

Halkbank posts 2.2 billion TL in net profit for 2014

Closing 2014 with a net profit of 2.2 billion Turkish lira, Halkbank reached 134.5 billion Turkish lira in total loans. Halkbank CEO Ali Fuat Taşkesenlioğlu stated that they expected increase in the profitability rates of banking industry in 2015, emphasizing that their objective would be to close the year with 20 percent return on equity through an efficiency-oriented strategy.

Carrying out its activities with the mission of providing support to the Turkish economy, Halkbank completed the year 2014 without compromising this mission. The bank increased its total loans by 20 percent to 134.5 billion Turkish lira compared to year-end 2013 while cash loans reached 102 billion Turkish lira by 20 percent increase. Total assets of Halkbank reached 155.4 billion Turkish lira with a YoY growth of 11 percent while total deposits amounted to 104 billion Turkish lira. The bank closed the year 2014 with a net profit of 2.2 billion Turkish lira.

Taşkesenlioğlu stated that, although profitability rates of the banking industry decreased in 2014, Halkbank's results were in line with its objectives:

"Despite the recovery in the US economy, both European and Japanese, as well as emerging economies, are progressing slowly. On the other hand, the expanding monetary policy of the European Central Bank presents itself as a balancing factor, especially for the emerging economies, created by the discontinuation of the Fed's bond buying program. In addition, a decrease in the energy costs is also expected to have an impact on the global growth. Consequently, it is possible to say that economic indicators will progress positively in 2015. We expect that this will contribute to the steady growth in Turkey, as well as leading to an increase in the profitability rates of the banking industry."

Indicating that they have already drawn a new roadmap for 2015-2020 to increase the brand and market value of Halkbank, Taşkesenlioğlu said, **"We aim to increase the balance sheet size of Halkbank to more than \$100 billion in five years. We will take the first steps in 2015. This year, our aim is to grow by 13 to 15 percent in total assets and deposits. We will focus on efficiency to exceed 20 percent in return on equity in 2015."**

SME loans see 28% increase

As the pioneer of the SME banking in Turkey, Halkbank continued to provide financing to SMEs in 2014. The bank developed its Entrepreneurs Loan to generalize the entrepreneurial culture and signed a loans protocol with the European Investment Bank to provide companies with €200 million financing for their extension investment and working capital needs. Consequently, the bank achieved 28 percent increase in SME loans to reach 39.2 billion Turkish lira.

Taşkesenlioğlu also stated that they would unremittingly continue to support the real economy:

"We aimed to meet all needs of our customers by developing bespoke products in various areas in 2014. The fact that Halkbank has been the first bank coming to mind when speaking of SME banking for 76 years is clear evidence that our efforts have borne fruit. In 2015, we will continue to expand our innovative products and services to create financing for the needs of the real economy. Our objective is to grow by 16 to 18 percent in this area."

The bank also continued to support artisans and craftsmen, providing nearly 318,000 artisans with total loans of 8.1 billion Turkish lira in 2014. Halkbank also supported Ahi Week activities in line with its objective of promoting the Ahi culture.

Supporting the economy through sponsorship

Halkbank reinforced its financial support to the Turkish economy through sponsorships and became one of the sponsors of the AFAD Disaster Preparedness at Work Training. **Taşkesenlioğlu indicated that they would always accompany the real economy through training and consultancy activities, adding, "We consider it a part of our social responsibility to offer occupational health, safety and environment training programs to SMEs."**

Halkbank was also the main sponsor of the Atlantic Council Energy and Economy Summit. **Taşkesenlioğlu remarked that they attached great importance to host this event in Turkey, the center of not only regional finance but also of the energy and business world, and that this sponsorship helped them to pursue their mission of supporting the Turkish economy.**

Paraf just turned two

Following the launch of Paraf, Halkbank continue to have new achievements in the retail banking. Paraf grew by 57 percent and reached a total number of 3.4 million cards since the launch. Indicating that Paraf just turned two with its goals attained, **Taşkesenlioğlu pointed out that, "Paraf distinguished itself among the competition with various campaigns and features such as Katlı ParafPara, ParafGünüm, and Saturday restaurant discount. As of the year end, the number of member businesses rose to nearly 223,000 with the number of POS machines hitting the 261,000 mark. I believe that the successful performance of Paraf will also continue in 2015."**

50 new branches in 2015

In 2014, Halkbank opened 23 new branches to increase the total number to 900 with 17,300 employees. **Taşkesenlioğlu remarked that they would pursue the extension of their service network and concluded its speech as such: "We will open 50 new branches. In addition, with 1,500 people joining the Halkbank family, we aim to contribute to the generation of employment, as well as reaching a greater number of customers and further improve the customer satisfaction."**

HALKBANK'S YEAR END FINANCIAL RESULTS FOR FISCAL 2014

Million TL

	2013	2014	YoY Change	YoY Change (%)
Cash Loans	84.848	101.767	16.919	19,9
Commercial Loans	61.602	76.545	14.943	24,3
Retail Loans	23.247	25.222	1.975	8,5
Non-Cash Loans	27.038	32.779	5.741	21,2
Total Loans	111.886	134.546	22.660	20,3
Cash Loans Market Share	8,0%	8,0%	3 bps	
Securities	28.559	26.844	(1.714)	(6,0)
Deposits	100.756	103.708	2.952	2,9
Shareholders' Equity	14.146	16.536	2.390	16,9
Total Assets	139.944	155.423	15.479	11,1

	2013	2014	YoY Change	YoY Change (%)
Net Profit	2.751	2.206	(545)	(19,8)

	2013	2014
Loans / Deposits	84,2%	98,1%
Loans / Assets	60,6%	65,5%
Non-Performing Loans / Total Loans	2,59%	3,55%

Including interest accruals