



Halkbank's total loans reach 231 billion TL in the first half of the year

Halkbank increased its total loans to 231.28 billion Turkish lira, an improvement of 26.1 percent over the second quarter of 2016. Commercial loans including SME loans saw a growth of 14 percent, reaching 144.18 billion Turkish lira compared to year-end 2016. While total deposits showed an increase of 14.7 percent with a balance of 172.29 billion Turkish lira, the Bank increased its balance sheet size by 14.4 percent compared to year-end 2016, attaining a closing balance of 264.81 billion Turkish lira. In the second quarter of 2017, the general stability in the economy led the economic indicators to show positive signals as Halkbank continued its relentless support of the Turkish economy.

Following the 5 percent growth in the Turkish economy achieved in the first quarter of the year when the rise in the positive indicators were still ongoing, the interest shown in Turkish assets in the second quarter of the year, carried Borsa Istanbul to a soaring summit among the highest earning stock exchanges in the world, while Halkbank became one of the major drivers of the Turkish economy. While continuing to contribute to economic growth by supporting tradesmen, artisans and SMEs in particular and customers in all segments of the economy in general, Halkbank expanded its balance sheet size in the second quarter to 264.81 billion Turkish lira compared to year-end 2016 achieving a growth of 14.4 percent. The Bank increased its shareholders' equity by 11.7 percent compared to year-end 2016, and its net profit of 1.57 billion Turkish lira for the same period last year grew to 2.23 billion Turkish lira.

Halkbank General Manager Osman Arslan, stressed that the increase in confidence pursuing the results of the referendum and the improvement in the economic indicators helped increase interest in our country, indicating that the positive economic perception Turkey enjoys internationally will continue and added the following:

“Macroeconomic indicators have demonstrated that the Turkish economy has remained vibrant over the first half of 2017. We had a strong start to the second half of the year thanks to an increase in manufacturing output. Furthermore, we have sustained our growth in exports, an area which remains strongly dynamic. The Turkish economy, thanks to its robust infrastructure and stable management, has never suffered a setback to date. Even at those times when the global agenda has been very intense, the country displayed a powerful profile as a regional player and became a good role model.”



Arslan stated that the structural reforms implemented early 2017 together with the economic moves helped raise the success rate quite high and added the following:

“We, at Halkbank during this process, increased our total loan portfolio including non-cash loans by 12.2 percent thereby providing financing support to "producing Turkey" to the tune of 231.28 billion Turkish lira. As we grew our loan portfolio, we managed to protect its asset quality. Just like it has been for the past 79 years, Halkbank strives the hardest to give the biggest support to the real economy.”

“As SME's grow so does Turkey”

With commercial loans including SME loans amounting to 144.18 billion Turkish lira at the end of the second quarter, Halkbank continues to be the first institution that comes to mind at the mention of SME banking. **Arslan** said that the Bank showed a stronger financial performance compared to the growth targets set at the beginning of the year, as a result of which they adjusted their budget for the second half of the year in order to provide more support for SME's and added the following comments.

“SME's play a key role in Turkey's economic development. With this understanding, we did not reduce our pace in SME banking. Between the years of 2002 and June 2017 we provided loan facilities to more than 1.5 million tradesmen and artisans amounting to 67.5 billion Turkish lira at treasury subsidized interest rates. We continue to progressively increase the financial support we furnish to tradesmen and artisans and strive to satisfy their needs.”

Arslan also touched on the subject of Halkbank's vision of the future of SME Banking and indicated that their priority was to extend support to the real economy with emphasis on tradesmen and artisans, **“Our major effort will be to promote investors adding value to the economy and vigor to our country thereby reinforcing our industry and moving Turkey towards the future. For this reason we plan to enhance our support to the real economy by diversifying our financial facilities. He also said "the Bank will continue to strive to facilitate access to loans and reduce cost of borrowing in accordance with the rate of growth of artisans and SMEs and their need for new investments.”**



HALKBANK Q2 (JUNE 2017) RESULTS

Million TL

	June 2016	2016	June 2017	Change from year-end 2016	% Change from year-end 2016	% Change from June 2016
Cash Loans	138.917	158.354	180.456	22.102	14,0	29,9
Commercial Loans	110.417	126.495	144.178	17.683	14,0	30,6
Retail Loans	28.500	31.860	36.278	4.419	13,9	27,3
Non-Cash Loans	44.533	47.761	50.820	3.060	6,4	14,1
Total Loans	183.450	206.115	231.276	25.161	12,2	26,1
Cash Loans Market Share	8,7%	8,9%	9,2%	27 BPS		6,2
Securities	28.433	33.216	36.941	3.725	11,2	29,9
Deposits	130.470	150.263	172.287	22.024	14,7	32,1
Shareholders' Equity	20.981	21.317	23.821	2.504	11,7	13,5
Total Assets	200.377	231.441	264.808	33.367	14,4	32,2

	June 2016	2016	June 2017	Change from June 2016	% Change from June 2016
Net Profit	1.566	2.558	2.228	662	42,3

	June 2016	2016	June 2017
Loans / Deposits	106,47%	105,38%	104,74%
Loans / Assets	69,33%	68,42%	68,15%
Non-Performing Loans / Total Loans	3,04%	3,17%	3,10%

Accruals included. Accruals and net follow up are included in loans.