

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2013
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

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

	ASSETS	Note	Audited			Audited		
			Current period			Prior period		
			TRY	FC	Total	TRY	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	2.801.122	17.220.273	20.021.395	1.606.841	10.910.237	12.517.078
II.	FINANCIAL ASSETS AT FV THROUGH PROFIT AND LOSS (Net)	(2)	33.681	151.639	185.320	53.997	95.750	149.747
2.1	Trading financial assets		33.681	151.639	185.320	53.997	95.750	149.747
2.1.1	Public sector debt securities		23.019	11.843	34.862	41.068	10.532	51.600
2.1.2	Share certificates		2.285	-	2.285	1.435	-	1.435
2.1.3	Financial assets held for trading		3	139.661	139.664	5	82.807	82.812
2.1.4	Other marketable securities		8.374	135	8.509	11.489	2.411	13.900
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)	162.649	1.746.126	1.908.775	208.068	2.380.369	2.588.437
IV.	MONEY MARKET PLACEMENTS		230.684	-	230.684	160.206	2.328	162.534
4.1	Interbank money market placements		-	-	-	10.027	2.328	12.355
4.2	Istanbul Stock Exchange Money Market placements		226.561	-	226.561	150.055	-	150.055
4.3	Receivables from reverse repurchase agreements		4.123	-	4.123	124	-	124
V.	FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	7.681.406	2.146.543	9.827.949	8.777.685	877.980	9.655.665
5.1	Share certificates		12.759	3.850	16.609	12.506	3.521	16.027
5.2	Public sector debt securities		7.658.640	2.142.693	9.801.333	8.759.105	874.459	9.633.564
5.3	Other marketable securities		10.007	-	10.007	6.074	-	6.074
VI.	LOANS AND RECEIVABLES	(5)	59.943.579	25.025.348	84.968.927	47.978.449	17.940.792	65.919.241
6.1	Loans and receivables		59.508.730	25.023.517	84.532.247	47.635.441	17.938.757	65.574.198
6.1.1	Loans extended to risk group of the Bank		-	-	-	-	-	-
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		59.508.730	25.023.517	84.532.247	47.635.441	17.938.757	65.574.198
6.2	Loans under follow-up		2.245.176	19.032	2.264.208	1.959.646	14.427	1.974.073
6.3	Specific provisions (-)		1.810.327	17.201	1.827.528	1.616.638	12.392	1.629.030
VII.	FACTORING RECEIVABLES		325.332	-	325.332	463	-	463
VIII.	HELD TO MATURITY INVESTMENTS (Net)	(6)	17.830.196	1.143.402	18.973.598	12.181.601	1.461.490	13.643.091
8.1	Public sector debt securities		17.822.902	1.143.402	18.966.304	12.174.516	1.461.490	13.636.006
8.2	Other marketable securities		7.294	-	7.294	7.085	-	7.085
IX.	INVESTMENTS IN ASSOCIATES (Net)	(7)	20.703	206.348	227.051	20.978	155.676	176.654
9.1	Accounted under equity method		14.384	206.348	220.732	14.324	155.676	170.000
9.2	Unconsolidated associates		6.319	-	6.319	6.654	-	6.654
9.2.1	Financial investments		-	-	-	-	-	-
9.2.2	Non-financial investments		6.319	-	6.319	6.654	-	6.654
X.	INVESTMENTS IN SUBSIDIARIES (Net)	(8)	30.604	-	30.604	-	-	-
10.1	Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2	Unconsolidated non-financial subsidiaries		30.604	-	30.604	-	-	-
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)	213.634	1.480.122	1.693.756	138.722	935.495	1.074.217
12.1	Finance lease receivables		257.566	1.708.375	1.965.941	168.939	1.078.830	1.247.769
12.2	Operating lease receivables		-	-	-	-	-	-
12.3	Other		-	-	-	-	-	-
12.4	Unearned income (-)		43.932	228.253	272.185	30.217	143.335	173.552
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)	1.426.005	37.297	1.463.302	1.488.288	29.053	1.517.341
XV.	INTANGIBLE ASSETS (Net)	(13)	50.567	16.472	67.039	40.796	15.211	56.007
15.1	Goodwill		-	-	-	-	-	-
15.2	Other		50.567	16.472	67.039	40.796	15.211	56.007
XVI.	INVESTMENT PROPERTIES (Net)	(14)	36.344	-	36.344	28.156	-	28.156
XVII.	TAX ASSET	(15)	16.771	-	16.771	236.438	39	236.477
17.1	Current tax asset		-	-	-	216	39	255
17.2	Deferred tax asset		16.771	-	16.771	236.222	-	236.222
XVIII.	ASSETS HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)	(16)	6.971	-	6.971	6.009	-	6.009
18.1	Held for sale purpose		6.971	-	6.971	6.009	-	6.009
18.2	Held from discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(17)	1.412.132	140.332	1.552.464	1.247.121	76.494	1.323.615
TOTAL ASSETS			92.222.380	49.313.902	141.536.282	74.173.818	34.880.914	109.054.732

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2013
(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			Audited		
		Current period			Prior period		
		TRY	FC	Total	TRY	FC	Total
		31 December 2013			31 December 2012		
I. DEPOSITS	(1)	64.388.562	36.006.617	100.395.179	53.632.847	26.166.676	79.799.523
1.1 Deposits Held by the Risk Group of the Bank		34.628	23	34.651	23.690	-	23.690
1.2 Other		64.353.934	36.006.594	100.360.528	53.609.157	26.166.676	79.775.833
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	34	53.458	53.492	14	50.268	50.282
III. FUNDS BORROWED	(3)	1.145.123	13.941.229	15.086.352	585.053	7.446.017	8.031.070
IV. MONEY MARKET BALANCES	(3)	1.261.476	-	1.261.476	405.054	310.222	715.276
4.1 Interbank money market borrowings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Takasbank borrowings		481.944	-	481.944	297.857	-	297.857
4.3 Funds from repurchase agreements		779.532	-	779.532	107.197	310.222	417.419
V. MARKETABLE SECURITIES ISSUED (Net)	(4)	933.279	3.218.387	4.151.666	772.811	1.346.168	2.118.979
5.1 Treasury bills		845.573	-	845.573	685.137	-	685.137
5.2 Asset-backed securities		-	-	-	-	-	-
5.3 Bonds		87.706	3.218.387	3.306.093	87.674	1.346.168	1.433.842
VI. FUNDS	(5)	1.488.542	-	1.488.542	1.407.887	-	1.407.887
6.1 Borrower Funds		24.702	-	24.702	27.221	-	27.221
6.2 Other		1.463.840	-	1.463.840	1.380.666	-	1.380.666
VII. SUNDRY CREDITORS		1.572.133	121.032	1.693.165	1.194.903	78.773	1.273.676
VIII. OTHER LIABILITIES	(6)	1.028.232	328.445	1.356.677	1.148.634	193.519	1.342.153
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. FINANCE LEASE PAYABLES	(7)	-	-	-	-	-	-
10.1 Finance lease payables		-	-	-	-	-	-
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance lease expenses (-)		-	-	-	-	-	-
DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK		-	-	-	-	-	-
XI. MANAGEMENT	(8)	-	-	-	-	-	-
11.1 Fair value risk hedging		-	-	-	-	-	-
11.2 Cash flow risk hedging		-	-	-	-	-	-
11.3 Net foreign investment risk hedging		-	-	-	-	-	-
XII. PROVISIONS	(9)	2.446.264	11.297	2.457.561	2.276.332	21.186	2.297.518
12.1 General loan provisions		1.134.717	7.696	1.142.413	972.148	4.067	976.215
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Employee benefits provisions		525.157	389	525.546	405.522	143	405.665
12.4 Insurance technical reserves (Net)		536.283	-	536.283	460.154	-	460.154
12.5 Other provisions		250.107	3.212	253.319	438.508	16.976	455.484
XIII. TAX LIABILITY	(10)	218.928	2.229	221.157	516.105	2.007	518.112
13.1 Current tax liability		210.243	77	210.320	515.652	4	515.656
13.2 Deferred tax liability		8.685	2.152	10.837	453	2.003	2.456
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)	13.349.116	21.899	13.371.015	11.378.918	121.338	11.500.256
16.1 Paid-in capital		1.250.000	-	1.250.000	1.250.000	-	1.250.000
16.2 Capital reserves		1.120.017	(143.043)	976.974	1.577.835	49.710	1.627.545
16.2.1 Share Premium		39.009	-	39.009	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities revaluation fund		(141.626)	(143.043)	(284.669)	357.153	49.710	406.863
16.2.4 Tangible assets revaluation reserves		-	-	-	-	-	-
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		2.183	-	2.183	231	-	231
16.2.8 Hedging Funds (effective portion)		-	-	-	-	-	-
16.2.9 Value Increase on Assets Held for Sale		-	-	-	-	-	-
16.2.10 Other capital reserves		1.220.451	-	1.220.451	1.220.451	-	1.220.451
16.3 Profit reserves		7.973.360	90.487	8.063.847	5.927.553	12.069	5.939.622
16.3.1 Legal reserves		1.072.926	3.020	1.075.946	914.952	-	914.952
16.3.2 Statutory reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		6.838.498	-	6.838.498	4.957.790	-	4.957.790
16.3.4 Other profit reserves		61.936	87.467	149.403	54.811	12.069	66.880
16.4 Profit/Loss		2.844.782	72.465	2.917.247	2.620.256	58.071	2.678.327
16.4.1 Prior years income/loss		19.497	55.052	74.549	(10.483)	46.463	35.980
16.4.2 Period profit/loss		2.825.285	17.413	2.842.698	2.630.739	11.608	2.642.347
16.5 Minority shares	(14)	160.957	1.990	162.947	3.274	1.488	4.762
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		87.831.689	53.704.593	141.536.282	73.318.558	35.736.174	109.054.732

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 2013

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

II. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS

		Audited			Audited		
		Current period			Prior period		
		31 December 2013			31 December 2012		
OFF BALANCE SHEET	Note	TRY	FC	Total	TRY	FC	Total
A.	COMMITMENTS AND CONTINGENCIES (I+II+III)	36.152.140	31.547.845	67.699.985	23.769.387	20.116.776	43.886.163
I.	GUARANTEES AND SURETYSHIPS	(1) 12.812.483	14.307.946	27.120.429	9.759.258	9.999.607	19.758.865
1.1	Letters of guarantee	12.237.139	8.156.797	20.393.936	9.448.123	5.765.736	15.213.859
1.1.1	Guarantees subject to public procurement law	1.070.118	6.452.989	7.523.107	613.927	4.505.391	5.119.318
1.1.2	Guarantees given for foreign trade operations	-	-	-	-	-	-
1.1.3	Other letters of guarantee	11.167.021	1.703.808	12.870.829	8.834.196	1.260.345	10.094.541
1.2	Bank loans	90.489	1.854.314	1.944.803	31.047	1.152.260	1.183.307
1.2.1	Import acceptances	-	165.770	165.770	-	198.974	198.974
1.2.2	Other bank acceptances	90.489	1.688.544	1.779.033	31.047	953.286	984.333
1.3	Letters of credit	2.062	3.823.197	3.825.259	1.661	2.808.076	2.809.737
1.3.1	Documentary letters of credit	2.062	3.823.197	3.825.259	1.661	2.808.076	2.809.737
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	482.563	473.638	956.201	278.197	273.535	551.732
1.9	Other suretyships	230	-	230	230	-	230
II.	COMMITMENTS	(1) 18.187.773	1.341.029	19.528.802	12.923.651	1.627.404	14.551.055
2.1	Irrevocable commitments	18.187.773	1.175.935	19.363.708	12.923.651	1.507.949	14.431.600
2.1.1	Forward asset purchase commitments	619.400	842.453	1.461.853	114.683	1.194.372	1.309.055
2.1.2	Forward deposit purchase and sale commitments	-	-	-	-	-	-
2.1.3	Capital commitments to subsidiaries and associates	-	-	-	-	-	-
2.1.4	Loan granting commitments	1.280.418	291.840	1.572.258	820.602	232.840	1.053.442
2.1.5	Securities underwriting commitments	-	-	-	-	-	-
2.1.6	Payment commitments for reserve deposits	-	-	-	-	-	-
2.1.7	Payment commitments for cheques	4.670.295	-	4.670.295	4.575.929	-	4.575.929
2.1.8	Tax and fund liabilities from export commitments	13.413	-	13.413	13.903	-	13.903
2.1.9	Commitments for credit card expenditure limits	9.883.048	13.672	9.896.720	6.013.182	8.223	6.021.405
2.1.10	Commitments for credit cards and banking services promotions	37.663	-	37.663	30.707	-	30.707
2.1.11	Receivables from short sale commitments	-	-	-	-	-	-
2.1.12	Payables for short sale commitments	-	-	-	-	-	-
2.1.13	Other irrevocable commitments	1.683.536	27.970	1.711.506	1.354.645	72.514	1.427.159
2.2	Revocable commitments	-	165.094	165.094	-	119.455	119.455
2.2.1	Revocable loan granting commitments	-	165.094	165.094	-	119.455	119.455
2.2.2	Other revocable commitments	-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	5.151.884	15.898.870	21.050.754	1.086.478	8.489.765	9.576.243
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	5.151.884	15.898.870	21.050.754	1.086.478	8.489.765	9.576.243
3.2.1	Forward foreign currency buy/sell transactions	787.780	1.115.702	1.903.482	290.326	1.090.474	1.380.800
3.2.1.1	Forward foreign currency transactions-buy	405.623	621.465	1.027.088	137.840	507.551	645.391
3.2.1.2	Forward foreign currency transactions-sell	382.157	494.237	876.394	152.486	582.923	735.409
3.2.2	Currency and interest rate swaps	4.251.671	14.489.241	18.740.912	594.655	6.634.821	7.229.476
3.2.2.1	Currency swap-buy	-	8.732.436	8.732.436	-	3.633.289	3.633.289
3.2.2.2	Currency swap-sell	4.251.671	4.400.005	8.651.676	594.655	3.001.532	3.596.187
3.2.2.3	Interest rate swap-buy	-	678.400	678.400	-	-	-
3.2.2.4	Interest Rate swap-sell	-	678.400	678.400	-	-	-
3.2.3	Currency, interest rate and marketable securities options	112.433	138.604	251.037	142.397	138.737	281.134
3.2.3.1	Currency call options	56.220	69.298	125.518	71.195	69.373	140.568
3.2.3.2	Currency put options	56.213	69.306	125.519	71.202	69.364	140.566
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	-	155.323	155.323	59.100	625.733	684.833
B.	CUSTODY AND PLEDGED ASSETS (IV+V+VI)	322.143.546	72.531.854	394.675.400	704.741.097	371.861.692	1.076.602.789
IV.	CUSTODIES	135.991.685	10.912.202	146.903.887	104.502.284	7.950.683	112.452.967
4.1	Assets under management	-	-	-	-	-	-
4.2	Custody marketable securities	44.041.971	355.831	44.397.802	35.132.148	261.407	35.393.555
4.3	Cheques in collection process	9.638.204	8.067.551	17.705.755	6.836.403	5.949.001	12.785.404
4.4	Commercial notes in collection process	59.338.391	309.893	59.648.284	44.209.012	264.451	44.473.463
4.5	Other assets in collection process	-	-	-	71	-	71
4.6	Underwritten securities	15	-	15	279	-	279
4.7	Other custodies	11.509	1.691	13.200	49.901	3.280	53.181
4.8	Custodians	22.961.595	2.177.236	25.138.831	18.274.470	1.472.544	19.747.014
V.	PLEDGED ASSETS	186.151.861	61.619.652	247.771.513	600.238.813	363.911.009	964.149.822
5.1	Marketable securities	2.612.367	112.204	2.724.571	1.944.632	89.705	2.034.337
5.2	Collateral notes	5.646.399	533.530	6.179.929	5.302.288	391.834	5.694.122
5.3	Commodity	25.830	-	25.830	25.830	-	25.830
5.4	Warranty	-	-	-	-	-	-
5.5	Land and buildings	142.679.459	47.405.559	190.085.018	119.592.505	37.487.018	157.079.523
5.6	Other pledged assets	32.207.115	12.594.731	44.801.846	470.862.982	325.350.131	796.213.113
5.7	Pledges	2.980.691	973.628	3.954.319	2.510.576	592.321	3.102.897
VI.	ACCEPTED BILL GUARANTEES AND SURETIES	-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		358.295.686	104.079.699	462.375.385	728.510.484	391.978.468	1.120.488.952

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 2013

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

III. CONSOLIDATED STATEMENT OF INCOME

			Audited	Audited
			Current period	Prior period
INCOME AND EXPENSES		Note	1 January-31 December 2013	1 January-31 December 2012
I.	INTEREST INCOME	(1)	9,391.175	9.122.181
1.1	Interest on loans		7.147.995	6.741.181
1.2	Interest received from reserve deposits		720	586
1.3	Interest received from banks		20.213	12.306
1.4	Interest received from money market placements		1.425	10.720
1.5	Interest income on marketable securities		2.089.823	2.268.015
1.5.1	Financial assets held for trading		5.397	3.845
1.5.2	Financial assets at fair value through profit and loss		-	-
1.5.3	Financial assets available-for-sale		794.618	826.555
1.5.4	Investments held-to-maturity		1.289.808	1.437.615
1.6	Finance lease income		104.299	80.301
1.7	Other interest income		26.700	9.072
II.	INTEREST EXPENSE	(2)	4,397.625	4.537.510
2.1	Interest on deposits		3.800.927	4.064.058
2.2	Interest on borrowings		259.963	183.578
2.3	Interest on money market borrowings		103.819	137.742
2.4	Interest on bonds issued		180.911	98.290
2.5	Other interest expense		52.005	53.842
III.	NET INTEREST INCOME [I – II]		4,993.550	4.584.671
IV.	NET FEES AND COMMISSIONS INCOME		852.825	810.733
4.1	Fees and commissions income		1.159.547	1.006.174
4.1.1	Non-cash loans		159.371	120.487
4.1.2	Other		1.000.176	885.687
4.2	Fees and commissions expenses		306.722	195.441
4.2.1	Non-cash loans		3.678	3.427
4.2.2	Other		303.044	192.014
V.	DIVIDEND INCOME	(3)	11.780	758
VI.	NET TRADING PROFIT (NET)	(4)	246.791	555.891
6.1	Profit/loss from capital market operations		323.093	388.914
6.2	Profit/loss from financial derivative transactions		462.114	(207.052)
6.3	Foreign exchange gains/losses		(538.416)	374.029
VII.	OTHER OPERATING INCOME	(5)	1.362.299	733.262
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		7.467.245	6.685.315
IX.	LOANS AND OTHER RECEIVABLES IMPAIRMENT LOSS PROVISIONS (-)	(6)	887.616	900.899
X.	OTHER OPERATING EXPENSES(-)	(7)	3.085.162	2.396.633
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		3.494.467	3.387.783
XII.	AMOUNT RECORDED IN EXCESS AS GAIN AFTER MERGER		-	-
XIII.	PROFIT/LOSSES FROM EQUITY METHOD APPLIED SUBSIDIARIES		11.915	11.978
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV.	INCOME/(LOSS) BEFORE TAXES (XI+XII+XIII+XIV)	(8)	3.506.382	3.399.761
XVI.	TAX INCOME PROVISION (±)	(9)	(653.657)	(756.717)
16.1	Current tax provision		(301.317)	(1.034.121)
16.2	Deferred tax provision		(352.340)	277.404
XVII.	NET OPERATING INCOME AFTER TAX (XV±XVI)	(10)	2.852.725	2.643.044
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)	(8)	-	-
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)	2.852.725	2.643.044
	Group's profit/loss		2.842.698	2.642.347
	Minority shares profit/loss		10.027	697
	Earnings/losses per share (Full TRY)		2,27416	2,11388

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 2013

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

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

	Audited	Audited
	Current period	Prior period
	1 January-31	1 January-31
	December 2013	December 2012
STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY		
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	(827.475)	820.571
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	75.778	(191)
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	20.357	-
IX. DEFERRED TAX OF VALUATION DIFFERENCES	124.508	(135.486)
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	(606.832)	684.894
XI. PROFIT/LOSS	2.852.725	2.643.044
11.1 Change in fair value of marketable securities (Transfer to profit/loss)	306.427	406.175
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes to income statement	-	-
11.3 Transfer of hedge of net investments in foreign operations to income statement	-	-
11.4 Other	2.546.298	2.236.869
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X±XI)	2.245.893	3.327.938

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 2013
(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 cancellation on profit	Legal reserves	Statutory reserves	Extra-ordinary reserves	Other reserves	Current period net income/(loss)	Prior period net income/(loss)	Valuation changes in marketable sec.	Revaluation changes in prop. and equip. and int. assets	Bonus shares from shareholders	Hedging funds	Value change in pro. and equip. held for sale purp./term. op.	Total equity excluding minority shares	Minority shares	Total equity
1 January 2012 – 31 December 2012																			
I.		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
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.		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
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-	-	-	-	-	685.066	-	-	-	-	685.066	19	685.085
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	(160)	-	-	-	-	-	-	-	(160)	(31)	(191)
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	139	-	842	-	-	-	-	-	-	-	-	981	(2.763)	(1.782)
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.		-	-	-	-	-	-	-	-	2.642.347	-	-	-	-	-	-	2.642.347	697	2.643.044
XX.		-	-	-	-	149.613	-	1.509.120	-	(2.027.379)	(18.124)	-	-	-	-	-	(386.770)	-	(386.770)
20.1		-	-	-	-	-	-	-	-	-	(386.770)	-	-	-	-	-	(386.770)	-	(386.770)
20.2		-	-	-	-	149.613	-	1.509.120	-	-	(1.658.733)	-	-	-	-	-	-	-	-
20.3		-	-	-	-	-	-	-	-	(2.027.379)	2.027.379	-	-	-	-	-	-	-	-
		1.250.000	1.220.451	-	-	914.952	-	4.957.790	66.880	2.642.347	35.980	406.863	-	231	-	-	11.495.494	4.762	11.500.256
1 January 2013 – 31 December 2013																			
I.		1.250.000	1.220.451	-	-	914.952	-	4.957.790	66.880	2.642.347	35.980	406.863	-	231	-	-	11.495.494	4.762	11.500.256
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.		-	-	-	-	-	-	-	-	-	-	(699.201)	-	-	-	-	(699.201)	(85)	(699.286)
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.		-	-	-	-	-	-	-	-	-	-	-	-	1.952	-	-	1.952	-	1.952
VIII.		-	-	-	-	-	-	-	67.763	-	-	7.669	-	-	-	-	75.432	346	75.778
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	39.009	-	(594)	-	(8.689)	-	-	-	-	-	-	-	-	29.726	147.933	177.659
XII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	14.760	-	-	-	-	-	-	-	14.760	(36)	14.724
XVII.		-	-	-	-	-	-	-	-	2.842.698	-	-	-	-	-	-	2.842.698	10.027	2.852.725
XVIII.		-	-	-	-	161.588	-	1.889.397	-	(2.642.347)	38.569	-	-	-	-	-	(552.793)	-	(552.793)
18.1		-	-	-	-	-	-	-	-	-	(552.793)	-	-	-	-	-	(552.793)	-	(552.793)
18.2		-	-	-	-	172.349	-	1.889.397	-	-	(2.061.746)	-	-	-	-	-	-	-	-
18.3		-	-	-	-	(10.761)	-	-	-	(2.642.347)	2.653.108	-	-	-	-	-	-	-	-
		1.250.000	1.220.451	39.009	-	1.075.946	-	6.838.498	149.403	2.842.698	74.549	(284.669)	-	2.183	-	-	13.208.068	162.947	13.371.015

*The effects of changes on the share ratio is indicated in consequence of privatization of Halk Gayrimenkul Yatırım Ortaklığı AŞ by a public offering on 15 February 2013

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 2013

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

VI. CONSOLIDATED STATEMENT OF CASH FLOWS

		Audited	Audited
		Current period	Prior period
	Note	31 December 2013	31 December 2012
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		2.683.132	4.078.095
1.1.1 Interest received		8.847.321	9.376.616
1.1.2 Interest paid		(3.596.875)	(4.455.076)
1.1.3 Dividend received		9.718	758
1.1.4 Fees and commissions received		1.159.547	1.006.174
1.1.5 Other income		1.113.951	560.961
1.1.6 Collections from previously written off loans		553.401	480.428
1.1.7 Cash payments to personnel and service suppliers		(1.187.848)	(918.017)
1.1.8 Taxes paid		(711.373)	(800.795)
1.1.9 Other	(1)	(3.504.710)	(1.172.954)
1.2 Assets and Liabilities Subject to Banking Operations		2.688.704	(5.203.576)
1.2.1 Net decrease in financial assets held for sale		20.562	(9.643)
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		(6.000)	-
1.2.4 Net (increase) decrease in loans		(18.988.536)	(9.804.510)
1.2.5 Net (increase) decrease in other assets		(7.106.341)	(6.546.665)
1.2.6 Net increase (decrease) in bank deposits		2.614.830	446.329
1.2.7 Net increase (decrease) in other deposits		17.913.033	13.073.266
1.2.8 Net increase (decrease) in loans borrowed		7.021.741	1.019.854
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	(1)	1.219.415	(3.382.207)
I. Net cash provided from banking operations		5.371.836	(1.125.481)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
II. Net cash provided from/ (used in) investing activities		(5.574.683)	822.769
2.1 Cash paid for purchase of joint ventures, associates and subsidiaries		(13.540)	(31.078)
2.2 Cash obtained from sale of entities joint ventures, associates and subsidiaries		-	1.512
2.3 Fixed assets purchases		(330.565)	(494.110)
2.4 Fixed assets sales		259.362	242.486
2.5 Cash paid for purchase of financial assets available for sale		(12.045.773)	(4.036.358)
2.6 Cash obtained from sale of financial assets available for sale		7.781.686	4.882.876
2.7 Cash paid for purchase of investment securities		(5.077.884)	(2.191.545)
2.8 Cash obtained from sale of investment securities		3.865.533	2.461.322
2.9 Other		(13.502)	(12.336)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash used in financing activities		829.628	1.294.485
3.1 Cash obtained from loans borrowed and securities issued		3.601.467	2.916.575
3.2 Cash used for repayment of loans borrowed and securities issued		(2.250.000)	(1.235.320)
3.3 Bonds issued		-	-
3.4 Dividends paid		(552.793)	(386.770)
3.5 Payments for finance leases		-	-
3.6 Other		30.954	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	(1)	638.106	(521.045)
V. Net increase / (decrease) in cash and cash equivalents		1.264.887	470.728
VI. Cash and cash equivalents at beginning of the period	(4)	5.254.694	4.783.966
VII. Cash and cash equivalents at end of the period	(5)	6.519.581	5.254.694

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

TÜRKİYE HALK BANKASI AŞ
STATEMENT OF PROFIT DISTRIBUTION FOR THE YEAR ENDED 31 DECEMBER 2012
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

VII. STATEMENT OF PROFIT DISTRIBUTION TABLE⁽¹⁾

	Audited	Audited
	Current period	Prior period
	31 December 2013	31 December 2012
I. DISTRIBUTION OF CURRENT YEAR PROFIT		
1.1. Current Period Profit	3.364.892	3.329.139
1.2. Taxes and Legal Duties Payables (-)	614.049	733.928
1.2.1. Corporate Tax (Income Tax)	262.808	1.021.768
1.2.2. Withholding Tax	-	-
1.2.3. Other Taxes and Duties	351.241	(287.840)
A. Net Profit For The Period (1.1-1.2)	2.750.843	2.595.211
1.3. Accumulated Losses (-)	-	-
1.4. First Legal Reserves (-)	-	115.370
1.5. Other Statutory Reserves (-)	-	287.840
B. Net Profit Available for Distribution [(A)-(1.3+1.4+1.5)]	2.750.843	2.192.001
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 (-)	-	90.000
1.8. Dividends to Board of Directors (-)	-	-
1.9. Second Dividend to Shareholders (-)	-	398.974
1.9.1. To Owners of Ordinary Shares	-	398.974
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 (-)	-	48.897
1.11. Status Reserves (-)	-	-
1.12. Extraordinary Reserves	-	1.591.630
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	2,2007	2,0762
3.2. To Owners of Ordinary Shares (%)	%220,1	%207,6
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	-	0,3692
4.2. To Owners of Ordinary Shares (%)	-	%36,92
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.

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