

Halkbank shows steady and lucrative growth in the third quarter.

As a result of sustainable profitability and efficiency strategies, Halkbank has earned a net profit of 1,541 million Turkish lira for the nine months ended 30 September 2011. Aiming for 25 percent loan growth in 2011, the bank has achieved parallel growth at the end of the third quarter and total loan volume now stands at 72 billion Turkish lira. With a 12.2 percent market share, Halkbank retains its position as the market leader in SME loans. Its ROE also stands at 26.2 percent.

Halkbank continued extending loans and growing in the loans market for the nine months of 2011. In line with its 2011 target (25 percent increase in loans), the Bank's total loans rose to 72 billion Turkish lira as of the end of September. Thus, the total loans of Halkbank have achieved a 26-percent-growth year-to-date and a 36-percent-growth compared to the same period last year. With a 24 percent increase compared to the end of 2010, cash loans total 55 billion Turkish lira. Currency-adjusted cash loan growth has been 19 percent. Total assets have increased to **90.7 billion** Turkish lira as of September, 2011 from 72.9 billion Turkish lira in 2010. With this performance, Halkbank has increased net profit to 1.541 billion Turkish lira over the nine months of the year.

Halkbank General Manager **Süleyman Aslan** stated that Halkbank continues to support real sector with efficiency-oriented strategies and that the 26.2 percent ROE speaks for itself. Emphasizing their target of a loan growth parallel to sector in the last quarter of 2011, **Aslan** added:

“In the current environment of increasing volatility in international markets, by closely monitoring global economic developments instead of just scale banking, we follow a lending strategy in compliance with the Turkish economy and banking system priorities. We are one of the leading competitors who always foresee challenges in advance. Maintaining success as the most profitable bank in Turkey in terms of profit/capital ratio, our Bank will continue to display sustainable growth in last quarter of the year.”

SMEs prefer Halkbank

Halkbank's commercial loans, including SME loans, increased 23 percent in nine months of the year and 33 percent compared to the same period in 2010. As a result, commercial loans (including SME loans) now make up 73 percent of Halkbank's total cash-loans.

Underlining Halkbank's pioneer qualities and leading position in SME banking with a 12.2 percent market share, **Aslan** also stated, **“SMEs know and trust us. We are on their side even during their hard times and we offer solution-oriented approaches over the course of the loan process. Thus, while our loan volume has increased, our non-performing loan ratio has retreated to 2.9 percent as of September 2011.”**

Halkbank continues to draw foreign investors' interest

Our impressive financial figures for the first half of the year and our high quality assets enabled our shares to become very popular among foreign investors. Underlining foreign investors' 650 million dollar net purchase on Istanbul Stock Exchange and drastic drops in the overseas markets in September, **Aslan** said that Halkbank has in fact become one of the most sought-after companies for foreign investors. **Aslan** continued: **“As a result of successful financial outcomes and sustained support to real economy, Halkbank is considered as one of the most valuable brands in Turkey.”**

Halkbank has expanded faster than any competitor with the opening of 60 new branches so far this year. **Aslan** said, “Our branch policy will be ongoing in compliance with requirements of economic conjuncture and in parallel with our rivals in sector for the rest of the year.”

28% growth in retail loans

Halkbank continues to progress with success in retail loans in the nine months of 2011. The Bank achieved 28 percent year-to-date increase at the end of September, 2011 and at present, retail loans make up 27 percent of the cash loan portfolio.

HALKBANK Q3 (SEPTEMBER) 2011 FIGURES

TRY million

	Sep.10	2010	Sep.11	YtD Difference	YtD Difference %
Cash Loans	40,618	44,296	55,035	10,739	24.2
Commercial Loans	30,266	32,818	40,334	7,516	22.9
Retail Loans	10,351	11,479	14,701	3,222	28.1
Non-Cash Loans	11,935	12,726	16,585	3,858	30.3
Total Loans	52,553	57,023	71,619	14,596	25.6
Market Share in Cash Loans	8.4%	8.3%	8.1%	-17 bps	
Securities	20,744	20,207	22,469	2,262	11.2
Deposits	51,655	54,782	62,314	7,532	13.7
Shareholders' Equity	6,984	7,445	8,299	854	11.5
Total Assets	69,581	72,942	90,714	17,771	24.4

	Sep.10	2010	Sep.11	YoY Difference	YoY Difference %
Profit	1,511	2,010	1,541	30	2.0

	Sep.10	2010	Sep.11
Loan/Deposits	78.6%	80.9%	88.3%
Loan/Assets	58.4%	60.7%	60.7%
Non-Performing Loans/Total Assets	4.1%	3.8%	2.9%

Including Interest Accruals.