

TÜRKİYE HALK BANKASI AŞ

CONSOLIDATED BALANCE SHEET AS OF 31 December 2011

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

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

ASSETS	Note	Audited Current period 31 December 2011			Audited Prior period 31 December 2010		
		TRY	FC	Total	TRY	FC	Total
		I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	2.511.197	4.776.536	7.287.733	2.782.649
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	39.599	109.900	149.499	46.631	43.356	89.987
2.1 Trading financial assets		39.599	109.900	149.499	46.631	43.356	89.987
2.1.1 Public sector debt securities		22.435	10.413	32.848	44.720	8.958	53.678
2.1.2 Share certificates		-	-	-	77	-	77
2.1.3 Financial assets held for trading		37	92.902	92.939	3	34.304	34.307
2.1.4 Other marketable securities		17.127	6.585	23.712	1.831	94	1.925
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)	38.568	1.500.137	1.538.705	103.332	909.336	1.012.668
IV. MONEY MARKET PLACEMENTS		33.313	-	33.313	216.125	-	216.125
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market placements		32.394	-	32.394	95.719	-	95.719
4.3 Receivables from reverse repurchase agreements		919	-	919	120.406	-	120.406
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	7.770.489	1.619.931	9.390.420	5.929.654	1.565.336	7.494.990
5.1 Share certificates		5.476	10.095	15.571	4.774	8.861	13.635
5.2 Public sector debt securities		7.765.013	1.609.836	9.374.849	5.924.880	1.556.475	7.481.355
5.3 Other marketable securities		-	-	-	-	-	-
VI. LOANS AND RECEIVABLES	(5)	38.597.858	17.685.745	56.283.603	32.227.015	12.069.472	44.296.487
6.1 Loans and receivables		38.330.900	17.682.932	56.013.832	31.933.792	12.069.472	44.003.264
6.1.1 Loans extended to risk group of the Bank		-	-	-	9.130	66.574	75.704
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		38.330.900	17.682.932	56.013.832	31.924.662	12.002.898	43.927.560
6.2 Loans under follow-up		1.668.695	12.189	1.680.884	1.757.753	-	1.757.753
6.3 Specific provisions (-)		1.401.737	9.376	1.411.113	1.464.530	-	1.464.530
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD TO MATURITY INVESTMENTS (Net)	(6)	12.019.233	2.045.225	14.064.458	10.838.368	1.911.472	12.749.840
8.1 Public sector debt securities		12.019.233	2.045.225	14.064.458	10.838.368	1.911.472	12.749.840
8.2 Other marketable securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	24.215	131.273	155.488	72.356	115.566	187.922
9.1 Accounted under equity method		14.344	131.273	145.617	64.723	115.566	180.289
9.2 Unconsolidated associates		9.871	-	9.871	7.633	-	7.633
9.2.1 Financial investments		8.819	-	8.819	6.581	-	6.581
9.2.2 Non-financial investments		1.052	-	1.052	1.052	-	1.052
X. INVESTMENTS IN SUBSIDIARIES (Net)	(8)	-	-	-	-	-	-
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
XI. JOINT VENTURES (Net)	(9)	-	-	-	-	-	-
11.1 Accounted with 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)	124.961	764.572	889.533	-	-	-
12.1 Finance lease receivables		159.285	889.299	1.048.584	-	-	-
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		34.324	124.727	159.051	-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	(11)	-	-	-	-	-	-
13.1 Fair value risk hedging		-	-	-	-	-	-
13.2 Cash flow risk hedging		-	-	-	-	-	-
13.3 Net abroad investment risk hedging		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(12)	1.292.527	22.334	1.314.861	1.234.390	47	1.234.437
XV. INTANGIBLE ASSETS (Net)	(13)	29.508	16.035	45.543	18.655	-	18.655
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		29.508	16.035	45.543	18.655	-	18.655
XVI. INVESTMENT PROPERTIES (Net)	(14)	-	-	-	-	-	-
XVII. TAX ASSET	(15)	106.486	97	106.583	222.820	-	222.820
17.1 Current assets for tax		12.815	97	12.912	-	-	-
17.2 Deferred assets for tax		93.671	-	93.671	222.820	-	222.820
XVIII. ASSETS HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)	(16)	85.623	-	85.623	98.131	-	98.131
18.1 Held for sale purpose		85.623	-	85.623	98.131	-	98.131
18.2 Held from discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(17)	744.739	70.556	815.295	714.198	41.054	755.252
TOTAL ASSETS		63.418.316	28.742.341	92.160.657	54.504.324	18.522.555	73.026.879

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

TÜRKİYE HALK BANKASI AŞ

CONSOLIDATED BALANCE SHEET AS OF 31 December 2011

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

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

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	Audited Current period			Audited Prior period		
		31 December 2011			31 December 2010		
		TRY	FC	Total	TRY	FC	Total
I. DEPOSITS	(1)	44.029.636	22.198.874	66.228.510	39.449.915	15.104.500	54.554.415
1.1 Deposits Held by the Risk Group of the Parent Bank		69.408	14.622	84.030	50.153	6.274	56.427
1.2 Other		43.960.228	22.184.252	66.144.480	39.399.762	15.098.226	54.497.988
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	44	65.314	65.358	7	39.144	39.151
III. BORROWING FUNDING LOANS	(3)	435.310	6.575.035	7.010.345	203.429	3.622.658	3.826.087
IV. MONEY MARKET BALANCES		4.093.779	847.930	4.941.709	2.666.667	614.156	3.280.823
4.1 Interbank money market takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Takasbank takings		37.177	-	37.177	125.768	-	125.768
4.3 Funds from repurchase agreements	(3)	4.056.602	847.930	4.904.532	2.540.899	614.156	3.155.055
V. MARKETABLE SECURITIES ISSUED (Net)	(4)	495.611	-	495.611	-	-	-
5.1 Treasury bills		495.611	-	495.611	-	-	-
5.2 Asset-backed securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS	(5)	1.345.234	-	1.345.234	1.295.232	-	1.295.232
6.1 Borrower Funds		32.847	-	32.847	121.084	-	121.084
6.2 Other		1.312.387	-	1.312.387	1.174.148	-	1.174.148
VII. SUNDRY CREDITORS		1.084.441	86.946	1.171.387	755.869	19.362	775.231
VIII. OTHER LIABILITIES	(6)	397.572	184.256	581.828	392.985	140.658	533.643
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. FINANCE LEASE PAYABLES	(7)	-	-	-	565	1	566
10.1 Finance lease payables		-	-	-	830	1	831
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance lease expenses (-)		-	-	-	265	-	265
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING	(8)	-	-	-	-	-	-
11.1 Fair value risk hedging		-	-	-	-	-	-
11.2 Cash flow risk hedging		-	-	-	-	-	-
11.3 Net abroad investment risk hedging		-	-	-	-	-	-
XII. PROVISIONS	(9)	1.547.395	19.890	1.567.285	1.059.388	15.869	1.075.257
12.1 General loan provisions		656.783	3.131	659.914	390.121	-	390.121
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Employee benefits provisions		320.290	-	320.290	276.605	-	276.605
12.4 Insurance technical reserves (Net)		309.277	-	309.277	216.750	-	216.750
12.5 Other provisions		261.045	16.759	277.804	175.912	15.869	191.781
XIII. TAX LIABILITY	(10)	190.674	1.846	192.520	274.148	1	274.149
13.1 Current tax liability		190.674	23	190.697	274.148	1	274.149
13.2 Deferred tax liability		-	1.823	1.823	-	-	-
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)	8.848.336	(287.466)	8.560.870	7.436.636	(64.311)	7.372.325
16.1 Paid-in capital		1.250.000	-	1.250.000	1.250.000	-	1.250.000
16.2 Capital Reserves		1.297.443	(354.964)	942.479	1.398.353	(64.311)	1.334.042
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities revaluation fund		76.761	(354.964)	(278.203)	177.841	(64.311)	113.530
16.2.4 Tangible assets revaluation reserves		-	-	-	-	-	-
16.2.5 Intangible assets revaluation reserves		-	-	-	-	-	-
16.2.6 Revaluation reserves of real estates for investment purpose		-	-	-	-	-	-
16.2.7 Non-paid-up shares of subsidiaries, associates and joint ventures		231	-	231	61	-	61
16.2.8 Hedging Funds (effective portion)		-	-	-	-	-	-
16.2.9 Value Increase on Non-current Assets Held for Sale and Discontinued Operations		-	-	-	-	-	-
16.2.10 Other capital reserves		1.220.451	-	1.220.451	1.220.451	-	1.220.451
16.3 Profit reserves		4.260.209	19.859	4.280.068	2.893.106	-	2.893.106
16.3.1 Legal reserves		765.200	-	765.200	620.349	-	620.349
16.3.2 Statutory reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		3.447.828	-	3.447.828	2.225.576	-	2.225.576
16.3.4 Other profit reserves		47.181	19.859	67.040	47.181	-	47.181
16.4 Profit/Loss		2.035.430	46.053	2.081.483	1.888.693	-	1.888.693
16.4.1 Prior years income/loss		8.731	45.373	54.104	45.998	-	45.998
16.4.2 Period profit/loss		2.026.699	680	2.027.379	1.842.695	-	1.842.695
16.5 Minority shares	(14)	5.254	1.586	6.840	6.484	-	6.484
TOTAL LIABILITIES AND EQUITY		62.468.032	29.692.625	92.160.657	53.534.841	19.492.038	73.026.879

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

TÜRKİYE HALK BANKASI AŞ

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS FOR THE YEAR ENDED 31 December 2011

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

II. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS

OFF BALANCE SHEET	Note	Audited			Audited		
		Current period			Prior period		
		31 December 2011			31 December 2010		
		TRY	FC	Total	TRY	FC	Total
A. COMMITMENTS AND CONTINGENCIES (I+II+III)		80.613.586	16.627.863	97.241.449	17.089.689	10.385.583	27.475.272
I. GUARANTEES AND SURETYSHIPS	(1)	8.825.107	9.030.170	17.855.277	6.747.813	5.978.539	12.726.352
1.1 Letters of guarantee		7.625.151	5.097.170	12.722.321	5.140.511	3.802.506	8.943.017
1.1.1 Guarantees subject to public procurement law		543.113	4.062.660	4.605.773	477.740	3.006.494	3.484.234
1.1.2 Guarantees given for foreign trade operations		-	-	-	-	-	-
1.1.3 Other letters of guarantee		7.082.038	1.034.510	8.116.548	4.662.771	796.012	5.458.783
1.2 Bank loans		5.620	622.372	627.992	-	149.594	149.594
1.2.1 Import acceptances		-	147.772	147.772	-	88.531	88.531
1.2.2 Other bank acceptances		5.620	474.600	480.220	-	61.063	61.063
1.3 Letters of credit		988.711	3.093.197	4.081.908	1.521.453	1.855.885	3.377.338
1.3.1 Documentary letters of credit		988.711	3.093.197	4.081.908	1.521.453	1.855.885	3.377.338
1.3.2 Other letters of credit		-	-	-	-	-	-
1.4 Guaranteed prefinancings		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to Central Bank of Turkish Republic		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Purchase guarantees on marketable security issuance		-	-	-	-	-	-
1.7 Factoring guarantees		-	-	-	-	-	-
1.8 Other guarantees		205.395	217.431	422.826	85.619	170.554	256.173
1.9 Other suretyships		230	-	230	230	-	230
II. COMMITMENTS	(1)	70.356.620	893.328	71.249.948	9.198.369	689.509	9.887.878
2.1 Irrevocable commitments		10.371.656	893.328	11.264.984	9.195.150	689.509	9.884.659
2.1.1 Forward asset purchase commitments		154.699	522.386	677.085	248.007	383.194	631.201
2.1.2 Forward deposit purchase and sale commitments		-	-	-	-	-	-
2.1.3 Capital commitments to subsidiaries and associates		1.000	-	1.000	2.000	-	2.000
2.1.4 Loan granting commitments		528.010	362.025	890.035	296.308	306.315	602.623
2.1.5 Securities underwriting commitments		-	-	-	-	-	-
2.1.6 Payment commitments for reserve deposits		-	-	-	-	-	-
2.1.7 Payment commitments for cheques		3.976.513	-	3.976.513	3.604.999	-	3.604.999
2.1.8 Tax and fund liabilities from export commitments		11.389	-	11.389	34.849	-	34.849
2.1.9 Commitments for credit card expenditure limits		4.614.215	4.369	4.618.584	4.089.791	-	4.089.791
2.1.10 Commitments for credit cards and banking services promotions		26.857	-	26.857	26.217	-	26.217
2.1.11 Receivables from short sale commitments		-	-	-	-	-	-
2.1.12 Payables for short sale commitments		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		1.058.973	4.548	1.063.521	892.979	-	892.979
2.2 Revocable commitments		59.984.964	-	59.984.964	3.219	-	3.219
2.2.1 Revocable loan granting commitments		59.984.964	-	59.984.964	-	-	-
2.2.2 Other revocable commitments		-	-	-	3.219	-	3.219
III. DERIVATIVE FINANCIAL INSTRUMENTS	(1)	1.431.859	6.704.365	8.136.224	1.143.507	3.717.535	4.861.042
3.1 Derivative financial instruments for hedging		-	-	-	-	-	-
3.1.1 Fair value risk hedging transactions		-	-	-	-	-	-
3.1.2 Cash flow risk hedging transactions		-	-	-	-	-	-
3.1.3 Net foreign investment risk hedging transactions		-	-	-	-	-	-
3.2 Transactions for trading		1.431.859	6.704.365	8.136.224	1.143.507	3.717.535	4.861.042
3.2.1 Forward foreign currency buy/sell transactions		253.014	1.947.025	2.200.039	43.389	61.207	104.596
3.2.1.1 Forward foreign currency transactions-buy		107.162	222.569	329.731	15.883	36.443	52.326
3.2.1.2 Forward foreign currency transactions-sell		145.852	1.724.456	1.870.308	27.506	24.764	52.270
3.2.2 Currency and interest rate swaps		907.911	2.904.372	3.812.283	814.044	2.365.756	3.179.800
3.2.2.1 Currency swap-buy		37.792	1.878.713	1.916.505	154.773	1.451.293	1.606.066
3.2.2.2 Currency swap-sell		870.119	1.025.659	1.895.778	659.271	914.463	1.573.734
3.2.2.3 Interest rate swap-buy		-	-	-	-	-	-
3.2.2.4 Interest rate swap-sell		-	-	-	-	-	-
3.2.3 Currency, interest rate and marketable securities options		72.864	65.896	138.760	88.004	104.185	192.189
3.2.3.1 Currency call options		36.410	32.970	69.380	43.922	52.174	96.096
3.2.3.2 Currency put options		36.454	32.926	69.380	44.082	52.011	96.093
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		198.070	1.787.072	1.985.142	198.070	1.186.387	1.384.457
B. CUSTODY AND PLEDGED ASSETS (IV+V+VI)		468.439.063	257.727.659	726.166.722	357.507.925	151.968.388	509.476.313
IV. CUSTODIES		86.517.071	9.065.031	95.582.102	65.622.963	6.599.017	72.221.980
4.1 Assets under management		-	-	-	-	-	-
4.2 Custody marketable securities		30.685.555	300.524	30.986.079	27.486.898	279.199	27.766.097
4.3 Cheques in collection process		5.914.701	5.311.108	11.225.809	4.208.585	2.885.911	7.094.496
4.4 Commercial notes in collection process		32.414.352	274.624	32.688.976	19.368.036	191.272	19.559.308
4.5 Other assets in collection process		613	-	613	1.099	-	1.099
4.6 Underwritten securities		640	-	640	129	-	129
4.7 Other custodies		2.245	3.418	5.663	3.114	7.881	10.995
4.8 Custodians		17.498.965	3.175.357	20.674.322	14.555.102	3.234.754	17.789.856
V. PLEDGED ASSETS		381.921.992	248.662.628	630.584.620	291.884.962	145.369.371	437.254.333
5.1 Marketable securities		1.528.764	221.573	1.750.337	1.356.594	184.735	1.541.329
5.2 Collateral notes		4.491.731	413.970	4.905.701	3.483.737	166.385	3.650.122
5.3 Commodity		25.830	-	25.830	25.830	-	25.830
5.4 Warranty		-	-	-	-	-	-
5.5 Land and buildings		78.511.399	35.516.868	114.028.267	56.223.803	17.792.541	74.016.344
5.6 Other pledged assets		294.494.533	212.035.121	506.529.654	228.225.320	127.085.348	355.310.668
5.7 Pledges		2.869.735	475.096	3.344.831	2.569.678	140.362	2.710.040
VI. ACCEPTED BILL GUARANTEES AND SURETIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		549.052.649	274.355.522	823.408.171	374.597.614	162.353.971	536.951.585

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

TÜRKİYE HALK BANKASI AŞ

CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED 31 December 2011

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

III. CONSOLIDATED STATEMENT OF INCOME

INCOME AND EXPENSES	Note	Audited	
		Current period 1 January-31 December 2011	Prior period 1 January-31 December 2010
I. INTEREST INCOME	(1)	7.339.262	6.363.935
1.1 Interest on loans		5.250.985	4.256.240
1.2 Interest received from reserve deposits		222	177
1.3 Interest received from banks		10.076	73.470
1.4 Interest received from money market placements		245	263
1.5 Interest income on marketable securities		2.033.640	2.019.832
1.5.1 Financial assets held for trading		5.751	3.372
1.5.2 Financial assets at fair value through profit and loss		-	-
1.5.3 Financial assets available-for-sale		735.228	616.755
1.5.4 Investments held-to-maturity		1.292.661	1.399.705
1.6 Finance lease income		33.526	-
1.7 Other interest income		10.568	13.953
II. INTEREST EXPENSE	(2)	3.805.504	3.151.775
2.1 Interest on deposits		3.152.749	2.763.395
2.2 Interest on borrowings		140.845	66.207
2.3 Interest on money market borrowings		458.659	272.513
2.4 Interest on marketable securities issued		17.308	-
2.5 Other interest expense		35.943	49.660
III. NET INTEREST INCOME [I – II]		3.533.758	3.212.160
IV. NET FEES AND COMMISSIONS INCOME		703.029	509.975
4.1 Fees and commissions income		828.526	615.500
4.1.1 Non-cash loans		112.284	78.714
4.1.2 Other	(11)	716.242	536.786
4.2 Fees and commissions expenses		125.497	105.525
4.2.1 Non-cash loans		853	58
4.2.2 Other		124.644	105.467
V. DIVIDEND INCOME	(3)	5.673	1.223
VI. NET TRADING PROFIT (NET)	(4)	210.259	133.355
6.1 Profit/loss from capital market operations		95.747	221.758
6.2 Profit/loss from financial derivative transactions		154.339	(72.840)
6.3 Foreign exchange gains/losses		(39.827)	(15.563)
VII. OTHER OPERATING INCOME	(5)	818.732	597.805
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		5.271.451	4.454.518
IX. LOANS AND OTHER RECEIVABLES IMPAIRMENT LOSS PROVISIONS (-)	(6)	691.716	458.470
X. OTHER OPERATING EXPENSES(-)	(7)	1.945.093	1.653.949
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		2.634.642	2.342.099
XII. AMOUNT RECORDED IN EXCESS AS GAIN AFTER MERGER		-	-
XIII. PROFIT/LOSSES FROM EQUITY METHOD APPLIED SUBSIDIARIES		905	10.911
XIV. GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV. INCOME/(LOSS) BEFORE TAXES (XI+XII+XIII+XIV)	(8)	2.635.547	2.353.010
XVI. TAX INCOME PROVISION (±)	(9)	(608.848)	(509.719)
16.1 Current tax provision		(381.227)	(544.120)
16.2 Deferred tax provision		(227.621)	34.401
XVII. NET OPERATING INCOME AFTER TAX (XV±XVI)	(10)	2.026.699	1.843.291
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 (±)	(9)	-	-
21.1 Current tax provision		-	-
21.2 Deferred tax provision		-	-
XXII. NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	-
XXIII. NET PROFIT/(LOSS) (XVII+XXII)	(11)	2.026.699	1.843.291
Group's profit/loss		2.027.379	1.842.695
Minority shares profit/loss		(680)	596
Earnings/losses per share (Full TRY)		1,62190	1,47416

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 FOR THE YEAR ENDED 31 December 2011

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

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

	Audited	
	Current period	Prior period
	1 January - 31 December 2011	1 January - 31 December 2010
STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY		
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	(468.026)	97.648
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	19.859	69
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)	-	12.609
VII. THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES	-	-
VIII. OTHER PROFIT LOSS ITEMS ACCOUNTED UNDER EQUITY DUE TO TAS	170	-
IX. DEFERRED TAX OF VALUATION DIFFERENCES	76.279	(13.212)
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	(371.718)	97.114
XI. PROFIT/LOSS	2.026.699	1.843.291
11.1 Change in fair value of marketable securities (Transfer to profit/loss)	69.655	31.486
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	-	(10.087)
11.4 Other	1.957.044	1.821.892
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X±XI)	1.654.981	1.940.405

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

TÜRKİYE HALK BANKASI AŞ

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 December 2011

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Paid in capital	Effect of inflation adjustments on paid in capital	Share premium	Share certificate cancellation profit	Legal reserves	Statutory reserves	Extra-ordinary reserves	Other reserves	Current period net income/ (loss)	Prior period net income/ (loss)	Valuation changes in marketable sec.	Revaluation changes in prop. and int. assets	Free shares from shareholders	Hedging funds	Value change in pro. and equip. held for sale purp./term. op.	Total equity excluding minority shares	Minority shares	Total equity
1 January 2010 – 31 December 2010																			
I.		1.250.000	1.220.451	-	-	515.312	-	1.048.423	47.181	1.664.665	7.104	26.446	-	61	(10.087)	-	5.769.556	6.594	5.776.150
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.		1.250.000	1.220.451	-	-	515.312	-	1.048.423	47.181	1.664.665	7.104	26.446	-	61	(10.087)	-	5.769.556	6.594	5.776.150
Changes within the period																			
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-	-	-	-	-	87.001	-	-	-	-	87.001	(43)	86.958
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	10.087	-	10.087	-	10.087
6.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2		-	-	-	-	-	-	-	-	-	-	-	-	-	10.087	-	10.087	-	10.087
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	69	-	-	-	-	69	-	69
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	35	-	-	-	-	-	14	-	-	-	-	49	(663)	(614)
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.		-	-	-	-	-	-	-	-	-	14.205	-	-	-	-	-	14.205	-	14.205
XIX.		-	-	-	-	-	-	-	-	1.842.695	-	-	-	-	-	-	1.842.695	596	1.843.291
XX.		-	-	-	-	105.002	-	1.177.153	-	(1.664.665)	24.689	-	-	-	-	-	(357.821)	-	(357.821)
20.1		-	-	-	-	-	-	-	-	-	(357.821)	-	-	-	-	-	(357.821)	-	(357.821)
20.2		-	-	-	-	105.002	-	1.177.153	-	-	(1.282.155)	-	-	-	-	-	-	-	-
20.3		-	-	-	-	-	-	-	-	(1.664.665)	1.664.665	-	-	-	-	-	-	-	-
		1.250.000	1.220.451	-	-	620.349	-	2.225.576	47.181	1.842.695	45.998	113.530	-	61	-	-	7.365.841	6.484	7.372.325
1 January 2011 – 31 December 2011																			
I.		1.250.000	1.220.451	-	-	620.349	-	2.225.576	47.181	1.842.695	45.998	113.530	-	61	-	-	7.365.841	6.484	7.372.325
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.		-	-	-	-	-	-	-	-	-	-	(391.733)	-	-	-	-	(391.733)	(14)	(391.747)
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.		-	-	-	-	-	-	-	-	-	-	-	-	170	-	-	170	-	170
VIII.		-	-	-	-	-	-	-	19.859	-	-	-	-	-	-	-	19.859	-	19.859
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.		-	-	-	-	-	-	-	-	2.027.379	-	-	-	-	-	-	2.027.379	(680)	2.026.699
XVIII.		-	-	-	-	144.851	-	1.222.252	-	(1.842.695)	8.106	-	-	-	-	-	(467.486)	(536)	(468.022)
18.1		-	-	-	-	-	-	-	-	-	(467.486)	-	-	-	-	-	(467.486)	(536)	(468.022)
18.2		-	-	-	-	144.851	-	1.222.252	-	-	(1.367.103)	-	-	-	-	-	-	-	-
18.3		-	-	-	-	-	-	-	-	(1.842.695)	1.842.695	-	-	-	-	-	-	-	-
		1.250.000	1.220.451	-	-	765.200	-	3.447.828	67.040	2.027.379	54.104	(278.203)	-	231	-	-	8.554.030	6.840	8.560.870

⁽¹⁾ Effect of acquisition of Halk Banka AD, Skopje in current period.

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

TÜRKİYE HALK BANKASI AŞ

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR
THE YEAR ENDED 31 December 2011**

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

VI. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Audited	Audited
		Current period	Prior period
		31 December 2011	31 December 2010
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		1.093.990	2.175.697
1.1.1 Interest received		6.931.011	6.564.846
1.1.2 Interest paid		(3.697.639)	(3.104.103)
1.1.3 Dividend received		4.604	1.223
1.1.4 Fees and commissions received		828.526	615.500
1.1.5 Other income		537.486	378.135
1.1.6 Collections from previously written off loans		470.888	477.630
1.1.7 Cash payments to personnel and service suppliers		(1.014.250)	(718.169)
1.1.8 Taxes paid		(528.535)	(562.814)
1.1.9 Other	(1)	(2.438.101)	(1.476.551)
1.2 Assets and Liabilities Subject to Banking Operations		1.486.901	(2.252.756)
1.2.1 Net decrease in financial assets held for sale		4.537	(19.427)
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		-	-
1.2.4 Net (increase) decrease in loans		(11.473.185)	(11.983.097)
1.2.5 Net (increase) decrease in other assets		(3.283.302)	(626.339)
1.2.6 Net increase (decrease) in bank deposits		3.517.613	1.304.598
1.2.7 Net increase (decrease) in other deposits		7.870.751	9.336.559
1.2.8 Net increase (decrease) in loans borrowed		2.606.309	1.783.419
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	(1)	2.244.178	(2.048.469)
I. Net cash provided from banking operations		2.580.891	(77.059)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
II. Net cash provided from/ (used in) investing activities		(3.174.677)	1.183.025
2.1 Cash paid for purchase of joint ventures, associates and subsidiaries		(39.133)	(944)
2.2 Cash obtained from sale of entities joint ventures, associates and subsidiaries		-	-
2.3 Fixed assets purchases		(512.305)	(328.588)
2.4 Fixed assets sales		355.074	184.137
2.5 Cash paid for purchase of financial assets available for sale		(4.569.024)	(8.872.143)
2.6 Cash obtained from sale of financial assets available for sale		3.052.009	6.431.573
2.7 Cash paid for purchase of investment securities		(1.725.718)	(2.624.557)
2.8 Cash obtained from sale of investment securities		273.824	6.408.587
2.9 Other		(9.404)	(15.040)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash used in financing activities		31.185	(357.394)
3.1 Cash obtained from loans borrowed and securities issued		498.671	-
3.2 Cash used for repayment of loans borrowed and securities issued		-	-
3.3 Marketable securities issued		-	-
3.4 Dividends paid		(467.486)	(357.821)
3.5 Payments for finance leases		-	(106)
3.6 Other		-	533
IV. Effect of change in foreign exchange rate on cash and cash equivalents	(1)	788.962	76.689
V. Net increase / (decrease) in cash and cash equivalents		226.361	825.261
VI. Cash and cash equivalents at beginning of the period	(4)	4.557.605	3.732.344
VII. Cash and cash equivalents at end of the period	(5)	4.783.966	4.557.605

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

TÜRKİYE HALK BANKASI AŞ

STATEMENT OF PROFIT DISTRIBUTION TABLE FOR THE YEAR ENDED 31 December 2011

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

VII. STATEMENT OF PROFIT DISTRIBUTION TABLE

	Audited	Audited
	Current period	Prior period
	31 December 2011	31 December 2010
I. DISTRIBUTION OF CURRENT YEAR PROFIT		
1.1. CURRENT PERIOD PROFIT	2.636.696	2.509.285
1.2. TAXES AND LEGAL DUTIES PAYABLE (-)	591.562	498.892
1.2.1. Corporate tax (Income tax)	366.556	531.855
1.2.2. Withholding tax	-	-
1.2.3. Other taxes and duties	225.006	(32.963)
A. NET PROFIT FOR THE PERIOD (1.1-1.2)	2.045.134	2.010.393
1.3. ACCUMULATED LOSSES (-)	-	-
1.4. FIRST LEGAL RESERVES (-)	-	98.871
1.5. OTHER STATUTORY RESERVES (-) ⁽²⁾	-	32.963
B. NET PROFIT AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]	2.045.134	1.878.559
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 (-)	-	72.000
1.8. DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9. SECOND DIVIDEND TO SHAREHOLDERS (-)	-	332.986
1.9.1. To owners of ordinary shares	-	332.986
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 (-)	-	40.499
1.11. STATUS RESERVES (-)	-	-
1.12. EXTRAORDINARY RESERVES	-	1.370.574
1.13. OTHER RESERVES	-	-
1.14. SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1. APPROPRIATED RESERVES	-	-
2.2. SECOND LEGAL RESERVES (-)	-	-
2.3. DIVIDENDS TO SHAREHOLDERS (-)	-	-
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 (-)	-	-
III. EARNINGS PER SHARE		
3.1. TO OWNERS OF ORDINARY SHARES	1,63611	1,60831
3.2. TO OWNERS OF ORDINARY SHARES (%)	% 163,6	% 160,1
3.3. TO OWNERS OF PRIVILEGED SHARES	-	-
3.4. TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1. TO OWNERS OF ORDINARY SHARES	-	0,31639
4.2. TO OWNERS OF ORDINARY SHARES (%)	-	%31,64
4.3. TO OWNERS OF PRIVILEGED SHARES	-	-
4.4. TO OWNERS OF PRIVILEGED SHARES (%)	-	-

⁽¹⁾ Due to regulations in Turkey, profit is not distributed over consolidated figures. Therefore, above table only includes the profit distribution of the Parent Bank. Profit distribution decisions are only made by Parent Bank's general assembly. General assembly has not been held yet as of the date when the Parent Bank's financial statements are formed.

⁽²⁾ As of 31 December 2010; deferred tax income is presented in this line.

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