

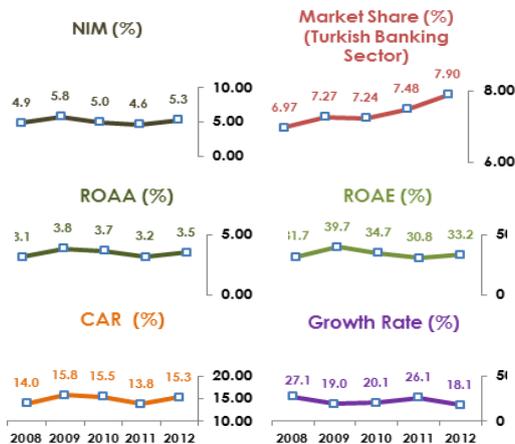
**Corporate Credit Rating**  
*Updated*

**Banking**

HALKBANK Üreten Türkiye'nin Bankası		Long-Term	Short-Term	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB-	A-3	
	Outlook	Stable	Stable	
National	Local Rating	AAA (Trk)	A-1+ (Trk)	
	Outlook	Stable	Stable	
Sponsor Support		1	-	
Stand Alone		A	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

\*Assigned by Japan Credit Rating Agency, JCR on May 23, 2013

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**Strengths**

- Continuous increase in its net profit associated with robust return on assets and equity ratios, which exceeded the sector average over the reviewed period,
- Above sector average net interest margin during the last four years, contributing to the high profit level,
- Strong market position and competitive edge in the SMEs loans segment,
- Enhanced capital adequacy level, principally derived from retained profits, accompanied by high assets quality along with risk and performance oriented management practices,
- LTD ratio (loans to deposits) lower than the sector average, indicating satisfactory liquidity and providing an opportunity for further growth,
- Widespread national branch network and diversity in its business mixture as an integrated financial institution,
- Anticipated satisfactory support from the Republic of Turkey Prime Ministry Privatization Administration, Treasury and Central Bank in the event of systemic risk

**Constraints**

- Short average maturity profile of deposits, the Bank's main funding sources, prevalent in the Turkish banking sector,
- The share of net fee and commission income in total income was below the sector average,
- Sector-wide structural maturity mismatches exerting adversities on liquidity management,
- Additional global risks to be exerted by shifts in monetary policy of developed countries,

Türkiye Halk Bankası A.Ş.					
Financial Data	2012*	2011*	2010*	2009*	2008*
Total Assets (000,000 USD )	61,291	48,819	47,574	40,936	33,632
Total Assets (000,000 TRY)	108,951	92,215	73,150	60,884	51,181
Total Deposit (000,000 TRY)	79,800	66,229	54,554	43,879	40,191
Total Net Loans (000,000 TRY)	66,827	57,181	44,480	32,622	26,045
Equity (000,000 TRY)	12,237	9,122	7,902	6,218	4,591
Net Profit (000,000 TRY)	2,819	2,059	1,945	1,754	1,173
Market Share (%) **	7.90	7.48	7.24	7.27	6.97
ROAA (%)	3.52	3.17	3.66	3.83	3.14
ROAE (%)	33.19	30.77	34.74	39.74	31.66
Equity/Assets (%)	11.23	9.89	10.80	10.21	8.97
CAR - Capital Adequacy Ratio (%)	15.32	13.85	15.48	15.83	13.98
Asset Growth Rate (Annual) (%)	18.15	26.06	20.15	18.96	27.07

\* End of year \*\* On solo basis among the Turkish Banking Sector

**Overview**

Türkiye Halk Bankası A.Ş. (hereinafter Halkbank or the Bank), was established in 1933 as a state economic enterprise under the Halkbank and Public Funds Law no: 2284 to grant loans with reasonable terms to artisans, tradesmen and small business owners to contribute enduring economic development. As a state-owned bank, 24.98% shares of Halkbank were initially offered to the public in 2007. In November 2012, the Bank completed its secondary public offering representing 23.92% shares in the amount of TRY 4.5 billion, the largest public offering on the Borsa İstanbul (BIST). Thus, currently 48.90% of its shares are traded on the BIST. The Republic of Turkey Prime Ministry Privatization Administration is the utmost shareholder of the Bank with a stake of 51.06%.

Halkbank was the most profitable deposit bank in Turkey considering the average return on assets and equity. The Bank recorded the highest increases in assets, equity and deposits base growth amongst its peer banking institutions at the end of FY2012. With those glowing results, the Bank reinforced its sixth rank position in terms of asset size and equity. Through its widespread network of 816 domestic and 5 overseas branches, one representative office and subsidiaries, the Bank offers services in the corporate, commercial, SME and retail banking fields as well as in leasing, brokerage, insurance, asset management, factoring and real estate investment services. The Bank has launched its own credit card "Paraf" in 2012 and aimed to expand its credit card market share up to 6% in five years.