

Q3 2010 Earnings Presentation

BRSA Bank Only



Macro Outlook

- > Recent referendum poll results signal long-term political stability and improved economic outlook.
- > Revised Medium Term Program targets seem easily achievable:
 - > CPI expectation for 2010 is 7.5%, 5.3% for 2011.
 - > GDP growth targets for 2010 and 2011 are 6.8% and 4.5% respectively.
 - > Unemployment rate put at 12.2% in 2010 and 12% for the next year.
 - > CAD is expected to be USD 39.3 bn in 2010 and USD 42.2 bn in 2011, corresponding to 5.4% of GDP for both years.
 - > Budget deficit for 2010 is projected at 4% of GDP, declining to 2.8% in 2011.
- > Double-digit GDP growth at 10.3% YoY in Q2 2010 put Turkey among the world's fastest growing economies. Turkey's H1 2010 GDP growth at 11.0%.
- > Brilliant budget performance in the first nine months seems sustainable for the coming years. (In September 2010 budget deficit decreased by 48% to TRY 21.3 bn)
- > Although CPI increased to 9.2% in September, inflation is expected to be in a downward trend until year-end. Given the continuing fall in core inflation, policy rate hikes by CBRT seems unlikely until Q4 2011.
- > Employment has started to recover: Unemployment rate fell to 10.6% in July from 12.8% a year ago and from 14.5% at the beginning of 2010.

Banking Sector Outlook

- > Rewarding Q3 2010 growth figures in terms of loans and deposits.
- > Loans up 4.5% QoQ, 21.4% YtD and 26.5% YoY. TRY loans grew 22.6% while FX loans in USD terms up 22.8% since the end of 2009.
- > Deposits increased 12.1% YtD, 17.7% YoY and 1.5% quarterly. 15.9% high growth of TRY deposits almost doubled 8.8% growth of FX deposits in USD terms.
- > Loan/Deposit ratio at 85.2% level (92.5% in TRY and 69.6% in FX terms).
- > General purpose consumer loans and mortgage loans still keep their major role in retail segment.
- > SME loans grew 28% YtD as of August.
- > Despite slight increase in nominal NPLs, quarterly 4.5% loan growth brought NPL ratio down to 4.2% level in Q3 2010.
- > Expected NIM contraction materialized as 100 bps in the first 8 months of 2010.
- > Due to positive CPI readings from September onwards, an upswing on NIM and net interest income is expected in Q4 2010.
- > ROE of banking industry down to 19% level.
- > Strong CAR at 19.3% level in August.
- > Coherent with exit strategy, Reserve Requirement Ratios have been raised by CBRT from 5.0% to 5.5% for TRY deposits and from 10% to 11% for FX deposits. Further rise on RRR is expected until year end. Tailored rates may be implemented for different maturity structures.
- > Policy rate stable at 7% as O/N borrowing rate is lowered 50 bps to 5.75% in order to encourage borrowing activities among financial institutions.
- > BRSA allows banks to issue local currency corporate bonds in order to extend the maturity of funding base, which will help narrow the maturity mismatch.
- > Easing on TRY deposit rates after Q3 2010.

September 2010 Highlights

Solid profitability fostered by superior loan growth

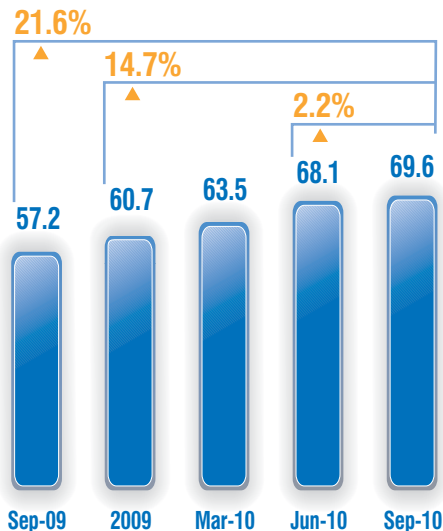
- > Net income increased by **25.1%** YoY, reaching TRY 1,511 mn.
- > Impressive ROE performance at **31.7%**.
- > Deriving mainly from robust loan growth, 14.7% YtD increase in total assets. (ROA: **3.1%**).
- > Unabated loan expansion reaching TRY 40.6 bn; growth at 6.2% QoQ and **25.1%** YtD.
- > Augmented by 17.5% YtD, total deposits reached TRY 51.7 bn.
- > Preserved asset quality; 20 bps decrease in NPL ratio. (NPL: **4.1%**)
- > Cost of risk down to 90 bps.
- > Owing to the outset of normalization of margins and the impact of CPI-linkers, NIM narrowed to **5.1%** in Sep 2010.
- > Lower securities income compensated by trading gains.
- > Net fees and commissions income up **20.3%** YoY.
- > Total operating revenues and net operating income increased 14.9% and 11.6% YoY respectively.
- > Still one of the lowest cost/income ratio at 33.2%.
- > **15.4%** CAR well above the regulatory limit.

Assets increased by 14.7% YtD, the share of loans reached 58.4%

ASSET GROWTH

YoY 21.6% YtD 14.7%

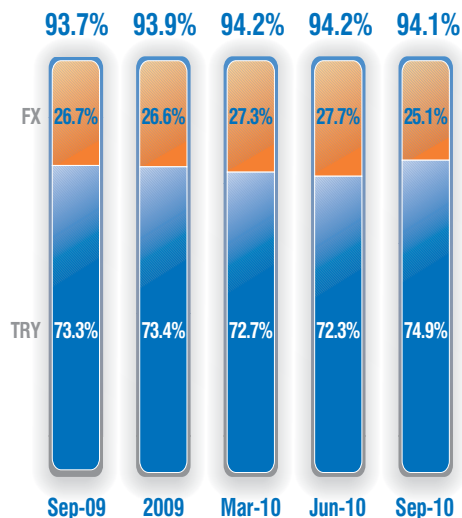
Total Asset Growth (TRY billion)



IEA

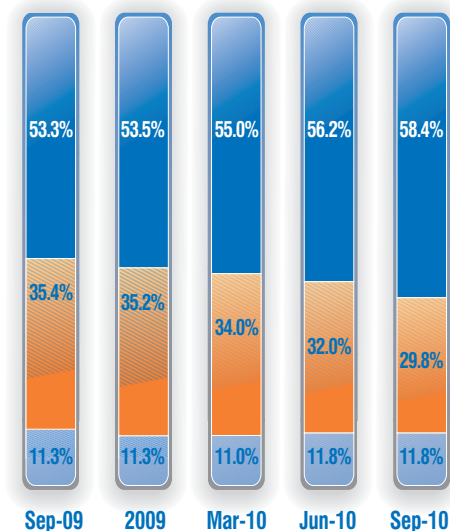
94.1%

Composition of IEAs ^(a)



Asset Mix (%)

- Loans
- Securities
- Other Assets

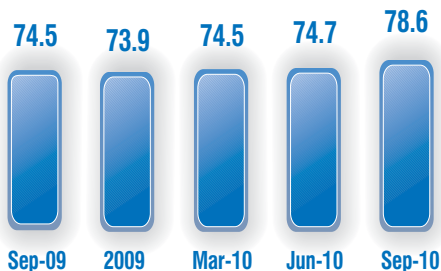


(a) Including interest accruals and excluding fund loans

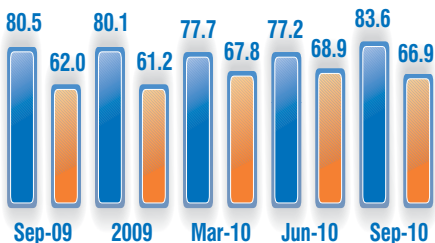
L/D ratio, at 78.6%, offers ample scope for further growth

Loan to Deposit (%)

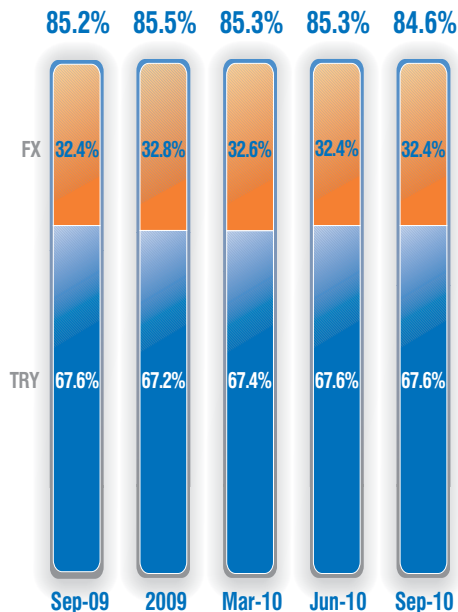
● Total L/D



● TRY L/D ● FX L/D

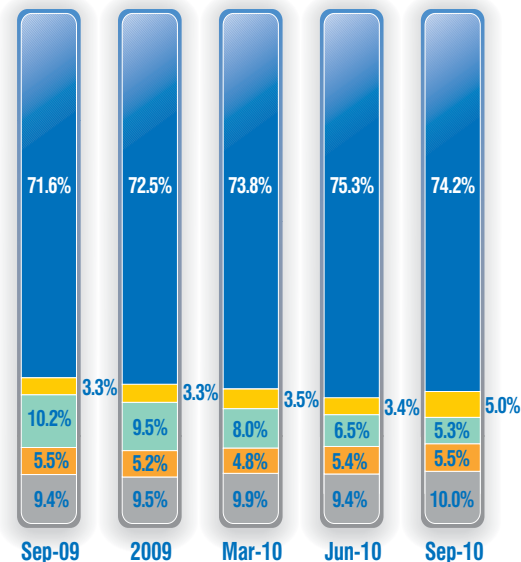


Composition of IBLs (a)



Liabilities Mix (%)

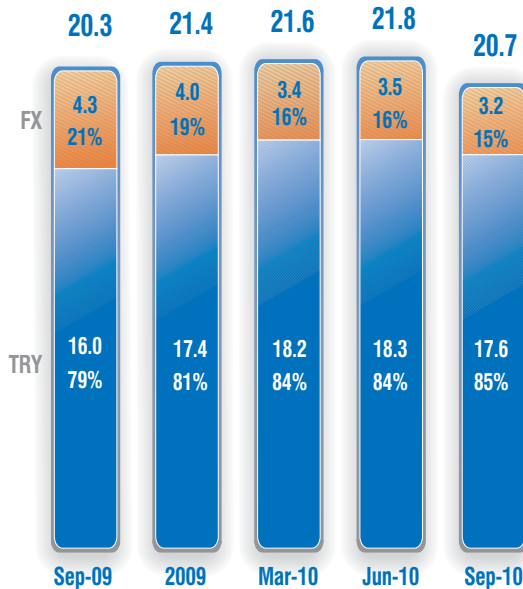
● Deposits ● Other Liabilities
● Funds Borrowed ● Shareholder's Equity
● Interbank Money Market



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

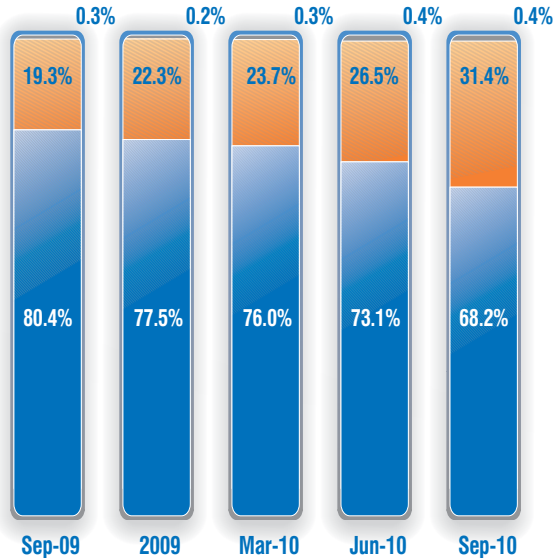
Redemptions in Q3 2010 channeled into higher yielding assets

Securities Portfolio ^(a) (TRY billion)



Composition of Securities

● HTM ● AFS ● Trading

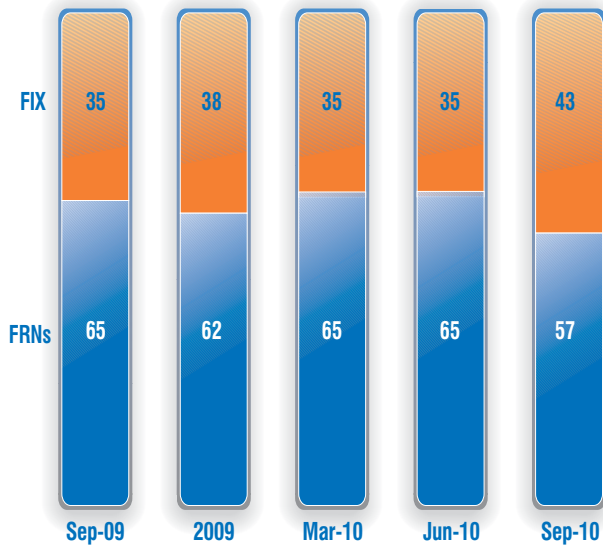


For the rest of the year, TRY 1.4 bn in redemptions expected.

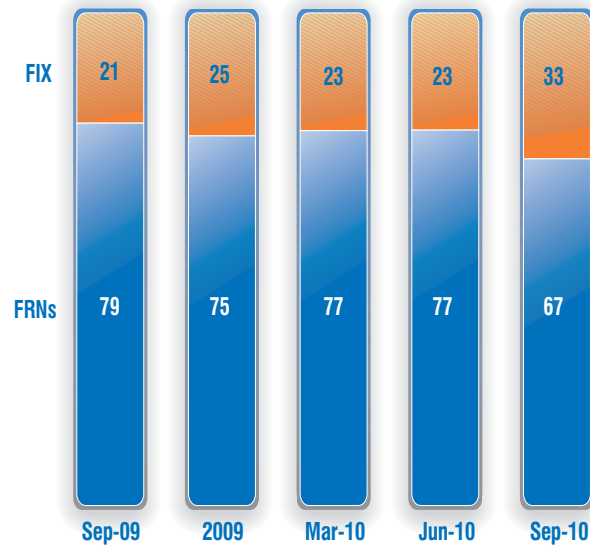
(a) FX indexed securities are booked as foreign currency

Share of FRNs are decreasing as they are redeemed

Total Securities Portfolio ^(a) (%)



TRY Securities Portfolio ^(a) (%)



**CPI-linkers
constitute
10.9% of total
securities.**

(a) Excluding interest accruals

Loan growth target for 2010 has already been beaten

(TRY billion) ^(a)

TOTAL LOANS

HALKBANK B. SECTOR ^(b)

YtD **25.9%** YtD **21.4%**
 QoQ **6.3%** QoQ **4.5%**

TRY LOANS

HALKBANK B. SECTOR ^(b)

YtD **30.0%** YtD **22.6%**
 QoQ **10.9%** QoQ **5.9%**

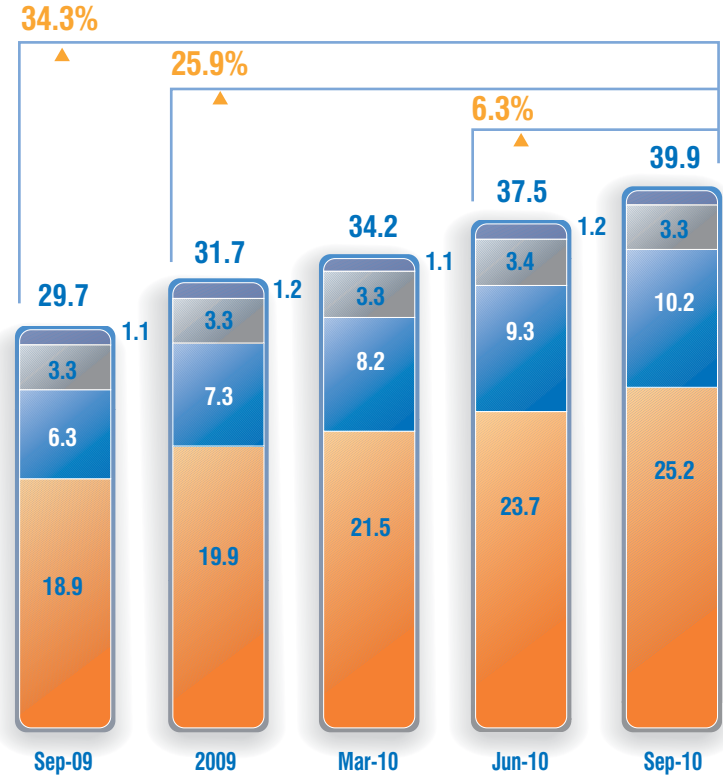
FX LOANS

HALKBANK B. SECTOR ^(b)

YtD **15.4%** YtD **18.2%**
 QoQ **-5.4%** QoQ **1.0%**

in USD terms

YtD **19.9%** YtD **22.8%**
 QoQ **3.6%** QoQ **10.6%**



- ➔ Fund Loans up 1.4% YtD up 1.8% QoQ
- ➔ Cooperative Loans up 0.5% YtD down -1.3% QoQ
- ➔ Retail Loans up 39.7% YtD up 10.3% QoQ
- ➔ Commercial Loans up 26.5% YtD up 6.0% QoQ

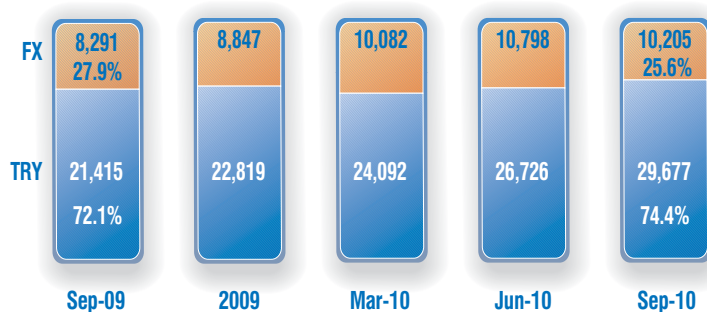
Market Share (%)



(a) Excluding interest accruals
 (b) BRSA data as of 30.09.2010.

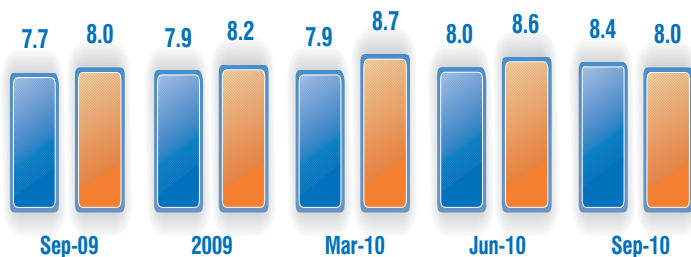
TRY-denominated loans on the rise; the share of retail continues to escalate

Loans by Currency ^(a) (TRY million)

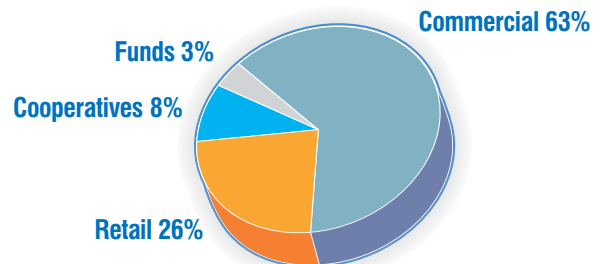


Market Share in Loans by Currency (%)

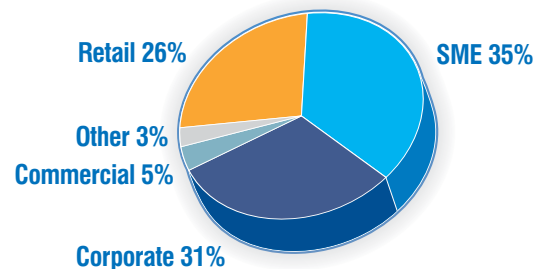
● TRY ● FX



Loans by Types



Loans By Customer Segmentation



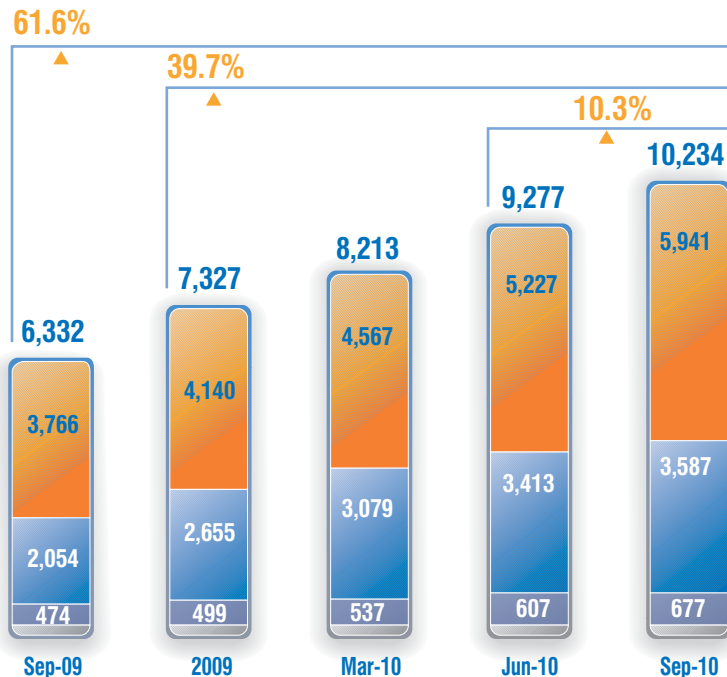
(a) Excluding interest accruals

Growth in retail loans sustains higher than sector averages

(TRY million) ^(a)

HALKBANK
YtD **39.7%**
QoQ **10.3%**

B. SECTOR
YtD **21.1%** ^(b)
QoQ **6.8%**



Consumer Loans
up **43.5% YtD**
up **13.7% QoQ**
Share in total **58.1%**

Housing Loans
up **35.1% YtD**
up **5.1% QoQ**
Share in total **35.0%**

Credit Cards
up **35.6% YtD**
up **11.4% QoQ**
Share in total **6.6%**

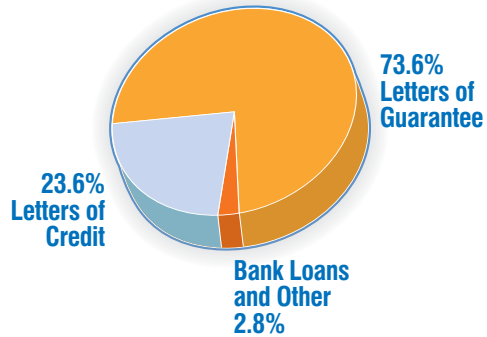
Retail Loans Market Share (%)	5.3	5.8	6.2	6.4	6.6
Consumer Loans Market Share (%)	9.1	9.4	9.7	10.0	10.4
Housing Loans Market Share (%)	5.2	6.2	6.8	7.0	6.9

(a) Excluding interest accruals
(b) CBRT data as of 24.09.2010.

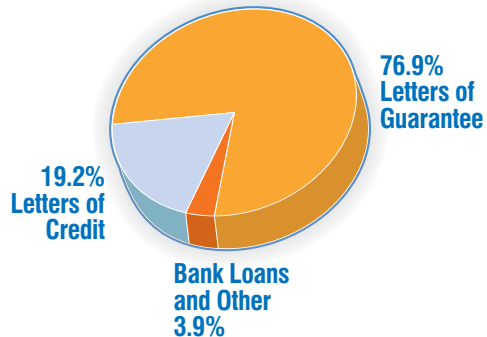
Targeting more on foreign trade-oriented companies

Breakdown of Non-cash Loans (a)

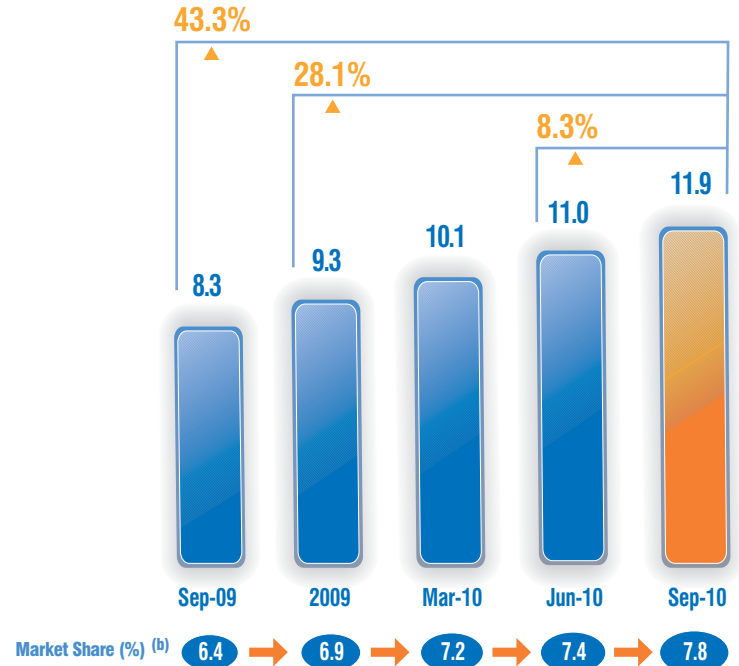
(Sep-10)



(Sep-09)



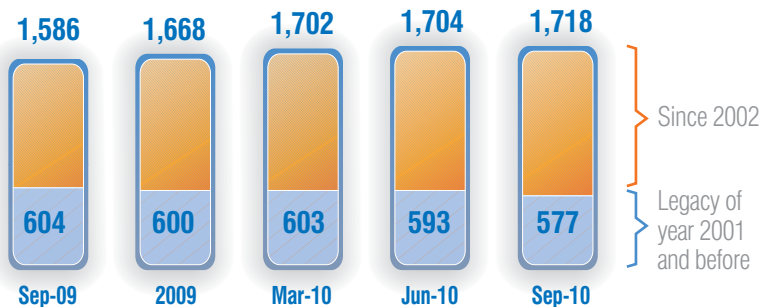
Non-cash Loans (a) (TRY billion)



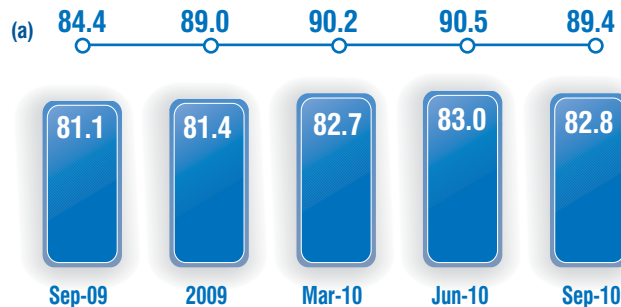
(a) Guarantees, Warranties (b) BRS data as of 30.09.2010

NPL ratio down 20 bps further; CoR at 90 bps

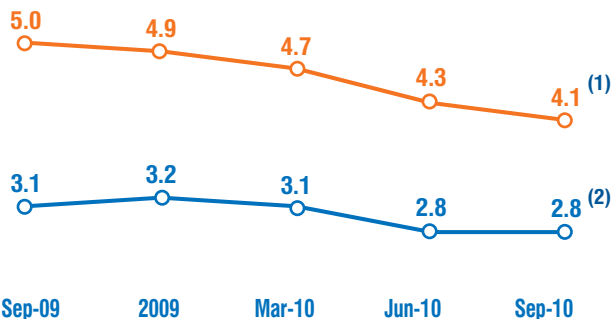
NPL Portfolio (TRY million)



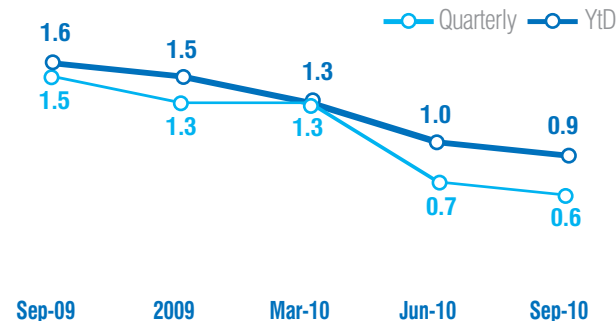
NPL Coverage (%)



NPL/Total Loans (%)



Loan Loss Provisions/Average Net Loans (%)

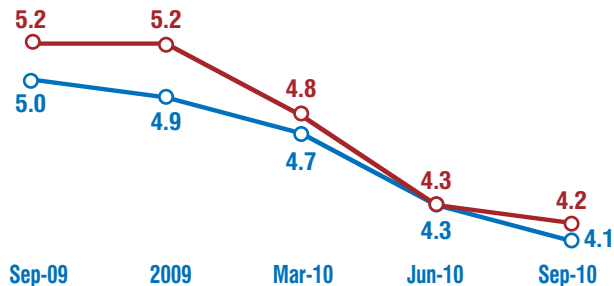


(1) Total NPL ratio (2) Excluding effect of legacy of year 2001 and before NPL's

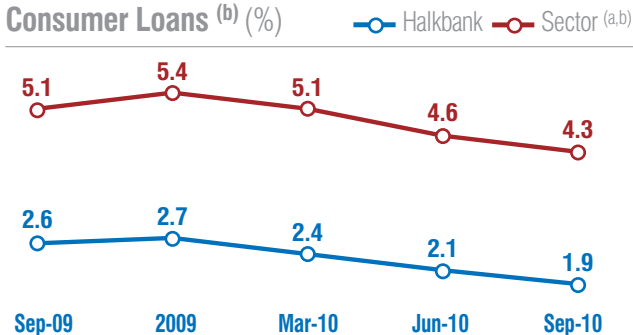
(a) Including discretionary provisions

Steady improvement in asset quality; NPL ratio at 4.1%

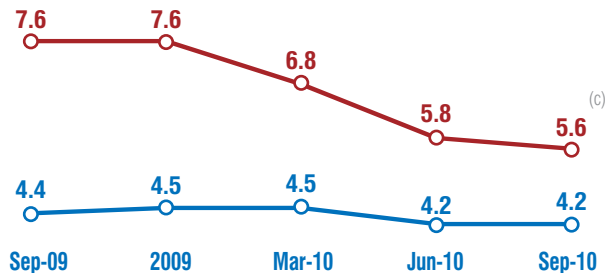
NPL/Total Loans ^(a) (%)



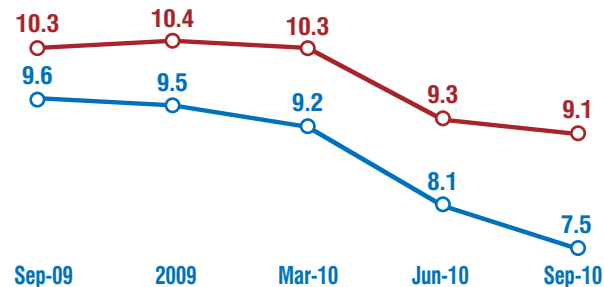
Consumer Loans ^(b) (%)



SME Loans (%)



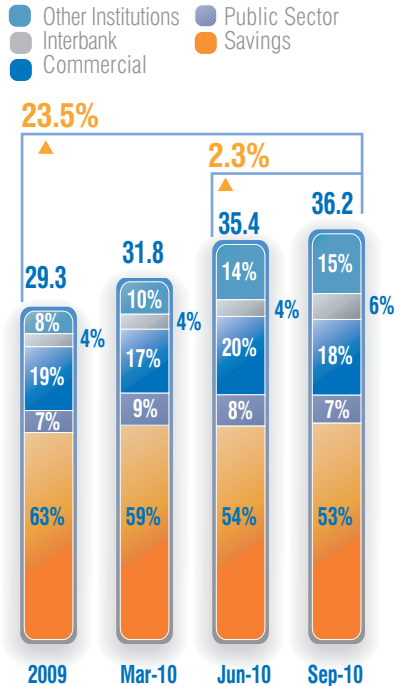
Credit Cards ^(b) (%)



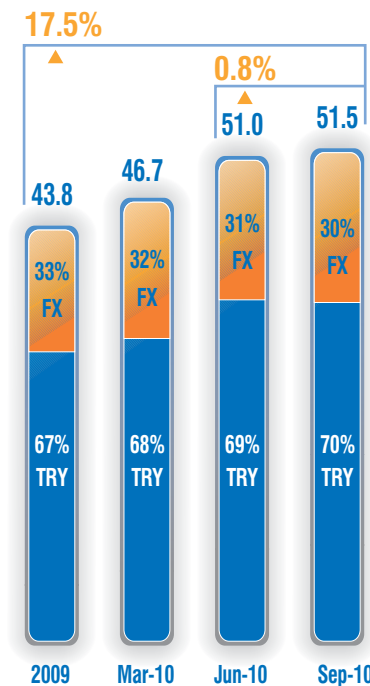
(a) BRSA data as of 30.09.2010. (b) CBRT data as of 24.09.2010. (c) BRSA data as of August 2010.

Strong funding base; TRY deposits up 23.5% YtD, demand deposits up 37% YoY

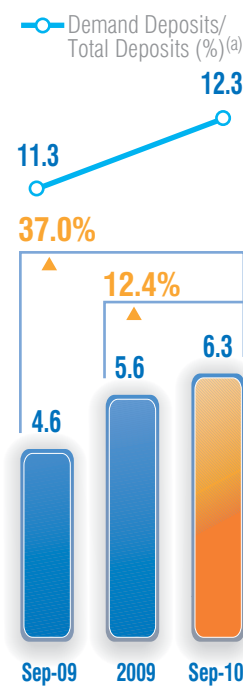
TRY Deposits by Types (a)
(TRY billion)



Total Deposits by Currency (a)
(TRY billion)



Demand Deposits
(TRY billion)



TOTAL DEPOSITS

HALKBANK B.SECTOR (b)
 YtD 17.5% YtD 12.1%
 QoQ 0.8% QoQ 1.5%

TRY DEPOSITS

HALKBANK B.SECTOR (b)
 YtD 23.5% YtD 15.9%
 QoQ 2.3% QoQ 0.4%

FX DEPOSITS

HALKBANK B.SECTOR (b)
 YtD 5.4% YtD 4.7%
 QoQ -2.5% QoQ 4.0%

in USD terms

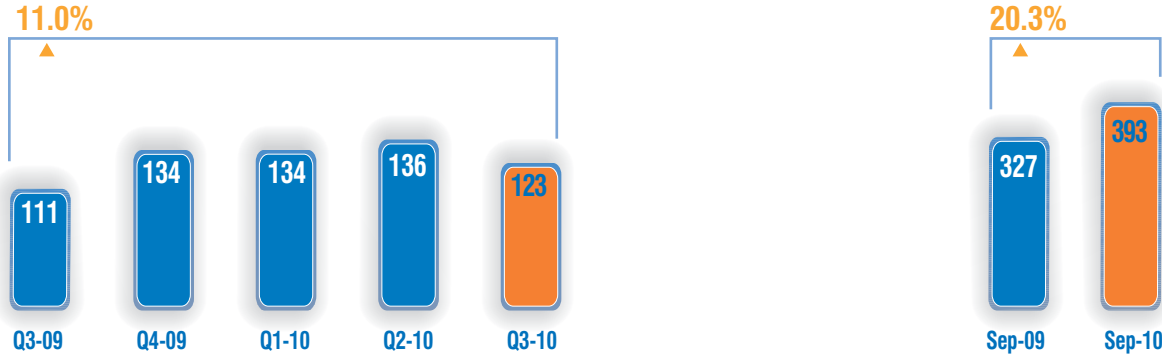
YtD 9.5% YtD 8.8%
 QoQ 6.8% QoQ 13.9%



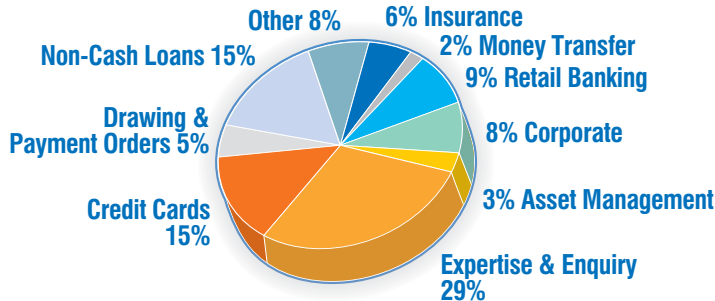
(a) Excluding Interest Accruals (b) BRSA data as of 30.09.2010

20.3% YoY growth in net fees and commissions income

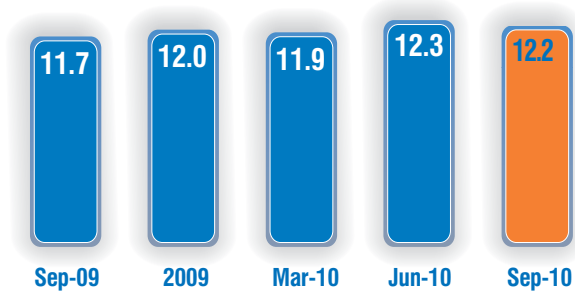
Net Fees & Commissions Income (TRY million)



Breakdown of Fees & Commissions Income

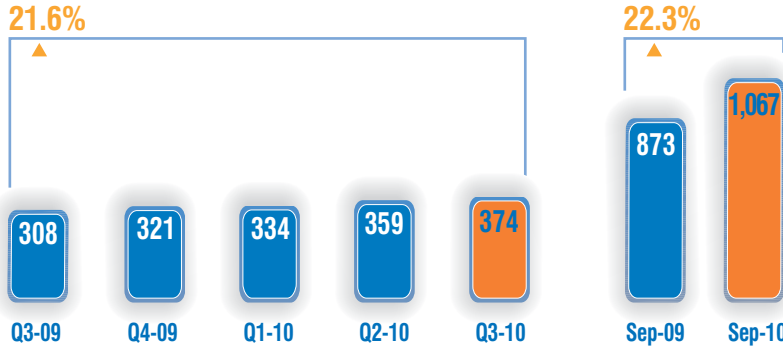


Net Fees & Commissions Income/Total Operating Revenues (%)

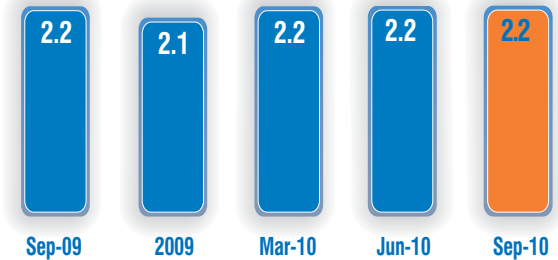


Still one of the lowest C/I ratio among peers

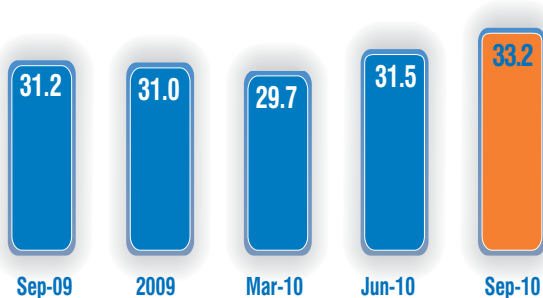
Operating Expenses (TRY million)



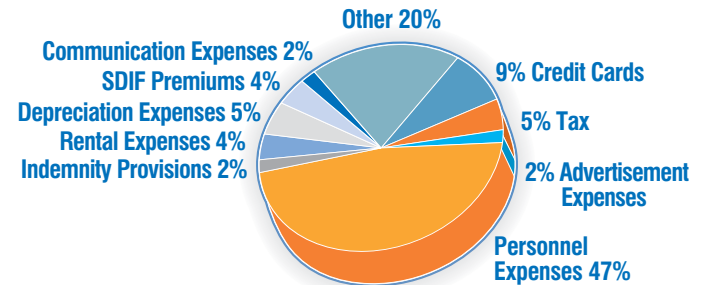
Operating Expenses/Average Assets (%)



Cost/Income (%)

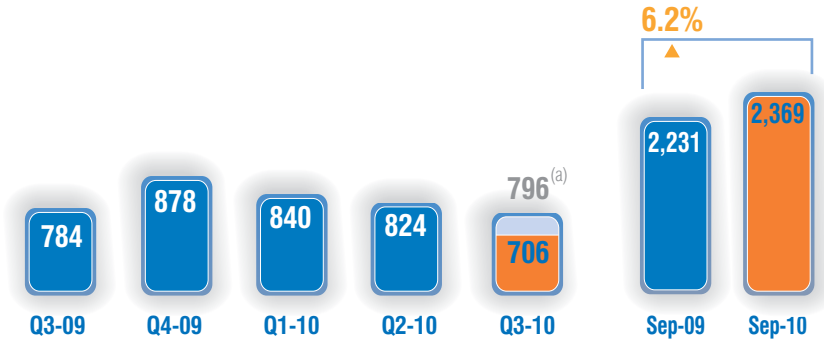


Breakdown of Operating Expenses

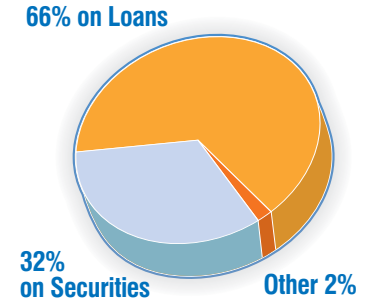


NII down 14% QoQ mainly due to lower securities income

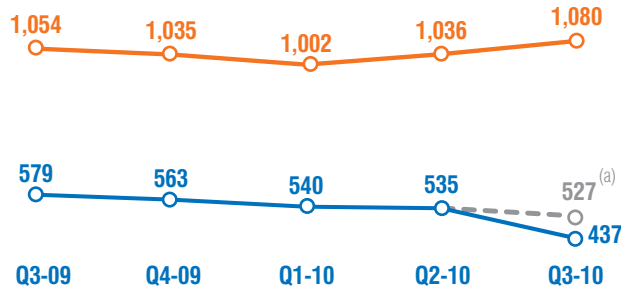
Net Interest Income (TRY million)



Breakdown of Interest Income

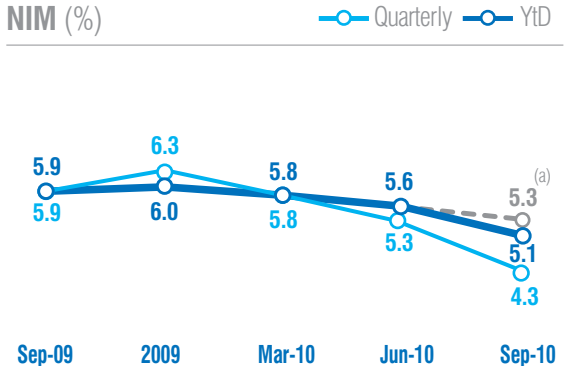


Interest Income (TRY million) — On Securities — On Loans



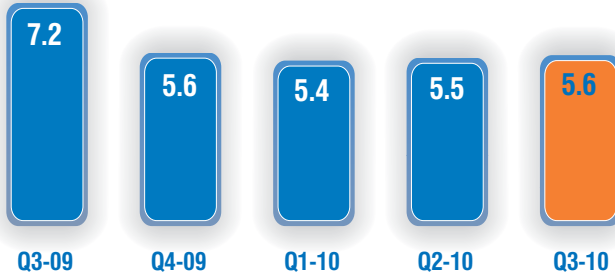
(a) CPI-linkers adjusted.

NIM (%) — Quarterly — YTD

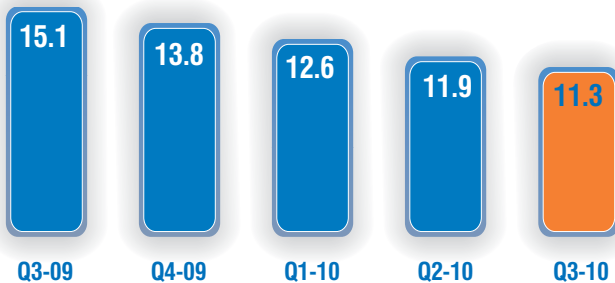


Cost-Yield-Spread (a)

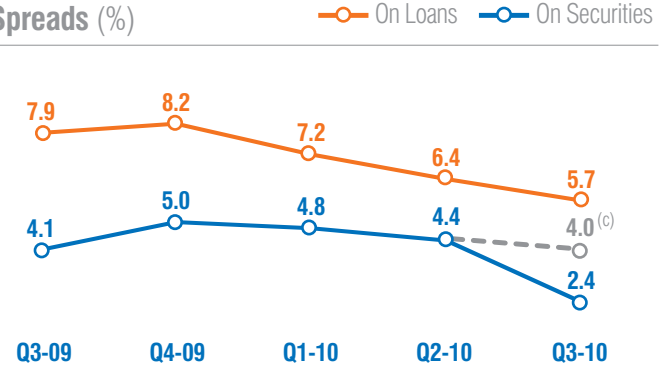
Cost of Deposits (%)



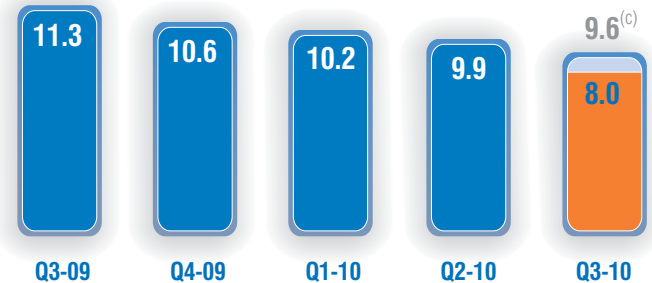
Yield on Loans (b) (%)



Spreads (%)



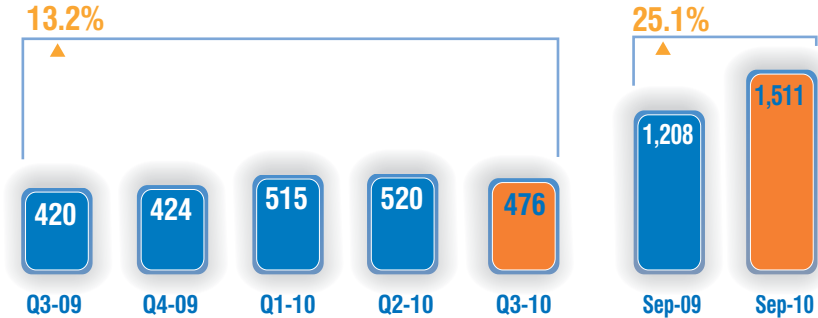
Yield on Securities (%)



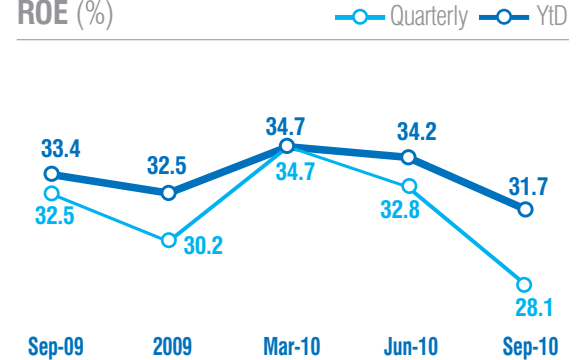
(a) TRY-FX blended (b) Excluding fund loans (c) CPI-linkers adjusted.

Net Income - Key Ratios

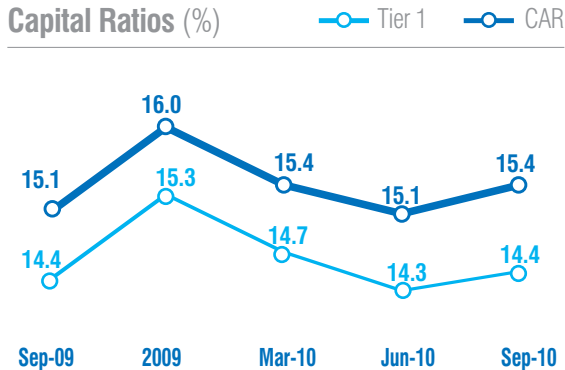
Net Income (TRY million)



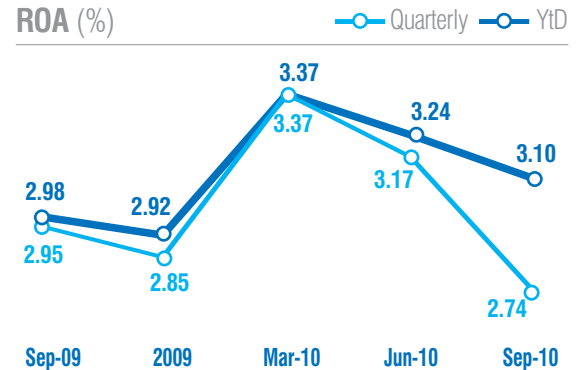
ROE (%)



Capital Ratios (%)



ROA (%)

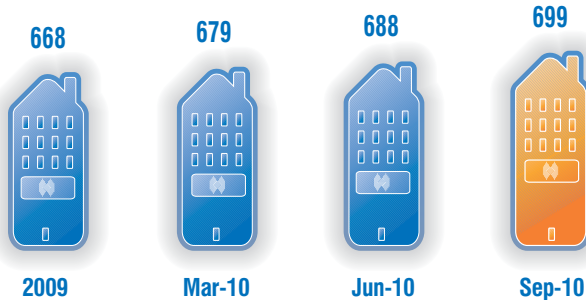


Branch Network – Human Resources

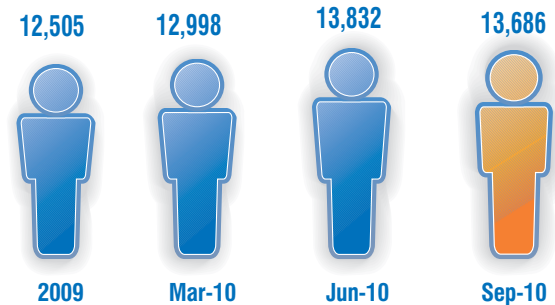


- Branch network has been strengthened with 31 new branches opened in 9M of 2010. The total figure climbs up to 699.
- 1,781 new employees have been recruited since the end of 2009.

Total Branches (a)



Human Resources



(a) Including domestic branches and special transaction centers

Balance Sheet

In TRY million	Sep-09	2009	Jun-10	Sep-10	QoQ Change %	YtD Change %	YoY Change %
Cash and Balances Held with the Central Bank (a)	3,318	3,416	3,412	4,026	18	18	21
Banks & Money Market (b)	851	1,136	2,100	1,515	(28)	33	78
Securities (b)	20,280	21,373	21,770	20,744	(5)	(3)	2
Net Loans (b)	30,512	32,458	38,258	40,618	6	25	33
Gross NPL	1,586	1,668	1,704	1,718	1	3	8
NPL Net	300	309	290	295	2	(5)	(1)
Property and Equipment	1,039	1,150	1,184	1,243	5	8	20
Other Assets	1,221	1,118	1,356	1,435	6	28	18
Total Assets	57,220	60,650	68,080	69,581	2	15	22
Deposits (b)	40,972	43,950	51,241	51,655	1	18	26
Funds Borrowed (b)	1,893	2,032	2,346	3,456	47	70	83
Interbank Money Market(b)	5,843	5,762	4,416	3,671	(17)	(36)	(37)
Funds	1,366	1,316	1,336	1,300	(3)	(1)	(5)
Other Liabilities	1,104	1,101	1,497	1,684	13	53	53
Provisions	670	731	811	831	2	14	24
Shareholders' Equity	5,372	5,760	6,432	6,984	9	21	30
Total Liabilities	57,220	60,650	68,080	69,581	2	15	22

(a) Reserve deposits monitored in balance with Central Bank

(b) Including interest accruals

Income Statement

In TRY million	Sep-09	Sep-10	YoY (%)	Q4 09	Q1 10	Q2 10	Q3 10	QoQ (%)
Interest Income	5,191	4,704	(9)	1,626	1,565	1,596	1,543	(3)
On Loans	3,191	3,117	(2)	1,035	1,002	1,036	1,080	4
On Securities	1,880	1,512	(20)	563	540	535	437	(18)
Interest Expense	2,960	2,335	(21)	748	725	772	838	9
On Deposits	2,611	2,033	(22)	601	616	669	747	12
Net Interest Income	2,231	2,369	6	878	840	824	706	(14)
Net Fees and Commissions	327	393	20	134	134	136	123	(10)
Net Trading Income	32	164	-	(16)	61	15	88	-
Other Operating Income	210	291	38	51	93	98	99	1
Reversal of Loan Loss Provisions	121	178	47	29	64	61	52	(15)
Total Operating Revenues	2,800	3,217	15	1,046	1,128	1,073	1,016	(5)
Operating Expenses	873	1,067	22	321	334	359	374	4
Net Operating Income	1,927	2,150	12	726	793	714	642	(10)
Provision for Loan Losses and Other Receivables	447	327	(27)	199	149	99	79	(20)
Loan Loss Provisions for Cash Loans	331	233	(30)	103	111	62	60	(3)
Profit/(Losses) from Associates	11	56	-	0	5	24	27	9
Income Before Taxes	1,491	1,878	26	527	649	640	590	(8)
Provision for Tax	283	367	30	103	134	120	114	(5)
Net Income	1,208	1,511	25	424	515	520	476	(9)

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