

# Fitch Revises Outlook For Long-Term Ratings Of Turkish Banks

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Fitch Ratings-London/Istanbul/New York-27 August 2004: Fitch Ratings, the international rating agency, has today revised the rating outlooks on a number of Turkish banks and affirmed their Long-term foreign and local currency ratings (listed below). This follows its revision yesterday of the Outlooks for the Republic of Turkey's Long-term foreign and local currency 'B+' ratings to Positive from Stable (see announcement 'Fitch revises Turkey's outlook to Positive').

The Positive Outlook for the sovereign indicates the direction that the rating is likely to move over a one to two-year period. The revisions in Outlooks for the banks cited below reflect a number of factors including the improvement in the government's propensity to support state-owned or guaranteed institutions (T.C. Ziraat Bankasi, Turkiye Halk Bankasi, Turkiye Kalkinma Bankasi, Turkiye Sinai Kalkinma Bankasi, and Yapi ve Kredi Bankasi). The revision in the Long-term rating of Pamukbank is driven by its pending merger with Turkiye Halk Bankasi (expected by end-2004 or early 2005). The revision in the Long-term ratings of Garanti Factoring and Garanti Finansal Kiralama are the result of institutional support by their parent, Turkiye Garanti Bankasi. Banks whose Long-term rating outlooks were revised to Positive due to intrinsic financial strength include Akbank, Turkiye Garanti Bankasi and Turkiye Is Bankasi. The Long-term rating outlook on certain institutions with support from a highly-rated foreign bank (HSBC Bank A.S., Koc Bank and Kuwait Turkish Evkaf Finance House) was also revised to Positive.

Banks whose ratings are affected:

AKBANK: Long-term foreign currency rating ("LTFC") affirmed at 'B+'; Outlook revised to Positive from Stable; Long-term local currency rating ("LTLC") affirmed at 'BB', Outlook revised to Positive from Stable;

GARANTI FACTORING: LTFC AND LTLC ratings affirmed at 'B+', Outlook revised to Positive from Stable;

GARANTI FINANSAL KIRALAMA: LTFC AND LTLC ratings affirmed at 'B+', Outlook revised to Positive from Stable;

HSBC BANK A S: LTFC rating affirmed at 'B+', Outlook revised to Positive from Stable; LTLC rating affirmed at 'BB', Outlook revised to Positive from Stable;

KOC BANK: LTFC rating affirmed at 'B+', Outlook revised to Positive from Stable; LTLC rating affirmed at 'BB', Outlook to Positive from Stable;

KUWAIT TURKISH EVKAF FINANCE HOUSE: LTFC and LTLC ratings affirmed at 'B+', Outlook revised to Positive from Stable;

PAMUKBANK: LTFC and LTLC ratings affirmed at 'B+', Outlook revised to Positive from Stable;

T. C. ZIRAAT BANKASI: LTFC and LTLC ratings affirmed at 'B+', Outlook revised to Positive from Stable;

TURK EKONOMI BANKASI: LTFC and LTLC ratings affirmed at 'B+', Outlook revised to Positive from Stable;

TURKIYE GARANTI BANKASI: LTFC and LTLC ratings affirmed at 'B+', Outlook revised to Positive from Stable;

TURKIYE HALK BANKASI: LTFC and LTLC ratings affirmed at 'B+', Outlook revised to Positive from Stable;

TURKIYE IS BANKASI: LTFC and LTLC ratings affirmed at 'B+', Outlook revised to Positive from Stable;

TURKIYE KALKINMA BANKASI: LTFC and LTLC ratings affirmed at 'B+', Outlook revised to Positive from Stable;

TURKIYE SINAI KALKINMA BANKASI: LTFC and LTLC ratings affirmed at 'B+', Outlook revised to Positive from Stable;

YAPI VE KREDI BANKASI: LTFC and LTLC ratings affirmed at 'B+', Outlook revised to Positive from Stable.