

11th CENTRAL EUROPEAN COVERED BOND CONFERENCE

A.Erdal Aral, Head Of Treasury

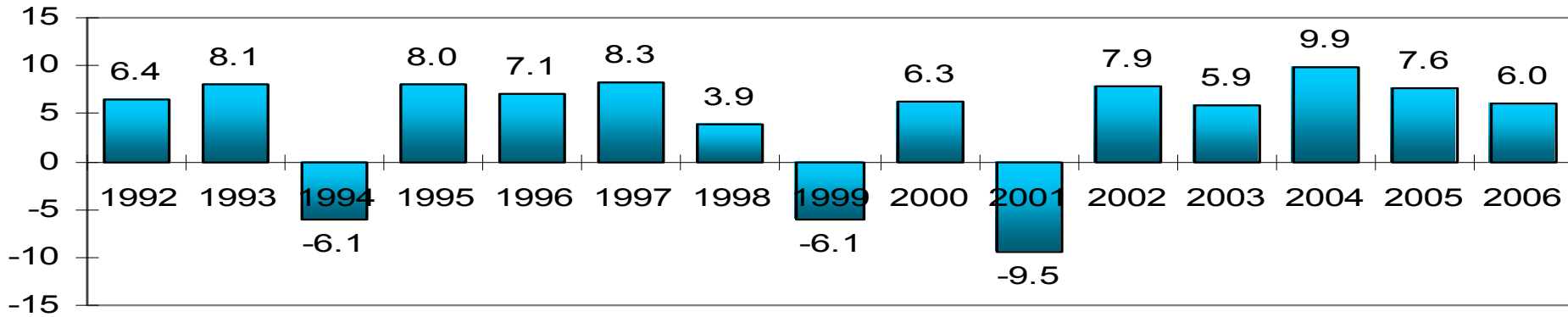
9 NOVEMBER 2007

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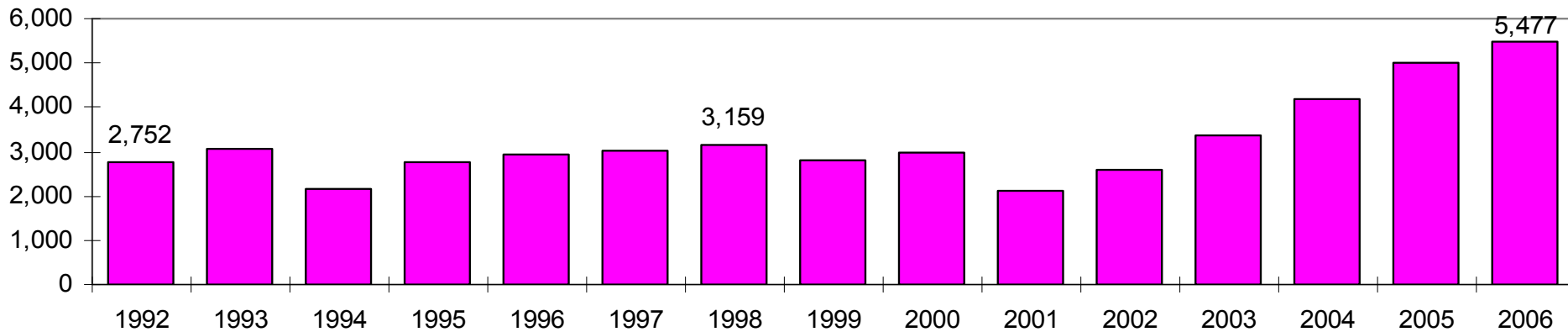
Turkey's Strong Economic Growth

- ❑ Turkey grew steadily more than the expectations in 2004, 2005 and 2006.
- ❑ According to the GNP figures, the growth rate which fell to -9,5 % in 2001 has gained momentum and increased to 6% in 2006. During this period, GNP per capita increased by 161 percent and reached to USD 5,477.
- ❑ Important mergers and acquisitions in banking sector between 2005 –2006 which was around \$13.7 billion, contributed strong economic growth in Turkey.

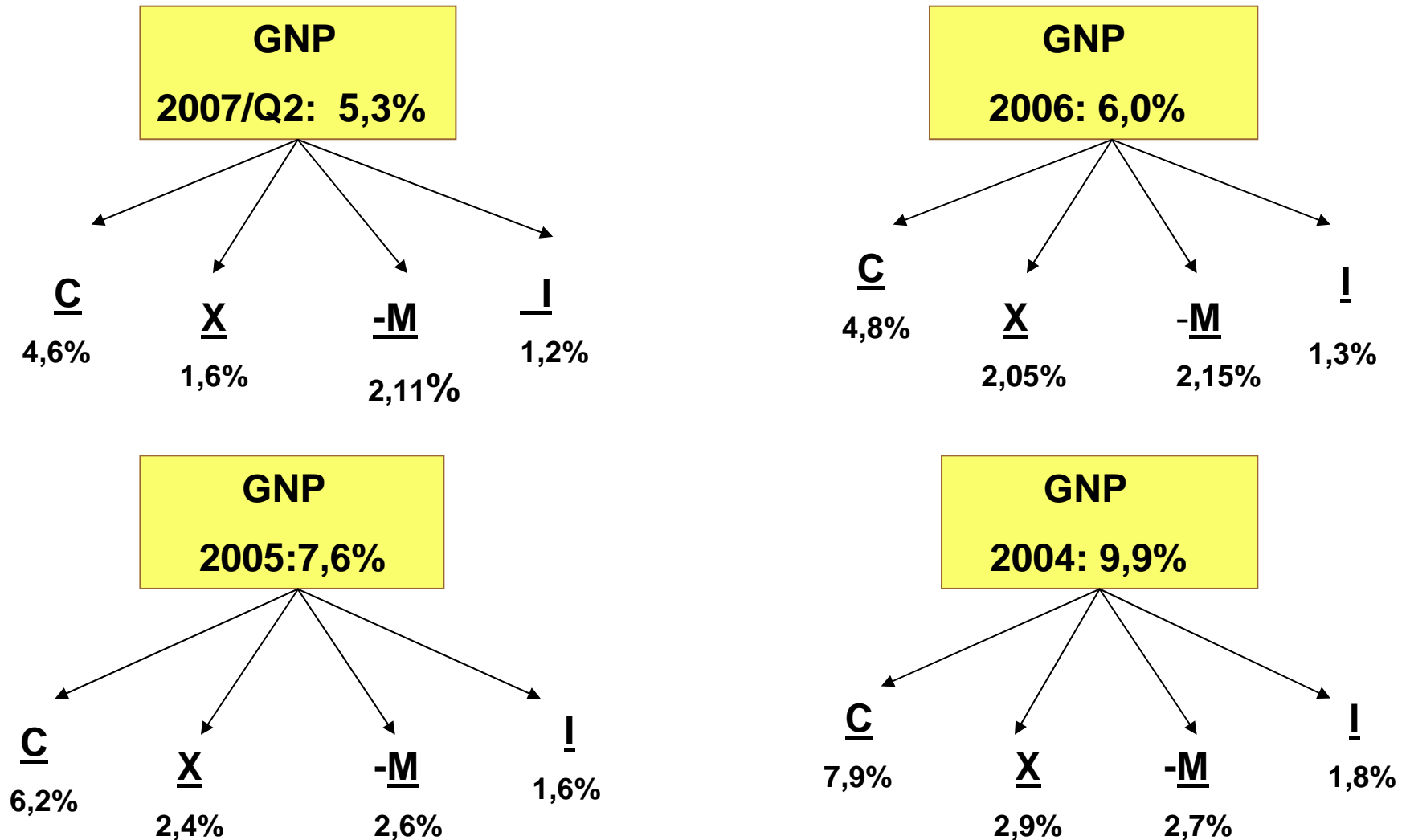
TURKEY GNP(% Change)



TURKEY GNP PER CAPITA



THE CONTRIBUTION OF GNP COMPONENTS IN THE GROWTH

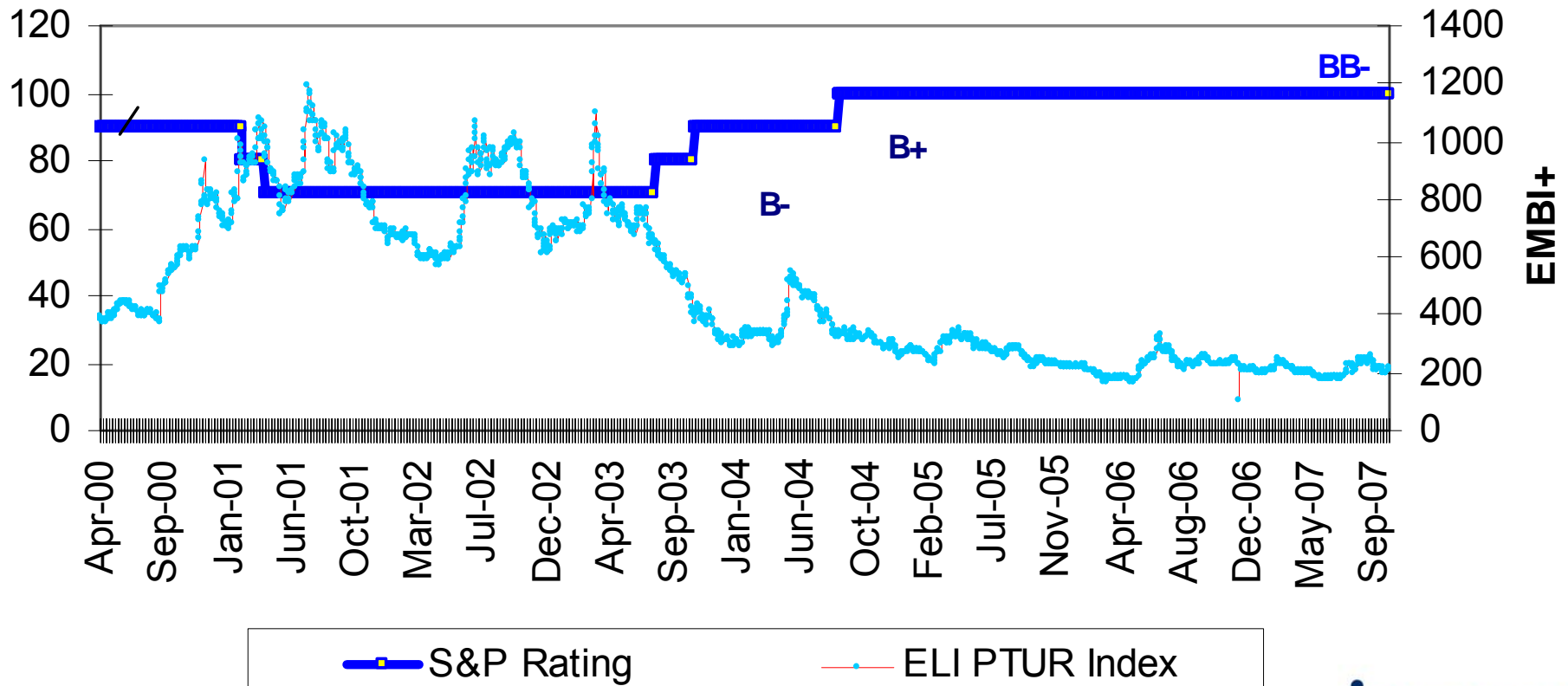


C: consumption private+public sector)
 X: export of goods and services

I: investment (Private+Public Sector)
 M: import of good and services

Turkey's Rating and EMBI Turkey Spread

Turkey's Rating and EMBI Turkey Spread



	TURKEY		TURKEY
MOODY'S	Rating	STANDARD & POOR'S	Rating
Outlook	Stable	Outlook	Stable
Foreign Currency Long Term Debt	Ba3	Foreign Currency LT Debt	BB -
Local Currency Long Term Debt	Ba3	Local Currency LT Debt	BB
Country Ceilings For Foreign Currency	Ba1	Foreign Currency ST Debt	B
Long Term Bank Deposits	B1	Local Currency ST Debt	B
Long Term Curr Debt	Ba1		
Short Term Bank Deposits	NP		
Short Term Curr Debt	NP		
	TURKEY		
FITCH	Rating		
Outlook	Positive		
Long Term Foreign Currency Issuer Default	BB-		
Long Term Local Currency Issuer Default	BB-		
Foreign Currency LT Debt	BB-		
Local Currency Long Term Debt	BB-		
Foreign Currency ST Debt	B		
ST Issuer Default Rating	B		

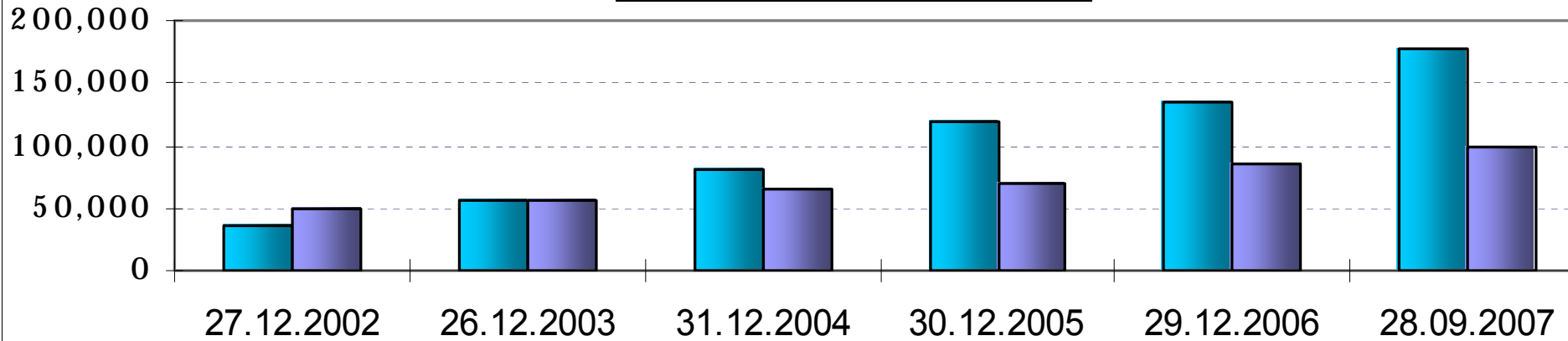


Development of Loans and Deposits

- ❑ Turkish banking sector has well performed in recent years mainly driven by loan growth fuelled by decreasing interest rates . Loan growth in local currency terms grew 41% in the third quarter of 2007, while deposit growth was 31%.
- ❑ Starting from the end of 2004, the weight of the long term loans has gained momentum in the banks' loan portfolios, especially with the contribution of increasing house loans having maturities around 120 months.

Turkish Banking Sector Deposit

Deposit - TL Deposit - FX

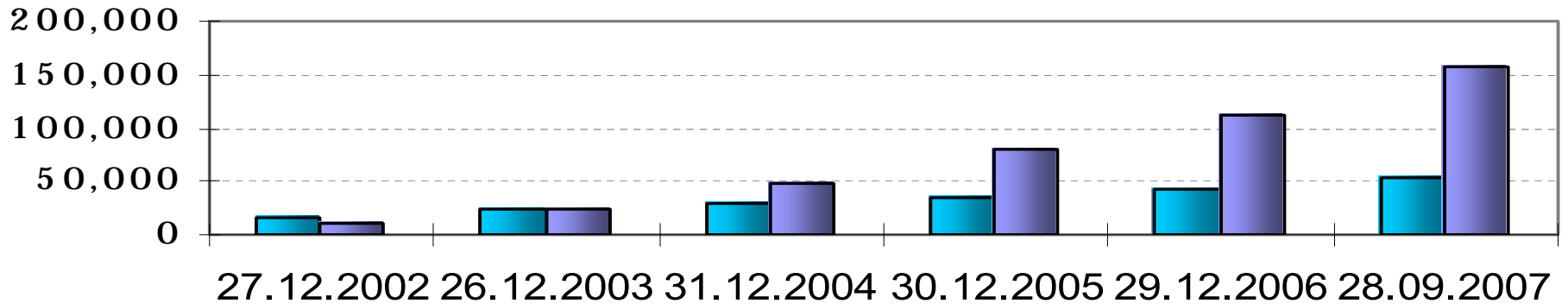


Source:BRSA,Interactive Weekly Bulletin

Mio USD

Turkish Banking Sector Loans

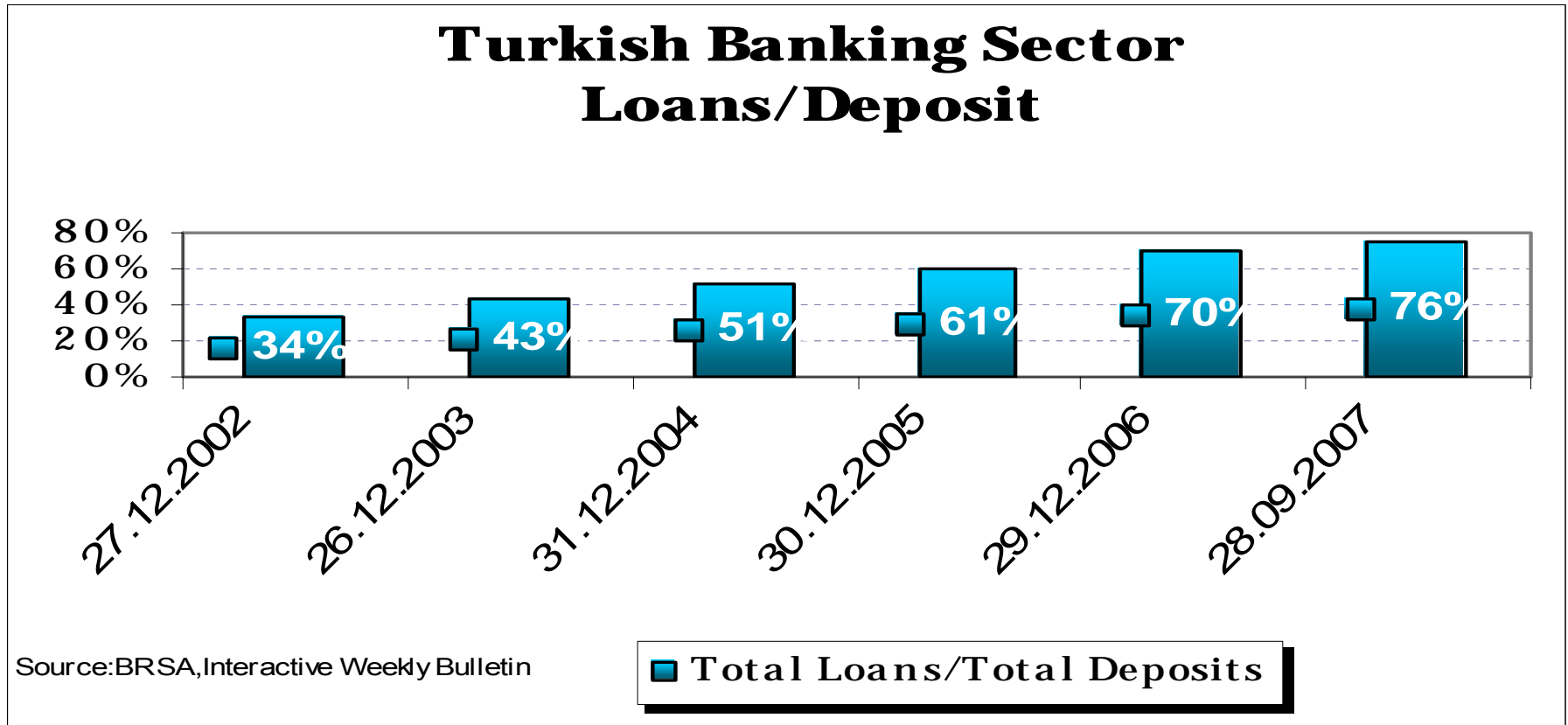
Loans- FX Loans- TL



Source:BRSA,Interactive Weekly Bulletin

Mio USD

□ As the “Loan/Deposit ratio” has grown since 2002, the Turkish banks began to utilize other funding alternatives besides deposit to finance the strong loan growth.

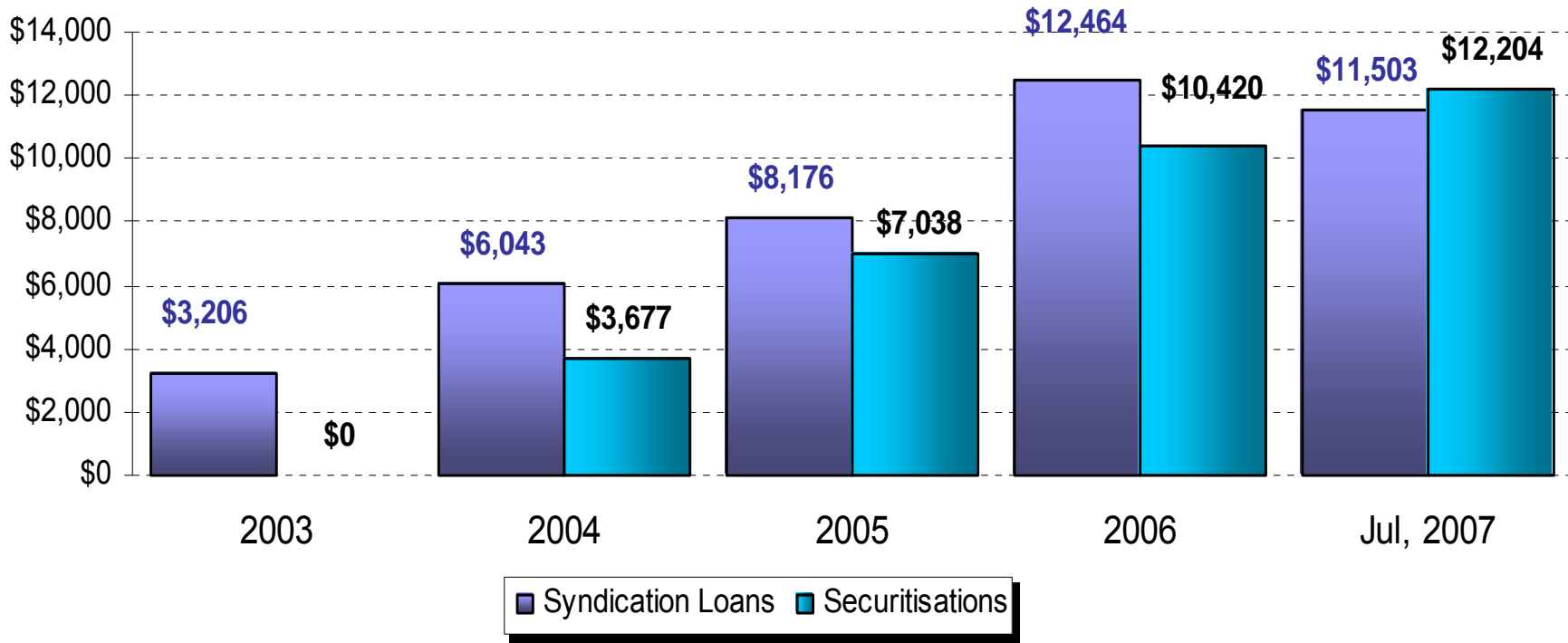


Turkish Banks Alternative Sources of Financing

- ❑ The following instruments have become the major sources of foreign currency financings other than the FX deposits:
 - ❑ Securitizations
 - ❑ Syndicated Loans
 - ❑ Eurobonds
- ❑ Future flow securitizations have been a cheap source of long term foreign currency funding for the Turkish Banks

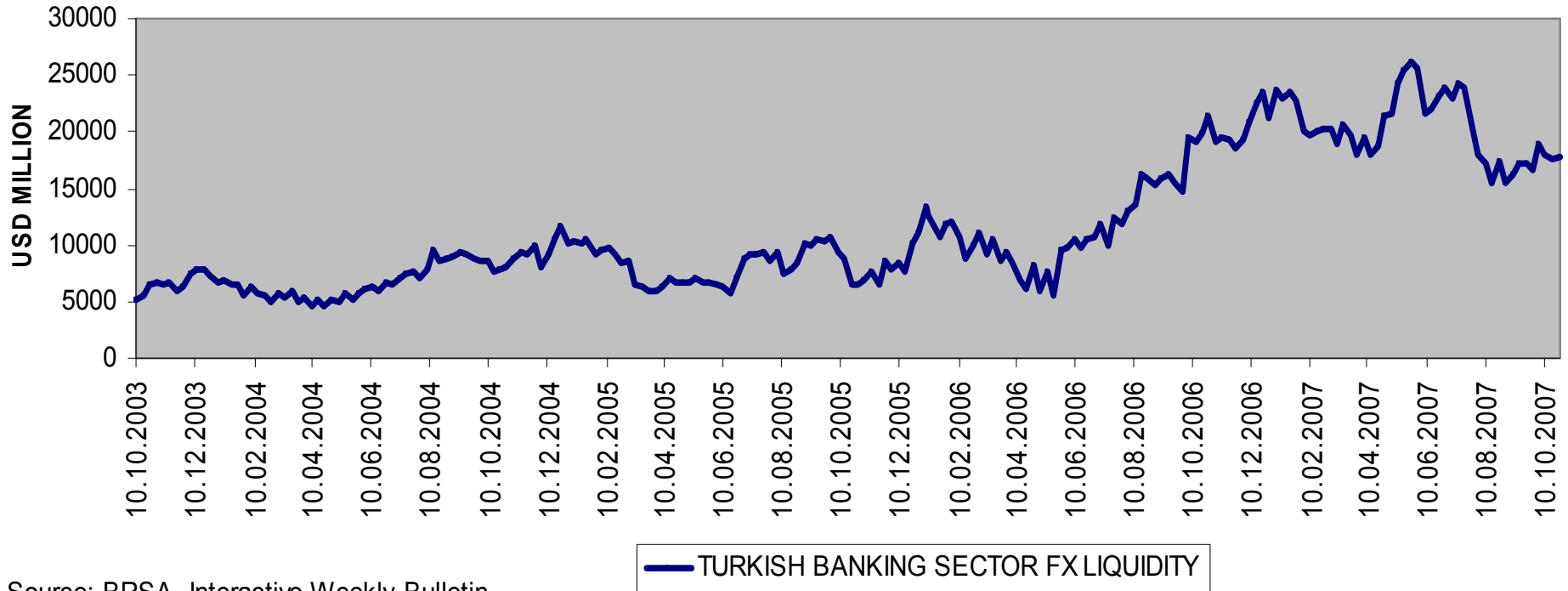
Syndication Loans and Securitizations in Turkish Banking Sector

Syndication Loans and Securitisations



Source:BRSA,Interactive Monthly Bulletin

THE FOREIGN CURRENCY LIQUIDITY OF THE TURKISH BANKING SECTOR

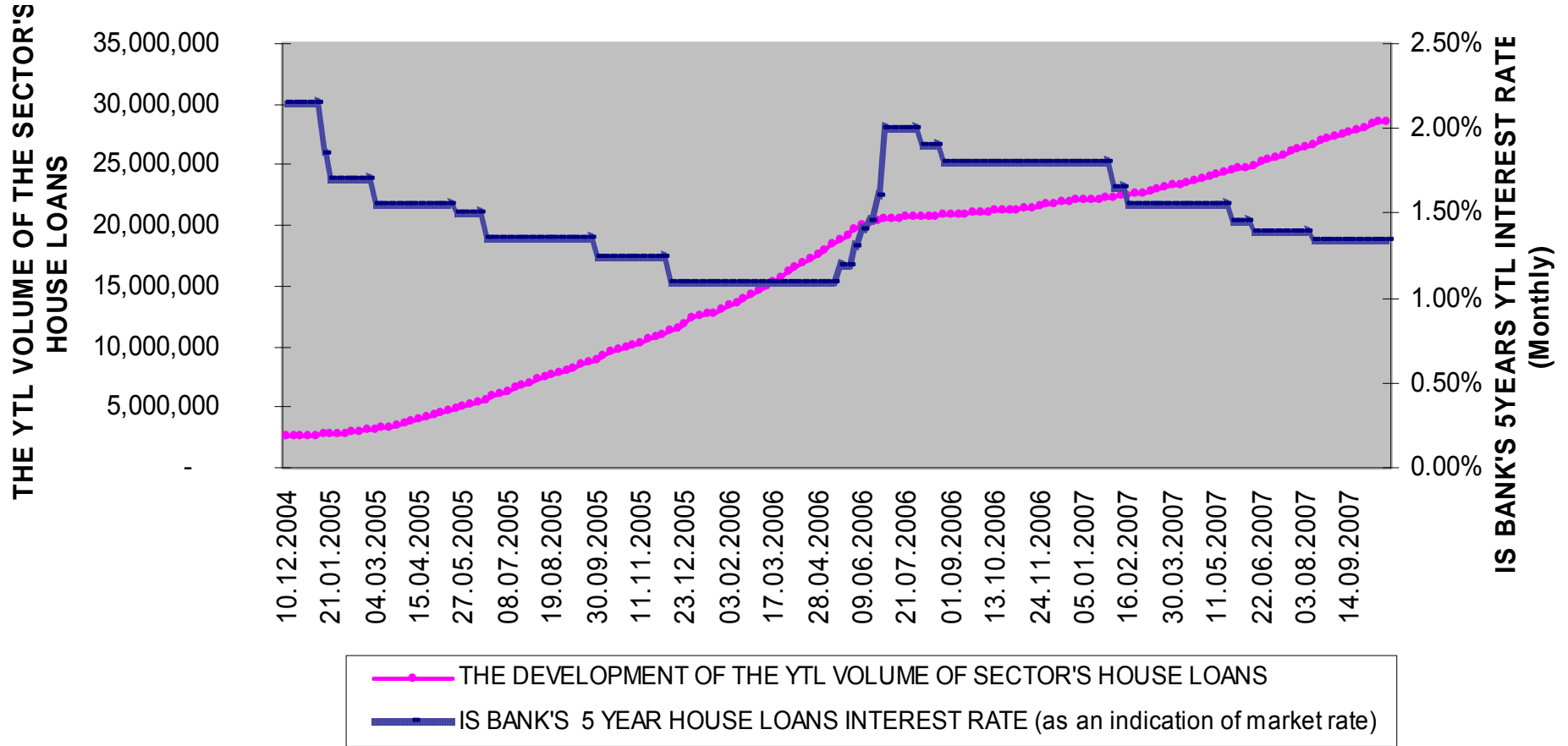


Source: BRSA, Interactive Weekly Bulletin

□ The FX liquidity of the Turkish Banking Sector has grown steadily starting from the end of 2003, which was around USD 5.148 billion reached to a maximum of USD 26.273 billion as of May, 2007. Now it is around USD 17.836 billion.

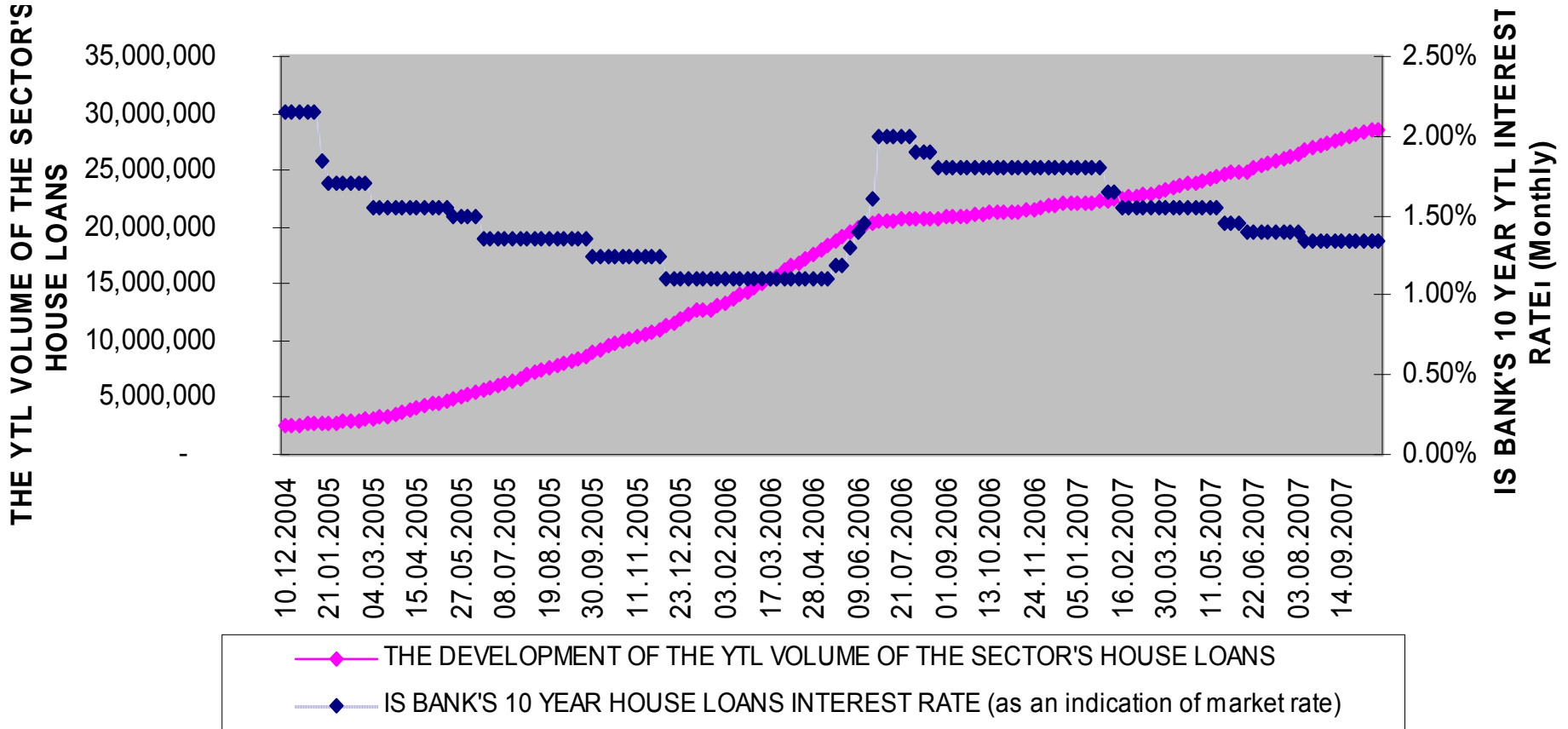
THE HOUSE LOANS

THE INTERACTION BETWEEN THE DEVELOPMENTS OF THE HOUSE LOANS AND YTL INTEREST RATES



Source: CBRT, Weekly Press Bultein and Is Bank's YTL House Loans Interest Rate

THE INTERACTION BETWEEN THE DEVELOPMENT OF THE HOUSE LOANS AND YTL INTEREST RATES

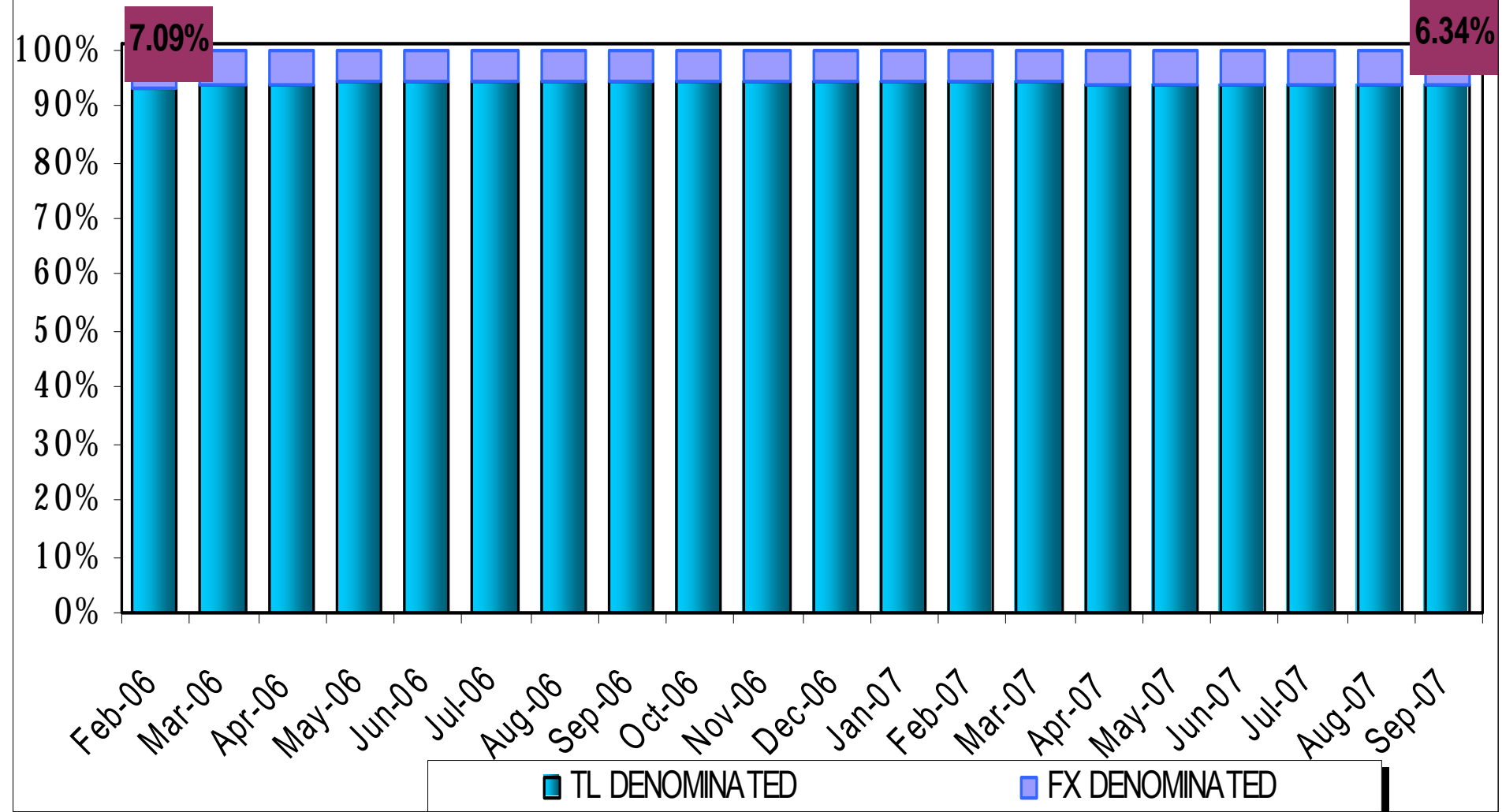


Source: CBRT, Weekly Press Bulltein and Is Bank's YTL House Loans Interest Rate

The Possible Reasons Behind the Increase In the House Loans In Recent Years

- ❑ The rapid decrease in YTL interest rates since 2004 initiated the increase in demand for the house loans.
- ❑ Especially, many years of pending demand for housing together with an increase in the purchasing power of the people led to a significant appetite for the house loans.
- ❑ On the other hand, tenants started to compare the rent they pay and the reasonable monthly installments of the house loans they will pay under the decreasing interest rates and lengthening mortgage tenors, led them to make up their mind in asking loans for buying their own houses.
- ❑ Although the May 2006 turmoil in the international markets which led to a sharp increase in YTL interest rates slowed down the rapid increase in the volume of the house loans, the demand for house loans continued though not at an accelerated rate as 2005.
- ❑ During this turmoil till the beginning of 2007, the Turkish banks preferred not to extend the house loans longer than 5 years.
- ❑ By the beginning of the first quarter of 2007, the Turkish banks started to extend the house loans for longer tenors such as 10 years together with decreasing the YTL rate, the demand for house loans again started to show up itself.

CURRENCY COMPOSITION OF HOUSE LOANS

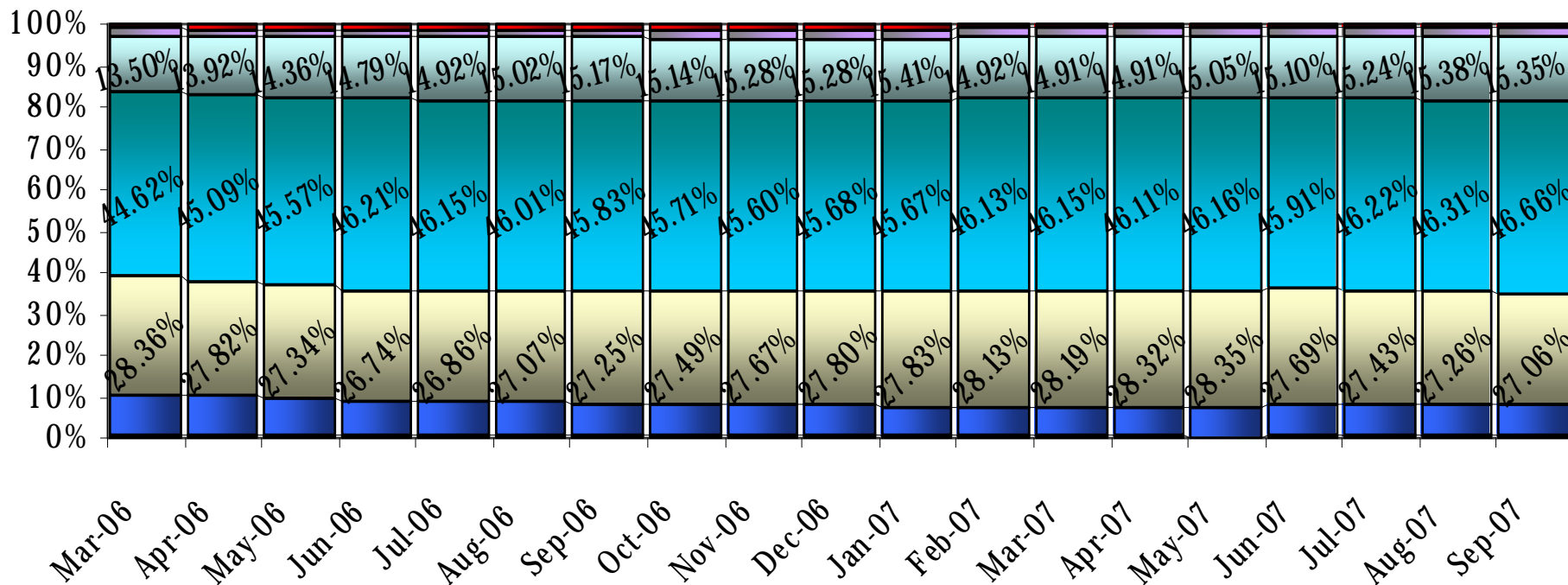


Source: BRSA ,Interactive Monthly Bulletin



House Loans Maturity Structure

HOUSING LOANS MATURITY STRUCTURE



Source: BRSA ,Interactive Monthly Bulletin

■ 12 MONTHS

■ 36 MONTHS

■ 60 MONTHS

■ 120 MONTHS

■ 180 MONTHS

■ 240 MONTHS

■ 240 MONTHS OVER

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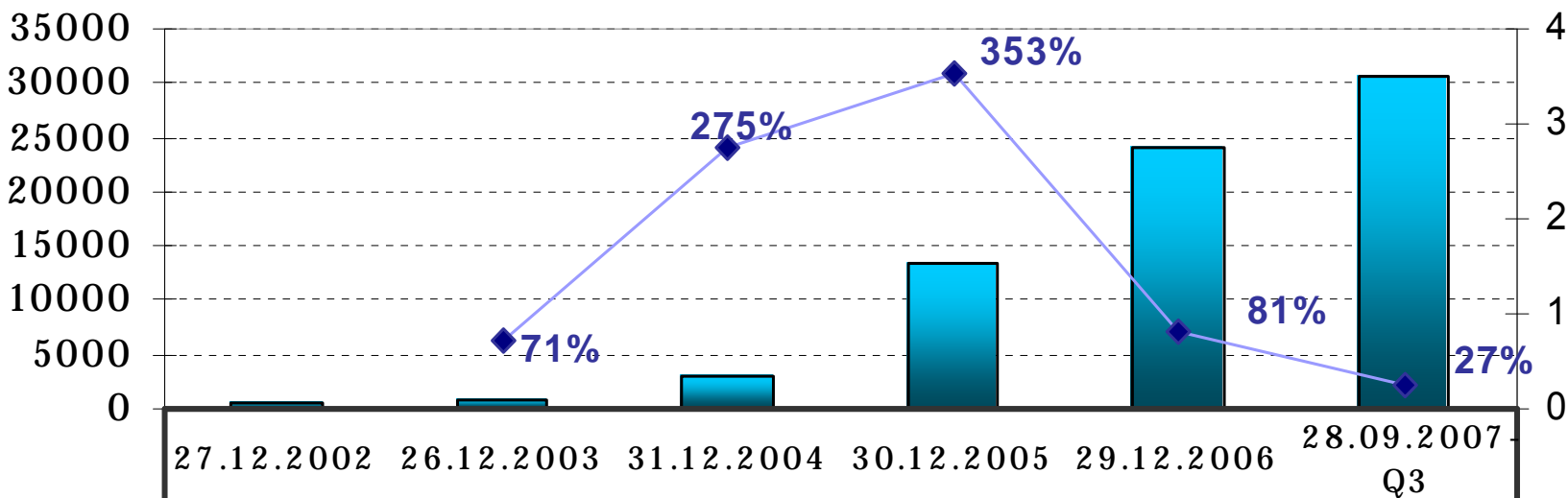
DURATION ANALYSIS OF HOUSE LOANS



FINAL MATURITY	DURATION (year)
1 Y	0,53
3 Y	1,42
5 Y	2,21
10 Y	3,76
15 Y	4,80
20 Y	5,45

THE FINANCING OF THE HOUSE LOANS

- ❑ The growth in the house loans has been the locomotive of Turkish economy in 2005 and mid 2006.
- ❑ The housing loans increased by around 350% yoy in 2005 and 247% for the period 2005H1-2006H1 which led to the need for long term financing.

Housing Loans in Turkey



 Housing Loans TL	460	786	2,951	13,375	24,145	30,550
 % Change		71%	275%	353%	81%	27%

Source: BRSA ,Interactive Monthly Bulletin



How Are The Turkish Banks Funding Their House Loans ?

- ❑ The high FX liquidity (around USD 17-20 billion) & the excess YTL liquidity (around 8-13 billion YTL) in the Banking System
- ❑ The availability of long term YTL issuances by the prime foreign institutions such as EIB, KFW, Rabobank in Europe (volume close to 18 billion YTL as of Oct.2006)
- ❑ The duration of the house loans in Turkey not extending rapidly (over the last 2 years, the duration of the house loans changed from 2-2,5 years to 3-3,5 years)

led Turkish Banks to fund themselves intensively through x-currency swap and IRS or bilateral YTL loan agreements besides stable YTL deposit rather than structured products such as covered bonds or RMBS

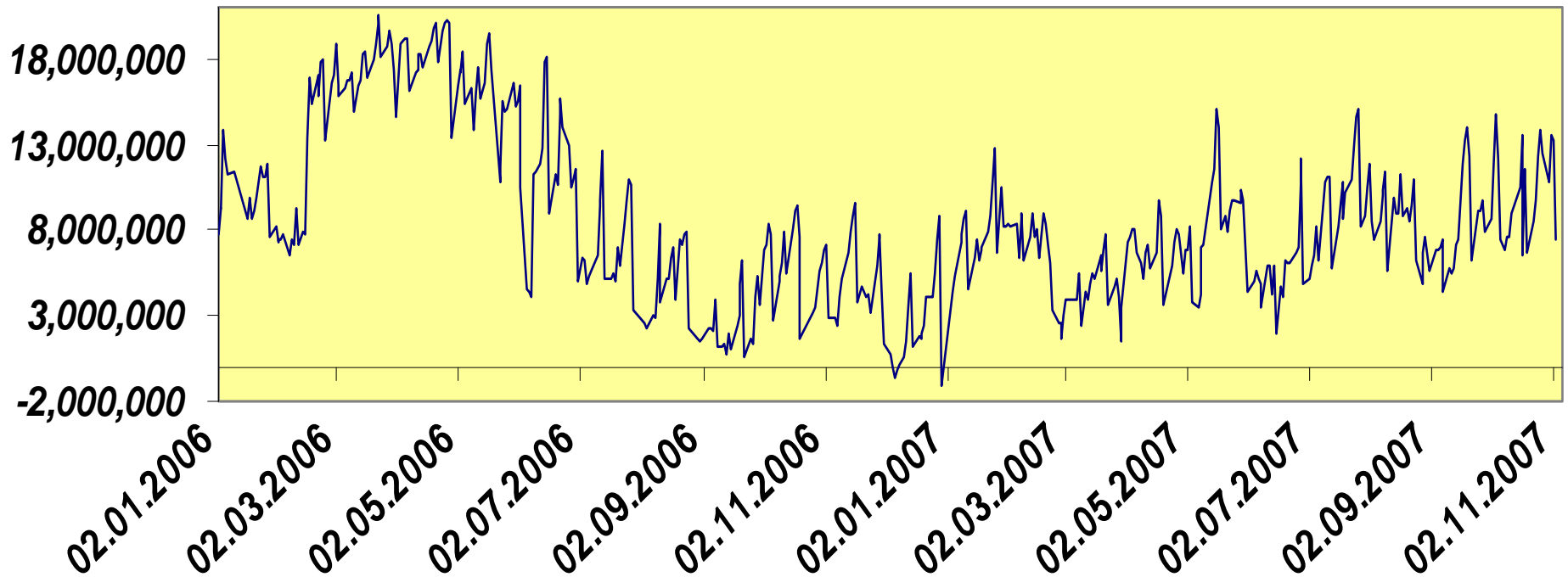
The Turkish Banks YTL Funding Sources - II

- ❑ The high liquidity in the x-currency swaps enables the banks to fund themselves easily up to 5 – 7 years in YTL without losing much time in dealing heavily in documentation as in structured products. At the moment, the transaction volumes here seem to be enough to cover the need for funding the house loans, as they are not growing at an accelerated speed.
- ❑ In addition to x-currency swaps, Turkish banks, if want, are able to extend their TRY sources from 5-10 years through bilateral TRY loans.
- ❑ Although the liquidity is not as much deep as in x-currency swap, the banks also utilize YTL interest rate swaps (IRS) in extending fixed YTL funding.
- ❑ While the x-currency and IRS transactions mitigate the Turkish Banks currency and interest rate risks, they are less costly when compared to covered bond or RMBS type of structures.

THE YTL LIQUIDITY OF THE TURKISH BANKING SYSTEM

(YTL)

OPEN MARKET OPERATIONS VOLUME



Source: CBRT

— OPEN MARKET OPERATIONS VOLUME

16:54 06NOV07

ICAP

UK69580

ICAPTRY

	Bid	Ask	Bid	Ask	Bid	Ask	1x4	16.90-17.90	1y	-125.00/-75.00
ON	3.92	4.00	-		16.50	16.70	2x5	16.40-17.40	2y	-115.00/-65.00
TN	3.89	3.97	-		16.50	16.70	3X6	16.10-17.10	3y	-105.00/-55.00
1W	27.05	27.62	-		16.50	16.70	6x9	15.30-16.30	4y	-095.00/-45.00
2W	54.28	55.42	-		16.55	16.75	9x12	14.60-15.60	5y	-090.00/-40.00
									7y	-088.00/-38.00
1M	116	118	-		16.55	16.75			10y	-078.00/-28.00
2M	227	232	-		16.45	16.65				
3M	337	345	-		16.30	16.50		TRY IRS		TRY IRS SWAP
6M	651	666	-		16.05	16.25	Ann A/360 vs 3M	TRY		Vs 3mth USD
9M	964	986	-		15.90	16.10				
12M	1271	1300	-		15.80	16.00	1Y	16.64-17.24		15.84-16.04
							2Y	15.75-16.35		15.05-15.25
18M	1895	1953	-		15.95	16.25	3Y	15.37-15.97		14.77-14.97
2Y	2559	2633	-		16.20	16.50	4Y	15.07-15.67		14.57-14.77
3Y	-	-	-		-	-	5Y	14.79-15.39		14.34-14.54
4Y	-	-	-		-	-	6Y	14.53-15.13		14.13-14.33
5Y	-	-	-		-	-	7Y	14.31-14.91		13.88-14.08
							8Y	13.94-14.54		13.56-13.76
Dealing	-	HBEM Forwards	+44	020	7532	4601	9Y	13.64-14.24		13.26-13.46
	-	ICTY Fras/Irs	+44	020	7532	4611	10Y	13.33-13.93		13.00-13.20

ICAP Global Index <ICAP>

Forthcoming changes <ICAPCHANGE>

The Critical Factors That Will Affect The Turkish Banks' Issuing The Covered Bonds

- The increasing speed of the house loans in Turkey
- The Availabilities for Turkish Banks as alternative source of funding
- The prices in the ABS & MBS market
- The investor base and level of the demand for a Turkish CB
- The depth of the derivative markets

Which ABS instrument will be launched first by a Turkish Bank

- ❑ As Isbank, taking into consideration the history of the existing asset portfolio of Turkish banks, we are expecting the auto loan securitisation will come out as the first Turkish ABS transaction and most probably be followed by credit cards, covered bonds and RMBS.

THANKS!

ANNEX

Kurum	Derece	Miktar (mIn YTL)	Kupon (%)	Vade	İhraç Tarihi	İhraç Fiyatı YTL
IBRD	Aaa,AAA,AAA	70	15	5 yıllık	24.12.2004	
Nordic Investment Bank	AAA	50	13.5	28.12.2007	17.01.2005	100.5
Ekspartfinans ASA	Aaa, AA+, AAA	50	13.5	07.02.2008	20.01.2005	100.07
Kommunalbanken	Aaa, AAA AAA	125	14.75	09.02.2009	21.01.2005	100.4375
Rabobank	Aaa, AAA	150	13.5	28.01.2008	21.01.2005	100.7
EIB	Aaa,AAA,AAA	330	12	10.02.2010	27.01.2005	99.5
KfW [KFW .UL]	Aaa,AAA,AAA	75	13	22.02.2010	01.02.2005	100.9
Nordic Investment Bank	Aaa, AAA, AAA	50	12.5	15.02.2009	01.02.2005	99.9
SEK	Aa2, AA+	150	iskontolu	28.02.2010	04.02.2005	55.725
KfW [KFW .UL]	Aaa,AAA,AAA	85	13.5	03.03.2008	07.02.2005	100.5
EIB	Aaa,AAA, AAA	880	iskontolu	02.03.2015	15.02.2005	39.961
Swedish Export Credit (SEK)	Aa1, AA+	100	12.5	10.03.2010	18.02.2005	101.05
Rabobank Nederland [RABN.UL]	Aaa,AAA,AA+	130	iskontolu	03.03.2015	21.02.2005	37.185
Depfa Bank Plc <DEPF.DE>	Aa3, AA-,AA-	50	13.5	14.03.2008	28.02.2005	100.52
EIB	Aaa,AAA,AAA	325	13	23.03.2008	03.03.2005	100
EIB	Aaa, AAA,	280	12.5	01.04.2009	09.03.2005	100.9
European Investment Bank(EIB)	Aaa, AAA	150	9.625	01.04.2015	11.03.2005	100.625
NRW	Aa2, AA-, AAA	50	12.75	07.04.2008	15.03.2005	100.393
Rabobank	Aaa,AAA,AA+	50	12.75	26.04.2010	12.04.2005	100.25
Depfa Bank Plc <DEPF.DE>	Aa3,AA-,AA-	425	iskontolu	23.06.2020	06.06.2005	25.77
EIB	Aaa,AAA, AAA	350	14	05.07.2016	19.06.2005	100.2
Nordic Investment Bank	Aaa, AAA, AAA	50	11	21.07.2009	12.07.2005	96.75
Landesbank Baden-Wuerttemberg	Aaa, AA+, AAA	35	12.25	28.07.2008	13.07.2005	99.837
GECC	Aaa, AAA	125	12.25	10.08.2009	28.07.2005	100.874
Nordic Investment Bank	Aaa, AAA	50	12.5	15.01.2009	28.07.2005	100.705
Rentenbank	Aaa, AAA, AAA	50	13	09.01.2008	24.08.2005	100.56
Avusturya	Aaa, AAA	75	12.75	15.09.2008	31.08.2005	100.7617
Rabobank	Aaa, AAA	50	11.375	05.10.2010	21.09.2005	101.258
Swedish Export Credit (SEK)	Aa1, AA+	100	10.5	30.09.2015	30.09.2005	
GECC	Aaa, AAA	50	11	20.10.2010	05.10.2005	101.435
IBRD	Aaa,AAA,AAA	75	12	07.11.2007	13.10.2005	100.89
EIB	Aaa,AAA, AAA	450	10	28.01.2011	19.10.2005	100.599
KfW [KFW .UL]	Aaa,AAA,AAA	100	10.75	27.10.2009	20.10.2005	100.917
Nordic Investment Bank	Aaa, AAA, AAA	30	10	17.02.2009	31.10.2005	98
UBS AG,Jersey Branch	Aa2, AA+	50	11	01.12.2008	15.11.2005	101.001
Danske Bank	Aa1, AA-, AA-	160	12	07.12.2007	15.11.2005	101.25
KfW [KFW .UL]	Aaa,AAA,AAA	150	10.25	01.12.2008	16.11.2005	100.458
EIB	Aaa,AAA,AAA	200	10	12.06.2008	24.11.2005	100.225
Fortis Luxembourg Finance	Aa3,AA-,AA-	50	10.25	30.12.2010	28.11.2005	101.55
KfW	Aaa,AAA,AAA	250	10.25	09.02.2008	28.11.2005	100.375
Republic of Austria	Aaa,AAA,AAA	125	10	14.12.2007	28.11.2005	99.34
Rabobank	Aaa, AAA	50	11.25	09.01.2008	06.12.2005	
Fortis Luxembourg	Aa3, AA-,AA-	60	12.875	06.12.2007	06.12.2005	101.9

YTL CİNSİNDEN İHRAÇLAR (2)

Kurum	Derece	Miktar (m ln YTL)	Kupon (%)	Vade	İhraç Tarihi	İhraç Fiyatı YTL
IBRD	Aaa,AAA,AAA	75	11.25	04.01.2008	14.12.2005	100.22
EIB	Aaa,AAA,AAA	270	14.5	28.12.2007	28.12.2005	99.895
Fortis	Aa3, AA-, AA-	40	12	27.02.2008	05.01.2006	100.955
ICO	Aaa, AA+	50	10	08.02.2010	18.01.2006	101.535
Rentenbank	Aaa, AAA, AAA	50	11.25	08.02.2008	19.01.2006	100.545
CADES [CDES.UL]	Aaa,AAA,AAA	75	11.25	08.02.2008	19.01.2006	100.485
DEXMA	Aaa,AAA,AAA	50	10.5	03.02.2009	20.01.2006	99.5
KfW [KFW .UL]	Aaa,AAA,AAA	150	10.5	28.02.2011	10.02.2006	100.495
Fortis Luxembourg Finance	Aa3,AA-,AA-	50	10	07.04.2016	24.02.2006	101.485
EIB	Aaa,AAA,AAA	500	iskonto lu	30.03.2016	24.02.2006	44.34
Avusturya	Aaa,AAA	50	10.5	23.03.2009	24.02.2006	100.6
ICO	Aaa, AA+	200	10.25	16.03.2011	02.03.2006	101.31
CADES [CDES.UL]	Aaa,AAA,AAA	50	11	26.09.2008	02.03.2006	100.6
Rabobank	Aaa,AAA	100	11.125	20.03.2008	07.03.2006	99.9
General Electric CC (GECC)	Aaa,AAA	75	11	20.04.2009	28.03.2006	99.8075
EIB	Aaa,AAA,AAA	125	15.75	27.09.2011	08.06.2006	100.125
KfW [KFW .UL]	Aaa,AAA,AAA	75	19	10.07.2008	26.06.2006	99.05
EIB	Aaa,AAA,AAA	75	18.25	13.07.2009	27.06.2006	99.025
Rabobank	Aaa,AAA	450	18	24.07.2008	05.07.2006	100.52
Avusturya	Aaa,AAA,AAA	200	18	18.07.2008	18.07.2006	100.23
Oesterreichische Kontrollbank	Aaa,AAA	75	18.25	05.02.2008	21.07.2006	100.925
CADES	Aaa,AAA	50	17.25	19.12.2007	27.07.2006	100.2
Rabobank [RABN.UL]	Aaa,AAA,AAA	150	16.5	17.08.2009	02.08.2006	99.705
KfW [KFW .UL]	Aaa,AAA,AAA	150	15.5	25.01.2010	09.08.2006	99.36
EIB	Aaa,AAA,AAA	175	17	29.08.2008	29.08.2006	100.515
CADES [CDES.UL]	Aaa,AAA,AAA	50	17.5	25.09.2008	01.09.2006	100.275
Nordic Investment Bank	Aaa,AAA,AAA	75	16.25	21.09.2009	21.09.2006	99.834
KfW [KFW .UL]	Aaa,AAA,AAA	75	17.5	22.09.2008	22.09.2006	101.4
IFC	Aaa,AAA	50	18.25	02.10.2009	02.10.2006	100.851
ABN Amro Bank	Aa3,AA-,AA-	350	20	09.01.2008	09.10.2006	99.9
Avusturya	Aaa,AAA,AAA	150	18.5	14.01.2009	10.10.2006	99.776
Eurofima [EURF.UL]	Aaa,AAA	100	14.25	05.05.2009	17.10.2006	100.286
Depfa Bank Plc	Aa3, AA-, AA-	325	20	19.11.2007	19.10.2006	100.48
Kommunalbanken	Aaa,AAA,AAA	50	20	20.10.2008	20.10.2006	100.435
SEK	Aa1, AA+	150	17.25	26.10.2011	26.10.2006	99.198
EIB	Aaa,AAA,AAA	50	17.5	27.10.2010	27.10.2006	99.485
Rabobank	Aaa,AAA	100	18	02.05.2008	31.10.2006	100.1
OKB [OKB.UL]	Aaa,AAA	50	19.5	09.11.2007	09.11.2006	100.51
Rabobank [RABN.UL]	Aaa,AAA,AAA	50	18	22.01.2010	22.11.2006	100.755
KfW	Aaa,AAA,AAA	150	19	29.01.2008	29.11.2006	100.7
Republic of Austria	Aaa,AAA,AAA	600	19	30.11.2007	30.11.2006	100.65
NRW	Aa2,AA-,AAA	50	19.5	07.01.2008	07.12.2006	100.54
Avusturya	Aaa,AAA,AAA	50	17	17.01.2012	11.12.2006	101.245
Province of Ontario	Aa1, AA	75	19.25	12.12.2008	12.12.2006	100.625
Depfa Bank Plc <DEPF.DE>	Aa3,AA-,AA-	50	19	12.01.2009	12.01.2007	100.464
EIB	Aaa,AAA,AAA	125	17	18.01.2012	18.01.2007	100.665
KfW [KFW .UL]	Aaa,AAA,AAA	150	17.5	18.01.2011	18.01.2007	100.945
Rabobank Nederland [RABN.UL]	Aaa,AAA	250	17.25	19.01.2012	19.01.2007	100.195

YTL CİNSİNDEN İHRAÇLAR (3)

Kurum	Derece	Miktar (mln YTL)	Kupon (%)	Vade	İhraç Tarihi	İhraç Fiyatı YTL
Rabobank Nederland [RABN.UL]	Aaa, AAA	250	17.25	19.01.2012	19.01.2007	100.195
Danske Bank <DANSKE.CO>	Aa1,AA-,AA-	75	18.25	05.02.2008	19.01.2007	99.77
Rentenbank	Aaa, AAA, AAA	75	19.25	22.01.2008	22.01.2007	99.75
KfW [KFW.UL]	Aaa,AAA,AAA	150	14.5	26.01.2017	26.01.2007	98.27
EIB	Aaa,AAA,AAA	1,000	18.5	20.03.2009	26.01.2007	100.13
UBS Jersey	Aa2, AA	75	iskontolu	02.02.2012	02.02.2007	46.748
IBRD	Aaa,AAA,AAA	425	18.25	06.02.2009	06.02.2007	100.2
LBBW [LBBW.UL]	Aa1, A+, A+	50	18.5	19.02.2009	08.02.2007	100.174
HBOS Plc <HBOS.L>	Aa2, AA	75	18	11.08.2008	08.02.2007	100.438
IBRD	Aaa,AAA,AAA	100	17.625	19.02.2010	19.02.2007	101.085
KfW [KFW.UL]	Aaa,AAA,AAA	50	16.5	21.02.2012	21.02.2007	100
IBRD	Aaa,AAA,AAA	100	16	28.02.2012	28.02.2007	100
Avusturya	Aaa,AAA,AAA	150	17	19.12.2020	01.03.2007	99.85
Volkswagen Fin.Service	A3, A-, A-	70		19.03.2009	13.03.2007	
KfW [KFW.UL]	Aaa,AAA,AAA	200	27	22.09.2008	21.03.2007	99.1
Rentenbank	Aaa, AAA,AAA	75	17.5	30.03.2010	30.03.2007	99.865
Depfa Bank	Aa3, AA-, AA-	100	19	02.04.2008	02.04.2007	100.423
NRW	Aa1, AA-, AAA	300	20	06.10.2008	05.04.2007	101.957
KfW [KFW.UL]	Aaa,AAA,AAA	100	17.75	14.04.2009	24.04.2007	100.125
KfW [KFW.UL]	Aaa,AAA,AAA	200	17	05.02.2010	04.05.2007	100.778
Rentenbank	Aaa, AAA,AAA	100	18	22.01.2009	04.05.2007	100.92
IBRD	Aaa,AAA,AAA	750	13.625	09.05.2017	09.05.2007	98.04
EIB	Aaa,AAA, AAA	200	16	21.05.2010	21.05.2007	99.875
Eurofima [EURF.UL]	Aaa, AAA	100	18.25	04.06.2008	22.05.2007	100.653
Fortis Lüksemburg	Aaa,AA-,AA-	25	17.125	13.07.2010	30.05.2007	101.5
KfW [KFW.UL]	Aaa,AAA,AAA	70	18	30.05.2008	30.05.2007	100
IBRD	Aaa,AAA,AAA	50	17.75	30.07.2008	12.07.2007	100.6
IADB	Aaa,AAA,AAA	100	16.375	09.07.2010	23.07.2007	
Fortis	Aa2,AA-,AA-	50	17	08.02.2010	01.08.2007	100.5
EIB	Aaa, AAA,	150	iskontolu	05.09.2022	22.08.2007	22.325
KfW	Aaa,AAA,AAA	100	13.75	01.10.2014	20.09.2007	100.24
KfW	Aaa,AAA,AAA	100	14.25	01.10.2012	20.09.2007	99.685
EIB	Aaa,AAA,AAA	100	14.25	09.10.2012	21.09.2007	100.445

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1<GO> to save current criteria as your default

Credit Ratings Trends

Criteria

Agencies

Region/Country

Rating Type

Industry

Credit Watch

Rating Criteria

Results for the selected period

Period

	Upgrades	Downgrades
Total	1028	782
Investment Grade	691	230
High Yield	327	529
Fallen Angels	10	37
Rising Stars	55	2



Historical Rating Actions

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Q1	2.40	1.20	.89	.93	.32	.27	.75	.54	.44	.94	1.29
Q2	1.45	1.34	.96	1.19	.40	.27	.49	.80	.87	.99	1.23
Q3	.59	2.89	1.23	1.42	.53	.27	.38	.59	.87	1.12	3.49
Q4	.70	.91	.98	1.08	.52	.14	.45	.45	.74	.49	.94
Total	1.31	1.83	1.00	1.14	.43	.22	.47	.58	.72	.82	1.61

Credit Ratings Trends

Criteria	
Agencies	S&P
Region/Country	United States
Rating Type	All
Industry	All
Credit Watch	Exclude
Rating Criteria	All

Results for the selected period	
Period	YTD

	Upgrades	Downgrades
Total	606	714
Investment Grade	293	247
High Yield	308	454
Fallen Angels	14	60
Rising Stars	18	8



Historical Rating Actions	Up/Down Ratio
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	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Q1	1.12	.87	.78	.59	.23	.21	.35	.42	.62	.96	1.01
Q2	1.00	1.20	1.08	.95	.29	.28	.27	.31	.46	1.17	1.42
Q3	.61	.71	.65	.68	.35	.18	.32	.39	.59	.77	2.05
Q4	.63	.83	.71	.62	.56	.13	.17	.28	.57	.76	1.31
Total	.85	.91	.81	.69	.33	.20	.26	.35	.56	.89	1.38

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