

**Rating Action: [Turkiye Is Bankasi AS](#)****Moody's upgrades 16 Turkish banks' foreign currency deposit ratings to Ba3**

Frankfurt, January 08, 2010 -- Moody's Investors Service has today upgraded the foreign currency deposit ratings of 16 Turkish banks to Ba3 (stable outlook) from B1. At the same time, the banks' local currency deposit ratings and national scale ratings have been affirmed. These rating actions are the direct result of Moody's decision today to upgrade Turkey's country ceiling for foreign currency deposits to Ba3 (stable outlook) from B1 and government bond rating to Ba2 (stable outlook) from Ba3. The foreign currency deposit ratings of the 16 banks have moved in tandem with the upgrade of the country ceiling, which continues to constrain the ratings.

The ratings of Export Credit Bank of Turkey, Finans Finansal Kiralama, Ekspo Faktoring and C-Factoring are not affected by these rating actions.

Moody's continues to believe that the Turkish government has a strong willingness and ability to support its banks, if needed. In light of the upgrade of the Turkish government's local currency bond rating, Moody's new systemic support indicator for Turkey has been set at Baa3, up from Ba1. The systemic support input is two notches above the government's Ba2 local currency bond rating.

This two-notch difference between the systemic support indicator and the government's rating reflects Moody's assessment of the Turkish government's strong ability and willingness to support the banking system, its broad array of financial and non-financial tools and the system's intrinsic strength, demonstrated during the ongoing crisis and past global downturns. However, the new systemic support input does not result in any uplift for the bank ratings.

A detailed list of ratings affected follows below:

LIST OF RATING ACTIONS

The following rating actions were taken today:

- (i) Akbank TAS: the long-term foreign currency deposit rating was upgraded to Ba3 from B1. The Baa1/P-2 global local currency (GLC) deposit ratings were affirmed. All ratings have a stable outlook.
- (ii) Anadolubank AS: the long-term foreign currency deposit rating was upgraded to Ba3 from B1. The Ba1/NP GLC ratings were affirmed. All ratings have a stable outlook.
- (iii) Asya Katilim Bankasi AS: the long-term foreign currency deposit rating was upgraded to Ba3 from B1. The Ba2/NP GLC deposit ratings and the A3.tr/TR-1 national scale ratings were affirmed. All ratings have a stable outlook.
- (iv) Bankpozitif Kredit ve Kalkinma Bankasi AS: the long-term foreign currency deposit rating was upgraded to Ba3 from B1. The Baa3/P-3 GLC deposit ratings were affirmed. All ratings have a stable outlook.
- (v) Denizbank AS: the long-term foreign currency deposit rating was upgraded to Ba3 from B1. The Baa2/P-2 GLC deposit ratings were affirmed. All ratings have a stable outlook.
- (vi) Eurobank Tekfen AS: the long-term foreign currency deposit rating was upgraded to Ba3 from B1. The Ba1/NP GLC deposit ratings were affirmed. All ratings have a stable outlook.
- (vii) Finansbank AS: the long-term foreign currency deposit rating was upgraded to Ba3 with a stable outlook from B1. The A3 long-term GLC deposit rating (negative outlook) and P-2 short-term rating were affirmed.
- (viii) HSBC Bank AS: the long-term foreign currency deposit rating was upgraded to Ba3 from B1. The A3/P-2 GLC deposit ratings were affirmed. All ratings have a stable outlook.
- (ix) T.C. Ziraat Bankasi AS: the long-term foreign currency deposit rating was upgraded to Ba3 from B1. The Baa3/P-3 GLC deposit ratings were affirmed. All ratings have a stable outlook.
- (x) Turk Ekonomi Bankasi AS: the long-term foreign currency deposit rating was upgraded to Ba3 from B1. The Baa2/P-2 GLC deposit ratings were affirmed. All ratings have a stable outlook.

(xi) Türkiye Garanti Bankası AS: the long-term foreign currency deposit rating was upgraded to Ba3 from B1. The Baa1/P-2 GLC deposit ratings and the Aa1.tr/TR1 national scale ratings were affirmed. All ratings have a stable outlook.

(xii) Türkiye Halk Bankası AS: the long-term foreign currency deposit rating was upgraded to Ba3 from B1. The Baa3/P-3 GLC deposit ratings were affirmed. All ratings have a stable outlook.

(xiii) Türkiye İş Bankası AS: the long-term foreign currency deposit rating was upgraded to Ba3 from B1. The Baa2/P-2 GLC deposit ratings were affirmed. All ratings have a stable outlook.

(xiv) Türkiye Sınai Kalkınma Bankası AS: the long-term foreign currency deposit rating was upgraded to Ba3 from B1. The Baa2/P-2 GLC deposit ratings were affirmed. All ratings have a stable outlook.

(xv) Türkiye Vakıflar Bankası TAO: the long-term foreign currency deposit rating was upgraded to Ba3 from B1. The Baa3/P-3 GLC deposit ratings were affirmed. All ratings have a stable outlook.

(xvi) Yapı ve Kredi Bankası AS: the long-term foreign currency deposit rating was upgraded to Ba3 from B1. The Baa1/P-2 GLC deposit ratings and the Aa2.tr/TR1 national scale ratings were affirmed. All ratings have a stable outlook.

PREVIOUS RATING ACTIONS AND PRINCIPAL METHODOLOGIES

The last rating action on Akbank TAS was implemented on 9 November 2009, when its long-term local currency deposit rating was downgraded to Baa1, with a stable outlook, from A3, within the context of Moody's global review of the systemic support available to banks in non-Aaa systems. Its other ratings were unaffected.

The last rating action on Anadolubank AS was implemented on 9 November 2009, when its BFSR was upgraded to D+ from D, which maps to a Ba1 BCA. The bank's Ba1 long-term local currency deposit rating was confirmed with a stable outlook. Its other ratings were unaffected.

The last rating action on Asya Katılım Bankası AS was implemented on 9 November 2009, when its long-term local currency deposit rating was downgraded to Ba2 with a stable outlook from Ba1. The national scale rating was downgraded to A3.tr from A1.tr and the short-term rating confirmed at TR-1. The rating actions were taken within the context of Moody's global review of the systemic support available to banks in non-Aaa systems. Its other ratings were unaffected.

The last rating action on Bankpozitif AS was implemented on 24 September 2009, when the outlook on its B1 long-term foreign currency deposit rating was changed to positive from stable. Its other ratings were unaffected.

The last rating action on Denizbank AS was implemented on 9 November 2009, when its long-term local currency deposit rating was downgraded to Baa2 with a stable outlook from Baa1, within the context of Moody's global review of the systemic support available to banks in non-Aaa systems. Its other ratings were unaffected.

The last rating action on Eurobank Tekfen AS was implemented on 24 September 2009, when the outlook on its B1 long-term foreign currency deposit rating was changed to positive from stable. Its other ratings were unaffected.

The last rating action on Finansbank AS was implemented on 23 December 2009, when the outlook on its A3 long-term global local currency deposit rating was changed to negative from stable. This was the direct result of Moody's downgrade of the BFSR of National Bank of Greece (NBG) to C with a negative outlook. NBG is Finansbank's controlling shareholder with 95% ownership. Finansbank's other ratings were unaffected.

The last rating action on HSBC Bank AS was implemented on 24 September 2009, when the outlook on its B1 long-term foreign currency deposit rating was changed to positive from stable. Its other ratings were unaffected.

The last rating action on T.C. Ziraat Bankası AS was implemented on 9 November 2009, when its local currency deposit ratings were downgraded to Baa3/Prime-3 with a stable outlook from Baa1/Prime-2, within the context of Moody's global review of the systemic support available to banks in non-Aaa systems. Its other ratings were unaffected. Meanwhile, its BCA was raised to Baa3 from Ba1 (i.e. still mapping from a D+ BFSR).

The last rating action on Türk Ekonomi Bankası AS was implemented on 9 November 2009, when its long-term local currency deposit rating was downgraded to Baa2 with a stable outlook from Baa1, within the context of Moody's global review of the systemic support available to banks in non-Aaa systems. Its other ratings were unaffected.

The last rating action on Türkiye Garanti Bankası AS was implemented on 9 November 2009, when its long-term local currency deposit rating was downgraded to Baa1 with a stable outlook from A3 and its long-term

national scale rating was downgraded to Aa1.tr from Aaa.tr, within the context of Moody's global review of the systemic support available to banks in non-Aaa systems. Its other ratings were unaffected.

The last rating action on Turkiye Halk Bankasi AS was implemented on 30 December 2009, when the bank was assigned first-time ratings: a BFSR of D+, local currency deposit ratings of Baa3/Prime-3 and foreign currency deposit ratings of B1/Not Prime. The outlook on the foreign currency deposit ratings was positive, but was stable on all the other ratings.

The last rating action on Turkiye Is Bankasi AS was implemented on 9 November 2009, when its BFSR was upgraded to C- from D+ (resulting in the BCA being raised to Baa2 from Baa3). The bank's long-term local currency deposit rating was downgraded to Baa2 with a stable outlook from A3, within the context of Moody's global review of the systemic support available to banks in non-Aaa systems. Its Prime-2 short-term local currency deposit rating was confirmed and its other ratings were unaffected.

The last rating action on Turkiye Sinai Kalkinma Bankasi AS was implemented on 9 November 2009, when its long-term local currency deposit rating was downgraded to Baa2 with a stable outlook from Baa1, within the context of Moody's global review of the systemic support available to banks in non-Aaa systems. Its Prime-2 short-term local currency deposit rating was confirmed and its other ratings were unaffected.

The last rating action on Turkiye Vakiflar Bankasi TAO was implemented on 9 November 2009, when its local currency deposit ratings were downgraded to Baa3/Prime-3 with a stable outlook from Baa1/Prime-2, within the context of Moody's global review of the systemic support available to banks in non-Aaa systems. Its other ratings were unaffected. Meanwhile, its BCA was raised to Baa3 from Ba1 within the D+ BFSR category.

The last rating action on Yapi ve Kredi Bankasi AS was implemented on 9 November 2009, when its long-term local currency deposit rating was downgraded to Baa1 with a stable outlook from A3, and its long-term national scale rating was downgraded to Aa2.tr from Aaa.tr, within the context of Moody's global review of the systemic support available to banks in non-Aaa systems. Its other ratings were unaffected.

The principal methodologies used in rating Turkish banks are "Bank Financial Strength Ratings: Global Methodology" and "Incorporation of Joint-Default Analysis into Moody's Bank Ratings: A Refined Methodology", which can be found on www.moodys.com in the Rating Methodologies sub-directory under the Research & Ratings tab. Other methodologies and factors that may have been considered in the process of rating the Turkish banking system can also be found in the Rating Methodologies sub-directory on Moody's website.

T.C Ziraat Bankasi, Turkiye Halk Bankasi and Turkiye Vakiflar Bankasi AS are headquartered in Ankara, Turkey. All the other banks are headquartered in Istanbul, Turkey.

Akbank TAS had total assets of TRY92.7 billion (US\$61.0 billion) under IFRS at the end of December 2008.

Anadolubank AS had total assets of TRY3.8 billion (US\$2.5 billion) under IFRS at the end of December 2008.

Asya Katilim Bankasi AS had total assets of TRY8.1 billion (US\$5.3 billion) under IFRS at the end of December 2008.

Bankpozitif Kredit ve Kalkinma Bankasi AS had total assets of TRY1.8 billion (US\$1.2 billion) under IFRS at the end of December 2008.

Denizbank AS had total assets of TRY24.2 billion (US\$15.9 billion) under BRSA at the end of December 2008.

Eurobank Tekfen had total assets of TRY3.6 billion (US\$2.4 billion) under BRSA at the end of December 2008.

Finansbank had total assets of TRY30.1 billion (US\$19.9 billion) under BRSA at the end of December 2008.

HSBC Bank AS had total assets of TRY14.6 billion (US\$9.6 billion) under IFRS at the end of December 2008.

T.C. Ziraat Bankasi AS had total assets of TRY104.4 billion (US\$77.6 billion) under BRSA at the end of December 2008.

Turk Ekonomi Bankasi AS had total assets of TRY17.0 billion (US\$11.2 billion) under IFRS at the end of December 2008.

Turkiye Garanti Bankasi AS had total assets of TRY98.2 billion (US\$69.7 billion) under IFRS at the end of December 2008.

Turkiye Halk Bankasi AS had total assets of TRY51.2 billion (US\$33.7 billion) under IFRS at the end of

December 2008.

Türkiye İş Bankası AS had total assets of TRY97.5 billion (US\$63.4 billion) under IFRS at the end of December 2008.

Türkiye Sınai Kalkınma Bankası AS had total assets of TRY6.3 billion (US\$4.2 billion) under IFRS at the end of December 2008.

Türkiye Vakıflar Bankası AS had total assets of TRY54.6 billion (US\$35.9 billion) under BRSA at the end of December 2008.

Yapı ve Kredi Bankası AS had total assets of TRY69.9 billion (US\$46.0 billion) under IFRS at the end of December 2008.

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