

Halkbank's assets exceed 211 billion TL

Despite recent attacks targeting its stability, the Turkish economy has maintained fiscal discipline and made a positive start to the last quarter of 2016. Halkbank, in the meantime, has become a leading driver of growth by continuing to meet the financial needs of its customers with the best possible solutions. Halkbank's total assets rose to 211.3 billion Turkish lira in the third quarter. The bank's total deposits reached 137.6 billion Turkish lira. At the end of the third quarter of 2016, total credits to 190 billion Turkish lira and net profits, to 2.19 billion Turkish lira.

*Halkbank General Manager Ali Fuat Taşkesenlioğlu stated that Turkey made a favorable start to the last quarter with incentives that will raise savings and structural reforms that will accelerate the economy. "Despite the negative evaluations of some credit rating agencies, our economy maintains its stable outlook as new reforms are being considered. **We develop our banking services in view of a common understanding and set of objectives which the regulations also share, and we believe this contributes to the brand value of our companies in the global market. Thanks to our robust financial structure and sustainable profitability, we will continue to be an integral element of economic reforms in Turkey,**" said Taşkesenlioğlu.*

With its strong capital base and an effective risk management approach, Halkbank is one of the leading financial institutions not just in Turkey but also in the region. The bank obtained results compatible with its targets at the close of the third quarter. Net profits rose to 2.19 billion Turkish lira in the third quarter, while shareholders' equity climbed by 10 percent. In the same period, the bank's total assets rose by 12.6 percent from the end of 2015 to reach 211.3 billion Turkish lira, and total credits, by 14.1 percent to 190 billion Turkish lira. The bank's reported total deposits of 137.6 billion Turkish lira. Halkbank sustained its support of the real economy by raising its total commercial loans, including SME loans, to 115 billion Turkish lira, up 15.4 percent from the end of 2015.

The bank embraces the public with its new advertising campaign

Halkbank started the new period assertively with its new advertising campaign. The commercial features the celebrated actor Şahan Gökbağar. In addition to Gökbağar, a number of colorful characters including Zeynep Hanım, a woman entrepreneur, and Auntie Fatma, a gözleme maker, gave novel touches to the advertisements. These underlined the bank's credit support to many groups including artisans, SMEs, larger corporations, mega projects and every other segment of Turkish society. One of the most popular Barış Manço songs, Hal Hal, was used in the campaign. Taşkesenlioğlu emphasized that the film remarked on the appropriate solutions offered by the bank for consumers of all ages and profiles with its product and service range. GM added,

"At Halkbank, we strive to increase the economic potential of our bank and customers by always offering advantageous banking products to our customers. We featured this mission in our new commercial. In it, we embraced our public, whose very name we carry in the title of our bank. We will further stimulate the economic growth of our country in the future

through our ever–strengthening structure and support. Our belief is that such practices will provide models for the whole banking sector.”

People asked, housing loan rates fell

Halkbank announced its new housing loan package for prospective home owners. The package offers advantageous interest rates starting from just 0.80 percent. The bank’s housing loan package offers significant advantages to Halkbank customers, including interest rates at 0.80 percent for 1–24 months, 0.89 percent 25–48 months, 0.90 percent for 49–60 months, and 0.95 percent for 61–120 months. **Taşkesenlioğlu noted that this product brings substantial advantages to prospective home owners and added,**

“To date, we have explained that our highest priority is to support our people in any field in which they need us. We have stood behind our word and offered a new housing loan package that boasts one of the lowest interest rates in the market. It will allow customers to afford their own homes. Halkbank branches are waiting to help all prospective home owners to begin to enjoy the advantages of the new housing loan package.”

Support for SME investment expenditures

Halkbank is expanding its support for SMEs with new products and services to develop domestic manufacturing technology and keep the Turkish economy running. “Support Loans for Domestic Machine Manufacturers” were developed as assistance for SMEs to purchase new and domestic machinery. It enables these companies to renew their production technologies in an affordable way. Thanks to this loan package that supports domestic machine manufacturers, SMEs will be provided with the financial support they need to improve their production methods and ensure quality standardization in manufacturing, and will benefit from Halkbank assurance. Taşkesenlioğlu highlighted their efforts to efficiently meet the financial needs of SMEs for purchases such as domestic and new equipment, raw materials, and intermediate goods.

“Our support of medium and high level technological investment is helping to bring about a rapid transformation in the sector — the number one prerequisite for strengthening our country’s international competitiveness. The basic goal of our support packages is to develop the production infrastructures and technologies of our customers. As a result, we believe that an important domestic market for Turkish machine manufacturers will be created, and new investment spending will contribute greatly to economic growth and our bank’s objectives,” he said.

Cooperation with TIM continues

In cooperation with the Turkish Exporters Assembly (TIM), Halkbank maintained its sponsorship of the “Target Market Meetings.” In the events, the 10 provinces with the highest export shares were matched with the 10 most important countries to raise sales in these markets. The new stages of the events were held in Konya and Bursa. On the other hand, "Common Mind Meetings," which Halkbank organizes in cooperation with TIM to discuss strategies for different sectors, has finally focused on e-commerce. **Taşkesenlioğlu underlined the bank’s continuing support of**

projects that aim to increase Turkey's exports, and stated it will take Halkbank's role in foreign trade transactions further.

“Increasing our share in target markets with high growth potential is significant for our foreign trade balance. We will carry on pulling our weight on behalf of the banking sector to enable Turkish companies to evaluate the risks and opportunities for these target markets,” he explained.

Halkbank Mobile offers a novel banking experience

Halkbank's Mobile Banking app was updated at the beginning of 2016, and received the Bronze Stevie in the “App Awards: Experimental & Innovation” category at the Stevie Awards, a program to recognize the best in the business world globally. General Manager **Taşkesenlioğlu mentioned that Halkbank also began to make its name globally with the transformation of its technological infrastructure.**

Halkbank A.D. Beograd opens its 28th branch in Serbia

In 2015, Halkbank purchased 76.76 percent of Cacanska Bank and changed its name to Halkbank A.D. Beograd. Today, Halkbank continues to carry out long-term projects in Serbia. Following a capital increase, Halkbank currently holds 82.47 percent of Halkbank A.D. Beograd. The bank took new steps as a part of its growth strategy in Serbia and opened its 28th branch in Novi Pazar. **Taşkesenlioğlu stated that the bank's goal is to be one of the most successful banks in the region, rather than the biggest bank in the country, with the support and trust of its customers.**

“The total number of our branches and sub-branches throughout Serbia rose to 28 after the opening of Novi Pazar branch. The number of our staff has exceeded 400 in a short time, and with their help we will carry our activities one step further in line with our objective of expanding the national branch network. Thanks to the Turkish investment, we will keep on contributing to the economic growth and development of the region,” he pronounced.

Halkbank takes its sustainability operations to the next level

Halkbank carried its sustainability efforts even higher by combining its economic, environmental, and social endeavors with its target of long-term value creation. Continuously applying its corporate governance principles to its decision making mechanisms throughout all its operations, Halkbank has made it to the BIST Sustainability Index, a ranking which contains those publicly-traded companies with high corporate sustainability performance. **Taşkesenlioğlu observed that sustainable development is possible only through the integration of corporate and fiscal performance with environmental and social awareness, saying,**

“Halkbank will bolster its financial operations, undertaken with the awareness of being the people's bank, with environmental and social projects. Sustainability, environmental awareness, and energy policies will continue to provide the context for all activities of the bank.”

HALKBANK THIRD QUARTER (SEPTEMBER 2016) INFORMATION

Million TL

	Sep 15	2015	Sep.16	Change from year-end 2015	% Change from year-end 2015
Cash Loans	126.450	126.745	144.612	17.867	14,1
Commercial Loans	99.595	99.725	115.052	15.327	15,4
Retail Loans	26.855	27.020	29.560	2.541	9,4
Non-Cash Loans	39.247	39.781	45.357	5.576	14,0
Total Loans	165.697	166.526	189.970	23.443	14,1
Cash Loans Market Share	8,4%	8,4%	8,8%	43 bp	
Securities	27.900	27.908	30.870	2.962	10,6
Deposits	122.903	122.146	137.594	15.448	12,6
Shareholders' Equity	18.192	19.424	21.372	1.948	10,0
Total Assets	189.686	187.729	211.319	23.590	12,6

	Sep 15	2015	Sep.16	Difference from September 2015	% Difference from September 2015
Net Profit	1.667	2.315	2.195	528	31,7

	Sep 15	2015	Sep.16
Loans / Deposits	102,9%	103,8%	105,1%
Loans / Assets	66,7%	67,5%	68,4%
Non-Performing Loans / Total Loans	2,99%	3,06%	3,12%

Accruals included