

**ŞEKERBANK T.A.Ş.  
THE SECOND QUARTER OF 2015  
INTERIM REPORT**

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### GENERAL INFORMATION

#### Bank's Incorporation Date, Beginning Statue, Changes in the Existing Statue

Şekerbank T.A.Ş. ('the Bank') was founded in 1953 as a Turkish bank with 14 partners in Eskişehir and started its operations under Pancar Kooperatifleri Bankası A.Ş. in Eskişehir and changed its name to Şekerbank T.A.Ş by moving headquarters to Ankara in 1956. 15 % of the Bank shares were offered to public in 1997 and currently 34,19 % of the Bank shares are publicly offered. One of the main Bank's shareholders, Şekerbank T.A.Ş. Voluntary Pension Fund, provides its members with additional social rights and retirement guarantees in the social security system. The Bank has subsidiaries and affiliates in the sectors of finance and tourism.

#### Shareholder Structure

Shareholders	Number of Shares	Nominal Value(TRL)	Share Ratio (%)
Şekerbank T.A.Ş. Voluntary Pension Fund	410.388.833.70	410.388.833.70	35.44%
Samruk Kazyna National Welfare Fund	224.353.416.50	224.353.416.50	19.37%
BTA Securities JSC	126.295.033.47	126.295.033.47	10.91%
Sugar Beet Cooperatives	1.009.312.08	1.009.312.08	0.09%
Publicly Traded	395.953.404.25	395.953.404.25	34.19%
<b>Total</b>	<b>1.158.000.000.00</b>	<b>1.158.000.000.00</b>	<b>100.00%</b>

### INTRODUCTION

Şekerbank reached TL 62,7 million net profit in the first half of 2015. The deposit size of the Bank reached TL 14.263 million; the asset size reached TL 22.272 million. The equity size of the Bank over the same period grew by 14,97 %, reaching TL 2.456 million, while the credit portfolio grew by 11,99 %, reaching TL 15.471 million.

The share of the deposits used as the main funding resource of Şekerbank in the liability side was 64,04 % of the total liabilities and net worth.

## **Message from the Chairman**

Esteemed Shareholders,

For the last seven years, we have been living in a period of global economy dominated by uncertainty and low risk appetite. During the current period, inability to grow has become a problem of the entire world, not only the developing countries.

Based on the IMF predictions after the 3.4 percent global growth in the year 2014, the global growth for this year is predicted at 3.3 percent level. Losing acceleration in growth arise from mostly developing countries. Accordingly, while developing countries achieve growth by 4,6% in 2014, the growth estimations regarding the year 2015 was revised from 5% to 4,2%. Consequently, the growths of the developing countries are anticipated to slow down more with normalization of the FED's monetary policy.

Especially since May 2013 when the first signals of the FED's policy change have been given, we have started feeling the effects of the normalization process directly in Turkish economy. In the upcoming period, Turkey, just like the other developing countries, will continue to be affected by the monetary policies of the leading central banks.

In this regard, after the global crisis we are entering a period when the countries should manage the production and consumption balance in a more austere way, and the cursor must shift to the production side. The era of consumption without production has ended especially in the developing countries. We should produce and support the production as Turkey.

As a bank established 62 years ago to support the production, supporting the agriculture, entrepreneur and local development is the primary goal of Şekerbank. We will set a good example to our sector by supporting the production and consumption by taking care to fulfill the foundation mission of our bank more than ever with our banking understanding based on social development in the coming period.

Yours faithfully,

Dr. Hasan Basri Gökten  
Chairman of the Board of Directors

## Message from the General Manager

Esteemed Stakeholders,

According to the unconsolidated financial statements as of 30.06.2015, we reached TL 62.7 million of net profit in the first half of the year.

Our total credit volume reached TL 15.5 billion, representing a 12 percent annual based increase. The asset size of the Bank reached TL 22.3 billion.

As of the end of the first half of the year, our deposit volume rose to TL 14.3 billion while our equity size approached TL 2.5 billion with a 15 percent growth on an annual basis.

As a bank supporting the production is the foundation mission, in the first half of this year, we continued outgrowing the sector in the agricultural credits. Şekerbank grew by more than 21 percent in the agricultural credits in the first half of the year compared to 16.6 percent growth achieved by the sector. Thus, our market share reached 10,44 percent in the agricultural credits, excluding of the public banks.

Within the scope of Family Farming Banking we supplied almost TL 50 million credit and supported almost 15,000 farmer families in the first half of this year only.

We became the first bank in Turkey which launched QR Code Cheque developed by the CCB (Customer Credit Bureau) with the purpose of the cheque payments' security increase.

Through EKOkredi developed by us to grow up the energy saving and support the sustainability of the natural resources in 2009, we introduced energy efficiency to over 69 thousand people and provided almost TL 613 million finance. We have financed the insulation of almost 95 thousand houses through EKOkredi.

Within the scope of EKOkredi, we undersigned new real sector co-operations to spread base our investments in this area by carrying on our leading role in financing energy efficiency also in this year. In the first half of 2015, we continued to introduce apartment buildings management and individuals with energy saving by providing financing of 133.669 housing in suitable conditions.

We will continue developing pioneer products and co-operations in the fields of our specialization in line with our focal strategy. Besides, we will work harder to support the farmers, real sector and the small and medium-sized enterprises in particular.

Yours faithfully,

Halit Yıldız  
General Manager

## Şekerbank by Numbers

<b>Financial Highlights (TL thousand)</b>	<b>30.06.2015</b>	<b>30.06.2014</b>
Assets	22.272.280	19.706.050
Loans (Net)	15.471.431	13.815.606
Securities	2.599.009	2.119.174
Equity	2.456.333	2.136.457
Deposits	14.263.436	13.256.292
Profit Before Taxation	62.976	96.795
Net Profit	62.705	73.750

<b>Financial Ratios</b>	<b>30.06.2015</b>	<b>30.06.2014</b>
Net Profit / Assets*	0,56%	0,75%
Net Profit / Equity*	5,11%	6,90%
Securities / Assets	11,67%	10,75%
Loans (Net) / Assets	69,46%	70,11%
Deposits / Assets	64,04%	67,27%

\* Annualized

## Explanations Regarding the Chairman and the Members of Board of Directors, General Manager and Executive Vice Presidents and Their Shares in the Bank as of 30.06.2015

<b>Title</b>	<b>Name and Surname</b>	<b>Responsibility Areas</b>
Chairman of the Board of Directors	Dr.Hasan Basri Gökten	Chairman & Executive Board Member, Credit Committee, Corporate Governance Committee, Remuneration Committee
General Manager	Halit Haydar Yıldız	Board Member, General Manager, Credit Committee
Members of the Board of Directors	Victor Romanyuk (*)	Vice-Chairman, Remuneration Committee, Audit Committee
	Emin Erdem	Executive Board Member, Credit Committee
	Erdal Batmaz	Executive Board Member
	Nariman Zharkinbayev	Executive Board Member, Credit Committee
	Halil Can Yeşilada	Corporate Governance Committee, Internal Systems
	Üzeyir Baysal	Independent Director, Remuneration Committee
	Khosrow Kashani Zamani	Corporate Governance Committee
	Murat Ishmukhamedov (*)	Corporate Governance Committee, Audit Committee
	Daniyar Amanov	-

Executive Vice Presidents	Ali Güray Demir	Credit Legal and Managerial Follow -up
	Çetin Aydın	Audit
	Nejat Bilginer	Human Resources
	Nihat Büyükbozkoyun	Operations
	Selim Güray Çelik	Financial Control, Budgeting and Strategic Planning, Corporate Governance Committee
	Gökhan Ertürk	Retail Banking Marketing
	Ramazan Karademir	Internal Control and Risk Management
	Orhan Karakaş	Corporate and Commercial Banking Marketing
	Fatin Rüştü Karakaş	Retail Credit Management
	Salih Zeki Önder	Financial Institutions
	Feyza Önen	Treasury
	Hüseyin Serdar	Support Services
	Ahmet İlerigelen	Corporate and Commercial Credit Management and Follow-Up

(\*) According to Communiqué Regarding Determination and Enforcement of Corporate Governance Principles of CMB, Serial: IV No: 56, Audit Committee members of the banks are accepted as independent members of the Board of Directors. Murat Ishmukhamedov and Victor Romanyuk are Audit Committee Members of the Bank.

The Chairman of the Board of Directors Dr. Hasan Basri Gökten has total shares of 0.05 % in nominal, amounting to TRL 577 thousand; Khosrow Kashani Zamani who is the Board of Directors Member has total shares of 0.013 % in nominal, amounting to TRL 148 Thousand which they obtained from public offering.

### **Summary on the Bank's Services and Fields of Activity**

The Bank's fields of activities cover extension of all kinds of cash and non-cash loans in Turkish Lira and foreign currencies, carrying out capital market transactions, accepting deposits in TL and FC and providing other banking services. As of 30 June 2015, the Bank provides service with 4.252 staff through 312 branches domestically.

### **Significant Developments**

In June 2015 the simultaneous transfer of the assets and liabilities between our Bank's indirect shareholder Kazkommertsbank JSC ("KKB") and its subsidiary BTA Bank JSC ("BTA") has been finalized under the approval of the Kazakh Central Bank, and as a consequence of this transaction, the BTA Securities JSC, which was 100% subsidiary of the BTA and has 10,91% share in our Bank's capital, has been transferred to the KKB. As a result of this transaction, the rate of the share held indirectly by the KKB in our Bank's capital has risen from 10,81% to 10,91%.

Şekerbank has acquired the syndication loan in the amount of US\$ 134,6 million composed of two separate tranches of US\$ 54 million and € 71 million with maturities of 364 and 367 days, respectively. The loan agreement has been signed on June 24, 2015. The total cost of the loan to be used for finance of the foreign trade is LIBOR/EURIBOR+ 1,20% for 364 days and LIBOR/EURIBOR+ 1,30% for 367 days.

Şekerbank has acquired US\$ 75 million loan with 5-year maturity from the IFC (International Finance Corporation). The agreement for this loan has been signed on 13.07.2015, and the loan will be used for financing SMEs, micro-enterprises, agricultural enterprises and farmers.

The increase of the Bank's paid-in capital from TL 1.087.186.884 to TL 1.158.000.000 by TL 45.813.116 through contribution in cash and by TL 25.000.000 from the internal resources as contribution in kind has been registered by the Istanbul Trade Registration Office on 15.07.2015, thus completing the capital increase process.

JCR Eurasia Rating has affirmed the credit ratings of Şekerbank T.A.Ş. as 'AA-(Trk)' on the Long Term National Scale and as 'BBB-' on the Long Term International Foreign and Local Currency Scales along with 'Stable' outlook.

### **Financial Standing, Profitability, and Solvency**

Şekerbank posted TL 63 million net profit in the first half of 2015, whereas its assets reached TL 22.272 Million increasing by 5,12 % since 2014 year-end. Loans reached 69,46% of the total assets as of June 30, 2015.

Securities portfolio has been increased by 7,06 % since December 31, 2014, reaching TL 2.599 million. The share of deposits of the Bank has reached 64,04 % of the liabilities and net worth. The Bank's equity is TL 2.456 million as of June 30, 2015.

The Bank posted TL 522 million as net interest income and TL 142 million as net fee and commission income. The Bank's branch network of 312 branches with a presence all around the country, broad customer and deposit base have positive impacts on the Bank's performance.