

H1 2010 Earnings Presentation

BRSA Bank Only



Macro Outlook

- > GDP at 11.7% YoY in Q1 is the highest figure among OECD countries.
- > Industrial Production Index up 15.6% YoY, signaling high single-digit GDP growth in Q2 2010.
- > Turkey in better shape with respect to Public Debt Stock / GDP and Budget Deficit / GDP ratios (49% and -4.9% respectively according to Mid-Term Program).
- > Negative inflation figures for two consecutive months (May & June) support our view that there will be no CBRT interest rate hikes rest of 2010.
- > CAD weighs in at USD 3 bn in May 2010 with 12-month cumulative total of USD 26.2 bn.
- > Recovery creating more jobs: Official unemployment rate down to 12% in April.

Banking Sector Outlook

- > Appetite to borrow and also to lend surges thanks to sharp recovery and increased optimism.
- > Loans up 9.4% QoQ bringing industry-wide YtD growth to 16.1%. TRY loans increased 15.8% while FX loans rose 11.0% in USD terms.
- > Deposits up 10.4% YtD with total figure up 5.9% on a quarterly basis. Entire increase on TRY side (up by 15.5%) while FX deposits down 4.5% on USD basis.
- > Overall loan/deposit ratio is 82.7% (87.7% in TRY and 71.7% in FX).
- > General-purpose consumer loans and mortgage loans driving retail segment growth.
- > SME lending gains momentum throughout the banking industry.
- > NPL ratio down to 4.3% (from 4.8% in Q1), thanks both to collections and to strong loan growth.
- > Elevated competition driving NIM down. Further NIM contraction likely in Q3.
- > NPL recoveries and lower provisions contributed to stronger net income.
- > Banking sector ROE around 22% as of May.
- > CAR still robust at 19.5% in May.

H1 2010 Highlights

High growth figures supported by sustainable profitability

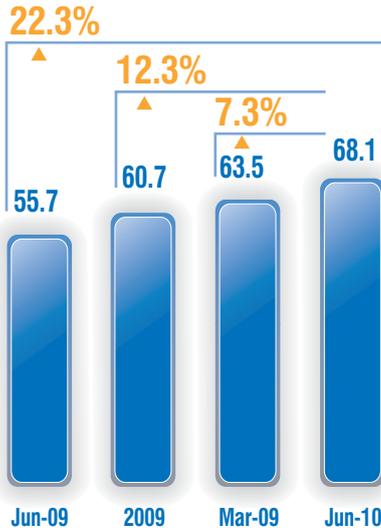
- > Brilliant net income performance with **31.5%** YoY increase to TRY 1,035 mn.
- > 6th consecutive quarter over **32%** ROE; annualized ROE of H1 2010: **34.2%**.
- > 12.3% YtD rise in total assets driven mainly by loan expansion (ROA: **3.2%**).
- > Q2 loan growth accelerated: 9.6% QoQ, **17.9%** YtD. Total loan book reached TRY 38.3 bn.
- > Total deposits surge **16.6%** YtD to TRY 51.2 bn. Q2 demand deposit share 12.0% up from 11.2% in Q1 2010.
- > Improvement in asset quality driven by 40 bps decline in NPL ratio (NPL: 4.3%).
- > CoR declined 60 bps to 0.7% QoQ thanks to improvements in economic environment.
- > Strong (14.9% YoY) rise in net interest income yields 5.6% NIM.
- > Net fees and commissions up **25.1%** YoY thanks to increasing momentum in foreign trade and lending.
- > Total operating revenues and net operating income up **20.2%** and **19.1%** YoY respectively.
- > **31.5%** cost/income ratio is the main indicator of efficiency.
- > 15.1% CAR well above 12% threshold.

Uninterrupted growth in assets well supported by loan expansion

ASSET GROWTH

YoY 22.3% YTD 12.3%

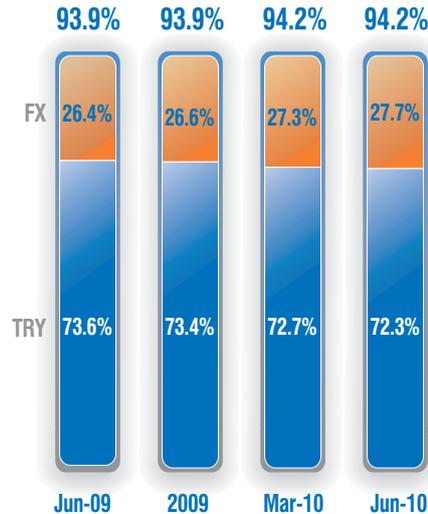
Total Asset Growth (TRY billion)



IEA

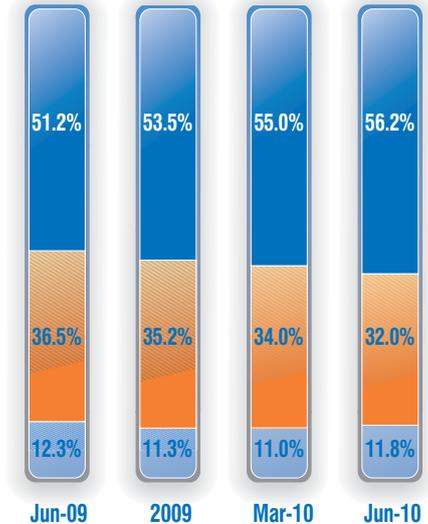
94.2%

Composition of IEAs (a)



Asset Mix (%)

- Loans
- Securities
- Other Assets

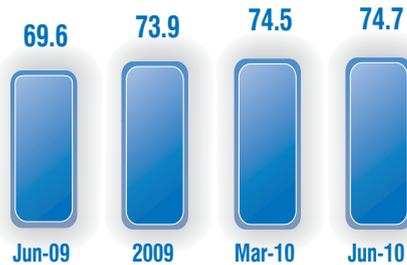


(a) Including interest accruals and excluding fund loans

L/D ratio tolerates strong growth in lending

Loan to Deposit (%)

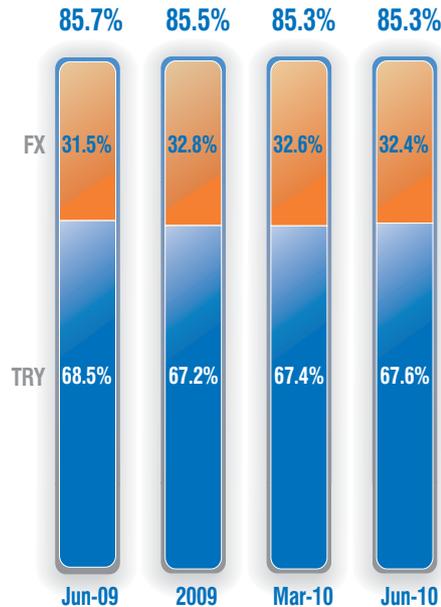
● Total L/D



● TRY L/D ● FX L/D

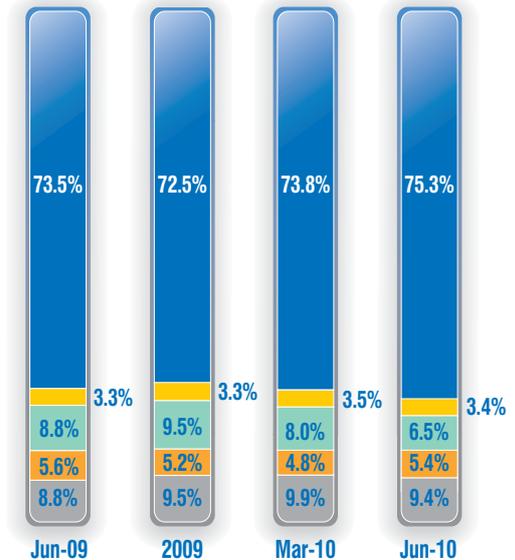


Composition of IBLs (a)



Liabilities Mix (%)

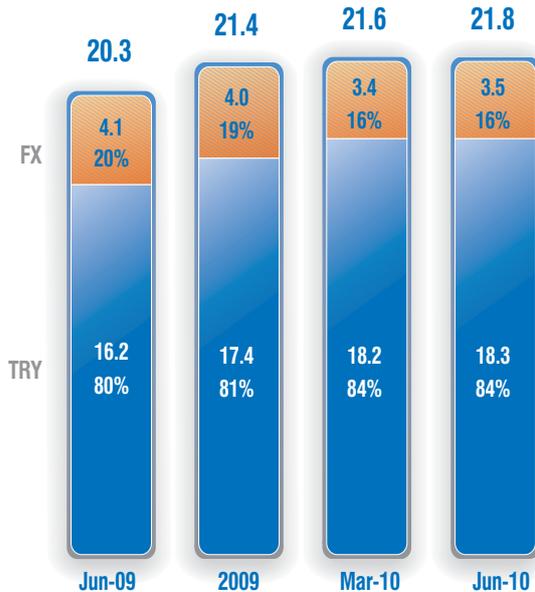
● Deposits ● Funds Borrowed ● Interbank Money Market ● Other Liabilities ● Shareholder's Equity



(a) Including interest accruals and excluding funds, excluding demand deposit, the share of IBL is 76% in Jun-10

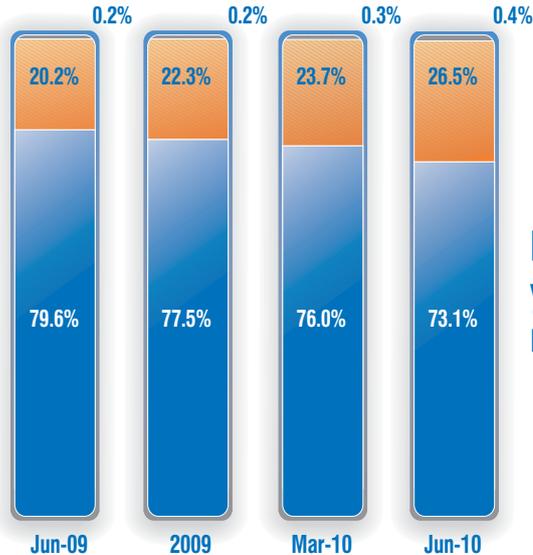
Securities redemption will be redeployed in higher yielding assets

Securities Portfolio ^(a) (TRY billion)



Composition of Securities

● HTM ● AFS ● Trading

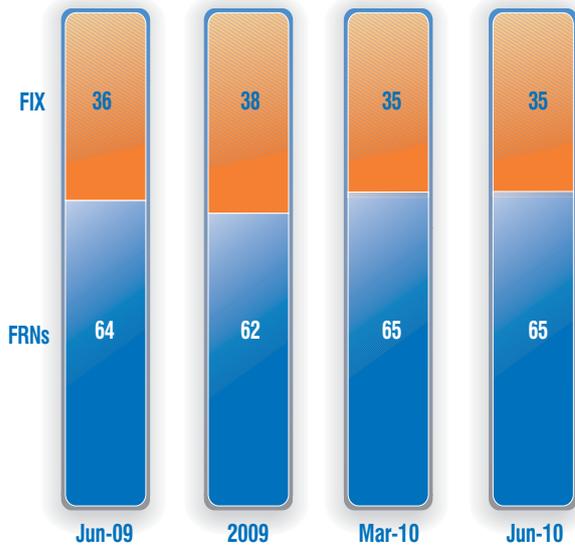


For the rest of the year, TRY 4.4 bn redemptions expected.

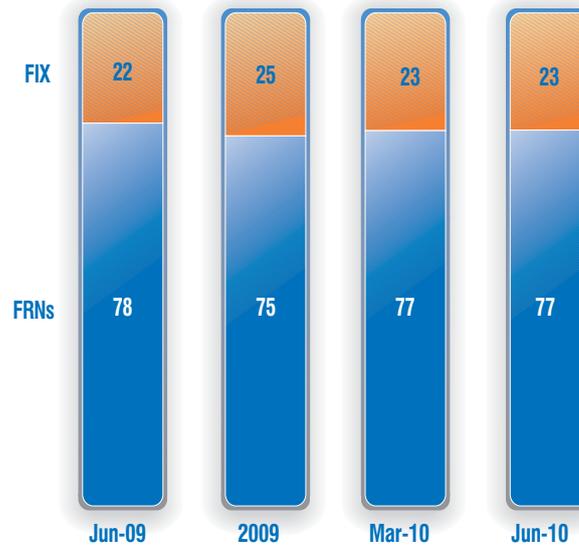
(a) FX indexed securities are booked as foreign currency

Securities portfolio still dominated by FRNs

Total Securities Portfolio ^(a) (%)



TRY Securities Portfolio ^(a) (%)



**CPI-linkers
constitute
11.2% of total
securities.**

(a) Excluding interest accruals

Strengthening our presence all around the country

Loans Q1 2010 (a)

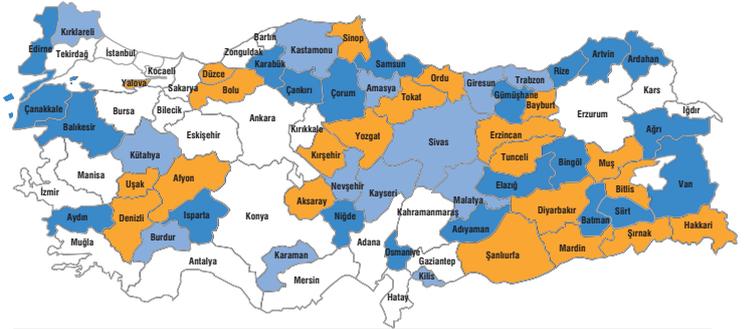


- #1 in 44 provinces
- #2 in 20 provinces
- #3 in 6 provinces
- 11 provinces not ranked in the first three

Loans - # of provinces ranked no 1 in Q1 2010

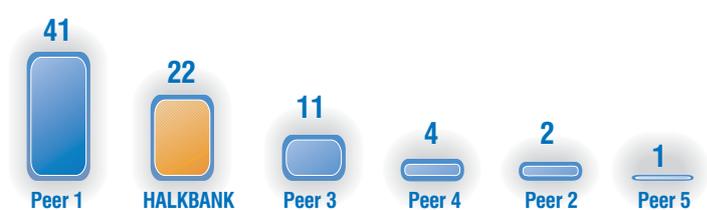


Loans 2008 (a)



- #1 in 22 provinces
- #2 in 22 provinces
- #3 in 13 provinces
- 24 provinces not ranked in the first three

Loans - # of provinces ranked no 1 in 2008 YE



Source: 31.03.2010 & 31.12.2008 BRSA data

(a) Ranking among listed banks

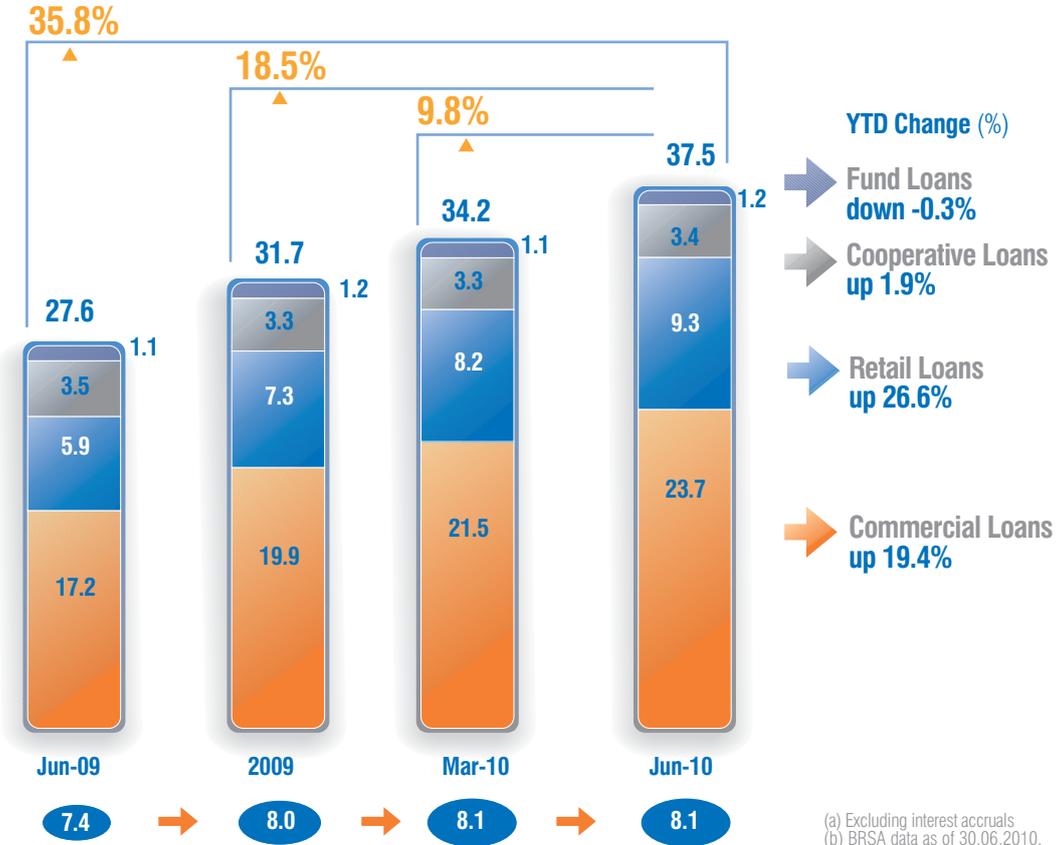
Primary contributors to growth have been the retail and commercial segments

(TRY billion) ^(a)

TOTAL LOANS
HALKBANK B. SECTOR ^(b)
 YTD **18.5%** YTD **16.1%**

TRY LOANS
HALKBANK B. SECTOR ^(b)
 YTD **17.2%** YTD **15.8%**

FX LOANS
HALKBANK B. SECTOR ^(b)
 YTD **22.0%** YTD **17.0%**
in USD terms
 YTD **15.7%** YTD **11.0%**



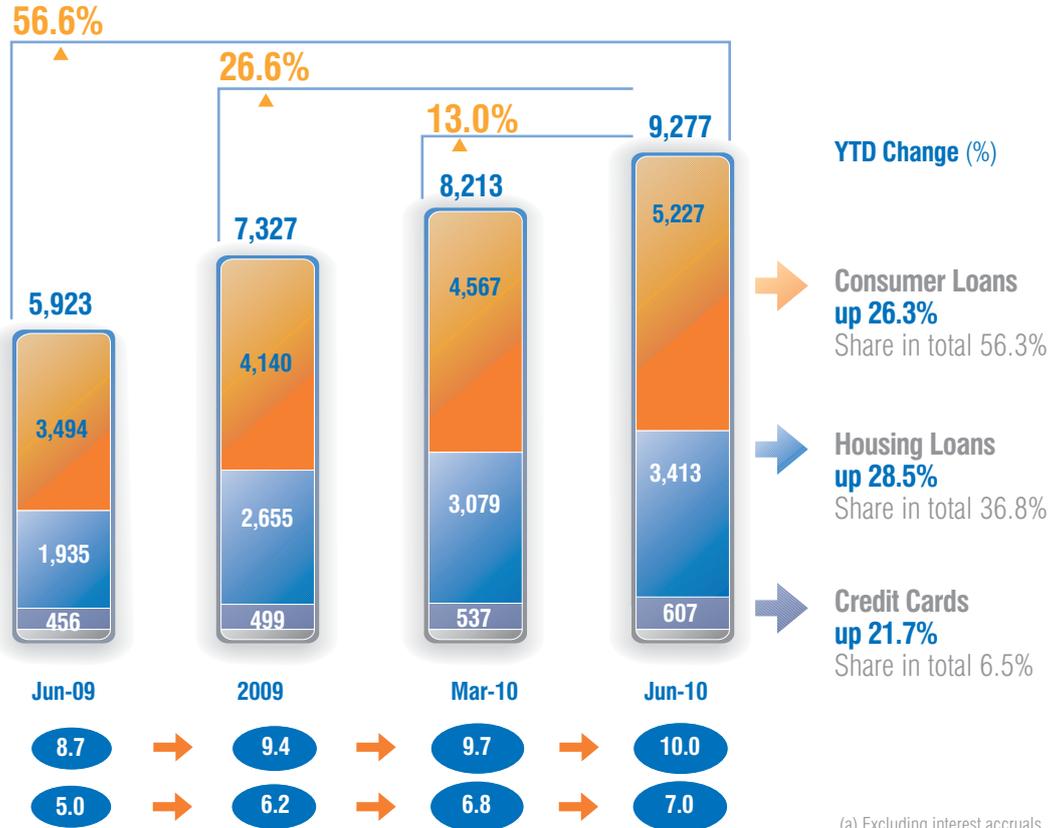
(a) Excluding interest accruals
 (b) BRSA data as of 30.06.2010.

Consumer loans and mortgages are the main drivers of solid growth

(TRY million) ^(a)

HALKBANK
YTD **26.6%**

B. SECTOR
YTD **13.4%** ^(b)



(a) Excluding interest accruals
(b) CBRT data as of 25.06.2010.

Retail lending gets bigger share of total loan book

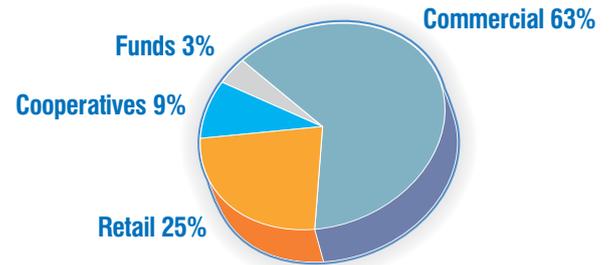
Loans by Currency ^(a) (TRY million)



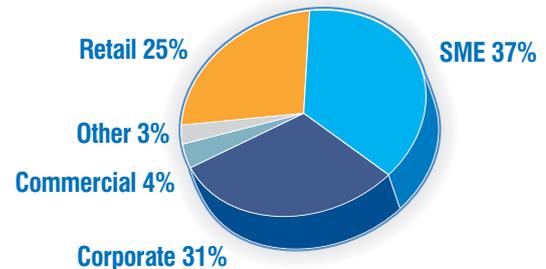
Market Share in Loans by Currency (%)



Loans By Types



Loans By Customer Segmentation

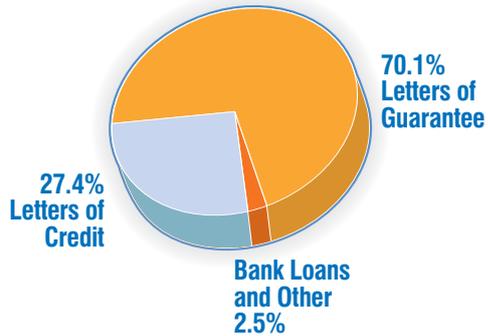


(a) Excluding interest accruals

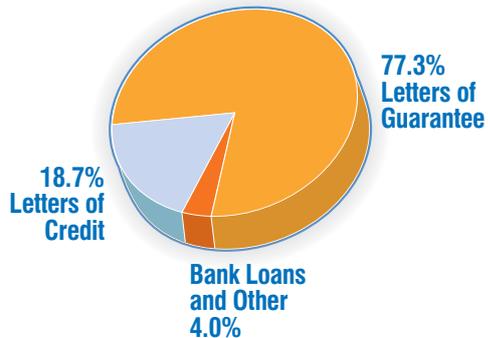
Increased market share in non-cash lending

Breakdown of Non-cash Loans (a)

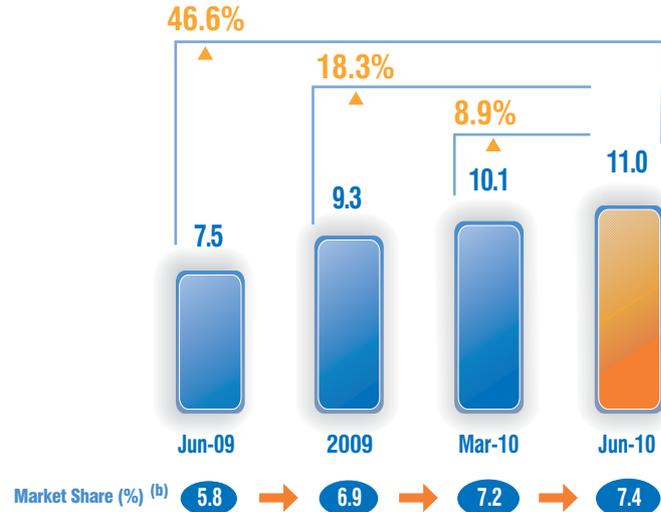
(Jun-10)



(Jun-09)



Non-cash Loans (a) (TRY billion)



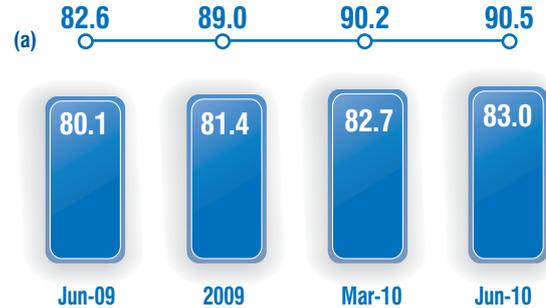
(a) Guarantees, Warranties (b) BRS data as of 30.06.2010

NPLs stay flat while CoR continues to decline

NPL Portfolio (TRY million)



NPL Coverage (%)



NPL/Total Loans (%)



Loan Loss Provisions/Average Net Loans (%)

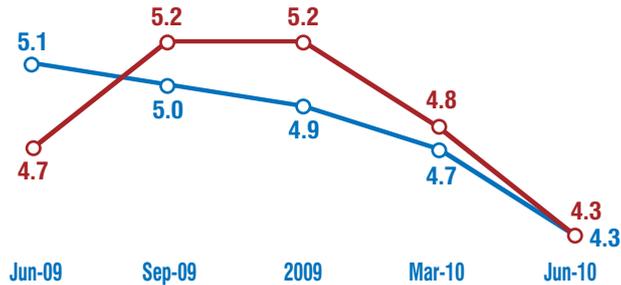


(1) Total NPL ratio (2) Excluding effect of legacy of year 2001 and before NPL's

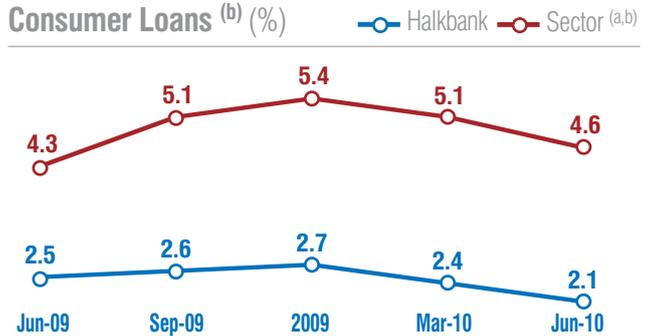
(a) Including discretionary provisions (b) Q2 2010: 0.7%

Asset quality well-preserved across all segments

NPL/Total Loans ^(a) (%)



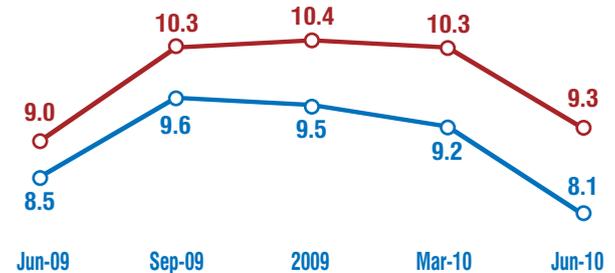
Consumer Loans ^(b) (%)



SME Loans (%)



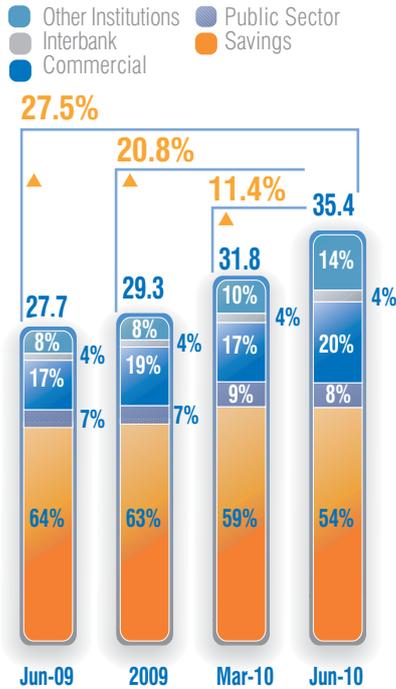
Credit Cards ^(b) (%)



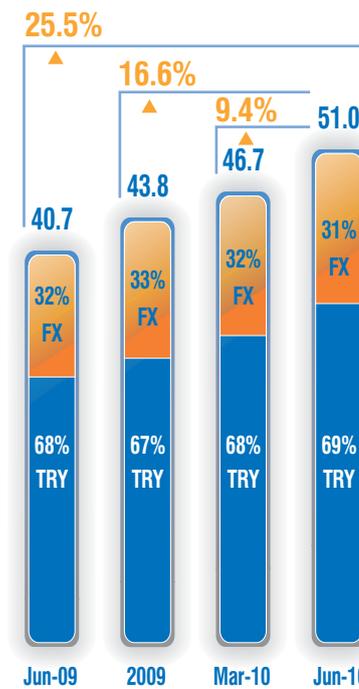
(a) BRSA data as of 30.06.2010. (b) CBRT data as of 25.06.2010. (c) BRSA data as of May 2010.

Demand deposits surge along with increased market share in deposits

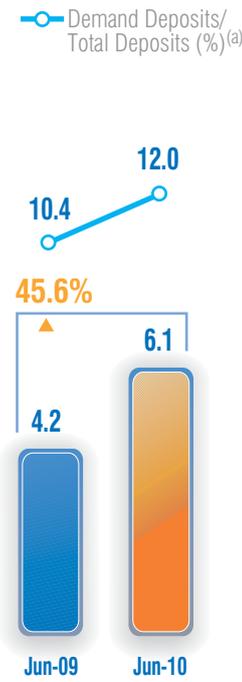
TRY Deposits by Types (a)
(TRY billion)



Total Deposits by Currency (a)
(TRY billion)



Demand Deposits
(TRY billion)



TOTAL DEPOSITS

HALKBANK B.SECTOR (b)
YTD **16.6%** YTD **10.4%**

TRY DEPOSITS

HALKBANK B.SECTOR (b)
YTD **20.8%** YTD **15.5%**

FX DEPOSITS

HALKBANK B.SECTOR (b)
YTD **8.1%** YTD **0.7%**

in USD terms

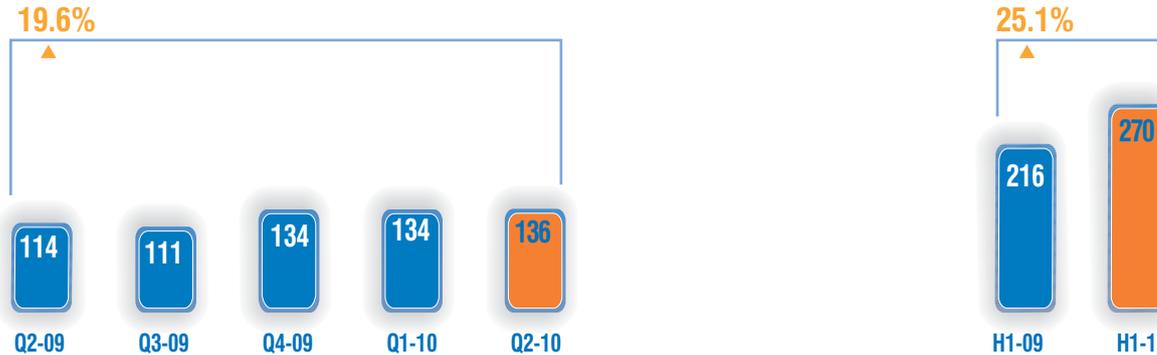
YTD **2.5%** YTD **-4.5%**



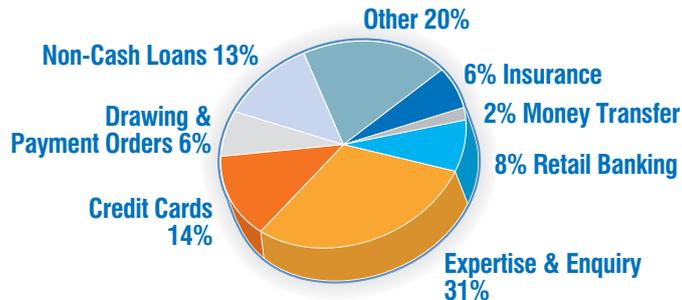
(a) Excluding Interest Accruals (b) BRSA data as of 30.06.2010

Fees and commissions income continues to grow: more than 25% YoY

Net Fees & Commissions Income (TRY million)



Breakdown of Fees & Commissions Income

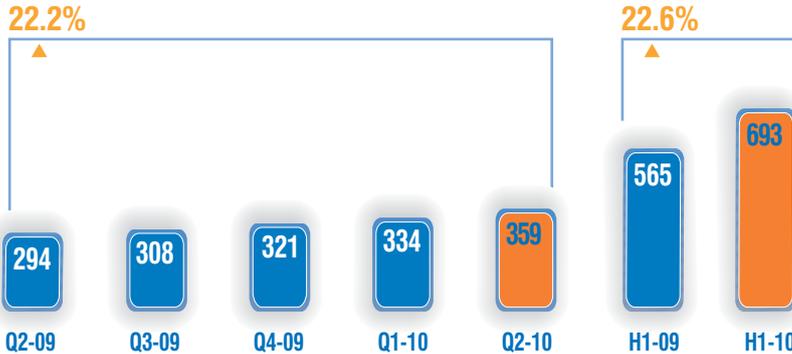


Net Fees & Commissions Income/Total Operating Revenues (%)

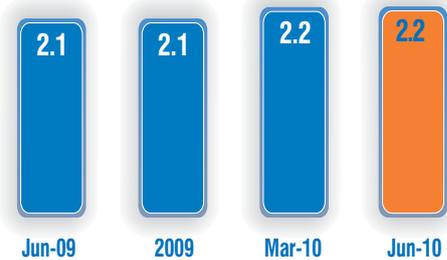


Controlled rise in operating expenses after focusing more on core banking activities

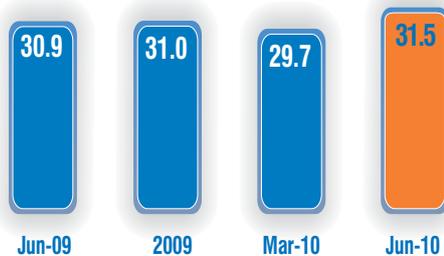
Operating Expenses (TRY million)



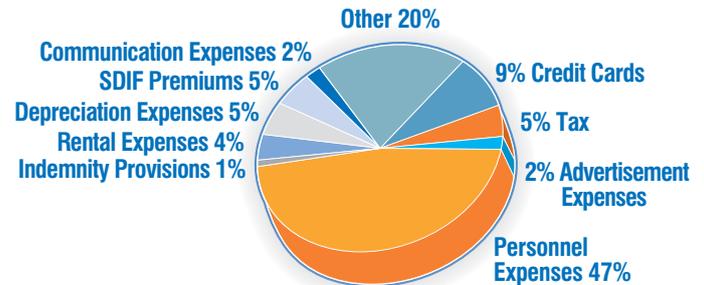
Operating Expenses/Average Assets (%)



Cost/Income (%)



Breakdown of Operating Expenses

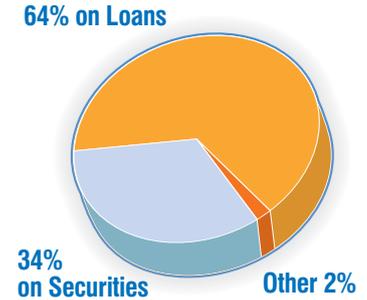


Net interest income increased by 14.9% YoY

Net Interest Income (TRY million)



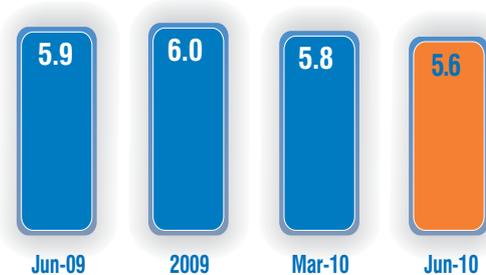
Breakdown of Interest Income



Interest Income (TRY million) — On Securities — On Loans

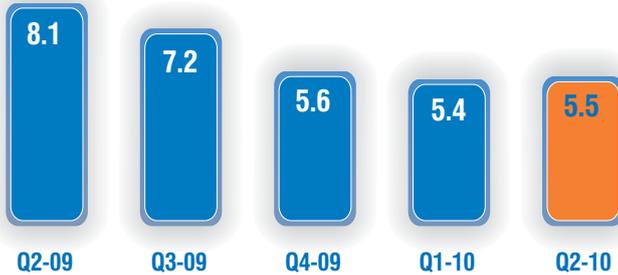


NIM (%)



Cost-Yield-Spread (a)

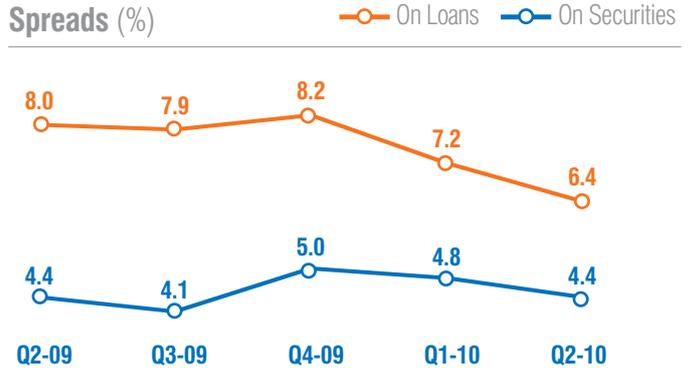
Cost of Deposits (%)



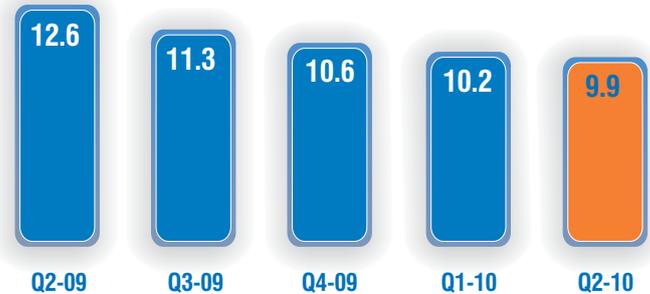
Yield on Loans (b) (%)



Spreads (%)



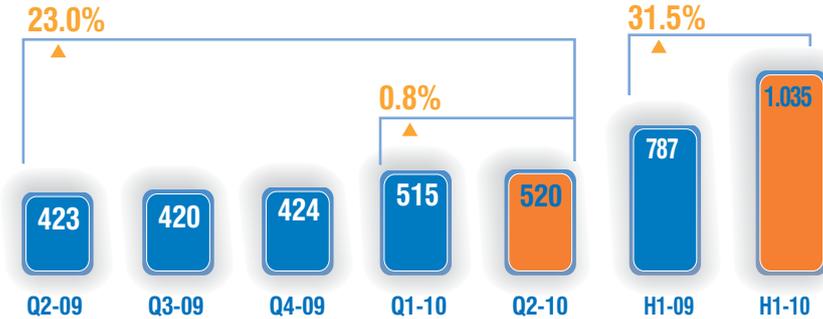
Yield on Securities (%)



(a) TRY-FX blended (b) Excluding fund loans

Net Income - Key Ratios

Net Income (TRY million)



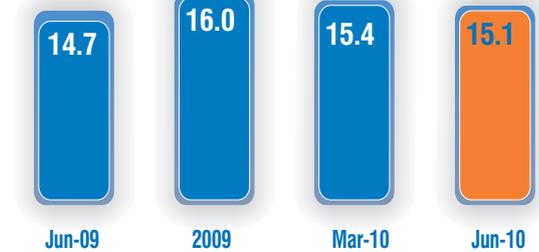
ROE (%)



ROA (%)



CAR (%)

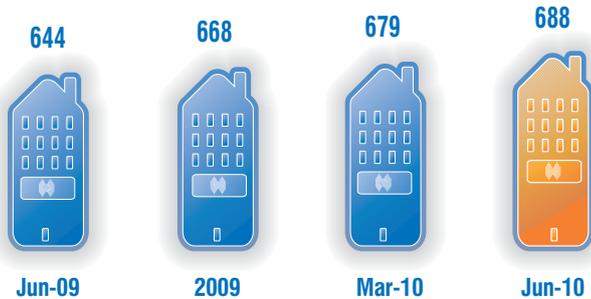


Branch Network – Human Resources



- **Branch network strengthened with 20 new branches opened in the H1 2010. The total number reaches 688.**
- **1,687 new employees recruited in H1 2010.**

Total Branches ^(a)



Human Resources



(a) Including domestic branches and special transaction centers

Appendix

Balance Sheet

In TRY million	H1-09	2009	Q1-10	H1-10	QoQ Change (%)	YTD Change (%)	YoY Change (%)
Cash and Balances Held with the Central Bank ^(a)	3,158	3,416	3,049	3,412	12	0	8
Banks & Money Market ^(b)	1,664	1,136	1,586	2,100	32	85	26
Securities ^(b)	20,321	21,373	21,573	21,770	1	2	7
Net Loans ^(b)	28,480	32,458	34,912	38,258	10	18	34
Gross NPL	1,502	1,668	1,702	1,704	0	2	13
NPL Net	298	309	295	290	(2)	(6)	(3)
Property and Equipment	983	1,150	1,142	1,184	4	3	21
Other Assets	1,064	1,118	1,197	1,356	13	21	27
Total Assets	55,670	60,650	63,459	68,080	7	12	22
Deposits ^(b)	40,940	43,950	46,840	51,241	9	17	25
Funds Borrowed ^(b)	1,836	2,032	2,226	2,346	5	15	28
Interbank Money Market ^(b)	4,925	5,762	5,046	4,416	(12)	(23)	(10)
Funds	1,422	1,316	1,218	1,336	10	2	(6)
Other Liabilities	1,046	1,101	1,064	1,497	41	36	43
Provisions	620	731	774	811	5	11	31
Shareholders' Equity	4,882	5,760	6,290	6,432	2	12	32
Total Liabilities	55,670	60,650	63,459	68,080	7	12	22

(a) Reserve deposits monitored in balance with Central Bank

(b) Including interest accruals

Income Statement

In TRY million	H1-09	H1-10	YoY (%)	Q4 09	Q1 10	Q2 10	QoQ (%)
Interest Income	3,526	3,161	(10)	1,626	1,565	1,596	2
On Loans	2,137	2,038	(5)	1,035	1,002	1,036	3
On Securities	1,301	1,075	(17)	563	540	535	(1)
Interest Expense	2,079	1,497	(28)	748	725	772	6
On Deposits	1,865	1,285	(31)	601	616	669	9
Net Interest Income	1,447	1,663	15	878	840	824	(2)
Net Fees and Commissions	216	270	25	134	134	136	1
Net Trading Income	4	76	-	(16)	61	15	(75)
Other Operating Income	164	191	17	51	93	98	5
Reversal of Loan Loss Provisions	92	126	37	29	64	61	(5)
Total Operating Revenues	1,832	2,201	20	1,046	1,128	1,073	(5)
Operating Expenses	565	693	23	321	334	359	7
Net Operating Income	1,266	1,508	19	726	793	714	(10)
Provision for Loan Losses and Other Receivables	293	248	(15)	199	149	99	(33)
Loan Loss Provisions for Cash Loans	220	173	(21)	103	111	62	(45)
Profit/(Losses) from Associates	11	29	173	0	5	24	-
Income Before Taxes	984	1,289	31	527	649	640	(1)
Provision for Tax	197	253	29	103	134	120	(10)
Net Income	787	1,035	31	424	515	520	1

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