

Credit Ratings

Seven Turkish Banks Outlook Revised To Stable After That Of Sovereign; Ratings Affirmed

Primary Credit Analyst:

Magar Kouyoumdjian, London (44) 20-7176-7217;
magar_kouyoumdjian@standardandpoors.com

Secondary Credit Analyst:

Emmanuel Volland, Paris (33) 1-4420-6696;
emmanuel_volland@standardandpoors.com

Additional Contact:

Financial Institutions Ratings Europe;
FIG_Europe@standardandpoors.com

Publication date: 28-Jun-06, 09:02:49 EST

Reprinted from RatingsDirect

LONDON (Standard & Poor's) June 28, 2006--Standard & Poor's Ratings Services said today it revised its outlook to stable from positive on seven Turkish banks:

- T.C. Ziraat Bankasi A.S. (Ziraat),
- Türkiye Is Bankasi A.S. (Isbank),
- Türkiye Garanti Bankasi A.S. (Garanti),
- Garanti Finansal Kiralama A.S. (Garanti Leasing),
- Koçbank,
- Türkiye Vakiflar Bankasi T.A.O. (VakifBank), and
- OYAK Bank A.S.

At the same time, Standard & Poor's affirmed its 'BB-/B' long- and short-term counterparty credit ratings on Ziraat, Isbank, Garanti Leasing, Koçbank, VakifBank, and OYAK Bank. The 'BB-' long-term counterparty credit rating on Garanti was also affirmed.

The outlook revision follows that on the sovereign, the Republic of Turkey (foreign currency, BB-/Stable/B; local currency, BB/Stable/B), reflecting deteriorating prospects for improved economic fundamentals. For more information, please see research update entitled "Outlook On Republic of Turkey Revised To Stable As Fundamentals Slip; Ratings Affirmed," published on June 27, 2006, on RatingsDirect, Standard & Poor's Web-based credit analysis system.

"Despite significant strengthening of the Turkish banking system following major restructuring, the increased presence of foreign banks, and four successive years of growth and modernization, the deteriorating economic prospects will somewhat constrain this positive momentum," said Standard & Poor's credit analyst Magar Kouyoumdjian.

"Banks are expected to be resilient to the recent volatility, but inflationary pressure and hikes in interest rates would affect their loan growth, financial performance, and asset quality. The severity of the turmoil could become more acute the longer it drags on," he added. (For more information, please see "Turkish Banking System Withstands Recent Upheaval in Turkey," published June 15, 2006, on RatingsDirect).

RATINGS LIST

	To	From
T.C. Ziraat Bankasi A.S.		
Türkiye Is Bankasi A.S.		
Garanti Finansal Kiralama A.S.		
Koçbank		
Türkiye Vakiflar Bankasi T.A.O.		
OYAK Bank A.S.		
Counterparty credit rating	BB-/Stable/B	BB-/Positive/B
CDs	BB-/B	BB-/B
Türkiye Garanti Bankasi A.S.		
Counterparty credit rating	BB-/Stable/--	BB-/Positive/--

NB: This list does not include all ratings affected.

Ratings information is available to subscribers of RatingsDirect, Standard & Poor's Web-based credit analysis system, at www.ratingsdirect.com. It can also be found on Standard & Poor's public Web site at www.standardandpoors.com; under Credit Ratings in the left navigation bar, select Find a Rating, then Credit Ratings Search. Alternatively, call one of the following Standard & Poor's numbers: Client Support Europe (44) 20-7176-7176; London Press Office Hotline (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow (7) 495-783-4017. Members of the media may also contact the European

Analytic services provided by Standard & Poor's Ratings Services ("Ratings Services") are the result of separate activities designed to preserve the independence and objectivity of ratings opinions. Credit ratings issued by Ratings Services are solely statements of opinion and not statements of fact or recommendations to purchase, hold, or sell any securities or make any other investment decisions. Accordingly, any user of credit ratings issued by Ratings Services should not rely on any such ratings or other opinion issued by Ratings Services in making any investment decision. Ratings are based on information received by Ratings Services. Other divisions of Standard & Poor's may have information that is not available to Ratings Services. Standard & Poor's has established policies and procedures to maintain the confidentiality of non-public information received during the ratings process.

Ratings Services receives compensation for its ratings. Such compensation is normally paid either by the issuers of such securities or third parties participating in marketing the securities. While Standard & Poor's reserves the right to disseminate the rating, it receives no payment for doing so, except for subscriptions to its publications. Additional information about our fee policy is available at www.standardandpoors.com/usratingsfees.

[Disclaimers](#) **[Privacy Notice](#)** **[Terms of Use](#)** **[Regulatory Disclosures](#)** **[Site Map](#)** **[Help](#)**

Copyright (c) 2006 Standard & Poor's, a division of The McGraw-Hill Companies, Inc. All rights reserved.