

TÜRKİYE HALK BANKASI AŞ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD 31 MARCH 2016

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

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

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

ASSETS	Note	Reviewed			Audited		
		Current period			Prior period		
		31 March 2016			31 December 2015		
		TRY	FC	Total	TRY	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	4.299.794	20.500.276	24.800.070	4.339.419	19.161.120	23.500.539
II. FINANCIAL ASSETS AT FV THROUGH PROFIT AND LOSS (Net)	(2)	83.382	289.063	372.445	52.405	287.102	339.507
2.1 Trading financial assets		83.382	289.063	372.445	52.405	287.102	339.507
2.1.1 Public sector debt securities		63.982	31.986	95.968	28.526	33.146	61.672
2.1.2 Share certificates		3.405	-	3.405	3.318	-	3.318
2.1.3 Financial assets held for trading		-	256.248	256.248	7	253.097	253.104
2.1.4 Other marketable securities		15.995	829	16.824	20.554	859	21.413
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)	111.168	1.903.443	2.014.611	77.100	2.540.551	2.617.651
IV. MONEY MARKET PLACEMENTS		474.298	169.297	643.595	20.773	33.101	53.874
4.1 Interbank money market placements		-	159.420	159.420	-	-	-
4.2 Istanbul Stock Exchange Money Market placements		473.887	-	473.887	19.940	-	19.940
4.3 Receivables from reverse repurchase agreements		411	9.877	10.288	833	33.101	33.934
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	8.112.383	4.067.138	12.179.521	7.478.138	4.057.005	11.535.143
5.1 Share certificates		23.336	95.859	119.195	22.042	94.891	116.933
5.2 Public sector debt securities		8.080.839	3.956.473	12.037.312	7.442.852	3.947.367	11.390.219
5.3 Other marketable securities		8.208	14.806	23.014	13.244	14.747	27.991
VI. LOANS AND RECEIVABLES	(5)	92.043.744	41.131.477	133.175.221	86.889.420	40.330.131	127.219.551
6.1 Loans and receivables		91.040.619	41.059.419	132.100.038	85.943.567	40.259.165	126.202.732
6.1.1 Loans extended to risk group of the Bank		-	-	-	-	-	-
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		91.040.619	41.059.419	132.100.038	85.943.567	40.259.165	126.202.732
6.2 Loans under follow-up		4.136.722	211.242	4.347.964	3.973.738	215.798	4.189.536
6.3 Specific provisions (-)		3.133.597	139.184	3.272.781	3.027.885	144.832	3.172.717
VII. FACTORING RECEIVABLES		598.966	39.272	638.238	417.013	69.872	486.885
VIII. HELD TO MATURITY INVESTMENTS (Net)	(6)	14.716.657	2.037.990	16.754.647	14.791.048	2.113.829	16.904.877
8.1 Public sector debt securities		14.711.212	2.037.990	16.749.202	14.773.619	2.113.829	16.887.448
8.2 Other marketable securities		5.445	-	5.445	17.429	-	17.429
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	21.955	249.567	271.522	21.994	242.037	264.031
9.1 Accounted under equity method		15.636	249.567	265.203	15.674	242.037	257.711
9.2 Unconsolidated associates		6.319	-	6.319	6.320	-	6.320
9.2.1 Financial investments		-	-	-	-	-	-
9.2.2 Non-financial investments		6.319	-	6.319	6.320	-	6.320
X. INVESTMENTS IN SUBSIDIARIES (Net)	(8)	38.029	-	38.029	38.029	-	38.029
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated non-financial subsidiaries		38.029	-	38.029	38.029	-	38.029
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)	389.677	1.763.762	2.153.439	386.640	1.818.112	2.204.752
12.1 Finance lease receivables		508.381	1.986.706	2.495.087	497.208	2.054.352	2.551.560
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		118.704	222.944	341.648	110.568	236.240	346.808
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)	3.079.468	57.525	3.136.993	3.086.621	57.746	3.144.367
XV. INTANGIBLE ASSETS (Net)	(13)	90.463	17.714	108.177	84.548	17.766	102.314
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		90.463	17.714	108.177	84.548	17.766	102.314
XVI. INVESTMENT PROPERTIES (Net)	(14)	502.785	3.187	505.972	482.284	3.310	485.594
XVII. TAX ASSET	(15)	104.998	1.540	106.538	48.174	2.746	50.920
17.1 Current tax asset		-	-	-	-	1.217	1.217
17.2 Deferred tax asset		104.998	1.540	106.538	48.174	1.529	49.703
XVIII. ASSETS HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)	(16)	2.069	-	2.069	2.694	-	2.694
18.1 Held for sale purpose		2.069	-	2.069	2.694	-	2.694
18.2 Held from discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(17)	2.178.076	236.322	2.414.398	1.816.201	234.561	2.050.762
TOTAL ASSETS		126.847.912	72.467.573	199.315.485	120.032.501	70.968.989	191.001.490

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

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

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

	Note	Reviewed			Audited		
		Current period			Prior period		
		31 March 2016			31 December 2015		
LIABILITIES AND SHAREHOLDERS' EQUITY		TRY	FC	Total	TRY	FC	Total
I. DEPOSITS	(1)	81.518.986	44.663.215	126.182.201	78.808.341	43.696.043	122.504.384
1.1 Deposits Held by the Risk Group of the Bank		4.141	-	4.141	5.823	-	5.823
1.2 Other		81.514.845	44.663.215	126.178.060	78.802.518	43.696.043	122.498.561
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	-	224.122	224.122	1.434	174.239	175.673
III. FUNDS BORROWED	(3)	1.236.429	19.982.477	21.218.906	1.314.519	20.829.218	22.143.737
IV. MONEY MARKET BALANCES		11.927.737	998.435	12.926.172	7.727.458	728.499	8.455.957
4.1 Interbank money market borrowings		800.233	-	800.233	100.030	-	100.030
4.2 Istanbul Stock Exchange Takasbank borrowings		504.119	-	504.119	19.965	-	19.965
4.3 Funds from repurchase agreements		10.623.385	998.435	11.621.820	7.607.463	728.499	8.335.962
V. MARKETABLE SECURITIES ISSUED (Net)	(4)	1.447.483	7.042.347	8.489.830	1.500.713	7.339.847	8.840.560
5.1 Treasury bills		1.447.483	-	1.447.483	1.500.713	-	1.500.713
5.2 Asset-backed securities		-	-	-	-	-	-
5.3 Bonds		-	7.042.347	7.042.347	-	7.339.847	7.339.847
VI. FUNDS	(5)	1.973.258	-	1.973.258	1.963.699	-	1.963.699
6.1 Borrower Funds		17.035	-	17.035	27.850	-	27.850
6.2 Other		1.956.223	-	1.956.223	1.935.849	-	1.935.849
VII. SUNDRY CREDITORS		2.286.621	61.102	2.347.723	2.196.538	202.206	2.398.744
VIII. OTHER LIABILITIES	(6)	1.395.499	366.029	1.761.528	1.332.951	361.001	1.693.952
IX. FACTORING PAYABLES		407	396	803	11	213	224
X. FINANCE LEASE PAYABLES	(7)	-	-	-	-	-	-
10.1 Finance lease payables		-	-	-	-	-	-
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance lease expenses (-)		-	-	-	-	-	-
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT	(8)	-	-	-	-	-	-
11.1 Fair value risk hedgin		-	-	-	-	-	-
11.2 Cash flow risk hedging		-	-	-	-	-	-
11.3 Net foreign investment risk hedging		-	-	-	-	-	-
XII. PROVISIONS	(9)	3.592.973	81.574	3.674.547	3.079.547	81.930	3.161.477
12.1 General loan provisions		1.182.308	16.527	1.198.835	1.123.838	15.452	1.139.290
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Employee benefits provisions		751.253	2.911	754.164	682.369	4.785	687.154
12.4 Insurance technical reserves (Net)		1.396.495	-	1.396.495	932.665	-	932.665
12.5 Other provisions		262.917	62.136	325.053	340.675	61.693	402.368
XIII. TAX LIABILITY	(10)	528.717	11.261	539.978	447.106	2.159	449.265
13.1 Current tax liability		465.906	999	466.905	376.691	7	376.698
13.2 Deferred tax liability		62.811	10.262	73.073	70.415	2.152	72.567
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)	-	-	-	-	47.144	47.144
XVI. SHAREHOLDERS' EQUITY	(13)	19.664.160	312.257	19.976.417	19.092.405	74.269	19.166.674
16.1 Paid-in capital		1.250.000	-	1.250.000	1.250.000	-	1.250.000
16.2 Capital reserves		2.870.715	49.028	2.919.743	2.816.256	(181.021)	2.635.235
16.2.1 Share Premium		39.511	-	39.511	39.488	-	39.488
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities revaluation fund		(77.852)	49.074	(28.778)	(104.104)	(181.027)	(285.131)
16.2.4 Tangible assets revaluation reserves		1.672.676	-	1.672.676	1.672.931	-	1.672.931
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		3.973	-	3.973	3.973	-	3.973
16.2.8 Hedging Funds (effective portion)		-	-	-	-	-	-
16.2.9 Value Increase on Assets Held for Sale		-	-	-	-	-	-
16.2.10 Other capital reserves		1.232.407	(46)	1.232.361	1.203.968	6	1.203.974
16.3 Profit reserves		12.484.081	110.076	12.594.157	12.483.964	113.259	12.597.223
16.3.1 Legal reserves		1.390.933	3.020	1.393.953	1.390.907	3.020	1.393.927
16.3.2 Statutory reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		11.046.006	-	11.046.006	11.045.915	-	11.045.915
16.3.4 Other profit reserves		47.142	107.056	154.198	47.142	110.239	157.381
16.4 Profit/Loss		2.895.912	127.467	3.023.379	2.366.453	116.337	2.482.790
16.4.1 Prior years income/loss		2.366.453	116.337	2.482.790	70.822	93.984	164.806
16.4.2 Period profit/loss		529.459	11.130	540.589	2.295.631	22.353	2.317.984
16.5 Minority shares		163.452	25.686	189.138	175.732	25.694	201.426
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		125.572.270	73.743.215	199.315.485	117.464.722	73.536.768	191.001.490

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 MARCH 2016

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

II. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS

		Reviewed			Audited		
		Current period			Prior period		
		31 March 2016			31 December 2015		
OFF BALANCE SHEET	Note	TRY	FC	Total	TRY	FC	Total
A.	COMMITMENTS AND CONTINGENCIES (I+II+III)	43.657.367	45.850.968	89.508.335	41.171.007	45.929.129	87.100.136
I.	GUARANTEES AND SURETYSHIPS	18.098.626	22.939.637	41.038.263	16.654.679	23.382.547	40.037.226
1.1	Letters of guarantee	16.503.766	14.712.709	31.216.475	15.670.049	15.196.628	30.866.677
1.1.1	Guarantees subject to public procurement law	1.072.581	9.669.983	10.742.564	1.039.153	10.454.344	11.493.497
1.1.2	Guarantees given for foreign trade operations	-	8.952	8.952	-	11.057	11.057
1.1.3	Other letters of guarantee	15.431.185	5.033.774	20.464.959	14.630.896	4.731.227	19.362.123
1.2	Bank loans	984.212	3.067.743	4.051.955	359.503	2.914.278	3.273.781
1.2.1	Import acceptances	-	153.964	153.964	-	154.337	154.337
1.2.2	Other bank acceptances	984.212	2.913.779	3.897.991	359.503	2.759.941	3.119.444
1.3	Letters of credit	40	4.952.034	4.952.074	-	5.016.951	5.016.951
1.3.1	Documentary letters of credit	40	4.938.272	4.938.312	-	5.002.398	5.002.398
1.3.2	Other letters of credit	-	13.762	13.762	-	14.553	14.553
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	610.608	207.151	817.759	625.127	254.690	879.817
1.9	Other suretyships	-	-	-	-	-	-
II.	COMMITMENTS	22.166.376	1.265.835	23.432.211	20.845.109	1.196.194	22.041.303
2.1	Irrevocable commitments	22.166.376	823.912	22.990.288	20.845.109	792.417	21.637.526
2.1.1	Forward asset purchase commitments	87.634	399.930	487.564	99.229	382.449	481.678
2.1.2	Forward deposit purchase and sale commitments	-	-	-	-	-	-
2.1.3	Capital commitments to subsidiaries and associates	-	-	-	-	-	-
2.1.4	Loan granting commitments	2.394.717	336.548	2.731.265	2.227.928	332.624	2.560.552
2.1.5	Securities underwriting commitments	-	-	-	-	-	-
2.1.6	Payment commitments for reserve deposits	-	-	-	-	-	-
2.1.7	Payment commitments for cheques	5.759.836	-	5.759.836	5.442.458	-	5.442.458
2.1.8	Tax and fund liabilities from export commitments	21.253	-	21.253	20.764	-	20.764
2.1.9	Commitments for credit card expenditure limits	11.555.688	23.755	11.579.443	11.157.873	23.128	11.181.001
2.1.10	Commitments for credit cards and banking services promotions	48.608	-	48.608	46.532	-	46.532
2.1.11	Receivables from short sale commitments	-	-	-	-	-	-
2.1.12	Payables for short sale commitments	-	-	-	-	-	-
2.1.13	Other irrevocable commitments	2.298.640	63.679	2.362.319	1.850.325	54.216	1.904.541
2.2	Revocable commitments	-	441.923	441.923	-	403.777	403.777
2.2.1	Revocable loan granting commitments	-	40.248	40.248	-	366.688	366.688
2.2.2	Other revocable commitments	-	401.675	401.675	-	37.089	37.089
III.	DERIVATIVE FINANCIAL INSTRUMENTS	3.392.365	21.645.496	25.037.861	3.671.219	21.350.388	25.021.607
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	3.392.365	21.645.496	25.037.861	3.671.219	21.350.388	25.021.607
3.2.1	Forward foreign currency buy/sell transactions	1.943.575	5.700.273	7.643.848	1.671.380	4.857.438	6.528.818
3.2.1.1	Forward foreign currency transactions-buy	1.004.478	3.865.355	4.869.833	801.439	3.344.181	4.145.620
3.2.1.2	Forward foreign currency transactions-sell	939.097	1.834.918	2.774.015	869.941	1.513.257	2.383.198
3.2.2	Currency and interest rate swaps	517.302	12.690.571	13.207.873	1.893.656	14.489.699	16.383.355
3.2.2.1	Currency swap-buy	240.102	2.676.643	2.916.745	278.222	4.124.940	4.403.162
3.2.2.2	Currency swap-sell	277.200	2.620.398	2.897.598	1.615.434	2.784.399	4.399.833
3.2.2.3	Interest rate swap-buy	-	3.696.765	3.696.765	-	3.790.180	3.790.180
3.2.2.4	Interest Rate swap-sell	-	3.696.765	3.696.765	-	3.790.180	3.790.180
3.2.3	Currency, interest rate and marketable securities options	931.488	896.073	1.827.561	106.183	253.075	359.258
3.2.3.1	Currency call options	465.743	448.038	913.781	53.198	126.436	179.634
3.2.3.2	Currency put options	465.745	448.035	913.780	52.985	126.639	179.624
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	-	2.358.579	2.358.579	-	1.750.176	1.750.176
B.	CUSTODY AND PLEDGED ASSETS (IV+V+VI)	497.485.533	128.085.153	625.570.686	481.309.800	120.750.800	602.060.600
IV.	CUSTODIES	229.930.040	17.871.913	247.801.953	228.121.330	17.376.606	245.497.936
4.1	Assets under management	-	-	-	-	-	-
4.2	Custody marketable securities	85.437.947	545.457	85.983.404	90.596.004	466.338	91.062.342
4.3	Cheques in collection process	11.955.275	12.837.361	24.792.636	11.132.981	12.393.872	23.526.853
4.4	Commercial notes in collection process	110.003.709	468.456	110.472.165	104.256.213	470.162	104.726.375
4.5	Other assets in collection process	-	-	-	-	-	-
4.6	Underwritten securities	-	-	-	-	-	-
4.7	Other custodies	2.761.432	60.616	2.822.048	2.772.653	15.875	2.788.528
4.8	Custodians	19.771.677	3.960.023	23.731.700	19.363.479	4.030.359	23.393.838
V.	PLEDGED ASSETS	267.555.493	109.290.008	376.845.501	253.188.470	102.394.145	355.582.615
5.1	Marketable securities	3.163.786	394.731	3.558.517	3.350.711	247.451	3.598.162
5.2	Collateral notes	7.087.946	712.053	7.799.999	6.669.787	623.239	7.293.026
5.3	Commodity	25.813	-	25.813	25.813	-	25.813
5.4	Warranty	-	-	-	-	-	-
5.5	Land and buildings	213.131.755	83.954.745	297.086.500	199.984.465	76.697.617	276.682.082
5.6	Other pledged assets	40.859.157	22.977.077	63.836.234	39.846.268	23.476.950	63.323.218
5.7	Pledges	3.287.036	1.251.402	4.538.438	3.311.426	1.348.888	4.660.314
VI.	ACCEPTED BILL GUARANTEES AND SURETIES	-	923.232	923.232	-	980.049	980.049
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		541.142.900	173.936.121	715.079.021	522.480.807	166.679.929	689.160.736

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF INCOME
AS OF 31 MARCH 2016

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

III. CONSOLIDATED STATEMENT OF INCOME

			Reviewed	Reviewed
			Current period	Prior period
INCOME AND EXPENSES		Note	1 January-31 March 2016	1 January-31 March 2015
I.	INTEREST INCOME	(1)	4.041.460	3.061.833
1.1	Interest on loans		3.234.443	2.513.710
1.2	Interest received from reserve deposits		15.055	127
1.3	Interest received from banks		29.861	10.436
1.4	Interest received from money market placements		78	18
1.5	Interest income on marketable securities		700.295	488.339
1.5.1	Financial assets held for trading		1.504	1.775
1.5.2	Financial assets at fair value through profit and loss		-	-
1.5.3	Financial assets available-for-sale		259.842	164.027
1.5.4	Investments held-to-maturity		438.949	322.537
1.6	Finance lease income		35.863	31.844
1.7	Other interest income		25.865	17.359
II.	INTEREST EXPENSE	(2)	2.433.177	1.723.884
2.1	Interest on deposits		1.981.162	1.381.113
2.2	Interest on borrowings		120.323	81.521
2.3	Interest on money market borrowings		179.677	141.921
2.4	Interest on bonds issued		121.777	100.944
2.5	Other interest expense		30.238	18.385
III.	NET INTEREST INCOME (I – II)		1.608.283	1.337.949
IV.	NET FEES AND COMMISSIONS INCOME		247.861	299.826
4.1	Fees and commissions income		374.105	404.726
4.1.1	Non-cash loans		63.080	48.318
4.1.2	Other		311.025	356.408
4.2	Fees and commissions expenses		126.244	104.900
4.2.1	Non-cash loans		1.086	646
4.2.2	Other		125.158	104.254
V.	DIVIDEND INCOME	(3)	-	-
VI.	NET TRADING PROFIT (NET)	(4)	27.886	23.686
6.1	Profit/loss from capital market operations		3.897	24.070
6.2	Profit/loss from financial derivative transactions		(211.460)	(741.996)
6.3	Foreign exchange gains/losses		235.449	741.612
VII.	OTHER OPERATING INCOME	(5)	414.519	334.882
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		2.298.549	1.996.343
IX.	LOANS AND OTHER RECEIVABLES IMPAIRMENT LOSS PROVISIONS (-)	(6)	276.106	260.646
X.	OTHER OPERATING EXPENSES(-)	(7)	1.384.609	916.838
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		637.834	818.859
XII.	AMOUNT RECORDED IN EXCESS AS GAIN AFTER MERGER		-	-
XIII.	PROFIT/LOSSES FROM EQUITY METHOD APPLIED SUBSIDIARIES		3.706	3.796
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV.	INCOME/(LOSS) BEFORE TAXES (XI+XII+XIII+XIV)	(8)	641.540	822.655
XVI.	TAX INCOME PROVISION (±)	(9)	(112.404)	(176.424)
16.1	Current tax provision		(193.439)	(71.835)
16.2	Deferred tax provision		81.035	(104.589)
XVII.	NET OPERATING INCOME AFTER TAX (XV±XVI)	(10)	529.136	646.231
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)	529.136	646.231
23.1	Group's profit/loss		540.589	643.549
23.2	Minority shares profit/loss		(11.453)	2.682
	Earnings/losses per share (Full TRY)		0,43247	0,51484

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY
AS OF 31 MARCH 2016

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

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

	Reviewed	Reviewed
	Current period	Prior period
	1 January-31	1 January-31
	March 2016	March 2015
STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY		
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	277.286	(94.310)
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	(319)	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	25.219	(2.900)
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	(757)	795
IX. DEFERRED TAX OF VALUATION DIFFERENCES	(20.822)	10.472
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	280.607	(85.943)
XI. PROFIT/LOSS	529.136	646.231
11.1 Change in fair value of marketable securities (Transfer to profit/loss)	2.859	31.676
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	526.277	614.555
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X±XI)	809.743	560.288

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF 31 MARCH 2016

(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 cancellations 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
I. 1 January 2015 – 31 March 2015																		
Balance at end of prior period	1.250.000	1.220.451	39.009	-	1.253.073	-	9.163.290	103.843	2.270.398	139.768	194.785	-	4.031	-	-	15.638.648	178.760	15.817.408
Changes within the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Increase/decrease generated by merger																		
III. Valuation changes in marketable securities																		
IV. Hedging funds (effective portion)	-	-	-	-	-	-	-	-	-	-	(83.678)	-	-	-	-	(83.678)	(1)	(83.679)
4.1 Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedges for investment made in foreign countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation changes of property and equipment																		
VI. Revaluation changes of intangible assets																		
Bonus shares from investment and associates, subsidiaries and joint ventures (business partners)																		
VII. Foreign exchange differences	-	-	-	-	-	-	-	(2.886)	-	-	-	-	-	-	-	(2.886)	(14)	(2.900)
IX. Changes after disposal of securities																		
X. Changes after reclassification of securities																		
Effect of changes in shareholders equity of investments and associates to bank's shareholders equity																		
XI. 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	-	-	-	-	-	-	-	606	-	-	-	-	-	-	-	606	30	636
XVII. Net profit or losses	-	-	-	-	-	-	-	-	643.549	-	-	-	-	-	-	643.549	2.682	646.231
XVIII. Profit distribution																		
18.1 Dividends distributed	-	-	-	-	-	-	-	-	(2.270.398)	2.270.398	-	-	-	-	-	-	-	-
18.2 Transfers to legal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3 Other	-	-	-	-	-	-	-	-	(2.270.398)	2.270.398	-	-	-	-	-	-	-	-
Closing balance	1.250.000	1.220.451	39.009	-	1.253.073	-	9.163.290	101.563	643.549	2.410.166	111.107	-	4.031	-	-	16.196.239	181.457	16.377.696
I. 1 January 2016 – 31 March 2016																		
Balance at end of prior period	1.250.000	1.220.451	39.488	-	1.393.927	-	11.045.915	140.904	2.317.984	164.806	(285.131)	1.672.931	3.973	-	-	18.965.248	201.426	19.166.674
Changes within the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Increase or decrease generated by merger																		
III. Valuation changes in marketable securities																		
IV. Hedging Funds (effective portion)	-	-	-	-	-	-	-	-	-	-	256.353	-	-	-	-	256.353	47	256.400
4.1 Cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedges for investments made in foreign countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation changes of property and equipment																		
VI. Revaluation changes of intangible assets																		
Bonus shares from investment and associates, subsidiaries and joint ventures (business partners)																		
VII. Foreign exchange differences	-	-	-	-	-	-	-	25.204	-	-	-	-	-	-	-	25.204	15	25.219
IX. Changes after disposal of securities																		
X. Changes after reclassification of securities																		
Effect of changes in shareholders equity of investments and associates to bank's shareholders equity																		
XI. 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 ⁽¹⁾	-	-	23	-	26	-	91	-	-	-	-	-	-	-	-	-	-	-
XVII. Net profit or losses	-	-	-	-	-	-	-	-	540.589	-	-	-	-	-	-	540.589	(897)	(757)
XVIII. Profit distribution																		
18.1 Dividends distributed	-	-	-	-	-	-	-	-	(2.317.984)	2.317.984	-	-	-	-	-	-	-	-
18.2 Transfers to legal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3 Other	-	-	-	-	-	-	-	-	(2.317.984)	2.317.984	-	-	-	-	-	-	-	-
Closing balance	1.250.000	1.220.451	39.511	-	1.393.953	-	11.046.006	166.108	540.589	2.482.790	(28.778)	1.672.676	3.973	-	-	19.787.279	189.138	19.976.417

⁽¹⁾ Result of the change on the Group shares.

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF CASH FLOWS
AS OF 31 MARCH 2016

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

VI. CONSOLIDATED STATEMENT OF CASH FLOWS

	Reviewed	Reviewed
	Current period	Prior period
Note	31 March 2016	31 March 2015
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities	1.107.835	(10.543)
1.1.1 Interest received	4.026.545	2.964.657
1.1.2 Interest paid	(2.263.784)	(1.562.602)
1.1.3 Dividend received	-	-
1.1.4 Fees and commissions received	374.105	404.726
1.1.5 Other income	346.803	248.051
1.1.6 Collections from previously written off loans	187.208	128.921
1.1.7 Cash payments to personnel and service suppliers	(487.108)	(404.593)
1.1.8 Taxes paid	(162.261)	(412.444)
1.1.9 Other	(913.673)	(1.377.259)
1.2 Assets and Liabilities Subject to Banking Operations	(103.663)	(2.767.840)
1.2.1 Net decrease in financial assets held for sale	(29.819)	10.025
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	-	14.000
1.2.4 Net (increase) decrease in loans	(5.897.937)	(6.512.040)
1.2.5 Net (increase) decrease in other assets	(1.760.796)	(44.590)
1.2.6 Net increase (decrease) in bank deposits	5.011.649	(2.647.369)
1.2.7 Net increase (decrease) in other deposits	(1.424.723)	5.694.724
1.2.8 Net increase (decrease) in loans borrowed	(926.919)	1.404.917
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	4.924.882	(687.507)
I. Net cash provided from banking operations	1.004.172	(2.778.383)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		
II. Net cash provided from/ (used in) investing activities	(616.550)	72.720
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	(106.747)	(125.732)
2.4 Fixed assets sales	61.827	74.647
2.5 Cash paid for purchase of financial assets available for sale	(1.389.239)	(1.258.359)
2.6 Cash obtained from sale of financial assets available for sale	892.236	868.631
2.7 Cash paid for purchase of investment securities	(871.715)	(671.226)
2.8 Cash obtained from sale of investment securities	804.024	1.181.544
2.9 Other	(6.936)	3.215
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash used in financing activities	(462.816)	1.762.177
3.1 Cash obtained from loans borrowed and securities issued	685.058	2.512.177
3.2 Cash used for repayment of loans borrowed and securities issued	(1.147.874)	(750.000)
3.3 Bonds issued	-	-
3.4 Dividends paid	-	-
3.5 Payments for finance leases	-	-
3.6 Other	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	(77.329)	329.740
V. Net increase / (decrease) in cash and cash equivalents	(152.523)	(613.746)
VI. Cash and cash equivalents at beginning of the period	8.855.902	7.290.931
VII. Cash and cash equivalents at end of the period	8.703.379	6.677.185

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