228.008	20.999.538	26.878.181	47.877.719
1.1 Letters of guarantee		24.190.543	21.964.013	46.154.556	20.194.359	19.924.546	40.118.905
1.1.1 Guarantees subject to public procurement law		1.110.994	10.910.169	12.021.163	1.049.993	11.366.716	12.416.709
1.1.2 Guarantees given for foreign trade operations		-	17.355	17.355	-	16.644	16.644
1.1.3 Other letters of guarantee		23.079.549	11.036.489	34.116.038	19.144.366	8.541.186	27.685.552
1.2 Bank loans		21.008	2.591.173	2.612.181	12.876	2.812.590	2.825.466
1.2.1 Import acceptances		602	144.497	145.099	-	320.953	320.953
1.2.2 Other bank acceptances		20.406	2.446.676	2.467.082	12.876	2.491.637	2.504.513
1.3 Letters of credit		32.410	4.339.614	4.372.024	18.091	4.001.009	4.019.100
1.3.1 Documentary letters of credit		32.410	4.339.614	4.372.024	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		953.391	135.856	1.089.247	774.212	140.036	914.248
1.9 Other suretyships		-	-	-	-	-	-
II. COMMITMENTS	(1)	25.356.266	2.394.819	27.751.085	23.261.724	1.492.636	24.754.360
2.1 Irrevocable commitments		25.356.266	1.598.773	26.955.039	23.261.724	901.095	24.162.819
2.1.1 Forward asset purchase commitments		140.855	996.758	1.137.613	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		3.944.085	450.035	4.394.120	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		6.330.886	-	6.330.886	5.805.008	-	5.805.008
2.1.8 Tax and fund liabilities from export commitments		34.149	-	34.149	28.864	-	28.864
2.1.9 Commitments for credit card expenditure limits		11.386.929	33.714	11.420.643	10.794.813	29.260	10.824.073
2.1.10 Commitments for credit cards and banking services promotions		36.972	-	36.972	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		3.482.390	118.266	3.600.656	3.293.812	168.484	3.462.296
2.2 Revocable commitments		-	796.046	796.046	-	591.541	591.541
2.2.1 Revocable loan granting commitments		-	721.976	721.976	-	52.315	52.315
2.2.2 Other revocable commitments		-	74.070	74.070	-	539.226	539.226
III. DERIVATIVE FINANCIAL INSTRUMENTS	(1)	5.531.219	30.551.338	36.082.557	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		5.531.219	30.551.338	36.082.557	2.004.092	23.230.124	25.234.216
3.2.1 Forward foreign currency buy/sell transactions		2.001.088	8.698.749	10.699.837	1.162.609	5.842.701	7.005.310
3.2.1.1 Forward foreign currency transactions-buy		1.000.977	5.807.138	6.808.115	564.492	3.958.285	4.522.777
3.2.1.2 Forward foreign currency transactions-sell		1.000.111	2.891.611	3.891.722	598.117	1.884.416	2.482.533
3.2.2 Currency and interest rate swaps		2.298.404	14.974.271	17.272.675	581.914	14.785.050	15.366.964
3.2.2.1 Currency swap-buy		264.678	3.366.033	3.630.711	148.821	2.707.908	2.856.729
3.2.2.2 Currency swap-sell		2.033.726	1.531.423	3.565.149	433.093	2.332.612	2.765.705
3.2.2.3 Interest rate swap-buy		-	5.038.407	5.038.407	-	4.872.265	4.872.265
3.2.2.4 Interest rate swap-sell		-	5.038.408	5.038.408	-	4.872.265	4.872.265
3.2.3 Currency, interest rate and marketable securities options		1.231.727	1.688.736	2.920.463	259.569	420.684	680.253
3.2.3.1 Currency call options		615.863	844.367	1.460.230	129.783	210.341	340.124
3.2.3.2 Currency put options		615.864	844.369	1.460.233	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		-	5.189.582	5.189.582	-	2.181.689	2.181.689
B. CUSTODY AND PLEDGED ASSETS (IV+V+VI)		785.349.942	188.209.660	973.559.602	661.477.039	156.010.441	817.487.480
IV. CUSTODIES		375.928.029	27.923.678	403.851.707	344.066.173	23.722.398	367.788.571
4.1 Assets under management		-	-	-	-	-	-
4.2 Custody marketable securities		172.525.987	662.723	173.188.710	167.030.333	728.810	167.759.143
4.3 Cheques in collection process		14.259.619	20.506.580	34.766.199	12.751.492	17.280.141	30.031.633
4.4 Commercial notes in collection process		180.829.586	466.702	181.296.288	137.519.788	518.733	138.038.521
4.5 Other assets in collection process		-	-	-	-	-	-
4.6 Underwritten securities		-	-	-	-	-	-
4.7 Other custodies		4.166.506	112.456	4.278.962	3.486.346	98.721	3.585.067
4.8 Custodians		4.146.331	6.175.217	10.321.548	23.278.214	5.095.993	28.374.207
V. PLEDGED ASSETS		409.421.913	160.285.982	569.707.895	317.410.866	131.158.600	448.569.466
5.1 Marketable securities		4.500.228	528.803	5.029.031	4.077.924	476.540	4.554.464
5.2 Collateral notes		6.792.929	789.878	7.582.807	7.297.816	820.012	8.117.828
5.3 Commodity		25.812	2.212.444	2.238.256	25.813	-	25.813
5.4 Warranty		-	-	-	-	-	-
5.5 Land and buildings		308.306.442	132.537.537	440.843.979	259.332.850	116.459.706	375.792.556
5.6 Other pledged assets		63.415.396	22.167.534	85.582.930	42.616.278	12.035.647	54.651.925
5.7 Pledges		26.381.106	2.049.786	28.430.892	4.060.185	1.366.695	5.426.880
VI. ACCEPTED BILL GUARANTEES AND SURETIES		-	-	-	-	1.129.443	1.129.443
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		841.434.779	250.186.473	1.091.621.252	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 30 SEPTEMBER 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 September 2017	1 January- 30 September 2016	1 July- 30 September 2017	1 July- 30 September 2016
INCOME AND EXPENSES		Note				
I.	INTEREST INCOME	(1)	16.766.864	12.604.200	5.919.292	4.448.782
1.1	Interest on loans		13.495.215	10.352.069	5.013.334	3.647.124
1.2	Interest received from reserve deposits		91.700	45.253	39.570	15.060
1.3	Interest received from banks		180.593	79.275	65.482	23.789
1.4	Interest received from money market placements		23.722	251	173	61
1.5	Interest income on marketable securities		2.692.405	1.903.092	704.029	673.740
1.5.1	Financial assets held for trading		2.191	5.755	708	2.096
1.5.2	Financial assets at fair value through profit and loss		-	-	-	-
1.5.3	Financial assets available-for-sale		1.139.110	773.215	331.227	279.817
1.5.4	Investments held-to-maturity		1.551.104	1.124.122	372.094	391.827
1.6	Finance lease income		140.686	116.821	49.956	46.265
1.7	Other interest income		142.543	107.439	46.748	42.743
II.	INTEREST EXPENSE	(2)	10.605.687	7.344.417	4.219.830	2.459.011
2.1	Interest on deposits		7.672.335	5.940.455	3.060.498	1.987.067
2.2	Interest on borrowings		381.723	356.239	120.855	119.876
2.3	Interest on money market borrowings		1.865.205	577.896	808.716	178.561
2.4	Interest on bonds issued		596.752	402.180	205.049	153.858
2.5	Other interest expense		89.672	67.647	24.712	19.649
III.	NET INTEREST INCOME (I – II)		6.161.177	5.259.783	1.699.462	1.989.771
IV.	NET FEES AND COMMISSIONS INCOME		1.462.605	865.722	496.926	316.600
4.1	Fees and commissions income		1.880.646	1.227.862	634.239	438.904
4.1.1	Non-cash loans		291.151	211.605	103.680	74.434
4.1.2	Other		1.589.495	1.016.257	530.559	364.470
4.2	Fees and commissions expenses		418.041	362.140	137.313	122.304
4.2.1	Non-cash loans		2.966	2.897	993	1.098
4.2.2	Other		415.075	359.243	136.320	121.206
V.	DIVIDEND INCOME	(3)	6.302	39.850	2.835	18
VI.	NET TRADING PROFIT (NET)	(4)	113.284	115.969	(8.978)	64.285
6.1	Profit/loss from capital market operations		30.359	16.891	10.856	8.963
6.2	Profit/loss from financial derivative transactions		(344.963)	(361.082)	(155.076)	41.852
6.3	Foreign exchange gains/losses		427.888	460.160	135.242	13.470
VII.	OTHER OPERATING INCOME	(5)	1.522.666	1.377.894	526.501	366.324
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		9.266.034	7.659.218	2.716.746	2.736.998
IX.	LOANS AND OTHER RECEIVABLES IMPAIRMENT LOSS PROVISIONS (-)	(6)	1.067.702	1.193.360	326.210	637.909
X.	OTHER OPERATING EXPENSES(-)	(7)	4.257.393	3.686.995	1.538.924	1.130.049
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		3.940.939	2.778.863	851.612	969.040
XII.	AMOUNT RECORDED IN EXCESS AS GAIN AFTER MERGER		-	-	-	-
XIII.	PROFIT/LOSSES FROM EQUITY METHOD APPLIED SUBSIDIARIES		15.559	13.812	5.625	5.717
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-	-	-
XV.	INCOME/(LOSS) BEFORE TAXES (XI+XII+XIII+XIV)	(8)	3.956.498	2.792.675	857.237	974.757
XVI.	TAX INCOME PROVISION (±)	(9)	(810.031)	(622.210)	(177.380)	(285.583)
16.1	Current tax provision		(758.712)	(622.797)	(156.731)	(188.477)
16.2	Deferred tax provision		(51.319)	587	(20.649)	(97.106)
XVII.	NET OPERATING INCOME AFTER TAX (XV±XVI)	(10)	3.146.467	2.170.465	679.857	689.174
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)	3.146.467	2.170.465	679.857	689.174
23.1	Group's profit/loss		3.137.182	2.164.959	677.283	684.725
23.2	Minority shares profit/loss		9.285	5.506	2.574	4.449
	Earnings/losses per share (Full TRY)		2,50975	1,73637	0,54183	0,55134

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY
AS OF 30 SEPTEMBER 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 September 2017	1 January- 30 September 2016
STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY		
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	284.540	249.796
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	(3.084)	(451)
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	182.675	37.962
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	(32.263)	8.830
IX. DEFERRED TAX OF VALUATION DIFFERENCES	(12.685)	(43.174)
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	419.183	252.963
XI. PROFIT/LOSS	3.146.467	2.170.465
11.1 Change in fair value of marketable securities (Transfer to profit/loss)	32.538	4.745
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	3.113.929	2.165.720
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X±XI)	3.565.650	2.423.428

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF 30 SEPTEMBER 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
I. 1 January 2016 – 30 September 2016																			
Balance at end of prior period		1.250.000	1.220.451	39.488	-	1.393.927	-	11.045.915	140.904	2.317.984	164.806	(285.131)	1.672.931	3.973	-	-	18.965.248	201.426	19.166.674
Changes within the period																			
II. Increase/decrease generated by merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Valuation changes in marketable securities		-	-	-	-	-	-	-	-	-	-	206.439	-	-	-	-	206.439	93	206.532
IV. Hedging funds (effective portion)		-	-	-	-	-	-	-	(23.458)	-	-	-	-	-	-	-	(23.458)	-	(23.458)
4.1 Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedges for investment made in foreign countries		-	-	-	-	-	-	-	(23.458)	-	-	-	-	-	-	-	(23.458)	-	(23.458)
V. Revaluation changes of property and equipment		-	-	-	-	-	-	-	-	-	-	-	(361)	-	-	-	(361)	-	(361)
VI. Revaluation changes of intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares from investment and associates, subsidiaries and joint ventures (business partners).		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign exchange differences		-	-	-	-	-	-	-	38.058	-	-	-	-	-	-	-	38.058	(96)	37.962
IX. Changes after disposal of securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes after reclassification of securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of changes in shareholders equity of investments and associates to bank's shareholders equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. 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		-	-	24	-	(201)	-	1.677	2.048	-	-	-	-	-	-	-	3.548	5.282	8.830
XVII. Net profit or losses		-	-	-	-	-	-	-	-	2.164.959	-	-	-	-	-	-	2.164.959	5.506	2.170.465
XVIII. Profit distribution		-	-	-	-	168.405	-	1.908.833	-	(2.317.984)	2.143	-	-	-	-	-	(238.603)	-	(238.603)
18.1 Dividends distributed		-	-	-	-	168.405	-	1.908.833	-	-	(238.603)	-	-	-	-	-	(238.603)	-	(238.603)
18.2 Transfers to legal reserves		-	-	-	-	-	-	-	-	-	(2.077.238)	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	(2.317.984)	2.317.984	-	-	-	-	-	-	-	-
Closing balance		1.250.000	1.220.451	39.512	-	1.562.131	-	12.956.425	157.552	2.164.959	166.949	(78.692)	1.672.570	3.973	-	-	21.115.830	212.211	21.328.041
I. 1 January 2017 – 30 September 2017																			
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		-	-	-	-	-	-	-	-	-	-	272.198	-	-	-	-	272.198	(497)	271.701
IV. Hedging Funds (effective portion)		-	-	-	-	-	-	-	(62.126)	-	-	-	-	-	-	-	(62.126)	-	(62.126)
4.1 Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedges for investments made in foreign countries		-	-	-	-	-	-	-	(62.126)	-	-	-	-	-	-	-	(62.126)	-	(62.126)
V. Revaluation changes of property and equipment		-	-	-	-	-	-	-	-	-	-	-	(2.930)	-	-	-	(2.930)	-	(2.930)
VI. Revaluation changes of intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares from investment and associates, subsidiaries and joint ventures (business partners).		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign exchange differences		-	-	-	-	-	-	-	182.386	-	-	-	-	-	-	-	182.386	289	182.675
IX. Changes after disposal of securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes after reclassification of securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of changes in shareholders equity of investments and associates to bank's shareholders equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. 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		-	-	-	-	(1.186)	-	(1.877)	(5.927)	-	26.793	-	-	-	-	-	17.803	3.070	20.873
XVII. Net profit or losses		-	-	-	-	-	-	-	-	3.137.182	-	-	-	-	-	-	3.137.182	9.285	3.146.467
XVIII. Profit distribution		-	-	-	-	197.951	-	2.182.883	-	(2.533.607)	(103.054)	-	-	-	-	-	(255.827)	(757)	(256.584)
18.1 Dividends distributed		-	-	-	-	197.951	-	2.182.883	-	-	(255.827)	-	-	-	-	-	(255.827)	(757)	(256.584)
18.2 Transfers to legal reserves		-	-	-	-	-	-	-	-	-	(2.380.834)	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	(2.533.607)	2.533.607	-	-	-	-	-	-	-	-
Closing balance		1.250.000	1.220.451	39.737	-	1.758.937	-	15.137.542	148.170	3.137.182	90.688	(446.730)	2.104.348	4.723	-	-	24.445.048	224.548	24.669.596

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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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 September 2017	1 January- 30 September 2016
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities	3.319.906	2.099.338
1.1.1 Interest received	15.269.846	11.975.443
1.1.2 Interest paid	(9.763.717)	(7.580.502)
1.1.3 Dividend received	6.302	39.850
1.1.4 Fees and commissions received	1.880.072	1.227.862
1.1.5 Other income	1.304.117	1.226.583
1.1.6 Collections from previously written off loans	454.190	411.154
1.1.7 Cash payments to personnel and service suppliers	(1.572.199)	(1.372.911)
1.1.8 Taxes paid	(877.733)	(693.576)
1.1.9 Other	(3.380.972)	(3.134.565)
1.2 Assets and Liabilities Subject to Banking Operations	5.492.368	467.873
1.2.1 Net decrease in financial assets held for sale	55.907	(5.774)
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	20.253	-
1.2.4 Net (increase) decrease in loans	(36.294.612)	(18.269.136)
1.2.5 Net (increase) decrease in other assets	(4.183.992)	(1.473.170)
1.2.6 Net increase (decrease) in bank deposits	(6.059.765)	8.760.684
1.2.7 Net increase (decrease) in other deposits	40.404.675	6.223.786
1.2.8 Net increase (decrease) in loans borrowed	(3.517.365)	(2.874.834)
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	15.067.267	8.106.317
I. Net cash provided from banking operations	8.812.274	2.567.211
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		
II. Net cash provided from / (used in) investing activities	(4.214.154)	(2.553.999)
2.1 Cash paid for purchase of joint ventures, associates and subsidiaries	(6.238)	-
2.2 Cash obtained from sale of entities joint ventures, associates and subsidiaries	-	-
2.3 Fixed assets purchases	(292.352)	(155.076)
2.4 Fixed assets sales	122.093	70.036
2.5 Cash paid for purchase of financial assets available for sale	(7.263.615)	(3.706.039)
2.6 Cash obtained from sale of financial assets available for sale	5.399.499	1.401.580
2.7 Cash paid for purchase of investment securities	(3.892.235)	(2.453.205)
2.8 Cash obtained from sale of investment securities	1.733.653	2.299.339
2.9 Other	(14.959)	(10.634)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash used in financing activities	(1.473.637)	2.344.495
3.1 Cash obtained from loans borrowed and securities issued	7.033.402	6.630.242
3.2 Cash used for repayment of loans borrowed and securities issued	(8.250.455)	(4.047.144)
3.3 Bonds issued	-	-
3.4 Dividends paid	(256.584)	(238.603)
3.5 Payments for finance leases	-	-
3.6 Other	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	36.359	114.632
V. Net increase / (decrease) in cash and cash equivalents	3.160.842	2.472.339
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	18.691.438	11.328.241

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