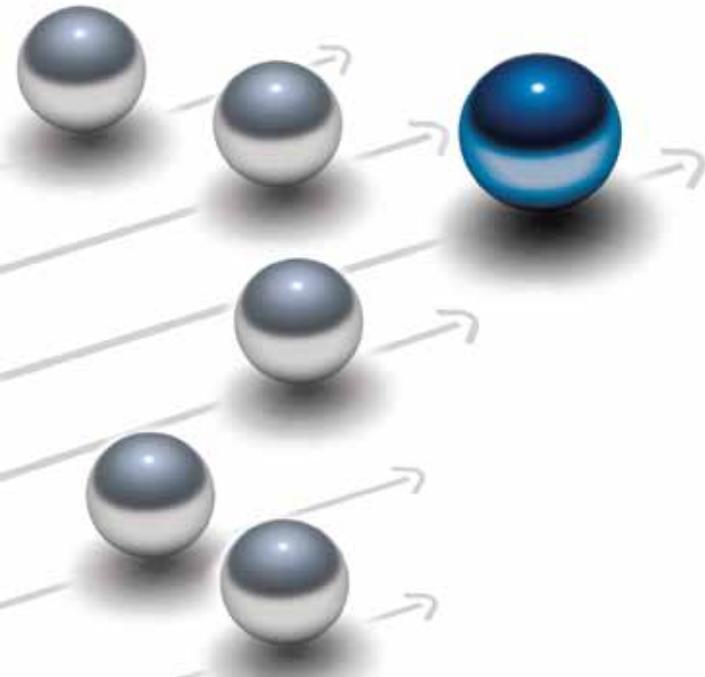


H1 2012 Earnings Presentation

BRSA Bank Only



Macro Outlook

- > Q1 GDP growth at 3.2%, mostly backed by net exports. Latest GDP figure is supportive of the soft landing scenario.
- > Moody's upgraded Turkey's sovereign debt rating one notch to Ba1, addressing the country's improving public finances and government effort to mitigate the external imbalances.
- > CBRT's weighted funding cost declined to 7.8% from 9.6% levels of Q1. Total repo funding is down to TRY 25 billion from TRY 44 billion as of Q1 12.
- > May IP up 5.9% beyond expectations, thanks to strong domestic dynamics.
- > Due to sharp fall in food prices, annual CPI decreased to 8.87%. Core inflation came down to its lowest since October 2011(2012E: 6.5%).
- > Budget deficit was TRY 6.7 billion in H1 12, one third of the government year-end forecast. (2012E Budget Deficit /GDP 1.5%).
- > CAD is improving, 12 month trailing figure down to USD 67 billion, the lowest since April 2011. Positive export trend, decrease in oil prices and regulatory measures were supportive.
- > Foreign trade deficit continued to decrease. May figure registered at USD 8.6 billion. Export kept increasing 27 month in a row; annual foreign trade deficit is at 11 months low.
- > Unemployment rate declined to 9.0% in April signaling Turkey's stance creating new employment opportunities.
- > Benchmark bond rates down to 7.9% in July from 9.5% at the end of March.

Banking Sector Outlook

- > Loan book has grown 7.9% YtD, main driver being TRY loans with 11.3% YtD increase. FX loans in USD terms increased 4.4% YtD.
- > Retail loans up 8.3% YtD, followed by consumer loans up 7.9%, the highest increase was in credit cards with 14.3% YtD.
- > Banks are allowed to hold up to 55% of their TRY required reserves in FX and 25% in gold. However, CBRT also introduced some coefficients to gold and FX allowances.
- > Total securities portfolio remained almost flat.
- > Loan/ deposit ratio climbed up to 103.5%, TRY L/D ratio registered at 117.7% as of H1 12.
- > Total deposit increased 4.0% YtD. TRY deposit up 2.5% while FX deposit up 11.6% YtD in USD terms.
- > Nominal NPL figure increased 7.0% YtD, bringing NPL ratio down to 2.6%.
- > CoR is at 80 bps.
- > According to BRSA May data, cumulative net income increased 14.1% YoY.
- > CAR at 16.2% as of May.
- > Basel II implementation commences from 1 July 2012; BRSA's last minute change on the risk weighting of FX reserves held with CBRT reduced from 100% to 0% relieved the sector's capital ratios.

H1 2012 Highlights

Strong Fundamentals & Sustainable Profitability

- > Quarterly the best Net Income performance ever **TRY 709 mn**
- > Bottom line up **30.3%** QoQ and **38.4%** compared to Q2 11
- > Unrivalled ROE of **26.6%**
- > NIM at **5.4%** well above the industry average
- > Stellar net fees and commissions performance; up **67.8%** QoQ and **26.6%** compared to Q2 11
- > Total assets up **10.8%** YtD reaching **TRY 101 mn** (ROA: **2.6%**)
- > Loan growth in line with sector; up **7.6%** YtD
- > Strong deposit growth; up **18.0%** YtD vs. that of the sector at **4.0%** YtD
- > Demand deposits up **14.3%** YtD, constitutes **15.2%** of total deposits
- > Solid asset quality performance, NPL ratio at **2.8%** with no write-offs and sell-offs
- > Cost of risk at **54 bps** better than budget guidance
- > Comfortable L/D ratio of **77.3%**
- > Tight cost control pays off; one of the lowest Cost/Income ratio at **33.9%**. **33.6%** average since IPO
- > CAR at **14.7%** higher than the regulatory minimum

Low cost borrowing diversifying the funding base

5 Years

USD 750 Mn Eurobond

- > **9x over-subscribed**, 4.5 bn orderbook
- > **260 Investors participated**
Geographic distribution of investors: 53% Europe, 33% USA, %9 Asia and 5% other.
- > **5% Yield / 4.875% Coupon rate**
Lowest ever yielding fixed rate issue from a Turkish financial institutions to date

100%

Rolled over TRY Local Bond

- > **TRY 750 Mn** Bond Issuance
- > Bond yield eased **200 bps to 9%**
- > **50% Retail, 50% Corporate**, balanced distribution of investors

100%

Rolled over Syndicated Loan

- > **Syndicated Loan** rolled over 100% and EUR 558 million & USD 207.5 million secured with a consortium of 46 banks from 23 countries. Cost of the facility is Libor/Euribor + 1.45%.

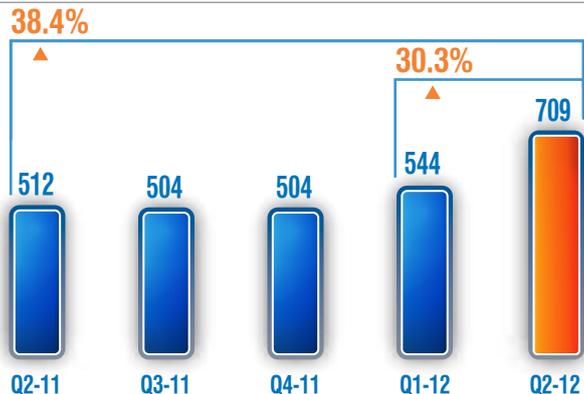
8 Years

EUR 150 Mn from EIB

- > **EUR 150 Million Loan Facility** granted from **European Investment Bank** with 8 years maturity to support SMEs.

Net Income – Profitability Ratios

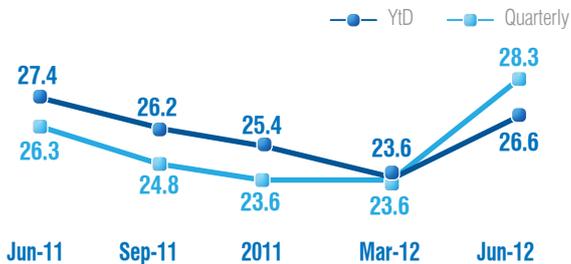
Net Income (TRY million)



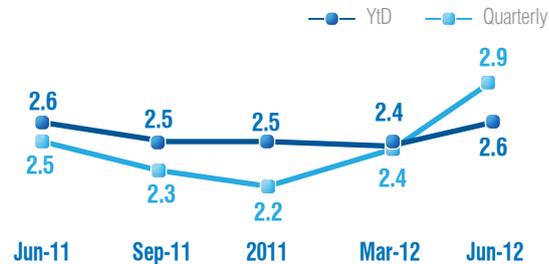
Quarterly the best performance in net income



ROE (%)



ROA (%)

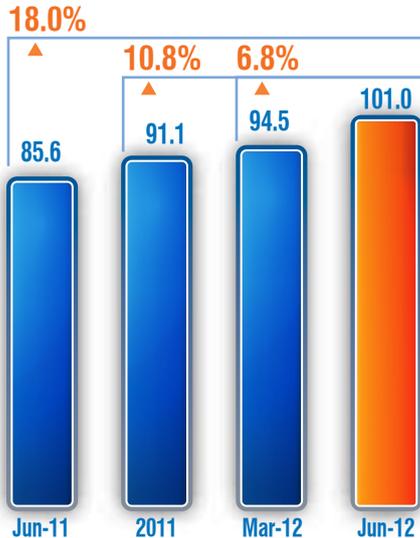


Asset size over TRY 100 billion

Asset Growth

YoY 18.0% QoQ 6.8%

Total Asset Growth (TRY billion)

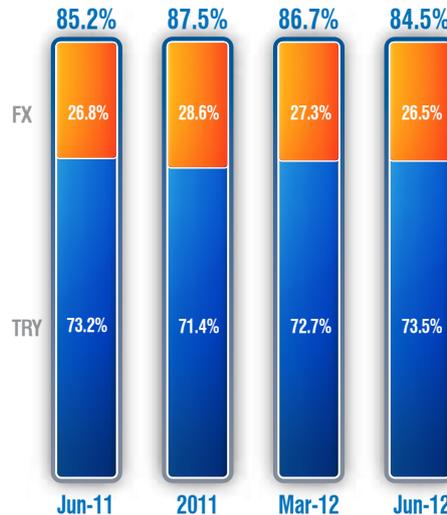


(a) Including interest accruals and excluding fund loans

IEA

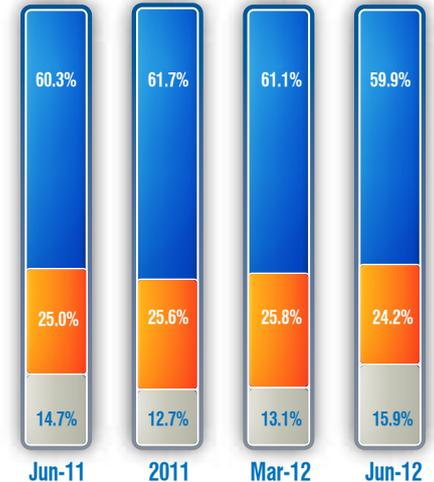
84.5%

Composition of IEAs^(a)



Asset Mix (%)

- Loans
- Securities
- Other Assets

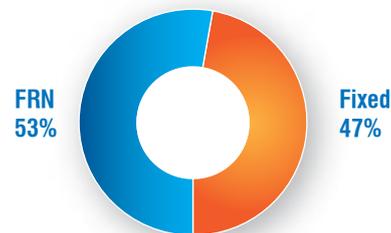


Securities portfolio with balanced interest structure

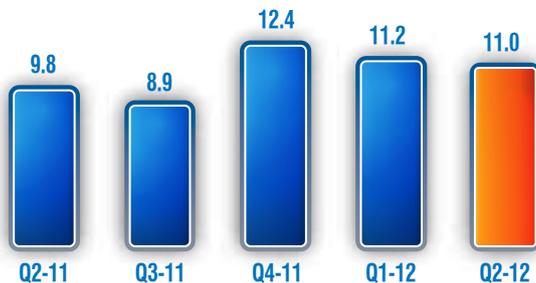
Total Securities Portfolio (TRY billion)



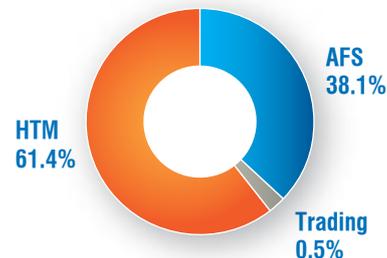
Interest Structure (%)



TRY Securities Yield (%)



Securities Composition (%)

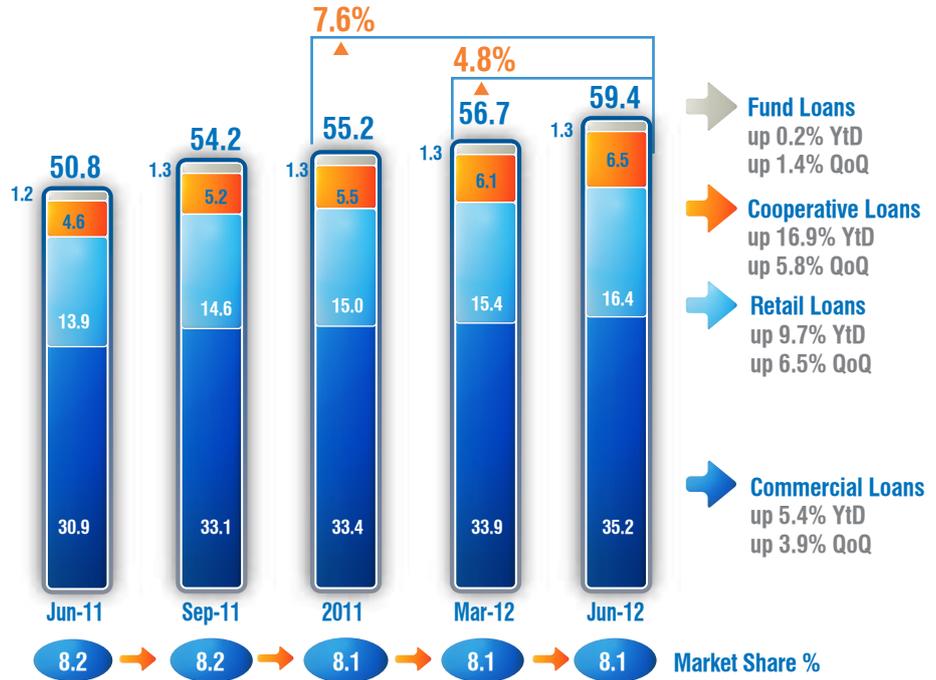


Loan growth gathering pace in Q2, 4.8% QoQ increase (TRY billion)^(a)

Total Loans	
HALKBANK	B. Sector ^(b)
YtD	YtD
7.6%	7.9%
QoQ	QoQ
4.8%	5.5%

TRY Loans	
HALKBANK	B. Sector ^(b)
YtD	YtD
12.3%	11.3%
QoQ	QoQ
6.8%	6.8%

FX Loans	
HALKBANK	B. Sector ^(b)
YtD	YtD
-2.7%	-0.2%
QoQ	QoQ
0.1%	2.4%
in USD terms	
YtD	YtD
1.7%	4.4%
QoQ	QoQ
-1.3%	0.9%



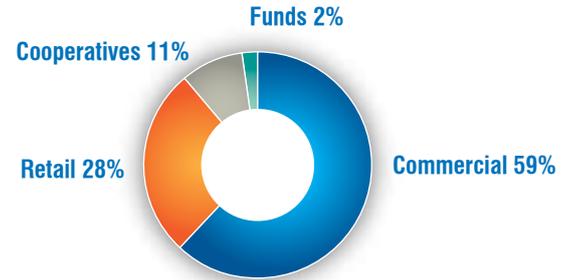
(a) Excluding interest accruals. (b) BRSA daily data, 29.06.12

Well balanced customer segmentation

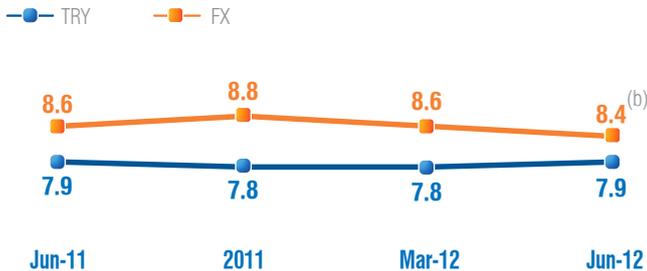
Loans by Currency (TRY billion)^(a)



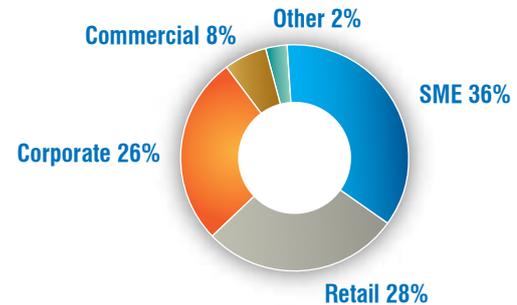
Loans by Types



Market Share (%)^(b)



Loans by Customer Segmentation

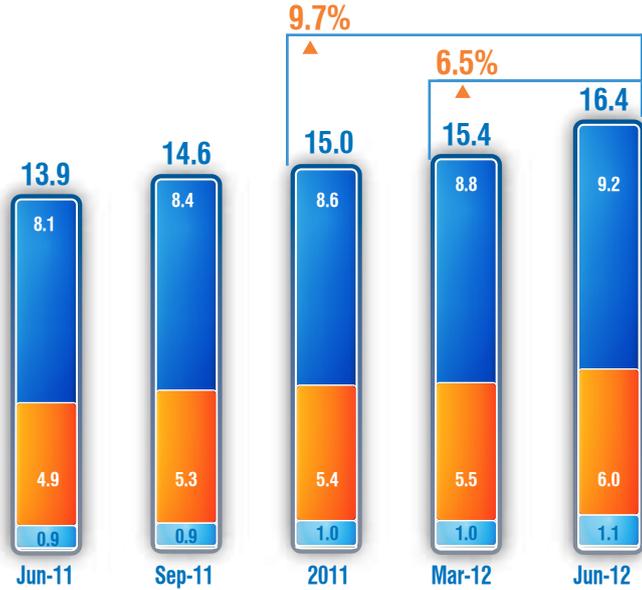


(a) Excluding interest accruals (b) BRSA daily data, 29.06.2012

Retail Loans driven mostly by housing loans (TRY billion)^(a)

HALKBANK
YTD
9.7%
QoQ
6.5%

B. SECTOR^(b)
YTD
8.3%
QoQ
5.4%



Consumer Loans
up 7.8% YtD
up 4.6% QoQ
Share in total 56.3%

Housing Loans
up 11.0% YtD
up 8.8% QoQ
Share in total 36.5%

Credit Cards
up 18.3% YtD
up 8.6% QoQ
Share in total 6.9%

Retail Loans Market Share %



Consumer Loans Market Share %



Housing Loans Market Share %



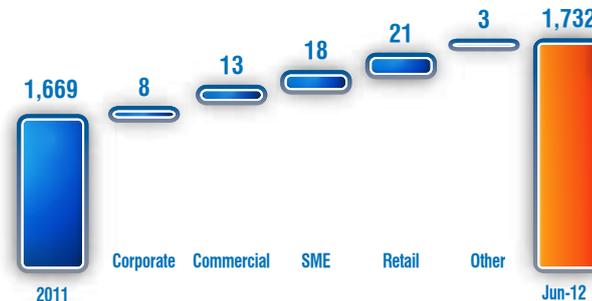
(a) Excluding interest accruals. (b) CBRT data as of 29.06.12

NPL ratio flat at 2.8% with no write-off and sell-off

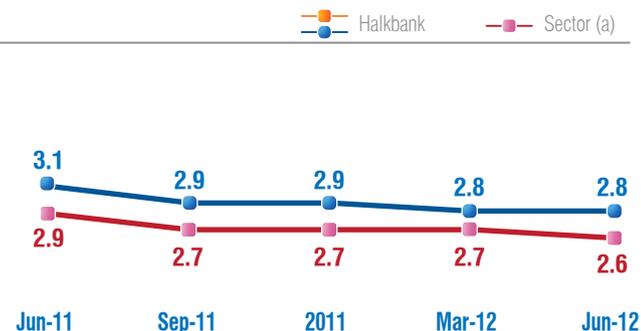
NPL Portfolio (TRY million)



New NPLs by Segment (TRY million)



NPL / Total Loans (%)



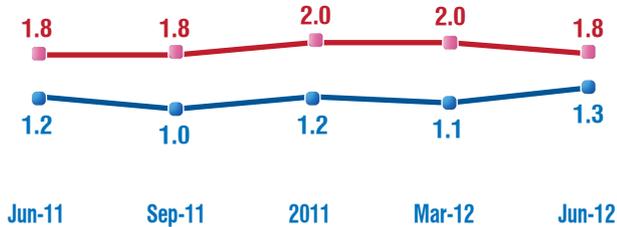
(I) Total NPL ratio (II) Excluding the legacy of year 2001 and before NPLs

(a) BRSA daily data, 29.06.2012

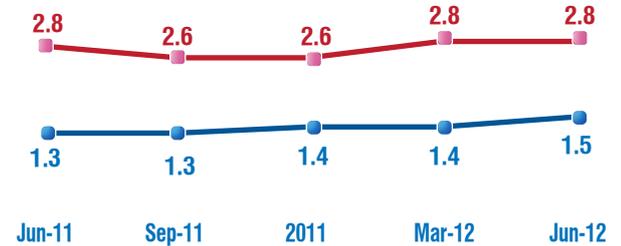
Solid asset quality in all segments compared to industry

● Halkbank NPL ■ Sector NPL (a,b)

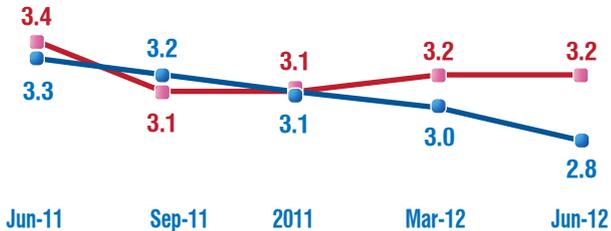
Corporate - Commercial (%)^(a)



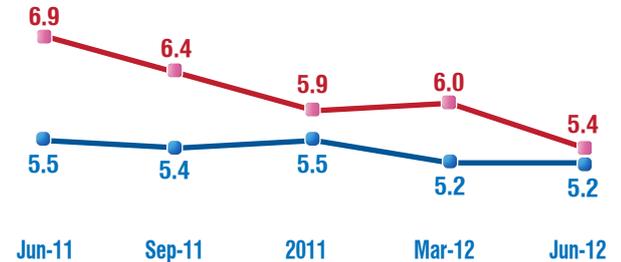
Consumer Loans (%)^(b)



SME Loans (%)^(a)



Credit Cards (%)^(b)



(a) BRSA data as of May 2012, Halkbank data excluding legacy NPLs.

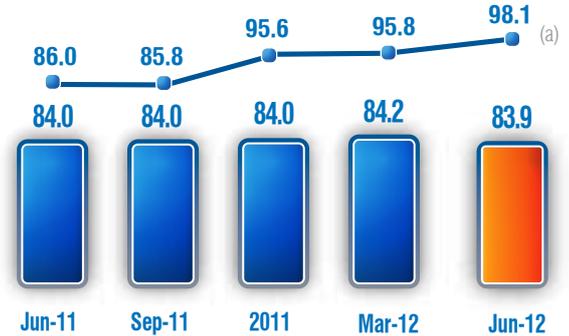
(b) CBRT data as of 29.06.2012

CoR at 54 bps, better than expected normalisation levels

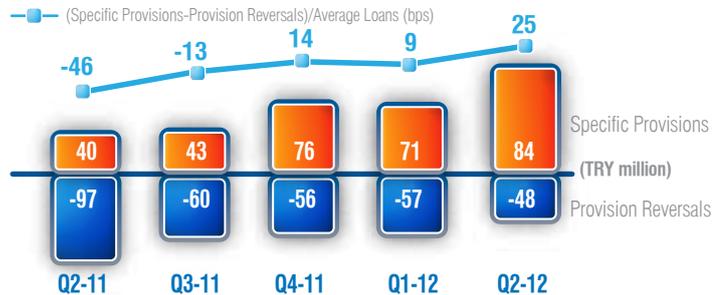
Loans under Close Watch (TRY million)



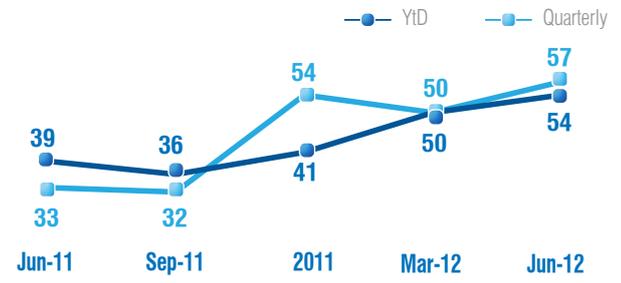
NPL Coverage (%)



Net Cost of Risk (bps)



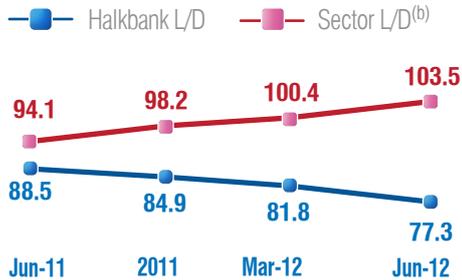
Cost of Risk (bps)



(a) Including discretionary provisions

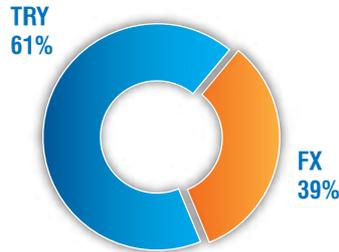
L/D ratio of 77.3%, one of the lowest in the sector

Loan to Deposit (%)



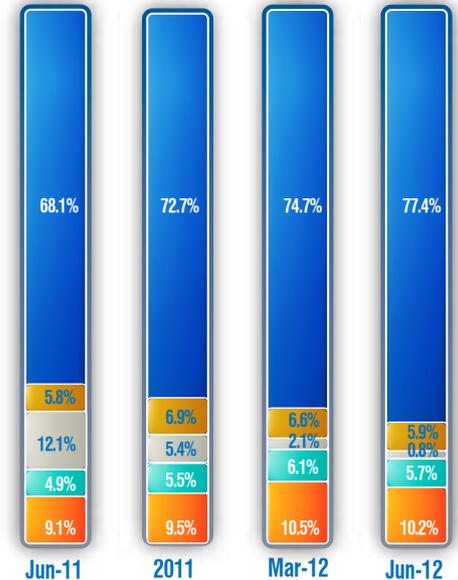
IBL
84.9%^(a)

Liabilities by Currency (%)



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 73% in Jun-12.

(b) BRSA daily data, 29.06.2012

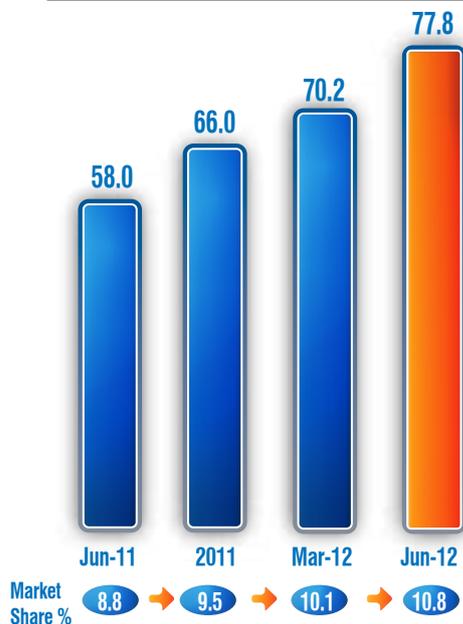
17.9% YtD growth in deposit

HALKBANK B. Sector ^(b)			
Total Dep.	YtD	17.9%	4.0%
	QoQ	10.8%	3.5%

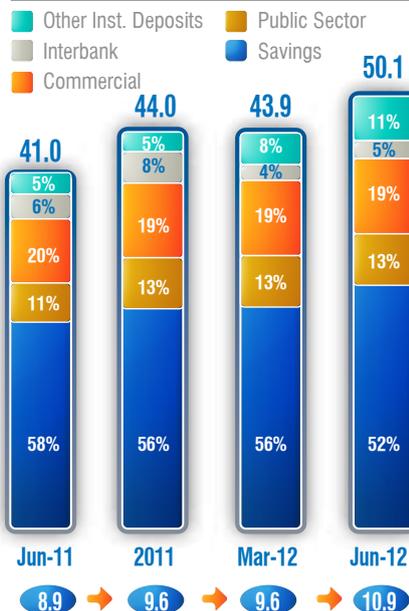
HALKBANK B. Sector ^(b)			
TRY Dep.	YtD	13.7%	2.5%
	QoQ	14.2%	2.7%

HALKBANK B. Sector ^(b)			
FX Dep.	YtD	26.4%	6.7%
	QoQ	5.2%	5.0%
in USD terms	YtD	32.2%	11.6%
	QoQ	3.7%	3.5%

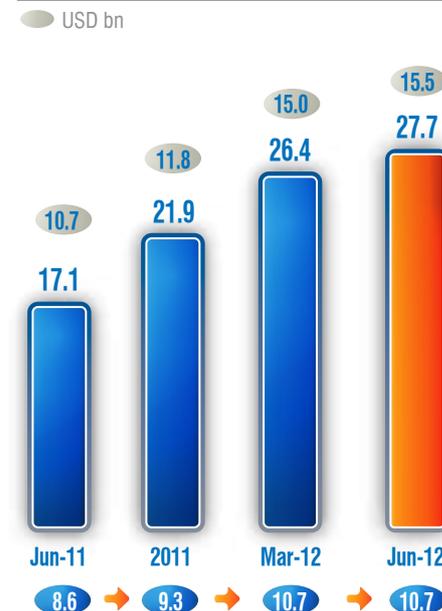
Total Deposits (TRY billion)^(a)



TRY Deposits (TRY billion)^(a)



FX Deposits (TRY billion)^(a)



(a) Excluding Interest Accruals (b) BRSA daily data, 29.06.12

Well managed funding cost; TRY deposit cost eased 10 bps

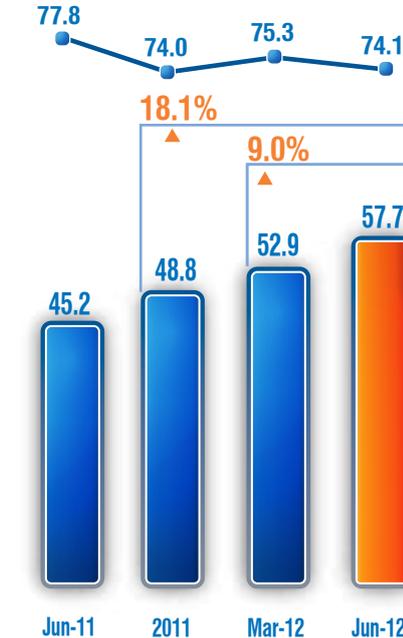
Demand Deposit (TRY billion)^(a)

—●— Demand Deposits/Total Deposits (%)

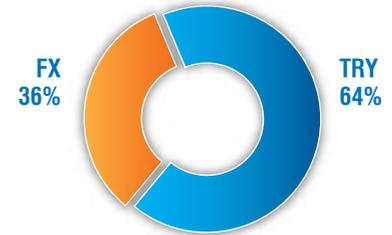


Time Deposits (TRY billion)^(a)

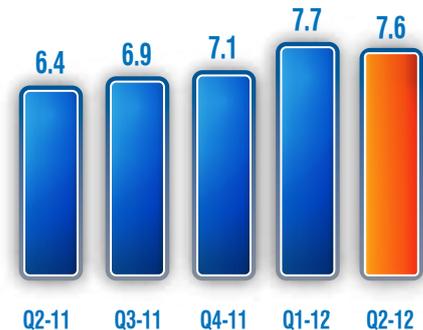
—●— Time Deposits/Total Deposits (%)



Deposits by Currency (%)^(a)



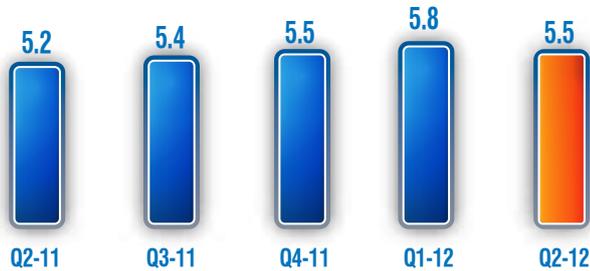
Cost of TRY Deposits (%)^(b)



(a) Excluding interest accruals and interbank deposits (b) Time & Demand blended

Cost-Yield-Spread^(a) - Quarterly

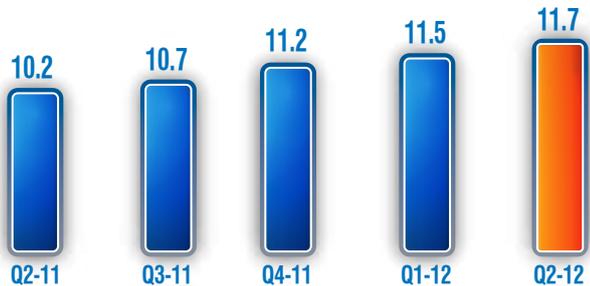
Cost of Deposits (%)



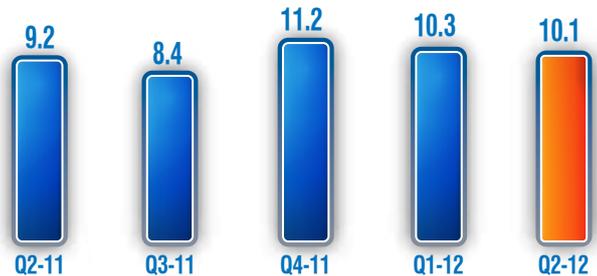
Spreads (%)



Yield on Loans (%)^(b)



Yield on Securities (%)



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

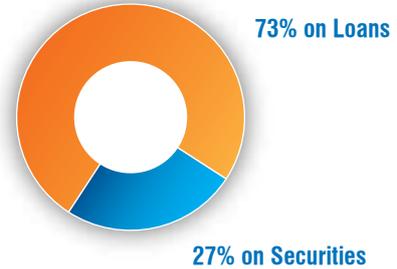
NIM at 5.4% thanks to widening loan yields and efficient cost control

Net Interest Income (TRY million)

■ Interest Expenses
■ Interest Income



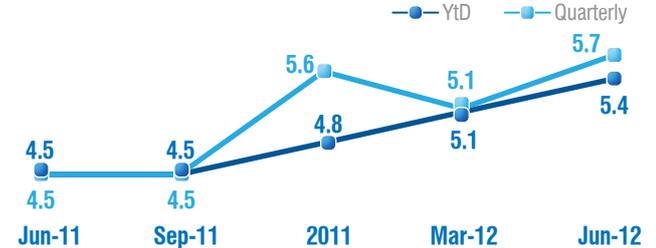
Breakdown of Interest Income



Interest Income (TRY million)

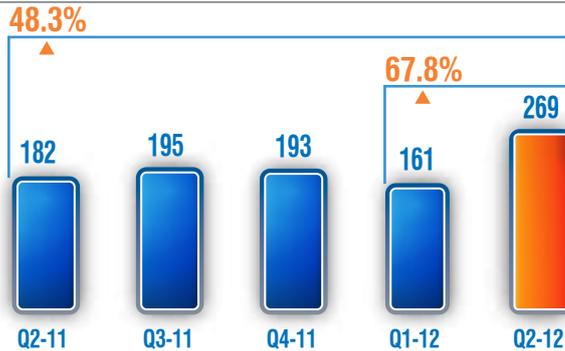


NIM (%)

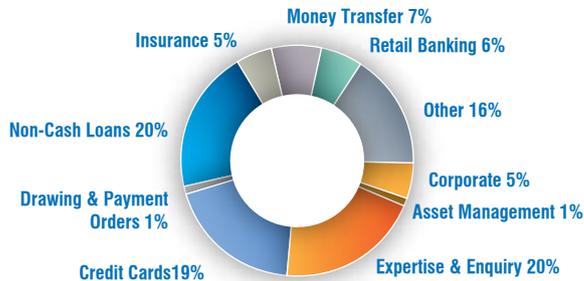


Stellar performance in net fees & commissions income

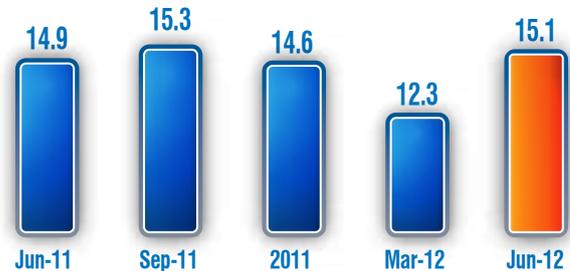
Net Fees & Commissions Income (TRY million)



Breakdown of Fees & Commissions

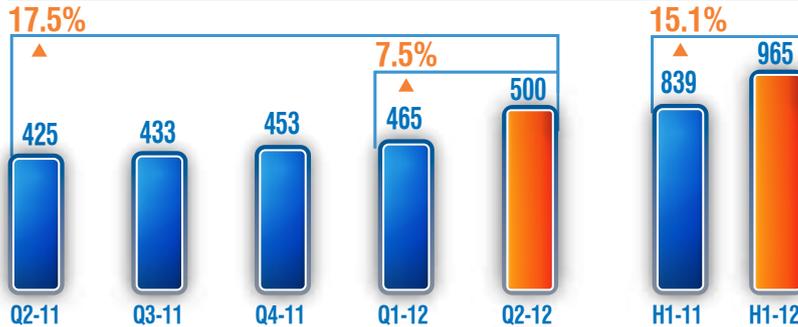


Net Fees & Commissions / Operating Revenues (%)



One of the best efficiency ratios in the sector

Operating Expenses (TRY million)



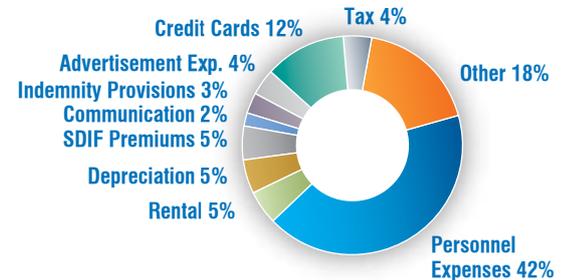
OPEX / Average Assets (%)



Cost/Income (%)

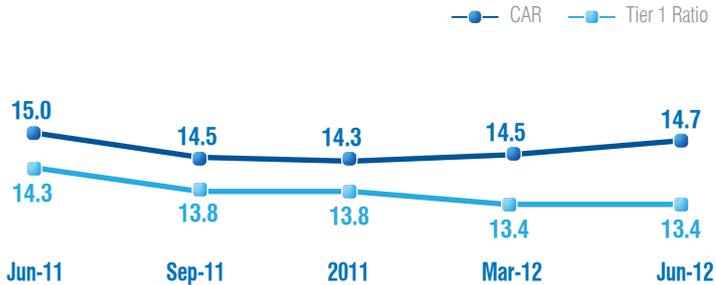


Breakdown of Operating Expenses

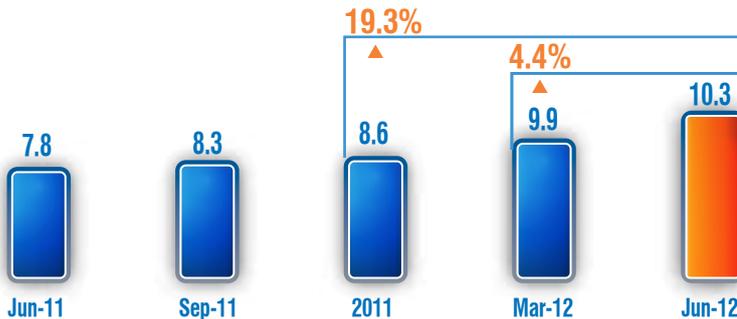


Solvency Ratios

Capital Ratios (%)



SHE (TRY billion)



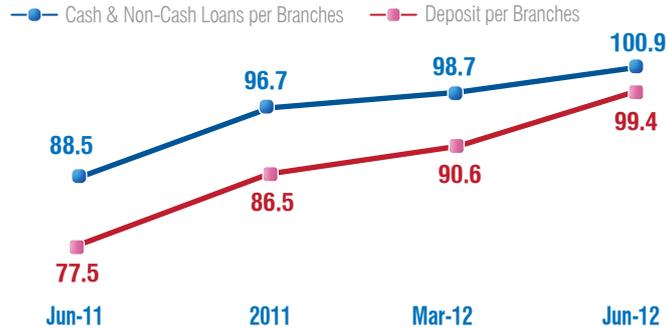
Expected Basel II impact on CAR ~-70bps

Details on Capital Ratios

(TRY mn)	Jun-12	2011
Tier I Capital	9,918	8,999
Tier II and Deductions	990	354
Total Regulatory Capital	10,907	9,353
Credit risk base amount	64,940	57,336
0%	30,409	25,905
20%	2,678	2,582
50%	22,516	20,714
100%	43,892	41,405
Over 100%	4,844	2,658
Market risk base amount	1,733	1,953
Operational risk base amount	7,527	6,119
RWAs(Including Value at Market Risk and Operational Risk)	74,201	65,408
Tier I Ratio	13.4%	13.8%
Total CAR	14.7%	14.3%

Branch Network – Human Resources

Total Loans & Deposits per Branches (TRY million)



> Branch network has been strengthened with 8 new branches opened in the Q2 12. The total figure climbs to 787.

Total Branches^(a)



(a) Including domestic branches and special transaction centers.

Headcount



Balance Sheet

In TRY million	H1-11	2011	Q1-12	H1-12	QoQ Change %	YtD Change %	YoY Change %
Cash and Balances Held with the Central Bank (a)	8,511	7,272	7,724	10,711	38.7	47.3	25.9
Banks & Money Market (b)	1,215	1,475	1,124	1,707	51.8	15.7	40.5
Securities (b)	21,390	23,346	24,386	24,440	0.2	4.7	14.3
Net Loans (b)	51,562	56,216	57,714	60,471	4.8	7.6	17.3
Gross NPL	1,655	1,669	1,682	1,732	3.0	3.8	4.7
NPL Net	265	267	265	279	5.1	4.5	5.3
Property and Equipment	898	1,039	1,098	1,137	3.5	9.5	26.6
Other Assets	1,986	1,775	2,460	2,499	1.6	40.8	25.8
Total Assets	85,562	91,124	94,505	100,965	6.8	10.8	18.0
Deposits (b)	58,256	66,247	70,558	78,196	10.8	18.0	34.2
Funds Borrowed (b)	4,917	6,291	6,285	5,971	-5.0	-5.1	21.4
Interbank Money Market (b)	10,382	4,905	1,964	785	-60.0	-84.0	-92.4
Marketable Securities Issued	-	496	713	736	3.2	48.4	-
Funds	1,259	1,345	1,380	1,384	0.3	2.9	10.0
Other Liabilities	2,000	1,948	2,389	2,091	-12.5	7.3	4.5
Provisions	922	1,252	1,341	1,495	11.5	19.4	62.2
Shareholders' Equity	7,826	8,640	9,876	10,307	4.4	19.3	31.7
Total Liabilities	85,562	91,124	94,505	100,965	6.8	10.8	18.0

(a) Reserve deposits monitored in balance with Central Bank.

(b) Including interest accruals.

Income Statement

In TRY million	H1-11	H1-12	YoY Change %	Q4-11	Q1-12	Q2-12	QoQ Change %
Interest Income	3,246	4,472	37.7	2,166	2,170	2,302	6.1
On Loans	2,337	3,240	38.6	1,514	1,564	1,676	7.2
On Securities	905	1,221	34.9	649	603	618	2.5
Interest Expense	1,721	2,259	31.2	1,064	1,138	1,121	-1.5
On Deposits	1,452	2,021	39.2	898	986	1,035	5.0
Net Interest Income	1,525	2,212	45.1	1,102	1,032	1,181	14.4
Net Fees and Commissions	340	430	26.6	193	161	269	67.8
Net Trading Income	96	21	-78.7	64	14	7	-48.6
Other Operating Income	324	189	-41.7	140	99	90	-9.7
Reversal of Loan Loss Provisions	168	105	-37.4	56	57	48	-16.5
Total Operating Revenues	2,285	2,852	24.8	1,499	1,305	1,547	18.5
Operating Expenses	839	965	15.1	453	465	500	7.5
Net Operating Income	1,446	1,886	30.5	1,045	840	1,047	24.6
Provision for Loan Losses and Other Receivables	202	367	82.1	348	145	223	53.7
Loan Loss Provisions for Cash Loans	92	155	68.9	76	71	84	19.4
Profit/(Losses) from Associates	48	64	32.3	-	-	64	-
Income Before Taxes	1,292	1,583	22.5	697	695	888	27.8
Provision for Tax	255	330	29.3	193	151	179	18.8
Net Income	1,037	1,253	20.8	504	544	709	30.3

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