

**TÜRKİYE HALK BANKASI AŞ**  
**UNCONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2016**  
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

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

ASSETS	Note	Reviewed			Audited		
		Current period			Prior period		
		TRY	FC	Total	TRY	FC	Total
		31 March 2017			31 December 2016		
<b>I. CASH AND BALANCES WITH THE CENTRAL BANK</b>	(1)	2.322.936	30.839.854	33.162.790	3.534.232	26.464.928	29.999.160
<b>II. FINANCIAL ASSETS AT FV THROUGH PROFIT AND LOSS (Net)</b>	(2)	9.872	388.443	398.315	70.105	359.993	430.098
2.1 Trading financial assets		9.872	388.443	398.315	70.105	359.993	430.098
2.1.1 Public sector debt securities		1.921	-	1.921	62.177	-	62.177
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Financial assets held for trading		27	388.250	388.277	4	359.807	359.811
2.1.4 Other marketable securities		7.924	193	8.117	7.924	186	8.110
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)	207.229	1.608.786	1.816.015	196.308	1.464.722	1.661.030
<b>IV. MONEY MARKET PLACEMENTS</b>		-	-	-	-	-	-
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Takasbank (Clearing & Settlement Bank) Money Market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		-	-	-	-	-	-
<b>V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)</b>	(4)	11.798.203	4.509.663	16.307.866	10.770.662	4.219.265	14.989.927
5.1 Share certificates		69.343	39.737	109.080	66.434	34.160	100.594
5.2 Public sector debt securities		11.728.860	4.469.926	16.198.786	10.704.228	4.185.105	14.889.333
5.3 Other marketable securities		-	-	-	-	-	-
<b>VI. LOANS AND RECEIVABLES</b>	(5)	110.730.182	57.716.527	168.446.709	103.502.394	54.851.939	158.354.333
6.1 Loans and receivables		109.413.585	57.716.527	167.130.112	102.326.357	54.851.939	157.178.296
6.1.1 Loans extended to risk group of the Bank		369.243	857.020	1.226.263	250.131	828.283	1.078.414
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		109.044.342	56.859.507	165.903.849	102.076.226	54.023.656	156.099.882
6.2 Loans under follow-up		5.570.837	-	5.570.837	5.140.082	-	5.140.082
6.3 Specific provisions (-)		4.254.240	-	4.254.240	3.964.045	-	3.964.045
<b>VII. FACTORING RECEIVABLES</b>		-	-	-	-	-	-
<b>VIII. HELD TO MATURITY INVESTMENTS (Net)</b>	(6)	16.761.837	2.395.854	19.157.691	15.823.514	2.332.668	18.156.182
8.1 Public sector debt securities		16.761.837	2.395.854	19.157.691	15.823.514	2.332.668	18.156.182
8.2 Other marketable securities		-	-	-	-	-	-
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	(7)	19.083	261.711	280.794	19.083	249.574	268.657
9.1 Accounted for under equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		19.083	261.711	280.794	19.083	249.574	268.657
9.2.1 Financial investments		12.763	261.711	274.474	12.763	249.574	262.337
9.2.2 Non-financial investments		6.320	-	6.320	6.320	-	6.320
<b>X. INVESTMENTS IN SUBSIDIARIES (Net)</b>	(8)	2.543.064	380.846	2.923.910	2.514.639	363.185	2.877.824
10.1 Unconsolidated financial subsidiaries		2.501.821	380.846	2.882.667	2.473.396	363.185	2.836.581
10.2 Unconsolidated non-financial subsidiaries		41.243	-	41.243	41.243	-	41.243
<b>XI. JOINT VENTURES (Net)</b>	(9)	-	-	-	-	-	-
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)	-	-	-	-	-	-
12.1 Finance lease receivables		-	-	-	-	-	-
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
<b>XIII. DERIVATIVE FIN. ASSETS HELD FOR RISK MANAGEMENT</b>	(11)	-	-	-	-	-	-
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)	2.318.340	105	2.318.445	2.313.905	102	2.314.007
<b>XV. INTANGIBLE ASSETS (Net)</b>	(13)	85.384	-	85.384	88.593	-	88.593
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		85.384	-	85.384	88.593	-	88.593
<b>XVI. INVESTMENT PROPERTIES (Net)</b>	(14)	362.517	-	362.517	363.321	-	363.321
<b>XVII. TAX ASSETS</b>	(15)	-	-	-	-	-	-
17.1 Current tax assets		-	-	-	-	-	-
17.2 Deferred tax assets		-	-	-	-	-	-
<b>XVIII. ASSETS HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)</b>	(16)	740	-	740	740	-	740
18.1 Held for sale purpose		740	-	740	740	-	740
18.2 Held from discontinued operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	(17)	2.295.606	273.462	2.569.068	1.517.081	419.865	1.936.946
<b>TOTAL ASSETS</b>		<b>149.454.993</b>	<b>98.375.251</b>	<b>247.830.244</b>	<b>140.714.577</b>	<b>90.726.241</b>	<b>231.440.818</b>

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

**TÜRKİYE HALK BANKASI AŞ**  
**UNCONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2016**  
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

	Note	Reviewed			Audited		
		Current period			Prior period		
		31 March 2017			31 December 2016		
LIABILITIES AND SHAREHOLDERS' EQUITY		TRY	FC	Total	TRY	FC	Total
<b>I. DEPOSITS</b>	(1)	<b>88.419.105</b>	<b>69.405.970</b>	<b>157.825.075</b>	<b>88.217.130</b>	<b>62.045.709</b>	<b>150.262.839</b>
1.1 Deposits Held by the Risk Group of the Bank		1.569.373	129.859	1.699.232	1.676.769	56.764	1.733.533
1.2 Other		86.849.732	69.276.111	156.125.843	86.540.361	61.988.945	148.529.306
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	(2)	<b>32</b>	<b>160.425</b>	<b>160.457</b>	<b>59</b>	<b>211.789</b>	<b>211.848</b>
<b>III. FUNDS BORROWED</b>	(3)	<b>454.369</b>	<b>18.328.315</b>	<b>18.782.684</b>	<b>440.955</b>	<b>18.527.149</b>	<b>18.968.104</b>
<b>IV. MONEY MARKET BALANCES</b>	(3)	<b>21.692.968</b>	<b>1.956.853</b>	<b>23.649.821</b>	<b>16.473.192</b>	<b>1.373.871</b>	<b>17.847.063</b>
4.1 Interbank money market borrowings		21.306.890	-	21.306.890	7.003.306	-	7.003.306
4.2 Takasbank (Clearing & Settlement Bank) Money Market takings		-	-	-	-	-	-
4.3 Funds from repurchase agreements		386.078	1.956.853	2.342.931	9.469.886	1.373.871	10.843.757
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>	(4)	<b>2.129.592</b>	<b>10.969.843</b>	<b>13.099.435</b>	<b>1.749.034</b>	<b>10.684.708</b>	<b>12.433.742</b>
5.1 Treasury bills		2.129.592	-	2.129.592	1.749.034	-	1.749.034
5.2 Asset-backed securities		-	-	-	-	-	-
5.3 Bonds		-	10.969.843	10.969.843	-	10.684.708	10.684.708
<b>VI. FUNDS</b>	(5)	<b>2.287.662</b>	<b>-</b>	<b>2.287.662</b>	<b>2.339.808</b>	<b>-</b>	<b>2.339.808</b>
6.1 Borrower Funds		21.578	-	21.578	36.600	-	36.600
6.2 Other		2.266.084	-	2.266.084	2.303.208	-	2.303.208
<b>VII. SUNDRY CREDITORS</b>		<b>2.651.947</b>	<b>99.504</b>	<b>2.751.451</b>	<b>2.621.256</b>	<b>79.420</b>	<b>2.700.676</b>
<b>VIII. OTHER LIABILITIES</b>	(6)	<b>1.795.384</b>	<b>432.924</b>	<b>2.228.308</b>	<b>1.289.999</b>	<b>401.861</b>	<b>1.691.860</b>
<b>IX. FACTORING PAYABLES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. FINANCE LEASE PAYABLES</b>	(7)	<b>55</b>	<b>-</b>	<b>55</b>	<b>99</b>	<b>-</b>	<b>99</b>
10.1 Finance lease payables		66	-	66	123	-	123
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance lease expenses (-)		11	-	11	24	-	24
<b>XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT</b>	(8)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11.1 Fair value risk hedging		-	-	-	-	-	-
11.2 Cash flow risk hedging		-	-	-	-	-	-
11.3 Net foreign investment risk hedging		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	(9)	<b>3.179.825</b>	<b>5.468</b>	<b>3.185.293</b>	<b>3.046.236</b>	<b>5.286</b>	<b>3.051.522</b>
12.1 General loan provisions		2.113.982	-	2.113.982	2.027.964	-	2.027.964
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Employee benefits provisions		793.094	-	793.094	713.732	-	713.732
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions		272.749	5.468	278.217	304.540	5.286	309.826
<b>XIII. TAX LIABILITIES</b>	(10)	<b>1.060.118</b>	<b>34</b>	<b>1.060.152</b>	<b>616.298</b>	<b>13</b>	<b>616.311</b>
13.1 Current tax liabilities		717.329	34	717.363	329.626	13	329.639
13.2 Deferred tax liabilities		342.789	-	342.789	286.672	-	286.672
<b>XIV. LIABILITIES FOR ASSET HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)</b>	(11)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
14.1 Held for sale purpose		-	-	-	-	-	-
14.2 Held from discontinued operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOAN</b>	(12)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	(13)	<b>22.882.332</b>	<b>(82.481)</b>	<b>22.799.851</b>	<b>21.541.122</b>	<b>(224.176)</b>	<b>21.316.946</b>
16.1 Paid-in capital		1.250.000	-	1.250.000	1.250.000	-	1.250.000
16.2 Capital reserves		3.221.230	(82.481)	3.138.749	3.099.188	(224.176)	2.875.012
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities revaluation fund		776.616	(82.481)	694.135	706.929	(224.176)	482.753
16.2.4 Tangible assets revaluation reserves		1.284.064	-	1.284.064	1.284.522	-	1.284.522
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		8.711	-	8.711	8.711	-	8.711
16.2.8 Hedging Funds (effective portion)		-	-	-	-	-	-
16.2.9 Value Increase on Assets Held for Sale		-	-	-	-	-	-
16.2.10 Other capital reserves		1.151.839	-	1.151.839	1.099.026	-	1.099.026
16.3 Profit reserves		14.633.669	-	14.633.669	14.633.669	-	14.633.669
16.3.1 Legal reserves		1.482.358	-	1.482.358	1.482.358	-	1.482.358
16.3.2 Statutory reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		13.104.130	-	13.104.130	13.104.130	-	13.104.130
16.3.4 Other profit reserves		47.181	-	47.181	47.181	-	47.181
16.4 Profit/Loss		3.777.433	-	3.777.433	2.558.265	-	2.558.265
16.4.1 Prior years' profits/losses		2.558.265	-	2.558.265	-	-	-
16.4.2 Period profit/loss		1.219.168	-	1.219.168	2.558.265	-	2.558.265
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>146.553.389</b>	<b>101.276.855</b>	<b>247.830.244</b>	<b>138.335.188</b>	<b>93.105.630</b>	<b>231.440.818</b>

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



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

**III. STATEMENT OF INCOME**

			Reviewed	Reviewed
			Current period	Prior period
INCOME AND EXPENSES		Note	1 January-31 March 2017	1 January-31 March 2016
<b>I.</b>	<b>INTEREST INCOME</b>	(1)	<b>5.171.405</b>	<b>3.945.186</b>
1.1	Interest on loans		4.063.578	3.218.171
1.2	Interest received from reserve deposits		21.845	14.870
1.3	Interest received from banks		39.034	20.705
1.4	Interest received from money market placements		12.049	-
1.5	Interest income on marketable securities		1.027.095	688.784
1.5.1	Financial assets held for trading		160	976
1.5.2	Financial assets at fair value through profit and loss		-	-
1.5.3	Financial assets available-for-sale		401.948	251.281
1.5.4	Investments held-to-maturity		624.987	436.527
1.6	Finance lease income		-	-
1.7	Other interest income		7.804	2.656
<b>II.</b>	<b>INTEREST EXPENSE</b>	(2)	<b>2.889.779</b>	<b>2.419.227</b>
2.1	Interest on deposits		2.137.012	2.003.619
2.2	Interest on borrowings		99.453	87.434
2.3	Interest on money market borrowings		428.004	175.837
2.4	Interest on bonds issued		187.640	123.154
2.5	Other interest expense		37.670	29.183
<b>III.</b>	<b>NET INTEREST INCOME [ I – II ]</b>		<b>2.281.626</b>	<b>1.525.959</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>537.423</b>	<b>292.086</b>
4.1	Fees and commissions income		637.545	376.299
4.1.1	Non-cash loans		91.530	63.264
4.1.2	Other		546.015	313.035
4.2	Fees and commissions expenses		100.122	84.213
4.2.1	Non-cash loans		9	10
4.2.2	Other		100.113	84.203
<b>V.</b>	<b>DIVIDEND INCOME</b>	(3)	<b>52</b>	<b>-</b>
<b>VI.</b>	<b>NET TRADING PROFIT (NET)</b>	(4)	<b>69.777</b>	<b>20.771</b>
6.1	Profit/loss from capital market operations		8.752	3.285
6.2	Profit/loss from financial derivative transactions		(139.176)	(211.278)
6.3	Foreign exchange gains/losses		200.201	228.764
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	(5)	<b>149.320</b>	<b>232.005</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>3.038.198</b>	<b>2.070.821</b>
<b>IX.</b>	<b>IMPAIRMENT LOSSES ON LOANS AND OTHER RECEIVABLES (-)</b>	(6)	<b>470.687</b>	<b>271.079</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES(-)</b>	(7)	<b>1.021.017</b>	<b>961.603</b>
<b>XI.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>1.546.494</b>	<b>838.139</b>
<b>XII.</b>	<b>AMOUNT RECORDED IN EXCESS AS GAIN AFTER MERGER</b>		<b>-</b>	<b>-</b>
<b>XIII.</b>	<b>PROFIT/LOSSES FROM SUBSIDIARIES ACCOUNTED FOR AT EQUITY METHOD</b>		<b>-</b>	<b>-</b>
<b>XIV.</b>	<b>GAIN / (LOSS) ON NET MONETARY POSITION</b>		<b>-</b>	<b>-</b>
<b>XV.</b>	<b>INCOME/(LOSS) BEFORE TAXES (XI+XII+XIII+XIV)</b>	(8)	<b>1.546.494</b>	<b>838.139</b>
<b>XVI.</b>	<b>TAX INCOME PROVISION (±)</b>	(9)	<b>(327.326)</b>	<b>(158.056)</b>
16.1	Current tax charge		(282.946)	(181.662)
16.2	Deferred tax (charge) / benefit		(44.380)	23.606
<b>XVII.</b>	<b>NET OPERATING INCOME AFTER TAX (XV±XVI)</b>	(10)	<b>1.219.168</b>	<b>680.083</b>
<b>XVIII.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		<b>-</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>	<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>-</b>	<b>-</b>
<b>XXI.</b>	<b>PROVISION FOR TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)</b>		<b>-</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>-</b>	<b>-</b>
<b>XXIII.</b>	<b>NET PROFIT/(LOSS) (XVII+XXII)</b>	(11)	<b>1.219.168</b>	<b>680.083</b>
	Earnings/losses per share (Full TRY)		0,97533	0,54407

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

**TÜRKİYE HALK BANKASI AŞ**  
**UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS**  
**ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS OF 31 MARCH 2017**  
*(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)*

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

	Reviewed	Reviewed
	Current period	Prior period
STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY	1 January-31 March 2017	1 January-31 March 2016
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	223.144	288.017
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	(483)	(268)
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	52.813	28.829
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	-	-
IX. DEFERRED TAX ON VALUATION DIFFERENCES	(11.737)	(25.261)
X. TOTAL NET PROFIT/LOSS ACCOUNTED FOR UNDER EQUITY (I+II+...+IX)	263.737	291.317
XI. PROFIT/LOSS	1.219.168	680.083
11.1 Change in fair value of marketable securities (Transfer to profit/loss)	8.749	3.384
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	1.210.419	676.699
<b>XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X±XI)</b>	<b>1.482.905</b>	<b>971.400</b>

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

**TÜRKİYE HALK BANKASI AŞ**

**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 31 MARCH 2017**

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

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

Reviewed	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.	Total shareholders' equity	
<b>1 January 2016 – 31 March 2016</b>																		
<b>I. Balance at end of prior period</b>		1.250.000	1.220.451	-	-	1.335.865	-	11.166.841	31.892	2.315.313	-	966.835	1.128.435	8.711	-	-	-	19.424.343
Changes within the period																		
<b>II. Increase/decrease generated by merger</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Valuation changes in marketable securities</b>		-	-	-	-	-	-	-	-	-	-	262.742	-	-	-	-	-	262.742
<b>IV. Hedging funds (effective portion)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedges for investment made in foreign countries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V. Revaluation changes of property and equipment</b>		-	-	-	-	-	-	-	-	-	-	-	(255)	-	-	-	-	(255)
<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>		-	-	-	-	-	-	-	28.829	-	-	-	-	-	-	-	-	28.829
<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</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>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIV. Share cancellation profits</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XV. Adjustment to paid-in capital</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI. Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVII. Net profit or losses</b>		-	-	-	-	-	-	-	-	680.083	-	-	-	-	-	-	-	680.083
<b>XVIII. Profit distribution</b>		-	-	-	-	-	-	-	-	(2.315.313)	2.315.313	-	-	-	-	-	-	-
18.1 Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to legal reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	(2.315.313)	2.315.313	-	-	-	-	-	-	-
<b>Closing balance</b>		1.250.000	1.220.451	-	-	1.335.865	-	11.166.841	60.721	680.083	2.315.313	1.229.577	1.128.180	8.711	-	-	-	20.395.742
<b>1 January 2017 – 31 March 2017</b>																		
<b>I. Balance at end of prior period</b>		1.250.000	1.220.451	-	-	1.482.358	-	13.104.130	(74.244)	2.558.265	-	482.753	1.284.522	8.711	-	-	-	21.316.946
Changes within the period																		
<b>II. Increase or decrease generated by merger</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Valuation changes in marketable securities</b>		-	-	-	-	-	-	-	-	-	-	211.382	-	-	-	-	-	211.382
<b>IV. Hedging Funds (effective portion)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedges for investments made in foreign countries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V. Revaluation changes of property and equipment</b>		-	-	-	-	-	-	-	-	-	-	-	(458)	-	-	-	-	(458)
<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>		-	-	-	-	-	-	-	52.813	-	-	-	-	-	-	-	-	52.813
<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</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>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIV. Share cancellation profits</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XV. Adjustment to paid-in capital</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI. Other</b>		-	-	-	-	-	-	-	-	(2.558.265)	2.558.265	-	-	-	-	-	-	-
<b>XVII. Net profit or losses</b>		-	-	-	-	-	-	-	-	1.219.168	-	-	-	-	-	-	-	1.219.168
<b>XVIII. Profit distribution</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.1 Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to legal reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>		1.250.000	1.220.451	-	-	1.482.358	-	13.104.130	(21.431)	1.219.168	2.558.265	694.135	1.284.064	8.711	-	-	-	22.799.851

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

**TÜRKİYE HALK BANKASI AŞ**  
**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS**  
**OF 31 MARCH 2017**

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

**VI. STATEMENT OF CASH FLOWS**

	Reviewed	Reviewed
	Current period	Prior period
	1 January – 31 March 2017	1 January – 31 March 2016
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1 Operating profit before changes in operating assets and liabilities</b>	<b>1.285.900</b>	<b>1.871.363</b>
1.1.1 Interest received	5.027.240	4.266.390
1.1.2 Interest paid	(2.950.335)	(2.155.935)
1.1.3 Dividend received	52	-
1.1.4 Fees and commissions received	637.545	376.299
1.1.5 Other income	68.904	164.289
1.1.6 Collections from previously written off loans	116.769	106.391
1.1.7 Cash payments to personnel and service suppliers	(489.504)	(455.313)
1.1.8 Taxes paid	(186.742)	(62.463)
1.1.9 Other	(938.029)	(368.295)
<b>1.2 Assets and Liabilities Subject to Banking Operations</b>	<b>550.572</b>	<b>(768.626)</b>
1.2.1 Net (increase) decrease in financial assets held for sale	60.182	(48.976)
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	4.180	11
1.2.4 Net (increase) decrease in loans	(10.051.688)	(5.817.465)
1.2.5 Net (increase) decrease in other assets	(3.150.452)	(1.457.333)
1.2.6 Net increase (decrease) in bank deposits	(2.288.817)	4.277.571
1.2.7 Net increase (decrease) in other deposits	9.753.051	(750.684)
1.2.8 Net increase (decrease) in loans borrowed	(197.826)	(866.124)
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	6.421.942	3.894.374
<b>I. Net cash provided from banking operations</b>	<b>1.836.472</b>	<b>1.102.737</b>
<b>B. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
<b>II. Net cash provided from/ (used in) investing activities</b>	<b>(2.524.574)</b>	<b>(1.214.953)</b>
2.1 Cash paid for purchase of joint ventures, associates and subsidiaries	-	-
2.2 Cash obtained from sale of entities joint ventures, associates and subsidiaries	-	-
2.3 Fixed assets purchases	(67.355)	(101.732)
2.4 Fixed assets sales	35.903	62.226
2.5 Cash paid for purchase of financial assets available for sale	(2.171.357)	(1.517.032)
2.6 Cash obtained from sale of financial assets available for sale	1.196.421	427.837
2.7 Cash paid for purchase of investment securities	(1.825.081)	(566.601)
2.8 Cash obtained from sale of investment securities	309.430	487.502
2.9 Other	(2.535)	(7.153)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III. Net cash used in financing activities</b>	<b>860.626</b>	<b>(416.927)</b>
3.1 Cash obtained from loans borrowed and securities issued	1.322.261	333.591
3.2 Cash used for repayment of loans borrowed and securities issued	(461.591)	(750.000)
3.3 Bonds issued	-	-
3.4 Dividends paid	-	-
3.5 Payments for finance leases	(44)	(35)
3.6 Other	-	(483)
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>	<b>348.230</b>	<b>(93.154)</b>
<b>V. Net increase / (decrease) in cash and cash equivalents</b>	<b>520.754</b>	<b>(622.297)</b>
<b>VI. Cash and cash equivalents at beginning of the period</b>	<b>14.388.793</b>	<b>8.874.614</b>
<b>VII. Cash and cash equivalents at end of the period</b>	<b>14.909.547</b>	<b>8.252.317</b>