

Moody's assigns Baa3/Prime-3 local currency deposit ratings to Denizbank-February 2005

Moody's Investors Service has assigned Baa3 long-term and Prime-3 (P-3) short-term local currency deposit ratings to Turkey's Denizbank. Both ratings carry stable outlooks and pertain only to deposits denominated in Turkish Lira.

In assigning the Baa3 local currency deposit rating, Moody's is placing sole reliance on the intrinsic financial strength of the bank. Denizbank's D+ FSR reflects its solid – and improving – financial fundamentals and capable management team, says Moody's. Recent improvements in the bank's financials include rising levels of free equity capital, reflecting both an enhanced equity base, solid profitability and the sale of non-core assets. The bank's asset quality indicators continue to improve, while provisioning levels above 100% of problem loans provide additional comfort. Moderate, and declining, related-party exposures, a good liquidity profile, declining levels of exposure to the Turkish government and an improving real-banking franchise represent additional improvements.