

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

**Moody's upgrades Denizbank (Turkey) to A3/P-2**

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**Action follows finalisation of Dexia's acquisition of a 75% stake in Denizbank A.S. (Turkey)**

Limassol, October 19, 2006 -- Moody's has raised the local currency deposit ratings of Denizbank A.S. to A3/Prime-2 with a stable outlook from Baa3/Prime-3. The rating action reflects the acquisition of a 75% stake in Denizbank A.S. by Dexia SA ("Dexia"), of which the main banking subsidiaries are currently rated at Aa2/Prime-1. By imputing a high likelihood of potential support from Dexia, the ratings for Denizbank A.S. were uplifted to the country ceiling for such deposits in Turkey, and are now constrained by the A3/Prime-2 ceiling.

This rating action concludes the rating review initiated in May 2006, following the agreement signed between Dexia and Zorlu Holding, Denizbank's former majority owner, to sell a 75% stake in Denizbank to Dexia.

As required under Turkish regulations, Dexia will launch a mandatory tender offer for the remaining 25% of the ordinary share capital of Denizbank -- listed on the Istanbul Stock Exchange -- that it does not already own.

Denizbank's D+ financial strength rating remains unchanged with a stable outlook, while its foreign currency deposit ratings, currently at B1/Not-Prime, remain constrained by the country ceiling for such deposits in Turkey and will continue to increase in line with any increase in the country ceiling. In upgrading the local currency deposit ratings to A3/P-2, Moody's highlights its confidence that Dexia has the ability and willingness to provide external support in the event of need to Denizbank, at a level higher than was previously the case. Moody's notes that Denizbank's A3/P-2 ratings are constrained by the A3 local currency deposit ceiling for Turkey, and would increase further should the local currency deposit ceiling for Turkey rise.

Headquartered in Istanbul, Turkey, Denizbank A.S. had consolidated assets of TRY13.980 billion (EUR6.900 billion and USD8.660 billion, respectively), as of 30 June 2006, according to IRFS financial statements. Denizbank's distribution network included 244 banking branches in Turkey and one international branch (Bahrain); two international subsidiary banks -- Denizbank AG (Vienna) with 7 branches in Austria and 2 in Germany -- and Denizbank Moscow with one branch in the Russian capital. In the domestic market, Denizbank has subsidiaries in Leasing, Factoring, Asset Management and Brokerage, among others.

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