

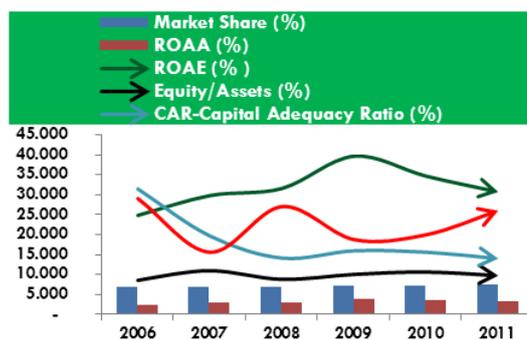
Corporate Credit Rating

Banking

Halkbank Üreten Türkiye'nin Bankası		Long-Term	Short-Term
International	Foreign Currency	BB	B
	Local Currency	BB	B
	Outlook	Positive	Stable
National	Local Rating	AAA (Trk)	A-1+(Trk)
	Outlook	Stable	Stable
Sponsor Support		2	-
Stand Alone		A	-
Sovereign*	Foreign currency	BB	B
	Local currency	BB	B
	Outlook	Stable	Stable

*Assigned by Japan Credit Rating Agency, JCR on February 21, 2011

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TÜRKİYE HALK BANKASI A.Ş.						
Financial Data	2011*	2010*	2009*	2008*	2007*	2006*
Total Assets (USD mn)	48,819	47,967	41,138	33,234	34,382	24,605
Total Assets (TRY mn)	92,215	73,150	60,884	51,181	40,279	34,760
Equity (TRY mn)	9,122	7,902	6,218	4,591	4,483	4,107
Net Profit (TRY mn)	2,059	1,945	1,754	1,173	1,098	873
Market Share (%)	7.57	7.26	7.30	6.98	6.93	6.96
ROAA (%)	3.17	3.66	3.83	3.14	2.96	2.52
ROAE (%)	30.77	34.74	39.74	31.66	29.88	24.91
Equity/Assets (%)	9.89	10.80	10.21	8.97	11.13	11.82
CAR-Capital Adequacy Ratio (%)	13.85	15.48	15.83	13.98	19.61	31.58
Asset Growth Rate (%)	26.06	20.15	18.96	27.07	15.88	29.01

*End of year

Overview

Türkiye Halk Bankası A.Ş. (hereinafter Halkbank or the Bank), 74.98% shares of which are owned by the Republic of Turkey Prime Ministry Privatization Administration, was the sixth largest deposit bank in terms of asset size at the end of FY2011 in Turkey. The Bank offers services in the corporate, commercial, SME and retail banking fields as well provides services in leasing, brokerage, insurance, asset management and real estate investment through its subsidiaries. The Bank was incorporated in 1933 as a state economic enterprise under the Halkbank and Public Funds Law no: 2284 to grant loans with reasonable terms to retailers and artisan and small business owners.

As of December 31, 2011 the Bank had a service network of 771 branches (including 5 overseas branches) and one representative office. The Bank also serves in 6 different countries through its subsidiaries and affiliates. The Bank employed 13,643 employees at the end of FYE2011.

As a state-owned bank, 24.98% shares of Halkbank were initially offered to the public in 2007. Since this period its shares have been traded on the Istanbul Stock Exchange (ISE). During the period from FY2008 to FY2012 the Bank outperformed the sector both in asset size growth and core profitability ratios.

Strengths

- Increasing trend in its net profit and fundamental profitability ratios ROAA and particularly ROAE well above sector average during last four year period
- Improvement in NPLs figures, even in absolute terms
- Competitive strength in SMEs loans field
- Widespread national branch network and growth potential in its expertise fields
- Remained efforts to generate alternative funding sources with longer maturities such as bond issue and syndication loans along with settled and broad customer deposit base
- High level of compliance with corporate governance best practice
- Strong support from the Republic of Turkey Prime Ministry Privatization Administration, Treasury and Central Bank in case of needs

Constraints

- Retained decrease in the capital adequacy ratio and fall below the sector average, although in compliance with BRSA regulations
- Low equity base with respect to its size and peer group
- Retained downside pressure on the Bank's NIM, prevalent in Turkish Banking Sector
- Gross impaired loans to equity ratio above the sector average
- Sector-wide structural maturity mismatches exerting adversities on the liquidity management of the Banks