

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

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

ASSETS	Note	Audited			Audited		
		Current period			Prior period		
		TRY	FC	Total	TRY	FC	Total
		31 December 2017			31 December 2016		
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	12.917.312	23.455.727	36.373.039	3.534.232	26.464.928	29.999.160
II. FINANCIAL ASSETS AT FV THROUGH PROFIT AND LOSS (Net)	(2)	10.085.889	362.017	10.447.906	70.105	359.993	430.098
2.1 Trading financial assets		10.085.889	362.017	10.447.906	70.105	359.993	430.098
2.1.1 Public sector debt securities		10.075.407	-	10.075.407	62.177	-	62.177
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Financial assets held for trading		118	361.803	361.921	4	359.807	359.811
2.1.4 Other marketable securities		10.364	214	10.578	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		-	-	-	-	-	-
III. BANKS	(3)	580.518	5.513.422	6.093.940	196.308	1.464.722	1.661.030
IV. MONEY MARKET PLACEMENTS		1.258.647	-	1.258.647	-	-	-
4.1 Interbank money market placements		1.258.647	-	1.258.647	-	-	-
4.2 Istanbul Stock Exchange Money Market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		-	-	-	-	-	-
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	11.474.374	5.615.175	17.089.549	10.770.662	4.219.265	14.989.927
5.1 Share certificates		71.715	52.091	123.806	66.434	34.160	100.594
5.2 Public sector debt securities		11.402.659	5.563.084	16.965.743	10.704.228	4.185.105	14.889.333
5.3 Other marketable securities		-	-	-	-	-	-
VI. LOANS AND RECEIVABLES	(5)	139.676.930	63.787.547	203.464.477	103.502.394	54.851.939	158.354.333
6.1 Loans and receivables		138.349.605	63.787.547	202.137.152	102.326.357	54.851.939	157.178.296
6.1.1 Loans extended to risk group of the Bank		50.196	916.965	967.161	250.131	828.283	1.078.414
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		138.299.409	62.870.582	201.169.991	102.076.226	54.023.656	156.099.882
6.2 Loans under follow-up		6.106.597	-	6.106.597	5.140.082	-	5.140.082
6.3 Specific provisions (-)		4.779.272	-	4.779.272	3.964.045	-	3.964.045
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD TO MATURITY INVESTMENTS (Net)	(6)	19.214.233	2.512.936	21.727.169	15.823.514	2.332.668	18.156.182
8.1 Public sector debt securities		19.214.233	2.512.936	21.727.169	15.823.514	2.332.668	18.156.182
8.2 Other marketable securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	19.083	313.709	332.792	19.083	249.574	268.657
9.1 Accounted under equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		19.083	313.709	332.792	19.083	249.574	268.657
9.2.1 Financial investments		12.763	313.709	326.472	12.763	249.574	262.337
9.2.2 Non-financial investments		6.320	-	6.320	6.320	-	6.320
X. INVESTMENTS IN SUBSIDIARIES (Net)	(8)	3.089.737	536.971	3.626.708	2.514.639	363.185	2.877.824
10.1 Unconsolidated financial subsidiaries		3.037.559	536.971	3.574.530	2.473.396	363.185	2.836.581
10.2 Unconsolidated non-financial subsidiaries		52.178	-	52.178	41.243	-	41.243
XI. JOINT VENTURES (Net)	(9)	-	-	-	-	-	-
11.1 Accounted under equity method		-	-	-	-	-	-
11.2 Unconsolidated joint ventures		-	-	-	-	-	-
11.2.1 Financial joint ventures		-	-	-	-	-	-
11.2.2 Non-financial joint ventures		-	-	-	-	-	-
XII. FINANCE LEASE RECEIVABLES (Net)	(10)	-	-	-	-	-	-
12.1 Finance lease receivables		-	-	-	-	-	-
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
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)	2.535.687	92	2.535.779	2.313.905	102	2.314.007
XV. INTANGIBLE ASSETS (Net)	(13)	113.685	-	113.685	88.593	-	88.593
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		113.685	-	113.685	88.593	-	88.593
XVI. INVESTMENT PROPERTIES (Net)	(14)	358.574	-	358.574	363.321	-	363.321
XVII. TAX ASSET	(15)	-	-	-	-	-	-
17.1 Current tax asset		-	-	-	-	-	-
17.2 Deferred tax asset		-	-	-	-	-	-
XVIII. ASSETS HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)	(16)	-	-	-	740	-	740
18.1 Held for sale purpose		-	-	-	740	-	740
18.2 Held from discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(17)	1.698.762	229.621	1.928.383	1.517.081	419.865	1.936.946
TOTAL ASSETS		203.023.431	102.327.217	305.350.648	140.714.577	90.726.241	231.440.818

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

TÜRKİYE HALK BANKASI AŞ
UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS
AS OF 31 DECEMBER 2017

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

II. STATEMENT OF OFF-BALANCE SHEET ITEMS

		Audited			Audited		
		Current period			Prior period		
		31 December 2017			31 December 2016		
OFF BALANCE SHEET	Note	TRY	FC	Total	TRY	FC	Total
A.	COMMITMENTS AND CONTINGENCIES (I+II+III)	55.925.500	57.445.133	113.370.633	45.771.117	50.441.206	96.212.323
I.	GUARANTEES AND SURETYSHIPS	28.221.975	30.312.673	58.534.648	21.073.620	26.687.208	47.760.828
1.1	Letters of guarantee	27.015.807	22.385.059	49.400.866	20.268.441	19.699.090	39.967.531
1.1.1	Guarantees subject to public procurement law	1.522.672	10.045.779	11.568.451	1.049.993	11.366.716	12.416.709
1.1.2	Guarantees given for foreign trade operations	-	-	-	-	-	-
1.1.3	Other letters of guarantee	25.493.135	12.339.280	37.832.415	19.218.448	8.332.374	27.550.822
1.2	Bank loans	16.829	3.676.678	3.693.507	12.876	2.812.590	2.825.466
1.2.1	Import acceptances	-	226.526	226.526	-	320.953	320.953
1.2.2	Other bank acceptances	16.829	3.450.152	3.466.981	12.876	2.491.637	2.504.513
1.3	Letters of credit	47.204	4.086.827	4.134.031	18.091	3.993.217	4.011.308
1.3.1	Documentary letters of credit	47.204	4.086.827	4.134.031	18.091	3.993.217	4.011.308
1.3.2	Other letters of credit	-	-	-	-	-	-
1.4	Guaranteed prefinancings	-	-	-	-	-	-
1.5	Endorsements	-	-	-	-	-	-
1.5.1	Endorsements to Central Bank of the Republic of Turkey	-	-	-	-	-	-
1.5.2	Other Endorsements	-	-	-	-	-	-
1.6	Purchase guarantees on marketable security issuance	-	-	-	-	-	-
1.7	Factoring guarantees	-	-	-	-	-	-
1.8	Other guarantees	1.142.135	164.109	1.306.244	774.212	182.311	956.523
1.9	Other surety ships	-	-	-	-	-	-
II.	COMMITMENTS	22.879.077	1.116.617	23.995.694	22.842.226	674.455	23.516.681
2.1	Irrevocable commitments	22.879.077	1.116.617	23.995.694	22.842.226	674.455	23.516.681
2.1.1	Forward asset purchase commitments	248.484	661.967	910.451	112.735	304.715	417.450
2.1.2	Forward deposit purchase and sale commitments	-	-	-	-	-	-
2.1.3	Capital commitments to subsidiaries and associates	-	-	-	-	-	-
2.1.4	Loan granting commitments	4.191.402	454.650	4.646.052	3.182.164	369.740	3.551.904
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	5.805.008	-	5.805.008
2.1.8	Tax and fund liabilities from export commitments	38.072	-	38.072	28.864	-	28.864
2.1.9	Commitments for credit card expenditure limits	11.562.109	-	11.562.109	10.794.813	-	10.794.813
2.1.10	Commitments for credit cards and banking services promotions	32.736	-	32.736	44.328	-	44.328
2.1.11	Receivables from short sale commitments	-	-	-	-	-	-
2.1.12	Payables for short sale commitments	-	-	-	-	-	-
2.1.13	Other irrevocable commitments	3.536.993	-	3.536.993	2.874.314	-	2.874.314
2.2	Revocable commitments	-	-	-	-	-	-
2.2.1	Revocable loan granting commitments	-	-	-	-	-	-
2.2.2	Other revocable commitments	-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	4.824.448	26.015.843	30.840.291	1.855.271	23.079.543	24.934.814
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	4.824.448	26.015.843	30.840.291	1.855.271	23.079.543	24.934.814
3.2.1	Forward foreign currency buy/sell transactions	2.711.564	6.375.770	9.087.334	1.162.609	5.842.371	7.004.980
3.2.1.1	Forward foreign currency transactions-buy	1.360.216	4.499.292	5.859.508	564.492	3.958.120	4.522.612
3.2.1.2	Forward foreign currency transactions-sell	1.351.348	1.876.478	3.227.826	598.117	1.884.251	2.482.368
3.2.2	Currency and interest rate swaps	1.322.806	15.819.312	17.142.118	433.093	14.634.799	15.067.892
3.2.2.1	Currency swap-buy	387.590	2.821.721	3.209.311	-	2.707.908	2.707.908
3.2.2.2	Currency swap-sell	935.216	2.110.829	3.046.045	433.093	2.182.361	2.615.454
3.2.2.3	Interest rate swap-buy	-	5.443.381	5.443.381	-	4.872.265	4.872.265
3.2.2.4	Interest Rate swap-sell	-	5.443.381	5.443.381	-	4.872.265	4.872.265
3.2.3	Currency, interest rate and marketable securities options	790.078	1.090.343	1.880.421	259.569	420.684	680.253
3.2.3.1	Currency call options	394.932	545.279	940.211	129.783	210.341	340.124
3.2.3.2	Currency put options	395.146	545.064	940.210	129.786	210.343	340.129
3.2.3.3	Interest rate call options	-	-	-	-	-	-
3.2.3.4	Interest rate put options	-	-	-	-	-	-
3.2.3.5	Marketable securities call options	-	-	-	-	-	-
3.2.3.6	Marketable securities put options	-	-	-	-	-	-
3.2.4	Currency futures	-	-	-	-	-	-
3.2.4.1	Currency futures-buy	-	-	-	-	-	-
3.2.4.2	Currency futures-sell	-	-	-	-	-	-
3.2.5	Interest rate buy/sell futures	-	-	-	-	-	-
3.2.5.1	Interest rate futures-buy	-	-	-	-	-	-
3.2.5.2	Interest rate futures-sell	-	-	-	-	-	-
3.2.6	Other	-	2.730.418	2.730.418	-	2.181.689	2.181.689
B.	CUSTODY AND PLEDGED ASSETS (IV+V+VI)	832.644.477	205.106.195	1.037.750.672	660.197.757	154.850.365	815.048.122
IV.	CUSTODIES	392.094.904	29.257.887	421.352.791	342.844.925	23.694.435	366.539.360
4.1	Assets under management	-	-	-	-	-	-
4.2	Custody marketable securities	175.762.416	518.467	176.280.883	166.136.992	728.810	166.865.802
4.3	Cheques in collection process	14.977.312	22.698.848	37.676.160	12.428.736	17.253.652	29.682.388
4.4	Commercial notes in collection process	193.731.159	490.671	194.221.830	137.515.100	517.259	138.032.359
4.5	Other assets in collection process	-	-	-	-	-	-
4.6	Underwritten securities	-	-	-	-	-	-
4.7	Other custodies	4.135.360	127.221	4.262.581	3.485.883	98.721	3.584.604
4.8	Custodians	3.488.657	5.422.680	8.911.337	23.278.214	5.095.993	28.374.207
V.	PLEDGED ASSETS	440.549.573	175.848.308	616.397.881	317.352.832	131.155.930	448.508.762
5.1	Marketable securities	4.362.027	526.294	4.888.321	4.037.694	473.880	4.511.574
5.2	Collateral notes	7.255.638	812.632	8.068.270	7.292.482	820.012	8.112.494
5.3	Commodity	25.813	-	25.813	25.813	-	25.813
5.4	Warranty	-	-	-	-	-	-
5.5	Land and buildings	324.019.382	148.254.846	472.274.228	259.321.832	116.459.706	375.781.538
5.6	Other pledged assets	67.073.372	23.900.616	90.973.988	42.614.826	12.035.647	54.650.473
5.7	Pledges	37.813.341	2.353.920	40.167.261	4.060.185	1.366.685	5.426.870
VI.	ACCEPTED BILL GUARANTEES AND SURETIES	-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		888.569.977	262.551.328	1.151.121.305	705.968.874	205.291.571	911.260.445

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

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

III. STATEMENT OF INCOME

			Audited	Audited
			Current period	Prior period
			1 January- 31 December 2017	1 January- 31 December 2016
INCOME AND EXPENSES	Note			
I.	INTEREST INCOME	(1)	23.093.994	16.953.999
1.1	Interest on loans		18.959.501	14.256.133
1.2	Interest received from reserve deposits		131.500	56.437
1.3	Interest received from banks		227.093	92.630
1.4	Interest received from money market placements		56.316	404
1.5	Interest income on marketable securities		3.702.972	2.538.510
1.5.1	Financial assets held for trading		1.114	5.230
1.5.2	Financial assets at fair value through profit and loss		-	-
1.5.3	Financial assets available-for-sale		1.541.940	1.055.987
1.5.4	Investments held-to-maturity		2.159.918	1.477.293
1.6	Finance lease income		-	-
1.7	Other interest income		16.612	9.885
II.	INTEREST EXPENSE	(2)	15.293.393	9.997.281
2.1	Interest on deposits		11.339.797	8.180.926
2.2	Interest on borrowings		380.803	369.852
2.3	Interest on money market borrowings		2.667.803	776.209
2.4	Interest on bonds issued		789.909	582.467
2.5	Other interest expense		115.081	87.827
III.	NET INTEREST INCOME [I – II]		7.800.601	6.956.718
IV.	NET FEES AND COMMISSIONS INCOME		2.027.308	1.375.348
4.1	Fees and commissions income		2.484.914	1.762.862
4.1.1	Non-cash loans		401.146	295.898
4.1.2	Other		2.083.768	1.466.964
4.2	Fees and commissions expenses		457.606	387.514
4.2.1	Non-cash loans		44	40
4.2.2	Other		457.562	387.474
V.	DIVIDEND INCOME	(3)	267.214	267.273
VI.	NET TRADING PROFIT (NET)	(4)	35.869	149.746
6.1	Profit/loss from capital market operations		33.120	19.237
6.2	Profit/loss from financial derivative transactions		(198.722)	16.624
6.3	Foreign exchange gains/losses		201.471	113.885
VII.	OTHER OPERATING INCOME	(5)	600.635	573.117
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		10.731.627	9.322.202
IX.	LOANS AND OTHER RECEIVABLES IMPAIRMENT LOSS PROVISIONS (-)	(6)	1.469.327	2.106.323
X.	OTHER OPERATING EXPENSES(-)	(7)	4.552.718	3.864.329
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		4.709.582	3.351.550
XII.	AMOUNT RECORDED IN EXCESS AS GAIN AFTER MERGER		-	-
XIII.	PROFIT/LOSSES FROM EQUITY METHOD APPLIED SUBSIDIARIES		-	-
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV.	INCOME/(LOSS) BEFORE TAXES (XI+XII+XIII+XIV)	(8)	4.709.582	3.351.550
XVI.	TAX INCOME PROVISION (±)	(9)	(984.120)	(793.285)
16.1	Current tax provision		(749.669)	(553.481)
16.2	Deferred tax provision		(234.451)	(239.804)
XVII.	NET OPERATING INCOME AFTER TAX (XV±XVI)	(10)	3.725.462	2.558.265
XVIII.	INCOME FROM DISCONTINUED OPERATIONS		-	-
18.1	Property and equipment income held for sale		-	-
18.2	Sale profits from associates, subsidiaries and joint ventures (business partners)		-	-
18.3	Other income from terminated operations		-	-
XIX.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
19.1	Property and equipment expense held for sale		-	-
19.2	Sale losses from associates, subsidiaries and joint ventures (business partners)		-	-
19.3	Other expenses from discontinued operations		-	-
XX.	INCOME/EXPENSE BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-
XXI.	PROVISION FOR TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)		-	-
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
XXII.	NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-
XXIII.	NET PROFIT/(LOSS) (XVII+XXII)	(11)	3.725.462	2.558.265
	Earnings/losses per share (Full TRY)		2,98037	2,04661

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

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

	Audited	Audited
	Current period	Prior period
STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY	1 January-31 December 2017	1 January-31 December 2016
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	520.512	(64.497)
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	62.666	164.303
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	67.886	(123.432)
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	(11.621)	21.620
IX. DEFERRED TAX OF VALUATION DIFFERENCES	(49.285)	22.396
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	590.158	20.390
XI. PROFIT/LOSS	3.725.462	2.558.265
11.1 Change in fair value of marketable securities (Transfer to profit/loss)	33.120	21.097
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes to income statement	-	-
11.3 Transfer of hedge of net investments in foreign operations to income statement	-	-
11.4 Other	3.692.342	2.537.168
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X±XI)	4.315.620	2.578.655

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

V. 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.	Total shareholders' equity
1 January 2016 – 31 December 2016																	
I. Balance at end of prior period		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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Increase/decrease generated by merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Valuation changes in marketable securities		-	-	-	-	-	-	-	-	-	-	(484.082)	-	-	-	-	(484.082)
IV. Hedging funds (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedges for investment made in foreign countries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation changes of property and equipment		-	-	-	-	-	-	-	-	-	-	-	156.087	-	-	-	156.087
VI. Revaluation changes of intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares from investment and associates, subsidiaries and joint ventures (business partners)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign exchange differences		-	-	-	-	-	-	(123.432)	-	-	-	-	-	-	-	-	(123.432)
IX. Changes after disposal of securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes after reclassification of securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of changes in shareholders equity of investments and associates to bank's shareholders equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Increase in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 From internal resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Issuance of share certificates at end of period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-	-	17.296	-	-	-	-	-	-	-	17.296
XVII. Net profit or losses		-	-	-	-	-	-	-	-	2.558.265	-	-	-	-	-	-	2.558.265
XVIII. Profit distribution		-	-	-	-	146.493	-	1.937.289	-	(2.315.313)	-	-	-	-	-	-	(231.531)
18.1 Dividends distributed		-	-	-	-	-	-	-	-	-	(231.531)	-	-	-	-	-	(231.531)
18.2 Transfers to legal reserves		-	-	-	-	146.493	-	1.937.289	-	-	(2.083.782)	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	(2.315.313)	2.315.313	-	-	-	-	-	-
Closing balance		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
1 January 2017 – 31 December 2017																	
I. Balance at end of prior period		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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Increase or decrease generated by merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Valuation changes in marketable securities		-	-	-	-	-	-	-	-	-	-	542.776	-	-	-	-	542.776
IV. Hedging Funds (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedges for investments made in foreign countries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation changes of property and equipment		-	-	-	-	-	-	-	-	-	-	-	(11.207)	-	-	-	(11.207)
VI. Revaluation changes of intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares from investment and associates, subsidiaries and joint ventures (business partners)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign exchange differences		-	-	-	-	-	-	-	67.886	-	-	-	-	-	-	-	67.886
IX. Changes after disposal of securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes after reclassification of securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of changes in shareholders equity of investments and associates to bank's shareholders equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Increase in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 From internal resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Issuance of share certificates at end of period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-	-	(9.297)	-	-	-	-	-	-	-	(9.297)
XVII. Net profit or losses		-	-	-	-	-	-	-	-	3.725.462	-	-	-	-	-	-	3.725.462
XVIII. Profit distribution		-	-	-	-	163.291	-	2.139.147	-	(2.558.265)	-	-	-	-	-	-	(255.827)
18.1 Dividends distributed		-	-	-	-	-	-	-	-	-	(255.827)	-	-	-	-	-	(255.827)
18.2 Transfers to legal reserves		-	-	-	-	163.291	-	2.139.147	-	-	(2.302.438)	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	(2.558.265)	2.558.265	-	-	-	-	-	-
Closing balance		1.250.000	1.220.451	-	-	1.645.649	-	15.243.277	(15.655)	3.725.462	-	1.025.529	1.273.315	8.711	-	-	25.376.739

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

TÜRKİYE HALK BANKASI AŞ
EXPLANATION AND NOTES RELATED TO THE UNCONSOLIDATED STATEMENT OF
CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

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

VI. STATEMENT OF CASH FLOWS

	Note	Audited	Audited
		Current period	Prior period
		1 January-	1 January-
		31 December 2017	31 December 2016
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating profit before changes in operating assets and liabilities	5.020.676	1.481.155
1.1.1	Interest received	23.076.334	15.744.507
1.1.2	Interest paid	(14.287.590)	(9.478.192)
1.1.3	Dividend received	34.804	95.713
1.1.4	Fees and commissions received	2.490.248	1.762.862
1.1.5	Other income	294.785	377.033
1.1.6	Collections from previously written off loans	699.867	459.106
1.1.7	Cash payments to personnel and service suppliers	(2.022.875)	(1.812.412)
1.1.8	Taxes paid	(373.626)	(411.428)
1.1.9	Other	(4.891.271)	(5.256.034)
	(1)		
1.2	Assets and Liabilities Subject to Banking Operations	13.084.768	5.523.547
1.2.1	Net decrease in financial assets held for sale	(15.210)	(48.369)
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	12.245	(16.332)
1.2.4	Net (increase) decrease in loans	(45.125.763)	(31.101.645)
1.2.5	Net (increase) decrease in other assets	580.813	(530.016)
1.2.6	Net increase (decrease) in bank deposits	(3.637.720)	8.161.539
1.2.7	Net increase (decrease) in other deposits	45.584.908	19.788.248
1.2.8	Net increase (decrease) in loans borrowed	(1.947.164)	(1.293.247)
1.2.9	Net increase (decrease) in matured payables	-	-
1.2.10	Net increase (decrease) in other liabilities	17.632.659	10.563.369
	(1)		
I.	Net cash provided from banking operations	18.105.444	7.004.702
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
II.	Net cash provided from/(used in) investing activities	(5.993.692)	(5.893.147)
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	(434.998)	(229.977)
2.4	Fixed assets sales	201.562	51.362
2.5	Cash paid for purchase of financial assets available for sale	(8.881.650)	(6.168.135)
2.6	Cash obtained from sale of financial assets available for sale	7.477.165	1.775.796
2.7	Cash paid for purchase of investment securities	(4.655.675)	(2.617.381)
2.8	Cash obtained from sale of investment securities	346.978	1.309.290
2.9	Other	(32.080)	(14.102)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net cash used in financing activities	(286.955)	2.998.996
3.1	Cash obtained from loans borrowed and securities issued	8.174.710	10.281.519
3.2	Cash used for repayment of loans borrowed and securities issued	(8.205.739)	(7.050.000)
3.3	Bonds issued	-	-
3.4	Dividends paid	(255.827)	(231.531)
3.5	Payments for finance leases	(99)	(87)
3.6	Other	-	(905)
IV.	Effect of change in foreign exchange rate on cash and cash equivalents	908.274	1.403.627
	(1)		
V.	Net increase / (decrease) in cash and cash equivalents	12.733.071	5.514.178
VI.	Cash and cash equivalents at beginning of the period	14.388.793	8.874.615
	(4)		
VII.	Cash and cash equivalents at end of the period	27.121.864	14.388.793
	(5)		

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

TÜRKİYE HALK BANKASI AŞ
EXPLANATION AND NOTES RELATED TO THE UNCONSOLIDATED FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

VII. STATEMENT OF PROFIT DISTRIBUTION

	Audited	Audited
	Current Period	Prior Period
	31 December 2017⁽¹⁾	31 December 2016
I. DISTRIBUTION OF CURRENT YEAR PROFIT		
1.1. Current Period Profit	4.709.582	3.351.550
1.2. Taxes and Legal Duties Payables (-)	(984.120)	(793.285)
1.2.1. Corporate Tax (Income Tax)	(749.669)	(553.481)
1.2.2. Withholding Tax	-	-
1.2.3. Other Taxes and Duties	(234.451)	(239.804)
A. Net Profit For The Period (1.1-1.2)	3.725.462	2.558.265
1.3. Accumulated Losses (-)	-	-
1.4. First Legal Reserves (-)	-	127.913
1.5. Other Statutory Reserves (-)	-	-
B. Net Profit Available for Distribution [(A)-(1.3+1.4+1.5)]	-	2.430.352
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 (-)	-	193.327
1.9.1. To Owners of Ordinary Shares	-	193.327
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 (-)	-	35.378
1.11. Status Reserves (-)	-	-
1.12. Extraordinary Reserves	-	2.139.147
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 (-)	-	255.827
2.3.1. To Owners of Ordinary Shares	-	255.827
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 (-)	-	160.451 ⁽²⁾
2.5. Dividends to Board of Directors (-)	-	-
III. Earnings per Share		
3.1. To Owners of Ordinary Shares	2,9804	2,0466
3.2. To Owners of Ordinary Shares (%)	298,04%	204,7%
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	-	0,205
4.2. To Owners of Ordinary Shares (%)	-	20,47%
4.3. To Owners of Privileged Shares	-	-
4.4. To Owners of Privileged Shares (%)	-	-

⁽¹⁾Board of Directors meeting was not held as of 31 December 2017 financial reporting date.

⁽²⁾Dividends to personnel which added to 2016 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 unconsolidated financial statements.