

**ŞEKERBANK T.A.Ş.
THE THIRD QUARTER OF 2011
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 31.96 % of the Bank shares are publicly offered. Bank's One of the main 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.

Business activities of the Bank include extending of all kinds of cash and non-cash loans in Turkish Lira and foreign currency and carrying out capital market transactions, accepting deposits in TRY and FC and providing other banking services.

Shareholder Structure

Shareholders	Number of Shares	Nominal Value(TRY)	30.09.2011 % of Shares
Şekerbank T.A.Ş. Voluntary Pension Fund	339.787.080,00	339.787.080,00	33,98
BTA Securities JSC *	339.787.080,00	339.787.080,00	33,98
Sugar Beet Cooperatives	835.677,57	835.677,57	0,08
Publicly Traded	319.590.162,43	319.590.162,43	31,96
Total	1.000.000.000,00	1.000.000.000,00	100

* Preemptive rights and rights to vote for 339.787.080 shares of Şekerbank T.A.Ş. owned by BTA Securities JSC are registered by the Central Registry Agency on behalf of "Samruk-Kazyna", the Kazakhstan Government Welfare Fund, under the trust management agreement.

INTRODUCTION

Şekerbank reached TRY 56 Million net profit as of end of the third quarter of 2011. The deposit size of the Bank grew by 35,97 % YoY, reaching TRY 9.395 Million.

The asset size grew by 40,65 % YoY, reaching TRY 14.988 Million. The equity size of the Bank over the same period grew by 3,83 %, reaching TRY 1.394 Million, while the credit portfolio grew by 27,92 %, reaching TRY 8.900 Million.

The share of the deposits used as the main funding resource of Şekerbank in the liability side reaches 62,68 % of the total liabilities and net worth, while 94,74% of the deposits has been used as financing source.

Message from the Chairman

With its equity of almost TRY 1.5 billion, assets size of TRY 15 billion and robust balance sheet structure, Şekerbank is one of the cornerstones of the Turkish banking sector today. In the last decade, we have increased the size of our assets by 5-fold and our equity by 10-fold thanks to the focused areas in line with our mission.

What is more important, however, is the special position Şekerbank has gained in the sector thanks to its unique strategy, difference, focal areas and its corporate culture covering its all social stakeholders. We have gained special place in the sector in terms of both our strong location structure and set strategies for the business activities.

Many of our branches serving in 70 cities and 199 districts across Turkey have long history of 50-55 years in their current locations, and the large part of customers have been working with our bank for several generations. Capabilities of our branch personnel to act as local habitants, our widespread and robust customer profile, and their trust in our bank constitute the most important components of our brand.

Due to the above mentioned facts, we appreciate that data regarding our bank's deposit base strength and more importantly, its growth since 70's and 80's till today has been reflected in our current balance sheet.

According to our nonconsolidated balance sheet as of 30/09/2011, our deposit volume has increased by 36 percent year over year, while our total loan volume has increased by 28 percent in the same period. Looking at the period since the yearend, the deposits' volume has grown faster than the loans.

56 percent of the retail customers' deposits are widespread time deposits . As for the numbers of customers, we have reached thousands of saving depositors especially in Anatolia. In fact, 97 percent of our total retail deposit customers are those, having deposits up to TRY 250,000.

Being aware of the fact that the customer base we reached with our saving-incentive products is very important for our bank and our country alike, we are intensifying our works in this area.

In the year 2011, we have realized the longest term bond issuance among the commercial banks, made domestically thus far. The demand exceeded issued amount by two times, while 92% of total applications, covering 42% of total issued amount, were received by branches from the retail investors.

By developing the banking products in line with the declared priorities and strategies, we are growing together with Turkey and increasing the value of our brand.

We provide support not only in the big cities but also regions wise across Anatolia, not only to the big companies, but also to the small enterprises, entrepreneurs and farmers.

It is our topmost priority to maintain and develop that strong tie created with our customers who are the most important component of our brand value, we will continue to serve our widespread customer segments and ensure that their small savings rise in value in our bank.

Regards,

Dr. Hasan Basri Gökten

Chairman of the Board of Directors

Message from the General Manager

We have been serving in line with the Community Banking mission and “standing by the producers in good times and in bad times” for the last 58 years. Thus, we have been continuing to be differentiated in the market for our innovative products and services we create using our know-how concerning the farmers, craftsmen, small enterprises and becoming a comrade for our customers in their working lives. We support the growth based on dynamic production through backing up entrepreneurs, micro enterprises, farmers, and SMEs, which we consider to be the main contributors into the social development and the real producer segment in our country.

In line with these aspects we used our expertise to outgrow the sector in the Small Business and Agriculture Banking, increasing our market share within the last 2 years.

Our strategy aiming to support the producers has also been reflected in our balance sheet as of 30/09/2011. In comparison with the same period of the previous year, the loan portfolio grew 28 per cent, reaching TRY 8.9 billion, the major part of which has been provided to the producer segment of the country. Thus, the size of the assets has reached TRY 15 billion, being 41 percent year-on-year increase.

The net profit increased by 140 percent comparing to the second quarter of 2011, and such success is based on our familiarity with the regions.

Among 62% of the branches located in Anatolia 29 branches are operating there more than 50 years and 22 branches - more than 40 years, meaning they have been serving there for approximately a half of the century. A half of the total loan portfolio includes entrepreneurs, micro enterprises, farmers, and SMEs. Thus, we have 420,000 customers in the Small Business and Agriculture Banking, 250,000 of which are small enterprises and entrepreneurs and 170,000 are farmers.

Additionally, each year we organize two long-run field trips separately for farmers, entrepreneurs and small enterprises and visit tens of cities, hundreds of villages in Turkey to introduce our services to the customers face to face and as a result of these trips we develop products exclusively tailored to the needs of the region.

Within this framework, under Hasat Card Anatolia Tour we have visited 5,043 villages till today and met with 152,411 farmers one by one . In addition, within the scope of the Small Business Banking Anatolia Tour, we have visited 46 cities in 2010 and 63 cities in 2011, meeting with 21,625 customers in total.

Expertise and familiarity with the regions are becoming more important in our sector , therefore, by improving our strengths, which differentiate Şekerbank T.A.Ş., we will continue our works focusing on profitability and differentiation in competition .

Respectfully,

Meriç Uluşahin

General Manager

Şekerbank by Numbers

Financial Highlights (TRY thousand)	30.09.2011	31.12.2010	30.09.2010
Assets	14.987.514	11.369.104	10.656.051
Loans (Net)	8.899.988	7.518.656	6.957.304
Securities	3.734.665	2.507.739	2.518.136
Equity	1.394.446	1.400.497	1.342.963
Deposits	9.394.595	7.698.664	6.909.213
Profit Before Taxation	82.484	214.111	133.896
Net Profit	55.833	170.247	103.952

Financial Ratios	30.09.2011	31.12.2010	30.09.2010
Net Profit / Assets*	0,50	1,50	1,30
Net Profit / Equity*	5,34	12,16	10,32
Securities / Assets	24,92	22,06	23,63
Loans (Net) / Assets	59,38	66,13	65,29
Deposits / Assets	62,68	67,72	64,84

* Annualized

Chairman and the Members of Board of Directors, Statutory Auditors, General Manager as of 30.09.2011

Name	Title
Dr. Hasan Basri GÖKTAN *	Executive Chairman of the Board of Directors
Arman DUNAYEV	Vice Chairman of the Board of Directors
Meriç ULUŞAHİN	Member of the Board of Directors, General Manager
Emin ERDEM	Executive Member of the Board of Directors
Tatiana Alekseevna FILIPPOVA	Executive Member of the Board of Directors
Erdal BATMAZ	Executive Member of the Board of Directors
Halil Can YEŞİLADA	Member of the Board of Directors
Anvar SAIDENOV	Member of the Board of Directors
Erdal ARSLAN	Independent Member of the Board of Directors
Khosrow Kashani ZAMANI *	Independent Member of the Board of Directors
Ulf WOKURKA	Independent Member of the Board of Directors
Kamil ÖZDEMİR	Statutory Auditor
Hasan Şahin CENGİZ	Statutory Auditor
Ülfet CİNBİŞ	Statutory Auditor

(*)Chairman of the Board of Directors Dr. Hasan Basri Göktaş holds shares (0.05%) with a nominal value of TRY 501 Thousand, Khosrow Kashani Zamani, member of the Board of Directors, holds shares (0.022%) with a nominal value of TRY 222 Thousand acquired at the public offering.

Executive Vice Presidents as of 30.09.2011

Name	Title
Abdullah Yücel AKBULUT	Administrative Follow up Executive Vice President
Çetin AYDIN	Financial Control and Operations Executive Vice President
Nejat BİLGİNER	Human Resources Executive Vice President
Zafer ERSAN	Audit Executive Vice President
Murat ISHMHAMEDOV	Risk Management Executive Vice President
Ramazan KARADEMİR	Credit Management Executive Vice President
Orhan KARAKAŞ	Commercial Banking Executive Vice President
Cem MURATOĞLU	Corporate Banking and Project Finance Executive Vice President
Salih Zeki ÖNDER	Financial Institutions Executive Vice President
Abdurrahman ÖZCİĞER	Retail Banking Executive Vice President
Hüseyin SERDAR *	Support Services General Secretary
Tanol TÜRKÖĞLU	IT Executive Vice President
Halit Haydar YILDIZ	Small Enterprises Executive Vice President

(*General Secretary Hüseyin Serdar holds shares (0.003%) with a nominal value of TRY 26.7 Thousand acquired at the 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 TRY and FC and providing other banking services. As of 30 September 2011, the Bank provides service with 3.468 staff, 266 branches in the country.

Significant Developments

Increase of paid-in-capital of the Bank from TRY 750.000.000 to TRY 1.000.000.000 through adding of TRY 250.000.000 reserves has been registered by the Trade Registry and after publishing in Turkish Trade Registry Gazette, capital increase transaction has been finalized as of July 12, 2011.

Şekerbank applied to the Capital Markets Board of Turkey in order to issue Asset Covered Bonds up to TRY 800 million to the foreign qualified investors. Based on the approval of CMBOT, the related documents regarding the first tranche of issuance of Asset Covered Bonds have been signed between Şekerbank T.A.Ş. and qualified investors.

First tranche of the issuance of Asset Covered Bonds with the amount of TRY 227.500.000 has been finalized, and the investors of the first tranche of issuance are International Finance Corporation (IFC), Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO) and Unicredit Bank AG.

Aid and Donations

The aid and donations given as of end of the third quarter of 2011 is TRY 110.706.

Financial Standing, Profitability, and Solvency

Şekerbank posted TRY 56 Million net profit as of end of the third quarter of 2011, whereas its assets grew by 31,83 % in comparison with December 31, 2010, reaching TRY 14.988 Million. Loans reached 59,38% of the total assets as of September 30, 2011.

As of September 30, 2011 securities portfolio has increased by 48,93 % since 2010 year end, reaching TRY 3.735 Million.

The share of deposits of the Bank has reached 62,68% of the liabilities. The Bank's equity is TRY 1.394 Million as of September 30, 2011.

The Bank posted TRY 366 Million as net interest income and TRY 129 Million as net fee and commission income.