

Halkbank posts 2.31 billion TL net profit for 2015

*Halkbank strives to maintain its support for a "Productive Turkey" through deep-rooted experience and product diversity. The bank increased its total assets to 187.73 billion Turkish lira in the year-end 2015, up 20.8 percent year-on-year. In the same period, its net income soared to 2.31 billion Turkish lira, total deposits to 122.14 billion Turkish lira, and total loans to 166.52 billion Turkish lira. **Halkbank General Manager Ali Fuat Taşkesenlioğlu** expressed the bank's aspirations to continue operations to further Halkbank's strength in the future and to contribute to transforming Turkey into one of the world's most robust economies. **"Halkbank rose to the occasion once again in the banking industry in 2015 with projects supported toward the mission of a Turkey that draws strength from production and grows while preserving economic stability. The bank continued to be a prominent business partner for the real economy, thanks to its strong presence and long-standing history in the field. Our banking approach encompasses a comprehensive set of services that boosts the enthusiasm and efficiency of all productive players in the economy. As such, we are delighted to be putting our 78-years of experience at the disposal of the real economy, in addition to providing financing to the Turkish economy,"** he said.*

Halkbank closed another profitable and productive year through a sustainable growth approach, achieving results in line with the 2015 targets as a result of its financial performance. With a net income of 2.31 billion Turkish lira, Halkbank's total assets rose to 187.73 billion Turkish lira, up 20.8 percent from year-end 2014; total loans to 166.52 billion Turkish lira, up 23.8 percent; and total deposits to 122.14 billion Turkish lira in the same period. The bank increased its commercial loans, including SME loans, to 99.72 billion Turkish lira, up 30.3 percent from year-end 2014, continuing to support a productive Turkey in 2015.

Taşkesenlioğlu stated that the bank concluded a rewarding period by maintaining asset quality and expanding non-deposit funds in 2015. **"Continued sound fiscal discipline despite going through two elections reinforced Turkey's tenacity against external shocks. Meanwhile, declining energy prices is mitigating the current account deficit fragility. Developments that helped shrink the foreign trade deficit significantly bolstered the improvement in the current account balance. The banking industry had another relatively successful year due to its sound capital structure and stable asset size. The support we gave to Turkey's production potential, export competitiveness and employment capacity was directly reflected in our economic growth in 2015."**

Halkbank SME Banking leader in 2015 as well

SMEs, the backbone of the Turkish economy, served as one of the most crucial support areas of the Turkish banking industry in 2015 once again, with Halkbank displaying an assertive attitude. Halkbank lays the groundwork in the industry with an innovative spirit and a modern banking approach that creates pioneering solutions, said **Taşkesenlioğlu** and added, **"We have formed new collaborations to make an impact on Turkey's future, thanks to three-quarters of a century's experience and skilled workforce. Subsequently, we will be adding brand new products to the real economy by utilizing**

the funds we have acquired through the new protocols we signed with the World Bank and the European Investment Bank.”

Halkbank in mega projects

Halkbank continued to offer financial solutions for corporate clients in 2015 with a higher number of commercial and corporate loans. It distinguished itself in financing mega projects that vitalize the Turkish economy. As the Bank of Productive Turkey, Halkbank played a major role in its growth by providing support to large-scale projects. Taşkesenlioğlu emphasized that the Turkish banking industry has grown enough to be able to shoulder financing of grand projects single-handedly. **“Our bank will continue to take on a leading role in economic stability in the corporate banking in the coming days while achieving results in parallel with its strategic goals,”** he asserted.

International breakthroughs

With a year of major breakthroughs behind us, Halkbank moved its ever-rising strength and experience to nearby countries in line with its strategy to transform itself into a globally influential bank. The number of branches rose to 34 in 16 cities of Macedonia. It bought 76.76 percent of the Serbia-based Cacanska Bank and continued operations under the new name, Halkbank A.D. Beograd. **Taşkesenlioğlu** talked about how this acquisition has made an important contribution to a higher number of Turkish investments and market growth in Serbia. **“We will continue to venture into new initiatives in the Balkans and take new steps with the objective of becoming a sound regional bank according to our growth strategy,”** he stated.

Paraf family continues to grow

Paraf continued to extend new privileges to customers with advantageous campaigns in 2015 as well. Halkbank took the “Fastest Growing Bank in Visa Card Shopping Volume” award at the annual Visa Awards Ceremony by Visa Europe. Taşkesenlioğlu said Halkbank reaps the benefits of innovative initiatives with Paraf, a dynamic product that has brought a fresh breath of air to shopping. **“With an expansive world of privileges for customers, the number of Paraf cards rose to 3.8 million, POS to 282,000, and member merchants to 278,000. We are determined to grow the Paraf family even more through our efforts,”** Taşkesenlioğlu added.

New targets for the New Year

Halkbank began the previous year with a target of 50 new branches, and it launched 49 new branches to remain within its objectives for 2015. With 944 branches domestically as of the year-end 2015, Halkbank aims to open 40 new branches in 2016. Taşkesenlioğlu declared a 16-percent growth target both in asset size and loans in 2016. **“With regard to loan growth rates, we will accomplish the highest performance in the corporate segment, and we project a 17-percent deposit growth,”** he asserted.

Halkbank forges ahead with social responsibility projects

As the biggest supporter of the real economy, Halkbank entered into substantial collaborations with government agencies in 2015. It not only provided support for the construction of the wind turbine at the Istanbul Justice Palace, but also contributed to the development and production of the wind turbines installed on the roof of the building to generate renewable energy. **“In 2015, Halkbank also took part in a Ministry of Family and Social Policies project that involved giving tablet computer as gifts to the children of the Martyrs. We fulfilled an extensive social responsibility project in support of solidarity and camaraderie in the past year. In the coming days, we will maintain our support for projects that demonstrate the principles and values of Halkbank.”** Taşkesenlioğlu reiterated.

HALKBANK'S YEAR-END FINANCIAL RESULTS FOR FISCAL 2015

Million TL

	2014	2015	YoY Change	YoY Change (%)
Cash Loans	101.767	126.745	24.978	24,5
Commercial Loans	76.545	99.725	23.181	30,3
Retail Loans	25.222	27.020	1.797	7,1
Non-Cash Loans	32.779	39.781	7.003	21,4
Total Loans	134.546	166.526	31.981	23,8
Cash Loans Market Share	8,0%	8,4%	37 bps	
Securities	26.844	28.155	1.311	4,9
Deposits	103.708	122.146	18.438	17,8
Shareholders' Equity	16.536	19.424	2.888	17,5
Total Assets	155.423	187.729	32.306	20,8

	2014	2015	YoY Change	YoY Change (%)
Net Profit	2.206	2.315	110	5,0

	2014	2015
Loans / Deposits	98,1%	103,8%
Loans / Assets	65,5%	67,5%
Non-Performing Loans / Total Loans	3,55%	3,06%

Accruals included