

Halkbank continued to give breather to SMEs in the first quarter

Halkbank grew its total loans, including non-cash loans, by 7.5 percent compared to the 2017 year-end to reach 280.2 billion Turkish lira. Commercial loans, including the SME loans, increased by 8.1 percent to 174 billion Turkish lira in the same period. Having expanded its balance sheet size by 4.8 percent to 320.1 billion Turkish lira, Halkbank has continued to design innovative products to meet the needs and demands of the SMEs, carrying the market share of SME loans to 15.5 percent.

Continuing its pioneering efforts in the field of Artisan and SME Banking in the 80th year of its establishment and as a staunch supporter of the real economy, Halkbank achieved another strong performance in the first quarter. In strong cooperation with all sectors, Halkbank continued to use its financial resources to make economic growth sustainable and productive and grew its commercial loans to 174 billion Turkish lira. Having increased the balance sheet size by 4.8 percent to 320.1 billion Turkish lira compared to 2017 year-end, Halkbank grew its shareholders' equity by 4 percent in the same period and posted a three-month net profit of 790 million Turkish lira.

Pointing out that the Turkish banking sector, one of the major drivers of economic growth in Turkey, has sustained its strategic importance this year as well, **Halkbank General Manager Osman Arslan** said:

"In this period when financing has become more important, we have made a significant increase in commercial loans by launching innovative products. We have come together with representatives of the real economy on every platform we are present, and developed solutions that meet our customers' needs. In the remainder of the year we will keep our momentum and continue to be one of the most effective players of the Turkish economy.

"Productive Turkey's Bank will always be a player in the field"

Arslan indicated that, as the bank of Productive Turkey, they have left behind a busy period, much of which was spent in the field, and said:

"At the root of our banking culture is the understanding of having a continuous relationship with our customers. We got together with artisans and SMEs in Bursa, Samsun and Trabzon so far in the Productive Turkey meeting series, which we started in line with this understanding. We shared our innovations with company representatives in order to

increase the competitiveness of Turkish companies and give them an edge in international markets. During the rest of the year we will continue to get together with SMEs and maintain the development of innovative products with the help of the notes we took down at these meetings."

"We have increased our SME Banking market share to 15.5 percent"

Arslan emphasized that Halkbank has increased its market share in the field of SME Banking to 15.5 percent with solutions provided to the real economy, and explained the following:

"While our financial activities contribute to economic growth, the economic growth in turn, positively impacts our financial performance. Today we are a pioneer in almost every aspect of SME Banking. During the past year, we were the top bank in the sector in terms of the size of Credit Guarantee Fund-secured loans. This year also we were able to use up the available limit in a short period of time in the funding of the allocated fields. In the same vein, we also came first in the extension of the Breather Loan developed to support SMEs under the protocol signed between six banks and the Union of Chambers and Commodity Exchanges of Turkey. We will continue to be the biggest supporter of the real economy by maintaining our power and leadership in the field of SME Banking."

"We brought an additional 1,300 young people into the sector"

Stating that Halkbank continues to be a school for the Turkish banking sector in its 80th year, Arslan said that this year alone Halkbank has brought in nearly 1,300 additional young new-hires into the sector, and added the following:

"While striving to increase financial resources and use them efficiently, we are also required to make additional effort to train the staff to employ those resources. Halkbank has introduced many prominent managers to the finance sector until today and is recognized as a school in this area. Together with our recently joined colleagues, our average age went down to 34. In our 80th anniversary in which we have grown younger, we will maintain our customer-focused banking approach and improve it further with the investment in our technological infrastructure and the power we get from our 19,000 employees across the country."

"No greater profit than seeing happy children"

Indicating that Halkbank has existed in all areas of life in line with its social responsibility concept and that children have always been their highest priority, **Arslan** said:

"We are working hard to be worthy of our people, the name of which we so proudly carry in our Bank's name and to add value to every aspect of life. We have pursued this culture for 80 years all the way to April 23, and we have designed a project with a new concept called "When the Children Make Wishes, Halkbank Responds." Under the project, we will be collecting wishes of children and fulfilling the dreams of 80 of them, so as to put a smile on each of their faces. There is no greater profit than seeing happy children."

Million TL

	2017	March 2018	YoY Change	YoY Change (%)
Cash Loans	202,137	215,886	13,749	6.8
Commercial Loans	160,934	174,033	13,099	8.1
Retail Loans	41,203	41,853	650	1.6
Non-Cash Loans	58,535	64,310	5,775	9.9
Total Loans	260,672	280,196	19,524	7.5
Cash Loans Market Share	9.5%	9.7%	18 bp	
Securities	48,903	49,910	1,008	2.1
Deposits	193,227	200,227	7,000	3.6
Shareholders' Equity	25,377	26,398	1,021	4.0
Total Assets	305,351	320,140	14,789	4.8

Accruals included.

	Mar.17	March 2018	YoY Change	YoY Change (%)
Net Profit	1,219	790	-429	(35.2)