

Q1 2009 Earnings Presentation

BRSA Bank Only



Halkbank: Q1 2009 Highlights

Profitable growth is the top priority

- > The bank achieved 18.1% asset growth YoY while having a very high RoE of 33%.
- > Net profit grew by 237% QoQ and 21% YoY, reached TRY 365 mn.

Solid and sound funding base

- > Main source of funds for lending and investments are customer deposits. 76% of total assets are funded by only deposits.
- > Total deposits stayed flat and rate sensitive deposits are substituted with less costly ones and repos.

The ongoing market share gains and loan growth indicate well designed business model

- > With a rise of 5.3% y-t-d, total loans reached TRY 27.2 bn.
- > NPL ratio increased by only 30 bps and registered 5%.

Loan to deposit ratio is still comfortable at 68.4%

Net interest income was up by 24.6% QoQ and recorded TRY 678 mn, bringing in net interest margin of 5.7%.

Net fee and commissions income reached TRY 102 mn, up by 15% QoQ

Strong Capital base

- > 14.9% CAR is well above regulatory limits.

Effective cost management

- > Low cost base with 31.4%, the lowest cost/income ratio among peer group banks.

Loans have crossed the half while the assets have grown by 18.1%.

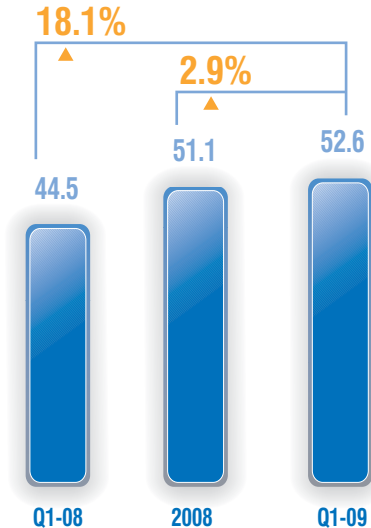
ASSET GROWTH
YoY 18.1% YTD 2.9%

IEA
94.0%

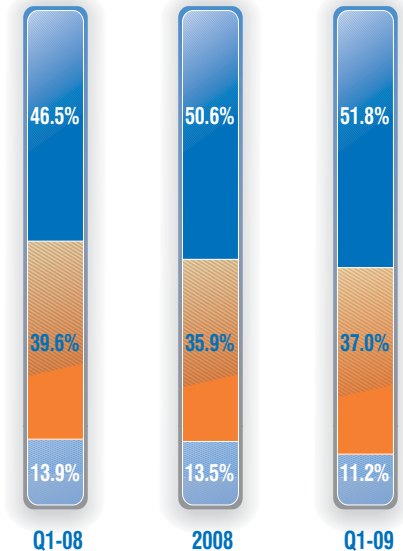
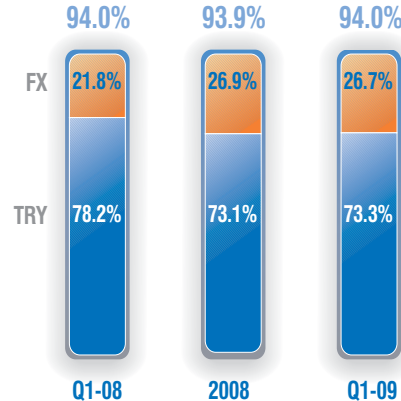
Asset Mix (%)

- Loans
- Securities
- Other Assets

Total Asset Growth (TRY billion)



Composition of IEAs ^(a)

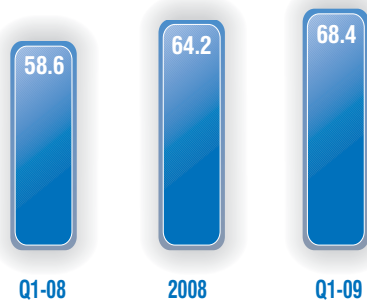


(a) Including interest accruals and excluding fund loans

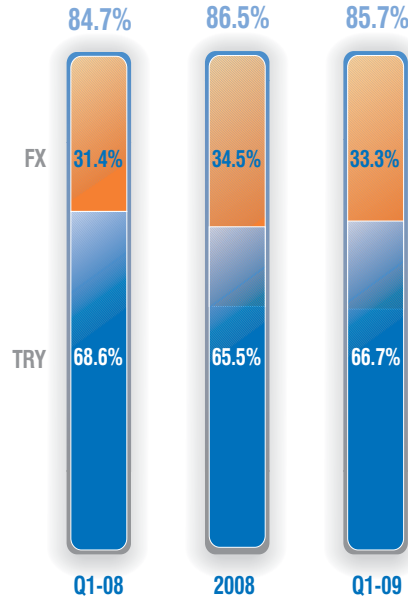
Deposits are reliable source of funding and constituting substantial portion of liabilities

75.7% of total liabilities are customer deposits; however, share of money market funds increases to boost margins further up.

Loan to Deposit (%)

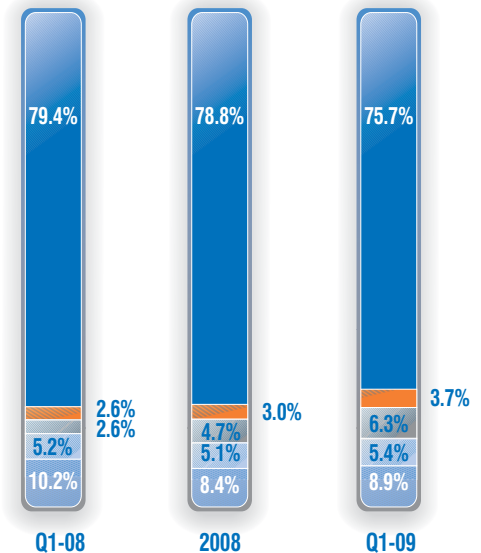


Composition of IBLs (a)



Liabilities Mix (%)

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

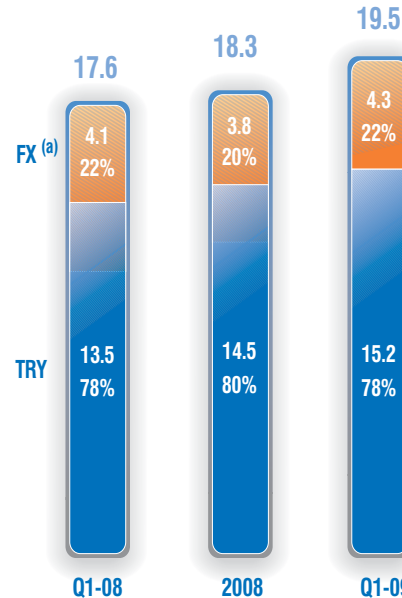


(a) Including interest accruals and excluding funds

Securities portfolio increased by 6.1% in light of the market conditions

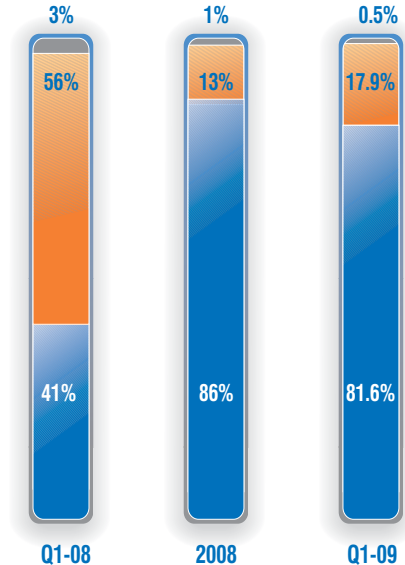
Total securities reached TRY 19.5 bn; ongoing redemptions will produce TRY 2.9 bn liquidity for the rest of the year.

Total Securities Portfolio (TRY billion)



Total Securities Composition

● HTM ● AFS ● Trading



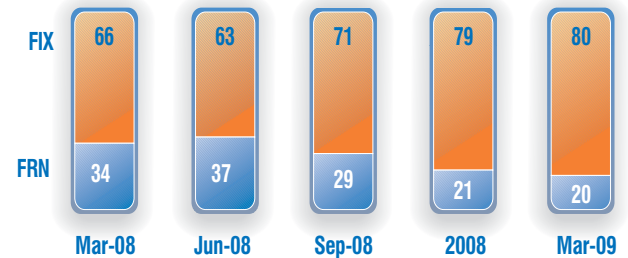
(a) FX indexed securities are booked as foreign currency.

FRNs are still dominant as long as they offer higher yields

Total Securities Portfolio ^(a) (%)



FX Securities Portfolio ^(a) (%)



TRY Securities Portfolio ^(a) (%)



FRNs constitute 65% of total, 78% of TRY and 20% of FX securities.

(a) Excluding interest accruals.

Loan book grows in line with full year target

(TRY billion) ^(a)

TOTAL LOANS

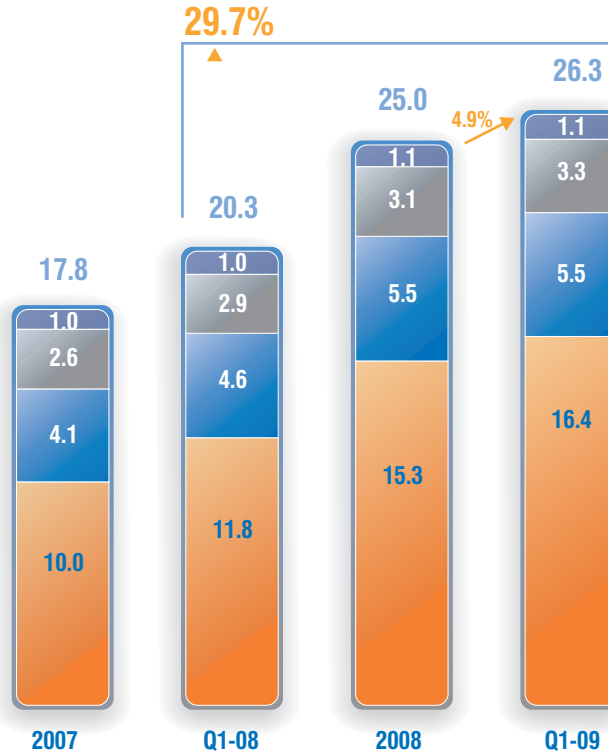
HALKBANK SECTOR ^(b)
 YTD **4.9%** YTD **-0.2%**

TRY LOANS

HALKBANK SECTOR ^(b)
 YTD **2.3%** YTD **-1.7%**

FX LOANS

HALKBANK SECTOR ^(b)
 YTD **12.2%** YTD **3.3%**
in USD terms
 YTD **2.3%** YTD **-5.8%**



- YTD Change (%)**
- ➔ Fund Loans down by -1.7%
 - ➔ Cooperative Loans up by 7.5%
 - ➔ Retail Loans down by -0.5%
 - ➔ Commercial Loans up by 6.8%

Market Share (%)



(a) Excluding interest accruals.
 (b) BRSA data as of 31.03.2009.

Retail loans were almost flat due to weak demand

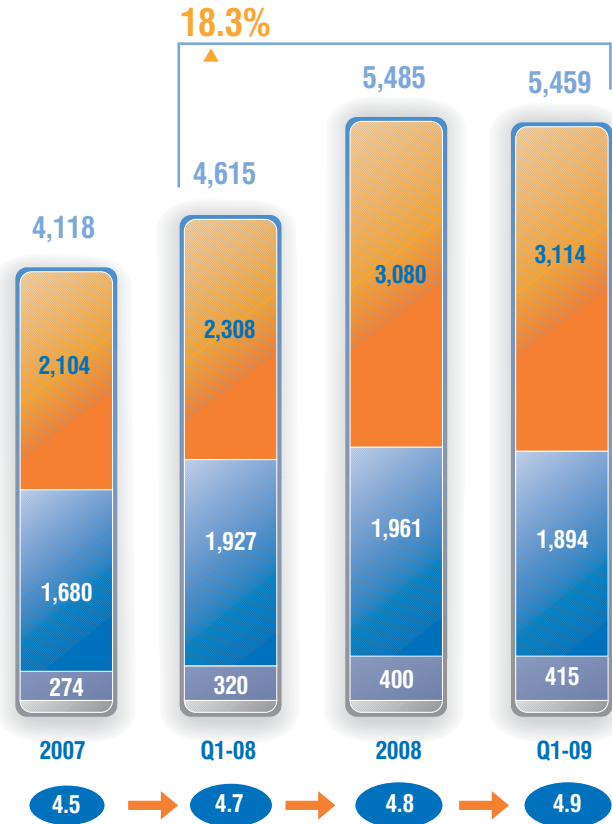
(TRY million) ^(a)

HALKBANK

YTD **-0.5%**

SECTOR

YTD **-1.3%** ^(b)



- ➔ **Consumer Loans up by 1.1%**
Share in total 57.0%

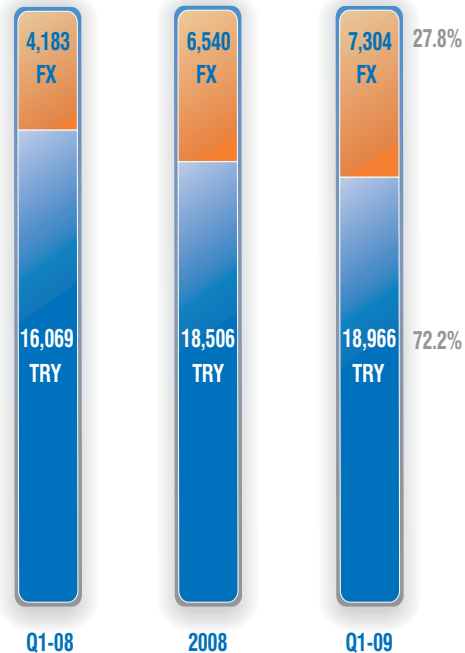
- ➔ **Housing Loans decrease by -3.4%**
Share in total 34.7%

- ➔ **Credit Cards up by 3.7%**
Share in total 7.6%

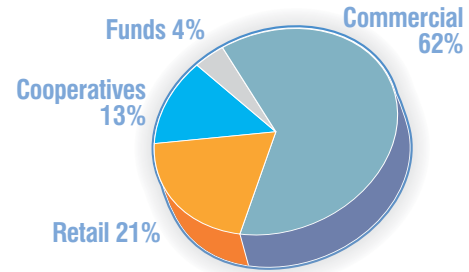
(a) Excluding interest accruals.
(b) CBRT data as of 27.03.2009.

FX loans are increasing consistently - Commercial loans have the lion's share

Loans by Currency ^(a) (TRY million)



Loans By Types (%) (Q1-09)



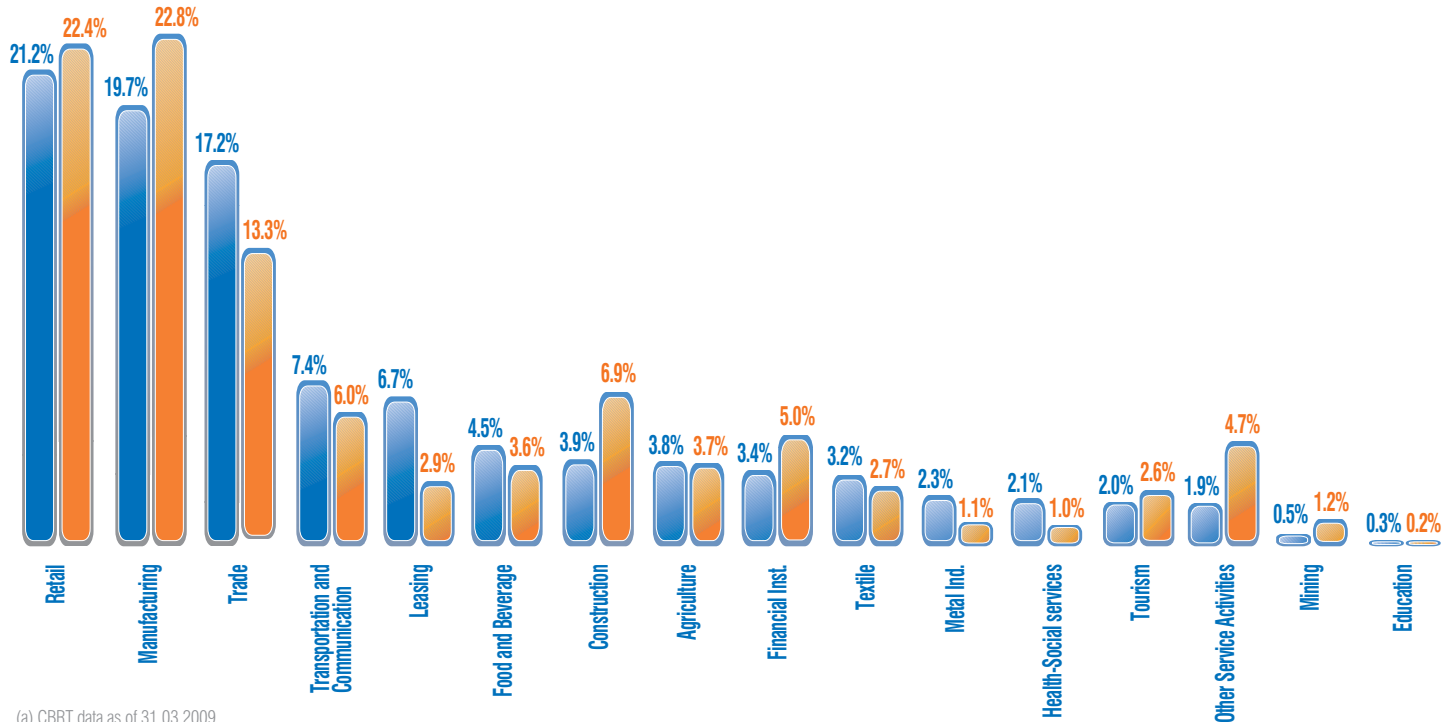
Loan growth is mainly driven by commercial loans and therefore it is gaining ground in total from 58% to 62% on a yearly basis.

(a) Excluding interest accruals

Relatively low concentration on recession hit sectors

Sectoral Diversification (%) (Q1-09)

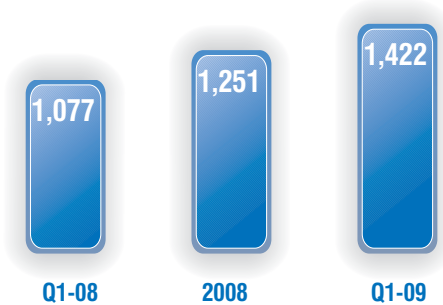
 Halkbank
 Sector (a)



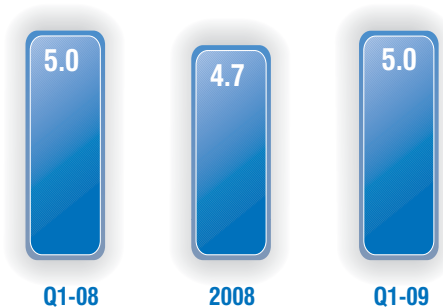
(a) CBRT data as of 31.03.2009.

NPLs and LLPs increased as expected

NPL Portfolio (TRY million)

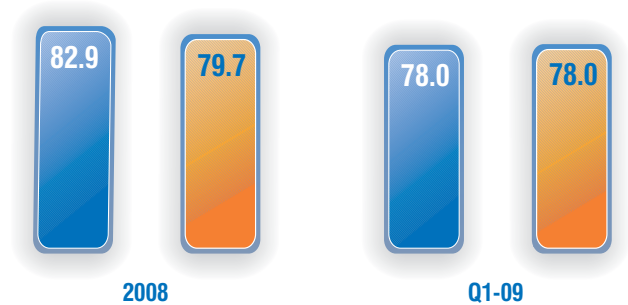


NPL/Total Loans (%)

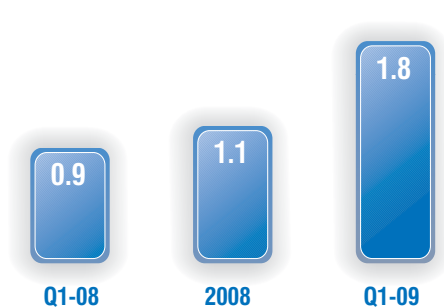


NPL Coverage (%)

● Halkbank ● Sector ^(a)



Loan Loss Provisions/Average Net Loans (%)

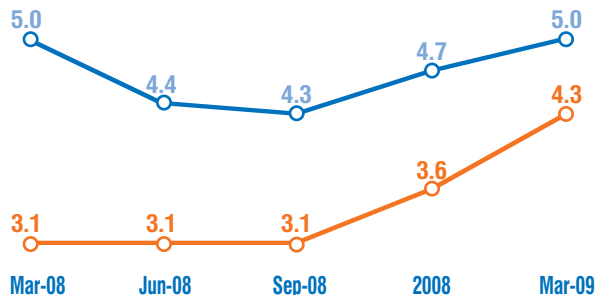


(a) BRSA data as of 31.03.2009.

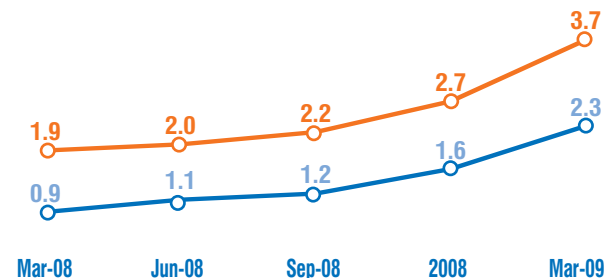
Relatively better performance of SME loans helps limit asset quality deterioration

○ Halkbank
○ Sector ^(a,b)

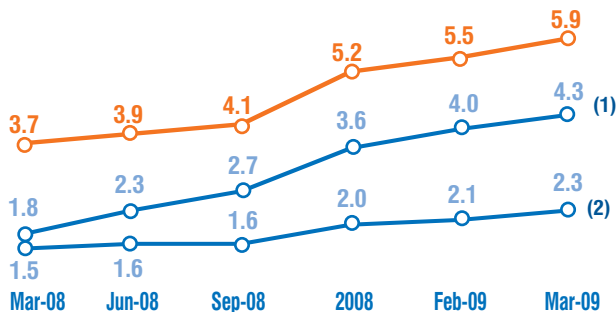
NPL/Total Loans ^(a) (%)



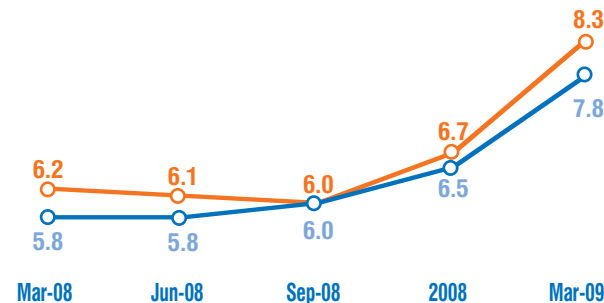
Consumer Loans ^(b) (%)



SME Loans ^(a) (%)



Credit Cards ^(b) (%)



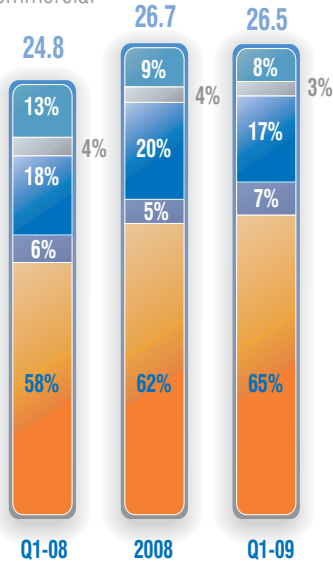
(1) All loans granted to SMEs in terms of customer definition (2) Loans granted to SMEs in terms of loan definition

(a) BRSR data as of 31.03.2009. (b) CBRT data as of 27.03.2009.

Rate sensitive deposits are substituted with less costly ones and repos

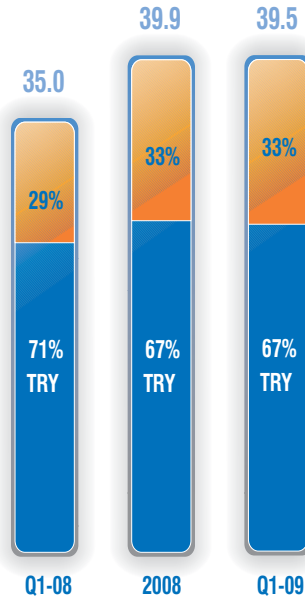
TRY Deposits by Types ^(a) (TRY billion)

- Other Institutions
- Public Sector
- Interbank
- Commercial
- Savings



10.1 → 9.3 → 9.1 Market Share (%)

Total Deposits by Currency ^(a) (TRY billion)



9.1 → 8.9 → 8.6

TOTAL DEPOSITS

HALKBANK SECTOR ^(b)
 YTD **-1.0%** YTD **1.8%**

TRY DEPOSITS

HALKBANK SECTOR ^(b)
 YTD **-1.1%** YTD **0.4%**

FX DEPOSITS

HALKBANK SECTOR ^(b)
 YTD **-1.0%** YTD **4.3%**

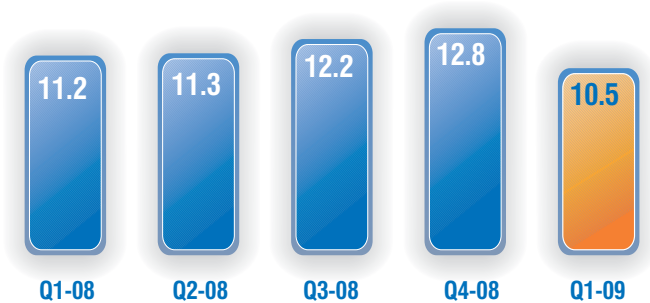
in USD terms

YTD **-9.7%** YTD **-4.9%**

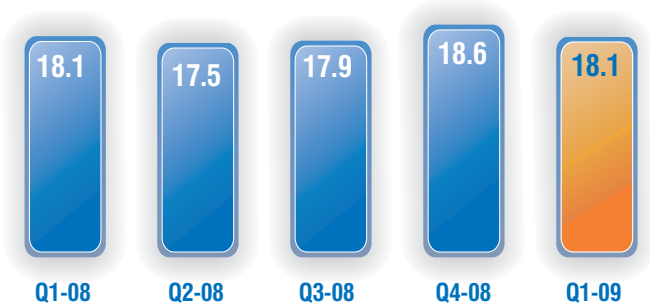
(a) Excluding Interest Accruals (b) BRSA data as of 31.03.2009.

Cost-Yield-Spread (a)

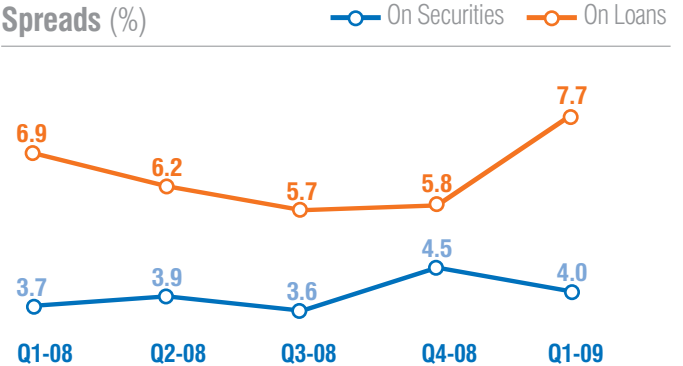
Cost of Deposits (%)



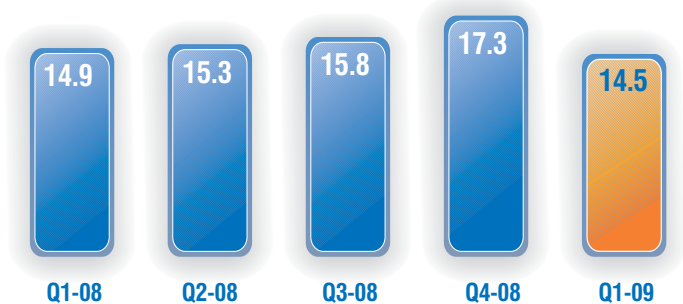
Yield on Loans (b) (%)



Spreads (%)



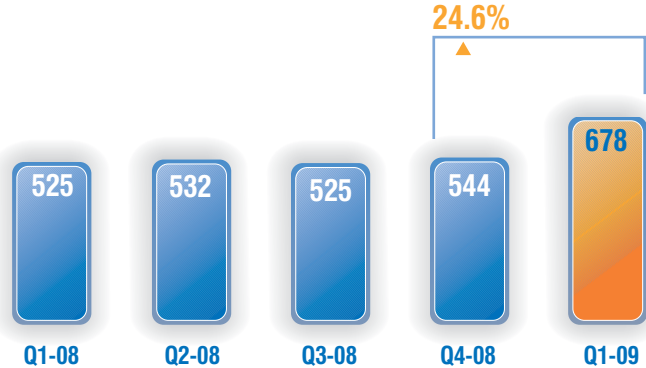
Yield on Securities (%)



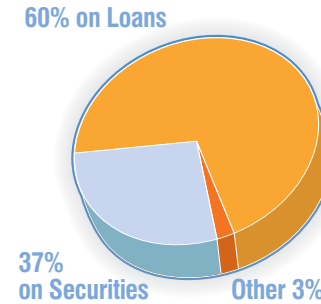
(a) TRY-FX blended (b) Excluding fund loans

Lower security yields offset by recurring income from loans.

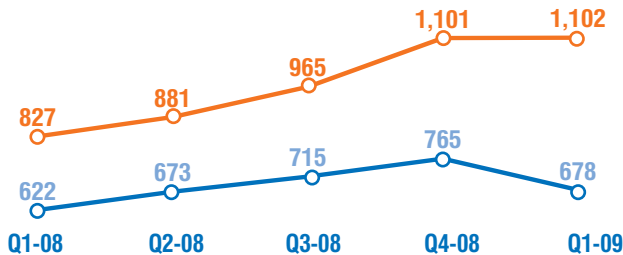
Net Interest Income (TRY million)



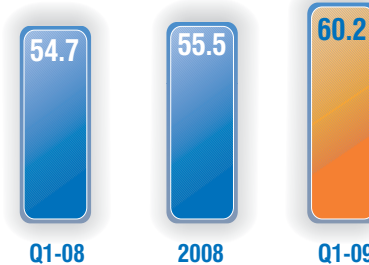
Breakdown of Net Interest Income (Q1-09)



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

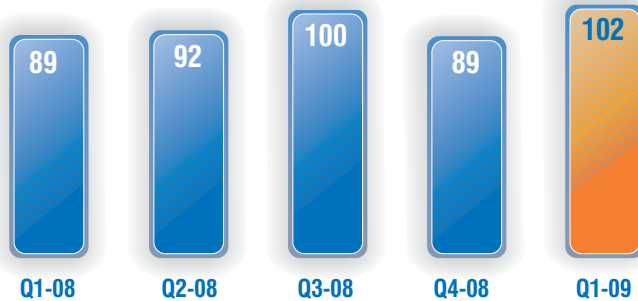


Interest Income on Loans/Total Interest Income (%)



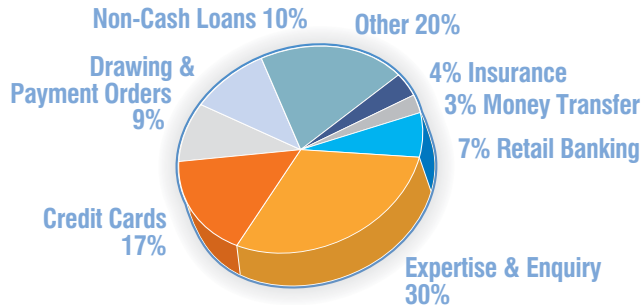
Promising fees & commissions income generation

Net Fee & Commission Income (TRY million)

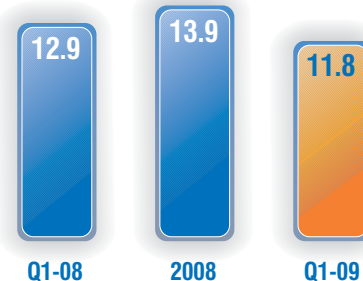


Although net fees and commissions income increased by 14.9% QoQ, the strong rise in NII caused to decrease the share of net fees and commissions in total.

Breakdown of Fees & Commissions Income (Q1-09)

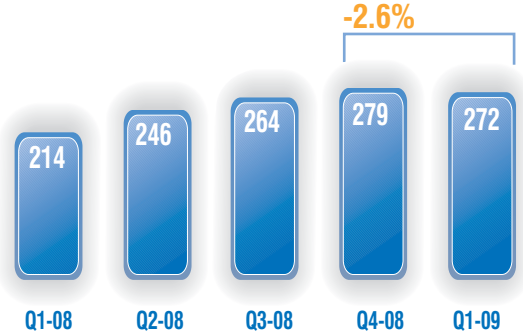


Net Fees & Commissions Income/ Total Operating Revenues (%)

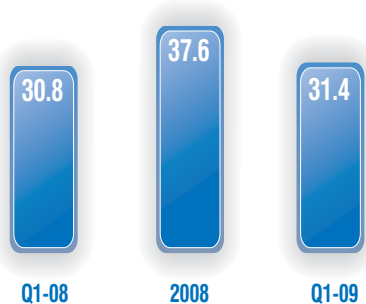


All quite on the Opex front

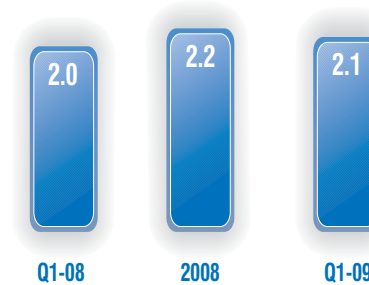
Operating Expenses (TRY million)



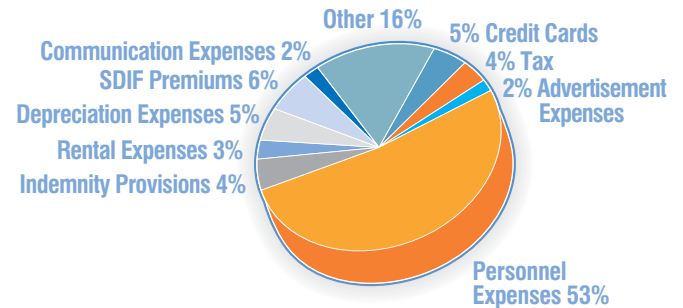
Cost/Income (%)



Operating Expenses/Average Assets (%)

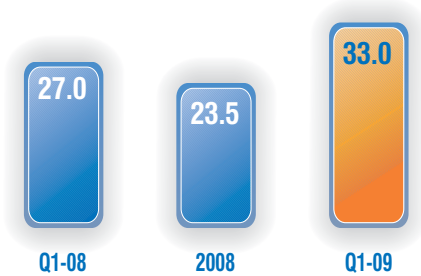


Breakdown of Operating Expenses (Q1-09)

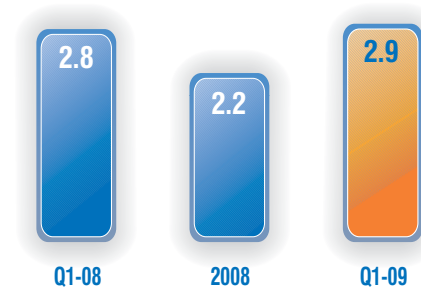


Key Ratios

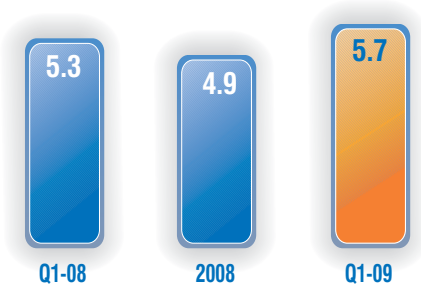
ROE (%)



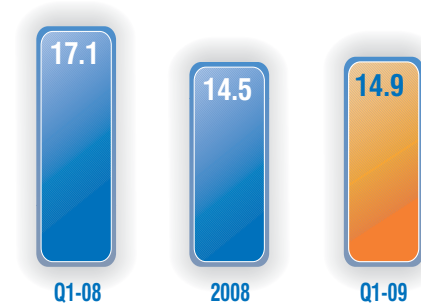
ROA (%)



NIM (%)



CAR (%)



Appendix

Balance Sheet

| In TRY million | Q1-08 | 2008 | Q1-09 | YTD Change (%) | YoY Change (%) |
|---|---------------|---------------|---------------|-------------------|-------------------|
| Cash and Balances Held with Central Bank ^(a) | 2,856 | 3,009 | 2,990 | 1 | 5 |
| Banks & Money Market | 1,896 | 2,119 | 1,050 | (51) | (45) |
| Securities ^(b) | 17,612 | 18,334 | 19,451 | 6 | 10 |
| Net Loans ^(b) | 20,676 | 25,836 | 27,205 | 5 | 32 |
| Gross NPL | 1,077 | 1,251 | 1,422 | 14 | 32 |
| NPL Net | 48 | 214 | 313 | 47 | 554 |
| Property and Equipment | 640 | 930 | 966 | 4 | 51 |
| Other Assets | 812 | 867 | 903 | 4 | 11 |
| Total Assets | 44,492 | 51,096 | 52,564 | 3 | 18 |
| Deposits ^(b) | 35,309 | 40,271 | 39,783 | (1) | 13 |
| Funds Borrowed ^(b) | 1,166 | 1,522 | 1,956 | 29 | 68 |
| Interbank Money Market | 1,148 | 2,390 | 3,309 | 38 | 188 |
| Funds | 1,035 | 1,216 | 1,377 | 13 | 33 |
| Other Liabilities | 838 | 800 | 845 | 6 | 1 |
| Provisions | 458 | 608 | 620 | 2 | 36 |
| Shareholders' Equity | 4,538 | 4,289 | 4,674 | 9 | 3 |
| Total Liabilities | 44,492 | 51,096 | 52,564 | 3 | 18 |

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

(b) Including interest accruals.

Income Statement

| In TRY million | Q1-08 | Q2-08 | Q3-08 | Q4-08 | Q1-09 | QoQ (%) | YoY (%) |
|---|------------|------------|------------|------------|------------|------------|-----------|
| Interest Income | 1,511 | 1,613 | 1,739 | 1,930 | 1,830 | (5) | 21 |
| On Loans | 827 | 881 | 965 | 1,101 | 1,102 | 0 | 33 |
| On Securities | 622 | 673 | 715 | 765 | 678 | (11) | 9 |
| Interest Expense | 986 | 1,081 | 1,214 | 1,386 | 1,151 | (17) | 17 |
| On Deposits | 919 | 1,023 | 1,127 | 1,264 | 1,043 | (18) | 14 |
| Net Interest Income | 525 | 532 | 525 | 544 | 678 | 25 | 29 |
| Net Fees and Commissions | 89 | 92 | 100 | 89 | 102 | 15 | 14 |
| Net Trading Income | (39) | (36) | (25) | (93) | (6) | - | - |
| Other Operating Income | 119 | 141 | 61 | 43 | 91 | 111 | (24) |
| Reversal of Loan Loss Provisions | 51 | 115 | 40 | 17 | 50 | 189 | (2) |
| Total Operating Revenues | 694 | 728 | 661 | 583 | 865 | 48 | 25 |
| Operating Expenses | 214 | 246 | 264 | 279 | 272 | (3) | 27 |
| Net Operating Income | 480 | 482 | 397 | 305 | 594 | 95 | 24 |
| Provision for Loan Losses and Other Receivables | 97 | 75 | 68 | 197 | 147 | (25) | 52 |
| Loan Loss Provisions for Cash Loans | 44 | 49 | 48 | 102 | 119 | 17 | 171 |
| Profit/(Losses) from Associates | - | 21 | 7 | 10 | 4 | (62) | - |
| Income Before Taxes | 383 | 428 | 336 | 119 | 450 | 280 | 18 |
| Provision for Tax | 83 | 87 | 68 | 10 | 86 | 730 | 3 |
| Net Income | 301 | 341 | 268 | 108 | 365 | 237 | 21 |

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