

Halkbank's Assets Rose to 407 Billion TRY

Halkbank increased its total loans by 8 percent to 369.6 billion Turkish lira in the first quarter of the year as compared to the end of 2018. Having increased its cash commercial loans, including SME loans, by 10.7 percent to 236.4 billion Turkish lira, Halkbank raised its market share in the SME loans to 17.3 percent. With its total deposits reaching 269.7 billion Turkish lira with an 8.4 percent increase in the same period, the Bank's total asset size rose by 7.6 percent to 407 billion Turkish lira.

Halkbank has again helped strengthen the Turkish economy by providing support to tradespeople and SMEs. It has also continued to advance its banking services by developing new products and applications in the first quarter of the year. With the share of the SME loans within the cash loans reaching 41 percent, the Bank succeeded in raising its market share in that segment to 17.3 percent. Having increased its total deposits by 8.4 percent in the same period, Halkbank improved its balance sheet quality by preserving its powerful equity structure.

Halkbank General Manager Osman Arslan stated that the company came together with approximately 3,000 tradespeople, SMEs, and industrialists at the Productive Turkey Meetings held in Eskişehir, Gaziantep, Denizli, and Adana in the first quarter of the year. He emphasized that Halkbank continues to maintain direct contact with its customers, adding:

“The banking sector successfully left the first quarter behind under the leadership of our economy management producing effective solutions for the needs of the market by following international developments. Every new product offered, including the SME Value Loan Packages 1 and 2 secured by the Credit Guarantee Fund, strengthened the private industry. Our Bank strived intensively to fulfil the liquidity needs of Turkey and our customers, who required continued funding to take advantage of our new products in the convenient conditions.

Tradespeople Are Also Secured

Arslan stated that Halkbank has continued providing continual support to tradespeople and artisans, who are of great importance to Halkbank's banking operations. He added:

“We have again prioritized tradespeople loans for the rest of the year and will continue carrying out successful works that contribute towards our goal of providing a 22 billion Turkish lira loan to the tradespeople and artisans. In that respect, we increased our tradespeople loan balance to 39.4 billion Turkish lira by providing the loan of 11.6 billion Turkish lira to 120,000 tradespeople and artisans in the first quarter of 2019. This raised the number of tradespeople and artisans with a loan balance to 542,000. Our tradespeople know

that Halkbank is the first destination when they require a loan. 19,000 Halkbank employees are working to be worthy of that trust across Turkey.”

The increasing tourism and export revenues gave confidence to the market players in this period, as they provided great support for the protection of the dynamism in the domestic market. Regarding this, **Arslan** said the following:

“We have all seen that the significant measures taken to regulate private sector cash flow in the first quarter of the year are quickly yielding positive results. We will continue to back the private industry in the second half of the year, as we more closely experience the results of the economical reforms. We will continue to support our customers in this period, during which we are carrying out important works to increase our equity diversity.”

Inflation-Protected Products

Halkbank is expanding its deposits base by offering saving options to the depositors. To this end, it has announced the launch of its “Inflation-Protected Deposit Account with Intermediate Interest Payments” and “Inflation-Indexed Protecting Deposit Account”. According to **Arslan**, their main duties include guiding depositors in the right direction and ensuring customers make use of their investments with the most efficient saving instruments. He added:

“While we are working on the special measures that contribute to the fight with the inflation, we are also continuing to develop new products that aim to protect the savings of our depositors against inflation. We are pleased that our highly welcomed products, the Inflation-Protected Deposit Account with Intermediate Interest Payments and the Inflation-Indexed Protecting Deposit Account, ensure the depositors’ savings will be better protected.”

The total sales amount regarding the issuance of the Inflation-Indexed – Income (Interest) Bonds has been estimated to reach 520 million Turkish lira, 2.5 times more than the planned volume. This bond type is the first of its kind in the Turkish capital markets in terms of income type that Halkbank has developed through Halk Invest aiming for the corporate and personal investors.

Halkbank General Manager Osman Arslan stated that they are pleased at the level of interest shown to the issuance of this innovative bond, which is designed to protect investor income. He added:

“We aim to provide our investors with the most efficient investment capabilities in the capital markets. This issuance contributes to our equity diversity and has offered a high income assurance to our investors. We will continue to be one of the leading players in the capital markets by maintaining the issuance of the innovative bonds and securities in the forthcoming period.”

HALKBANK FINANCIAL PROGRESS SUMMARY

Million TRY

	March 2018	2018	March 2019	2018 – March 2019		March 2018 – March	
				YoY Change	YoY Change (%)	YoY Change	YoY Change (%)
Total Assets	320.140	378.422	407.034	28.612	7,6	86.894	27,1
Securities	49.910	74.557	83.895	9.338	12,5	33.985	68,1
Cash Loans	222.151	259.074	281.982	22.908	8,8	59.831	26,9
Commercial Loans	179.519	213.525	236.379	22.854	10,7	56.860	31,7
Retail Loans	42.632	45.549	45.603	54	0,1	2.972	7,0
Non-Cash Loans	64.310	83.040	87.638	4.598	5,5	23.328	36,3
Total Loans	286.461	342.114	369.620	27.506	8,0	83.159	29,0
Deposits	200.227	248.855	269.655	20.800	8,4	69.428	34,7
Shareholders' Equity	26.398	29.021	29.168	147	0,5	2.770	10,5
Net Income for the Period	790	2.522	305	305		-485	-61,4

Rediscounts included.

Rediscount and gross non-performing loans are included cash loans.

Cash Loans Market Share (%)	9,7	10,3	10,6	34 bp	95 bp
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In the Market Share, rediscount and gross non-performing loans are excluded.