

Halkbank posts 1.23 billion TL Net Income for the first half of 2015

Halkbank, which is a key player in the Turkish economy and banking system, increased its total assets by 13 percent to 175.6 billion Turkish lira in the first half of 2015. With total deposits of 115 billion Turkish lira and a total loan portfolio of 154.7 billion Turkish lira, the bank generated 1.23 billion Turkish lira net income. Stating that Halkbank's international reputation has been on the rise in recent years, Halkbank General Manager Ali Fuat Taşkesenlioğlu said, "Halkbank is one of the Turkish economy's most dynamic institutions, ranking 175th among the top 1,000 banks in the world." Happy to see that Halkbank has become a reputable and trusted brand both at home and abroad, Taşkesenlioğlu added, "While the total brand value of the Turkish banking industry is estimated to be around \$12.7 billion, Halkbank's international brand value is measured to be close to \$1 billion. According to the annual ranking of Turkey's most valuable brands in banking conducted by Brand Finance for the 8th time, Halkbank has moved up four places to join the top 12. With the trust our stakeholders placed in us, we shall continue to increase our brand value."

Halkbank continues to operate without compromising its mission of providing continual support to Productive Turkey in line with its 2015 targets. The bank generated favorable results that were in line with its targets for the first half of the year. While its total assets reached 175.6 billion Turkish lira, up 13 percent compared to year-end 2014, Halkbank's total loans in the same period reached 154.7 billion Turkish lira (up 15 percent), and its total deposits amounted to 115 billion Turkish lira. Halkbank increased its income to 646 million Turkish lira in the second quarter of the year, up 11 percent compared to the first quarter, with its total income reaching 1.23 billion Turkish lira in the first half of the year. The bank's commercial loans portfolio, including SME loans, increased by 19.1 percent to 91.1 billion Turkish lira compared to year-end 2014, all while it continued to support Productive Turkey.

Explaining that global developments in the first half have put pressure on the Turkish economy and affected the growth rate, Halkbank General Manager **Ali Fuat Taşkesenlioğlu** said:

"The Turkish economy managed to grow 2.3 percent in the first quarter of 2015 at a time when growth in developed economies almost ground to a halt and world trade shrank by 10 percent. We trust that the Turkish economy, which has overcome the risk of a slump in foreign markets through market diversification, shall maintain the same performance and that the second half of the year shall generate better profitability for the banking industry. Our bank, which has helped stabilize this favorable outlook, shall continue to be a leader in maintaining economic stability in the days ahead while delivering positive results consistent with its targets for the rest of the year."

Trusting that Turkish economy shall continue to maintain a reasonable growth trend despite a mild slump due to developments in the world's markets, primarily those in the United States, China, and Greece, **Taşkesenlioğlu** said, **"Raising the sustainable competitive level in the real economy**

will also help increase our country's growth rate. The banking industry is one of the leading actors in the maintenance of competition and stability in the markets. Managing its operations with this understanding of its responsibility, our bank shall continue to support the domestic economy as the bank of Productive Turkey."

Halkbank's brand value is on the rise

Brand Finance, an independent intangible asset valuation consultancy, published its 8th issue of "Turkey's Most Valuable Brands" list in June. **Taşkesenlioğlu** said on this, **"We see that the value of the Turkish banking industry has increased above average compared to banking in the rest of the world. The total brand value of our banking industry accounts for the 37 percent of the top 100 Turkish brands today. Considering the dynamism of the industry, we are happy to say that our bank has jumped four places to move up to 4th in "Brand Power" since last year."**

We have restored confidence in international financial markets

Halkbank has secured an \$875-million syndicated loans from an international consortium, which is made up of 36 financial institutions from 18 countries. During the signing ceremony of the syndicated loan, **Halkbank General Manager Taşkesenlioğlu** stated, **"With the new sources we generated, we took our cooperation with the international world of finance to the next level. This year, we organized our signing ceremony in London for the first time and we are happy about the participation of our correspondent banks. We not only fully re-financed the syndicated loans we received last year, but also scored a significant increase in the loan amount. We will use the new funds to continue to provide funding for the foreign trade financing needs of the real economy."**

Halkbank supports exporters and manufacturers

In an effort to provide continuous support to the real economy, Halkbank increased its commercial loans, including SME loans, to 91.1 billion Turkish lira in the first half of 2015, up 19.1 percent compared to year-end 2014. The bank provided continuous support to exporters and manufacturers through various protocols signed with the SMEs and continued to offer products and solutions aimed at the needs of real economy. Halkbank's non-performing loans to total loans ratio also dropped by 42 basis points to 3.13 percent compared to year-end 2014.

Paraf continued to grow in the first half of the year

The number of Paraf cards issued reached 3.6 million as of the end of June. The total number of merchants and POS units increased to 238,000 and 268,000, respectively, in the first half of the year. **Halkbank General Manager Taşkesenlioğlu said, "The new products to be added to the Paraf family by year end shall help expand our world of privileges, allowing us to reach more clients by developing new campaigns during various periods of the year to meet our customers' needs."**

In addition to Paraf, Halkbank offers great opportunities in retail loans, which increased to 26.3 billion Turkish lira by the end of June.

HALKBANK Q2 (JUNE 2015) RESULTS

TRY million

	Haz.14	2014	Haz.15	Change from year-end 2014	% Change from year-end 2014
Cash Loans	92.187	101.767	117.460	15.694	15,4
Commercial Loans	68.523	76.545	91.136	14.591	19,1
Retail Loans (excl. Business Cards)	23.664	25.222	26.325	1.103	4,4
Non-Cash Loans	28.276	32.779	37.255	4.477	13,7
Total Loans	120.463	134.546	154.716	20.170	15,0
Cash Loans Market Share	8,0%	8,0%	8,2%	24 bps	
Securities	27.901	26.844	27.331	486	1,8
Deposits	93.892	103.708	114.989	11.281	10,9
Shareholders' Equity	15.275	16.536	18.005	1.469	8,9
Total Assets	143.767	155.423	175.608	20.185	13,0

	Haz.14	2014	Haz.15	Change from June 2014	% Change from June 2014
Net Income	1.163	2.206	1.229	67	5,7

	Haz.14	2014	Haz.15
Loans / Deposits	98,2%	98,1%	102,1%
Loans / Assets	64,1%	65,5%	66,9%
Non-Performing Loans / Total Loans	2,65%	3,55%	3,13%

Including interest accruals