

## Halkbank posts 680 million TL in net profits for the first quarter

*Halkbank has its successful 2015 economic performance in 2016, and increased its total assets to 195.33 billion Turkish lira in the first quarter of the year. The Bank's total deposits rose to 125.86 billion Turkish Lira, total loans to 173.51 billion Turkish Lira and net profit to 680 million Turkish Lira at the end of Q1 2016. While the Bank is rated among the most productive banks in the industry thanks to its 13.7 percent return on equity, its strong balance sheet structure and productivity-centered management understanding has also helped rank the bank as a company that uses its capital most efficiently. Indicating that Halkbank will continue to contribute to all its stakeholders and the country's economy positively, **Halkbank General Manager Ali Fuat Taşkesenlioğlu** said, “We expect 16-percent growth in both total assets and total loans this year. While contributing to the economic growth in our country by sustaining the pace of our efforts in 2016, we shall also continue to participate in projects that reflect our sensitivity in the area of social responsibility.”*

Halkbank closed another profitable and productive year with the help of its sustainable growth approach, achieving results in line with its Q1 targets. With a net Q1 income of 680 million Turkish Lira, Halkbank's total assets rose to 195.33 billion Turkish Lira, up 4 percent from year-end 2015; total loans to 173.51 billion Turkish Lira, up 4.2 percent, and total deposits to 125.86 billion Turkish Lira in the same period. Consistently supporting a productive Turkey, The Bank increased its commercial loans, including SME loans, to 105.10 billion Turkish Lira, up 5.4 percent from year-end 2015.

Taşkesenlioğlu highlighted that Turkey started the new year with an increase in industrial production and that the improvement in export performance in March was being felt in all industries. He stated, “**The prevailing environment of confidence and stability in the markets has directly and positively affected the banking industry. Annual CPI growth dropped to 7.46 percent in March due to declining food prices and this has been the harbinger of a continued improvement trend in inflation rates. Also reflected in inflation numbers and industrial production, this trend continued in March with exports reaching \$12.8 billion, up 2.3 percent on an annual basis. While exporters helped produce yet another increase in exports with their strong export performance, the Turkish economy portrayed a favorable outlook in the first quarter of 2016 based on various factors. At Halkbank, we are resolute on sustaining the pace of our efforts in 2016, which we consider to be a rebound year, and also on being part of the projects which we trust will add value to our country.**”

## **SMEs expanding overseas with Halkbank's support**

Halkbank is sponsoring the Target Market Days meetings to be organized with the collaboration of the Turkish Exporters' Assembly (TIM), and the Shared Wisdom meetings to be organized with the collaboration of the TIM and Turkishtime.

**Taşkesenlioğlu** drew attention to the importance of SME presence in target markets for Turkey's success in attaining its majestic objectives aimed at achieving the country's export initiatives. He said that the Target Market Days meetings will significantly add to Turkish industries' capacity for shaping a diversification strategy around industries and countries. He added, **“These meetings will help determine which applications will be required to increase the SME effectiveness in high-potential target markets. At Halkbank, we shall continue to work hard and do our best in the period ahead to support Turkish companies so that they become stronger competitors in the international markets and have a say in the globalized world.”**

The first Shared Wisdom meeting has been organized in the area of machinery industry. These meetings will bring together Halkbank managers, NGOs and key opinion leaders from a different industry each month.

## **Interest-free loans to artisans**

Halkbank has been developing special products for SME needs and has been undertaking various studies on extinct professions. Emphasizing that they never leave artisans to face market risks alone, **Taşkesenlioğlu** stated, **“We work with the utmost dedication to support them with realistic, feasible and sustainable policies so that the artisans and craftsmen can adapt to changing conditions. In line with this mission, we provide interest-free treasury loans for artisans and craftsmen that meet the required terms. In this context, we provide interest-free treasury loans up to 150,000 Turkish Lira with a maximum 5-year term for those artisans and craftsmen who operate in professions with traditional, cultural or artistic value that are on the verge of extinction.”**

## **Education grants continue**

Halkbank closed the previous year without slowing down the pace of its social responsibility projects. It has continued its efforts in this field in 2016. **Taşkesenlioğlu** revealed that the Bank completed an extensive social responsibility project in support of solidarity and camaraderie in the past year. He said, **“At Halkbank, we do not see ourselves as a player acting within the limits of the financial world only, nor consider only the economic dimension of the projects we undertake for our country. Although never publicized aloud, we have always shown due sensitivity towards social responsibility and social aid/assistance projects. We have provided support to needy students through our educational support packages designed within the context of social aid/assistance campaigns and furnished them with seasonal clothing and supplies. In an effort to undertake**

projects that reflect Halkbank's principles and values, we shall continue to take part in similar projects in the coming period.”

### HALKBANK Q1 (MARCH 2016) RESULTS

Million TL

	Mar.15	2015	Mar.16	Change from year-end 2015	% Change from year-end 2015
<b>Cash Loans</b>	<b>108.380</b>	<b>126.745</b>	<b>132.720</b>	<b>5.975</b>	<b>4,7</b>
Commercial Loans	81.834	99.725	105.102	5.376	5,4
Retail Loans	26.545	27.020	27.619	599	2,2
<b>Non-Cash Loans</b>	<b>34.668</b>	<b>39.781</b>	<b>40.789</b>	<b>1.008</b>	<b>2,5</b>
<b>Total Loans</b>	<b>143.047</b>	<b>166.526</b>	<b>173.509</b>	<b>6.983</b>	<b>4,2</b>
Cash Loans Market Share	8,0%	8,4%	8,6%	24 bps	
<b>Securities</b>	<b>26.391</b>	<b>27.908</b>	<b>28.467</b>	<b>558</b>	<b>2,0</b>
<b>Deposits</b>	<b>106.894</b>	<b>122.146</b>	<b>125.862</b>	<b>3.716</b>	<b>3,0</b>
<b>Shareholders' Equity</b>	<b>17.045</b>	<b>19.424</b>	<b>20.396</b>	<b>971</b>	<b>5,0</b>
<b>Total Assets</b>	<b>161.273</b>	<b>187.729</b>	<b>195.328</b>	<b>7.599</b>	<b>4,0</b>

	Mar.15	2015	Mar.16	Difference from March 2015	% Difference from March 2015
<b>Net Profit</b>	<b>584</b>	<b>2.315</b>	<b>680</b>	<b>96</b>	<b>16,5</b>

	Mar.15	2015	Mar.16
<b>Loans / Deposits</b>	<b>101,4%</b>	<b>103,8%</b>	<b>105,4%</b>
<b>Loans / Assets</b>	<b>67,2%</b>	<b>67,5%</b>	<b>67,9%</b>
<b>Non-Performing Loans / Total Loans</b>	<b>3,38%</b>	<b>3,06%</b>	<b>3,04%</b>

Accruals included