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PRESS RELEASE

The Savings Deposit Insurance Fund (SDIF or, in Turkish, TMSF) announced yesterday its intention to solicit bids for the sale of portfolios of corporate and commercial loans. It is planned that portfolios of corporate and commercial loans will be sold in a number of tranches over the coming months. SDIF is preparing detailed information relating to the process and the respective portfolios for interested parties in order to assist them in evaluating whether to participate in the sales process contemplated.

Background

The corporate and commercial loan portfolio represents the first group of loan assets scheduled for sale by the SDIF. It is intended that SDIF will announce similar corporate and commercial loan asset sales during 2003. SDIF also holds retail receivables and loans connected to former bank owners and related parties. These two asset classes are not to be included in the program covered by this announcement by SDIF.

Corporate and Commercial Loan Portfolio

The SDIF have categorised the corporate and commercial loan assets from nineteen SDIF intervened banks in accordance with procedures prescribed by the SDIF. The program of asset portfolio sales will draw from the SDIF's small, medium and large corporate and commercial loans which comprise approximately 10,000 loan files.

These loans include both secured and unsecured loans. The secured loans include those which are secured by pledge of collateral; a personal guarantee from the borrower, its affiliates or shareholders, or both. The collateral pledged as security for the corporate and commercial loans includes real estate, machinery, and other types of property. The real estate security includes developed and undeveloped land, office buildings, retail stores, factories, industrial warehouses, multifamily dwellings, single family residences and hotels. The majority of the commercial and corporate loans are expected to consist of defaulted term loans.

SDIF's first tranche of loan receivables to be offered to the market will comprise loans drawn from the portfolio described above with an aggregate total face value of at least TL400 trillion (US\$250 million). Sales Data Files are expected to be ready for use during December 2002.

Sales Process

SDIF is currently conducting its market soundings review to ascertain from potential investors and their advisors, in Turkey and overseas, factors which will promote a successful sales process in order to meet SDIF's stated sales objectives. These inputs from the market are being considered as SDIF formulates its sales principles and procedures for the conduct of a transparent and efficient sales process. These principles, together with details regarding the portfolios, the originating banks, and the Turkish environment for investment (including taxation, legal, regulatory and accounting practices) will be included in a sales information memorandum currently under preparation.

In addition to the finalisation of the sales information memorandum, SDIF will make available to qualified interested parties detailed information regarding the sales program, a bidders' workshop, and the first loan receivables sales bidding procedures and portfolio characteristics. A separate announcement will be made for interested parties to obtain information on bidder qualification and application materials. Interested parties are encouraged to visit SDIF's pages on the Bank Regulatory and Supervisory Agency's web site (www.bddk.org.tr) and may write for further information to sdifloansales@bddk.org.tr.