

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

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

SECTION II: UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance Sheet (Statement of Financial Position)
- II. Statement of Off-Balance Sheet Items
- III. Statement of Income
- IV. Statement of Income and Expense Items Accounted under Shareholders' Equity
- V. Statement of Changes in Shareholders' Equity
- VI. Statement of Cash Flows

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 2016				31 December 2015	
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	4.299.647	20.342.406	24.642.053	4.339.259	18.985.712	23.324.971					
II. FINANCIAL ASSETS AT FV THROUGH PROFIT AND LOSS (Net)	(2)	56.673	269.670	326.343	6.831	262.510	269.341					
2.1 Trading financial assets		56.673	269.670	326.343	6.831	262.510	269.341					
2.1.1 Public sector debt securities		50.630	14.403	65.033	780	15.294	16.074					
2.1.2 Share certificates		-	-	-	-	-	-					
2.1.3 Financial assets held for trading		-	255.106	255.106	7	247.048	247.055					
2.1.4 Other marketable securities		6.043	161	6.204	6.044	168	6.212					
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)	33.797	1.793.301	1.827.098	65.338	2.447.947	2.513.285					
IV. MONEY MARKET PLACEMENTS		-	159.420	159.420	-	-	-					
4.1 Interbank money market placements		-	159.420	159.420	-	-	-					
4.2 Istanbul Stock Exchange Money Market placements		-	-	-	-	-	-					
4.3 Receivables from reverse repurchase agreements		-	-	-	-	-	-					
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	7.966.624	3.890.236	11.856.860	7.308.585	3.900.408	11.208.993					
5.1 Share certificates		68.969	94.148	163.117	67.558	93.190	160.748					
5.2 Public sector debt securities		7.897.655	3.796.088	11.693.743	7.241.027	3.807.218	11.048.245					
5.3 Other marketable securities		-	-	-	-	-	-					
VI. LOANS AND RECEIVABLES	(5)	92.455.811	40.264.428	132.720.239	87.246.312	39.498.665	126.744.977					
6.1 Loans and receivables		91.452.686	40.264.428	131.717.114	86.300.459	39.498.665	125.799.124					
6.1.1 Loans extended to risk group of the Bank		412.067	674.477	1.086.544	356.892	683.526	1.040.418					
6.1.2 Public sector debt securities		-	-	-	-	-	-					
6.1.3 Other		91.040.619	39.589.951	130.630.570	85.943.567	38.815.139	124.758.706					
6.2 Loans under follow-up		4.136.722	-	4.136.722	3.973.738	-	3.973.738					
6.3 Specific provisions (-)		3.133.597	-	3.133.597	3.027.885	-	3.027.885					
VII. FACTORING RECEIVABLES		-	-	-	-	-	-					
VIII. HELD TO MATURITY INVESTMENTS (Net)	(6)	14.686.256	1.852.149	16.538.405	14.745.329	1.931.468	16.676.797					
8.1 Public sector debt securities		14.686.256	1.852.149	16.538.405	14.745.329	1.931.468	16.676.797					
8.2 Other marketable securities		-	-	-	-	-	-					
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	19.083	209.880	228.963	19.083	208.237	227.320					
9.1 Accounted under equity method		-	-	-	-	-	-					
9.2 Unconsolidated associates		19.083	209.880	228.963	19.083	208.237	227.320					
9.2.1 Financial investments		12.764	209.880	222.644	12.763	208.237	221.000					
9.2.2 Non-financial investments		6.319	-	6.319	6.320	-	6.320					
X. INVESTMENTS IN SUBSIDIARIES (Net)	(8)	2.420.982	277.831	2.698.813	2.410.288	275.646	2.685.934					
10.1 Unconsolidated financial subsidiaries		2.382.953	277.831	2.660.784	2.372.259	275.646	2.647.905					
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)	-	-	-	-	-	-					
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)	2.112.480	96	2.112.576	2.099.353	94	2.099.447					
XV. INTANGIBLE ASSETS (Net)	(13)	83.055	-	83.055	76.951	-	76.951					
15.1 Goodwill		-	-	-	-	-	-					
15.2 Other		83.055	-	83.055	76.951	-	76.951					
XVI. INVESTMENT PROPERTIES (Net)	(14)	364.199	-	364.199	365.000	-	365.000					
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)	549	-	549	1.091	-	1.091					
18.1 Held for sale purpose		549	-	549	1.091	-	1.091					
18.2 Held from discontinued operations		-	-	-	-	-	-					
XIX. OTHER ASSETS	(17)	1.596.054	173.750	1.769.804	1.373.154	162.089	1.535.243					
TOTAL ASSETS		126.095.210	69.233.167	195.328.377	120.056.574	67.672.776	187.729.350					

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.)

I. BALANCE SHEET (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)	82.610.865	43.251.318	125.862.183	79.722.638	42.423.327	122.145.965
1.1 Deposits Held by the Risk Group of the Bank		1.096.058	26.383	1.122.441	920.174	98.940	1.019.114
1.2 Other		81.514.807	43.224.935	124.739.742	78.802.464	42.324.387	121.126.851
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	-	206.461	206.461	18	150.688	150.706
III. FUNDS BORROWED	(3)	599.490	18.798.090	19.397.580	824.208	19.437.408	20.261.616
IV. MONEY MARKET BALANCES		11.414.982	998.435	12.413.417	7.681.767	728.499	8.410.266
4.1 Interbank money market borrowings		800.233	-	800.233	100.030	-	100.030
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3 Funds from repurchase agreements		10.614.749	998.435	11.613.184	7.581.737	728.499	8.310.236
V. MARKETABLE SECURITIES ISSUED (Net)	(4)	1.510.117	7.042.347	8.552.464	1.565.442	7.339.847	8.905.289
5.1 Treasury bills		1.510.117	-	1.510.117	1.565.442	-	1.565.442
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		2.201.796	33.285	2.235.081	2.125.454	192.134	2.317.588
VIII. OTHER LIABILITIES	(6)	1.263.356	339.936	1.603.292	1.256.321	336.082	1.592.403
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. FINANCE LEASE PAYABLES	(7)	572	-	572	1.090	-	1.090
10.1 Finance lease payables		633	-	633	1.243	-	1.243
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance lease expenses (-)		61	-	61	153	-	153
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT	(8)	-	-	-	-	-	-
11.1 Fair value risk hedging		-	-	-	-	-	-
11.2 Cash flow risk hedging		-	-	-	-	-	-
11.3 Net foreign investment risk hedging		-	-	-	-	-	-
XII. PROVISIONS	(9)	2.170.207	4.221	2.174.428	2.124.774	4.369	2.129.143
12.1 General loan provisions		1.182.308	-	1.182.308	1.123.838	-	1.123.838
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Employee benefits provisions		738.121	-	738.121	670.863	-	670.863
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions		249.778	4.221	253.999	330.073	4.369	334.442
XIII. TAX LIABILITY	(10)	505.786	8.113	513.899	427.235	7	427.242
13.1 Current tax liability		442.975	3	442.978	357.971	7	357.978
13.2 Deferred tax liability		62.811	8.110	70.921	69.264	-	69.264
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)	20.255.134	140.608	20.395.742	19.426.817	(2.474)	19.424.343
16.1 Paid-in capital		1.250.000	-	1.250.000	1.250.000	-	1.250.000
16.2 Capital reserves		3.459.851	140.608	3.600.459	3.311.617	(2.474)	3.309.143
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities revaluation fund		1.088.969	140.608	1.229.577	969.309	(2.474)	966.835
16.2.4 Tangible assets revaluation reserves		1.128.180	-	1.128.180	1.128.435	-	1.128.435
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		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		1.233.991	-	1.233.991	1.205.162	-	1.205.162
16.3 Profit reserves		12.549.887	-	12.549.887	12.549.887	-	12.549.887
16.3.1 Legal reserves		1.335.865	-	1.335.865	1.335.865	-	1.335.865
16.3.2 Statutory reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		11.166.841	-	11.166.841	11.166.841	-	11.166.841
16.3.4 Other profit reserves		47.181	-	47.181	47.181	-	47.181
16.4 Profit/Loss		2.995.396	-	2.995.396	2.315.313	-	2.315.313
16.4.1 Prior years income/loss		2.315.313	-	2.315.313	-	-	-
16.4.2 Period profit/loss		680.083	-	680.083	2.315.313	-	2.315.313
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		124.505.563	70.822.814	195.328.377	117.119.463	70.609.887	187.729.350

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 MARCH 2016

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

II. 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)	43.258.442	44.811.031	88.069.473	40.688.452	44.850.486	85.538.938
I.	GUARANTEES AND SURETYSHIPS	18.098.626	22.690.570	40.789.196	16.654.679	23.126.571	39.781.250
1.1	Letters of guarantee	16.503.766	14.477.592	30.981.358	15.670.049	14.955.563	30.625.612
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	-	-	-	-	-	-
1.1.3	Other letters of guarantee	15.431.185	4.807.609	20.238.794	14.630.896	4.501.219	19.132.115
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	0	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	4.938.084	4.938.124	-	5.002.040	5.002.040
1.3.1	Documentary letters of credit	40	4.938.084	4.938.124	-	5.002.040	5.002.040
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	610.608	207.151	817.759	625.127	254.690	879.817
1.9	Other surety ships	-	-	-	-	-	-
II.	COMMITMENTS	22.007.553	718.770	22.726.323	20.685.806	697.959	21.383.765
2.1	Irrevocable commitments	22.007.553	718.770	22.726.323	20.685.806	697.959	21.383.765
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	318.840	2.713.557	2.227.928	315.510	2.543.438
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	-	11.555.688	11.157.873	-	11.157.873
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	2.139.817	-	2.139.817	1.691.022	-	1.691.022
2.2	Revocable commitments	-	-	-	-	-	-
2.2.1	Revocable loan granting commitments	-	-	-	-	-	-
2.2.2	Other revocable commitments	-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	3.152.263	21.401.691	24.553.954	3.347.967	21.025.956	24.373.923
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	3.152.263	21.401.691	24.553.954	3.347.967	21.025.956	24.373.923
3.2.1	Forward foreign currency buy/sell transactions	1.943.575	5.693.769	7.637.344	1.626.350	4.808.139	6.434.489
3.2.1.1	Forward foreign currency transactions-buy	1.004.478	3.862.101	4.866.579	801.439	3.297.724	4.099.163
3.2.1.2	Forward foreign currency transactions-sell	939.097	1.831.668	2.770.765	824.911	1.510.415	2.335.326
3.2.2	Currency and interest rate swaps	277.200	12.453.270	12.730.470	1.615.434	14.214.566	15.830.000
3.2.2.1	Currency swap-buy	-	2.675.501	2.675.501	-	4.120.520	4.120.520
3.2.2.2	Currency swap-sell	277.200	2.384.239	2.661.439	1.615.434	2.513.686	4.129.120
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)	496.406.770	127.106.431	623.513.201	480.296.733	119.742.716	600.039.449
IV.	CUSTODIES	228.881.348	17.827.120	246.708.468	227.145.078	17.363.468	244.508.546
4.1	Assets under management	-	-	-	-	-	-
4.2	Custody marketable securities	84.634.387	545.457	85.179.844	89.815.704	466.338	90.282.042
4.3	Cheques in collection process	11.715.097	12.792.625	24.507.722	10.945.509	12.380.792	23.326.301
4.4	Commercial notes in collection process	109.999.539	468.399	110.467.938	104.247.786	470.104	104.717.890
4.5	Other assets in collection process	-	-	-	-	-	-
4.6	Underwritten securities	-	-	-	-	-	-
4.7	Other custodies	2.760.648	60.616	2.821.264	2.772.600	15.875	2.788.475
4.8	Custodians	19.771.677	3.960.023	23.731.700	19.363.479	4.030.359	23.393.838
V.	PLEDGED ASSETS	267.525.422	109.279.311	376.804.733	253.151.655	102.379.248	355.530.903
5.1	Marketable securities	3.150.587	384.042	3.534.629	3.330.457	232.562	3.563.019
5.2	Collateral notes	7.083.031	712.053	7.795.084	6.665.323	623.239	7.288.562
5.3	Commodity	25.813	-	25.813	-	-	25.813
5.4	Warranty	-	-	-	-	-	-
5.5	Land and buildings	213.120.868	83.954.745	297.075.613	199.973.383	76.697.617	276.671.000
5.6	Other pledged assets	40.858.097	22.977.077	63.835.174	39.845.263	23.476.950	63.322.213
5.7	Pledges	3.287.026	1.251.394	4.538.420	3.311.416	1.348.880	4.660.296
VI.	ACCEPTED BILL GUARANTEES AND SURETIES	-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		539.665.212	171.917.462	711.582.674	520.985.185	164.593.202	685.578.387

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

TÜRKİYE HALK BANKASI AŞ
UNCONSOLIDATED STATEMENT OF INCOME AS OF 31 MARCH 2016
(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 2016	1 January-31 March 2015
I.	INTEREST INCOME	(1)	3.945.186	3.000.701
1.1	Interest on loans		3.218.171	2.510.196
1.2	Interest received from reserve deposits		14.870	127
1.3	Interest received from banks		20.705	5.943
1.4	Interest received from money market placements		-	-
1.5	Interest income on marketable securities		688.784	481.954
1.5.1	Financial assets held for trading		976	921
1.5.2	Financial assets at fair value through profit and loss		-	-
1.5.3	Financial assets available-for-sale		251.281	159.363
1.5.4	Investments held-to-maturity		436.527	321.670
1.6	Finance lease income		-	-
1.7	Other interest income		2.656	2.481
II.	INTEREST EXPENSE	(2)	2.419.227	1.717.656
2.1	Interest on deposits		2.003.619	1.394.487
2.2	Interest on borrowings		87.434	64.147
2.3	Interest on money market borrowings		175.837	138.549
2.4	Interest on bonds issued		123.154	102.054
2.5	Other interest expense		29.183	18.419
III.	NET INTEREST INCOME [I – II]		1.525.959	1.283.045
IV.	NET FEES AND COMMISSIONS INCOME		292.086	323.225
4.1	Fees and commissions income		376.299	395.672
4.1.1	Non-cash loans		63.264	48.906
4.1.2	Other		313.035	346.766
4.2	Fees and commissions expenses		84.213	72.447
4.2.1	Non-cash loans		10	1
4.2.2	Other		84.203	72.446
V.	DIVIDEND INCOME	(3)	-	-
VI.	NET TRADING PROFIT (NET)	(4)	20.771	20.403
6.1	Profit/loss from capital market operations		3.285	23.875
6.2	Profit/loss from financial derivative transactions		(211.278)	(741.081)
6.3	Foreign exchange gains/losses		228.764	737.609
VII.	OTHER OPERATING INCOME	(5)	232.005	178.319
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		2.070.821	1.804.992
IX.	LOANS AND OTHER RECEIVABLES IMPAIRMENT LOSS PROVISIONS (-)	(6)	271.079	254.902
X.	OTHER OPERATING EXPENSES(-)	(7)	961.603	799.916
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		838.139	750.174
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)	838.139	750.174
XVI.	TAX INCOME PROVISION (±)	(9)	(158.056)	(166.580)
16.1	Current tax provision		(181.662)	(55.517)
16.2	Deferred tax provision		23.606	(111.063)
XVII.	NET OPERATING INCOME AFTER TAX (XV±XVI)	(10)	680.083	583.594
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)	680.083	583.594
	Earnings/losses per share (Full TRY)		0,54407	0,46688

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 2016
(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 2016	1 January-31 March 2015
I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	288.017	(85.549)
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	(268)	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	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 UNDER EQUITY DUE TO TAS	-	452
IX. DEFERRED TAX OF VALUATION DIFFERENCES	(25.261)	10.167
X. TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	291.317	(74.930)
XI. PROFIT/LOSS	680.083	583.594
11.1 Change in fair value of marketable securities (Transfer to profit/loss)	3.384	22.963
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	676.699	560.631
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X±XI)	971.400	508.664

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 2016
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Paid in capital	Effect of inflation adjustments on paid in capital	Share premium	Share certificate cancellation profit	Legal reserves	Statutory reserves	Extra-ordinary reserves	Other reserves	Current period net income/(loss)	Prior period net income/(loss)	Valuation changes in marketable sec.	Revaluation changes in prop. and 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 2015 – 31 March 2015																		
I.	Balance at end of prior period	1.250.000	1.220.451	-	-	1.217.403	-	9.300.043	34.104	2.205.768	-	1.299.384	-	8.769	-	-	-	16.535.922
	Changes within the period																	
II.	Increase/decrease generated by merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Valuation changes in marketable securities	-	-	-	-	-	-	-	-	-	-	(75.292)	-	-	-	-	-	(75.292)
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Revaluation changes of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares from investment and associates, subsidiaries and joint ventures (business partners).	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	362	-	-	-	-	-	-	-	-	362
XVII.	Net profit or losses	-	-	-	-	-	-	-	-	583.594	-	-	-	-	-	-	-	583.594
XVIII.	Profit distribution	-	-	-	-	-	-	-	-	(2.205.768)	2.205.768	-	-	-	-	-	-	-
18.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	Transfers to legal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	(2.205.768)	2.205.768	-	-	-	-	-	-	-
	Closing balance	1.250.000	1.220.451	-	-	1.217.403	-	9.300.043	34.466	583.594	2.205.768	1.224.092	-	8.769	-	-	-	17.044.586
1 January 2016 – 31 March 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 or decrease generated by merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Valuation changes in marketable securities	-	-	-	-	-	-	-	-	-	-	262.742	-	-	-	-	-	262.742
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	-	-	-	-	-	-	-	-	-	-	-	(255)	-	-	-	-	(255)
VI.	Revaluation changes of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares from investment and associates, subsidiaries and joint ventures (business partners).	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign exchange differences	-	-	-	-	-	-	-	28.829	-	-	-	-	-	-	-	-	28.829
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Net profit or losses	-	-	-	-	-	-	-	-	680.083	-	-	-	-	-	-	-	680.083
XVIII.	Profit distribution	-	-	-	-	-	-	-	-	(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	-	-	-	-	-	-	-
	Closing balance	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

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

TÜRKİYE HALK BANKASI AŞ
UNCONSOLIDATED STATEMENT OF CASH FLOWS AS OF 31 MARCH 2016
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

VI. STATEMENT OF CASH FLOWS

	Reviewed	Reviewed
	Current period	Prior period
	31 March 2016	31 March 2015
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities	1.871.363	(10.167)
1.1.1 Interest received	4.266.390	2.912.156
1.1.2 Interest paid	(2.155.935)	(1.576.857)
1.1.3 Dividend received	-	-
1.1.4 Fees and commissions received	376.299	395.672
1.1.5 Other income	164.289	91.959
1.1.6 Collections from previously written off loans	106.391	128.450
1.1.7 Cash payments to personnel and service suppliers	(455.313)	(371.942)
1.1.8 Taxes paid	(62.463)	(394.133)
1.1.9 Other	(368.295)	(1.195.472)
1.2 Assets and Liabilities Subject to Banking Operations	(768.626)	(3.083.844)
1.2.1 Net decrease in financial assets held for sale	(48.976)	9.037
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	11	9.561
1.2.4 Net (increase) decrease in loans	(5.817.465)	(6.560.484)
1.2.5 Net (increase) decrease in other assets	(1.457.333)	(205.027)
1.2.6 Net increase (decrease) in bank deposits	4.277.571	(2.646.810)
1.2.7 Net increase (decrease) in other deposits	(750.684)	5.782.647
1.2.8 Net increase (decrease) in loans borrowed	(866.124)	1.285.091
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	3.894.374	(757.859)
I. Net cash provided from banking operations	1.102.737	(3.094.011)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		
II. Net cash provided from/ (used in) investing activities	(1.214.953)	73.067
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	(101.732)	(96.040)
2.4 Fixed assets sales	62.226	73.544
2.5 Cash paid for purchase of financial assets available for sale	(1.517.032)	(1.236.188)
2.6 Cash obtained from sale of financial assets available for sale	427.837	832.811
2.7 Cash paid for purchase of investment securities	(566.601)	(400.191)
2.8 Cash obtained from sale of investment securities	487.502	903.186
2.9 Other	(7.153)	(4.055)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash used in financing activities	(416.927)	1.761.682
3.1 Cash obtained from loans borrowed and securities issued	333.591	2.511.736
3.2 Cash used for repayment of loans borrowed and securities issued	(750.000)	(750.000)
3.3 Bonds issued	-	-
3.4 Dividends paid	-	-
3.5 Payments for finance leases	(35)	(149)
3.6 Other	(483)	95
IV. Effect of change in foreign exchange rate on cash and cash equivalents	(93.154)	291.945
V. Net increase / (decrease) in cash and cash equivalents	(622.297)	(967.317)
VI. Cash and cash equivalents at beginning of the period	8.874.614	6.989.244
VII. Cash and cash equivalents at end of the period	8.252.317	6.021.927

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