

**Rating Action: Denizbank A.S.**

**Moody's announces bank rating actions for Turkey resulting from implementation of JDA and BFSR methodologies**

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New York, April 24, 2007 -- Moody's Investors Service today published the rating results for banks in Turkey as part of the application of its refined joint default analysis (JDA) and updated bank financial strength rating (BFSR) methodologies.

BFSRs evaluate the stand-alone or intrinsic financial strength of banks without reference to external support factors. BFSRs are the starting point of Moody's bank credit analysis, and are an important determinant of Moody's bank deposit and debt ratings.

Moody's then uses its JDA methodology to incorporate the potential for external support into a bank's local currency deposit rating. The potential for external support can reduce the riskiness of a bank's deposit and debt obligations; however, such support is often uncertain. Moody's uses conservative support assumptions and a limited number of support levels to ensure that sufficient weight is given to a bank's intrinsic financial strength in its bank deposit and debt ratings.

Moody's uses deposit ratings to determine bank debt ratings based on its notching guidelines for bank securities. Ratings for foreign currency obligations are determined after considering Moody's country ceilings for foreign currency ratings.

The methodologies are being implemented country by country, with results being announced on a weekly basis. Results for those banks with a parent bank located in another country where the methodologies have not yet been implemented will be concluded at the same time as the parent.

Moody's completed the review on the ratings of fourteen Turkish banks. The BFSRs of eleven Turkish banks were upgraded, by one or two notches. Those banks which were upgraded by two notches had had positive outlooks on their BFSRs. The implementation of the JDA methodology also led to the upgrade in the local currency deposit rating of one bank. The upgrades on the BFSRs reflect a continuation of positive franchise and financial metrics trends, which had resulted in a number of BFSR upgrades of Turkish banks over the previous three years.

The review of Turk Ekonomi Bankasi's ratings has not been completed yet and requires the conclusion of the ratings review process for one of the bank's controlling shareholders, BNP Paribas.

This press release lists the names of issuers in Turkey whose ratings have been changed, affirmed, or put on review. To view all ratings changes and other documents explaining Moody's bank rating methodologies, please go to [www.moody.com/JDABanks](http://www.moody.com/JDABanks).

The specific ratings changes are as follows:

Akbank TAS -- The BFSR is changed to C- from D+. The Local Currency Deposit Ratings are unchanged at A3/P-2. The Foreign Currency Deposit Ratings are unchanged at B1/NP. The outlook on all of the bank's ratings is Stable.

Anadolubank A.S. -- The BFSR is changed to D from D-. The Local Currency Deposit Ratings assigned are Ba1/NP. The Foreign Currency Deposit Ratings are unchanged at B1/NP. The outlook on all of the bank's ratings is Stable.

Denizbank A.S. -- The BFSR is changed to C- from D+. The Local Currency Deposit Ratings are unchanged at A3/P-2. The Foreign Currency Deposit Ratings are unchanged at B1/NP. The outlook on all of the bank's ratings is Stable.

Finansbank A.S. -- The BFSR is changed to C- from D+. The Local Currency Deposit Ratings are unchanged at A3/P-2. The Foreign Currency Deposit Ratings are unchanged at B1/NP. The outlook on all of the bank's ratings is Stable.

Fortis Bank A.S. -- The BFSR is unchanged at D+. The Local Currency Deposit Ratings assigned are A3/P-2.

The Foreign Currency Deposit Ratings are unchanged at B1/NP. The outlook on all of the bank's ratings is Stable.

HSBC Bank A.S. (Turkey) -- The BFSR is changed to C- from D+. The Local Currency Deposit Ratings are unchanged at A3/P-2. The Foreign Currency Deposit Ratings are unchanged at B1/NP. The long term National Scale Rating is unchanged at Aaa.tr. The short term National Scale Rating is unchanged at TR-1. The outlook on all of the bank's ratings is Stable.

Oyak Bank A.S. -- The BFSR is unchanged at D+. The Local Currency Deposit Ratings are changed to Baa2/P-2 from Baa3/P-3. The Foreign Currency Deposit Ratings are unchanged at B1/NP. The outlook on all of the bank's ratings is Stable.

T.C. Ziraat Bankasi -- The BFSR is changed to D from E+. The Local Currency Deposit Ratings assigned are Baa1/P-2. The Foreign Currency Deposit Ratings are unchanged at B1/NP. The outlook on the bank's BFSR remains Positive. The outlook on the bank's other ratings is Stable.

Tekfenbank A.S. -- The BFSR is changed to D- from E+. The Local Currency Deposit Ratings assigned are Ba1/NP. The Foreign Currency Deposit Ratings are unchanged at B1/NP. The outlook on all of the bank's ratings is Stable.

Turkiye Garanti Bankasi A.S. -- The BFSR is changed to C- from D+. The Local Currency Deposit Ratings are unchanged at A3/P-2. The Foreign Currency Deposit Ratings are unchanged at B1/NP. The long term National Scale Rating is unchanged changed at Aaa.tr. The short term National Scale Rating is unchanged at TR-1. The outlook on all of the bank's ratings is Stable.

Turkiye Is Bankasi A.S. -- The BFSR is changed to D+ from D. The Local Currency Deposit Ratings are unchanged at A3/P-2. The Foreign Currency Deposit Ratings are unchanged at B1/NP. The outlook on all of the bank's ratings is Stable.

Turkiye Sinai Kalkinma Bankasi A.S. -- The BFSR is unchanged at D+. The Local Currency Deposit Ratings assigned are Baa1/P-2. The Foreign Currency Deposit Ratings are unchanged at B1/NP. The outlook on all of the bank's ratings is Stable.

Turkiye Vakiflar Bankasi TAO -- The BFSR is changed to D+ from D-. The Local Currency Deposit Ratings are unchanged at Baa1/P-2. The Foreign Currency Deposit Ratings are unchanged at B1/NP. The outlook on all of the bank's ratings is Stable.

Yapi ve Kredi Bankasi A.S. -- The BFSR is changed to D+ from D-. The Local Currency Deposit Ratings are unchanged at A3/P-2. The Foreign Currency Deposit Ratings are unchanged at B1/NP. The long term National Scale Rating is unchanged changed at Aaa.tr. The short term National Scale Rating is unchanged at TR-1. The outlook on all of the bank's ratings is Stable.

## ABOUT MOODY'S BANK RATINGS

### Bank Financial Strength Rating

Moody's Bank Financial Strength Ratings (BFSRs) represent Moody's opinion of a bank's intrinsic safety and soundness and, as such, exclude certain external credit risks and credit support elements that are addressed by Moody's Bank Deposit Ratings. Bank Financial Strength Ratings do not take into account the probability that the bank will receive such external support, nor do they address risks arising from sovereign actions that may interfere with a bank's ability to honor its domestic or foreign currency obligations. Factors considered in the assignment of Bank Financial Strength Ratings include bank-specific elements such as financial fundamentals, franchise value, and business and asset diversification. Although Bank Financial Strength Ratings exclude the external factors specified above, they do take into account other risk factors in the bank's operating environment, including the strength and prospective performance of the economy, as well as the structure and relative fragility of the financial system, and the quality of banking regulation and supervision.

### Global Local Currency Deposit Rating

A deposit rating, as an opinion of relative credit risk, incorporates the Bank Financial Strength Rating as well as Moody's opinion of any external support. Specifically, Moody's Bank Deposit Ratings are opinions of a bank's ability to repay punctually its deposit obligations. As such, Moody's Global Local Currency Bank Deposit Ratings are intended to incorporate those aspects of credit risk relevant to the prospective payment performance of rated banks with respect to local currency deposit obligations, and includes: intrinsic financial strength and both implicit and explicit external support elements. Moody's Bank Deposit Ratings do not take into account the benefit of deposit insurance schemes which make payments to depositors, but they do recognize the potential support from schemes that may provide assistance to banks directly.

## Foreign Currency Deposit Rating

Moody's ratings on foreign currency bank obligations derive from the bank's local currency rating for the same class of obligation. The implementation of JDA for banks can lead to a high local currency ratings for certain banks, which could also produce high foreign currency ratings. Nevertheless, it should be reminded that foreign currency deposit ratings are in all cases constrained by the country ceiling for foreign currency bank deposits. This may result in the assignment of a different, and typically lower, rating for the foreign currency deposits relative to the bank's rating for local currency obligations.

## Foreign Currency Debt Rating

Foreign currency debt ratings are derived from the bank's local currency debt rating for the same class of obligation. In a similar way to foreign currency deposit ratings, foreign currency debt obligations may also be constrained by the country ceiling for foreign currency bonds and notes, however, in some cases the ratings on foreign currency debt obligations may be allowed to pierce the foreign currency ceiling. A particular mix of rating factors are taken into consideration in order to assess whether a foreign currency bond rating pierces the country ceiling. They include the issuer's global local currency rating, the foreign currency government bond rating, the country ceiling for bonds and the debt's eligibility to pierce that ceiling.

## National Scale Rating

National scale ratings are intended primarily for use by domestic investors and are not comparable to Moody's globally applicable ratings; rather they address relative credit risk within a given country. An Aaa rating on Moody's National Scale indicates an issuer or issue with the strongest creditworthiness and the lowest likelihood of credit loss relative to other domestic issuers. National Scale Ratings, therefore, rank domestic issuers relative to each other and not relative to absolute default risks. National ratings isolate systemic risks; they do not address loss expectation associated with systemic events that could affect all issuers, even those that receive the highest ratings on the National Scale.

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