

**TÜRKİYE HALK BANKASI AŞ**  
**CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2018**  
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

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

		Audited		
		Current Period		
		31 December 2018		
ASSETS	Note	TRY	FC	TOTAL
<b>I. FINANCIAL ASSETS (NET)</b>		<b>66.616.717</b>	<b>50.947.821</b>	<b>117.564.538</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>4.229.804</b>	<b>36.561.409</b>	<b>40.791.213</b>
1.1.1 Cash and Balances with Central Bank	(1)	3.983.094	31.596.630	35.579.724
1.1.2 Banks	(3)	181.392	4.964.779	5.146.171
1.1.3 Money Markets		65.318	-	65.318
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>	(2)	<b>14.516.355</b>	<b>22.580</b>	<b>14.538.935</b>
1.2.1 Government Debt Securities		14.415.482	21.455	14.436.937
1.2.2 Equity Instruments		74	1.125	1.199
1.2.3 Other Financial Assets		100.799	-	100.799
<b>1.3 Financial Assets at Fair Value Through Other Comprehensive Income</b>	(4)	<b>2.720.192</b>	<b>2.144.620</b>	<b>4.864.812</b>
1.3.1 Government Debt Securities		2.579.303	2.058.759	4.638.062
1.3.2 Equity Instruments		24.793	85.861	110.654
1.3.3 Other Financial Assets		116.096	-	116.096
<b>1.4 Financial Assets Measured at Amortised Cost</b>	(6)	<b>45.172.546</b>	<b>11.158.799</b>	<b>56.331.345</b>
1.4.1 Government Debt Securities		45.110.909	11.158.799	56.269.708
1.4.2 Other Financial Assets		61.637	-	61.637
<b>1.5 Derivative Financial Assets</b>	(2)	<b>9</b>	<b>1.062.072</b>	<b>1.062.081</b>
1.5.1 Derivative Financial Assets at Fair Value Through Profit or Loss		9	1.062.072	1.062.081
1.5.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-
<b>1.6 Non – Performing Financial Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>1.7 Expected Loss Provision (-)</b>		<b>22.189</b>	<b>1.659</b>	<b>23.848</b>
<b>II. LOANS (Net)</b>		<b>167.468.515</b>	<b>91.240.753</b>	<b>258.709.268</b>
<b>2.1 Loans</b>	(5)	<b>165.210.011</b>	<b>88.937.841</b>	<b>254.147.852</b>
2.1.1 Measured at Amortised Cost		165.210.011	88.937.841	254.147.852
2.1.2 Fair Value Through Profit or Loss		-	-	-
2.1.3 Fair Value Through Other Comprehensive Income		-	-	-
<b>2.2 Lease Receivables</b>	(10)	<b>921.654</b>	<b>1.991.539</b>	<b>2.913.193</b>
2.2.1 Financial Lease Receivables		1.485.617	2.279.737	3.765.354
2.2.2 Operating Lease Receivables		-	-	-
2.2.3 Unearned Income (-)		563.963	288.198	852.161
<b>2.3 Factoring Receivables</b>		<b>1.253.064</b>	<b>139.535</b>	<b>1.392.599</b>
2.3.1 Measured at Amortised Cost		1.253.064	139.535	1.392.599
2.3.2 Fair Value Through Profit or Loss		-	-	-
2.3.3 Fair Value Through Other Comprehensive Income		-	-	-
<b>2.4 Non- Performing Loans</b>	(5)	<b>8.652.580</b>	<b>630.418</b>	<b>9.282.998</b>
<b>2.5 Expected Credit Loss (-)</b>	(5)	<b>8.568.794</b>	<b>458.580</b>	<b>9.027.374</b>
2.5.1 12 Month Expected Credit Losses (Stage I)		1.010.590	27.355	1.037.945
2.5.2 Significant Increase in Credit Risk (Stage II)		1.185.419	21.456	1.206.875
2.5.3 Credit – Impaired Losses (Stage III / Special Provision)		6.372.785	409.769	6.782.554
<b>III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (NET)</b>	(16)	<b>9.593</b>	<b>-</b>	<b>9.593</b>
3.1 Held for Sale Purpose		9.593	-	9.593
3.2 Related to Discontinued Operations		-	-	-
<b>IV. EQUITY INVESTMENTS</b>		<b>84.321</b>	<b>431.547</b>	<b>515.868</b>
<b>4.1 Investments in Associates (Net)</b>	(7)	<b>27.175</b>	<b>431.547</b>	<b>458.722</b>
4.1.1 Associates Valued Based on Equity Method		17.823	431.547	449.370
4.1.2 Unconsolidated Associates		9.352	-	9.352
<b>4.2 Subsidiaries (Net)</b>	(8)	<b>57.146</b>	<b>-</b>	<b>57.146</b>
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-
4.2.2 Unconsolidated Non- Financial Subsidiaries		57.146	-	57.146
<b>4.3 Joint Ventures (Net)</b>	(9)	<b>-</b>	<b>-</b>	<b>-</b>
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-
<b>V. PROPERTY AND EQUIPMENT (Net)</b>	(12)	<b>4.514.930</b>	<b>124.956</b>	<b>4.639.886</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>	(13)	<b>149.098</b>	<b>34.313</b>	<b>183.411</b>
6.1 Goodwill		-	-	-
6.2 Other		149.098	34.313	183.411
<b>VII. INVESTMENT PROPERTIES (Net)</b>	(14)	<b>967.406</b>	<b>5.995</b>	<b>973.401</b>
<b>VIII. CURRENT TAX ASSET</b>		<b>19.860</b>	<b>6.183</b>	<b>26.043</b>
<b>IX. DEFERRED TAX ASSET</b>	(15)	<b>95.326</b>	<b>3.019</b>	<b>98.345</b>
<b>X. OTHER ASSETS</b>	(17)	<b>4.406.874</b>	<b>1.094.449</b>	<b>5.501.323</b>
<b>TOTAL ASSETS</b>		<b>244.332.640</b>	<b>143.889.036</b>	<b>388.221.676</b>

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

**TÜRKİYE HALK BANKASI AŞ**  
**CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2017**  
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

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

		Audited		
		Prior period		
		31 December 2017		
ASSETS	Note	TRY	FC	Total
<b>I. CASH AND BALANCES WITH THE CENTRAL BANK</b>	(1)	<b>12.917.490</b>	<b>23.763.887</b>	<b>36.681.377</b>
<b>II. FINANCIAL ASSETS AT FV THROUGH PROFIT AND LOSS (Net)</b>	(2)	<b>10.120.010</b>	<b>363.498</b>	<b>10.483.508</b>
2.1 Trading financial assets		10.120.010	363.498	10.483.508
2.1.1 Public sector debt securities		10.095.327	-	10.095.327
2.1.2 Share certificates		354	886	1.240
2.1.3 Financial assets held for trading		118	362.398	362.516
2.1.4 Other marketable securities		24.211	214	24.425
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. BANKS</b>	(3)	<b>677.360</b>	<b>5.635.807</b>	<b>6.313.167</b>
<b>IV. MONEY MARKET PLACEMENTS</b>		<b>1.288.168</b>	<b>-</b>	<b>1.288.168</b>
4.1 Interbank money market placements		1.258.647	-	1.258.647
4.2 Takasbank (Clearing & Settlement Bank) Money Market placements		29.211	-	29.211
4.3 Receivables from reverse repurchase agreements		310	-	310
<b>V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)</b>	(4)	<b>11.599.564</b>	<b>6.099.614</b>	<b>17.699.178</b>
5.1 Share certificates		24.561	54.538	79.099
5.2 Public sector debt securities		11.575.003	6.045.076	17.620.079
5.3 Other marketable securities		-	-	-
<b>VI. LOANS AND RECEIVABLES</b>	(5)	<b>139.626.734</b>	<b>65.925.861</b>	<b>205.552.595</b>
6.1 Loans and receivables		138.299.409	65.842.861	204.142.270
6.1.1 Loans extended to risk group of the Bank		-	-	-
6.1.2 Public sector debt securities		-	-	-
6.1.3 Other		138.299.409	65.842.861	204.142.270
6.2 Loans under follow-up		6.106.597	189.809	6.296.406
6.3 Specific provisions (-)		4.779.272	106.809	4.886.081
<b>VII. FACTORING RECEIVABLES</b>		<b>1.051.939</b>	<b>159.993</b>	<b>1.211.932</b>
<b>VIII. HELD TO MATURITY INVESTMENTS (Net)</b>	(6)	<b>19.304.493</b>	<b>2.682.606</b>	<b>21.987.099</b>
8.1 Public sector debt securities		19.261.098	2.682.606	21.943.704
8.2 Other marketable securities		43.395	-	43.395
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	(7)	<b>22.590</b>	<b>330.548</b>	<b>353.138</b>
9.1 Accounted for under equity method		16.270	330.548	346.818
9.2 Unconsolidated associates		6.320	-	6.320
9.2.1 Financial investments		-	-	-
9.2.2 Non-financial investments		6.320	-	6.320
<b>X. INVESTMENTS IN SUBSIDIARIES (Net)</b>	(8)	<b>52.178</b>	<b>-</b>	<b>52.178</b>
10.1 Unconsolidated financial subsidiaries		-	-	-
10.2 Unconsolidated non-financial subsidiaries		52.178	-	52.178
<b>XI. JOINT VENTURES (Net)</b>	(9)	<b>-</b>	<b>-</b>	<b>-</b>
11.1 Accounted for under equity method		-	-	-
11.2 Unconsolidated joint ventures		-	-	-
11.2.1 Financial joint ventures		-	-	-
11.2.2 Non-financial joint ventures		-	-	-
<b>XII. FINANCE LEASE RECEIVABLES (Net)</b>	(10)	<b>626.642</b>	<b>2.044.611</b>	<b>2.671.253</b>
12.1 Finance lease receivables		788.528	2.378.704	3.167.232
12.2 Operating lease receivables		-	-	-
12.3 Other		-	-	-
12.4 Unearned income (-)		161.886	334.093	495.979
<b>XIII. DERIVATIVE FIN. ASSETS HELD FOR RISK MANAGEMENT</b>	(11)	<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. TANGIBLE ASSETS (Net)</b>	(12)	<b>3.658.962</b>	<b>92.638</b>	<b>3.751.600</b>
<b>XV. INTANGIBLE ASSETS (Net)</b>	(13)	<b>120.393</b>	<b>22.702</b>	<b>143.095</b>
15.1 Goodwill		-	-	-
15.2 Other		120.393	22.702	143.095
<b>XVI. INVESTMENT PROPERTIES (Net)</b>	(14)	<b>905.720</b>	<b>4.658</b>	<b>910.378</b>
<b>XVII. TAX ASSETS</b>		<b>87.747</b>	<b>6.296</b>	<b>94.043</b>
17.1 Current tax assets		2.841	4.021	6.862
17.2 Deferred tax assets	(15)	84.906	2.275	87.181
<b>XVIII. ASSETS HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)</b>	(16)	<b>790</b>	<b>-</b>	<b>790</b>
18.1 Held for sale purpose		790	-	790
18.2 Held from discontinued operations		-	-	-
<b>XIX. OTHER ASSETS</b>	(17)	<b>2.630.828</b>	<b>395.429</b>	<b>3.026.257</b>
<b>TOTAL ASSETS</b>		<b>204.691.608</b>	<b>107.528.148</b>	<b>312.219.756</b>

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

		Audited			
		Current Period			
		31 December 2018			
LIABILITIES	Note	TRY	FC	TOTAL	
<b>I. DEPOSITS</b>	<b>(1)</b>	<b>137.508.551</b>	<b>113.070.969</b>	<b>250.579.520</b>	
<b>II. FUNDS BORROWED</b>	<b>(3)</b>	<b>1.286.624</b>	<b>13.987.856</b>	<b>15.274.480</b>	
<b>III. MONEY MARKET BORROWINGS</b>		<b>32.815.996</b>	<b>5.402.273</b>	<b>38.218.269</b>	
<b>IV. SECURITIES ISSUED (Net)</b>	<b>(4)</b>	<b>4.321.374</b>	<b>12.024.839</b>	<b>16.346.213</b>	
4.1 Bills		2.164.993	-	2.164.993	
4.2 Assets Backed Securities		1.951.469	-	1.951.469	
4.3 Bonds		204.912	12.024.839	12.229.751	
<b>V. FUNDS</b>	<b>(5)</b>	<b>2.874.121</b>	<b>-</b>	<b>2.874.121</b>	
5.1 Borrower Funds		42	-	42	
5.2 Other		2.874.079	-	2.874.079	
<b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>-</b>	<b>-</b>	<b>-</b>	
<b>VII. DERIVATIVE FINANCIAL ASSETS</b>	<b>(2)</b>	<b>16</b>	<b>410.323</b>	<b>410.339</b>	
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		16	410.323	410.339	
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	
<b>VIII. FACTORING LIABILITIES</b>		<b>2.310</b>	<b>107</b>	<b>2.417</b>	
<b>IX. LEASE LIABILITIES</b>	<b>(7)</b>	<b>85</b>	<b>-</b>	<b>85</b>	
9.1 Financial Lease		85	-	85	
9.2 Operating Lease		-	-	-	
9.3 Other		-	-	-	
9.4 Deferred Financial Lease Expenses ( - )		-	-	-	
<b>X. PROVISIONS</b>	<b>(9)</b>	<b>4.153.786</b>	<b>13.000</b>	<b>4.166.786</b>	
10.1 Restructuring Provisions		-	-	-	
10.2 Reserve for Employee Benefits		915.732	10.886	926.618	
10.3 Insurance for Technical Provision(Net)		2.215.153	-	2.215.153	
10.4 Other Provisions		1.022.901	2.114	1.025.015	
<b>XI. CURRENT TAX LIABILITY</b>	<b>(10)</b>	<b>729.532</b>	<b>8.140</b>	<b>737.672</b>	
<b>XII. DEFERRED TAX LIABILITIES</b>	<b>(10)</b>	<b>453.608</b>	<b>2.152</b>	<b>455.760</b>	
<b>XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>	<b>(11)</b>	<b>2.030</b>	<b>-</b>	<b>2.030</b>	
13.1 Held for Sale Purpose		2030	-	2.030	
13.2 Related to Discontinued Operations		-	-	-	
<b>XIV. SUBORDINATED DEBT INSTRUMENTS</b>	<b>(12)</b>	<b>6.182.084</b>	<b>-</b>	<b>6.182.084</b>	
14.1 Loans		-	-	-	
14.2 Other Debt Instruments		6.182.084	-	6.182.084	
<b>XV. OTHER LIABILITIES</b>	<b>(6)</b>	<b>22.367.642</b>	<b>1.063.018</b>	<b>23.430.660</b>	
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>(13)</b>	<b>29.202.725</b>	<b>338.515</b>	<b>29.541.240</b>	
16.1 Paid in Capital		1.250.000	-	1.250.000	
16.2 Capital Reserves		1.267.795	-	1.267.795	
16.2.1 Share Premium		39.740	-	39.740	
16.2.2 Share Cancellation Profits		-	-	-	
16.2.3 Other Capital Reserves		1.228.055	-	1.228.055	
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		2.468.324	(105)	2.468.219	
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit ort Loss		(20.981)	(154.979)	(175.960)	
16.5 Profit Reserves		20.490.940	329.114	20.820.054	
16.5.1 Legal Reserves		2.009.871	8.868	2.018.739	
16.5.2 Status Reserves		-	-	-	
16.5.3 Extraordinary Reserves		18.433.927	104.574	18.538.501	
16.5.4 Other Profit Reserves		47.142	215.672	262.814	
16.6 Income or (Loss)		3.505.282	159.209	3.664.491	
16.6.1 Prior Periods' Income or (Loss)		808.240	199.604	1.007.844	
16.6.2 Current Period Income or (Loss)		2.697.042	(40.395)	2.656.647	
16.7 Minority Shares	<b>(14)</b>	241.365	5.276	246.641	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>241.900.484</b>	<b>146.321.192</b>	<b>388.221.676</b>	

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

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

LIABILITIES	Note	Audited		
		Prior period		
		TRY	FC	Total
				31 December 2017
<b>I. DEPOSITS</b>	<b>(1)</b>	<b>116.559.965</b>	<b>76.710.656</b>	<b>193.270.621</b>
1.1 Deposits Held by the Risk Group of the Bank		21.534	8	21.542
1.2 Other		116.538.431	76.710.648	193.249.079
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	<b>(2)</b>	<b>146</b>	<b>150.527</b>	<b>150.673</b>
<b>III. FUNDS BORROWED</b>	<b>(3)</b>	<b>1.436.861</b>	<b>18.621.623</b>	<b>20.058.484</b>
<b>IV. MONEY MARKET BALANCES</b>		<b>29.615.560</b>	<b>5.387.762</b>	<b>35.003.322</b>
4.1 Interbank money market borrowings		29.030.813	1.247.014	30.277.827
4.2 Takasbank (Clearing & Settlement Bank) Money Market takings		377.295	-	377.295
4.3 Funds from repurchase agreements		207.452	4.140.748	4.348.200
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>	<b>(4)</b>	<b>3.381.225</b>	<b>8.640.905</b>	<b>12.022.130</b>
5.1 Treasury bills		3.280.789	-	3.280.789
5.2 Asset-backed securities		100.436	-	100.436
5.3 Bonds		-	8.640.905	8.640.905
<b>VI. FUNDS</b>	<b>(5)</b>	<b>2.724.634</b>	<b>-</b>	<b>2.724.634</b>
6.1 Borrower Funds		860	-	860
6.2 Other		2.723.774	-	2.723.774
<b>VII. SUNDRY CREDITORS</b>		<b>3.678.813</b>	<b>179.545</b>	<b>3.858.358</b>
<b>VIII. OTHER LIABILITIES</b>	<b>(6)</b>	<b>11.476.631</b>	<b>526.985</b>	<b>12.003.616</b>
<b>IX. FACTORING PAYABLES</b>		<b>2.307</b>	<b>755</b>	<b>3.062</b>
<b>X. FINANCE LEASE PAYABLES</b>	<b>(7)</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>	<b>(8)</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>	<b>(9)</b>	<b>5.299.348</b>	<b>40.741</b>	<b>5.340.089</b>
12.1 General loan provisions		2.288.701	28.456	2.317.157
12.2 Restructuring provisions		-	-	-
12.3 Employee benefits provisions		854.242	6.198	860.440
12.4 Insurance technical reserves (Net)		1.810.804	-	1.810.804
12.5 Other provisions		345.601	6.087	351.688
<b>XIII. TAX LIABILITIES</b>	<b>(10)</b>	<b>1.244.449</b>	<b>7.244</b>	<b>1.251.693</b>
13.1 Current tax liabilities		672.431	5.092	677.523
13.2 Deferred tax liabilities		572.018	2.152	574.170
<b>XIV. LIABILITIES FOR ASSET HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)</b>	<b>(11)</b>	<b>-</b>	<b>-</b>	<b>-</b>
14.1 Held for sale purpose		-	-	-
14.2 Held from discontinued operations		-	-	-
<b>XV. SUBORDINATED LOAN</b>	<b>(12)</b>	<b>1.004.385</b>	<b>-</b>	<b>1.004.385</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>(13)</b>	<b>25.378.161</b>	<b>150.528</b>	<b>25.528.689</b>
16.1 Paid-in capital		1.250.000	-	1.250.000
16.2 Capital reserves		3.088.739	(240.647)	2.848.092
16.2.1 Share Premium		39.737	-	39.737
16.2.2 Share cancellation profits		-	-	-
16.2.3 Marketable securities revaluation fund		(366.800)	(240.961)	(607.761)
16.2.4 Tangible assets revaluation reserves		2.253.371	275	2.253.646
16.2.5 Intangible assets revaluation reserves		-	-	-
16.2.6 Revaluation reserves of investment properties		-	-	-
16.2.7 Bonus shares of subsidiaries, associates and joint ventures		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		1.157.708	39	1.157.747
16.3 Profit reserves		16.900.753	180.650	17.081.403
16.3.1 Legal reserves		1.750.382	8.559	1.758.941
16.3.2 Statutory reserves		-	-	-
16.3.3 Extraordinary reserves		15.103.229	27.317	15.130.546
16.3.4 Other profit reserves		47.142	144.774	191.916
16.4 Profit/Loss		3.932.096	206.974	4.139.070
16.4.1 Prior years' profits/losses		(4.150)	104.981	100.831
16.4.2 Period profit/loss		3.936.246	101.993	4.038.239
16.5 Minority shares	<b>(14)</b>	206.573	3.551	210.124
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>201.802.485</b>	<b>110.417.271</b>	<b>312.219.756</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 31**  
**DECEMBER 2018**

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

**II. CONSOLIDATED STATEMENT OF OFF BALANCE SHEET ITEMS**

		Audited		
		Current Period		
		31 December 2018		
OFF BALANCE SHEET	Note	TRY	FC	TOTAL
<b>A.</b>	<b>COMMITMENTS AND CONTINGENCIES (I+II+III)</b>	<b>70.479.149</b>	<b>89.431.738</b>	<b>159.910.887</b>
<b>I.</b>	<b>GUARANTEES AND SURETIES</b>	<b>36.985.278</b>	<b>46.684.697</b>	<b>83.669.975</b>
1.1	Letters of guarantee	34.982.709	36.415.106	71.397.815
1.1.1	Guarantees subject to public procurement law	1.982.722	12.444.947	14.427.669
1.1.2	Guarantees given for foreign trade operations	-	64.120	64.120
1.1.3	Other letters of guarantee	32.999.987	23.906.039	56.906.026
1.2	Bank loans	11.845	7.038.415	7.050.260
1.2.1	Import acceptances	-	94.572	94.572
1.2.2	Other bank acceptances	11.845	6.943.843	6.955.688
1.3	Letters of credit	119.895	3.110.315	3.230.210
1.3.1	Documentary letters of credit	119.895	3.110.315	3.230.210
1.3.2	Other letters of credit	-	-	-
1.4	Guaranteed refinancing	-	-	-
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	1.870.829	120.861	1.991.690
1.9	Other sureties	-	-	-
<b>II.</b>	<b>COMMITMENTS</b>	<b>24.243.741</b>	<b>3.598.496</b>	<b>27.842.237</b>
2.1	Irrevocable commitments	24.091.603	2.105.823	26.197.426
2.1.1	Forward asset purchase commitments	807.737	1.228.932	2.036.669
2.1.2	Forward deposit purchase and sale commitments	-	-	-
2.1.3	Capital commitments to subsidiaries and associates	-	-	-
2.1.4	Loan granting commitments	4.159.896	530.684	4.690.580
2.1.5	Securities underwriting commitments	-	-	-
2.1.6	Payment commitments for reserve deposits	-	-	-
2.1.7	Payment commitments for Cheques	2.661.413	-	2.661.413
2.1.8	Tax and fund liabilities from export commitments	65.280	-	65.280
2.1.9	Commitments for credit card expenditure limits	12.674.648	54.296	12.728.944
2.1.10	Commitments for credit cards and banking services promotions	31.409	-	31.409
2.1.11	Receivables from short sale commitments	-	-	-
2.1.12	Payables for short sale commitments	-	-	-
2.1.13	Other irrevocable commitments	3.691.220	291.911	3.983.131
2.2	Revocable commitments	152.138	1.492.673	1.644.811
2.2.1	Revocable loan granting commitments	-	1.137.584	1.137.584
2.2.2	Other revocable commitments	152.138	355.089	507.227
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>9.250.130</b>	<b>39.148.545</b>	<b>48.398.675</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	9.250.130	39.148.545	48.398.675
3.2.1	Forward foreign currency buy/sell transactions	1.805.572	5.242.539	7.048.111
3.2.1.1	Forward foreign currency transactions-buy	1.553.375	3.067.752	4.621.127
3.2.1.2	Forward foreign currency transactions-sell	252.197	2.174.787	2.426.984
3.2.2	Currency and interest rate swaps	5.146.767	28.105.082	33.251.849
3.2.2.1	Currency swap-buy	1.012.983	7.070.935	8.083.918
3.2.2.2	Currency swap-sell	4.133.784	3.641.263	7.775.047
3.2.2.3	Interest rate swap-buy	-	8.696.442	8.696.442
3.2.2.4	Interest Rate swap-sell	-	8.696.442	8.696.442
3.2.3	Currency, interest rate and marketable securities options	2.297.791	3.561.455	5.859.246
3.2.3.1	Currency call options	1.148.905	1.780.728	2.929.633
3.2.3.2	Currency put options	1.148.886	1.780.727	2.929.613
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	-	2.239.469	2.239.469
<b>B.</b>	<b>CUSTODY AND PLEDGED ASSETS (IV+V+VI)</b>	<b>957.578.147</b>	<b>312.632.590</b>	<b>1.270.210.737</b>
<b>IV.</b>	<b>CUSTODIES</b>	<b>435.748.450</b>	<b>42.655.486</b>	<b>478.403.936</b>
4.1	Assets under management	-	-	-
4.2	Custody marketable securities	164.714.542	1.017.194	165.731.736
4.3	Cheques in collection process	15.459.699	26.465.087	41.924.786
4.4	Commercial notes in collection process	239.248.814	5.578.699	244.827.513
4.5	Other assets in collection process	-	-	-
4.6	Underwritten securities	-	-	-
4.7	Other custodies	4.281.053	486.438	4.767.491
4.8	Custodians	12.044.342	9.108.068	21.152.410
<b>V.</b>	<b>PLEDGED ASSETS</b>	<b>521.829.697</b>	<b>269.977.104</b>	<b>791.806.801</b>
5.1	Marketable securities	5.910.919	772.952	6.683.871
5.2	Collateral notes	7.602.929	1.172.031	8.774.960
5.3	Commodity	25.812	-	25.812
5.4	Warranty	-	-	-
5.5	Land and buildings	384.296.983	225.968.770	610.265.753
5.6	Other pledged assets	76.479.920	39.614.525	116.094.445
5.7	Pledges	47.513.134	2.448.826	49.961.960
<b>VI.</b>	<b>ACCEPTED BILL GUARANTEES AND SURETIES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)</b>		<b>1.028.057.296</b>	<b>402.064.328</b>	<b>1.430.121.624</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 31 DECEMBER 2017**

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

**II. CONSOLIDATED STATEMENT OF OFF BALANCE SHEET ITEMS**

		Audited		
		Prior period		
		31 December 2017		
OFF BALANCE SHEET	Note	TRY	FC	Total
<b>A.</b>	<b>COMMITMENTS AND CONTINGENCIES (I+II+III)</b>	<b>55.825.715</b>	<b>59.017.870</b>	<b>114.843.585</b>
<b>I.</b>	<b>GUARANTEES AND SURETIES</b>	<b>28.091.702</b>	<b>30.695.956</b>	<b>58.787.658</b>
1.1	Letters of guarantee	26.885.534	22.774.574	49.660.108
1.1.1	Guarantees subject to public procurement law	1.522.672	10.045.779	11.568.451
1.1.2	Guarantees given for foreign trade operations	-	24.183	24.183
1.1.3	Other letters of guarantee	25.362.862	12.704.612	38.067.474
1.2	Bank loans	16.829	3.676.678	3.693.507
1.2.1	Import acceptances	-	226.526	226.526
1.2.2	Other bank acceptances	16.829	3.450.152	3.466.981
1.3	Letters of credit	47.204	4.100.917	4.148.121
1.3.1	Documentary letters of credit	47.204	4.100.917	4.148.121
1.3.2	Other letters of credit	-	-	-
1.4	Guaranteed refinancing	-	-	-
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	1.142.135	143.787	1.285.922
1.9	Other sureties	-	-	-
<b>II.</b>	<b>COMMITMENTS</b>	<b>22.879.077</b>	<b>2.235.117</b>	<b>25.114.194</b>
2.1	Irrevocable commitments	22.879.077	1.310.028	24.189.105
2.1.1	Forward asset purchase commitments	248.484	661.967	910.451
2.1.2	Forward deposit purchase and sale commitments	-	-	-
2.1.3	Capital commitments to subsidiaries and associates	-	-	-
2.1.4	Loan granting commitments	4.191.402	493.963	4.685.365
2.1.5	Securities underwriting commitments	-	-	-
2.1.6	Payment commitments for reserve deposits	-	-	-
2.1.7	Payment commitments for Cheques	3.269.281	-	3.269.281
2.1.8	Tax and fund liabilities from export commitments	38.072	-	38.072
2.1.9	Commitments for credit card expenditure limits	11.562.109	37.787	11.599.896
2.1.10	Commitments for credit cards and banking services promotions	32.736	-	32.736
2.1.11	Receivables from short sale commitments	-	-	-
2.1.12	Payables for short sale commitments	-	-	-
2.1.13	Other irrevocable commitments	3.536.993	116.311	3.653.304
2.2	Revocable commitments	-	925.089	925.089
2.2.1	Revocable loan granting commitments	-	57.071	57.071
2.2.2	Other revocable commitments	-	868.018	868.018
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>4.854.936</b>	<b>26.086.797</b>	<b>30.941.733</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	4.854.936	26.086.797	30.941.733
3.2.1	Forward foreign currency buy/sell transactions	2.711.228	6.374.073	9.085.301
3.2.1.1	Forward foreign currency transactions-buy	1.359.880	4.498.627	5.858.507
3.2.1.2	Forward foreign currency transactions-sell	1.351.348	1.875.446	3.226.794
3.2.2	Currency and interest rate swaps	1.353.630	15.891.963	17.245.593
3.2.2.1	Currency swap-buy	418.414	2.843.148	3.261.562
3.2.2.2	Currency swap-sell	935.216	2.162.053	3.097.269
3.2.2.3	Interest rate swap-buy	-	5.443.381	5.443.381
3.2.2.4	Interest Rate swap-sell	-	5.443.381	5.443.381
3.2.3	Currency, interest rate and marketable securities options	790.078	1.090.343	1.880.421
3.2.3.1	Currency call options	394.932	545.279	940.211
3.2.3.2	Currency put options	395.146	545.064	940.210
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	-	2.730.418	2.730.418
<b>B.</b>	<b>CUSTODY AND PLEDGED ASSETS (IV+V+VI)</b>	<b>835.132.210</b>	<b>209.876.872</b>	<b>1.045.009.082</b>
<b>IV.</b>	<b>CUSTODIES</b>	<b>394.414.878</b>	<b>29.275.633</b>	<b>423.690.511</b>
4.1	Assets under management	-	-	-
4.2	Custody marketable securities	177.566.380	518.467	178.084.847
4.3	Cheques in collection process	15.489.840	22.716.178	38.206.018
4.4	Commercial notes in collection process	193.733.321	491.087	194.224.408
4.5	Other assets in collection process	-	-	-
4.6	Underwritten securities	-	-	-
4.7	Other custodies	4.136.680	127.221	4.263.901
4.8	Custodians	3.488.657	5.422.680	8.911.337
<b>V.</b>	<b>PLEDGED ASSETS</b>	<b>440.717.332</b>	<b>180.601.239</b>	<b>621.318.571</b>
5.1	Marketable securities	4.512.526	571.558	5.084.084
5.2	Collateral notes	7.261.444	911.790	8.173.234
5.3	Commodity	25.813	145.204	171.017
5.4	Warranty	-	-	-
5.5	Land and buildings	324.029.119	151.762.384	475.791.503
5.6	Other pledged assets	67.075.089	23.900.616	90.975.705
5.7	Pledges	37.813.341	3.309.687	41.123.028
<b>VI.</b>	<b>ACCEPTED BILL GUARANTEES AND SURETIES</b>	-	-	-
<b>TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)</b>		<b>890.957.925</b>	<b>268.894.742</b>	<b>1.159.852.667</b>

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

**TÜRKİYE HALK BANKASI AŞ**  
**CONSOLIDATED STATEMENT OF INCOME AS OF 31 DECEMBER 2018**  
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

**III. CONSOLIDATED STATEMENT OF INCOME**

		Audited
		Current Period
		1 January-
INCOME AND EXPENSES	Note	31 December 2018
<b>I. INTEREST INCOME</b>	(1)	<b>37.617.675</b>
1.1 Interest on Loans		28.994.809
1.2 Interest on Reserve Requirements		97.387
1.3 Interest on Banks		666.605
1.4 Interest on Money Market Transactions		58.064
1.5 Interest on Marketable Securities Portfolio		7.151.547
1.5.1 Fair Value Through Profit or Loss		19.110
1.5.2 Fair Value Through Other Comprehensive Income		347.139
1.5.3 Measured at Amortized Cost		6.785.298
1.6 Financial Lease Income		272.064
1.7 Other Interest Income		377.199
<b>II. INTEREST EXPENSE (-)</b>	(2)	<b>28.674.763</b>
2.1 Interest on Deposits		20.298.335
2.2 Interest on Funds Borrowed		769.204
2.3 Interest Expense on Money Market Transactions		5.795.550
2.4 Interest on Securities Issued		1.555.203
2.5 Other Interest Expense		256.471
<b>III. NET INTEREST INCOME (I - II)</b>		<b>8.942.912</b>
<b>IV. NET FEES AND COMMISSIONS INCOME</b>		<b>1.904.363</b>
<b>4.1 Fees and Commissions Received</b>		<b>2.831.050</b>
4.1.1 Non – cash Loans		625.174
4.1.2 Other		2.205.876
<b>4.2 Fees and Commissions Paid (-)</b>		<b>926.687</b>
4.2.1 Non – cash Loans		3.835
4.2.2 Other		922.852
<b>V. PERSONNEL EXPENSE (-)</b>		<b>(2.608.022)</b>
<b>VI. DIVIDEND INCOME</b>	(3)	<b>13.177</b>
<b>VII. TRADING INCOME / LOSS (Net)</b>	(4)	<b>231.483</b>
7.1 Trading Gains / (Losses) on Securities		33.081
7.2 Gains / (Losses) on Derivate Financial Transactions		1.979.221
7.3 Foreign Exchange Gains / (Losses)		(1.780.819)
<b>VIII. OTHER OPERATING INCOME</b>	(5)	<b>2.489.370</b>
<b>IX. GROSS OPERATING INCOME (III+IV+V+VI+VII+VIII)</b>		<b>10.973.283</b>
<b>X. EXPECTED LOSS PROVISIONS (-)</b>	(6)	<b>3.420.516</b>
<b>XI. OTHER OPERATING EXPENSES (-)</b>	(7)	<b>4.546.592</b>
<b>XII. NET OPERATING INCOME /LOSS (IX-X-XI)</b>		<b>3.006.175</b>
<b>XIII. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		-
<b>XIV. INCOME / (LOSS ) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		<b>26.620</b>
<b>XV. INCOME / (LOSS) ON NET MONETARY POSITION</b>		-
<b>XVI. PROFIT / LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XII+...+XV)</b>	(8)	<b>3.032.795</b>
<b>XVII. TAX PROVISIONS FOR CONTINUED OPERATIONS (±)</b>	(9)	<b>361.833</b>
17.1 Current Tax Provision		175.752
17.2 Deferred Tax Income Effect (+)		1.161.994
17.3 Deferred Tax Expense Effect (-)		975.913
<b>XVIII. CURRENT PERIOD PROFIT / LOSS FROM CONTINUED OPERATIONS (XVI±XVII)</b>	(10)	<b>2.670.962</b>
<b>XIX. INCOME FROM DISCONTINUED OPERATIONS</b>		<b>22.727</b>
19.1 Income from non- Current Assets Held for Sale		22.727
19.2 Profit from Sales of Associates, Subsidiaries and Joint Ventures		-
19.3 Income from Other Discontinued Operations		-
<b>XX. EXPENSES FOR DISCONTINUED OPERATIONS (-)</b>		<b>9.737</b>
20.1 Expenses for Non-current Assets Held for Sale		9.737
20.2 Loss from Sales of Associates, Subsidiaries and Joint Ventures		-
20.3 Expenses for Other Discontinued Operations		-
<b>XXI. PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XIX-XX)</b>	(8)	<b>12.990</b>
<b>XXII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>	(9)	<b>2.860</b>
22.1 Current Tax Provision		2.890
22.2 Deferred Tax Expense Effect (+)		-
22.3 Deferred Tax Income Effect (-)		30
<b>XXIII. PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XXI±XXII)</b>	(10)	<b>10.130</b>
<b>XXIV. NET PROFIT/(LOSS) (XVIII+XXIII)</b>	(11)	<b>2.681.092</b>
24.1 Profit / (Loss) of Group		2.656.647
24.2 Profit / (Loss) of Minority Shares (-)	(12)	24.445
Profit / (Loss) Per Share		2,1253

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

**TÜRKİYE HALK BANKASI AŞ**  
**CONSOLIDATED STATEMENT OF INCOME AS OF 31 DECEMBER 2017**  
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

**III. CONSOLIDATED STATEMENT OF INCOME**

		Audited Prior period 1 January- 31 December 2017
INCOME AND EXPENSES		Note
<b>I.</b>	<b>INTEREST INCOME</b>	<b>(1)</b> <b>23.665.069</b>
1.1	Interest on loans	19.060.838
1.2	Interest received from reserve deposits	132.398
1.3	Interest received from banks	256.701
1.4	Interest received from money market placements	57.090
1.5	Interest income on marketable securities	3.765.532
1.5.1	Financial assets held for trading	3.209
1.5.2	Financial assets at fair value through profit and loss	-
1.5.3	Financial assets available-for-sale	1.582.407
1.5.4	Investments held-to-maturity	2.179.916
1.6	Finance lease income	197.704
1.7	Other interest income	194.806
<b>II.</b>	<b>INTEREST EXPENSE</b>	<b>(2)</b> <b>15.308.777</b>
2.1	Interest on deposits	11.085.857
2.2	Interest on borrowings	540.285
2.3	Interest on money market borrowings	2.719.811
2.4	Interest on bonds issued	845.535
2.5	Other interest expense	117.289
<b>III.</b>	<b>NET INTEREST INCOME [ I – II ]</b>	<b>8.356.292</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>	<b>1.921.134</b>
4.1	Fees and commissions income	2.506.800
4.1.1	Non-cash loans	405.366
4.1.2	Other	2.101.434
4.2	Fees and commissions expenses	585.666
4.2.1	Non-cash loans	3.986
4.2.2	Other	581.680
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>(3)</b> <b>11.639</b>
<b>VI.</b>	<b>NET TRADING PROFIT (NET)</b>	<b>(4)</b> <b>78.625</b>
6.1	Profit/loss from capital market operations	35.077
6.2	Profit/loss from financial derivative transactions	(195.718)
6.3	Foreign exchange gains/losses	239.266
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(5)</b> <b>2.156.583</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>	<b>12.524.273</b>
<b>IX.</b>	<b>IMPAIRMENT LOSSES ON LOANS AND OTHER RECEIVABLES (-)</b>	<b>(6)</b> <b>1.505.871</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES(-)</b>	<b>(7)</b> <b>5.886.203</b>
<b>XI.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>	<b>5.132.199</b>
<b>XII.</b>	<b>AMOUNT RECORDED IN EXCESS AS GAIN AFTER MERGER</b>	<b>-</b>
<b>XIII.</b>	<b>PROFIT/LOSSES FROM SUBSIDIARIES ACCOUNTED FOR AT EQUITY METHOD</b>	<b>21.511</b>
<b>XIV.</b>	<b>GAIN / (LOSS) ON NET MONETARY POSITION</b>	<b>-</b>
<b>XV.</b>	<b>INCOME/(LOSS) BEFORE TAXES (XI+XII+XIII+XIV)</b>	<b>(8)</b> <b>5.153.710</b>
<b>XVI.</b>	<b>TAX INCOME PROVISION (±)</b>	<b>(9)</b> <b>(1.102.986)</b>
16.1	Current tax charge	(855.655)
16.2	Deferred tax (charge) / benefit	(247.331)
<b>XVII.</b>	<b>NET OPERATING INCOME AFTER TAX (XV±XVI)</b>	<b>(10)</b> <b>4.050.724</b>
<b>XVIII.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>	<b>-</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>	<b>-</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>(8)</b> <b>-</b>
<b>XXI.</b>	<b>PROVISION FOR TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)</b>	<b>(9)</b> <b>-</b>
21.1	Current tax charge	-
21.2	Deferred tax charge	-
<b>XXII.</b>	<b>NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)</b>	<b>(10)</b> <b>-</b>
<b>XXIII.</b>	<b>NET PROFIT/(LOSS) (XVII+XXII)</b>	<b>(11)</b> <b>4.050.724</b>
23.1	Group's profit/loss	4.038.239
23.2	Minority shares profit/loss	<b>(12)</b> 12.485
	Earnings/losses per share (Full TRY)	3,2406

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 DECEMBER 2018**  
*(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)*

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

	<b>Audited</b>
	<b>Current Period</b>
	<b>1 January –</b>
	<b>31 December 2018</b>
<b>STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY</b>	
<b>I. CURRENT PERIOD INCOME/LOSS</b>	<b>2.681.092</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>657.118</b>
<b>2.1 Not Reclassified Through Profit or Loss</b>	<b>225.317</b>
2.1.1 Property and Equipment Revaluation Increase/Decrease	211.669
2.1.2 Intangible Assets Revaluation Increase/Decrease	-
2.1.3 Defined Benefit Pension Plan Remeasurement Gain/Loss	24.320
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(10.672)
<b>2.2 Reclassified Through Profit or Loss</b>	<b>431.801</b>
2.2.1 Foreign Currency Translation Differences	(54.085)
2.2.2 Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	580.811
2.2.3 Cash Flow Hedge Income/Loss	-
2.2.4 Foreign Net Investment Hedge Income/Loss	-
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Loss	-
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(94.925)
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>3.338.210</b>

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 DECEMBER 2017**  
*(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)*

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

		Audited
		Prior period
		1 January-
		31 December 2017
STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY		
I.	ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	20.605
II.	TANGIBLE ASSETS REVALUATION DIFFERENCES	285.864
III.	INTANGIBLE ASSETS REVALUATION DIFFERENCES	-
IV.	FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	(4.311)
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 FOR UNDER EQUITY DUE TO TAS	144.062
IX.	DEFERRED TAX ON VALUATION DIFFERENCES	(50.209)
X.	TOTAL NET PROFIT/LOSS ACCOUNTED FOR UNDER EQUITY (I+II+...+IX)	396.011
XI.	PROFIT/LOSS	4.050.724
11.1	Change in fair value of marketable securities (Transfer to profit/loss)	38.564
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	4.012.160
XII.	TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X±XI)	4.446.735

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 DECEMBER 2018**  
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

**V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

Audited (1 January – 31 December 2018)	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss						Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss						Total Equity		Total Equity	
	Paid in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Revaluation Increase/Decrease of Fixed Assets	Accumulated Remeasurement Gain/Loss of Defined Benefit Pension Plan	Other(Shares of Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)	Foreign Currency Translation Differences	Value Through Other Comprehensive Income	Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income	Other (Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)		Expect Minority Shares
I. Prior Period End Balance	1.250.000	39.737	-	1.173.214	2.253.646	(10.744)	-	52.631	(660.392)	-	17.081.403	4.139.070	-	25.318.565	210.124	25.528.689
II. Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	678.853	-	-	678.853	4	678.857
2.1 Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	678.853	-	-	678.853	4	678.857
III. Adjusted Beginning Balance (I+II)	1.250.000	39.737	-	1.173.214	2.253.646	(10.744)	-	52.631	(660.392)	-	17.081.403	4.817.923	-	25.997.418	210.128	26.207.546
IV. Total Comprehensive Income	-	-	-	-	205.949	19.368	-	(54.085)	485.886	-	-	-	2.656.647	3.313.765	24.445	3.338.210
V. Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds to Share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase / Decrease by Other Changes	-	3	-	54.841	-	-	-	-	-	-	(65.712)	2.676	-	(8.192)	13.025	4.833
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	3.804.363	(3.812.755)	-	(8.392)	(957)	(9.349)
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	(186.274)	-	(186.274)	(2.521)	(188.795)
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	3.804.363	(3.626.481)	-	177.882	1.564	179.446
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period End Balance (III+IV+.....+X+XI)</b>	<b>1.250.000</b>	<b>39.740</b>	<b>-</b>	<b>1.228.055</b>	<b>2.459.595</b>	<b>8.624</b>	<b>-</b>	<b>(1.454)</b>	<b>(174.506)</b>	<b>-</b>	<b>20.820.054</b>	<b>1.007.844</b>	<b>2.656.647</b>	<b>29.294.599</b>	<b>246.641</b>	<b>29.541.240</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 31 DECEMBER 2017**  
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

**V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

Audited	Note	Paid in capital	Effect of inflation adjustments on paid in capital	Share premium	Share certificate cancellation profit	Legal reserves	Statutory reserves	Extra-ordinary reserves	Other reserves	Current period net income/(loss)	Prior period net income/(loss)	Valuation changes in marketable sec.	Revaluation changes in prop. and equip. and int. assets	Bonus shares from shareholders	Hedging funds	Value change in pro. and equip. held for sale purp./term. op.f.	Total Shareholder's equity		
																	Minority Shares	Total shareholders' equity	
<b>I. 1 January 2017 – 31 December 2017</b>																			
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																			
<b>II. Increase/decrease generated by merger</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Valuation changes in marketable securities</b>		-	-	-	-	-	-	-	-	-	-	111.167	-	-	-	-	111.167	(1.275)	109.892
<b>IV. Hedging funds (effective portion)</b>		-	-	-	-	-	-	-	115.265	-	-	-	-	-	-	-	115.265	-	115.265
4.1 Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedges for investment made in foreign countries		-	-	-	-	-	-	-	115.265	-	-	-	-	-	-	-	115.265	-	115.265
<b>V. Revaluation changes of property and equipment</b>		-	-	-	-	-	-	-	-	-	-	-	146.368	-	-	-	146.368	-	146.368
<b>VI. Revaluation changes of intangible assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Bonus shares from investment and associates, subsidiaries and joint ventures (business partners).</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Foreign exchange differences</b>		-	-	-	-	-	-	-	(4.896)	-	-	-	-	-	-	-	(4.896)	585	(4.311)
<b>IX. Changes after disposal of securities</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Changes after reclassification of securities</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. Effect of changes in shareholders equity of investments and associates to bank's shareholders equity</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XII. Increase in capital</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 From internal resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIII. Issuance of share certificates at end of period</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5.087)	(5.087)
<b>XIV. Share cancellation profits</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(846)	(846)
<b>XV. Adjustment to paid-in capital</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI. Other<sup>(1)</sup></b>		-	-	-	(1.182)	-	-	(8.873)	(14.994)	-	36.936	-	-	-	-	-	11.887	(8.139)	3.748
<b>XVII. Net profit or losses</b>		-	-	-	-	-	-	-	-	4.038.239	-	-	-	-	-	-	4.038.239	12.485	4.050.724
<b>XVIII. Profit distribution</b>		-	-	-	197.951	-	-	2.182.883	-	(2.533.607)	(103.054)	-	-	-	-	-	(255.827)	(757)	(256.584)
18.1 Dividends distributed		-	-	-	-	-	-	-	-	-	(255.827)	-	-	-	-	-	(255.827)	(757)	(256.584)
18.2 Transfers to legal reserves		-	-	-	197.951	-	-	2.182.883	-	-	(2.380.834)	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	(2.533.607)	2.533.607	-	-	-	-	-	-	-	-
<b>Period End Balance</b>		<b>1.250.000</b>	<b>1.220.451</b>	<b>39.737</b>	<b>- 1.758.941</b>	<b>-</b>	<b>-</b>	<b>15.130.546</b>	<b>129.212</b>	<b>4.038.239</b>	<b>100.831</b>	<b>(607.761)</b>	<b>2.253.646</b>	<b>4.723</b>	<b>-</b>	<b>-</b>	<b>25.318.565</b>	<b>210.124</b>	<b>25.528.689</b>

<sup>(1)</sup> Due to change in group shares.

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

**TÜRKİYE HALK BANKASI AŞ**  
**CONSOLIDATED STATEMENT OF CASH FLOWS AS OF 31 DECEMBER 2018**  
*(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)*

**VI. CONSOLIDATED STATEMENT OF CASH FLOWS**

		<b>Audited</b>
		<b>Current Period</b>
		<b>1 January-</b>
	<b>Note</b>	<b>31 December 2018</b>
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1</b>	<b>Operating profit before changes in operating assets and liabilities</b>	<b>(3.186.823)</b>
1.1.1	Interest received	33.712.282
1.1.2	Interest paid	(26.586.389)
1.1.3	Dividend received	13.177
1.1.4	Fees and commissions received	2.858.270
1.1.5	Other income	2.178.061
1.1.6	Collections from previously written off loans	1.328.304
1.1.7	Cash payments to personnel and service suppliers	(2.643.408)
1.1.8	Taxes paid	(172.670)
1.1.9	Other	(13.874.450)
	<b>(1)</b>	
<b>1.2</b>	<b>Assets and Liabilities Subject to Banking Operations</b>	<b>6.967.809</b>
1.2.1	Net Increase / decrease in financial assets at fair value through profit or loss	(42.439)
1.2.2	Net (increase) / decrease in due from banks and other financial institutions	(11.619)
1.2.3	Net (increase) / decrease in loans	(51.561.378)
1.2.4	Net (increase) / decrease in other assets	(2.140.784)
1.2.5	Net increase / (decrease) in bank deposits	11.890.000
1.2.6	Net increase / (decrease) in other deposits	43.814.081
1.2.7	Net Increase / decrease in financial liabilities at fair value through profit or loss	-
1.2.8	Net increase / (decrease) in funds borrowed	(4.756.024)
1.2.9	Net increase / (decrease) in matured payables	-
1.2.10	Net increase / (decrease) in other liabilities	9.775.972
	<b>(1)</b>	
<b>I.</b>	<b>Net cash provided from banking operations</b>	<b>3.780.986</b>
<b>B. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
<b>II.</b>	<b>Net cash provided from/ (used in) investing activities</b>	<b>(18.289.736)</b>
2.1	Cash paid for purchase of joint ventures, associates and subsidiaries	(310.473)
2.2	Cash obtained from sale of entities joint ventures, associates and subsidiaries	-
2.3	Fixed assets purchases	(1.091.076)
2.4	Fixed assets sales	236.886
2.5	Cash paid for purchase of financial assets at fair value through other comprehensive income	(12.081.446)
2.6	Cash obtained from sale of financial assets at fair value through other comprehensive income	6.051.624
2.7	Cash paid for purchase of investment securities	(17.449.447)
2.8	Cash obtained from sale of investment securities	6.368.539
2.9	Other	(14.343)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III.</b>	<b>Net cash used in financing activities</b>	<b>5.601.920</b>
3.1	Cash obtained from loans borrowed and securities issued	8.553.666
3.2	Cash used for repayment of loans borrowed and securities issued	(2.763.036)
3.3	Bonds issued	-
3.4	Dividends paid	(188.795)
3.5	Payments for finance leases	-
3.6	Other	85
<b>IV.</b>	<b>Effect of change in foreign exchange rate on cash and cash equivalents</b>	<b>5.233.224</b>
	<b>(1)</b>	
<b>V.</b>	<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(3.673.606)</b>
<b>VI.</b>	<b>Cash and cash equivalents at beginning of the period</b>	<b>27.122.191</b>
	<b>(4)</b>	
<b>VII.</b>	<b>Cash and cash equivalents at end of the period</b>	<b>23.448.585</b>
	<b>(5)</b>	

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

**TÜRKİYE HALK BANKASI AŞ**  
**CONSOLIDATED STATEMENT OF CASH FLOWS AS OF 31 DECEMBER 2017**  
*(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)*

**VI. CONSOLIDATED STATEMENT OF CASH FLOWS**

		<b>Audited</b>
		<b>Prior period</b>
		<b>1 January –</b>
		<b>31 December 2017</b>
	<b>Note</b>	
<b>A.</b>	<b>CASH FLOWS FROM BANKING OPERATIONS</b>	
<b>1.1</b>	<b>Operating profit before changes in operating assets and liabilities</b>	<b>3.656.363</b>
1.1.1	Interest received	21.730.125
1.1.2	Interest paid	(14.302.974)
1.1.3	Dividend received	8.888
1.1.4	Fees and commissions received	2.512.134
1.1.5	Other income	1.850.733
1.1.6	Collections from previously written off loans	728.163
1.1.7	Cash payments to personnel and service suppliers	(2.194.575)
1.1.8	Taxes paid	(541.969)
1.1.9	Other	(6.134.162)
	<b>(1)</b>	
<b>1.2</b>	<b>Assets and Liabilities Subject to Banking Operations</b>	<b>11.595.937</b>
1.2.1	Net (increase) decrease in financial assets held for sale	(31.389)
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	22.540
1.2.4	Net (increase) decrease in loans	(46.260.521)
1.2.5	Net (increase) decrease in other assets	(132.409)
1.2.6	Net increase (decrease) in bank deposits	(3.603.141)
1.2.7	Net increase (decrease) in other deposits	45.457.843
1.2.8	Net increase (decrease) in loans borrowed	(1.527.805)
1.2.9	Net increase (decrease) in matured payables	-
1.2.10	Net increase (decrease) in other liabilities	17.670.819
	<b>(1)</b>	
<b>I.</b>	<b>Net cash provided from banking operations</b>	<b>15.252.300</b>
<b>B.</b>	<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>	
<b>II.</b>	<b>Net cash provided from/ (used in) investing activities</b>	<b>(4.581.992)</b>
2.1	Cash paid for purchase of joint ventures, associates and subsidiaries	(14.994)
2.2	Cash obtained from sale of entities joint ventures, associates and subsidiaries	-
2.3	Fixed assets purchases	(549.618)
2.4	Fixed assets sales	199.519
2.5	Cash paid for purchase of financial assets available for sale	(9.672.067)
2.6	Cash obtained from sale of financial assets available for sale	7.909.271
2.7	Cash paid for purchase of investment securities	(4.893.951)
2.8	Cash obtained from sale of investment securities	2.476.081
2.9	Other	(36.233)
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
<b>III.</b>	<b>Net cash used in financing activities</b>	<b>24.122</b>
3.1	Cash obtained from loans borrowed and securities issued	9.216.726
3.2	Cash used for repayment of loans borrowed and securities issued	(8.936.020)
3.3	Bonds issued	-
3.4	Dividends paid	(256.584)
3.5	Payments for finance leases	-
3.6	Other	-
<b>IV.</b>	<b>Effect of change in foreign exchange rate on cash and cash equivalents</b>	<b>897.165</b>
	<b>(1)</b>	
<b>V.</b>	<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>11.591.595</b>
<b>VI.</b>	<b>Cash and cash equivalents at beginning of the period</b>	<b>15.530.596</b>
	<b>(4)</b>	
<b>VII.</b>	<b>Cash and cash equivalents at end of the period</b>	<b>27.122.191</b>
	<b>(5)</b>	

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

**TÜRKİYE HALK BANKASI AŞ**  
**CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION AS OF 31 DECEMBER 2018**  
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

**VII. CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION<sup>(1)</sup>**

	<b>Audited</b>
	<b>Current Period</b>
	<b>31 December 2018</b>
<b>I. DISTRIBUTION OF CURRENT YEAR PROFIT</b>	
1.1. Current Period Profit	2.717.818
1.2. Taxes and Legal Duties Payables (-)	(196.023)
1.2.1. Corporate Tax (Income Tax)	(9.840)
1.2.2. Withholding Tax	-
1.2.3. Other Taxes and Duties	(186.183)
<b>A. Net Profit For The Period (1.1-1.2)</b>	<b>2.521.795</b>
1.3. Accumulated Losses (-)	-
1.4. First Legal Reserves (-)	-
1.5. Other Statutory Reserves (-)	-
<b>B. Net Profit Available for Distribution [(A)-(1.3+1.4+1.5)]</b>	<b>-</b>
1.6. First Dividend to shareholders (-)	-
1.6.1. To Owners of Ordinary Shares	-
1.6.2. To Owners of Privileged Shares	-
1.6.3. To Owners of Redeemed Shares	-
1.6.4. To Profit Sharing Bonds	-
1.6.5. To Holders of Profit and Loss Sharing Certificates	-
1.7. Dividends to personnel (-)	-
1.8. Dividends to Board of Directors (-)	-
1.9. Second Dividend to Shareholders (-)	-
1.9.1. To Owners of Ordinary Shares	-
1.9.2. To Owners of Privileged Shares	-
1.9.3. To Owners of Redeemed Shares	-
1.9.4. To Profit Sharing Bonds	-
1.9.5. To Holders Of Profit And Loss Sharing Certificates	-
1.10. Second Legal Reserves (-)	-
1.11. Status Reserves (-)	-
1.12. Extraordinary Reserves	-
1.13. Other Reserves	-
1.14. Special Funds	-
<b>II. Distribution of Reserves</b>	
2.1. Appropriated Reserves	-
2.2. Second Legal Reserves (-)	-
2.3. Dividends to Shareholders (-)	-
2.3.1. To Owners of Ordinary Shares	-
2.3.2. To Owners of Privileged Shares	-
2.3.3. To Owners of Redeemed Shares	-
2.3.4. To Profit Sharing Bonds	-
2.3.5. To Holders of Profit and Loss Sharing Certificates	-
2.4. Dividends to Personnel (-)	-
2.5. Dividends to Board of Directors (-)	-
<b>III. Earnings per Share</b>	
3.1. To Owners of Ordinary Shares	2,0174
3.2. To Owners of Ordinary Shares (%)	201,74%
3.3. To Owners of Privileged Shares	-
3.4. To Owners of Privileged Shares (%)	-
<b>IV. Dividend per Share</b>	
4.1. To Owners of Ordinary Shares	-
4.2. To Owners of Ordinary Shares (%)	-
4.3. To Owners of Privileged Shares	-
4.4. To Owners of Privileged Shares (%)	-

<sup>(1)</sup>Board of Directors meeting was not held as of 31 December 2018 financial reporting date.

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

**TÜRKİYE HALK BANKASI AŞ**  
**CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION AS OF 31 DECEMBER 2017**  
*(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)*

**VII. CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION**

	<b>Audited</b>
	<b>Prior Period</b>
	<b>31 December 2017</b>
<b>I. DISTRIBUTION OF CURRENT YEAR PROFIT</b>	
1.1. Current Period Profit	4.709.582
1.2. Taxes and Legal Duties Payables (-)	(984.120)
1.2.1. Corporate Tax (Income Tax)	(749.669)
1.2.2. Withholding Tax	-
1.2.3. Other Taxes and Duties	(234.451)
<b>A. Net Profit For The Period (1.1-1.2)</b>	<b>3.725.462</b>
1.3. Accumulated Losses (-)	-
1.4. First Legal Reserves (-)	186.273
1.5. Other Statutory Reserves (-)	-
<b>B. Net Profit Available for Distribution [(A-(1.3+1.4+1.5)]</b>	<b>3.539.189</b>
1.6. First Dividend to shareholders (-)	62.500
1.6.1. To Owners of Ordinary Shares	62.500
1.6.2. To Owners of Privileged Shares	-
1.6.3. To Owners of Redeemed Shares	-
1.6.4. To Profit Sharing Bonds	-
1.6.5. To Holders of Profit and Loss Sharing Certificates	-
1.7. Dividends to personnel (-)	-
1.8. Dividends to Board of Directors (-)	-
1.9. Second Dividend to Shareholders (-)	123.774
1.9.1. To Owners of Ordinary Shares	123.774
1.9.2. To Owners of Privileged Shares	-
1.9.3. To Owners of Redeemed Shares	-
1.9.4. To Profit Sharing Bonds	-
1.9.5. To Holders Of Profit And Loss Sharing Certificates	-
1.10. Second Legal Reserves (-)	32.344
1.11. Status Reserves (-)	-
1.12. Extraordinary Reserves	3.320.571
1.13. Other Reserves	-
1.14. Special Funds	-
<b>II. Distribution of Reserves</b>	
2.1. Appropriated Reserves	-
2.2. Second Legal Reserves (-)	-
2.3. Dividends to Shareholders (-)	186.274
2.3.1. To Owners of Ordinary Shares	186.274
2.3.2. To Owners of Privileged Shares	-
2.3.3. To Owners of Redeemed Shares	-
2.3.4. To Profit Sharing Bonds	-
2.3.5. To Holders of Profit and Loss Sharing Certificates	-
2.4. Dividends to Personnel (-)	199.665
2.5. Dividends to Board of Directors (-)	-
<b>III. Earnings per Share</b>	
3.1. To Owners of Ordinary Shares	2,9804
3.2. To Owners of Ordinary Shares (%)	%298,04
3.3. To Owners of Privileged Shares	-
3.4. To Owners of Privileged Shares (%)	-
<b>IV. Dividend per Share</b>	
4.1. To Owners of Ordinary Shares	-
4.2. To Owners of Ordinary Shares (%)	-
4.3. To Owners of Privileged Shares	-
4.4. To Owners of Privileged Shares (%)	-

<sup>(2)</sup>Dividends to personnel which added to 2017 net profit as a provision not sentenced in profit distribution, only shown in the table for information.

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