

***Halkbank releases financial results for fiscal 2020*****Halkbank expanded its assets to 680 billion TRY**

Halkbank delivered impressive results for 2020 by overcoming difficulties with new operations and services. The bank's assets reached 680 billion Turkish lira with a 48.8-percent growth compared to 2019. Cash loans grew by 45.5 percent to 449.7 billion Turkish lira. Halkbank acquired 2.5 million new customers during this process.

Halkbank CEO Osman Arslan said: *"We assumed major responsibilities in maintaining the economic strength of Turkey in 2020, a year defined by the pandemic. We improved our digital skills to help real economy access financing and provided new opportunities by applying these new skills. We had an impressive year with strong growth and customer base expansion."*

Halkbank set an example in responsible banking in 2020, a year overshadowed by the pandemic and full of economic transformations. By providing major financing assistance to small businesses, companies and retail customers in an effort to help them overcome the economic impact of the pandemic, Halkbank expanded its **total cash and non-cash loans by 41.4 percent to 564.3 billion Turkish lira.**

**Turkey's Second Largest Bank in Loans and Deposits, and Third Largest Bank in Total Assets**

The bank increased its **total deposits by 53.6 percent from 297.7 billion Turkish lira to 457.3 billion Turkish lira** by encouraging its customers to focus on Turkish lira products. Achieving a **48.8-percent growth** and **680 billion Turkish lira in assets**, Halkbank became the third largest bank in Turkey in terms of assets and the second-largest bank in the country in terms of loans and deposits. The bank's net profit for the period stood at 2.6 billion Turkish lira.

**A Great Surge in Commercial Card Accounts**

Halkbank signed up 2.5 million new customers in 2020. The bank reached over 1 million commercial card customers and became the industry's second-largest bank in this field.

**People-First Banking**

Assessing the financial results, **Halkbank CEO Osman Arslan** said: *"We, at Halkbank, assumed major responsibilities in maintaining the economic strength of Turkey in 2020, a year defined by the pandemic. With our responsible banking approach, we have always stood by the real economy to create more production, employment, and exports. We improved our digital skills to help real economy access financing and provided new opportunities by applying these new skills. We put the macroeconomic stability program of our country at the focus of our growth strategy, and have actively implemented decisions and actions that add momentum to Turkey's economic growth. We have remained loyal to our 'People-First Banking' philosophy and will continue to do so with our 23,500 employees."*

### **New Products for SMEs, Tradespeople, and Artisans**

Emphasizing the increased responsibility of banks in recovering from the pandemic and returning to a period of normalization, **Arslan** explained that Halkbank is focused on providing support to SMEs, tradespeople, and artisans during this period. He added: *“We have raised the share of SME loans in the commercial segment to an extraordinary 52.7 percent. Our aim for 2021 is to increase this figure to 60 percent. In 2020, we helped our people by issuing 322 billion Turkish lira worth of retail loans. We also postponed 40.1 billion Turkish lira worth of loan repayments for a total of 850,000 businesses and retail customers. Furthermore, we relieved the burden on our tradespeople with an additional six-month postponement that began in January in addition to the two years provided by the Ministry of Treasury and Finance regarding government-subsidized artisan loans in 2020.”*

### **Increasing Assistance for Tradespeople**

In 2020 alone, we surpassed 42.7 billion Turkish lira in loans to tradespeople and artisans, and our year-end total loan amount exceeded 68.6 billion Turkish lira. Furthermore, we have provided 3.1 million tradespeople and artisans with 161.3 billion Turkish lira since 2002. We will continue to support our tradespeople under all circumstances.

### **Digitalization Effect**

Digitalization has affected and contributed to Halkbank’s growth in all categories from equity and deposits to loans and securities. Internet banking and mobile branch infrastructure equipped our customers to carry out the majority of their transactions without having to visit a branch. Applications for trade and retail loans were moved online. All checks were carried out online and allocations were successfully completed. **Halkbank CEO Osman Arslan commented:** *“We provided loans to more than 2 million customers through online channels. Nearly 3.8 million customers used our digital channels. We created a Digital Transformation Office to coordinate all of our digitalization efforts from a single point. As a result, we had an impressive year with strong growth and customer base expansion through our innovations, measures, and solutions. We will keep serving our customers and bolstering the Turkish economy with our financial capabilities and banking solutions in 2021.”*



## HALKBANK SUMMARY FINANCIAL STATEMENT

	2019	2020
<b>Total Assets</b>	<b>457,045</b>	<b>680,026</b>
<b>Securities</b>	<b>102,734</b>	<b>159,200</b>
<b>Cash Loans</b>	<b>309,208</b>	<b>449,745</b>
<b>Non-Cash Loans</b>	<b>89,918</b>	<b>114,555</b>
<b>Total Loans</b>	<b>399,126</b>	<b>564,301</b>
<b>Deposits</b>	<b>297,734</b>	<b>457,286</b>
<b>Shareholders' Equity</b>	<b>32,197</b>	<b>42,931</b>
<b>Net Income for the Period</b>	<b>1,720</b>	<b>2,600</b>

Change	YoY Change (%)
<b>222,981</b>	<b>48.8</b>
<b>56,466</b>	<b>55</b>
<b>140,537</b>	<b>45.5</b>
<b>24,638</b>	<b>27.4</b>
<b>165,175</b>	<b>41.4</b>
<b>159,552</b>	<b>53.6</b>
<b>10,734</b>	<b>33.3</b>
<b>880</b>	<b>51.1</b>

*Rediscounts included.*

*Rediscounts and gross non-performing loans are included in cash loans.*