



**Q1 2007 Earnings
Presentation**

May 15, 2007

Q1 Performance – Key Highlights

- Increase in loan portfolio (particularly in retail & SME segmentation) continues with a positive effect on net interest income and profitability
- Continuing to increase market shares - as of 31 December 2006, 3rd in TRY deposits from 4th and 6th in total loans from 7th
- NPL portfolio continues to decline as a result of effective collections, high asset quality and prudent credit policies
- Increasing non interest income in a highly competitive market as an outcome of focusing on generating fee & commission income
- The ratio of securities to total assets keeps declining
- Sustainable strong deposit base
- Strong & comfortable capitalisation position enhancing further growth
- Increasing profitability & efficiency

Halkbank Overview

Summary Financials (BRSA Bank Only)

(TRY million)	2006	Q1 06	Q1 07	Q106-Q107 Change
Net Interest Income	1,370	256	396	55%
Net Fee Income	232	52	76	46%
Total Income Before NPL Collection (Principal Only)	1,762	348	534	54%
Total Income ^(a)	2,028	483	564	17%
Operating Expenses	723	165	202	22%
PBT Before NPL Collections	851	142	278	96%
Net Income	863	186	238	28%
Net Loans	11,646	7,306	12,984	78%
Deposits	27,188	23,644	28,520	21%
Total Assets	34,425	29,767	35,697	20%
Equity	3,780	3,487	4,001	15%

Strong loan portfolio growth, reflected in increasing income

(a) Excludes income from affiliates and subsidiaries

Key Ratios

	2005	2006	Q1 06	Q1 07
Net Interest Margin ^(a)	3.8%	4.6%	3.8% ^(b)	5.0% ^(b)
Net Fee Income/Total Income	9.9%	11.4%	10.8%	13.4%
Cost/Income Ratio	42.7%	35.7%	34.2%	35.7%
Loan Loss Provisions/Av. Net Loans	1.8%	1.4%	1.4% ^(b)	1.0% ^(b)
RoAA	2.1%	2.8%	2.7% ^(b)	2.8% ^(b)
RoAE	17.6%	24.4%	22.3% ^(b)	24.8% ^(b)
Dividend Payout Ratio	83.0%	87.0%	-	-

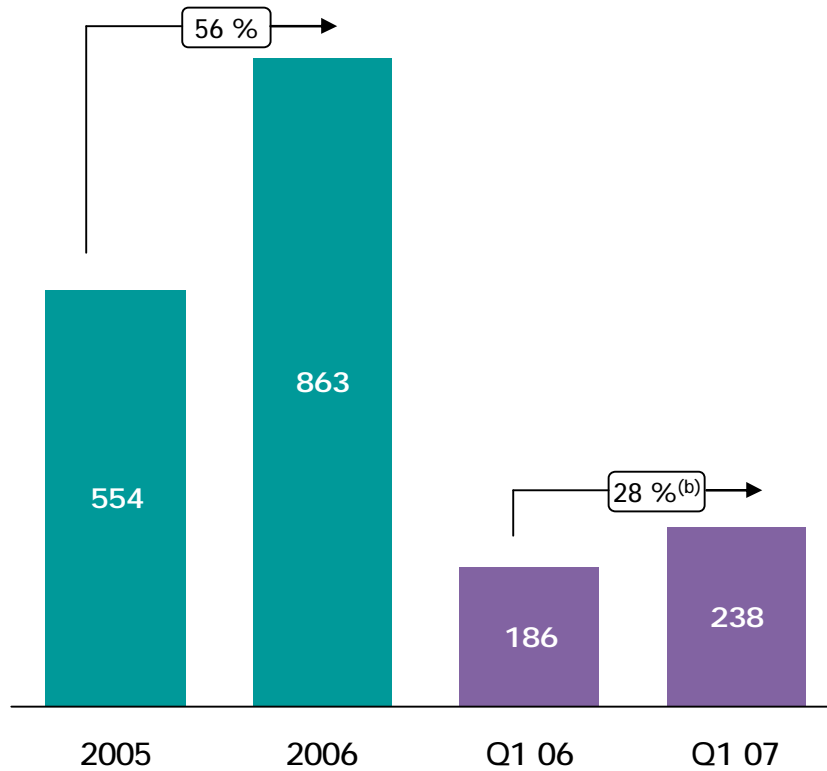
Increasing net interest margin, in line with asset mix changing strategy
Increasing fee income and prudent risk policies reflected in loan loss provisions ratios

(a) Net interest income as % of average interest-earning assets (including interbank receivables, trading, AFS and HTM securities, net loans, reserve deposits).

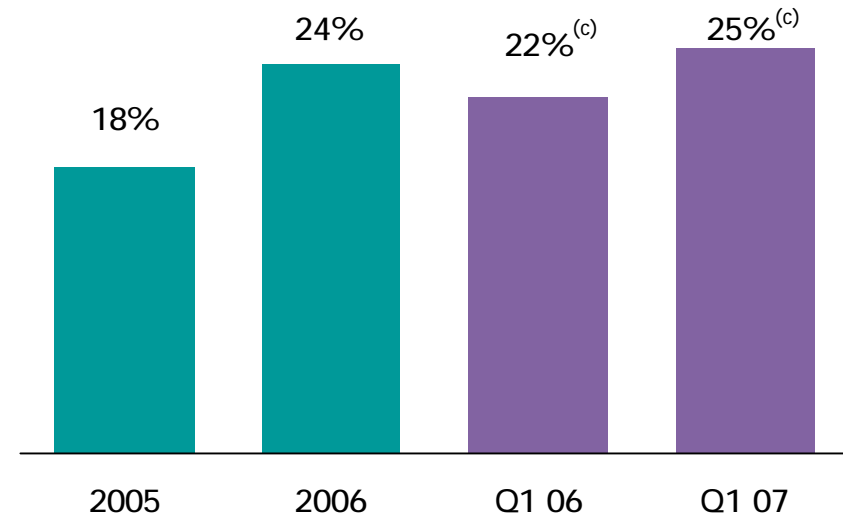
(b) Annualised.

Attractive Profitability

Net Income (TRY million)^(a)



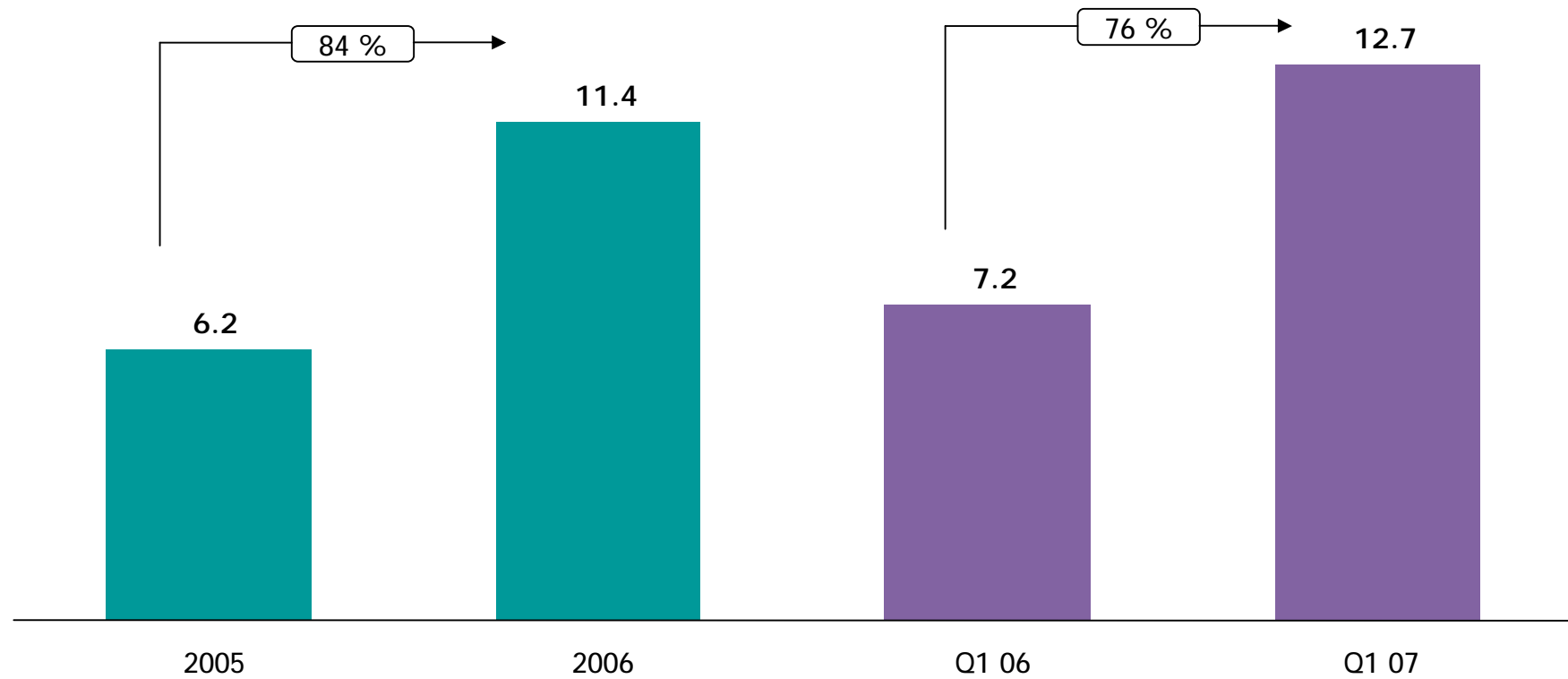
Return on Average Equity (After Tax)



- (a) 2005 and 2006 net income in accordance with new BRSA standards.
 (b) Profit before tax before NPL collections increased by 96%.
 (c) Annualised.

Loan Portfolio Growth

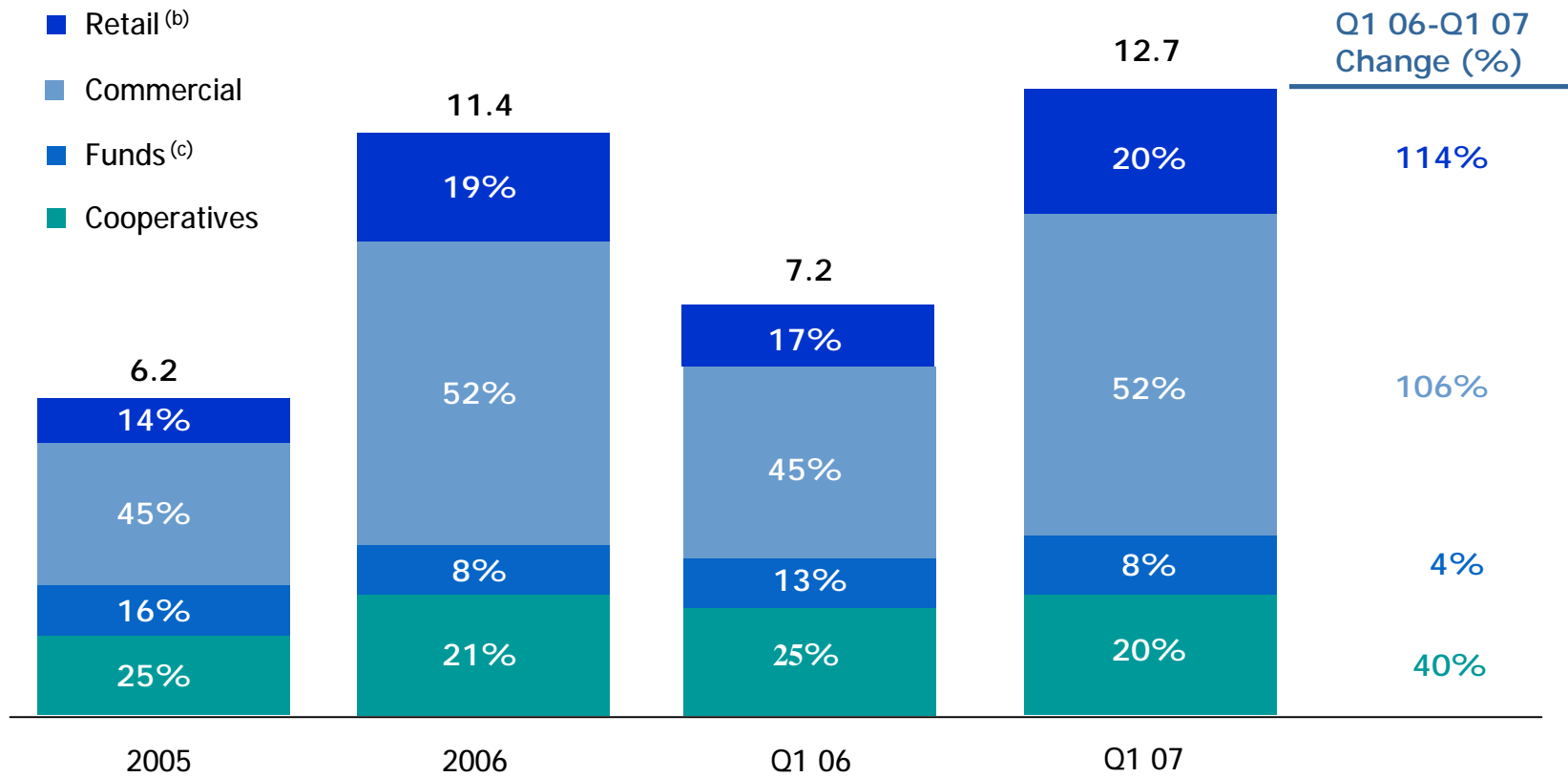
Total Loan Growth (in TRY bn)^(a)



(a) Excluding interest accruals.

Strong Growth in Loan Portfolio

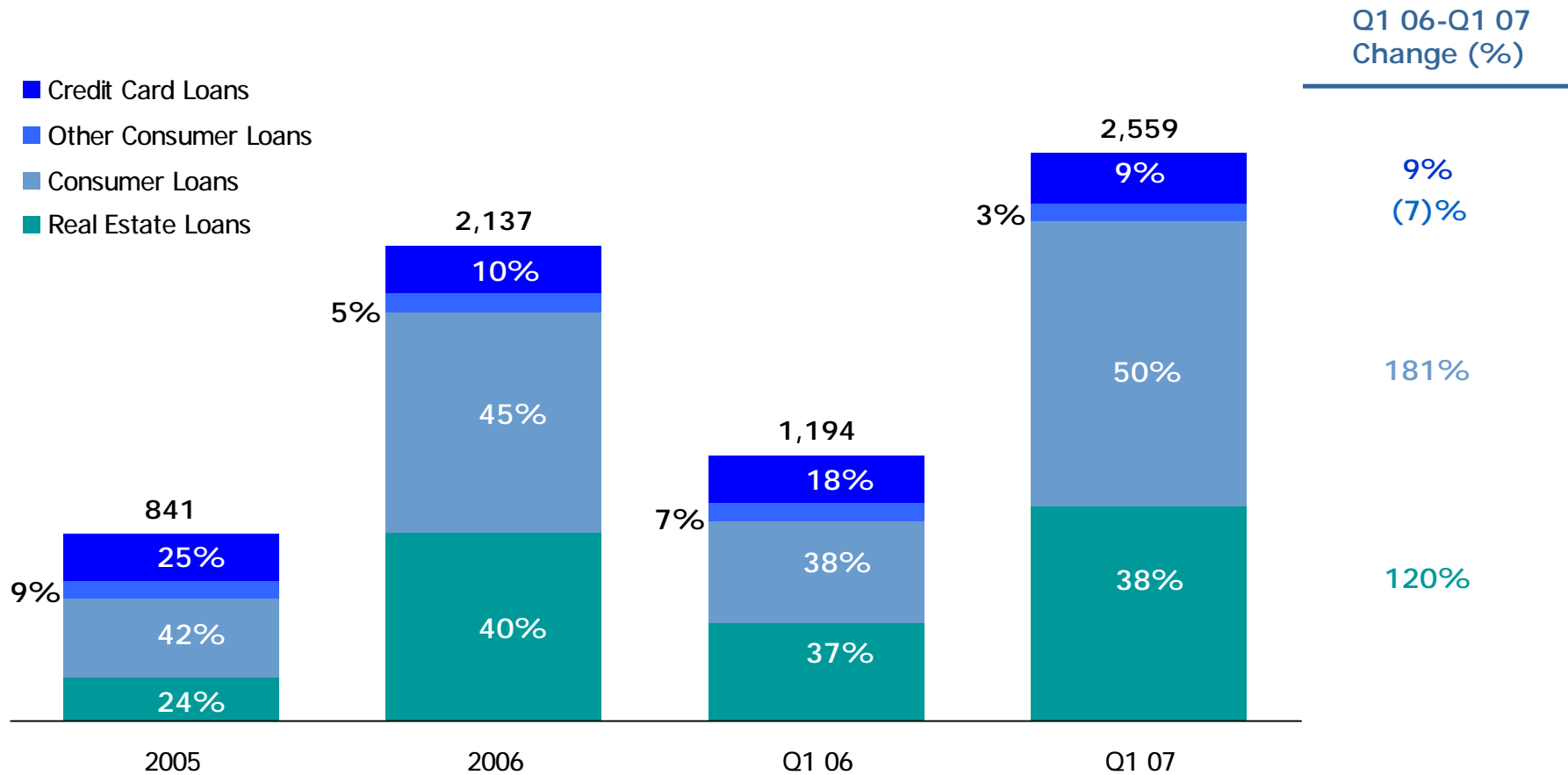
Loan Portfolio By Types (in TRY bn)^(a)



- (a) Excluding interest accruals.
 (b) Includes credit card receivables as per Halkbank's definition.
 (c) Fund loans are special loans extended to SMEs.

Retail Lending

Retail Loans by Product (TRY million)^(a)



(a) Excluding interest accruals.

Retail Loans

(TRY million)	2005	Q1 06	2006	Q1 07	2006-Q1 07 change (%)
Sector Total Retail Loan	45,509	51,377	67,356	69,834	3.7
Real Estate Loan	12,357	16,167	22,162	23,304	5.2
Other Consumer Loan	10,028	11,342	17,624	19,228	9.1
Credit Card Loan	17,034	17,585	21,205	21,367	0.8
Halkbank Total Retail Loan	841	1,194	2,141	2,558	19.5
Real Estate Loan	199	440	854	970	13.6
Other Consumer Loan	370	483	1,012	1,303	28.8
Credit Card Loan	213	208	214	228	6.5

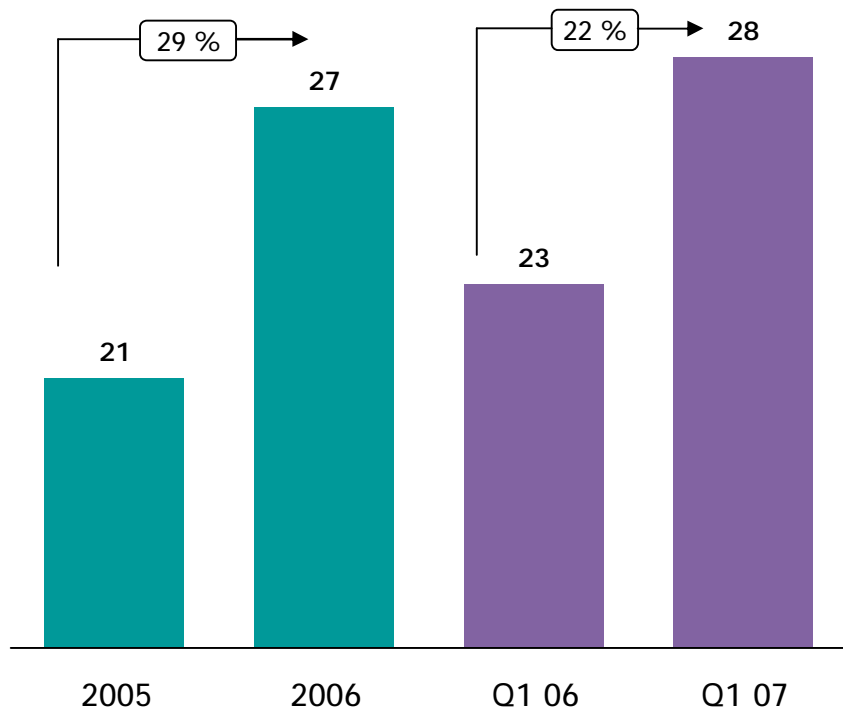
Market Share (%)

Total Retail Loan	1.9	2.3	3.2	3.7
Real Estate Loan	1.6	2.7	3.9	4.2
Other Consumer Loan	3.7	4.3	5.7	6.8
Credit Card Loan	1.3	1.2	1.0	1.1

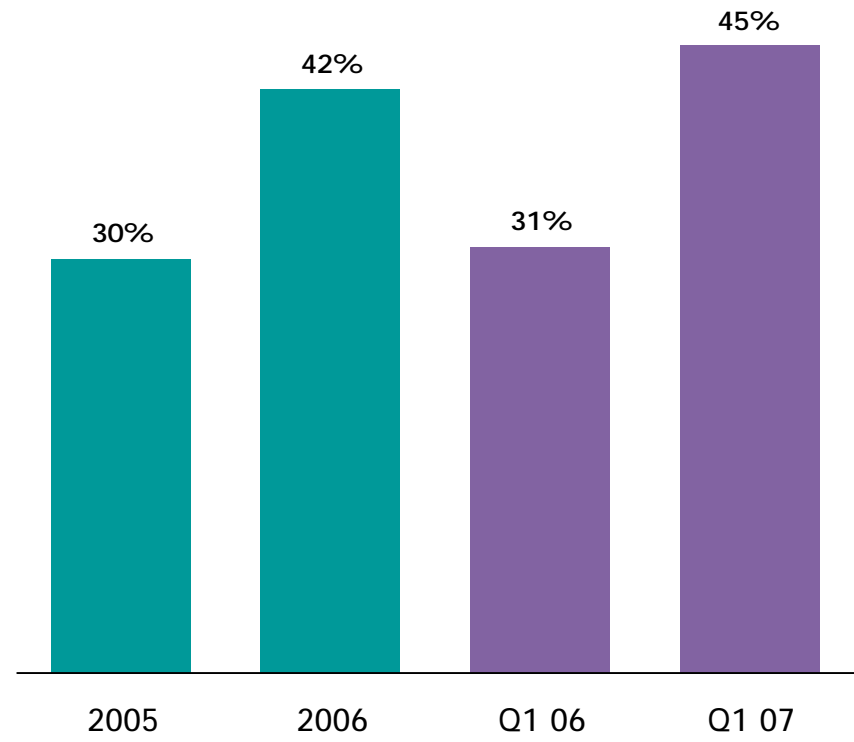
Source: BRSA

Deposit Growth

Development of Total Deposits (TRY bn)^(a)



Development of Loan to Deposit Ratio^(a)

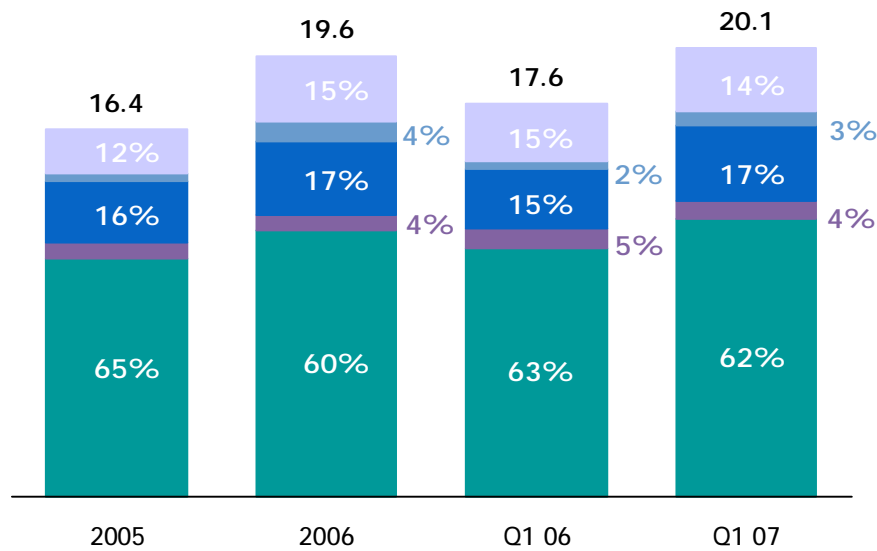


(a) Excluding interest accruals.

Deposits Growth

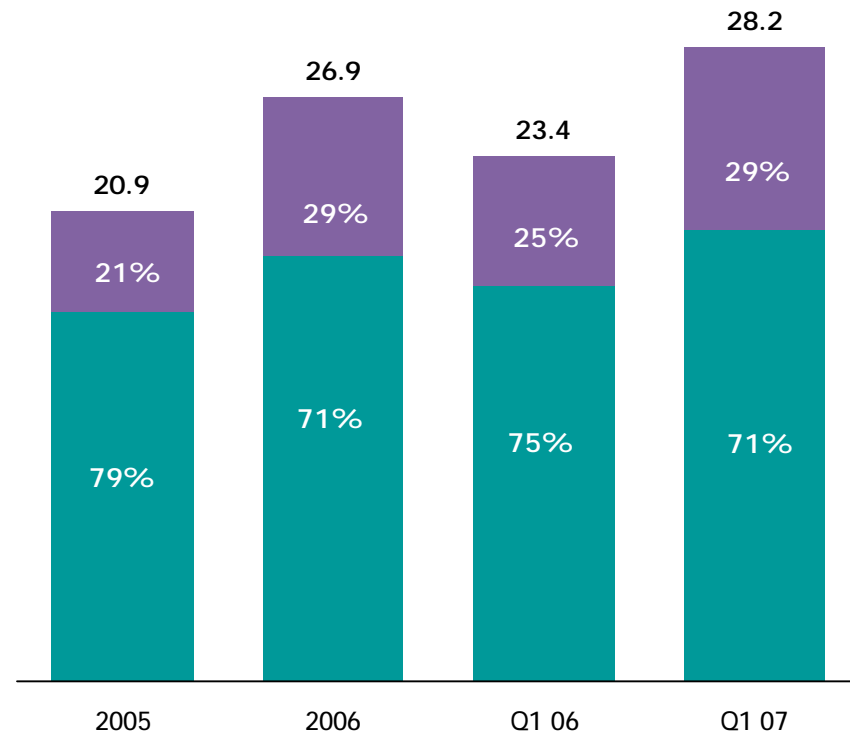
TRY Deposits by Types (TRY bn)^(a)

- Other Institution Deposits
- Interbank
- Commercial
- Public Sector
- Savings



Deposits by Currency (TRY bn)^(a)

- FX Deposits
- TRY Deposits



(a) Excluding interest accruals.

Total Deposits

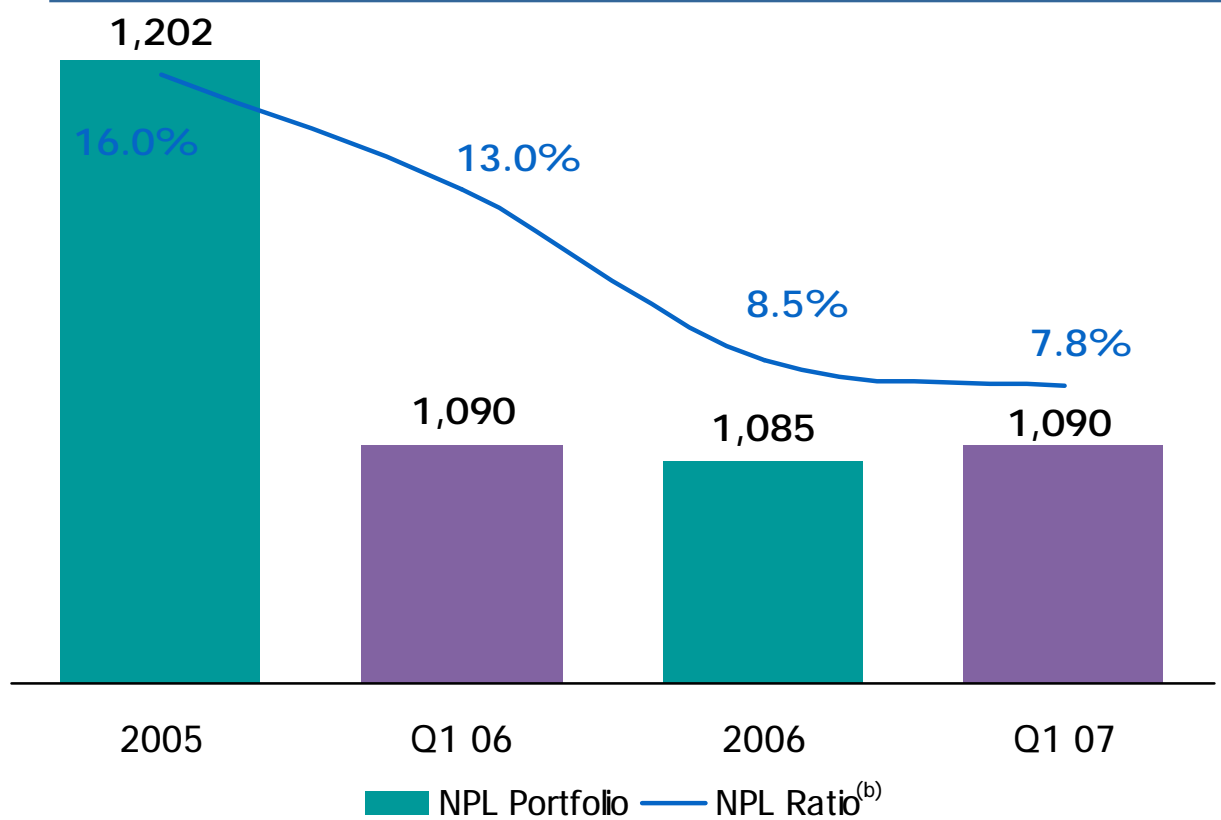
(TRY million)	2005	Q1 06	2006	Q1 07	2006-Q1 07 change (%)
Sector Total Deposits	251,870	264,175	308,396	318,964	3.4
TRY Deposits	159,329	170,158	189,094	196,361	3.8
FX Deposits	92,541	94,017	119,302	122,603	2.8
Halkbank Total Deposits	21,113	23,644	27,188	28,520	4.9
TRY Deposits	16,619	17,738	19,852	20,366	2.6
FX Deposits	4,494	5,806	7,336	8,154	11.2

Market Share (%)

Total Deposits	8.4	9.0	8.8	8.9
TRY Deposits	10.4	10.4	10.5	10.4
FX Deposits	4.9	6.2	6.2	6.7

NPL Portfolio

NPL Portfolio (TRY million)^(a)

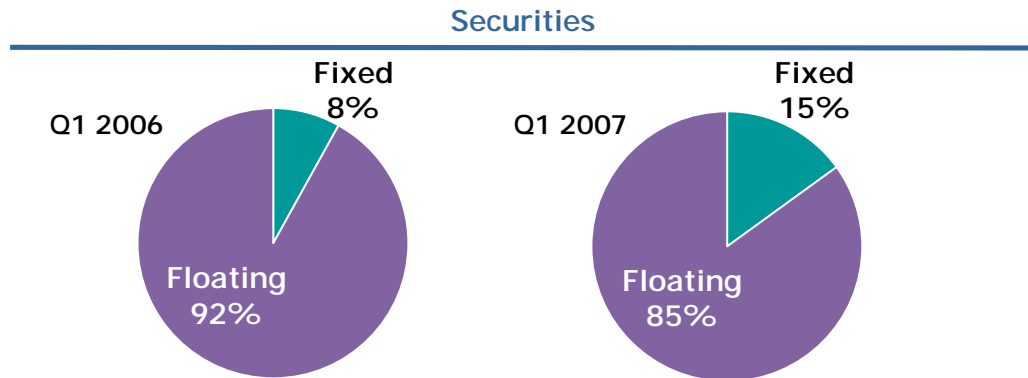
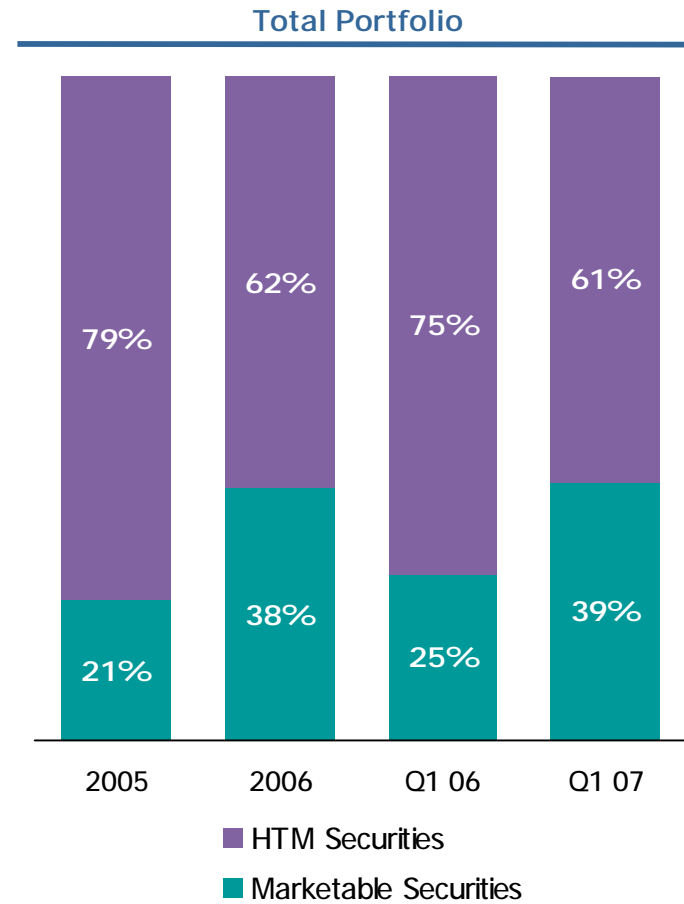


NPL portfolio is fully provisioned^(c), regardless of collateral

- (a) Loan interest accruals included.
- (b) NPLs as a % of total gross loans.
- (c) Provisioning of 98.5% as of March-2007, remaining 1.5% risk does not belong to the Bank.

Securities Portfolio

TRY million	2005	2006	Q1 06	Q1 07
Marketable Securities	3,513	6,469	4,398	6,879
<i>TL</i>	2,960	5,182	3,799	4,981
<i>FX</i>	553	1,287	599	1,898
HTM Securities	13,464	10,678	13,051	10,664
<i>TL</i>	10,930	8,844	10,730	8,844 ^(b)
<i>FX</i>	2,533	1,834	2,321	1,821
Total^(a)	16,976	17,147	17,449	17,543



(a) Excluding interest accruals.

(b) Before early redemption by the Privatization Administration of TRY 700 million of principal on April 2007.

Balance Sheet

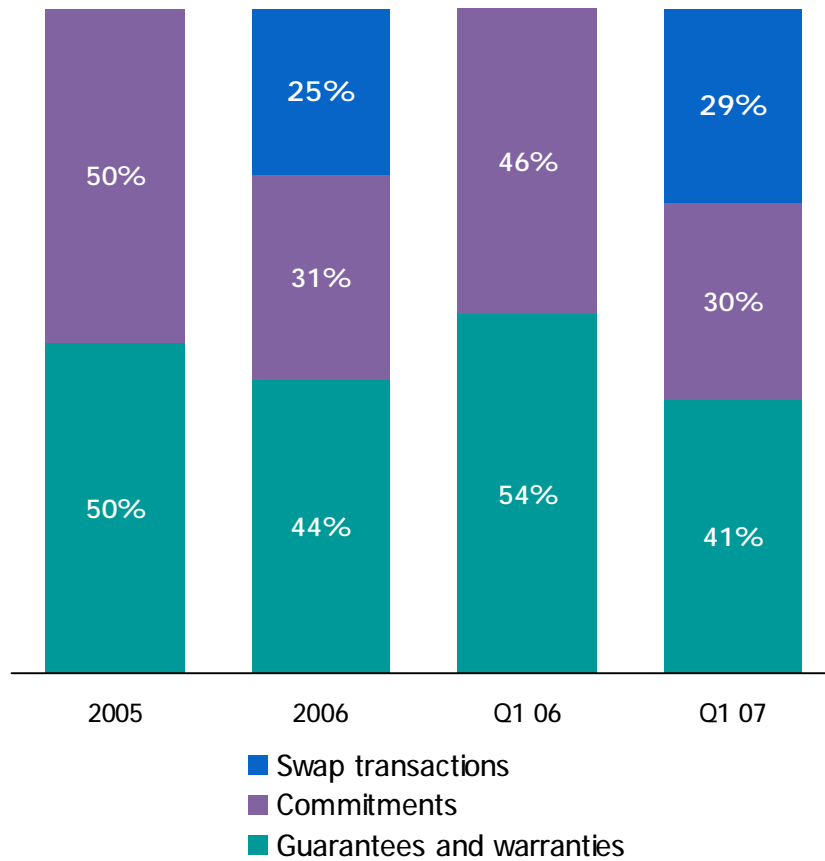
In TRY million	2005	2006	Q1 06	Q1 07	2006 - Q1 07 (%) Change
Cash and Balances Held with Central Bank ^(a)	1,286	2,551	2,140	2,278	(11)
Banks	752	1,079	1,307	978	(9)
Trading Securities ^(b)	1,837	754	2,003	561	(26)
Available for Sale Securities ^(b)	1,887	6,111	2,596	6,535	7
Net Loans ^(b)	6,330	11,646	7,306	12,984	11
Held to Maturity Securities ^(b)	13,849	11,275	13,460	11,297	0
Property and Equipment	713	675	715	679	1
Other Assets	200	335	241	385	15
Total Assets	26,854	34,425	29,767	35,697	4
Deposits ^(b)	21,113	27,188	23,644	28,520	5
Derivative Financial Liabilities Held for Trading	0	38	0	52	37
Funds Borrowed ^(b)	468	873	618	921	5
Interbank Money Market	40	672	277	292	(57)
Funds	1,024	1,003	944	1,001	0
Miscellaneous Payables	204	271	238	294	8
Other Liabilities	267	56	85	111	98
Liabilities for Tax	126	166	139	135	(19)
Provisions	313	378	335	370	(2)
Shareholders Equity	3,299	3,780	3,487	4,001	6
Total Liabilities	26,854	34,425	29,767	35,697	4

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

(b) Interest Accruals add to related accounts.

Off-Balance Sheet Commitments

Breakdown of Off-Balance Sheet Items



Off-Balance Sheet Commitments

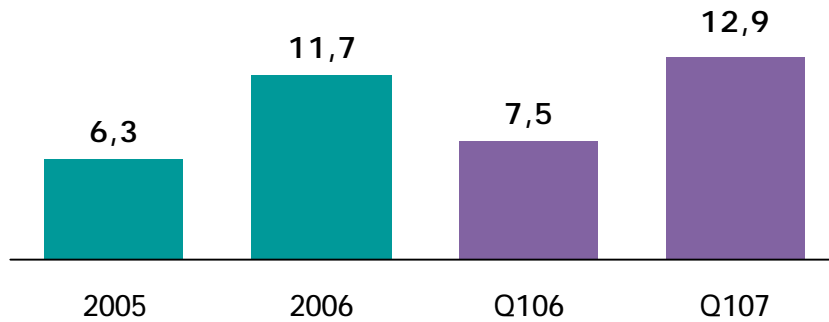
TRY bn	2005	2006	Q1 06	Q1 07
Guarantees and warranties	2.1	3.1	2.5	3.2
- Letters of guarantee	1.8	2.7	2.2	2.8
- Other letters of credit	0.3	0.4	0.3	0.4
Commitments	2.1	2.2	2.1	2.4
Swap transactions	-	1.8	-	2.3
Total	4.2	7.1	4.6	7.9

Income Statements

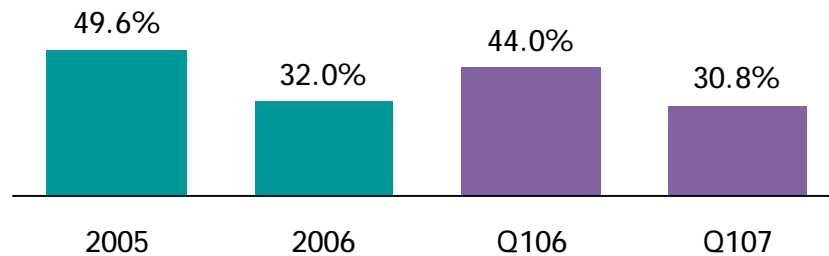
In TRY million	2005	2006	Q1 06	Q1 07	Q1 06-Q1 07 (%) Change
Interest Income	3,717	4,564	916	1,355	48
Interest Expense	2,793	3,195	660	959	45
Net Interest Income	925	1,370	256	396	55
Net Fees and Commissions	155	232	52	76	46
Net Trading Income	224	(214)	(15)	(4)	(73)
of which FX gain/loss	200	(180)	(27)	30	(211)
Other Operating Income	270	641	190	97	(49)
of which NPL collections (principal portion)	155	266	135	30	(78)
Net Operating Revenues	1,573	2,028	483	564	17
Operating Expenses	672	723	165	202	22
Net Operating Income	901	1,305	318	362	14
Provision for Loan Losses and Other Receivables	112	202	42	56	33
of which provision for loan losses	95	130	23	31	35
Profit/(Losses) from Associates	12	14	1	1	0
Income Before Taxes	801	1,117	277	308	11
Income Before Tax and NPL Collections	646	851	142	278	96
Provision for Taxes	247	254	91	70	(23)
Net Income	554	863	186	238	28

CAR Capital Adequacy Ratio Evolution

Total Risk Weighted Assets (TRY bn)



Capital Adequacy Ratio Evolution



Capital Base (TRY m)

	2005	2006	Q106	Q107
Core Capital	3,133	3,772	3,330	4,009
Tier 2 and Tier 2 Deductions	97	76	106	82
Tier 3	0	0	0	0
Deductions	-111	-101	-148	-107
BIS Capital	3,119	3,747	3,287	3,984
Credit Risk	5,981	11,597	7,002	12,775
Market Risk	303	129	470	169
RWA	6,283	11,726	7,472	12,944
CAR (%)	49.6	32.0	44.0	30.8

Summary (1/2)

- Total loans increased to 12.7 billion TRY. Growth particularly in retail & SME segmentation is remarkable(y-o-y growth 76 %)
- The Bank continues to exploit its competitive advantage of nationwide branch network in expanding loan and deposit portfolio
- NPL ratio declined to 7.8 % as a result of effective collections, high asset quality and prudent credit policies
- NIM increased to 5 % (120 bps up on y-o-y terms). Focusing on generating fee & commission income and increasing NIM through effective cost management policies will help to improve figures more
- RoAA and RoAE respectively 2.8 % and 24.8 %. RoAE went 250 bps up on y-o-y terms

Summary (2/2)

- Net fee and commissions y-o-y growth is 46 % while increase in operating expenses is 22 %. Net fees and commissions cover 38 % of operating expenses
- Fee income/total income ratio increased by 260 bps on y-o-y terms
- Y-o-y net income growth is 28 %, 238 million TRY
- Excluding NPL collections, total income increased by 54% and profit before tax by 96%
- HTM securities, constituting 32 % of total asset in Q1, keeps declining. 85 % of total securities portfolio bears floating interest rate
- CAR ratio is 30.8 % as of Q1 07 indicating strong and comfortable capitalisation position of the Bank