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## **Fitch Places Turkish Banks on Rating Watch Positive** Ratings

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Fitch Ratings-Istanbul/Paris/London-04 November 2009: Fitch Ratings has today placed 15 Turkish banks' and financial institutions' Long-term (LT) foreign currency (FC) Issuer Default Ratings (IDR) on Rating Watch Positive (RWP) and 14 Turkish banks' and financial institutions' Long-term (LT) local currency (LC) IDRs on RWP. This follows similar action taken on the Republic of Turkey's LT FC and LC IDRs (see 27 October 2009 announcement 'Fitch Places Turkey on Rating Watch Positive' on [www.fitchratings.com](http://www.fitchratings.com)).

At the same time, the agency affirmed the Short-term (ST) LC and FC IDRs of the banks in question, with the exception of the ST LC IDR of Turkiye Sinai Kalkinma Bankasi A.S. which has been placed on RWP to reflect an expected improvement in its parent's (Turkiye Is Bankasi A.S.) ability to support it if and when this bank's IDRs are upgraded. The agency has also affirmed the National LT ratings and the Individual ratings of the entities concerned. Fitch has also reviewed the Support ratings and Support Rating Floors of the entities concerned and either affirmed these or placed them on RWP, on a case-by-case basis. A complete list of ratings is reflected below.

The IDRs of the banks in the group below are placed on RWP due to the Turkish government's expected improved ability to support state-owned or state-guaranteed institutions, as indicated by the RWP on the sovereign's IDRs.

**T. C. ZIRAAT BANKASI A.S.:**  
 LTFC IDR: 'BB-' placed on RWP  
 LTLC IDR: 'BB' placed on RWP  
 STFC IDR: affirmed at 'B'  
 STLC IDR : affirmed at 'B'  
 National LT Rating: affirmed at 'AA+(tur)' Stable Outlook  
 Individual rating: affirmed at 'C/D'  
 Support rating: affirmed at '3'  
 Support Rating Floor: 'BB-' placed on RWP

**TURKIYE HALK BANKASI A.S:**  
 LTFC IDR: 'BB-' placed on RWP  
 LTLC IDR: 'BB' placed on RWP  
 STFC IDR: affirmed at 'B'  
 STLC IDR: affirmed at 'B'  
 National LT Rating: affirmed at 'AA+(tur)' Stable Outlook  
 Individual rating: affirmed at 'C/D'  
 Support rating: affirmed at '3'  
 Support Rating Floor: 'BB-' placed on RWP

**TURKIYE KALKINMA BANKASI A.S:**  
 LTFC IDR: 'BB-' placed on RWP  
 LTLC IDR: 'BB' placed on RWP  
 STFC IDR: affirmed at 'B'  
 STLC IDR: affirmed at 'B'  
 National LT rating: affirmed at 'AA+(tur)' Stable Outlook  
 Individual rating: affirmed at 'D'  
 Support rating: affirmed at '3'  
 Support Rating Floor: 'BB-' placed on RWP

The LT IDRs of the following group of banks are driven by potential support from highly-rated foreign shareholders. The LT FC IDRs of these banks are constrained by Turkey's current Country Ceiling, currently on RWP. If Turkey's Country Ceiling is upgraded, the LT FC IDRs of the following banks should be upgraded. The LT LC IDRs of these banks are currently rated two notches above the sovereign's LT LC IDR, currently on RWP. If and when Turkey's LT LC IDR is upgraded, an upgrade of the LT LC IDRs of the following banks may follow.

**YAPI VE KREDI BANKASI A.S:**  
 LTFC IDR: 'BB' placed on RWP  
 LTLC IDR: 'BBB-' placed on RWP  
 ST FC IDR: affirmed at 'B'  
 ST LC IDR: affirmed at 'F3'  
 National LT rating: affirmed at 'AAA(tur)' Stable Outlook

Individual Rating: affirmed at 'C/D'  
Support Rating: affirmed at '3'

FINANSBANK A.S:

LTFC IDR: 'BB' placed on RWP  
LTLC IDR: 'BBB-' placed on RWP  
ST FC IDR: affirmed at 'B'  
ST LC IDR: affirmed at 'F3'  
National LT rating: affirmed at 'AAA(tur)' Stable Outlook  
Individual Rating: affirmed at 'C'  
Support Rating: affirmed at '3'

DENIZBANK A.S:

LTFC IDR: 'BB' placed on RWP  
LTLC IDR: 'BBB-' placed on RWP  
ST FC IDR: affirmed at 'B'  
ST LC IDR: affirmed at 'F3'  
National LT rating: affirmed at 'AAA(tur)' Stable Outlook  
Individual Rating: affirmed at 'C'  
Support Rating: affirmed at '3'

TURK EKONOMI BANKASI A.S:

LTFC IDR: 'BB' placed on RWP  
LTLC IDR: 'BBB-' placed on RWP  
ST FC IDR: affirmed at 'B'  
ST LC IDR: affirmed at 'F3'  
National LT rating: affirmed at 'AAA(tur)' Stable Outlook  
Individual Rating: affirmed at 'C/D'  
Support Rating: affirmed at '3'

BANKPOZITIF KREDI VE KALKINMA BANKASI A.S:

LTFC IDR: 'BB', placed on RWP  
LTLC IDR: affirmed at 'BBB-', Stable Outlook  
STFC IDR: affirmed at 'B'  
STLC IDR: affirmed at 'F3'  
National LT rating: affirmed at 'AAA(tur)' Stable Outlook  
Individual Rating: affirmed at 'D'  
Support Rating: affirmed at '3'  
Senior unsecured debt: 'BB' placed on RWP  
Subordinated debt: 'BB-' placed on RWP

The LT IDRs of the banks below are driven by their intrinsic financial strength. The LT FC IDRs are constrained by Turkey's current Country Ceiling, currently on RWP. If Turkey's Country Ceiling is upgraded, an upgrade of the LT FC IDRs of these banks should follow. The LT LC IDRs of these banks are currently rated two notches above the sovereign's LT LC IDR, currently on RWP. If and when Turkey's LT LC IDR is upgraded, an upgrade of these banks' LT LC IDR may follow. They are systemically important banks in Turkey and Fitch considers that, in case of need, they would receive support from the Turkish state. The Turkish sovereign's improving capacity to provide such support, as illustrated by the RWP on its IDRs, should result in an upgrading of their Support ratings and Support Rating Floors if and when action is taken on the sovereign's LT FC IDRs.

TURKIYE IS BANKASI A.S:

LTFC IDR: 'BB' placed on RWP  
LTLC IDR: 'BBB-' placed on RWP  
STFC IDR: affirmed at 'B'  
STLC IDR: affirmed at 'F3'  
National LT rating: affirmed at 'AAA(tur)' Stable Outlook  
Individual Rating: affirmed at 'C'  
Support Rating: '4' placed on RWP  
Support Rating Floor: 'B+' placed on RWP

TURKIYE GARANTI BANKASI A.S.:

LTFC IDR: 'BB' placed on RWP  
LTLC IDR: 'BBB-' placed on RWP  
STFC IDR: affirmed at 'B'  
STLC IDR: affirmed at 'F3'  
National LT rating: affirmed at 'AAA(tur)' Stable Outlook  
Individual Rating: affirmed at 'C'  
Support Rating: '4' placed on RWP

Support Rating Floor: 'B+' placed on RWP

AKBANK T.A.S.:

LTFC IDR: 'BB' placed on RWP

LTLC IDR: 'BBB-' placed on RWP

STFC IDR: affirmed at 'B'

STLC IDR: affirmed at 'F3'

National LT rating: affirmed at 'AAA(tur)' Stable Outlook

Individual Rating: affirmed at 'C'

Support Rating: '4' placed on RWP

Support Rating Floor: 'B+' placed on RWP

The RWP on the following bank's IDRs reflects similar action taken on its parent's (Turkiye Is Bankasi A.S.) ratings. As the parent's ability to support its subsidiary improves, the IDRs of Turkiye Sinai Kalkinma Bankasi should also improve.

TURKIYE SINAI KALKINMA BANKASI A.S.:

LTFC IDR: 'BB' placed on RWP

LTLC IDR 'BB+' placed on RWP

STFC IDR: affirmed at 'B'

STLC IDR: 'B' placed on RWP

National LT rating: affirmed at 'AA+(tur)' Stable Outlook

Individual rating: affirmed at 'C/D'

Support rating: affirmed at '3'

The IDRs of the entities below are equalised with those of their parents, reflecting integration and committed support, and therefore move in tandem with rating action taken on the parents' ratings.

GARANTI FINANSAL KIRALAMA A.S.:

LTFC IDR: 'BB' placed on RWP

LTLC IDR 'BBB-' placed on RWP

STFC IDR: affirmed at 'B'

STLC IDR: affirmed at 'F3'

National LT Rating: affirmed at 'AAA(tur)' Stable Outlook

Support rating: affirmed at '3'

IS FINANSAL KIRALAMA A.S.:

LTFC IDR: 'BB' placed on RWP

LTLC IDR: 'BBB-' placed on RWP

STFC IDR: affirmed at 'B'

STLC IDR: affirmed at 'F3'

National LT Rating: affirmed at 'AAA(tur)' Stable Outlook

Support rating: affirmed at '3'

GARANTI FAKTORING HIZMETLERI A.S.:

LTFC IDR: 'BB' placed on RWP

LTLC IDR: 'BBB-' placed on RWP

STFC IDR: affirmed at 'B'

STLC IDR: affirmed at 'F3'

National LT Rating: affirmed at 'AAA(tur)' Stable Outlook

Support rating: affirmed at '3'

In Fitch's rating criteria, a bank's standalone risk is reflected in Fitch's Individual ratings and the prospect of external support is reflected in Fitch's Support ratings. Collectively these ratings drive Fitch's Long- and Short-term IDRs.

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Note to Editors: 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 for the country concerned, such as 'AAA(tur)' for National Ratings in Turkey. Specific letter grades are not therefore internationally comparable.

Additional information is available at [www.fitchratings.com](http://www.fitchratings.com).

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