

Halkbank posts 584 million TL net income for the first quarter

*At the end of March, total assets of Halkbank reached 161.2 billion Turkish lira, total loans 143 billion Turkish lira, and the bank closed the first quarter with 584 million Turkish lira net income. Stressing that Halkbank will continue to positively contribute to the future of its stakeholders and shareholders as well as the country's economy, Halkbank CEO **Ali Fuat Taşkesenlioğlu** stated that they plan to open 50 new branches in 2015.*

On track with its efforts to reach its 2015 targets, Halkbank delivered first quarter results that are right on target. Total loans grew to 143 billion Turkish lira, up 6.3 percent from year-end 2014, cash loans reached 108.4 billion Turkish lira, and total deposits stood at 106.8 billion Turkish lira. Total assets increased 3.8 percent in the first three months and first quarter net income reached 584 million Turkish lira. The bank's equity rose by 3.1 percent.

Stating that they have made a good head start into 2015, Halkbank CEO **Ali Fuat Taşkesenlioğlu** said:

"We see that the effects of the lingering recession on the world economies have continued into the first quarter of 2015. We can say that even though the US economy is on the way to recovery, the risk of recession remains for other economies. This is also true in the case of the Turkish economy. We think that the global recession continued to affect the Turkish economy throughout the first quarter. But we also expect the weakened Euro and the quantitative easing in Europe to continue in the years ahead, helping support the capital flows and the European economy (which is on its way to recovery) and also positively influencing the growth of the Turkish economy. The banking industry will also contribute to this picture, bringing only a positive outcome for the industry. So in light of all these developments, we believe that the banking industry will maintain its profit margins, and Halkbank will naturally help its stakeholders as well as the country's economy benefit from this positively."

Taşkesenlioğlu continued to say that their target was 13 to 15 percent year-on-year growth in total assets, 13 to 15 percent in deposits, 16 to 18 percent in cash loans, and added, **"We are glad to see that the results we obtained as of the end of March are taking us closer to our targets every step of the way."**

Halkbank expanding into the Balkans

Halkbank continues its efforts to become one of the strongest banks in the region. In line with its strategy of expanding into the Balkans, the bank has signed a share purchase agreement to acquire 76.76 percent of the Cacanska Banka operating in Serbia. Assuring that the bank will take the "Halkbank" brand and service philosophy to Serbia, **Taşkesenlioğlu** said, **"We expect that we will be helping economic relations between Serbia and Turkey strengthen, and that the Cacanska Banka will contribute positively to our bank's profitability and growth targets. We will continue to grow in the Balkans from now on."**

Unceasing support to the "Productive Turkey"

One of the biggest supporters of the real sector in Turkey, Halkbank continues to uphold its mission of being the bank of "Productive Turkey," with the financing support it provides to SMEs. In the first quarter of the year, the commercial loans, including SME loans, disbursed by the bank reached 81.8 billion Turkish lira, up by 6.9 percent. Explaining that the bank offers products and services that meet the needs of the SMEs, **Taşkesenlioğlu** said:

"Halkbank truly cares about the development and growth of the real sector, and the development of entrepreneurial culture is one of our priorities. In this context, the Entrepreneurial Loan product we have developed offers different credit options and different limits to entrepreneurs of different background and experience and with promising business ideas in different fields. We also support the real sector with our training and consultancy services."

In addition, Halkbank extends maximum 5-year non-interest bearing working capital loans of up to 150,000 Turkish lira to the craftsmen and artisans working in the fields of endangered professions. Through its banking products, the bank continues to support its craftsmen customers, whose numbers stood at nearly 328,000 at the end of March.

Halkbank is the first bank that comes to mind for craftsmen.

A bank that has stood by craftsmen and artisans ever since its inception, Halkbank has also volunteered to sponsor the Customs and Trade Ministry project, "Industry Analysis on Craftsmen and Artisans." This project aims to develop realistic, practical, and sustainable policies that would help craftsmen and artisans adapt to modern-day conditions. **Taşkesenlioğlu** said that the project would entail extensive research and analysis to draw a roadmap and paint a future vision of the fields craftsmen work, **and added, "In light of the needs identified and the roadmap drawn, we too, will add to our portfolio of products and services the new ones aimed at craftsmen and artisans."**

Halkbank strong in retail banking

Developing innovative products and services for its retail customers as well given its customers satisfaction approach, Halkbank has been adding new ones to its success list in this area. By the end of March, the number of Paraf cards issued by the bank reached 3.5 million, merchant body 224,000 and POS machines 263,000. At the end of the first quarter, the bank's retail loans amounted to 26.5 billion Turkish lira. Asserting that the bank takes into account client needs above all else, in developing products, **Taşkesenlioğlu** said, **"Our aim is to ensure our customers feel unique and privileged when we develop our banking as well as Paraf card products."**

50 new branches planned in 2015

Announcing that the bank plans to open 50 new branches in 2015, **Taşkesenlioğlu** said, **"This will bring the number of branches of our bank close to 1,000. In addition, we plan**

to hire 1,500 new employees. We shall continue to expand our services delivery network."

HALKBANK Q1 DATA (MARCH 2015)

Million TL

	Mar. 14	2014	Mar. 15	Change from year-end 2014	% Change from year-end 2014
Cash Loans	88.921	101.767	108.380	6.613	6,5
Commercial Loans	65.610	76.545	81.834	5.290	6,9
Retail Loans (excl. Business Cards)	23.311	25.222	26.545	1.323	5,2
Non-Cash Loans	26.658	32.779	34.668	1.889	5,8
Total Loans	115.579	134.546	143.047	8.502	6,3
Cash Loans Market Share	8,1%	8,0%	8,0%		
Securities	29.928	26.844	26.619	(225)	(0,8)
Deposits	100.159	103.708	106.894	3.186	3,1
Shareholders' Equity	14.527	16.536	17.045	509	3,1
Total Assets	145.524	155.423	161.273	5.850	3,8

	Mar. 14	2014	Mar. 15	Change from Year Earlier	% Change from Year Earlier
Net Income	530	2.206	584	53	10,0

	Mar. 14	2014	Mar. 15
Loans / Deposits	88,8%	98,1%	101,4%
Loans / Assets	61,1%	65,5%	67,2%
Non-Performing Loans / Total Loans	2,67%	3,55%	3,38%

Including interest accruals