



17.11.2000

PRESS RELEASE ON THE ACTION PLAN

1. A critical phase of the action plan related to the sale of banks' shares, whose management and control were transferred to the Savings Deposit Insurance Fund, has been completed today.

Funds needed for strengthening financial structures of these fund banks and attaining capital adequacy ratio of these banks were lent by the Treasury Undersecretariat to the Savings Deposit Insurance Fund of the Banking Regulation and Supervision Agency.

Special Category DIBS (State Public Borrowing Notes) lent to the Savings Deposits Insurance Fund under a loan agreement signed by Selcuk Demiralp, Treasury Undersecretary, and Zekeriya Temizel, Chairman of Banking Regulation and Supervision Agency have a total value of \$ 6.1 billion.

\$ 3.0 billion of this is represented by notes denominated in TL and another \$ 3.1 billion by notes demonimated in foreign currencies. They have different maturities ranging from 18 months to 5 years. The loan will be repaid to the Treasury within 10 years starting from December 2002 together with interest accrued on it. Detailed statements regarding this transaction will be made by the Treasury Undersecretariat.

2. After completion of this phase, the sale of the banks under the Fund's control will be carried out through the steps specified in the attached action plan.
3. The Agency will start to receive applications from investors stating that they meet requirements set for owning a bank from Monday, November 20, 2000. Applicants who are found to meet the requirements will be permitted to carry out examinations in banks they are interested in.
4. The Board of Directors of the Savings Deposits Insurance Fund has decided to set up a joint board of directors for 8 banks previously transferred to the Fund in accordance with article 1.5 of the action plan, and has appointed

Tevfik Altınok, Prof. Dr. Çelik Kurdođlu, Tanju Polatkan, Hasan Ulukanlı, Adlan Özen and Hasan Eken as directors.

General Managers of these banks will join the board of directors as its seventh member while a resolution relating to their banks is being discussed.

5. The public will be regularly informed about the evolution of the action plan.

**Action Plan Pertaining to Sale of Banks Placed
Under Control of Savings Deposits Insurance Fund**

1. Preparation of banks, management and shares have been transferred to the Savings Deposits Insurance Fund, for sale;

1.1. Completion of reviews of financial conditions of the banks after managed by the Fund, preparation of their financial statements as of August 2000 the Savings Deposits Insurance Fund's transfer to the Banking Regulation and Supervision Agency (this process has been completed.)

1.2 Quality assessment of the banks' assets (this process has been completed.)

1.3 Determination by the Banking Regulation and Supervision Board of types of assets to be taken over by the Asset Management Unit created within the Savings Deposits Insurance Fund and conditions for such transfer,

1.4 Elimination of the banks' bad assets (exclusion of losses and bad debts from their balance sheets) and determination of funds necessary for capital adequacy ratio for each bank in the banking industry (this process has been completed).

1.5 Rehabilitation of banks, efficient use of resources, pursuing their rights, receivables and litigations, ensuring efficient management, and solving such problems, ensuring that the implementation of the action plan by all banks are carried out in an harmonious manner, enforcement of the common management system, which has been agreed on, allow the decisions made by Banking Regulation and Supervision Agency (BRSA) and Saving Deposits Insurance Fund (SDIF) boards to be applied; (this process has been completed).

2. Determination of requirements to be met by applicants who intend to purchase shares of banks managed by the Savings Deposits Insurance Fund (this process has been completed).

3. Purchasing of Special Category State Public Borrowing Notes, necessary to be borrowed from the Treasury Undersecretariat by determining conditions regarding their reimbursement conditions, maturity, type and interest rates in order to improve financial conditions of banks.(this process has been completed)

4. Completion of investigations related to investors and review of the banks by investors.

4.1. Issuing invitations to potential buyers who will apply to the Savings Deposits Insurance Fund in order to purchase shares of the banks and submission of their application forms to the Agency (to be completed on December 15)

4.2 Approval by the Board of buyers who meet requirements laid down by the Board and announcement of the result to the qualified buyers (to be completed on December 22).

4.3 Signing confidentiality agreements with investors who meet the specified requirements and allowing them to carry out reviews and inspections in banks which they are interested in.(to be completed in January 2001).

4.4 Receipt and evaluation of proposals submitted by organizations, which have performed required reviews (to be completed in February 2001)

5. Preparation by the Savings Deposits Insurance Fund of tender specifications, release of tender notices (to be completed in February 2001).

6. Preparation by investors of their proposals by taking conditions set forth in the specifications in account, obtaining all kinds of information relevant to the banks and carrying out a "due diligence" study where deemed necessary with a view to submit these proposals to the Fund (to be completed in the first week of April 2001).

7. Evaluation of proposals and finalization of bidding processes (to be completed by the end of April 2001).

8. Signing of sale agreements and transfer of shares.