



## PRESS RELEASE

18.06.2002

This is to announce to the public that:

One of the main objectives of the current economic program is the restructuring of the banking sector to achieve a sound and competitive banking sector. The restructuring of the banking sector in turn aims to achieve internationally accepted minimum capital adequacy levels and to provide the adequate environment to promote real sector financing by the banking sector.

The main objective of the Banking Regulation and Supervision Agency (BRSA) is to protect the rights and interests of the deposit-holders and to ensure an efficient functioning of the credit system. The Turkish banking system is currently undergoing a serious restructuring process and the BRSA continues to take the necessary measures with utmost care to promote a sound and competitive banking sector.

Since the adoption of the Bank Restructuring Program in May 2001 various measures have been taken including instructions to the bank majority shareholders to improve the banks' financial situation. Furthermore, according to the provisional article no. 4 of the Act 4743 (amendment to the Banks Act no. 4389) all private domestic deposit-money banks have been subjected to a three-stage audit process and the real financial situation and the capital needs of these banks have been determined.

We have informed the public of the results of the audit process in our press release dated 13 June 2002. The results of Yapı Kredi Bank and Pamukbank have not been included in our press release due to the application by Yapı Kredi Bank to acquire Pamukbank. The BRSA has finalized the evaluation and concluded that the acquisition plan is not feasible and viable.

Within this framework, upon decision Nr: 742 of the Banking Regulation and Supervision Board dated 18.06.2002, the management and supervision of Pamukbank A.Ş. have been transferred to the Savings Deposit Insurance Fund (SDIF) according to Article 14 paragraphs (3) and (4) of the Banks' Act no. 4389, due to the fact that it did not take the measures instructed according to the main provisions of the Banks' Act, that its losses have exceeded its own funds, that its financial weakness was threatening depositors' rights as well as the safety and soundness of the financial system, and that the capital needs of Pamukbank are assessed as close to \$2bn.

The Savings Deposit Insurance Fund which has overtaken the management and supervision of Pamukbank A.Ş. has acquired its ownership by paying the amount equivalent to the bank's losses according to Art. 15 paragraph 5 (a), subparagraph (ab) of the Banks' Act Nr:4389. Consequently as of today, **Pamukbank A.Ş. maintains carrying out any kind of banking activities and assuming its responsibilities under the ownership of the Savings Deposit Insurance Fund.**

The partnership rights of the persons who hold directly or indirectly more than 10% majority stake at Yapı Kredi Bank will be transferred to the SDIF if such persons no longer satisfy the fit and proper criteria for bank shareholders due to their share ownership in Pamukbank.

Within the framework of the statements above, there is no need for customers having transactions with Pamukbank A.Ş., depositors and other creditors to worry about their accounts and to withdraw their deposits before maturity.