



Halkbank becomes Turkey's fifth largest bank, with assets rising to 279.7 billion TL

Halkbank expanded its total loans, including non-cash loans, by 20.4 percent compared to year-end 2016 to reach 248.2 billion Turkish lira. Commercial cash loans including SME loans saw a growth of 21.4 percent reaching 153.5 billion Turkish lira in the same period. While total deposits showed an increase of 23.8 percent with a balance of 186 billion Turkish lira, the bank increased its balance sheet size by 20.9 percent to 279.7 billion Turkish lira. Halkbank, a supporter of the Turkish economy with loans granted to companies that produce, export and generate employment, expanded its SME loans market share to 14.4 percent. The bank has become Turkey's fourth largest lender of cash loans.

The stability and confidence engendered by the Turkish economy, which grew by more than 5 percent in the first half of the year, continued in the third quarter, while the banking sector employed its financial resources for lending activities. In this period of accelerated economic growth driven by an expansion of loans from the banking industry and fiscal measures taken, Halkbank concentrated on increasing its resources and solidified its leadership position in SME banking. Having increased its balance sheet size by 20.9 percent to 279.7 billion Turkish lira compared to the end of 2016, Halkbank became Turkey's fifth largest bank by asset size. The bank's shareholders' equity increased by 13.9 percent in the same period and net profit for nine months reached 3 billion Turkish lira. While continuing to increase loans without compromising asset quality, Halkbank's rate of non-performing loans was below the sector average at 2.99 percent.

Noting that all financial indicators are moving solidly in the direction of the Turkish economy's year-end targets, Halkbank **General Manager Osman Arslan** said:

"Looking at the positive picture of the economy, the implementation of the Treasury-Backed Credit Guarantee Fund played an important role, providing SMEs with access to finance by dispensing with the collateral requirement. As Halkbank, our priority is to expand our financial resources and offer our customers the support they need. As one of the leading supporters of the real economy, we are proud of the expansion we achieved in commercial loans, particularly SMEs, this year. We are an SME bank before anything else. We also continued to demonstrate leadership in this area with our strong performance in the employment of the Treasury-Backed CGF. As of September 2017, CGF loans exceeded 20 billion Turkish lira, as a result we placed first among all banks. In this period, in which we took our place among the first four banks in granting cash loans, we also exhibited a significant increase in our balance sheet becoming Turkey's fifth largest bank by asset size".



Arslan stated that Halkbank continued to offer innovative products for artisans and tradesmen in line with its founding principles.

"We offer very favorable loans starting from zero interest rate to artisans and tradesmen. With the new arrangement that our bank has adopted, the upper limit of working capital loans offered to artisans and tradesmen has been raised to 200,000 Turkish lira. Our Treasury Interest-Subsidized Workplace Acquisition Loans to help artisans own their places of business and the Treasury Interest-Subsidized Vehicle Acquisition Loans to enable them to purchase new motor vehicles for business use are now in place. Over the past 15 years, our bank has granted Treasury Interest-Subsidized Loans amounting to 71.3 billion Turkish lira to more than 1.6 million artisans and tradesmen as part of its mission of providing support to the economy."

Halkbank diversifies its financial resources

Having developed new collaborations as a result of being internationally known as financially stable and trusted, Halkbank has issued 10-year bonds of 1 billion Turkish lira in the nature of tier 2 capital. With the bonds carrying an early redemption option for exercising at the end of the fifth year, the bank increased its capital adequacy ratio by over 50 basis points thereby creating resources for new loans. Indicating that they will continue to provide uninterrupted support to the real economy, **Arslan** said the following:

"With the issue of bonds we both increased our diversity of resources and reduced the maturity mismatch. We want to develop alternative products for our investors so as to direct their short-term deposit investment patterns to longer-term with better returns. We plan to achieve another first in Turkey by carrying out a subordinated bond issue in the form of a public offering in the future."

Halkbank on top across the board

Having enhanced its international brand value through its 79 years of history and robust financial infrastructure, Halkbank managed to secure a place in the Emerging Markets Index calculated by FTSE, an independent organization jointly owned by the Financial Times and the London Stock Exchange, in December 2016. Halkbank earned this spot thanks to its performances in environmental, social and corporate governance said **Arslan** and he added, **"We are proud to rank in this index with our corporate reputation, sustainable financing, environmental and social performance, ethical principles, and as a company that values its employees."**

HALKBANK THIRD QUARTER (SEPTEMBER 2017) RESULTS

Million TL

	Eyl.16	2016	Eyl.17	Change from year-end 2016	% Change from year-end 2016
Cash Loans	144,612	158,354	194,173	35,818	22.6
Commercial Loans	115,052	126,495	153,515	27,021	21.4
Retail Loans	29,560	31,860	40,657	8,798	27.6
Non-Cash Loans	45,357	47,761	53,999	6,238	13.1
Total Loans	189,970	206,115	248,171	42,056	20.4
Cash Loans Market Share	8.8%	8.9%	9.5%		
Securities	30,870	33,216	38,195	4,978	15.0
Deposits	137,594	150,263	185,954	35,692	23.8
Shareholders' Equity	21,372	21,317	24,283	2,966	13.9
Total Assets	211,319	231,441	279,726	48,286	20.9

Accruals included. Accruals and net non-performing loans included

	Eyl.16	2016	Eyl.17	Change from September 2016	% Change from September 2016
Net Profit	2,195	2,558	3,010	815	37.1