



**BANKING  
REGULATION AND SUPERVISION  
AGENCY**

August 15, 2007

## **PRESS RELEASE**

It is deemed appropriate to make the following announcement upon the upsetting news appeared in a daily news paper dated August 11, 2007 which targets directly the Banking Regulation and Supervision Agency.

Pursuant to the Article 3 of the repealed Banks Act Nr. 4389, Banking Regulation and Supervision Agency (BRSA), with the status of public legal entity with administrative and financial authority, is obliged and authorized to take and implement any decision and measures in order to prevent any transaction or action which could jeopardize rights of depositors and a regular and secure operation of banks and lead to substantial damages to economy and to ensure efficient functioning of credit system and started operating on August 31, 2000 pursuant to provisional article 1 of the above-mentioned Act. Duties and authorities of the BRSA are further expanded by the Banking Law Nr. 5411,

As stipulated in Article 82 of the Banking Law nr. 5411, the BRSA shall independently perform and use the regulatory and supervisory authorities and rights assigned thereto by this Law and applicable legislation. On the other hand, pursuant to Article 105 of the said Law, appeals can be made against all the decisions made by the Board which is the decision-making organ of the BRSA and may be transferred to jurisdiction by those who are concerned.

The Board which is the decision-making organ of the BRSA, makes its decisions within the scope of objective criteria and as a result of the negotiations it conducted after examining the files prepared according to the information and documents procured following intensive and careful examinations of implementation departments upon the related legislation and with the same careful manner, while exercising its duties and authorities given upon Law. Accordingly, in practice it is worked out until today by procuring information and document sufficient to conclude about all domestic/foreign natural persons and legal entities who wish to access to the system. The contribution of these careful examinations is obvious in the general quality increase observed within the sector.

As is known, partnership rights excluding dividends of about 80% of Adabank A.Ş. shares have been used by the SDIF since 2004. This authority enables the SDIF to act as partner and grants any right to take any measures concerning the Bank including member assignment to the Administrative Board. Pursuant to this authority, the matter that the SDIF sells 99.9% shares of Adabank A.Ş. to the International Investor Company (TII), which originates from Kuwait, was conveyed to the Agency in order to be assessed within the scope of the Article 18 of the Banking Law Nr. 5411 (Law), and the said company was assessed if it is authorized to take out banking license, pursuant to the conditions specified in the Article 8 of the Law.

In the investigation conducted by the registries of our Agency, it is seen that SDIF applied to our Agency relating to this purchase in July 10, 2007, and that the Board refused this application in July 26, 2007. It is understood that the studies on the said file continued for 12 months. Within the analysis made relating to the bank's shares, information and documents can be provided within the framework of the Articles 8 and 18 of the Banks Act and also the provisions of the Regulation on Operations of and Indirect Shareholding in Banks Subject to Permission. Concerning the TII, the last document perceived by our Agency is dated April 10, 2007; and the last correspondence our Agency made is dated July 10, 2007. In conclusion, documents and information concerning the subject were being waited for 12 months, and the decision was perfected only after that all the information and documents were collected, including the correspondence and evaluation process.

The reactions which go beyond the limits of criticism about the decision that BRSA made about a share transfer is found amazing, and it is thought that this kind of discussions preferred to be made in front of the press could have harmful effects on the institutions.

Certainly, BRSA is the Agency which mostly understands banking is an accounting business. Likewise, the development of Turkish Banking Sector since the establishment of BRSA is appreciated by both domestic and foreign sector representatives. In this point, it is not understood why the BRSA Resolutions are opened to discussion in a way we believe that is not suitable to the position represented.

The BRSA has carried on its activities in objective principles since its establishment in the framework of secondary regulations put into force on the basis of the duties and authorities given in accordance with the Law and other related legislation, it acts impartially while fulfilling these activities and shares the resolutions with the public which are not in the scope of banking secrecy by putting it to the web-site of the Agency and/or by pres releases. It is important to point that the statements published in medium except the legal statements that BRSA made are not related to the BRSA in any way.