



Rating Action: [Turkiye Is Bankasi AS](#)

Moody's changes Turkiye Is Bankasi's BFSR outlook to positive

Limassol, September 10, 2008 -- Moody's Investors Service has changed the outlook on the D+ bank financial strength rating ("BFSR") of Turkiye Is Bankasi A.S. ("Isbank") to positive from stable. The bank's B1/Not Prime foreign currency deposit ratings and A3/Prime-2 global local currency deposit ratings are unaffected by this action and carry stable outlooks.

Moody's decision to change the outlook on Isbank's D+ BFSR (which maps to a baseline credit assessment of Baa3) to positive is based on continued progress in the implementation of the bank's extensive internal restructuring programme. Moody's considers that this initiative will enhance the bank's competitiveness and will help it maintain its current franchise strength and financial performance even as the sector's competitive dynamics become more challenging.

Moody's adds that Isbank's restructuring programme targets both the bank's sales effectiveness and its cost efficiency. Implementation is expected to be completed in 2009, with tangible results likely to materialise at the end of that year. Evidence that the bank has improved its competitiveness could lead to a BFSR upgrade over the medium term; however, any improvement in financial performance that resulted from an increase in risk appetite would not be regarded positively from a rating viewpoint.

The outlook change incorporates the possibility of a deterioration in the Turkish credit environment over coming months should the weakening macroeconomic conditions in Europe spread to Turkey. Moody's considers that Isbank's high current profitability provides it with sufficient provisioning capacity that would protect the bank's solvency in all but very extreme asset quality scenarios.

Turkiye Is Bankasi is headquartered in Istanbul (Turkey) and at the end of June 2008 its consolidated assets totalled YTL99.90 billion (EUR59.91 billion).

Limassol
Mardig Haladjian
General Manager
Financial Institutions Group
Moody's Investors Service Cyprus Limited
JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454

Limassol
George Chrysaphinis
Vice President - Senior Analyst
Financial Institutions Group
Moody's Investors Service Cyprus Limited
JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454

© Copyright 2008, Moody's Investors Service, Inc. and/or its licensors including Moody's Assurance Company, Inc. (together, "MOODY'S"). All rights reserved.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY COPYRIGHT LAW AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, such information is provided "as is" without warranty of any kind and MOODY'S, in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such information. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other

circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The credit ratings and financial reporting analysis observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER. Each rating or other opinion must be weighed solely as one factor in any investment decision made by or on behalf of any user of the information contained herein, and each such user must accordingly make its own study and evaluation of each security and of each issuer and guarantor of, and each provider of credit support for, each security that it may consider purchasing, holding or selling.

MOODY'S hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MOODY'S have, prior to assignment of any rating, agreed to pay to MOODY'S for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,400,000. Moody's Corporation (MCO) and its wholly-owned credit rating agency subsidiary, Moody's Investors Service (MIS), also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually on Moody's website at www.moodys.com under the heading "Shareholder Relations - Corporate Governance - Director and Shareholder Affiliation Policy."