

*Financing of € 80 Million for Municipalities by the Cooperation
of Agence Française de Développement and DenizBank*

Getting even stronger in terms of Public Finance, DenizBank cooperates with Agence Française de Développement (AFD) in order to provide a long term credit support for the financing of projects to be conducted by Turkish municipalities.

DenizBank and Agence Française de Développement (AFD) have signed a credit agreement for the financing of municipal projects on November 28th, 2008 in Four Seasons Hotel.

The signing ceremony, which was organized on the occasion of this cooperation, was attended by Mr. Hakan Ateş, President of DenizBank Financial Services Group and Mr. Louis-Jacques Vaillant, AFD Local Authorities and Urban Development Division Manager, as well as Mrs. Christine Moro, French Consul General in Istanbul.

This is the first credit cooperation signed between AFD and a bank in terms of municipality financing.

In the framework of this agreement, the said credit of € 80 million will be allocated to municipalities by DenizBank within 4 years and the total repayment process is agreed to be 12 years. In the scope of the agreement, financing will be provided for water, waste, transportation and sanitary projects and the projects' contribution to ecology will be considered as one of the important criterion for the approval of requested financing.

Another aspect of the project, which aims at providing solutions for the financing needs of local managements, is that it also includes a training and technical support program devoted to municipalities.

It is planned that 40% of the credit of € 80 million will be used for the financing of metropolitan municipalities at maximum; while the remaining 60% will be allocated to other municipalities. The credit package, which will enable granting credits up to € 5 million per project, aims at providing financing support to many projects.

Taking the floor in the press conference, President and CEO of DenizBank Financial Services Group said the following: "Financing of local authorities plays a crucial role in the realization of modern urbanization in our country, which is one of the main indicators of sustainable development. With this awareness, our objective is to bring this finance package which municipalities will use to improve the services they provide for the public. Especially to the municipalities which have not had the chance to access these possibilities until today. Bringing environmental sensitivity to the forefront, we believe projects to be realized via this package will contribute to the quality of life in our cities. We are planning to spread our support in this field all around Turkey, combining the know-how strength we get from Dexia, the world leader in Public and Project Financing, with our field experience in Turkey. Our cooperation with AFD features far beyond just a finance package. This package can be regarded as a model of "contribution to sustainable development" thanks to the environmental and social benefit it will create. Within the framework of this agreement we will give our municipalities the opportunity to attend seminars and trainings on the protection of nature both at home and abroad in addition to financing them. We will also undertake social responsibility projects such as providing scholarships for students in need within the context of this program. I am very proud of contributing to our country's future by financing municipality projects aimed at

development. I have no doubt that the common step we have taken as DenizBank with AFD will act as a model and provide the sector with new possibilities.”

Mr. Ateş went on by saying, “Going through such a period in which we feel the impact of the global crisis, I think financing municipalities which directly serve our people with such an extensive loan package is an indication of DenizBank difference.”

Speaking on the loan agreement signed, AFD Local Authorities and Urban Development Division Manager Louis-Jacques Vaillant said: “I want to emphasize the importance of the agreement we signed today. In fact, for the first time in Turkey, a big bank chose to take part in the financing of local authorities. As we all know, investments by local authorities are material factors in economic growth and social harmony. And municipalities play an important role in sustainable development in Turkey. I want to express that I am extremely happy to enter into cooperation with DenizBank in reinforcing administrative capacities of local authorities along with financing public infrastructures in important areas such as wastewater treatment, waste processing, and transportation.

DenizBank, the one and only bank in Turkey which has adopted a structure directed towards public financing, will establish public financing business line as of January 1, 2009, and open branches which will serve solely in public financing in the course of the year.