



Halkbank General Manager Ali Fuat Taşkesenlioğlu:

“Profitability will increase foreign investors’ interest in Turkish banks”

Halkbank's shareholders' equity increased by 7 percent, and the bank reported 1.22 billion Turkish lira in net profit for the first quarter of 2017. The bank's total assets rose by 7.1 percent over 2016 year-end to 247.83 billion Turkish lira, while the bank's total loans reached 218.15 billion Turkish lira, an increase of 5.8 percent over the same period. With a total deposit of 157.82 billion Turkish lira, Halkbank's commercial loans, including SME loans, rose by 6.6 percent over 2016 year-end. The Bank raised its commercial loans to 134.82 billion Turkish lira. This continued to add value to Turkey in the first quarter of 2017, when economic stability was reinstated.

Halkbank made an ambitious start to the new year under its mission to play a key role in helping Turkey implement economic reforms and succeeded in increasing its profitability by 79.3 percent from a year earlier. **Halkbank General Manager Ali Fuat Taşkesenlioğlu** indicated that the repercussions of the July 15 coup attempt were eliminated and that confidence of the business sector in the economy was restored. Taşkesenlioğlu added that the almost 65 percent increase from a year earlier in profitability in the banking sector would certainly increase the interest of international investors in Turkish banks.

Taşkesenlioğlu said that the time has come for Turkey to make its final leap toward its 2023 targets. While we were in fast pursuit of our ideals for the future, **he said, “Every attempt by factions to slow down our nation was beaten. These factions realized their efforts were totally in vain. Administrative measures and reforms were taken quickly, transforming Turkey into a more powerful country. As we put this significant chapter behind us, we should start taking on the next period. We in the banking sector, together with our collaboration with the real economy, have all the energy and experience we need to guide this process through.”**

“The strategic significance of our financial performance is increasing”

Adding that in the coming period, Halkbank's performance priorities to support the colossal projects adding value to Turkey and those sectors that will expand our international competitive strength in foreign trade, Taşkesenlioğlu continued, **“Global economic slowdown and changes in monetary expansion policies pose a formidable challenge such as the cost of funds for the developing countries to address. On the global finance agenda, the strategic significance of the financial performance of banks that have become 'banks of national interest,' such as Halkbank, is enhanced. We have financed important projects like the new Istanbul Airport and the Osman Gazi and the Yavuz Sultan Selim bridges, as well as acquisitions through**



collaborative projects between the energy industry, public and private sectors, to the tune of \$6.7 billion to date. As we approach our 80th anniversary, we shall continue to be the bank that supports the Turkish industry and own up to our responsibility for projects that invest in our country's future.”

“We shall favor the exporters in our loan portfolio”

Taşkesenlioğlu indicated that the Bank will continue to make progress through innovative measures in our country's most globally competitive sectors and industries. He said that “In March, our exporters broke the record of the last five years. In April, they achieved a 7 percent gain from a year earlier. At a time when the foreign trade deficit is making headlines and despite the focus on the referendum, this gain is a very positive signal. As we assess this picture, however, we cannot overlook the rise in foreign currency rates. We are pleased to note that the increase in our commercial loan business reflects positively on the nation's export performance. We shall continue to develop our loan portfolio with this in mind.”

“SME Development Platform is an important guide”

Taşkesenlioğlu explained that in order to provide services to SMEs from the digital world, the company has activated the SME Development Platform at www.halkbankkobigelisim.com.tr. “We transferred the required content online through this platform. The Halkbank SME Development Platform is a self-renewing database that continuously expands with the addition of monthly videos and articles. This platform will make a contribution to the development of SMEs. It will expand the business vision of our customers and help them avoid mistakes made due to lack of knowledge and experience” he said.

“We haven't forgotten our pensioners”

Taşkesenlioğlu explained that during the time the Bank develops products to benefit all retail customers, it has not forgotten the pensioners. He elaborated, “We have almost 12 million retired citizens in Turkey who have worked for years and earned their pensions after paying their premiums. Halkbank is one of the first banks to announce that it will offer promotion payments to the pensioners who withdraw their monthly pensions from our Bank. One of every six pensioners in Turkey does so at a Halkbank branch.” Underscoring this message, he said, “Our pensioners are the customers who carry this bank from the past into the future. We are so proud to grant them this privilege.”



“Investment in talented athletes brings success”

Taşkesenliođlu said the company feels very happy about the Halkbank Men's Volleyball Squad's becoming back-to-back champions of the Efeler League. **"We caught a great generation, achieved big success by investing in talented athletes. I congratulate our volleyball team. They worked very hard, faced challenges, and survived the competition. It was a gift of joy for us and our supporters. We believe this success, which motivates us in our work, will be maintained and that our team will achieve greatness in European Cup."**

“We will continue to encourage people’s children”

Taşkesenliođlu said that Halkbank offers accessible services for people with disabilities and support social awareness programs. He added, **"We believe that mental and physical differences should not be an obstacle for individuals who wish to participate in the worlds of business and sports. That is why we sponsored the Special Athletes Swimming Championship in Alanya, organized by the Turkish Special Athletes Sport Federation. It is our duty to support tenacious and hardworking youngsters. We are the people’s bank, and we will continue to encourage and embrace our people’s children."**

“We were found worthy of the Low Carbon Hero Award”

Taşkesenliođlu further drew attention to the fact that the Bank is making significant progress on the sustainability front. **"We started 2017 savoring the pride of being the first Turkish bank to establish methods and procedures for effective energy management. We then set up an ISO 50001 Energy Management System to reduce greenhouse gas emissions. And finally, we won the Low Carbon Hero Award given by the Sustainable Consumption and Production Association (SPCA). It is our fundamental principle to utilize natural resources effectively to sustain a livable world. We are also determined to enhance the financing of investments that help protect the environment and prevent the acceleration of climate change"** he said, and indicated that Halkbank would continue its sustainability efforts.



HALKBANK Q1 (MARCH 2017) RESULTS

Million TRY

	Mar.16	2016	Mar.17	Change from year-end 2016	% Change from year-end 2016
Cash Loans	132.720	158.354	168.447	10.092	6,4
Commercial Loans	105.102	126.495	134.819	8.324	6,6
Retail Loans	27.619	31.860	33.628	1.769	5,6
Non-Cash Loans	40.789	47.761	49.707	1.946	4,1
Total Loans	173.509	206.115	218.153	12.038	5,8
Cash Loans Market Share	8,6%	8,9%	9,0%	6 bps	
Securities	28.467	33.216	35.476	2.259	6,8
Deposits	125.862	150.263	157.825	7.562	5,0
Shareholders' Equity	20.396	21.317	22.800	1.483	7,0
Total Assets	195.328	231.441	247.830	16.389	7,1

	Mar.16	2016	Mar.17	Change from March 2016	% Change from March 2016
Net Profit	680	2.558	1.219	539	79,3

	Mar.16	2016	Mar.17
Loans / Deposits	105,4%	105,4%	106,7%
Loans / Assets	67,9%	68,4%	68,0%
Non-Performing Loans / Total Loans	3,04%	3,17%	3,23%

Accruals included