

## **Halkbank's loans reached TRY 89 billion, the first quarter net profit amounted to TRY 713 million**

*Cash loans of Halkbank, Europe's fastest growing bank since 2008, reached TRY 69 billion in the first quarter of 2013, by an increase of 4.7 percent. Halkbank's net profit in the first quarter of the year amounted to TRY 713 million. With its new credit card Paraf, Halkbank increased its turnover by 46%. Emphasizing that they are planning on an evenly growth across all subsidiaries and every business line, Halkbank General Manager Süleyman Aslan stated that establishing a new participation bank was among Halkbank's 2013 objectives.*

In line with its objective of contributing to the economy and its profitability and productivity oriented strategy, Halkbank focused on its lending activities in the first quarter of 2013. As of March, Halkbank increased its total loans to TRY 89 billion by 4.4 percent compared to 2012 year-end. In the first quarter, cash loans of the bank reached TRY 69 billion by an increase of 4.7 percent. Increasing its deposits to TRY 80 billion by the end of March, Halkbank closed the first quarter with a net profit of TRY 713 million.

Highlighting that the results from the first quarter of the year were in line with the objectives, Halkbank General Manager **Süleyman Aslan** said:

**"Today, driven by a powerful banking system, Turkey is one of the most steadily growing economies in the world. The credit rating upgrades by the international credit rating agencies confirms the strength of our financial sector. These developments help increase the attention towards Turkey in the international markets and attract more investments to our country. Our first quarter results also indicate that we had a period where we contributed to this positive outlook with our activities. According to the research conducted by The Banker and Brand Finance, we are the fastest growing bank of the Europe, since 2008. This result is the proof of how correctly we determined our objectives and how rightful decisions we made to meet these objectives. Celebrating our 75th year, we will strengthen our success with our decisions and implementations in the rest of 2013."**

Indicating that, staying relatively immune to the global economic trends could only be possible with a strong equity base and sustainable profitability and ROE ratios **Aslan** pointed out that they were one of the most productive banks in the sector and they maintained their profitability with 22.9 percent return on equity in the first quarter of 2013.

Performing successfully in the first quarter of the year, Halkbank broke new ground with its US dollar denominated bond issuance in January. 7-year term eurobond with the lowest cost starting as of the issue date was largely over subscribed. Halkbank's latest bond issuance also set a new benchmark in the Turkish Banking Industry.

### **Halkbank will grow with participation banking**

Stating that establishing a new participation bank is among Halkbank's 2013 objectives **Aslan** added:

**“While maintaining our current operations, we also took our first step towards operating in the participation banking, a new area of banking, thanks to our 75 years of experience. With this investment ahead, we aim at increasing our profitability while enhancing our contribution to the economy of our country. We believe that the participation banking sector will grow together with our Bank.”**

Pointing out that, growing in all business lines at the same rate was significant, **Aslan** also said: **That's why our affiliates and their performances have a major role in our business plans. Our 'Financial supermarket' approach also mandates that. We aim at being a corporation, where the needs of our customers are met with highest quality of service.”**

### **Paraf increased credit card revenues by 46 percent**

Halkbank has been the leader in many 'firsts' in the sector with its credit card brand Paraf, greeting the customers with its motto "Privileges are in this Paraf". Halkbank, aims at being among the top four banks in retail banking and credit cards, in the medium term. **Aslan**, announced the outstanding success of Paraf achieved in less than four months:

**"Since Paraf was launched, the increase in the number of our credit card holders exceeded our expectations, bringing in a 46 percent growth in credit card revenues. We were also happy for the rapid increase in the number of member merchants and POS devices. As of March, the number of our member merchants increased to 105 thousand and our POS device amount to 116 thousand. At the end of 2013, we target 3 million in number of cards and increasing our share in the credit card market to 6 percent in 5 years. We believe, we will reach our objectives in a shorter time than expected, with new products added to the Paraf range.”**

### **Controlled loan growth**

Halkbank General Manager **Süleyman Aslan** stated that they did not compromise their strategy to support real sector in order to help maintaining the economic balance, while on the other hand Halkbank's commercial loans including SME loans reached TRY 49 billion, by the end of March, 2013. He added: **“We care about seeing the bigger picture. Our strategy is not just lending without sense, but assure a loan growth to match the industry growth trends and the total GDP growth story of Turkey. Sticking to these strategies, we have met our loan growth targets as well. In 2013, we will maintain our support to the SMEs. We will remain as the 'Bank of the Productive Turkey”**

Halkbank maintained its growth in the retail banking as well as the results of its success that came along with commercial loans. In parallel to the increasing trend towards retail loans in the first quarter, the retail loans of Halkbank reached TRY 19.6 billion, marking an increase of 10 percent.

### **25 new branches from Halkbank in 3 months**

Knowing that, branches are the most important places for the first contact with the customer, the Bank increased its total number of branches to 841, with the 25 new branches opened in the first 3 months of the year in line with its growth strategies.



Gathering the Head Office units operating in Istanbul under a single roof in the new Head Office building in Ataşehir in July 2012, Halkbank's registered primary location in the Articles of Association was changed to Istanbul, with an arrangement made in the General Assembly, on March 29.

## **Champion of the Cups- Halkbank**

While contributing to the country's economy, Halkbank also continues to support volleyball with Halkbank Sports Club. Expressing that they are proud of Halkbank Volleyball Team's success **Aslan** added:

**“By winning the CEV Men's Cup, our volleyball team brought the most important international volleyball cup in the history of Turkey. After that, we won the Teledünya Men's Türkiye Cup. Now we are in the final series and we have a great chance of becoming the champion. We want to crown our success with 3 cups by winning the league cup as well.”**

## **FIFA Cup is in Halkbank's safe**

As part of supporting sports events, Halkbank became the sponsor of the FIFA Under 20 World Cup, FIFA's second biggest organization after the FIFA World Cup, and the Cup Tour organized within the tournament. With this sponsorship Halkbank aims at creating an opportunity for young Turkish football stars to show their talents in the international arena. The FIFA Cup will be protected in Halkbank's safe until the tournament is completed.

**HALKBANK (MARCH 2013) FIGURES**

(Million TL)

	Mar. 2012	2012	Mar. 2013	YtD Differenc e	YtD Differenc e(%)
Cash Loans	57,714	65,894	68,983	3,089	4.7
Commercial Loans	42,185	48,081	49,412	1,331	2.8
Retail Loans	15,528	17,813	19,571	1,758	9.9
Non-Cash Loans	19,208	19,734	20,379	645	3.3
<b>Total Loans</b>	<b>76,921</b>	<b>85,628</b>	<b>89,362</b>	<b>3,734</b>	<b>4.4</b>
Cash Loans Market Share	8.1%	8.2%	8.2%	0,1 bp	
Securities	24,386	22,954	23,090	136	0.6
Deposits	70,558	79,974	80,415	441	0.6
Shareholders' Equity	9,876	12,323	12,968	645	5.2
<b>Total Assets</b>	<b>94,505</b>	<b>108,282</b>	<b>111,347</b>	<b>3,065</b>	<b>2.8</b>

	Mar. 2012	2012	Mar. 2013	YoY Differenc e	YoY Differenc e(%)
Net Profits	544	2,595	713	169	31.1

	Mar. 2012	2012	Mar. 2013
Loan/Deposit	81.8%	82.4%	85.8%
Loan/Asset	61.1%	60.9%	62.0%
Non-Performing Loans/Total Loans	2.84%	2.90%	2.84%

\*Including interest accruals.

