



Halkbank General Manager Ali Fuat Taşkesenlioğlu:

"We outperformed the industry average, and we are ready for the new year."

Halkbank's shareholders' equity increased by 9.7 percent as of the end of 2016, and the bank reported 2,558 billion Turkish liras in net profit. The bank's total assets rose by 23.3 percent compared to 2015 year-end to 233,441 billion Turkish liras, while the bank's total loans reached 206,115 billion Turkish liras with a 23.8 percent increase in the same period. With a total deposit of 150,263 billion Turkish liras, Halkbank's commercial loans, including SME loans, rose by 26.8 percent compared to 2015 year-end. Halkbank contributed greatly to the economical stability in 2016 by increasing its commercial loans to 126,495 billion Turkish liras.

Halkbank had another profitable year in 2016 thanks to its sustainable development approach. **Halkbank General Manager Ali Fuat Taşkesenlioğlu** stated that the bank achieved consistent results in line with 2016 goals, adding that Halkbank is happy to add value to the Turkish economy by overcoming every hurdle it faced in the second half of the last year.

Taşkesenlioğlu said that the bank stood by the Turkish people also in 2016 to support the real economy, increase employment and help economic reforms to continue. "Despite the aftershocks of the July 15 coup attempt and the economic volatility abroad," he said, "we achieved a double-digit growth in assets, loans, and deposits in 2016. We needed to take the initiative in lending and stimulating the market in 2016. We are glad that we fulfilled our obligations this year, during which one of three SMEs received the support of Halkbank."

"Halkbank's total assets rose by 23.3 percent"

Stating that Halkbank contributed to the markets to restore balance and maintain its support of the real economy at critical times, Taşkesenlioğlu reviewed the fiscal results of 2016. "Commercial loans made up the majority of loans extended throughout the banking industry also in 2016," he said. "Among these loans, we are again at the top of the SME segment with craftsmen and artisans, the backbone of the Turkish economy. We have achieved a 26.8 percent increase in total commercial loans including the SME loans compared to 2015 year-end. We also stood by the artisans against the market risks while developing tailor-made products for the SMEs' needs. Our total loans have exceeded 200 billion Turkish liras as of the end of 2016. Our bank outperformed the industry average, achieving 23.3 percent growth in total assets. The 23 percent increase in our total deposits also shows that Halkbank is one of the most trusted banks among depositors."

"We gave markets a sigh of relief"



Stating that they have been working on developing new financial support mechanisms to support Turkey's growth, Taşkesenlioğlu said, "We have issued 3,900,000 Paraf cards. We achieved a 17.9 percent increase also in retail loans compared to 2015 year-end. Markets breathed a sigh of relief thanks to our campaigns taking into account the needs of every segment of society. While our companies contributed to export and employment, our retail customers continued to meet their cash needs by taking advantage of Halkbank's exclusive products and services. We also successfully managed the most sensitive period in terms of economical stability. We are ready for the new year and continue to work together for a stronger Turkey."

"Our strength is the youth of Turkey"

Taşkesenlioğlu said that the bank took a leading step in boosting employment in an industry where the total number of employees dropped by 3 percent compared to 2015. "The year 2016 was an efficiency-oriented year for us, and we made efforts to reach the optimal number of personnel in our branches. We also announced in November that our doors are open to the youth of this country. We interviewed and hired 500 assistant specialists who passed our employment assessment test. We will soon double this figure and achieve an employment increase in the industry. The key to Halkbank's strength is the youth of this country. With this step, we will be a model for every industry, and for those who want to add value to Turkey.

"We embraced our people, whose very name we carry in the title of our bank."

Taşkesenlioğlu stated that their advertising campaign, which featured the actor Şahan Gökbakar and the slogan "People ask, Halkbank does," has resonated very well with the people in 2016. "Our advertisement campaign has been an effective project. We embraced our people, whose very name we carry in the title of our bank. We don't consider our campaign slogan to be a catchy marketing phrase. We try to maintain a campaign that reflects people's opinion of our bank and the responsibility that comes with it. And I believe that we have successfully lived up to this responsibility."

"We are diversifying our foreign funding sources"

Pointing out that in order to increase Halkbank's liquidity and secure international funding, Taşkesenlioğlu said, "Halkbank obtained a total of \$1,200 billion in foreign funds in the last year through Eurobonds and syndicated loans. Despite the market uncertainty in the aftermath of Brexit, the demand for our operations is an indication of our investors' trust in us. Launching of our representative office in Singapore following the completion of registration procedures, has made a great contribution to the promotion of our banking vision abroad. We are confident that our relationship with international corporate investors and correspondent banks will improve through this office, especially in the Asia- Pacific region."

"We are among Serbia's top-performing banks"



Taşkesenlioğlu stated that 2016 was a very productive year in Serbia, where operations commenced in 2015. He added, "Before starting our operations in Serbia, our primary goal wasn't to be the largest bank in the country, but to be one of the most successful banks in the region by supporting our customers who put their trust in us. The number of branches and sub-branches in Serbia rose to 28. The number of our staff has exceeded 400 in a short time. With their help, we will take our activities one step further in line with our objective of expanding our branch network across Serbia."

"We are very ambitious on the mobile banking front"

Stating that Halkbank updated its mobile banking apps last year, Taşkesenlioğlu said, "Once again, we proved how ambitious we are on the mobile banking front. Our bank 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. Halkbank will begin to make its name heard internationally with the transformation of our technological infrastructure."

"We are the first Turkish bank to set up an Energy Management System"

Taşkesenlioğlu mentioned that Halkbank attaches great importance to social development and the fight against global warming. "We are the first Turkish bank to set up an ISO 50001 Energy Management System to determine the necessary methods and procedures for effective energy management with the goal of reducing greenhouse gas emissions," he added. "Using this system, we will minimize the environmental impact of our operations, keep energy consumption levels under control, and make the most effective use of our resources. We have launched great initiatives in terms of sustainability, and we will continue to support the environment in this period through environmentally friendly investments and organized industrial zone, renewable energy, and energy efficiency loans."



HALKBANK'S YEAR-END FINANCIAL RESULTS FOR FISCAL 2016

Million TL

	2015	2016	YoY Change	YoY Change (%)
Cash Loans	126,745	158,354	31,609	24.9
Commercial Loans	99,725	126,495	26,769	26.8
Retail Loans	27,020	31,860	4,840	17.9
Non-Cash Loans	39,781	47,761	7,980	20.1
Total Loans	166,526	206,115	39,589	23.8
Cash Loans Market Share	8.4%	8.9%	58 bp	
Securities	27,908	33,216	5,308	19.0
Deposits	122,146	150,263	28,117	23.0
Shareholders' Equity	19,424	21,317	1,893	9.7
Total Assets	187,729	231,441	43,711	23.3

	2015	2016	YoY Change	YoY Change (%)
Net Profit	2,315	2,558	243	10.5

	2015	2016
Loans / Deposits	103.8%	105.4%
Loans / Assets	67.5%	68.4%
Non-Performing Loans / Total Loans	3.06%	3.17%

Accruals included