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### **PRESS RELEASE RELATING TO AGRICULTURAL LOAN**

It is considered useful to share out the respects hereunder to public due to the news relating that “farmers” debts have not been postponed due to the fact that Banking Regulation and Supervision Agency did not deemed thereof appropriate” and comments relating to the news figured in the newspapers recently. In the application made dated March 12, 2008 by the Banks Association of Turkey, it was claimed a regulation that shall provide opportunity that agricultural loans, of which the debtors lost the ability to pay due to conditions special to agriculture sector, shall be classified as performing loans during one year.

The request for regulation amendment relating to agricultural loans was evaluated by Banking Regulation and Supervision Board and was not deemed appropriate considering the fact that under “the Regulation on Provisioning”, agricultural loans or loans extended to other sectors can be restructured **by extending a new loan or without extending a new loan by the bank, before they become non performing or afterwards..**

Essentially the intended aim of “Regulation on Provisioning” is to provide the transparency in the financial statements of banks. **The experiences gained from the periods of which the banking sector has passed through, has introduced the fact that giving up transparency in financial statements of banks resulted in heavy costs. Likewise, provided that setting aside provisions and classifying loans thereof on foreseen manner in “the Regulation on Provisioning”, there is no respect opposing to restructuring the loans or engaging thereof to a new payment plan, as it was explained above.**

Besides, pursuant to the article 88 (a) of the Banking Law Nr.5411 the Banking Regulation and Supervision Board is authorized and responsible to **“make decisions and make secondary regulations in accordance with international principles and standards concerned with the sectors and fields of which it is responsible of regulate and audit”**