



BANKING  
REGULATION AND SUPERVISION  
AGENCY

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## PRESS RELEASE

In light of the recent turmoil in the financial system, the Government made an announcement regarding a temporary full guarantee of depositors' and other creditors' claims on Turkish deposit-taking banks on December 6, 2000. The Savings Deposit Insurance Fund (SDIF) will, as it has up to now with the authority provided by the Banking Law, give all depositors' and creditors' unimpeded access to their funds in banks where it has taken over the shares according to the provisions of the Banking Law. In this respect, the Banking Regulation and Supervision Board is making the following announcement regarding the implementation of this guarantee:

- The guarantee will be provided by the SDIF with the authorities provided by the Banking Law to the Banking Regulation and Supervision Board and to the SDIF. The guarantee covers the liabilities of deposit-taking banks incorporated in Turkey, including their recorded off-balance sheet liabilities, and the obligations of their foreign branches whose accounts are consolidated in their balance sheets.
- The guarantee is triggered by the take-over by the SDIF of the shares of those banks as a result of violations of relevant articles of the Banking Law; therefore, with the exceptions mentioned below, all liabilities of the banks taken over are covered by the guarantee.
- The guarantee covers all claims, including accrued interest, except for deposits of and liabilities to bank owners and related parties, whose activities cause take over of the bank by the SDIF, and all deposits and liabilities related to collusion and illegitimate activities; in all cases including off-balance sheet items. Shareholders' equity participations and subordinated debt are not covered.
- The government, within the powers allowed in the Banking Law, makes available the resources necessary to finance the SDIF for administering the guarantee.
- The aforementioned practice regarding the guarantee will be in place as long as required for the restructuring of the banking sector and will be removed with prior notice to the public.