



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

**MOODY'S UPGRADES TURKISH BANKS' LONG-TERM FOREIGN CURRENCY DEPOSIT RATINGS TO B1; UPGRADES LOCAL CURRENCY DEPOSIT RATINGS OF SIX TURKISH BANKS; OUTLOOK STABLE**

Limassol, December 20, 2005 -- Moody's Investors Service has upgraded the long-term foreign currency deposit ratings of sixteen Turkish banks to B1 with a stable outlook, from B2. This action mirrors last Wednesday's upgrade of Turkey's ceiling for long-term foreign currency deposit ratings to B1. Moody's has also upgraded the ratings of six Turkish banks to reflect the lower probability of a payments moratorium in Turkey, in line with the recently assigned A3 local currency deposit ceiling.

The decision to upgrade the long-term foreign currency deposit ratings of the sixteen Turkish banks is based on the fact that these ratings were capped by the sovereign ceiling at the B2 level. This means that on a standalone basis, all rated Turkish banks would have attained at least a B1 foreign currency deposit rating in an unconstrained environment.

Local currency deposit ratings express a bank's overall creditworthiness in domestic currency and incorporate the possibility of external support. The highest long-term local currency rating that a bank can currently attain in Turkey is A3, reflecting the level of systemic risks facing the Turkish banking sector. Moody's believes that the possibility of a government rescheduling event is consistent with the government's Ba3 global local currency rating (with a stable outlook), but the expectation is that the severity of loss associated with such an event would be low. Banks that are likely to be supported by the government or by a controlling shareholder with a high credit rating could have their local currency ratings pushed to the A3 ceiling. Not all rated Turkish banks have been assigned local currency ratings.

The following ratings are affected by today's action:

**Akbank TAS:**

Long-term foreign currency deposit ratings are upgraded to B1 from B2, in line with the rise in the ceiling for such deposits in Turkey; outlook stable.

The bank's long-term local currency deposit ratings are upgraded to A3 from Baa2; outlook stable. Through this action Moody's continues to reflect the view that the bank will be supported by the financial authorities if assistance is required. Moody's considers that due to its size and significant involvement in the domestic financial system Akbank is 'too important to fail'.

**Anadolubank A.S.:**

Long-term foreign currency deposit ratings are upgraded to B1 from B2, in line with the rise in the ceiling for such deposits in Turkey; outlook stable.

**Denizbank A.S.:**

Long-term foreign currency deposit ratings are upgraded to B1 from B2, in line with the rise in the ceiling for such deposits in Turkey; outlook stable.

**Finansbank A.S.:**

Long-term foreign currency deposit ratings are upgraded to B1 from B2, in line with the rise in the ceiling for such deposits in Turkey; outlook stable.

**Fortis Bank A.S.:**

Long-term foreign currency deposit ratings are upgraded to B1 from B2, in line with the rise in the ceiling for such deposits in Turkey; outlook stable.

**HSBC Bank A.S. (Turkey):**

Long-term foreign currency deposit ratings are upgraded to B1 from B2, in line with the rise in the ceiling for such deposits in Turkey; outlook stable.

The bank's local currency deposit ratings are upgraded to A3 from Baa2; outlook stable. Through this action, Moody's continues to reflect the view that the bank enjoys a high likelihood of support from its controlling shareholder, HSBC Bank Plc (rated Aa2/Prime-1/B+ by Moody's).

Kocbank A.S.:

Long-term foreign currency deposit ratings are upgraded to B1 from B2, in line with the rise in the ceiling for such deposits in Turkey; outlook stable.

Oyak Bank A.S.:

Long-term foreign currency deposit ratings are upgraded to B1 from B2, in line with the rise in the ceiling for such deposits in Turkey; outlook stable.

Tekfenbank A.S.:

Long-term foreign currency deposit ratings are upgraded to B1 from B2, in line with the rise in the ceiling for such deposits in Turkey; outlook stable.

Turk Ekonomi Bankasi A.S.:

Long-term foreign currency deposit ratings are upgraded to B1 from B2, in line with the rise in the ceiling for such deposits in Turkey; outlook stable.

Turkiye Garanti Bankasi A.S.:

Long-term foreign currency deposit ratings are upgraded to B1 from B2, in line with the rise in the ceiling for such deposits in Turkey; outlook stable.

The bank's long-term local currency deposit rating is upgraded to A3 from Baa2; outlook stable. Through this action Moody's continues to reflect the view that the bank will be supported by the financial authorities if assistance is required. Moody's considers that due to its size and significant involvement in the domestic financial system Garanti Bank is 'too important to fail'.

Turkiye Is Bankasi A.S.:

Long-term foreign currency deposit ratings are upgraded to B1 from B2, in line with the rise in the ceiling for such deposits in Turkey; outlook stable.

The bank's long-term local currency deposit rating is upgraded to A3 from Baa2; outlook stable. Through this action Moody's continues to reflect the view that the bank will be supported by the financial authorities if assistance is required. Moody's considers that due to its size and involvement in the domestic financial system Isbank is 'too important to fail'.

Turkiye Sinai Kalkinma Bankasi A.S.:

Long-term foreign currency deposit ratings are upgraded to B1 from B2, in line with the rise in the ceiling for such deposits in Turkey; outlook stable.

Turkiye Vakiflar Bankasi TAO:

Long-term foreign currency deposit ratings are upgraded to B1 from B2, in line with the rise in the ceiling for such deposits in Turkey; outlook stable.

The bank's long-term local currency deposit rating is upgraded to Baa1 from Baa2; outlook stable. Through this action Moody's continues to reflect the view that the bank is likely to be supported by the financial authorities if assistance is required. Moody's recognises the bank's growing importance to the banking system but continues to make a distinction with the 'too important to fail' banks, rated A3.

Yapi Ve Kredi Bankasi A.S.:

Long-term foreign currency deposit ratings are upgraded to B1 from B2, in line with the rise in the ceiling for such deposits in Turkey; outlook stable.

The bank's long-term local currency deposit rating is upgraded to Baa1 from Baa2; outlook stable. Through this action Moody's continues to reflect the view that the bank is likely to receive some support by the financial authorities, if assistance is required and also by its new shareholders, the Koc Group and Unicredito Italiano (rated A1/Prime-1/B- by Moody's). Moody's recognises the bank's growing importance to the banking system but continues to make a distinction with the other 'too important to fail' banks, rated A3.

T.C. Ziraat Bankasi:

Long-term foreign currency deposit ratings are upgraded to B1 from B2, in line with the rise in the ceiling for such deposits in Turkey; outlook stable.

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