

05.05.2005



To the Investment Community;

Fitch Ratings has upgraded Denizbank's Long-term foreign and local currency ratings to 'BB- (BB minus)' from 'B+'. Additionally, the agency has upgraded the bank's Individual rating to 'C/D' from 'D'. Denizbank's Short-term foreign and local currency, Support and National ratings have been affirmed at 'B', '4' and 'A-(A minus)(tur)' respectively. The Outlook on all Long-term ratings is Stable.

Please find the full press release below for your convenience.

DenizBank A.S.  
Investor Relations

## **Fitch Upgrades Turkey's Denizbank**

Fitch Ratings-London/Istanbul/New York-05 May 2005: Fitch Ratings, the international rating agency, has today upgraded Turkey-based Denizbank's Long-term foreign and local currency ratings to 'BB- (BB minus)' from 'B+'. Additionally, the agency has upgraded the bank's Individual rating to 'C/D' from 'D'. Denizbank's Short-term foreign and local currency, Support and National ratings have been affirmed at 'B', '4' and 'A-(A minus)(tur)' respectively. The Outlook on all Long-term ratings is Stable.

The upgrades in Denizbank's Long-term and Individual ratings are driven by its enhanced profitability, improved asset quality, comfortable liquidity and adequate capitalisation. This is balanced by rapid loan portfolio growth, which may cause non-performing loans (NPLs) to increase in the future.

Denizbank recorded net income of USD103 million in 2004 compared to USD64m in 2003, mainly due to increased income from loans, higher net fee and commission income and lower interest expenses. Net fees and commissions increased markedly in 2004 as a result of higher fees from FX

transactions, cash management services, credit card transactions, non-cash loans, and constituted 25% of total operating income (2003: 25%).

The bank's liquidity further improved with liquid assets equalling 30% of assets at 31 December 2004 (2003: 26%), covering almost half of customer deposits (2003: 41%). Customer deposits continued to increase in 2004 and constituted 71% of liabilities at 31 December 2004 (2003: 69%). Demand deposits represented a high 21% of the total, providing a cheap source of funding contributing to a well diversified core deposit base.

Capital further increased with retained earnings and a USD97m capital injection from the bank's IPO in September 2004. Its total and Tier 1 capital adequacy ratios were adequate and stood at 17.83% and 16.20%, respectively, at 31 December 2004 (2003: 17.50% and 15.19%). Free capital equated to a high 9.53% of assets as of 31 December 2004 (2003: 8.05%).

Denizbank is majority-owned by Zorlu Holding, a large Turkish conglomerate active in home textiles, electronics and consumer durables, energy, as well as finance, with a turnover of USD4 billion in 2004. Denizbank, which focuses on small- to medium-sized enterprises ("SMEs"), exporters and retail banking clients, ranked as Turkey's seventh largest private commercial bank by unconsolidated assets at end-2004 with a 2.18% market share and 198 branches.

Please refer to Credit Analysis at the Fitch Ratings, Inc. website

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**Notes to Editors: Fitch Ratings' Support and Individual Ratings for Banks**  
Fitch's Individual ratings assess how a bank would be viewed if it were entirely independent and could not rely on external support. Its Support ratings deal with the question of whether a bank would receive support from its owners or from the state if it were to get into difficulty. These ratings are not debt ratings but rather, respectively, an assessment of the intrinsic strength of a bank and of any level of outside support that may, or may not, be available to it.

Fitch's National ratings provide a relative measure of creditworthiness for rated entities in countries with relatively low international sovereign ratings and where there is demand for such ratings. The best risk within a country is rated 'AAA' and other credits are rated only relative to this risk. National ratings are designed for use mainly by local investors in local markets and are signified by the addition of an identifier.